

City of Kalamunda

Annual Report

2019-2020



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Message from the Mayor

I am pleased to present the City's Annual Report for 2019/2020.

It has been a year like no other.

For the first nine months we were tracking well – our services were delivering great outcomes for our people and new projects and programs were creating the foundation for future growth.

While COVID-19 and the restrictions implemented throughout the State and around Australia had an impact on our community, our solid performance and strong financial management meant we could quickly and effectively respond to the new challenges presented by COVID-19 over the last few months of the 2019/2020 financial year.

As with many organisations, COVID-19 has had a major impact on our City.

Many of our services and programs, such as our venues, including our performing arts centre, gyms, libraries, pools and leisure centres, had to close temporarily, which reduced our revenue and impacted our customers and staff.

The impact on our community was also significant, but the redeployment of City staff enabled us to help and support those in need.

We reached out and provided support to those in need from our local families with young children to small business owners and operators to our seniors.

I'm so proud of the way our staff stepped up and supported our community and each other, through these unprecedented and challenging times.

I'd also like to acknowledge the wonderful contributions of my fellow Councillors.

Together we had to make some tough decisions about how best to respond to the financial impacts of COVID-19, and who worked together on a crisis Budget that saw us respond to the immediate needs of the community while laying the foundations for a strong financial and economic recovery.

The specific measures the City implemented included:

- The suspension of the City's debt collection process for outstanding rates
- Consideration of hardship cases for debtors and creditor payment terms reduced from monthly to fortnightly to assist suppliers with their cash flow
- Cancellation of all hall hire applications at no cost
- A freeze on fees and charges

- Suspension of lease and rental payments for a month to all City tenants leasing city-owned property
- Free and express treatment of small business Development Applications and Change of Land Use applications to help small businesses adapt to changing circumstances and food inspection fees being cancelled for three months

As we were able to shift focus from the day-to-day to what's coming next, over the next year we will focus on moving forward a number of shovel-ready infrastructure projects to keep the community moving forward and attract investment while protecting and promoting the amenity and lifestyle that makes the City unique.

Looking ahead, we know that things will never be the same again but we know we are resilient and adaptable and we will recover.

Stay safe and look after each other.

Margaret Thomas

**Mayor
City of Kalamunda**





Message from the CEO

This financial year has seen the organisation continue to evolve in response to the needs of the community.

Well hasn't 2020 been a strange year - COVID-19 hit the world like a shock wave. And it wasn't any different here in the City of Kalamunda.

We all called it a crisis - which by definition... is a turning point of a disease when an important change takes place, indicating either recovery or death?

And that's what COVID confronted us with.

My approach to dealing with this threat was to fall back to a well-planned out attack. I recall the day after we were told to shut down business on 27 March.

On 28 March I gathered my thoughts and wrote a plan. That plan was the Local Community Preparedness Pandemic Plan.

That plan became our guiding light. It set out what our crisis response would be, who needed to be involved, when things would happen, all the actions we needed to implement and how we would communicate with our staff, stakeholders and most importantly the community.

The new world we now face will become heavily reliant on economic growth, with a localised focus. We are committed to support small business to grow or emerge out of the ashes of COVID.

To find the people who have dreams about being an entrepreneur and help them realise

that dream.

We have been doing some innovative and progressive strategic land use planning for the past decade.

We have driven the rezoning of key areas of rural land within the City for example Wattle Grove Cell 9 which is now nearly built out.

We have created a new light industrial area in Forreestfield and we are in the throes of finalising structure plans for High Wycombe South around the new train station. This will provide residential housing, mixed use and TOD development where around 8,000 people will live.

We put through a scheme amendment to enable dual density zoning around our activity centres in Kalamunda, High Wycombe and Forreestfield.

We finalised an exciting activity centre plan for the Kalamunda town centre which will deliver a vibrant and unique contemporary centre, targeted small business, food experiences, markets, arts and crafts to become a tourist hub so we can capitalise on the marvellous assets we have here in the hills.

We have also finalised a functional review of Kalamunda Road through High Wycombe so as we see an intensification of infill we will be able to create a beautiful boulevard style road through that area.

We have been working with the State to look at ways to breathe life into our hinterland and the Pickering Brooke Townsite

development will soon be unveiled.

We have also championed aged care development in the City to deal with the current under supply.

Soon we will see new land parcels, formerly crown reserve, released to the market in Pomeroy Road, Carmel and in Cambridge Reserve, Forreestfield.

The Hales, like most subdivisions in the City sold like hot cakes. People love living here and we have not seen any downturn in sales even during COVID-19. We are 20minutes from the Perth CBD, we have amazing new road networks and we will soon have a train station nearby.

We are courageous in our endeavours to ensure environmental protection and sustainable development which results in the creation of connected communities that generate sustainable growth within our City.

This year, I am pleased to report we have maintained the City's strong financial position, while ensuring support for the community during a very difficult time for many.

Finally - thank you to our elected members, led by Cr Margaret Thomas, the City's Executive Staff and their teams for their energy and commitment to getting through this past year and the community for sticking together and supporting local.

Rhonda Hardy

**Chief Executive Officer
City of Kalamunda**

Councillor Attendance

Councillor	No of Meetings Held	Ordinary Council Meeting	Special Council Meeting	Audit & Risk Committee	Total Meetings Attended
Cr Margaret Thomas JP (2021)	21	11	6	3	20
Cr Dylan O'Connor (2023)	21	10	6	4	20
Cr John Giardina (2023)	21	8	6	3	17
Cr Janelle Sewell (2023)	21	10	6	4	20
Cr Geoff Stallard (2021)	21	11	6	4	21
Cr Lesley Boyd (2021)	21	10	6	4	20
Cr Mary Cannon (2023)	21	11	6	4	21
Cr Brooke O'Donnell (2023)	21	9	6	4	19
Cr Sue Bilich (2023)	21	11	5	3	19
Cr Lisa Cooper (2021)	21	11	6	4	21
Cr Cameron Blair (2021)	21	11	6	2	19
Cr Kathy Ritchie (2023)	21	11	6	4	21
Cr Michael Fernie (2019)	6	4	1	1	6
Cr Allan Morton (2019)	6	4	1	1	6
Cr Sara Lohmeyer (2019)	6	2	1	1	4
Cr David Almond (2019)	6	0	0	0	0

2019/2020 Financial Highlights

Statement of Comprehensive income — Surplus for the year \$1.7 million

Income

- The City ended the Financial Year with \$61.7 million in Operating Revenue.
- In comparison with 2018/2019, revenue increased by 7%.
- Revenue from Rates increased by 1.1% overall.
- Contributions and reimbursements increased by \$4.3 million mainly due to Food Organics Garden Organics (FOGO) funds received from EMRC and CELL9 Reimbursements.
- Operating grants decreased by \$0.2 million mainly due to a decrease in Financial Assistance Grants.
- Interest earnings decreased by \$0.2 million due to lower interest rates earned during the latter part of the year.

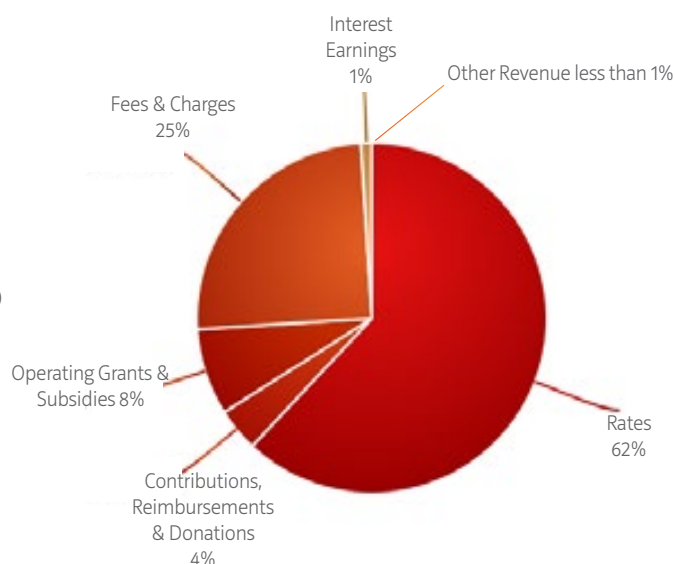


Figure 1. Operating Income for 2019/2020

Operating Revenue Comparisons by Nature or Type 2018/2019 to 2019/2020

Revenue from Ordinary Activities	Actual 2019	Budget 2020	Actual 2020
	\$	\$	\$
Rates	37,436,125	37,581,411	37,864,554
Operating Grants and Subsidies	2,854,853	1,597,951	2,621,875
Contributions, Reimbursements and Donations	621,232	779,575	4,944,018
Fees and Charges	15,459,212	15,832,725	15,401,091
Interest Earnings	1,021,116	1,096,640	800,329
Other Revenue	39,940	55,625	36,145
Total	57,432,478	56,943,926	61,668,012

Table 1. Operating Revenue Comparisons by Nature or Type comparison 2018/2019 to 2019/2020

Expenditure

- The City ended the Financial Year with \$63.2 million in Operating Expenditure.
- Operating expenditure increased by 6% or \$3.4 million compared to 2018/2019.
- Materials and contract costs increased by \$2.1 million, mainly due to the recognition of ownership of library books transferred from the State Library and an increase in waste management costs.
- Other expenditure increased by \$1.2 million due to land acquisition for CELL 9 (reimbursed through the CELL9 Trust account).

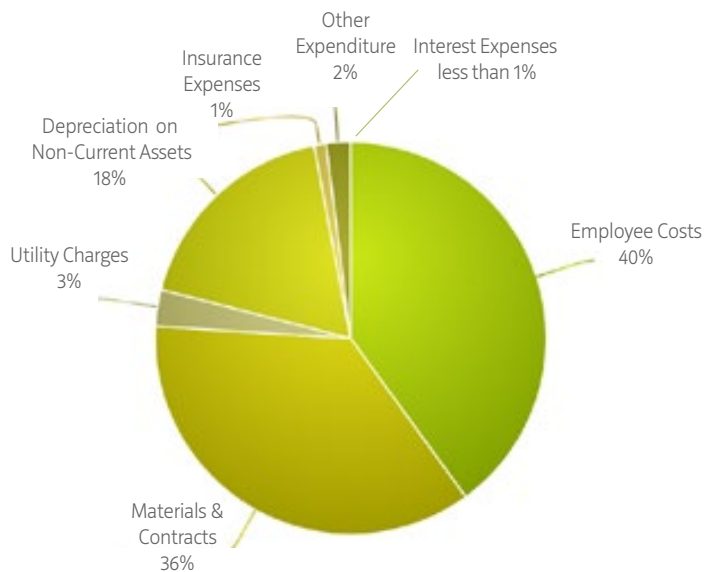


Figure 2. Operating Expenses 2019/2020

Expenditure Comparisons by Nature or Type 2018/2019 to 2019/2020

Expenditure from Ordinary Activities	Actual 2019	Budget 2020	Actual 2020
	\$	\$	\$
Employee Costs	25,253,690	25,595,958	25,144,391
Materials & Contracts	20,391,297	21,993,985	22,443,971
Utility Charges	1,893,592	1,939,051	1,920,612
Depreciation on Non-Current Assets	10,986,630	12,549,653	11,316,721
Interest Expenses	298,308	272,482	265,469
Insurance Expenses	606,001	602,949	591,118
Other Expenditure	377,878	456,654	1,567,604
Total	59,807,396	63,410,732	63,249,886

Table 2. Operating Expenses Comparisons by Nature or Type comparison 2018/2019 to 2019/2020

Other

- Non-operating grants were increased by \$1.8 million including grant funding received for the construction of the Kalamunda Community Centre and works to be carried out at Hale Road/ Woolworths Drive.
- The revaluation of land and building assets resulted in a \$32 million decrease in the revaluation surplus in other comprehensive income.

Net Result

The City continues to strengthen its financial position with a surplus of \$1.7 million for the year as a Net Result.

Statement of Financial Position —

Net Assets of \$533 million demonstrate financial strength

- The value of the investment in Associate Eastern Metropolitan Regional Council decreased by \$2.1 million.
- Capital expenditure during the year amounted to \$17.7 million.
- The value of the Property, Plant & Equipment and Infrastructure assets decreased by \$29 million mainly due to the revaluation loss from land and building category.

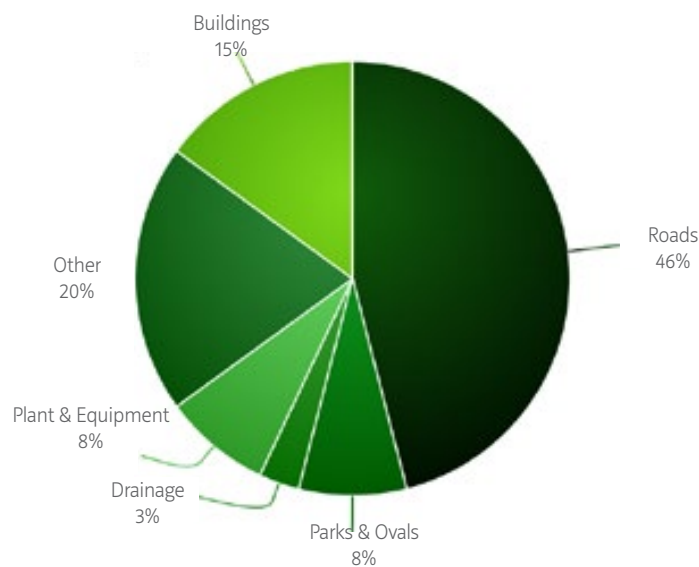


Figure 3. Asset classes invested in during the year

Ratio Analysis

A summary of the key financial indicators is given below:

Financial Ratios	2020	2019	Standard
Current Ratio	1.54	1.3	1.00
Asset Consumption Ratio	0.96	0.97	0.50
Asset Renewal Funding Ratio	0.95	0.95	0.75
Asset Sustainability Funding Ratio	0.91	0.67	0.90
Debt Service Cover Ratio	6.36	9.58	2.00
Operating Surplus Ratio	-0.1	-0.04	0.01
Own Source Revenue Coverage Ratio	0.90	0.9	0.60

Conclusion

In 2019/2020 amid a global pandemic, the City continued to deliver on key strategies adopted by the Council and maintains a high level of services across all programs, while ensuring an increased focus on roads and associated infrastructure as well as renewing assets at sustainable levels. In addition, the City achieved a Financial Health Indicator score of 75, demonstrating a sound financial position.

Priority 1

Kalamunda Cares and Interacts

1.1 To be a community that advocates, facilitates and provides quality lifestyles choices

1.1.1 Facilitate the inclusion of the ageing population and people with disability to have access to information, facilities and services

Seniors/Age Friendly

Age Friendly Strategy and Action Plan

The Age Friendly Strategy and Action Plan (AFS) is the City's primary guiding document for older people residing in our community. The City has been researching and investigating a more socially inclusive way of providing opportunities for the entire community during which time, the City has connected older adults with relevant services, peers, and the City.

WayFairers

The City has partnered with Inclusion Solutions to deliver the innovative WayFairers project over the next five years. Kalamunda WayFairers captures under-utilised

knowledge, skills, experience, interests and talents of older adults aged between 50 and 70 years and supports them to repurpose these attributes into the local community and helps them to find a sense of purpose and belonging, while assisting local community organisations through volunteering and knowledge and skill sharing.

Services, Events and Activities

The City continues to work with seniors, volunteers, community groups and businesses to offer a range of services and activities at the Jack Healey Centre and Woodlupine Family and Community Centre. Services include podiatry, hairdressing, computer courses, and the very popular Seniors Coffee Lounge at the Woodlupine Centre.

Seniors were offered the opportunity to attend free information sessions along with a range of events throughout the year including Train the Brain and Food Sensations for seniors.

Seniors Week 2019

The Seniors Week program included the return of a much-loved opportunity to catch a bus down to Fremantle and enjoy fish and chips at Cicerellos. All programmed events were free and included an art exhibition, Melbourne Cup Luncheon, Supper Club Variety Show, Bingo and free passes to the Active Seniors Program offered at Hartfield Park Recreation Centre.

Active Seniors Program

The Active Seniors Program successfully continued at Hartfield Park Recreation Centre with high participation offering 19 classes per week for the senior population. These programs include Strength for Life, Stretch & Tone, Table Tennis, Yoga Gold, Zumba Gold (High Wycombe Community & Recreation Centre) and Live Active (Ray Owen Sports Centre).

Access and Inclusion

Disability Access and Inclusion Plan

Throughout the year the City has



Supper Club Variety Show at Seniors Week 2019

Jack Healey Centre

Bingo at Seniors Week 2019

continued to improve access and remove barriers through the implementation of strategies contained in the Disability Access and Inclusion Plan (DAIP) 2017–2022. Significant progress has been made towards providing better access to the community through the upgrade of parks, playgrounds, building and facilities.

Disability and Carers Advisory Committee

The Committee meets quarterly and provides advice and guidance to Council on improving access and inclusion for local people living with a disability. Committee members include residents living with a disability, carers, representatives of service providers in a relevant field, Councillors and City staff.

Education and Training

Opportunities for staff and community members to attend free information sessions and a range of events were held throughout the year.

Railway Heritage Track and Kalamunda Education Support Centre Student Project

Once again, the City partnered with Kalamunda Senior High School Education Support Centre to provide students with an

opportunity to complete voluntary work on the Railway Heritage Track. Participating students collected rubbish from the track and learnt about bird identification, the importance of native wildlife, Aboriginal cultural values and delighted in a visit from Kanyana Wildlife. The project culminated in a celebration and award ceremony.

1.1.2 Empower, support and engage and with young people, families and our culturally diverse community

The City of Kalamunda Youth Plan 2017 - 2022

The City's Youth Plan identifies youth interests, issues and aspirations of the community and establishes priorities and strategies to guide provision of local youth services over the next five years.

This year the Youth Services team delivered an extensive program of free activities and events for young people primarily aged 12–25 years including:

In the Mix Music Program

Fourteen young local musicians took part in this year's music program. Four workshops were held and included performances from participants and a masterclass courtesy of the two program mentors from local Forrestfield company, Focus Music. The

program culminated in the musicians performing an outdoor concert in front of a large, live audience on the Main Stage at the Corymbia Multicultural Festival.

Corymbia Multicultural Festival

Held in March, the annual Corymbia Multicultural Festival is a multicultural family fun filled event with amusements, rides, entertainment, food vans, stalls and activities for kids. The City's youth zone, run with help from the Youth Action Kalamunda Volunteers, included a carnival mask-making activity, glitter tattoos, hair braiding, and a DIY macrame activity.

YAK (Youth Action Kalamunda)

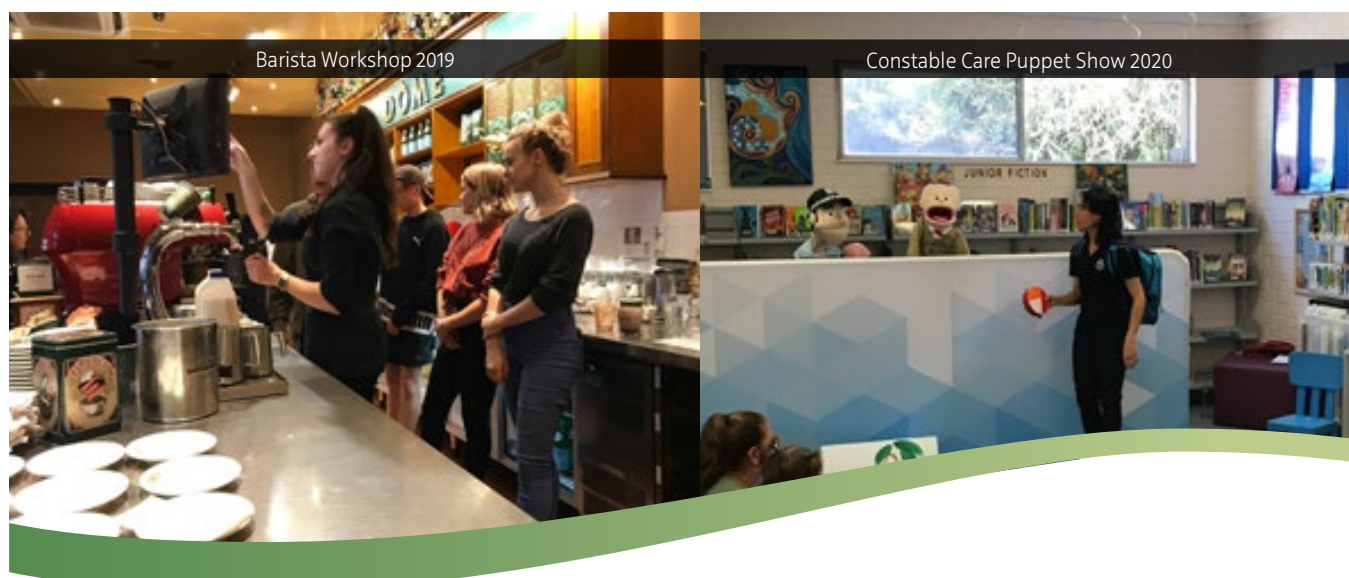
City of Kalamunda Youth Services facilitates an advisory group for young people aged 12 – 20 with a connection to the City. The Kalamunda Youth Network acts as a voice for young people to propose, plan and deliver youth events and programs in their local community. This year, the group participated in a team building day at Bickley Outdoor Recreation Camp with team games and ice-breaker activities following which the group planned and brainstormed for the coming year. It was also an opportunity to meet and network with the City's Youth Services Team.



Learn to Skate Clinic

In the Mix Music Program 2019

Corymbia Multicultural Festival 2019



Skate, Scooter and BMX clinics

A series of free clinics were held this year at Kalamunda, Forrestfield and High Wycombe skate parks. Clinics featured experts from Freestyle Now who specialise in teaching skaters all the tips and tricks for skating, scooter and BMX. No sign up was required, so participants were able to turn up on the day with their boards, bikes and scooters and jump into the action. Skateboarding WA also ran a Learn to Skateboard workshop, allowing beginners to gain some skating confidence.

