



**shire of
kalamunda**

Annual Report 2015

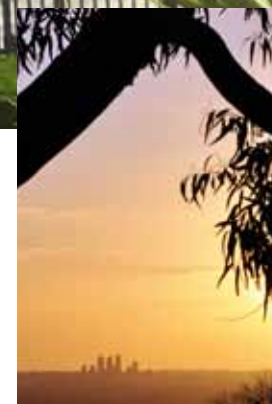






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Message from the Shire President



As Shire President it gives me great pleasure to present the 2014/2015 Annual Report.

Financially the Shire has continued to grow from strength to strength, however despite our sustainability this year has presented one of the most difficult in the history of the Shire.

The desire of those to live here is proof that we truly do have the right balance, the right mix, and can adequately protect and enhance the environment, whilst also providing for the needs of our community.

The Shire of Kalamunda community cares very much about what happens here, which is something very unique to our region – and one of the key reasons people love living here so very much. With this I would like to congratulate all of the community members, who continued to advocate for their right to have a say on proposed amendments to local government boundaries and who ensured the continued provision of service by the Shire.

It is in part thanks to the continued perseverance of our community, and its faith in Council, that the State's local government reform agenda was abandoned.

I would like to thank my fellow Councillors, the Chief Executive Officer, Rhonda Hardy and staff for their professionalism, resilience and commitment during what has been a difficult year.

A handwritten signature in blue ink, appearing to read 'Sue Bilich'. The signature is stylized and cursive.

Sue Bilich
Shire President

Our Shire

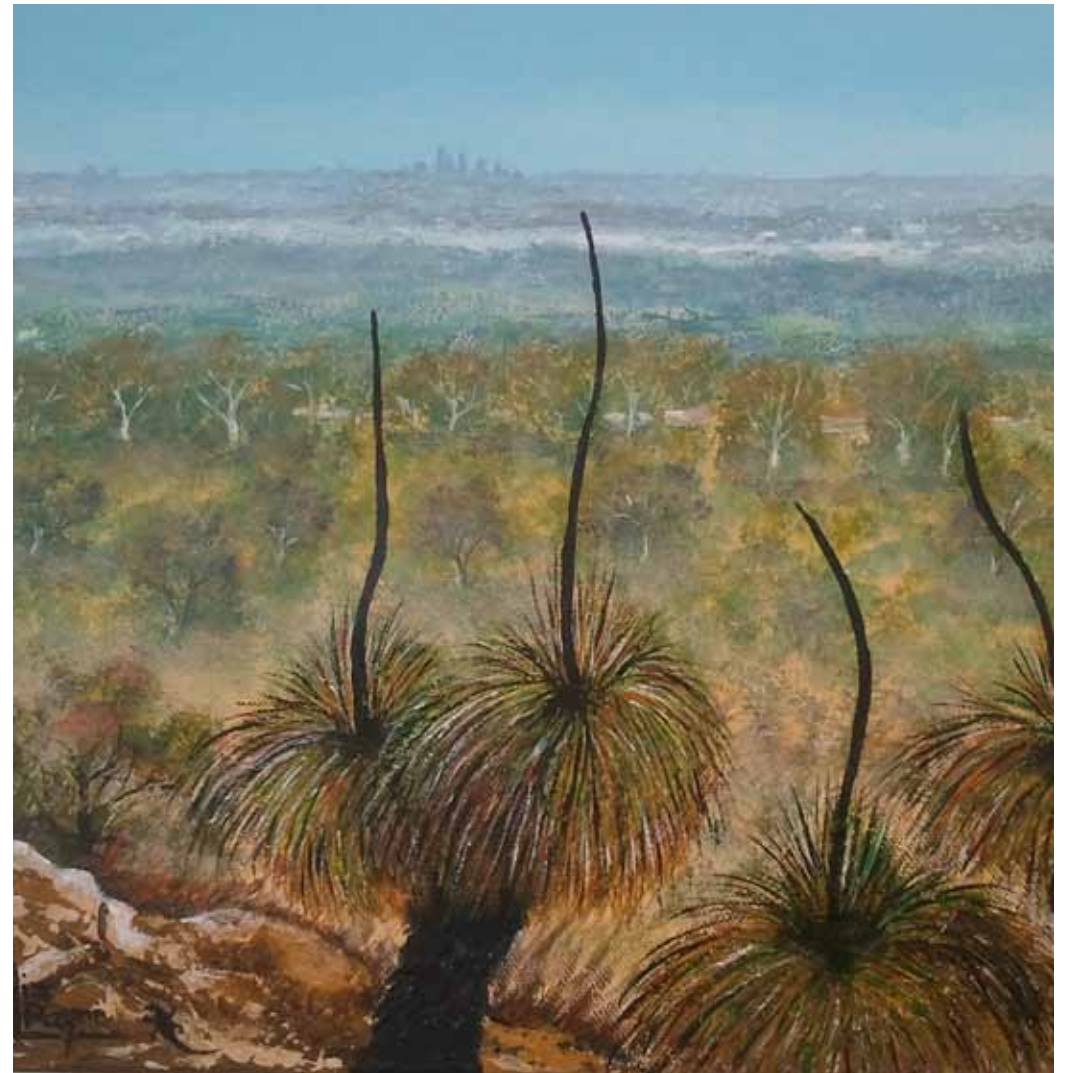
Vision

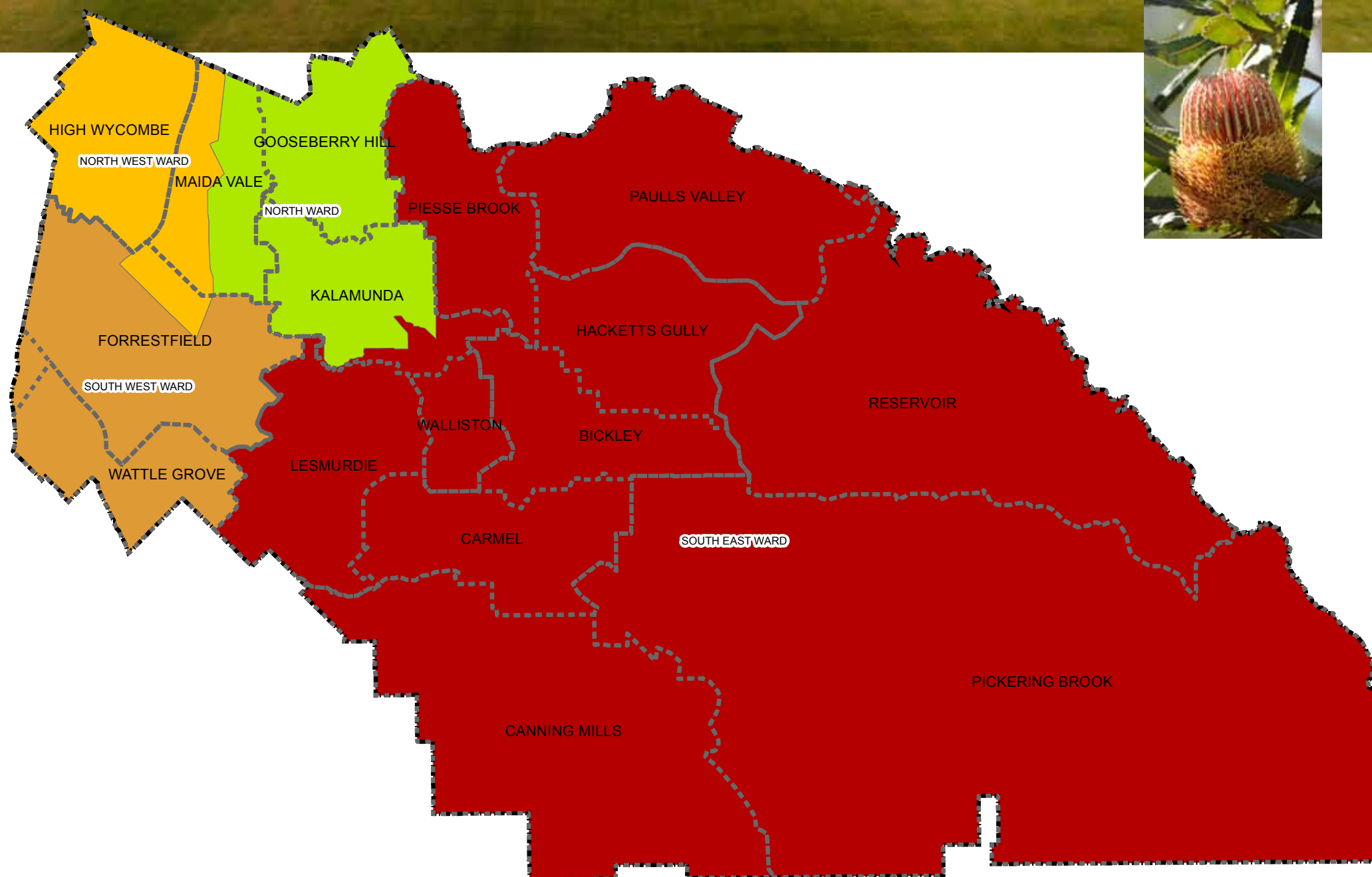
The Shire will have a diversity of lifestyles and people.

It will take pride in caring for the natural, social, cultural and built environments and provide opportunities for people of all ages.

Mission

Working together to provide effective and efficient leadership and services for our whole community.





Councillor Attendance at Committee and Council Meetings 1 July 2014 – 30 June 2015

Councillor	No. of Meetings Eligible to Attend	Development & Infrastructure Committee	Corporate & Community Committee	Special Meetings of Council	Audit & Risk Committee	Ordinary Council Meeting	Leave of Absence	Total Meeting Attendance
Sue Bilich	41	11	9	5	2	9		36
John Giardina	41	10	10	5	2	8	1 July to 1 August 2014	35
Margaret Thomas JP	41	9	9	3	3	7	4 to 28 July 2015	31
Simon Di Rosso	41	10	9	3	3	6	1 to 30 Sept 2014	31
Noreen Townsend	41	7	9	3	2	9	4 to 23 November 2014 28 August to 8 Sept 2015	30
Justin Whitten	41	8	10	3	3	9	20 April to 10 May 2015	33
Allan Morton	41	9	8	3	1	5	1 to 31 July 2014	26
Geoff Stallard	41	11	10	5	2	9		37
Frank Lindsey	41	10	11	5	3	9	26 to 31 July 2015	38
Dylan O'Connor	41	11	10	5	3	9		38
Bob Emery	29	3	5	1	2	4	6 to 19 Sept 2014 1 April to 1 Oct 2015	15
Andrew Waddell JP	41	9	10	5	3	8	28 August to 8 Sept 2015	35

Message from the Chief Executive Officer



The 2014/2015 financial year represents one of the most significant years in the history of local government in Western Australia. It was a year the State announced sweeping changes within the sector, changes which were set to dramatically reduce the number of local governments in the Perth Metropolitan area.

In the case of the Shire of Kalamunda, the community had a clear position of no forced amalgamations. However the Local Government Advisory Board made a recommendation, which was endorsed by the Minister for Local Government, to abolish the district of the Shire of Kalamunda and to increase the size of the City of Belmont by way of a boundary adjustment.

The process seemed set to proceed – despite the overwhelming community opposition – with Governor’s Orders issued on the 24 December 2014.

A small number of local governments were not proposed to be combined by boundary adjustments, instead having Orders issued for amalgamations. These communities were pivotal to the eventual outcome, with the ratepayers choosing to veto the proposal, holding a vote in accordance with the Dadour Provisions.

Communities without a vote, including that of the Shire of Kalamunda, became even more vocal when voters with a say rejected three council amalgamations in early February. Following the results and under increasing pressure from ratepayers Premier Barnett shelved the process. The Governors Orders were officially rescinded on 13 March 2015.

Whilst it was year of turmoil I congratulate Shire staff who maintained their dignity and spirit in the face of such great adversity.

The Shire of Kalamunda’s financial sustainability has come a long way from where it was three and half years ago. This has been brought about by implementing strategies on cash management, reviews of contracts, closer scrutiny on operational efficiencies, new initiatives and the introduction of a mix of funding models to enable greater capacity and deliverability of services. These savings have been calculated at approximately \$3million over this period, or the equivalent of a 10% rates rise.

The Shire has worked to ensure its financial sustainability into the future. It continues to have the lowest rates per capita, average staff costs and operating costs when compared to neighbouring local governments. The Shire has a cash position of \$20.5million which is a 100% improvement from the previous year.

The Cash Backed Reserve position is at \$11.2million which is a significant improvement from \$2.6 million in 2013/2014.

This financial year the Shire has achieved above benchmark for six of the seven financial ratios as required under the Financial Management Regulations. In specific, the Current Ratio is at 1.171:1. The rates collection rate was at 98.7% which compares to benchmarks set by large metro councils.

A considerable amount of time, and effort, was focused on ensuring staff were resilient and adaptive to change in an ever evolving climate. The Shire is committed to service, professionalism and quality and these have been the driving force in the creation of cultural change, training and development.

Throughout this period the Shire has continued to provide a diverse range of services for residents, including operating four libraries, a performing arts centre, two recreation centres, the Peter Anderton Adult Day Centre and a Cultural Centre – featuring local visitor information services.

The Shire has a diverse range of community programs and services that target the different demographic cohorts within the community. These include our youth, our elderly, our families and our people with disabilities.

We have also continued to have a strong commitment to community safety through the provision of high quality emergency, fire and ranger services and ARE continually working to establish new programs or services to enhance community safety, reduce crime and reduce the impact of any potential antisocial behaviour.

2015/2016 will present many more opportunities and I look forward to the ongoing improvement and growth of the Region into the future.



Rhonda Hardy
Chief Executive Officer





Goal 1: Kalamunda Cares Looking After Our People

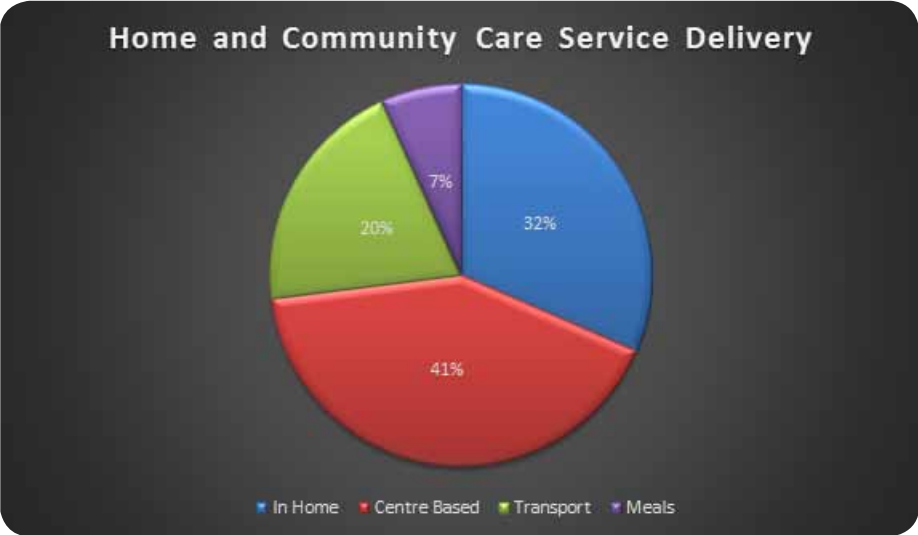


1.1 To be a community that cares for its aged and frail and those less fortunate

The Shire continues to deliver a range of enablement supports to eligible people within the community through the Home and Community Care (HACC) and Home Care Package programs. The Community Visitors Scheme partnering volunteers with isolated Aged Care facility residents continues to create positive outcomes.

The Shire’s Home Care Packages transitioned to Consumer Directed Care (CDC) packages during this year. CDC is an enablement service model giving greater choice and control to users on how support is delivered.

The Shire has been part of the National Disability Insurance Scheme (NDIS) Hills trial site and a number of existing HACC service users under the age of 65 have been encouraged and supported to explore their eligibility for NDIS.







Outcome 1.2 To ensure the ageing population has housing choice

The Shire and the Western Australian Planning Commission has progressed the planning of Wilkins Road through amendments to the Metropolitan Region Scheme and Local Planning Scheme to facilitate the development of integrated aged care on the site.

In relation to the aged care proposal at Gavour Road, Council adopted Amendment 57 to the Local Planning Scheme, in April 2015. The amendment is currently with the Western Australian Planning Commission and the Minister for Planning for consideration.

The Shire approved an Aged Care development in High Wycombe and has pursued advocacy for aged care developments over surplus state government land.

Outcome 1.3 To be a community that listens to, engages with and involves its young people in decision making

Youth

Based on the Youth Plan the Shire provides a balanced programme of free activities and events as well as engagement with young people aged twelve to twenty five.

The Shire currently contributes as a Community Partner of:

- **Constable Care Child Safety Foundation Inc.** - provides safety messages through theatre-in-education programme in local schools
- **YouthCARE** - provides chaplaincy services to support young people in school communities who may be facing challenging personal and social issues

Major Highlights in 2014/2015:

Youth & Community Assistant - Is an initiative to provide an entry level employment opportunity for local young people to gain work experience in a diverse and structured environment.

Youth Arts Fest - Is a youth art competition and exhibition for 10–25 year olds. Professional local artists judged the works awarding five prizes.

Jam Packed Film Festival - The youth short film competition linking the innovative Film Kalamunda to encourage young film-makers. The works of seven young film makers were screened to an appreciative community audience.

Ramp It Up Sk8 Series & Competition - Featuring free skate, scooter and BMX clinics at High Wycombe Skate Park on the first Saturday of each month. Experts from Freestyle Now teach tips, tricks and skills to participants at each session. The sessions helped prepare local skaters for the popular Ramp It Up 2015 skate competition involving approximately 350 spectators and 40 competitors.

The Influence - A group of young people who meet to discuss the needs, wants and concerns of youth as well as creating events, activities and projects. The Influence regularly volunteer at youth events and organise initiatives such as youth activity sessions at the monthly Farmers Market.

Forrestfield Youth Initiative - Is a drop-in activity session featuring social sports, a chill-out zone, craft activities and healthy snacks at Hartfield Park Recreation Centre. This programme attracts 20-30 young people each week providing an opportunity for these local youth to interact with a diverse group of their peers, play sport and learn about healthy food choices.

