



City of  
**Melville**



# City of Melville

Community Annual Report  
2019-2020

**Part A**



Event-goers at Highway to Hell, a once-in-a-generation art, music and entertainment event, delivered in partnership with Perth Festival, City of Fremantle and Town of East Fremantle.

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## Part B

The 2019-2020 Community Annual Report Part B is available online at:

[www.melvillecity.com.au/annualreport](http://www.melvillecity.com.au/annualreport)

'Coming of the Colours' by artist Sohan Ariel Hayes, located at the roundabout on Riseley Street and Willcock Street, Ardross.



# Welcome

We are pleased to present the 2019-2020 Community Annual Report Part A.

The information contained highlights the key achievements and challenges of the 2019-2020 financial year, and we hope you find it to be both insightful and informative in providing details of how we work as an organisation towards achieving sustainable community outcomes for our residents, ratepayers and businesses.



WA Brass, one of the performers at Highway to Hell.

## Acknowledgement to Country

We acknowledge the Bibbulmun people as the Traditional Owners of the land on which our City stands today and pay our respect to the Whadjuk people and Elders both past and present.

## Nyungar Statement

City of Melville nagolik Bibbulmen Nyungar ally-maga milgebar garduk-ung naga boordjar-il narnga allidja yugow yeye wer ali kaanya Whadjak Nyungar wer netingar quadja wer burdik.

*Marie Taylor Whaduck Balardong Nyungar Birdiyia*

# Introduction

Our 2019-2020 Community Annual Report Part A outlines the progress made towards achieving our vision of 'Working together to create community wellbeing for today and tomorrow' and the aspirational outcomes taken from our *Strategic Community Plan 2016-2026*.

Through the development of our *Strategic Community Plan 2016-2026* our community identified six aspirations which embody their vision for the future. These six aspirations, combined with external factors and other informing data, come together as organisational outcomes that contribute towards achieving wellbeing for our community.

These outcomes are our top indicator against which we measure the realisation of our community's aspirations and are captured in both our Corporate Business Plan and Strategic Community Plan.

These strategic plans come together and inform all of our organisational and strategies for the future, underpinned by principles of business excellence.

Through this strategic planning approach, the different roles we undertake as a local government, and the diversity of the many products and services we deliver, are recognised as an agile response to meeting the ever changing needs of our community, businesses, State Government and many other key stakeholders.

Importantly, we track our progress against the community's aspirations regularly, using community reporting dashboards, which are available on our website. These dashboards allow us to continually measure, review and refocus our roles, products and services in line with the community's priorities over time.

City staff planting trees as part of our ReLeaf Melville initiative.



# Our City

The 2019-2020 financial year was another busy year and one of great change.

In October 2019, I was elected to Council as Mayor, along with three newly elected and three re-elected Councillors. As a new look Council, our focus from the outset was to strengthen the Council's relationship with the community and to seek out more opportunities to engage and work with our residents and ratepayers, local businesses and all of our diverse community groups.

This year, we took a significant step to progress our outcome of a **Clean and Green** City, with the successful roll-out of the Food Organics, Garden Organics (FOGO) 3-bin system across the City, with FOGO being the State Government's preferred approach to waste management to achieve a target of 65 per cent of all waste diverted from landfill by 2020. Community recycling stations were also installed at selected community centres and libraries. The Urban Forest Strategy Part A was progressed further which saw the number of trees and other vegetation increased on public land, and our street tree expansion program commenced in an effort to help mitigate the urban heat island effect in our suburbs.

Our commitment to **Growth and Prosperity** continued through the year, with a variety of face-to-face and online activities that provided hundreds of businesses with information, education, access

to resources and in particular, critical assistance as COVID-19 unfolded. We continued our placemaking work at Canning Bridge to engage with locals about their vision for the precinct. Work continued on our Carawatha revitalisation project, and work on both the Melville City Centre Master Plan and Canning Bridge Activity Centre Plan progressed to support the evolution of both these major centres.

Another outcome we contribute to as a local government is **Healthy Lifestyles**. This year, we finished work on our Active Reserves Infrastructure Strategy, a 20-year plan for the future use of key sporting reserves. We also finalised the detailed design for the Shirley Strickland Reserve redevelopment and continued to work on the redevelopment of Tompkins Park. While COVID-19 again had a significant impact on our LeisureFit Centres and Active in the Park program, we adapted quickly and rolled-out an online LeisureFit@Home program to ensure our community could access free programs to support their physical and mental health.

A **Safe and Secure** City is always a top priority for our community, and by working with key partners, such as the WA Police Force, we play an active role in helping to reduce crime, preventable injuries and road crashes. Our Community Safety Service (CSS) continued to information share and work closely with the police this year, and we developed a new dashboard to identify crime and safety trends. A

Performers at Highway to Hell.



# Our City

new online safety resource for local businesses, Your Guide to a Safer and more Secure Business, was also launched. A number of other road safety improvement projects were completed, and community education about what they can do to improve their own safety and security was deployed.

Melville's **Sense of Community** was strengthened this year, through the delivery of a rich schedule of cultural events and programs. The new Heathcote Museum & Gallery Project Space exhibitions program commenced and a number of library upgrades commenced or were completed. Work also progressed on our Heathcote Cultural Precinct lower lands project, aiming to realise the potential of the site and to reconnect the precinct with the lower lands. A number of events were held through the year including Highway to Hell, a once-in-a-generation art, music and entertainment event, delivered in partnership with Perth Festival, City of Fremantle and Town of East Fremantle. Most significantly, as part of our response to the pandemic, we developed and launched the State's first virtual community centre to help our community combat social isolation and loneliness during COVID-19. The concept was so successful it inspired similar initiatives at other local governments.

Efforts to ensure our City has a **Sustainable and Connected Transport** network continued with a focus on optimising key road networks, promoting safe active streets through non-motorised transport, and showcasing alternative transport options to cars. Significantly, a shared path was completed along Murdoch Drive from Leach Highway to South Street.

Council endorsed the construction of our first ever Safe Active Street that will link Westfield Booragoon Shopping Centre and Riseley Street Activity Centre, two significant car park renewals at Bicton Baths and Len Shearer Reserve were completed and a variety of parking initiatives were also introduced at Deep Water Point Reserve and Riseley Activity Centre as we continue to grapple with parking management challenges as population increases.

With many key projects underway and the added backdrop of a global pandemic, 2019-2020 was a challenging and unique year for us all as a community. I congratulate our council, CEO and staff for their hard work and commitment this year, it has certainly been unprecedented on many levels.

Looking forward, we welcome the opportunities in the future to connect, engage and work with our community over the year ahead.

**Hon. George Gear JP**  
**City of Melville Mayor**  
**Elected October 2019**



# Our Organisation

Achieving community wellbeing, now and for future generations, is at the heart of everything we do as a local government. This year our wellbeing has been challenged by the sudden and disruptive impacts of the COVID-19 pandemic that hit us in the second half of the financial year.

The 2019-2020 budget was delivered under these extraordinary circumstances with the pandemic heightening the challenge for us a local government to balance economic, social and environmental impacts while minimising rate burdens on our ratepayers.

While this is particularly difficult, with many of the City's ageing assets (worth \$722m in replacement value) reaching their end of life this decade, we also recognise the critical need to support our community and businesses through this difficult time.

We were pleased to be able provide a flat rate concession of \$200 to every residential household (despite the rate in the dollar increasing), meaning that 98.9% of residential ratepayers will benefit from reduced rates in 2020-2021 with a total cost to the City of \$10,065,736.

Adding to the efforts of both Federal and State Governments relief and stimulus efforts, our 2020-2021 budget will see \$8.5 million in capital projects brought forward to provide an additional economic boost to our local and regional economy. In total our Community Stimulus Package has equated to over \$23.5 million, placing our community support at the forefront of local governments and receiving Council's full support and endorsement.

While we must always work hard to balance our community's needs and priorities, which can sometimes be conflicting, COVID-19 additionally demanded that we change the way we think about and deliver our products and services to support our community through the challenges of the pandemic.

I am so proud of what was achieved by our staff through this challenging time who were able to maintain the essential services that are critical for the wellbeing of our community while also innovating and creating new ways to connect with our community, many of whom who were in isolation and/or had reduced access to products and services.

Our commitment to business excellence has continued this year with a high priority given to customer service, opportunities for improvement and ensuring our organisational values are reflected in everything we do.

I look forward to continuing to work with our Council as we work towards our new Corporate Business Plan and our strategic direction for the future, which we will only achieve by working with our local State and Federal members, our partners and key stakeholders and most of all, our residents, ratepayers and businesses as we strive for the best possible sustainable community outcomes.

**Marten Tieleman**  
**Chief Executive Officer**



# A Year in Review 2019/20

July

## 3-bin Food Organics, Garden Organics (FOGO) roll-out

We commenced the successful roll-out of the 3-bin FOGO system to 32,745 properties.



## Deep Water Paid Parking for Car Bays Postponed

Acknowledging community and stakeholder feedback the proposed introduction of paid parking for cars at Deep Water Point was postponed, awaiting further direction from Council.



## Murdoch Share Path from Leach Highway to South Street Opens

This project was identified as a key priority from many residents expressing a desire for more safe and connected walking options throughout the City.



## Free Online Resources for Local Businesses Launched

Reducing business crime was a key priority identified in the Safer Melville Plan 2017-2021, and an online interactive resource was created to help assist and provide information to local businesses.

August

September



## Young Sporting Stars Receive Scholarships

Twenty of the City's brightest sporting stars were awarded a Youth Sports Scholarship to help make their sporting dreams a reality.

October

## Melville has a New Look Council

The Hon. Mayor George Gear and three newly elected councillors; Cr Fitzgerald, Cr Sandford and Cr Barber, were elected to the Melville Council following the October 2019 elections.

## Art Awards Winners Announced

Our 2019 Art Awards returned in September for its 43rd year with 260 artworks submitted and thirteen winners sharing in a prize pool of \$16,000.



## New Recycling Stations Launched

We introduced new household hazardous waste community recycling stations at our Blue Gum and Willagee Community Centres, and AH Bracks Library + Creative Space.

November



## Point Walter Concert Wins State Award

Our much-loved Point Walter Concert was awarded the WA Best Small Event award at the 2019 Australian Event Awards and Symposium.



## Kidchella Attracts Thousands

Kidchella 2.0 saw thousands of little hands and little feet descend on Attadale Foreshore for our free, bohemian-inspired festival for children aged up to 12.

January



## New Year New Beginning – Our 2020 Vision

2020 marked the start of a new decade and an exciting opportunity for the City to enhance its approach to community engagement and strengthen its partnerships with State and Federal Governments and agencies.



## Limestone Concerts Rock

We kicked off our annual events season with our beloved Limestone Concerts Series, this year celebrating some of the biggest legends of rock and roll.

February

## Talking Trash the Melville Way – National Winner

We received the Communication Engagement Success of the Year Award for our 3-bin FOGO roll-out at the Waste and Resource Recovery 2019 awards.



## Melville School Kids Work to Protect our Urban Forest

We provided a \$10,000 grant to Millennium Kids so Melville school kids could attend a two-day Green Lab workshop on how we can work together to protect and increase our urban forest now and into the future.

December

March

## City Closes Facilities Due to COVID-19

In response to COVID-19 directives, we closed our facilities to the public in late March.

April

## \$14.9 Million COVID-19 Community Stimulus Package Approved

We offered support to our residents, ratepayers and businesses to provide some relief from the impacts of COVID-19.

## One2One Program Launched

To ensure we understood the challenges our residents faced during COVID-19, we established the One2One program where we contacted more than 7,000 residents via phone and email to check-in and see how we could support them.

## Virtual Community Centre Launched

We were the first local government in WA to launch a virtual community centre to help keep people connected while in social isolation.



## Small Business and Creative Digital Grants Launched

We offered grants to local businesses and creatives to help improve their digital literacy so they could move their businesses online through COVID-19.



## Libraries re-open

We re-opened four of our five libraries in what was the first step of a progressive re-opening of our services and facilities.

## Creative Producer Appointed

We are one of the first local governments to appoint a creative producer, who will help us deliver on our cultural plan, Creative Melville 2018-2022.



## Works on Willagee Library Façade Commence

The new façade will incorporate a new public artwork that celebrates the adjacent park's namesake, Noongar-boxer and former Willagee Resident, George Humes.

June

# The Year Ahead

In preparation for the review of our *Corporate Business Plan 2016-2020*, Elected Members were involved in an interactive workshop at the beginning of 2020, using our recently completed community outcome dashboards, where they reviewed our corporate priorities, role/s and product and service mix to help further increase community wellbeing by making informed decisions using community and internal data. The community outcome dashboards can be viewed online at [www.melvillecity.com.au/outcomes](http://www.melvillecity.com.au/outcomes)

Event-goers at Highway to Hell.



# Working together to achieve community wellbeing for today and tomorrow

Did you know you interact with the City of Melville every day? Whether it's through visiting your local library, going for a walk at your local park, putting rubbish in your bin or even on your commute to work, you use products or services that the City provides and you contribute to these through your annual rates payments or fees and charges.



Figures taken from 2020-2021 budget

# About Our City

## Fast Facts



Land Area  
**52km<sup>2</sup>**



Secondary Schools  
**9**



Residents Speak a Language Other than English at Home  
**19.8%**



Median House Valuation  
**\$767,868**  
\$302,556 higher than median for WA



Bushland  
**281ha**



Residents as at 30 June 2020  
**102,307**



Households with a Mortgage  
**32%**



Residents Working Locally  
**31%**



Footpaths  
**468km**



Residential Dwellings  
**42,130**



Preschools  
**21**



**33%** of residents have university qualification



No Mortgage  
**32%**



Foreshore  
**18km**



TAFEs and Universities  
**2**



Residents Identify as Aboriginal or Torres Strait Islander  
**0.7%**



Renting  
**21%**



Public Open Space  
**837ha**



Population Density  
**19.29 ppha**



Primary Schools  
**24**



Born Overseas  
**34%**



Median Age  
**41**



Waste Diverted from Landfill  
**55%**



Street Trees  
**34,000**



Gross Regional Product  
**\$6.33 billion**



Medium Weekly Household Income  
**\$1,828**



Registered Businesses  
**10,575**



**\$1,828** median household income



Local Jobs  
**45,420**



**25%** medium and high density housing



1,329 Roads  
**542km**



Unemployment  
**6.8%**



Parks and Reserves  
**204**



15 aged persons' housing estates  
**33%**

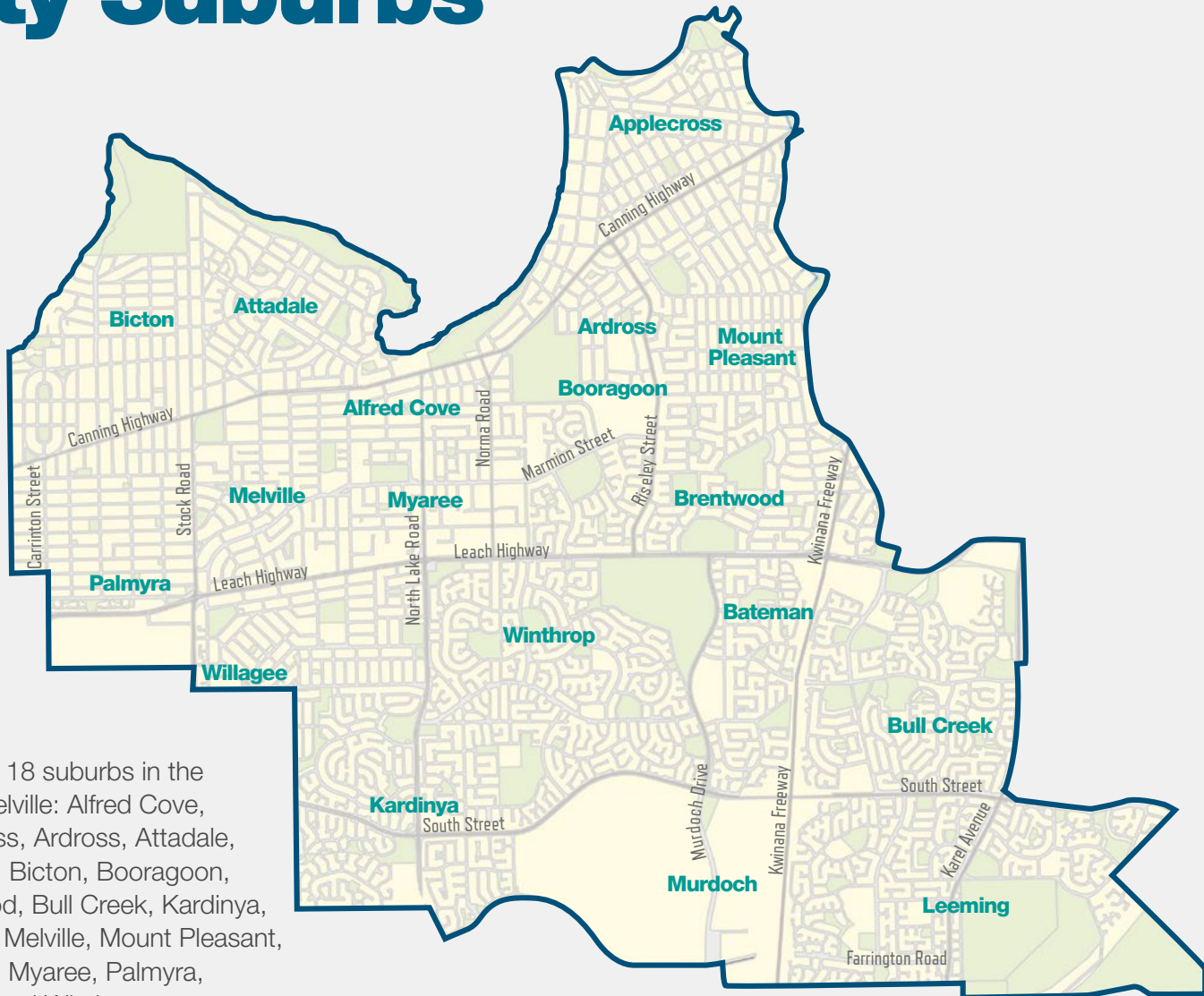


Median Weekly Rent  
**\$414**

### Sources

- ID Profile [profile.id.com.au/melville](http://profile.id.com.au/melville)
- Internal data sources

# City Suburbs



There are 18 suburbs in the City of Melville: Alfred Cove, Applecross, Ardross, Attadale, Bateman, Bicton, Booragoon, Brentwood, Bull Creek, Kardinya, Leeming, Melville, Mount Pleasant, Murdoch, Myaree, Palmyra, Willagee and Winthrop.

# Organisation History

The City of Melville was established as a Roads Board on 5 June 1901, and became a Shire in 1961, a Town in 1962, and a City in 1968. In 1913, the Melville Roads Board's Council Chambers were built on the corner of Stock Road and Canning Highway, Palmyra. The City of Melville Civic Centre on Almondbury Road, Booragoon was officially opened on 1 May 1968.



# Community Perception Survey Results 2020

Achieving community wellbeing is at the heart of everything we do as a local government.

It all starts with our Strategic Community Plan, when we ask our community to tell us what their aspirations are for the future and the things that are important to their wellbeing.

The community has given us six aspirations to focus on and these flow down into our Corporate Business Plan and become our organisational outcomes.

Through our Annual Organisation Plan we then determine what our role is, and ensure the range of products and services we deliver contribute to achieving these outcomes.

### Listening to our community

Importantly, we check back in with our community regularly and in a number of different ways, to see if their aspirations and priorities have

changed and to ask how satisfied they are with our performance through our delivery of products and services.

### Our community's priorities

In 2019 we conducted a wellbeing survey, in which 401 participants told us which outcomes were priorities for them.

In June 2020 we asked the community again through a survey on Melville Talks and the 655 people who participated indicated there were some minor changes in the community's priorities.

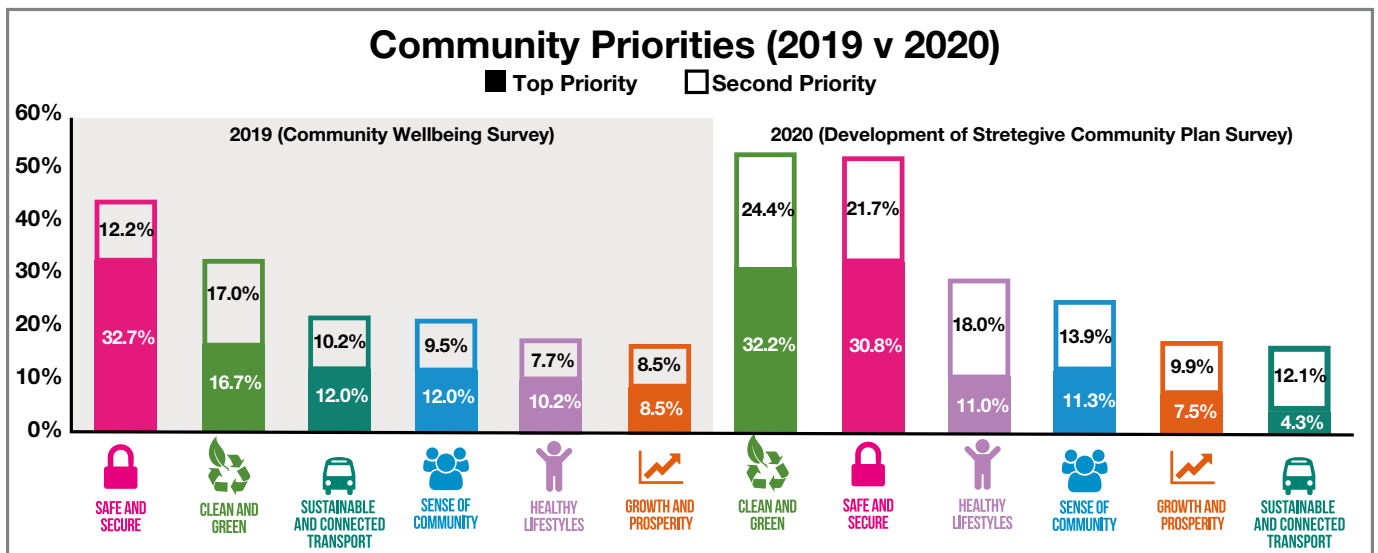
Specifically, our community told us that Clean and Green is now their most important priority, followed by Safe and Secure and Healthy Lifestyles.

They also told us their least important priorities, which were Growth and Prosperity and Sustainable and Connected Transport. Interestingly, Sustainable

and Connected Transport was our community's third more important priority when we conducted our wellbeing survey in 2019.

Analysis of the feedback provided additional insights which could be linked to changes in priority since COVID-19 and included:

- The rediscovery of community living and connectivity
- The intention to make more of the opportunities (including support for local business)
- Family time in the great outdoors.



# Strategic Community Plan Review Survey Results 2020

## The Community's Priorities

The community want us to focus on the following priorities, and as we develop our Strategic Community Plan and Corporate Business Plan for 2020 and beyond, we'll be ensuring these priorities guide us in our decision making.



General waste collection



Housing diversity and design



Parks and public open space



Traffic



Streetscapes

## What our community think of our products, services and their priorities

In addition to the community wellbeing survey, every two years we ask our residents and businesses to tell us what they think about our products and services and the priority we give them.

This year, 10,000 Melville households were invited to score our performance with more than 1,013 responding to the opportunity.

## How our community scored us

To view our complete Community and Business Scorecards, visit [www.melvillecity.com.au/scorecard2020](http://www.melvillecity.com.au/scorecard2020).

Overall, our community scored us the highest compared to other large-size local governments.

Our most improved areas included:

- our overall governance and Council's leadership;
- the way we preserved and promoted our history and heritage, and;
- our efforts to address climate change.

The highest scores were given to our library services, FOGO waste services and our river foreshore management.

Councillors Karen Wheatland and Nicole Robins.



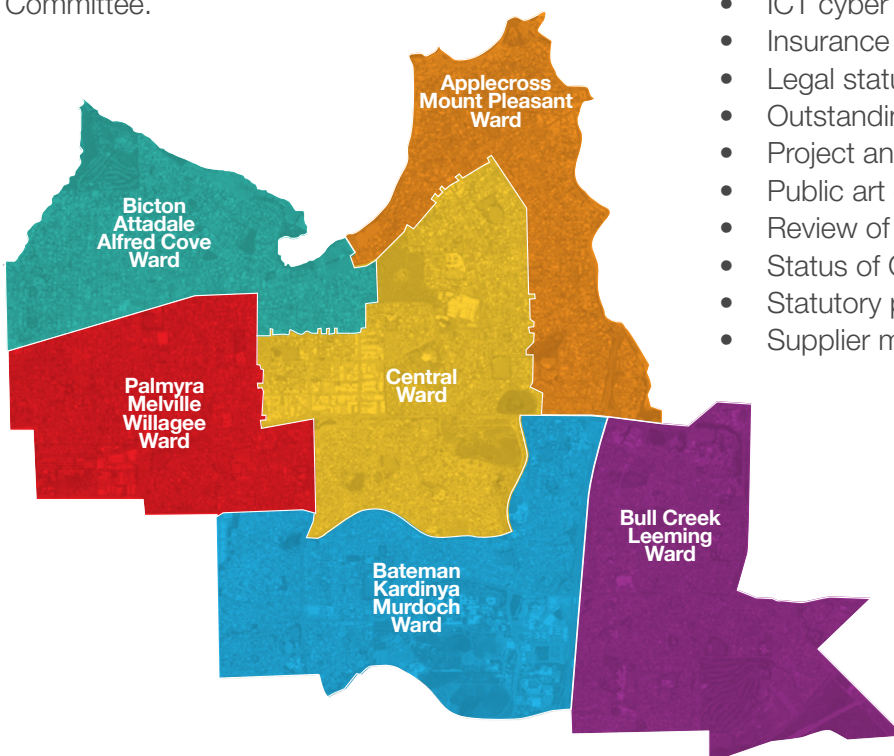
# Elected Members

The City of Melville Council consists of a Mayor, 12 Councillors/Elected Members, including a Deputy Mayor, who represent the community in one of the six wards shown below. The community elects the Mayor and Councillors every four years and Elected Members elect the Deputy Mayor each year. The Mayor speaks on behalf of the City and liaises with the Chief Executive Officer on the affairs and performance of the organisation.

The Council operates on an Agenda Briefing Forum/Ordinary Meeting of Council structure to conduct its meetings. The Agenda Briefing Forum is for Elected Members and interested residents to become more informed on matters prior to formal consideration and decision on the matter at the Ordinary Meeting of Council. The forums encourage dialogue between Elected Members, officers and members of the public and allow Elected Members to gain insight and understanding of issues prior to presentation at the Ordinary Meetings of the Council.

The Agenda Briefing Forums were generally held on the first Tuesday of each month and the Ordinary Meetings of the Council were generally held on the third Tuesday of each month. No meeting was held in January.

Elected Members are also involved in the Financial Management, Audit, Risk and Compliance Committee (FMARCC), and are represented in the Governance Committee.



## About the Governance Committee and FMARCC

The Governance Committee is a non-statutory committee which provides guidance and assistance to the Council on matters of corporate governance in order to promote excellence in governance within our City. The Governance Committee meets on an as needs basis and met four times in 2019-2020 to consider the following matters:

- Chief Executive Officer performance review
- Independent review
- Elected Member reimbursement request

The FMARCC is an audit committee which assists Council in carrying out its responsibilities in regard to risk management, internal control, legislative compliance, and internal and external audit reporting. The FMARCC meets at least four times a year and in 2019-2020, met four times and received the following reports:

- Building approvals
- Compliance audit return
- Contaminated sites
- Financial management review
- Financial statement audit
- Freedom of information activities
- Gifts register
- Governance and compliance activities
- ICT cyber security
- Insurance and risk management
- Legal status
- Outstanding audit recommendations
- Project and contract management
- Public art contributions
- Review of internal audit plan
- Status of Council resolutions implemented
- Statutory planning
- Supplier master files

# Elected Member Attendance at Council Meetings 2019-2020

	Ordinary Meeting of Council	Special Meeting of Council	Agenda Briefing Forum	Annual General Meeting of Electors	FMARCC Committee*	Governance Committee**
<b>Total meetings held</b>	11	11	11	1	4	4
<b>Mayor Gear</b>	7 of 7	11 of 11	7 of 7	1 of 1	3 of 3	4 of 4
<b>Cr Barber</b>	7 of 7	5 of 11	6 of 7	1 of 1	3 of 3	N/A
<b>Cr Barton</b>	11 of 11	11 of 11	11 of 11	1 of 1	1 of 1 (+1)	4 of 4
<b>Cr Fitzgerald</b>	6 of 7	11 of 11	6 of 7	1 of 1	N/A (1)	4 of 4
<b>Cr Kepert</b>	10 of 11	10 of 11	9 of 11	0 of 1	N/A (2)	4 of 4
<b>Cr Macphail</b>	11 of 11	9 of 11	10 of 11	1 of 1	4 of 4	N/A
<b>Cr Mair</b>	10 of 11	11 of 11	10 of 11	1 of 1	N/A (1)	N/A (2)
<b>Cr Pazolli***</b>	11 of 11	10 of 11	11 of 11	1 of 1	4 of 4	4 of 4
<b>Cr Robartson</b>	11 of 11	10 of 11	10 of 11	1 of 1	N/A	4 of 4
<b>Cr Robins</b>	9 of 11	9 of 11	10 of 11	1 of 1	N/A (1)	2 of 4
<b>Cr Sandford</b>	7 of 7	11 of 11	7 of 7	1 of 1	N/A (2)	4 of 4
<b>Cr Wheatland</b>	11 of 11	10 of 11	10 of 11	1 of 1	4 of 4	N/A (1)
<b>Cr Woodall</b>	11 of 11	11 of 11	7 of 11	1 of 1	4 of 4	N/A
<b>Former Elected Members</b>						
<b>Mayor Aubrey</b>	5 of 5	0 of 0	4 of 4	0 of 0	1 of 1	0 of 0
<b>Cr Barling***</b>	5 of 5	0 of 0	4 of 4	0 of 0	1 of 1	0 of 0
<b>Cr Phelan</b>	5 of 5	0 of 0	4 of 4	0 of 0	N/A	0 of 0
<b>Cr Wieland</b>	5 of 5	0 of 0	4 of 4	0 of 0	N/A	0 of 0

Elected Members from 1 July 2019 to 19 October 2019

N/A – where an Elected Member was not a member of a committee. If a number is shown in brackets after a N/A, that means the Elected Member attended as an observer.

#### \* Financial Management, Audit, Risk and Compliance Committee Members (FMARCC)

External Member Mr Lindsay Hay (from December 2018)

#### From October 2019

Mayor Hon George Gear, Cr Glynis Barber, Cr Duncan Macphail, Cr Katy Mair, Cr Nicholas Pazolli, Cr Karen Wheatland,

Cr Matthew Woodall

#### Up to October 2019

Mayor Russell Aubrey, Cr Tim Barling, Cr June Barton, Cr Duncan Macphail, Cr Nicholas Pazolli, Cr Karen Wheatland, Cr Matthew Woodall

#### \*\* Governance Committee Members From October 2019

Mayor Hon George Gear, Cr June Barton, Cr Tomas Fitzgerald, Cr Steve Kepert, Cr Nicholas Pazolli, Cr Clive Robartson, Cr Nicole Robins, Cr Margaret Sandford

#### Up to October 2019

Mayor Russell Aubrey, Cr Tim Barling, Cr Steve Kepert, Cr Katy Mair, Cr Patricia Phelan, Cr Clive Robartson, Cr Nicole Robins, Cr Guy Wieland

#### \*\*\* Deputy Mayor

Cr Barling – Deputy Mayor November 2018 to October 2019

Cr Pazolli – Deputy Mayor November 2019 to October 2020

# Your Elected Members

## Applecross–Mount Pleasant Ward



**Cr Nicholas Pazolli**

Term of office expires  
October 2023



**Cr Steve Kepert**

Term of office expires  
October 2021

## Bicton–Attadale–Alfred Cove Ward



**Cr Glynis Barber**

Term of office expires  
October 2023



**Cr June Barton, OAM, JP**

Term of office expires  
October 2023

## Bull Creek–Leeming Ward



**Cr Matthew Woodall**

Term of office expires  
October 2023



**Cr Clive Robartson, AM**

Term of office expires  
October 2021

## Central Ward (Ardross–Booragoon–Myaree–Winthrop)



**Cr Margaret Sandford**

Term of office expires  
October 2023



**Cr Katy Mair**

Term of office expires  
October 2021

## Palmyra–Melville–Willagee Ward



**Cr Karen Wheatland**

Term of office expires  
October 2021



**Cr Tomas Fitzgerald**

Term of office expires  
October 2023

## Bateman–Kardinya–Murdoch Ward



**Cr Duncan Macphail**

Term of office expires  
October 2023



**Cr Nicole Robins**

Term of office expires  
October 2021

For more information and contact details of Elected Members,  
visit [www.melvillecity.com.au/electedmembers](http://www.melvillecity.com.au/electedmembers)

# The Organisation

Employees (total number of employees on the payroll system as at 30 June 2019):

Full-time: **401** employees

Part-time: **188** employees

Casual: **13** employees

Total: **602** employees (Labour Force Establishment – LFEs)

Total number of full-time equivalents (FTEs) at 30 June 2019: **477** employees.

Members of our Reconciliation Action Plan Working Group at a recent meeting.



# The Organisation

## Marten Tieleman

Chief Executive Officer



- **Louis Hitchcock**  
Executive Manager  
Governance & Legal Services
- **Kylie Johnson**  
Executive Manager  
Organisational Development
- **Bruce Taylor**  
Manager Governance  
and Property
- **Dean McAuliffe**  
Manager People Services

## Mick McCarthy

Director Technical Services



- **Jeff Bird**  
Manager Natural Areas and Parks
- **Kimberly Brosztl**  
Manager Engineering
- **Paul Molony**  
Manager Resource Recovery & Waste
- **Mario Murphy**  
Manager City Buildings

## Steve Cope

Director Urban Planning



- **Gavin Ponton**  
Manager Strategic  
Urban Planning
- **Peter Prendergast**  
Manager Statutory Planning
- **Gerard Russell**  
Manager Building &  
Environmental Health Services

## Christine Young

Director Community  
Development



- **Todd Cahoon**  
Manager Healthy Melville
- **Leeann Reid**  
Manager Cultural Services
- **Leanne Hartill**  
Manager Neighbourhood Development
- **Brodie Dawkins**  
Manager Neighbourhood Amenity

## Alan Ferris

Director Corporate Services



- **Debbie Whyte**  
Manager Financial Services
- **Malcolm Duncan**  
Manager Information, Communication and  
Technology

# Our Role and Products and Services

The role of local government is to provide infrastructure, facilities, governance, products and services to its residents now and into the future. We play various roles and provide many products and

services to enhance community wellbeing, promote connected neighbourhoods and provide opportunities for our residents to be involved or make decisions regarding their City, lifestyle and family.

## Our Roles

In analysing current and trending community and internal data, we are able to adopt an agile approach to what role we play in helping to deliver our vision of 'working together to achieve community wellbeing for today and tomorrow'.

Although our role as a local government changes as we respond to the changing needs of our community, we are also bound to provide certain products or services or meet State and legislative requirements as required by legislation.

Our different roles:

- **Provider** – primarily provided by the City
- **Partner** – working together with others
- **Funder** – funding others to provide products and services
- **Regulator** – statutory responsibility to regulate activities as required
- **Monitor** – gathering information and checking progress and status over time



Event-goers at Kidchella 2.0.

## Our Products and Services

We provide many products and services to help achieve community wellbeing, including:

- Access and inclusion advocacy
- Age-friendly services
- Arts and events
- Community centres
- Community Safety Service (CSS)
- Community grants and funding
- Early years and youth programs
- Environmental protection and education
- Foreshore and environmental management
- Libraries
- Graffiti management and removal
- Museums and galleries
- Parks, reserves and natural areas
- Planning and building approvals and local area planning
- Ranger services
- Recreation facilities and programs
- Road, footpaths, drainage and maintenance
- Waste, recycling and FOGO management and verge collection and drop off services

Tailoring our service delivery, underpinned by our organisational vision and a continued focus on improving service delivery through efficiency creation,

Our Community Safety Service (CSS) work closely with the police to help keep our community safe and secure.

community consultation and benchmarking, helps support us to achieve our community aspirations and corporate outcomes.

When reviewing service delivery we apply a public benefit test and undertake a value for money audit, which is reported to the Financial Management, Audit, Risk and Compliance Committee. Recurrent savings are tracked and reported to the same committee and strong financial governance is seen in aspects like rigour in staff levels and increases in efficiencies while maintaining service delivery outcomes for the community.

Products and services are delivered with a dedication to achieving consistently high standards and community needs are regularly assessed through surveys, evaluations and consultation.

Through our community and business perception and wellbeing surveys we are able to gauge community priorities in relations to the products and services that we deliver. View survey data and more information at [www.melvillecity.com.au/surveys](http://www.melvillecity.com.au/surveys)



# Our Vision and Values

## Our Vision

*‘Working together, to achieve community wellbeing, for today and tomorrow’*

## Our Values

Relationships

Excellence

Vibrancy

Wellbeing

## Our Outcomes Informed by our Community’s Aspirations



## Our Goals / Tactical Priorities

Through our strategic planning process, goals have been identified for each outcome area and are tracked and reported on regularly.

Through workshops with Elected Members and our Executive Management Team, our vision and values are being reviewed to ensure they reflect our future strategic direction as a local government. This work will be completed next year to coincide with the review of our Strategic Community Plan and Corporate Business Plan.

# Realising our Vision

## 'Working together for community wellbeing for today and tomorrow'

Our annual report shows our progress against key priorities from our *Corporate Business Plan 2016-2020* and any challenges envisioned or realised while aiming to achieve our community's aspirations. These aspirations were developed in consultation with the community in 2016 and documented in our *Strategic Community Plan 2016-2026* and are currently under review.

Our annual budgeting process is informed by our Strategic Community Plan, Corporate Business Plan and other key plans, including our Asset Management Plan, issue specific plans, Long Term Financial Plan and workplace plans.



## Strategic Community Plan and Corporate Business Plan Integration

**Our Purpose** The City of Melville Vision: "Working together, to achieve community wellbeing, for today and tomorrow"

### What we try to achieve

**Community wellbeing**, as influenced by the community's aspirations and priorities as detailed in the Strategic Community Plan, 2016 - 2026.

#### QUALITY OF LIFE



clean and green



sustainable and connected transport



safe and secure



healthy lifestyles



sense of community



growth and prosperity

#### Business Excellence

To achieve this the organisation must also be successful and sustainable across the "quadruple bottom line" considerations: financial, social, environmental and governance.



Australian Business Excellence



Quality Assurance

### How we contribute to community wellbeing (our approach)

#### Key aspiration specific plans:

Environmental Improvement Plan  
Foreshore Restoration Strategy  
Natural Areas Asset Management Plan

Parking Strategy  
Bike Plans  
Transport Management Strategy

Safer Melville, Community Safety and Crime Prevention Plan

Health and Wellbeing Strategy  
Public Open Space Strategy

Neighbourhood Plans  
Cultural Vitality Plan  
Directions from Young People  
Directions from Seniors  
Aboriginal Reconciliation Plan  
Accessibility Access and Inclusion Plan  
Strategic Plan for Libraries and Museums

Local Economic Development Strategy  
Local Commercial and Activity Centres Strategy  
Local Planning Scheme 6  
Structure Plans

- Internal Business Management System which is externally audited against and internationally accredited / certified to:
  - ISO 9001: Quality Management System
  - ISO 14001: Environmental Management System
  - AS/NZS 4801 Occupational Health and Safety Management Systems
  - ICCS 2015-2020: International Customer Service Standard
- City of Melville Frameworks

#### Underpinned by:

- Delivery of over 200 products and services, as listed on page 17 or see A-Z of City of Melville Services on the website
- Management of assets to ensure, fit for use, appropriate infrastructure into the future (as according to capital works and asset management plans for: buildings, fleet, furniture, IT assets, jetties, lighting, natural areas, parking meters, parks, paths, public art, recreation equipment and roads)

# Our Priorities and Challenges

Our Corporate Business Plan 2016-2020 outlines the key priorities we will focus on and any challenges envisioned or realised while aiming to achieve our community's aspirations.

