



City of
Melville



City of Melville

Community Annual Report
2018-2019

Part A



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Part B

Annual Financial Report 2018-2019
 Available online at
www.melvillecity.com.au/annualreport



Welcome

Thank you for taking the time to read our 2018-2019 Community Annual Report Part A.

We hope you find this information useful and gain valuable insight into our achievements and challenges for the 2018-2019 financial year in providing community outcomes for more than 100,000 residents and businesses now and in the future.



Acknowledgement

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.

Introduction

The 2018-2019 Community Annual Report Part A outlines progress toward our overall vision of 'working together to create community wellbeing for today and tomorrow' and the aspirational outcomes displayed in the our Strategic Community Plan 2016-2026, while also reporting performance against our tactical priorities and challenges in our Corporate Business Plan 2016-2020.

Listed in our Strategic Community Plan are six aspirations identified by the community that describe their vision for the future of our City. These six community aspirations together with additional internal and external influences and informing data make up our outcome areas (see page 31). A more detailed report of our achievements in relation to these outcomes begins on page 33. Importantly, to be able to realise these outcomes, we must overcome some long-term challenges, which are identified as key priorities in our Corporate Business Plan and are outlined from page 25.



The Corporate Business Plan, together with the considerations included in the Strategic Community Plan, come together to inform our plans and strategies for the future, all of which are underpinned with principles of business excellence to ensure we play a variety of roles and deliver the many products and services that meet the ever changing needs of our partners, residents, businesses, State Government and many other key stakeholders.



Our City

Elected as Mayor in the October 2019 local government elections, this is my first community annual report which demonstrates and reports back on the work done by many throughout the 2018-2019 financial year. I would like to recognise my predecessor Russell Aubrey, who played a significant role in the outcomes, successes and learnings achieved in the 2018-2019 community annual report.

The 2018-2019 financial year was a very busy one in which the City worked hard to address a number of long-term and emerging challenges, while still successfully delivering some great outcomes for our community.

With more than 100,000 residents in our community, it is important to note their diverse and often changing needs. We understand that a one-size-fits-all approach doesn't work and we constantly review the role we play and the products and services we offer in order to better service our community and help realise our shared vision of community wellbeing now and in the future.

To measure how well we are delivering these products and services and our community's wellbeing, we use the results of our biennial community and business satisfaction surveys, as well as our wellbeing survey, as core indicators. In our 2018 perception surveys, residents and businesses gave the City an unprecedented satisfaction score of 100% as a place to live, and in our 2019 Community Wellbeing Survey, quality of life scores increased from 93% in 2017 to 96%. Surveyed residents also reported that they expect their quality of life (wellbeing) to increase over the next five years.

Working towards our outcome of a **Clean and Green** City, the City continued to implement its Urban Forest Strategy Part A, which has seen the amount of trees planted double from the previous year across our parks, reserves, verges and streets, to help maintain our tree canopy cover. Our continued focus on sustainable waste management was further strengthened after a unanimous Council decision to roll out the successful 3-bin Food Organics, Garden Organics (FOGO) system to all residents from July 2019. Working closely with the Southern Metropolitan Regional Council (SMRC) during the 3-bin FOGO trial resulted in the City and the SMRC recognised at the Waste Authority WA's 2018 Infinity Awards with the Avoid Recover and Protect Waste Management Award.

The City continued to focus on **Growth and Prosperity**, working with key partners including the Melville-Cockburn Chamber of Commerce, Business Foundations and the Small Business Development Corporation to bring events, skills-based workshops, business advisory services and networking opportunities to local businesses. Recognised as a Small Business Friendly Local Government, we continued to build stronger, productive working relationships with our business community while addressing their needs and concerns. With State Government driven housing targets under the Perth and Peel @ 3.5million framework revised from 11,000 to 18,500 new dwellings by 2050, the City's Local Planning Strategy continued to ensure that multi-unit dwellings develop within the boundaries of activity centres that are connected to major transport corridors, which then enables the City to protect and retain its much-loved quiet suburbs.



Our City

A number of key projects were put on hold or stopped during the year, including the well-published and opinion-dividing Wave Park and Tompkins Park Development.

Another outcome the City focused on was continuing to support residents to live **Healthy Lifestyles**. There was record-breaking attendance at free Active in the Park classes and various other exciting projects and services were implemented throughout the year. Work continued on ensuring the City is delivering the right balance of sporting activities while preserving natural areas, and planning began on an Active Reserves Infrastructure Strategy which, once completed, will become a 20-year strategic plan for key sporting reserves in the City to help ease overuse and address the ever-changing participation levels and types of sports being played across the City.

In helping to create a **Safe and Secure** community, the 2017 – 2021 Safer Melville Plan remained a key document in implementing various community safety improvements for local businesses and residents. The City was awarded gold at the 2018 International Safety Media Awards for its Safer Melville video campaign, which used LEGO® characters to highlight key community safety concerns. Funded by the Department of Justice and working collaboratively with WA Police and the Department of Fire and Emergency Services, these videos reached nearly 1.4 million people throughout Australia and internationally.

Melville's **Sense of Community** continued to be a focal point for delivery of our vision. Record-breaking attendance at free annual events attracted residents from across the City and beyond to come together and enjoy festivities. Internationally and across Australia, library loan figures are falling, but Melville's libraries enjoyed a 19% increase in loans and attendance numbers from last year, which is fantastic news.

The City's strong commitment to creating **Sustainable and Connected Transport** saw some great progress and exciting projects commence. Work started on an Integrated Transport Plan and the

first Safe Active Streets Project for the City, which will connect Garden City Shopping Centre and Riseley Activity Centre. We will continue to advocate and provide appropriate infrastructure for people to easily move around the City by foot, bike or public transport to help reduce dependency on cars.

2018-2019 was a year of change and progress for the City of Melville, which is never without its difficulties and challenges, and as the newly elected Mayor I look forward to what the next year will bring as we work more closely with our community. Congratulations to the CEO, staff and Council for their hard work and commitment to community outcomes which you will read about in this annual report.

On behalf of our Elected Members, we look forward to strengthening relationships and working with our community and administration into the future, to increase community wellbeing now and for future generations.

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



Our Organisation

Our vision and mission as a local government is to increase our community's wellbeing now and for future generations. We can only achieve this by working with the community that we serve, by partnering with key agencies and groups, facilitating and advocating for key issues in the community, and by providing community funding and the right mix of products and services.

This challenge demands that we balance economic, social and environmental impacts while trying to minimise rate burdens on residential ratepayers. This has been all the more difficult as we must also invest in renewing our ageing assets, worth \$1,049m in replacement value (excluding land), many of which are now reaching their end of life.

In ensuring we are sustainable today and for future generations, our focus continued on maintaining a positive Financial Health Indicator (FHI) score with minimal rate increases to help ensure that future generations have the same level of amenity as our community enjoy today. While we have maintained a healthy FHI since 2014-2015 of 98 or above, the score is expected to drop to 92 for 2018-2019 due to increasing depreciation costs and a delayed capital works renewal program.

In developing the 2018-2019 budget, our long term decisions took into account the real impacts of rising costs over time to ensure current residents pay an equitable contribution towards the consumption of services, while at the same time ensuring future residents are protected from price shocks, asset failure or reduction of services which would arise if this approach was not taken.

We work to ensure sustainability and intergenerational equity and the budget was achieved without resorting to loan borrowings to fund any operating or capital programs. It provided \$39.4m for capital expenditure with \$11.5m committed to City-owned buildings, \$6.1m for road resurfacing projects, \$4.8m for renewal and development of parks and foreshore areas and \$1.7m for replacement and new footpaths.

In November 2017, we received notification of an authorised inquiry into the City under section 8.3(1) of the Local Government Act 1995. During the course of the Inquiry, we worked in an open and transparent manner with the Department and were proactive in reviewing and improving processes with regards to the handling of complaints, management of public question time, land acquisitions and providing access to information. These improvements were embedded into our certified business management and customer service systems.



The final report was released on 27 June 2019. The report contained 17 findings which were noted by Council and seven recommendations which were all adopted by the Council at its meeting on 16 July 2019 and are being implemented. A report will be provided to the Director General on how we have addressed the recommendations in December 2019.

We also continued our efforts to address some long-term challenges that impact our ability to achieve our six key outcome areas in our Strategic Community Plan 2016-2020. More about these challenges can be read from page 26 and further information on our six key outcome areas can be found on page 31.



Our Organisation

It is important to note that these outcomes are interconnected and our activities often contribute towards more than one outcome, and an improvement in one outcome area can potentially impact another both positively and negatively. We work hard to balance these outcomes in a sustainable manner while taking into consideration community requirements now and in the future.

The role we play and the products and services we provide respond to a wide range of planning, technical, corporate and community needs, and assist and support our society to function day to day. These services are tested against a public benefit test which ensures we review them periodically to ensure they continue to meet the needs of our ever-changing, diverse community.

We also continued our commitment to business excellence and are operating at the top level of the Australian Organisational Excellence Foundation, applying the nine principles of business excellence in the way we do business.

We continue to lead and foster a constructive organisational culture where opportunities for improvement are identified, mistakes are

acknowledged and learnt from and our organisational values are embedded throughout the organisation.

We look forward to continuing to work with you all, our residents, ratepayers, volunteer groups and other key stakeholders, as we strive for the best possible outcomes for our community and continue to work together to achieve community wellbeing for today and tomorrow.

Marten Tieleman
Chief Executive Officer



A Year in Review

2018/19

July



Lowest Rate Increase in 20 Years

The adopted 2018-2019 budget confirmed the lowest rate in the dollar increase in 20 years at 0.9%, with \$39.4 million approved in funding to provide projects, works, products and services



Celebrating NAIDOC Week

From 8 to 15 July we celebrated NAIDOC Week together with various events across the City

September



AH Bracks Library + Creative Space Reopens with New Look

More than just a library, this new space brings art, technology, local history, science, literacy and creativity together under the same roof



First Responders Honoured

Representatives from WA Police, WA Fire Service, St John Ambulance, local State Emergency Services (SES), RAC and the City's Community Safety Service (CSS) team were recognised for their hard work and commitment to the community

November



Kidchella Attracts Thousands

Record-breaking crowds attended this dedicated children's event



City Recognised Nationally for Great Customer Service

We were awarded the Service Champion of the Year – Government/Not for Profit Award at the 2018 Australian Service Excellence Awards

January



Limestone Concerts Rock

Some of Perth's best Rockabilly bands kicked off the New Year with a free outdoor concert. A second concert was held in February



City Acknowledged as Cyber Safety Leader

The Alannah & Madeline Foundation and Telstra Foundation acknowledged our libraries as eSmart.

March



Record-breaking attendance at Point Walter Concert

More than 17,000 people attended the annual, family-friendly, free Point Walter Concert



Tractor Naming Competition

Called the community to name our three new tractors, with Wave Park, Dardy Sing and Roe 8 the community chosen and voted names

May



Community Engaged on Food Truck Locations

The community were asked to have their say on potential food truck locations within the City



Tompkins Park Development On Hold

Following a Council resolution, the Tompkins Park development is put on hold to allow a review of development options for the site

August



Working Together for a Safer Melville

We signed a new Memorandum of Understanding (MoU) with WA Police, confirming our ongoing commitment to work together to create a safer, more secure City



Goal Getters receive Youth Sport Scholarships (YSS)

Eighteen aspiring sporting stars received a YSS, giving them one year's free membership to our LeisureFit centres

October



National Award for City Play Space

We were awarded the 2018 Parks and Leisure Australia National Award for Play Spaces under \$500,000



3-Bin Win – It's a GO for FOGO

Following a unanimous Council decision, the successful 3-bin Food Organics, Garden Organics (FOGO) system was approved to be rolled out City-wide

December



Authorised Inquiry Draft Report Received

We received a confidential draft report into the Authorised Inquiry announced 30 November 2017

February



Boat Ramp Renovations Completed

Essential upgrade works at the Deep Water Point and Point Walter boat ramps have been completed and are open.



Vinylpooza Takes Over Wireless Hill

With the resurgence of vinyl we hosted Vinylpooza, a record fair and exhibition at Wireless Hill.

April



Sabrina Hahn Takes Melville by Storm

Local residents were invited to attend free interactive workshops hosted by Sabrina Hahn, local resident and gardening guru



Wave Park Project Cancelled

An unsuccessful bid to purchase crown land required for the Wave Park sees the project unable to proceed

June



Road Resurfacing Works on Track and Below Budget

We attribute our success to early planning and tight controls on quality, safety and costs



2019-2020 Budget Confirmed

\$90.2 million in funding is secured for projects following the adoption of our 2019-2020 budget

The Year Ahead

In preparation for the review of the Corporate Business Plan 2016-2020, Elected Members will be involved in an interactive workshop at the beginning of 2020, using the recently completed community outcome dashboards, to review 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/outcomereporting



Working together to achieve community wellbeing for today and tomorrow

Did you know that every day you interact with the City of Melville? Whether its 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 operates and you contribute to through your annual rates payments.



About Our City

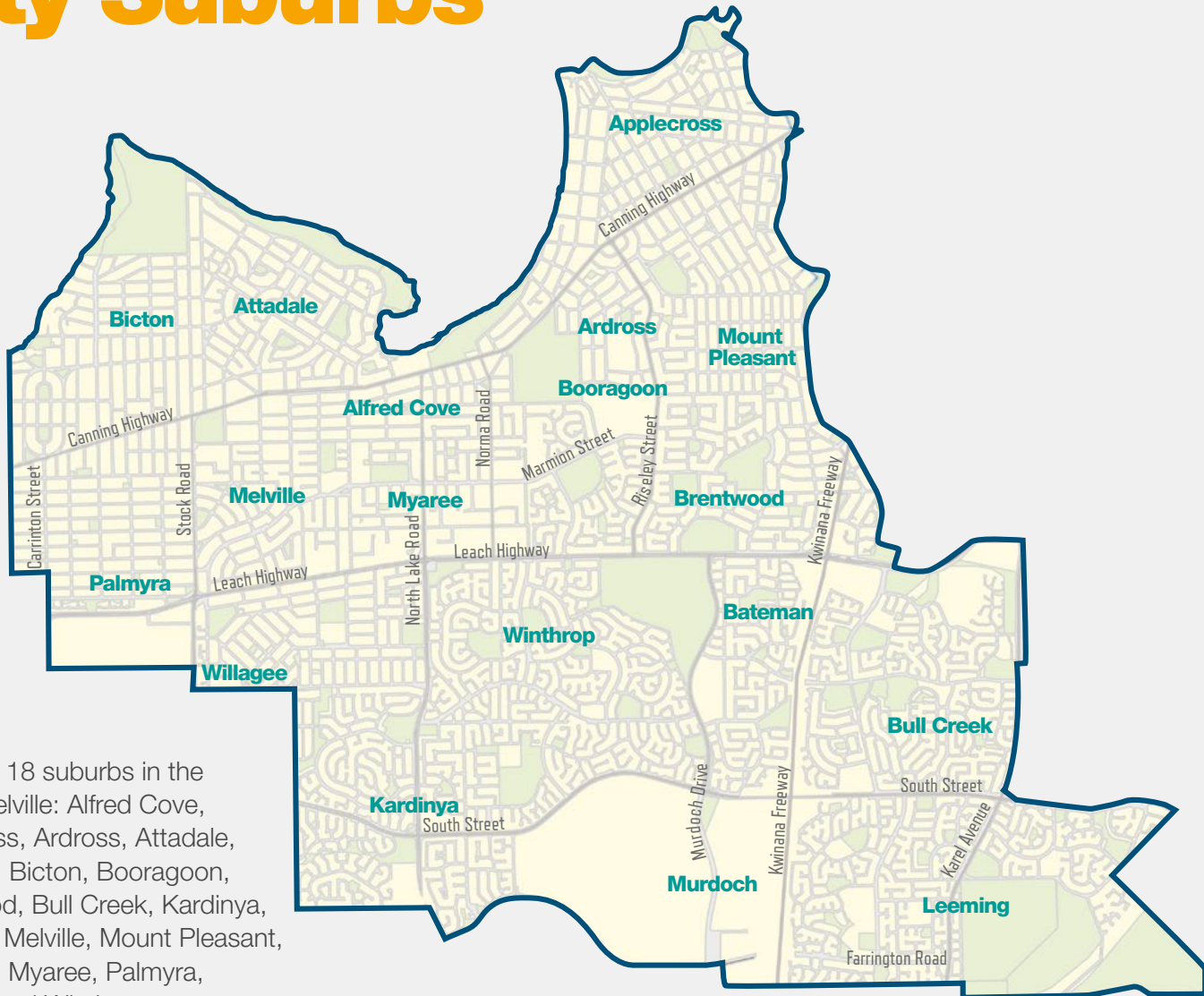
Fast Facts



Sources

- ID Profile profile.id.com.au/melville
- Internal data sources

City Suburbs



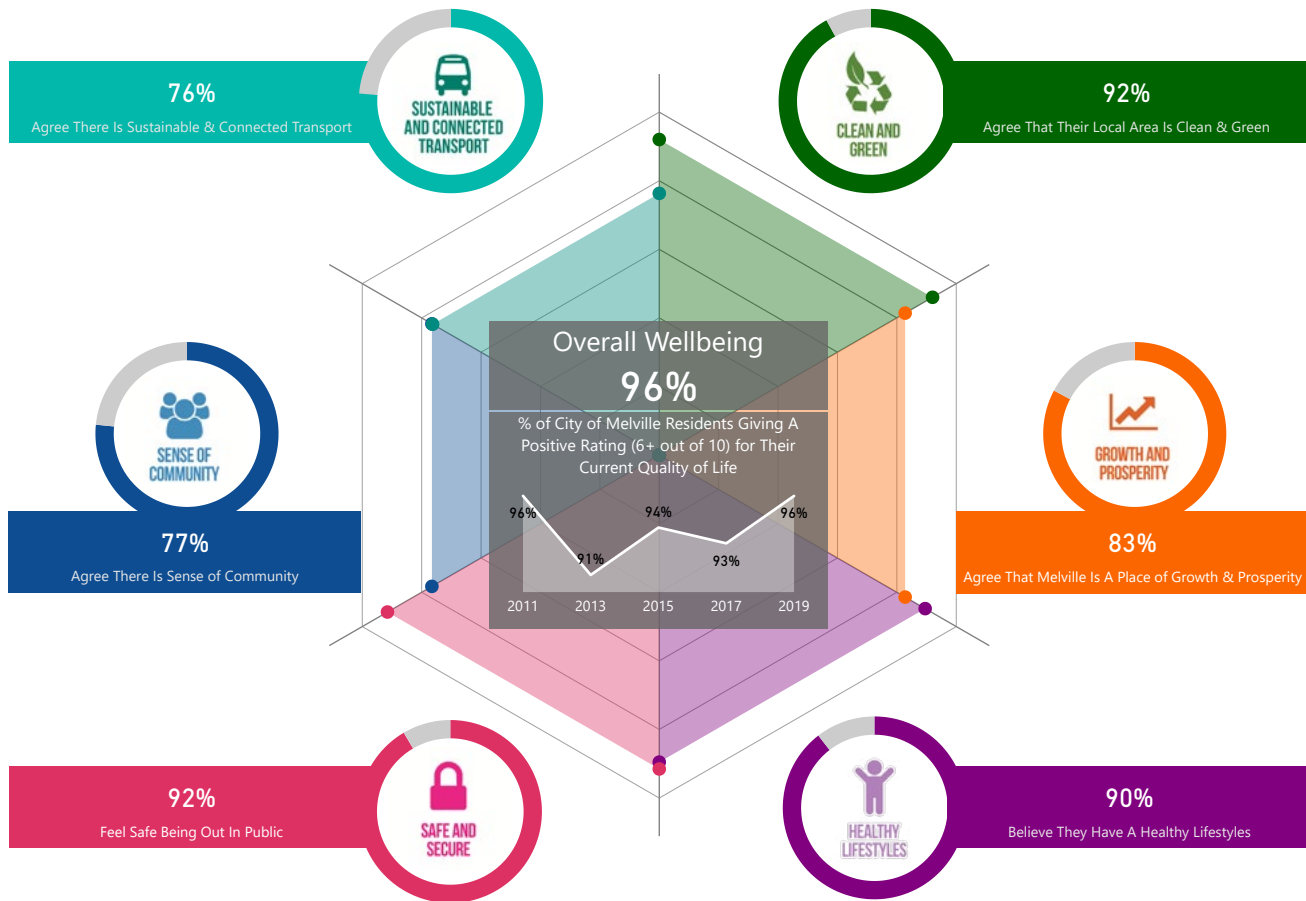
There are 18 suburbs in the City of Melville: Alfred Cove, Applecross, Ardross, Attadale, Bateman, Bicton, Booragoon, Brentwood, Bull Creek, Kardinya, Leeming, Melville, Mount Pleasant, Murdoch, Myaree, Palmyra, Willagee and Winthrop.