National Youth Week Event – Style Swap - Assisted by a National Youth Week grant this recycling, body-positive event encouraged younger females to swap pre-loved clothing. Run in partnership with Kalamunda CWA, the event created some great inter-generational fun. A runaway success event at which 120 attendees swapped over 1,000 clothing items!

Kalamunda Careers Expo - Broke a record with over 1,000 students attending the Expo is an opportunity to gather information on career pathways from a wide range of exhibitors including TAFEs, universities, employment agencies and specialised training organisations.

In The Mix - Youth music programme involved local young musicians provided with expert tutelage from Music Rocks Australia. Participants build their professional skills, whilst valuable experience was gained performing to a young 100-strong audience at Kalamunda Performing Arts Centre, Performers received scholarships to attend further tuition with Music Rocks Australia.

Banners in the Terrace - Schools, community groups and professional artists within the Shire were invited to submit entries for the competition, reflecting this year's theme 'Local Government: Switched On'. The winning design, by Briony Bray from Kalamunda Senior High School, was displayed in St Georges Terrace, during the annual WA Local Government Convention.





Outcome 1.4 To ensure the community has the resilience to respond and protect itself from danger and disasters

The Shire of Kalamunda has a functioning Local Emergency Management Committee and Local Recovery Committee who meet quarterly. The Bush Fire Advisory Committee meets to discuss key issues.

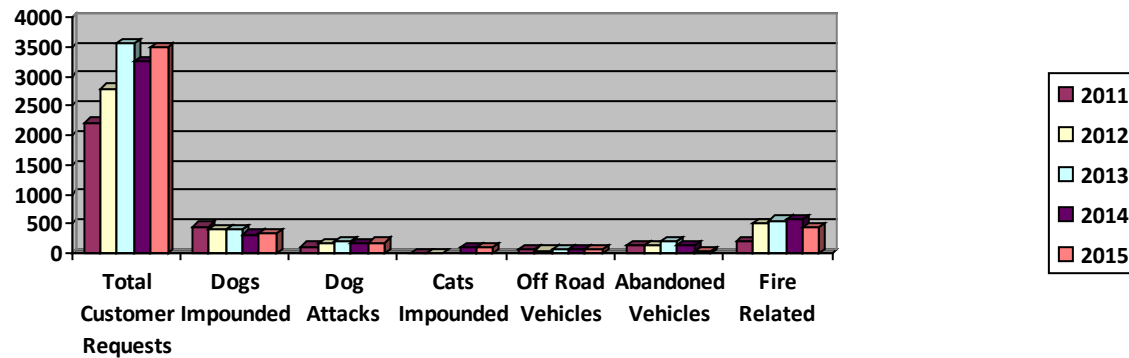
The Shire of Kalamunda Emergency Management Arrangements were not activated during this period for emergencies.

The Local Emergency Management Arrangements and Contact Directory are kept up to date to ensure any information is disseminated as required.

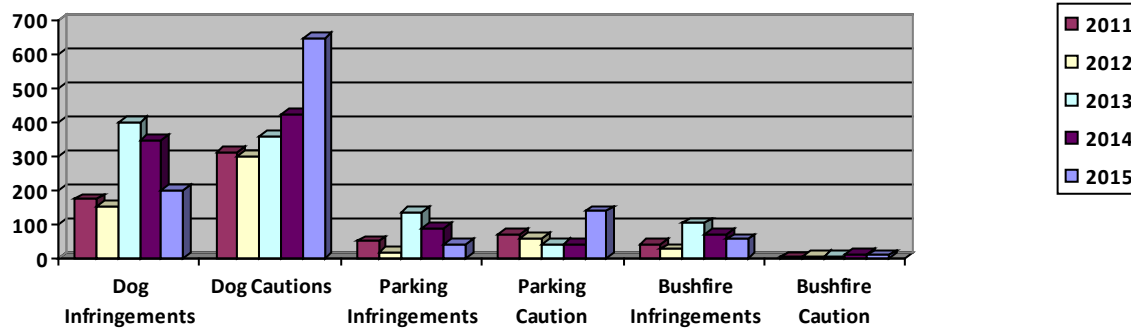
The Shire continues to maintain close relationships with key stakeholders with regard to Emergency Management including Department of Fire and Emergency Services, WA Police, Department of Parks and Wildlife, Department of Child Protection and Family Support and local Volunteer Emergency Service Agencies.

Outcome 1.5 To provide a safe environment for the entire community to enjoy

Ranger Services



Warnings and Infringement Statistics



The graph relates to warnings and infringements issued by the section from 1 July 2014 until 30 June 2015, Rangers are operating under the Councils Enforcement Policy which is supportive of cautions being issued prior to infringements.

Outcome 1.6 To ensure the Shire is free of antisocial graffiti vandalism

The Shire has maintained its record of removing graffiti from all areas in a timely manner.

This has maintained the low numbers of graffiti removal request, with 92 requests received during the period 1 July 2014 to 30 June 2015.

The Graffiti Program is supported by a specially trained Canine to assist with drug detection.

Outcome 1.7 To create healthy environments and lifestyles for the community

The final Healthy Life Challenge event celebration was held in June with over 70 past participants and instructors attending. The Shire has progressed the Community Health and Wellbeing Plan. Strawberry plants to promote and encourage residents to grow food plants on their property were distributed as part of the Plants for Residents Scheme.





Outcome 1.8 To support local community groups to grow, prosper and shape the future of Kalamunda

The Shire commenced the development of a policy framework to assist community groups to become self-sustainable. Clubs 4 Life (Education Program), in addition to the Community Funding Program, continue to be promoted and are available to community groups, to support growth and sustainability. An initiative is currently underway to further support the sustainability of local clubs by assisting development of business and financial plans.

The Shire assisted with the provision of a facility for a new community group, The Womens Powder Room.

The Forrestfield Boxing Club are closer to moving into a vacant shop at the Forrestfield Forum (through the help of the Hawaiian group) as an interim new home, following damage to the facility on Anderson Road. The Kalamunda Community Radio group has now relocated and are in operation at the Gooseberry Hill Hall.

The Community/Sport Development funding round closed on 31 March 2015. Nine applications were received and funds were provided to successful applicants in April.

The Community Facilities Plan priorities have been reviewed and suggested amendments will be presented for consideration as part of budget deliberation process and integrated within the Shire's long term financial plan.

Kalamunda Community Learning Centre (KCLC) has received a \$15,000 grant from Lottery West to undertake a feasibility study. Consultants were appointed and have recently completed the study. Consideration as to the future level of support towards any developments will be considered as part of the 10-Year Long Term Financial Plan.

The Shire of Kalamunda continues to provide marketing and promotional support to sporting and community groups.

Outcome 1.9 To provide high quality community facilities to meet the needs of our current and our future community

Hartfield Park Recreation Centre

Nearly 96,000 people attended the Centre. This year Hartfield Park Recreation Centre has installed new spin bikes in the RPM Studio, plus a new state-of-the-art stage in the Group Fitness Studio to contribute to meet the growing demands and popularity of the Les Mills Group Fitness Classes. Personal training sessions are growing in popularity due to the introduction of express 30-minute sessions. Mums and Bubs Yoga has continued this year at 100% capacity, leading to the newly launched Yoga program which is also proving popular with participants. The Shire has designed two new healthy activities as part of the crèche service, these include Healthy Eating Days, and Mini Movers, both of which are well received by parents and children. Permanent user bookings have expanded to schools and other community groups to assist with individual healthy activity programs. An electronic newsletter called Recreation Ready has been launched giving members and participants updates and details of promotions on a seasonal basis.

High Wycombe Community & Recreation Centre

Nearly 60,000 people attended the centre, with Kid's Cooking Club held during school holidays hosted extra classes due to popular demand. This programme also benefited from an improvement in menu options including vegetarian, meat and poultry options. This year Pilates was added to the Group Fitness Timetable and has proven extremely popular.

Ray Owen Sports Centre

Ray Owen Sports Centre continues to be one of the Shire's premier regional sporting facilities, catering for basketball and netball. Term programs were run at the facility including the new Live Active classes.

Community Halls and Buildings

In the 2014/2015 financial year 143 permanent users were catered for and 336 casual bookings made. Groups from as small as six people up to 100 plus used Shire halls and buildings. In addition, the Shire-managed community bus has 40 volunteer bus drivers providing much needed transport to many community groups including not for profits like Rotary. The total booking for the year were 230.

Outcome 1.10 To support families with young children

The Shire 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 primary schools and early learning centres. Over 3,000 children aged between three and thirteen took part in over 30 performances of puppet theatre, live drama and interactive question and answer reinforcement sessions as part of the program. The Shire of Kalamunda continued to be an active member of the Zig Zag Early Years Partnership and helped to produce a parent directory as part of this initiative. Shire facilities are host to a number of playgroups in the community and the Shire also promotes the role of Community Health nurses as a part of the support services available for families with young children.

Library Services hosted a range of activities to support families with young children including free weekly rhyme time and story time sessions at all libraries. Additional special activities were held in the school holidays.

The Shire of Kalamunda once again administered the State Government's KidSport programme, enabling families with financial hardship to have their children's junior sporting fees paid up to the value of \$200 and for the provision of uniforms. This is a significant benefit to the families involved and the community as a whole.





Goal 2

Kalamunda Interacts

Providing our people with enjoyment

Outcome 2.1 To stimulate active participation of the broader community in artistic practice through collaborative cultural development

The Shire of Kalamunda is a community that takes pride in its cultural attributes and connectedness. This is now a way of life for the community and includes art, theatre, music, language, customs, food, fashion, historic heritage, architecture, sport, recreation, events, natural environments and built environments. A community's culture is formed from shared values, perceptions, attitudes and aspirations. It is what defines a community's identity and the means by which that identity is expressed.

Zig Zag Gallery has gained a reputation of flexibility and professionalism among artists throughout Perth. The gallery continues to enjoy steady growth with applications for exhibitions well into 2016.

The second annual Kalamunda Lions Club Art Awards comprised of six different categories, including artwork that best captures the theme of Kalamunda, entries including acrylic, glass, paintings, drawings, sculptures, printmaking, mixed media and photography. The aim of the awards is to provide emerging artists with an opportunity to showcase works in a professional gallery. The Kalamunda Lions Club and the Shire actively encouraged artists, within the Kalamunda District to participate and proudly offer awards to enhance the production of local art.

The development of a scoping framework for a Cultural Plan and related community engagement has been undertaken and will be implemented in 2016/2017 following the development of overarching Community Strategic Direction Plans in 2015/2016.



Outcome 2.2 To provide high quality and age appropriate entertainment for the benefit and happiness of our community

Kalamunda Performing Arts Centre

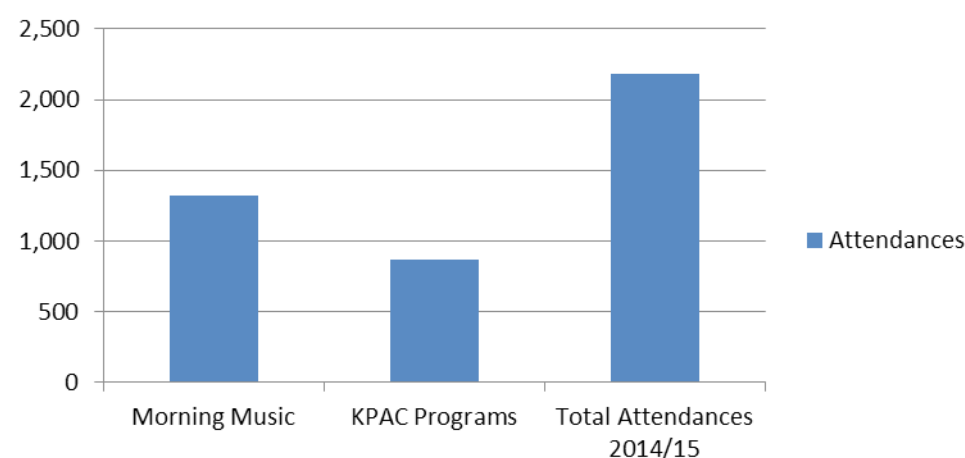
The very popular Morning Music program continued with nine performances throughout the year. Morning Music takes place on the first Wednesday of the month and was attended by 1,383 people this season, an average of 154 per show.

The Kalamunda Performing Arts Centre hosted 19 exciting and diverse professional performances in 2014/2015. A total of 2,185 patrons attended the performances, with acts including:

- Laura Bernay – French Cabernet – Reknown Jazz singer with band
- Comedy Gold – Best of Adelaide Fringe Festival
- Managing Carmen – National Touring comedy production
- Lior – Aria nominated Israeli-born singer songwriter
- Bombshells – National Touring production
- Nearly Neil and Band – Canadian Neil Diamond impersonator
- David Hyams and the Miles to go band – local musicians
- ABSOLUTELY by Allan Girod – Story-teller

In addition the Kalamunda Performing Arts Centre, and adjacent Agricultural Hall, attract a wide range of community groups utilising the venue for a variety of activities. Groups involved in 2014/2015 include Kalamunda Senior High School, Kalamunda Showtime Singers, Lesmurdie and Kalamunda Senior High schools, Darling Range Sports College, Kalamunda Christian School, Kalamunda and Walliston Primary Schools, Southern River College, Rosemary Fox Dance Academy, Dance Fit and Rythmos Dance Schools, Starstruck Dance, Majestique Dance, Prime Movers, Tai Kwon Do and Pilates.

Attendance Numbers to Shows





Zig Zag Cultural Centre

The Zig Zag Cultural Centre, incorporating the Perth Hills Visitor Centre and Zig Zag Gallery, had a visitation of 38,832, representing an increase of 21% on 2013/2014. The Visitors Centre was a finalist in the Western Australian Tourism Awards in the category of *Visitor Information and Services* and a winner in the Kalamunda Chamber of Commerce Business Awards in the category of *Outstanding Tourism Business*.



The Visitor Centre maintained accreditation inclusive of the 'tick of approval' from the Australian Tourism Accreditation Program. The gift shop achieved \$75,000 of merchandise sales in 2014/2015, an increase of over 10% on 2013/2014.

Art Gallery

The art exhibition space continues to attract quality artists and exhibitors.

Exhibition Highlights:

- "Reflections of our Land" – A glass and acrylic exhibition by Janine Koefoed
- "Kalamunda Lions Club Arts Awards" – Art prize open to community artists
- "Evolution" – New watercolour works by Penny Maddison



Kalamunda History Village

Continues to be a unique jewel and popular tourist and education attraction to locals, visitors and school groups, attracting 12,949 patrons in 2014/15. The demand for school bookings is exceeding supply and as a consequence many school groups are looking to book a year in advance.

The Kalamunda & Districts Historical Society, and its volunteer members, in conjunction with Shire staff, continue to do a fantastic job in managing the site and preserving history whilst delivering quality service and programmes.

Outcome 2.3 To encourage and facilitate healthy lifestyles through regular participation in recreational and leisure oriented activities

Kids Sport

The Shire received \$81,000 in funding from the Department of Sport and Recreation to administer the Kidsport Program. The Program assisted over 350 children between the age of 5 and 18 to participate in community sport and recreation.

Ray Owen Reserve Master Plan

Following a community consultation process, Council endorsed the Ray Owen Reserve Master Plan. The Master Plan provides the Shire with strategic direction and guidance for the future development of Ray Owen Reserve over the course of the next 10 to 20 years.

Forrestfield Skate Park

The Shire undertook a community consultation process in the design of a new skate park to be located at Hartfield Park Reserve. Skate Sculpture Consultancy were engaged to assist in the design and consultation process. Construction of the skate park commenced in April 2015.

Kalamunda Sports Stars Awards

The Annual event is to recognise and congratulate local junior athletes who were successful in obtaining funding through the Shire's Kalamunda Sports Stars Funding Program.

Bike Week

The Shire again participated in the Annual Bike Week celebrations, with the staging of the annual community bike ride event. The event was held on the mountain biking trails, in partnership with the Kalamunda Mountain Bike Collective. Participants enjoyed a bike ride through the Kalamunda Camel Farm, free sausage sizzle and free bike hire.





Outcome 2.4 To be a community that values life long learning

Library Services

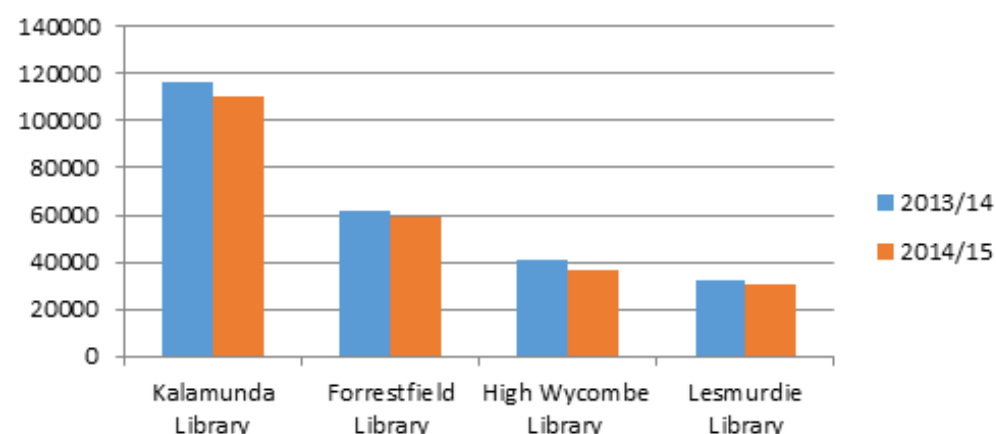
The Library Service continues to engage with the local community by hosting a number of very successful events these included meet the author talks and information sessions, turning Kalamunda Library in to a mini cinema collaborating with Recreation Services staff for a Seniors Week event, supporting young families with parenting workshops on topical subjects and delivering library items to more than 60 aged care, independent living and housebound members.

Online and digital resource access is becoming increasingly popular with the provision of downloadable e-books, electronic talking books and e-magazines with in excess of 8,900 e-resources loaned. Library members also accessed the on-line catalogue to locate and reserve items, view 844 local history images in Picture Kalamunda contributing to a total of 20,181 website visits over the year.

The Library Service acknowledged Anzac Day and the 100th Anniversary of the Gallipoli landing by hosting a play, together with Linda Bettenay and the Roleystone Theatre. The duo performed excerpts from 'Secrets Mothers Keep'. A total of 600 poppies were added to the Remembrance Poppy Walls at each of the four libraries.