Barista Workshops

Hosted in partnership with Dome Kalamunda, a qualified barista taught young people aged 16-25 how to make a great coffee using an industrial espresso machine and other tricks of the trade. In the two-hour workshop, participants were also taught customer service and gained experience working in a professional environment serving customers. Three workshops were held across the year.

Young Creatives

This year, there was an opportunity for young people to submit designs for a youth calendar. The City also provided opportunities for local youth to produce films as

part of the Drug Aware Torchlight Film Festival. The films were then screened online via Facebook.

Constable Care Child Safety Foundation Partnership

The City continues to partner with the Constable Care Child Safety Foundation to support the delivery of safety, crime prevention and citizenship theatre-in-education performances to schools and libraries. In 2019, the City provided a number of local primary schools the opportunity to visit the Constable Care Child Safety School in Maylands.

YouthCare Partnership

YouthCARE helps thousands of students, staff and family members in Western Australian public school communities by providing an essential social, emotional, mental health and spiritual support service. From the funds provided, YouthCARE has been able to provide critical pastoral care to schools within the Kalamunda area. YouthCARE Chaplains care for the social, emotional, mental and spiritual wellbeing of students, families and staff in public school communities. This support helps students achieve their potential, both academically and in their social and family lives. Chaplains

are qualified in pastoral care and youth work with services including pastoral conversations and delivery of many proactive and preventative programs.

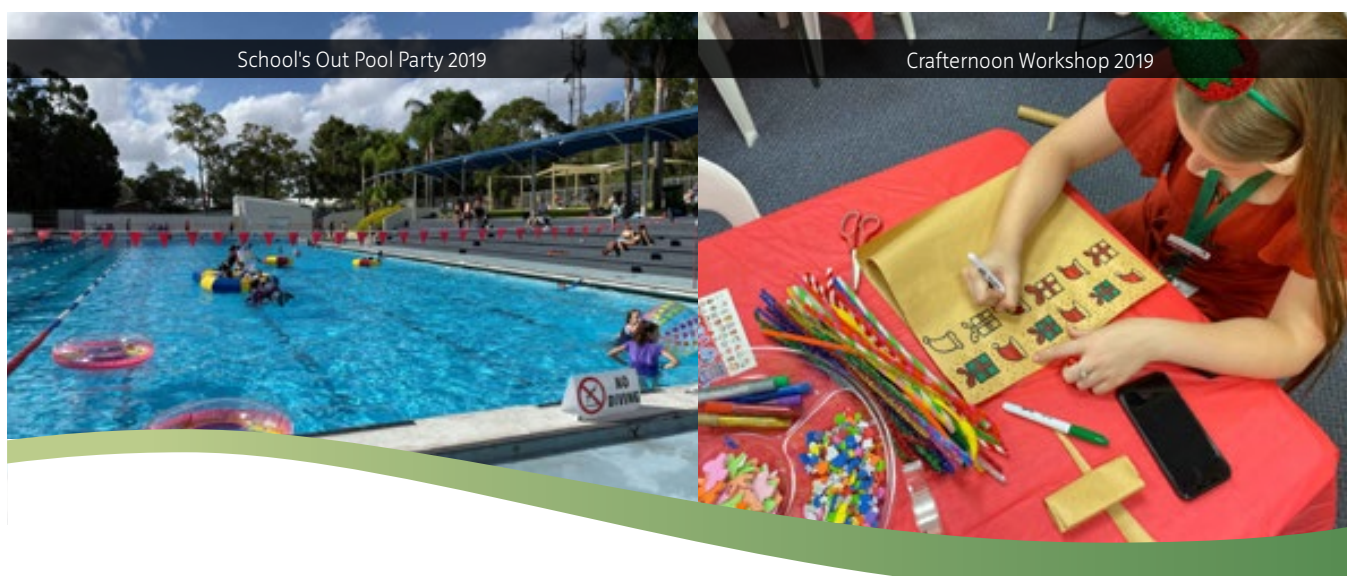
Minecraft Server - Collaboration with Libraries

This collaborative project between the City's libraries and other local governments focuses on engaging young people through the Minecraft platform, providing challenges and competitions for young people to engage. Prizes were awarded and free access to the platform was available to all youth participants.

COVID Activities

The onset of COVID-19 resulted in a change to the delivery of programs and activities across the youth services team. An Instagram account was set up to increase online engagement, and regular Facebook posts were shared including weekly riddles, access to online resources and other boredom busting activities published.

A three-part exercise challenge series called 'Kala Active' was developed in conjunction with the City's Recreation Services team and shared across the City's digital platforms.



A three-video 'Kalamunda Upskill Project' series was produced in collaboration with three, local young people with special talents and skills, two of which own local, small businesses. It was a great opportunity for them to demonstrate their skills and to teach other young people through the educational video. The videos were shared to Facebook, YouTube and the City's website.

An original song written and performed by young people, titled 'We'll Be Alright', was also shared across the City's digital channels providing an opportunity for local, young musicians to showcase their talents and share uplifting messages with the community.

In collaboration with the Rotaract Club of Kalamunda, the Community Development team posted more than 100 COVID-19 community cards to seniors and at-risk community members. Created by Rotaract members, the cards included uplifting messages and suggestions for self-isolation activities (podcasts, recipes, crosswords, etc).

Busking Opportunities

There is an ongoing opportunity for local young musicians to add their details to the City's Busking Register

so we can connect the musicians with available opportunities. We have previously connected local musicians to local markets and events where they have had the chance to perform.

Intergenerational Christmas Crafternoon Workshops

Two, free workshops were held in December and both sold out! These workshops provided an opportunity for a variety of local community members, including grandparents, children, families and young people to come together to create their own Christmas decorations and craft pieces.

School's Out Pool Party

The popular end-of-year event was held at the Kalamunda Waterpark with discounted entry on offer for all young people, a free sausage sizzle and pool inflatables for attendees to enjoy.

Youth and Community Assistant

This year, the Youth Team welcomed its 8th annual Youth and Community Assistant. An annual initiative which provides an entry-level employment opportunity for a local young adult to gain work experience in youth and community services in a local government context. This opportunity continues to provide

an invaluable experience for the young person selected, as well as a direct connection between the City and local youth. Promoted throughout October/November, the 12-month contract position runs from January – December and combines well with part-time study.

Working with Schools

The Youth Team continued to work directly with schools, attending workshops and events to provide support. Youth Services visited a school health and wellbeing expo and R U OK? Day activities and attended lunch time breaks and assemblies to raise awareness of the programs offered by the City.

Early Years

The City continues to be an active member of the Zig Zag Early Years Partnership providing administrative support to the network. Highlights for the year include a series of pop up play days extremely well attended by local families.

Also, the City continues to support the presence of three Child Health Nurses at Kalamunda, High Wycombe and Forrestfield.

City facilities host many community playgroups and this year saw the launch of the very

popular 'Find a Fairy' map for Kalamunda, guiding the City's littlest residents to the many fairy doors hidden throughout the City.

Reconciliation Action Plan (RAP)

In April, the City launched its first Innovate Reconciliation Action Plan (RAP) to continue developing respectful relationships and create meaningful opportunities with Aboriginal and Torres Strait Islander peoples in the City.

1.2 To provide safe and healthy environments for community to enjoy

1.2.1 Facilitate a safe community environment

Environmental Health

The City continues to provide a high-quality environmental health service to the community. It is the City's responsibility to promote and protect the public health of all residents and visitors. Regular duties include approval of applications and risk assessments in a broad range of areas including food premises, public buildings, skin penetration, effluent disposal, water sampling, noise monitoring, pest management, nuisance control and public safety.

This year:

- 402 food safety assessments completed

- 373 health service requests investigated
- 50 on-site water system applications approved
- 281 internal planning referrals received health advice
- More than 145 COVID-19 safety plans reviewed

COVID-19 was a major challenge for the City's Environmental Health team. It put immense pressure on teams as they became a point of contact both internally and externally for health advice. With implementation of the State's Hazard Plan Human Biosecurity, the Department of Health requested local governments to maintain environmental health programs to minimise any risk of further disease transmission.

Contaminated Sites

The City continued to undertake studies, maintenance, and remedial works on contaminated sites under its responsibility. Extensive investigations continued to take place on the Brand Rd former landfill sites to assess redevelopment potential. Investigations included site sampling of soil, groundwater and gas as well as assessing the volume and quality of capping over the site. The City continued its preventative maintenance program on the Ledger Rd Reserve with emu picks, erosion prevention

works, and additional fill and mulch being supplied to the site to assist the friend's group with revegetation efforts.

Community Safety

The City's Community Safety team, including Rangers, Fire Control Officers and Emergency Management, is committed to providing a positive customer experience for all.

Rangers

The City's Rangers are responsible for creating a safer community through the provision of services including parking, dog control, registration of dogs and cats, abandoned vehicles and fire hazard inspections. This year the Rangers were also impacted by the corona virus with the WA Police requesting community rangers and security teams to support them in administering COVID-19 directions.

This year:

- 1,345 parking related matters dealt with in the City
- 553 cautions and/or infringements issued for parking related offences
- 5,024 dog and 425 cat related matters dealt with
- 1,092 cautions and/or infringements issued for dog related offences and 30 cautions and/or infringements issued for cats



- 442 corona virus-related patrols ensuring people gathered in public places adhered to State directions.

Fire Control

The City takes the risk of bushfire very seriously and our fire control officers educate the community on bushfire preparedness, issue permits to burn and inspect properties to ensure compliance with the City's annual Fire Hazard Reduction Notice 2019/2020.

This year:

- 3,500 properties inspected
- 67% of properties marked as compliant at the first assessment
- 49% of properties marked as compliant at the follow-up assessment

Emergency Management

The local emergency management committee (LEMC) continued to meet quarterly, however after the February meeting the LEMC was put on hold as the City activated its Crisis Management team (CMT) to deal with COVID-19.

A major achievement of the CMT was the adoption of the Local COVID-19 Pandemic Preparedness Plan.

As the pandemic evolved and the situation in Western Australia

improved the CMT transitioned to the Recovery Management Team (RMT). The City's Local Recovery Coordinator was activated and the RMT developed a Local Operational Recovery Plan COVID-19 which established a reporting structure of sub-committees, based on the City's Local Emergency Management arrangements and in line with the *Emergency Management Act 2005*.

Community Safety and Crime Prevention Committee

The Community Safety and Crime Prevention Committee (CSPAC) provides advice to Council on strategic and/or policy development to guide initiatives to enhance community safety and reduce antisocial behaviour within the City.

Like the LEMC, CSPAC was put on hold during the early stages of the COVID-19 pandemic.

However, a key action from the CSPAC this year was the open youth consultation session to engage with young people in the community, identify issues relating to crime and safety and identify new youth programs.

Bush Fire Advisory Committee

The Bush Fire Advisory Committee (BFAC) provides advice and recommendations on policy

and matters relating to bush fire prevention, control and extinguishment and matters associated with State Emergency Service (SES).

The City's volunteer emergency organisations continued to provide exemplary service and commitment to the community over the past 12-months

This year:

- The Kalamunda Volunteer Bush Fire Brigade committed 16,503 hours of volunteer time and attended 73 incidents
- The Kalamunda SES committed over 9,273 hours of volunteer time

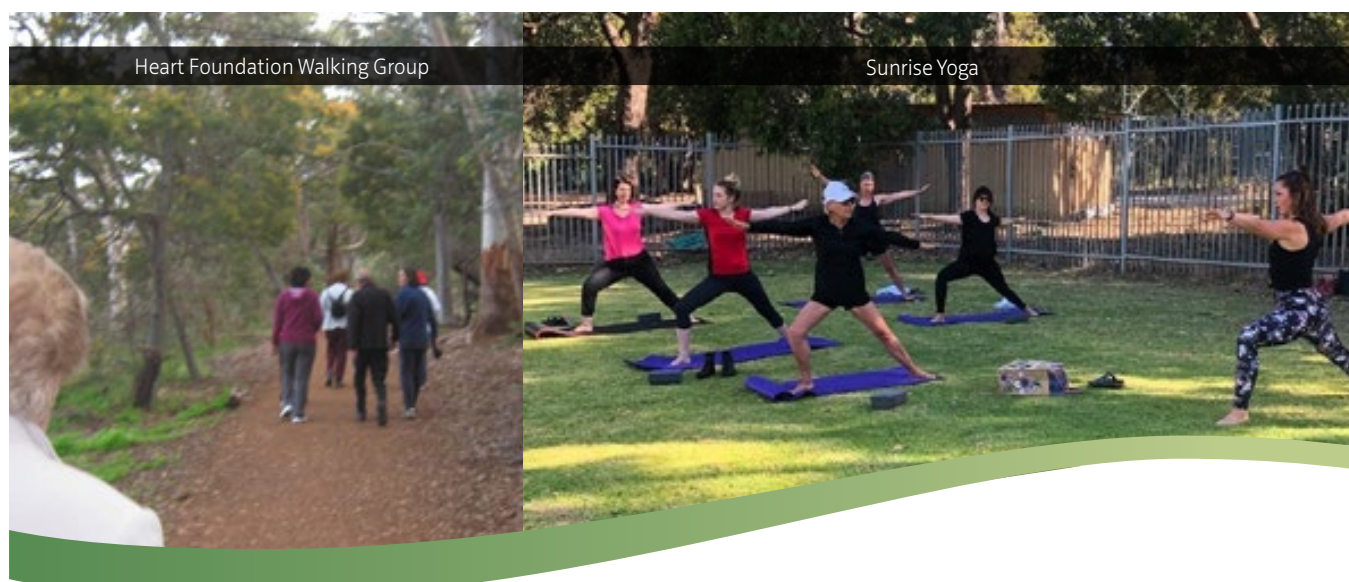
Annual Community Bushfire Readiness Program

Council adopted the Bushfire Risk Management Plan at the December 2019 OCM noting the Plan had been endorsed by the Office of Bushfire Risk Management.

At the end of the 2019/20 fire season a total of 4,244 inspections were completed.

Overall the season was a success with 51% of properties compliant on the first inspection, up from 45% at the end of the 2018/19 season.





Emergency Management Arrangements

The draft 2019 Local Emergency Management Arrangements (LEMA) was endorsed by the City's Local Emergency Management Committee in February 2020. The LEMA will be presented to the next District Emergency Management Committee prior to being submitted to Council for endorsement.

1.2.2 Advocate and promote healthy lifestyles choices by encouraging the community to become more physically active

Community Health & Wellbeing Plan Initiatives

The plan identifies several actions to promote health and wellbeing within the community and comprises 61 individual actions, 40 existing measures and 21 new initiatives. Highlights for 2019/20 include establishing the City's first park run, increasing health messaging on social media platforms, implementation of the City's 2019 events program and delivering all actions planned for 2019.

Specific actions undertaken include mental health awareness workshops delivered within the community by supporting NGOs,

support of State and Federal health promotion campaigns concerning injury prevention, healthy eating and physical exercise and smoking cessation, preliminary work to setup a local alliance against depression group and a successful grant application for mental health first aid training.

The City has continued its partnerships with the Cancer Council and Act Belong Commit and the Smoothie Bike continued to be used at events to promote healthy eating and physical activity but this activity stopped in March due to COVID-19 implications.

Heart Foundation Walking Group

The City's three, free walking groups are consistently active each week. The groups offer a great opportunity for participants to socialise while looking after their physical and mental health.

KidSport

The City was again successful in obtaining KidSport funding from DLGSCI for the 2019/20 financial year to support juniors to participate in active sport and recreation clubs.

There were 463 vouchers processed from 102 clubs, across 31 sports. The financial aspect of the funding has now been returned

to DLGSCI however, the City remains a main administrator and promoter.

1.2.3 Provide high quality and accessible recreational and social spaces and facilities

The City's Recreation Facilities Team continued to offer high quality programs and social opportunities.

Sunrise Yoga at Kalamunda Water Park was launched in December 2019 to encourage local adults to make the most of the beautiful summer mornings while promoting the Kalamunda Water Park.

School Holiday Programs at Hartfield Park Recreation Centre continued to gain popularity. The interactive program for children aged 5-15 years aims to keep them active and creative across the holiday period. Activities included martial arts, junior dance and soccer coaching.

In January, Hartfield Park Recreation Centre was upgraded with the latest range of Strength Gym Equipment. Gym members were impressed and continue to enjoy the new equipment. Additional participation has been well received by the centre.



A Youth Jump Start Introduction program aimed at high school years 7 to 11, was introduced in July at Hartfield Park Recreation Centre in the newly built Hart-Fit Studio. This 10-week school term program was designed to teach lifelong fitness and strength skills and was well received and in-turn an additional progress class was introduced.

Netball season competitions were well attended throughout the year, along with the popular Mums and Bubs Yoga which is beneficial for all the new mothers in the local community.

An additional soccer program was introduced in February aimed at children aged 6-9 years at Hartfield Park Recreation Centre with outstanding attendance for each class during the school term-based program.

Creche services at Hartfield Park Recreation Centre continued to be available for community members along with an older age pre-primary to year 6 creche during school holidays where participating children enjoyed arts and crafts, healthy eating days, movies and sporting activities.

The 24/7 gym at High Wycombe Community and Recreation Centre

has been closed since March due to COVID-19 and remains closed until the review of Phase 5.

Junior Dance aimed at children aged 6-10 years at High Wycombe Community and Recreation Centre was launched in February with the school term program well received as an additional junior term program within the community.

Kids Cooking Club, aimed at children aged 6-16 years, teaches kids basic kitchen skills while making healthy food. The classes are so well attended each school holidays that additional classes are regularly added.

Perth Hills Trails Loop - Stage 1

The construction of the Perth Hills Loop Trail, Stage 1, linking Kalamunda and Pickering Brook began in March and is due for completion before the end of 2020. The design will strengthen links between the northern and southern sections of the Kalamunda Railway Heritage Trail, while offering separate sections for walkers and cyclists to maximise safety.

Ray Owen Master Plan

Planning for the implementation of the Ray Owen Master Plan continued throughout the financial year with the following

project milestones reached:

- Detailed designs for the Ray Owen car park completed based on community feedback. Car park Stage 1a construction will go out to tender in January 2021
- Concept designs for the Ray Owen Sports Centre four court extension completed in consultation with stakeholders
- The City has continued to advocate for funding for future implementation.

Maida Vale Reserve Master Plan

Planning for the implementation of the Maida Vale Reserve Master Plan continued throughout the year with following updates:

- Detailed designs for new sports floodlighting and site power upgrade completed for the eastern oval.

The City continues to advocate for funding for future implementation.

Scott Reserve Master Plan

The Scott Reserve Master Plan was adopted by Council in June, with the City developing an advocacy program to secure funding for future implementation.

Hartfield Park Master Plan Stage 2

In September, the City engaged Dave Lanfear Consulting to

develop a Master Plan for Hartfield Park, with a focus on co-locating sporting infrastructure. The consultant has been working with the City, stakeholders and residents to develop a draft concept to be released for public comment in early 2021.

Aquatic Facilities Study

Also in September, the City engaged CCS Strategic to develop a business case for a new aquatic facility. The consultant has been working with the City, stakeholders and residents to develop a draft business case to be released for public comment in early 2021.

Kalamunda Water Park

The Kalamunda Water Park is managed by Belgravia Leisure in partnership with the City of Kalamunda.

The 2019/2020 summer season successfully began in November and unfortunately finished earlier than anticipated due to COVID-19. Attendance across the shortened season totalled 35,233.

1.3 To support the active participation of local communities

1.3.1 Support local communities to connect, grow and shape the future of Kalamunda.

Creating Active Citizens Plan

Implementation of "Kalamunda Connected" included the delivery of the inaugural Community Builders Conference in September at the Kalamunda Performing Arts Centre.

The Conference showcased community builders - those people dedicated to 'building' their community through volunteering and the sharing of time, talent and passion. The City received a number of letters and emails from attendees, congratulating the City on its work.

Another success was the Adopt-a-Patch launch. Students from years 1 to 11 have been learning about the six Noongar seasons, the impact of waste on the environment and which native animals live in their local bushland area.

Over the next two years they will continue to learn about environmental topics including waste management, bird identification and the impact of Phytophthora Dieback on local bushland.

Adopt-a-Patch has strong curricular links and is designed to be extended into the local

community, with students of all ages encouraged to work with local Friends Groups to volunteer their time at local bushland reserves.

Since the program started, more than 250 native plants have been planted to improve local habitat and a large quantity of rubbish removed from local reserves and local school grounds. 16 school incursions have been undertaken to improve student's environmental awareness. In response to COVID-19, a range of online resources were developed to allow for virtual learning to continue.

Clubs 4 Life

The City successfully applied for DLGSCI Every Club funding to increase the annual program of workshops for the City's active sport and recreation clubs and community groups. Three, free workshops took place with 34 groups and 49 volunteers attending. The training was aimed at assisting and educating active sport and recreation clubs across a wide variety of topics including building stronger connected clubs, attracting volunteers and funding opportunities.

Community Funding Program

This program supports local community and sporting groups



Hartfield Park

Kalamunda Water Park

Adopt-a-Patch Program

and in 2019/2020 \$4,466 was distributed to groups to assist in their fundraising efforts. \$11,498 was distributed to Sport and Recreation Clubs to assist purchasing of training equipment, BBQs, a PA system and coaching courses. \$6,744 was distributed to community groups to assist purchasing much needed equipment, establishment of a playgroup, strategic planning and finishes to the Perth Hills adaptive mountain bike and trail walking hub.