Priorities / Challenges	Key Strategies	Status 30 June 2020
<b>Priority 1: Restricted current revenue base and increasing/changing service demand</b>	Explore opportunities for increased residential density and commercial investment in strategic locations, aligned to local planning objectives and coupled with the exploration of special area rating	<p>Guided by our Local Planning Strategy, Local Planning Scheme 6 and our various activity centre plans the following was progressed or achieved:</p> <ul style="list-style-type: none"> <li>Continued work on various minor scheme amendments associated with residential density increases in strategic locations.</li> <li>Commenced the preparation of an Economic Place Activation Strategy to optimise the development and function of key centres.</li> <li>Completed a parking policy review with a view to enhance the long-term commercial viability of activity centres.</li> <li>Continued to explore and implement activity centre streetscape, placemaking and public realm improvement opportunities.</li> <li>Continued implementation of the Murdoch Activity Centre, with an additional focus on the Murdoch Health and Knowledge Precinct, centre promotion and master planning.</li> </ul>
	Create greater revenue from our current and potential land, property and facility holdings	<p>Guided by our Land Asset Plan and our Long Term Financial Plan, we progressed or completed the following:</p> <ul style="list-style-type: none"> <li>Commenced works for a major strategic property project at the Carawatha site in Willagee.</li> <li>Implemented initiatives including requests for proposal for key sites as per an opportunity analysis of our strategic properties.</li> <li>Continued preparation of two key City-owned sites for ongoing income generation.</li> <li>Continued work on concept plans for our Melville City Centre Master Plan, which explores land opportunities and guides optimal use and functionality of City land</li> </ul>
	Pursue productivity and efficiency improvements	<ul style="list-style-type: none"> <li>Continued to focus on continuous improvement approaches such as Lean Six Sigma.</li> <li>Completed journey mapping and customer experience testing to identify improvements to user experience.</li> <li>Continued to work with our outcomes dashboards to help create an agile, community-responsive organisation.</li> <li>Continued to partner with Murdoch University on a smart microgrid project for sustainable energy management.</li> </ul>

**Priority 2: Meeting the demand to provide fit for use/ appropriate infrastructure into the future (in areas like buildings, paths, roads and parks)**

Optimise facilities to achieve 'fit for use' facilities for current and future users. Includes amalgamation of like groups into hubs and shared use of facilities

- Continued planning work on the Shirley Strickland Reserve redevelopment, which will become a multi-purpose sports precinct and community hub.
- Continued planning work with the Mount Pleasant Bowling Club and Tompkins Park Community and Recreational Association on the redevelopment of Tompkins Park with works scheduled for the net financial year.
- Completed work on an Active Reserve Infrastructure Strategy, delivering a 20-year strategic plan to provide sustainable, fit-for-purpose, multi-use, quality and inclusive community sporting reserves and facilities for our residents that support their sporting and recreational needs now and in the future.
- Progressed a number of significant upgrades to sporting infrastructure as part of a 20-year, \$12.7 million upgrade program.
- Completed upgrades to the LeisureFit Centres including the installation of a new swim wall in the pool

Review the standards and management model that we assess our asset gap against (technical standards and from a customer perspective regarding their expectations)

- Continued to review our asset management plans for roads, paths, parks and buildings in line with our community and business plans, in regards to goals, functionality, capacity and utilisation changes particularly in light of the COVID-19 pandemic.
- Used data from asset management plans to build a Capital Works and Maintenance Plan in line with the Long Term Financial Plan and allowing for the capital works project brought forward unexpectedly as part of the City's stimulus package response to the COVID-19 pandemic to help boost the economy.

Ensure sufficient funding is available to replace assets at their end of life

- We commenced the process for the review of our Long Term Financial Model and Plan, which will be finalised next year and will inform the City budget for 2021-2020.
- Asset management is a significant input into the model and the plan. An independent review of our asset management processes, including any gaps in our approach, was conducted this year in preparation for the review of the model and plan. New working groups were convened, emphasising fit for use, whole of life costs and customer priorities as key areas, while development work on major assets provide focus on specific areas.

**Priority 3: Urban development creates changes in amenity (positive and negative) which are not well understood**

Facilitate higher density developments in strategic locations, consistent with the local planning framework and structure plans, design guidelines for interface areas and ensuring measured change in established areas and consideration of parking and traffic issues

- Completed a parking policy review with a view to enhance the long-term commercial viability of activity centres.
- Engaged with the community on a proposed amendment to the Canning Bridge Activity Centre.
- Continued investigations into the community benefit provision that allows developers to apply for bonus heights, with work continuing on a draft local planning policy.
- Continue a review of the Murdoch Activity Centre Plan and investigate opportunities for centre promotion.

Enhance amenity and vibrancy and enhancing community safety through streetscapes, public art, pedestrian and cycle paths, placemaking and creating well designed, attractive public spaces

- Continued on our Carawatha revitalisation project, with the works on a new high-quality, sustainable residential development commencing in August 2019.
- Continued work on concept plans for the Melville City Centre Master Plan.
- Continued giving additional priority to the importance of streetscape and public realm improvements through the roll out of initiatives such as design guidelines, rates per hectare project and place planning.
- Completed work on the Murdoch Drive shared path project, which provides a new link between activity centres for pedestrians and cyclists.
- Continued to deliver on our Public Arts Strategy and Masterplan, installing 17 new public artworks, including 10 through our Percent for Art Scheme

**Priority 4:  
Degradation  
of natural  
resources  
within the  
City**

<p>Holistic and integrated strategies for protection of the City's natural resources (includes urban forest, foreshore protection, public open space and streetscapes)</p>	<ul style="list-style-type: none"> <li>Continued implementing our Urban Forest Strategy Part A with more than 17,000 seedlings, 2,000 mature stock and 1,900 trees planted on City land.</li> <li>Continued to support and work collaboratively with 'Friends of' groups and local schools.</li> <li>Continued to implement our Natural Areas Asset Management Plan.</li> <li>Continue to implement our Foreshore Restoration Strategy.</li> <li>Continued to implement our Water Quality Improvement Program</li> <li>Continued to hold sustainability educational workshops at our Piney Lakes Environmental Education Centre.</li> </ul>
<p>Ameliorate loss of vegetation from private property</p>	<ul style="list-style-type: none"> <li>Continued to promote the benefits of trees to residents and encourage them to retain trees and increase tree canopy on their property.</li> <li>Continued our popular, free native plant giveaway. With over 6,000 free native plants to residents and 1,000 to local schools.</li> <li>Continued to promote our free verge tree program for residents.</li> <li>Commenced our street tree expansion program on all City-managed land, including residential verges.</li> <li>Continued our tree succession program.</li> </ul>
<p>Explore with current and potential partners the next generation waste treatment technology and implement</p>	<ul style="list-style-type: none"> <li>In partnership with the South Metropolitan Regional Council (SMRC), and following an earlier trial of 7,000 households, we rolled out our 3-bin Food Organics, Garden Organics (FOGO) trial across the City to 32,745 properties.</li> <li>As part of the SMRC, we continued to investigate waste to energy solutions for waste currently going to landfill.</li> <li>Continued to investigate the launch of FOGO to local businesses, as well as on-demand verge waste collection and skip bin services.</li> </ul>

**Priority 5:  
The challenge  
of meeting  
community  
expectations  
regarding  
community  
engagement**

<p>Improve communication mechanisms to make information easy to access regarding community engagement, including improving website, addressing misinformation in the community and optimising use of social media</p>	<p>Continued to make improvements to our digital communications channels and online engagement platforms, which led to an increase in the number of people interacting with us online.</p> <p>Key stats include:</p> <ul style="list-style-type: none"> <li>586,000 people visited more than two million page views on our website</li> <li>Reached more than 43,000 subscribers across our various eNews</li> <li>Reached more than 21,000 followers across our various Facebook pages</li> <li>40,943 people visited our online engagement platform, Melville Talks, an increase of 27.5% from the previous year.</li> <li>7,331 contributions were received for 31 community engagement projects, including 4,288 survey responses, 2,007 form submissions, 690 forum comments, 158 interactive map pins, 142 ideas shared, and 46 Q&amp;A submissions.</li> <li>Sent 102,373 direct emails to the community inviting them to participate in, or stay informed about, 31 engagement projects.</li> </ul> <p>Key achievements:</p> <ul style="list-style-type: none"> <li>Continued our focus on maintaining a user-friendly and easily searchable website through the completion of customer experience testing with local businesses invited in to test.</li> <li>Completed online business journey mapping and customer experience which now informs website improvements.</li> <li>Completed the incorporation of Melville Talks our engagement platform into our core website.</li> <li>Conducted 31 community engagement projects with over 40,943 people visiting our engagement webpages.</li> <li>Continued to work toward achieving the goals outlined in our stakeholder engagement strategy.</li> <li>Began using Melville Talks as part of the community engagement process for major development applications.</li> </ul>
<p>Continue participatory budgeting that involves the community (such as Project Robin Hood)</p>	<ul style="list-style-type: none"> <li>Commenced planning for our fifth round of Project Robin Hood with a pool of \$100,000 of funding.</li> </ul>

**Priority 5:**

Improve engagement with the business community

- Continued to communicate with local businesses through a bi-monthly business eNews to nearly 3,000 subscribers.
- Completed our place assessment of Riseley Centre which involved face to face consultation with community and business owners.
- Continued our placemaking work at Canning Bridge, engaging with local residents and businesses about their vision for the precinct.
- Continued to promote economic development, business growth and skilled employment opportunities by hosting business events in partnership with key agencies.
- Continued with our commitment to the Small Business Friendly Local Government Charter, a State Initiative by the Small Business Development Corporation.
- Launched an interactive map showing the location and services of local Melville businesses for the community
- Introduced the online Business Care webinar series through the height of the COVID-19 in partnership with the Melville Cockburn Chamber of Commerce.
- Included a commercial rates concession, a stop on all interest charges from 1 March to 30 June 2020, and a freeze on all fees and charges for 2020-2021 as part of the \$15 million single space Melville Community Stimulus Package in response to COVID-19.
- Engaged an independent facilitator to assist local businesses to work towards better consistency across the privately-owned parking bays, which make up 70 per cent of parking in the area.

# Our Future Priorities

At the start of 2020, Elected Members, key staff and management commenced a review of our Corporate Business Plan, taking into account information from our community outcome dashboards, community survey results and current and emerging community trends/issues.

Following the review, we will have a revised strategic direction for our City for the next four years, which is aligned with our community's aspirations as documented in our Strategic Community Plan.

Looking to the year ahead, high-level highlights of what we will be working on for the 2020-2021 financial year have been included within each outcome area to provide an indication of immediate future priorities.

Our libraries play a key role in helping cultivate a sense of community within our City.



# Key Items of Capital Expenditure

Visitors browsing the stalls at the Perth Makers Market, held at Heathcote Cultural Precinct.



The 2019-2020 budget provided for **\$90.2m** in capital expenditure. Key items included:

- **\$55.9m** for works on City owned buildings; including **\$36m** for the new library/cultural centre, **\$11.1m** for the Tompkins Park redevelopment, and **\$815k** for change room refurbishments at Morris Buzacott Hockey Club
- **\$9m** for streetscapes/precinct improvements; including **\$7.7m** for the Shirley Strickland redevelopment;
- **\$4.3 m** for parks; foreshores and bushland; including \$1.9m for jetty and riverwall renewals;
- **\$1.6m** for drains; including **\$500k** for a drainage pipe relining program;
- **\$9.8m** for roads; including **\$476k** for Hulme Court, **\$500k** for intermediate road remediation and **\$678k** for Karel Avenue
- **\$305k** for lighting
- **\$2.4m** for paths; including **\$350k** for accessibility upgrades and **\$200k** for bike plan implementation works
- **\$3.4m** for irrigation including **\$496k** for a irrigation In-field renewal program and **\$350k** for a irrigation bore renewal program
- **\$1.8m** for replacement of plant and vehicles
- **\$1.4m** for furniture and equipment including information technology hardware and software

**Note:** The Tompkins Park redevelopment project and new library/cultural centre project were put on hold subsequent to budget adoption.

We are reliant on grants to assist funding our capital program. Our 2019-2020 Annual Budget included funding from both state and federal government programs, including Roads to Recovery, Main Roads Regional Grants, State Black Spot Program, Recreational Boating Facilities Scheme and Lotterywest.

# Our Outcomes and Goals

Our strategic focus and core purpose as a local government, as defined by the *Local Government Act 1995* (WA), is to use our best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancements and economic prosperity.

Our strategic vision is to realise our community's aspirations through working towards goals under each of our six outcome areas listed below.

Our Outcomes	Our Goals
<p><b>Clean and Green</b></p> 	<ul style="list-style-type: none"> <li>• Greening the City</li> <li>• Reduce carbon emissions</li> <li>• Sustainable energy management</li> <li>• Sustainable waste management</li> <li>• Sustainable water management</li> </ul>
<p><b>Growth and Prosperity</b></p> 	<ul style="list-style-type: none"> <li>• Achieve economic resilience</li> <li>• Create local job opportunities for locals</li> <li>• Location of choice for a diverse range of businesses</li> </ul>
<p><b>Healthy Lifestyles</b></p> 	<ul style="list-style-type: none"> <li>• A safe and healthy urban environment</li> <li>• Healthy eating</li> <li>• Increase physical activity</li> <li>• Mentally healthy community</li> <li>• Reduce alcohol and other drugs use</li> </ul>
<p><b>Safe and Secure</b></p> 	<ul style="list-style-type: none"> <li>• Being prepared for an emergency</li> <li>• People feel safe and secure in all places at all times</li> <li>• Reduce business crime</li> <li>• Reduce household crime</li> <li>• Reduce preventable injuries</li> <li>• Reduce transport crashes</li> <li>• Safe and secure places and environments</li> </ul>
<p><b>Sense of Community</b></p> 	<ul style="list-style-type: none"> <li>• Lifelong learning and creativity</li> <li>• Participation and inclusion</li> <li>• Place activation and liveability</li> <li>• Sense of identity through collective memory</li> <li>• Social connectedness and belonging</li> </ul>
<p><b>Sustainable and Connected Transport</b></p> 	<ul style="list-style-type: none"> <li>• Appropriate infrastructure</li> <li>• Balancing transport priorities</li> <li>• Diverse choice and use of transport options</li> <li>• Prioritising urban development near transport nodes and in activity centres</li> <li>• Ease of movement</li> </ul>

We track our progress against our community's aspirations using our community reporting dashboards, which are available at [www.melvillecity.com.au/outcomereporting](http://www.melvillecity.com.au/outcomereporting). These dashboards allow us to be agile and refocus and align our role/s, and products and services as community requirements change over time. They also help inform our overarching strategic documents, our Corporate Business Plan and Strategic Community Plan which are due to be adopted and approved in September 2020.

# Sustainable Development Goals

We are committed to aligning to the United Nations Sustainable Development Goals. These international, interconnected goals promote prosperity while protecting the planet, and work towards a more sustainable future for current and future generations. For more information on these goals, visit [www.un.org/sustainabledevelopment](http://www.un.org/sustainabledevelopment)



# Clean and Green

Working together to create clean and green spaces and places



By partnering with various key stakeholders and working towards internal and external related plans, we play various roles and deliver the following primary products and services to help to achieve our clean and green goals.

## Internal related plans

Urban Forest Strategy Part A  
Public Open Space Strategy  
Environmental Improvement Plan  
Corporate Environmental Strategic Plan  
Natural Areas Asset Management Plan  
Foreshore Restoration Strategy  
Parks Asset Management Plan  
Water Quality Improvement Plan

## External related plans

Sustainable Living Manual 2007  
Sustainable Residential Design Policy Guidelines 2007  
Waste Avoidance and Resource Recovery Strategy 2030  
Building Code of Australia Energy Efficiency Provisions  
Strategic Energy Initiative - Energy 2031  
Australia 2050: Conversations about our future

## Our partners

State and federal governments, community groups, friends of groups, not for profit groups, schools, volunteers, businesses, suppliers and subcontractors

## Goals

### Greening the City

### Reduce carbon emissions

### Sustainable energy management

### Sustainable waste management

### Sustainable water management

### Promoting sustainable environment

## Products and services

- Air quality monitoring
- Environmental subsidies and rebates
- E-waste recycling and household hazardous waste drop-off days
- Foreshore management and restoration
- Landscape design and construction
- Litter and illegal dumping management
- Maintenance of natural areas and parks
- Piney Lakes Environmental and Educations Centre programs
- Priority bin service and bin hire options
- Public bin collections
- Stormwater construction, maintenance and management
- Streetscape design and maintenance
- Urban forest management
- Verge collections
- Waste, recycling and FOGO collection and management

## Highlights

We planted more than 17,000 seedlings, 2,000 mature stock and 1,900 trees in public spaces this

- Planted more than **17,000** seedlings, **2,000** mature stock and **1,900** trees in our public spaces.
- Gave away **6,000** free native plants to residents and **1,000** to local schools in our annual native plant giveaway.
- Held **31** sustainability workshops for **697** participants at our Piney Lakes Environmental Education Centre.
- Diverted **55%** of waste from landfill across all our waste streams, including residential and commercial waste collections, bulk verge collections and public drop-off days.
- Collected a total of **40,788** tonnes of residential waste and recycling, comprising of **18,700** tonnes of Food Organics, Garden Organics (FOGO) waste, **11,372** tonnes of general waste and **10,716** tonnes of recycling.
- Collected **2,102** tonnes of commercial waste and **416** tonnes of commercial recycling.
- Collected **2,091** tonnes of bulk verge waste, **30** tonnes of whitegoods, **5.4** tonnes of e-Waste, **3,617** tonnes of garden organics, and **2,695 (61.5)** tonnes of mattresses during bulk verge collections.
- Collected **461** tonnes of waste from **60,000** street and park bins, and supplied more than **3.45** million doggie bags.
- Responded to **22,583** waste-related requests, an increase of **74%** from last year.
- Recycled **13.41** tonnes of e-Waste through our E-Waste and Recycling Drop Off Days.
- Delivered **65,490** new bins as part of the Food Organics, Garden Organics (FOGO) 3-bin roll out.
- Conducted **2,015** general waste bin audits, with **1,177** successful and **838** unsuccessful.
- Avoided **30,000** tonnes of greenhouse gas emissions through landfill diversion.
- Celebrated our **10th** year as a Waterwise Council.
- Continued to support and work collaboratively with more than **21** 'Friends of' groups and local schools.
- Responded to **118** complaints regarding dust, smoke and odours.
- Responded to **780** for illegal dumping and issued **2** infringements for littering.
- More than **5,322** residents participated in the 2019 Garage Sale Trail.



## Key Achievements/Projects

We are exceptionally proud of the many green parks, reserves, natural areas and other open spaces that are a feature of our City, and take seriously our responsibility to protect these natural assets for the benefit of our community and future generations.

We also play an important role in demonstrating environmental leadership to our community, and believe we need to lead the way in environmental sustainability by actively exploring opportunities to reduce greenhouse emissions and better manage our water, energy and waste.

This year, we took a significant step in improving the management of waste through the successful roll-out of the Food Organics, Garden Organics (FOGO) 3-bin system to 32,745 properties, which was supported by one of the largest behavioural change, communications and engagement programs our City has ever done.

To help get our residents ready for FOGO, we hosted 16 community information sessions, a highly visible information stall at Westfield Booragoon, and deployed

a detailed marketing and communications campaign featuring both traditional print and digital advertising.

We also developed a new function for our website that allowed residents to input their address to find out exactly when their new bins would arrive, and when their new waste collection days would be. Tapping in to the concept of gamification and how game mechanics can engage, entertain and educate, we developed an innovative online game which allowed residents to test their knowledge of what goes in what bin.

Our communications and engagement program for FOGO was recognised with the Communication Engagement Success of the Year Award at the 2019 Waste and Resource Recovery (WARR) awards. These awards celebrate the latest innovations and achievements in the waste industry, highlighting the best in waste management projects, resource recovery and innovation.

The award also recognised our commitment to finding solutions for households who experienced difficulties

Chief Executive Officer Marten Tieleman, local residents Noel and Joan Lombardo and the Hon City of Melville Mayor George Gear JP celebrating our WARR award win.



adapting to the new system. We have always recognised that a one-size-fits-all approach may not work for everyone, and we offered, and continue to offer, free larger recycling bins and a bigger red bin if, following a bin audit, there is a genuine issue with capacity.

As part of the FOGO 3-bin roll-out and our ongoing waste education program, we also commenced a bin-tagging program to provide feedback to residents on the correct use of the FOGO system. Through the program, which is coordinated and delivered by the South Metropolitan Regional Council, we provided tailored, individual feedback to residents using bin tags with a smiley or sad face.

The FOGO 3-bin roll-out was a significant milestone for our City, as we were the first metropolitan local government to roll out this system. It has been endorsed by the State Government's Waste Authority as the preferred approach to waste management, as it is the only system that will achieve the State Government's target of 65 per cent of all waste diverted from landfill by 2020.

As can be expected with any new system, there were some teething issues with the processing of the FOGO bin contents, and unfortunately our overall diversion rate from landfill fell to 55 per cent for this financial year. This diversion rate is still higher than that of a 2-bin or 3-bin garden organics only system, however it was well below our expected 65 per cent. These issues have now been resolved and as of July 2020, our diversion rate is 65.5%. This is expected to further increase to over 70 per cent when we begin taking our general waste to an 'energy from waste' facility in 2021.

To help further divert waste from landfill, we launched new community recycling stations at our Blue Gum and Willagee Community Centres, and AH Bracks Library + Creative Space. These stations allow residents to dispose of their old household batteries, ink cartridges, mobile phones and chargers, and household light globes and fluorescent tubes safely.

We also continued to offer our E-Waste and Recycling Drop-Off Days, which allow residents to drop off their unwanted electronic goods and any extra recyclables to our Operations Centre. During December, we also offer additional Recycling Drop-Off Days to help our residents with excess recycling due to the holidays.

In the lead up to the container deposit scheme being introduced in Western Australia in late 2020, we worked with WALGA to host our own one-off

container deposit stall at our 2019 Kidchella event. Our community were able to recycle their containers, cans and glass bottles in return for 10c per item.

In recognition of the significant value of trees, we continued to progress work on our Urban Forest Strategy Part A and increasing the number of trees and other vegetation on public land. This year, we commenced our street tree expansion program, which aims to help mitigate the Urban Heat Island effect in our suburbs.

The Urban Heat Island effect is where city areas are significantly hotter than surrounding rural areas, due to hard surfaces, such as concrete and roads, trapping and retaining heat. Trees can help mitigate this effect and our street tree expansion program will result in trees planted on all City-managed land, including residential verges. This is a multi-year project and we are taking a targeted approach, focusing on suburbs with more extreme urban heat, such as Bull Creek and Leeming.

We also continued our tree succession program, which aims to ensure we replace mature trees that have come to the end of their life span. Tree succession is extremely important as it ensures a young tree can grow to a substantial height before the mature tree dies or has to be removed due to safety reasons.

Notwithstanding our tree expansion program, which may eventually result in trees being planted on every single residential verge, we also offer residents the opportunity to opt-in for a tree on their verge. This year, we received 367 requests for a free street tree.

We recognise we do not operate in isolation and an important part of improving environmental sustainability is community education. Our Piney Lakes Environmental Education Centre plays a key role in this endeavour, providing regular workshops for both the community and local schools. We also have an urban forest engagement officer, who helps educate the community on our urban forest strategy and how we can work together to increase tree canopy on private and public land.

This year, we also provided funding to Millennium Kids to host Green Lab workshops at ten local schools. These workshops focused on issues relating to climate change and the importance of trees to help mitigate the impacts of a warming and drying climate.

To help protect our natural environment and improve the water quality in our wetlands, we continued to implement our Water Quality Improvement Program.

We conducted water quality monitoring at 14 sites in the Bull Creek catchment. Monitoring began in 2007 to guide our response within the catchment, and allows us to assess current water and sediment quality, identify pollution hotspots, identify changes over time and implement treatment options as required.

We continued to implement our Natural Areas Asset Management Plan, and completed two new strategic reserve management plans for Bassendean and Karrakatta soils, and updated two existing strategic reserve management plans for estuarine and north-west reserves. We also continued our feral animal control and dieback management programs, and in collaboration with Friends Group volunteers and local schools, planted approximately 17,000 seedlings and 2,000 advanced plants across our City.

We continued to implement our Foreshore Restoration Strategy, and carried out major foreshore projects at Blackwall Reach Parade, incorporating footpath realignment and revegetation of the riverbank, and Melville Beach Road foreshore, where we planted native sedge species and closed unauthorised beach access tracks to help restore the foreshore as part of a Department of Biodiversity, Conservation and Attractions 'Community Rivercare Program' funded project. We also planted mature trees and sedge stock at Bateman Foreshore as part of Stage 2 of

a Department of Biodiversity, Conservation and Attractions 'Riverbanks Grants' funded woody weed removal project.

We continued to partner with Murdoch University on a number of projects, including a smart microgrid project which will deliver a monitoring system that will provide valuable insights into energy and water consumption patterns at some of our sites. This will allow us to identify potential opportunities to improve energy and water management at these sites. Other projects included research into wetland management, energy security and climate change adaption.

Through our Canning Bridge Activity Centre Plan, we continued to facilitate residential apartment buildings to achieve a five star green rating. This year, one development at 20-22 Kintail Road, Applecross was approved that has a condition imposed which requires them to be certified as five star, and another development at 109-141 Somerville Boulevard was approved with a condition that requires it to be constructed to the equivalent of a four star green rating.

The Green Star rating is independently awarded based on assessment of buildings against a range of environmental impact categories including energy and water use, emissions, innovation and environment quality.

Fremantle Men's Shed Deputy President, Terry Scudder, South Metropolitan Regional Council CEO, Tim Youe, Waste Recycling Education Network Chair, Isabelle Gagnon, and City of Melville Mayor, the Hon George Gear JP with one of the new community recycling stations.

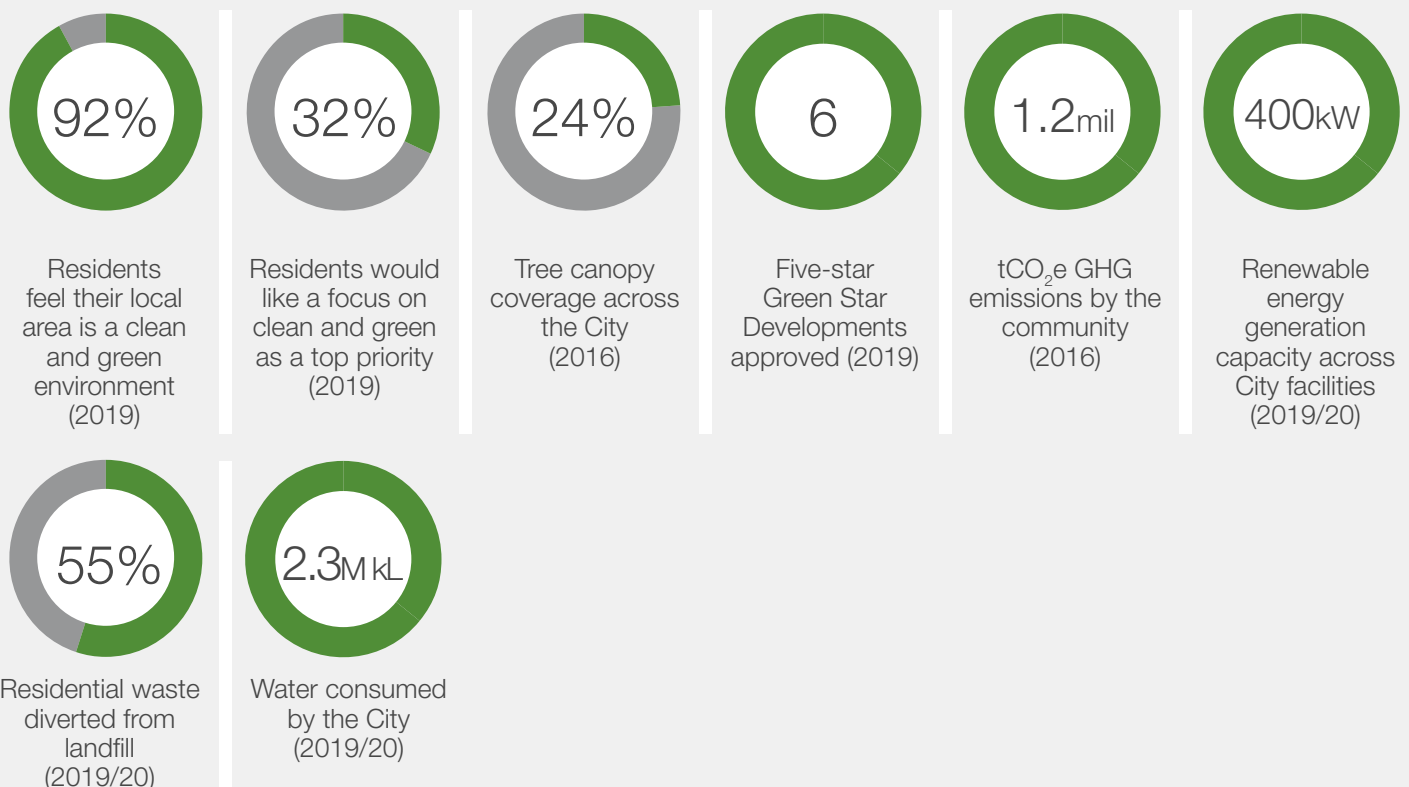


## Year Ahead – Key Initiatives

- Continue to improve the environmental sustainability of our major events.
- Commence significant foreshore restoration projects at Blackwall Reach, Waylen Bay and Bateman Bay, to restore riparian vegetation, improve ecological linkages and water quality, stabilise the foreshore from erosive pressures, and promote sustainable recreational use of the foreshore.
- Commence review of the streetscapes in the Riseley and Canning Bridge Activity Centres, with a view to creating revitalised and pedestrian-friendly spaces.
- Complete a new Climate Watch Trail at Piney Lakes Environmental Education Centre by closing off and planting out informal tracks and laying new surface. The trail will contribute to a national program that helps scientists inform Australia’s response to climate change.
- Re-level John Creaney Reserve.
- Roll-out the FOGO 3-bin system to all remaining retirement villages and high-density, multi-use developments.
- Investigate the feasibility of offering a ‘food only’ and/or the FOGO system to commercial properties.
- Introduce more community recycling stations, focusing on City buildings, multi-use developments and retirement villages.
- Commence refresher FOGO education sessions to re-engage with the community after roll-out and help residents with identified issues.
- Introduce a token system to provide compostable kitchen caddy liners.
- Develop and deploy a holistic and collaborative environment and sustainability education program.
- Conduct a review of our waste services.

## Key Performance Indicators

We evaluate our performance in a number of different ways, some of which are listed below:



# Growth and Prosperity

## Working together to attract local businesses to grow and prosper



By partnering with various key stakeholders and working towards internal and external related plans, we play various roles and deliver the following primary products and services to help achieve our growth and prosperity goals.

Internal related plans	Joint local and state government plans	External related plans	Our partners
Local Planning Strategy Local Commercial and Activity Centres Strategy	Murdoch Activity Centre Structure Plan Canning Bridge Activity Centre Plan	SPP4.2 Activity Centres Policy Directions 2021 and Beyond Perth and Peel @3.5 million Industrial Land Strategy 2009: Perth and Peel Moving Freight and Moving People Jandakot Airport Master Plan 2014	State and federal governments, community groups, not for profit groups, schools, businesses, suppliers and subcontractors

## Goals

**Achieve economic resilience**

**Local job opportunities**

**Location of choice for a diverse range of business**

## Products and services

- Activity centre planning
- Building renewal planning
- Business events, activities and online business hub
- Business Foundations
- Commercial recreation applications and permits
- Facility and venue hire
- Friendship programs / Sister Cities
- Grants and funding
- Library education programs
- Local development plan
- Major projects
- Melville Cockburn Chamber Commerce
- Melville Volunteer Resource Centre
- Planning and building services
- Project Robin Hood
- Public art in developments
- Small Business Friendly Local Government Initiative
- Strategic urban planning
- Subdivision clearance requests and referrals
- Town Team facilitation
- Underground Power Scheme

## Highlights

- Dealt with **913** development applications, with a total construction value of **\$735 million**.
- Referred **9** development applications to the Metro Inner-South Joint Development Panel, with a total construction value of approximately **\$415 million**.
- Completed **two** underground power projects.
- Issued **2,151** building permits.
- Progressed **301** capital projects.
- Hosted **26** business events and webinars.
- In response to COVID-19, brought forward **\$570k** of planned projects to help keep local businesses working.
- Processed **83** stallholder, trader and alfresco dining permits.
- Issued **18** commercial recreation permits.

## Key Achievements/Projects

We continued to place a strong focus on attracting and encouraging local businesses to grow and prosper within our City, as we recognise how important they are for creating local jobs, providing essential goods and services and helping create attractive, liveable communities.

Working together with the Melville Cockburn Chamber of Commerce, we continued our popular Business Breakfast series, hosting three workshops throughout the year focusing on business strategies, networking and relationships, and creating a high performance culture.

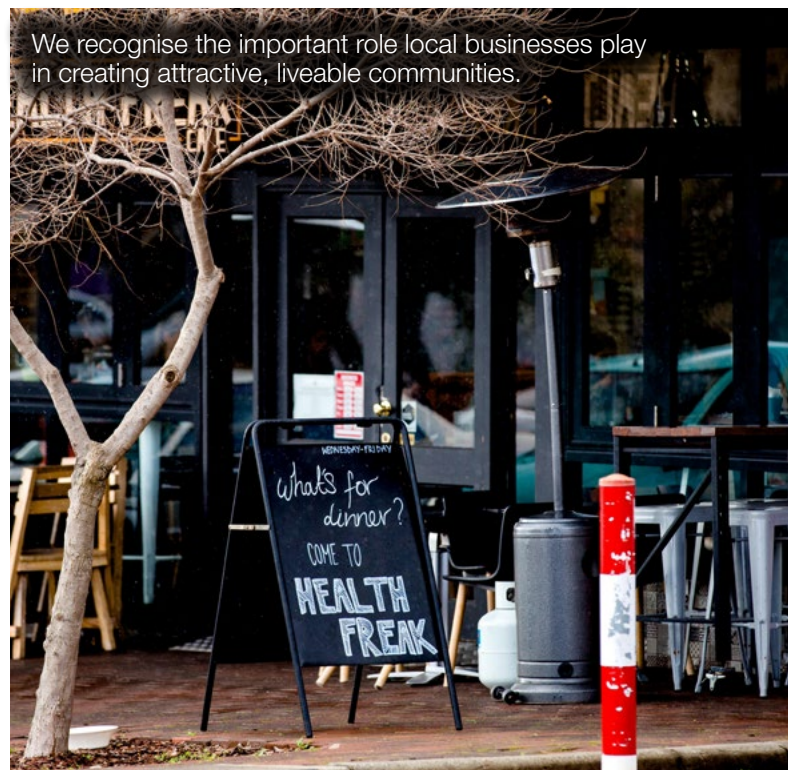
We also continued our more informal Business over Coffee series, in partnership with the City of Canning, which are short, one-hour sessions that enable local businesses to access business advisors in an informal Q&A style setting. This year, we hosted a 'women in business' series, working in partnership with Behind Brands.

Late in 2019, we hosted a special Coffee with the Small Business Commissioner, David Eaton, which gave local businesses the chance to meet the Commissioner and ask questions in a personal, intimate setting. Participants also learnt about the invaluable assistance the Small Business Development Corporation can offer local businesses.

As COVID-19 unfolded, we responded quickly and swiftly to support our local businesses struggling as a result of the pandemic.

As part of our \$15 million community stimulus package, we offered a 10% reduction in commercial rates, based on 2019-2020 valuations. We stopped all interest charges from 1 March to 30 June 2020 for all outstanding payments to the City, and introduced first hour free parking in all City-managed parking bays.

We recognise the important role local businesses play in creating attractive, liveable communities.





We are committed to attracting and encouraging local businesses to grow and prosper within our City.

To help upskill our local businesses, we developed and launched an online webinar series, Business Care, in partnership with the Melville-Cockburn Chamber of Commerce. These free webinars covered a wide range of topics aimed at supporting local small business to work through their recovery from COVID-19.

We also hosted a number of other webinars, including an Address and Q&A with Ben Morton MP, the Assistant Minister to the Prime Minister and Cabinet and Federal Liberal Member for Tangney, and a session facilitated by psychologist Tracey McGrath, on helpful strategies and actions during uncertain times.

We also partnered with Business Foundations to offer free, one-on-one business advisory services and offered grants of \$3,000 to local small businesses and creatives to help them pivot and transition to online and digital platforms.

To help encourage our community to support local business, we created an interactive map showing the location and services of local Melville businesses. Anyone could add a business to the map and this year, more than 100 listings were submitted by community members.

As part of our ongoing focus on placemaking and working together with our community to create public

spaces that foster health, happiness and wellbeing, we finalised our place assessment of Riseley Centre and are working on a number of quick wins to be implemented next year.

We continued our placemaking work at Canning Bridge, and partnered with placemaking and planning consultancy, Element WA, to engage with locals about their vision for the Canning Bridge Precinct and how we could best utilise our newest community space, Cirque Community Space.

Growth in dwelling numbers continued towards the State Government infill target of 18,500 new dwellings between 2010 and 2050. At June 2020, the proportional target to reach 18,500 dwellings in this period was 4,630 dwellings. New dwelling completions at June 2020 were tracking at 9 per cent of this target, and focused within activity centres and along key transport corridors.

Our Canning Bridge Activity Centre Plan continued to support the evolution of this precinct into a unique, mixed-use vibrant centre. This year, we engaged with the community on a proposed amendment to the Plan to limit approved bonus heights to a maximum of five storeys in M10 and M15 zones. We also continued investigations into the community benefit provision that allows developers to apply for bonus heights, with work continuing on a draft local planning policy.

# TOWN TEAMS



We continued to work with Western Power to the security and reliability of power supply in our suburb, and this year, underground power projects in Alfred Cove East and Melville North were completed, with more than 500 wooden power poles removed across these areas. As part of the Alfred Cove East project, more than 400 LED lights were also installed, which allow for greater power reliability and safety while adding to the aesthetic value of the areas.

We continued work on our Economic Development and Place Activation Strategy, which will identify, promote and facilitate opportunities to support the development, vibrancy and function of our centres and places.

Work continued on our Carawatha revitalisation project, with the works on a new high-quality, sustainable residential development commencing in August 2019. This development provides a variety of housing choices which complement the local character and natural surroundings of the area, and is the final stage in realising our Willagee community's vision for this project.

We continued work on concept plans for our Melville City Centre Master Plan, which explores land opportunities and guides optimal use and functionality of City land. As part of this, we are also progressing options to create a new high street as the focal point of the Melville City centre.

We continued preparation of two key City-owned sites for ongoing income generation. We prepared and advertised a statutory business plan for a ground lease proposal at 13 The Esplanade, Mt Pleasant, and we finalised negotiation and final preparation of ground lease agreements for an aged care development at our Stock Road, Melville site, for final endorsement by council next year.



Consultant from Element engaging with the community at our Street Soiree at Canning Bridge.