Over 1,250 children, together with their parents, carers and grandparents, attended thought provoking and creative programs offered during the school holidays. Local primary schools took delivery of resources provided in collaboration with the State Library of Western Australia and Rio Tinto via the Better Beginnings program to promote the value of reading and developing lifelong readers. Better Beginnings bags were distributed to Child Health Centres and Kindergarten classes within the Shire.

Visitations to Shire of Kalamunda Libraries







Goal 3

Kalamunda Clean and Green Caring for the Natural Environment

Outcome 3.1 To clearly identify the Shire's role in protecting, promoting and enhancing the environmental values and biodiversity of the Shire in partnership with the community

Volunteer Friends Groups

Valued volunteers have developed action plans to capture and guide the works undertaken on bushland reserves. These plans importantly ensure works are undertaken at the 'right time' of the year and assist to provide a means of monitoring to adapt works as environmental conditions change. To date twelve plans have been developed.



Community Group Revegetation

The Community Group Revegetation Program continued to be a success where approximately 13,000 plants were distributed to fourteen friends groups. The coordination involved the weed control of specific areas in the reserves to accommodate planting and encourage success of the plants.

Plants for Residents

The Plants for Resident's event was held at the Gooseberry Hill Hall. Over 1,000 residents attended the day and approximately 10,000 plants were given away. A choice of over 40 endemic plants were offered.

The Bush Skills for the Hills workshops provide learning opportunities for all ages and included: Creekline and Bushland Critters, Native Grasses, Water Quality Sampling, Seed Treatment and Cleaning, Greencard Training, Meet the Wildlife, Night Stalk, Plant Identification, Herbicide Training, Great Cockatoo Count and a Maida Vale Spring Biodiversity Walk.

Other events included a Great Gardens Workshop, Walk The Zig Zag and Grab a Gladdie which included hands on work by the Shire's Senior Management Group.

Outcome 3.2 To protect and enhance the Shire's local bushland reserves, Local Natural Areas and Biodiversity Conservation Areas.

The Shire utilises internal and external labour to manage bushland reserves to maintain biodiversity and provide on ground advice for the protection and management of local natural areas. Advice includes dieback treatment, weed control and revegetation techniques predominately across the hills and creek lines.

External labour from Ecojobs helped remove weeds throughout the year and plant tube stock in winter.

The Green Army a team of youth available through federal funding and a grants program over five months, targeted areas for environmental works in Wattle Grove, Forrestfield and Kalamunda. This team planted over 6,000 plants and were involved with other environmental activities including: weed identification; constructing nest boxes for birds and mammals; removing woody and grassy weeds from thirteen bushland areas; revegetating wetlands and dryland areas; collecting and cleaning endemic seed; applying stem injection treatments to protect vegetation from dieback; testing local wetlands to understand macro-invertebrates and water quality; removing rubbish and litter; photo monitoring of bushland and revegetation sites; drain line rehabilitation.

Outcome 3.3 To reduce the Shire's carbon footprint and prepare the Shire for adapting to the impacts of climate change.

The Eastern Metropolitan Region Council (EMRC) has held a workshop on the Carbon Reduction Strategy and Carbon Action Plan to determine priorities and goals. Work is being carried out to determine the best option for the energy data management as the current database will not be maintained.

The Shire has continued to record its carbon emission through the Greensense program.

Following advice from the Western Australian Local Government Association (WALGA) and Environmental Services, standard conditions of contracts now include provision for sustainable practices.





Outcome 3.4 To manage the use of water sustainably within the Shire.

A Flood Study has commenced with the aim of utilising water sensitive urban design to return flows in creeks to pre-development levels and returning water to groundwater sources. This strategic vision for stormwater management across the Shire includes looking at on-site water management and reuse, water quality issues, maintenance of base flows in critical waterways, ponds and lakes as well as stormwater harvesting.

The Shire of Kalamunda manages Hartfield Park Reserve (HPR), a large multi-use reserve that accommodates a variety of sporting and recreation facilities it also encompasses an area of protected native bushland. The Hartfield Park Master Plan (2010) and Community Facilities Plan (2011) identified the need to increase the amount of active playing field space at HPR and recommended that alternative water sources be identified to ensure the long term sustainability of maintaining the site. A concept was developed to harvest valuable stormwater from the onsite Water Corporation Woodlupine main drain. This water would normally be channelled away into the urban water run-off system. The proposal recommends water to be extracted from the drain in the winter months and re-injected into the onsite superficial aquifer under the Department of Water Managed Aquifer Recharge (MAR) policy.

The aquifer testing and numerical groundwater modelling indicated that Managed Aquifer Recharge to the superficial aquifer is feasible using injection bores to recharge the stormwater direct to the aquifer. Between 115,000 kL and 230,000 kL of water per annum could be potentially recharged for future use.

The Shire have satisfied the Department of Water's MAR policy by determining through aquifer testing and numerical groundwater modelling, the superficial aquifer located at Hartfield Park is viable for MAR.

The harvested stormwater will be pumped from the recharge bore for the purpose of irrigation during the irrigation season (October to May). The Shire of Kalamunda has received approval to conduct a trial to harvest approximately 50 000kL (50 million Litres) of stormwater from the main drain for managed aquifer recharge starting in May 2015 and concluding in October 2015. The Shire has secured funding to complete this work. If successful this project will move into the full scheme phase.





Outcome 3.5 To reduce the amount of waste produced and increase the amount of reuse and recycling of waste.

The volume of waste generated in the Shire continues to be high, with the per property volumes produced higher than any of the other EMRC Councils. There has been a small improvement in recycling rates, increasing to 30% for 2014/2015. The rate of recycling is well short of the desired target of 60% by 2016/2017.

Significant upgrades have been made at the Walliston Transfer Station which has contributed to these improvements.

The State Government has announced an increase in funding to \$20million for the third bin program and it is proposed a submission for funding be made when guidelines are announced.

Outcome 3.6 To ensure the Shire's contaminated sites are reclassified to enable future land use.

In line with its statutory requirements the Shire of Kalamunda continues to monitor all known contaminated sites including those at Dawson Avenue, Ledger Road and Brand Road.





Goal 4

Kalamunda Develops

Using our land and assets

diversely and effectively

Outcome 4.1 To ensure land use plans provide long term sustainable population growth

Pickering Brook Townsite Expansion- Metropolitan Region Scheme Amendment

Work on preliminary technical studies to support the Metropolitan Region Scheme Amendment (MRS) to rezone the expansion of the Pickering Brook Town site from Rural to Urban has commenced. The findings of the studies and the implications for the MRS amendment proposal have been discussed with government servicing authorities and the Department for Planning.



Forrestfield North District Structure Plan

The State Government announced a decision to proceed with the construction of Forrestfield-Airport Rail Link. The Shire of Kalamunda was tasked with considering the planning land use opportunities the new train station will create for the surrounding areas of Forrestfield and High Wycombe.

The long term vision for Forrestfield North is to create an attractive, vibrant and sustainable urban setting with high landscape amenity focused on medium and high density housing with access to surrounding employment opportunities.

The Shire of Kalamunda commenced the preparation of the draft Forrestfield North District Structure Plan (FNDSP) in September 2014. The preliminary work on the draft plan included the preparation of a number of technical documents relating to transport, environment, hydrology which was, along with a number of technical studies, presented to Council for consideration.

Council approved the FNDSP for the purpose of public advertising. A number of submissions from residents, stakeholders and State Government agencies were received and addressed.

Subject to adoption of the FNDSP by the Western Australian Planning Commission, work on the technical studies to support the next phase in the planning process, being the preparation of the local structure plans for the individual precincts, is expected to commence in early 2016.

Outcome 4.2 To effectively plan for the diverse range of housing stock that will be required to meet the social and economic needs of the Shire's changing demographics

Hills Rural Study

The purpose and scope of the study was to understand the current land use trends in the hills rural areas as well as review the existing strategic plans, policies and statutory requirements and environmental regulations that govern land use and lot size in the area. The adopted study is presently with the Western Australian Planning Commission for endorsement.

Local Housing Strategy

The adopted Local Housing Strategy builds upon the work undertaken as part of the Local Planning Strategy, and provide recommendations for future residential density amendments to Local Planning Scheme No.3. The Strategy establishes a framework that will address the current and future housing needs and make recommendations to accommodate a variety of housing choices.

The Shire is progressing with recommendations contained in the Local Housing Strategy to initiate amendments to Local Planning Scheme 3 to recode existing residential areas of Forrestfield, High Wycombe and Maida Vale to allow residential infill development.

Review of the Local Planning Scheme No.3

The Local Planning Scheme is the principal document for the management of private land. It zones and reserves land and sets out use and development standards.

It is necessary to review and update the Scheme to provide a legal and technical framework for the key planning elements identified in the draft Local Planning Strategy. The Shire will be progressing changes to the Scheme as a part of an 'omnibus' amendment to ensure provisions of the Scheme remain relevant to current planning philosophy.





Outcome 4.3 To ensure that the Shire's development is in accord with the Shire's statutory and legislative obligations and accepted urban design planning standards

All development is assessed against the provisions of Local Planning Scheme No. 3, adopted Scheme Policies and other relevant legislation. Land use compliance is undertaken resulting in negotiated outcomes or the issuance of directions and penalties where necessary.

In the 2014/2015 financial year there were 1408 building approvals.

One thousand four hundred and eight permits were issued for the year with a total value of \$109,734,286. The average value per building permit was \$ 81,526.

A total of two hundred and ninety seven new residences were approved. Forty four demolition permits were issued for the period.

Statute requires a local authority approves applications for Certified and Demolition Permits within ten working days, and Uncertified applications within twenty five working days.

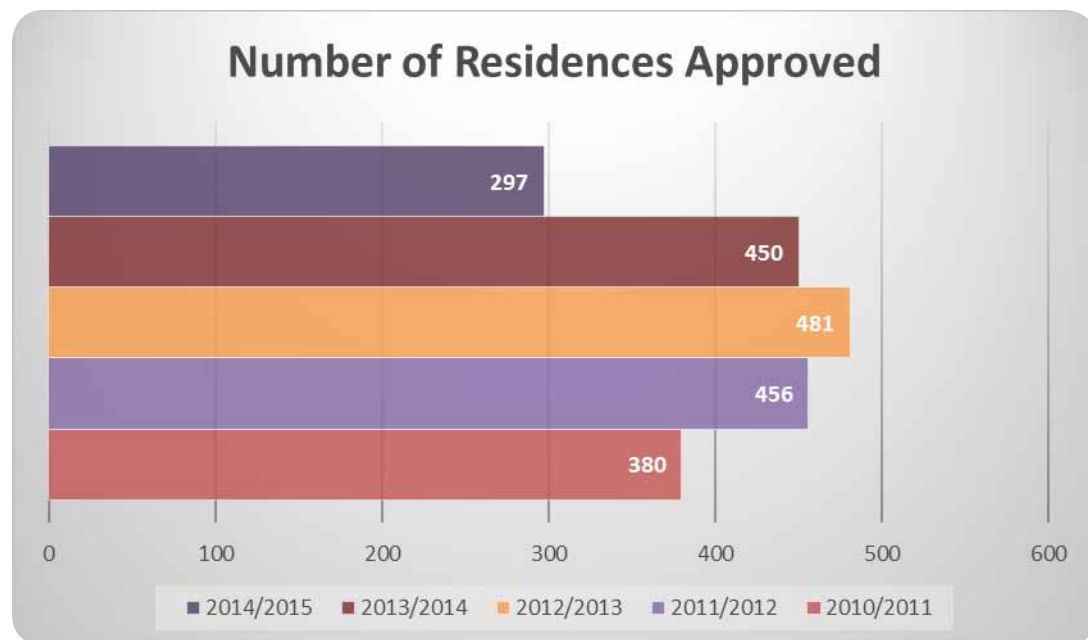
Average approval times:

- Certified Applications – 6 days
- Demolition Permits – 4 days
- Uncertified Applications – 11 days

Wattle Grove proved the most popular suburb for new residential development with seventy one new residences, fifty five were approved in High Wycombe, fifty in Forrestfield, forty two in Kalamunda and fifteen in Lesmurdie.

Class 2 developments (multiple housing/apartment style developments) are on the increase with 20 new dwelling units approved and three sets of units completed and occupied (High Wycombe, Forrestfield and Kalamunda).

During the year 208 applications for Codes Approval were determined. A Codes Approval is required where an applicant applies for a variation or dispensation of the deemed to satisfy provisions of the Residential Design Codes.



Private Swimming Pools and Spas

Currently the Shire has 5710 registered private swimming pools and spas which State Government dictates must be inspected at least once every four years. A full time Swimming Pool Fencing Compliance Officer inspects on average fifteen properties per day.





Outcome 4.4 To enhance and protect the historic heritage of the Shire

Municipal Inventory of Heritage Places Review

The review of the Shire's Municipal Inventory of Heritage Places was finalised for consideration by Council in 2015/2016.

Outcome 4.5 To create a desirable and recognisable image for the Shire

A program was implemented to undertake landscaping along the verges and median strips of major arterial roads throughout the Shire to reflect the unique image for the district. Design concepts have been completed for Abernethy Road, Welshpool Road and Hale Road.

Outcome 4.6 To ensure the optimal management of assets delivers continuity of services to the Community

Financial Year	Asset Group / Resources	Status
2012/2013	Plant and Equipment – using in-house resources. 3 yearly cycle to enable revaluation by 30 June 2016 and again by 30 June 2019.	Completed 3
2013/2014	Land and Buildings (including non-specialised buildings valued at component level) – using industry cost guidelines. 3 yearly cycle to enable revaluation by 30 June 2017 and again by 30 June 2020.	Completed by APV Consultants (Asset Data and Valuations held in MyData and linked to Synergy for annual reporting)
2014/2015	Infrastructure (including Roads, Drainage, Bridges, Footpaths, Car parks, Bus Shelters, Lighting and Parks and Reserve Infrastructure) - using industry unit cost guidelines.	Completed by GHD Consultants (Asset Data and Valuations held in MyData and linked to Synergy for annual reporting) Note: Roads – Condition Ratings based on previous Roman Data and requires validation / re-inspection in 2015/2016. Drainage – Data 65%, Condition Rating 0%. Completion of data collection and condition rating to be undertaken prior to next 3-yearly full revaluation.
2015/2016	All other assets (including intangible, historical and cultural assets, library books, art collections, etc).	To be programmed.
Shire of Kalamunda Asset Management Policy, Strategic Plan, Asset Management Plans, Business Process Manuals, Valuation Manual	-	<ol style="list-style-type: none"> 1. Asset Management Policy (Adopted by Council 18/4/2011) 2. Asset Management Strategy to 2023 – Kalamunda Builds (Adopted by Council 24/6/2013) 3. Asset Management Plans for the following Asset Categories: Roads Car parks Footpaths Drainage Buildings Parks and Reserves Plant and Equipment 4. Business Process Manuals – Draft manuals for Footpaths, Car parks and Roads Valuation Manual - Draft
GIS Projects	-	The following projects are in Quantum GIS and displayed through IntraMaps: Drainage, Roads, Car parks, Bridges, Footpaths Buildings, Lighting, Fences, Electrical Conduits, Lagoons Roads Equipment, Playground Sites, Playground Equipment, Park Infrastructure, Park Open Space Furniture, Parks and Gardens, Irrigation



Mobile Solution for Asset Data Collection

Development of a mobile solution for asset data collection has commenced and is ongoing. The setup of this software will allow collection of asset data in the field using a tablet, including wireless connection to a GPS Receiver and synchronising with the Shire's GIS and Asset Management System.

Initially this system has been used for the collection of the Shire's stormwater drainage assets and footpath condition rating.

Bus Shelters

Installation of two new and five renewed bus shelters were undertaken at:

- Welshpool Rd after Brook Rd (New)
- Welshpool Rd before Hale Rd (Renewal)
- Edinburgh Rd before Bristol Way (Renewal)
- Cotherstone Rd before Canning Rd (Renewal)
- Bougainvillea Av before Berkshire Rd (New)
- Bougainvillea Av before Berkshire Rd (Renewal)
- Davies Cr after College Rd (Renewal)



Various Asset removals including Asbestos Structures

Various structures throughout the Shire of Kalamunda were identified during asset inspections for removal due to poor age and condition, as well as being surplus to requirements.

Outcome 4.7 To ensure the selection, maintenance, inspection, renewal and disposal of all categories of assets within the Shire is managed efficiently

Building Maintenance

Building Maintenance completed renovating the Operations Centre Stores office to accommodate staffing requirements.

High Wycombe Recreation Centre

Upgrade works have been undertaken to allow the relocation of the Foothills Learning Centre to the Recreation Centre.



Hartfield Park Recreation Centre Change Rooms Upgrade

An upgrade of the change rooms has been completed at Hartfield Park Recreation Centre. The upgrade consisted of re-tiling, re-painting, new partitions and lighting.





Open Space

Significant work was undertaken at Coyong/Maamba Road Reserve in Wattle Grove, including installation of reticulation systems to irrigate new lawn and garden bed areas and planting of street trees

Open Space teams completed major tree and shrub pruning along Zig Zag Drive in accordance with the Shire's tree pruning program. The increased clearances were implemented, moving from a yearly tree pruning program to a 3 year maintenance program. This has improved the delivery of Open Space maintenance programs and minimising disturbance to indigenous vegetation.

Fire Mitigation

The Fire Mitigation crew has undertaken fuel reduction burns across the Shire as weather conditions and resources permit and are in the process of upgrading existing firebreaks to allow for vehicle access. The Fire Mitigation crew continue with prescribed burns which are identified in the Shire's top 20 priorities list. Prescribed burns in conjunction with the Volunteer Bushfire Brigade have been undertaken.



Reticulation

Installation of new controllers is progressing and once fully operational irrigation will be remotely accessed at reserves via smart phones or tablets. This will give the ability to instantly change programs and turn systems off in the event of rain.

The design makes serviceability easy, with accessible replacement plug-in electronic modules. All new controllers will be linked to a central control computer which will enable monitoring of irrigation events and faults. This will provide the ability to monitor periodical water use, to more closely control use.



Reid Oval, Forrestfield

Reid Oval has been renovated (removal of turf and replacement) and has stood up to the rigors of a full AFL season.



The Shire completed mulching and upgrade of landscape gardens at Jacaranda Springs.



Roads and Verges

Road Maintenance repairs were undertaken on various roads around the Shire. Gravel road maintenance has been completed on Quickie Road in Pauls Valley.