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.

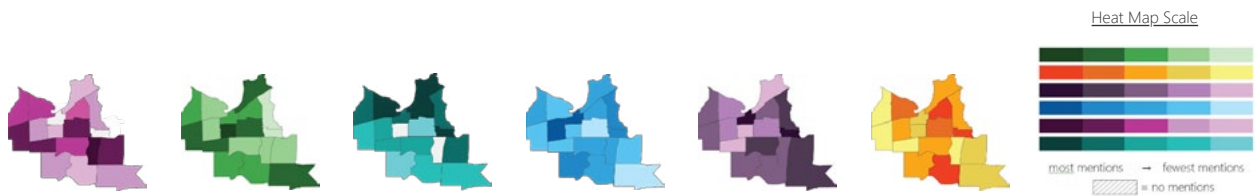


Community Wellbeing Survey Results 2019

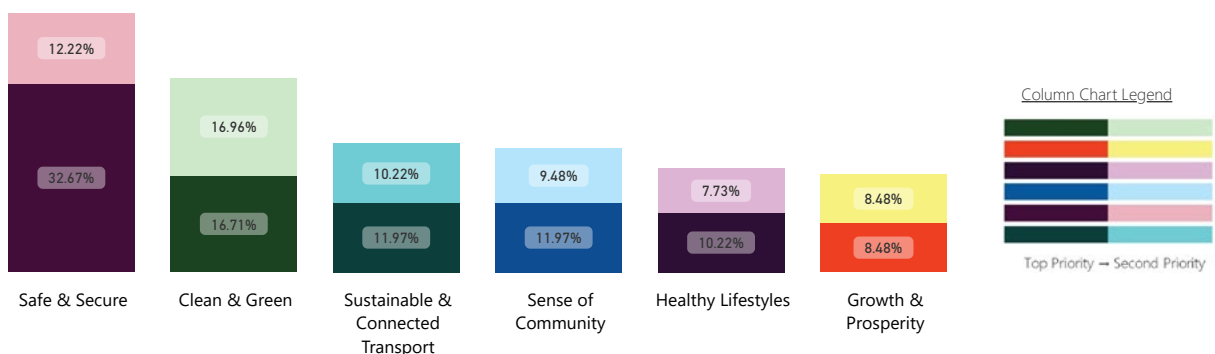


Community's Priority Outcome Areas 2019:

The heat maps below illustrate the frequency of respondents nominating outcomes as their priority areas compared to the population of the suburb. The darker the colour, the greater percentage of times it was nominated as a priority (top or second).



The column chart below represents the % of respondents from the 2019 Community Wellbeing Survey (n=401), identifying each outcome as their top priority areas.



Our Elected Members

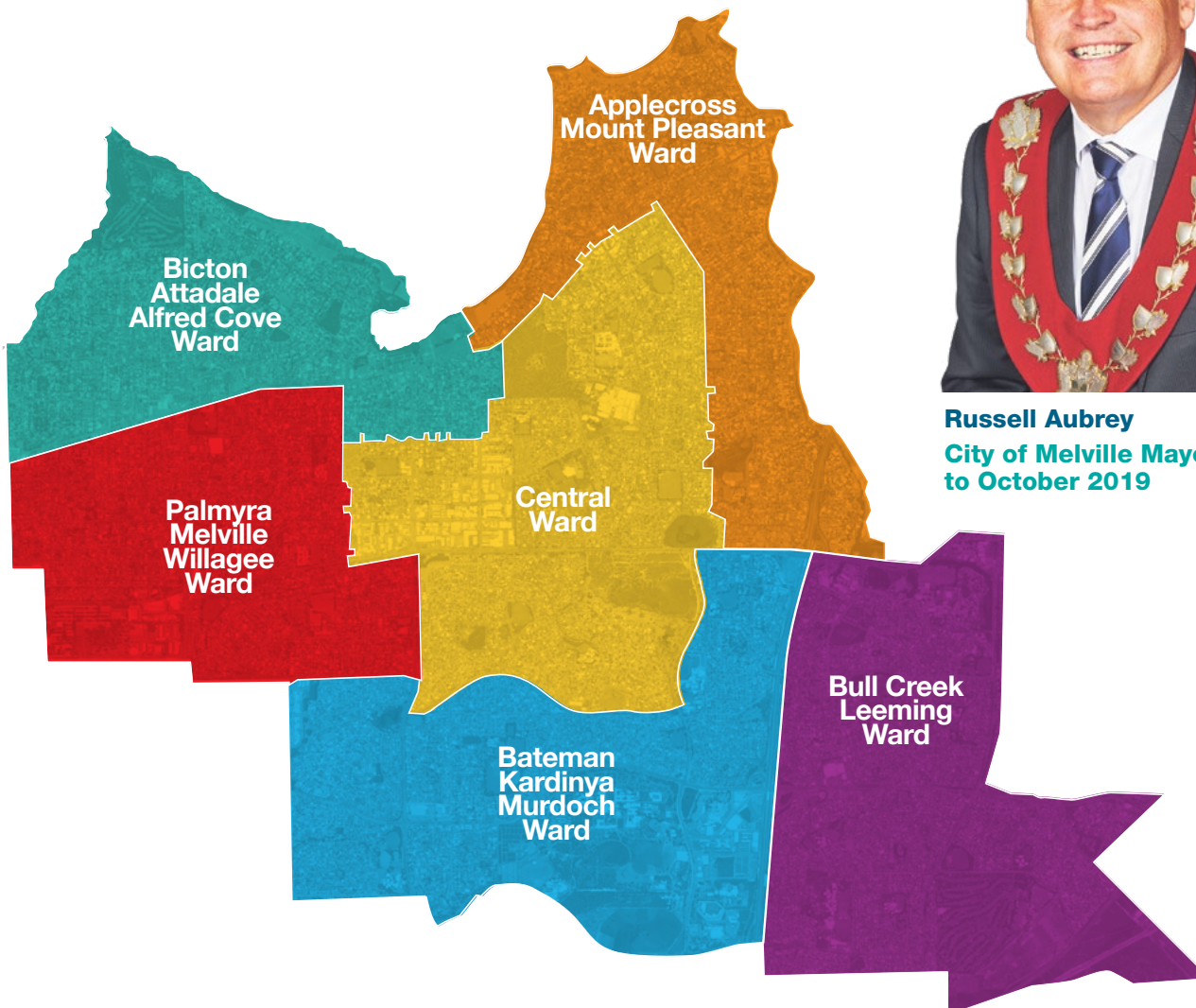
The City of Melville Council consists of a Mayor, 12 Councillors/Elected Members, including the Deputy Mayor who represent the community in one of the six wards shown below. The community elects the Mayor and Councillors every four years and Elected Members elect the Deputy Mayor each year. The Mayor 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 and are represented in the Governance Committee.



Russell Aubrey
City of Melville Mayor from 2007 to October 2019

Elected Member Attendance at Council Meetings 2018-2019

	Ordinary Meeting of Council	Special Meeting of Council	Agenda Briefing Forum	Annual General Meeting of Electors	FMARC Committee*	Governance Committee**
Total meetings held	12 (2 meetings in May)	4	11	1	4	2
Mayor Aubrey	11	4	9	1	3	2
Cr Barling	12	4	11	1	4	N/A (2)
Cr Barton	12	4	9	1	3	N/A (2)
Cr Kepert	12	4	11	1	N/A (3)	2
Cr Macphail	12	4	11	1	4	N/A (1)
Cr Mair	11	4	8	1	N/A	2
Cr Pazolli	12	4	11	1	2	N/A (1)
Cr Phelan	12	4	10	1	N/A (1)	2
Cr Robartson	11	4	10	1	N/A	2
Cr Robins	12	3	11	1	N/A	2
Cr Wheatland	11	4	10	1	3	N/A
Cr Wieland	12	3	9	1	N/A (2)	1
Cr Woodall	11	4	6	0	3	2

Elected Members from 1 July 2018 – 30 June 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 a guest.

*** (FMARC) Financial Management, Audit, Risk and Compliance Committee Members**

Mayor Aubrey, Cr Barling, Cr Barton, Cr Macphail, Cr Pazolli, Cr Wheatland, Cr Woodall & external members Mr Richard Woodgate (till November 2018) and Lindsay Hay (from December 2018 to date)

**** Governance Committee Members**

Mayor Aubrey, Deputy Mayor***, Cr Kepert, Cr Mair, Cr Phelan, Cr Robartson, Cr Robins & Cr Wieland

*****Deputy Mayor**

Cr Woodall – Deputy Mayor November 2017 to October 2018
Cr Barling – Deputy Mayor November 2018 to October 2019



Our Elected Members

Applecross–Mount Pleasant Ward



Cr Nicholas Pazolli

Term of office expires
October 2019



Cr Steve Kepert

Term of office expires
October 2021

Bicton–Attadale–Alfred Cove Ward



Cr Guy Wieland

Term of Office expires
October 2019



Cr June Barton, OAM, JP

Term of office expires
October 2021

Bull Creek–Leeming Ward



Cr Matthew Woodall

Term of office expires
October 2019



Cr Clive Robartson, AM

Term of office expires
October 2021

Central Ward (Ardross–Booragoon–Myaree–Winthrop)



Cr Duncan Macphail

Term of office expires
October 2019



Cr Katy Mair

Term of office expires
October 2021

Palmyra–Melville–Willagee Ward



Cr Karen Wheatland

Term of office expires
October 2021



Cr Patricia Phelan

Term of office expires
October 2019

Bateman–Kardinya–Murdoch Ward



Cr Tim Barling

Term of office expires
October 2019



Cr Nicole Robins

Term of office expires
October 2021

For more information and contact details of Elected Members,
visit www.melvillecity.com.au/electedmembers

The Organisation

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

Full-time: **395** employees

Part-time: **134** employees

Casual: **231** employees

Total: **772** employees (Labour Force Establishment – LFEs)

Total number of full-time equivalents (FTEs) at 30 June 2019: **460** employees



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
- **Ken Wan**
Process Improvement Auditor

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
- **Tony Capobianco**
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
- **Facilitator** – bringing together interested parties to achieve outcomes
- **Advocator** – promoting the interests of the community to others, such as state and federal governments



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,

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. 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



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 are:



Our Goals / Tactical Priorities

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

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*. A minor review and community consultation of our Strategic Community Plan in 2018 cited no significant changes to the current endorsed plan.

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 "quadrupal 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 2019
<p>Priority 1: Restricted current revenue base and increasing/changing service demand</p>	<p>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>	<ul style="list-style-type: none"> • Guided by our Local Planning Strategy, Local Planning Scheme 6 and our various activity centre plans the following was progressed or achieved: • Continued work on various minor scheme amendments associated with residential density increases in strategic locations. • Commenced the preparation of an Economic Place Activation Strategy to optimise the development and function of key centres. • Completed a Local Housing Strategy, which is now in operation, to help guide our City’s future housing needs. • Commenced a parking policy review with a view to enhance the long-term commercial viability of activity centres. • Continued to explore and implement activity centre streetscape, placemaking and public realm improvement opportunities. • Continued implementation of the Murdoch Activity Centre, with an additional focus on the Murdoch Health and Knowledge Precinct, centre promotion and master planning.
<p>Create greater revenue from our current and potential land, property and facility holdings</p>		<ul style="list-style-type: none"> • Guided by our Land Asset Plan and our Long Term Financial Plan, we progressed or completed the following: • Commenced a major strategic property project at the Carawatha site in Willagee. • Completed an opportunity analysis of our strategic properties and implemented initiatives including requests for proposal for key sites. • Opened Dome at Deep Water Point. • Continued progress on land acquisition options for possible redevelopment of the Mount Pleasant Bowling Club site. • Progressed identification of surplus land suited for sale.
<p>Pursue productivity and efficiency improvements</p>		<ul style="list-style-type: none"> • Continued to focus on continuous improvement approaches such as Lean Six Sigma. • Continued to conduct journey mapping and customer experience testing to identify improvements to user experience. • Created outcomes dashboards to give us an organisational focus on strategic community outcomes. Data was collected from across the organisation and external sources to provide a clear, holistic organisational view to help create an agile, community-responsive organisation. • Initiated and continued to partner with Murdoch University on a smart microgrid project for sustainable energy management. Read more on page 37.

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.
- Commenced work on an Active Reserve Infrastructure Strategy, which will deliver 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.
- Continued to implement improvements to services and facilities at LeisureFit as a result of the 2016 review of the service.
- Replaced the boat ramps at Point Walter and Deep Water Point.

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

- Continued work on our Infrastructure Strategy to incorporate KPIs and strategic expenditures for assets that support our community and business plans. This will also address functionality, capacity and utilisation changes.
- Updated the surveys for roads, paths, parks and buildings to provide the latest condition information.
- Reviewed 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.
- Used data from asset management plans to build a Capital Works and Maintenance Plan in line with the Long Term Financial Plan.

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

- Completed work to formally expand the definition of 'end of life' in our asset management plans to include the priorities in the community and business plans. The first group of plans modified were our roads, paths, parks and building plans. 'End of life' is now considered from a condition, functionality, capacity and utilisation perspective. This has always been carried out but now a formal process exists for determining this requirement.
- The output from this additional planning will be used to refine the requirements summarised in the Long Term Financial Plan. This will continue to ensure that our current expenditure is in line with community expectations and also that the consumption of assets today does not have an undue impact on future generations.

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

- Commenced a parking policy review with a view to enhance the long-term commercial viability of activity centres.
- Completed a further review of the Canning Bridge Activity Centre Plan H4 interface, which introduces a range of initiatives aimed at enhancing amenity in the precinct.
- Introduced state-wide apartment design guidelines aimed to improve quality of buildings in interface areas. This has been submitted for approval to State Government.
- Commenced a review of building heights and approaches to the awarding of bonus height to respond to community feedback.

**Priority 3:
Continued**

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 work on a new Willagee residential development (Carawatha), which will deliver more variety and affordable housing options, attract new residents and businesses and enhance the overall amenity of the area.
- 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.
- Continued work on the Murdoch Drive shared path project, which will provide a new link between activity centres for pedestrians and cyclists.

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

Holistic and integrated strategies for protection of the City's natural resources (includes urban forest, foreshore protection, public open space and streetscapes)

- Continued implementing our Urban Forest Strategy Part A with more than 4,000 trees planted on City land.
- Continued to work with friends groups in our natural areas.
- Continue to implement our Natural Areas Asset Management Plan.
- Continue to implement our Foreshore Restoration Strategy.
- Protected an additional 134,000m² of public open space through our Local Planning Scheme 6.

Ameliorate loss of vegetation from private property

- Continued to promote the benefits of trees to residents and encourage them to retain trees and increase tree canopy on their property.
- Successfully trialled a free native plant giveaway for City residents, which built upon the Native Plant Subsidy in previous years.
- Continued to promote our free verge tree program for residents.

Explore with current and potential partners the next generation waste treatment technology and implement

- In partnership with the Southern Metropolitan Regional Council (SMRC), continued our 3-bin Food Organics, Garden Organics (FOGO) trial to around 7,000 residents.
- Following the successful trial, Council unanimously supported a City-wide roll out of the FOGO bin system, to commence from July 2019.
- In partnership with the SMRC, were awarded gold at the Waste Authority WA's 2018 Infinity Awards, for the success of the FOGO trial.
- As part of the SMRC, we are also investigating waste to energy solutions for waste currently going to landfill.
- Continued to investigate the launch of FOGO to local businesses, as well as on-demand verge waste collection and skip services.

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

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

- Continued to make improvements to our digital communications channels which led to an increase in the number of people interacting with us on these platforms.
- Key stats include:
- 430,000 people visited nearly two million page views on our website
 - Reached 46,400 subscribers for our various eNews
 - Reached 10,000 followers on Facebook
 - 32,000 people visited our dedicated online engagement site, Melville Talks
 - More than 2,500 people contributed 4,000 times on Melville Talks, and more than 2,000 surveys were completed.
 - Sent more than 125,000 emails to the community to ask them to participate in engagement projects.
 - Key achievements:
 - Through a focus on optimising social media, our LeisureFit brand and key messages are reaching 18,000 people online a day.
 - Continued our focus on maintaining a user-friendly and easily searchable website.
 - Started work on online business journey mapping and customer experience.
 - Reconfigured the 'enter your address' widget for the 3-bin FOGO roll-out. Residents are now able to enter their address and see when they can expect their new bins and when to place them out for collection.
 - Started using heat spot mapping to understand how people are using the website, to further improve page structure, content and searchability.
 - Started work on incorporating Melville Talks into our core website.
 - Successfully implemented geo-targeted advertising into our marketing mix, which assists us with delivering online information to the right people at the right time.
 - Conducted 20 community engagement projects.
 - Successfully embedded stakeholder engagement principles and practices into our project management process, with further improvements to follow.
 - Commenced a project to digitise our museum and arts collection, with more than 4,500 records uploaded to a new online system.
 - Formed an ePlatform consortium with the Cities of Canning, Kwinana, Mandurah and the Town of East Victoria Park so library users are able to access more titles online.

Continue participatory budgeting that involves the community (such as Project Robin Hood)

- Commenced and completed our fourth round of Project Robin Hood. Eight community projects shared in a pool of \$120,000 of funding.

**Priority 5:
(Continued)**

Improve engagement with the business community

- Continued to communicate with local businesses through a bi-monthly business eNews to nearly 3,000 subscribers.
- Conducted face-to-face surveys of local businesses in the Riseley Activity Centre as part of a broader placemaking initiative.
- 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 (SBDC).
- Introduced the Business Over Coffee series, in partnership with the SBDC and neighbouring City of Canning. The series encourages meaningful conversations and discussions between local businesses, local government and expert business advisors in an informal and relaxed environment. Coffee with the Commissioner provided local businesses a chance to have a coffee and a chat to the Commissioner.
- Continued to improve our online Business Hub at **www.melvillecity.com.au/business**
- Hosted our Annual Business Forum and Business Breakfast Series in partnership with the Melville-Cockburn Chamber of Commerce and Business Foundations.

Our Future Priorities

At the start of 2020, Elected Members, key staff and management will review our Corporate Business Plan 2016-2020 in-line with information from community dashboard reports and current and emerging community trends/issues. Our role and the products and services we deliver set our strategic direction moving forward to help realise our vision.

Looking to the year ahead, high-level highlights of what we will be working on for the 2019-2020 financial year have been included within each outcome area to provide an indication of immediate future priorities and initiatives.