## Year Ahead – Key Initiatives

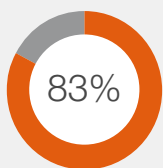
- Commence a review of the Canning Bridge Activity Centre Plan.
- Continue work on our Economic Development and Place Activation Plan.
- Coordinate and assess a third-party proposal for a Kardinya Activity Centre Plan.
- Continue a review of the Murdoch Activity Centre Plan and investigate opportunities for centre promotion.
- Commence visioning work for a Petra Street Activity Centre Plan.
- Work with the South West Group to investigate options for the South Street public transport corridor.
- Progress opportunities to align the regulatory content of our activity centre plans with the Residential Design Codes (R-Codes).
- Look at ways to improve online applications for planning, building and environmental health, in order to enhance customer satisfaction and reduce red tape.
- Bring forward an additional \$8.5 million of planned projects to provide an additional economic boost to our local and regional economy.



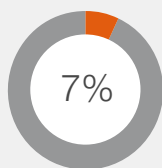
City staff dealt with 913 development applications this year.

## Key Performance Indicators

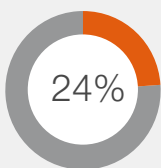
We evaluate our performance in a number of different ways, some of which are listed below:



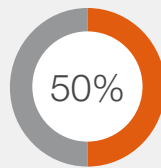
Residents feel the City is a place of growth and prosperity (2020)



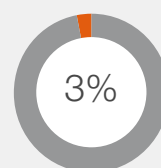
Residents would like a focus on growth and prosperity as a top priority (2020)



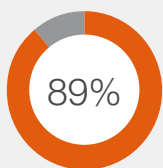
Businesses satisfied with the City's understanding of issues & challenges they face (2020)



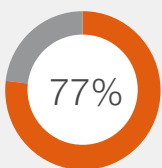
Businesses satisfied with how they are consulted about local issues (2020)



Unemployment rate (2019)



Businesses satisfied with the City as a place to operate a business (2020)



Businesses satisfied with the City as a governing organisation (2020)

# Healthy Lifestyles



## Working together to create a healthy Melville

By partnering with various key stakeholders and working towards internal and external related plans, we play various roles and deliver the following primary products and services to help achieve our healthy lifestyles goals.

### Internal related plans

Healthy Melville Plan 2019-2023  
Active Reserve Infrastructure Strategy  
Public Spaces Strategy

### External related plans

Living for All – A Framework for Physical Activity in WA 2012-2016  
WA Health Promotion Strategic Framework  
WA Mental Health, Alcohol and Other Drug Services Plan 2015-2025  
WA Mental Health Commission – Suicide Prevention 2020  
WA Sport and Recreation Industry Strategic Direction  
Public Health Act 2016  
State Public Health Plan for Western Australia 2019-2024

### Our partners

State and federal governments, healthcare providers and practitioners, community groups, not for profit groups, schools, businesses, suppliers and subcontractors

## Goals

**A safe and healthy urban environment**

**Healthy eating**

**Increase physical activity**

**Mentally healthy community**

**Reduce alcohol and other drug use**

## Products and services

- Activelink
- Community centres
- Contaminated site monitoring
- LeisureFit Centres and programs
- Environmental health services
- Food safety inspections
- Free Active in the Park exercise classes
- Health Services
- Kidsport
- Leisure planning
- Liquor licencing
- Mosquito management
- Noise control
- Playgrounds
- Rat bait program
- Youth Drop-In service
- Youth Sport Scholarships
- Underground Power Scheme

## Highlights

- **8,909** registered team players played sport in our parks and reserves.
- Prior to COVID-19, our LeisureFit Centres achieved record membership numbers of **3,911**.
- Prior to COVID-19, we offered a record number of **168** fitness classes a week across our Leisurefit centres.
- Our LeisureFit Centres also achieved **record attendance** at our over 50's program at LeisureFit Melville, and achieved a record number of competition swim members.
- Held **62** free fitness classes through our Active in the Park program.
- Created **500** videos for LeisureFit@Home.
- Completed **8** playground renewals throughout the year.
- Conducted **63** audits of light industrial premises to check for potential groundwater contamination.
- Completed **738** food premises inspections, and scored **98.2%** of 'Scores on the Doors' participants as three stars or more for food safety.
- Inspected **35** beauty and hairdressing businesses to check they are clean, well-maintained and comply with relevant legislation.
- Completed **46** inspections of public buildings, to ensure they are safe for our community to use.
- Responded to **786** complaints about noise.
- **22,220** rounds of golf were played at Point Walter Golf Course.
- Awarded **20** Youth Sports Scholarships, providing recipients with one year's free membership to our LeisureFit Centres.
- Provided **39** Youth Sport Grants throughout the year.
- Provided financial support to **70** members of the community with Activelink grants.
- Swapped out unhealthy food and drink options in vending machines at our LeisureFit Centres.
- Partnered with Injury Matters to launch their latest Stay on Your Feet campaign, Move your Body, at LeisureFit Melville.

## Key Projects/Achievements

As a local government we play a key role in helping keep our community mentally and physically healthy, through providing places and spaces for our community to exercise and keep active, and by helping raise awareness within our community of the importance of keeping active, eating well, taking care of your mental health, and reducing drug, tobacco and alcohol consumption.

This year, we finished work on a significant strategic document, our Active Reserves Infrastructure Strategy (ARIS), which is our 20-year plan for the future use of key sporting reserves to help ease overuse and address decreasing usage of certain sports. Following on from work in the previous year, we presented the draft ARIS to the community for comment, and following the review of results and subsequent

amendments to the strategy, presented the final draft ARIS to Council in June 2020. The strategy was noted by Council as a key strategic document to guide future active reserve infrastructure development in the City.

We progressed a number of significant upgrades to sporting infrastructure, including a \$1.48 million upgrade of the Webber Reserve clubrooms. These upgrades will bring the facility up to today's standards, ensuring it is fit-for-purpose and caters for the growing number of sports team, particularly female teams. The upgrade was the first of a 20-year, \$12.7 million program to upgrade all our change room facilities to improve capacity and functionality to meet current and future community needs.



Our personal trainers provided a free trainer call-back service during the height of the pandemic.

We also finalised the detailed design for the Shirley Strickland Reserve redevelopment, which will include a new two-storey pavilion, improvements to the playing fields, redesign of the reticulation systems, a new nature play space, outdoor exercise equipment, new half-court basketball court, extensive landscaping and new path network.

We continued to work with the Mount Pleasant Bowling Club and Tompkins Park Community and Recreational Association on the redevelopment of Tompkins Park, and in March 2020, Council resolved to commence \$3.6 million of essential maintenance and improvement works at the Tompkins Park facility. These works will take place next financial year.

At our LeisureFit Centres we completed a number of upgrades, including a transition to a new booking software; new cardio equipment and a larger gym floor space with dedicated stretching area and balance barre at our group training studio at LeisureFit Melville, and 20 new SMART+ bikes for our cycle studio at LeisureFit Booragoon.

We also installed a new swim wall at LeisureFit Booragoon to give us greater flexibility when it comes to timetabling for our swim programs. The wall lets us split our 50m pool into two 25m halves.

Prior to COVID-19, our Active in the Park program

continued to grow, with more than 4,000 attendances at our four different outdoor fitness classes. We also trialled a new fitness class, Active with a Bark, where participants were able to exercise with their dog.

As was inevitable, COVID-19 had a significant impact on our LeisureFit Centres and Active in the Park program, as restrictions forced us to close our doors and pause our outdoor fitness programs. To help keep our community active during this time, we developed and rolled-out a LeisureFit@Home program, which provided free workout videos that could be completed at home, and free trainer-call back, where our team of personal trainers developed free personalised exercise programs for LeisureFit members.

We also turned on the lights at five of our parks during twilight hours to give residents more options and space to exercise safely outdoors, as we saw more people out and about in our parks, reserves and on our footpaths during the height of COVID-19 restrictions.

When we were able to re-open our LeisureFit Centres in mid-June, we were delighted to re-hire 100+ of our staff and rebuild our teams and programs to adapt to COVID-19, with extra hand sanitising stations, anti-bacterial wipe dispensers installed, and more regular and thorough cleaning of high traffic and contact areas.

To help raise awareness within young girls about the importance of exercise, we launched our 'Real Girls' campaign, which encouraged school-aged girls to put down their phones, connect in real life and get active together. The campaign centred around a short video,

Excited members of the Willagee Bears Rugby Club with Councillor, Karen Wheatland.



depicting a number of ways young girls can have fun through exercising together.

We also raised awareness of the importance of healthy masculinities, through a photo competition held during Men's Health Week in June. We asked our community to share images of men displaying healthy masculinities, which are characterised by equality and respect, non-violence, reflection and self-awareness, emotional expression, vulnerability and accountability. Overall, we received 27 photo entries with five entrants receiving a \$50 JB HiFi voucher.

As part of our focus on improving mental health within our community, we commissioned a blue tree on Honour Avenue at Point Walter. The tree aims to remind our community that it is okay to feel 'blue' occasionally and that there is support available for those struggling with mental health issues.

As part of our approach to ensuring our key recreational water sites are safe for our community, our environmental health team continued our water

sampling program at Bicton Baths, Point Walter, Cunningham Street, Waylen Bay and Deep Water Point during the warmer months, where we check bacterial levels in the water.

They also continued to audit industrial premises, to check if they have adequate precautions in place to prevent possible groundwater contamination. Since 2015, compliance rates have increased from 43% to 95% of businesses visited, with most businesses wanting to do the right thing.

We continued to operate our opt-in 'Scores on the Doors' program, which awards businesses that meet and exceed food safety requirements with a rating from one to five stars. This year, 98.2% of participants achieved a score of three stars or more, meaning they demonstrate very good or excellent food safety practices. There was only one prosecution for food safety this year, but that was discontinued as the business closed down.

Some of the photo entries from our healthier masculinities photo competition in June.



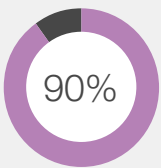
## Year Ahead – Key Initiatives

- Offer more healthy food options and active activities at our major events.
- Commence works on the new Shirley Strickland Reserve redevelopment. As part of the works, we will plant 7,222 shrubs and ground cover plants, as well as 43 trees. The pavilion will also cater for a record number six clubs at one facility.
- Commence essential maintenance and improvement works at Tompkins Park. Commence actions from our ARIS Strategy, including:
  - Research and development of a tennis strategy
  - Preparations for a master plan for Webber Reserve
  - Upgrades of the Marmion Reserve and Winthrop Park change rooms.
- Continue our \$12.7 million change rooms renewal program, with the clubrooms and change rooms at Marmion Reserve and Winthrop Reserve set for renewal next year.

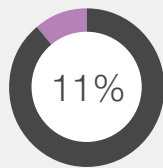


## Key Performance Indicators

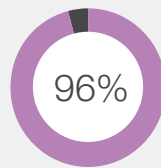
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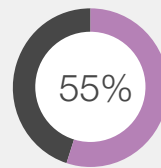
Residents believe they have a healthy lifestyle (2019)



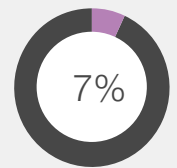
Residents would like a focus on healthy lifestyles as a top priority (2020)



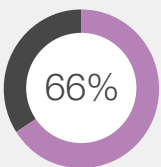
Residents feel there is access to sufficient range of open spaces for leisure activities



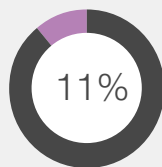
Residents eat two serves of fruit daily (2015/16)



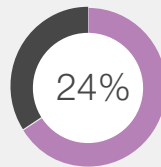
Residents eat five serves of vegetables daily (2015/16)



Residents are sufficiently physically active (2015/16)



Residents experience mental health issues (2015/16)



Residents drank alcohol at risky / high-risk level (2015/16)

# Safe and Secure



## Working together to create a City which is safe and secure at all times for all people

By partnering with various key stakeholders and working towards internal and external related plans, we play various roles and deliver the following primary products and services to help achieve our safe and secure goals.

### Internal related plans

2017 - 2021 Safer Melville Plan

### External related plans

Western Australia Police Force - Strategic Direction

International Safe Communities Model

Local Emergency Management Arrangements & Recovery Plan

### Our partners

State and federal governments, community groups, not for profit groups, schools, businesses, Safer Melville Advisory Committee, suppliers and subcontractors

## Goals

**Being prepared for an emergency**

**People feel safe and secure in all places at all times**

**Reduce business crime**

**Reduce household crime**

**Reduce preventable injuries**

**Reduce transport crashes**

**Safe and secure places and environments**

## Products and services

- Animal and feral wildlife control
- Business safety resources
- Community safety education programs and resources
- Community Safety Service (CSS)
- Constable care performances
- Crime prevention
- Cyber / online safety programs
- Dog and cat control
- Emergency management
- Fire breaks
- Graffiti removal
- Holiday watch patrols and home safety programs
- Parking management
- PHAZE urban art programs
- Pool applications and fencing requirements
- Ranger services
- State Emergency Service (SES)
- Street lighting
- Vandalism and abandoned vehicle response

## Highlights

- Completed **3** Black Spot projects, which aims to reduce road crashes at high-risk road locations.
- Completed **1,578** graffiti removals, **1,421** swimming pool compliance inspections and dealt with **154** building compliance matters.
- Our Community Safety Service (CSS) conducted **36,388** targeted patrols based on information from the community or police.
- CSS also conducted **50,249** checks of **814** properties through holiday watch patrols, dealing with **35** issues found during these patrols.
- CSS responded to **10** calls from police for assistance. They also provided police with **503** intelligence reports, dealt with **77** issues pertaining to vandalism and assisted with **13** jobs of missing person/s.
- Rangers responded to **6,161** requests throughout the year. This included **1,508** for illegally parked vehicles, **450** for abandoned vehicles and **422** for barking dogs.
- We reunited **170** lost dogs and cats with their owners.

## Key Projects/Achievements

A safe and secure City always features at the top of our community's priorities, and we play an active role in helping reduce crime, preventable injuries and road crashes within our community, and ensuring our places and spaces are safe for everyone.

We also recognise that other authorities, such as the police, play a significant role and it is by working together that we can help create a City that is safe and secure.

This year, we signed a new Memorandum of Understanding (MOU) with the police, signifying our ongoing commitment to work together to achieve our common community safety goals. This MOU forms the basis for our very close relationship with the local police.

As we do every year, we continued to work very closely with the Murdoch and Palmyra police stations, exchanging information on a daily basis. Our Community Safety Service (CSS) plays a key role in this endeavour, and supplied 503 intelligence reports to police to help with their investigations. They also responded to 10 direct calls from the police for assistance.

Information sharing is not one-way and intelligence from the Palmyra and Murdoch police stations helps us conduct targeted 'hot spot' patrols of problem areas. This year, our CSS conducted 36,368 targeted patrols based on information supplied by the police and our community.



We signed a new MOU with the police this year, signifying our ongoing commitment to work together.

Our CSS also continued to offer our popular holiday watch patrols service, where residents register their home with us and the CSS will patrol it regularly while they are away. This year, 814 homes were registered for a holiday watch patrol, and our CSS dealt with 35 issues that they found during these patrols.

During COVID-19, our CSS further assisted police and the public in 171 incidents relating to social distancing concerns. They also increased patrolling in areas where businesses were shut as a result of COVID-19, conducting 25,961 patrols of 876 areas.

Using data from the police and the community, we also deployed our new mobile CCTV trailer to 22 locations throughout the City. This trailer is used to

monitor activity and gather evidence which is used by the police in investigations.

As part of a project to improve our response to graffiti, we established a centralised approach to graffiti management, which now allows staff to identify trends in graffiti removed down to a suburb level. A team of staff from across the City now meet monthly to discuss trends and opportunities to address graffiti at hotspots.

To ensure we keep our finger on the pulse and can respond to community needs, we completed a minor review of our community's injury and safety priorities in February 2020, to ensure we are directing our resources and actions to where they are most needed. We do acknowledge these priorities may have changed now due to COVID-19, so we will be revisiting a number of data sources towards the end of 2020.

We also changed our approach to safety and security during COVID-19, and placed a number of proactive safety projects on hold. Our revised approach focused on monitoring crime and safety issues, responding within our role as a local government, and reassuring the community.

To this end, we developed a dashboard containing data from the police and CSS, and used this to identify crime and safety trends. This dashboard identified an increase in domestic-related incidents during COVID-19, and we responded by hosting a community appeal for donations to support women accessing the Zonta House Refuge Association.

As part of our focus on improving business safety, we launched a new online safety resource for local businesses, Your Guide to a Safer and more Secure Business, which featured key business safety information, crime prevention tips and contact numbers, giving business owners quick access to the information they need to help keep their business safe and secure.

Our rangers play a key role in helping keep our City safe and secure, and they continued to assist with animal control, parking and bushfire control, littering and responding to reports of illegal signs, dumping and off-road vehicles.

They also spearheaded a new digitisation project, completing a start-to-end review of the cat and dog registration process and implementing a number of improvements. These included the introduction of electronic animal renewal notices, additional payment options and revised website content and online forms, to make it easier for our community to notify us of any changes to their pet's registration.

To help reduce transport crashes, we were successful in obtaining \$228,667 of federal and state Black Spot Program funding, and completed the following works throughout the year:

- Canning Beach Road and Kintail Road median closure
- Leach Highway and Rome Road intersection modification
- Leach Highway and Moolyean Road intersection modification

We also completed a number of other road safety improvement projects, including a trial traffic treatment at Stock Road north of Page Street, installation of a new intersection traffic island at the Stock Road and Zenobia Street intersection, and new pedestrian refuge islands on Murray Road and on Fifth Street, adjacent to Melville Plaza.

We also completed essential works on the Canning Bridge river wall, to help address significant structural issues. These works included various upgrades to neighbouring amenities, including new lighting for under the bridge, renewed landscape and improvements to the rock revetment to the south of the bridge.

We recognise a key aspect of improving community safety is community education on what they can do to improve their safety and security, and the behaviours they can adopt to help reduce their risk of being a victim of crime. To this end, we celebrated Safer Melville Month in October 2019, by hosting a South of the River Seniors Safety Forum, a youth event at Melville Reserve, first aid sessions for seniors, a first aid story time for children at our libraries, drop in sessions for youth in Willagee and Brentwood, and a community appeal for items to support women involved in the Wandoo Rehabilitation Program.

We continued to engage with our youth through our PHAZE Urban Art program, and held 6 sessions in Melville, Bull Creek, Leeming and Myaree for 108 participants. Through PHAZE, young people aged 12-25 develop their spray painting skills with a professional urban artist. We also provided funding and support to the Department of Education for a student support officer at Caralee Community School. This role works with 'at risk' young people and hosts a homework club after school in the Willagee Library and has been successful in supporting these students and improving school attendance strategies.



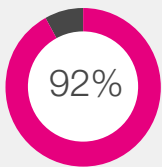
City staff handing over community donations to Zonta House Communications and Engagement Officer Ella Kent (centre).

## Year Ahead – Key Initiatives

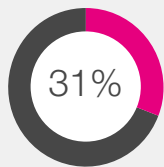
- Conduct a post COVID-19 review of the community’s safety and injury priorities.

## Key Performance Indicators

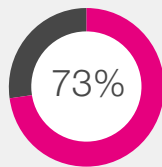
We evaluate our performance in a number of different ways, some of which are listed below:



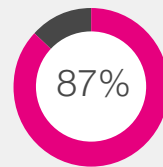
Residents feel safe being out in public in their local community (2019)



Residents would like a focus on safety and security as a top priority in 2020



Residents feel prepared in the event of an emergency (2019)



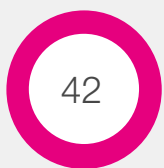
Residents and businesses satisfied with safety and security (2020)



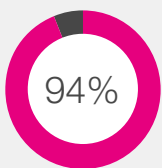
Falls resulting in deaths (2014-2018)



People injured from a fall (2014-2018)



People killed or seriously injured in transport crashes (2019)



Residents satisfied with graffiti removal services (2020)

# Sense of Community

## Working together to create a real sense of community



By partnering with various key stakeholders and working towards internal and external related plans, we play various roles and deliver the following primary products and services to help achieve our sense of community goals.

### Internal related plans

Neighbourhood Plans  
Creative Melville – Cultural Plan 2018-2022  
Directions from Young People  
Age Friendly Melville Plan 2017-2021  
Directions from the Aboriginal Community  
Stretch Reconciliation Action Plan 2017-2021  
Disability Access and Inclusion Plan 2017-2022  
Wireless Hill Vision 2020  
Heathcote Vision and Place Plan 2025  
Public Art Strategy and Master Plan

### External related plans

Vision 2025 and Framework for Strategic Action - Public Library Services in Western Australia  
Standards and Guidelines for Australian Public Libraries

### Our partners

State and federal governments, community groups, not for profit groups, schools, businesses, suppliers and subcontractors

## Goals

**Lifelong learning and creativity**

**Participation and inclusion**

**Place activation and liveability**

**Sense of identity through collective memory**

**Social connectedness and belonging**

### Products and services

- Art Awards
- Art exhibitions
- Capacity development for community organisations and not-for-profits
- Citizenship ceremonies
- Communications and stakeholder engagement
- Community centres
- Disability access and inclusion planning
- Events, grants and funding
- Financial counselling
- Children and early years services
- Libraries
- Melville Age Friendly Accessible Businesses Network
- Melville Volunteer Resource Centre
- Museums and local history
- Place activation and town team facilitation
- Public art
- Reconciliation planning
- Senior services
- Youth services

## Highlights

- Our **Point Walter Concert** was awarded the WA Best Small Event award at the 2019 Australian Event Awards and Symposium. These awards celebrate and recognise the best events across the country.
- Record-breaking attendance at **Kidchella**, our festival for children under 12 and their families, for a second year in a row, as well as at the first of our Limestone Concerts, this year celebrating 60s and 70s rock.
- Held our second annual **Vinylpalooza Record Fair** at Wireless Hill, with more than **350** people attending to buy and swap records and music memorabilia.
- Installed **17** new public artworks, including **10** through our Percent for Art Scheme.
- One of our new developer-funded public artworks, Lacefence by Paul Hart at Woolworths in Mt Pleasant, was **nominated for an international CODAaward**.
- Acquired **6** new artworks for our public art collection.
- Completed approximately **75** upgrade and renewal projects and **3,200** maintenance requests across City-owned properties.
- Held six citizenship ceremonies for **441** conferees. Ceremonies were put on hold due to COVID-19 restrictions.
- Provided support to more than **200** older residents through our Age Friendly Assistance Fund.
- Held **4** South of the River Forum seniors information sessions, with around **55** people attending each session.
- Partnered with Melville Cares to provide a community bus service, which provided transport for **2,831** people throughout the year.
- Provided financial support to **70** members of the community with Avelink grants.
- **160** young people participated in our youth drop in service, and more than **50** young people participated in our PHAZE urban art program.
- Awarded **32** Mayor's Valued Citizen, Mayor's Youth Citizenship and Mayor's Community Champion Awards. These awards recognise community champions who have made a significant contribution to their community through volunteering.
- The Melville Volunteer Resource Centre connected **5,831** people to volunteer positions and organisations, supported **180** volunteers within our City and supported **170** volunteer organisations with volunteer recruitment.
- Our customer relations team answered an average of **7,000** calls, **1,500** emails, **400** live chat enquiries and **900** online requests each month. Conversations on live chat have increased **55%** from last financial year.
- Approved **23** applications for Community Partnership Funding and Youth Development Funding. This program was put on hold during COVID-19 restrictions.
- Completed community engagement on **30** projects, and sent **102,373** direct emails to residents and ratepayers with engagement updates or asking them to participate.
- **7,331** contributions were received for our **31** community engagement projects, including **4,288** survey responses, **2,007** form submissions, **690** forum comments, **158** interactive map pins, **142** ideas shared, and **46** Q&A submissions.
- **40,943** people visited our online engagement platform, Melville Talks, an increase of **27.5%** from the previous year.
- Our libraries loaned **782,930** physical items and **122,786** digital items to more than **36,000** members.
- Our libraries had more than **529,677** visits, with **5,066** children attending Storytime, **5,570** babies attending Baby Rhyme Time, and **2,700** people attending adult events and programs.
- Our financial counselling service helped **485** residents throughout the year.
- Wireless Hill Museum volunteer Trevor Kelly was nominated as a **finalist in the 2020 WA Heritage Awards**, for his outstanding volunteer contributions to preserving Western Australian heritage.

## Key Achievements/Projects

A sense of community is extremely important as it unites us, helps us feel connected to each other, and gives us a sense of belonging. We play a key role in helping build a sense of community in our City, by offering a diverse range of services and organising events and activities that bring people together.

This year, we commenced and/or completed a number of upgrades at our libraries, including a minor upgrade of the façade at Willagee Library, to create a more welcoming exterior which opens up onto the adjacent George Humes Park. Works include a new front façade, front windows, external lighting, furniture and external power points, as well as resurfacing of the pavement area at the front of the building.

As part of the upgrade, we commissioned artists Kambarni and Matthew McVeigh to create a vibrant, contemporary mural celebrating the adjacent park's namesake, Noongar-boxer and former Willagee resident, George Humes.

Following on from major renovations at AH Bracks Library + Creative Space last year, we opened a new outside reading lounge at the facility, featuring a group study/meeting space, WiFi and power access, and outdoor event and program space. We also received funding from the federal government to expand our digital training program, with new and creative technologies, such as virtual reality, coding and

makerspace programs included in training programs.

Incorporating more art and arts programming within our library was a key focus this year, and we hosted four artists through a new artist residency program at AH Bracks Library + Creative Space. Through the program, artists created and installed a temporary public artwork in the library's creative lab, and gave a talk to the public on the artwork through the library's workshop program.

We also commissioned artist Jenessa King to create a unique artwork, incorporating local flora and fauna, for our library cards and other library promotional materials.

Based out of our AH Bracks Library + Creative Space, our local history service continued to collect and preserve historical information and artefacts for the benefit of future generations. This year, work continued on the upload of our entire local history collection to the library's online database, to allow our community to access and view the collection from the comfort of their own home.

We also hosted four displays in our 'Cabinet of Curiosity' local history cabinet at AH Bracks Library + Creative Space, as well as a pop-up local history display at the entrance of Heathcote Museum and Gallery.

Recipients of the 2019 Mayor's Valued Citizen, Mayor's Youth Citizenship and Mayor's Community Champion Awards with City of Melville Deputy Mayor, Councillor Nicholas Pazolli (5th from left, centre row).



We also finalised a review of our Local Heritage Survey and Local Heritage List, which documents the buildings and places in our City with cultural heritage significance and helps tell our City's stories. Following the review, four new places were added to the survey.

Our galleries and museums continued to offer diverse and exciting programming for our community, with our Wireless Hill Museum opening their 2020 exhibition, *Transmission*, on Wednesday, 10 June. *Transmission* celebrates the unique story of the Very High Frequency Amateur Radio Club of WA, who have resided onsite at Wireless Hill Park since 1972.

Our Wireless Hill Museum's 2019 exhibition, *Picture Palaces of Perth*, an exhibition in partnership with the Pictures in Motion Museum of film and television, closed in November 2019 after an extensive public program of talks, activity and technology days, and outdoor cinema movie night.

Our Wireless Hill Museum also hosted our annual Murdoch Lecture in collaboration with the Melville History Society. This year's topic was *Ambon Island in World War Two*, which was a Japanese-run prisoner of war camp located in the East Indies.

Following on from extensive renovations last year, our Heathcote Museum & Gallery commenced their new Project Space exhibitions program, effectively doubling the exhibitions schedule for the gallery. They also continued showcasing the City's art collection in the new Collections Gallery, and secured high-profile artists for their headline 2020 and 2021 TILT exhibitions.

Heathcote Cultural Precinct continued their annual exhibitions program in the Main Gallery, holding 7 exhibitions featuring innovative, high-quality art from more than 44 artists. They also introduced Sunday sessions, with the precinct open late on the last Sunday of every month in September, October and November. Visitors were able to see the latest Heathcote exhibition, listen to live music from acoustic artists, check out a range of pop-up stalls and food trucks, or just enjoy an afternoon out at the idyllic location.

Led by a multi-disciplinary team comprising of staff from across the organisation, we progressed work on our important Goolugatup Heathcote Lower Lands Project, which aims to realise the potential of this significant cultural and heritage place by rejuvenating the area's natural environment, creating a passive recreational space and reconnecting Heathcote Cultural Precinct with the lower lands.

We continued to deliver our beloved annual events, including our annual children's festival Kidchella, Limestone Concert Series, and this year, our Highway to Hell event, delivered in partnership with Perth Festival, City of Fremantle and Town of East Fremantle.

Highway to Hell was a once-in-a-generation art, music and entertainment event which celebrated Perth's connection to late, great AC/DC front man, Bon Scott. Held on Sunday, 1 March 2020, more than 100,000 descended on Canning Highway to see diverse local and international acts performing AC/DC songs from stages on the backs of slow-moving trucks.

In the lead up to Highway to Hell we also presented *High Voltage Hill* at Wireless Hill, a week-long program of pub-culture themed events, workshops and performances exploring the rise and demise of pub rock in the '70s and '80s. This event series culminated in approximately 1,600 attending our Saturday night Live Wire concert.

Following the success of Highway to Hell, we appointed a new creative producer Pete Stone to help further our cultural plan, *Creative Melville 2018-2022*. Pete came to us directly from Perth Festival, where he was lead producer on the Highway to Hell event. We are one of the first local governments in Western Australia to appoint a creative producer, which demonstrates our genuine commitment to a strong arts and cultural program.

Pete will drive the implementation of our new events strategy and draft creative directions strategy, which were developed this year to ensure all events and creative activities are aligned with our cultural plan, *Creative Melville 2018-2022*.

In recognition of the importance art plays in helping create a sense of place, and how it can help enhance public spaces and celebrate our cultural identity, we continued to deliver our strong arts program. This year, approximately 1,000 people attended our annual Art Awards exhibition, exploring more than 260 artworks on display by professional and hobby artists, and more than 3,400 people visited 35 artists and art organisations who opened their studio doors to the public in our annual Open Studios and Exhibitions Art Trail.

Demonstrating how art can not only add vibrancy to our communities, but also help combat graffiti, we worked with artists Mikaela Miller and Andrew Fraser to install four murals on sump walls located in

Palmyra, Bicton and Willagee.

We continued to deliver on our Public Arts Strategy and Masterplan, and installed a new, significant public artwork, *Coming of the Colours*, at the Riseley Street roundabout. This artwork, by artist Sohan Ariel Hayes, stands 6 feet high and takes its inspiration from the nearby Banksia Woodlands in Wireless Hill. We also commissioned a significant mural by highly-regarded Western Australian artists, Kyle Hughes-Odgers, for AH Bracks Library + Creative Space.

In recognition of the fact that we have an ageing population, and in the future there will be a greater number of older people than children in our City, we continued to implement our Age Friendly Melville 2017-2021 Plan and deliver a number of programs through our Age Friendly Melville program.

This year, we celebrated the third birthday of our Memory Café, which provides a safe, supportive and inclusive environment for people living with dementia and their carers. We also supported Hawaiian's Melville, a member of our Melville Aged Friendly Accessible Business network, to launch a 'Quiet Hour' initiative, where lights and music is turned off to provide a low-sensory shopping experience for those who need it.

Our seniors South of the River Forums continued to be successful and well-attended, with more than 200 people attending our five forums held throughout the year on topics such as transports and independence, seniors and safety, navigating the aged care system, and downsizing.

We also partnered with Alzheimer's WA and Attitudinal Healing to host renowned speaker and educator, Michael Verde, for a series of free talks on how to live life fully with dementia. More than 200 people attended these sessions, with an additional 50 people also joining Michael for a literary discussion on Ernest Hemingway's *The Sun Also Rises*. We also assisted with the launch of his documentary *Love is Listening* at Hoyts Garden City.

Our Melville Volunteer Resource Centre, which is partially funded by the Department of Communities, continued to promote local volunteer opportunities, provide training and help link up potential volunteers with community groups needing assistance. They also worked together with other local governments to host events that celebrate volunteering.

As part of our approach to working together with our community to improve our places, we continued

to facilitate the development and support a growing number of town teams in our City. This year, we welcomed and helped establish three new town teams; Friends of Attadale and Bicton, Applecross Town Team and Pally6157

As part of our focus on strengthening our community engagement processes and approach, we integrated our online community engagement portal, Melville Talks, onto the City's website. This will not only help reduce costs but also help raise awareness of opportunities for our community to have their say and participate in decision making.

We also started advertising Joint Development Assessment Panel (JPAP) applications on Melville Talks, to help improve the openness and transparency of these consultative processes as these applications are generally of significant interest to our community. We are striving to ensure all online community engagement is facilitated through Melville Talks, so that our community can find all community engagement opportunities in one place.

Our Disability Action Inclusion Plan 2017-2022 and the Stretch Reconciliation Action Plan 2017-2021 continued to see some great projects come to fruition. Read more from page 64.

In 2020, COVID-19 had a significant impact on our core services, events and activities as restrictions came into play and we were required to close our libraries, community centres, galleries and museums to the public to help stop the spread.

We were very cognisant of the impact these closures would have on our community, and to ensure our residents could keep connected during this time, we developed and launched the State's first virtual community centre to help our community combat social isolation and loneliness during COVID-19. Through the virtual centre, we offered a book club, art group, writers group, singing group and Tai Chi. The concept was so successful it inspired similar initiatives at other local governments.

To ensure we could provide key information to the community about changes to our services and facilities as a result of COVID-19, we also developed and launched an online COVID-19 hub. The hub contained key information about our community stimulus package and support available to residents and ratepayers during this time.

We recognised that COVID-19 was not just a health crisis, but an economic and social crisis as well, and to support our community during this time, we developed and launched our \$15 million community stimulus package. Key aspects of the package included a rates concession of \$200 for residential households, a stop on all interest charges from 1 March to 30 June 2020, and a freeze on all fees and charges for 2020-2021.

We also started a number of new programs and initiatives, which included a happiness stimulus package, which funded ideas that would bring happiness and joy to our community. Through the initiative we funded a pop-up community art trail, as well as online parenting sessions through our Virtual Community Centre and free native plant packs for local schools.

The pop-up community art trail, Happiness Appears, was extremely popular with our community, with fourteen artists creating temporary artworks across our City. As part of the event, we asked residents to vote for the artwork that brought them the most happiness, with Jesus Zielger's 'cheesy' bus stop taking out the top prize. We will be retaining some of the artworks and installing them permanently next year.

To ensure we understood the challenges our residents faced during this time, we established the One2One program where we contacted more than 3,000 residents via phone and 4,300 via email to check-in and see how we could support them.

To help support artists during COVID-19, our Heathcote Cultural Precinct launched a new national award for digital art. This award aims to encourage visual artists to create contemporary, visual art that is wholly digital and made for the screen. Nearly 150 artists applied for the award, with the Arts Law Australia giving us the highest grade possible for the useability and fairness of the awards terms and conditions.

Our libraries responded quickly and innovatively to COVID-19, transitioning our Storytime, Baby Rhyme Time and select adult programming online, so members could participate in these programs from the comfort and safety of their home. Our Storytime and Baby Rhyme Time videos were viewed more than 28,000 times, and 1,559 people participated in our online adult programs.

Our libraries also expanded their home delivery

service, allowing members to have physical items delivered direct to their door stop, and introduced a new 'click and collect' service.

The work of our libraries during COVID-19 was recognised nationally, and they were interviewed and profiled by the ABC on the role of public libraries during the pandemic. They were also invited to showcase our innovative new library program, Biblio Bops, at the State Library's Better Beginnings Early Literacy Forum, and to speak at the international conference LibraryNext, on our programs and initiatives at Willagee Library for vulnerable Indigenous youth in our community.

Following on from engagement with our community about the programs and services they want to see in our libraries post COVID-19, we commenced a review of our library hours to ensure we can meet the changing needs of our community. This review will lead to tweaks to the opening hours at our AH Bracks Library + Creative Space, Canning Bridge Library, Willagee Library and Civic Centre library, which will take effect in late 2020.

In response to social distancing requirements and for the health and wellbeing of our staff, Elected Members and the community, we transitioned all Council meetings and Agenda Briefings Forums online in March 2020. We are continuing to offer live-streaming to the public although meetings have returned face-to-face as of June 2020.

Event-goers at Live Wire Night at Wireless Hill.

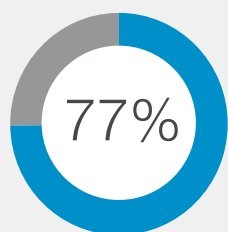


## Year Ahead – Key Initiatives

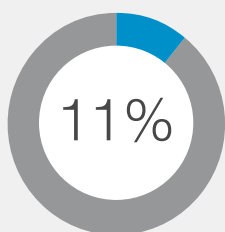
- Continue work on our Goolugatup Heathcote Lower Lands Project, and take back repossession and management of the historic Murray House at Heathcote Cultural Precinct.
- Complete the commission of a number of new key public artworks, including new artworks for Shirley Strickland Reserve and Bull Creek library, and a new mural for Riseley Street.
- Complete renewals of both the Willagee Community Centre and Bull Creek Community Centre, to help provide refreshed community spaces for various community groups and organisations that utilise the spaces.
- Continue to deploy our Disability Access and Inclusion Plan City-buildings improvements project, refurbishing multiple City-owned buildings to the latest disability and access inclusion standards.
- Develop a Vision from the Heart and corresponding Aboriginal cultural learning strategy.
- Complete a comprehensive review of our Directions from Young People.
- Complete internal refurbishments at our Civic Square and Willagee Libraries.
- Commence construction of the new Bob Gordon premier play space.

## Key Performance Indicators

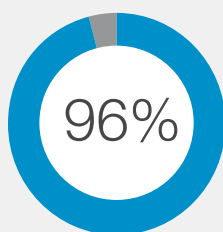
We evaluate our performance in a number of different ways, some of which are listed below:



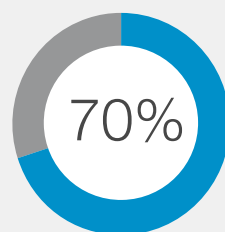
Residents feel there is a sense of community in their local area (2019)



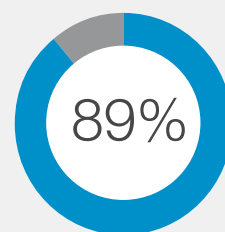
Residents would like a focus on sense of community as a top priority (2020)



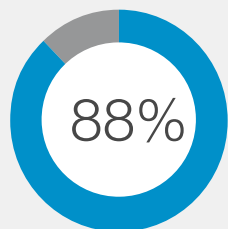
Residents satisfied with library services (2020)



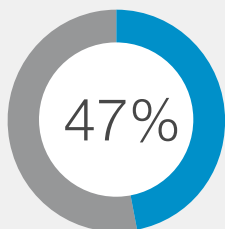
Residents satisfied with opportunities to have a say on things happening in their local areas (2019)



Residents satisfied with festivals, events and cultural activities (2020)



Residents satisfied with how local history and heritage is preserved and promoted (2020)



Residents satisfied with opportunities to meet people (2017)

# Sustainable and Connected Transport

**Working together towards a City with sustainable and connected transport and travel options for all people**



By partnering with various key stakeholders and working towards internal and external related plans, we play various roles and deliver the following primary products and services to help achieve our sustainable and connected transport goals.