Norwood Road and Hawtin Road intersection resurfacing



Before



After

Footpath Works

Renewal of the footpath on Wyuna Crescent, Lesmurdie has been completed to allow better access for gophers and wheelchairs.



Before



After

Renewal of footpath at Cook Place, Lesmurdie



Before



After





Bridge Repair via installation of culverts and new footpath



Before



After

Stirk Park – Removal of damaged slabs and replacement with compacted gravel.



Before



After

Lenihan Corner car park

Construction of the new car park and hotmix completed.



Car Parking

Lions Lookout – Line marking of the car park was completed.





Drainage

Milner Road creekline maintenance to address erosion problems



Construction of rock wall to stop erosion under bridge – Woodlupine Brook



Cootamundra Way, Maida Vale

The Poisen Gully colvert at Cootamundra Way in Maida Vale was repaired with the use of a smaller plastic pipe being inserted into existing infrastructure.



Repaired damaged stormwater pipe on Kalamunda Road.





Kostera Oval Redevelopment Project

The Shire of Kalamunda, in partnership with the State Government, commenced the redevelopment of Kalamunda's premier historic oval this financial year.

The Oval currently caters for almost 200 cricketers, 440 junior footballers and the Kalamunda Show. The facility is an outdoor classroom for the Kalamunda Senior High School and is an extremely valuable community asset.

The first component of this major project was the relocation of the main sewer which ran across the site. This project commenced in 2014 and was successfully completed on time, on budget and with minimal disturbance to the school's operations.

Council approved the tender from All Earth Group for the provision of the earthworks and associated subsoil drainage for this redevelopment project.

Hartfield Park Redevelopment Projects

Clearing and Development at Morrison Oval

Clearing of the bush and removal of tree stumps in preparation for field development is complete and was undertaken in conjunction with clearing for the Forrestfield Skate Park.

The design and documentation of the earthworks and irrigation will be programmed in conjunction with similar works for the hockey fields in 2015/2016.





Upgrade of the existing Floodlighting at the Rugby Ground

Design completed and presented to the Kalamunda Rugby Club with support provided by the Club to the design. Installation of the new site mainboard and power transformer has been completed to enable the lighting upgrade.



Implement the Foothills Future Waterproofing Project

The innovative water harvesting system was commissioned and formally opened by the Honourable Premier Colin Barnett. The system harvested 1.5 million litres in its first full week of operation.



Soccer Goal Storage Compound

The fencing compound was constructed to provide a secure place for the Forrestfield United Soccer Club to store goals and other external field equipment.



Forrestfield Bowling Club Upgrades

The fencing was constructed to provide additional security to the Forrestfield Bowling Club Greens and the car park extensions constructed during the previous financial year.





Forrestfield Tennis Club – Lighting Upgrades

The installation of new tennis court lighting was part of a separate external funding program sought through the Department of Sport and Recreation (DSR) and was initiated by the Forrestfield Tennis Club in order to cater for the growth in demand at this popular local tennis club.

The court lighting upgrades were for previously unlit courts. The lighting was designed to meet sports lighting standards for the Forrestfield Tennis Club who did extensive background planning. The new lighting is an excellent improvement for night time tennis, both social and competition pennants.



Scott Reserve – New Viewing Platform

The viewing platform has provided an additional 80m² of undercover viewing area for the sporting clubs who play at Scott Reserve, in particular the High Wycombe Cricket Club.

It is a welcome additional at the pavilion that greatly enhances the functionality of this area for this popular summer sport.

Zig Zag Cultural Centre & Kalamunda Library – Lighting Upgrades

The installation of new car park and area lighting was designed to meet Australian Lighting Standards around these key Shire buildings. The fittings are the latest LED technology and are highly efficient improvement on the previously existing floodlights.

This has greatly enhanced the overall night time use of these facilities and improved the safety of the area.



History Village Post Office

The Kalamunda & Districts Historical Society, who operate the History Village in Kalamunda, requested the partial removal of the old store rooms at the rear of the town's original Post Office Building. This was to open up the pathways and improve access in the centre of the Village. Great care was taken due to the presence of asbestos in the building and the age of the building on this very busy site. The work was completed successfully with minimal interruption and has been of great benefit to all visitors and users alike.

Before and during works



At completion





Stirk Park Toilet Upgrades

The long awaited revamp of the Public toilet facility at Stirk Park in Kalamunda, incorporating complete internal upgrades to the universal access facility, was completed. It has been well received by regular park visitors.

The toilet facility has been refreshed with a new and improved appearance to accommodate the ever increasing visitor numbers at this popular local park. The upgrades included new plumbing fixtures throughout, new floor surfaces and improved internal and external lighting for enhanced safety and security. A new roof structure, improved path access, complete external re-render with anti-graffiti coating and completed with fresh paint.



Before



After

Walliston Transfer Station (Amenities Extension and internal upgrades)

A small building extension with a new internal fit out was carried out on the Amenities Building at the Walliston Transfer Station to cater for the increased staffing levels and opening hours of the site.

The works included increased internal lunch room area, a new kitchenette, air conditioning, better-quality access paths, new site electrical board upgrades, and a drinking fountain. The staff who work on site are pleased with the upgrades and improved functionality of the amenities.



Before



After

Electrical Audit Upgrades

The upgrade of electrical boards and associated infrastructure continued across Shire facilities including High Wycombe Recreation Centre, The Jack Healy Centre, Forrestfield Rugby Club, Walliston Pony Club, the Historical Overflow Cottage, Carmel Scouts building, Walliston Transfer Station (con-current with Amenities Building extension), Kalamunda Pistol Club and BBQ's throughout the Shire.





Goal 5

Kalamunda Employs

Supporting our industries

and businesses

Outcome 5.1 To create a world class precinct for industrial and commercial land development

The Shire has continued to administer the Developer Contribution Scheme to facilitate the roll out of the Forrestfield Industrial Area. The Shire has received numerous enquiries regarding potential development in the area, however, development has been constrained due to market conditions in the industrial land sector.



Outcome 5.2 To deliver alternative funding strategies through property development to fund future investments in community infrastructure

The Shire entered into a contract to dispose of 514 Kalamunda Road. This property is due for settlement in 2015/2016. Rezoning of other sites have been progressed through the year. These properties will allow for future investment and business opportunities.

Outcome 5.3 To facilitate increased economic activity within the Shire.

The Shire has worked to facilitate local investment in the economy through a number of means. Detailed population forecasting has been continued to assist local businesses with planning. Amendments to the Local Planning Scheme to support tourism development within the rural areas have been progressed and awaiting the determination of the Minister for Planning. Significant progress has also been made with creating greater certainty for land owners wanting to develop tourism developments within water catchments.

The planning for the Forrestfield North area will also create numerous economic benefits in the longer term.

In addition to this, the Shire has been involved in the progression of the Film Kalamunda initiative, including location tour with a number of representatives of the local film industry.

Outcome 5.4 To be recognised as an excellent tourism destination with high levels of patronage

The Shire of Kalamunda has continued actively supporting the growing tourism sector, promoting a number of significant attractions. These attractions include Lesmurdie Falls, the Northern Terminus of the Bibbulmun Track, Munda Biddi Trail, the Kalamunda History Village, Kanyana Wildlife Rehabilitation Centre, Bickley Reservoir, the Zig Zag Scenic Drive and Mundaring Weir all integrated with a Town Centre that provides for social interaction through its eateries, parks and weekend markets.

The Perth Hills Visitor Centre provides a range of information on local attractions to help visitors enjoy the region. The Visitors Centre prides itself on customer service, the promotion of the region, supporting local arts and craft groups, promoting local tourism operators. Endorsement on the Shire's Events Review has identified further opportunities to increase tourism and visitors to the Region.

Through its continued backing of and investment in the Perth Hills Visitor Centre, the Shire of Kalamunda has once again demonstrated its support for the development of the tourism industry in the Perth Hills. A major achievement was the development of a destination website – www.experienceperthhills.com.au.

The Shire's Events Strategy is currently being implemented with a focus of clustering events and promoting the area in a more regional capacity.

Outcome 5.5 To be courageous and tenacious in the pursuit of benefits from the State and Federal governments through effective advocacy

The Shire of Kalamunda continued to advocate on issues of regional significance, seeking assistance from both the State and Federal Government.

The Shire has met with a number of State and Federal Ministers during the year to advocate for investment in infrastructure and aged care. Following the change of Government Federally, a number of projects were retired, whilst new funding opportunities were being developed. Funding opportunities are likely to increase through the coming years as new programs commence.

Outcome 5.6 To foster regional collaboration within Perth's Eastern Region

The Shire of Kalamunda is committed to collaborating with regional partners in Perth's Eastern Region. The reform process allowed for increased collaboration with adjoining local governments, and these relationships have been continued. Significant partnerships are being developed between the regional local governments, particularly in relation to freight and logistics routes and the new opportunities that the rail line brings.





Goal 6 Kalamunda Leads Providing Good Government

Outcome 6.1 To ensure a highly effective and strategic thinking Council sets direction and works for the greater good of the community at all times

The Shire of Kalamunda is committed to delivering the best governance it can to its community. In the pursuit of this goal eight key principles have been adopted to guide the best practice governance outcomes within the Shire.

The Principles are outlined as follows:

Principle 1: The Shire's administration relationship with the Council is clear.

Principle 2: The Shire's management and oversight is accountable and clearly defined.

Principle 3: The Shire plans its operations to achieve its goals.

Principle 4: Ethics and integrity are embedded in the organisation's values and operations.

Principle 5: The organisation safeguards financial integrity and accountability.

Principle 6: The Shire communicates in a way that is accessible, open and responsive.

Principle 7: The Shire identifies and manages its risks.

Audit and Risk Committee

In accordance with recent amendments to the Local Government (Audit) Regulations 1996, a Risk Management Review was undertaken during the year focused on legislative compliance, internal controls and risk management, with the audit identifying no significant findings. A Financial Management Review was also undertaken during the year with the results reported to Council. The review focused on the appropriateness and effectiveness of the financial management systems and procedures, with the audit finding no significant issues. The Shire also operates an internal audit plan which reviews systems and procedures, internal controls and legislative compliance. The results of the audit reviews are closely monitored and reviewed in order to promote an environment of continuous improvement.

Internal Audit

Internal audits were regularly performed in accordance with the audit plan, and reports prepared for the Audit and Risk Committee. These reports focused on the appropriateness of a local government's system in regard to risk management, internal control and legislative compliance. Internal audit findings and management responses were placed in an audit risk register which allows management to regularly monitor and review risks in alignment with the strategic plan, divisional operational plans and programs of activity.



Outcome 6.2 To ensure that local laws are upheld

The Shire of Kalamunda has continued to ensure all local laws are upheld. A review of Standing Orders has been undertaken. A project brief to review Local laws within Development Services is being developed. The Fencing Local Law is currently under review.

Outcome 6.3 To lead, motivate and advance the Shire of Kalamunda

Kalamunda Advancing: Strategic Community Plan to 2023 is designed to move the Shire from the present state to its desired future state. It describes how we collectively hope Kalamunda will look and feel in 2023 and will guide strategic decision making to our desired future. The purpose of the Plan, which was adopted in 2013, is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving them. In doing this, the planning process will consider the issues and pressures that may affect the community and the level of resources that will realistically be available to achieve its aims and aspirations.

Outcome 6.4 To engage regularly and proactively with the community

The Shire of Kalamunda has implemented a large number of Community engagement activities in accordance with the approved engagement strategy. Focus on two way communications, use of traditional and social media, community events and public meetings - as well as specifically designed stakeholder functions.

Regular meetings with stakeholders continue to be held. Strong focus on ensuring service areas are meeting with relevant groups - e.g. sporting clubs. Strong focus on the Governance and Public Relations business unit meeting with and providing support to community groups including Kanyana, Kalamunda Community Radio, Kalamunda Mens Shed, Foothills Mens Shed, Act Aged Care Today, Kalamunda Music Society, Kalamunda Youth Swing Band, the Women's Powder Room, Local P & C's and other sporting and community groups.

Outcome 6.5 To ensure a quality experience for every interaction with our community

During the year the Shire received more than 15,600 incoming telephone calls with an additional 7,243 calls received from the Shire's out of hours service provider. Customer service is a key plank of the Shire's training and development program with a focus on internal and external customers. Work is currently progressing on the implementation of a range of customer service improvement strategies with a number of automated system opportunities implemented to streamline our processes. Within these strategies, the Shire remains firmly committed to improving its processing and wait times.

Outcome 6.6 To ensure excellent information, technology and communications services are being consistently delivered

The Shire of Kalamunda continues to grow the security platform continues to evolve with a high emphasis on Governance and Compliance. This will ensure the Shire is well positioned to continue developing more public facing interactive and transactional services without exposing corporate data and assets to potential cyber-crime risks.

There is currently a strong focus on developing the Information Technology Strategy to ensure effective planning to make optimal use of technology within the Shire to improve customer service levels and to enhance efficiency. Key components of this will include enhancing the website, introduction of Customer Relationship Management systems, enhancements to the Budgeting system and an improved Records system.

Improvements to the CCTV system is underway in conjunction with WA Police and crime prevention strategies. This will begin to change over to a Cloud based solution stating at the Woodlupine Centre allowing the WA Police to access the CCTV to monitor crime in real time.



Outcome 6.7 To provide a business environment that strives for continuous improvement through the use of highly effective business systems and processes

The 'Team Kalamunda' improvement teams were launched to focus on key internal issues within the organisation. The Kalamunda GROW program will focus on leadership development, organisational capacity development and the cultural resilience of the organisation. Quality Framework policy and Management procedure was adopted. Business Unit Managers are now in the process of getting teams to draft process maps for the key processes and procedures.

The Shire of Kalamunda has embarked on reviewing its website. This will be part of the business cases for a new more effective system to enable customers to have a more accessible self-service experience and ease of use as well as enjoying rich media content. During the year, the Perth Hills website was launched which provides an excellent insight into the unique offerings within the region, including events, tours, outdoor experiences and culture and the arts. The GIS system has been upgraded providing our customers with improved service outcomes in the areas of planning, building and several other areas of need. Additionally assistance has been provided to asset management to enable improved analysis of data giving the organisation better visibility and compliance of its physical assets which will continue to mature and grow.

Other systems now rolling out include Share Point for document management and collaboration and Lync which enables real time messaging and group conference discussions at the desktop and video conferencing.

Outcome 6.8 To ensure financial sustainability through the implementation of effective financial management, systems and plans

Financial Sustainability is a core element of the Shire's long term planning. With a responsible approach to fiscal management focused on growing revenue and reducing expenditure, the Shire has been able to absorb the impacts on significant increases in state utility charges, increased compliance costs relating to changes in the Bushfire Act and reduction in interest earnings as a result of falling interest rates. Within this context employee costs have been tightly managed, insurance premiums have been reduced and efficiencies have been achieved in the separation and movement of wastes that will deliver cost savings and reduce the volumes of waste sent to landfill.

Long Term Financial Plan

The Shire of Kalamunda operates under a Long Term Financial Plan (LTFP) which is an informing strategy outlining the Shire's approach to the delivery of community services and infrastructure over the next ten years. The LTFP is underpinned by a series of principles designed to meet the Shire's capital asset replacement and renewal needs whilst maintaining financial sustainability. The LTFP will enable the Shire to:

- Establish a robust visible financial framework that enables future activities to be adequately funded;
- Closely monitor its financial performance to enable an operating surplus to be maintained;
- Identify the financial challenges and opportunities confronting the Shire so as to provide a basis for sound and strategic decision making;
- Combine and integrate financial strategies with service delivery and strategic direction in order to achieve planned outcomes over the long term;
- Clearly outline the Shire's financial sustainability over the next decade providing a framework against which the Council's financial performance, strategies and policies can be measured against benchmarked financial indicators;
- Ensure the maintenance, replacement and renewal of community infrastructure is able to be adequately funded.

Asset Revaluation

Changes to Regulation 17 (A) of the Regulations of the Australian Accounting Standards require assets to be recognised at fair value, with the changes to be phased in over three years. The Shire has now completed the revaluation which will enable greater accountability in asset disclosure and will reflect a stronger asset management focus.

Outcome 6.9 To provide a risk minimised and safe working environment in every aspect of the Shire's business

The Business Continuity Plan has been approved by Council providing a planned response to any major incidents with the capacity to disrupt services. The next stage of the Disaster Recovery Plan is in progress with moves towards use of cloud technology to underpin the Shires Operational capacity in a Disaster Recovery (DR) situation. The telephony system is fully cloud hosted as is the wireless network, quotes are being obtained for the use of data centre / cloud facilities to accommodate the Shire in a "cold DR" recovery mode.

The Shire's Occupational Safety and Health Management system has been developed using Australian Standard 4801 (AS/NZS 4801:2001 – Occupational Health & Safety Management Systems), which has enabled the development of policy, implementation, achieving, reviewing and maintenance. The system looks at objectives taking into account legislative requirements and information about known hazards or risks. This applies to the management of hazards and risks over which the Shire may exert control and over which would be expected to have influence. The best way to reduce accidents in the workplace is to be proactive with prevention, have workplace safety and leadership intimately connected and with the implementation there is a need to be consistent and communicate Shire expectations clearly. The overall aim of the System is to support the achievement of the highest levels of OSH performance through systematic elimination of workplace risks. This is designed to lead to a reduction in workplace illness and injury minimising the human and other costs associated with workplace accidents.

Percentage of Lost Time Injuries (LTI) against reported accidents

2014/2015	9.72%
2013/2014	8.24%
2012/2013	10%
2011/2012	15.71%
2010/2011	11.11%

Outcome 6.10 To build a high performing and motivated workforce

A new organisational Health Check survey was conducted this year. The Shire received over a 150 responses and feedback. Employees are given the opportunity to address their learning requirements through Development Goals in the Personnel Evaluation System (PES). Kalamunda Grow is a comprehensive training program for all staff with components including Dealing with the Difficult, Communication and Presentation.



Record Keeping and Statutory Requirements

Statement on the Shire of Kalamunda Record Keeping Plan

The Shire of Kalamunda is committed to the management of government records in accordance with legislative requirements and best practice standards. The Amended Record Keeping Plan was submitted to the State Records Commission on 26 September 2014, and was approved for five years on 5 December 2014. The areas where it was identified that improvement should occur are:

“Development and implementation of policy and procedures for the management of Elected Members records; and Further development of staff training activities to incorporate external training courses in records management, to complement current in-house training.”