Kala Sports Star Program

The November award night celebrated the program's 70 grant recipients where the City congratulated local young athletes on the success of their elite sports pursuits. 111 people attended the presentation evening with special guest Jess Anstiss, West Coast Fever and Australian Diamond player, providing an entertaining presentation. \$8,100 in total was distributed to these athletes over the 2019/2020 financial year. This amount was lower than previous years due to competitions being cancelled as a result of COVID-19.

Strategic Sport and Recreation Committee

The Strategic Sport and Recreation Committee (SSRC) convened to assess and prioritise Capital Grant

applications received from local sporting and recreational groups. The Committee made its final recommendations to Council as part of the budget setting process.

The following SSRC projects from the previous financial year were completed including:

- A new transportable female changeroom at Kalamunda and Districts Rugby Union facility
- New sports floodlighting at Scott Reserve

1.3.2 Encourage and promote the active participation in social and cultural events

Kalamunda History Village

The Kalamunda History Village is one of the City's most-loved icons.

A highlight this year was the visit from a number of students from Beijing who attended an education program at the Kalamunda History Village and filmed for a television promotion.

Unfortunately, COVID-19 impacted on the attraction, forcing its closure in March with affected staff redeployed to other duties and nominated projects.

Luckily the History Village was able to re-open along with much of the State and by June things were

normalising with visitor numbers growing and school excursions recommencing.

The Kalamunda History Village was named as a finalist in the WA State Heritage Awards.

Connecting Communities

This popular event, in its second year, was held in July at Hartfield Park Recreation Centre. 752 people attended and participated in 10 interactive sport and recreation activities run by local sporting and community groups, 15 interactive family activities run by local community groups and five stage demonstrations.

Kalamunda Performing Arts

The Kalamunda Performing Arts Centre continues to be one of the premier attractions for locals and visitors. The venue has beautiful aesthetics with 257 seat theatre and is staffed with two full time equivalents and a team of casual technicians to meet all requirements.

It is a popular venue for local community groups, artists, youth, seniors, schools and businesses, ranging from small bookings to full scale, professional productions.



Kalamunda Sports Star Presentation Night



Kalamunda History Village



In 2019/2020 Kalamunda Performing Arts Centre was impacted by COVID-19 and a number of shows had to be rescheduled to the 2021 season. During COVID-19 closure periods, upgrades to the foyer and administration were able to take

place providing users with a new and improved experience. During the 2019/20 financial year, 55,000 people engaged with the venue (which closed from March – July due to COVID-19) and a total of 79 user groups hired the facility

through the financial year several with multiple bookings. The Kalamunda Performing Arts Centre presented a successful Morning Music program with additional shows also presented by the venue.

Music Morning program

Tuxedo Junction	July 19
Kings of Soul - Clay Darius	Aug 19
Rupert Guenther - Wipeout	Sep 19
Patsy Cline Tribute with Moira Smith	Oct 19
Olivia Newton John with Alix Jordan	Nov 19
7th Heaven Christmas Show	Dec 19
The Best of the 60s with Joyce Mathes and Avenue	Feb 20
Best of Bandstand	Mar 20

Additional shows presented

DIVAS	23 Aug 19
Rain or Shine The Story of Judy Garland	19 Sept 19
Jerry Lee Lewis by Sun Rising Band	18 Oct 19
Weight Watchers The Musical	14 Nov 19
What You Need A Premier Tribute to INXS	21 Feb 20



Zig Zag Cultural Centre

Perth Hills Visitor Centre

The Experience Perth Hills social media offerings continue to encourage visitors to make the trip up the hill to experience all of the offerings at the Perth Hills Visitor Centre.

The Visitor Centre is fortunate to have a willing volunteer-base who supplement the staff and engage with local tourism operators to provide first-hand knowledge and enthusiasm which is key to delivering an informed, remarkable and memorable visitor experience.

Arts Strategy

A number of actions from the City's Arts Strategy have been fulfilled over the past 12-months, most notably the Public Arts Contribution Policy was adopted by Council at the November OCM. Similarly, commencement of the development of the Public Arts Masterplan got underway with the successful consultant appointed in early 2020 and in March, the City engaged a Coordinator Arts, Culture and Libraries as per the Arts Strategy which also highlighted benefits to the local arts community from the adoption of the City's Reconciliation Action Plan.

Library Services

Online Information
eResources/eLibrary
Interactions - 33,710

Overall usage of eBooks, eAudiobooks, eMagazines & Kanopy increased during COVID-19 closure period end of March, April, May and held through to June.

- 13,040 issues during this period, equates to 39% of total for the year
- 56,113 visits to the Library Website

The Library Facebook page grew to 1,800 followers increasing from 1,407 at the onset of COVID-19.

Also, during this time copyright laws were relaxed, and the City's library staff were allowed to film themselves reading stories and singing rhymes and posting to social media. 15 story time and 11 rhyme time videos were filmed at the branches as well as the Kalamunda History Village.

These videos were viewed a total of 12,683 minutes.

Forrestfield Library:
At a Glance 2019/20:

- Visitors: 31,570
- Computer Bookings: 5,966
- Number of items reserved: 2,186

Children's programs

- 28 Rhymetime sessions - 448 attendants
- 26 Storytime sessions - 235 attendants
- 10 school holiday activities - 318 attendants
 - Junior First Aid
 - Naidoc Week crafts
 - Lego
- Seven Children's Book Week sessions - 452 students
- Two pop up - Hawaiian's Pop Up 50, Hartfield Park Pop Up 30

Adult programs:

- 149 regular adults events (tech chat, knit & yarn, games club, English conversation class) - 985 attendants
- Eight events held:
 - Food Sensations Cooking Class - 12 attendants (ran for four weeks)
 - It's a wrap - 43 attendants
 - Senior's First Aid by St John Ambulance - 40 attendants
 - Preserving and using herbs from your garden with Lyn deReggi - 44 attendants
 - Sugar free baking with Carolyn Hartz - 41 attendants

High Wycombe Library:
At a Glance for 2019/20

- Visitors: 23,140
- Computer Bookings: 4,147

Children’s Programs:

- Story Time Sessions with 417 children
- 30 Rhyme Time Sessions to 270 children
- One Knight Owl Quest Craft attended by 24 children
- One Lego Activity (School Holidays) attended by 24 children
- One Water Science Alive (School Holidays) attended by 37 children
- One Santa & Elf Christmas event attended by 40 children
- Weekly Home School Game Sessions - numbers were inconsistent across 2019/20 due to COVID-19
- Five Children’s Book Week sessions attended by 346 students
- Mystery Bundle & Craft packs - again, numbers were inconsistent across 2019/20 due to COVID-19

Adult Programs:

- Happy Bowel Information Session
- How to write a family History with 36 attendees
- My Gov Information session

Kalamunda Library:
At a Glance 2019/20:

- Visitors: 94,704

- Computer Bookings: 6,399

Children’s programs:

- 53 Rhymetime sessions
- 43 Storytime sessions
- 10 school holiday activities including one by an external presenter (Science Alive)
- One Christmas children’s event
- Three Children’s Book Week author / illustrator talks
- Two school visits

Adult programs:

- Grow Your Indoor Jungle
- Dementia talk
- Author talk - Judy Nunn
- Accused and Convicted

Lesmurdie Library:
At a Glance 2019/20

- Visitors [without students]: 28,064 [with students = 127,124]
- Computer Bookings: 1,033
- Number of items issued: 40,724

Children’s programs:

- 26 Storytime sessions with 235 attendants
- Nine school holiday activities with 286 attendants
- First Aid
- Science Alive - Naidoc Week crafts
- Lego and summer crafts

- Four Children’s Book Week sessions attended by 230 students
- Two Outreach Children’s Book Week events attended by 54 students
- One pop up - Hartfield Park Pop Up with 60 participants offering crafts and storytime activities

Adult programs:

- Judas Collar - Brooke Silcox
- Permaculture
- Seniors First Aid

Library staff also completed six Outreach Better Beginnings visits at local schools (kindergarten) attended by 178 children.

Community Events Program

Prior to the necessary changes required in response to the COVID-19 crisis, the City’s community events program rolled out with much success. Highlights include the Perth Hills Spring Festival which boasted six-weeks of events including pop up activations, an amazing Seniors Week program, a fantastic Thank a Volunteer function, a wonderful Christmas Festival and a family-friendly Summer Series and the awesome multicultural Corymbia Festival celebration.

Unfortunately the City’s NAIDOC Week events were postponed due to COVID-19.



Judy Nunn at Kalamunda Library

Seniors First Aid at Lesmurdie Library

Perth Hills Spring Festival

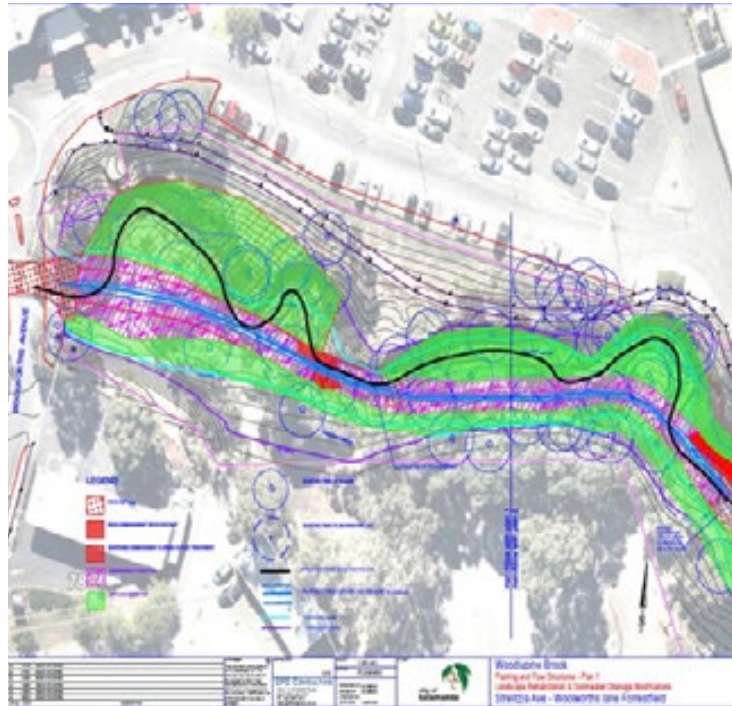
Priority 2 Kalamunda Clean and Green

2.1 To protect and enhance the environmental values of the City

2.1.1 Enhance our bushland, natural areas, waterways and reserves

The City's Asset Services team has worked consistently over the year to support the Friends of Woodlupine Brook and other community members realise their long held dreams for the restoration of Woodlupine Brook at Forrestfield Shopping Centre. The Working Group, consisting of community members, State Government agency representatives and the City, has worked with consultants to complete the concept plans for two stages of the project. The first stage sees the section of the brook between Strelizia Avenue and Woolworths Rd realigned and rehabilitated in 2021. Stage 2, between Woolworths Bridge and Dawson Ave will follow.

As planning for the project was quite advanced, the City was able to take advantage of the Australian



Section one of Concept Plan Stage 1

Government's Communities Environment Program which saw the Friends of Woodlupine Brook awarded \$20,000 for plants and

community engagement activities, including weed control and an Indigenous Cultural Awareness Workshop.



Community Members, Federal Member for Hasluck and City Councillor planting seedlings at one of the two community planting days.

Participants and presenter at Cultural Awareness Workshop



2.1.2 Support the Conservation and Enhancement of our biodiversity

Pest Control Program

This year, the City's fox control efforts focussed on areas where fox sightings were reported by residents.

Seven day trapping was undertaken at Crumpet Creek, adjacent to Mundy Regional Park, where a total of five foxes were removed. This activity was resourced by DBCA.

Five trapping days were undertaken at Fred Eversden Reserve, Lesmurdie after it was reported that a fox with a quenda in its mouth had been seen resulting in the trapping and removal of two adult, male foxes.

No feral cats were observed during trapping and no untargeted animals were trapped across the programs.

This year, rabbit populations significantly increased throughout the City (and the wider Metropolitan Area). Traps were introduced to City reserves displaying undesirable impacts from feral rabbits. 56 rabbits from Falls Farm, Maida Vale Reserve were trapped and euthanised.

2.1.3 Community Engagement and Education in Environmental Management

COVID-19 restrictions introduced throughout the year made face-to-face community engagement difficult. Instead, the Environmental Services team created 12 short films to deliver information during this time with a view to using the resources for years to come. The films educate and inform the City's Friends Groups, Adopt-a-Patch schools and the wider community.

The films produced were:

- The Six Noongar seasons
- Controlling Priority Weeds
- Creating Habitat for Reptiles

- Becoming A Friends Group Volunteer
- The Impact of Waste on Our Environment
- Monitoring Our Environmental Activities
- Native Bees in Kalamunda
- Ningarn the Echidna
- Yoorna the Lizard
- Preparing Your Site for Planting
- Wildlife in the City of Kalamunda
- Working on Noongar Country

All films include subtitles ensuring accessibility and are housed on the City's YouTube channel.



The Six Noongar seasons film



Friends Group Program

Friends Group members from across the City attended the EMRC End of Year Volunteer Event, hosted this year at Chapel Farm, in the City of Swan. Volunteers enjoyed the opportunity to network with others from across the region, including a Welcome to Country by Uncle Neville Collard, presentations from EMRC and Friends Groups on their projects, and received a message stick in recognition of their work which helps heal Noongar country (Boodjar).

Joy McGilvray presented a short summary of the work the Friends of Jorgensen Park have undertaken along Spring Road Creek, acknowledging great support for the City and Staff.

Adopt-a-Patch

The City supports the KSHS Education Support Centre students through the Duke of Edinburgh International Award program and the 'Adopt-a-Patch' program. This partnership has been a great success story and supports just a few of the City's Strategic Plans:

- The 2017-2022 Youth Strategic Plan

- The Disability Access and Inclusion Plan, and
- The "Kalamunda Advancing" Strategic Community Plan to 2027

The biggest working partnership is with the Friends of Railway Heritage Trail Reserve. Environmental Education and Training was integrated into the program, so the students could learn about the environment while volunteering their time.

Students undertook environmental management tasks in the 'outside classroom', which also helped to achieve targets in the Railway Heritage Trail Reserve Action Plan, developed by the Friends of Railway Heritage Trail. The program is now in its fourth year and over this period, the students have learnt about Phytophthora Dieback, planted local shrubs for habitat and removed over a hundred bags of rubbish from along the trail look after this important local asset.



Adopt-a-Patch - picking up rubbish



Adopt -a-Patch - planting bird habitat

Parks and Reserves

Each year the City's Parks and Environmental Services team assists and coordinates a variety of popular community events. The below photograph shows the City's Horticultural team helping make the 2019 Commemorative Planting Day on Friday 12 July, a huge success. The event was carried out over three sites, Bill Shaw Reserve, Fleming Reserve and Sheffield Reserve.

A variety of Parks and Environmental Services Projects were successfully delivered in the 2019/20 financial year. These include:

Maamba Road Reserve

Refurbishment of the Maamba Road Reserve footbridge was completed with the installation of new bearers, some replacement decking boards, refastening of handrails and cross frames together with a fresh coat of paint and timber decking oil.

Rangeview Reserve Playground and Irrigation Replacement

The Rangeview Reserve playground upgrade was completed and a new irrigation system installed.

Relocation of two playgrounds

from Lesmurdie Hall together with one from Gladys Newton Park and five new play items. The playground provides the local community with a great facility.

It is already being well used since its recent completion and the grass is benefiting from a more efficient irrigation system that should last for another 20 years.



Rangeview Reserve playground upgrade

The City's maintenance crew improved a section of verge on Berkshire Road, spraying out and mulching over weeds. This reduced the maintenance cost and improved the look of the area.



Berkshire Road before



Berkshire Road after



2019 Commemorative Planting Day



Maamba Road Reserve Footbridge

The Promenade Reserve Woodlupine Brook

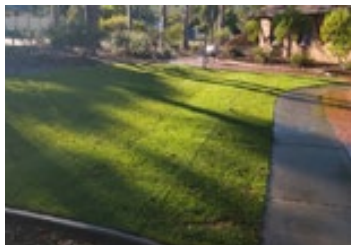
The final stages of the upgrade to Stages 1 and 2 are nearing completion with the installation of 4,300sqm of instant turf and 3,500sqm of kikuyu stolons.

Lawn Refurbishments

Renovations and returfing of lawns at Forrestfield Library, Kalamunda Town Square, Kalamunda Library, Kostera War Memorial and the Administration Building are complete with the Town Square lawn also receiving a reticulation upgrade.



Forrestfield Library before



Forrestfield Library after

Verge Improvement - Forrestfield Brook

The City's Maintenance Team recently completed pruning and mulching on the verge between Hale Road and Holmes Road, Forrestfield.



Forrestfield verge before



Forrestfield verge after

Hale Road entry to Forrestfield

Significant refurbishment at the Hale Road entry into Forrestfield with infill planting laterite stone mulch. Mulching of the remaining areas will be undertaken over the coming months.



Hale Road before



Hale Road after

Welshpool Road East verge tree planting

120 trees were planted along the Welshpool Road East verge to improve the road's amenity.

Tree Maintenance

Roadside clearance pruning, to maintain sightlines for vehicles and pedestrians.



Tree maintenance



Promenade Reserve

Welshpool Road Tree Planting



Waterwise Council

The City received official notification of re-endorsement and recognition as a Waterwise Council for 2020.

The City was congratulated for its achievements in sustainable water management and for demonstrating our commitment to building waterwise communities over the last decade.



Reid Oval

Renovations were carried out to alleviate soil compaction allowing water and nutrients to percolate through the soil profile.

Ollie Worrell

Renovations were undertaken to level the ground and remove accumulated dead grass, (thatch) which forms a barrier and prevents water getting through as well as providing an ideal environment for disease to infest.



Ollie Worrell Reserve Reticulation Replacement - Mainline installation in progress

Scott Reserve

The High Wycombe site was renovated with hollow tine coring to reduce compaction of the playing surface.

Kostera Oval

The oval received hollow tine coring to improve the ground.



Kostera Oval

Ray Owen Reserve

Renovations were undertaken using an Aera-vating machine and then top dressed as part of the City's annual maintenance program.

A fertiliser and wetting agent injector was fitted to the irrigation system at Ray Owen Reserve. This specialised piece of equipment injects fertiliser and /or wetting agent into the water, as it is being applied through the reticulation system. This process ensures little to no waste as only the fertiliser that the turf needs is applied.



Fertiliser and wetting agent injector



Maida Vale Reserve mainline repairs

MAR – Managed Aquifer Recharge – Hartfield Park



Dedicated injection bore being drilled at the MAR



Carbon filters and injection pipework being installed at the MAR



Upgrade of the Bore headworks with a New Octave ultrasonic water meter fitted at the MAR

Maida Vale Reserve Reticulation

Mainline repairs, to fix a big "blow-out" of the infield irrigation mainline, were necessary at the reserve. Infield irrigation systems operate under considerable water pressures and as the systems age over time, the pipework becomes partially blocked, brittle and prone to breakages and need replacing. This deterioration usually happens over a 20-year period.

Town square – reticulation and lawn installation

The grassed area near the gazebo in the town square was replaced due to the high amount of pedestrian traffic that eventually wears it out or compacts the soil so much that the grass can't grow.



Town Square before



Town Square reticulation install



Town Square after

Fire Mitigation

Due to the current weather patterns, the City's Fire Mitigation team diverted attention to conducting pre-works on scheduled burns. This included removing skirts on grass trees without producing any running fire.

The team was also kept busy working with DPIRD to collect wasp traps in rural areas as the wasp program after the season closed.

Two of the City's officers also attended an advanced tree felling course enabling them to remove hazards located within fire or hazard reduction burn areas.



Removal of dead flammable material from Fred Eversden Reserve



Hazard reduction burns



Firebreak drainage upgrades - John Street, Gooseberry Hill

Local Environment Strategy

Throughout the year, progress has been made on a number of action items identified within the City's Local Environment Strategy including:

- Preparation of Policy regarding Public Open Space (POS) Development
- Assessment of Parks & Reserves for recreational, sport & environmental values (POS Strategy)
- Kalamunda Urban Forest Strategy
- Review of the City's 2008 Local Biodiversity Strategy
- Catchment Management (as part of the City's Kalamunda Flowing initiative)
- Water Resources for parks (under the City's Non Potable Water Strategy)
- Water Efficiency (via the City's Waterwise program)
- 2nd Managed Aquifer Recharge
- Water Wise Council
- Investigations into Renewable Power
- Support for local Friends Groups, Adopt-a-Patch and School Education initiatives



Fire Mitigation Team

Wavey Leaf Smokebush, *Conospermum undulatum*

- Policy regarding Significant Trees on Private Property in development
- Waste Plan 2030 in development
- Litter Reduction

2.1.2 Support the conservation and enhancement of our biodiversity.

2.1.3 Community engagement and education in environmental management.

Local Biodiversity Strategy

A draft of the 2020 Local Biodiversity Strategy has been completed and expected to go to Council in the new financial year.

Horticulture

Research Project – Edith Cowan University

The City's Parks and Environment Team initiated a research project with Edith Cowan University to study the effects of controlled burning on populations of the rare flora, Wavy Leaf Smokebush, *Conospermum undulatum*.

2.2 To achieve environmental sustainability through effective natural resource management

2.2.1 Facilitate the appropriate use of water and energy supplies for the City.

Potable Water Strategy

Work commenced on identifying key sites and outcomes for a potable water plan. The City received Water Corporation Waterwise Council certification and a plan is now being developed in line with Waterwise principles.

A number of efficiency measures were introduced such as new taps at Woodlupine Community Centre resulting in a reduction of 2 litres per minute.

Energy Management Plan

The City has commenced its Energy Management Plan using data gathered from its buildings to identify gaps where energy analysis requires further work. Discussions with consultants specialising in this field of work to undertake energy auditing leading to the plan to reduce consumption have also been undertaken.