## Internal related plans

Transport Management Strategy  
Bike Plan 2012  
Parking Management Strategy

## External related plans

WA Bicycle Network Plan 2012 – 2021  
Moving Freight and Moving People  
Perth 2031 Public Transport Plan

## Our partners

Federal and state governments, community groups, private sector, Travel Smart / Road Safety Working Group

## Goals

**Appropriate infrastructure**

**Balancing transport priorities**

**Choice and use of transport options**

**Prioritising urban development near transport nodes and in activity centres**

**Ease of movement**

## Products and services

- Advocate for high quality transport options at State and Commonwealth levels
- Bus shelters
- Bike paths construction and maintenance
- Advocate for Black Spot funding for priority areas
- Crossover construction
- Footpath construction and maintenance
- Parking management
- Road construction and maintenance including stormwater systems
- Road safety programs
- Public access way maintenance
- Traffic management upgrades
- Road safety upgrades
- TravelSmart programs

## Highlights

- Inspected and cleaned **3,500** drainage pits.
- Swept and maintained **545km** of road, and **469km** of footpaths.
- Maintained **15,000** stormwater pits, and **353km** of stormwater pipe
- Maintained **13** jetties and boardwalks, and **3** boat ramps.
- Resurfaced more than **10km** of road.
- Received the **Sarkis Petrossian Award for Innovation in Traffic Management**, for our Your Everyday Speed (YES) Signs Program.



Artist impression of the proposed Safe Active Street.

## Key Achievements

Working towards sustainable and connected transport, we are focused on optimising key road networks, promoting safe active streets through non-motorised transport and showcasing alternative transport to cars.

To help break down barriers to participation and improve access for people with a disability, we introduced free parking at all City-owned paid parking bays for ACROD permit holders.

Following on from the introduction of paid parking at Riseley Activity Centre last year, we extended free parking in City-owned bays from one to three hours. We also engaged an independent facilitator to assist local businesses to work towards better consistency across the privately-owned parking bays, which make up 70 per cent of parking in the area.

We also commenced a review of parking at Deep Water Point Reserve, with the aim to develop a parking management plan for the area. The strategies in the plan will focus on achieving optimal use of the existing available parking in the area through contemporary, best-practice parking management approaches.

As part of our approach for creating more safe and connected options for people to travel throughout our City, we completed construction of the Murdoch Drive shared path from Leach Highway to South Street in Murdoch. This path runs on the western side of Murdoch Drive, passing by Corpus Christi and Yidarra Catholic Primary School and connecting up with existing shared paths on South Street.

We also received Council endorsement to begin construction of our first ever Safe Active Street, linking Westfield Booragoon Shopping Centre and Riseley Street Activity Centre. This follows on from extensive community engagement the previous year.

The Safe Active Street will travel along Links Road, Collier Road south of Millington Street, Millington Street east of Collier Road, Hope Road north of Millington Street, and Willcock Street, providing a safe and comfortable route for people walking or riding bikes. It is a \$2.2 million project, partially funded by a \$850,000 grant from the Department of Transport's Safe Active Streets Pilot Program.

We also completed two significant car park renewals, one at Bicton Baths and another at Len Shearer Reserve. Both projects incorporated water sensitive urban design principles, and involved resurfacing and upgrades of the stormwater draining. At Bicton Baths, we also upgraded the lighting, replaced the retaining wall and installed a new path on the river side of the car park.

We commenced or completed a number of footpath projects throughout the year, including works on stage one of the Black Wall Reach Parade path upgrade, where we widened and upgrading the path from concrete to red asphalt. We also completed 12 discrete path renewal projects, and installed four new footpaths across the City.

We also continued our annual road resurfacing program, and resurfaced 27 sections, equivalent to 10kms, of road across the year.

Community members utilising the new Murdoch Drive shared path.

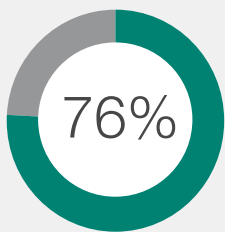


## Year Ahead – Key Initiatives

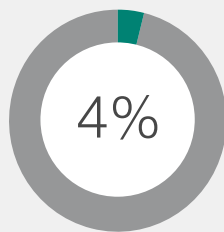
- Commence and complete construction of our Safe Active Street.
- Complete a Black Spot project at the intersection of Canning Highway, Dunkley Road and Norman Road.
- Commence a \$1 million, multi-year stormwater condition inspection and renewal project.

## Key Performance Indicators

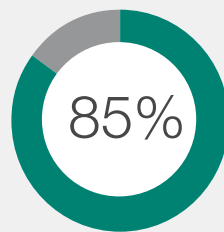
We evaluate our performance in a number of different ways, some of which are listed below:



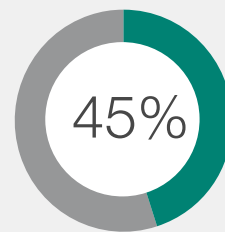
Residents feel there is sustainable and connected transport in the City (2019)



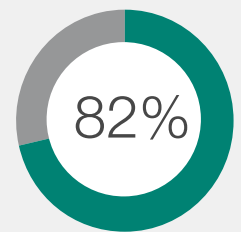
Residents would like a focus on sustainable and connected transport as a top priority (2020)



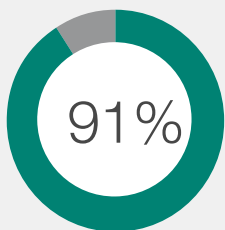
Residents satisfied with footpaths and cycleways (2020)



Roads have a footpath (2019-2020)



Residents satisfied that public transport meets their needs (2019)



Residents feel they can travel around easily within the City (2019)



Paths in the City (2019/20)

# Disability Access and Inclusion Plan (DAIP)

Our Disability Access and Inclusion Plan 2017-2022 outlines a series of actions to ensure people with a disability have the same opportunities as other people to access our services, events, facilities and information, and that they are able to participate in community engagement and decision-making.

A disability access and inclusion plan is a requirement under the *Disability Services Act 1993 (WA)* and each year we report back to the Department of Communities – Disability Services on how our plan is progressing.

## Key Achievements

The following is a summary of the key achievements and initiatives this year from our Disability Access and Inclusion Plan 2017-2022:

- Developed a business case to increase the budget available for building upgrades to City-owned buildings over a five year period, in order to go ‘over-and-above’ the accessibility requirements mandated by the Building Code of Australia.
- Completed a number of access audits throughout the year, including of our pool at LeisureFit Booragoon and the Civic Centre main hall, with findings informing future design and refurbishment for these facilities.
- Incorporated a number of access audit recommendations from the Willagee Library into the design of the building’s new façade, which will undergo construction in July 2020.
- Designed, developed and installed accessible facilities and equipment in various parks and reserves, including Deep Water Point Reserve where we incorporated sensory and peripheral play elements into the overall design of the new play space near the Dome café, and Kadidjini Park and AH Bracks Library + Creative Space, where we installed accessible outdoor tables and seating.

- Continued to facilitate the Access Advisory Panel, comprising of community representatives who are older or have a disability and representatives from the disability and aged care sector. The panel provides feedback on a number of development projects to ensure accessibility requirements are considered.
- Provided work experience opportunities for eight local students with a disability. These students completed 6-week placements in a variety of teams, including streetscapes (horticulture), fleet and at our libraries.
- Conducted training for building and facility staff on access legislation and universal design to ensure accessibility considerations inform all planning, design, development, maintenance and upgrades of City buildings.
- Installed unisex accessible toilets at John Connell Reserve, George Humes Park and Point Walter Reserve and commenced upgrades at Webber Reserve and Bill Elson Reserve change rooms.
- Introduced free parking in all City-owned paid parking bays for ACROD permit holders. This applies both when the permit holder is a driver or a passenger.

City staff preparing library books for home delivery.





Some of the bunting that was prepared at the pre-Kidchella artmaking party.

- Worked in partnership with Perth Festival to champion accessibility for Highway to Hell, a free, family-friendly event held in partnership with Perth Festival, City of Fremantle and Town of East Fremantle. Accessible measures included audio description and Auslan interpreters, a multilingual augmented reality mobile phone app, and wheelchair viewing platform and ACROD parking at the Tompkins Park zone. Perth Festival identified Highway to Hell as one of their top 10 accessible events, with the measures ensuring the event was inclusive and could be enjoyed by all AC/DC fans in the community.
- Hosted a pre-Kidchella artmaking party with Western Australian artist Minaxi May. This workshop provided an inclusive, quiet, autism-friendly environment for children to decorate bunting with their own designs and messages. This bunting was installed at our art tent at Kidchella.
- Delivered library books to approximately 1,500 homes during the height of the COVID-19 pandemic, with priority given to those unable to leave their home during this period.
- Hawaiian's Melville, a member of our Melville Age Friendly Accessible Business (MAFAB) network, commencing a pilot 'Quiet Hour' initiative, where lights and music is turned off to provide a low-sensory shopping experience for those who need it.
- Hosted disability awareness training and social inclusion training for volunteer organisations and community groups. These sessions were delivered by external facilitators and coincided with International Day of People with Disability.
- Delivered the 'Invisibilia' (Latin for 'invisible things') workshop series, which aimed to increase staff awareness of invisible disabilities by challenging staff perceptions and understanding of the nature of disabilities. These sessions were delivered by external facilitators, including Alzheimer's WA, Autism Association of Western Australia, and Development Disability Western Australia.
- Launched a cooking program for people with a disability, in partnership with UnitingCare West. Through the program, participants and their support workers meet each week as a group at Blue Gum Community Centre, and from there decide as teams what they want to cook. Then they buy their ingredients from the local IGA and prepare the meal, which they share together.
- Hosted various mental health related sessions at our libraries, including a talk by Joe Williams on his book 'The Enemy Within'. Three consecutive sessions were also coordinated by us at Melville Senior High School.
- Supported Cycling without Age to take older people and those with various accessibility needs out on bike rides at Deep Water Point and Point Walter. Cycling without Age uses specially-built trishaw bikes, piloted by volunteer cyclists.
- Produced a series of online videos exploring the sensory experience of a range of parks and reserves across the City.
- Produced an Auslan-interpreted video of local community member and children's books author Tracey Hicks reading her book 'Don't Guffaw at the Dinosaur'. This video was launched to coincide with International Day of People with Disability.
- Continued to offer our publications to residents in alternate formats upon request.

# Stretch Reconciliation Action Plan (RAP)

**We are proud to have been on the journey to reconciliation for a number of years, having developed our first Reconciliation Action Plan (RAP) in 2013 and having been the first local government in Western Australia to embark on a Stretch RAP in 2017 with our Stretch Reconciliation Action Plan 2017-2021.**

## Key Achievements

The following is a summary of the key achievements and initiatives this year from our Stretch Reconciliation Action Plan 2017-2021:

- Continued our partnership with the Department of Education and Carey Training, providing 16 Aboriginal and Torres Strait Islander students the opportunity to gain their Certificate II in Construction with 11 achieving their Statements of Attainment. Through the program, students created a community seating area and garden, now known as Wilgee Mia, as well as four concrete seating blocks for Kaya Lane next to Willagee Community Centre.
- Continued to install dual-name signage at places of Aboriginal heritage significance. One sign was installed at Wireless Hill (Yagan Mia), another sign was installed at Blackwall Reach (Jenalup) and two signs were installed at Point Walter (Dyoondalup).
- In collaboration with Marissa Verma of Bindi Bindi Dreaming and Mark Tucker of Tucker Bush, hosted a community planting day at the new Wilgee Mia site for 80 students from Caralee Community School and Melville Senior High School. Students (and teachers) helped plant native, edible plants and sampled traditional bush tucker.
- Increased the number of Aboriginal and Torres Strait Islander staff from 7 to eleven, and placed three Aboriginal students in school-based traineeships at our Willagee Library.



This year we placed three Aboriginal students in school-based traineeships at our Willagee Library, including Amy (pictured).

- Reviewed the way our cultural services team approaches Aboriginal engagement, with the South West Aboriginal Land and Sea Council and Whadjuk Working Party now involved in development projects.
- Engaged with site informants and the Whadjuk Working Party on a significant landscaping and interpretation development project of the Goolugatup/Healthcote lower lands.
- Partnered with Perth NRM to deliver the 2019 Connecting through Country and Culture seminar at our Blue Gum Community Centre. Approximately 45 attendees heard from Gina Williams and Guy Ghose on the themes of Koort (heart), Moort (family and community), Boodja (land) and Koorlangka (children and legacy). Perth NRM also shared an update on their work and we shared an update on our youth engagement initiatives.
- Appointed artists Kambarni and Matthew McVeigh to paint a new mural for Willagee Library, celebrating local Willagee identity, George Humes. Some of the themes within the artwork include strength, reconciliation and family, for which Humes is well remembered.

- Celebrated National Reconciliation Week 2020 with videos of Dr Noel Nannup sharing his thoughts on reconciliation. These videos were filmed at our very own Yagan Mia/Wireless Hill, which is a site of significance for local Noongar people.
- Delivered cross-cultural awareness training to 21 staff across the organisation.
- Celebrated NAIDOC Week 2020 with a community event at Willagee Community Centre. Activities included art activities with artist Sally Anne Gamble as well as a performance from Joel Davis.
- Recorded one local Whadjuk story at our staff NAIDOC Week event.
- Celebrated Children's Book Week with 10 Noongar language author talks by Noongar woman, Kerry-Ann Winmar. More than 500 primary school children attended one of these talks.
- Created two online Baby Rhyme Time videos which featured Noongar language content. These videos were viewed more than 1,000 times.
- Celebrated the 2019 International Year of Indigenous Languages with our interactive Language Nest at our Willagee Library, as well as various social media posts.
- Hosted numerous internal presentations on the City's RAP journey, with Community Development Officer – Aboriginal Engagement, Leanne Woods, also presenting at a WALGA conference on aboriginal engagement.
- Continued to convene our RAP Continuous Improvement Team meetings, which brings together staff from across the organisation to action items from our reconciliation action plan.
- Continued to coordinate networking meetings for people working in Aboriginal engagement within Perth metropolitan area local governments.

For more information and to read our Stretch Reconciliation Action Plan 2017-2021, visit [www.melvillecity.com.au/RAP](http://www.melvillecity.com.au/RAP)

City staff recording a special Baby Rhyme Time featuring Noongar language content.



# Business Excellence

Business excellence in our organisation is centred on improving community outcomes and organisational performance through a system and structure of sustainable performance and continuous improvement. We have been applying the principles of the business excellence for more than 20 years and it underpins everything we do.

This year, we continued to strengthen our approach towards evidence-based decision making and performance reporting using our community outcome dashboards, which we launched last year to help us understand our community needs and plan for the future. These dashboards provide a holistic, organisational view of what we are doing to achieve our community's aspirations, and track our performance against our outcome areas and goals using key performance indicators. We developed an online, interactive version of these dashboards for our website, so our community can continually review our progress and performance.

We continued to strengthen our use of data by using advanced analytics to streamline business performance management and improvement. We continued to investigate ways we can use smart technology to improve our operations where it results in better outcomes for our residents and ratepayers and our City.

To keep our finger on the pulse and understand what our community thinks about our products and services, we commissioned our bi-annual community and business scorecard. The results showed our community are most happy about library services, FOGO waste collections and our river foreshores, while they would like us to focus on general waste collections, housing diversity and design, streetscapes, traffic management and our parks and public open spaces.

To ensure we have a clear direction and mutually agreed plans, we commenced a review of our strategic community plan, which sets out our aspirations for the future and acts as a guiding document for the City when setting priorities and reviewing products and services. We are now working on our new strategic community plan and corporate business plan which will be presented to Council for approval next year.

## The nine principles of business excellence

1. **Clear direction and mutually agreed plans**
2. **Understanding what customers and other stakeholders value**
3. **Outcomes are improved when you work on the system and its processes**
4. **Engage peoples enthusiasm**
5. **Innovation and learning influences agility and responsiveness**
6. **Effective use of facts, data and knowledge for informed decision making**
7. **Variation impacts predictability, profitability and performance**
8. **Sustainable performance should deliver value for all stakeholders**
9. **Leaders determine the culture and value system of the organisation**

We continued to partner with Murdoch University on a number of projects, including a smart city project which will deliver a smart microgrid system to provide valuable insights into energy and water consumption patterns at some of our sites. This will allow us to identify potential opportunities to improve energy and water management at these sites. Other projects in discussion include research into wetland management, smart street lights, energy management systems and climate change adaptation.

Another way we focus on business excellence is through improvement and transformation projects driven by cross-functional improvement teams. These teams bring together staff from across the organisation to allow us to harness people's enthusiasm and diverse backgrounds and experiences to help solve organisational problems or improve existing processes or systems.

This year, a process improvement team reviewed the City's performance development plan process, delivering a new online form that significantly streamlines and improves the performance review process. Another process improvement team

looked at the City's reward and recognition process, recognising that recognition is a significant aspect of employee satisfaction.

An improvement team was also formed to review and improve the contractor induction process, by removing non-value actions while still achieving compliance to legislation requirements. Our arboriculture team also initiated an improvement team for reviewing our tree maintenance, planting and water end-to-end processes, with a view to streamlining the process to prevent double handling. We also convened a planning, building and environmental health transformation team, which is looking to transform the user experience and reduce red tape for local businesses.

The above are just some of the many continuous improvement projects we undertake each year. We also operate an 'opportunities for improvement' system, where we encourage staff to suggest ways we can improve our processes, products or services.

Since October 2010, we have maintained an externally certified safety, health, environment and quality management system. In 2018, we were recertified to AS/NZS 4801:2001 Occupational Health and Safety Management Systems, ISO 9001:2015 Quality Management Systems (revised), and ISO 14001:2015 Environmental Management Systems (revised). This external review of the appropriateness and effectiveness of our systems and procedures in regard to risk management, internal control and legislative compliance aligns with requirements of the Local Government (Audit) Regulations 1996.

We continued to focus on enhancing customer relations and maintained certification against the following international standards:

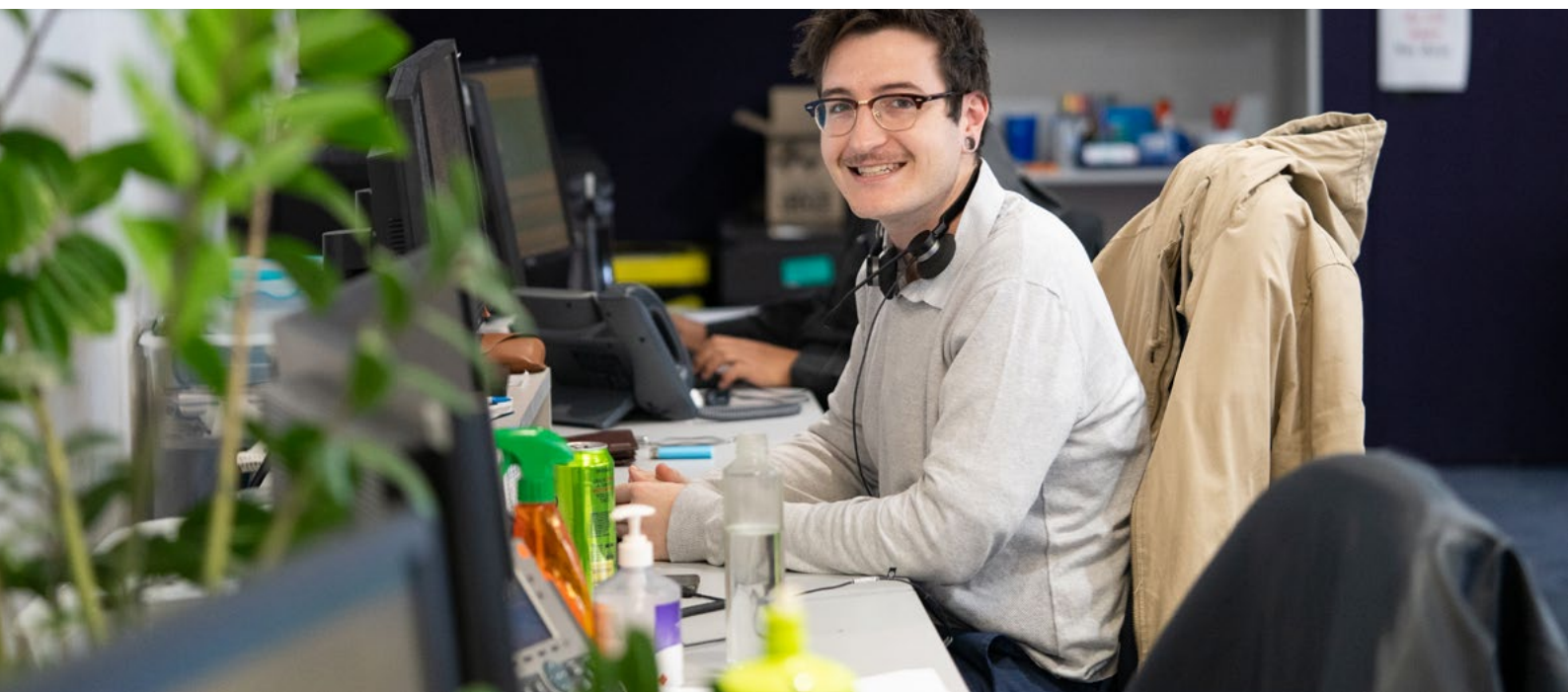
- Customer Service Standard ICSS 2015:2020
- Customer Service Institute Australia's Complaints Handling Framework

To help measure satisfaction with our customer relations approach, we continued to survey customers after they finished an interaction with our Civic Centre customer relations team, whether through by phone, email or live chat. Overall, our Civic Centre customer relations team continued to perform well, with an average score of 2.1 out of 7 (lower the better).

We continued our mystery shopper program, with annual visits conducted at our Civic Centre, LeisureFit centres and libraries. All three exceeded all national and international competitors in the first quarter of 2019-2020, with our Civic Centre customer relations team ranked 21st against similar sized councils across Australia, with an average score of 81.8 per cent.

We also appointed an external consultant to review our complaints processes, which has led to the development of a new customer feedback council policy, to be presented to Council in August 2020. We will also review all customer related policies and procedures in the next financial year. We are pleased to report that complaints have reduced by 68 per cent from last financial year.

We are committed to delivering exceptional customer service to our community.



# Our Measures

## Key Effectiveness and Efficiency Indicators

The key effectiveness and efficiency indicators outline below are the measures put in place by the organisation to ensure that the City is continually improving and working towards our outcomes.

City of Melville Outcomes	Key Effectiveness Indicator
<b>1 Clean and Green</b>	<ul style="list-style-type: none"> <li>92% of residents feel their local area is clean and green</li> <li>32% of residents would like a focus on clean and green as top priority</li> <li>24% tree canopy coverage</li> <li>6 five-star Green Star Developments</li> <li>1.2mil tCO<sub>2</sub>e GHG emissions by the community</li> <li>400kW of renewable energy generation capacity across City facilities</li> <li>55% of residential waste diverted from landfill</li> <li>2.3M kL water consumed by the City</li> </ul>
<b>2 Growth and Prosperity</b>	<ul style="list-style-type: none"> <li>83% residents feel the City is a place of growth and prosperity</li> <li>7% of residents would like a focus on growth and prosperity in the City as top priority in 2020</li> <li>24% of businesses satisfied with City's understanding of issues &amp; challenges they face</li> <li>50% of businesses satisfied with how they are consulted about local issues</li> <li>3% unemployment rate</li> <li>89% of businesses satisfied with City as a place to operate a business</li> <li>77% of businesses satisfied with the City as a governing organisation</li> </ul>
<b>3 Healthy Lifestyles</b>	<ul style="list-style-type: none"> <li>90% of residents believe they have a healthy lifestyle</li> <li>11% of residents would like a focus on healthy lifestyles as a top priority</li> <li>96% of residents feel there is access to sufficient range of open spaces for leisure activities</li> <li>55% of residents eat two serves of fruit daily</li> <li>7% of residents eat five serves of vegetables daily</li> <li>66% of residents are sufficiently physically active</li> <li>11% of residents experience mental health issues</li> <li>24% of residents drank alcohol at risky / high risk level</li> </ul>
<b>4 Safe and Secure</b>	<ul style="list-style-type: none"> <li>92% of residents feel safe being out in public in their local community</li> <li>31% of residents would like a focus on community safety and security as a top priority</li> <li>73% of residents feel prepared in the event of an emergency</li> <li>87% of residents and businesses satisfied with safety and security</li> <li>42 falls resulting in deaths between 2014-2018</li> <li>5,440 people injured from a fall between 2014-2018</li> <li>42 people killed or seriously injured in transport crashes</li> <li>94% of residents satisfied with graffiti removal services in 2020</li> </ul>
<b>5 Sense of Community</b>	<ul style="list-style-type: none"> <li>77% of residents feel there is a sense of community in their local area</li> <li>11% of residents would like a focus on sense of community as a top priority</li> <li>96% of residents satisfied with library services</li> <li>70% of residents satisfied with opportunities to have a say on things happening in their local areas</li> <li>89% of residents satisfied with festivals, events and cultural activities</li> <li>88% of residents satisfied with how local history and heritage is preserved and promoted</li> <li>47% of residents satisfied with opportunities to meet people</li> </ul>
<b>6 Sustainable and Connected Transport</b>	<ul style="list-style-type: none"> <li>76% of residents feel there is sustainable and connected transport</li> <li>4% of residents would like a focus on sustainable and connected transport as a top priority</li> <li>85% of residents satisfied with footpaths and cycleways</li> <li>45% of roads in the City have a footpath</li> <li>82% of residents satisfied with public transport meeting needs</li> <li>91% of residents feel they can travel around easily within the City</li> <li>472km paths in the City</li> </ul>

## Key Performance Indicators

The key organisational performance indicators outlined below are an additional level of measurement at a more operational level, ensuring we are benchmarking our performance against previous performance and industry standards.

Operational KPI	Means of Measurement	Target	Actual	Comments
<b>How our community perceives their wellbeing (quality of life)</b>	Community Wellbeing Survey	N/A	<p>96% report a positive quality of life (wellbeing)</p> <p>98% are optimistic about their future</p> <p>92% agree their area is clean and green</p> <p>92% feel safe being out in public</p> <p>90% believe they have a healthy lifestyle</p> <p>83% agree that Melville is a place of growth and prosperity</p> <p>76% agree there is sustainable and connected transport</p> <p>77% agree there is a sense of community</p> <p>View the full survey report: <a href="http://www.melvillecity.com.au/survey2019">www.melvillecity.com.au/survey2019</a></p>	Every two years we conduct a community wellbeing survey to learn how our residents perceive their wellbeing and which outcome areas are important to their sense of wellbeing.
<b>Area: Asset Management</b>				
<b>Asset Sustainability Ratio (ASR)</b>	Measures whether assets are being replaced/renewed at the rate they are wearing out.	1.10	1.00	We are in between providing sufficient sustained capital investment and not providing enough. We are almost at an 'early warning' stage. We will need to try and improve our level of renewal/replacement if we hope to maintain the level of service potential of our capital infrastructure.
<b>Asset Consumption Ratio (ACR)</b>	Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.	0.60	0.51	We are investing in asset renewal to a level where we are in danger of slipping into a level where we will have difficulty maintaining the 'aged' condition of our assets.
<b>Asset Renewal Funding Ratio (ARFR)</b>	Measures the extent of investment in asset renewal to the degree that offsets the current consumption of assets (1.00) and provides for the effect of inflation.	0.95	1.00	We are investing in asset renewal that offsets the current consumption of our assets (1.00) and provides for the effect of inflation.

Operational KPI	Means of Measurement	Target	Actual	Comments
<b>Area: Financial Management</b>				
<b>Rates Coverage Ratio (RCR) (%) (Autonomy Rate)</b>	Formula: $\frac{\text{Net rate revenue}}{\text{Operating revenue}}$	1.00	0.73	The RCR assesses Council's dependence on revenue from rates to fund its annual budgets. Revenue from rates was 73% for 2019-2020.
<b>Current Ratio (%) (Liquidity Ratio)</b>	Formula: $\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$	1.00	1.10	We are in a solvent position and have the ability to meet our liabilities (obligations) as and when they fall due out of unrestricted funds.
<b>Debt to Equity Ratio (%)</b>	Formula: $\frac{\text{Total liabilities}}{\text{Total equity}}$		0.04	Measures the relative proportion of our equity and debt used to finance our assets. A very small proportion of our assets are funded by debt.
<b>Outstanding Rates (%)</b>	Formula: $\frac{\text{Rates outstanding}}{\text{Rates collectible}}$	96%	92.7%	We collected 92.7% of all residential rates, resulting in 7.3% remaining unpaid for the 2019-2020 financial year.
<b>Debt Service Cover Ratio (DSCR)</b>	Annual operating surplus before interest and depreciation $\frac{\text{Principal and interest}}$	5.00	65.61	We have the ability to pay our debts when they are due.
<b>Operating Surplus Ratio</b>	Formula: $\frac{\text{Operating revenue minus operating expenses}}{\text{Own source operating revenue}}$	0.15	0.06	We are below the target for operating surplus ratio where we are in danger of slipping into a level where we will have difficulty maintaining both operational costs and asset capital funding.
<b>Own Source Revenue Coverage Ratio</b>	Formula: $\frac{\text{Own source operating revenue}}{\text{Operating expense}}$	0.90	1.02	We have the ability to cover our own operating expenses from our own source revenue.
<b>Area: People Management</b>				
<b>Staff Turnover</b>	Formula: $\frac{\text{Total number of resignation for the period (ex contracts)}}{\text{Total number of employees at the beginning}} \times 100$	12%	8.21%	
<b>Staff Satisfaction</b>	Survey results	85%	80% (2018)	The staff satisfaction survey was deferred to 2020-2021.
<b>Lost Time Injury Frequency Rate (LTIFR)</b>	Formula: $\frac{\text{Number of lost time incidents for the period} \times 1,000,000}{\text{Number of total hours worked for the period}}$	7%	9.11%	We continue to work on the actual LTIFR through proactive education and reporting.

Operational KPI	Means of Measurement	Target	Actual	Comments
<b>Staff Non-Availability</b>	Formula: $\frac{\text{Work hours}}{\text{Work hours plus all leave hours}}$	15%	8.24%	Annual leave plans and regular engagement with employees and monitoring has continued to aid in managing non-availability.
<b>Area: Environmental Management</b>				
<b>Diversion of Waste from Landfill</b>	Percentage of total waste diverted from landfill.	65% by 2020	55%	See explanation on page 36.
<b>Energy Efficiency</b>	The City's total energy consumption (kWh).	N/A	61,129 GJ (includes street lights but excludes fuel used in vehicles and equipment)	
<b>Water Efficiency</b>	The City's total scheme water consumption (kL).	N/A	98,677kL	
<b>Area: Governance</b>				
<b>Department of Local Government Compliance Audit Score</b>	Audit results	100%	98%	
<b>Business Excellence Score</b>	Audit results	630/1,000 (higher is better)	812/1,000	
<b>Audit Plan Implemented</b>	Formula: $\frac{\text{Number of audits planned}}{\text{Number of audits completed}}$	15	15	15 internal audits were planned and completed.
<b>Accreditation to International and National Standards</b>	- ISO 9001:2015 Quality Management Systems - ISO 14001:2015 Environmental Management Systems - AS/NZS 4801:2001 Occupational Health & Safety Management Systems - ICCS 2003:2006 International Customer Service Standards (Certification)	Achieve accreditation	Accreditation/Certification achieved	Since October 2010, we have maintained externally certified safety, health, environment and quality management systems.

Mayor the Hon George Gear JP interacting with the community during one of his Conversations with the Mayor sessions.



# Extract from Annual Financial Statements

Access Advisory Panel members Minoo Fozdar, David Vosnacos, Len Dibben, Gemma Blagrove and Adam Hewber (front) at a local ACROD parking bay.



<b>Statement of Comprehensive Income</b>			
By nature or type for the year ended 30 June 2020			
	<b>2019-2020 Budget \$</b>	<b>2019-2020 Budget \$</b>	<b>Restated 2018-2019 Actual \$</b>
<b>Revenue</b>			
Rates	90,792,911	89,200,956	87,861,920
Operating grants, subsidies and contributions	4,811,165	4,436,852	4,438,548
Fees and charges	14,782,651	16,412,672	16,652,108
Service charges	5,719,697	5,669,939	5,319,221
Interest earnings	4,456,949	4,477,000	5,684,190
Other revenue	3,352,465	1,199,261	2,530,689
	<b>123,915,839</b>	<b>121,396,679</b>	<b>122,486,676</b>
<b>Expenses</b>			
Employee costs	(49,335,799)	(48,869,405)	(46,432,292)
Materials and contracts	(33,255,455)	(32,257,552)	(32,785,049)
Utility charges	(3,927,646)	(4,283,928)	(3,862,335)
Insurance expenses	(1,028,851)	(1,081,310)	(1,050,466)
Depreciation on non-current assets	(22,244,753)	(22,511,827)	(20,641,637)
Interest Expenses	(127,076)	(139,749)	(142,302)
Other expenditure	(5,528,849)	(5,852,781)	(6,565,914)
	<b>(115,448,429)</b>	<b>(114,996,551)</b>	<b>(111,479,995)</b>
Non-operating grants, subsidies and contributions	2,405,809	18,305,085	4,143,782
Profit/(loss) on asset disposals	(1,208,224)	4,250	(1,033,861)
Share of net profit/(loss) of equity accounted investment in associates	1,095,976	-	(694,705)
Share of net profit/(loss) of equity accounted joint arrangements	(146,464)	-	-
	<b>2,147,097</b>	<b>18,309,335</b>	<b>2,415,216</b>
<b>Net result for the year</b>	<b>10,614,508</b>	<b>24,709,463</b>	<b>13,421,897</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes on revaluation of non-current assets	-	-	43,612,292
Revaluation of local government house unit trust holding	-	-	20,503
Share of investment in associates on revaluation of non-current assets	1,949,571	-	(371,373)
<b>Total other comprehensive income</b>	<b>1,949,571</b>	<b>-</b>	<b>43,261,422</b>
<b>Total comprehensive income for the year</b>	<b>12,564,079</b>	<b>24,709,463</b>	<b>56,683,319</b>

<b>Statement of Comprehensive Income</b>			
By program for the year ended 30 June 2020			
	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Revenue</b>			
Governance	31,849	0	11,489
General purpose funding	98,837,652	100,521,766	97,180,328
Law, order, public safety	2,781,373	2,549,172	2,697,681
Health	292,473	303,313	345,498
Education and welfare	254,532	239,895	244,362
Housing	109,270	114,475	116,827
Community amenities	4,759,916	3,957,404	4,177,609
Recreation and culture	7,206,861	8,755,894	8,739,613
Transport	1,659,429	1,599,343	1,796,317
Economic services	7,210,042	3,038,466	6,553,004
Other property and services	772,442	316,951	623,949
	<b>123,915,839</b>	<b>121,396,679</b>	<b>122,486,676</b>
<b>Expenses</b>			
Governance	(5,223,408)	(6,152,018)	(4,539,798)
General purpose funding	(936,328)	(5,215,735)	(990,962)
Law, order, public safety	(4,054,344)	(4,080,799)	(4,017,653)
Health	(1,045,857)	(1,128,413)	(1,087,627)
Education and welfare	(2,883,194)	(3,067,314)	(2,813,429)
Housing	(92,250)	(96,906)	(94,734)
Community amenities	(27,817,583)	(26,222,531)	(26,283,367)
Recreation and culture	(35,933,213)	(35,909,914)	(34,814,520)
Transport	(18,716,889)	(17,962,135)	(17,409,450)
Economic services	(6,433,479)	(2,347,582)	(7,934,095)
Other property and services	(12,184,807)	(12,673,457)	(11,352,058)
	<b>(115,321,352)</b>	<b>(114,856,802)</b>	<b>(111,337,693)</b>
<b>Finance costs</b>			
Recreation and culture	(127,076)	(139,749)	(142,302)
	<b>(127,076)</b>	<b>(139,749)</b>	<b>(142,302)</b>
Non-operating grants, subsidies and contributions	2,405,809	18,305,085	4,143,782
Profit/(loss) on asset disposals	(1,208,224)	4,250	(1,033,861)
Share of net profit/(loss) of equity accounted investment in associates	1,095,976	-	(694,705)
Share of net profit/(loss) of equity accounted joint arrangements	(146,464)	-	-
	<b>2,147,097</b>	<b>18,309,335</b>	<b>2,415,216</b>
<b>Net result for the year</b>	<b>10,614,508</b>	<b>24,709,463</b>	<b>13,421,897</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes on revaluation of non-current assets	-	-	43,612,292
Revaluation of local government house unit trust holding	-	-	20,503
Share of investment in associates on revaluation of non-current assets	1,949,571	-	(371,373)
<b>Total other comprehensive income</b>	<b>1,949,571</b>	<b>-</b>	<b>43,261,422</b>
<b>Total comprehensive income for the year</b>	<b>12,564,079</b>	<b>24,709,463</b>	<b>56,683,319</b>

<b>Statement of Financial Position</b>			
For the year ended 30 June 2020			
	<b>2019-2020 Actual \$</b>	<b>Restated 2018-2019 Actual \$</b>	<b>Restated 2017-2018 Actual \$</b>
<b>Current assets</b>			
Cash and cash equivalents	179,275,996	170,776,611	154,604,464
Trade and other receivables	14,823,143	9,735,528	9,681,447
Other financial assets	398,612	313,467	-
Inventories	128,627	105,538	106,964
Contract assets	562,500	-	-
Other assets	994,283	640,089	857,717
<b>Total current assets</b>	<b>196,183,161</b>	<b>181,571,233</b>	<b>165,250,592</b>
<b>Non current assets</b>			
Trade and other receivables	2,301,814	1,551,857	1,504,787
Other financial assets	23,509,325	15,087,446	18,039,746
Property, plant and equipment	398,052,139	411,111,598	414,720,457
Infrastructure	403,800,155	398,031,912	347,639,250
Investment property	62,634,219	69,721,708	69,841,123
<b>Total non current assets</b>	<b>890,297,652</b>	<b>895,504,521</b>	<b>851,745,364</b>
<b>Total assets</b>	<b>1,086,480,813</b>	<b>1,077,075,754</b>	<b>1,016,995,955</b>
<b>Current liabilities</b>			
Trade and other payables	15,232,306	11,904,639	6,606,451
Other financial liability	2,320,941	1,289,048	1,569,242
Contract liabilities	1,326,969	-	-
Borrowings	398,612	313,467	317,022
Employee related provisions	8,627,118	7,500,361	7,430,499
<b>Total current liabilities</b>	<b>27,905,946</b>	<b>21,007,515</b>	<b>15,923,214</b>
<b>Non current liabilities</b>			
Trade and other payables	453,903	293,873	241,855
Other financial liability	2,673,553	4,652,982	5,966,047
Borrowings	1,739,889	1,769,557	2,083,024
Employee related provisions	799,600	703,761	817,066
Other provision	4,213,000	4,213,000	4,213,000
<b>Total non current liabilities</b>	<b>9,879,946</b>	<b>11,633,173</b>	<b>13,320,993</b>
<b>Total liabilities</b>	<b>37,785,892</b>	<b>32,640,688</b>	<b>29,244,207</b>
<b>Net assets</b>	<b>1,048,694,921</b>	<b>1,044,435,066</b>	<b>987,751,749</b>
<b>Equity</b>			
Retained surplus	317,352,530	319,510,300	317,580,435
Reserves - cash backed	168,603,501	157,885,446	146,393,416
Revaluation surplus	562,738,890	567,039,320	523,777,898
<b>Total equity</b>	<b>1,048,694,921</b>	<b>1,044,435,066</b>	<b>987,751,749</b>