Key Items of Capital Expenditure

The 2018-2019 budget provided for \$39.4m in capital expenditure. Key items included:

- **\$11.5m** for works on City-owned buildings, including:
 - » **\$3.2m** for the new library and cultural centre
 - » **\$1.1m** for Melville City Centre development sites
 - » **\$1.9m** for LeisureFit Booragoon's pool refurbishment
- **\$6.1m** for general road resurfacing projects
- **\$4.8m** for renewal and development of parks/foreshores, including:
 - » **\$3.8m** for the upgrade of Shirley Strickland Reserve
- **\$1.7m** for replacement and new footpaths
- **\$1.5m** for drainage renewal and upgrade projects
- **\$1.4m** for jetties and boardwalks
- **\$1.4m** for the replacement of plant and vehicles
- **\$1.2m** for irrigation works across our parks
- **\$814k** for information technology hardware and software
- **\$600k** for renewal of playgrounds
- **\$569k** for renewal and development of streetscapes and structures
- **\$500k** for environmental works, including foreshore restoration

We are reliant on grants to assist funding our capital program. Our 2018-2019 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, 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>Clean and Green</p> 	<ul style="list-style-type: none"> • Greening the City • Reduce carbon emissions • Sustainable energy management • Sustainable waste management • Sustainable water management • Promoting sustainable environment
<p>Growth and Prosperity</p> 	<ul style="list-style-type: none"> • Achieve economic resilience • Local job opportunities • Location of choice for a diverse range of businesses
<p>Healthy Lifestyles</p> 	<ul style="list-style-type: none"> • A safe and healthy urban environment • Healthy eating • Increase physical activity • Mentally healthy community • Reduce alcohol and other drugs use
<p>Safe and Secure</p> 	<ul style="list-style-type: none"> • 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
<p>Sense of Community</p> 	<ul style="list-style-type: none"> • Lifelong learning and creativity • Participation and inclusion • Place activation and liveability • Sense of identity through collective memory • Social connectedness and belonging
<p>Sustainable and Connected Transport</p> 	<ul style="list-style-type: none"> • Appropriate infrastructure • Balancing transport priorities • Diverse choice and use of transport options • Prioritising urban development near transport nodes and in activity centres • Ease of movement

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



Our Outcomes



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	External related plans	Our partners
Urban Forest Strategy Part A Public Open Space Strategy Environmental Improvement Plan Adapting to Climate Change in the City of Melville Natural Areas Asset Management Plan Foreshore Restoration Strategy Parks Asset Management Plan Water Quality Improvement Plan	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	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
- Ewaste, recycling and Household Hazardous Waste Drop Offs
- 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

- Planted **4,173** trees, **1,870** shrubs, **15,218** native seedlings and **1,050** advanced sedge bags.
- Gave away **6,666** free native plants to residents.
- Held more than **40** sustainability workshops at our Piney Lakes Environmental Education Centre, helping to educate more than **1,500** participants per month.
- Was the recipient of more than **260** volunteer hours dedicated to greening the City.
- Our Canning Bridge Activity Centre Plan facilitates the development of environmentally sustainable buildings, including the achievement of five star green rated buildings.
- Nominated for Coastal Award of Excellence for foreshore restoration work, in partnership with Swan Estuary Reserves Action Group at Tompkins Park.
- Joined the Global Covenant of Mayors for Climate and Energy and began working towards a new target of a **48%** emissions reduction by 2025.
- Council unanimously resolved to roll out the 3-bin Food Organics, Garden Organics (FOGO) system across the City from July 2019, becoming the first metro local government to align with the State Government's waste strategy.
- Collected over **4.17 million** residential waste, recycling and FOGO bins.
- Awarded the Waste Authority WA's Infinity Awards Avoid Recover Protect – Waste Management Award in November 2018 for the 3-bin FOGO trial, in partnership with the Southern Metropolitan Regional Council (SMRC).
- Collected a total of **29,956T** of domestic waste, **11,295T** of domestic recycling, **1,926T** of commercial waste, **420T** of commercial recycling and **423T** of waste from street and park bins.
- Endorsed by the Water Corporation WA as a Waterwise Council for the ninth year running.
- Collected **1,800T** of bulk verge waste and recycled **49T** of mattresses, **203T** of whitegoods, **26T** of e-waste and **3,455T** of garden organics from the verge.



Key Achievements/Projects

We continued our focus on achieving a clean and green City through a number of key achievements and projects during 2018-2019. By working collaboratively with several different partners, many proactive steps were taken towards realising our clean and green goals listed above.

A successful tree planting season saw more than 4,000 trees planted in natural areas, parks and along streetscapes, in line with the our Urban Forest Strategy Part A which focuses on maintaining tree canopy coverage on City-owned land.

Giraffes at Perth Zoo were given 120kg of eastern state wattles weeds, *Acacia longifolia*, to eat which was cleared by our staff and volunteers from Bull Creek Reserve. This not only helped protect our 52 priority fauna species, but also helped reduce and reuse green waste.

Our main revegetation and greening the City projects for this year were at:

- Booragoon Lake to improve water quality through grass reduction
- Melville Beach Road riparian vegetation improvements
- Bateman foreshore restoration project
- Re-establish native vegetation to stabilise drainage basin at Trevor Gibble Park
- The Esplanade planting and creation of a rain garden

Providing green space for the community was a priority, with nine garden plots installed at Piney Lakes for the community to turn their hand to gardening and learn more about sustainable living.

We hosted several well-attended community workshops, including gardening for climate change and tree succession planting presented by local resident Sabrina Hahn, and a grow your garden workshop presented by Josh Bryne.

Continuing a collaborative partnership with the SMRC, Council unanimously approved a City-wide roll out of the successfully trialled 3-bin FOGO system from July 2019. This will achieve higher diversion from landfill rates than the State Government's target of 65% diversion from landfill by 2020, and with a contamination rate of less than 3% household waste, creates an Australian standard compost.

The roll out of the 3-bin FOGO system will be funded through the Waste Authority Funding Agreement \$1,181,370 towards new bins with the remainder funded by our financial reserves. It is anticipated that reduced processing costs could result in a \$3 million saving in waste disposal fees.

We will be one of the first metropolitan local governments to roll out the 3-bin FOGO system. FOGO is the Waste Authority's preferred approach to waste management, as FOGO is one of the only systems that will achieve the State Government's diversion rate, generate an Australian standard compost and offset rising waste management costs.

With the impending new bin roll-out, we undertook an internal waste education program with all staff and transitioned major City buildings to the 3-bin FOGO system.

Learnings from the 3-bin FOGO trial were implemented into the education and communications planning for the City-wide roll out.



Recent wellbeing survey results stated that we need to prioritise better waste management, increase recycling and education.

Due to rising electricity costs and our goal of sustainable energy management, 300kw solar panels were installed at our LeisureFit centres and at our operations centre. It is anticipated that the solar panels will reduce our emissions by 300 tonnes per year, helping to significantly reduce our carbon footprint and emissions from our facilities now and in the future.

The panels cost \$330,000 to install, which will be paid back within three to four years and thereafter save the City approximately \$85,000 a year in electricity costs.

We continued the implementation of our Water Quality Improvement Plan through:

- ongoing water quality monitoring
- improving wetlands using water sensitive urban design principles
- developing stormwater quality management guidelines

The Department of Industry, Innovation and Science provided \$546,724 in grant funding for a smart energy management system at City of Melville facilities. We are partnering with Murdoch University to plan and implement this smart Grid Parallel Microgrid which

will help towards our goal for sustainable energy management. The Cities of Canning and Melville were the only two in Western Australia out of 32 Cities across Australia to secure this grant.

The Canning Bridge Activity Centre Plan facilitated the achievement of the first residential apartment buildings in Western Australia to achieve a 5 Star Green rating (Australian Excellence). 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.

We advocated for more sustainable building and planning within our jurisdiction, including:

- Rain gardens in streetscape masterplans
- Early designs that allow developers to introduce landscaping consistent with overall plans
- Landscaping that considers climate change impacts water sensitive urban design, waterwise gardens and the retention of trees
- Innovative and integrated water resource management
- All developments to achieve a minimum five-star green certification, Australian best practice standard

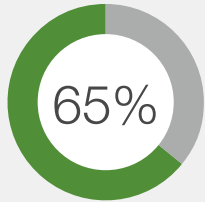
Year Ahead – Key Initiatives

- Community Emissions Mitigation Plan
- Continue introduction of sustainable development standards and incentives
- Continue to promote and protect our Urban Forest
- Create Adaptation Plan
- Expand solar projects
- Implement enhanced energy monitoring across City facilities
- Investigate FOGO for commercial use
- Reduce consumption of ground water
- Review verge waste collection service delivery

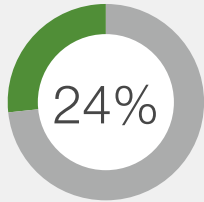


Key Performance Indicators

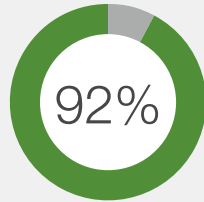
We evaluate our performance in a number of different ways, some of which are listed below:



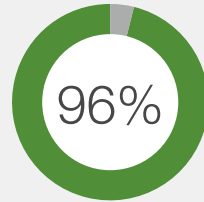
of total waste diverted from landfill – 65% (2019). 63% in 2017. State target of 65% by 2020



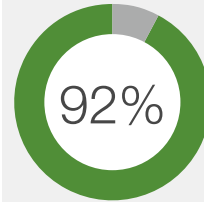
No negative change in level of total urban forest over time as measured by aerial analysis - 24% private and public canopy coverage (2018)



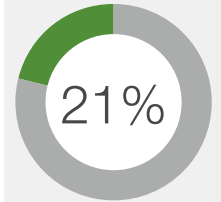
of surveyed residents feel their local area is clean and green (2019)



feel safe breathing the air (2019). 61% in 2011



agree there are local outdoor locations suitable for socialising (2019). 78% in 2011



feel clean and green is a top priority and more needs be done in the community (2019)



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 Projects
- 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

Quick Facts

- Headline Gross Regional Product was **\$6.48 billion**, growing **5.7%** from the previous year.
- City population was **101,940** and is forecast to grow to **126,754** by 2036.
- **49,112** jobs were located in the City of Melville, with **33%** of residents employed locally.
- Largest employer is health care and social assistance with **9,851** jobs.
- Unemployment rate decreased to **3.09%** from **3.43%** in 2018.

Highlights

- Dealt with a total of **1,121** development applications, with a combined value of **\$719** million.
- Issued **2,129** building permits and **2,031** swimming pool compliances.
- Delivered more than **55** capital projects.
- Hosted **13** business events in partnership with the City of Canning.
- Hosted the City's flagship **annual Business Forum** "Your Business Our Future" in partnership with the Melville-Cockburn Chamber of Commerce.
- Increased subscribers to **2,902** for our business eNews.
- Manager Building & Environmental Health Service, Tony Capobianco was awarded a **Professional Excellence Award** at the 2018 Australian Institute of Building Surveyors for his dedication and contribution to the industry.





Key Achievements/Projects

We continued to place a strong focus on creating growth and prosperity for local businesses and the community.

Growth in dwelling numbers continued towards the State Government infill target of 18,500 new dwellings between 2010 and 2050. To June 2019, the proportional target to reach 18,500 dwellings in this period was 3,241 dwellings. New dwelling completions at June 2019 were tracking at 40% of this target, and focused within activity centres and along key transport corridors.

Key projects included:

- The Canning Bridge Activity Centre Plan is continuing to support the evolution of the precinct into a unique, mixed-use, vibrant centre. A review of the provisions in the H4 zone throughout 2018-2019 has seen additional controls to increase residential amenity. Work also continues to examine building heights and community benefit provisions. Engagement with the community in 2019 will inform these investigations and any amendments required to the document.
- Design guidelines were finalised for the residential development of the Carawatha site, to be delivered by Satterly. Ground works are planned to commence in August 2019.
- Opportunities for redevelopment of the former Melville Bridge Club site continue to be explored

with a Request for Proposals process to conclude in October 2019. The process envisages the lease of the City owned site to facilitate construction of a new mixed use development to contribute to the growth of the Riseley Activity Centre.

- Ongoing discussions are continuing with the Department of Planning, Lands and Heritage regarding the future of the Mount Pleasant Bowling Club site and opportunities for residential development, inclusive of substantial public open space for the community.

Our Access Advisory Panel discussed access issues and provided valuable feedback for development proposals including June Barton House, Atwell Gallery, Melville Reserve clubrooms, parks, several aged care facilities and mixed-use developments. See page 60 for more information on this panel.

Community engagement was conducted in June to assist with our first ever food vans policy. The policy will encourage mobile food operators to operate in locations which support the activation of public places as suggested by the community. It will also provide guidance on the requirements of business operations and once drafted will be presented to Council for adoption.

Preparation has commenced for developing our first Economic Development Strategy which will identify, promote and facilitate economic development opportunities in our City to help achieve economic

resilience, create local jobs for residents and attract a diverse range of businesses to the area.

The 'rates per hectare' project continues to provide invaluable data on the importance of investing in our City centres and applying place principles in developing these areas.

Work continued on improving engagement with the business community and supporting growth and development of local businesses and the local economy through a variety of initiatives, programs, events and system improvements.

We continued our commitment to the Small Business Friendly Local Government Charter, in recognition of the value and significance small businesses play in bringing benefits to our community.

Another key aspect to developing our business portfolio of services has been developing relationships with key agencies. We partnered throughout the year with the Melville-Cockburn Chamber of Commerce,

City of Canning and Business Foundations to bring regular events and workshops to local businesses. To date, the events held have been very well attended and have received resoundingly positive feedback.

Partnering with the Melville Cockburn Chamber of Commerce, the annual Business Forum and Expo brought 150 people from local businesses together to network and hear from key note speakers who talked about various topics including Internationalising SMEs; responsible corporate citizenship, looking forward to the future in Melville and setting a high performing culture. Guests were also privileged to receive a special address given by the Assistant Minister to the Prime Minister and Cabinet, also the Federal Liberal Member for Tangney.

Our Melville Age Friendly Accessible Businesses network was launched to local businesses outside of Garden City, with Hawaiian at Melville Plaza becoming a member.

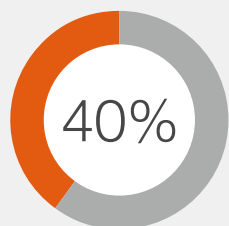
Year Ahead – Key Initiatives

- Continue to complete centre assessments and implement place enhancement actions
- Continue to implement Activity Centre Plans
- Prepare Economic Development and Place Activation Strategy
- Roll out principles of our Parking Strategy Framework
- Streamline licence and approval processes for businesses

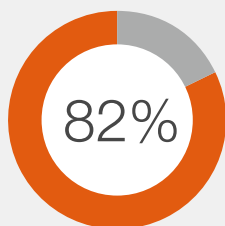


Key Performance Indicators

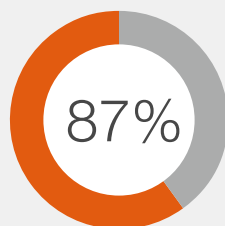
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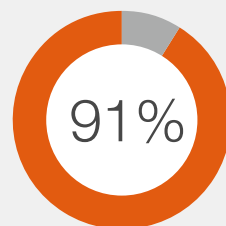
Progress of where we should be in June 2019 towards revised State Government housing targets (2019)



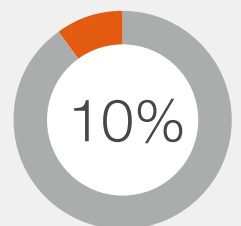
of residents feel that the City is a place of growth and prosperity (2019)



stated there is locally available entertainment (2019). 68% in 2017



said when shopping they can usually find what they need in the local area (2019). 83% in 2017



believed more needed to be done to increase growth and prosperity (2019)

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	External related plans	Our partners
Public Open Space Strategy Health and Wellbeing Strategy	Act Belong Commit; Active 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	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
- Creche services and kids programs
- Environmental health services
- Food safety inspections
- Free Active in the Park exercise classes
- Health Services
- Kids sport
- Learn to swim programs
- Leisure planning
- LeisureFit Recreation Centres
- Liquor licencing
- Mosquito management
- Noise control
- Playgrounds
- Rat bait program
- Youth drop-in service
- Youth Sport Scholarships
- Underground Power Scheme

Highlights

- Awarded the **2018 Parks and Leisure Australia National Award** for Play Spaces under \$500,000 for the Piney Lakes Sensory Playpark.
- Held 86 free fitness classes for all ages and abilities for more than **5,000** participants.
- Provided **300** Activelink vouchers which provided support to those facing financial barriers to participate in recreation, hobby and leisure activities.
- Our Healthy Lifestyles Expo attracted **90** stall holders and more than **700** people.
- Our LeisureFit Centres recorded more than **1.1 million** attendances, up **100,000** visits from 2018.
- Our LeisureFit Centres achieved record membership numbers of **3,262**.
- Nearly **9,000** registered team players played sport in our parks and reserves.
- **18** Youth Sport Scholarships were awarded, providing winners with one year's free membership to our LeisureFit centres.
- Provided 67 Youth Sport Grants throughout the year.
- Held several PHAZE urban art sessions, with more than **100** young people attending.
- Received **1,159** investigation requests, of which **566** were related to noise.
- Rated **96%** of food businesses three stars or more out of five for food safety practices and preparation.



Key Projects/Achievements

Several projects and services were implemented throughout the year to assist people of all ages and abilities to lead healthy lifestyles and improve their health, fitness and wellbeing.

The Healthy Melville Plan 2019-2022 was approved by Council in June, developed using the Department of Health data which helps us identify our community's health priorities. This plan is due to be launched in the next financial year.

Attracting more than 5,000 participants this year, our Active in the Park program continues to grow and this year we held 86 free fitness classes across the City for all ages and abilities. Attendance numbers increased by more than 800 participants who when surveyed said they were 72% more active after participating in a class.

Our Fit for Life education campaign continued to encourage residents to stay active as they age in order to live a healthy lifestyle.

Focused on delivering the right balance of sporting activities while preserving our natural areas, we started work on our Active Reserves Infrastructure Strategy, a 20-year plan for the future use of key sporting reserves to help ease overuse and address decreasing usage of certain sports. More than 300 community surveys were completed and an independent consultant worked with various sporting groups to gain vital feedback from younger people about their sporting needs now and in the future.

To help increase the physical activity of our community, we hosted more than 20 outdoor physical outdoor events through the City, including runs, walks, triathlons and paddle board events.

Sports flood lighting was installed at Peter Ellis Reserve to allow the reserve to be used at nighttime, increasing use of this sporting reserve to help satisfy increasing demand for certain sports.

Major renovations at LeisureFit Melville were completed, which included the refurbishment of the previous foyer area to the new Gymbakids play area, relocation of the administration offices to the disused café pod area, refurbishment of the old administration offices into a child-minding space, and the creation of new meeting rooms and spaces on the western end of the AH Bracks Library + Creative Space. It also included a new facility for the Melville Bridge Club,



with a new alfresco and multifunctional room for their use and the public who can hire the space for events or programs.

Construction is being planned at Shirley Strickland Reserve, funded by our reserves, a \$710,000 grant from Lotterywest and \$800,000 from the Department of Sport and Recreation. It is anticipated that construction will be completed by 2021.

Major upgrades were completed at the Deep Water Point and Point Walter boat ramps. The ramps were funded by a \$1.4 million grant from the Department of Transport's Recreational Boating Facilities Scheme and a \$470,000 contribution from the City.

Partnering with Melville Water Polo Club, they managed to secure a \$140,000 Community Sport Infrastructure Grant from the Australian Sports Commission to fund a pool wall which can be raised and lowered to convert the 50m pool into two 25m pools. Installation has now been completed.