Efficiency measures continue with works to roll out LED lighting in key areas, for example Hartfield Park Recreation Centre with the replacement of old high bay lights with LED. Likewise, Ray Owen Recreation Centre Courts 5 & 6 high bay lights also replaced with LED.

2.2.2 Use technology to produce innovative solutions to reduce power and water usage.

Renewable Electricity Plan

Significant progress has been made in determining the feasibility of a solar farm for the City.

Kalamunda Library has been identified for Solar Panels, to be installed in the first half of 2021.

2.3 To reduce the amount of waste produced and increase the amount of reuse and recycling of waste.

2.3.1 Identify and implement strategies to reduce waste.

Draft Waste Plan

The City's Draft Waste Plan, in required DWER format, has been finalised and submitted to DWER for review. The City is among some of the first Council's to submit this plan, which uses feedback from a community survey on waste and recycling to inform strategies and actions.

Walliston Transfer Station

The City now uses Entry Passes for residents to access the Walliston Transfer Station. Entry passes are provided to all ratepayers, attached to their rates notice.



Ray Owen Recreation Centre Courts

Kalamunda Library



The Entry Pass, in conjunction with appropriate identification, provides ratepayers and residents unlimited entries for the disposal of certain recyclables including but not limited to green waste, cardboard, e-waste, batteries, glass and metal.

Limited entries (four per financial year) apply to general waste, whitegoods, timber, mattresses and clean building rubble. Previously, non-Kalamunda residents illegitimately trying to use the facility to dispose of waste significantly increased costs of disposal due to unsustainable volumes. The Entry Pass ensures only City ratepayers/residents can access the facility.

In June the City was issued with a new 20-year license for the Walliston Transfer Station.

Garage Sale Trail

The Garage Sale Trail takes place each year and is Australia's biggest community and sustainability event. The City is an event signatory and hosted its own Garage Sale Trail at Walliston Transfer Station during October.

2.4 To ensure contaminated sites are safe and managed to ultimate use.

2.4.1 Identify, examine and manage risk associated with contaminated sites.

Contaminated Sites

The City has continued to undertake studies, maintenance and remedial works on contaminated sites under its responsibility.

Brand Rd - Stage 2 Detailed Site Investigation has commenced, the installation of bores and other sampling equipment has been completed. Private Bore Sampling concluded, and all samples came back clear.

Affected sites have been reported to DWER and it looks likely none will require a contaminated classification.

Dawson Avenue/Pioneer Park - Summary document of works to date has been prepared, awaiting completion of tender scope documentation.

Ledger Rd - Biannual emu pick to remove asbestos has occurred, dam has been sampled and

asbestos management plan has been updated.

Maida Vale Reserve - Preliminary Site Investigation has been undertaken. Recommendations for asbestos removal, bunting/fencing and signage to be actioned.



Priority 3 Kalamunda Develops

3.1 To plan for sustainable population growth

3.1.1 Plan for diverse and sustainable housing, community facilities and industrial development to meet changing social and economic needs.

Local Planning Strategy and Scheme Review

A review of the City's Local Planning Strategy to ensure sustainable development and preservation of environmental values are recognised is being undertaken.

Statutory Planning

All development in the City is assessed against the provisions of Local Planning Scheme No.3, adopted policies and other relevant State legislation including the *Planning and Development Act 2005*, and the *Planning and Development (Local Planning Schemes) Regulations 2015*. Land use compliance is undertaken in accordance with the City's legislative and policy obligations resulting in negotiated outcomes

or the issuing of directions and penalties where appropriate.

Land Administration

The City processes applications for road closures, dedication of land as road, pedestrian access way / right of way closures and other land administration matters. These applications are processed in accordance with the State Government policies.

Forrestfield North (High Wycombe South)

Forrestfield North is also referred to as High Wycombe South given the area largely falls within the suburb of High Wycombe.

The area, historically developed for rural and lifestyle purposes, was identified for potential industrial development by the State Government in 2006 however, this changed in 2014 after the announcement of the \$2 billion Forrestfield Airport Link Project which would ultimately result in the new High Wycombe Train Station linked to the Midland train

line via Perth Airport, Redcliffe and Bayswater.

The Forrestfield North project area has the potential to accommodate over 10,000 new city residents. The area will over time evolve into a compact, high-medium density walkable neighbourhood located adjacent to the new High Wycombe Train Station. The Residential Precinct incorporates the retention of 27% green space incorporating State- and Federally-significant vegetation. Future residents will have direct access to an interconnected green link, comprehensive network of walking and cycle paths, a new school, playing fields, community facilities and commercial hub.

The City has taken a leading role as the proponent in preparing the planning framework for the area in collaboration with State Government stakeholders, progressing the necessary amendments to the Metropolitan Region and Local Planning Scheme, as well as preparing a

District Structure Plan in 2016 and ultimately preparing the Local Structure Plans for the area.

The City is working closely with DevelopmentWA to finalise planning around the new High Wycombe Train Station, which is expected to open towards the end of 2021.

Cambridge Reserve Community Enhancement Project

The project aims to redevelop a 9ha degraded local park to provide a high needs aged care facility,

additional housing opportunities and upgrade the park to become a safe and accessible community hub.

It will enable aged care residents to live within 800m walking distance of the Forrestfield town centre, surrounded by green space with views of the Darling Hills and path network that connects with Mundy Regional Park hiking trails.

The aged care development is proposed to be mixed with residential lots to diversify housing

stock in the area and give residents and opportunity to socialise in an intergenerational community.

The project will result in a high proportion of protected flora with a creative drainage design that will transform the existing drainage sump into a living stream and seasonal water feature.

The proposal also incorporates a generous playground and a basketball court, with an integrated path network featuring exercise and nature-play equipment for all ages. Development of an approximate 3.85ha portion of the site will fund landscaping upgrades, including fencing of and revegetation of environmentally sensitive areas and potentially contribute towards other community facilities in the locality. The balance of the site is proposed to remain as local open space.

The amendment process will be finalised in 2021 and will pave the way for further detailed design and delivery planning.

Heidelberg Park

Heidelberg Park is a regional reserve, located at 420 Canning Road, Carmel bordered by Pomeroy and Canning roads.



The Residential Precinct Local Structure



Cambridge Reserve Community Enhancement Project

In mid-2019, the City sought feedback from the community on their vision for Heidelberg Park. This included a survey, information stall and an open workshop at the site. During the engagement process, the community expressed a high level of desire for aged care, protection of environmental values and enhanced public open space.

In liaison with the Department of Planning, Lands and Heritage (DPLH) the City sought to initiate a Metropolitan Region Scheme Amendment at Heidelberg Park. In November the Council requested the Western Australian Planning Commission to reclassify a portion of Heidelberg Park from Parks and Recreation to the Urban zone to facilitate the vision established through community consultation.

This project has defined a 'whole of government' and best practice approach to fulfilling shortages in residential aged care, with the City taking lead on the initiative and partnering with the DPLH.

Local Planning Strategy and a New Local Planning Scheme

The City's Local Planning Scheme No. 3 identifies zoned and reserved land in accordance with the City's planning aims and



Heidelberg Park

strategic documents, and sets out provisions that guides land use, development and subdivision. The Local Planning Scheme has been in operation since its gazettal in March 2007. Since this time, the City has prepared over 100 Scheme amendments which have introduced strategic initiatives identified in the Local Planning Strategy 2010 or have responded to changes in the State planning framework. A Local Planning Strategy is a document that sets out the objectives for long-term

future planning and development in the City and provides a broad framework by which to pursue those objectives, providing the strategic basis for a Local Planning Scheme.

Local Planning Schemes and Local Planning Strategies should generally be reviewed every five years.

In 2017, the City commenced the preparation of the following technical documents and officers have since been busy ensuring





the documents progress through community consultation and to Council for consideration.

1. Environmental Land Use Planning Strategy - adopted July 2019
2. Industrial Land Use Strategy - adopted December 2019
3. Local Housing Strategy - Adopted for advertising March 2020
4. Activity Centre Strategy - Adopted for advertising April 2020
5. Rural Strategy - Preliminary draft prepared and will be assimilated into the Local Planning Strategy.

The background information, analysis, and strategic objectives of these documents will be play

an important role in shaping a new Local Planning Strategy and ultimately a new Local Planning Scheme, to be adopted for public advertising in 2021.

Activity Centres

The draft Kalamunda Activity Centre Plan (KACP) was adopted by Council for advertising in May. Next steps, including public advertising, are expected in the new financial year.

3.2 To connect community to quality amenities

3.2.1 Optimal management of all assets.

The City undertakes substantial capital works each year. These works are broadly broken into 'new' works, where new assets or facilities are constructed and

'renewal' works which rejuvenate existing assets as they age.

The renewal works program is developed using contemporary Asset Management practices, including the development of Asset Management Plans for each category. The City has adopted asset management plans for Pathways, Parks, Drainage, and Roads.

Stirk Park Master Plan

The concept plan for the Stirk Park Master Plan stage on priorities including a new playground, youth precinct, skate park and upgraded pathway network was endorsed in the 2020/21 financial year. The City is now seeking funding for the project through the Lotterywest grants program.

During 2019/20, a gross pollutant trap was installed at Stirk Park to greatly improve the quality of storm water entering the park and pond in preparation for the next stage in redesigning the amenity.

Kalamunda Districts Rugby Union - Unisex Changeroom Project

The Kalamunda Districts Rugby Union Club unisex changeroom transportable project was completed in June.



Planning Strategic



The project was funded by the Sport Australia Federal Infrastructure Grants and the City.

The project provided the club with a unisex changeroom via a transportable facility housed onsite at the rear of their existing pavilion. Accessibility improvements have also been made as part of the project, with accessible car parking bays added.



Unisex change room Project

Scott Reserve Sports Floodlighting Project

Scott Reserve, High Wycombe became the first sporting reserve in the City to be lit using new LED sports lighting technology. The change provides positive environmental benefits and helps

lower the operational costs of running the lights.

The lighting project came online in June and was funded through the Federal Government's Community Sport Infrastructure Program, the State Government's Local Jobs, Local Projects Program, Forrestfield/High Wycombe Community Bendigo Bank and West Australian Football Commission.

Maida Vale Netball Courts Refurbishment

The City refurbished four of the Netball courts at the Maida Vale Netball Centre to assist with training overflow for the sport. The resurfacing project was completed in March.

Forrestfield Districts Bowls Club Toilet Upgrades

In November, the City completed upgrades to the Forrestfield Districts Bowls Club toilets. The upgrades provided new male and female toilet facilities along with a Universally Accessible toilet and shower.

Lesmurdie Tennis Club Court Resurfacing

In December, the City completed the resurfacing of the four hard

tennis courts at Lesmurdie Tennis Club. The project was jointly funded by the City and the Lesmurdie Tennis Club.



Toilet upgrades

Forrestfield Tennis Club Resurfacing Project

In September, the City completed resurfacing all six hard courts at the Forrestfield Tennis Club.

The project was partly funded by Sport Australia Infrastructure Fund, Forrestfield Tennis Club and the City.

Artworks valuation

The total value of the City's artworks is \$1.15 million, of which public art makes up \$1.10 million. About 95% of the City's collection is in public spaces for the benefit of the community, defining our unique sense of place and reminding us about the richness of our heritage and cultural diversity.

To ensure that the portfolio is fit-for-purpose and well-managed, the City recently engaged an artworks specialist to review the collection, identify conditions and financial values, and make recommendations for best-practices. This established a new baseline for managing our portfolio both sustainably and strategically.

Examples of notable artworks which define the community and connect us with our heritage are shown below.



Compton Horse and Whim



Kalamunda Library stained glass window

Disability access audit

The City pays special attention to including all community members in our public facilities. We undertake disability access audits to ensure that when the opportunity arises to renew, improve, or upgrade our buildings and spaces, we are able to incorporate works that improve accessibility. Recent audits have been conducted at Scott Reserve, Pat Moran, and the Forrestfield United Soccer Club facilities.

Land and Buildings Valuation

Land and buildings are a major infrastructure investment for the City. We place a high priority on managing them to ensure efficient use of rates and to provide fit-for-purpose facilities to the community. The City was proactive in engaging a consultant, which allowed the entire portfolio to be evaluated before the COVID-19 restrictions were introduced.

The Gross Replacement Cost of the City's land and buildings is \$124 million, with a depreciated cost of \$113M. This places the City's portfolio in the target zone required by the State Government for sustainable asset management.



An iconic City building: Kalamunda Performing Arts Centre

Paths and Parks Plans

As part of normal best practice management, the City regularly updates Asset Management Plans. This year was the turn for two plans - Paths and Parks.

The results showed that the City has maintained the level of service since the previous plans and can maintain the level of service into the future with existing budgets. This outcome was welcome, especially during a time when budget efficiency is a priority.

Grants funding

Roads are a major investment for the City. Safe and efficient transport is essential for community well-being and for economic activity. For qualifying roads, grants funding provides significant savings to the community. The City actively pursues roads grants funding which reduces the use of rates revenue and allows improved community benefits in other areas.



Woodlupine community Centre Metal Railing

The City's roads grants funding comes from various sources, the most significant being State rehabilitation funding and commodity funding. Leading edge techniques, notably foam stabilised bitumen, brought good outcomes in cases where traffic flow had to be maintained while strengthening road pavements without altering road levels to protect existing drainage and driveway crossover levels. Where necessary, nightworks avoided unnecessary disruption on the road network.

This year, roads rehabilitation included parts of the following roads:

- Welshpool Road East, 6 sections between Canning Road and Lewis Road
- Hale Road / Strelitzia Road intersection
- Stirling Crescent
- Lesmurdie Road

Bus shelter maintenance

The Public Transport Authority provides approximately \$30K per year to maintain bus shelters. This funding improved community outcomes without rates needing to be expended. Examples of the improvements appear in the adjacent photos.



Bus Shelter - before



Bus Shelter - after

Pavements Testing

To improve use of the grants funding and to optimise the benefits to the community, the City undertook road pavement testing on selected roads. The testing process was selected to be non-destructive and to minimise disruption to the residents while

at the same time providing important data for cost-effective road treatment.

Infrastructure Maintenance

Along with responding to more than 1,000 requests this year, the City's Road and Drainage maintenance team also worked on various minor projects. Some of the projects completed by the maintenance teams are listed below.



Falling Weight Deflectometer testing equipment

Roads

Lewis Road Slow Point

The slow points on Lewis Road, Forrestfield were constructed to slow down the traffic and make the area safer.

Mack Place Share Path

A section of shared path on Mack Place, which is part of a broader shared path that connects Maida Vale Road to Newburn Road, was constructed.



Road Rehabilitation



Pickering Brook Road Information Bay

Construction of the parking bays on Pickering Brook Road, near Canning Road intersection. Work included, storm water modification, bay construction, kerbing and line marking.



Pickering Brook Road information bay

Drainage

Berberis Way

To mitigate the flooding issues on Berberis Way in Forrestfield, additional drainage pits and pipe were installed.

Holmes Road drainage work

To improve our drainage network a section of Holmes Road that was eroded and causing safety concern were piped last year.



Berberis Way drainage upgrade



Holmes Road drainage upgrade

Bus shelter

As part of our renewal program two bus shelters on Hawtin Road and Lesmurdie Road were installed.



*Lesmurdie Road bus stop renewal
Kalamunda Moving Transport Strategy*

The Kalamunda Moving Reference Group was established to assist with developing the City's overarching vision for transport in and around the area, as well as assist with a number of student research projects proposed through the universities.

3.3 To develop and enhance the City's economy

3.3.1 Facilitate and support the success and growth of industry and businesses

Economic Development Strategy implementation

The City's Economic Development Strategy is committed to promoting sustainable economic growth and has four major priorities:



Farmers Markets

1. Industry Expansion and Attraction
2. Business Capacity Building
3. Strong Local Identity
4. Welcoming Environment

The City continues to actively participate in regional networks including the Eastern Metropolitan Regional Council, GROW South East and the Inland Freight and Logistics Hub Member Councils on collaborative projects to facilitate industry expansion and attraction. The latter has been formalised by the creation of a Memorandum of Understanding in which the Cities of Canning, Belmont, Swan and Kalamunda resolve to work together in good faith for the promotion, advancement and development of the Inland Freight and Logistics Hub and Corridor given that the freight and logistics industry is a major economic driver.

This partnership was officially branded as Link WA with accompanying website and media launch in September. Two workshops have been completed with input from planners from each municipality working towards

harmonisation on planning matters in relation to freight and logistics.

We continued collaborating with the Kalamunda Chamber of Commerce to support the Farmers and Night Markets, the Annual Kalamunda Business Awards, industry events, training opportunities and networking. These have contributed to the effective capacity building of our business community which is further supported by the City's commitment to the Small Business Friendly Local Government Strategy and the many City's economic development initiatives necessitated by the impacts of COVID-19.

These include the rolling out of a free one-on-one business advisory services to local small business to provide guidance in the face of the recent pandemic.

3.3.2 Attract new investment opportunities and businesses with a focus on innovation.

The City has continued developing an economic development prospectus which is expected to launch by the end of 2020.

Council endorsed the establishment of an Economic Development Advisory Committee to advise the City on initiatives to enhance the economic development of the municipality. The committee will be implemented by end 2020.

Smart Cities

Research is being undertaken on Digital and Smart City strategies that have been adopted by other levels of government across Australia, with the following three themes under review - the fostering of innovation, simplifying systems and the development of an IoT sensor network.

3.4 To be recognised as a preferred tourism destination

3.4.1 Facilitate, support and promote activities and places to visit.

The City's tourism brand Experience Perth Hills continues to lead the way in shining a light on the Perth Hills region. Over the past 12-months, there has been significant growth within the social media arena.

A new partnership with Destination WA has brought the City of Kalamunda's tourism offering to the fore with television segments on Channel 9.

Bickley Valley, Carmel and Pickering Brook continue to grow in popularity, due to the ever increasing offering within the region. The Blossom Festival pop ups created huge interest together with farm gate and more traditional meet the maker experiences. The City is well placed to provide the remarkable and memorable offerings visitors are looking for.

Similarly, the tourism collaboration with the City of Armadale, Shire of Mundaring, City of Swan and Shire of Serpentine Jarrahdale, known as the Perth Hills Tourism Alliance, has been extremely effective. This initiative encourages visitors to the wider Perth Hills region delivering a more robust offering and accelerating our destination marketing through this collaboration. It is an exciting time for our region, we are on the doorstep of Perth with an abundance of experiences for the visitor to enjoy.

3.4.2 Advocate and facilitate diversification options for rural properties to flourish.

Rural Land Diversification

Phase 1 outcomes of the working group technical studies are nearing conclusion with Pickering Brook townsite expansion recommendations to be presented to the Taskforce in late 2020, and Council likely early 2021. Phase 2 relating to tourism and surrounds is anticipated 2021.



Pickering Brook

Priority 4

Kalamunda Leads

4.1 To provide leadership through transparent governance.

4.1.1 Provide good governance.

Risk Management

The City is firmly committed to organisation-wide risk-management practices to ensure consistent, efficient and effective assessment and management of risk in all decision making. The City has recently undertaken a comprehensive review of its Risk Management Framework with a strong focus on training and implementing systems and processes that streamline the management of risk. In addition, we have developed and implemented a Fraud and Corruption Control Plan further strengthening the risk environment.

The City's Risk Management Framework is structured around the Australian Standard for Risk Management (AS/NZ ISO 31,000:2018) which is strongly focused on:

- Maintaining high levels of integrity for services provided by the City
- Protecting the City's physical and non-physical assets including employees, elected members, financial information, and property
- Achieving and maintaining legislative and regulatory compliance, including codes of conduct and professional standards
- Creating an environment where all employees assume responsibility for the proactive management of risk, and
- Demonstrating transparent and responsible risk management processes to align to accepted best practice to address uncertainty and to deliver continuous improvement.

The City's Audit and Risk Committee undertakes a review of the Strategic Risk Register each quarter.

4.1.2 Build an effective and efficient service based organisation.

Organisational Culture Plan

Staff now have greater access to training opportunities through an increase of in-house programs, internal nominations and open access to online training. In-house programs have covered a variety of areas including customer service, emotional intelligence and managing stress.

All Managers and high potential coordinators completed the Synergistics 360 leadership development programs and an additional 28 instructor-led or online programs have been completed in managing safety or performance.

The development sessions for the safety cultural change program have been completed with all Asset Services staff participating. Staff evaluations for the sessions were over 75% and recent survey results demonstrate an increase



City of Kalamunda Administration



in safety awareness for the Asset Services Directorate.

The focus on compliance continued with the development of a Risk Education program. In addition, online training programs in harassment, bullying, safety and IT security are now part of the probation conditions for all new staff.

The City's values and competencies have been added into all internal training programs and are now a part of the annual appraisal process for all staff and incorporated into the probation assessment. This focus on one City team has continued through inclusive Team Kalamunda events and communications through staff emails and Friday Focus.

The annual staff survey has been completed. The City's results indicate employee engagement has improved from the last survey and is above the WA average. The overall workplace rating is at 97%. An excellent result.

Information Technology

The City remains focused on executing its Information Communications (ICT) Strategy. The ICT Strategy is built around the following seven key areas

and is focused on the delivery of enhanced services to the community and citizens of Kalamunda.

- Governance
- Infrastructure and Technology
- Business Systems Applications
- Human Capital
- Business Continuity
- Communications and Information Management, and
- Security

With the increase of cybercrime around the globe, the City remains focused on securing its digital assets has created a Cyber Security Strategy and participated in security tests with a view to understanding and minimising risk.

The City has increased its focus on the mapping of business processes to ensure that it is ready for new business systems applications as they become available.

Data visualisation skill and capacity are now being built within the City to better enable decisions.

4.2 To proactively engage and partner for the benefit of community.

4.2.1 Actively engage with the community in innovative ways.

The City partnered with a number of community groups to deliver community programs and events in 2019/2020.