<b>Statement of Changes in Equity</b>		
For the year ended 30 June 2020		
	<b>2019-2020 Actual \$</b>	<b>Restated 2018-2019 \$</b>
<b>Reserves cash backed</b>		
Balance at beginning of year	157,885,446	146,393,416
Transfer from accumulated surplus	(37,449,454)	(28,356,251)
Transfer to accumulated surplus	48,167,509	39,848,281
<b>Balance at end of reporting period</b>	<b>168,603,501</b>	<b>157,885,446</b>
<b>Revaluation reserve</b>		
Balance at beginning of year	563,854,320	520,592,898
Prior year adjustment	3,185,000	3,185,000
<b>Restated balance at beginning of the year</b>	<b>567,039,320</b>	<b>523,777,898</b>
Change in accounting policies	(6,250,000)	-
Other comprehensive income	1,949,571	43,261,422
<b>Balance at end of reporting period</b>	<b>562,738,890</b>	<b>567,039,320</b>
<b>Retained surplus</b>		
Balance at beginning of year	319,510,299	321,793,435
Prior year restatement	-	(4,213,000)
<b>Restated balance at beginning of year</b>	<b>319,510,299</b>	<b>317,580,435</b>
Effects of change in accounting policy	(2,054,223)	-
Comprehensive income:		
Net result for the period	10,614,508	13,421,897
Other comprehensive income	-	-
Total comprehensive income	10,614,508	13,421,897
Transfer from reserves	37,449,454	28,356,251
Transfer to reserves	(48,167,509)	(39,848,281)
<b>Balance at end of reporting period</b>	<b>317,352,530</b>	<b>319,510,299</b>
<b>Total equity</b>	<b>1,048,694,921</b>	<b>1,044,435,066</b>

**Statement of Cash Flows**

For the year ended 30 June 2020

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Rates	85,602,870	89,200,956	86,000,858
Fees and charges	14,172,170	15,357,930	16,780,364
Service charges	5,719,697	5,669,939	5,319,221
Interest received	4,456,949	3,198,506	5,684,190
Operating grants, subsidies and contributions	4,811,165	4,436,852	4,438,548
Goods and services tax received	5,409,709	200,000	6,072,345
Other revenue	3,102,550	999,261	3,717,655
	<b>123,275,110</b>	<b>119,063,443</b>	<b>128,013,180</b>
<b>Payments</b>			
Employee costs	(47,806,216)	(47,470,783)	(46,455,366)
Materials and contracts	(31,387,590)	(32,231,898)	(27,453,787)
Utility charges	(3,927,646)	(4,283,928)	(3,862,335)
Insurance paid	(1,028,851)	(1,081,310)	(1,050,466)
Interest expenses	(127,076)	(139,749)	(142,302)
Goods and services tax paid	(5,793,938)	(200,000)	(6,044,719)
Other expenditure	(5,204,325)	(5,852,781)	(6,248,893)
	<b>(95,275,642)</b>	<b>(91,260,449)</b>	<b>(91,257,867)</b>
<b>Net cash provided by operating activities</b>	<b>27,999,469</b>	<b>27,802,994</b>	<b>36,755,314</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant & equipment	320,949	435,500	637,397
Non-operating grants, subsidies and contributions	2,405,809	16,205,085	4,143,782
Payments for purchase of property, plant and equipment	(5,738,411)	(25,174,570)	(8,184,543)
Payment for construction of infrastructure assets	(9,464,121)	(24,822,882)	(9,987,371)
Payment for work in progress	(6,942,688)	-	(7,193,078)
<b>Net cash provided by (used in) investing activities</b>	<b>(19,418,462)</b>	<b>(33,356,867)</b>	<b>(20,583,814)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	(324,523)	(313,468)	(317,022)
Proceeds from self supporting loans	242,900	313,593	317,669
<b>Net cash provided by (used in) financing activities</b>	<b>(81,624)</b>	<b>125</b>	<b>647</b>
<b>Net increase / (decrease) in cash held</b>	<b>8,499,384</b>	<b>(5,553,747)</b>	<b>16,172,147</b>
Cash at beginning of year	170,776,611	161,254,792	154,604,464
<b>Cash and cash equivalents at end of year</b>	<b>179,275,996</b>	<b>155,701,045</b>	<b>170,776,611</b>

## Reconciliation of Cash

For the purpose of preparing 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:

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
Cash - restricted funds	167,906,208	156,771,337
Reserve funds - unspent grant restricted	697,293	1,114,109
Bonds and deposits held - restricted	7,506,041	978,562
Cash - unrestricted funds	3,166,454	11,912,603
<b>Cash and cash equivalents at the end of year</b>	<b>179,275,996</b>	<b>170,776,611</b>
<b>Reconciliation of net cash provided by operating activities to net result</b>		
<b>Net result</b>	<b>10,614,508</b>	<b>13,421,897</b>
<b>Non-cash flows in net result</b>		
Depreciation on non-current assets	22,244,753	20,641,637
(Profit) / loss on sale of assets	1,208,224	1,033,861
Grants & contributions for the development of assets	(2,405,809)	(4,143,782)
(Increase) / decrease in equity - investment in associates	(1,095,976)	694,705
(Increase) / decrease in equity - Joint Arrangements	146,464	-
<b>Changes in assets &amp; liabilities</b>		
(Increase) / decrease in accrued income	347,179	1,287,006
Increase / (decrease) in accrued expenses	306,989	20,369
Increase / (decrease) in accrued income payable	-	-
(Increase) / decrease in current receivables	(5,438,315)	(1,655,202)
(Increase) / decrease in non-current receivables	(720,289)	266,397
(Increase) / decrease in contract assets	-	-
Increase / (decrease) in current creditors	4,137,716	5,274,337
Increase / (decrease) in non-current creditors	(901,531)	(261,523)
(Increase) / decrease in contract assets	(1,289,754)	-
(Increase) / decrease in inventory	(23,089)	1,426
Increase / (decrease) in provision for employee entitlements	1,222,594	(43,443)
(Increase) / decrease in prepayments	(354,194)	217,628
<b>Net cash provided by operating activities</b>	<b>27,999,469</b>	<b>36,755,314</b>

## Rate Setting Statement

For the year ended 30 June 2020

	2019-2020 Actual \$	2019-2020 Budget \$	2018-2019 Actual \$
<b>OPERATING ACTIVITIES</b>			
Net current assets at start of financial year - surplus	1,913,097	-	4,503,203
<b>Revenue from operating activities (excluding rates)</b>			
Governance	31,849	-	11,489
General purpose funding	8,044,741	8,082,694	9,318,408
Law, order, public Safety	2,781,373	2,549,172	2,697,681
Health	292,473	303,313	345,498
Education & welfare	254,532	239,895	244,362
Housing	109,270	114,475	116,827
Community amenities	4,817,680	3,957,404	4,177,609
Recreation and culture	7,007,533	8,755,894	8,505,965
Transport	1,659,429	1,599,343	1,796,317
Economic services	7,210,042	6,276,583	6,553,004
Other property and services	671,106	321,201	1,234,632
	<b>32,880,028</b>	<b>32,199,973</b>	<b>35,001,792</b>
<b>Expenditure from operating activities</b>			
Governance	(5,223,408)	(6,152,018)	(4,539,798)
General purpose funding	(936,328)	(948,282)	(990,962)
Law, order, public safety	(4,054,344)	(4,080,799)	(4,017,653)
Health	(1,045,857)	(1,128,413)	(1,087,627)
Education & welfare	(2,883,194)	(3,067,314)	(2,813,429)
Housing	(92,250)	(96,906)	(94,734)
Community amenities	(27,817,583)	(26,222,531)	(26,978,072)
Recreation and culture	(35,882,230)	(36,049,663)	(34,639,800)
Transport	(18,716,889)	(17,962,135)	(17,409,450)
Economic services	(6,433,479)	(6,615,035)	(7,934,095)
Other property and services	(14,210,860)	(13,471,984)	(13,083,698)
	<b>(117,296,422)</b>	<b>(115,795,080)</b>	<b>(113,589,317)</b>
<b>Operating activities excluded</b>			
Non-cash amounts excluded from operating activities	23,923,182	22,828,507	22,264,918
<b>Amount attributable to operating activities</b>	<b>(58,580,115)</b>	<b>(60,766,600)</b>	<b>(51,819,403)</b>
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions	2,405,809	18,305,085	4,143,782
Proceeds from disposal of assets	320,949	435,500	637,397
Purchase of property, plant and equipment	(5,738,411)	(59,174,570)	(8,184,543)
Purchase of Infrastructure assets	(9,464,121)	(31,028,602)	(9,987,371)
Movement in work in progress	(6,942,688)	-	(7,193,078)
<b>Amount attributable to investing activities</b>	<b>(19,418,462)</b>	<b>(71,462,587)</b>	<b>(20,583,814)</b>

**Rate Setting Statement (continued)**

For the year ended 30 June 2020

	2019-2020 Actual \$	2019-2020 Budget \$	2018-2019 Actual \$
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings	(324,523)	(313,468)	(317,022)
Proceeds from self-supporting loans	242,900	313,593	317,669
Funds to be set aside	(44,681,032)	(38,259,227)	(35,741,985)
Funds to be set aside investment earnings	(3,486,477)	(3,100,000)	(4,106,296)
Funds to be used	37,449,454	84,387,333	28,356,251
<b>Amount attributable to financing activities</b>	<b>(10,799,679)</b>	<b>43,028,231</b>	<b>(11,491,382)</b>
<b>Surplus / (deficit) before imposition of general rates</b>	<b>(88,798,257)</b>	<b>(89,200,956)</b>	<b>(83,894,599)</b>
<b>Total amount raised from general rates</b>	<b>90,792,911</b>	<b>89,200,956</b>	<b>87,861,920</b>
<b>Surplus/(deficit) after imposition of general rates</b>	<b>1,994,655</b>	<b>-</b>	<b>3,967,320</b>

**Employee Remuneration Details**

Number of employees of the Council, in bands of \$10,000, entitled to an annual salary of \$100,000 or more.

Salary Range	2019-2020 No. of employees
\$100,000 - \$109,999	30
\$110,000 - \$119,999	10
\$120,000 - \$129,999	4
\$130,000 - \$139,999	4
\$140,000 - \$149,999	1
\$150,000 - \$159,999	0
\$160,000 - \$169,999	2
\$170,000 - \$179,999	4
\$180,000 - \$189,999	12
\$190,000 - \$199,999	1
\$200,000 - \$209,999	2
\$210,000 - \$219,999	0
\$220,000 - \$229,999	0
\$230,000 - \$239,999	4
\$240,000 - \$249,999	0
\$250,000 - \$259,999	0
\$260,000 - \$269,999	0
\$270,000 - \$279,999	0
\$280,000 - \$289,999	0
\$290,000 - \$299,999	0
\$300,000 - \$309,999	0
\$340,000 - \$349,999	1

The Chief Executive Officer was paid \$312,696 in 2019-2020.

## Financial Risk Management

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

<b>Financial risk management</b>			
<b>Risk</b>	<b>Exposure Arising From</b>	<b>Measurement</b>	<b>Management</b>
Market Risk - Interest Rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit Risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit analysis	Diversification of bank deposits, credit limits, investment policy
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

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

### (a) Interest Rate Risk

#### Cash and Cash Equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk.

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

	<b>Weighted Average Interest Rate %</b>	<b>Carrying Amounts \$</b>	<b>Fixed Interest Rate \$</b>	<b>Variable Interest Rate \$</b>	<b>Non interest Bearing \$</b>
<b>2020</b>					
Cash And Cash Equivalents	1.01%	179,275,996	172,369,681	6,899,964	6,350
- Term Deposits	1.41%	172,369,681	172,369,681	-	-
<b>2019</b>					
Cash and Cash Equivalents	2.39%	170,776,611	167,866,141	2,902,520	7,950
- Term Deposits	2.46%	167,866,141	167,866,141	-	-

#### Sensitivity

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

	<b>2020 \$</b>	<b>2019 \$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	1,792,760	1,707,766

\*Holding all other variables constant

**(b) Credit Risk****Trade Receivables**

The City'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 paid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover property rates and services charges debts as a secured charge over the land – that is, the land can be sold to recover the debt. Whilst the City was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment, the effect of COVID-19 has been considered. Financial assistance provided to ratepayers is expected to adversely affect the City's cash flows.

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

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

The expected loss from rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss from rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment of rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. Re-negotiation of repayment terms is expected due to the COVID-19 pandemic.

The loss allowance as at 30 June 2020 for rates receivable was determined as follows and takes into account the waiver of penalty interest due to the impact of COVID-19:

	<b>Current</b>	<b>More than 1 year past due</b>	<b>More than 2 year past due</b>	<b>More than 3 year past due</b>	<b>Total</b>
<b>30 June 2020</b>					
Rates Receivable					
Expected Credit Loss	0.00%	0.00%	0.00%	0.00%	
Gross Carrying Amount	6,912,476	-	-	-	6,912,476
Loss Allowance	-	-	-	-	-
<b>30 June 2019</b>					
Rates Receivable					
Expected Credit Loss	0.00%	0.00%	0.00%	0.00%	
Gross Carrying Amount	5,024,914	-	-	-	5,024,914
Loss Allowance	-	-	-	-	-

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
<b>Sundry Receivable</b>					
Expected Credit Loss	0.00%	0.00%	0.00%	42.26%	27.40%
Gross Carrying Amount	29,599	161,618	255,261	823,088	1,269,566
Loss Allowance	-	-	-	347,831	347,831
<b>1 July 2019</b>					
<b>Sundry Receivable</b>					
Expected Credit Loss	0.00%	0.00%	0.00%	55.26%	34.93%
Gross Carrying Amount	104,924	57,920	13,133	302,387	478,364
Loss Allowance	-	-	-	167,109	167,109

### Contract Assets

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**(c) Liquidity Risk****Payables and Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b>2020</b>					
Payables	15,232,306	453,903		15,686,209	15,686,209
Borrowings and Other Financial Liability	2,716,107	3,597,211	722,831	7,036,149	7,036,149
Contract Liabilities	1,326,969			1,326,969	1,326,969
	<b>19,275,382</b>	<b>4,051,114</b>	<b>722,831</b>	<b>24,049,327</b>	<b>24,049,327</b>
<b>2019</b>					
Payables	11,904,639	293,873	-	12,198,512	12,198,512
Borrowings and Other Financial Liability	1,683,475	5,916,274	816,903	8,416,652	8,025,055
	<b>13,588,114</b>	<b>6,210,147</b>	<b>816,903</b>	<b>20,615,164</b>	<b>20,223,567</b>

# Enabling Legislation and Regulatory Reporting Requirements

Local government authorities operate in a complex legislative environment. We must ensure that we adhere to more than 300 acts and regulations in addition to numerous standards and legislative guidelines.

Listed below is our performance against some of the most prominent legislative requirements.

## **Local Government Act 1995 (WA)**

As a local government authority, we are required to conduct business in accordance with appropriate legislation.

This Community Annual Report Part A, together with the Community Annual Report Part B, complies with the requirements of Section 5.53(1) of the Local Government Act 1995 (WA) to prepare an annual report for each financial year.

Both annual reports can be accessed online at [www.melvillecity.com.au/annualreport](http://www.melvillecity.com.au/annualreport)

## **Elected Members Conduct**

In the financial year ended 30 June 2020, three complaints regarding an Elected Member's conduct under Section 5.121 of the *Local Government Act 1995 (WA)* were upheld. Each of the three complaints was determined by the Local Government Standards Panel and reviewed by the State Administrative Tribunal. The Elected Member was required to provide a public apology in each instance.

A total of \$4,325.93 was spent by us on Standard Panel costs for hearing complaints against five Elected Members.

## **Local Government (Financial Management) Regulations 1996 (WA)**

We are required to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures regularly (not less than once in every three financial years) and report to the local government the results of those reviews. Such a review was finalised in July 2019 and a report was tabled at the August Financial Management, Audit, Risk and Compliance Committee meeting. The next review will be undertaken during 2022.

## **State Records Act 2000 (WA)**

We are required under the *State Records Act 2000 (WA)* to provide an annual report, as outlined in our Record Keeping Plan.

Our record keeping plan was first approved by the State Records Commission in July 2004 and a comprehensive five-yearly review was undertaken and completed in April 2020, when it was approved by the State Records Commission. The City's record-keeping systems are continuously reviewed and developed to improve efficiency, reliability and meet new requirements. The core system provides centralisation for all corporate documents and increases efficiency in document retrieval, storage and retention.

As a part of the staff induction program, staff are informed of their record-keeping obligations during an information session. They are also provided with a record keeping guidelines and policy handbook.

Training sessions for our electronic document-management system are performed on a regular basis, complemented by recordkeeping work instructions and guidelines, in accordance with the course outline. The effectiveness and efficiency of the recordkeeping program is reviewed and audited annually by the senior information officer and evaluation forms are completed at the end of each training session. Elected Members receive training in their record keeping obligations and the associated process at the commencement of their term of office. Regular updates are provided to Elected Members through their normal communication channels.

## **Freedom of Information Act 1992 (WA)**

The *Freedom of Information Act 1992 (WA)* through the objectives in s 3(2), creates, among other things, a general right of access for residents to state and local government documents. This is a legally enforceable right to access records (which are not otherwise exempt) held by state and local government agencies.

We assist customers in the application process and customers can apply using a pre-formatted PDF form, or an online form. Where the online form is used, the required payment is included.

Further information can be found in our FOI Statement on our website.

## Food Safety Standards

The *Food Act 2008* (WA) became effective 23 September 2009 and was applied to all food premises within the City, based on the Australian and New Zealand Food Standards Code and a risk assessment approach to food safety. All registered food businesses are given risk classifications (high, medium, and low). The frequency of inspections will vary depending on the individual business risk classification and compliance standards.

## Aquatic Facilities Standards

All public swimming pools and spas within the City are inspected regularly. To ensure an adequate safety level for the prevention of infections and disease, water samples are taken to determine water treatment and microbiological quality. Results for the past year indicate a very good standard of water quality in these facilities.

## Health (Miscellaneous Provisions) Act 1911 (WA)

The *Public Health Act 2016* (WA) passed through Parliament in 2016 and is being introduced in stages. Regulations under the *Health (Miscellaneous Provisions) Act 1911* are under review and new regulations under the *Public Health Act 2016* (WA) will be introduced during stage five of implementation of the Act.

## Equal Opportunity

We have procedures that support and adhere to the *Equal Opportunity Act 1984* (WA) to eliminate discrimination, sexual and racial harassment, and to promote equality. There is also an extensive contact and grievance officer network in place throughout the organisation.

## Occupational Safety and Health

We have a comprehensive safety system that has been accredited against AS/NZS 4801:2001 and meets the requirements of the *Occupational Safety and Health Act 1984* (WA). We pride ourselves on promoting a positive and safe workplace that is free of hazards and bullying, discrimination and harassment. There is also an extensive safety and health representative and contact and grievance officer network in place across the organisation.

## Review of Local Laws

Section 3.16 of the *Local Government Act 1995* (WA) requires that local laws of a local government must be reviewed within an eight-year period after their commencement to determine if they should remain unchanged or be repealed or amended. We continue to review local laws and recommend amendments as required.

In the coming year, we will continue to consider the amendments to the *Local Government Act 1995* (WA) and continue to review and refine our existing local laws to ensure they address contemporary business and community needs.

Freedom of Information Activity Report					
	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
<b>FOI Requests received*</b>	42	63	53	47	25
<b>Average processing time (days)</b>	46	38.7	26.2	18	22
Outcome					
<b>Access in full</b>	7	15	23	16	9
<b>Edited access</b>	30	30	19	22	9
<b>Application withdrawn</b>	1	2	2	2	1
<b>Access deferred</b>	0	1	0	0	0
<b>Access refused**</b>	2	6	8	5	6
<b>Requests in Progress at 30 June 2019</b>	13	11			
<b>Total</b>	54	54	53	45	25

\* All applications received were for release of non-personal information. No requests received were for release of personal information.

\*\* Please note that if information does not exist, it is deemed to be a refusal in accordance with the *Freedom of Information Act 1992* (WA). Legislation requires that all requests are responded to within 45 days.

# Appendix

## Glossary

### THE 'COUNCIL'

In this document, 'The Council' refers to the Mayor and Councillors.

### THE 'ORGANISATION'

In this document, the 'organisation' refers to the City of Melville Chief Executive Officer and staff.

### THE 'CITY OF MELVILLE'

In this document, the 'City of Melville' generally refers to the Council and organisation as a whole,

i.e. the corporate entity. It may also describe the geographical area of the City.

### THE 'CITY'

In this document, the 'City of Melville' generally refers to the Council and organisation as a whole,

i.e. the corporate entity. It may also describe the geographical area of the City.

Artwork by Shavaurn Hanson, 'Signs of the Times' as part of our Happiness Appears Art Trail.





City of  
**Melville**



# City of Melville

Annual Financial Report  
2019-2020

**Part B**

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**Our Vision:**

'Working together, to achieve community wellbeing, for today and tomorrow'

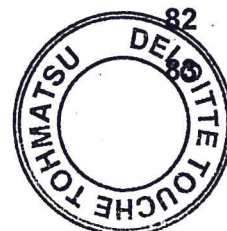
**Principal Place of Business:**

10 Almondbury Road  
BOORAGOON WA 6154



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## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Melville

Report on the Audit of the Financial Report

#### **Opinion**

I have audited the annual financial report of the City of Melville which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

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

#### **Basis for Opinion**

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

#### **Emphasis of Matter – Basis of Accounting**

I draw attention to Notes 1 and 15 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

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

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

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

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

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

### ***Auditor's Responsibility for the Audit of the Financial Report***

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

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

### **Report on Other Legal and Regulatory Requirements**

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

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

### **Other Matter**

The financial ratios for 2018 in Note 35 of the annual financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

### **Matters Relating to the Electronic Publication of the Audited Financial Report**

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



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

**CITY OF MELVILLE**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2020**  
**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**  
**STATEMENT BY THE CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the 2<sup>nd</sup> day of December 2020



**Marten Tieleman**  
**CHIEF EXECUTIVE OFFICER**





2 December 2020

Ms Caroline Spencer  
Auditor General  
Office of the Auditor General  
7<sup>th</sup> Floor, Albert Facey House  
469 Wellington Street  
PERTH WA 6000

Dear Ms Spencer

**REPRESENTATION LETTER IN RESPECT OF THE CITY OF MELVILLE'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020**

This representation letter is provided in connection with your audit of the City of Melville's annual financial report for the year ended 30 June 2020 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2020 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

**1. GENERAL**

- (a) We have fulfilled our responsibilities for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.
- (b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.
- (c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report, except as disclosed in Note 29 to the financial report.
- (d) The prior period comparative information in the financial report has not been restated except as disclosed in Note 30 to the financial report.

- (e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.
- (f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.
- (g) We have provided your auditors with
  - (i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.
  - (ii) Additional information that your auditors have requested for the purpose of the audit.
  - (iii) Unrestricted access to staff and councillors of the City from whom your auditors determined it necessary to obtain audit evidence.
- (h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.
- (i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.
- (j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations, and all known data or security breaches whose effects should be considered when preparing the financial report.
- (k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (l) We have provided information to your auditors of our knowledge of fraud or suspected fraud affecting the City involving:
  - (i) Management;
  - (ii) Employees who have significant roles in internal control; or
  - (iii) Others

A summary of these is *provided below*.

<b>Matter Identified</b>	<b>Description of Subject Matter</b>
Petty cash theft	Petty cash theft incident noted at the City's library of minor cash held in a photocopying machine. Cash handling and storage controls were reviewed and tightened as a result of the incident.
Incorrect recording of timesheets	Suspected incorrect recording of timesheet entries at the City's LeisureFit Centre. Controls around timesheet recording at the LeisureFit Centre have been reviewed.

- (m) To our knowledge no allegations of fraud or suspected fraud affecting the City's financial report has been communicated to us by employees, former employees, analysts, regulators or others.
- (n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

## **2. FAIR VALUE MEASUREMENTS AND DISCLOSURES**

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions, used by management in determining fair values are appropriate and have been consistently applied.

We confirm that the fair value disclosures in the financial report are complete and appropriate.

## **3. GOING CONCERN**

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

## **4. CONTINGENT LIABILITIES**

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

## **5. COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE**

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital or other expenditure contracts carrying over at year end.

## **6. FINANCIAL LIABILITY FOR CONTAMINATED SITES**

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the City that is known to be, or is suspected of being, contaminated. All actual liabilities or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

## **7. RELATED ENTITIES**

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995*) to give written notice to the Auditor General if any of the City's functions are being performed in partnership or

jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2020.

## **8. RELATED PARTIES**

We have disclosed to your auditors the identity of the City's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the City's key management personnel (KMP) and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

## **9. KEY MANAGEMENT PERSONNEL COMPENSATION**

We confirm the City's key management personnel (KMP) have not received any other money, consideration or benefit (except amounts being reimbursements for out of pocket expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

## **10. SUBSEQUENT EVENTS**

No matters or occurrences have come to our attention between the date of the financial report and the date of this letter which would materially affect the financial report or disclosures therein, or which are likely to materially affect the future results or operations of the City.

## **11. INTERNAL CONTROL**

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

## **12. INSURANCE**

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

## **13. RISK MANAGEMENT**

We confirm that we have established and maintained a risk management framework that is appropriate to the City.

## **14. FINANCIAL RATIOS**

We confirm that the financial ratios included in the annual financial report have been prepared and fairly presented in accordance with the *Local Government (Financial Management) Regulations 1996*.

We confirm that the asset consumption ratio and the asset renewal funding ratio are supported by verifiable information and reliable assumptions.

**15: ACCOUNTING MISSTATEMENTS**

There are no uncorrected misstatements in the financial report.

**16. ELECTRONIC PRESENTATION OF THE AUDITED ANNUAL FINANCIAL REPORT AND AUDITOR'S REPORT**

- (a) We acknowledge that we are responsible for the electronic presentation of the annual financial report.
- (b) We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the City's website is the same as the final signed versions of the audited annual financial report and the auditor's report.
- (c) We have clearly differentiated between audited and unaudited information in the construction of City's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- (d) We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- (e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

**17. OTHER (UNAUDITED) INFORMATION IN THE ANNUAL REPORT**

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.



**Director Corporate Services (or the equivalent)**

NAME: Alan Ferris

2/12/2020

**Date**



**Chief Executive Officer**

NAME: Marten Tieleman

2/12/2020

**Date**

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

	Note	2019-2020 Actual \$	2019-2020 Budget \$	Restated * 2018-2019 Actual \$
<b>Revenue</b>				
Rates	20	90,792,911	89,200,956	87,861,920
Operating Grants, Subsidies and Contributions	2(a)	4,811,165	4,436,852	4,438,548
Fees And Charges	2(b)	14,782,651	16,412,672	16,652,108
Service Charges	2(c)	5,719,697	5,669,939	5,319,221
Interest Earnings	2(d)	4,456,949	4,477,000	5,684,190
Other Revenue		3,352,465	1,199,261	2,530,689
		<b>123,915,839</b>	<b>121,396,679</b>	<b>122,486,676</b>
<b>Expenses</b>				
Employee Costs		(49,335,799)	(48,869,405)	(46,432,292)
Materials and Contracts		(33,255,455)	(32,257,552)	(32,785,049)
Utility Charges		(3,927,646)	(4,283,928)	(3,862,335)
Insurance Expenses		(1,028,851)	(1,081,310)	(1,050,466)
Depreciation On Non-Current Assets	15(d)	(22,244,753)	(22,511,827)	(20,641,637)
Interest Expenses	2(e)	(127,076)	(139,749)	(142,302)
Other Expenditure		(5,528,849)	(5,852,781)	(6,565,914)
		<b>(115,448,429)</b>	<b>(114,996,551)</b>	<b>(111,479,995)</b>
Non-Operating Grants, Subsidies and Contributions	2(a)	2,405,809	18,305,085	4,143,782
Profit/(Loss) On Asset Disposals	15(c)	(1,208,224)	4,250	(1,033,861)
Share of Net Profit/(Loss) of Equity Accounted Investment In Associates	25(a)	1,095,976	-	(694,705)
Share of Net Profit/(Loss) of Equity Accounted Joint Arrangements	25(b)	(146,464)	-	-
		<b>2,147,097</b>	<b>18,309,335</b>	<b>2,415,216</b>
<b>Net Result For The Year</b>		<b>10,614,508</b>	<b>24,709,463</b>	<b>13,421,897</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes On Revaluation Of Non-Current Assets		-	-	43,612,292
Revaluation Of Local Government House Unit Trust Holding		-	-	20,503
Share of Investment in Associates on Revaluation Of Non Current Assets	25(a)	1,949,571	-	(371,373)
<b>Total Other Comprehensive Income</b>		<b>1,949,571</b>	<b>-</b>	<b>43,261,422</b>
<b>Total Comprehensive Income For The Year</b>		<b>12,564,079</b>	<b>24,709,463</b>	<b>56,683,319</b>

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

\* Refer to Note 30



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

	Note	2019-2020 Actual \$	2019-2020 Budget \$	Restated * 2018-2019 Actual \$
<b>Revenue</b>				
Governance		31,849	-	11,489
General Purpose Funding		98,837,652	100,521,766	97,180,328
Law, Order, Public Safety		2,781,373	2,549,172	2,697,681
Health		292,473	303,313	345,498
Education & Welfare		254,532	239,895	244,362
Housing		109,270	114,475	116,827
Community Amenities		4,759,916	3,957,404	4,177,609
Recreation and Culture		7,206,861	8,755,894	8,739,613
Transport		1,659,429	1,599,343	1,796,317
Economic Services		7,210,042	3,038,466	6,553,004
Other Property and Services		772,442	316,951	623,949
		<b>123,915,839</b>	<b>121,396,679</b>	<b>122,486,676</b>
<b>Expenses</b>				
Governance		(5,223,408)	(6,152,018)	(4,539,798)
General Purpose Funding		(936,328)	(5,215,735)	(990,962)
Law, Order, Public Safety		(4,054,344)	(4,080,799)	(4,017,653)
Health		(1,045,857)	(1,128,413)	(1,087,627)
Education & Welfare		(2,883,194)	(3,067,314)	(2,813,429)
Housing		(92,250)	(96,906)	(94,734)
Community Amenities		(27,817,583)	(26,222,531)	(26,283,367)
Recreation and Culture		(35,933,213)	(35,909,914)	(34,814,520)
Transport		(18,716,889)	(17,962,135)	(17,409,450)
Economic Services		(6,433,479)	(2,347,582)	(7,934,095)
Other Property and Services		(12,184,807)	(12,673,457)	(11,352,058)
		<b>(115,321,352)</b>	<b>(114,856,802)</b>	<b>(111,337,693)</b>
<b>Finance Costs</b>				
Recreation and Culture	2(e)	(127,076)	(139,749)	(142,302)
		<b>(127,076)</b>	<b>(139,749)</b>	<b>(142,302)</b>



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

	Note	2019-2020 Actual \$	2019-2020 Budget \$	Restated * 2018-2019 Actual \$
Non-Operating Grants, Subsidies and Contributions	2(a)	2,405,809	18,305,085	4,143,782
Profit/(Loss) On Asset Disposals	15(c)	(1,208,224)	4,250	(1,033,861)
Share of Net Profit/(Loss) of Equity Accounted Investment In Associates	25(a)	1,095,976	-	(694,705)
Share of Net Profit/(Loss) of Equity Accounted Joint Arrangements	25(b)	(146,464)	-	-
		<b>2,147,097</b>	<b>18,309,335</b>	<b>2,415,216</b>
<b>Net Result For The Year</b>		<b>10,614,508</b>	<b>24,709,463</b>	<b>13,421,897</b>
<b>Other Comprehensive Income</b> <i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes On Revaluation Of Non-Current Assets		-	-	43,612,292
Revaluation Of Local Government House Unit Trust Holding		-	-	20,503
Share of Investment in Associates on Revaluation Of Non Current Assets	25(a)	1,949,571	-	(371,373)
<b>Total Other Comprehensive Income</b>		<b>1,949,571</b>	<b>-</b>	<b>43,261,422</b>
<b>Total Comprehensive Income For The Year</b>		<b>12,564,079</b>	<b>24,709,463</b>	<b>56,683,319</b>

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

\* Refer to Note 30



**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2019-2020 Actual \$	Restated * 2018-2019 Actual \$	Restated * 2017-2018 Actual \$
<b>Current Assets</b>				
Cash & Cash Equivalents	3	179,275,996	170,776,611	154,604,464
Trade And Other Receivables	7	14,823,143	9,735,528	9,364,425
Other Financial Assets	8	398,612	313,467	317,022
Inventories	9	128,627	105,538	106,964
Contract Assets	10	562,500	-	-
Other Assets	11	994,283	640,089	857,717
<b>Total Current Assets</b>		<b>196,183,161</b>	<b>181,571,233</b>	<b>165,250,591</b>
<b>Non Current Assets</b>				
Trade And Other Receivables	7	2,301,814	1,551,857	1,504,787
Other Financial Assets	8	23,509,325	15,087,446	18,039,746
Property, Plant & Equipment	15(a)	398,052,139	411,111,598	414,720,457
Infrastructure	15(b)	403,800,155	398,031,912	347,639,250
Investment Property	16	62,634,219	69,721,708	69,841,123
<b>Total Non Current Assets</b>		<b>890,297,652</b>	<b>895,504,521</b>	<b>851,745,364</b>
<b>TOTAL ASSETS</b>	6	<b>1,086,480,813</b>	<b>1,077,075,754</b>	<b>1,016,995,955</b>
<b>Current Liabilities</b>				
Trade And Other Payables	12	15,232,306	11,904,639	6,606,451
Other Financial Liability	17	2,320,941	1,289,048	1,569,242
Contract Liabilities	13	1,326,969	-	-
Borrowings	17	398,612	313,467	317,022
Employee Related Provisions	14	8,627,118	7,500,361	7,430,499
<b>Total Current Liabilities</b>		<b>27,905,946</b>	<b>21,007,515</b>	<b>15,923,214</b>
<b>Non Current Liabilities</b>				
Trade And Other Payables	12	453,903	293,873	241,855
Other Financial Liability	17	2,673,553	4,652,983	5,966,047
Borrowings	17	1,739,889	1,769,557	2,083,024
Employee Related Provisions	14(a)	799,600	703,761	817,066
Other Provision	14(b)	4,213,000	4,213,000	4,213,000
<b>Total Non Current Liabilities</b>		<b>9,879,946</b>	<b>11,633,173</b>	<b>13,320,993</b>
<b>TOTAL LIABILITIES</b>		<b>37,785,892</b>	<b>32,640,688</b>	<b>29,244,207</b>
<b>NET ASSETS</b>		<b>1,048,694,921</b>	<b>1,044,435,066</b>	<b>987,751,749</b>
<b>Equity</b>				
Retained Surplus		317,352,530	319,510,300	317,580,435
Reserves - Cash Backed	18	168,603,501	157,885,446	146,393,416
Revaluation Surplus	18(a)	562,738,890	567,039,320	523,777,898
<b>TOTAL EQUITY</b>		<b>1,048,694,921</b>	<b>1,044,435,066</b>	<b>987,751,749</b>

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

\* Refer to Note 30



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

	<i>Note</i>	<i>2019-2020 Actual</i> \$	<i>Restated * 2018-2019 Actual</i> \$
<b>RESERVES CASH BACKED</b>			
Balance at beginning of year	18	157,885,446	146,393,416
Transfer from accumulated surplus		(37,449,454)	(28,356,251)
Transfer to accumulated surplus		48,167,509	39,848,281
<b>Balance at end of reporting period</b>		<b>168,603,501</b>	<b>157,885,446</b>
<b>REVALUATION SURPLUS</b>			
Balance at beginning of year	18(a)	563,854,320	520,592,898
Prior Year Adjustment	30	3,185,000	3,185,000
<b>Restated balance at beginning of the year</b>		<b>567,039,320</b>	<b>523,777,898</b>
Change in Accounting Policies	15(a) & 31	(6,250,000)	-
Other comprehensive income		1,949,571	43,261,422
<b>Balance at end of reporting period</b>		<b>562,738,890</b>	<b>567,039,320</b>
<b>RETAINED SURPLUS</b>			
Balance at beginning of year		319,510,299	321,793,435
Prior year restatement	30	-	(4,213,000)
<b>Restated balance at beginning of year</b>		<b>319,510,299</b>	<b>317,580,435</b>
Effects of changes in accounting policy	29	(2,054,223)	-
Comprehensive income:			
Net result for the period		10,614,508	13,421,897
Other comprehensive income			
<b>Total comprehensive income</b>		<b>10,614,508</b>	<b>13,421,897</b>
Transfer from reserves		37,449,454	28,356,251
Transfer to reserves	18	(48,167,509)	(39,848,281)
<b>Balance at end of reporting period</b>		<b>317,352,530</b>	<b>319,510,299</b>
<b>TOTAL EQUITY</b>		<b>1,048,694,921</b>	<b>1,044,435,066</b>

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

\* Refer to Note 30



**STATEMENT OF CASHFLOW**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019-2020 Actual \$	2019-2020 Budget \$	2018-2019 Actual \$
<b>Cash Flows from Operating Activities</b>				
<b>Receipts</b>				
Rates		85,602,870	89,200,956	86,000,858
Fees and Charges		14,172,170	15,357,930	16,780,364
Service Charges		5,719,697	5,669,939	5,319,221
Interest Received		4,456,949	3,198,506	5,684,190
Operating Grants, Subsidies and Contributions		4,811,165	4,436,852	4,438,548
Goods and Services Tax Received		5,409,709	200,000	6,072,345
Other Revenue		3,102,550	999,261	3,717,655
		<b>123,275,110</b>	<b>119,063,443</b>	<b>128,013,180</b>
<b>Payments</b>				
Employee Costs		(47,806,216)	(47,470,783)	(46,455,366)
Materials and Contracts		(31,387,590)	(32,231,898)	(27,453,787)
Utility Charges		(3,927,646)	(4,283,928)	(3,862,335)
Insurance Paid		(1,028,851)	(1,081,310)	(1,050,466)
Interest Expenses		(127,076)	(139,749)	(142,302)
Goods and Services Tax Paid		(5,793,938)	(200,000)	(6,044,719)
Other Expenditure		(5,204,325)	(5,852,781)	(6,248,893)
		<b>(95,275,642)</b>	<b>(91,260,449)</b>	<b>(91,257,867)</b>
<b>Net Cash Provided By (Used In) Operating Activities</b>	4	<b>27,999,469</b>	<b>27,802,994</b>	<b>36,755,314</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds From Sale Of Property, Plant & Equipment	15(c)	320,949	435,500	637,397
Non-Operating Grants, Subsidies and Contributions	2(a)	2,405,809	16,205,085	4,143,782
Payments for Purchase of Property, Plant and Equipment	15(a)	(5,738,411)	(25,174,570)	(8,184,543)
Payments for Construction of Infrastructure Assets	15(b)	(9,464,121)	(24,822,882)	(9,987,371)
Payments for Work In Progress	15(b)	(6,942,688)	-	(7,193,078)
<b>Net Cash Provided By (Used In) Investing Activities</b>		<b>(19,418,462)</b>	<b>(33,356,867)</b>	<b>(20,583,814)</b>
<b>Cash Flows from Financing Activities</b>				
Repayment of Borrowings	17	(324,523)	(313,468)	(317,022)
Proceeds from Self-Supporting Loans		242,900	313,593	317,669
<b>Net Cash Provided By (Used In) Financing Activities</b>		<b>(81,624)</b>	<b>125</b>	<b>647</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>8,499,384</b>	<b>(5,553,747)</b>	<b>16,172,147</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>		<b>170,776,611</b>	<b>161,254,792</b>	<b>154,604,464</b>
<b>Cash and Cash Equivalents at the End of Year</b>	3	<b>179,275,996</b>	<b>155,701,045</b>	<b>170,776,611</b>

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



**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2019-2020 Actual \$	2019-2020 Budget \$	2018-2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net Current Assets At Start Of Financial Year - Surplus	5(a)	1,913,097	-	4,503,203
<b>Revenue From Operating Activities (Excluding Rates)</b>				
Governance		31,849	-	11,489
General Purpose Funding		8,044,741	8,082,694	9,318,408
Law, Order, Public Safety		2,781,373	2,549,172	2,697,681
Health		292,473	303,313	345,498
Education & Welfare		254,532	239,895	244,362
Housing		109,270	114,475	116,827
Community Amenities		5,855,892	3,957,404	4,177,609
Recreation and Culture		7,007,533	8,755,894	8,505,965
Transport		1,659,429	1,599,343	1,796,317
Economic Services		7,210,042	6,276,583	6,553,004
Other Property and Services		(367,106)	321,201	1,234,632
		<b>32,880,028</b>	<b>32,199,973</b>	<b>35,001,792</b>
<b>Expenditure From Operating Activities</b>				
Governance		(5,223,408)	(6,152,018)	(4,539,798)
General Purpose Funding		(936,328)	(948,282)	(990,962)
Law, Order, Public Safety		(4,054,344)	(4,080,799)	(4,017,653)
Health		(1,045,857)	(1,128,413)	(1,087,627)
Education & Welfare		(2,883,194)	(3,067,314)	(2,813,429)
Housing		(92,250)	(96,906)	(94,734)
Community Amenities		(27,817,583)	(26,222,531)	(26,978,072)
Recreation and Culture		(35,882,230)	(36,049,663)	(34,639,800)
Transport		(18,716,889)	(17,962,135)	(17,409,450)
Economic Services		(6,433,479)	(6,615,035)	(7,934,095)
Other Property and Services		(14,210,860)	(13,471,984)	(13,083,698)
		<b>(117,296,422)</b>	<b>(115,795,080)</b>	<b>(113,589,317)</b>
<b>Operating activities excluded</b>				
Non-Cash Amounts Excluded from Operating Activities	5(b)	23,923,182	22,828,507	22,264,918
<b>Amount Attributable To Operating Activities</b>		<b>(58,580,115)</b>	<b>(60,766,600)</b>	<b>(51,819,403)</b>



**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

	<i>Note</i>	<i>2019-2020 Actual \$</i>	<i>2019-2020 Budget \$</i>	<i>2018-2019 Actual \$</i>
<b>INVESTING ACTIVITIES</b>				
Non-Operating Grants, Subsidies And Contributions	2(a)	2,405,809	18,305,085	4,143,782
Proceeds From Disposal Of Assets	15(c)	320,949	435,500	637,397
Purchase Of Property, Plant & Equipment	15(a)	(5,738,411)	(59,174,570)	(8,184,543)
Purchase Of Infrastructure Assets	15(b)	(9,464,121)	(31,028,602)	(9,987,371)
Movement In Work In Progress	15(b)	(6,942,688)	-	(7,193,078)
<b>Amount Attributable To Investing Activities</b>		<b>(19,418,462)</b>	<b>(71,462,587)</b>	<b>(20,583,814)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment Of Borrowings	17(a)	(324,523)	(313,468)	(317,022)
Proceeds from self-supporting loans		242,900	313,593	317,669
Funds To Be Set Aside	18	(44,681,032)	(38,259,227)	(35,741,985)
Funds To Be Set Aside Investment Earnings	18	(3,486,477)	(3,100,000)	(4,106,296)
Funds To Be Used	18	37,449,454	84,387,333	28,356,251
<b>Amount Attributable To Financing Activities</b>		<b>(10,799,679)</b>	<b>43,028,231</b>	<b>(11,491,382)</b>
<b>Surplus/(Deficit) Before Imposition Of General Rates</b>		<b>(88,798,257)</b>	<b>(89,200,956)</b>	<b>(83,894,599)</b>
<b>Total Amount Raised From General Rates</b>		<b>90,792,911</b>	<b>89,200,956</b>	<b>87,861,920</b>
<b>Surplus/(Deficit) After Imposition Of General Rates</b>	5(c)	<b>1,994,655</b>	<b>-</b>	<b>3,967,320</b>

This statement for the year 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 2020**

**NOTE 1: BASIS OF PREPARATION**

**Basis of Preparation**

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

**Amendments to Local Government (Financial Management) Regulations 1996**

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

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

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

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

**New Accounting Standards For Application In Future Years**

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

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

AASB 1059 is not expected to impact the financial report. Specific impacts of AASB 2018-7 have not been identified.