An education campaign titled Healthy Melville, Healthy Businesses helped promote health management (self-care) to local businesses.

96% of food businesses in the City scored three or more stars out of five for food safety practices and preparation, an improvement from 91% last year. One food business was prosecuted for food safety offences which resulted in a \$24,000 fine.

The number of public building inspections completed this year was 60 and noise related requests decreased to 566 from 633 for last financial year and 450 health applications were processed.

Work continued on monitoring and easing mosquito numbers in the City and we provided residents with mosquito bite prevention tips.

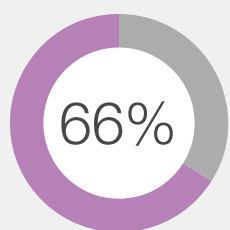
Year Ahead – Key Initiatives

- Develop Alcohol Management Strategy
- Develop and implement the Active Reserves Strategy
- Develop Floodlight Management Strategy
- Facilitate farmers markets
- In partnership with the South Metropolitan Population Unit pilot a healthy food promotion
- Partner with LiveLighter to promote increasing fruit and vegetable consumption
- Progress Tompkins Park Development
- Promote our events as being smoke free
- Start construction of Shireley Strickland Reserve

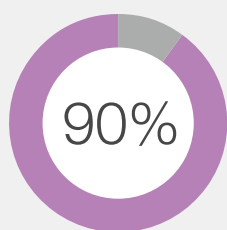


Key Performance Indicators

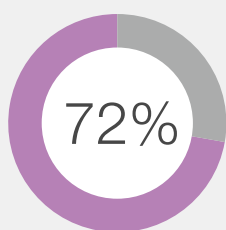
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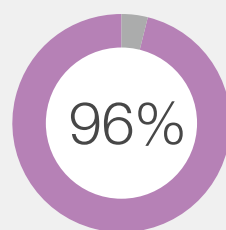
of the community that are sufficiently physically active (WA Health and Wellbeing Surveillance System). 76% in 2017



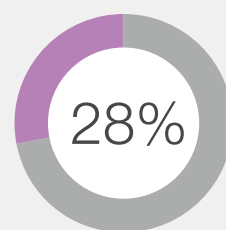
believe they have a healthy lifestyle (2018)



of Active in the Park participants are now more active as a result of participating in a class (2019)



have spaces that are quiet or pleasant and calming (2019)



reported outside noise was a minor problem (2019)

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	External related plans	Our partners
2017 - 2021 Safer Melville Plan	Western Australia Police Force - Strategic Direction	State and federal governments, community groups, not for profit groups, schools, businesses, Safer Melville Advisory Committee, Business Safety Reference Group, 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

- **Awarded Gold** at 2018 International Safety Media Awards for our Safer Melville video campaign, which reached nearly **1.4m** people and actively engaged over **200,000**.
- Our Community Safety Service (CSS) conducted **27,942** targeted patrols based on information from the community or police.
- CSS conducted **69,129** checks of **917** properties through holiday watch patrols, dealing with **56** issues found during these patrols.
- CSS responded to **50** calls from police for assistance, an increase of **25** from the previous year. They also provided police with **600** intelligence reports.
- CSS completed **8,372** maintenance and graffiti reports.
- Rangers responded to **2,862** requests throughout the year. This included **1,450** for illegal parking, **405** for barking dogs, **407** for abandoned vehicles and **600** for illegal dumping.



Key Projects/Achievements

In helping to create a safer City, we worked with various partners to progress goals from our 2017 - 2021 Safer Melville Plan and implemented various initiatives and essential services throughout the year.

Working collaboratively with the Department of Justice and WA Police, we were awarded the top prize of gold at the 2018 International Safety Media Awards for our Safer Melville video campaign, which reached nearly 1.4m people and active engaged over 200,000.

In the 2019 Community Wellbeing Survey 92% of people reported feeling safe out in public, with safety and security being identified as the top priority for the City and increased presence/responsiveness of safety and security authorities being mentioned most often during the survey. We will continue to partner, advocate and facilitate discussions to help keep our City safe and secure.

Our Business Safety Reference Group helped design a survey for businesses last year, with results showing that businesses were generally unaware of resources and information to prevent business crime. This resulted in the creation of an online, interactive guide to help provide easily accessible information to business owners on how to create a safer and more secure business.

Rangers conducted various talks at local primary schools about native animals, responsible dog ownership, snake awareness and safety, and reducing litter. A well-attended suicide awareness information session was also held.

Our Community Wellbeing Survey results showed some interesting findings with 50% of residents feeling safe online, 97% knowing how to improve online safety, and only 15% taking some sort of precaution for online safety. We will investigate this topic further and see how we can assist with increasing awareness of the importance of online safety.

Our Community Safety Service (CSS) continued to be extra eyes on the street for local police, reporting issues, providing feedback and patrolling hot spot areas. While patrolling the CSS left more than 7,253 calling cards, letting residents know about any safety related concerns at their property, and also performed holiday watch patrols, a free service for residents who would like someone to keep an eye on their property while they are away.

We celebrated Safer Melville Month in October with various Constable Care performances at our libraries, and a community appeal for donations to support the Zonta House Refuge Association. We also hosted a

Safe Day on the Hill in March at Wireless Hill, which saw more than 150 people come together and learn about community safety in a fun, engaging environment with fire engines, police and CSS vehicles and our brand new community-named tractors.

‘Yes’ speed signs were introduced at major roads to help slow down drivers, reducing the likelihood of transport crashes and storing data on speed/traffic counts. The signs record and display a driver’s speed and show a smiley face if within the speed limit and a frown if not. These signs have been moved and used throughout the City and have seen an 85% reduction in speeding when used.

Year Ahead – Key Initiatives

- Review the injury and safety priorities of the 2017 - 2021 Safer Melville Plan
- Promote interventions available through Constable Care Child Safety Foundation and engage with schools
- Re-establish relationships with Youth Justice teams who oversee court conferencing sessions
- Review the Metropolitan Emergency Management Districts Risk Assessment Report and its application to our City
- Set-up centralised approach to addressing graffiti

Key Performance Indicators

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



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	External related plans	Our partners
Neighbourhood Plans Creative Melville – Cultural Plan 2018-2022 Directions from Young People Directions from Seniors 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	Vision 2025 and Framework for Strategic Action - Public Library Services in Western Australia Standards and Guidelines for Australian Public Libraries	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
- Kids and early years services
- Libraries
- Melville Age Friendly Accessible Businesses
- Melville Volunteer Resource Centre
- Museums and local history
- Place activation and town team facilitation
- Pop-up human services
- Public art
- Reconciliation Action Planning
- Senior services
- Youth services

Highlights

- Became a member of **Welcoming Cities**.
- Completed community engagement on **20** projects.
- Completed community engagement and review of our **Age-Friendly Plan 2017-2021**.
- Saw record-breaking attendance levels at our major events Kidchella (**15,000**) and Point Walter Concert (**17,000**).
- Our libraries loaned **921,838** items to more than **36,000** members and had **529,677** visits.
- They also saw **7,847** children attend Storytime and **8,077** babies attend Baby Rhyme Time.
- Opened the refurbished AH Bracks Library + Creative Space in September 2018, with an average of **2,000** more people visiting the facility per month (total visits of **16,000** to **18,000** per month).
- Our customer relations team answered an average of **7,000** calls, **1,000** emails, **150** online enquires via live chat and 700 online requests each month.
- Approved **70** applications for Community Partnership Funding, which provides financial and non-monetary support to projects, events and activities aligned to achieving our community outcomes. Total funding provided was worth more than **\$300,000**.
- Melville Volunteer Resource Centre connected **5,831** people to volunteer positions and organisations.
- Held five South of the River Forum seniors information sessions, with around **500-600** people attending.
- Provided support to **160** people through the Age Friendly Assistance Fund.
- Supported **300** members of the community with Activelink grants.
- Worked with Melville Cares to provide a community bus service which supported **65** community groups to provide transport for **4,714** passengers on **376** occasions.
- More than **160** young people participated in our youth drop in service, and more than **100** young people participated in our PHAZE urban art program.
- Our financial counselling service helped **423** residents.
- Visitors to Heathcote and Wireless Hill Museum and Gallery have doubled in the last five years.



Heathcote Cultural Precinct

Key Achievements/Projects

In early 2019, we became a member of Welcoming Cities; a national network of cities who are committed to an Australia where everyone can belong and participate in social, cultural, economic and civic life. The Welcoming Cities initiative has a range of accreditation levels for local governments, with our City currently at the accreditation level of 'Committed'.

In joining this network, we continued to support initiatives such as Harmony Week with a pop-up photo booth at Willagee Library, a children's choir performance at Bull Creek Library, a bush tucker workshop and tour at Piney Lakes Environmental Education Centre and a day of multicultural food and performance at Bull Creek Community Centre. Our staff also received training on intercultural communication skills.

The Hand to Heart social isolation project enabled us to continue to partner with Connect Groups and assist residents who might be socially isolated or lonely connect back into the community through a buddy volunteer system.

Our Memory Café continued to be successful with 165 attendees coming together at Coffea in Garden City Shopping Centre Café. It has helped develop a small community which fosters social connection, provides information, support, referrals and advocacy for people living with dementia in our City. The project was the first of its kind, with many other local governments, shopping centres and agencies replicating it throughout Western Australia.

Visitors to Heathcote and Wireless Hill Museum and Gallery have doubled in the last five years.

We remained committed to realising the vision of a new Melville City Centre and cultural heart, completing architectural designs for a future Library and Cultural Centre in line with a long term vision to support cultural vitality through investment in Arts, Culture, History, Literature and Learning.

Supporting our culturally diverse community saw free English classes and resources made available at our libraries and a celebration of Chinese New Year at our Bull Creek Library. Our cultural diversity page on Melville Talks was the most popular topic talk page on the site with more than 480 views throughout the year.



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 59.

The Melville Volunteer Resource Centre partnered with the Cities of Nedlands, Swan and Fremantle to host keynote speakers and events to promote the benefits of volunteering. It also hosted our annual volunteer recognition awards and facilitates the annual Australia Day Awards.

Willagee and Blue Gum Community Centres were successful applicants for the delivery of the Department of Communities Empowering Community Program, with funding over a five year period totalling \$565,000 to assist with new program development while retaining old favourites.

An increased focus on placemaking saw us restructure our community development team to place a greater emphasis on placemaking, which resulted in our first Place Assessment Framework to better understand our community hubs and activity centres through onsite investigation and working collaboratively with local businesses, residents, workers and visitors on how they could be improved. Testing the framework and assessing Riseley Activity Centre as a place found many suggestions for improvement which we are currently investigating.

Cirque, our newest community space in Mount Pleasant was completed and handed over to us with it now available for bookings from community groups, local businesses and individuals looking to utilise the space.

We continued to facilitate the development and support the Brentwood Village Town Team and the Willagee Town Team, proactive groups of people undertaking local projects such as clean up days, community events and public art. We also supported the Willagee Town Team to run the twilight food truck markets at George Hume Park.

A key priority and strategic organisational focus for us is the challenge of meeting community expectations regarding community engagement. We strive to increase public participation and awareness of opportunities for our residents to have their say on matters that affect or interest them. At 30 June 2019, Melville Talks had 4,790 registered members and 32,104 people visited the website, an increase of 23% from the previous year.

Twenty community engagement projects were completed this year. We sent more than 125,000 direct emails inviting people to participate in engagement projects. Project Robin Hood was the most popular project this year with 2,613 people voting for their favourite community projects to be funded, and second was the name a tractor competition which saw the community place 1,809 votes on names for our three new tractors.

We understand the importance of community engagement and will continue to focus on improving

processes, systems and our approach to ensure people have an opportunity to have their say.

Major renovations of AH Bracks Library were completed, with the library reopened in September 2018 with a new children's space, creative lab, southern entry, exhibition space and public artworks. The local history collection was also moved to the site from Wireless Hill and as a result, has seen a significant increase in public enquiries and community engagement.

A review of our local heritage inventory through a community survey calling for nominations for new listing of places of cultural heritage significance was completed.

To stimulate lifelong learning and creativity, various exhibitions, events, workshops and curated exhibitions were hosted at Wireless Hill Museum and Heathcote Cultural Precinct. We also commissioned our annual, temporary Art in Place installation with more than 1,100 people coming to Wireless Hill to experience the collaborative work of artists Tom Müller, Ned Beckley and Shaun Banner in Sonic Hill.

In helping achieve a real sense of community, we provided monetary and in-kind funding support through our Community Partnership Funding program to not for profit organisations and individuals for projects that focus on arts, culture and events.



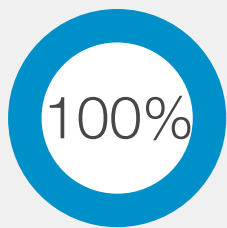


Year Ahead – Key Initiatives

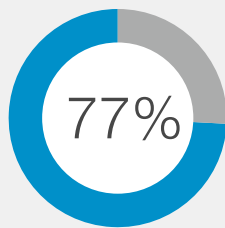
- Advocate for creative spaces in the Canning Bridge area
- Continue to strengthen our community engagement processes
- Collaborate to define suitable community benefits for development
- Deliver our Public Art Strategy and Master Plan
- Develop an Events Strategy
- Develop and support town teams
- Partner with Perth Festival to deliver international event
- Place making audit and place activation activities
- Publish entire digital collection online

Key Performance Indicators

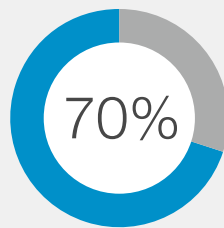
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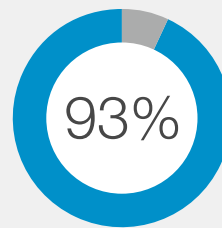
satisfaction with the City as a place to live (2018)



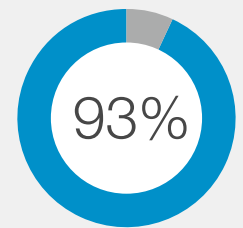
believe there is a sense of community (2019)



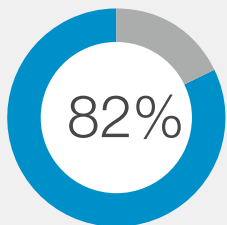
believe people have an opportunity to have a say (2019)



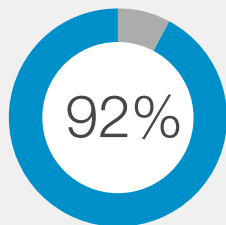
satisfied with community buildings (2018)



satisfied with festivals, events and cultural activities (2018)



satisfied with how history and heritage is preserved and promoted (2018)



of children on track with language competency development (2019)



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	External related plans	Our partners
Transport Management Strategy Bike Plan 2012 Parking Management Strategy	WA Bicycle Network Plan 2012 – 2021 Moving Freight and Moving People Perth 2031 Public Transport Plan	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

- Sought community feedback for our **Integrated Transport Plan**.
- Swept and maintained **542km** of road.
- Maintained **479km** of footpath.
- Completed **20 road** resurfacing projects with **118,000 sqm** (about 19km) of road resurfaced.
- Renewed or constructed **5.7km** of path.



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.

Community engagement started on our Integrated Transport Plan to look at how people get in and around our City, what connections they use and any opportunities to improve getting around. The information will be used to influence and prioritise our transport projects and identify any advocacy roles we need to play to create a more sustainable and connected transport system for everyone.

We successfully obtained \$705,000 of Federal and State Black Spot Program funding and completed the following works throughout the year:

- Roundabout at the intersection of Murdoch Drive and Hawke Pass
- Trial closure of the intersection of Kintail Road and Canning Beach Road. This trial closure was a success and will be permanently installed by the end of November 2019.

As part of the Murdoch Precinct Master Plan and our Transport Management Strategy and Bike Plan 2012, a shared path project along Murdoch Drive between Piney Lakes and South Street was completed with the aim of increasing cycling, walking, running and

skating as a viable mode of transport. This was 50% funded through the Perth Bike Network Grants administered by the Department of Transport.

We received funding from the Department of Transport to create a series of safe active streets linking Garden City Shopping Centre and Riseley Activity Centre. Community consultation and detailed design was completed this financial year and construction is scheduled to begin in the second half of 2019-2020.

We held several events to celebrate Bike Week and encourage people to cycle. These events included:

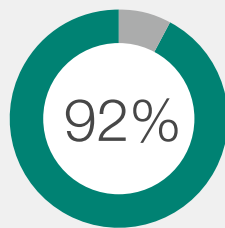
- Back on your Bike – attracting 30 people, this workshop was designed to help participants build confidence and skills to encourage regular riding and bike to work commutes.
- Bike Maintenance – attracting 12 people, this workshop focused on building knowledge and hands on skills to help maintain a safe, roadworthy bike and encourage regular cycling.
- Community Ride Program – four attendees attended this workshop to learn about launching, facilitating and managing their own regular community rides. The outcome of this workshop was to build capacity and increase our cycling community, while activating local bike paths and encouraging regular riding.

Year Ahead – Key Initiatives

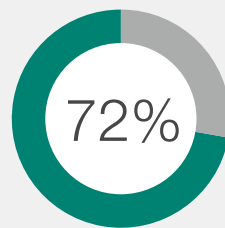
- Construct Safe Active Streets from Melville City Centre to Riseley Centre
- Develop Integrated Transport Plan
- Investigate opportunities for rapid transit / light rail for Murdoch to Fremantle corridor
- Review and revise Bike Plan
- Update Infrastructure Strategy

Key Performance Indicators

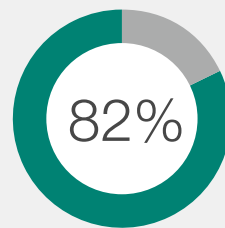
We evaluate our performance in a number of different ways, some of which are listed below:



satisfied with
condition of roads
(2018)



believe there
is sustainable
connected transport
(2019)



stated that public
transport in their
local area meet their
needs (2019)



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 equal opportunities of access and inclusion to our services, products, facilities, and information and participation in decision-making. The Plan is a requirement under the Disability Services Act (1993) and each year we report progress to the Department of Communities on how we have progressed strategies to ensure equitable access to:

- Services and events
- Buildings and facilities
- Information
- Quality customer service
- Complaints procedures
- Community engagement
- Employment and traineeships

Key Achievements

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

- Committed to providing interpreting services such as AUSLAN where possible at major public events. In 2019, AUSLAN interpreters were engaged for our main annual event, the Point Walter Concert. Additional accessible features included an area for wheelchair users to view the stage easily and hosting a range of children's activities for all abilities to participate (e.g. bubbles, silent disco, temporary tattoos, craft activities).
- Continued to offer residents access to our publications in various formats upon request ensuring everyone is able to access information.
- Engaged an accredited disability access consultant to audit ten City buildings and advise of access improvements. Feedback from the consultant will be reviewed for future budgeting of building upgrades.
- Designed, developed and installed accessible facilities and equipment in our parks and reserves. At Deep Water Point reserve, there are now a variety of accessible swings; accessible BBQ's; accessible picnic tables with back support, and wheelchair accessible pathways linking facilities around the reserve.
- Trained staff on website accessibility and creating accessible online content. In May 2019, our Digital Communications Advisor and Web Application Analyst attended customised digital access training. The training focused on developing accessible PDF's, screen readers, MP3's and mobile accessibility for our website. We have now developed a project plan for implementing the accessibility improvements raised at the training.