Clubs4Life

The Club Development team partnered with Inclusion Solutions to run two workshops. An Attracting Volunteer Talent and Time workshop was held in July and attended by 10 clubs. A Building Stronger Better Connected Club workshop was held in November and attended by 11 local groups.

Inclusive Kalamunda

The City has partnered with Inclusion Solutions to deliver a new community project to support local Sporting Clubs and Community Groups and create a more welcoming and inclusive culture and environment.

Community Engagement

Community engagement continued to be a strong focus for the City.

The City collaborated and sought public input on the following items in the 2019/2020 Financial Year:

Plants for Residents 2020 Feedback Form	Draft Extractive Industries Local Law 2020
Fenced Dog Exercise Parks	Development Application for Telecommunications Infrastructure, Pickering Brook
Public Art Master Plan Survey	2020 Nominations for Perth Hills Preparedness Local Steering Committee
Reset Wattle Grove South Community Survey	Proposed Permanent Closure of Portion of Masonmill Road, Carmel and Dedication of Portion of Reserve 10601
Reset Wattle Grove South - Draft Concept: Feedback Form	Scheme Amendment No. 105
Name the new Kalamunda Community Centre	Draft Local Planning Policy 29 - Unhosted Holiday Houses
Libraries - Future Directions and Community Satisfaction Survey	Scheme Amendment No. 103
COVID-19	Bushfire Preparedness 2020-2021: Are You Ready?
COVID-19 Permanent User Facility Survey	Strategic Community Plan Review - Have Your Say!
Reset Wattle Grove South - Co-Design Workshop Session	Proposed Permanent Closure - Portions of Merrivale Road, Pickering Brook and Dedication of portion of Reserve 47881
COVID-19 Impact: State of Small Business	Development Proposal: Proposed Increase in Number of Children and Modified Operating Hours at Existing Child Care Premises
Reset Wattle Grove South - Online Open House Session	Cell 9 Wattle Grove - Guided Development Scheme Review
Kalamunda Road Investigation - Phase 2 Feedback	Amendments to Local Planning Schemes and Plans: Amendment No.81
Reset Wattle Grove South - Co-Design Workshop Expression of Interest Form	Carers Week 2020 Registration
Western Australian Bicycle Network Grant Projects - Welshpool Road East Route Link Shared Path	Notice of Development Proposal for Kalamunda
Public Art Master Plan - Online Community Workshop	Notice of Development Proposal for Lesmurdie
Local Heros & Volunteers - Nomination Form	Proposed Dedication of a Portion of Quicke Road, Paulls Valley
Town Team - Expression of Interest	Development Proposal for Telecommunications Infrastructure
Carers Week 2019	Fleming Reserve Cash-in-lieu Visioning
Community Safety and Crime Prevention Advisory Committee (North West Ward) - Nomination Form	Proposed Permanent Closure of Portions of Setosa Drive, Forrestfield
Register Your Business	Central Mall Upgrade Project Survey
Development Proposal for Lot 320 (31) Maida Vale Road	Proposed Dedication of Reserve 6853, Canning Mills
Proposal for Place of Worship - Community Purpose Wattle Grove	Amendments to Local Planning Schemes and Plans: Amendment No.97
Proposed Micro-Brewery, Restaurant, Reception Centre, Six Chalets, Day Spa and Ancillary Dwelling, Bickley	What do you think? - Naming our places and spaces
Proposed Amendment to Outline Development Plan: Karingal Green	RAP Reference Group Nomination Form
Proposal for Service Station with Convenience Store and Fast Food Outlet - High Wycombe	Proposed Permanent Closure of Portion William Street, Wattle Grove
Proposed Extension to Aged Care Facility - Carmel	Community Workshop Registration
Development Proposal - Wattle Grove	Proposed Dogs Local Law 2020
Proposed Local Development Plan - Maida Vale	Reset Wattle Grove South
Proposed Local Development Plan - Wattle Grove	Kalamunda Connected
Development Proposal: Alterations and Additions to existing buildings, Carmel	Amendments to Local Planning Schemes and Plans: Amendment No.35
Proposed Change of Use from Shop to 'Use Not Listed (Small Bar)' - Wattle Grove	Feedback: Draft Public Art Master Plan
Good Neighbour Nomination Form	Social Inclusion Survey
Road Notices, Works & Closures Proposed Dedication of Land Required for Roe Highway/Kalamunda Road	Amendments to Local Planning Schemes and Plans: Scheme Amendment 95
Proposed Refurbishment Of Existing Shopping Centre - Kalamunda	Help Us Name the City's New Community Centre
Development Proposal for Telecommunications Infrastructure	Development Proposal for Aged Care Accommodation
Development Proposal: Clearing of Vegetation and Early Learning Centre, Lesmurdie	Cambridge Reserve Revised Concept Plan - Survey
Proposal for Place of Worship, Community Hall & Culvert Crossing, Wattle Grove	Kalamunda Economic Development Advisory Committee: Nomination Form
Retrospective Approval -Carmel	Amendments to Local Planning Schemes and Plans: Amendment No.96
Development Application For Change Of Use, Approval For Existing Uses & A Local Development Plan, Carmel	Strategic Community Plan Review: Workshop Registrations
Proposed Modification to Structure Plan - Forrestfield	Cambridge Reserve Revised Concept Plan: Submissions on Amendment 104
Central Mall Upgrade Project - Workshop Registrations (Online)	Amendments to Local Planning Schemes and Plans: Amendment No.100

The Customer Service Charter, Service standards and timeframes can be viewed online at kalamunda.wa.gov.au/council/about-us/vision-values and are also available to staff on Kalanet.

Since the review of the Customer Service Charter, the City has seen a reduction in response time and outstanding requests, with the

average response time across all requests reducing from 0.88 days in 2018/19 to 0.40 days in 2019/20, as shown in Figure 1.

This year, the City has seen an increase in the number of compliments reported. 172 compliments were recorded in 2018/19, with 253 compliments being reported in 2019/20, and

a reduction in the number of complaints received (43 received in 2018/19, and only 37 received in 2019/20).

The City has also seen a reduction in the number of outstanding requests and records, as seen in Figure 2.

1/7/2018-30/6/2019	Count of Requests	Count of Requests with Time taken > 7 Days	% of Requests with Time taken >7 Days	Average Response Time across all Requests
	39091	454	1.16%	0.88 days
1/7/2019-30/6/2020	Count of Requests	Count of Requests with Time taken > 7 Days	% of Requests with Time taken >7 Days	Average Response Time across all Requests
	20121	119	0.59	0.40 days

Figure 1

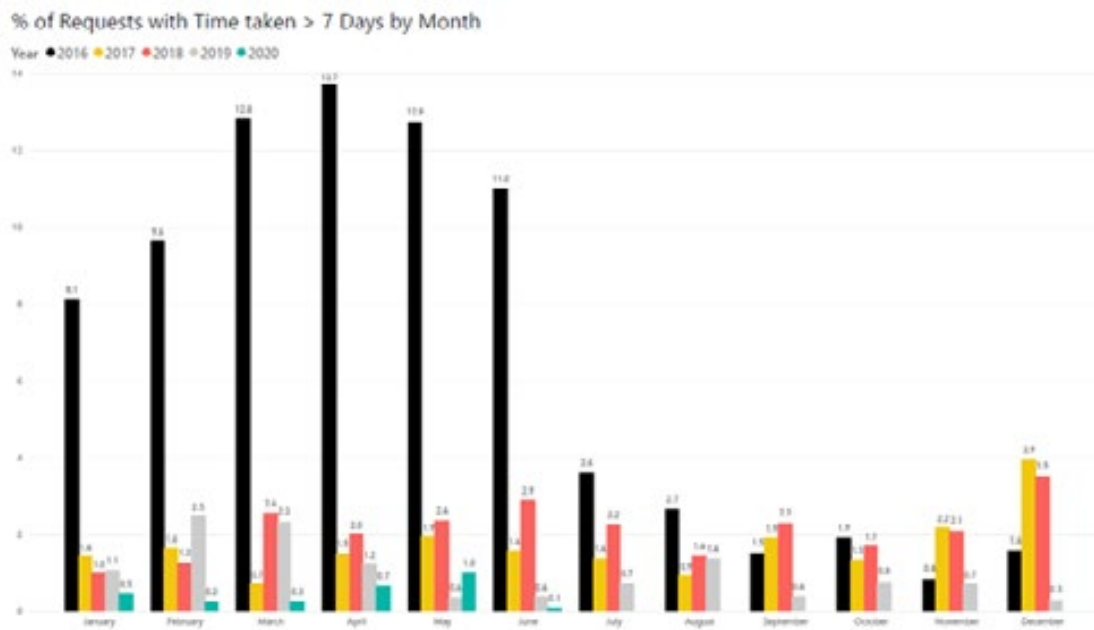


Figure 2

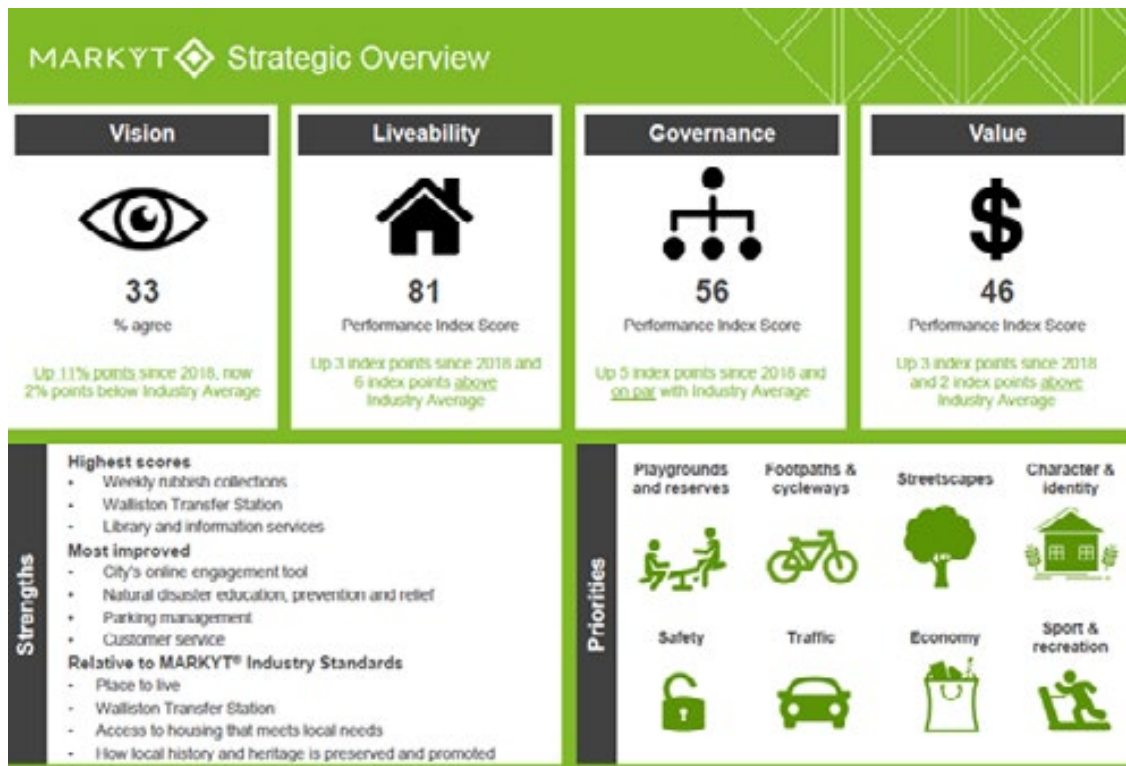
The City has a number of different channels to share and receive information with/from customers and frequently asks customers how they prefer to receive information.

Customers are asked how they would like to receive information

on forms, including animal registration applications and building plan retrieval forms. The City also promotes different options for receiving rates notices (such as e-Rates).

The City welcomes customer feedback through surveys, and

in 2020 the City commissioned Catalyst Pty Ltd to undertake a Community Perceptions study known as the 'Community Scorecard'. The results showed customer service was one of the City's most improved areas.





Lesmurdie Falls

The City recognises that “one-size does not fit all” and offers flexible options for delivery of services for extenuating circumstances and needs.

Customer Relations Officers think outside of the box and go above and beyond to provide flexible service solutions, an example of this being a Customer Relation Officer enlisting the help of a volunteer to assist an elderly resident get her mattress out on the kerb for removal.

Other flexible service solutions include the innovative “click and collect” library book service provided during the COVID-19 crisis, the collection

of Replacement Entry Passes at the gate of the Walliston Transfer Station, and Rangers providing Pound release services on weekends.

The City offers numerous payment methods and options for paying rates, including B-Pay, B-Point, instalments, Direct Debit, payment at the post office, and COVID-19 relief for eligible residents experiencing financial hardship, to name a few.

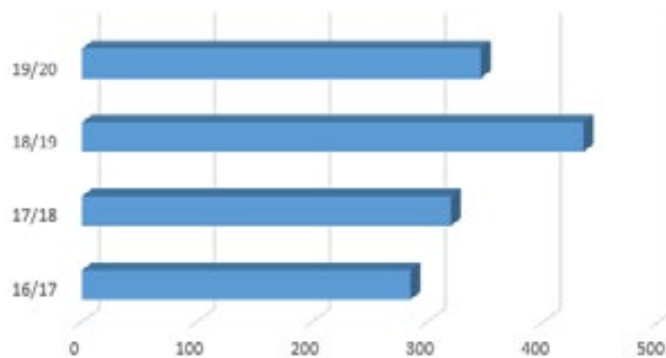
The City has made available through the City’s website, several e-business capabilities including:

- E-rates (receiving rates electronically)
- Infringements (payments)

- Sundry Debtors (payments)
- Ordering a Skip Bin
- Building Applications
- Development Applications
- Tendering
- Waste Permit Applications
- Report It
- Online Mapping
- eLibrary
- Gym Membership

In 2020, 994 building applications were lodged with the City of Kalamunda, 118 (11.87%) were lodged and paid via the online portal.

Online Payments Recieved per financial year



The above graph shows the customer take up of online payment functions since 2016.



4.2.2 Increase advocacy activities and develop partnerships to support growth and reputation.

The City's focus on advocacy is shown by the recent development of posters and distribution to local State members and candidates in readiness for the State Election in 2021.

Current key advocacy projects include:

- \$1.6m to turn Woodlupine Brook into a living stream (Forrestfield)
- \$1.8m to expand the water harvesting work at Hartfield Park (Forrestfield)
- \$2.7m for the Stirk Park upgrade (Kalamunda)
- \$10.74m for the Scott Reserve upgrade (High Wycombe)
- \$13m to build the Woodlupine Community Hub (Forrestfield)
- \$15.5m to improve Maida Vale Reserve infrastructure (Maida Vale)
- \$17.4m to fund projects within the Kalamunda Cycle Plan (Kalamunda)
- \$18m for the Ray Owen Reserve and Sports Centre upgrade (Lesmurdie), of which the State has since announced \$5m in support

- \$100m for the planned Forrestfield North Transit Oriented Development (Forrestfield/High Wycombe)

The City is currently building the Kalamunda Community Centre, which has been successfully funded from advocacy work. Construction commenced in January 2020, on the multi-purpose Kalamunda Community Centre Building at Jorgensen Park. The new centre is set to replace the Jorgensen Park Pavilion, which has reached its end of life.

Council adopted the centre's design in mid-2019, following extensive consultation with the Kalamunda Community Learning Centre and Community Reference Group.

Key features include: seven activity rooms, two halls, office space, a kitchen, bathrooms, outdoor play areas and a viewing deck. Timber and stone design textures will give the building a natural feel, paying tribute to its surrounds.

The project also includes improvements to the site's car parking facilities and associated infrastructure.

Funding included:

- State Government of Western Australia: \$3m
- Lotterywest has provided \$2.5m
- Federal Government: \$1m
- Kalamunda Community Learning Centre: \$150k

The City acknowledges the collaboration and efforts of the Kalamunda Community Learning Centre in attracting funding for the Centre, which was the result of many years of advocacy by the City and the Centre.

The City has also seen successful advocacy projects relating to roads infrastructure at Kalamunda Road and Roe Highway come to fruition, with building of the grade separation currently underway and funding announced for improvements along Tonkin Highway intersections within the City.

Record Keeping and Statutory Requirements

Statement on the City of Kalamunda Record Keeping Plan

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

Electronic Document Records Management System

The new Enterprise Content Management System, Altus ECM, continues to be embedded into processes and new systems. The Altus Collaboration, which is replacing the old SynergySoft database module by module, is ensuring full integration with Altus ECM as part of the replacements. All systems identify passive capture of records as being vital to ensuring compliance, taking out manual work processes and templating most of the keywords and classifications.

Training

There has been a strong focus on documentation and training around email storage, optimising system use.

The City uses Litmos as its Learning Management System, which allows for online learning, including Records Management. It also allows for quizzes, to reinforce learning, and ensure there is a baseline knowledge. Processes relating to Records Management

have been added to the Promapp, which is the system of recording the Processes of the City of Kalamunda.

Risks

Risks relating to Records Management have been inputted into the City's Operational Risk System and are reported on quarterly.

KPI and Performance Management

Records performance is measured through the Interplan System on a monthly basis, providing a system of monitoring of the Records Area by management and Council.

Freedom of Information Statement

Salary Range \$	2019/2020
100,000 - 109,999	12
110,000 - 119,999	6
120,000 - 129,999	1
130,000 - 139,999	4
140,000 - 149,999	6
150,000 - 159,999	0
160,000 - 169,999	1
170,000 - 179,999	0
180,000 - 189,999	0
190,000 - 199,999	2
200,000 - 209,999	2
210,000 - 219,999	0
220,000 - 229,999	0
230,000 - 239,999	0
240,000 - 249,999	0
250,000 - 259,999	0
260,000 - 269,999	0
270,000 - 279,999	0
280,000 - 289,999	1

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City of Kalamunda Financial Report for Year Ended 30 June 2020



**CITY OF KALAMUNDA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Kalamunda for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the City of Kalamunda at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 24 day of November 2020



Chief Executive Officer

Rhonda Hardy

Name of Chief Executive Officer





Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councilors of the City of Kalamunda

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the City of Kalamunda which comprises the Statement of Financial Position as at 30 June 2020, 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 Kalamunda:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

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

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

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the City:
 - a. The Operating Surplus Ratio as reported in Note 34 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard of 0.01 for the last two financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2018 in Note 34 of the financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the City of Kalamunda for the year ended 30 June 2020 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
3 December 2020

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

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	26(a)	37,864,554	37,581,411	37,436,125
Operating grants and subsidies	2(a)	2,621,875	1,597,951	2,854,853
Contributions, Reimbursements and Donations	2(a)	4,944,018	779,575	621,232
Fees and charges	2(a)	15,401,091	15,832,725	15,459,212
Interest earnings	2(a)	800,329	1,096,640	1,021,116
Other revenue	2(a)	36,145	55,625	39,940
		61,668,012	56,943,926	57,432,478
Expenses				
Employee costs		(25,144,391)	(25,595,958)	(25,253,690)
Materials and contracts		(22,443,971)	(21,993,985)	(20,391,297)
Utility charges		(1,920,612)	(1,939,051)	(1,893,592)
Depreciation on non-current assets	11(b)	(11,316,721)	(12,549,653)	(10,986,630)
Interest expenses	2(b)	(265,469)	(272,482)	(298,308)
Insurance expenses		(591,118)	(602,949)	(606,001)
Other expenditure		(1,567,604)	(456,654)	(377,878)
		(63,249,886)	(63,410,732)	(59,807,396)
		(1,581,874)	(6,466,806)	(2,374,918)
Non-operating grants, subsidies and contributions	2(a)	7,354,821	8,571,844	5,567,739
Profit on asset disposals	11(a)	14,771	0	71,935
(Loss) on asset disposals	11(a)	(2,566,892)	0	(960,029)
Dividends Received	23(a)	803,210	0	0
Share of net profit/(loss) of associate accounted for using the equity method	23(a)	(2,290,314)	1,679,116	998,408
Reversal of prior year loss on revaluation of plant and equipment	9(a)	0	0	91,366
		3,315,596	10,250,960	5,769,419
		1,733,722	3,784,155	3,394,500
Net result for the period				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	9(a)	(31,575,993)	0	570,669
Increase in fair value of other equity investments	13	2,305		127,766
Share of comprehensive income of associates and joint ventures accounted for using the equity method	23(a)	140,216	0	(107,738)
		(31,433,472)	0	590,697
		(29,699,750)	3,784,155	3,985,197

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

**CITY OF KALAMUNDA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		27,753	21,837	7,214
General purpose funding		41,356,817	40,355,500	41,289,905
Law, order, public safety		442,233	425,700	492,183
Health		878,374	880,105	885,305
Education and welfare		64,508	62,530	62,448
Community amenities		12,539,229	12,711,869	12,276,496
Recreation and culture		2,070,476	1,802,717	1,696,838
Transport		41,498	30,000	39,664
Economic services		250,127	238,089	252,964
Other property and services		3,996,997	415,579	429,461
		61,668,012	56,943,926	57,432,478
Expenses				
	2(b)			
Governance		(3,960,937)	(3,703,748)	(4,049,625)
General purpose funding		(616,834)	(796,643)	(745,878)
Law, order, public safety		(2,089,052)	(2,174,665)	(1,952,166)
Health		(1,652,827)	(1,579,971)	(1,593,391)
Education and welfare		(382,309)	(501,922)	(453,167)
Community amenities		(15,445,082)	(16,660,312)	(14,408,586)
Recreation and culture		(18,065,399)	(21,302,408)	(19,080,431)
Transport		(12,603,438)	(14,105,377)	(13,176,803)
Economic services		(1,227,207)	(1,436,508)	(1,092,070)
Other property and services		(6,941,332)	(876,694)	(2,956,971)
		(62,984,417)	(63,138,250)	(59,509,088)
Finance Costs				
	2(b)			
Other property and services		(265,469)	(272,482)	(298,308)
		(265,469)	(272,482)	(298,308)
		(1,581,874)	(6,466,806)	(2,374,918)
Non-operating grants, subsidies and contributions	2(a)	7,354,821	8,571,844	5,567,739
Profit on disposal of assets	11(a)	14,771	0	71,935
(Loss) on disposal of assets	11(a)	(2,566,892)	0	(960,029)
Dividends Received		803,210	0	0
Share of net profit/(loss) of associate accounted for using the equity method	23(a)	(2,290,314)	1,679,116	998,408
Reversal of prior year loss on revaluation of plant and equipment	9(a)	0	0	91,366
		3,315,596	10,250,960	5,769,419
		1,733,722	3,784,155	3,394,500
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	9(a)	(31,575,993)	0	570,669
Increase in fair value of other equity investments	13	2,305	0	127,766
Share of comprehensive income of associates and joint ventures accounted for using the equity method	23	140,216	0	(107,738)
		(31,433,472)	0	590,697
		(29,699,750)	3,784,155	3,985,197