**Critical Accounting Estimates**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These are disclosed in the respective notes to these financial statements.

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

**NOTE 1: BASIS OF PREPARATION**

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

**The Local Government Reporting Entity**

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

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

All monies held in the Trust Fund are excluded from the Financial Statements. A separate statement of those monies appears at Note 19 to these Financial Statements.

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

**NOTE 2: REVENUE AND EXPENSES**

**Revenue Recognition Policy**

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

Revenue Category	Nature of Goods and Services	When Obligations Typically Satisfied	Payment Terms	Returns/Refunds/Warranties	Determination of Transaction Price	Allocating Transaction Price	Measuring Obligations for Returns	Timing of Revenue Recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates are issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by Council annually	When taxable event occurs	Not applicable	When rates are issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the Local Government	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/Registrations/Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally across the collection period	Not applicable	Provision of collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusions of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by Council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

**NOTE 2: REVENUE AND EXPENSES**

The Net result includes:

**(a) Grants, Subsidies and Contributions**

Grants, subsidies and contributions are included as operating revenues in the

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Operating Grants, Subsidies and Contributions</b>			
Governance	1,597	-	2,890
General Purpose Funding	3,342,004	3,200,000	3,228,085
Law, Order, Public Safety	28,150	18,750	28,738
Health	-	30,000	17,500
Education & Welfare	175,251	166,082	135,141
Community Amenities	870,547	672,053	786,676
Recreation and Culture	200,627	212,966	48,158
Transport	172,989	134,000	191,156
Economic Services	-	-	(66)
Other Property and Services	20,000	3,000	269
	<b>4,811,165</b>	<b>4,436,852</b>	<b>4,438,548</b>
<b>Non-Operating Grants, Subsidies and Contributions</b>			
Community Amenities	-	14,000,000	-
Recreation and Culture	568,770	2,249,959	34,179
Transport	1,837,039	2,055,126	4,109,603
	<b>2,405,809</b>	<b>18,305,085</b>	<b>4,143,782</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, Subsidies And Contributions**

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

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

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

**NOTE 2: REVENUE AND EXPENSES**

**(b) Fees & Charges**

<b>Program</b>	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
General Purpose Funding	428,174	405,694	414,298
Law, Order, Public Safety	293,928	98,150	263,402
Health	288,156	273,313	325,008
Education & Welfare	43,138	43,607	62,687
Housing	102,689	105,345	108,359
Community Amenities	3,375,795	3,228,174	3,288,349
Recreation and Culture	6,030,414	8,038,444	7,807,345
Transport	1,144,545	1,239,800	1,343,330
Economic Services	2,942,958	2,859,266	2,900,537
Other Property and Services	132,853	120,880	138,794
	<b>14,782,651</b>	<b>16,412,672</b>	<b>16,652,108</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. These fees and charges are recognised based on the timing of the provision of the service or completion of works in accordance with AASB 15.

**(c) Service Charges**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
Community Security	2,459,294	2,431,822	2,405,559
Underground Power Projects	3,260,403	3,238,117	2,913,662
	<b>5,719,697</b>	<b>5,669,939</b>	<b>5,319,221</b>

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

**NOTE 2: REVENUE AND EXPENSES**

<b>Community Security</b>	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Operating Income</b>			
Call Out/Alarm Response Fees	559	1,000	627
City of Melville Security Patrol Fees	2,458,735	2,430,822	2,404,932
<b>Total Operating Income</b>	<b>2,459,294</b>	<b>2,431,822</b>	<b>2,405,559</b>
<b>Operating Expenditure</b>			
Employee Costs	(1,804,826)	(1,875,626)	(1,740,029)
Materials & Contracts	(39,831)	(45,515)	(33,818)
Insurance	-	(2,000)	(1,250)
Other Expenditure	(12,749)	(2,000)	(1,285)
Internal Charges	(554,563)	(548,657)	(605,879)
Internal Recovery	49,801	27,000	29,388
<b>Total Operating Expenditure</b>	<b>(2,362,168)</b>	<b>(2,446,798)</b>	<b>(2,352,872)</b>
Net Community Security	97,127	(14,976)	52,687
Transfer From/(To) Community Security Reserve	(97,127)	14,976	(52,687)
<b>Net - Surplus / (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Underground Power Projects</b>	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Operating Income</b>			
Melville South Underground Power	4,086	-	2,283
Ardross East Underground Power	-	-	(2,697)
Melville North Underground Power	(339)	-	2,935,883
Alfred Cove East Underground Power	3,256,656	3,238,117	(21,806)
<b>Total Operating Income</b>	<b>3,260,403</b>	<b>3,238,117</b>	<b>2,913,662</b>
<b>Operating Expenditure</b>			
Western Power - Melville North Underground Power Cash Calls	(1,740,851)	(2,340,851)	(2,400,000)
Western Power - Alfred Cove East Underground Power Cash Calls	(1,926,602)	(1,926,602)	(2,780,000)
<b>Total Operating Expenditure</b>	<b>(3,667,453)</b>	<b>(4,267,453)</b>	<b>(5,180,000)</b>
<b>Net Underground Power Projects</b>	<b>(407,050)</b>	<b>(1,029,336)</b>	<b>(2,266,338)</b>
Transfer From/(To) Reserves	427,619	1,029,336	2,246,815
<b>Net - Surplus / (Deficit)</b>	<b>20,569</b>	<b>-</b>	<b>(19,523)</b>

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

**NOTE 2: REVENUE AND EXPENSES**

	<i>2019-2020 Actual \$</i>	<i>2019-2020 Budget \$</i>	<i>2018-2019 Actual \$</i>
<b>Contracts with customers and transfers for recognisable non-financial assets</b>			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	4,811,165	4,436,852	4,438,548
Fees and charges	14,782,651	16,412,672	16,652,108
Other revenue	3,157,331	946,974	2,530,689
Non-operating grants, subsidies and contributions	2,405,809	18,305,085	4,143,782
	<b>25,156,956</b>	<b>40,101,583</b>	<b>27,765,127</b>
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City is comprised of:			
Contracts with customers included as a contract liability at the start of the period	464,666	-	-
Performance obligations satisfied in the previous year	-	-	-
Other revenue from contracts with customers recognised during the year	17,475,316	16,412,672	-
Transfers intended for acquiring or constructing recognisable non financial assets included as a contract liability at the start of the period	1,114,109	-	-
Other revenue from performance obligations satisfied during the year	6,102,865	23,688,911	-
	<b>25,156,956</b>	<b>40,101,583</b>	<b>-</b>

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

**NOTE 2: REVENUE AND EXPENSES**

	<i>2019-2020 Actual \$</i>	<i>2019-2020 Budget \$</i>	<i>2018-2019 Actual \$</i>
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	17,124,957	-	-
Contract assets	562,500	-	-
Contract liabilities form contracts with customers	1,326,969	-	-
Financial assets held from transfers for recognisable financial assets	602,457	-	-
Contract liabilities from transfers for recognisable non financial assets	(602,457)	-	-

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

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

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

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

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

	<i>2019-2020 Actual \$</i>	<i>2019-2020 Budget \$</i>	<i>2018-2019 Actual \$</i>
<b>Revenue from statutory requirements</b>			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	90,792,911	89,200,956	87,861,920
Service Charges	5,719,697	5,669,939	5,319,221
	<b>96,512,608</b>	<b>94,870,895</b>	<b>93,181,141</b>
<b>Assets and services acquired below fair value</b>			
Recognised volunteer services	<b>195,134</b>	<b>252,287</b>	-

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

**NOTE 2: REVENUE AND EXPENSES**

**(d) Interest Earnings**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Interest Earnings</b>			
Reserve Funds	3,486,477	3,100,000	4,106,296
Other Funds	196,879	745,000	784,301
Other Interest Revenue	773,592	632,000	793,593
	<b>4,456,949</b>	<b>4,477,000</b>	<b>5,684,190</b>

**(e) Charged as Expenses**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Auditors Remuneration</b>			
Audit of the Annual Financial Report	56,240	70,000	55,000
Other Services	5,023	840	6,500
	<b>61,263</b>	<b>70,840</b>	<b>61,500</b>
<b>Finance costs</b>			
Interest on Self Supporting Loans	127,076	139,749	142,302
	<b>127,076</b>	<b>139,749</b>	<b>142,302</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest Earnings**

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

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

**Volunteer Services**

The City utilises volunteer services at the library and for various community services.

Volunteer Services are generally not recognised as revenue as the fair value of the services cannot be reliably estimated. However, in the absence of volunteers, the City employs paid workers and therefore the fair value of the services provided by volunteers can be reliably measured and has been recognised in the financial report.

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

**NOTE 3: CASH AND CASH EQUIVALENTS**

	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
<b>Current Assets</b>		
Cash on Hand	6,350	7,950
Cash at Bank (Includes 11am at call accounts)	6,899,964	2,902,520
Term Deposits	172,369,681	167,866,141
<b>Total Cash and Cash Equivalents</b>	<b>179,275,996</b>	<b>170,776,611</b>

**Reconciliation of Cash**

For the purpose of preparing 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:

	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
Cash - Restricted Funds	167,906,208	156,771,337
Reserve Funds - Unspent Grants Restricted	697,293	1,114,109
Bonds and Deposits held - Restricted	7,506,041	978,562
Cash - Unrestricted Funds	3,166,454	11,912,603
<b>Cash and Cash Equivalents at the End of Year</b>	<b>179,275,996</b>	<b>170,776,611</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**CASH AND CASH EQUIVALENTS**

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

**RESTRICTED CASH**

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

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

**NOTE 4: NOTES TO THE STATEMENT OF CASHFLOWS**

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

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
<b>Net Result</b>	<b>10,614,508</b>	<b>13,421,897</b>
<b>Non-Cash Flows In Net Result:</b>		
Depreciation on Non-current Assets	22,244,753	20,641,637
(Profit) / Loss on Sale of Assets	1,208,224	1,033,861
Grants & Contributions for the Development of Assets	(2,405,809)	(4,143,782)
(Increase) / Decrease in Equity - Investment in Associates	(1,095,976)	694,705
(Increase) / Decrease in Equity - Joint Arrangements	146,464	-
<b>Changes in Assets &amp; Liabilities</b>		
(Increase)/Decrease in Accrued Income	347,179	1,287,006
Increase/(Decrease) in Accrued Expenses	306,989	20,369
Increase/(Decrease) in Accrued Income Payable	-	-
(Increase)/Decrease in Current Receivables	(5,438,315)	(1,655,202)
(Increase)/Decrease in Non-Current Receivables	(720,289)	266,397
(Increase)/Decrease in Contract Assets	-	-
Increase/(Decrease) in Current Creditors	4,137,716	5,274,337
Increase/(Decrease) in Non-Current Creditors	(901,531)	(261,523)
Increase/(Decrease) in Contract Liabilities	(1,289,754)	-
(Increase)/Decrease in Inventory	(23,089)	1,426
Increase/(Decrease) in Provision for Employee Entitlements	1,222,594	(43,443)
(Increase)/Decrease in Prepayments	(354,194)	217,628
<b>Net Cash Provided by Operating Activities</b>	<b>27,999,469</b>	<b>36,755,314</b>

The City has no significant non-cash transactions .

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

**NOTE 5: RATE SETTING STATEMENT INFORMATION**

**(a) Reconciliation of Net Current Assets at 30 June 2019 and 1 July 2019**

	Note	30 June 2019	Adjustment/ Reclassification due to the application of new accounting standards	1 July 2019
Contract Assets	29(a)	-	562,500	562,500
Total Current Assets		181,571,233	562,500	182,133,733
Contract Liabilities				
Membership Fees - Leisure Fit Booragoon	29(a)	-	(464,666)	(464,666)
Unspent Grants, Contributions and Reimbursements	29(a)	-	(1,114,109)	(1,114,109)
Prepaid Rates	29(b)	-	(1,037,948)	(1,037,948)
Total Current Liabilities		(21,007,515)	(2,616,723)	(23,624,238)
Reserves - Cash Backed	18	(157,885,446)	-	(157,885,446)
SMRC - Other Financial Liability	17	1,289,048	-	1,289,048
<b>Total Adjustments to Net Current Assets</b>		<b>(156,596,398)</b>	<b>-</b>	<b>(156,596,398)</b>
<b>Net Current Assets Used in the Rate Setting Statement</b>		<b>3,967,320</b>	<b>(2,054,223)</b>	<b>1,913,097</b>

**(b) Non-Cash Amounts Excluded From Operating Activities**

	Note	2019-2020 Actual \$	2019-2020 Budget \$	2018-2019 Actual \$
<b>(b) Non-Cash Amounts Excluded From Operating Activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments To Operating Activities</b>				
Add (Profit)/Loss on asset disposals		1,208,224	(4,250)	1,033,861
Add Depreciation on Assets		22,244,753	22,034,228	20,204,637
Add Plant Investment Provision		964,292	798,529	1,134,777
Net Movement of Deferred Pensioner Rates/ESL		(749,956)	-	(47,070)
Net Current Movement in Other Debtors/Creditors		160,030	-	52,018
Movement in Employee Benefit Provisions (non-current)		95,839	-	(113,305)
<b>Non-Cash Amounts Excluded from Operating Activities</b>		<b>23,923,182</b>	<b>22,828,507</b>	<b>22,264,918</b>

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

**NOTE 5: RATE SETTING STATEMENT INFORMATION**

**(c) Surplus/(Deficit)After Imposition Of General Rates**

	<i>Note</i>	<i>2019-2020 Actual \$</i>	<i>2019-2020 Budget \$</i>	<i>2018-2019 Actual \$</i>
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments To Net Current Assets</b>				
Less: Reserves - Restricted Cash		(168,603,501)	(103,488,864)	(157,885,446)
<b>Total Adjustments To Net Current Assets</b>		<b>(168,603,501)</b>	<b>(103,488,864)</b>	<b>(157,885,446)</b>
<b>Net Current Assets Used In the Rate Setting Statement</b>				
Total Current Assets		196,183,161	171,144,984	181,571,233
Less: Total Current Liabilities		(27,905,946)	-	(19,718,467)
Add SMRC - Other Financial Liability		2,320,941	-	-
Less: Reserves - Restricted Cash		(168,603,501)	(103,488,864)	(157,885,446)
Less: Restricted Municipal		-	(67,656,120)	-
<b>Net Current Assets Used In The Rate Setting Statement</b>		<b>1,994,655</b>	<b>-</b>	<b>3,967,320</b>

**NOTE 6: TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
Governance	536,469,521	511,890,620
Education & Welfare	-	45,297
Community Amenities	95,299,931	93,020,273
Recreation and Culture	75,116,611	88,737,783
Economic Services	7,825,069	8,225,775
Other Property and Services	371,769,680	375,156,006
	<b>1,086,480,813</b>	<b>1,077,075,754</b>
<b>Comprises:</b>		
Total Current Assets	196,183,161	181,571,233
Total Non-Current Assets	890,297,652	895,504,521
	<b>1,086,480,813</b>	<b>1,077,075,754</b>

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

**NOTE 7: TRADE AND OTHER RECEIVABLES**

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
<b>Current</b>		
Rates Receivable		
Rates Debtors	6,912,476	5,024,914
UGP Debtors	764,617	528,623
Refuse Debtors	110,270	101,492
FESA Levy Debtors	1,355,123	952,652
Pensioner Rebates	2,802,090	896,811
Sundry Debtors	1,269,566	478,364
Allowance for Expected Credit Loss	(347,831)	(167,109)
GST Receivable	812,524	428,293
Accrued Income	1,144,308	1,491,487
	<b>14,823,143</b>	<b>9,735,528</b>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	2,301,814	1,551,857
	<b>2,301,814</b>	<b>1,551,857</b>

The provision for expected credit loss was measured using the historical data to estimate future expected collections. Historical data is likely to be far less reliable in the future economic environment and the City considered the impact in balances as at 30 June 2020 due to COVID-19 and other related risks in calculating credit loss.

In determining the recoverability of trade receivables, the City consider any changes in the credit quality of the trade receivable from the date credit was initially granted up until the reporting date. The concentration of credit risk is limited due to the customer base being large. Accordingly, management believes that there is no further credit provision required in excess of the expected credit loss of \$347,831 in 2019-2020 in accordance with AASB 9 *Financial Instruments*.

**SIGNIFICANT ACCOUNTING POLICIES**

**TRADE RECEIVABLES**

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

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

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

**NOTE 7: TRADE AND OTHER RECEIVABLES**

**IMPAIRMENT AND RISK EXPOSURE**

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

**CLASSIFICATION AND SUBSEQUENT MEASUREMENT**

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

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

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

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

**NOTE 8: OTHER FINANCIAL ASSETS**

	<i>Note</i>	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
<b>Current</b>			
Loans - Clubs and Community Groups At Amortised Cost	17	398,612	313,467
<b>Non-Current</b>			
Loans - Clubs and Community Groups At Amortised Cost	17	1,739,889	1,769,557
Units (10) held in Local Government House At Fair Value Through Profit or Loss		175,171	175,171
Equity - Share in Investment in Associates (SMRC) At Fair Value Through Profit or Loss	25(a)	15,240,729	13,142,718
Equity - Share in Joint Arrangement (Carawatha Revelopment Project) At Fair Value Through Profit or Loss	25(b)	6,353,536	-
<b>Total Other Financial Assets</b>		<b>23,509,325</b>	<b>15,087,446</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

**Financial assets at fair value through profit or loss**

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

- (a) Debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- (b) Equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

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

**NOTE 9: INVENTORIES**

	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
<b>Current</b>		
Inventories		
Fuel and Materials at Cost	128,627	105,538
	<b>128,627</b>	<b>105,538</b>

**SIGNIFICANT ACCOUNTING POLICIES**

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.

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

**NOTE 10: CONTRACT ASSETS**

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
<b>Current</b>		
Synthetic Playing Surface	562,500	-
Less: Allowance for Impairment of Contract Assets	-	-
	562,500	-

Contract assets relate to operating grants, subsidies and contributions to be received in relation to expenditure incurred for a future event hosted by the City. This amount has been recognised as revenue as the City has satisfied the relevant performance obligations in the contract.

The City has calculated the loss allowance to take into account the credit risk associated with the event being postponed or cancelled.

**Reconciliation of Contract Assets**

	<b>Note</b>	<b>2019-2020 Actual \$</b>
<b>Carrying Amount at 30 June 2019</b>		-
Balance recognised as at 1 July 2019 (due to application of AASB 15)	29(a)	562,500
Add: Revenue recognised from Contract Assets		-
Less: Balance transferred to Trade Receivables		-
Less: Allowance for Impairment of Contract Assets		-
<b>Carrying Amount at 30 June 2020</b>		562,500

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract Assets**

Contract assets represent the City's right to consideration in exchange for goods or services the City has transferred to a customer when that right is conditional on something other than the passage of time. Contract assets represent jobs not yet invoiced at year end as the City has not met all the performance obligations in the contract which give an unconditional right to receive consideration.

Once all the contractual obligations have been met, an invoice is raised, as the City has an unconditional right to receive consideration (only the passage of time is required before payment is due).

The City's performance obligations are part of a contract with an expected duration of one year or less.

As a result, the City has not disclosed the following:

- (a) transaction price allocated to the remaining performance obligations; and
- (b) an explanation of when the City expects to recognise revenue from satisfying these performance obligations.

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

**NOTE 11: OTHER ASSETS**

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
<b>Current</b>		
Other Assets - Prepayments	994,283	640,089
	<b>994,283</b>	<b>640,089</b>

**NOTE 12: TRADE AND OTHER PAYABLES**

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
<b>Current</b>		
Restricted Funds Creditor		
- Footpaths	5,908,195	5,384,048
- Bonds and Deposits held	1,580,525	978,562
- Other	17,321	26,377
Non-Restricted Funds Creditor	6,797,137	4,940,871
Prepaid Rates	13,697	-
Amount Received in Advance	78,908	45,247
Accrued Salaries & Wages	836,523	529,534
	<b>15,232,306</b>	<b>11,904,639</b>
<b>Non-Current</b>		
Creditors	453,903	293,873
	<b>453,903</b>	<b>293,873</b>

<b>Reconciliation of Prepaid Rates</b>	<b>2019-2020 Actual \$</b>
<b>Carrying Amount at 30 June 2019</b>	-
Balance recognised as at 1 July 2019 (due to application of AASB 1058)	1,037,948
Less: Amount recognised as revenue during the financial year (non-refunded prepaid rates as at 1 July 2019)	(954,355)
Add: Prepaid Rates received during the financial year	-
Less: Prepaid Rates refunded during the financial year	(69,896)
<b>Carrying Amount at 30 June 2020</b>	<b>13,697</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**TRADE AND OTHER PAYABLES**

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid with 30 days of recognition.

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

**NOTE 13: CONTRACT LIABILITIES**

	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
<b>Current</b>		
Operating Grants, Subsidies and Contributions	34,497	-
Non-operating Grants, Subsidies and Contributions	662,797	-
Membership Fees - Leisure Fit Booragoon	629,675	-
	<b>1,326,969</b>	<b>-</b>

**Reconciliation of Contract Liabilities**

	<i>2019-2020 Actual \$</i>
<b>Carrying Amount at 30 June 2019</b>	-
Balance recognised as at 1 July 2019 (due to application of AASB 15)	1,578,775
Add: Amounts received during the financial year	766,612
Less: Amounts recognised as revenue after satisfaction of performance obligations	(1,018,418)
<b>Carrying Amount at 30 June 2020</b>	<b>1,326,969</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract Liabilities**

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

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

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

**NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS**

**NOTE 14(A): EMPLOYEE RELATED PROVISIONS**

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
<b>Current</b>		
Provision for Annual Leave	4,160,392	3,460,151
Provision for Long Service Leave	4,466,726	4,040,210
	<b>8,627,118</b>	<b>7,500,361</b>
<b>Non-Current</b>		
Provision for Long Service Leave	799,600	703,761
	<b>799,600</b>	<b>703,761</b>
<b>Total Employee Related Provisions</b>	<b>9,426,718</b>	<b>8,204,122</b>

	<b>Provision for Annual Leave \$</b>	<b>Provision for Long Service Leave \$</b>	<b>Total 2019-2020 \$</b>
<b>Opening balance at 1 July 2019</b>			
Current Provisions	3,460,151	4,040,210	7,500,361
Non-Current provisions	-	703,761	703,761
	<b>3,460,151</b>	<b>4,743,971</b>	<b>8,204,122</b>
Additional Provision	1,376,096	1,319,664	2,695,760
Amounts Used	(699,433)	(793,363)	(1,492,796)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	23,578	(3,947)	19,631
<b>Balance at 30 June 2020</b>	<b>4,160,392</b>	<b>5,266,326</b>	<b>9,426,718</b>

	<b>2020 \$</b>	<b>2019 \$</b>
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	8,861,749	7,796,970
More than 12 months from reporting date	799,600	703,761
Expected reimbursements from other WA local governments	(234,631)	(296,609)
	<b>9,426,718</b>	<b>8,204,122</b>

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

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

**NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS**

**SIGNIFICANT ACCOUNTING POLICIES**

**EMPLOYEE BENEFITS**

**Short-Term Employee Benefits**

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

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

**Other Long-Term Employee Benefits**

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**Provisions**

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

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

**NOTE 14(B): OTHER PROVISIONS**

	<i>2019-2020 Actual</i>	<i>Restated 2018-2019 Actual</i>
	\$	\$
<b>Non-Current</b>		
John Connell Reserve	4,213,000	4,213,000
	<b>4,213,000</b>	<b>4,213,000</b>

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

**NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS**

**Provision For Remediation Costs**

The provision relates to the indicative costs for remediation consists of the John Connell Reserve, a previous landfill site, of which the City has a legal obligation to restore the site. The amount is based on an assessment performed by an independent consultant of the indicative costs of the scope of works to satisfy the Department of Health and Department of Water and Environmental Regulation requirements. The assessment provided an indicative amount of \$3.83 million and a further 10% charge has been included to reflect the costs of contingency items, given the stage of the project. The provision has been recognised in the current year with prior year amounts being restated as detailed in Note 30 to the financial statements. In this regard, the effect of any present value differences between 30 June 2020 and the earliest period of restatement of comparatives (being 30 June 2018) has been assessed as immaterial.

A provision for remediation is recognised when:

- (a) There is a present obligation as a result of waste activities undertaken;
- (b) It is probable that an outflow of economic benefits will be required to settle that obligation;  
and
- (c) The amount of the provision can be measured reliably.

The provision of future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of the payment of non-current obligation is unable to be reliably estimated as it is dependent as at the reporting date.

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

NOTE 15: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

(a) PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

	Land - Freehold Land	Land - Vested	Buildings	Total Land and Buildings	Plant and Equipment	Electronic Equipment	Furniture and Fittings	Computer Equipment	Property Improvement	Fleet and Mobile Plant	Total Plant and Equipment	Artworks	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	237,535,943	8,525,000	136,898,725	382,899,668	13,523,540	55,063	963,691	749,420	1,380	9,458,666	24,751,760	3,884,029	411,535,458
Prior year Adjustment	-	(2,275,000)	-	(2,275,000)	1,433,961	26,650	508,570	367,331	5,460,000	1,374,945	3,711,457	202,878	3,185,000
Additions	-	-	4,270,209	4,270,209	(47,520)	(3,060)	(279,776)	(914)	(690)	(749,647)	(1,081,607)	-	8,184,544
(Disposals)	(210,000)	-	-	(210,000)	0	79,591	89,540	161,506	408,282	801,569	801,569	(379,652)	(1,291,607)
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	0	62,650	79,591	89,540	161,506	408,282	801,569	801,569	(379,652)	421,917
Depreciation (expense)	-	-	(6,785,238)	(6,785,238)	(1,845,258)	(42,154)	(178,896)	(406,729)	(437,690)	(1,227,749)	(4,138,476)	-	(10,923,714)
Carrying amount at 30 June 2019 (Restated)	237,325,943	6,250,000	134,323,696	377,899,639	13,127,373	116,090	1,103,129	870,614	5,023,000	9,264,497	29,504,703	3,707,255	411,111,598
Comprises:													
Gross carrying amount at 30 June 2019	237,325,943	6,250,000	248,110,302	491,686,245	33,217,570	434,390	3,160,742	4,848,554	6,631,240	12,081,308	60,373,804	3,707,255	555,767,305
Accumulated Depreciation at 30 June 2019	-	-	(113,786,606)	(113,786,606)	(20,090,197)	(318,300)	(2,057,613)	(3,977,941)	(1,608,240)	(2,816,811)	(30,869,102)	-	(144,655,707)
Carrying amount at 30 June 2019 (Restated)	237,325,943	6,250,000	134,323,696	377,899,639	13,127,373	116,090	1,103,129	870,614	5,023,000	9,264,497	29,504,703	3,707,255	411,111,598
Changes in Accounting Policies (see Note 31)	-	(6,250,000)	-	(6,250,000)	-	-	-	-	-	-	-	-	(6,250,000)
Additions	-	-	2,282,536	2,282,536	1,493,710	-	68,542	439,289	1,882	1,348,452	3,351,875	104,000	5,738,411
(Disposals)	-	-	(446,912)	(446,912)	-	-	(16,283)	(5,300)	-	(579,342)	(600,925)	(9,000)	(1,056,837)
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation (expense)	-	-	(6,919,536)	(6,919,536)	(2,027,752)	(64,288)	(201,576)	(483,596)	(437,129)	(1,357,155)	(4,571,496)	-	(11,491,032)
Carrying amount at 30 June 2020	237,325,943	0	129,239,784	366,565,727	12,593,331	51,802	953,812	821,007	4,587,753	8,676,452	27,684,157	3,802,255	398,052,139

Comprises:													
Gross carrying amount at 30 June 2020	237,325,943	0	249,317,330	486,643,273	34,711,281	434,390	3,188,565	4,679,903	6,633,122	12,631,654	62,278,914	3,802,255	552,724,443
Accumulated depreciation at 30 June 2020	-	-	(120,077,546)	(120,077,546)	(22,117,950)	(382,588)	(2,234,753)	(3,858,897)	(2,045,369)	(3,955,202)	(34,594,757)	-	(154,672,303)
Carrying amount at 30 June 2020	237,325,943	0	129,239,784	366,565,727	12,593,331	51,802	953,812	821,007	4,587,753	8,676,452	27,684,157	3,802,255	398,052,139

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

NOTE 15: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

(b) INFRASTRUCTURE

Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Drains	Infrastructure - Footpaths	Infrastructure - Parks	Infrastructure - Street Furniture	Infrastructure - Irrigation System	Total Infrastructure Excluding Work In Progress	Work In Progress	Total Infrastructure Including Work In Progress
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	199,892,021	68,506,577	59,836,880	7,665,269	1,133,011	5,179,545	342,213,304	5,425,947	347,639,251
Additions	7,153,487	583,013	2,064,847	172,273	-	13,752	9,987,372	7,193,078	17,180,450
(Disposals)	-	-	-	-	-	-	-	-	-
Revaluation increments / (decrements) transferred to revaluation surplus	(11,886,421)	67,759,315	(13,062,171)	-	-	-	42,810,723	-	42,810,723
Depreciation (expense)	(5,279,082)	(1,054,702)	(1,620,421)	(721,389)	(45,367)	(877,550)	(9,598,511)	-	(9,598,511)
Carrying amount at 30 June 2019	189,880,005	135,794,203	47,219,135	7,116,153	1,087,644	4,315,747	385,412,888	12,619,025	398,031,912
Comprises:									
Gross carrying amount at 30 June 2019	340,812,487	283,753,218	78,632,229	12,149,714	2,327,361	20,494,368	738,169,378	12,619,025	750,788,403
Accumulated Depreciation at 30 June 2019	(150,932,482)	(147,959,015)	(31,413,094)	(5,033,561)	(1,239,717)	(16,178,621)	(352,756,490)	-	(352,756,490)
Carrying amount at 30 June 2019	189,880,005	135,794,203	47,219,135	7,116,153	1,087,644	4,315,747	385,412,888	12,619,025	398,031,912
Additions	6,528,911	667,574	820,902	646,746	103,756	696,232	9,464,121	6,942,688	16,406,809
(Disposals)	-	-	-	-	-	-	-	-	-
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-	-	-
Depreciation (expense)	(5,407,331)	(2,175,252)	(1,401,069)	(731,502)	(45,373)	(878,040)	(10,638,567)	-	(10,638,567)
Carrying amount at 30 June 2020	191,001,585	134,286,525	46,638,968	7,031,397	1,146,027	4,133,939	384,238,442	19,561,713	403,800,155
Comprises:									
Gross carrying amount at 30 June 2020	347,341,398	284,420,792	79,453,131	711,215,321	12,796,461	2,431,117	21,190,600	19,561,713	55,979,891
Accumulated depreciation at 30 June 2020	(156,339,813)	(150,134,267)	(32,814,163)	(339,288,243)	(5,765,063)	(1,285,090)	(17,056,661)	-	(24,106,813)
Carrying amount at 30 June 2020	191,001,585	134,286,525	46,638,968	7,031,397	1,146,027	4,133,939	384,238,442	19,561,713	403,800,155

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

NOTE 15: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE INCLUDING INVESTMENT PROPERTY

(c) Disposal of Assets

	Net Book Value		Sales Proceeds		Profit / (Loss)		Net Book Value		Sales Proceeds		Profit / (Loss)	
	2019-2020 Actual	2019-2020 Budget	2019-2020 Actual	2019-2020 Budget	2019-2020 Actual	2019-2020 Budget	2018-2019 Actual	2018-2019 Budget	2018-2019 Actual	2018-2019 Budget	2018-2019 Actual	2018-2019 Budget
Artwork:	9,000	-	-	-	(9,000)	-	379,652	-	-	-	(379,652)	-
Land & Building	789,484	-	-	-	(789,484)	-	210,000	-	104,258	-	(105,742)	-
Furniture & Fittings	16,283	-	4,300	4,250	(11,983)	4,250	279,775	-	21,670	10,500	(258,105)	10,500
Electronic Equipment	5,300	-	-	-	(5,300)	-	3,060	-	-	-	(3,060)	-
Computer Equipment	-	-	-	-	-	-	914	-	-	-	(914)	-
Plant & Equipment	-	431,250	-	431,250	-	-	47,520	774,150	-	774,150	(47,520)	-
Property	-	-	-	-	-	-	690	-	-	-	(690)	-
Fleet and Mobile Plant	503,366	-	316,649	-	(186,717)	-	749,647	-	511,469	-	(238,178)	-
Investment Land	6,705,740	-	6,500,000	-	(205,740)	-	-	-	-	-	-	-
<b>Total</b>	<b>8,029,172</b>	<b>431,250</b>	<b>6,820,949</b>	<b>435,500</b>	<b>(1,208,224)</b>	<b>4,250</b>	<b>1,671,258</b>	<b>774,150</b>	<b>637,397</b>	<b>784,650</b>	<b>(1,033,862)</b>	<b>10,500</b>

(d) Depreciation

	2019-2020 Actual	2019-2020 Budget	2018-2019 Actual
Infrastructure	10,818,138	9,604,370	9,598,511
Building	6,919,536	8,519,799	6,904,652
Fleet and Mobile Plant	1,357,155	2,000,009	1,227,749
Plant & Equipment	2,464,752	1,715,512	1,888,100
Computer Equipment	483,596	474,332	406,729
Furniture & Fittings	201,576	197,805	178,896
<b>Total</b>	<b>22,244,753</b>	<b>22,511,827</b>	<b>20,204,637</b>

(e) Fully Depreciated Assets in Use

The gross carrying value of assets held by the City which are currently in use yet fully depreciated are shown in the table below.

Asset Class	2019-2020 Actual	2018-2019 Actual
Computers	2,848,140	3,277,641
Electronic	141,340	90,389
Furniture	1,066,588	1,055,088
Lighting	193,400	-
Other Improvements	7,175,066	7,114,939
Playground Equipment	239,814	101,342
Plant	3,943,374	3,943,374
<b>Total</b>	<b>15,607,722</b>	<b>15,582,773</b>

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

**NOTE 15: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**SIGNIFICANT ACCOUNTING POLICIES**

**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.

**Initial recognition and measurement between mandatory revaluation dates**

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A(2) which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

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

**Crown Land**

**Land under control prior to 1 July 2019**

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

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

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

**NOTE 15: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**Land under roads prior to 1 July 2019**

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

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

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

Whilst such treatment was 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 1996 prevail.