- Hosted a disability awareness and social justice presentation for staff, delivered by Greens Senator Jordon Steele-John. Jordon presented on his own lived experience with disability and facilitated a discussion session on how we can ensure people with disability are included and engaged in our Council, political processes and community. Additionally, in May 2019, two organisational disability and dementia awareness training sessions were provided by Equal Disability Consultants and Alzheimer's WA.
- We continued to facilitate the Access Advisory Panel, comprised of community representatives who are older or have a disability and representatives from the disability and aged care sector. The Panel has a key focus on the built environment, and provided feedback on a number of development projects including the Melville Reserve clubrooms audit (recreation club rooms), June Barton House audit (leased premises of non-profit community service), Active Reserves Infrastructure Strategy (local parks and reserves), and a 20-storey mixed-use building development.
- Other community projects with a focus on access and inclusion have included our Activelink social participation program and initiatives for Disability Awareness Week, including a community BBQ and grants round.

Disability Awareness Week

We provided a Community Partnership Grant to community non-profit organisation, Uniting Care West, to host a community sausage sizzle, music performance, karaoke, laughter yoga and other activities at Blue Gum Community Centre during Disability Awareness Week. Bull Creek Library also hosted a morning tea and Storytime reading of children's book *Don't Guffaw at a Dinosaur*, written by Tracey Hicks. The story is based on the author's own experiences of living with spina bifida and is available to borrow at all City of Melville libraries.

For more information and to view a copy of our Disability Access and Inclusion Plan 2017-2022, visit www.melvillecity.com.au/DAIP

Stretch Reconciliation Action Plan (RAP)

Our commitment to reconciliation saw the continued implementation of our Stretch Reconciliation Action Plan 2017-2021, with our City being the first local government in Western Australia to embark on a Stretch RAP.

Key Achievements

- Hosted numerous presentations on the City's RAP journey.
- Developed a partnership with the Department of Education and Carey Training to give eight young Aboriginal and Torres Strait Islander people the opportunity to gain their Certificate II in Construction with the City. The project resulted in the creation of a cultural 'yarning' circle for the whole community.
- Currently employs nine Aboriginal staff and placed two Aboriginal school based traineeships, with 1.2% of our workforce identifying as Aboriginal or Torres Strait Islander.
- Delivered cross cultural awareness training to 47 staff and Elected Members.
- Organised an Aboriginal art workshop and cross cultural awareness training for the community to celebrate National Reconciliation Week 2019.
- Continued to coordinate Aboriginal engagement networking meetings for people working in local government within the Perth metropolitan area.
- Introduced an Acknowledgement to Country on the bottom of email signatures.
- Recorded two local Whadjuk stories at our staff NAIDOC Week event.
- For NAIDOC Week, held an art exhibition at our Civic Centre showcasing artworks from our art collection by Aboriginal women artists, alongside Our Place – Our Time, an exhibition of paintings and sculpture from remote desert communities presented by Artitja Fine Art.
- Also hosted a high tea for Aboriginal women at Willagee Community Centre to celebrate NAIDOC Week. Activities included a photo booth, makeover by a make-up artist and hairdresser as well as a performance from Lilly Gogos.
- Hosted two Aboriginal authors/storytellers for Children's Book Week. Sabina Dudgeon-Swift presented her story and book, Lilli and Shadow in Trouble and Josie Wowolla Boyle shared her story, sang and demonstrated storytelling in the sand.
- Held Whadjuk/Noongar language classes at Willagee Library.
- We are mid-way through installing nine dual name signs at places of Aboriginal heritage significance across the City. One sign has been installed at Wireless Hill (Yagan Mia), two at Point Heathcote (Goolugatup) and two in Bull Creek (Gabbiljee) over the last couple of months. Four more are due to be installed in time for NAIDOC Week 2019, including another one at Wireless Hill, one at Blackwall Reach (Jenalup) and two at Point Walter (Dyoondalup).



For more information and to read our Stretch Reconciliation Action Plan 2017-2021, visit www.melvillecity.com.au/RAP

Business Excellence

The City was recognised in 2017 at prize-level business excellence status and have applied the Australian Business Excellence Framework and principles for over 20 years.

Business excellence underpins the way we do business and is based on nine principles:

- 1. Clear direction and mutually agreed plans**
- 2. Understanding what customers and other stakeholders value**
- 3. Work on the system approach**
- 4. Engage peoples enthusiasm**
- 5. Innovation, learning and process improvement**
- 6. Effective use of facts, data and knowledge for informed decision making**
- 7. Variation impacts predictability, profitability and performance**
- 8. Sustainable performance**
- 9. Culture and value system**

In moving from an output to outcome-based organisation, our staff developed community outcome dashboards, using key internal and external data, to link our aspirational outcomes and goals to our roles and product and services to help us make informed decisions. These dashboards provide a holistic, organisational view of what we are doing to achieve each outcome and our overall vision of community wellbeing, and will allow an agile approach to refocus our roles, products and services as community requirements change over time. These dashboards will be used to help inform the Corporate Business Plan 2020-2024.

We are working on a Smart Cities Framework and several elements to strengthen business by using smart technology. We have strengthened our focus on streamlined monitoring for business performance, advanced analytics and evidence-based decision making. We are focused on quadruple bottom line considerations across all of our outcomes and using technological assistance wherever an optimal value is demonstrated.

Our staff are working to establish new programs that may result in the smarter use of certain assets by the community and the City, smarter stakeholder engagement mechanisms for engagement, and an increased focus on social media.

We are partnering with Murdoch University on a smart microgrid project for sustainable energy management of our assets, which is supported by a Federal Government Smart Cities and Suburbs Program Grant provided by the Department of Industry, Innovation and Science.

Our Continuous Improvement and Innovation Framework was reviewed and work has begun on strengthening our project planning and management approach and reviewing our contracts management systems.

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 attained certification against the following international standards:

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

A mystery shopper program has been in operation since 2016, with annual visits to our customer relations team, LeisureFit centres and our libraries. The results showed that Melville continue to value customer service, with AH Bracks and Civic Square Library consistently scoring more than 80% in mystery shopper scores. The LeisureFit centres and our customer contact centre averaged just under 80% and ranked well in comparison to others who undertook the research.

We continued our commitment to the Global Covenant of Mayors which is the world's largest cooperative effort among local governments to pledge to reduce greenhouse gas emissions, track progress and prepare for the impacts of climate change.

A whole of organisation culture survey was undertaken and further culture optimisation work has

occurred and will continue into the future. As part of this focus, organisational culture, vision and key signature behaviours, which relate to our values, were developed and deployed throughout the organisation.

Safety behaviours were also evaluated through that survey and an ongoing focus on enhancing safety behaviours has occurred, with an improvement in organisational safety statistics.

An external Worksafe audit was completed by Local Government Insurance Services, and we received the highest level of recognition, at the gold level status.

We participated in the Australasian Local Government Performance Excellence Program, conducted by PricewaterhouseCoopers to enhance benchmarking and provide further efficiency and effectiveness data.

We have a continued emphasis on continuous improvement, reinforced with formal training on Lean Six Sigma improvement methodologies and cross-functional, end-to-end process reviews on a range of high risk areas. These external benchmarking opportunities help assist us to identify strengths and further opportunities for continuous improvement.



Our Measures

Key Performance Indicators

The key performance 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
1 Clean and Green	<ul style="list-style-type: none"> 65% of total waste diverted from landfill 24% tree canopy coverage 92% feel their local area is clean and green 96% feel safe breathing the air 92% agree there are local outdoor areas suitable for socialising 21% feel clean and green is a top priority and more needs to be done in the community
2 Growth and Prosperity	<ul style="list-style-type: none"> 40% progress of where we should be in June 2019 towards revised State Governments housing targets. 82% feel our City is a place of growth and prosperity 87% agree there is locally available entertainment 91% said when they are shopping they can usually find what they need in the local area 10% believe more needs to be done to increase growth and prosperity
3 Healthy Lifestyles	<ul style="list-style-type: none"> 66% of the community are sufficiently physically active 90% believe they have a healthy lifestyle 72% of Active in the Park participants are now more active as a result of participating in a class 96% have spaces that are quiet or pleasant and calming 28% reporting outside noise was a minor problem
4 Safe and Secure	<ul style="list-style-type: none"> 92% agree they feel safe being out in public in their local community 27 people were killed or seriously injured in transport crashes 80% of businesses satisfied with safety and security 84% of residents satisfied with Community Safety Service (CSS) 68% felt prepared in the event of an emergency 42 falls resulting in death (between 2007-2011) 4,783 residents injured from a fall (between 2012-2016)
5 Sense of Community	<ul style="list-style-type: none"> 100% satisfaction with the City as a place to live 77% believe there is a strong sense of community 70% believe people have an opportunity to have their say 93% satisfied with community buildings 93% satisfied with festivals, events and cultural activities 82% satisfied with how history and heritage is preserved and promoted 92% of children on track with language competency development
6 Sustainable and Connected Transport	<ul style="list-style-type: none"> 92% satisfied with condition of roads 72% believe there is sustainable and connected transport 82% stated that public transport in their local area meets their needs

Key Performance Indicators

The Key Organisational Performance Indicators outlined below and an additional level of measurement at a more operational level, ensuring the City is benchmarking its performance within these fields against its previous performance and industry standards

Operational KPI	Means of Measurement	Target	Actual	Comments
How our community perceives their wellbeing (quality of life).	Community Wellbeing Survey	n/a	96% report a positive quality of life (wellbeing) 98% are optimistic about their future 92% agree their area is clean and green 92% feel safe being out in public 90% believe they have a healthy lifestyle 83% agree that Melville is a place of growth and prosperity 76% agree there is sustainable and connected transport 77% agree there is a sense of community View the full 2019 Community Wellbeing Survey Report at www.melvillecity.com.au/survey2019	In 2019 we conducted our biennial Community Wellbeing Survey of more than 400 residents to find out their level of wellbeing and which outcome areas were important to their sense of wellbeing.
Area: Asset Management				
Asset Sustainability Ratio (ASR)	The ratio of asset renewal expenditure relative to depreciation for the year.	1.10 (more is better)	1.26	We are investing in asset renewal/replacement to the degree that offsets the current consumption of its assets and provides for the effect of inflation.
Asset Consumption Ratio (ACR)	The depreciated replacement cost (written down value) of the City's depreciated assets relative to their 'as new' (replacement) value.	0.60	0.52	We are 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.
Asset Renewal Funding Ratio (ARFR)	The ratio of the net present value (NPV) of asset renewal funding in the 10 year long term financial plan relative to the NVP of projected renewal expenditure identified in asset management plans for the same period.	0.95	1.00	We are investing in asset renewal that offsets the current consumption of its assets (1.00) and provides for the effect of inflation.

Operational KPI	Means of Measurement	Target	Actual	Comments
Area: Financial Management				
Rates Coverage Ratio (RCR) (%) (Autonomy Rate)	Formula: $\frac{\text{Net rate revenue}}{\text{Operating revenue}}$	1:1 – i.e. maximum 70% of total revenue should come from general rates (lower is better).	0.72	The RCR assesses Council's dependence on revenue from rates to fund its annual budgets. Revenue from rates was 73% for 2017-2018.
Current Ratio (%) (Liquidity ratio)	Measures the ability to service debt out of its uncommitted or general purpose fund available for its operations.		1.30	We are in a solvent position and have the ability to meet its liabilities (obligations) as and when they fall due out of unrestricted funds.
Debt to Equity Ratio (%)	Formula: $\frac{\text{Total liabilities}}{\text{Total equity}}$		0.02	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.
Area: Financial Management (continued)				
Outstanding rates (%)	Formula: $\frac{\text{Rates outstanding}}{\text{Rates collectible}}$	96.9%	94.7%	We collected 94% of all residential rates, resulting in a 5.3% remaining unpaid for the 2018-2019 financial year.
Debt Service Cover Ratio (DSCR)		5	66.96	We have the ability to pay our debts when they are due.
Area: People Management				
Staff Turnover	Formula: $\frac{\text{(Total number of resignation for the period (ex contracts))}}{\text{Total number of employees at the beginning}} \times 100$	12%	9.56%	Tenure in the organisation continues to increase, reflective of the culture optimisation, conditions of employment and workforce planning.
Staff Satisfaction	Survey Results	85%	80%	The City's staff satisfaction score sits slightly below its target or 85%.
Lost Time Injury Frequency Rate (LTIFR)	Formula: $\frac{\text{Number of 1st time incidents for the period} \times 1,000,000}{\text{Number of total hours worked for the period}}$	7%	4.66%	We continue to work on the actual LTIFR through proactive education, reporting.
Staff non-availability	Formula: $\frac{\text{Work hours Work hours plus all leave hours}}{\text{Work hours Work hours plus all leave hours}}$	15%	13.28%	Annual leave plans and regular engagement with employees and monitoring has continued to aid in managing non-availability.
Area: Environmental Management				
Diversion of waste from Landfill	Percentage of total waste diverted from landfill.	65% by 2020	65%	65% of Municipal Solid Waste was diverted from landfill through recycling and composting via the Southern Metropolitan Regional Council's waste processing facility.
Energy Efficiency	The City's total energy consumption (kWh).	n/a	60,301 GJ of Energy (includes street lights but excludes fuel used in vehicles and equipment)	
Water Efficiency	The City's total scheme water consumption (kL).	n/a	109,776kL	109,776kL of Scheme Water

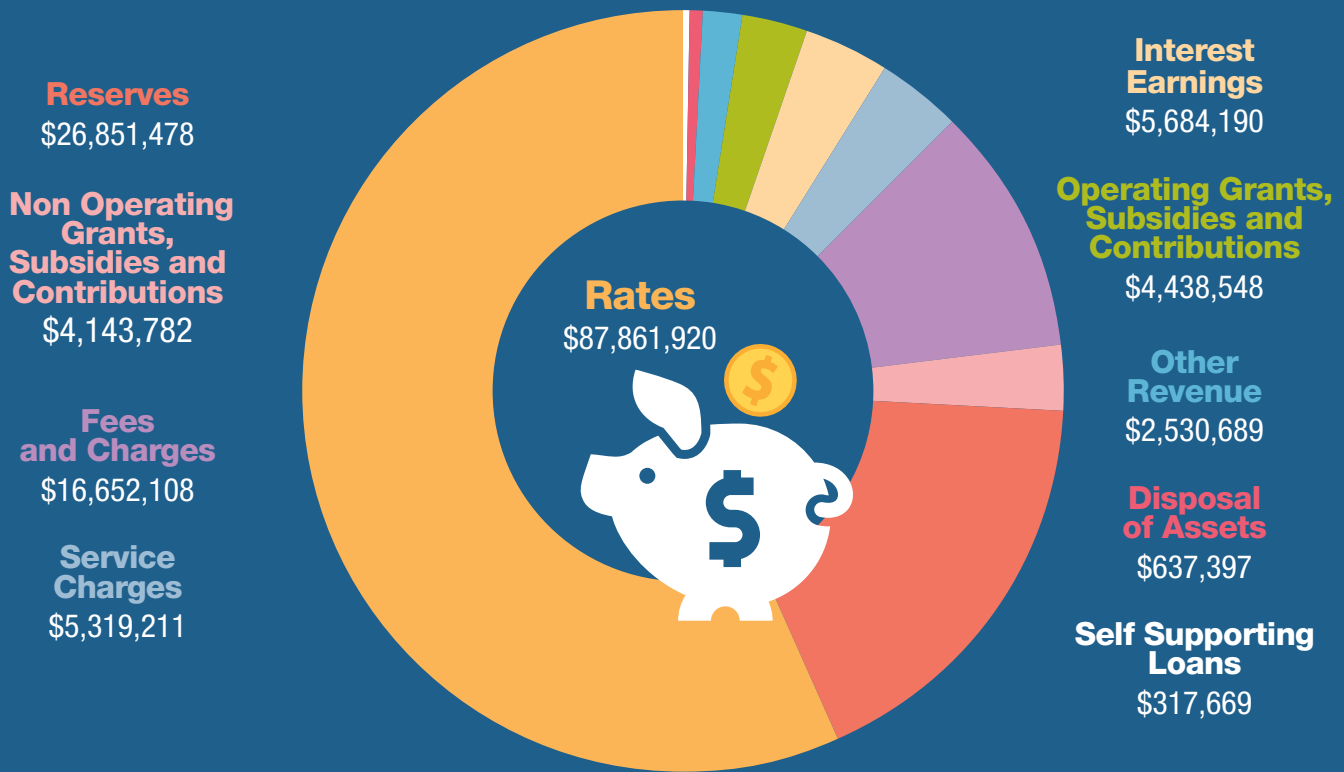
Operational KPI	Means of Measurement	Target	Actual	Comments
Area: Governance				
Department of Local Government compliance audit score	Audit Results	100%	100%	100% of the 95 questions received a positive response by Officers confirming the actions were completed and that 100% compliance was achieved.
Business Excellence Score	Audit Results	630/1,000 (more is better)	812/1,000	At the last evaluation process in late 2015 the total points awarded were 812. This level was recognised with the Australian Organisational Excellence Award Gold Award.
Audit Plan Implemented	Formula: Number of audits planned Number of audits completed	15	15	15 internal audits were planned and completed.
Accreditation to international and National Standards	- 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 the City of Melville has maintained an externally certified Safety, Health, Environment and Quality Management Systems. In late 2017 the organisation was recertified against the updated standards.