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

**CITY OF KALAMUNDA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2020**

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	24,196,351	20,737,597
Trade and other receivables	6	3,795,352	3,102,521
Other financial assets	5(a)	3,394,524	3,346,005
Inventories	7	123,249	116,822
Other assets	8	303,636	281,015
TOTAL CURRENT ASSETS		31,813,112	27,583,960
NON-CURRENT ASSETS			
Trade and other receivables	6	866,115	767,306
Other financial assets	5(b)	226,335	243,540
Other Assets	8	158,663	0
Inventories	7	386,067	386,067
Investment in associate	23(a)	29,257,611	31,407,709
Property, plant and equipment	9	120,811,550	152,178,462
Infrastructure	10	371,529,361	369,040,188
Intangible assets	12	865,958	663,064
TOTAL NON-CURRENT ASSETS		524,101,661	554,686,335
TOTAL ASSETS		555,914,773	582,270,295
CURRENT LIABILITIES			
Trade and other payables	14	8,435,334	6,301,587
Capital Grant Liabilities	15	2,214,705	0
Borrowings	16(b)	1,027,692	672,155
Employee related provisions	17	4,196,505	3,723,149
TOTAL CURRENT LIABILITIES		15,874,236	10,696,891
NON-CURRENT LIABILITIES			
Borrowings	16(b)	6,961,299	4,281,990
Employee related provisions	17	362,263	455,316
TOTAL NON-CURRENT LIABILITIES		7,323,562	4,737,306
TOTAL LIABILITIES		23,197,798	15,434,197
NET ASSETS		532,716,975	566,836,098
EQUITY			
Retained surplus		222,322,634	221,680,150
Reserves - cash/financial asset backed	4	14,531,763	17,223,164
Revaluation surplus	13	295,862,578	327,932,784
TOTAL EQUITY		532,716,975	566,836,098

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

**CITY OF KALAMUNDA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL ASSET BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		217,287,645	18,221,169	327,342,087	562,850,901
Comprehensive income					
Net result for the period		3,394,500	0	0	3,394,500
Other comprehensive income	13	0	0	590,697	590,697
Total comprehensive income		3,394,500	0	590,697	3,985,197
Transfers from reserves	4	7,328,550	(7,328,550)	0	0
Transfers to reserves	4	(6,330,542)	6,330,542	0	0
Balance as at 30 June 2019		221,680,150	17,223,164	327,932,784	566,836,098
Initial Application of AASB 15 & AASB 1058	29(d)	(3,782,639)	0	0	(3,782,639)
Restated total equity at 1 July 2019		217,897,511	17,223,164	327,932,784	563,053,459
Comprehensive income					
Net result for the period		1,733,722	0	0	1,733,722
Other comprehensive income	13	0	0	(31,433,472)	(31,433,472)
Total comprehensive income		1,733,722	0	(31,433,472)	(29,699,750)
Transfer of previously recognised increment in fair value due to asset disposals / write off	11(a)	0	0	(636,734)	(636,734)
Transfers from reserves	4	4,803,533	(4,803,533)	0	0
Transfers to reserves	4	(2,112,132)	2,112,132	0	0
Balance as at 30 June 2020		222,322,634	14,531,763	295,862,578	532,716,975

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

**CITY OF KALAMUNDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2020**

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	37,416,593	37,706,303	37,291,278
Operating grants and subsidies	2,600,588	2,377,526	2,854,853
Contributions, Reimbursements and Donations	4,944,018	0	621,232
Fees and charges	11,399,584	15,551,917	12,516,684
Interest received	800,329	1,096,639	1,021,116
Goods and services tax received	4,001,507	280,808	3,582,968
Other revenue	36,148	55,625	39,940
	<u>61,198,767</u>	<u>57,068,818</u>	<u>57,928,071</u>
Payments			
Employee costs	(24,734,713)	(25,595,958)	(24,811,743)
Materials and contracts	(21,958,896)	(19,001,492)	(20,472,639)
Utility charges	(1,920,612)	(1,939,051)	(1,893,592)
Interest expenses	(265,469)	(272,482)	(308,866)
Insurance paid	(591,118)	(602,949)	(606,001)
Goods and services tax paid	(594,316)	(2,862,409)	(329,524)
Other expenditure	(1,567,604)	(456,654)	(377,879)
	<u>(51,632,728)</u>	<u>(50,730,995)</u>	<u>(48,800,244)</u>
Net cash provided by (used in) operating activities	18 9,566,039	6,337,823	9,127,827
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost	0	0	(84,220)
Movement in Capital Grant Liabilities	134,538	0	0
Payments for purchase of property, plant & equipment	9(a) (4,124,781)	(13,139,511)	(4,467,761)
Payments for construction of infrastructure	10(a) (13,273,035)	(16,881,671)	(10,503,612)
Payments for intangible assets	(273,427)	0	(267,375)
Non-operating grants, subsidies and contributions	2(a) 7,354,821	8,571,844	5,567,739
Dividends Received	23(a) 803,210	0	0
Proceeds from financial assets at amortised cost - self supporting loans	30,077	34,492	44,346
Proceeds from sale of property, plant & equipment	11(a) 206,465	0	264,174
Net cash provided by (used in) investment activities	(9,142,132)	(21,414,846)	(9,446,708)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	16(a) (672,153)	(672,155)	(652,798)
Proceeds from new borrowings	16(a) 3,707,000	4,307,000	0
Net cash provided by (used In) financing activities	3,034,847	3,634,845	(652,798)
Net increase (decrease) in cash held	3,458,754	(10,372,908)	(971,679)
Cash at beginning of year	20,737,597	23,124,754	21,709,276
Cash and cash equivalents at the end of the year	18 <u>24,196,351</u>	<u>12,751,846</u>	<u>20,737,597</u>

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

**CITY OF KALAMUNDA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	246,491	2,968,871	4,090,347
		246,491	2,968,871	4,090,347
Revenue from operating activities (excluding rates)				
Governance		27,753	21,837	7,214
General purpose funding		3,698,050	4,580,576	4,355,437
Law, order, public safety		444,421	425,700	492,183
Health		878,374	880,105	885,305
Education and welfare		64,508	62,530	62,448
Community amenities		12,539,229	12,711,871	12,276,496
Recreation and culture		2,071,774	1,802,717	1,696,838
Transport		41,498	30,000	39,664
Economic services		250,127	238,089	252,964
Other property and services		4,008,282	415,578	1,499,804
		24,024,016	21,169,003	21,568,353
Expenditure from operating activities				
Governance		(3,960,937)	(3,703,747)	(4,049,625)
General purpose funding		(616,834)	(796,643)	(745,878)
Law, order, public safety		(2,094,144)	(2,174,667)	(1,952,166)
Health		(1,652,827)	(1,579,971)	(1,593,391)
Education and welfare		(382,309)	(501,922)	(453,167)
Community amenities		(15,456,757)	(16,660,312)	(14,408,586)
Recreation and culture		(19,688,078)	(21,302,408)	(19,697,024)
Transport		(13,492,965)	(14,105,377)	(13,420,070)
Economic services		(1,227,207)	(1,436,508)	(1,092,070)
Other property and services		(9,535,033)	(1,149,177)	(3,264,083)
		(68,107,091)	(63,410,732)	(60,676,060)
Non-cash amounts excluded from operating activities	27(a)	16,347,813	12,581,910	11,129,304
Amount attributable to operating activities		(27,488,771)	(26,690,948)	(23,888,056)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	7,354,821	8,571,844	5,567,739
Proceeds from disposal of assets	11(a)	206,465	0	264,174
Proceeds from financial assets at amortised cost - self supporting loans		30,077	34,492	44,346
Purchase of property, plant and equipment	9(a)	(4,124,781)	(13,139,511)	(4,467,761)
Purchase and construction of infrastructure	10(a)	(13,273,035)	(16,881,671)	(10,503,612)
Dividends Received	23(a)	803,210	0	0
Payments for intangible assets		(273,427)	0	(267,375)
Amount attributable to investing activities		(9,276,670)	(21,414,846)	(9,362,491)
FINANCING ACTIVITIES				
Repayment of borrowings	16(a)	(672,153)	(672,155)	(652,798)
Proceeds from borrowings	16(a)	3,707,000	4,307,000	0
Transfers to reserves (restricted assets)	4	(2,112,132)	(1,447,481)	(6,330,542)
Transfers from reserves (restricted assets)	4	4,803,533	10,077,663	7,328,550
Amount attributable to financing activities		5,726,248	12,265,028	345,210
		(31,039,196)	(35,840,767)	(32,905,337)
Surplus/(deficit) before imposition of general rates		(31,039,196)	(35,840,767)	(32,905,337)
Total amount raised from general rates	26(a)	37,658,767	37,454,039	36,934,468
Surplus/(deficit) after imposition of general rates	27(b)	6,619,571	1,613,272	4,029,131

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

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

1. BASIS OF PREPARATION

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

Amendments to Local Government (Financial Management) Regulations 1996

The *Local Government (Financial Management) Regulations 1996* (FM regs) take precedence over Australian Accounting Standards. Prior to 1 July 2019, Regulation (reg) 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the City. This is not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

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

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 to these financial statements.

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

2. REVENUE AND EXPENSES

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/ Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price if terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price if terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY (Continued)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/ Refunds/ Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled.	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

2. REVENUE AND EXPENSES (Continued)

(a) Grant revenue

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

	2020	2020	2019
	Actual	Budget	Actual
	\$	\$	\$
Operating grants and subsidies			
General purpose funding	2,442,960	1,340,898	2,598,458
Law, order, public safety	131,520	190,023	155,493
Education and welfare	9,061	7,530	9,252
Community amenities	3,805	0	0
Recreation and culture	6,440	27,000	58,349
Transport	28,089	30,000	30,801
Other property and services	0	2,500	2,500
	2,621,875	1,597,951	2,854,853
Contributions, Reimbursements and Donations			
Governance	27,753	1,836	7,204
General purpose funding	38,180	38,280	38,280
Law, order, public safety	14,892	20,889	3,774
Community amenities	44,751	34,883	2,458
Recreation and culture	1,009,076	459,902	331,857
Transport	13,410	0	8,350
Other property and services*	3,795,954	223,784	229,310
	4,944,018	779,575	621,232
Non-operating grants, subsidies and contributions			
Law, order, public safety	28,284	0	0
Health	0	0	144,687
Recreation and culture	2,093,987	4,736,000	898,086
Transport	3,619,778	3,106,451	3,178,163
Other property and services	1,612,772	729,393	1,346,803
	7,354,821	8,571,844	5,567,739
Total grants, subsidies and contributions			
	14,920,714	10,949,370	9,043,824
Fees and charges			
Governance	0	20,000	10
General purpose funding	218,897	304,697	205,405
Law, order, public safety	261,120	177,538	300,737
Health	885,558	675,005	884,955
Education and welfare	55,447	55,000	53,196
Community amenities	12,490,673	12,676,715	12,274,038
Recreation and culture	1,056,258	1,315,816	1,306,631
Transport	0	0	514
Economic services	250,127	327,710	247,424
Other property and services	183,011	280,244	186,302
	15,401,091	15,832,725	15,459,212

* The City has received a \$2.1 million contribution from Eastern Metropolitan Regional Council for Food Organics and Green Organics project and \$1.3 million for reimbursement of expenses incurred on behalf of the CELL 9 trust account.

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

2. REVENUE AND EXPENSES (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

Non-operating grants, subsidies and contributions

	2020 Actual \$	2020 Budget \$	2019 Actual \$
	7,354,821	8,571,844	5,567,739
	<u>7,354,821</u>	<u>8,571,844</u>	<u>5,567,739</u>
	2,080,167	0	0
	5,274,654	8,571,844	5,567,739
	<u>7,354,821</u>	<u>8,571,844</u>	<u>5,567,739</u>
	2,214,705	0	0

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

Transfers intended for acquiring or constructing recognisable non-financial assets included as a capital grant liability at the start of the period

Other revenue from performance obligations satisfied during the year

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

Capital Grant liabilities from transfers of recognisable non financial assets

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2020.

Assets associated with contracts with customers were not subject to an impairment charge.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non-financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	37,658,767	37,454,039	36,934,468
Statutory permits and licences	810,712	741,624	862,415
Fines	51,803	80,000	59,177
Developer contributions	1,612,772	729,393	1,346,803
	<u>40,134,054</u>	<u>39,005,056</u>	<u>39,202,863</u>
Other revenue			
Other	36,145	55,625	39,940
	<u>36,145</u>	<u>55,625</u>	<u>39,940</u>
Interest earnings			
Financial assets at amortised cost - self supporting loans	8,102	6,426	9,479
Interest on reserve funds	104,883	104,000	122,445
Rates instalment and penalty interest	506,406	526,998	472,737
Other interest earnings	180,938	459,216	416,455
	<u>800,329</u>	<u>1,096,640</u>	<u>1,021,116</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings

Other expenditure

Sundry expenses

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	40,000	43,000	40,000
	73,940	109,000	96,925
	<u>113,940</u>	<u>152,000</u>	<u>136,925</u>
	265,469	272,482	298,308
	<u>265,469</u>	<u>272,482</u>	<u>298,308</u>
	1,567,604	456,654	377,878
	<u>1,567,604</u>	<u>456,654</u>	<u>377,878</u>

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash on Hand - Unrestricted		5,690	5,690
Cash at Bank		24,190,661	20,731,907
Total cash and cash equivalents		24,196,351	20,737,597
Comprises:			
- Unrestricted cash and cash equivalents		8,306,627	6,579,857
- Restricted cash and cash equivalents		15,889,724	14,157,740
		24,196,351	20,737,597
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		15,889,724	14,157,740
- Financial assets at amortised cost		3,363,744	3,298,444
		19,253,468	17,456,184

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

Reserves - cash/financial asset backed	4	14,531,763	17,223,164
Capital Grant Liabilities & Contract liabilities from transfers for recognisable non financial assets	15	2,214,705	0
Unspent loans	16(c)	2,507,000	0
Unspent grants/contributions		0	233,020
Total restricted assets		19,253,468	17,456,184

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted assets

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

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

4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
(a) Long Service Leave Reserve	\$ 975,756	6,345	0	982,101	\$ 972,788	5,806	0	978,594	\$ 967,820	7,936	0	975,756
(b) Land and Property Enhancement and Maintenance Reserve	1,637,323	10,785	(213,985)	1,434,122	1,657,266	9,892	(215,000)	1,452,158	1,648,799	13,524	(25,000)	1,637,323
(c) Waste Management Reserve	1,882,061	1,239,494	0	3,121,555	1,876,337	11,200	(200,000)	1,687,537	1,866,753	15,308	0	1,882,061
(d) EDP IT Equipment Reserve	945,039	6,149	(73,142)	878,047	942,166	605,624	(671,760)	876,030	937,352	7,687	0	945,039
(e) Local Government Elections Reserve	130,196	845	(130,000)	1,040	129,800	100,772	(143,000)	87,572	129,134	1,063	0	130,196
(f) HACCC Reserve	19,113	0	(19,113)	0	20,004	122	(20,126)	0	20,003	0	(891)	19,113
(g) Forrestfield Industrial Area Reserve	123,338	803	0	124,141	122,965	734	0	123,699	122,341	997	0	123,338
(h) Insurance Contingency Reserve	282,240	1,833	0	284,073	281,381	1,680	0	283,061	279,944	2,296	0	282,240
(i) Revaluation Reserve	257,367	46,298	0	303,665	256,582	1,532	(85,000)	173,114	256,268	2,099	0	257,367
(j) Nominated Employee Leave Provisions Reserve	1,928,479	59,728	0	1,988,207	1,922,613	11,476	0	1,934,089	1,912,791	15,689	0	1,928,479
(k) Forrestfield Industrial Scheme Stage 1 Reserve	1,382,439	601,839	(1,582,872)	401,406	1,631,779	9,740	(1,520,200)	121,319	2,210,731	499,366	(1,327,658)	1,382,439
(l) Asset Enhancement Reserve	1,259,273	96,399	(255,288)	1,100,384	1,253,843	164,965	(1,075,500)	343,308	1,769,752	14,521	(525,000)	1,259,273
(m) Unexpended Capital Works and Specific Purpose Grants Reserve	5,726,181	37,236	(2,348,254)	3,415,163	5,683,903	33,926	(5,683,903)	33,926	5,431,620	5,744,561	(5,450,000)	5,726,181
(n) Waste Avoidance and Resource Recovery Reserve	605,510	3,935	(180,880)	428,565	603,666	203,603	(260,000)	547,269	600,578	4,932	0	605,510
(o) Environmental Reserve	68,849	443	0	69,292	68,633	150,410	(117,500)	101,543	68,285	564	0	68,849
(p) Public Art Reserve	0	0	0	0	0	50,000	0	50,000	0	0	0	0
(q) Strategic Sport and Recreation Reserve	0	0	0	0	0	86,000	(85,674)	326	0	0	0	0
	17,223,164	2,112,132	(4,803,533)	14,531,763	17,423,726	1,447,481	(10,077,663)	8,793,544	18,221,169	6,330,542	(7,328,550)	17,223,164

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

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

4. RESERVES - CASH/FINANCIAL ASSET BACKED (Continued)

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

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Long Service Leave Reserve	Ongoing	To provide cash-backing for all annual and long service leave entitlements.
(b)	Land and Property Enhancement and Maintenance Reserve	Ongoing	To fund land and property purchases, upgrade and maintenance of existing properties.
(c)	Waste Management Reserve	Ongoing	To fund financing operations for the development of the City's sanitation service.
(d)	EDP IT Equipment Reserve	Ongoing	To fund the upgrade / replacement of the City's computer hardware and software requirements.
(e)	Local Government Elections Reserve	Ongoing	To fund the cost of future elections.
(f)	HACC Reserve	Discontinued	This reserve funded HACC Service programmes and asset replacements - the HACC programme was discontinued on 30.06.2017.
(g)	Forrestfield Industrial Area Reserve	Ongoing	To fund infrastructure requirements for the Forrestfield area.
(h)	Insurance Contingency Reserve	Ongoing	To fund insurance premium variations and potential call backs.
(i)	Revaluation Reserve	Ongoing	To fund triannual rating revaluations.
(j)	Nominated Employee Leave Provisions Reserve	Ongoing	To fund future nominated staff leave entitlements.
(k)	Forrestfield Industrial Scheme Stage 1 Reserve	Ongoing	The reserve is established to meet the City's reporting obligation under clause 6.5.16 of the City of Kalamunda Local Planning Scheme No. 3. The funds that were managed under the Trust for the scheme were transferred to the newly established reserve on 23rd June 2015. The reserve will be maintained to reflect all transactions related to the scheme for the benefit of the scheme members.*
(l)	Asset Enhancement Reserve	Ongoing	To fund future replacement of City's Infrastructure and plant and equipment needs.
(m)	Unexpended Capital Works and Specific Purpose Grants Reserve	Ongoing	To carry forward available funding for uncompleted projects and specific purpose grants, that will be completed and expended in ensuing financial years.
(n)	Waste Avoidance and Resource Recovery Reserve	Ongoing	Any surplus raised in the year for the purpose of managing the contaminated sites will be placed in the reserve for utilisation in future years.
(o)	Environmental Reserve	Ongoing	To fund environment strategies and projects.
(p)	Public Art Reserve	Ongoing	To fund future Public Art projects.
(q)	Strategic Sport and Recreation Reserve	Ongoing	To fund future Strategic Sport and Recreation capital projects.

* A Capital Grant Liability has been recognised under note 15 for this balance on 1 July 2019 due to the initial application of AASB 1058.

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

5. OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
(a) Current assets		
Financial assets at amortised cost	3,394,524	3,346,005
Other financial assets at amortised cost	3,394,524	3,346,005
Term deposits	3,363,744	3,298,444
Self supporting loans (i)	30,780	47,561
	3,394,524	3,346,005
(b) Non-current assets		
Financial assets at amortised cost	83,893	103,403
Financial assets at fair values through other comprehensive income	142,442	140,137
	226,335	243,540
Financial assets at amortised cost		
- Self supporting loans (i)	83,893	103,403
	83,893	103,403
Financial assets at fair values through other comprehensive income		
- Investments in Unit Trusts (ii)	142,442	140,137
	142,442	140,137

(i) Self supporting loans

An amount of money raised by the City in its own name through a specific loan for a period no longer than 10 years and provided to an approved community group or sporting club through a Self-Supporting Loan Agreement. Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 16(a) as self supporting loans.

(ii) Investments In Unit Trusts

The Local Government House Trust is a unit trust created for the purpose of providing building accommodation to the Western Australian Local Government Association (WALGA).