Review of Electronic Document Records Management System

A survey was undertaken in March 2015 to assess the effectiveness of the current Records Management System. Following this survey, the Shire is now intending to develop and implement an improved Records Management System for the future.

Training

The Shire continues to focus on the provision of training to staff, commencing with induction training which outlines staff responsibilities in terms of record keeping, information on business emails and the use of business emails.

KPI and Performance Management

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

Freedom of Information Statement

The Freedom of Information Coordinator for the Shire of Kalamunda is the Manager Technology & Corporate Support. The Information Statement for the Shire was updated in July 2014, and will be updated within the required timeframe. The Information Statement is available on the Shire’s website and from the Administration Centre.

There were twenty one (21) new valid Freedom of Information requests received during the 2014/2015 financial year, with an additional one (1) request dealt with from the previous financial year. Of these:

- Eight were for personal information
- 14 were for non-personal information

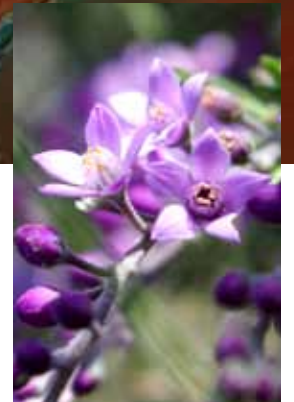
The average time taken to handle a FOI request was 15 days. No Freedom of Information requests were dealt with outside of the 45 day time frame.

Employee Remuneration

The following table sets out in bands of \$10,000 the number of employees at the Shire entitled to an annual salary of \$100,000 or more.

Salary Range 2014/2015

100,000 - 109,999	2	180,000 - 189,999	1
110,000 - 119,999	3	190,000 - 199,000	0
120,000 - 129,999	1	200,000 - 209,999	0
130,000 - 139,999	0	210,000 - 219,999	0
140,000 - 149,999	2	220,000 - 229,000	0
150,000 - 159,999	2	230,000 - 239,000	0
160,000 - 169,999	4	240,000 - 249,000	1
170,000 - 179,999	2		



Statement by the Chief Executive Officer

The attached financial report of the Shire of Kalamunda being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Shire of Kalamunda at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 10 day of November 2015.



Rhonda Hardy
Chief Executive Officer



Auditors Report



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Independent Auditor's Report To the Members of the Shire of Kalamunda

We have audited the accompanying financial report of the Shire of Kalamunda (the "Council"), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by the Chief Executive Officer.

Responsibility of the Council for the financial report

The Council of the Shire of Kalamunda is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the



circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Council's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion, the financial report of the Shire of Kalamunda:

- (i) presents fairly, in all material respects, the Council's financial position as at 30 June 2015 and of its performance and cashflows for the year then ended;
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

Without qualification to the audit opinion expressed above, we draw attention to the Note 12(o) to the financial statements. Clause 6.5.16.1 of the Shire of Kalamunda Local Planning Scheme No.3 requires the local government to establish and maintain a reserve account in accordance with the Local Government Act 1995 for each Development Contribution Area into which Cost Contributions for that Development Contribution Area will be credited and for which all payments for Infrastructure and Administrative costs within that Development Contribution Area will be paid.

Our audit procedures identified that a reserve account was not created for the DCA during the year ended 30 June 2014, being the first year in which funds had been received under the DCA. We did however note that the Council created and maintained a separate trust account titled "Trust – F/Field Industrial", ensuring that all transactions, income and expenditure were recorded. As required under the Local Planning Scheme, interest earned on funds received was also credited to the account to the benefits of the DCA members. The funds were classified as restricted and were fully cash backed. We note this matter has been rectified as at 30 June 2015 and the Council has created a reserve account as required under the Local Government Act 1995.



Apart from the above, I did not, during the course of my audit, become aware of any other instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they relate to financial statements.

GRANT THORNTON

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

MARet

M A Petricevic
Partner - Audit & Assurance

Perth, 10 November 2015



Statement of Comprehensive Income

By Nature or Type

for the year ended 30 June 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	23	30,592,405	30,796,746	28,939,389
Operating Grants and Subsidies	29	6,868,761	5,539,001	4,613,487
Contributions, Reimbursements and Donations		929,560	1,200,297	1,272,448
Fees and Charges	28	13,313,684	13,482,144	12,139,767
Interest Earnings	2(a)	1,155,674	1,079,306	1,078,473
Other Revenue		54,602	56,624	84,591
		<u>52,914,686</u>	<u>52,154,118</u>	<u>48,128,155</u>
Expenses				
Employee Costs		(23,036,210)	(23,161,119)	(21,036,954)
Materials and Contracts		(17,422,883)	(18,148,445)	(15,547,933)
Utility Charges		(2,410,918)	(2,399,729)	(2,276,340)
Depreciation on Non-Current Assets	2(a)	(7,556,640)	(9,965,687)	(9,415,093)
Interest Expenses	2(a)	(430,780)	(483,408)	(467,458)
Insurance Expenses		(608,348)	(675,262)	(637,498)
Other Expenditure		(1,166,118)	(1,426,587)	(1,572,183)
		<u>(52,631,897)</u>	<u>(56,260,237)</u>	<u>(50,953,459)</u>
		282,789	(4,106,119)	(2,825,304)
Non-Operating Grants, Subsidies and Contributions	29	3,951,296	6,149,412	2,143,712
Fair Value Adjustments to financial assets at fair value through profit or loss:				
Increase in Equity in EMRC	2(a)	2,280,458	3,333,710	6,778,647
Profit on Asset Disposals	21	25,577	355,545	26,605
Loss on Asset Disposals	21	<u>(502,036)</u>	<u>(20,000)</u>	<u>(111,802)</u>
NET RESULT		6,038,084	5,712,548	6,011,858
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	13	83,382,588	(215,000)	1,897,498
Capital (Developer) - Contributions	12	1,932,377	0	0
Total Other Comprehensive Income		<u>85,314,965</u>	<u>(215,000)</u>	<u>1,897,498</u>
Total Comprehensive Income		<u>91,353,049</u>	<u>5,497,548</u>	<u>7,909,356</u>

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

Statement of Comprehensive Income

By Program for the year ended 30 June 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Governance		88,389	169,167	111,318
General Purpose Funding		35,638,730	34,240,791	31,406,406
Law, Order, Public Safety		480,016	360,377	592,064
Health		231,593	226,278	247,114
Education and Welfare		3,697,154	3,687,189	3,538,423
Community Amenities		10,237,400	10,843,888	9,198,825
Recreation and Culture		1,670,027	1,701,469	1,954,410
Transport		27,769	90,000	201,197
Economic Services		440,217	518,329	560,306
Other Property and Services		403,391	316,630	318,092
2(a)		52,914,686	52,154,118	48,128,155
Expenses				
Governance		(3,124,093)	(3,134,685)	(2,998,502)
General Purpose Funding		(803,302)	(705,832)	(769,076)
Law, Order, Public Safety		(1,619,923)	(1,813,245)	(1,506,078)
Health		(1,077,962)	(1,082,224)	(971,854)
Education and Welfare		(4,460,315)	(4,183,696)	(3,919,219)
Community Amenities		(12,743,780)	(14,207,261)	(12,734,178)
Recreation & Culture		(17,919,375)	(20,248,648)	(18,099,939)
Transport		(8,168,074)	(8,626,811)	(7,759,809)
Economic Services		(1,051,604)	(1,000,819)	(904,910)
Other Property and Services		(1,232,689)	(773,608)	(822,436)
2(a)		(52,201,117)	(55,776,829)	(50,486,001)
Financial Costs				
Other Property and Services		(430,780)	(483,408)	(467,458)
2(a)		(430,780)	(483,408)	(467,458)
Fair value Adjustments to Financial Assets at Fair Value through Profit or Loss				
General Purpose Funding		2,280,458	3,333,710	6,778,647
2(a)		2,280,458	3,333,710	6,778,647
Non-Operating Grants, Subsidies and Contributions				
Law, Order, Public Safety		95,638	0	0
Health		8,966	0	0
Recreation & Culture		3,616,086	4,066,796	375,251
Transport		230,606	2,082,616	1,768,461
		<u>3,951,296</u>	<u>6,149,412</u>	<u>2,143,712</u>
Profit/(Loss) on Disposal of Assets				
Education and Welfare		(33,417)	0	(15,578)
Community Amenities		(385,952)	350,000	2,882
Recreation & Culture		0	0	(33,355)
Transport		0	5,545	5,273
Other Property and Services		(57,091)	(20,000)	(44,419)
21		(476,460)	335,545	(85,197)
Net Result		6,038,084	5,712,548	6,011,858
Other Comprehensive Income				
Changes on revaluation of non-current assets	13	83,382,588	(215,000)	1,897,498
Capital (Developer) - Contributions	12	1,932,377	0	0
Total Other Comprehensive Income		85,314,965	(215,000)	1,897,498
Total Comprehensive Income		91,353,049	5,497,548	7,909,356

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



Statement of Financial Position

as at 30 June 2015

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	20,522,982	10,266,124
Trade and Other Receivables	5	2,082,182	2,007,512
Inventories	6	498,601	493,385
TOTAL CURRENT ASSETS		<u>23,103,765</u>	<u>12,767,021</u>
NON-CURRENT ASSETS			
Other Receivables	5	855,448	866,327
Inventories	6	300,707	0
Investments	4	24,996,679	22,716,221
Property, Plant and Equipment	7	154,922,420	158,016,926
Infrastructure	8	241,179,282	158,952,206
TOTAL NON-CURRENT ASSETS		<u>422,254,536</u>	<u>340,551,680</u>
TOTAL ASSETS		<u>445,358,301</u>	<u>353,318,702</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	6,474,819	5,465,877
Current Portion of Long Term Borrowings	10	593,852	593,215
Provisions	11	2,619,690	2,373,857
TOTAL CURRENT LIABILITIES		<u>9,688,361</u>	<u>8,432,949</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	6,293,947	6,923,621
Provisions	11	704,550	643,738
TOTAL NON-CURRENT LIABILITIES		<u>6,998,497</u>	<u>7,567,359</u>
TOTAL LIABILITIES		<u>16,686,858</u>	<u>16,000,308</u>
		<u>428,671,443</u>	<u>337,318,394</u>
EQUITY			
Retained Surplus		205,253,252	205,879,928
Reserves - Cash Backed	12	11,208,096	2,610,960
Revaluation Surplus	13	212,210,094	128,827,506
TOTAL EQUITY		<u>428,671,443</u>	<u>337,318,394</u>

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

Statement of Changes in Equity for the year ended 30 June 2015

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		200,318,202	2,160,828	126,930,008	329,409,038
Comprehensive Income					
Net Result		6,011,858	0	0	6,011,858
Changes on Revaluation of Non-Current Assets	13	0	0	1,897,498	1,897,498
Total Comprehensive Income		6,011,858	0	1,897,498	7,909,356
Other					
Transfers from/(to) Reserves		(450,132)	450,132	0	0
Balance as at 30 June 2014		205,879,928	2,610,960	128,827,506	337,318,394
Comprehensive Income					
Net Result from ordinary operations		6,038,084	0	0	6,038,084
Transfer of Developer contributions		1,932,377	0	0	1,932,377
Changes on Revaluation of Non-Current Assets	13	0	0	83,382,588	83,382,588
Total Comprehensive Income		7,970,461	0	83,382,588	91,353,049
Other					
Transfers from/(to) Reserves		(8,597,136)	8,597,136	0	0
Balance as at 30 June 2015		205,253,252	11,208,096	212,210,094	428,671,443

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



Statement of Cash Flows

for the year ended 30 June 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Cash Flows From Operating Activities				
Receipts				
Rates		30,814,251	30,737,854	28,499,903
Grants and Subsidies - Operating		6,868,761	6,302,078	4,613,487
Contributions, Reimbursements and				
Donations		929,560	1,200,297	1,186,704
Fees and Charges		11,503,387	13,482,144	12,135,390
Interest Earnings		1,155,674	1,079,306	1,078,473
Goods and Services Tax		2,420,722	3,015,082	843,948
Other Revenue		54,602	56,624	84,591
		<u>53,746,957</u>	<u>55,873,385</u>	<u>48,442,496</u>
Payments				
Employee Costs		(23,292,640)	(23,409,119)	(20,595,031)
Materials and Contracts		(15,844,175)	(18,486,514)	(12,899,102)
Utility Charges		(2,410,918)	(2,399,729)	(2,276,340)
Interest Expenses		(442,094)	(675,262)	(477,915)
Insurance Expenses		(608,348)	(494,722)	(637,498)
Goods and Services Tax		(959,959)	(2,346,408)	(2,832,295)
Other Expenditure		(1,166,118)	(1,426,587)	(511,630)
		<u>(44,724,252)</u>	<u>(49,238,341)</u>	<u>(40,229,811)</u>
Net Cash Provided By (Used In)				
Operating Activities	14(b)	<u>9,022,705</u>	<u>6,635,044</u>	<u>8,212,685</u>
Cash Flows from Investing Activities				
Payments for Development of				
Land Held for Resale		0	(10,000)	(1,707)
Payments for Purchase of				
Property, Plant & Equipment		(2,177,538)	(2,343,849)	(3,422,457)
Payments for Construction of				
Infrastructure		(3,666,949)	(11,472,460)	(6,679,969)
Non-Operating Grants,				
Subsidies and Contributions		5,883,673	6,149,412	2,143,712
Proceeds from Sale of Fixed Assets	21	<u>1,760,104</u>	<u>627,100</u>	<u>345,802</u>
Net Cash Provided by (Used in)				
Investment Activities		1,799,290	(7,049,797)	(7,614,619)
Cash Flows from Financing Activities				
Repayment of Debentures		(629,037)	(629,123)	(593,215)
Proceeds from Self Supporting Loans		63,900	65,590	49,379
Net Cash Provided By (Used In)				
Financing Activities		(565,137)	(563,533)	(543,836)
Net Increase (Decrease) in Cash Held		10,256,858	(978,287)	54,230
Cash at Beginning of Year		10,266,124	10,356,998	10,211,894
Cash and Cash Equivalents				
at the End of the Year	14(a)	<u>20,522,982</u>	<u>9,378,711</u>	<u>10,266,124</u>

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

Rate Setting Statement for the year ended 30 June 2015

		2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		88,389	169,167	111,318
General Purpose Funding		7,326,783	6,777,754	9,245,664
Law, Order, Public Safety		575,654	360,377	592,064
Health		240,559	226,278	247,114
Education and Welfare		3,697,154	3,687,189	3,538,423
Community Amenities		10,262,977	11,193,888	9,207,916
Recreation and Culture		5,286,113	5,768,266	2,329,661
Transport		258,375	2,178,161	1,974,931
Economic Services		440,217	518,329	560,306
Other Property and Services		403,390	316,630	330,333
		<u>28,579,611</u>	<u>31,196,039</u>	<u>28,137,730</u>
Expenses				
Governance		(3,124,093)	(3,134,684)	(2,998,502)
General Purpose Funding		(803,302)	(705,832)	(769,076)
Law, Order, Public Safety		(1,619,923)	(1,813,245)	(1,506,078)
Health		(1,077,962)	(1,082,224)	(971,854)
Education and Welfare		(4,493,732)	(4,183,696)	(3,934,797)
Community Amenities		(13,155,309)	(14,207,261)	(12,740,387)
Recreation and Culture		(17,919,375)	(20,248,648)	(18,133,294)
Transport		(8,168,074)	(8,626,811)	(7,759,809)
Economic Services		(1,051,603)	(1,000,819)	(904,910)
Other Property and Services		(1,720,560)	(1,277,018)	(1,346,555)
		<u>(53,133,933)</u>	<u>(56,280,238)</u>	<u>(51,065,262)</u>
Net Result Excluding Rates		(24,554,323)	(25,084,199)	(22,927,533)
Adjustments for Cash Budget Requirements:				
(Profit)/Loss on Asset Disposals	21	476,459	(335,545)	85,197
Movement in Deferred Pensioner Rates (Non-Current)		(58,788)	(36,000)	7,947
Movement in Employee Benefit Provisions		306,645	537,505	295,870
Deferment of Loan Repayment (Non-Current)		(309)	0	0
Write off		0	0	141,479
Land Resumption Costs		0	0	926,859
EMRC Contribution (non-cash)	2(a)	(2,280,458)	(3,333,710)	(6,778,647)
Depreciation and Amortisation on Assets	2(a)	7,556,640	9,965,687	9,415,093
Capital Expenditure and Revenue				
Purchase Land Held for Resale		0	0	(1,707)
Land Development Costs	7(a)	(5,300)	(10,000)	(1,811)
Purchase Land and Buildings	7(a)	(1,596,994)	(1,948,976)	(1,560,572)
Purchase Furniture and Equipment	7(a)	(162,102)	(145,283)	(1,349,450)
Purchase Plant and Equipment	7(a)	(413,139)	(249,590)	(510,624)
Purchase Roads	8(a)	(1,549,749)	(4,039,433)	(3,937,537)
Purchase Footpaths	8(a)	(197,704)	(873,561)	(346,399)
Purchase Drainage	8(a)	(122,942)	(666,903)	(689,168)
Purchase Parks & Ovals	8(a)	(1,510,945)	(5,718,588)	(1,335,447)
Purchase Other Infrastructure	8(a)	(285,609)	(173,975)	(371,418)
Proceeds from Disposal of Fixed Assets	21	1,760,104	627,100	158,715
Repayment of Debentures	22(a)	(629,037)	(629,123)	(593,215)
Proceeds from Self Supporting Loans		63,900	65,590	49,379
Capital (Developer) - Contributions		1,932,377	0	0
Transfers to Reserves (Restricted Assets)	12	(10,041,261)	(2,504,813)	(2,173,273)
Transfers from Reserves (Restricted Assets)	12	1,444,125	3,171,000	1,723,140
Estimated Surplus/(Deficit) July 1 B/Fwd	23(b)	4,244,120	2,875,530	5,077,852
Estimated Surplus/(Deficit) June 30 C/Fwd	23(b)	4,968,115	2,289,459	4,244,120
Total Amount Raised from General Rate	23(a)	<u>(30,592,405)</u>	<u>(30,796,746)</u>	<u>(28,939,389)</u>

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

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

All Funds through which the Council 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 20. to these financial statements.

(b) 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.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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 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.

(d) 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.

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.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(e) Inventories

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 Sale

Land held for development and sale 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. Finance 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 on to the buyer at this point.