Extract from Annual Financial Statements



Where the money came from



Where the money went

For every \$100 the City receives, it is spent on:



- \$ Parks and reserves
- \$ Street trees
- \$ Piney Lakes Environmental Education Centre
- \$ Roads, drainage and buildings
- \$ Street lighting
- \$ Jetties and boat ramps

- \$ Rubbish bin collections
- \$ Bulk verge collections
- \$ Recycling
- \$ Paths
- \$ Street cleaning
- \$ Underground power projects
- \$ Noise

- \$ Food regulation
- \$ Pests
- \$ Planning compliance
- \$ Building compliance
- \$ Pool inspections
- \$ Elected members support
- \$ Parking management
- \$ Animals

- \$ Community Safety Service (CSS)
- \$ Community centres
- \$ Youth and seniors programs
- \$ Project Robin Hood
- \$ LeisureFit centres
- \$ Recreational reserves

- \$ Libraries
- \$ Museums
- \$ Art
- \$ Community events
- \$ Customer service
- \$ Volunteering
- \$ Corporate administration
- \$ Property management

Statement of Comprehensive Income

By nature or type for the year ended 30 June 2019

	Note	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Revenue				
Rates	17	87,861,920	87,440,248	86,497,257
Operating Grants, Subsidies and Contributions	22	4,438,548	3,717,752	3,808,697
Fees & Charges	20	16,652,108	15,871,039	16,018,349
Service Charges	21	5,319,221	5,306,647	4,951,231
Interest Received	2(a)(i)	5,684,190	4,030,402	4,831,068
Other Revenue		2,530,689	1,146,497	2,750,707
		122,486,676	117,512,585	118,857,309
Expenses				
Employee Costs		(46,432,292)	(48,885,659)	(45,394,497)
Materials & Contracts		(32,785,049)	(30,587,111)	(30,618,273)
Utilities		(3,862,335)	(4,244,496)	(3,963,783)
Insurance		(1,050,466)	(1,305,648)	(952,754)
Depreciation	12(c)	(20,204,637)	(15,922,883)	(14,886,200)
Interest Expenses	2(a)(ii)	(142,302)	(150,232)	(162,778)
Other Expenditure		(6,565,914)	(7,631,095)	(1,197,378)
		(111,042,995)	(108,727,124)	(97,175,663)
Non-Operating Grants, Subsidies and Contributions	22	4,143,782	4,963,126	4,249,432
Profit/(Loss) On Asset Disposals	12(b)	(1,033,861)	10,500	(1,399,324)
Revaluation Of Investment Properties		-	-	10,427,691
Profit / (Loss) - Share Of SMRC Net Result	27	(694,705)	-	1,859,738
		2,415,216	4,973,626	15,137,537
Net Result		13,858,897	13,759,087	36,819,182
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes On Revaluation Of Non-Current Assets	15(a)	43,612,292	-	(320,505,544)
Revaluation Of Local Government House Unit Trust Holding		20,503	-	(75,977)
Share Of Revaluation Of Non Current Assets - SMRC Joint Venture	27	(371,373)	-	-
Total Other Comprehensive Income		43,261,422	-	(320,581,521)
Total Comprehensive Income		57,120,31	13,759,087	(283,762,339)

Statement of Comprehensive Income

By program for the year ended 30 June 2019

	Note	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Revenue				
Governance		11,489	-	38,336
General Purpose Funding		97,180,328	98,009,000	97,776,129
Law, Order, Public Safety		2,697,681	2,673,985	2,678,818
Health		345,498	336,905	299,703
Education & Welfare		244,362	204,034	266,031
Housing		116,827	117,687	104,536
Community Amenities		4,177,609	3,338,109	3,657,648
Recreation and Culture		8,739,613	8,160,171	8,325,879
Transport		1,796,317	1,585,458	1,416,974
Economic Services		6,553,004	2,762,888	3,320,811
Other Property and Services		623,948	324,349	972,444
		122,486,676	117,512,585	118,857,309
Expenses				
Governance		(4,539,798)	(5,612,027)	(4,741,013)
General Purpose Funding		(990,962)	(7,469,373)	(759,050)
Law, Order, Public Safety		(4,017,653)	(4,259,141)	(4,038,357)
Health		(1,087,627)	(1,162,818)	(1,082,559)
Education & Welfare		(2,813,429)	(2,819,942)	(2,667,984)
Housing		(94,734)	(68,492)	(76,497)
Community Amenities		(26,283,367)	(25,607,458)	(23,773,628)
Recreation and Culture		(34,814,520)	(30,892,207)	(31,451,321)
Transport		(17,409,450)	(18,503,353)	(17,403,915)
Economic Services		(7,934,095)	(2,316,255)	(2,604,504)
Other Property and Services		(10,915,058)	(9,865,826)	(8,414,057)
		(110,900,693)	(108,576,892)	(97,012,885)
Finance Costs				
Recreation and Culture	2(a)(ii)	(142,302)	(150,232)	(162,778)
		(142,302)	(150,232)	(162,778)
Non-Operating Grants, Subsidies and Contributions	22	4,143,782	4,963,126	4,249,432
Profit/(Loss) On Asset Disposals	12(b)	(1,033,861)	10,500	(1,399,324)
Revaluation Of Investment Properties		-	-	10,427,691
Profit / (Loss) - Share Of SMRC Net Result	27	(694,705)	-	1,859,738
		2,415,216	4,973,626	15,137,537
Net Result		13,858,897	13,759,087	36,819,182
Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss				
Changes On Revaluation Of Non-Current Assets	12(a)	43,612,292	-	(320,505,544)
Revaluation Of Local Government House Unit Trust Holding		20,503	-	(75,977)
Share Of Revaluation Of Non Current Assets - SMRC Joint Venture	27	(371,373)	-	-
Total Other Comprehensive Income		43,261,422	-	(320,581,521)
TOTAL COMPREHENSIVE INCOME		57,120,319	13,759,087	(283,762,339)

Statement of Financial Position			
For the year ended 30 June 2019			
	Note	2018-2019	2017-2018
		Actual \$	Actual \$
Current Assets			
Cash & Cash Equivalents	3	170,776,611	154,604,464
Other Financial Assets	7	313,467	317,022
Trade Receivables	8	9,735,528	9,364,425
Inventories	9	105,538	106,964
Other Current Assets	9	640,089	857,717
Total Current Assets		181,571,233	165,250,591
Non Current Assets			
Other Financial Assets	7	15,087,446	18,039,746
Trade Receivables	8	1,551,857	1,504,787
Property, Plant & Equipment	12(a)	408,363,598	411,535,457
Infrastructure	12(a)	398,031,912	347,639,250
Investment Property	12(a)	69,721,708	69,841,123
Total Non Current Assets		892,756,521	848,560,364
TOTAL ASSETS	6	1,074,327,754	1,013,810,955
Current Liabilities			
Other Financial Liability	14	1,289,048	1,569,242
Trade & Other Payables	10	11,904,639	6,606,451
Borrowings	14	313,467	317,022
Employee Related Provisions	11	7,500,361	7,430,499
Total Current Liabilities		21,007,515	15,923,214
Non Current Liabilities			
Other Financial Liability	14	4,652,982	5,966,047
Trade & Other Payables	10	293,873	241,855
Borrowings	14	1,769,557	2,083,024
Employee Related Provisions	11	703,761	817,066
Total Non Current Liabilities		7,420,173	9,107,993
TOTAL LIABILITIES		28,427,688	25,031,207
NET ASSETS		1,045,900,066	988,779,749
Equity			
Retained Surplus		324,160,300	321,793,435
Reserves - Cash Backed	15	157,885,446	146,393,416
Revaluation Surplus	15(a)	563,854,320	520,592,898
TOTAL EQUITY		1,045,900,066	988,779,749

Statement of Changes in Equity			
For the year ended 30 June 2019			
	Note	2018-2019	2017-2018
		Actual \$	Actual \$
RESERVES CASH BACKED	15		
Balance at beginning of year		146,393,416	125,048,981
Transfer from accumulated surplus		(28,356,251)	(20,440,913)
Transfer to accumulated surplus		39,848,281	41,785,348
Balance at end of reporting period		157,885,446	146,393,416
REVALUATION SURPLUS	15(a)		
Revaluation Reserve			
Balance at beginning of year		520,592,898	841,174,419
Revaluation during year		43,261,422	(320,581,521)
Balance at end of reporting period		563,854,320	520,592,898
RETAINED SURPLUS			
Balance at beginning of year		321,793,435	306,318,688
Change in net results		13,858,897	36,819,182
Transfer from reserves		28,356,251	20,440,913
Transfer to reserves		(39,848,281)	(41,785,348)
Balance at end of reporting period		324,160,300	321,793,435
TOTAL EQUITY		1,045,900,066	988,779,749

Statement of Cash Flows

By program for the year ended 30 June 2019

	Note	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Cash flows from operating activities				
Receipts				
Rates		86,000,858	87,440,248	85,604,103
Fees and Charges		16,780,364	16,236,108	15,952,070
Service Charges		5,319,221	5,306,647	4,951,231
Interest Received		5,684,190	3,882,230	4,831,068
Operating Grants, Subsidies and Contributions		4,438,548	3,717,752	3,808,697
Goods and Services Tax Received		6,072,345	200,000	5,650,740
Other Revenue		3,717,655	1,146,497	777,271
		128,013,180	117,929,482	121,575,180
Payments				
Employee Costs		(46,455,366)	(49,024,404)	(45,117,413)
Materials and Contracts		(34,646,865)	(31,072,340)	(35,773,689)
Utilities		(3,862,335)	(4,244,496)	(3,963,783)
Insurance		(1,050,466)	(1,305,648)	(952,754)
Interest Expenses		(142,302)	(150,232)	(156,567)
Goods and Services Tax Paid		(6,044,719)	(200,000)	(5,575,087)
Other Expenditure		(6,248,893)	(7,631,095)	(906,764)
		(98,450,945)	(93,628,214)	(92,446,057)
Net Cash Provided By (Used In) Operating Activities	4(b)	29,562,236	24,301,268	29,129,123
Cash flows from investing activities				
Proceeds from disposal of assets	12(b)	637,397	784,650	3,315,220
Non-Operating Grants, Subsidies and Contributions	22	4,143,782	4,963,126	4,249,432
Payments for Purchase of Property, Plant and Equipment	12(a)	(8,184,543)	(15,866,990)	(4,544,896)
Payments for Purchase of Investment Property	12(a)	-	-	(921,798)
Payments for Construction of Infrastructure, excluding work in progress	12(a)	(9,987,371)	(23,494,859)	(10,606,547)
Net Cash Provided By (Used In) Investing Activities		(13,390,736)	(33,614,073)	(8,508,588)
Cash flows from financing activities				
Repayment of Self Supporting Loans	14	(317,022)	(317,028)	(290,614)
Recoup for Self Supporting Loans		317,669	317,675	302,549
Net cash provided by (used in) financing activities		647	647	11,935
Net Increase/(Decrease) in Cash Held		16,172,147	(9,312,158)	20,632,470
Cash at Beginning of Year		154,604,464	144,148,578	133,971,994
Cash and Cash Equivalents at the End of Year		170,776,611	134,836,420	154,604,464

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:

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Cash - Restricted Funds	156,771,337	118,381,860	146,393,417
Reserve funds - Unspent Grant Restricted	1,114,109	-	-
Bonds and Deposits held - Restricted	978,562	-	-
Cash - Unrestricted Funds	11,912,603	16,454,560	8,211,048
Cash and Cash Equivalents at the End of Year	170,776,611	134,836,420	154,604,465

Reconciliation of Net Cash Provided by Operating Activities to Net Result

	2018-2019 Actual \$	2017-2018 Actual \$
Net Result	13,858,987	36,819,182
Add / (Less) Non-Cash / Non-Operating Items		
Depreciation	20,204,637	14,886,200
(Profit) / Loss on Sale of Assets	1,033,861	1,399,324
Revaluation of Investment Properties	-	(10,427,691)
Grants & Contributions for the Development of Assets	(4,143,782)	(4,249,432)
(Increase) / Decrease in Equity - SMRC Joint Venture	694,705	(1,859,738)
Changes in Assets & Liabilities During the Financial Year:		
(Increase)/Decrease in Accrued Income	1,286,916	(1,558,527)
Increase/(Decrease) in Accrued Expenses	20,369	7,566
Increase/(Decrease) in Accrued Income Payable	-	6,211
(Increase)/Decrease in Current Receivables	(1,655,202)	(903,081)
(Increase)/Decrease in Non-Current Receivables	266,397	297,982
(Increase)/Decrease in Work in Progress	(7,193,078)	(5,186,908)
Increase/(Decrease) in Current Creditors	5,274,337	38,929
Increase/(Decrease) in Non-Current Creditors	(261,523)	(296,494)
(Increase)/Decrease in Inventory	1,426	(1,558)
Increase/(Decrease) in Provision for Employee Entitlements	(43,443)	269,518
(Increase)/Decrease in Prepayments	217,628	(112,360)
Net Cash Provided by Operating Activities	29,562,236	29,129,123

Rate Setting Statement

By program for the year ended 30 June 2019

	Note	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
OPERATING ACTIVITIES				
Net Current Assets At Start Of Financial Year - Surplus/ (Deficit)	5(b)	4,503,203	-	3,029,416
Revenue From Operating Activities (Excluding Rates)				
Governance		11,489	-	38,336
General Purpose Funding		9,318,408	10,568,752	21,706,563
Law, Order, Public Safety		2,697,681	2,673,985	2,678,818
Health		345,498	336,905	299,703
Education & Welfare		244,362	204,034	266,031
Housing		116,827	117,687	104,536
Community Amenities		4,177,609	3,338,109	5,517,386
Recreation and Culture		8,505,965	8,160,171	8,106,481
Transport		1,796,317	1,585,458	1,416,974
Economic Services		6,553,004	2,762,888	3,320,811
Other Property and Services		539,927	334,849	889,292
		34,307,087	30,082,837	44,344,931
Expenditure From Operating Activities				
Governance		(4,539,798)	(5,612,027)	(4,741,013)
General Purpose Funding		(990,962)	(7,469,373)	(759,050)
Law, Order, Public Safety		(4,017,653)	(4,259,141)	(4,038,357)
Health		(1,087,627)	(1,162,818)	(1,082,559)
Education & Welfare		(2,813,429)	(2,819,942)	(2,667,984)
Housing		(94,733)	(68,492)	(76,497)
Community Amenities		(26,978,072)	(25,607,458)	(23,773,628)
Recreation and Culture		(34,639,800)	(31,042,439)	(31,323,484)
Transport		(17,409,450)	(18,503,353)	(17,403,898)
Economic Services		(7,934,095)	(2,316,255)	(2,604,504)
Other Property and Services		(13,083,698)	(10,639,965)	(10,905,436)
		(113,589,317)	(109,501,263)	(99,376,411)
Operating activities excluded				
Non-Cash Amounts Excluded from Operating Activities	5(a)	22,264,918	16,274,081	6,895,744
Amount Attributable To Operating Activities		(52,514,108)	(63,144,345)	(45,106,320)
INVESTING ACTIVITIES				
Non-Operating Grants, Subsidies And Contributions	22	4,143,782	4,963,126	4,249,432
Proceeds From Disposal Of Assets	12(b)	637,397	784,650	3,315,220
Purchase Of Property, Plant & Equipment	12(a)	(8,184,543)	(15,866,990)	(4,544,896)
Purchase Of Investment Property	12(a)	-	-	(921,798)
Purchase Of Infrastructure Assets Excluding Work In Progress	12(a)	(9,987,371)	(23,494,859)	(10,606,547)
Movement In Work In Progress	12(a)	(7,193,078)	-	(5,186,908)
Amount Attributable To Investing Activities		(20,583,814)	(33,614,073)	(13,695,496)

Rate Setting Statement For the year ended 30 June 2019	Note	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
FINANCING ACTIVITIES				
Repayment Of Debentures	14	(317,022)	(317,028)	(290,614)
Recoup for self-supporting loans		317,669	317,675	302,550
Profit/(Loss) in Share of SMRC net result	27	694,705	-	(1,859,738)
Funds To Be Set Aside	15	(35,741,985)	(30,977,323)	(38,439,480)
Funds To Be Set Aside Investment Earnings	15	(4,106,296)	(2,560,000)	(3,345,868)
Funds To Be Used	15	28,356,251	42,854,846	20,440,913
Amount Attributable To Financing Activities		(10,796,677)	9,318,170	(23,192,238)
Surplus/(Deficit) Before Imposition Of General Rates		(83,894,599)	(87,440,248)	(81,994,054)
Total Amount Raised From General Rates		87,861,920	87,440,248	86,497,257
Surplus/(Deficit) After Imposition Of General Rates	5(b)	3,967,320	-	4,503,203

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	2018-2019 No. of employees	2017-2018 No. of employees
\$100,000 - \$109,999	35	28
\$110,000 - \$119,999	11	7
\$120,000 - \$129,999	4	1
\$130,000 - \$139,999	3	3
\$140,000 - \$149,999	1	0
\$150,000 - \$159,999	2	6
\$160,000 - \$169,999	0	1
\$170,000 - \$179,999	10	7
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	1	0
\$200,000 - \$209,999	2	2
\$210,000 - \$219,999	1	4
\$220,000 - \$229,999	0	0
\$230,000 - \$239,999	3	0
\$240,000 - \$249,999	0	0
\$250,000 - \$259,999	0	0
\$260,000 - \$269,999	0	0
\$270,000 - \$279,999	0	0
\$280,000 - \$289,999	0	0
\$300,000 - \$309,999	1	0
\$340,000 - \$349,999	0	1

Financial Risk Management

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

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

Financial risk management is carried out by the Finance Service Area under policies approved by the Council and the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and the Trustees Act 1962 (Part 3).

(a) Interest Rate Risk				
	Carrying Value		Fair Value	
	2019	2018	2019	2018
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	170,776,611	154,604,464	170,776,611	154,604,464
Receivables	11,927,474	14,126,975	11,927,474	14,126,975
	182,704,085	168,731,439	182,704,085	168,731,439
Financial Liabilities				
Payables	12,198,512	6,848,306	12,198,512	6,848,306
Borrowings	8,025,054	2,400,046	1,889,062	2,107,325
	20,223,566	9,248,352	14,087,574	8,955,631

Fair Value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables - estimated to be the carrying value which approximates net market value.

Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

The City's objective is to maximise its return on cash and investments at low levels of risk appropriate for public monies whilst maintaining an adequate level of liquidity and preserving capital. The Finance Service Area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). The City has an investment policy and the policy is subject to review and approval by the Council. An Investment Report is provided to the Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash and investments are subject to interest rate risk - the risk that movements in interest rates could affect returns. The weighted average interest rate for 2018-2019 was 2.39% (2.58% for 2017-2018).

	30 June 2019 \$	30 June 2018 \$
Impact of a 1% movement in interest rates on cash and investments		
- Equity	1,707,766	1,546,045
- Income Statement	1,707,766	1,546,045

(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. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to 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 loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates Receivable					
Expected credit loss	0%	0%	0%	0%	
Gross Carrying Amount	5,024,914	-	-	-	5,024,914
Loss Allowance	-	-	-	-	-
1 July 2018					
Rates Receivable					
Expected credit loss	0%	0%	0%	0%	
Gross Carrying Amount	3,469,749	-	-	-	3,469,749
Loss Allowance	-	-	-	-	-

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Sundry Receivable					
Expected credit loss	2.986%	0%	0%	0%	
Gross Carrying Amount	311,255				311,255
Loss Allowance	9,294	-	-	-	9,294
1 July 2018					
Sundry Receivable					
Expected credit loss	1.758%	0%	0%	0%	
Gross Carrying Amount	439,509				439,509
Loss Allowance	7,726	-	-	-	7,726

Financial Risk Management

(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 and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2019					
Payables	12,198,512	-	-	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
	13,881,987	5,916,274	816,903	20,615,164	20,223,567
2018					
Payables	6,848,306	-	-	6,848,306	6,848,306
Borrowings and Other Financial Liability	2,043,424	7,550,553	1,033,230	10,627,207	9,935,335
	8,891,730	7,550,553	1,033,230	17,475,513	16,738,641

Enabling Legislation and Regulatory Reporting Requirements

Local government authorities operate in a complex legislative environment. We must ensure that we adhere to 336 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

As a local government authority, we are required to conour full financial statements (available from us on request or online at www.melvillecity.com.au/annualreport) complies with the requirements of Section 5.53(1) of the Local Government Act 1995 to prepare an annual report for each financial year.

Elected Members Conduct

In the financial year ending 30 June 2019, no complaints regarding an Elected Member's conduct under Section 5.121 of the Local Government Act 1995 were upheld.

Local Government (Financial Management) Regulations 1996

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 will be completed in July 2019 and the report from this review will be tabled at the subsequent Financial Management, Audit, Risk and Compliance Committee meeting. The next review will be undertaken during 2022.

State Records Act 2000

We are required under the State Records Act 2000 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 approved in October 2014. We are currently in the final stages of a complete review of this Plan which is due to be finalised in December 2019. 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

In accordance with Section 96(1) of the Freedom of Information Act 1992, residents have the legally enforceable right to access records (which are not otherwise exempt) held by state and local government agencies. Applications may be made to us to access such information upon payment of a standard fee.

Food Safety Standards

The Food Act 2008 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

The Public Health Act 2016 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 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 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. We pride ourselves on promoting a positive and safe workplace that is free of 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 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 consider the amendments to the Local Government Act 1995 and continue to review and refine our existing local laws to ensure they address contemporary business and community needs.

Freedom of Information Activity Report					
	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015
FOI Requests received*	63	53	47	25	15
Average processing time (days)	38.7	26.2	18	22	31
Outcome					
Access in full	15	23	16	9	7
Edited access	30	19	22	9	6
Application withdrawn	2	2	2	1	0
Access deferred	1	0	0	0	0
Access refused**	6	8	5	6	2
Requests in Progress at 30 June 2019	11				
Total	54	53	45	25	15

* 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. 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.