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	3,069,013	2,408,052
Trade and other receivables	305,767	282,822
GST receivable	420,572	409,989
Other receivables	0	1,658
	3,795,352	3,102,521

Non-current

Pensioner's rates and ESL deferred	866,115	767,306
	866,115	767,306

	2020	2019
	\$	\$
	3,069,013	2,408,052
	305,767	282,822
	420,572	409,989
	0	1,658
	3,795,352	3,102,521
	866,115	767,306
	866,115	767,306

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

Trade receivables are held with the objective to collect the contractual 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.

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

7. INVENTORIES

Current

Fuel and materials

	2020	2019
	\$	\$
Fuel and materials	123,249	116,822
	<u>123,249</u>	<u>116,822</u>

Non-current

Land held for resale - cost

Cost of acquisition

Development costs

Land held for resale - cost		
Cost of acquisition	370,021	370,021
Development costs	16,046	16,046
	<u>386,067</u>	<u>386,067</u>

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Net Movement in inventories

Carrying amount at end of period

Carrying amount at beginning of period	502,889	486,082
Net Movement in inventories	6,427	16,807
Carrying amount at end of period	<u>509,316</u>	<u>502,889</u>

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

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

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

8. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2020	2019
	\$	\$
Prepayments	295,342	265,088
Accrued income	8,294	15,927
	<u>303,636</u>	<u>281,015</u>

Other assets - Non current

Prepayments

Prepayments	158,663	0
	<u>158,663</u>	<u>0</u>

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

**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	Improvements to Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Public Art Works	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	62,876,000	2,883,100	65,759,100	79,444,637	79,444,637	145,203,737	1,058,512	4,151,100	0	0	150,413,348
Additions	0	0	0	3,138,535	3,138,535	3,138,535	79,791	851,879	0	397,556	4,467,761
(Disposals)	0	0	0	(170,099)	(170,099)	(170,099)	(45,136)	(247,272)	0	0	(462,507)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	570,669	0	0	570,669
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	91,366	0	0	91,366
Depreciation (expense)	0	0	0	(1,640,905)	(1,640,905)	(1,640,905)	(285,113)	(580,470)	0	0	(2,506,488)
Transfers - Gross Value	0	0	0	0	0	0	(974,235)	0	0	0	(974,235)
Transfers Depreciation	0	0	0	0	0	0	578,545	0	0	0	578,545
Carrying amount at 30 June 2019	62,876,000	2,883,100	65,759,100	80,772,167	80,772,168	146,531,268	412,364	4,837,274	0	397,556	152,178,462
Comprises:											
Gross carrying amount at 30 June 2019	62,876,000	2,883,100	65,759,100	83,985,050	83,985,050	149,744,150	4,657,304	4,837,274	0	397,556	159,636,284
Accumulated depreciation at 30 June 2019	0	0	0	(3,212,882)	(3,212,882)	(4,244,940)	(412,364)	0	0	0	(7,457,822)
Carrying amount at 30 June 2019	62,876,000	2,883,100	65,759,100	80,772,168	80,772,168	146,531,268	412,364	4,837,274	0	397,556	152,178,462
Additions	0	0	0	1,019,704	1,019,704	1,019,704	48,632	1,378,800	0	1,677,645	4,124,781
Transfers from Work in Progress	0	0	0	32,327	32,327	32,327	0	0	0	(32,327)	0
(Disposals)	0	0	0	(2,175,881)	(2,175,881)	(2,175,881)	4,167	(252,985)	0	0	(2,424,698)
Revaluation increments / (decrements) transferred to revaluation surplus	(29,858,999)	1,285,251	(28,573,748)	(4,155,145)	(4,155,145)	(32,728,893)	0	1,152,900	0	0	(31,575,993)
Depreciation (expense)	0	0	0	(1,681,203)	(1,681,203)	(1,681,203)	(72,181)	(589,616)	0	0	(2,343,000)
Transfers	0	852,000	852,000	0	0	852,000	0	0	0	0	852,000
Carrying amount at 30 June 2020	33,017,000	5,020,351	38,037,351	73,811,969	73,811,969	111,849,320	392,982	5,373,474	1,152,900	2,042,874	120,811,550
Comprises:											
Gross carrying amount at 30 June 2020	33,017,000	5,020,351	38,037,351	73,811,969	73,811,969	111,849,320	2,731,500	5,949,074	1,152,900	2,042,874	123,725,668
Accumulated depreciation at 30 June 2020	0	0	0	0	0	0	(2,338,518)	(575,600)	0	0	(2,914,118)
Carrying amount at 30 June 2020	33,017,000	5,020,351	38,037,351	73,811,969	73,811,969	111,849,320	392,982	5,373,474	1,152,900	2,042,874	120,811,550

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2020	Average price for square meter / sales process of comparable properties
Improvements to Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using current replacement cost	Independent registered valuer	June 2020	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Improvements to building valued using cost approach using current replacement cost	Independent registered valuer	June 2020	Improvements to building using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using current replacement cost	Management Valuation	June 2019	Purchase cost and current condition, residual values and remaining useful life assessments inputs
Plant and equipment	3	Cost approach using current replacement cost	Management Valuation	June 2019	Purchase cost and current condition, residual values and remaining useful life assessments inputs

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

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

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

10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads \$	Infrastructure - Footpaths \$	Infrastructure - Drains \$	Infrastructure - Parks and Ovals \$	Infrastructure - Other \$	Work in Progress \$	Total Infrastructure \$
Balance at 1 July 2018	181,719,311	27,311,282	126,380,083	11,943,211	16,690,724	3,661,867	367,706,478
Additions - Projects in 2018/2019	3,009,259	927,067	864,763	1,314,784	1,069,253	3,318,486	10,503,612
(Disposals)	(101,427)	(39,473)	(47,672)	(446,494)	(54,695)	0	(689,761)
Transfers from Work in Progress	1,172,232	85,748	0	0	144,333	(1,402,313)	0
Depreciation (expense)	(4,302,572)	(936,369)	(1,548,354)	(860,867)	(831,979)	0	(8,480,141)
Carrying amount at 30 June 2019	181,496,802	27,348,256	125,648,820	11,950,634	17,017,636	5,578,040	369,040,188
Comprises:							
Gross carrying amount at 30 June 2019	185,776,437	28,259,838	127,122,177	12,624,869	17,767,527	5,578,039	377,128,888
Accumulated depreciation at 30 June 2019	(4,279,635)	(911,582)	(1,473,357)	(674,235)	(749,891)	0	(8,088,700)
Carrying amount at 30 June 2019	181,496,802	27,348,256	125,648,820	11,950,634	17,017,636	5,578,040	369,040,188
Additions - Projects in 2019/2020	8,358,263	729,743	432,635	1,206,061	528,829	2,017,504	13,273,035
Transfers from Work in Progress	2,793,913	8,594	21,883	12,166	0	(2,836,556)	0
(Disposals)	(179,558)	(37,656)	(276,929)	(131,549)	(344,929)	0	(970,622)
Depreciation (expense)	(4,460,163)	(967,141)	(1,568,990)	(1,028,349)	(878,546)	0	(8,903,189)
Transfers	0	0	0	0	(852,000)	(58,052)	(910,052)
Carrying amount at 30 June 2020	188,009,258	27,081,795	124,257,419	12,008,962	15,470,989	4,700,937	371,529,361
Comprises:							
Gross carrying amount at 30 June 2020	196,705,096	28,939,840	127,086,741	13,579,738	16,847,647	4,700,937	387,860,000
Accumulated depreciation at 30 June 2020	(8,695,838)	(1,858,045)	(2,829,322)	(1,570,776)	(1,376,658)	0	(16,330,639)
Carrying amount at 30 June 2020	188,009,258	27,081,795	124,257,419	12,008,962	15,470,989	4,700,937	371,529,361

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

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	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Footpaths	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Drains	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Parks and Ovals	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Other	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)

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

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Recognition and measurement

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value 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 that are land, buildings and Infrastructure 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 land, buildings and infrastructure assets are determined at least once in every five years in accordance with the regulatory framework, or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. This includes buildings and Infrastructure items which were pre-existing improvements (i.e vested improvements) on vested land acquired by the City. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, infrastructure assets and vested improvements to be shown as fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control prior to 1 July 2019

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

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

Vested Improvements Valuation

Vested improvements on concessionary land leases such as roads, buildings or other infrastructure reported at fair value.

Land under roads

Prior to 1 July 2019

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008.

This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* 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.

Land under roads from 1 July 2019

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested land from 1 July 2019

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

Vested Improvements from 1 July 2019

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

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

11. FIXED ASSETS (Continued)

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds / Revaluation Surplus*	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Buildings - specialised	\$ 2,175,881	\$ 636,734	\$ 0	\$ (1,539,147)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 170,099	\$ 0	\$ 0	\$ (170,099)
Furniture and equipment	(4,167)	0	0	4,167	0	0	0	0	45,136	0	0	(45,136)
Plant and equipment	151,937	90,646	0	(61,291)	0	0	0	0	92,447	37,414	0	(55,033)
Plant and equipment - Other	101,047	115,819	14,771	0	0	0	0	154,825	226,760	71,935	0	0
Infrastructure - Roads	179,558	0	0	(179,558)	0	0	0	0	101,427	0	0	(101,427)
Infrastructure - Footpaths	37,656	0	0	(37,656)	0	0	0	0	39,473	0	0	(39,473)
Infrastructure - Drains	276,929	0	0	(276,929)	0	0	0	0	47,672	0	0	(47,672)
Infrastructure - Parks and Ovals	131,549	0	0	(131,549)	0	0	0	0	446,494	0	0	(446,494)
Infrastructure - Other	344,929	0	0	(344,929)	0	0	0	0	54,695	0	0	(54,695)
	3,395,320	843,199	14,771	(2,566,892)	0	0	0	0	1,152,268	264,174	71,935	(960,029)

* Total cash proceeds received from the disposal of fixed assets during 2019/20 - \$206,465

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds / Revaluation Surplus	2020 Actual Profit	2020 Actual Loss
Plant and Equipment	\$ 27,089	\$ 24,185	\$ 2,188	\$ (5,092)
Law, order, public safety	48,074	36,399	0	(11,675)
Community amenities	25,203	19,895	1,298	(6,606)
Recreation and culture	152,619	125,986	11,285	(37,918)
Other property and services	252,985	206,465	14,771	(61,291)
Other Asset class				
Program				
Recreation and culture	2,252,808	636,734	0	(1,616,074)
Transport	889,527	0	0	(889,527)
	3,142,335	636,734	0	(2,505,601)
	3,395,320	843,199	14,771	(2,566,892)

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

11. FIXED ASSETS (Continued)

(b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - specialised	1,681,203	2,299,152	1,640,905
Furniture and equipment	72,181	479,275	285,113
Plant and equipment	589,616	454,296	580,470
Infrastructure - Roads	4,460,163	4,274,708	4,302,572
Infrastructure - Footpaths	967,141	917,803	936,368
Infrastructure - Drains	1,568,990	1,542,009	1,548,354
Infrastructure - Parks and Ovals	1,028,349	1,750,711	860,867
Infrastructure - Other	878,546	831,699	831,979
Intangible asset - Computer Software	70,533	0	0
	11,316,721	12,549,653	10,986,630

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

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

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

11. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 20 years
Intangible Assets	5 years

Amortisation

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

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

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

Infrastructure

Category	Component	Material	Useful Life
Roads	Surface	Cement	50
		Brick Paving	50
		Asphalt	25
	Pavement Base	Single Seal	20
		Laterite	60
	Pavement Sub Base	Rock base	60
		Limestone	120
Footpaths		Concrete	50
		Brick Paving	50
		Gravel	50
		Asphalt	25
		Timber	15
Drainage Pipes	Stomwater	Concrete	80
	Subsoil	PVC	60
Drainage Pits	Stomwater	Concrete	80
		Stone	100
	Weirs	Mortared	
Parks and Gardens		Including playground equipment	10 to 50

**CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. INTANGIBLE ASSETS

	2020 Actual	2019 Actual
	\$	\$
Computer Software		
Non-current		
Intangible asset - Computer Software	793,537	688,100
Less: Accumulated amortisation	(456,479)	(578,545)
	<u>337,058</u>	<u>109,555</u>
Intangible Assets Work In Progress	528,900	553,509
Movements in carrying amounts of computer software during the financial year are shown as follows:		
Carrying amount at beginning of period	109,555	0
Recognition of Intangible asset - Computer Software	105,437	688,100
Movement in accumulated amortization expense due to assets write off	192,599	0
Amortisation expense	(70,533)	(578,545)
Carrying amount at end of period	<u>337,058</u>	<u>109,555</u>
Intangible Assets WIP	528,900	553,509
TOTAL INTANGIBLE ASSETS	<u><u>865,958</u></u>	<u><u>663,064</u></u>

SIGNIFICANT ACCOUNTING POLICIES

Computer software

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

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

Computer software (continued)

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

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

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

**CITY OF KALAMUNDA
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13. REVALUATION SURPLUS

	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Revaluation Transfers / Reallocations	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance
Revaluation surplus - Land & Improvements to Land - vested in and under the control of Council	\$ 60,628,646	\$ 1,285,251	\$ (29,858,999)	\$ 280,031	\$ (28,293,717)	\$ 32,334,929	\$ 60,628,646	\$ 0	\$ 0	\$ 0	\$ 60,628,646
Revaluation surplus - Buildings - specialised	64,688,776	0	(4,155,145)	(636,734)	(4,791,879)	59,896,897	64,688,776	0	0	0	64,688,776
Revaluation surplus - Plant and equipment	570,669	0	0	0	0	570,669	570,669	0	0	0	570,669
Revaluation surplus - Public Art Works	0	1,152,900	0	0	1,152,900	1,152,900	0	0	0	0	0
Revaluation surplus - Infrastructure	201,140,743	0	0	(292,403)	(292,403)	200,848,340	201,140,743	0	0	0	201,140,743
Revaluation surplus - EMRC Asset Valuations	776,180	140,216	0	0	140,216	916,396	883,918	0	(107,738)	(107,738)	776,180
Revaluation surplus - Local Government House Investment	127,766	2,305	0	12,372	14,677	142,443	0	127,766	0	127,766	127,766
	327,932,784	2,580,672	(34,014,144)	(636,734)	(32,070,206)	295,862,578	327,342,083	698,435	(107,738)	590,697	327,932,784

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

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

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors	3,639,996	3,727,840
Rates received in advance	2,014,281	0
Accrued salaries and wages	94,584	65,209
Bonds and Deposits	1,966,817	1,918,315
Income in Advance	19,614	19,302
Accrued interest on long term borrowings	87,292	94,305
Retention Money	3,213	31,547
Accrued Expenses	609,538	445,069
	8,435,334	6,301,587

	2020	2019
	\$	\$
Sundry creditors	3,639,996	3,727,840
Rates received in advance	2,014,281	0
Accrued salaries and wages	94,584	65,209
Bonds and Deposits	1,966,817	1,918,315
Income in Advance	19,614	19,302
Accrued interest on long term borrowings	87,292	94,305
Retention Money	3,213	31,547
Accrued Expenses	609,538	445,069
	8,435,334	6,301,587

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

Prepaid rates

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

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

15. CAPITAL GRANT LIABILITIES

	2020	2019
	\$	\$
Current		
Capital grants received from State and Common Wealth Government (i)	1,813,298	0
Forrestfield Industrial Area Scheme Stage 1 (ii)	401,407	0
	<u>2,214,705</u>	<u>0</u>
 <u>Reconciliation</u>		
<u>(i) Capital grants received from State and Common Wealth Government (i)</u>		
Balance at the start of the year	-	0
Re-measurement under AASB 1058	697,727	0
Restated balance at the start of the year	697,727	0
Net Movement during the financial year	1,115,571	0
Balance at the end of the year	<u>1,813,298</u>	<u>0</u>
 <u>(ii) Forrestfield Industrial Area Scheme Stage 1</u>		
Balance at the start of the year	-	0
Re-measurement under AASB 1058	1,382,439	0
Restated balance at the start of the year	1,382,439	0
Net Movement during the financial year	(981,032)	0
Balance at the end of the year	<u>401,407</u>	<u>0</u>

SIGNIFICANT ACCOUNTING POLICIES

Capital Grant Liabilities

Capital Grant Liabilities primarily relates to grants with performance obligations received in advance

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

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

16. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019		30 June 2020		30 June 2020		30 June 2020		30 June 2020		30 June 2019		30 June 2019		30 June 2019	
				Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest
Community amenities																			
Land Acquisition Kalamunda Road	224	WATC	5.58%	280,815	10,161	184,623	0	184,623	13,129	96,192	0	0	0	0	174,737	20,281	0	0	280,815
Wells	225	WATC	2.48%	45,700	45,700	45,700	0	45,700	45,700	88,815	0	0	0	0	88,815	4,375	0	0	45,700
Waste Compactor	229	WATC	2.48%	928,623	41,277	41,277	0	41,277	2,877	85,648	0	0	0	0	40,200	9,707	0	0	928,623
Forrestfield North Development Project - Loan 1	230	WATC	3.01%	411,580	11,833	46,231	0	46,231	12,043	385,349	0	0	0	0	44,870	13,209	0	0	411,580
Wattle Grove South Planning Study	231	WATC	0.74%	0	87	0	100,000	0	0	100,000	0	0	0	0	0	0	0	0	0
High Wycombe Roads - testing and design	232	WATC	0.74%	0	44	0	50,000	0	0	50,000	0	0	0	0	0	0	0	0	0
Forrestfield North Structure Planning	233	WATC	0.74%	0	209	0	240,000	0	0	240,000	0	0	0	0	0	0	0	0	0
Kalamunda Village Development Contribution Plan	234	WATC	0.74%	0	35	0	40,000	0	0	40,000	0	0	0	0	0	0	0	0	0
MSEFA - Preliminary investigations and consultation	235	WATC	0.74%	0	61	0	70,000	0	0	70,000	0	0	0	0	0	0	0	0	0
Recreation and culture																			
Foothills Netball Association	216	WATC	6.37%	63,256	3,885	5,004	0	5,004	3,851	58,252	0	0	0	0	4,695	4,212	0	0	63,256
Wet'n'Wild	222	WATC	6.22%	64,860	1,195	64,860	0	64,860	3,041	0	0	0	0	0	61,006	5,159	0	0	64,860
Kalamunda Swimming Pool	227	WATC	5.63%	1,380,603	74,911	78,683	0	78,683	76,636	1,301,918	0	0	0	0	74,434	79,634	0	0	1,380,603
Future Aquatic facility study (Needs analysis)	236	WATC	0.74%	0	87	0	100,000	0	0	100,000	0	0	0	0	0	0	0	0	0
Transport																			
City Depot	221	WATC	6.77%	1,481,624	96,066	94,447	0	94,447	98,734	1,387,178	0	0	0	0	88,363	102,080	0	0	1,481,624
Newburn Road Extension	226	WATC	5.67%	160,567	7,939	78,040	0	78,040	8,013	82,526	0	0	0	0	73,796	12,211	0	0	160,567
Fleet - Major Plant Replacement Program	237	WATC	1.02%	0	2,884	0	2,400,000	0	0	3,000,000	0	0	0	0	0	0	0	0	0
Fleet - Light Plant Replacement Program	238	WATC	1.02%	0	168	0	207,000	0	0	207,000	0	0	0	0	0	0	0	0	0
New coat Project - Kalamunda Town Centre Upgrade Stage 1	239	WATC	1.24%	0	730	0	500,000	0	0	500,000	0	0	0	0	0	0	0	0	0
Self Supporting Loans																			
Recreation and culture																			
Forrestfield United Soccer Club	214	WATC	5.56%	83,011	4,375	7,333	0	7,333	4,434	75,679	0	0	0	0	6,942	4,784	0	0	83,011
Maida Vale Tennis Club	217	WATC	5.95%	23,714	1,329	3,763	0	3,763	1,356	19,950	0	0	0	0	3,549	1,546	0	0	23,714
Kalamunda Club	219	WATC	6.30%	16,518	127	16,518	0	16,518	520	0	0	0	0	0	31,537	1,787	0	0	16,518
Forrestfield Junior Football Club	220	WATC	6.22%	2,463	45	2,463	0	2,463	116	0	0	0	0	0	2,318	196	0	0	2,463
				125,706	5,876	30,077	0	30,079	6,426	95,629	0	0	0	0	44,346	8,314	0	0	125,706
				4,828,438	259,593	642,076	3,707,000	642,076	286,055	8,493,361	0	0	0	0	6,054,452	289,994	0	0	4,828,438
				83,011	4,375	7,333	0	7,333	4,434	75,679	89,953	0	0	0	6,942	4,784	0	0	83,011
				23,714	1,329	3,763	0	3,763	1,356	19,950	27,282	0	0	0	3,549	1,546	0	0	23,714
				16,518	127	16,518	0	16,518	520	0	48,055	0	0	0	31,537	1,787	0	0	16,518
				2,463	45	2,463	0	2,463	116	0	4,781	0	0	0	2,318	196	0	0	2,463
				125,706	5,876	30,077	0	30,079	6,426	95,629	170,052	0	0	0	44,346	8,314	0	0	125,706
				4,828,438	259,593	642,076	4,307,000	642,076	286,055	8,493,361	5,436,890	0	0	0	6,054,452	289,994	0	0	4,828,438
				83,011	4,375	7,333	0	7,333	4,434	75,679	89,953	0	0	0	6,942	4,784	0	0	83,011
				23,714	1,329	3,763	0	3,763	1,356	19,950	27,282	0	0	0	3,549	1,546	0	0	23,714
				16,518	127	16,518	0	16,518	520	0	48,055	0	0	0	31,537	1,787	0	0	16,518
				2,463	45	2,463	0	2,463	116	0	4,781	0	0	0	2,318	196	0	0	2,463
				125,706	5,876	30,077	0	30,079	6,426	95,629	170,052	0	0	0	44,346	8,314	0	0	125,706
				4,828,438	259,593	642,076	4,307,000	642,076	286,055	8,493,361	5,436,890	0	0	0	6,054,452	289,994	0	0	4,828,438
				4,854,145	265,469	672,155	3,707,000	672,155	272,482	8,588,990	5,605,942	0	0	0	6,527,788	295,308	0	0	4,854,145