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

**Land under roads from 1 July 2019**

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

The City has accounted for the removal of the vested land values associated with Melville Glades and Point Water golf courses by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

**Vested improvements from 1 July 2019**

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

**Depreciation**

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

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

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

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

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

**NOTE 15: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**Depreciation rates**

The depreciable amount of all fixed assets including buildings but excluding freehold land, vested land, and Artworks are depreciated on a straight - line basis over the estimated useful lives for the different asset classes for the current and prior years are included in the table below:

<b>Asset Class</b>	<b>Useful life</b>
Buildings including Investment and Heritage	
- Sub Structure	60 - 100 years
- Sub Structure - Only for Heritage Building	60 - 400 years
- Super Structure	25 - 80 years
- Roof	20 - 60 years
- Floor Coverings	15 - 30 years
- Fitout & Fittings	15 - 40 years
- Services - Fire	10 - 40 years
- Services - Security	10 - 40 years
- Services - Electrical	10 - 40 years
- Services - Hydraulic	10 - 30 years
- Services - Mechanical	10 - 30 years
- Services - Transport	10 - 40 years
Plant and Equipment	1 - 10 years
Computer/CCTV equipment	3 - 5 years
Electronic equipment	3 - 5 years
Furniture & fittings	1 - 10 years
Fleet (All Vehicles and Plant)	1 - 10 years
Roads	
- Formation	Not Depreciated
- Base	50 - 80 years
- Surface	10 - 30 years
- Kerbing and Pavement	60 - 70 years
Footpaths	10 - 60 years
Stormwater Drainage	40 - 80 years
Parks/POS	5 years
Irrigation	5 - 30 years
Jetties and Boardwalk	50 - 100 years
Lighting	10 - 15 years

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

**NOTE 15: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**Depreciation on revaluation**

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

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

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

**NOTE 15: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE**

**SIGNIFICANT ACCOUNTING POLICIES**

<i>Asset Class</i>	<i>Fair Value Hierarchy</i>	<i>Valuation Technique</i>	<i>Basis of Valuation</i>	<i>Date of last Valuation</i>	<i>Inputs used</i>
<b>Artworks</b> Artworks	3	Market approach	Independent registered valuer	June 2018	Market valuation by Art Valuer
<b>Land and Buildings</b> Land - Freehold	2 & 3	Market approach using recent observable market data for similar properties /	Independent registered valuer	June 2018	Price per hectare / market borrowing rate and income approach using discounted cash flow methodology
Land Vested in & Under City's Control	3	Replacement Cost	Independent registered valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
<b>Buildings</b>	2 & 3	Market approach	Independent registered valuer	June 2018	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
<b>Plant and Equipment</b> Plant and Equipment	2 & 3	Cost Approach/Market approach	Independent registered valuer	June 2019	Make, size, year of manufacture, current condition , residual values and remaining useful life assessments. The amount that would be required to replace the service capacity of the assets
Electronic Equipment	2 & 3	Cost Approach/Market approach	Independent registered valuer	June 2019	Make, size, year of manufacture, current condition , residual values and remaining useful life assessments. The amount that would be required to replace the service capacity of the assets

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

**NOTE 15: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE**

**SIGNIFICANT ACCOUNTING POLICIES**

<i>Asset Class</i>	<i>Fair Value Hierarchy</i>	<i>Valuation Technique</i>	<i>Basis of Valuation</i>	<i>Date of last Valuation</i>	<i>Inputs used</i>
Furniture and Equipment	2 & 3	Cost Approach/Market approach	Independent registered valuer	June 2019	Make, size, year of manufacture, costs and current condition, residual values and remaining useful life assessments inputs. The amount that would be required to replace the service capacity of the assets
Computer Equipment	2 & 3	Cost Approach/Market approach	Independent registered valuer	June 2019	Make, size, year of manufacture, costs and current condition, residual values and remaining useful life assessments inputs. The amount that would be required to replace the service capacity of the assets
Mobile Plant	2	Market approach	Independent registered valuer	June 2019	Make, size, year of manufacture, costs and current condition, residual values and remaining useful life assessments inputs. The amount that would be required to replace the service capacity of the assets
<b>Infrastructure</b> Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drains	3	Cost approach using depreciated replacement cost	Independent valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpath	3	Cost approach using depreciated replacement cost	Independent valuation	June 2019	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

NOTE 15: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

SIGNIFICANT ACCOUNTING POLICIES

<i>Asset Class</i>	<i>Fair Value Hierarchy</i>	<i>Valuation Technique</i>	<i>Basis of Valuation</i>	<i>Date of last Valuation</i>	<i>Inputs used</i>
Infrastructure - Other					
Infrastructure - Parks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Street Furniture	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Irrigation Systems	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. 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 2020**

**NOTE 16: INVESTMENT PROPERTY**

**Non-Current Assets At Fair Value**

	<i>Investment Property -Land \$</i>	<i>Investment Property - Buildings \$</i>	<i>Total Investment Property \$</i>
<b>Balance at 1 July 2018</b>	67,379,855	2,461,268	69,841,123
Additions	-	-	-
(Disposals)	-	-	-
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-
Depreciation (expense)	-	(119,415)	(119,415)
<b>Carrying Amount At 30 June 2019</b>	<b>67,379,855</b>	<b>2,341,853</b>	<b>69,721,708</b>
Additions	-	-	-
(Disposals)	(6,705,740)	(266,595)	(6,972,335)
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-
Depreciation (expense)	-	(115,154)	(115,154)
<b>Carrying amount at 30 June 2020</b>	<b>60,674,115</b>	<b>1,960,104</b>	<b>62,634,219</b>

**Amount Recognised In The Profit Or Loss For Investment Properties**

	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
Rental Income	149,306	164,335
Direct Operating expenses from property that generated rental income	21,955	32,812
Fair Value gain recognises in other income	-	-
<b>Net rental income</b>	<b>127,351</b>	<b>131,523</b>
<b>Leasing Arrangements</b>		
Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:		
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	149,305	149,305
Later than one year but not later than 5 years	866,255	825,044
Later than 5 years	410,170	600,725
	<b>1,425,730</b>	<b>1,575,074</b>

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

**NOTE 16: INVESTMENT PROPERTY**

**SIGNIFICANT ACCOUNTING POLICIES**

<i>Asset Class</i>	<i>Fair Value Hierarchy</i>	<i>Valuation Technique</i>	<i>Basis of Valuation</i>	<i>Date of last Valuation</i>	<i>Inputs used</i>
Investment Property Land - Freehold	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2018	Price per hectare / market borrowing rate
Buildings	2	Market approach	Independent registered valuer	June 2018	Observable Market Evidence, construction costs and current condition , residual values and remaining useful life assessments.

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

**SIGNIFICANT ACCOUNTING POLICIES**

Investment properties are properties held for long-term rental yields and not occupied by the City and earn rentals and/or for capital appreciation, and are accounted for using the fair value model. Changes in the fair values are presented in profit or loss as a part of other revenue.

Investment properties are recorded at cost determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. They will be subject to revaluation in accordance with the mandatory measurement framework. Revaluation of investment properties are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in the Statement of Comprehensive Income.

Rental income and operating expenses from investment property are reported within revenue and other expenses respectively.

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

**NOTE 17: INFORMATION ON BORROWINGS AND OTHER FINANCIAL LIABILITY**

	2019-2020 Actual \$	2018-2019 Actual \$
<b>Other Financial Liability</b>		
<b>Current</b>		
Share of SMRC Loan Liability	2,320,941	1,289,048
	<b>2,320,941</b>	<b>1,289,048</b>
<b>Non-Current</b>		
Share of SMRC Loan Liability	2,673,553	4,652,983
	<b>2,673,553</b>	<b>4,652,983</b>
<b>Total Share of SMRC Loan Liability</b>	<b>4,994,494</b>	<b>5,942,031</b>
<b>Borrowings</b>		
<b>Current</b>		
Recreation and Culture Self Supporting Loans	398,612	313,467
	<b>398,612</b>	<b>313,467</b>
<b>Non-Current</b>		
Recreation and Culture Self Supporting Loans	1,739,889	1,769,557
	<b>1,739,889</b>	<b>1,769,557</b>
<b>Total Borrowings in Self Supporting Loans</b>	<b>2,138,501</b>	<b>2,083,024</b>

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

**NOTE 17: INFORMATION ON BORROWINGS AND OTHER FINANCIAL LIABILITY**

**(a) Details of Borrowings**

Program / Sporting Body	Loan No	Principal 1 July 2019 \$	(Loans Discharged) New Loans \$	Interest		Principal Repayments		Principal 30 June 2020 \$	Current \$	Non-Current \$
				Budget \$	Actual \$	Budget \$	Actual \$			
Recreation and Culture										
Kardinya Bowling Club	379	18,250		943	223	18,250	18,250	-	-	-
Melville Glades Golf Club	382	270,215		20,877	16,968	82,185	82,185	188,030	188,030	-
Leeming Sport Association	398	76,966		5,214	4,633	17,509	17,509	59,457	18,616	40,841
Tompkins Park Community and Recreational Ass	399	281,110		26,398	17,811	28,513	28,513	252,597	20,453	232,145
Melville Hockey Club	400	25,265		1,707	1,033	25,265	25,265	-	-	-
Bull Creek Tennis Club	406	40,162		2,513	2,508	5,265	5,265	34,897	5,570	29,327
Melville Glades Golf Club	411	1,020,639		67,419	64,728	82,490	82,490	938,149	87,514	850,635
Mt Pleasant Bowling Club	413	118,052		5,383	4,632	32,158	32,158	85,895	33,391	52,504
Bull Gum Tennis Club	414	51,156		2,313	2,007	13,935	13,935	37,221	14,469	22,752
Brentwood Karoonda Sporting Association	415	181,209		6,982	6,791	7,898	7,897	173,312	8,149	165,163
Windelya Sports Association Incorporation	416	-	380,000	-	5,741	-	11,057	368,943	22,420	346,524
		<b>2,083,024</b>	<b>380,000</b>	<b>139,749</b>	<b>127,076</b>	<b>313,468</b>	<b>324,523</b>	<b>2,138,501</b>	<b>398,612</b>	<b>1,739,889</b>

The City has borrowings that are entered to support clubs and associations in the upgrade of their facilities. All loan repayments are negotiated by the City with the WA Treasury Corporation. The loan repayments are paid by the City and then recouped from the respective clubs and associations in accordance with the signed agreements and repayment schedules. As per council resolution CD17/8098 payments by the Mt Pleasant Bowling Club for the self supporting loan repayment have been suspended. A total amount of self supporting loans of \$95,508 has been waived for not for profits and sporting associations under the COVID-19 Melville Community Stimulus Package in the financial year 2019-2020.

The City's share of loan liability to the South Metropolitan Regional Council (SMRC) has been recognised as financial liability in 2018-2019 of \$5,942,031 and 2019-2020 of \$4,994,494. Refer to Note 25 Investment in Associates using Equity Method for more details.

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

**NOTE 17: INFORMATION ON BORROWINGS AND OTHER FINANCIAL LIABILITY**

**New Borrowings**

There was a new borrowing on self-supporting loan for Windelya Sports Association Incorporation of \$380,000 in 2019-2020. There was no new borrowings in 2018-2019.

**Unspent Borrowings**

The City has no unspent borrowings on self-supporting loans as at 30th June 2020.

**SIGNIFICANT ACCOUNT POLICIES**

**Financial Liabilities**

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

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

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

**Borrowing Costs**

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

**Risks**

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

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

**NOTE 18: RESERVES - CASH BACKED**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Ardross East UGP &amp; Streetscape Enhancement Reserve</b> <i>To be used for underground power projects and streetscape enhancements in the Ardross East Underground Power project area.</i>			
Opening Balance	11,950	-	14,332
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	262	-	315
Funds to be used	-	-	(2,697)
Closing Balance	<b>12,211</b>	-	<b>11,950</b>
<b>Attadale North Underground Power &amp; Streetscape Enhancement Reserve</b> <i>To be used for underground power projects and streetscape enhancements in the Attadale North Underground Power project area.</i>			
Opening Balance	95,554	-	93,029
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	2,092	-	2,525
Funds to be used	-	-	-
Closing Balance	<b>97,646</b>	-	<b>95,554</b>
<b>Alfred Cove East Underground Power &amp; Streetscape Enhancement Reserve</b> <i>To be used for underground power projects and streetscape enhancements in the Alfred Cove East Underground Power project area.</i>			
Opening Balance	-	4,380	1,364,229
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	-	110	-
Funds to be used	-	-	(1,364,229)
Closing Balance	-	<b>4,490</b>	-
<b>Melville North Underground Power &amp; Streetscape Enhancement Reserve</b> <i>To be used for underground power projects and streetscape enhancements in the Alfred Cove East Underground Power project area.</i>			
Opening Balance	1,776,344	2,330,709	1,193,518
Funds to be set aside	-	-	535,883
Funds to be set aside - Investment Earnings	19,832	29,123	46,943
Funds to be used	(1,740,851)	(2,340,851)	-
Closing Balance	<b>55,325</b>	<b>18,981</b>	<b>1,776,344</b>
<b>Melville South Underground Power &amp; Streetscape Enhancement Reserve</b> <i>To be used for underground power projects and streetscape enhancements in the Alfred Cove East Underground Power project area.</i>			
Opening Balance	2,896	-	-
Funds to be set aside	-	-	2,819
Funds to be set aside - Investment Earnings	63	-	77
Funds to be used	-	-	-
Closing Balance	<b>2,959</b>	-	<b>2,896</b>

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

**NOTE 18: RESERVES - CASH BACKED**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Civic Centre Precinct Improvements Reserve</b> <i>To be used for improvements to the buildings and associated landscaping and car parking located within the Civic Centre Precinct (Melville City Centre).</i>			
Opening Balance	6,179	6,204	6,016
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	135	155	163
Funds to be used	-	-	-
<b>Closing Balance</b>	<b>6,314</b>	<b>6,359</b>	<b>6,179</b>
<b>Commercial Refuse Reserve</b> <i>To be used for the acquisition and replacement of commercial refuse bins, vehicles, and plant and equipment used for commercial waste operations and the development of commercial waste collection opportunities.</i>			
Opening Balance	3,752,705	3,387,796	3,261,455
Funds to be set aside	284,020	130,369	396,759
Funds to be set aside - Investment Earnings	85,139	86,680	99,171
Funds to be used	(11,365)	-	(4,680)
<b>Closing Balance</b>	<b>4,110,499</b>	<b>3,604,845</b>	<b>3,752,705</b>
<b>Community Facilities Reserve</b> <i>To be used for the provision of new, renewed or upgraded community facilities/buildings.</i>			
Opening Balance	22,844,502	19,299,451	22,538,527
Funds to be set aside	3,273,952	3,273,952	3,222,000
Funds to be set aside - Investment Earnings	489,152	287,504	603,701
Funds to be used	(4,275,185)	(18,964,223)	(3,519,726)
<b>Closing Balance</b>	<b>22,332,422</b>	<b>3,896,684</b>	<b>22,844,502</b>
<b>Community Centre Fitout, Furniture &amp; Equipment Reserve</b> <i>To be used to fund the acquisition and replacement of the fitouts, furniture and specialised equipment requirements for Community Centres.</i>			
Opening Balance	-	-	-
Funds to be set aside	20,000	20,000	-
Funds to be set aside - Investment Earnings	61	64	-
Funds to be used	(14,387)	(14,900)	-
<b>Closing Balance</b>	<b>5,675</b>	<b>5,164</b>	<b>-</b>
<b>Community Surveillance and Security Reserve</b> <i>To temporarily retain any surpluses that may arise from the Property Surveillance and Security Service Charge to be used to offset future years Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.</i>			
Opening Balance	673,562	618,335	649,513
Funds to be set aside	108,945	-	52,687
Funds to be set aside - Investment Earnings	15,809	15,332	17,800
Funds to be used	(11,819)	(14,976)	(46,438)
<b>Closing Balance</b>	<b>786,497</b>	<b>618,691</b>	<b>673,562</b>

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

**NOTE 18: RESERVES - CASH BACKED**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Fleet Services Vehicles, Plant and Equipment Replacement Reserve</b>			
<i>To be used to fund the purchase of replacement vehicles, plant and equipment.</i>			
Opening Balance	9,854,837	8,912,151	8,351,370
Funds to be set aside	2,000,000	2,000,000	2,000,000
Funds to be set aside - Investment Earnings	227,206	232,301	260,429
Funds to be used	(952,682)	(1,314,367)	(756,962)
<b>Closing Balance</b>	<b>11,129,361</b>	<b>9,830,085</b>	<b>9,854,837</b>
<b>Future Works Reserve</b>			
<i>To be used to fund the "New" component of the costs of Infrastructure Capital Works and Buildings as opposed to renewal of existing assets as per Asset Management Plans.</i>			
Opening Balance	3,124,212	1,229,925	1,498,768
Funds to be set aside	12,116,649	11,851,932	3,813,500
Funds to be set aside - Investment Earnings	156,931	98,439	82,562
Funds to be used	(4,028,274)	(6,468,107)	(2,270,618)
<b>Closing Balance</b>	<b>11,369,518</b>	<b>6,712,189</b>	<b>3,124,212</b>
<b>Information Technology Reserve</b>			
<i>To be used to fund the acquisition and replacement of computer software and information technology hardware.</i>			
Opening Balance	2,487,163	2,008,958	2,501,693
Funds to be set aside	724,295	724,295	715,000
Funds to be set aside - Investment Earnings	54,316	50,228	65,727
Funds to be used	(736,418)	(739,900)	(795,257)
<b>Closing Balance</b>	<b>2,529,357</b>	<b>2,043,581</b>	<b>2,487,163</b>
<b>Infrastructure Asset Management Reserve</b>			
<i>To be used to fund infrastructure asset management projects including the construction, maintenance and renewal of the City of Melville's road, path, kerbing, street furniture, park structures, playground, irrigation/reticulation and drainage infrastructure assets.</i>			
Opening Balance	32,809,757	33,148,077	29,403,262
Funds to be set aside	13,801,600	13,707,611	12,628,369
Funds to be set aside - Investment Earnings	770,244	777,884	867,047
Funds to be used	(9,053,553)	(18,021,461)	(10,088,921)
<b>Closing Balance</b>	<b>38,328,048</b>	<b>29,612,111</b>	<b>32,809,757</b>

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

**NOTE 18: RESERVES - CASH BACKED**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Land and Property Reserve</b>			
<i>To be used to:</i>			
<i>a) fund the acquisition or construction of commercial revenue earning land and or buildings, or</i>			
<i>b) fund the acquisition of land and buildings in structure plan areas to help encourage the redevelopment of those structure plan areas by assembling developable land parcels and fund with Council approval, infrastructure and other developments in line with structure plan principles; or</i>			
<i>c) internally fund the purchase or construction of City of Melville community facilities or infrastructure assets, on the basis that those funds will be returned to the Land and Property Reserve over a predetermined period of time with interest, with the interest rate being set at what would have been charged by the Western Australian Treasury Corporation for the term of the borrowing using the Semi Annual Annuity interest rate.</i>			
Opening Balance	35,590,075	36,129,619	35,275,560
Funds to be set aside	2,930,364	2,205,041	2,198,506
Funds to be set aside - Investment Earnings	807,566	643,220	940,521
Funds to be used	(333,287)	(23,212,023)	(2,824,512)
<b>Closing Balance</b>	<b>38,994,718</b>	<b>15,765,857</b>	<b>35,590,075</b>
<b>Leave Entitlements Reserve</b>			
<i>To be used to fund the non-current liability amount of annual, sick and long service leave entitlements accrued in previous financial years beyond the amount provided for in the Provision for Leave current liability account.</i>			
Opening Balance	2,738,208	2,293,563	2,665,847
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	59,945	57,567	72,361
Funds to be used	-	-	-
<b>Closing Balance</b>	<b>2,798,153</b>	<b>2,351,130</b>	<b>2,738,208</b>
<b>Library, Museums &amp; Arts Equipment &amp; Specialised Fitout Reserve</b>			
<i>To be used to fund the acquisition and replacement of the fit outs, furniture and specialised equipment for art centres, museums and libraries.</i>			
Opening Balance	110,846	5,992	57,071
Funds to be set aside	101,300	101,300	193,120
Funds to be set aside - Investment Earnings	3,236	493	2,929
Funds to be used	(27,342)	(74,000)	(142,274)
<b>Closing Balance</b>	<b>188,040</b>	<b>33,785</b>	<b>110,846</b>
<b>Organisational Environment Sustainability Initiatives Reserve</b>			
<i>To be used to fund environmental initiatives which are intended to reduce the energy usage and or carbon footprint of the corporation of the City of Melville or for debt servicing costs associated with any loan borrowings taken out for such purposes.</i>			
Opening Balance	1,320,726	508,529	1,099,664
Funds to be set aside	250,000	250,000	250,000
Funds to be set aside - Investment Earnings	25,974	15,902	34,902
Funds to be used	(518,522)	-	(63,840)
<b>Closing Balance</b>	<b>1,078,178</b>	<b>774,431</b>	<b>1,320,726</b>

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

**NOTE 18: RESERVES - CASH BACKED**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Parking Facilities Reserve</b>			
<i>To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.</i>			
Opening Balance	370,290	370,006	384,414
Funds to be set aside	65,000	65,000	64,086
Funds to be set aside - Investment Earnings	8,818	10,103	9,785
Funds to be used	-	-	(87,995)
<b>Closing Balance</b>	<b>444,108</b>	<b>445,109</b>	<b>370,290</b>
<b>Private Swimming Pool Inspection Fee Reserve</b>			
<i>To temporarily retain any surpluses that may arise from the Swimming Pool Inspection fees to be used to offset any deficits that may occur in future years operations of the Private Swimming Pools Inspection Program.</i>			
Opening Balance	104,645	35,733	35,509
Funds to be set aside	86,415	5,456	66,370
Funds to be set aside - Investment Earnings	3,237	965	2,765
Funds to be used	-	-	-
<b>Closing Balance</b>	<b>194,296</b>	<b>42,154</b>	<b>104,645</b>
<b>Public Open Space and Urban Forest Reserve</b>			
<i>To be used to fund the purchase, development and re-development of public open spaces, including streetscapes, bushlands, parks and reserves and to fund initiatives to enhance and improve the urban forest or for debt servicing costs associated with any loan borrowing.</i>			
Opening Balance	5,019,414	5,009,322	4,313,162
Funds to be set aside	887,467	888,910	871,570
Funds to be set aside - Investment Earnings	117,422	111,188	132,646
Funds to be used	(198,902)	(2,048,041)	(297,964)
<b>Closing Balance</b>	<b>5,825,401</b>	<b>3,961,379</b>	<b>5,019,414</b>
<b>Rates Equalisation Reserve</b>			
<i>To temporarily retain any surplus carried forward funds as shown in the audited Annual Financial Report Rate Setting Statement in excess of the estimated surplus funds brought forward amount identified in the following years Annual Budget Rate Setting Statement to subsequently be used to reduce the need to raise rates in future years or to meet any budget shortfalls identified during budget reviews.</i>			
Opening Balance	10,633,630	10,637,168	7,962,521
Funds to be set aside	4,063,265	1,415,771	4,440,869
Funds to be set aside - Investment Earnings	163,541	184,550	281,010
Funds to be used	(10,389,791)	(8,089,256)	(2,050,771)
<b>Closing Balance</b>	<b>4,470,646</b>	<b>4,148,233</b>	<b>10,633,630</b>

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

**NOTE 18: RESERVES - CASH BACKED**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Recreation Centres Specialised Plant, Equipment and Structures Reserve</b>			
<i>To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.</i>			
Opening Balance	1,663,106	369,080	1,999,495
Funds to be set aside	435,590	435,590	430,000
Funds to be set aside - Investment Earnings	36,961	11,479	43,950
Funds to be used	(385,132)	(259,095)	(810,340)
<b>Closing Balance</b>	<b>1,750,524</b>	<b>557,054</b>	<b>1,663,106</b>
<b>Refuse Bins Reserve</b>			
<i>To be used for the purchase and replacement of domestic refuse and recycling bins or receptacles.</i>			
Opening Balance	1,311,359	1,476,648	2,002,886
Funds to be set aside	384,000	384,000	200,000
Funds to be set aside - Investment Earnings	22,159	23,744	34,655
Funds to be used	(982,287)	(1,445,339)	(926,182)
<b>Closing Balance</b>	<b>735,231</b>	<b>439,053</b>	<b>1,311,359</b>
<b>Refuse Facilities Reserve</b>			
<i>To be used for payments relating to the establishment and operation of waste management facilities, funding associated costs, and the cost of landscaping, environmental and rehabilitation works of former refuse tip sites operated by the City of Melville and for any additional waste collection and disposal costs of waste associated with storm or disaster events.</i>			
Opening Balance	10,591,984	10,340,191	10,182,159
Funds to be set aside	-	-	240,879
Funds to be set aside - Investment Earnings	229,352	256,694	279,909
Funds to be used	(230,895)	(226,794)	(110,964)
<b>Closing Balance</b>	<b>10,590,441</b>	<b>10,370,091</b>	<b>10,591,984</b>
<b>Risk Management Reserve</b>			
<i>To be used to fund prior years insurance premium contingencies, the self insured element of insurance claims, risk reduction initiatives or projects and any losses arising from investment activities.</i>			
Opening Balance	6,545,265	6,570,443	6,152,679
Funds to be set aside	461,681	100,000	219,617
Funds to be set aside - Investment Earnings	148,115	166,173	172,968
Funds to be used	(20,757)	-	-
<b>Closing Balance</b>	<b>7,134,304</b>	<b>6,836,616</b>	<b>6,545,265</b>

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

**NOTE 18: RESERVES - CASH BACKED**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
<b>Special Projects Reserve</b>			
<i>To be used to fund costs associated with City of Melville Council Elections, infrastructure asset condition surveys, asset valuations and gross rental value revaluations and strategic planning projects.</i>			
Opening Balance	1,946,288	1,824,690	1,881,963
Funds to be set aside	700,000	700,000	700,000
Funds to be set aside - Investment Earnings	38,908	40,102	51,434
Funds to be used	(1,038,055)	(1,154,000)	(687,109)
Closing Balance	<b>1,647,141</b>	<b>1,410,792</b>	<b>1,946,288</b>
<b>Unexpended Capital Works Reserve</b>			
<i>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.</i>			
Opening Balance	2,499,951	1,920,000	1,504,773
Funds to be set aside	1,986,489	-	2,499,951
Funds to be set aside - Investment Earnings	-	-	-
Funds to be used	(2,499,951)	(1,920,000)	(1,504,773)
Closing Balance	<b>1,986,489</b>	<b>-</b>	<b>2,499,951</b>
<b>Summary</b>			
Opening Balance	157,885,446	148,436,970	146,393,416
Funds to be set aside	44,681,032	38,259,227	35,741,986
Funds to be set aside - Investment Earnings	3,486,477	3,100,000	4,106,295
Funds to be used	(37,449,454)	(86,307,333)	(28,356,251)
Closing Balance	<b>168,603,501</b>	<b>103,488,864</b>	<b>157,885,446</b>

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

**NOTE 18(A): REVALUATION SURPLUS**

	<i>Closing 30/06/2020</i>	<i>Increment / (Decrement)</i>	<i>** Change in Accounting Policies</i>	<i>Restated Closing 30/06/2019</i>	<i>Increment / (Decrement)</i>	<i>Restated Balance 1/7/2018</i>	<i>* Prior Year Adjustment</i>	<i>Opening 1/07/2018</i>
	\$	\$	\$	\$	\$	\$	\$	\$
Land	230,334,685	-		230,334,685	-	230,334,685		230,334,685
Building	94,721,008	-		94,721,008	-	94,721,008		94,721,008
Land Vested	-	-	(6,250,000)	6,250,000	-	6,250,000	(2,275,000)	8,525,000
<b>Total Land and Buildings</b>	<b>325,055,693</b>	<b>-</b>	<b>(6,250,000)</b>	<b>331,305,693</b>	<b>-</b>	<b>331,305,693</b>	<b>(2,275,000)</b>	<b>333,580,693</b>
Artworks								
Artworks	2,276,749	-		2,276,749	-	2,276,749		2,276,749
<b>Total Artworks</b>	<b>2,276,749</b>	<b>-</b>		<b>2,276,749</b>	<b>-</b>	<b>2,276,749</b>	<b>-</b>	<b>2,276,749</b>
Plant and Equipment								
Computer Equipment	554,433	-		554,433	161,506	392,927		392,927
Electronic Equipment	127,790	-		127,790	79,591	48,199		48,199
Furniture & Fittings	322,892	-		322,892	89,540	233,352		233,352
Plant & Equipment	23,490,999	-		23,490,999	62,650	23,428,349	5,460,000	17,968,349
Mobile Plant	1,611,729	-		1,611,729	408,282	1,203,447		1,203,447
<b>Total Plant and Equipment</b>	<b>26,107,843</b>	<b>-</b>		<b>26,107,843</b>	<b>801,569</b>	<b>25,306,274</b>	<b>5,460,000</b>	<b>19,846,274</b>
Infrastructure								
Drains	120,015,420	-		120,015,420	67,759,315	52,256,106		52,256,106
Footpaths	37,098,281	-		37,098,281	(13,062,171)	50,160,452		50,160,452
Roads	46,805,867	-		46,805,867	(11,886,421)	58,692,288		58,692,288
<b>Total Infrastructure</b>	<b>203,919,567</b>	<b>-</b>		<b>203,919,567</b>	<b>42,810,723</b>	<b>161,108,845</b>	<b>-</b>	<b>161,108,845</b>
Infrastructure - Other								
Parks	2,472,242	-		2,472,242	-	2,472,242		2,472,242
Irrigation	(579,827)	-		(579,827)	-	(579,827)		(579,827)
Street Furniture	1,493,693	-		1,493,694	-	1,493,694		1,493,694
<b>Total Infrastructure - Other</b>	<b>3,386,108</b>	<b>-</b>		<b>3,386,109</b>	<b>-</b>	<b>3,386,109</b>	<b>-</b>	<b>3,386,109</b>
Share of Revaluation of SMRC Non Current Assets	2,048,404	1,949,571		98,833	(371,372)	470,205		470,205
Local Government House Unit Trust Holding	(55,474)	-		(55,474)	20,503	(75,976)		(75,976)
<b>Total Revaluation Surplus</b>	<b>562,738,890</b>	<b>1,949,571</b>	<b>(6,250,000)</b>	<b>567,039,320</b>	<b>43,261,422</b>	<b>523,777,898</b>	<b>3,185,000</b>	<b>520,592,898</b>

\*\* Refer to Note 31 for Change in Accounting Policies due to Regulatory Changes  
\* Refer to Note 30

**NOTE 19: TRUST FUNDS**

Funds held at balance date over which the City has no control and which are not included in the Statement of Financial Position are as follows:

	<i>Balance 30 June 2020</i>	<i>Receipts</i>	<i>Payments</i>	<i>Balance 1 July 2019</i>
	\$	\$	\$	\$
Public Open Space (POS)				
Applecross	13,441	-	-	13,441
Melville	19,572	-	-	19,572
	<b>33,013</b>	<b>-</b>	<b>-</b>	<b>33,013</b>

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

**NOTE 20: STATEMENT OF RATING INFORMATION**

<b>Current Year Actual 2019-2020</b>	<b>Number of Properties</b>	<b>Rateable value \$</b>	<b>Rate in \$ (cents)</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>
<b>GENERAL RATE</b>							
<b>General Rate GRV</b>							
Residential - Improved	29,553	860,312,155	6.507805	55,987,281	558,330	(22,150)	56,523,461
Residential - Unimproved	841	20,427,835	7.330606	1,497,480	(5,117)	(6,932)	1,485,430
	<b>30,394</b>	<b>880,739,990</b>		<b>57,484,761</b>	<b>553,212</b>	<b>(29,082)</b>	<b>58,008,891</b>
Commercial - Improved	1,488	243,585,275	7.358007	17,923,014	123,451	\$ 15,552	18,062,017
Commercial - Unimproved	25	1,506,087	7.358007	110,818	(27,201)	\$ 1,087	84,704
Strata Storage Units	-	-	7.358007	-	-	-	-
	<b>1,513</b>	<b>245,091,362</b>		<b>18,033,832</b>	<b>96,250</b>	<b>16,638</b>	<b>18,146,721</b>
<b>Sub Total General Rate</b>	<b>31,907</b>	<b>1,125,831,352</b>		<b>75,518,593</b>	<b>649,463</b>	<b>(12,444)</b>	<b>76,155,612</b>
<b>MINIMUM RATE</b>							
<b>Minimum Rate</b>							
Residential - Improved	10,358	171,120,222	1,283.43	13,293,768			13,293,768
Residential - Unimproved	220	1,995,050	818.63	180,099			180,099
	<b>10,578</b>	<b>173,115,272</b>		<b>13,473,867</b>	<b>-</b>	<b>-</b>	<b>13,473,867</b>
Commercial - Improved	176	1,538,368	995.61	175,227			175,227
Commercial - Unimproved	5	49,847	995.61	4,978			4,978
Strata Storage Units	57	108,007	995.61	56,750			56,750
	<b>238</b>	<b>1,696,222</b>		<b>236,955</b>	<b>-</b>	<b>-</b>	<b>236,955</b>
<b>Sub Total Minimum Rate</b>	<b>10,816</b>	<b>174,811,494</b>		<b>13,710,822</b>	<b>-</b>	<b>-</b>	<b>13,710,822</b>
<b>Amount Raised from Rates</b>				<b>89,229,415</b>	<b>649,463</b>	<b>(12,444)</b>	<b>89,866,434</b>
<b>Storage Unit Concession</b>				<b>(27,877)</b>			<b>(27,877)</b>
				<b>89,201,537</b>	<b>649,463</b>	<b>(12,444)</b>	<b>89,838,556</b>
<b>Amount Recognised As Revenue From Prepaid Rates</b>							<b>954,355</b>
<b>Total Amount Raised from Rates</b>							<b>90,792,911</b>
<b>Plus:</b>							
Instalment Administration Fee							220,722
Instalment Interest							308,901
Late Payment Interest							421,688
<b>GRAND TOTAL</b>	<b>42,723</b>	<b>1,300,642,846</b>		<b>89,201,537</b>	<b>649,463</b>	<b>(12,444)</b>	<b>91,744,222</b>

**Summary**

<b>Current Year Actual 2019-2020</b>	<b>Rate Assessments</b>		<b>Rateable Value</b>		<b>Rate Yield</b>		<b>Average Rate</b>
	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>
Residential	40,972	95.90%	1,053,855,262	81.03%	70,958,628	79.52%	1,732
Commercial	1,751	4.10%	246,787,584	18.97%	18,270,787	20.48%	10,434
	<b>42,723</b>	<b>100.00%</b>	<b>1,300,642,846</b>	<b>100.00%</b>	<b>89,229,415</b>	<b>100.00%</b>	

Rates revenue has been recognised at a point in time in accordance with AASB 1058 - Income for not-for-profit entities.

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

**NOTE 20: STATEMENT OF RATING INFORMATION**

<i>Current Year Budget 2019-2020</i>	<i>Number of Properties</i>	<i>Rateable value \$</i>	<i>Rate in \$ (cents)</i>	<i>Rate Revenue \$</i>	<i>Interim Rates \$</i>	<i>Back Rates \$</i>	<i>Total Revenue \$</i>
<b>GENERAL RATE</b>							
General Rate GRV							
Residential - Improved	29,419	856,201,075	6.507805	55,719,741	180,749		55,900,490
Residential - Unimproved	833	20,149,185	7.330606	1,477,053	18,363		1,495,416
	<b>30,252</b>	<b>876,350,260</b>		<b>57,196,795</b>	<b>199,112</b>	<b>-</b>	<b>57,395,907</b>
Commercial - Improved	1,485	242,866,235	7.358007	17,870,106	68,053		17,938,159
Commercial - Unimproved	26	1,613,587	7.358007	118,728	5,022		123,750
Strata Storage Units	-	-	7.358007	-	-		-
	<b>1,511</b>	<b>244,479,822</b>		<b>17,988,833</b>	<b>73,075</b>	<b>-</b>	<b>18,061,908</b>
<b>Sub Total General Rate</b>	<b>31,763</b>	<b>1,120,830,082</b>		<b>75,185,627</b>	<b>272,187</b>	<b>-</b>	<b>75,457,814</b>
<b>MINIMUM RATE</b>							
Minimum Rate							
Residential - Improved	10,372	171,367,042	1,283.43	13,311,736	19,251		13,330,987
Residential - Unimproved	226	2,046,650	818.63	185,010	1,637		186,647
	<b>10,598</b>	<b>173,413,692</b>		<b>13,496,746</b>	<b>20,888</b>	<b>-</b>	<b>13,517,634</b>
Commercial - Improved	176	1,538,368	995.61	175,227	11,947		187,174
Commercial - Unimproved	5	49,847	995.61	4,978	4,978		9,956
Strata Storage Units	57	108,007	995.61	56,750	-		56,750
	<b>238</b>	<b>1,696,222</b>		<b>236,955</b>	<b>16,925</b>	<b>-</b>	<b>253,880</b>
<b>Sub Total Minimum Rate</b>	<b>10,836</b>	<b>175,109,914</b>		<b>13,733,702</b>	<b>37,813</b>	<b>-</b>	<b>13,771,515</b>
<b>Amount Raised from Rates</b>				<b>88,919,329</b>	<b>310,000</b>	<b>-</b>	<b>89,229,329</b>
Storage Unit Concession				(28,373)			(28,373)
<b>Total Amount Raised from Rates</b>				<b>88,890,956</b>	<b>310,000</b>	<b>-</b>	<b>89,200,956</b>
<b>Plus:</b>							
Instalment Administration Fee							198,500
Instalment Interest							295,000
Late Payment Interest							400,000
<b>GRAND TOTAL</b>	<b>42,599</b>	<b>1,295,939,996</b>		<b>88,890,956</b>	<b>310,000</b>	<b>-</b>	<b>90,094,456</b>

**Summary**

<i>Current Year Budget 2019-2020</i>	<i>Rate Assessments</i>		<i>Rateable Value</i>		<i>Rate Yield</i>		<i>Average Rate</i>
	#	%	\$	%	\$	%	\$
Residential	40,850	96%	1,049,763,952	81%	70,693,541	79%	1,731
Commercial	1,749	4%	246,176,044	19%	18,225,789	21%	10,421
	<b>42,599</b>	<b>100%</b>	<b>1,295,939,996</b>	<b>100%</b>	<b>88,919,330</b>	<b>100%</b>	

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

**NOTE 20: STATEMENT OF RATING INFORMATION**

<i>Prior Year Actual 2018-2019</i>	<i>Number of Properties</i>	<i>Rateable value \$</i>	<i>Rate in \$ (cents)</i>	<i>Rate Revenue \$</i>	<i>Interim Rates \$</i>	<i>Back Rates \$</i>	<i>Total Revenue \$</i>
<b>GENERAL RATE</b>							
<b>General Rate GRV</b>							
Residential - Improved	29,209	846,967,887	6.436998	54,554,824	539,054	(37,930)	55,055,948
Residential - Unimproved	816	20,037,380	7.250847	1,452,880	68,551	3,115	1,524,545
	<b>30,025</b>	<b>867,005,267</b>		<b>56,007,704</b>	<b>607,605</b>	<b>(34,815)</b>	<b>56,580,494</b>
Commercial - Improved	1,496	241,029,175	7.277950	17,541,983	141,343	11,986	17,695,313
Commercial - Unimproved	22	1,948,287	7.277950	141,795	(15,016)	(10,092)	116,687
Strata Storage Units	2	14,040	7.277950	1,022	-	-	1,022
	<b>1,520</b>	<b>242,991,502</b>		<b>17,684,800</b>	<b>126,327</b>	<b>1,894</b>	<b>17,813,021</b>
<b>Sub Total General Rate</b>	<b>31,545</b>	<b>1,109,996,769</b>		<b>73,692,504</b>	<b>733,932</b>	<b>(32,921)</b>	<b>74,393,515</b>
<b>MINIMUM RATE</b>							
<b>Minimum Rate</b>							
Residential - Improved	10,392	171,754,192	1,269.47	13,192,332			13,192,332
Residential - Unimproved	168	1,471,805	809.72	136,033			136,033
	<b>10,560</b>	<b>173,225,997</b>		<b>13,328,365</b>	<b>-</b>	<b>-</b>	<b>13,328,365</b>
Commercial - Improved	176	1,538,368	984.78	173,321			173,321
Commercial - Unimproved	2	13,547	984.78	1,970			1,970
Strata Storage Units	55	93,967	984.78	54,163			54,163
	<b>233</b>	<b>1,645,882</b>		<b>229,454</b>	<b>-</b>	<b>-</b>	<b>229,454</b>
<b>Sub Total Minimum Rate</b>	<b>10,793</b>	<b>174,871,879</b>		<b>13,557,819</b>	<b>-</b>	<b>-</b>	<b>13,557,819</b>
<b>Amount Raised from Rates</b>				<b>87,250,323</b>	<b>733,932</b>	<b>(32,921)</b>	<b>87,951,334</b>
<b>Storage Unit Concession</b>				<b>(27,081)</b>			<b>(27,081)</b>
				<b>87,223,242</b>	<b>733,932</b>	<b>(32,921)</b>	<b>87,924,253</b>
<b>Rates received in advance*</b>							
Reversal of Rates received in advance 2017-2018							(1,100,281)
Rates received in advance in 2018-2019*							1,037,948
<b>Total Amount Raised from Rates</b>							<b>87,861,920</b>
<b>Plus:</b>							
Instalment Administration Fee							198,070
Instalment Interest							284,804
Late Payment Interest							467,171
<b>GRAND TOTAL</b>	<b>42,338</b>	<b>1,284,868,648</b>		<b>87,223,242</b>	<b>733,932</b>	<b>(32,921)</b>	<b>88,811,965</b>
<b>Summary</b>							
<i>Prior Year Actual 2018-2019</i>	<i>Rate Assessments</i>		<i>Rateable Value</i>		<i>Rate Yield</i>		<i>Average Rate</i>
	<i>#</i>	<i>%</i>	<i>\$</i>	<i>%</i>	<i>\$</i>	<i>%</i>	<i>\$</i>
Residential	40,585	95.86%	1,018,722,079	80.64%	69,300,550	79.46%	1,708
Commercial	1,753	4.32%	244,637,384	19.36%	17,914,255	20.54%	10,219
	<b>42,338</b>	<b>100%</b>	<b>1,263,359,463</b>	<b>100%</b>	<b>87,214,805</b>	<b>100%</b>	

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1004, paragraph 30.