City of
Melville



City of Melville

Annual Financial Report
2018-2019

Part B

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Notes to and forming part of the Financial Report:

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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 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of 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 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's 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.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Other Matter

The annual financial report of the City for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 34 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

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



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
4 December 2019

CITY OF MELVILLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019
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 2019 are based on proper accounts and records to present fairly the financial position of the City of Melville as at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed as authorisation of issue on the 3rd day of December 2019



Marten Tieleman
CHIEF EXECUTIVE OFFICER

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

Dear Ms Spencer

REPRESENTATION LETTER IN RESPECT OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

This representation letter is provided in connection with your audit of the annual financial report of City of Melville ("Entity") for the year ended 30 June 2019 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 2019 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.
- (d) The prior period comparative information in the financial report has not been restated.
- (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 within the City of Melville 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 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) No frauds or suspected frauds affecting the City of Melville involving:
- (i) Management;
 - (ii) Employees who have significant roles in internal control; or
 - (iii) Others where the fraud could have a material effect on the financial report
- have occurred to the knowledge of management of the City of Melville.
- (m) To our knowledge, no allegations of fraud or suspected fraud affecting the City of Melville 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, including infrastructure 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 and applicable to the City of Melville.

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 of Melville 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 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 the City of Melville.

8. RELATED PARTIES

We have disclosed to your auditors the identity of the City of Melville'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 of Melville'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 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 of Melville.

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 of Melville.

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

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report taken as a whole.

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 of Melville 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 the City of Melville 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.

15. 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

3/12/2019

Date



Chief Executive Officer

3/12/2019

Date

**STATEMENT OF COMPREHENSIVE INCOME
BY NATURE & TYPE
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Revenue				
Rates	17	87,861,920	87,440,248	86,497,257
Operating Grants, Subsidies and Contributions	22	4,438,548	3,717,752	3,808,697
Fees & Charges	20	16,652,108	15,871,039	16,018,349
Service Charges	21	5,319,221	5,306,647	4,951,231
Interest Received	2(a)(i)	5,684,190	4,030,402	4,831,068
Other Revenue		2,530,689	1,146,497	2,750,707
		122,486,676	117,512,585	118,857,309
Expenses				
Employee Costs		(46,432,292)	(48,885,659)	(45,394,497)
Materials & Contracts		(32,785,049)	(30,587,111)	(30,618,273)
Utilities		(3,862,335)	(4,244,496)	(3,963,783)
Insurance		(1,050,466)	(1,305,648)	(952,754)
Depreciation	12(c)	(20,204,637)	(15,922,883)	(14,886,200)
Interest Expenses	2(a)(ii)	(142,302)	(150,232)	(162,778)
Other Expenditure		(6,565,914)	(7,631,095)	(1,197,378)
		(111,042,995)	(108,727,124)	(97,175,663)
Non-Operating Grants, Subsidies and Contributions	22	4,143,782	4,963,126	4,249,432
Profit/(Loss) On Asset Disposals	12(b)	(1,033,861)	10,500	(1,399,324)
Revaluation Of Investment Properties		-	-	10,427,691
Profit / (Loss) - Share Of SMRC Net Result	27	(694,705)	-	1,859,738
		2,415,216	4,973,626	15,137,537
Net Result		13,858,897	13,759,087	36,819,182
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes On Revaluation Of Non-Current Assets	12(a)	43,612,292	-	(320,505,544)
Revaluation Of Local Government House Unit Trust Holding	15(a)	20,503	-	(75,977)
Share Of Revaluation Of Non Current Assets - SMRC Investment in Associates	27	(371,373)	-	-
Total Other Comprehensive Income		43,261,422	-	(320,581,521)
Total Comprehensive Income		57,120,319	13,759,087	(283,762,339)

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

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Revenue				
Governance		11,489	-	38,336
General Purpose Funding		97,180,328	98,009,000	97,776,129
Law, Order, Public Safety		2,697,681	2,673,985	2,678,818
Health		345,498	336,905	299,703
Education & Welfare		244,362	204,034	266,031
Housing		116,827	117,687	104,536
Community Amenities		4,177,609	3,338,109	3,657,648
Recreation and Culture		8,739,613	8,160,171	8,325,879
Transport		1,796,317	1,585,458	1,416,974
Economic Services		6,553,004	2,762,888	3,320,811
Other Property and Services		623,948	324,349	972,444
		122,486,676	117,512,585	118,857,309
Expenses				
Governance		(4,539,798)	(5,612,027)	(4,741,013)
General Purpose Funding		(990,962)	(7,469,373)	(759,050)
Law, Order, Public Safety		(4,017,653)	(4,259,141)	(4,038,357)
Health		(1,087,627)	(1,162,818)	(1,082,559)
Education & Welfare		(2,813,429)	(2,819,942)	(2,667,984)
Housing		(94,734)	(68,492)	(76,497)
Community Amenities		(26,283,367)	(25,607,458)	(23,773,628)
Recreation and Culture		(34,814,520)	(30,892,207)	(31,451,321)
Transport		(17,409,450)	(18,503,353)	(17,403,915)
Economic Services		(7,934,095)	(2,316,255)	(2,604,504)
Other Property and Services		(10,915,058)	(9,865,826)	(8,414,057)
		(110,900,693)	(108,576,892)	(97,012,885)
Finance Costs				
Recreation and Culture	2(a)(ii)	(142,302)	(150,232)	(162,778)
		(142,302)	(150,232)	(162,778)

**STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	<i>2018-2019 Actual \$</i>	<i>2018-2019 Budget \$</i>	<i>2017-2018 Actual \$</i>
Non-Operating Grants, Subsidies and Contributions	22	4,143,782	4,963,126	4,249,432
Profit/(Loss) On Asset Disposals	12(b)	(1,033,861)	10,500	(1,399,324)
Revaluation Of Investment Properties		-	-	10,427,691
Profit / (Loss) - Share Of SMRC Net Result	27	(694,705)	-	1,859,738
		2,415,216	4,973,626	15,137,537
Net Result		13,858,897	13,759,087	36,819,182
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes On Revaluation Of Non-Current Assets	12(a)	43,612,292	-	(320,505,544)
Revaluation Of Local Government House Unit Trust Holding	15(a)	20,503	-	(75,977)
Share Of Revaluation Of Non Current Assets - SMRC Investment in Associates	27	(371,373)	-	-
Total Other Comprehensive Income		43,261,422	-	(320,581,521)
TOTAL COMPREHENSIVE INCOME		57,120,319	13,759,087	(283,762,339)

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	<i>Note</i>	<i>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
Current Assets			
Cash & Cash Equivalents	3	170,776,611	154,604,464
Other Financial Assets	7	313,467	317,022
Trade Receivables	8	9,735,528	9,364,425
Inventories	9	105,538	106,964
Other Current Assets	9	640,089	857,717
Total Current Assets		181,571,233	165,250,591
Non Current Assets			
Other Financial Assets	7	15,087,446	18,039,746
Trade Receivables	8	1,551,857	1,504,787
Property, Plant & Equipment	12(a)	408,363,598	411,535,457
Infrastructure	12(a)	398,031,912	347,639,250
Investment Property	12(a)	69,721,708	69,841,123
Total Non Current Assets		892,756,521	848,560,364
TOTAL ASSETS	6	1,074,327,754	1,013,810,955
Current Liabilities			
Other Financial Liability	14	1,289,048	1,569,242
Trade & Other Payables	10	11,904,639	6,606,451
Borrowings	14	313,467	317,022
Employee Related Provisions	11	7,500,361	7,430,499
Total Current Liabilities		21,007,515	15,923,214
Non Current Liabilities			
Other Financial Liability	14	4,652,982	5,966,047
Trade & Other Payables	10	293,873	241,855
Borrowings	14	1,769,557	2,083,024
Employee Related Provisions	11	703,761	817,066
Total Non Current Liabilities		7,420,173	9,107,993
TOTAL LIABILITIES		28,427,688	25,031,207
NET ASSETS		1,045,900,066	988,779,749
Equity			
Retained Surplus		324,160,300	321,793,435
Reserves - Cash Backed	15	157,885,446	146,393,416
Revaluation Surplus	15(a)	563,854,320	520,592,898
TOTAL EQUITY		1,045,900,066	988,779,749

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	<i>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
RESERVES CASH BACKED	15		
Balance at beginning of year		146,393,416	125,048,981
Transfer from accumulated surplus		(28,356,251)	(20,440,913)
Transfer to accumulated surplus		39,848,281	41,785,348
Balance at end of reporting period		157,885,446	146,393,416
REVALUATION SURPLUS	15(a)		
Revaluation Reserve			
Balance at beginning of year		520,592,898	841,174,419
Revaluation during year		43,261,422	(320,581,521)
Balance at end of reporting period		563,854,320	520,592,898
RETAINED SURPLUS			
Balance at beginning of year		321,793,435	306,318,688
Change in net results		13,858,897	36,819,182
Transfer from reserves		28,356,251	20,440,913
Transfer to reserves		(39,848,281)	(41,785,348)
Balance at end of reporting period		324,160,300	321,793,435
TOTAL EQUITY		1,045,900,066	988,779,749

**STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Cash Flows from Operating Activities				
Receipts				
Rates		86,000,858	87,440,248	85,604,103
Fees and Charges		16,780,364	16,236,108	15,952,070
Service Charges		5,319,221	5,306,647	4,951,231
Interest Received		5,684,190	3,882,230	4,831,068
Operating Grants, Subsidies and Contributions		4,438,548	3,717,752	3,808,697
Goods and Services Tax Received		6,072,345	200,000	5,650,740
Other Revenue		3,717,655	1,146,497	777,271
		128,013,180	117,929,482	121,575,180
Payments				
Employee Costs		(46,455,366)	(49,024,404)	(45,117,413)
Materials and Contracts		(34,646,865)	(31,072,340)	(35,773,689)
Utilities		(3,862,335)	(4,244,496)	(3,963,783)
Insurance		(1,050,466)	(1,305,648)	(952,754)
Interest Expenses		(142,302)	(150,232)	(156,567)
Goods and Services Tax Paid		(6,044,719)	(200,000)	(5,575,087)
Other Expenditure		(6,248,893)	(7,631,095)	(906,764)
		(98,450,945)	(93,628,214)	(92,446,057)
Net Cash Provided By (Used In) Operating Activities	4(b)	29,562,236	24,301,268	29,129,123
Cash Flows from Investing Activities				
Proceeds from disposal of assets	12(b)	637,397	784,650	3,315,220
Non-Operating Grants, Subsidies and Contributions	22	4,143,782	4,963,126	4,249,432
Payments for Purchase of Property, Plant and Equipment	12(a)	(8,184,543)	(15,866,990)	(4,544,896)
Payments for Purchase of Investment Property	12(a)	-	-	(921,798)
Payments for Construction of Infrastructure Excluding Work In Progress	12(a)	(9,987,371)	(23,494,859)	(10,606,547)
Net Cash Provided By (Used In) Investing Activities		(13,390,736)	(33,614,073)	(8,508,588)
Cash Flows from Financing Activities				
Repayment of Self Supporting Loans	14	(317,022)	(317,028)	(290,614)
Recoup for Self-Supporting Loans		317,669	317,675	302,549
Net Cash Provided By (Used In) Financing Activities		647	647	11,935
Net Increase / (Decrease) in Cash Held		16,172,147	(9,312,158)	20,632,470
Cash at Beginning of Year		154,604,464	144,148,578	133,971,994
Cash and Cash Equivalents at the End of Year		170,776,611	134,836,420	154,604,464

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

**RATE SETTING STATEMENT BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
OPERATING ACTIVITIES				
Net Current Assets At Start Of Financial Year - Surplus/(Deficit)	5(b)	4,503,203	-	3,029,416
Revenue From Operating Activities (Excluding Rates)				
Governance		11,489	-	38,336
General Purpose Funding		9,318,408	10,568,752	21,706,563
Law, Order, Public Safety		2,697,681	2,673,985	2,678,818
Health		345,498	336,905	299,703
Education & Welfare		244,362	204,033	266,031
Housing		116,827	117,687	104,536
Community Amenities		4,177,609	3,338,109	5,517,386
Recreation and Culture		8,505,965	8,160,171	8,106,481
Transport		1,796,317	1,585,458	1,416,974
Economic Services		6,553,004	2,762,888	3,320,811
Other Property and Services		539,927	334,849	889,292
		34,307,087	30,082,837	44,344,931
Expenditure From Operating Activities				
Governance		(4,539,798)	(5,612,027)	(4,741,013)
General Purpose Funding		(990,962)	(7,469,373)	(759,050)
Law, Order, Public Safety		(4,017,653)	(4,259,141)	(4,038,357)
Health		(1,087,627)	(1,162,818)	(1,082,559)
Education & Welfare		(2,813,429)	(2,819,942)	(2,667,984)
Housing		(94,733)	(68,492)	(76,498)
Community Amenities		(26,978,072)	(25,607,458)	(23,773,628)
Recreation and Culture		(34,639,800)	(31,042,439)	(31,323,484)
Transport		(17,409,450)	(18,503,353)	(17,403,898)
Economic Services		(7,934,095)	(2,316,255)	(2,604,504)
Other Property and Services		(13,083,698)	(10,639,965)	(10,905,436)
		(113,589,317)	(109,501,263)	(99,376,411)
Operating activities excluded				
Non-Cash Amounts Excluded from Operating Activities	5(a)	22,264,918	16,274,081	6,895,744
Amount Attributable To Operating Activities		(52,514,108)	(63,144,345)	(45,106,320)

**RATE SETTING STATEMENT BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	<i>2018-2019 Actual \$</i>	<i>2018-2019 Budget \$</i>	<i>2017-2018 Actual \$</i>
INVESTING ACTIVITIES				
Non-Operating Grants, Subsidies And Contributions	22	4,143,782	4,963,126	4,249,432
Proceeds From Disposal Of Assets	12(b)	637,397	784,650	3,315,220
Purchase Of Property, Plant & Equipment	12(a)	(8,184,543)	(15,866,990)	(4,544,896)
Purchase Of Investment Property	12(a)	-	-	(921,798)
Purchase Of Infrastructure Assets Excluding Work In Progress	12(a)	(9,987,371)	(23,494,859)	(10,606,547)
Movement In Work In Progress	12(a)	(7,193,078)	-	(5,186,908)
Amount Attributable To Investing Activities		(20,583,814)	(33,614,073)	(13,695,496)
FINANCING ACTIVITIES				
Repayment Of Debentures	14	(317,022)	(317,028)	(290,614)
Recoup for self-supporting loans		317,669	317,675	302,550
Profit/(Loss) in Share of SMRC net result	27	694,705	-	(1,859,738)
Funds To Be Set Aside	15	(35,741,985)	(30,977,323)	(38,439,480)
Funds To Be Set Aside Investment Earnings	15	(4,106,296)	(2,560,000)	(3,345,868)
Funds To Be Used	15	28,356,251	42,854,846	20,440,913
Amount Attributable To Financing Activities		(10,796,677)	9,318,170	(23,192,238)
Surplus/(Deficit) Before Imposition Of General Rates		(83,894,599)	(87,440,248)	(81,994,054)
Total Amount Raised From General Rates		87,861,920	87,440,248	86,497,257
Surplus/(Deficit) After Imposition Of General Rates	5(b)	3,967,320	-	4,503,203

**RATE SETTING STATEMENT BY SUB-PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
OPERATING ACTIVITIES				
Net Current Assets At Start of Financial Year - Surplus/(Deficit)	5(b)	4,503,203	-	3,029,416
Revenue From Operating Activities (Excluding Rates)				
Governance				
Other Governance		11,489	-	38,336
General Purpose Funding				
Rates		9,318,408	10,568,752	21,706,563
Law, Order, Public Safety				
Animal Control		254,557	240,400	235,089
Other Public Order, Fire & Safety		2,443,123	2,433,585	2,443,729
Health				
Maternal & Infant Health		-	-	410
Preventive Services - Immunisation		17	-	11
Other Health		17,500	40,000	10,098
Preventive Services - Admin/Inspection		327,981	296,905	289,184
Preventive Services - Pest Control		-	-	-
Education & Welfare				
Aged & Disabled		48,448	28,134	40,636
Aged & Disabled - Other		-	-	2,010
Aged & Disabled -MOW		-	-	-
Aged & Disabled - Senior Citizens Centres		28,210	25,240	38,521
Care of Families & Children		20,922	20,639	21,467
Other Education		18,244	3,950	27,298
Other Welfare		126,996	124,529	134,151
Pre-school		1,543	1,543	1,948
Housing				
Other Housing		116,827	117,687	104,536
Community Amenities				
Sanitation - Other		1,785,977	1,410,968	3,522,576
Sanitation - Household Refuse		464,872	475,516	454,244
Urban Stormwater Drainage		12,542	-	1,497
Town Planning & Regional Development		1,297,652	1,249,860	1,341,156
Other Community Amenities		122,736	154,713	144,774
Protection of Environment		493,829	47,052	53,139
Recreation and Culture				
Heritage		183,633	125,090	152,696
Libraries		65,728	62,982	59,847
Other Culture		219,530	84,780	66,300
Public Halls, Civic Centres		291,956	247,428	293,751
Swimming Areas and Beaches		5,170,744	5,218,188	5,041,622
Other Recreation & Sport		2,574,374	2,421,704	2,492,265

**RATE SETTING STATEMENT BY SUB-PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Transport				
Parking Facilities		1,138,532	1,030,000	1,003,000
Streets, Roads, Bridges, Depot		565,615	470,458	339,092
Water Transport Facilities		92,170	85,000	74,882
Economic Services				
Building Control		1,291,250	945,678	1,214,643
Tourism & Area Promotion		686,450	-	512,563
Other Economic Services		110,893	124,500	84,591
Economic Development		1,550,749	1,592,310	1,480,727
Public Utility Services incl. Underground Power		2,913,662	100,400	28,288
Other Property and Services				
Plant Operations		116,302	95,394	117,689
Private Works		269	3,000	-
Public Works Overheads		62,782	36,077	162,201
General Administration Overheads		273,166	186,347	349,720
Business Unit Operations		87,409	14,028	259,682
		34,307,087	30,082,837	44,344,931
Expenditure From Operating Activities				
Governance				
Members of Council		(1,236,324)	(1,332,346)	(1,456,869)
Other Governance		(3,303,474)	(4,279,681)	(3,284,144)
General Purpose Funding				
Rates		(990,962)	(7,469,373)	(759,050)
Law, Order, Public Safety				
Animal Control		(145,023)	(162,838)	(178,778)
Other Public Order, Fire & Safety		(3,872,630)	(4,096,302)	(3,859,579)
Health				
Maternal & Infant Health		(11,720)	(12,648)	(10,420)
Other Health		(54,810)	(55,280)	(45,439)
Preventive Services - Admin/Inspection		(944,582)	(975,197)	(952,893)
Preventive Services - Pest Control		(76,515)	(119,693)	(73,807)
Education & Welfare				
Aged & Disabled		(207,706)	(266,564)	(227,383)
Aged & Disabled - Other		(144,659)	(128,244)	(127,243)
Aged & Disabled - Senior Citizens Centres		(58,487)	(49,980)	(67,264)
Care of Families & Children		(1,551,749)	(1,598,452)	(1,542,973)
Other Education		(491,797)	(492,130)	(455,033)
Other Welfare		(349,961)	(276,983)	(242,739)
Pre-school		(9,069)	(7,588)	(5,349)
Housing				
Other Housing		(94,734)	(68,492)	(76,497)