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

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets

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

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
- (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are :
 - (I) land and buildings; or
 - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

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

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

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

Fixed Assets (Continued)

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

Increases in the carrying amount arising on revaluation of assets classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity.

Land Under Roads

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

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

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

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

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

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings	30 to 50 years
Furniture and Equipment	5 to 10 years
Plant and Equipment	5 to 10 years
Infrastructure	
Roads	50 years
Drains	80 years
Parks (Plant and Equipment)	10 to 40 years

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.

Capitalisation Threshold

Expenditure on items of land under \$1, IT Software under \$30,000 and all other assets under \$3,000 is not capitalised. Rather, it is recorded on an asset inventory listing.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council 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. 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 (i.e. the market with the greatest volume and level of activity for the asset 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.

Fair Value Hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

Valuation techniques

The Council 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 Council 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 an asset at its current service capacity.

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 Council gives priority to those techniques that maximise the use of observable inputs and use of minimise the 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 and 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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and Subsequent Measurement (Continued)

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

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



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

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.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impairment of Assets

In accordance with Australian Accounting Standards the Council's 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 assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(k) Employee Benefits

Short-Term Employee Benefits

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

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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.

(l) 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.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions

Provisions are recognised when the Council 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.

(n) 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 Council, are classified as finance leases.

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

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

(o) Investment in Associates

An associate is an entity over which the Council 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 Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council 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 Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Interests in Joint Arrangements

The Shire's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 17.

The Shire's interest in joint venture entities are recorded using the equity method of accounting (refer to Note 1(o) for details) in the financial report.

When the Shire contributes assets to the joint venture or if the Shire purchases assets from the joint venture, only the portion of the gain or loss not attributable to the Shire's share of the joint venture shall be recognised. The Shire recognises the full amount of any loss when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(q) Rates, Grants, Donations and Other Contributions

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to 'those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

(r) Superannuation

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

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.

(t) Rounding Off Figures

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

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SUMMARY SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, 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.

(v) 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.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods

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

Management's assessment of the new and amended pronouncements that are relevant to the Council, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]



Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iii)	AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments [Operative date: Part C Financial Instruments - 1 January 2015]	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Council.
(iv)	AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations. Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Council's financial statements.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(v)	AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	<p>This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.</p> <p>Given the Council currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.</p>
(vi)	AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	<p>Consequential changes to various Standards arising from the issuance of AASB 15.</p> <p>It will require changes to reflect the impact of AASB 15.</p>
(vii)	AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	<p>This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.</p> <p>This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column.</p> <p>It is not anticipated it will have any significant impact on disclosures.</p>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations for Application in Future Periods (Continued)

	Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(viii)	AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn. It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.
(ix)	AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Council as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

⁽¹⁾ Applicable to reporting periods commencing on or after the given date.

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

AASB 2011-7
AASB 2012-3
AASB 2013-3
AASB 2013-8
AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Council as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

2. REVENUE AND EXPENSES	2015 \$	2014 \$
(a) Net Result		
The Net Result includes:		
(i) Charging as an Expense:		
Significant Expense		
Transport	<u>0</u>	<u>926,859</u>
<p>This significant expense in 2014 relates to Land Resumption costs that were previously capitalised as Land asset when acquired in 2007 for the extension and construction of a road asset. In accordance with the Local Government (Financial Management) Regulation land under roads should not be recognised and were therefore expensed.</p>		
Auditors Remuneration		
Current Auditor		
- Audit of the annual financial report	19,500	0
- Audit and Acquittal of external funded projects	<u>0</u>	<u>0</u>
	<u>19,500</u>	<u>0</u>
Previous Auditor		
- Audit of the annual financial report	12,296	55,142
- Audit and Acquittal of external funded projects	<u>0</u>	<u>8,420</u>
	<u>12,296</u>	<u>63,562</u>
	<u>31,796</u>	<u>63,562</u>
Depreciation		
Buildings	1,705,367	3,351,230
Furniture and Equipment	500,407	453,466
Plant and Equipment	528,405	563,229
Roads	2,915,477	2,852,763
Footpaths	263,469	258,649
Drainage	398,925	394,858
Parks & Ovals	985,100	1,341,086
Other Infrastructure	<u>259,490</u>	<u>199,812</u>
	<u>7,556,640</u>	<u>9,415,093</u>
Interest Expenses (Finance Costs)		
Debentures (<i>refer Note 22(a)</i>)	<u>430,780</u>	<u>467,458</u>
	<u>430,780</u>	<u>467,458</u>
(ii) Crediting as Revenue:		
Significant Revenue		
Increase in Equity Value		
Eastern Metropolitan Regional Council (EMRC)	<u>2,280,458</u>	<u>6,778,647</u>
	<u>2,280,458</u>	<u>6,778,647</u>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

2. REVENUE AND EXPENSES (Continued)

(a) Net Result

	2015 Actual \$	2015 Budget \$	2014 Actual \$
Interest Earnings			
- Self Supporting Loans	28,031	36,100	34,904
- Reserve Funds	54,977	122,961	56,422
- Other Funds	604,048	490,002	567,219
Non-investments	110,099	90,000	93,726
Other Interest Revenue (<i>refer note 27</i>)	358,519	340,243	326,202
	<u>1,155,674</u>	<u>1,079,306</u>	<u>1,078,473</u>

(b) Statement of Objective

The Shire of Kalamunda is dedicated to providing high quality services to the community through the various service oriented programs which it has established.

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of scarce resources.

Activities:

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.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

To provide services to help ensure a safer and environmentally conscious community.

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

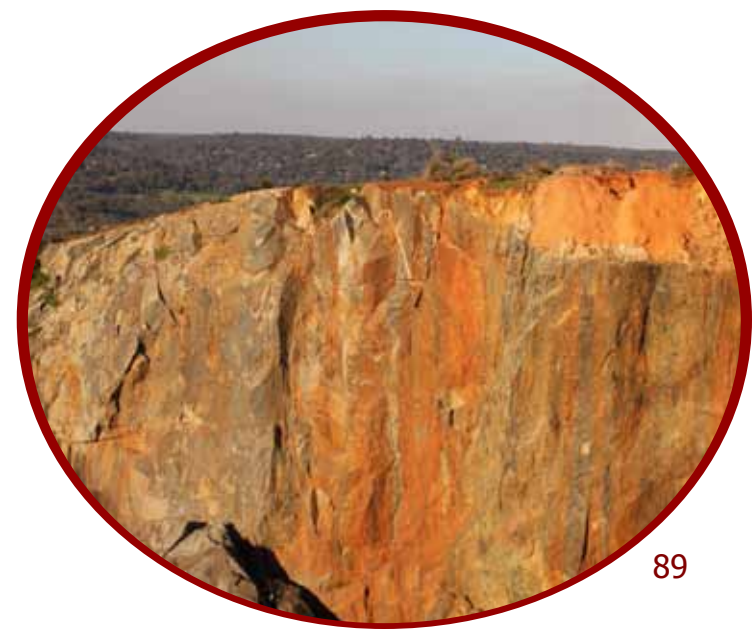
HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Provision and maintenance of home and community care programs, day care centres, youth services and other voluntary services.

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

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.

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

Construction and maintenance of roads, footpaths, bridges, lighting and cleaning of streets.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion, rural services and building control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control council's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Function/ Activity	Opening Balance ⁽¹⁾ 01/07/13 \$	Received ⁽²⁾ 2013/2014 \$	Expended ⁽³⁾ 2013/14 \$	Closing Balance ⁽¹⁾ 30/06/14 \$	Received ⁽²⁾ 2014/15 \$	Expended ⁽³⁾ 2014/15 \$	Closing Balance 30/06/15 \$
Cat Module Implementation	Law, Order and Public Safety	19,425	0	(19,425)	0	0	0	0
State Emergency Services	Law, Order and Public Safety	795	66,375	(51,995)	15,175	58,625	(60,465)	13,335
SES Equipment	Law, Order and Public Safety	0	7,400	(5,940)	1,460	5,700	(7,160)	0
Bush Fire Brigade	Law, Order and Public Safety	0	148,252	(116,590)	31,662	126,999	(125,861)	32,800
Healthy Communities Initiative	Recreation and Culture	58,016	140,000	(192,198)	5,818	0	(5,818)	0
DSR - Kids Sport Program	Recreation and Culture	10,830	61,670	(70,938)	1,562	81,670	(78,440)	4,792
Darling Range Master Plan	Recreation and Culture	13,000	0	(13,000)	0	0	0	0
Hartfield Park Offset Proposal Funding	Community Amenities	107,488	0	(38,058)	69,430	0	(28,809)	40,621
Woodlupine family centre - CCTV camera	Community Amenities	0	0	0	0	8,966	0	8,966
Abernethy Road	Transport	308,915	0	(308,915)	0	0	0	0
Baden Road	Transport	50,934	359,803	(410,737)	0	0	0	0
Hale Road	Transport	114,267	0	(102,933)	11,334	0	(11,334)	0
Kalamunda/Fernan/Abernethy	Transport	666,666	0	0	666,666	0	(666,666)	0
Lot 24 Hardey Road East	Transport	0	12,125	0	12,125	0	0	12,125
Lot 47 Hardey Road East	Transport	0	15,572	0	15,572	0	0	15,572
Metro Local Government Reform	Governance	0	100,000	(93,768)	6,232	0	(6,232)	0
Bronze wing Grass Weed Control	Community Amenities	23,056	6,364	(24,622)	4,798	0	(4,798)	0
Weed Cycle at Lower Lesmurdie	Community Amenities	6,684	0	0	6,684	0	(6,684)	0
Water Conservation Project	Community Amenities	0	10,000	0	10,000	0	(10,000)	0
Banksia Woodland Project	Community Amenities	0	7,250	0	7,250	0	(1,460)	5,790
Pioneer park	Community Amenities	0	18,333	0	18,333	0	(18,333)	0
Ray Owen Sports Centre Kiosk	Community Amenities	0	11,973	0	11,973	0	(11,973)	0
Ray Owen Lighting Upgrade	Community Amenities	0	12,017	0	12,017	0	(12,017)	0
Hartfield Park Master plan	Community Amenities	0	150,000	(8,568)	141,432	3,005,000	(801,407)	2,345,025
Kostera Oval redevelopment project	Community Amenities	0	0	0	0	500,000	(222,372)	277,628
Total		1,380,076	1,127,134	(1,457,687)	1,049,523	3,786,960	(2,079,829)	2,756,654

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

3. CASH AND CASH EQUIVALENTS	Note	2015 \$	2014 \$
Cash on Hand - Unrestricted		6,940	6,940
Cash at Bank - Municipal		9,307,946	7,648,224
Cash at Bank - Restricted Reserves		11,208,096	2,610,960
		<u>20,522,982</u>	<u>10,266,124</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves - Restricted			
Land and Property Enhancement and Maintenance Reserve	12	1,354,213	874,089
Waste Management Reserve	12	232,426	160,645
EDP Reserve	12	139,325	136,450
Local Government Election Reserve	12	50,000	0
Long Service Leave Reserve	12	1,060,585	275,403
Plant and Equipment Reserve	12	29,696	29,086
Stirk Park Reserve	12	25,897	25,364
HACC Reserve	12	1,220,151	582,781
Forrestfield Industrial Area Reserve	12	117,322	131,897
Insurance Contingency Reserve	12	172,542	168,984
Light Plant Reserve	12	35,033	34,313
Revaluation Reserve	12	244,811	138,886
Nominated Employee Leave Provisions Reserve	12	525,500	24,973
Unexpended Capital works and specific purpose grants	12	4,003,345	0
Forrestfield Industrial Area scheme stage 1 reserve	12	1,932,377	0
Environment Reserve	12	64,872	28,088
		<u>11,208,096</u>	<u>2,610,960</u>
Municipal Cash - Restricted			
Bonds		2,029,486	1,943,384
Conditional Unspent Grants and Contributions	2(c)	2,756,654	1,049,523
HACC Restricted		0	574,875
		<u>4,786,140</u>	<u>3,567,782</u>
Total Restricted		<u>15,994,236</u>	<u>6,178,742</u>
4. INVESTMENTS			
Financial assets at fair value through profit or loss		<u>24,996,679</u>	<u>22,716,221</u>
		2015	2014
		\$	\$
Financial assets at fair value through profit or loss			
At beginning of the year		22,716,221	15,937,574
Revaluation to Income Statement			
At end of the year		<u>2,280,458</u>	<u>6,778,647</u>
		<u>24,996,679</u>	<u>22,716,221</u>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2014 \$
5. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	613,087	893,721
Sundry Debtors	496,662	789,427
Prepayments	544,655	64,457
GST Receivable	361,706	199,911
Loans - Clubs/Institutions	66,073	59,997
	<u>2,082,182</u>	<u>2,007,512</u>
Non-Current		
Rates Outstanding - Pensioners	514,420	455,632
Loans - Clubs/Institutions	341,028	410,695
	<u>855,448</u>	<u>866,327</u>
6. INVENTORIES		
Current		
Fuel and Materials	111,941	107,318
Land Held for Resale - Cost		
- Cost of Acquisition	335,593	335,000
- Development Costs	51,067	51,067
	<u>498,601</u>	<u>493,385</u>
Non-Current		
Land Held for Resale - Cost		
- Cost of Acquisition	284,661	0
- Development Costs	16,046	0
	<u>300,707</u>	<u>0</u>



Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2014 \$
7. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014	<u>63,101,000</u>	<u>65,122,000</u>
	63,101,000	65,122,000
Land Vested In and Under the Control of Council at:		
- Independent Valuation 2014	<u>2,799,800</u>	<u>2,799,800</u>
	2,799,800	2,799,800
Total Land	<u><u>65,900,800</u></u>	<u><u>67,921,800</u></u>
Buildings at:		
- Independent Valuation 2014	83,141,844	83,470,542
- Additions after Valuation - Cost	1,596,994	0
Less: Accumulated Depreciation	<u>(1,700,064)</u>	<u>0</u>
	83,038,774	83,470,542
Total Buildings	<u><u>83,038,774</u></u>	<u><u>83,470,542</u></u>
Total Land and Buildings	<u><u>148,939,574</u></u>	<u><u>151,392,342</u></u>



Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2014 \$
7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Furniture and Equipment at:		
- Cost	6,171,359	6,018,787
Less Accumulated Depreciation	<u>(4,436,080)</u>	<u>(3,935,914)</u>
	1,735,279	2,082,873
Plant and Equipment at:		
- Management Valuation 2013	4,356,073	4,575,226
- Additions after Valuation - Cost	923,763	510,624
Less Accumulated Depreciation	<u>(1,032,269)</u>	<u>(544,139)</u>
	4,247,567	4,541,711
	<u>154,922,420</u>	<u>158,016,926</u>

Land and Buildings:

The Shire of Kalamunda has undertaken an independent valuation as at 30 June 2014 of its Land and Buildings.

In relation to land and buildings, valuations were made on the basis of observable open market values of similar assets, adjusted for condition and comparability, at their current use (Level 2 inputs in the fair value hierarchy) and unobservable input being replacement cost based on hypothetical development plans (Level 3 inputs in the fair value hierarchy).

These 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 are varied, they have the potential to result in a significantly higher or lower fair value measurement.

With regards to specialised buildings, they were valued having regard for their current replacement cost utilising both observable and unobservable inputs, being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of Level 3 inputs into the overall fair value measurement, these specialised building assets are deemed to have been valued using Level 3 inputs.

The revaluation of these assets resulted in an overall increase of \$1,897,498 in the net value of the Shire's land and buildings. All of this increase was credited to the revaluation surplus in the Shire's equity (refer Note 13(a) for further details) and was recognised as Changes on Revaluation of non-current assets in the Statement of Comprehensive income.

With regards to land vested in and under the control of Council, these assets were originally recognised as at 30 June 2013 at deemed costs where cost was effectively the fair value at the date of recognition.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

As land vested in and under the control of Council is Crown Land restricted as to usage, it is not possible for an alternative usage to be considered when arriving at the fair value. In addition, due to its nature, any significant value attributable directly to the land would likely be offset by the need to return value to the Crown before any restriction is lifted, thus reducing the net fair value to nil.

Consequently, the original value of deemed costs was obtained having regard for the current replacement cost of the improvements of the land to allow for its current restricted usage.

These included both observable and unobservable inputs being construction costs based on recent contract prices, current condition (Level 2 inputs), residual values and remaining useful life assessments (Level 3 inputs).

Given the significance of the Level 3 inputs into the overall fair value measurement, this land vested in and under the control of Council is deemed to have been valued using Level 3 inputs.

These 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.

Due to mandatory fair value measurement framework as detailed in Note 1(f), Land Vested in and under the control of Council required a fair value assessment to occur in the current year.

This was performed by independent valuers at 30 June 2014.

The valuation of land vested in and under the control of Council resulted in an overall increase of \$550,500 and was recognised as changes in revaluation of non-current assets in the Statement of Comprehensive income during the year along with the overall increase in the revaluation of Land and Buildings.

Plant and Equipment:

The plant and equipment was revalued in 2013 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A.

Whilst the additions since that time are shown at cost, given that they were acquired at arms length and any accumulated depreciation reflects the usage potential, it is considered the recorded written down value approximates fair value. Thus the value is considered in accordance with Local Government (Financial Management) Regulation 17A (2) which requires these assets to be shown at fair value.

They will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f).

Notes to and forming part of the Financial Report for the year ended 30 June 2015

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(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.

		Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Reclassification \$	Carrying Amount at the End of Year \$
Freehold Land	(Level 2)	34,559,000	5,300	(1,725,000)	0	0	0	(301,300) ⁽¹⁾	32,538,000
Land	(Level 3)	30,563,000	0	0	0	0	0	0	30,563,000
Land Vested In and Under the Control of Council	(Level 3)	2,799,800	0	0	0	0	0	0	2,799,800
Total Land		67,921,800	5,300	(1,725,000)	0	0	0	(301,300)	65,900,800
Buildings	(Level 3)	83,470,542	1,596,994	(323,396)	0	0	(1,705,367)	0	83,038,774
Total Buildings		83,470,542	1,596,994	(323,396)	0	0	(1,705,367)	0	83,038,774
Total Land and Buildings		151,392,342	1,602,294	(2,048,396)	0	0	(1,705,367)	(301,300)	148,939,574
Furniture and Equipment		2,082,873	162,102	(9,290)	0	0	(500,407)	0	1,735,279
Plant and Equipment	(Level 3)	4,541,711	413,139	(178,877)	0	0	(528,405)	0	4,247,568
Total Property, Plant and Equipment		158,016,926	2,177,536	(2,236,563)	0	0	(2,734,179)	(301,300)	154,922,420

Notes:

(1) - Amount transferred to current assets - land held for resale

Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2014 \$
8. INFRASTRUCTURE		
Roads		
- Independent valuation 2015	193,671,292	0
- Cost	0	145,273,626
Less Accumulated Depreciation	0	(33,196,075)
	<u>193,671,292</u>	<u>112,077,551</u>
Footpaths		
- Independent valuation 2015	15,398,876	0
- Cost	0	13,217,348
Less Accumulated Depreciation	0	(2,961,594)
	<u>15,398,876</u>	<u>10,255,754</u>
Drainage		
- Independent valuation 2015	11,544,373	0
- Management Valuation 2015	7,707,285	0
- Cost	0	31,813,226
Less Accumulated Depreciation	0	(5,694,667)
	<u>19,251,658</u>	<u>26,118,559</u>
Parks & Ovals		
- Independent valuation 2015	5,868,888	0
- Cost	0	18,435,081
Less Accumulated Depreciation	0	(11,519,069)
	<u>5,868,888</u>	<u>6,916,012</u>
Other Infrastructure		
- Independent valuation 2015	6,988,568	0
- Cost	0	4,555,903
Less Accumulated Depreciation	0	(971,573)
	<u>6,988,568</u>	<u>3,584,330</u>
	<u>241,179,282</u>	<u>158,952,206</u>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

Infrastructure Assets:

The Shire of Kalamunda has undertaken an independent valuation as at 30 June 2015 of its Infrastructure Assets.

In relation to Infrastructure assets, valuations were made on the basis of unobservable input based on depreciation replacement cost (Level 3 inputs in the fair value hierarchy). The unit rates and valuation methodology was determined independently by an external valuer that conforms to industry standards.

These 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 are varied, they have the potential to result in a significantly higher or lower fair value measurement.

The revaluation of these assets resulted in an overall increase of \$83,382,588 in the net value of the Shire's Infrastructure assets. It is the Council Policy in relation to accounting for revaluation movements to treat categories as one class of asset, being Infrastructure. The sub-categories have been disclosed purely for reference purposes. As the Council deems these assets to be one class, any decrements are offset against increments within the same class of asset and the net credit/deficit is recognised in the Statement of Other Comprehensive income and the Revaluation Reserve. Should the decrements above not be netted off with the increments recognised it would result in a charge to the Statement of Comprehensive Income of \$8,163,588. The net result for the period would therefore be (\$2,125,505) and the Other Comprehensive Income for the period would be \$93,478,853.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

8. INFRASTRUCTURE (Continued)

(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.

		Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Re-classification \$	Carrying Amount at the End of Year \$
Roads	(Level 3)	112,077,551	1,549,749	0	82,959,470	0	(2,915,477)	0	193,671,294
Footpaths	(Level 3)	10,255,754	197,704	0	5,208,887	0	(263,469)	0	15,398,876
Drainage	(Level 3)	26,118,559	122,942	0	(6,590,920)	0	(398,925)	0	19,251,656
Parks & Ovals	(Level 3)	6,916,012	1,510,945	0	(1,572,968)	0	(985,100)	0	5,868,888
Other Infrastructure	(Level 3)	3,584,330	285,609	0	3,378,119	0	(259,490)	0	6,988,568
Total		158,952,206	3,666,949	0	83,382,588	0	(4,822,461)	0	241,179,282



Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2014 \$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	3,534,421	2,528,961
Bonds and Deposits	2,029,486	1,943,384
Accrued Expenses	748,641	282,302
Accrued Interest on Debentures	136,655	147,969
Accrued Salaries and Wages	186	563,261
Income in advance	25,430	0
	<u>6,474,819</u>	<u>5,465,877</u>

10. LONG-TERM BORROWINGS

Current		
Secured by Floating Charge Debentures	<u>593,852</u>	<u>593,215</u>
	<u>593,852</u>	<u>593,215</u>
Non-Current		
Secured by Floating Charge Debentures	<u>6,293,947</u>	<u>6,923,621</u>
	<u>6,293,947</u>	<u>6,923,621</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

Analysis of Total Provisions

Current	2,619,690	2,373,857
Non-Current	<u>704,550</u>	<u>643,738</u>
	<u>3,324,240</u>	<u>3,017,595</u>

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014	1,600,148	1,417,447	3,017,595
Additional provision	1,550,278	968,860	2,519,139
Amounts used	(1,719,729)	(301,744)	(2,021,473)
Increase / (decrease) in the discounted amount arising because of time and the effect of any change in the discounted rate	<u>73,964</u>	<u>(264,985)</u>	<u>(191,021)</u>
Balance at 30 June 2015	<u>1,504,662</u>	<u>1,819,578</u>	<u>3,324,240</u>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED			
(a) Land and Property Enhancement and Maintenance Reserve			
Opening Balance	874,089	1,885,991	717,693
Interest Earned	18,407	56,580	22,499
Amount Set Aside / Transfer to Reserve	1,403,161	341,250	185,897
Amount Used / Transfer from Reserve	(941,444)	(2,050,000)	(52,000)
	<u>1,354,213</u>	<u>233,821</u>	<u>874,089</u>
(b) Waste Management Reserve			
Opening Balance	160,645	161,278	156,580
Interest Earned	3,381	4,838	4,065
Amount Set Aside / Transfer to Reserve	68,400	125,000	0
Amount Used / Transfer from Reserve	0	(200,000)	0
	<u>232,426</u>	<u>91,116</u>	<u>160,645</u>
(c) EDP Reserve			
Opening Balance	136,450	250,309	169,913
Interest Earned	2,875	7,509	4,338
Amount Set Aside / Transfer to Reserve	0	0	1,227,999
Amount Used / Transfer from Reserve	0	(188,000)	(1,265,800)
	<u>139,325</u>	<u>69,818</u>	<u>136,450</u>
(d) Local Government Election Reserve			
Opening Balance	0	103,300	0
Interest Earned	0	3,099	0
Amount Set Aside / Transfer to Reserve	50,000	50,000	98,092
Amount Used / Transfer from Reserve	0	0	(98,092)
	<u>50,000</u>	<u>156,399</u>	<u>0</u>
(e) Leave Reserve			
Opening Balance	275,403	278,302	73,109
Interest Earned	5,800	8,349	2,295
Amount Set Aside / Transfer to Reserve	779,382	1,100,000	199,999
Amount Used / Transfer from Reserve	0	(270,000)	0
	<u>1,060,585</u>	<u>1,116,651</u>	<u>275,403</u>
(f) Plant and Equipment Reserve			
Opening Balance	29,086	29,201	28,350
Interest Earned	610	876	736
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>29,696</u>	<u>30,077</u>	<u>29,086</u>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED			
(g) Stirk Park Reserve			
Opening Balance	25,364	25,464	24,723
Interest Earned	533	764	641
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>25,897</u>	<u>26,228</u>	<u>25,364</u>
(h) HACC Reserve			
Opening Balance	582,781	598,808	443,392
Interest Earned	12,271	17,964	8,774
Amount Set Aside / Transfer to Reserve	1,090,519	0	404,863
Amount Used / Transfer from Reserve	(465,420)	0	(274,248)
	<u>1,220,151</u>	<u>616,772</u>	<u>582,781</u>
(i) Forrestfield Industrial Area Reserve			
Opening Balance	131,897	130,276	160,787
Interest Earned	2,776	3,908	4,110
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	(17,351)	(30,000)	(33,000)
	<u>117,322</u>	<u>104,184</u>	<u>131,897</u>
(j) Insurance Contingency Reserve			
Opening Balance	168,985	169,647	164,706
Interest Earned	3,557	5,089	4,279
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	(100,000)	0
	<u>172,542</u>	<u>74,736</u>	<u>168,985</u>
(k) Light Plant Reserve			
Opening Balance	34,313	34,447	33,443
Interest Earned	720	1,033	870
Amount Set Aside / Transfer to Reserve	0	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>35,033</u>	<u>35,480</u>	<u>34,313</u>
(l) Revaluation Reserve			
Opening Balance	138,886	192,008	136,416
Interest Earned	2,924	5,760	2,470
Amount Set Aside / Transfer to Reserve	103,001	50,000	0
Amount Used / Transfer from Reserve	0	(153,000)	0
	<u>244,811</u>	<u>94,768</u>	<u>138,886</u>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED			
(m) Nominated Employee Leave Provisions Reserve			
Opening Balance	24,973	225,069	24,340
Interest Earned	527	6,752	633
Amount Set Aside / Transfer to Reserve	500,000	600,000	0
Amount Used / Transfer from Reserve	0	(100,000)	0
	<u>525,500</u>	<u>731,821</u>	<u>24,973</u>
(n) Unexpended Capital works and specific purpose grants			
Opening Balance	0	0	0
Interest Earned	0	0	0
Amount Set Aside / Transfer to Reserve	4,003,345	0	0
Amount Used / Transfer from Reserve	0	0	0
	<u>4,003,345</u>	<u>0</u>	<u>0</u>
(o) Forrestfield Industrial Area scheme stage 1 reserve			
Opening Balance	0	0	0
Interest Earned	0	0	0
Amount Set Aside / Transfer to Reserve	1,952,285	0	0
Amount Used / Transfer from Reserve	(19,908)	0	0
	<u>1,932,377</u>	<u>0</u>	<u>0</u>
(p) Environment Reserve			
Opening Balance	28,088	14,679	27,376
Interest Earned	593	440	712
Amount Set Aside / Transfer to Reserve	36,191	115,600	0
Amount Used / Transfer from Reserve	0	(80,000)	0
	<u>64,872</u>	<u>50,719</u>	<u>28,088</u>
TOTAL RESERVES	<u>11,208,096</u>	<u>3,432,590</u>	<u>2,610,960</u>
Total Opening Balance	2,610,960	4,098,779	2,160,828
Interest Earned	54,977	122,961	56,422
Total Amount Set Aside / Transfer to Reserve	9,986,284	2,381,850	2,116,850
Total Amount Used / Transfer from Reserve	(1,444,125)	(3,171,000)	(1,723,140)
TOTAL RESERVES	<u>11,208,096</u>	<u>3,432,590</u>	<u>2,610,960</u>

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

Notes to and forming part of the Financial Report for the year ended 30 June 2015

In accordance with council resolutions in relation to each reserve account, the purpose for which the funds are set aside are as follows:

- (a) Land and Property Enhancement and Maintenance Reserve
 - to be used to fund land and property purchases, upgrade and maintenance of existing properties.
- (b) Waste Management Reserve
 - to be used to fund financing operations for the development of Shire's sanitation service.
- (c) EDP Reserve
 - to be used for the upgrade/replacement of the Shire's computer hardware and software requirements.
- (d) Local Government Election Reserve
 - to be used to fund the cost of future elections.
- (e) Leave Reserve
 - to be used to provide cash-backing for all annual and long service leave entitlements. Transfers to this reserve are based on the leave liability at the end of each year.
- (f) Plant and Equipment Reserve
 - to be used to fund future replacement of Shire's plant and associated equipment.
- (g) Stirk Park Reserve
 - to be used to fund improvements to Stirk Park.
- (h) HACC Reserve
 - to be used to fund future HACC Service programmes and asset replacement.
- (i) Forrestfield Industrial Area Reserve
 - to be used to fund infrastructure requirements for the Forrestfield Industrial Area.
- (j) Insurance Contingency Reserve
 - to be used to fund insurance variations and potential call backs.
- (k) Light Plant Reserve
 - to be used to fund future replacement of Shire's plant and associated equipment.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

12. RESERVES - CASH BACKED (continued)

- (l) Revaluation Reserve
- to be used to fund triannual rating revaluations.
- (m) Nominated Employee Leave Provisions Reserve
- to be used to fund future nominated staff leave entitlements.
- (n) Unexpended Capital works and specific purpose grants
- to be used to carry forward available funding for uncompleted projects and specific purpose grants, that will be completed and expended in ensuing financial years.
- (o) Forrestfield Industrial Area scheme stage 1 reserve
- The reserve is established to meet the Shires' reporting obligation under clause 6.5.16 of the Shire 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.
- (p) Environment Reserve
- to be used to fund environment strategies and projects.

13. REVALUATION SURPLUS

	2015 \$	2014 \$
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land		
Opening Balance	59,097,346	0
Revaluation Increment	<u>0</u>	<u>59,097,346</u>
	<u>59,097,346</u>	<u>59,097,346</u>
(b) Buildings		
Opening Balance	69,248,449	126,448,297
Revaluation Decrement	<u>0</u>	<u>(57,199,848)</u>
	<u>69,248,449</u>	<u>69,248,449</u>
(c) Plant & Equipment		
Opening Balance	<u>481,711</u>	<u>481,711</u>
	<u>481,711</u>	<u>481,711</u>
(d) Infrastructure		
Opening Balance	0	0
Revaluation Increment	<u>83,382,588</u>	<u>0</u>
	<u>83,382,588</u>	<u>0</u>
TOTAL ASSET REVALUATION SURPLUS	<u><u>212,210,094</u></u>	<u><u>128,827,506</u></u>

Notes to and forming part of the Financial Report for the year ended 30 June 2015

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

	2015 \$	2015 Budget \$	2014 \$
Cash and Cash Equivalents	<u>20,522,982</u>	<u>9,378,711</u>	<u>10,266,124</u>

(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net Result	6,038,084	5,712,548	6,011,858
Depreciation	7,556,640	9,965,687	9,415,093
(Profit)/Loss on Sale of Asset	476,459	(335,545)	85,197
(Increase)/Decrease in Receivables	(127,688)	710,000	513,725
(Increase)/Decrease in Inventories	(4,623)	(37,000)	69,098
Increase/(Decrease) in Payables	1,008,942	(435,029)	(116,993)
Provisions	306,645	537,500	295,870
Non-Cash Contribution (EMRC)	(2,280,458)	(3,333,710)	(6,778,647)
Grants Contributions for the Development of Assets	(3,951,296)	(6,149,412)	(2,143,712)
Land Resumption costs expensed	0	0	926,859
Write off of Loan Receivable	0	0	(85,744)
Write off of Work in Progress	0	0	20,081
Net Cash from Operating Activities	<u>9,022,705</u>	<u>6,635,039</u>	<u>8,212,685</u>



Notes to and forming part of the Financial Report for the year ended 30 June 2015

14. NOTES TO THE STATEMENT OF CASH FLOWS (Cont.)

	2015	2014
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	1,500,000	1,500,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	75,000	75,000
Credit Card Balance at Balance Date	(9,471)	(2,648)
Total Amount of Credit Unused	<u>1,565,529</u>	<u>1,572,352</u>
Loan Facilities		
Loan Facilities - Current	593,852	593,215
Loan Facilities - Non-Current	6,293,947	6,923,621
Total Facilities in Use at Balance Date	<u>6,887,799</u>	<u>7,516,836</u>
Unused Loan Facilities at Balance Date	<u>NIL</u>	<u>NIL</u>

15. CONTINGENT LIABILITIES

The Shire of Kalamunda has no contingent liabilities that require disclosure or adjustments in the Financial Report as at 30 June 2015.

16. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

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

Payable:

	2015	2014
	\$	\$
- not later than one year	353,332	315,262
- later than one year but not later than five years	442,089	590,286
- later than five years	0	0
	<u>795,421</u>	<u>905,548</u>

The Shire did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Shire did not have any future capital expenditure commitments at the reporting date.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

17. JOINT VENTURE ARRANGEMENTS

The Shire of Kalamunda has a share in the Net Assets in the Eastern Metropolitan Regional Council (EMRC) as a member council.

The accounting share applicable to the Shire of Kalamunda as at 30 June 2015 as disclosed in the financial statements of the Eastern Metropolitan Regional Council is \$24,996,679. This represents the Shire's 16.93% share of the Total Equity in the Eastern Metropolitan Regional Council.

The Shire's interest in the Assets and Liabilities of the EMRC is as follows:

	2015 \$	2014 \$
Interest in the Joint Venture	<u>24,996,679</u>	<u>22,716,221</u>
Current Assets	13,403,040	12,360,457
Non-Current Assets	<u>13,801,751</u>	<u>12,433,756</u>
	<u>27,204,791</u>	<u>24,794,213</u>
Current Liabilities	1,013,679	917,156
Non-Current Liabilities	<u>1,194,433</u>	<u>1,160,836</u>
	<u>2,208,112</u>	<u>2,077,992</u>
Net Assets	<u>24,996,679</u>	<u>22,716,221</u>

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015 \$	2014 \$
Governance	8,657,932	8,614,164
General Purpose Funding	10,395,351	9,271,035
Law, Order, Public Safety	1,149,446	1,069,766
Health	257,139	176,667
Education and Welfare	4,408,470	3,475,045
Community Amenities	68,008,121	68,239,575
Recreation and Culture	93,322,850	91,312,090
Transport	255,301,412	170,780,580
Economic Services	2,425	2,426
Other Property and Services	<u>3,855,156</u>	<u>377,354</u>
	<u>445,358,301</u>	<u>353,318,702</u>



Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015	2014	2013
19. FINANCIAL RATIOS			
Current Ratio	1.171	1.064	1.165
Asset Sustainability Ratio	0.423	0.668	0.395
Debt Service Cover Ratio	9.506	12.964	8.490
Operating Surplus Ratio	0.045	0.089	(0.022)
Own Source Revenue Coverage Ratio	0.867	0.853	0.781

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 Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 126 of this document.

Two of the 2013 ratios being the Debt Service Cover Ratio and the Operating Surplus Ratio disclosed above are distorted by items of significant revenue totalling \$2,249,250 relating to the initial recognition of Reserves vested in and under the control of Council in accordance with amendments to the Financial Management Regulations and an item of significant expense as a result of asset write offs totalling \$2,975,070.