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

**NOTE 20: STATEMENT OF RATING INFORMATION**

**DIFFERENTIAL RATING**

A differential rate loading of 12.64 per cent above the residential improved land rate was applied to residential unimproved (vacant) land. A differential rate loading of 13.06 per cent above the residential improved land rate was applied to commercial and industrial land. If the differential rates were not imposed, the rate in the dollar would be approximately 6.507805 cents with a minimum rate of \$1,283.43. This rate is referred to as the standard rate.

The *Valuation of Land Act 1978* stipulates that for unimproved land the method by which the Gross Rental Value is calculated is to be 3% of the unimproved value of the land. When applied to residential land this results in the revenue generated from unimproved residential land being substantially less than if the same vacant land was improved to its highest and best use under the applicable Town Planning Scheme provisions. The resulting difference in rate revenue is not considered to result in a fair and equitable distribution of the revenue burden as between the two different classes of residential land. The purpose of imposing a differential rate is to obtain a fair income from unimproved land within the Municipal District.

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

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

**NOTE 21: INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND  
WRITE-OFFS**

**(a) Discounts**

Eligible pensioners and Seniors receive various discounts on fees & charges for the City's recreation facilities.

**(b) Early Payment Incentive**

Ratepayers who paid their rates in full by the early payment date of 14 August 2019 were automatically eligible to go into the draw to win one of three major sponsored prizes. Major prizes for 2019-2020 are sponsored by various organisations as listed below:

Major Prize: Three (3) \$1,000 Bonus Saver Accounts from Westpac Bank

Major Prize: Four (4) Healthy Life Plus Memberships from Leisurefit, valued at \$5,912

Those who signed up for email rates or registered for Bpay View by 28 August 2019 were automatically eligible to win one of the prizes sponsored by various organisations listed below:

**Prizes offered as early payment incentives**

Minor Prize - \$500 Garden City Shopping Centre

Minor Prize - \$500 Le Beau Day Spa gift voucher

Minor Prize - \$500 Coles/Myer voucher from Arcadia Waters Bicton

Minor Prize - 5 x \$100 Raffles Hotel vouchers

Minor Prize - 6 x Family passes to Cockburn Ice Arena

Minor Prize - 2 x Double-passes (A-reserve) to a West Australian Symphony Orchestra concert

**(c) Concessions**

A concession was granted to strata titled storage units of 18m<sup>2</sup> or smaller, whereby the minimum rate charged was \$497.80. The value of this concession was \$28,376. This concession was granted due to the size and Gross Rental Value of the storage units. A 100% concession from General Rates was granted to the Melville Glades Golf Club. The value of this concession was \$10,575. The City grants a concession to the Club, as the club maintains the grounds and facilities at no cost to the City.

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

**NOTE 22: INFORMATION ABOUT INTEREST PAYMENTS AND ADDITIONAL CHARGES**

	<i>Interest Rate %</i>	<i>2019-2020 Actual \$</i>	<i>2019-2020 Budget \$</i>	<i>2018-2019 Actual \$</i>
Late Payment Interest	8	421,688	400,000	467,171
Instalment Interest	4	308,901	295,000	284,804
Instalment Administration Fee		220,722	198,500	198,070

The interest was charged on the daily balance of all overdue rates and charges in accordance with the Local Government Act 1995. Where a ratepayer had not taken advantage of the instalment option given in the rate notice, interest is accrued on rates or charges that remained unpaid after 35 days from the issue date of original rate notice. Eligible pensioners are exempt.

Where a ratepayer elected the instalment option, interest accrued on any instalment that remained unpaid after the due date of the instalment and continued to accrue until the instalment was paid.

The following three payment options were provided to ratepayers:

**Option 1** - Full amount of the rate notice payable by 14 August 2019 to qualify for the early payment

**Option 2** - Full amount of the rate notice payable by 28 August 2019.

**Option 3** - Full amount of the rate notice payable in four equal instalments due on the following dates.

1st Instalment	Due	28 August 2019
2nd Instalment	Due	30 October 2019
3rd Instalment	Due	3 January 2020
4th Instalment	Due	6 March 2020

All penalty interest charges on outstanding rates to the City have been frozen from 1 March to 30 June 2020 due to impact of COVID-19. The City has incurred an approximate loss of \$135,000 during this period.

**NOTE 23: LEASING COMMITMENTS**

There are no leasing/capital commitments in the years 2019-2020 and 2018-2019.

**NOTE 24: CONTINGENT LIABILITIES**

**Workers' Compensation Premium**

The City negotiates its Workers' Compensation Premium on a "burning cost" basis whereby a minimum and maximum premium are determined for workers' compensation and the City pays a deposit premium only with the actual premium being settled based on known and anticipated claims experience. Therefore, the City may be required to fund an additional premium if the actual premium (as yet to be determined) exceeds the deposit premium already paid. Accordingly, a contingent liability is recognised for the difference between the deposit premium paid and the maximum premium payable.

	<i>2019-2020 Actual \$</i>	<i>2018-2019 Actual \$</i>
Contingent Liability For Additional Workers' Compensation	6,464,656	5,678,136

Note: Sufficient funds for the payment of any expected claims in relation to this contingent liability are held in the Risk Management Reserve.

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

**NOTE 25: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

**NOTE 25(A): INVESTMENT IN ASSOCIATES**

**Share in South Metropolitan Regional Council (SMRC)**

The South Metropolitan Regional Council (SMRC) is a statutory local government authority established in 1991 by the local governments of Canning, Cockburn, East Fremantle, Fremantle, Kwinana, Melville, and Rockingham.

The SMRC is responsible for developing environmentally sustainable waste management solutions for the communities of the Participants.

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

There are two core projects being:

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

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

Over the period the following local governments have since withdrawn from the Regional Council: City of Canning in June 2010, City of Rockingham in June 2012 and City of Cockburn in June 2019.

**Existing Undertakings**

The historical annual contributions made by Participants to the Existing Undertakings are used to determine the proportional contribution percentage of each Participant to the Existing Undertakings.

The City's share as on 30 June 2020:

SMRC Existing Undertakings Proportional Equity Share: **60.71%**

**Regional Resource Recovery Centre (RRRC) Project**

RRRC Project Participants shall make an annual contribution towards the acquisition of any asset of a capital nature required by the Project, plus pay gate fees for each tonne of waste they deliver to the facility to cover the operating costs.

The annual contribution shall be an amount which bears the same proportion to the cost of the acquisition disclosed in the Project Budget for the financial year as the Population of the Project Participant bears to the total of the Populations of all Project Participants.

The capital costs for each participating Local Government member is based on the Australian Bureau of Statistics population statistics. Each project participant will develop equity in the project equal to the relevant proportion of the total capital loan repayments made by that project participant.

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

**NOTE 25: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

The City's share as on 30 June 2020:  
RRRC Project Proportional Equity Share: **73.99%**  
**RRRC - Lending Facility**

The capital construction of the RRRC facility was funded by borrowings from Western Australian Treasury Corporation (WATC). The lending facility will be fully repaid on the 30 June 2023.

The SMRC administer the borrowing with the project participants making quarterly contributions equal to the repayment costs of these borrowings.

The City guaranteed by way of agreement to its share of the loan liability to the SMRC and the WATC. The City's estimated share of the project funding is based on population percentages as derived from the Australian Bureau of Statistics census. These are revised yearly over the life of the lending facility.

As at 30 June 2020, the balance outstanding against the lending facility stood at: **\$ 9,913,250**  
With the City's share of this liability being: **\$ 3,998,014**  
Using the current cost/profit sharing percentage of: **40.33%**

**Office Accommodation Project**

The Office Project pertains to SMRC's office located at 9 Aldous Place, Booragoon, Western Australia. The City's equity share of the project is based on their proportional populations.

The City's share as on 30 June 2020:  
Office Accommodation Project Proportional Equity Share: **59.70%**

**Office Accommodation Project**

As a SMRC participant, the City has guaranteed by way of security to the Western Australian Treasury Corporation, a charge over its' general funds for its' share of any outstanding debenture borrowings provided for the SMRC administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2 million.

As at 30 June 2020, the balance outstanding against the lending facility stood at: **\$ 1,800,000**  
With the City's share of this liability being: **\$ 996,480**  
Using the current cost/profit sharing percentage of: **55.36%**

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

**NOTE 25: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

	Note	2019-2020 Actual \$	2018-2019 Actual \$
Net Assets	8	16,188,265	13,142,717
Less: Share of SMRC Loan Liability	17	(4,994,494)	(5,942,031)
Share in the net assets of the SMRC (excluding equity)		<b>11,193,771</b>	<b>7,200,686</b>
<b>Equity Ratios</b>			
SMRC Existing Undertakings Proportional Equity Share:		60.71%	40.06%
Office Accommodation Project Proportional Equity Share:		59.70%	38.95%
RRRC Project Proportional Equity Share:		73.99%	74.07%
Represented by Share of Investment in Associates Entity's Financial Position:			
Current Assets		10,596,124	11,319,728
Non Current Assets		19,359,531	8,827,670
<b>Total Assets</b>		<b>29,955,655</b>	<b>20,147,398</b>
Current Liabilities		4,301,314	4,312,059
Non Current Liabilities		9,466,076	2,692,622
<b>Total Liabilities</b>		<b>13,767,390</b>	<b>7,004,681</b>
<b>Net Assets</b>	8	<b>16,188,265</b>	<b>13,142,717</b>
Statement of Comprehensive Income			
Share of Profit/(Loss) of Associate Accounted For Using The Equity Method		1,095,976	(694,705)
Other Comprehensive Income			
Share of Profit/(Loss) of Revaluation of SMRC Assets Using The Equity Method		1,949,571	(371,373)
<b>Net Increase / (Decrease) in Equity - SMRC Investment in Associates</b>		<b>3,045,547</b>	<b>(1,066,078)</b>
<b>Borrowings</b>			
<b>Share of SMRC Loan Liability</b>			
Current		2,320,941	1,289,048
Non-current		2,673,553	4,652,983
		<b>4,994,494</b>	<b>5,942,031</b>
<b>Share of SMRC Loan Liability by Project</b>			
Regional Resource Recovery Centre (RRRC) Project		40.33%	40.62%
Office Accommodation Project		55.36%	34.79%
<b>Current</b>			
Regional Resource Recovery Centre (RRRC) Project		1,324,461	1,289,048
Office Accommodation Project		996,480	-
		<b>2,320,941</b>	<b>1,289,048</b>
<b>Non-current</b>			
Regional Resource Recovery Centre (RRRC) Project		2,673,553	4,026,763
Office Accommodation Project		-	626,220
		<b>2,673,553</b>	<b>4,652,983</b>

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

**NOTE 25: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

**SIGNIFICANT ACCOUNTING POLICIES**

**INVESTMENT IN ASSOCIATES**

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

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

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

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

**NOTE 25(B): JOINT ARRANGEMENTS**

**Share in Carawatha Redevelopment Project**

	<i>Note</i>	<i>2019-2020 Actual \$</i>
Opening Share In Equity		6,500,000
Share In Profit/(Loss) In Net Results		(146,464)
<b>Total</b>	<b>8</b>	<b>6,353,536</b>
Equity Ratio		50.00%

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

**NOTE 25: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

**SIGNIFICANT ACCOUNTING POLICIES**

**INTERESTS IN JOINT ARRANGEMENTS**

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

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

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

**NOTE 26: RELATED PARTY TRANSACTIONS**

**Elected Members Remuneration**

	<b>2019-2020 Actual \$</b>	<b>2019-2020 Budget \$</b>	<b>2018-2019 Actual \$</b>
Sitting Fees - Mayor	47,516	47,516	47,046
Sitting Fees - Councillors	380,136	380,136	351,742
Conference and Training	12,850	94,999	34,999
Allowance - Mayor	89,753	89,753	88,863
Allowance - Deputy Mayor	22,438	22,438	48,667
Allowance - Councillors	53,483	88,248	55,097
	<b>606,175</b>	<b>723,090</b>	<b>626,415</b>

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	1,679,559	1,487,459
Post-employment benefits	190,614	179,778
Other long-term benefits	27,089	87,772
	<b>1,897,263</b>	<b>1,755,009</b>

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

**Post-employment benefits**

These amounts are the current-year's actual cost of providing for the City's superannuation contributions made during the year.

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Related Parties**

**The City's main related parties are as follows:**

*i. Key management personnel*

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

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

**NOTE 26: RELATED PARTY TRANSACTIONS**

*ii. Entities subject to significant influence by the City*

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

*iii. Joint venture entities accounted for under the equity method*

The City has a 60.71% interest in the South Metropolitan Regional Council (SMRC) and 50% in the Carawatha Redevelopment Project. The interest in the joint venture entities are accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 25.

**Transactions with related parties**

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

The following transactions occurred with related parties:

	<b>2019-2020 Actual \$</b>	<b>2018-2019 Actual \$</b>
<b>Associated companies/individuals:</b>		
Sale of goods and services	25,417	26,000
Purchase of goods and services	-	30,340

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

**NOTE 27: MAJOR LAND TRANSACTIONS**

There are no major land transactions in the year 2019-2020.

**Melville City Centre Land Exchange, Booragoon**

A Structure Plan has been prepared and approved for the Melville City Centre. The plan responds to a proposal by the owners of the Garden City Shopping centre to expand the existing centre. The Structure Plan requires the creation of a vibrant "High Street" generally in the area between the shopping centre and the City of Melville Administration Centre. Achievement of the High Street would be enhanced through an adjustment of the boundary between the City's land and the shopping centre site. A conditional "like for like" land swap has been agreed between the City and AMP Capital to achieve a rationalisation of this boundary. Details of the land exchange agreement and its conditions are expected to be finalised through 2018-2019 as AMP Capital have commenced the first stage of their Garden City Shopping Centre redevelopment works in late 2017 with the bulk of the redevelopment works expected to commence in 2019 subject to an announcement by AMP Capital. Redevelopment options for the construction of the High Street and land swap are likely to also impact on the City's existing Civic Square Library. In these circumstances, the Melville City Centre Structure Plan requires the owners of Garden City Shopping Centre (AMP Capital) to contribute to a new library. AMP Capital has agreed, within the development agreement, to make a contribution towards the construction cost of the new Civic Library and Cultural Centre. The balance of the cost is to be funded from the City's Land and Property Reserve Fund as a fixed period loan fully repayable to the Fund over equal semi-annual instalments including principal interest.

Late in 2019, AMP Capital announced it had sold 50% of its interest in Garden City Shopping Centre to Scentre Group (Westfield) including management and development rights. AMP Capital and Scentre Group confirmed that the existing Development Agreement and Land Exchange Agreement between the City of Melville and AMP Capital Funds Management was not part of the purchase and no assignment of agreements occurred. The City of Melville's agreements with AMP Capital Management are still current and are due to expire in July 2020 when the Sunset Date lapses. As a result the agreements will come to an end.

**Carawatha "Gallery" Residential Development Project, Willagee**

As identified as part of the Land Asset Strategy review and Council decision in December 2013, the City undertook a Request for Proposal (RFP) process in April 2015 to explore options for the potential redevelopment of a portion of the former Carawatha Primary School site in Willagee, which the City acquired from the State Government in June 2006. Subsequently a proponent (Satterley Property Group) was selected from the RFP assessment process and the City has finalised the redevelopment concepts, development model and agreements which will see Satterley Property Group as Project Manager, Satterley Carawatha Pty Ltd as Developer and the City of Melville as Owner. The appointment of the proponent followed the relevant provisions (Section 3.59) of the Local Government Act 1995 which dealt with the Major Land Transactions. The City of Melville entered into a Development Agreement with Satterley Carawatha Pty Ltd and Project Management, Marketing and Sales Agreement with Satterley Property Group.

The project received subdivision approval from the Western Australian Planning Commission in March 2019. Satterley Property Group commenced the civil subdivision works in August 2019 with Practical Completion in March 2020. New Titles were issued for all the subdivided lots in May 2020 and these Titles remain in the name of the City of Melville (Owner) until sold or redeveloped and sold. The project includes Townhouse and Apartment construction and expected to commence the Townhouse and first stage of apartment construction in late 2020 early 2021 subject to planning approvals and market conditions. The project is expected to be completed by 2026.

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

**NOTE 27: MAJOR LAND TRANSACTIONS**

**Melville District Centre - Stock Rd Palmyra Strategic Site Ground Lease Redevelopment Proposal**

Council approved the ground lease redevelopment proposal by Hall & Prior Aged Care Group in December 2018. Draft ground lease development agreements are being finalised and will be presented to Council in late 2019 or early 2020 for consideration and approval. Site handover is planned for February 2021 with redevelopment of the site into a \$50M+ integrated aged care and community facility to start shortly after subject to JDAP development approval. The construction is expected to take 2 years with the ground lease income stream to commence flowing to the City at that time. The ground lease term including options is up to 90 years. The commencing annual lease value is \$350,000 p.a. resulting in a total present value of \$11.528 Million or cumulative notional ground lease value excluding market reviews of \$112 Million. A report to Council in June 2020 will seek approval for the City of Melville to execute the Agreement For Lease (AFL) and Ground Lease Agreement (GLA) with Melville, Aged and Community (WA) Pty Ltd subsidiary of Hall & Prior Aged Care Group.

**13 The Esplanade & 64 Kishorn Rd, Mt Pleasant – Strategic Site Ground Lease Redevelopment Proposal**

In accordance with previous Council decision and directive aligned with the land asset strategy the City undertook a detail request for proposal (RFP) campaign in May 2019 to either purchase or ground lease the site from the City. Submissions were assessed and a qualified proponent was selected as preferred proponent to ground lease and redevelop the site for aged care. Due diligence and negotiations with the preferred proponent have been completed. Council approved the advertising of the Major Land Transaction in accordance with Section 3.59 of the LGA 1995 in April 2020. Completion of public advertising of the proposal submissions received will be collated and a report to Council prepared to consider formal approval of the proposal in September 2020.

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

**NOTE 28: FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest Rate Risk**

**Cash and Cash Equivalents**

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk.

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

	<b>Weighted Average Interest Rate</b> %	<b>Carrying Amounts</b> \$	<b>Fixed Interest Rate</b> \$	<b>Variable Interest Rate</b> \$	<b>Non interest Bearing</b> \$
<b>2020</b>					
Cash And Cash Equivalents	1.01%	179,275,996	172,369,681	6,899,964	6,350
- Term Deposits	1.41%	172,369,681	172,369,681	-	-
<b>2019</b>					
Cash and cash equivalents	2.39%	170,776,611	167,866,141	2,902,520	7,950
- Term Deposits	2.46%	167,866,141	167,866,141	-	-

**Sensitivity**

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

	<b>2020</b> \$	<b>2019</b> \$
Impact of a 1% movement in interest rates on profit and loss and equity*	1,792,760	1,707,766

\*Holding all other variables constant

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

**NOTE 28: FINANCIAL RISK MANAGEMENT**

**(b) Credit Risk**

**Trade Receivables**

The City'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 paid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover property rates and services charges debts as a secured charge over the land – that is, the land can be sold to recover the debt. Whilst the City was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment, the effect of COVID-19 has been considered. Financial assistance provided to ratepayers is expected to adversely affect the City's cash flows.

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

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

The expected loss from rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss from rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment of rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. Re-negotiation of repayment terms is expected due to the COVID-19 pandemic.

The loss allowance as at 30 June 2020 for rates receivable was determined as follows and takes into account the waiver of penalty interest due to the impact of COVID-19.

	<i>Current</i>	<i>More than 1 year past due</i>	<i>More than 2 year past due</i>	<i>More than 3 year past due</i>	<i>Total</i>
<b>30 June 2020</b>					
Rates Receivable					
Expected Credit Loss	0.00%	0.00%	0.00%	0.00%	
Gross Carrying Amount	6,912,476	-	-	-	6,912,476
Loss Allowance	-	-	-	-	-
<b>30 June 2019</b>					
Rates Receivable					
Expected Credit Loss	0.00%	0.00%	0.00%	0.00%	
Gross Carrying Amount	5,024,914	-	-	-	5,024,914
Loss Allowance	-	-	-	-	-

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

	<i>Current</i>	<i>More than 30 days past due</i>	<i>More than 60 days past due</i>	<i>More than 90 days past due</i>	<i>Total</i>
<b>30 June 2020</b>					
Sundry Receivable					
Expected Credit Loss	0.00%	0.00%	0.00%	42.26%	27.40%
Gross Carrying Amount	29,599	161,618	255,261	823,088	1,269,566
Loss Allowance	-	-	-	347,831	347,831
<b>1 July 2019</b>					
Sundry Receivable					
Expected Credit Loss	0.00%	0.00%	0.00%	55.26%	34.93%
Gross Carrying Amount	104,924	57,920	13,133	302,387	478,364
Loss Allowance	-	-	-	167,109	167,109

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

**NOTE 28: FINANCIAL RISK MANAGEMENT**

**Contract Assets**

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**(c) Liquidity Risk**

**Payables, Borrowings and Other Financial Liability**

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

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

	<i>Due within 1 year \$</i>	<i>Due between 1 &amp; 5 years \$</i>	<i>Due after 5 years \$</i>	<i>Total contractual cash flows \$</i>	<i>Carrying values \$</i>
<b><u>2020</u></b>					
Payables	15,232,306	453,903		15,686,209	15,686,209
Borrowings and Other Financial Liability	2,716,107	3,597,211	722,831	7,036,149	7,036,149
Contract Liabilities	1,326,969			1,326,969	1,326,969
	<b>19,275,382</b>	<b>4,051,114</b>	<b>722,831</b>	<b>24,049,327</b>	<b>24,049,327</b>
<b><u>2019</u></b>					
Payables	11,904,639	293,873	-	12,198,512	12,198,512
Borrowings and Other Financial Liability	1,683,475	5,916,274	816,903	8,416,652	8,025,055
	<b>13,588,114</b>	<b>6,210,147</b>	<b>816,903</b>	<b>20,615,164</b>	<b>20,223,567</b>

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

**NOTE 29: INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

**(a) AASB 15: Revenue from Contracts with Customers**

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

	Note	AASB 118 Carrying Amount 30 June 2019 \$	Reclassification \$	AASB 15 Carrying Amount 01 July 2019 \$
<b>Contract Assets - Current</b>				
Synthetic Playing Surface	10	-	562,500	562,500
<b>Contract Liabilities - Current</b>				
Membership Fees - Leisure Fit Booragoon		-	(464,666)	(464,666)
Unspent Grants, Contributions and Reimbursements		-	(1,114,109)	(1,114,109)
<b>Adjustment to Retained Surplus from adoption of AASB 15</b>	29(d)	-	<b>(1,016,275)</b>	<b>(1,016,275)</b>

The contract liabilities relate to grants transactions and membership fees with performance obligations received in advance for which revenue is recognised over time as the performance obligations are met.

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

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

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

	Note	AASB 1004 Carrying Amount 30 June 2019 \$	Reclassification \$	AASB 1058 Carrying Amount 01 July 2019 \$
<b>Trade and Other Payables</b>				
Prepaid Rates		-	(1,037,948)	(1,037,948)
<b>Adjustment to Retained Surplus from adoption of AASB 1058</b>	29(d)		<b>(1,037,948)</b>	<b>(1,037,948)</b>

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

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

**NOTE 29: INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

Volunteer Services are generally not recognised as revenue as the fair value of the services cannot be reliably estimated. However, in the absence of volunteers, the City employs paid workers and therefore the fair value of the workers can be reliably measured and have been recognised within the financial report.

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

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	20	90,792,911	(954,355)	89,838,556
Operating Grants, Subsidies and Contributions	2(a)	4,811,165	(432,473)	4,378,692
Fees and Charges	2(b)	14,782,651	165,009	14,947,660
Non-Operating Grants, Subsidies and Contributions	2(a)	2,405,809	15,658	2,421,467
<b>Net Result</b>		<b>10,614,508</b>	<b>(1,206,161)</b>	<b>9,408,347</b>
<b>Statement of Financial Position</b>				
Contract Assets	10	562,500	(562,500)	-
Trade and Other Payables	12	15,686,209	(13,697)	15,672,512
Contract Liabilities	13	1,326,969	(1,326,969)	-
<b>Net Assets</b>		<b>1,048,694,921</b>	<b>(1,206,161)</b>	<b>1,047,488,760</b>
<b>Statement of Changes in Equity</b>				
Net Result		10,614,508	(1,206,161)	9,408,347
Retained Surplus		317,352,530	(1,206,161)	316,146,369

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

**(c) Leases**

The City adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the City has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019.

The City does not have any lease liability from 1 July 2019.

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

**NOTE 29: INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

**(d) Impact of New Accounting Standards on Retained Surplus**

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

	Note	Adjustments \$	2019 \$
Retained Surplus - 30 June 2019			324,160,300
Prior Year Adjustment			(4,650,000)
<b>Restated Retained Surplus - 30 June 2019</b>			<b>319,510,300</b>
Adjustment to Retained Surplus from adoption of AASB 15	29(a)	(1,016,275)	
Adjustment to Retained Surplus from adoption of AASB 16	29(c)	-	-
Adjustment to Retained Surplus from adoption of AASB 1058	29(b)	(1,037,948)	(2,054,223)
<b>Retained Surplus - 30 June 2019</b>			<b>317,456,077</b>

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

**NOTE 30: PRIOR PERIOD RESTATEMENTS**

In order to comply with accounting standards, the Local Government Act and the City's accounting policies, the City made the following prior period adjustments during the year:

- (i) recognition of a provision in relation to rehabilitation and remediation of the John Connell Reserve, a previous Landfill site. The associated amounts were previously recognised as a reserve in equity.
- (ii) recognition of site improvements and related depreciation for certain Vested Crown reserve sites. These improvements had previously not been recognised in the City's financial statements.
- (iii) Reclassification of site improvement assets previously incorrectly recognised as vested land rather than site improvements. The associated depreciation was also adjusted for.

In accordance with AASB 108, the effect of the adjustments have been recognised in the opening balance for the comparative period being 1 July 2018 (to the extent to which they relate to financial year 30 June 2018 and before). The net impact of these adjustments is shown below:

	<b>30 June 2018 - Comparative year opening balances</b>		
	<b>As previously stated</b>	<b>Restatement</b>	<b>As restated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Statement of financial position (extract)</b>			
<b>Property, plant and equipment</b>	<b>411,535,457</b>	<b>3,185,000</b>	<b>414,720,457</b>
Crown land	8,525,000	(2,275,000)	6,250,000
Site improvements	1,380	5,460,000	5,461,380
<b>Total assets</b>	<b>1,013,810,955</b>	<b>3,185,000</b>	<b>1,016,995,955</b>
<b>Non-Current liabilities</b>	<b>9,107,993</b>	<b>4,213,000</b>	<b>13,320,993</b>
Provision for rehabilitation	-	4,213,000	4,213,000
<b>Total Liabilities</b>	<b>25,031,207</b>	<b>4,213,000</b>	<b>29,244,207</b>
<b>Net assets</b>	<b>988,779,749</b>	<b>(1,028,000)</b>	<b>987,751,749</b>
<b>Equity</b>			
Retained earnings	321,793,435	(4,213,000)	317,580,435
Revaluation surplus	520,592,898	3,185,000	523,777,898
Refuse facilities reserve	10,812,159	-	10,812,159
<b>Total equity</b>	<b>988,779,749</b>	<b>(1,028,000)</b>	<b>987,751,749</b>

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

**NOTE 30: PRIOR PERIOD RESTATEMENTS**

	<i>30 June 2019 - Comparative year</i>		
	<i>As previously stated</i>	<i>Restatement</i>	<i>As restated</i>
	\$	\$	\$
<b>Statement of profit or loss and other comprehensive income (extract):</b>			
Depreciation expense	20,204,637	437,000	20,641,637
Surplus for the year	13,858,897	(437,000)	13,421,897
<b>Total comprehensive income for the year</b>	<b>57,120,319</b>	<b>(437,000)</b>	<b>56,683,319</b>
<b>Statement of financial position (extract):</b>			
<b>Property, plant and equipment</b>	<b>408,363,598</b>	<b>2,748,000</b>	<b>411,111,598</b>
Crown land	8,525,000	(2,275,000)	6,250,000
Site improvements	-	5,023,000	5,023,000
<b>Total assets</b>	<b>1,074,327,754</b>	<b>2,748,000</b>	<b>1,077,075,754</b>
<b>Non-Current liabilities</b>	<b>7,420,173</b>	<b>4,213,000</b>	<b>11,633,173</b>
Provision for rehabilitation	-	4,213,000	4,213,000
<b>Total Liabilities</b>	<b>28,427,688</b>	<b>4,213,000</b>	<b>32,640,688</b>
<b>Equity</b>			
Retained earnings	324,160,300	(4,650,000)	319,510,300
Revaluation surplus	563,854,320	3,185,000	567,039,320
Refuse facilities reserve	10,591,984	-	10,591,984
<b>Total equity</b>	<b>1,045,900,066</b>	<b>(1,465,000)</b>	<b>1,044,435,066</b>

The Entity notes that this change has no impact on the statement of cashflows for the year ended 30 June 2019.

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

**NOTE 31: CHANGES IN ACCOUNTING POLICIES DUE TO REGULATORY CHANGES**

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

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

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

	<b>Carrying Amount 30 June 2019</b>	<b>Reclassification</b>	<b>Carrying Amount 1 July 2019</b>
	\$	\$	\$
Property, Plant and Equipment	411,111,598	(6,250,000)	404,861,598
Revaluation Surplus	567,039,320	(6,250,000)	560,789,320

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

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

**NOTE 32: OTHER SIGNIFICANT ACCOUNTING POLICIES**

**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.

**Current and Non-Current Classification**

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

**Rounding Off Figures**

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

**Comparative Figures**

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

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

**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.

**Superannuation**

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

**Fair Value of Assets and Liabilities**

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

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

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

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

**NOTE 32: OTHER SIGNIFICANT ACCOUNTING POLICIES**

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 the 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**

Measurement based on unobservable inputs for the asset or liability.

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

**Valuation Techniques**

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

**Market Approach**

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

**Income Approach**

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

**Cost Approach**

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

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

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

**NOTE 32: OTHER SIGNIFICANT ACCOUNTING POLICIES**

**Impairment of Assets**

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

**Leases**

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

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

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

**Right-of-use assets - valuation**

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

**Right-of-use assets - depreciation**

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

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

**NOTE 33: EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

Events that occur between the end of the reporting period (30 June 2020) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements. The date of receipt of the Auditors' Report is the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Events that occur after the Reporting Period represent one of two types.

- (i) **Events that provide evidence of conditions that existed at the Reporting Period**  
These financial statements (and the figures there in) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2020.
  
- (ii) **Events that provide evidence of conditions that arose after the Reporting Period**  
There has not been any material or significant "non-adjusting events" that should be disclosed. These financial statements (and figures there in) do not incorporate any "non-adjusting events" that have occurred after 30 June 2020 and which are only indicative of conditions that arose after 30 June 2020.

There has not been any material or significant "non-adjusting events" that should be disclosed.

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

**NOTE 34: PROGRAM / SUB-PROGRAM**

In order to discharge its responsibilities to the community, the City has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities or programs. The City operations as disclosed to encompass the following service orientated activities/programs:

<b>Program Titles</b>	<b>Sub-Program</b>
<b>Governance</b> - To provide a decision making process for the efficient allocation of scarce resources	Members of Council Governance - general
<b>General Purpose Funding</b> - To collect revenue to allow for the provision of services that are not fully funded by specific fees and charges	Rates Other General Purpose Funding
<b>Law, Order, Public Safety</b> - To provide services to help ensure a safer and environmentally conscious community	Fire Prevention Animal Control Other Law, Order, Public Safety
<b>Health</b> - To provide an operational framework for environmental and community health	Maternal and Infant Health Preventive Services - Immunisation - Meat Inspection - Administration and Inspection - Pest Control - Other Other Health
<b>Education and Welfare</b> - To provide services to disadvantaged persons, the elderly, children and youth	Pre-School Other Education Care of Families and Children Aged and Disabled - Senior Citizens Centres - Meals on Wheels - Other Other Welfare
<b>Housing</b> - To provide and maintain housing	Staff housing Other housing
<b>Community Amenities</b> - To provide services required by the community	Sanitation - Household Refuse - Other Sewerage Urban Stormwater Drainage Protection of Environment Town Planning and Regional Development Other Community Amenities
<b>Recreation and Culture</b> - To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community	Public Halls, Civic Centres Swimming Areas & Beaches Other Recreation and Sport Libraries Heritage Other Culture
<b>Transport</b> - To provide safe, effective and efficient transport services to the community	Streets, Roads, Bridges, Depots Road Plant Purchase (not capitalised) Parking Facilities Traffic Control
<b>Economic Services</b> - To help promote the City and its economic wellbeing	Tourism and Area Promotion Building Control Saleyards and Markets Other Economic Services
<b>Other Property and Services</b> - To monitor and control the City's overheads	Private Works General Administration Overheads Public Works Overheads Plant Operation Salaries and Wages Business Unit Operations Unclassified Town Planning Schemes

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

**NOTE 35: FINANCIAL RATIOS**

	<b>2019-2020</b>	<b>2018-2019</b>	<b>2017-2018</b>
Current Ratio	1.10	1.30	1.42
Asset Consumption Ratio	0.51	0.52	0.56
Asset Renewal Funding Ratio	1.00	1.00	1.00
Asset Sustainability Ratio	1.00	1.26	1.35
Debt Service Cover Ratio	65.61	66.96	77.93
Operating Surplus Ratio	0.06	0.09	0.18
Own Source Revenue Coverage Ratio	1.02	1.05	1.17

**Current Ratio**

Measures the short term (unrestricted) liquidity.

<b>Ratio</b>	<b>Target</b>	<b>Actual</b>	<b>Comments</b>
Dept. of Local Government Advanced Benchmark	<b>1.0</b> Higher is better	<b>1.10</b>	The City is in a solvent position and has the ability to meet its liabilities (obligations) as and when they fall due out of unrestricted funds.

Current assets minus restricted current assets

Current liabilities minus restricted liabilities associated with restricted assets

$\$196.183 - \$168.604 = \$27.58$  million

$\$27.91 - \$2.80 = \$25.11$  million

[Numbers taken from the Statement of Financial Position and Reserves Note 18]

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

**NOTE 35: FINANCIAL RATIOS**

**Asset Consumption Ratio**

Measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

<i>Ratio</i>	<i>Target</i>	<i>Actual</i>	<i>Comments</i>
Dept. of Local Government Advanced Benchmark	0.6 Higher is better	0.51	The City is investing in asset renewal to a level where it is in danger of slipping into a level where it will have difficulty maintaining the "aged" condition of its assets.

Depreciated Replacement Cost of Depreciable Assets

Current Replacement Cost of Depreciable Assets

\$ 542,394 million

\$1,057.58 million

[Numbers taken from Note 15 -Property, Plant and Equipment and Infrastructure excluding non depreciable assets such as Land, Artwork and Work In Progress]

**Asset Renewal Funding Ratio**

Measures the extent of investment in asset renewal to the degree that offsets the current consumption of its assets (1.00) and provides for the effect of inflation.

<i>Ratio</i>	<i>Target</i>	<i>Actual</i>	<i>Comments</i>
Dept. of Local Government Advanced Benchmark	0.95 Higher is better	1.00	The City is investing in asset renewal that offsets the current consumption of its assets (1.00) and provides for the effect of inflation.

NPV of Planned Capital Renewals Over 10 years

NPV of Required Capital Expenditure Over 10 Years

\$177.18 million

\$177.18 million

[Numbers taken from the Long Term Financial Plan]

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

**NOTE 35: FINANCIAL RATIOS**

**Asset Sustainability Ratio**

Measures whether assets are being replaced/renewed at the rate they are wearing out.

<i>Ratio</i>	<i>Target</i>	<i>Actual</i>	<i>Comments</i>
Dept. of Local Government Advanced Benchmark	1.1 Higher is better	1.00	The City is in between providing sufficient sustained capital investment and not providing enough. It is almost an "early warning" stage. The City will need to try and improve its level of renewal/replacement if it hopes to maintain the level of service potential of its capital infrastructure.

Capital renewal and replacement expenditure

Depreciation Expense

\$22.145 million

\$22.245 million

[Numbers taken from Note 15(a), (b) and (d) - Additions and Depreciation]

**Debt Service Cover Ratio**

Measures the ability to service debt out of its uncommitted or general purpose fund available for its operations.

<i>Ratio</i>	<i>Target</i>	<i>Actual</i>	<i>Comments</i>
Dept. of Local Government Advanced Benchmark	5.0 Higher is better	65.61	The City has the ability to pay for its debts when they are due.

Annual Operating Surplus before interest and depreciation

Principal and Interest

\$123.92 - \$116.66 + \$0.127 + \$22.24 = \$29.63 million

\$0.324 + \$0.127 = \$0.451 million

[Annual Operating Surplus- Revenue minus expenditure including loss on asset disposal expenses before interest and depreciation from Statement of Comprehensive Income by Nature & Type and Principal and Interest in Note 17]

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

**NOTE 35: FINANCIAL RATIOS**

**Operating Surplus Ratio**

Measures the ability to cover its operational costs and have revenues available for capital funding or other purposes.

<i>Ratio</i>	<i>Target</i>	<i>Actual</i>	<i>Comments</i>
Dept. of Local Government Advanced Benchmark	<b>0.15</b> Higher is better	<b>0.06</b>	The City is below the target for operating surplus ratio where it is in danger of slipping into a level where it will have difficulty maintaining both operational costs and asset capital funding.

Operating Revenue minus Operating Expense

Own Source Operating Revenue

\$123.92 - \$116.22 = \$7.696 million

\$119.10 million

[Numbers taken from Statement of Comprehensive Income by Nature & Type]

**Own Source Revenue Coverage Ratio**

Measures the ability to cover operating expenses from own source revenue.

<i>Ratio</i>	<i>Target</i>	<i>Actual</i>	<i>Comments</i>
Dept. of Local Government Advanced Benchmark	<b>0.9</b> Higher is better	<b>1.02</b>	The City has the ability to cover its own operating expenses from its own source revenue.

Own Source Operating Revenue

Operating Expense

\$123.91 - \$4.81 = \$119.10 million

\$115.45 + \$1.21 = \$116.66 million

[Numbers taken from Statement of Comprehensive Income by Nature & Type]