* WA Treasury Corporation

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

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

16. INFORMATION ON BORROWINGS (Continued)

	2020	2019
	\$	\$
Current	1,027,692	672,155
Non-current	6,961,299	4,281,990
	<u>7,988,991</u>	<u>4,954,145</u>

(c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
				%	\$	\$	\$	\$	\$	\$
Wattle Grove South Planning Study	WATC	Fixed Term Loan	5	0.74%	100,000	100,000	65,000	100,000	87	35,000
High Wycombe Roads - testing and design	WATC	Fixed Term Loan	5	0.74%	50,000	50,000	20,000	50,000	44	30,000
Forrestfield North Structure Planning	WATC	Fixed Term Loan	5	0.74%	240,000	240,000	100,000	240,000	209	140,000
MKSEA Kalamunda Wedge - Development Contribution Plan	WATC	Fixed Term Loan	5	0.74%	40,000	40,000	30,000	40,000	35	10,000
MKSEA - Preliminary investigations and consultation	WATC	Fixed Term Loan	5	0.74%	70,000	70,000	25,000	70,000	61	45,000
Future Aquatic facility study (Needs analysis)	WATC	Fixed Term Loan	5	0.74%	100,000	100,000	40,000	100,000	87	60,000
Fleet - Major Plant Replacement Program	WATC	Fixed Term Loan	8	1.02%	2,400,000	3,000,000	663,000	3,000,000	2,884	1,737,000
Fleet - Light Plant Replacement Program	WATC	Fixed Term Loan	4	1.02%	207,000	207,000	207,000	207,000	168	0
New road Project - Kalamunda Town Centre Upgrade Stage 1	WATC	Fixed Term Loan	10	1.24%	500,000	500,000	50,000	500,000	730	450,000
					<u>3,707,000</u>	<u>4,307,000</u>	<u>1,200,000</u>	<u>4,307,000</u>	<u>4,306</u>	<u>2,507,000</u>

* WA Treasury Corporation

	2020	2019
	\$	\$
(d) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	3,000,000	1,500,000
Bank overdraft at balance date	0	0
Credit card limit	75,000	75,000
Credit card balance at balance date	(514)	(159)
Total amount of credit unused	<u>3,074,486</u>	<u>1,574,841</u>
Loan facilities		
Loan facilities - current	1,027,692	672,155
Loan facilities - non-current	6,961,299	4,281,990
Total facilities in use at balance date	<u>7,988,991</u>	<u>4,954,145</u>
Unused loan facilities at balance date	Nil	Nil

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

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

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

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	1,752,635	1,970,514	3,723,149
Non-current provisions	0	455,316	455,316
	<u>1,752,635</u>	<u>2,425,830</u>	<u>4,178,465</u>
Additional provision	2,073,399	721,528	2,794,927
Amounts used	(1,793,272)	(354,886)	(2,148,158)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	5,900	(272,366)	(266,466)
Balance at 30 June 2020	<u>2,038,662</u>	<u>2,520,106</u>	<u>4,558,768</u>
Comprises			
Current	2,038,662	2,157,843	4,196,505
Non-current	0	362,263	362,263
	<u>2,038,662</u>	<u>2,520,106</u>	<u>4,558,768</u>
Amounts are expected to be settled on the following basis:	<u>2020</u>	<u>2019</u>	
	\$	\$	
Less than 12 months after the reporting date	2,414,086	1,868,772	
More than 12 months after the reporting date	2,144,682	2,309,693	
	<u>4,558,768</u>	<u>4,178,465</u>	

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	24,196,351	12,751,846	20,737,597
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,733,722	3,784,155	3,394,500
Non-cash flows in Net result:			
Depreciation on non-current assets	11,316,721	12,549,653	10,986,630
(Profit)/loss on sale of asset	2,552,120	0	888,094
Share of (profit)/loss of associate	2,290,314	(1,679,116)	(998,408)
Reversal of previous loss on revaluation of fixed assets	0	0	(91,366)
Interest on deferred loans	(1,677)	0	(291)
Change in accounting policies transferred to retained surplus	0	1,587,197	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(790,996)	124,892	171,642
(Increase)/decrease in other assets	(181,284)	0	0
(Increase)/decrease in inventories	(6,427)	6,523	(16,807)
Increase/(decrease) in payables	431,271	(1,463,636)	(80,922)
Increase/(decrease) in provisions	380,303	0	442,493
Non-operating grants, subsidies and contributions	(7,354,821)	(8,571,844)	(5,567,739)
Dividends Received	(803,207)	0	0
Net cash from operating activities	<u>9,566,039</u>	<u>6,337,823</u>	<u>9,127,827</u>

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

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	<u>2020</u>	<u>2019</u>
	\$	\$
Governance	8,632,033	8,761,188
General purpose funding	18,322,219	11,034,051
Law, order, public safety	1,380,233	1,407,322
Health	2,665,503	2,842,448
Education and welfare	2,755,031	2,774,144
Community amenities	43,862,540	72,242,626
Recreation and culture	91,538,166	96,492,014
Transport	377,795,285	375,408,012
Economic services	2,425	2,425
Other property and services	8,961,336	11,306,064
	<u>555,914,773</u>	<u>582,270,295</u>

20. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the City has listed the following sites to be possible sources of contamination.

Details of those sites are:

- Alan Anderson Reserve
- Ledger Road Reserve
- Brand Road Reserve
- Dawson Avenue / Pioneer Park
- Maida Vale Reserve
- Transfer Station / Pistol Club Walliston
- Hartfield Park
- East Terrace

The City is in the process of conducting investigations to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria of remediation of a risk based approach. The City is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

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

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2020	2019
	\$	\$
	5,142,956	1,074,912
	117,839	0
	<u>5,260,795</u>	<u>1,074,912</u>

Payable:

- not later than one year

	5,260,795	1,074,912
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At the end of each financial year the City reviews the position of its incomplete capital expenditure projects and the position of unexpended specific purpose grants. The City recognises the costs of major capital projects to be carried forward to the next financial year and transfers adequate funds to the unexpended capital works and specific purpose grants reserve. The reserve is fully cash backed and categorised under restricted cash.

(b) Operating Lease Commitments

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

Payable:

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

	2020	2019
	\$	\$
	62,112	90,722
	52,947	51,449
	<u>115,059</u>	<u>142,171</u>

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2020	2020	2019
	Actual	Budget	Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the Mayor.			
Meeting fees	286,437	286,679	279,605
Mayor's allowance	63,108	63,354	62,727
Deputy Mayor's allowance	15,682	15,682	15,682
Travelling expenses	601	600	591
Telecommunications allowance	50,412	50,400	41,356
	416,240	416,715	399,961

Key Management Personnel (KMP) Compensation Disclosure

	2020	2019
	Actual	Actual
	\$	\$
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	1,033,153	976,480
Post-employment benefits	96,780	95,811
Other long-term benefits	145,627	143,386
Termination benefits	0	63,927
	1,275,560	1,279,604

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).

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

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Purchase of goods and services	4,529,203	4,263,373
Investment in Associates		
Net Increase/decrease in Equity in Investments in Associates	(2,150,098)	890,670
Dividends received from Associate entities	803,210	0
Contractual contributions received from Associate entities	2,193,700	0
Amounts payable to related parties:		
Trade and other payables	295,510	325,442

Related Parties

The City's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the City

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

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

23. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

	2020	2019
	\$	\$
(a) Carrying amount of investment in associate	29,257,611	31,407,709

The City of Kalamunda has a share in the Net Assets of the Eastern Metropolitan Regional Council (EMRC) as a member council. The EMRC provides services in waste management, resource recovery, environmental management and regional development.

The accounting share applicable to the City of Kalamunda as at 30 June 2020 as disclosed in the Financial Statements of the Eastern Metropolitan Regional Council is \$29,257,611. This represents the City's 15.86% share of the Total Equity in the Eastern Metropolitan Regional Council.

The Principal place of business :
 No: 226, Great Eastern High Way, Ascot, WA, 6104.

EMRC Financial Information

Revenue	44,370,170	42,510,894
Net Result	(7,251,561)	8,245,723
Other Comprehensive Income	1,189,840	0
Total Comprehensive Income	(6,061,721)	8,245,723

Financial Position

Current Assets	89,551,063	107,716,368
Non-Current Assets	110,359,239	99,466,539
Total Assets	199,910,302	207,182,907

Current Liabilities	8,026,411	7,175,888
Non-Current Liabilities	7,432,011	4,493,417
Total Liabilities	15,458,422	11,669,305

Net assets	184,451,880	195,513,602
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Change in Equity in Share of City of Kalamunda	(2,290,314)	998,408
Revaluation Surplus movement in Share of City of Kalamunda	140,216	(107,738)
Dividends received from associate	803,210	Nil

The City's interest in the net assets of the associate (EMRC) are as follows:

Current Assets	14,206,342	17,307,474
Non-current Assets	17,502,975	15,974,326
Total assets	31,709,317	33,281,800

Current liabilities	1,272,989	1,152,448
Non-current liabilities	1,178,717	721,643
Total liabilities	2,451,706	1,874,090

Share of Net Assets	29,257,611	31,407,709
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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.

Investment in associates (Continued)

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

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

24. MAJOR LAND TRANSACTIONS

The City did not participate in any major land transactions during the 2019/2020 Financial Year

25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City did not participate in any trading undertakings or major trading undertakings during the 2019/2020 Financial Year.

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

26. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Rateable Value		2019/20 Actual Revenue		2019/20 Interim Rates		2019/20 Actual Rates		2019/20 Budget Back Rate		2019/20 Budget Total Revenue		2018/19 Actual Total Revenue	
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential general rate /general rate																
Gross rental valuations																
General GRV	0.060255	21,578	433,671,956	26,121,777	133,860	16,669	133,860	16,669	16,669	0	0	0	26,130,904	25,134,392		
Industrial / Commercial GRV	0.067952	604	128,084,271	8,411,538	119,017	66,490	119,017	66,490	66,490	0	0	0	8,703,582	8,682,932		
Vacant GRV	0.085441	572	9,321,292	678,033	71,798	4,609	71,798	4,609	4,609	0	0	0	796,420	1,125,763		
Unimproved valuations																
General UV	0.003447	275	176,515,000	618,123	5,067	4,126	5,067	4,126	4,126	0	0	0	608,447	621,983		
Commercial UV	0.004065	60	35,010,007	138,118	0	0	0	0	0	0	0	0	142,316	160,430		
Sub-Total		23,089	782,602,526	35,967,589	329,742	91,894	329,742	91,894	91,894	0	0	0	36,381,669	35,725,500		
Minimum payment	\$															
Gross rental valuations																
General GRV	882	967	0	1,028,528	0	0	0	0	0	0	0	0	852,894	963,144		
Industrial / Commercial GRV	1,102	50	0	65,018	0	0	0	0	0	0	0	0	55,100	55,100		
Vacant GRV	767	210	0	172,690	0	0	0	0	0	0	0	0	161,070	187,418		
Unimproved valuations																
General UV	882	0	0	0	0	0	0	0	0	0	0	0	0	0		
Commercial UV	1,102	3	0	3,306	0	0	0	0	0	0	0	0	3,306	3,306		
Sub-Total		1,230	0	1,269,542	0	0	0	0	0	0	0	0	1,072,370	1,208,968		
Total amount raised from general rate		24,319	782,602,526	37,237,131	329,742	91,894	329,742	91,894	91,894	0	0	0	37,454,039	36,934,468		
Ex-gratia rates													37,454,039	36,934,468		
Net movement in Rates paid in advance													127,372	210,306		
Totals													0	291,351		
													37,581,411	37,436,125		

SIGNIFICANT ACCOUNTING POLICIES

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

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

26. RATING INFORMATION (Continued)

(b) Specified Area Rate

No Specified area rates were imposed by the City during the year ended 30 June 2020.

(c) Service Charges

No service charges were imposed by the City during the year ended 30 June 2020.

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	16/08/2019	0.00	0.00%	11.00%
Option Two				
First instalment	16/08/2019	0.00	5.50%	11.00%
Second instalment	14/12/2019	8.00	5.50%	11.00%
Option Three				
First instalment	16/08/2019	0.00	5.50%	11.00%
Second instalment	15/10/2019	8.00	5.50%	11.00%
Third instalment	14/12/2019	8.00	5.50%	11.00%
Fourth instalment	12/02/2020	8.00	5.50%	11.00%

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Interest on unpaid rates	338,167	322,707	301,221
Interest on instalment plan	168,239	204,291	171,516
Charges on instalment plan	142,352	163,002	148,533
	648,758	690,000	621,270

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

27. RATE SETTING STATEMENT INFORMATION

Note	2019/20	2019/20	2019/20	2018/19
	(30 June 2020 Carried Forward)	Budget (30 June 2020 Carried Forward)	(1 July 2019 Brought Forward)	(30 June 2019 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(14,771)	0	(71,935)
Less: Reversal of prior year loss on revaluation of fixed assets		0	0	(91,366)
Less: Amounts recognised as income due to change in Accounting Standards		(160,170)	1,799,409	0
Less: Share of net (profit)/loss of associates and joint ventures accounted for using the equity method		2,290,314	(1,679,116)	(998,408)
Less: Interest on deferred loans		(1,677)		(291)
Less: Capital WIP transferred to expenses from 2018/19	10(a)	58,042	0	0
Movement in pensioner deferred rates (non-current)		(98,809)	(16,706)	(103,952)
Movement in employee benefit provisions		380,303	(71,330)	442,504
Add: Loss on disposal of assets	11(a)	2,566,892	0	960,029
Add: Bad debts written off		10,968		6,093
Add: Depreciation on non-current assets	11(b)	11,316,721	12,549,653	10,986,630
Non cash amounts excluded from operating activities		16,347,813	12,581,910	11,129,304
(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 - cash/financial asset backed	4	(14,531,763)	(8,793,544)	(17,223,164)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(11,737)	0	(30,077)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16(a)	1,027,692	637,072	672,155
- Employee benefit provisions		4,196,505	3,125,695	3,723,149
Total adjustments to net current assets		(9,319,303)	(5,030,777)	(12,857,938)
Net current assets used in the Rate Setting Statement				
Total current assets		31,813,112	15,988,627	27,583,960
Less: Total current liabilities		(15,874,236)	(9,344,577)	(14,479,530)
Less: Total adjustments to net current assets		(9,319,303)	(5,030,777)	(12,857,938)
Net current assets used in the Rate Setting Statement		6,619,571	1,613,272	4,029,131
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current assets at 30 June 2019				<u>27,583,960</u>
Total current assets at 1 July 2019				27,583,960
Total current liabilities at 30 June 2019				(10,696,891)
- Capital Grant liabilities from transfers for recognisable non financial assets	29(b)			(2,080,167)
- Rates paid in advance	29(b)			(1,702,472)
Total current liabilities at 1 July 2019				<u>(14,479,530)</u>

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

28. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2020					
Cash and cash equivalents	1.64%	24,196,351	0	16,393,738	7,802,613
Financial assets at amortised cost - term deposits	1.20%	3,363,744	3,363,744	0	0
2019					
Cash and cash equivalents	2.66%	20,737,597	0	18,229,466	2,508,131
Financial assets at amortised cost - term deposits	2.55%	3,298,444	3,298,444	0	0

Sensitivity

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

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	163,937	182,295

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(a).

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

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable	1,408,373	412,432	669,166	579,041	3,069,013
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,408,373	412,432	669,166	579,041	3,069,013
Loss allowance	0	0	0	0	0
30 June 2019					
Rates receivable	3,744	1,406,100	355,876	642,333	2,408,052
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	3,744	1,406,100	355,876	642,333	2,408,052
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables	241,698	0	13,389	50,679	305,767
Expected credit loss	0.04%	0.05%	0.05%	0.59%	
Gross carrying amount	241,698	0	13,389	50,679	305,767
Loss allowance	85	0	7	299	391
30 June 2019					
Trade and other receivables	196,946	24,563	10,394	50,919	282,822
Expected credit loss	0.08%	0.09%	0.10%	0.52%	
Gross carrying amount	196,946	24,563	10,394	50,919	282,822
Loss allowance	158	22	10	265	455

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

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16.

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2020					
Payables	8,435,334	0	0	8,435,334	8,435,335
Borrowings*	1,299,755	5,162,509	3,102,074	9,564,338	9,564,338
	<u>9,735,089</u>	<u>5,162,509</u>	<u>3,102,074</u>	<u>17,999,672</u>	<u>17,999,673</u>
2019					
Payables	6,301,592	0	0	6,301,592	6,301,592
Borrowings*	944,637	2,390,016	3,313,266	6,647,919	6,647,919
	<u>7,246,229</u>	<u>2,390,016</u>	<u>3,313,266</u>	<u>12,949,511</u>	<u>12,949,511</u>

* Borrowings include the principal and interest repayments due.

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

29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 15: Revenue from Contracts with Customers

The City adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

Adoption of the AASB 15 did not have a material impact on Financial Statements.

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

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

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

Note	AASB 118 and AASB 1004 carrying amount		AASB 1058
	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Capital Grant liabilities - current			
Capital Grant liabilities from transfers for recognisable non-financial assets	15	0	(2,080,167)
Adjustment to retained surplus from adoption of AASB 1058	29(d)		(2,080,167)
Trade and other payables			
Rates paid in advance	14	0	(1,702,472)
Adjustment to retained surplus from adoption of AASB 1058	29(d)		(1,702,472)

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

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

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

29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

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

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
Statement of Comprehensive Income				
Revenue				
Rates	26(a)	37,864,554	2,014,281	39,878,835
Operating grants and subsidies	2(a)	2,621,875	0	2,621,875
Fees and charges	2(a)	15,401,091	0	15,401,091
Contributions, Reimbursements and Donations		4,944,018	0	4,944,018
Non-operating grants, subsidies and contributions	2(a)	7,354,821	2,214,705	9,569,526
Net result		1,733,722	4,228,986	5,962,708
Statement of Financial Position				
Trade and other payables	14	8,435,334	(2,014,281)	6,421,053
Capital Grant liabilities	15	2,214,705	(2,214,705)	0
Net assets		532,716,975	4,228,986	536,945,961
Statement of Changes in Equity				
Net result		1,733,722	4,228,986	5,962,708
Retained surplus		222,322,634	4,228,986	226,551,620

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

(c) AASB 16: Leases

The City adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the City has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the City will not restate comparatives for prior reporting periods.

(d) Impact of New Accounting Standards on Retained Surplus

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

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			221,680,150
Adjustment to retained surplus from adoption of AASB 1058*	29(b)	(2,080,167)	
Adjustment to retained surplus from adoption of AASB 1058	29(b)	(1,702,472)	(3,782,639)
Retained surplus - 1 July 2019			217,897,511

* Represents \$697,727 from Capital Grant Liabilities (note 15(i)) and \$1,382,440 from Forrestfield Industrial Area Scheme Stage 1 (note 15(ii))

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

30. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no significant events after the reporting period that are to be included in 2019/2020.

31. TRUST FUNDS

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

	1 July 2019	Amounts Received	Amounts Paid / Transferred	30 June 2020
	\$	\$	\$	\$
Unclaimed Monies	26,947	0	(26,947)	0
Wattle grove - Cell 9	9,955,669	866,240	(1,622,963)	9,198,947
B.C.I.T.F Levies	16,122	0	(16,122)	0
B.S.L Levies	41,994	0	(41,994)	0
Cash in lieu of Public Open Space	2,433,573	43,297	0	2,476,871
NBN Tower Pickering Brook	14,665	13,188	0	27,853
	<u>12,488,971</u>	<u>922,726</u>	<u>(1,708,026)</u>	<u>11,703,671</u>

**CITY OF KALAMUNDA
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FOR THE YEAR ENDED 30TH JUNE 2020**

32. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.</p>	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p>HEALTH To provide an operational framework for environmental and community health.</p>	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	Provision and maintenance of senior citizen and disability services, youth services and other voluntary services.
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes and public conveniences.
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, footpaths, bridges, lighting and cleaning of streets.
<p>ECONOMIC SERVICES To help promote the City and its economic wellbeing.</p>	Tourism and area promotion, rural services and building control.
<p>OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.</p>	Private works operation, plant repair and operation costs and engineering operation costs.

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

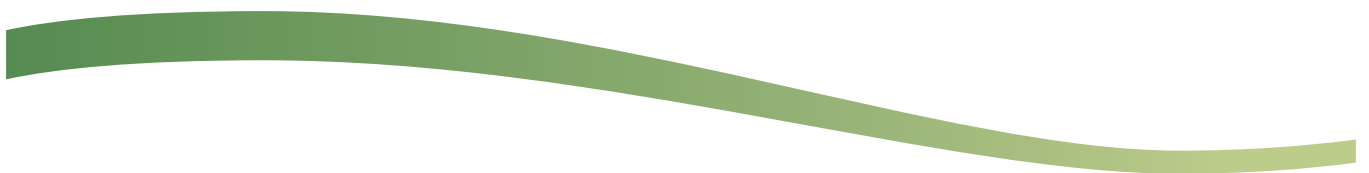
34. FINANCIAL RATIOS

	2020	2019	2018
	Actual	Actual	Actual
Current ratio	1.54	1.30	1.43
Asset consumption ratio	0.96	0.97	0.98
Asset renewal funding ratio	0.95	0.95	0.82
Asset sustainability ratio	0.91	0.67	0.51
Debt service cover ratio	6.36	9.58	9.94
Operating surplus ratio	(0.10)	(0.04)	0.01
Own source revenue coverage ratio	0.90	0.90	0.93

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

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