These items of significant revenue and expense are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2013 column above would be as follows:

	2013
Debt Service Cover Ratio	9.168
Operating Surplus Ratio	(0.004)
Own Source Revenue Coverage Ratio	0.828

Notes to and forming part of the Financial Report for the year ended 30 June 2015

20. TRUST FUNDS

Funds held at balance date over which the Shire has no control and which are not included in the financial statements are as follows:

	Balance 1 July 2014	Amounts Received	Amounts Paid / Transferred	Balance 30 June 2015
	\$	\$	(\$)	\$
Unclaimed Monies	18,608	9,306	(7,013)	20,901
Wattle grove - Cell9	10,275,075	4,029,460	(1,510,815)	12,793,720
B.C.I.T.F Levies	24,288	192,718	(197,489)	19,517
B.S.L Levies	15,725	141,819	(132,918)	24,626
Cash in Lieu of Public Open Space	2,244,700	257,812	(278,988)	2,223,524
Forrestfield Industrial Area	812,465	1,243,233	(2,055,698)	0 ⁽¹⁾
	<u>13,390,861</u>			<u>15,082,288</u>

Notes:

(1) - The funds that were managed under the Trust for the scheme were transferred to the newly established reserve on 23rd June 2015 in accordance with the clause 6.5.16 of the Shire of Kalamunda Local Planning Scheme no. 3. The reserve will be maintained fully cash backed to reflect all transactions related to the scheme for the benefit of the scheme members.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

21. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

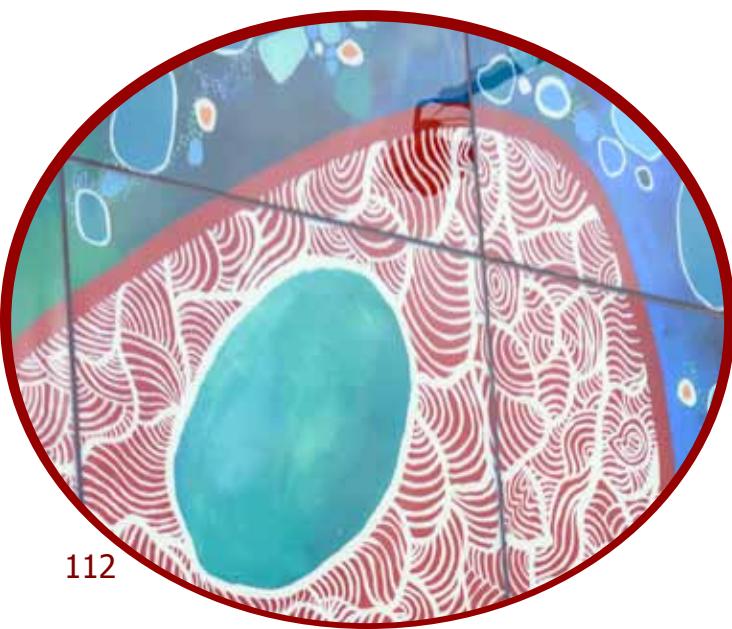
	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Education and Welfare	65,820	0	32,403	0	(33,417)	0
Transport	0	40,000	0	45,545	0	5,545
Other Property and Services	113,058	201,555	58,661	181,555	(54,398)	(20,000)
Furniture and equipment						
Other Property and Services	9,290	0	6,597	0	(2,693)	0
Land & building						
Community Amenities	2,048,396	50,000	1,662,443	400,000	(385,952)	350,000
						0
	2,236,564	291,555	1,760,104	627,100	(476,460)	335,545

Profit	25,577	355,545
Loss	(502,036)	(20,000)
	<u>(476,460)</u>	<u>335,545</u>

2015	2014
\$	\$

Reconciliation of proceeds on Sale of Assets reported in the Cash flow statement

Proceeds as Reported	1,760,104	158,715
Add/ (Less) Receivable	-	187,087
Total Proceeds on Sale of Assets as per Cash Flow	<u>1,760,104</u>	<u>345,802</u>



Notes to and forming part of the Financial Report for the year ended 30 June 2015

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Loan #	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation and Culture									
*Forrestfield Bowling Club	199	26,960	0	3,644	3,644	23,316	23,317	2,130	2,130
*Kalamunda Cricket Club	207	7,883	0	1,782	1,782	6,101	6,101	494	494
*Kalamunda & District Basketball	208	78,649	0	17,791	17,791	60,859	60,859	4,902	4,902
*Forrestfield Utd Soccer Club	214	114,208	0	5,574	5,574	108,634	108,634	6,274	6,274
*Lesmurdie Tennis Club	215	20,166	0	4,003	4,003	16,163	16,163	1,222	1,222
Foothills Netball Association	216	84,009	0	3,640	3,640	80,369	80,370	5,377	5,377
*Maida Vale Tennis Club	217	39,548	0	2,807	2,807	36,741	36,741	2,348	2,348
*Kalamunda United Soccer Club	218	1,878	0	1,878	1,878	0	0	119	119
*Kalamunda Club	219	156,343	0	24,608	24,608	131,735	131,735	9,468	9,468
*Forrestfield Junior Football Club	220	12,758	0	1,814	1,814	10,944	10,943	766	766
Shire Depot	221	1,870,075	0	67,704	67,704	1,802,371	1,802,371	125,477	125,477
Wet'n'Wild	222	335,736	0	47,750	47,750	287,986	287,986	20,152	20,152
Sweeper trucks	223	67,172	0	67,172	67,258	0	0	2,987	2,987
Land Acquisition Kalamunda Rd	224	1,065,807	0	140,209	140,209	925,598	925,598	57,543	57,543
Plant & Equipment Purchase	225	363,535	0	82,990	82,990	280,545	280,545	20,586	20,586
Newburn Rd Extension	226	491,542	0	59,007	59,007	432,535	432,535	27,046	27,046
Kalamunda Swimming Pool	227	1,714,683	0	59,610	59,610	1,655,073	1,655,073	95,709	95,709
Depot Waste Trucks	228	1,065,884	0	37,055	37,055	1,028,828	1,028,828	59,495	59,495
Accruals	N/A							(11,314)	41,314
		7,516,836	0	629,037	629,124	6,887,799	6,887,799	430,780	483,409

(*) Self supporting loan financed by payments from third parties.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

22. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2014/15

The Shire did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

The Shire did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

Council established an overdraft facility of \$1,500,000 in 2011 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2014 and 30 June 2015 was \$nil.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Prepaid Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
General Rate												
General GRV	0.05286	20,847	406,618,297	21,513,474	136,924	5,650	8,334	21,664,382	22,212,647	250,000	299,097	22,761,744
Industrial GRV	0.05598	284	78,682,725	4,405,339	94,435	12,624	0	4,512,398	4,410,779	0	0	4,410,779
Commercial GRV	0.04997	305	35,145,088	1,753,971	7,177	717	0	1,761,865	1,792,671	0	0	1,792,671
Vacant GRV	0.07000	689	9,244,260	637,993	77,034	345	0	715,372	886,895	0	0	886,895
Unimproved Value Valuations												
General UV	0.00291	231	162,655,000	473,977	0	(819)	0	473,158	481,291	0	0	481,291
Commercial UV	0.00323	68	46,470,000	149,393	1,109	636	0	151,138	142,826	0	0	142,826
Sub-Totals		22,424	738,815,370	28,934,146	316,679	19,153	8,334	29,278,312	29,927,109	250,000	299,097	30,476,206
Minimum Payment	Minimum \$											
General GRV	800	1,187		949,600	0	0	0	949,600	81,331	0	0	81,331
Industrial GRV	950	19		18,050	0	0	0	18,050	6,791	0	0	6,791
Commercial GRV	950	50		47,500	0	0	0	47,500	10,119	0	0	10,119
Vacant GRV	800	212		169,600	0	0	0	169,600	94,293	0	0	94,293
Unimproved Value Valuations												
General UV	800	0		0	0	0	0	0	0	0	0	0
Commercial UV	950	3		2,850	0	0	0	2,850	2,103	0	0	2,103
Sub-Totals		1,471	0	1,187,600	0	0	0	1,187,600	194,637	0	0	194,637
Cash in Lieu of Rates (Ex-Gratia Rates)								30,465,912				30,670,843
Discounts (refer note 26.)								126,493				125,903
Total Amount Raised From General Rate								30,592,405				30,796,746

CASH IN LIEU OF RATES

	Rate Revenue 2015 \$	Budget Revenue 2015 \$
Dampier Pipeline Contribution	81,373	77,236
Co-operative Bulk Handling	45,120	48,667
	126,493	125,903

Notes to and forming part of the Financial Report for the year ended 30 June 2015

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

(b) Information on Surplus/(Deficit) Brought Forward

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus/(Deficit) 1 July 14 Brought Forward	<u>4,968,115</u>	<u>4,244,120</u>	<u>4,244,120</u>
Comprises:			
Cash and Cash Equivalents			
Cash on Hand - Unrestricted	4,528,746	4,087,381	4,087,381
Cash - Restricted Grants	4,786,140	3,567,782	3,567,782
Cash - Restricted Reserves	11,208,096	2,610,961	2,610,961
Receivables			
Rates Outstanding	613,087	893,721	893,721
Sundry Debtors	496,659	789,427	789,427
Prepayments	544,655	64,457	64,457
GST Receivable	361,706	199,911	199,911
Inventories			
Fuel and Materials	111,941	107,318	107,318
Less:			
Reserves - Restricted Cash	(11,208,096)	(2,610,961)	(2,610,961)
Trade and other Payables			
Sundry Creditors	(3,534,421)	(2,528,961)	(2,528,961)
Bonds and Deposits	(2,029,486)	(1,943,384)	(1,943,384)
Accrued Expenses	(748,641)	(282,302)	(282,302)
Accrued Interest on Debentures	(136,655)	(147,969)	(147,969)
Accrued Salaries and Wages	(186)	(563,261)	(563,261)
Income in advance	(25,430)	0	0
Provisions			
Provision for Annual Leave	(1,504,662)	(1,600,148)	(1,600,148)
Provision for Long Service Leave	(1,115,028)	(773,709)	(773,709)
Add:			
Provision for Annual Leave	1,504,662	1,600,148	1,600,148
Provision for Long Service Leave	1,115,028	773,709	773,709
Surplus/(Deficit)	<u><u>4,968,115</u></u>	<u><u>4,244,120</u></u>	<u><u>4,244,120</u></u>

Difference

There was no difference between the Surplus/(Deficit) 1 July 2014 Brought Forward position used in the 2015 audited financial report and the Surplus/(Deficit) Carried Forward position as disclosed in the 2014 audited financial report.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

24. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Shire did not impose any Specified Area Rates in 2014-15.

25. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Shire did not impose any service charges in 2014-15.

26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2014/15 FINANCIAL YEAR

Pursuant to Section 6.46 of the Local Government Act 1995, Council offered the following incentive prizes to ratepayers for early payment of rates:

- 10 cash prizes of \$1,000 donated by the Shire of Kalamunda.
- 1 cash prize of \$1,000 donated by the Commonwealth Bank of Australia.
- 1 \$500 passbook account donated by the Bendigo Bank - Forrestfield & High Wycombe Community Bank.
- 2 double passes to a concert performed and donated by the Western Australian Symphony Orchestra.
- 1 \$ 500 account with Nightingales Pharmacy & Newsagency

27. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		188,675	179,107
Interest on Instalments Plan	5.50%		152,219	144,500
Charges on Instalment Plan		6	141,852	160,150
Pensioner Deferred Rate Interest	3.95%		17,625	16,636
			500,371	500,393

Instalment options which attracted administration charges and interest are as follows

Option - Two instalments

The first instalment is to be received on or before the 14 August 2014 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and half of the current rates and service charges. The second instalment is to be made on the 18 December 2014.

Option - Four instalments

The first instalment to be received on or before the 14 August 2014 or 35 days after the date of service appearing on the rate notice whichever is later and including all arrears and one quarter of the current rates and service charges. The second, third and fourth instalments dates as listed below.

Due Dates

Second quarterly instalment	16 October 2014
Third quarterly instalment	18 December 2014
Fourth quarterly instalment	12 February 2015



Notes to and forming part of the Financial Report for the year ended 30 June 2015

28. FEES & CHARGES	2015 \$	2014 \$
Governance	335,365	294,295
General Purpose Funding	490	1,945
Law, Order, Public Safety	266,827	321,353
Health	221,839	241,114
Education and Welfare	519,584	454,699
Community Amenities	10,153,794	8,696,457
Recreation and Culture	1,264,236	1,308,887
Transport	27,769	150,946
Economic Services	440,217	560,306
Other Property and Services	83,565	109,764
	<u>13,313,684</u>	<u>12,139,767</u>

There were additional fees and charges that were adopted during the year in addition to those detailed in the original budget. Details of the new fees charges adopted after the original budget approval are given below.

Kalamunda History Village - Education program

School Students Guided	per student	\$8.00
School Students Self Guided	per student	\$3.00
Additional Carers/Parents	per person	\$3.00

Health

Asbestos Analysis Fee (Fee for submission and analysis of sample to ARL Labs)	per analysis	\$70.50
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Walliston Transfer Station (resident only)

Compost Bin (Inc Delivery)	each	\$49.50
Worm Farm (Inc Delivery)	each	\$139.00

Notes to and forming part of the Financial Report for the year ended 30 June 2015

29. GRANT REVENUE

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

	2015	2014
	\$	\$
By Nature or Type:		
Operating Grants and Subsidies	6,868,761	4,613,487
Non-Operating Grants, Subsidies and Contributions	3,951,296	2,143,712
	<u>10,820,057</u>	<u>6,757,199</u>
By Program:		
Governance	3,544,014	1,088,691
General Purpose Funding	0	100,000
Law, Order, Public Safety	281,262	221,232
Health	8,966	0
Education and Welfare	3,019,503	2,919,317
Community Amenities	11,085	49,297
Recreation and Culture	3,720,620	607,489
Transport	230,606	1,768,461
Other Property and Services	4,000	2,712
	<u>10,820,057</u>	<u>6,757,199</u>



Notes to and forming part of the Financial Report for the year ended 30 June 2015

	2015	2014
30. EMPLOYEE NUMBERS		
The number of full-time equivalent employees at balance date	<u>250</u>	<u>245</u>

	2015 \$	2015 Budget \$	2014 \$
31. ELECTED MEMBERS REMUNERATION			
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	273,980	271,500	271,500
President's Allowance	61,800	60,000	60,000
Deputy President's Allowance	16,477	15,000	15,000
Information, Communications and Technology Allowance	41,125	42,000	42,000
Travel and Accommodation Allowance	588	600	600
Training and Conferences	5,418	0	10,088
	<u>399,388</u>	<u>389,100</u>	<u>399,188</u>

32. MAJOR LAND TRANSACTIONS

The Shire of Kalamunda has no Major Land Transactions in 2014-15.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

34. LOCAL GOVERNMENT REFORM PROCESS

In October 2014, the State Government announced its decision on boundary changes for the Perth's metropolitan local governments. It foreshadowed a City of Perth Act to recognize the State capital and the plan to reduce the number of metro councils from 30 to 16. Under the plan, the Shire of Kalamunda would be abolished and amalgamated under the City of Belmont.

The Shire participated in funding up to \$90,000 for joint legal action requesting a judicial review of the process undertaken by the State Government. The case was determined at the Supreme Court and was in favour of the State Government's action.

In February 2015, the State Government announced that planned changes to Perth metropolitan local government boundaries were on hold. Changes to boundaries would only go ahead in areas where the affected council's supported the changes.

The Shire of Kalamunda formally withdrew from the Local Government Reform Process, following a Special Council Meeting held on 12 February 2015.

The Council passed a motion noting the Premier's recent comments regarding Local Government Reform no longer being pursued by the Government and requesting the Premier to direct the Department of Local Government and Communities and the Minister for Local Government to stop boundary amendments affecting the Shire of Kalamunda and formally revoke Governor's Orders with immediate effect.

Within the motion Council noted it would withdraw from the Local Government Reform Process and put on hold any further formal discussions with City of Belmont relating to the Reform Process.

A revocation of the Governor's Orders for the Metropolitan Local Government Reform was gazetted on 13 March 2015.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

35. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council 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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015 \$	2014 \$	2015 \$	2014 \$
Financial Assets				
Cash and cash equivalents	20,522,982	10,266,124	20,522,982	10,266,124
Receivables	<u>2,937,630</u>	<u>2,873,839</u>	<u>2,937,630</u>	<u>2,873,839</u>
	<u>23,460,612</u>	<u>13,139,963</u>	<u>23,460,612</u>	<u>13,139,963</u>
Financial Liabilities				
Payables	6,474,819	5,465,877	6,474,819	5,465,877
Borrowings	<u>6,887,799</u>	<u>7,516,836</u>	<u>6,887,799</u>	<u>7,208,957</u>
	<u>13,362,618</u>	<u>12,982,713</u>	<u>13,362,618</u>	<u>12,674,834</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables - estimated to the carrying value which approximates net market value.
- Borrowings, Held to Maturity Investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

Notes to and forming part of the Financial Report for the year ended 30 June 2015

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Financial assets at fair value through profit and loss

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only investing in registered commercial banks. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	2015 \$	2014 \$
Impact of a 10% ⁽¹⁾ movement in the price of investments:		
- Equity	2,499,668	2,271,622
- Statement of Comprehensive Income	2,499,668 ⁽²⁾	2,271,622
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	205,230	102,661
- Statement of Comprehensive Income	205,230 ⁽²⁾	102,661

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

⁽²⁾ Maximum impact.



Notes to and forming part of the Financial Report for the year ended 30 June 2015

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

The profile of the Council's credit risk at balance date was:

	2015	2014
Percentage of Rates and Annual Charges		
- Current	54%	66%
- Overdue	46%	34%
Percentage of Other Receivables		
- Current	99%	98%
- Overdue	1%	2%

Notes to and forming part of the Financial Report for the year ended 30 June 2015

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

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. Council 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.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2015					
Payables	6,474,819	0	0	6,474,819	6,474,819
Borrowings	593,852	2,894,568	3,399,379	6,887,799	6,887,799
	<u>7,068,671</u>	<u>2,894,568</u>	<u>3,399,379</u>	<u>13,362,618</u>	<u>13,362,618</u>
2014					
Payables	5,465,877	0	0	5,465,877	5,465,877
Borrowings	1,069,098	3,864,600	6,052,938	10,986,636	7,516,836
	<u>6,534,975</u>	<u>3,864,600</u>	<u>6,052,938</u>	<u>16,452,513</u>	<u>12,982,713</u>



Supplementary Ratio Information for the year ending 30 June 2015

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information.

	2015	2014	2013
Asset Consumption Ratio	0.867	0.764	0.812
Asset Renewal Funding Ratio	0.927	0.897	0.981

The above ratios are calculated as follows:

Asset Consumption Ratio $\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$

Asset Renewal Funding Ratio $\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$







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