**RATE SETTING STATEMENT BY SUB-PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Community Amenities				
Sanitation - Other		(5,644,648)	(3,431,196)	(3,828,976)
Sanitation - Household Refuse		(13,967,713)	(14,621,180)	(13,267,558)
Urban Stormwater Drainage		(1,135,577)	(1,041,342)	(745,749)
Town Planning & Regional Development		(3,578,072)	(4,009,891)	(3,465,683)
Other Community Amenities		(26,619)	(84,440)	(47,831)
Protection of Environment		(2,625,442)	(2,419,410)	(2,417,831)
Recreation and Culture				
Heritage		(606,119)	(662,418)	(556,987)
Libraries		(5,206,222)	(5,103,419)	(4,539,726)
Other Culture		(1,645,122)	(1,730,071)	(2,078,220)
Public Halls, Civic Centres		(1,555,563)	(662,072)	(635,323)
Swimming Areas and Beaches		(6,496,744)	(5,998,755)	(5,602,586)
Other Recreation & Sport		(19,130,029)	(16,885,703)	(17,910,643)
Transport				
Parking Facilities		(440,881)	(438,938)	(416,429)
Streets, Roads, Bridges, Depot		(16,956,797)	(18,021,928)	(16,784,342)
Water Transport Facilities		(11,773)	(42,487)	(28,351)
Economic Services				
Building Control		(1,926,160)	(2,001,796)	(1,926,267)
Tourism & Area Promotion		(686,708)	(181,393)	(506,139)
Other Economic Services		(20,000)	(10,000)	-
Economic Development		(115,354)	(117,066)	(168,100)
Public Utility Services incl. Underground Power		(5,185,872)	(6,000)	(3,998)
Other Property and Services				
Plant Operations		(137,542)	(91,509)	(163,607)
Private Works		(296)	(3,000)	-
Public Works Overheads		(1,461,588)	(925,653)	(711,912)
Unclassified		2,190	-	15,830
General Administration Overheads		(3,602,560)	(1,292,494)	(2,566,732)
Business Unit Operations		(7,883,901)	(8,327,309)	(7,653,791)
		(113,589,317)	(109,501,263)	(99,376,411)
Operating Activities Excluded				
Non-Cash Amounts Excluded from Operating Activities	5(a)	22,264,918	16,274,081	6,895,744
Amount Attributable To Operating Activities		(52,514,109)	(63,144,345)	(45,106,320)

**RATE SETTING STATEMENT BY SUB-PROGRAM
FOR THE YEAR ENDED 30 JUNE 2019**

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	22	4,143,782	4,963,126	4,249,432
Proceeds from disposal of assets	12(b)	637,397	784,650	3,315,220
Purchase Of Property, Plant & Equipment	12(a)	(8,184,543)	(15,866,990)	(4,544,896)
Purchase Of Investment Property	12(a)	-	-	(921,798)
Purchase Of Infrastructure Assets Excluding Work In Progress	12(a)	(9,987,371)	(23,494,859)	(10,606,547)
Movement in Work In Progress	12(a)	(7,193,078)	-	(5,186,908)
Amount Attributable To Investing Activities		(20,583,814)	(33,614,073)	(13,695,496)
FINANCING ACTIVITIES				
Repayment of debentures	14	(317,022)	(317,028)	(290,614)
Proceeds from self-supporting loans		317,669	317,675	302,551
Profit/(Loss) in Share of SMRC net result	27	694,705	-	(1,859,738)
Funds to be set aside	15	(35,741,985)	(30,977,323)	(38,439,480)
Funds to be set aside Investment Earnings	15	(4,106,296)	(2,560,000)	(3,345,868)
Funds to be used	15	28,356,251	42,854,846	20,440,913
Amount Attributable To Financing Activities		(10,796,677)	9,318,170	(23,192,238)
Surplus/(Deficit) Before Imposition Of General Rates		(83,894,599)	(87,440,248)	(81,994,055)
Total Amount Raised From General Rates		87,861,920	87,440,248	86,497,257
Surplus/(Deficit) After Imposition Of General Rates	5(b)	3,967,320	-	4,503,203

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

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

Critical Accounting Estimates

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

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

The Local Government Reporting Entity

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

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

All monies held in the Trust Fund are excluded from the Financial Statements. A separate statement of those monies appears at Note 16 to these Financial Statements.

Goods and Services Tax

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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.

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.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 2: REVENUE AND EXPENSES

	<i>2018-2019 Actual \$</i>	<i>2018-2019 Budget \$</i>	<i>2017-2018 Actual \$</i>
(a) The Net Result			
The Net result includes:			
(i) Crediting as Revenue			
Interest Earnings			
Reserve Funds	4,106,296	2,560,000	3,345,869
Other Funds	784,301	886,421	835,688
Other Interest Revenue	793,593	583,981	649,511
	5,684,190	4,030,402	4,831,068
(ii) Charging as Expenses			
Auditors Remuneration			
Audit of the Annual Financial Report	55,000	65,500	28,925
Other Services	6,500	830	5,109
	61,500	66,330	34,034
Finance costs			
Interest on Self Supporting Loans	142,302	150,232	162,778
	142,302	150,232	162,778

The City has transferred a number of funds previously held as Trust Funds to the Municipal Fund as at 30th June 2019, recognising this transfer in the Statement of Financial Position, see Note 16 Trust Funds.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 3: CASH AND CASH EQUIVALENTS

	<i>Note</i>	<i>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
Current Assets			
Cash on Hand		7,950	7,828
Cash on Hand (Includes 11am at call accounts)		2,902,520	(285,276)
Term Deposits, Bonds & Floating Rate Term Deposits		167,866,141	154,881,912
Total Cash and Cash Equivalents		170,776,611	154,604,464
Represented by			
Reserve Funds - Restricted *	15	156,771,337	146,393,416
Reserve Funds - Unspent Grants Restricted *	23	1,114,109	-
Bonds and Deposits held - Restricted	16	978,562	-
Other Funds - Unrestricted		11,912,603	8,211,048
		170,776,611	154,604,464

* The restrictions for Reserve Funds have been imposed by regulations or other external imposed requirements - Note 15.

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 4: NOTES TO THE STATEMENT OF CASHFLOWS

(a) 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:

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Cash - Restricted Funds	156,771,337	118,381,860	146,393,417
Reserve Funds - Unspent Grants Restricted *	1,114,109	-	-
Bonds and Deposits held - Restricted	978,562	-	-
Cash - Unrestricted Funds	11,912,603	16,454,560	8,211,048
Cash and Cash Equivalents at the End of Year	170,776,611	134,836,420	154,604,465

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

	2018-2019 Actual \$	2017-2018 Actual \$
Net Result	13,858,987	36,819,182
Add / (Less) Non-Cash / Non-Operating Items		
Depreciation	20,204,637	14,886,200
(Profit) / Loss on Sale of Assets	1,033,861	1,399,324
Revaluation of Investment Properties	-	(10,427,691)
Grants & Contributions for the Development of Assets	(4,143,782)	(4,249,432)
(Increase) / Decrease in Equity - SMRC Joint Venture	694,705	(1,859,738)
Changes in Assets & Liabilities During the Financial Year:		
(Increase)/Decrease in Accrued Income	1,286,916	(1,558,527)
Increase/(Decrease) in Accrued Expenses	20,369	7,566
Increase/(Decrease) in Accrued Income Payable	-	6,211
(Increase)/Decrease in Current Receivables	(1,655,202)	(903,081)
(Increase)/Decrease in Non-Current Receivables	266,397	297,982
(Increase)/Decrease in Work in Progress	(7,193,078)	(5,186,908)
Increase/(Decrease) in Current Creditors	5,274,337	38,929
Increase/(Decrease) in Non-Current Creditors	(261,523)	(296,494)
(Increase)/Decrease in Inventory	1,426	(1,558)
Increase/(Decrease) in Provision for Employee Entitlements	(43,443)	269,518
(Increase)/Decrease in Prepayments	217,628	(112,360)
Net Cash Provided by Operating Activities	29,562,236	29,129,123

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 5: RATE SETTING STATEMENT INFORMATION

	<i>Note</i>	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
(a) Non-Cash Amounts Excluded From Operating Activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments To Operating Activities				
(Profit)/Loss on asset disposals	12(b)	1,033,861	(10,500)	1,399,324
Depreciation on Assets	12(c)	20,204,637	15,922,883	14,886,200
Revaluation of Investment Properties		-		(10,427,691)
Plant Investment Provision		1,134,777	361,698	1,091,968
Net Movement of Deferred Pensioner Rates/ESL (non-current)		(47,070)	-	(19,041)
Net Current Movement in Other Debtors/Creditors		52,018	-	20,530
Movement in Employee Benefit Provisions (non-current)		(113,305)	-	(55,546)
Non-Cash Amounts Excluded from Operating Activities		22,264,918	16,274,081	6,895,744
(b) Surplus/(Deficit)After Imposition Of General Rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments To Net Current Assets				
Less: Reserves - Restricted Cash	15	(157,885,446)	(118,381,860)	(146,393,416)
Total Adjustments To Net Current Assets		(157,885,446)	(118,381,860)	(146,393,416)
Net Current Assets Used In the Rate Setting Statement				
Total Current Assets		181,571,233	147,054,779	165,250,591
Less: Total Current Liabilities		(19,718,467)	(14,612,993)	(14,353,972)
Less: Reserves - Restricted Cash	15	(157,885,446)	(118,381,860)	(146,393,416)
Less: Restricted Municipal		-	(14,059,926)	-
Net Current Assets Used In The Rate Setting Statement		3,967,320	-	4,503,203

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 6: TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018-2019 Actual \$	2017-2018 Actual \$
Governance	511,890,620	497,622,707
Education & Welfare	45,297	182,830
Community Amenities	93,020,273	43,327,328
Recreation and Culture	85,989,783	88,428,012
Economic Services	8,225,775	7,441,130
Other Property and Services	375,156,006	376,808,948
	1,074,327,754	1,013,810,955

NOTE 7: OTHER FINANCIAL ASSETS

	Note	2018-2019 Actual \$	2017-2018 Actual \$
Current			
Loans - Clubs and Community Groups		313,467	317,022
		313,467	317,022
Non-Current			
Loans - Clubs and Community Groups		1,769,557	2,083,024
Units (10) held in Local Government House		175,171	154,668
Equity - SMRC Investment in Associates	27	13,142,718	15,802,054
Total Other Financial Assets		15,087,446	18,039,746

Loans from clubs and community groups have been reclassified from Trade Receivables to Other Financial Assets, compared with previous year.

The City's share of loan liability to the South Metropolitan Regional Council (SMRC) of \$5,942,031 has been recognised as Other Financial Assets in 2018-2019. The comparative of \$7,535,289 for 2017-2018 has been reinstated accordingly. Refer to Note 27 Investment in Associates using Equity Method for more details.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 8: TRADE RECEIVABLES

	2018-2019 Actual \$	2017-2018 Actual \$
Current		
Rates Outstanding		
Rates Debtors	5,024,914	3,469,749
UGP Debtors	528,623	447,954
Refuse Debtors	101,492	173,426
FESA Levy Debtors	952,652	621,709
Pensioner Rebates	896,812	977,663
Sundry Debtors	311,255	439,509
GST Receivable	428,293	455,921
Accrued Income	1,491,487	2,778,494
	9,735,528	9,364,425
Non-Current		
Rates Outstanding - Pensioners	1,551,857	1,504,787
	1,551,857	1,504,787
Sundry Debtors		
Aging of past due but not impaired:		
60 - 90 days	13,134	11,231
90 - 120 days	19,224	3,663
120+ days	119,953	148,223
Expected Credit Loss	(167,110)	(83,301)

Loans from clubs and community groups of \$317,467 have been reclassified from Trade Receivables to Other Financial Assets in 2018-2019. In previous year, this has been recognised in Trade Receivables.

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 \$167,110 in 2018-2019 in accordance with AASB 9 *Financial Instruments* in Note 30.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 8: TRADE RECEIVABLES (CONTINUED)

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 expected credit loss for uncollectible amounts. The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

IMPAIRMENT AND RISK EXPOSURE

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 30.

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 9: INVENTORIES AND OTHER CURRENT ASSETS

	<i>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
Current		
Inventories		
Fuel and Materials at Cost	105,538	106,964
	105,538	106,964
Other Assets		
Prepayments	640,089	857,717
	640,089	857,717

SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTE 10: TRADE AND OTHER PAYABLES

	<i>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
Current		
Sundry Creditors		
Non-Restricted Funds Creditor	4,940,871	1,056,983
Restricted Funds Creditor		
- Footpaths	5,384,048	4,953,054
- Bonds and Deposits held	978,562	-
- Other	26,377	26,377
Amount Received in Advance	45,247	60,872
Accrued Salaries & Wages	529,534	509,165
	11,904,639	6,606,451
Non-Current		
Creditors	293,873	241,855
	293,873	241,855

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 2019**

NOTE 11: EMPLOYEE RELATED PROVISIONS

	<i>Provision for Annual Leave</i>	<i>Provision for Long Service Leave</i>	<i>Total 2018-2019</i>
	\$	\$	\$
Opening balance at 1 July 2018			
Current Provisions	3,455,856	3,974,643	7,430,499
Non-Current provisions	-	817,066	817,066
	3,455,856	4,791,709	8,247,565
Additional provision	361,521	815,058	1,176,579
Amounts used	(359,199)	(877,763)	(1,236,963)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	1,973	14,968	16,941
Balance at 30 June 2019	3,460,151	4,743,972	8,204,122
Comprises:			
Current Provisions	3,460,151	4,040,210	7,500,361
Non-Current provisions	-	703,761	703,761
	3,460,151	4,743,971	8,204,122

	<i>2018-2019</i>	<i>2017-2018</i>
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	7,796,970	7,660,110
More than 12 months from reporting date	703,761	817,066
Expected reimbursements from other WA local governments	(296,609)	(229,611)
	8,204,122	8,247,565

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 11: EMPLOYEE RELATED PROVISIONS (CONTINUED)

SIGNIFICANT ACCOUNTING POLICIES

EMPLOYEE BENEFITS

Short-Term Employee Benefits

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

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

Other Long-Term Employee Benefits

The City's obligations for 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.

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.

Provisions

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INVESTMENT PROPERTY

(a) Summary of Asset Movements

	<i>Balance as at 01/07/2018</i>	<i>Additions & Transfers</i>	<i>Disposal</i>	<i>Revaluation / Transfer</i>	<i>Depreciation</i>	<i>Balance as at 30/06/2019</i>
	\$	\$	\$	\$	\$	\$
<u>Property, Plant & Equipment</u>						
Land and Buildings						
Land	237,535,943	-	(210,000)	-	-	237,325,943
Buildings	136,838,725	4,270,209	-	-	(6,785,238)	134,323,697
Land Vested	8,525,000	-			-	8,525,000
	382,899,668	4,270,209	(210,000)	-	(6,785,238)	380,174,640
Artworks						
Artworks	3,884,029	202,878	(379,652)	-	-	3,707,255
	3,884,029	202,878	(379,652)	-	-	3,707,255
Plant & Equipment						
Plant & Equipment	13,523,541	1,433,961	(47,520)	62,650	(1,845,258)	13,127,374
Electronic Equipment	55,063	26,650	(3,060)	79,591	(42,154)	116,090
Furniture & Fittings	963,692	508,570	(279,776)	89,540	(178,896)	1,103,130
Computer Equipment	749,420	367,331	(914)	161,506	(406,729)	870,613
Property Improvement	1,379	-	(690)	-	(690)	-
Fleet and Mobile Plant	9,458,665	1,374,945	(749,647)	408,282	(1,227,749)	9,264,496
	24,751,760	3,711,456	(1,081,606)	801,568	(3,701,475)	24,481,703
Total Property, Plant & Equipment	411,535,457	8,184,543	(1,671,258)	801,568	(10,486,712)	408,363,598
<u>Infrastructure</u>						
Roads	199,892,021	7,153,487		(11,886,421)	(5,279,082)	189,880,005
Drains	68,506,577	583,013		67,759,315	(1,054,702)	135,794,203
Footpaths	59,836,880	2,064,847		(13,062,171)	(1,620,421)	47,219,135
	328,235,478	9,801,346	-	42,810,724	(7,954,205)	372,893,343
Infrastructure - Other						
Parks	7,665,269	172,273	-	-	(721,389)	7,116,153
Street Furniture	1,133,011	0	-	-	(45,367)	1,087,644
Irrigation System	5,179,545	13,752	-	-	(877,550)	4,315,747
Work in Progress	5,425,947	7,193,078	-	-	-	12,619,025
	19,403,772	7,379,103	-	-	(1,644,305)	25,138,569
Total Infrastructure	347,639,250	17,180,449	-	42,810,724	(9,598,511)	398,031,912
<u>Investment Property :</u>						
Land	67,379,855	-	-	-	-	67,379,855
Buildings	2,461,268	-	-	-	(119,414)	2,341,853
Total Investment Property	69,841,123	-	-	-	(119,414)	69,721,708
Grand Total	829,015,830	25,364,992	(1,671,258)	43,612,292	(20,204,637)	876,117,218

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE AND INVESTMENT PROPERTY

(b) Disposal of Assets

	Net Book Value		Sales Proceeds		(Profit) / Loss	
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Artwork	379,652	-	-	-	(379,652)	-
Land	210,000	-	104,258	-	(105,742)	-
Furniture & Fittings	279,775	-	21,670	10,500	(258,105)	10,500
Electronic Equipment	3,060	-	-	-	(3,060)	-
Computer Equipment	914	-	-	-	(914)	-
Plant & Equipment	47,520	774,150	-	774,150	(47,520)	-
Property	690	-	-	-	(690)	-
Fleet and Mobile Plant	749,647	-	511,469	-	(238,178)	-
Total	1,671,258	774,150	637,397	784,650	(1,033,861)	10,500

From the net book value of \$1,671,258 of which \$1,135,405 represents the assets expensed as a result of fair value of assets as at date of acquisition under \$5,000 by the City in accordance with *Local Government (Financial Management) Regulation 17A(5)*.

(c) Depreciation

	2018-2019	2018-2019	2017-2018
	Actual	Budget	Actual
	\$	\$	\$
Infrastructure	9,598,511	9,900,966	9,526,197
Building	6,904,652	2,027,564	2,023,755
Fleet and Mobile Plant	1,227,749	2,000,000	1,318,312
Plant & Equipment	1,888,100	1,485,617	1,490,466
Computer Equipment	406,729	327,950	351,482
Furniture & Fittings	178,896	180,786	175,988
	20,204,637	15,922,883	14,886,200

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

Class of Assets	2018-2019 Actual \$	2017-2018 Actual \$
(d) Property, Plant & Equipment		
Land		
At Independent valuation 2018 - level 2 & 3	237,535,943	519,243,225
Add Additions after valuation - cost	-	-
Less Disposals after valuation - cost	(210,000)	-
Revaluation	-	(281,707,282)
Total	237,325,943	237,535,943
Buildings		
At Independent Valuation 2018 - level 2 & 3	243,840,093	187,424,663
Add Additions after valuation - cost	4,270,209	2,991,103
Less Disposals after valuation - cost	-	(2,334,750)
Revaluation	-	55,759,077
Less : Accumulated Depreciation	(113,786,606)	(107,001,368)
Total	134,323,697	136,838,725
Land Vested In & Under City's Control		
At Independent valuation 2018 - level 3	8,525,000	5,138,491
Revaluation	-	3,386,509
Total	8,525,000	8,525,000
Artworks		
At Independent Valuation 2018 - level 3	3,884,029	3,575,146
Add Additions after valuation - cost	202,878	349,886
Less Disposals after valuation - cost	(379,652)	(96,661)
Revaluation	-	55,658
Less : Accumulated Depreciation	-	-
Total	3,707,256	3,884,029

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

Class of Assets	2018-2019 Actual \$	2017-2018 Actual \$
Plant and Equipment		
At Independent Valuation 2016 & 2018 - level 3	22,726,429	22,726,429
Add Additions after valuation - cost	3,754,026	2,320,065
Less Disposals after valuation - cost	(464,239)	(55,940)
Revaluation	7,166,823	7,104,173
Less : Accumulated Depreciation	(20,055,665)	(18,571,186)
Total At Independent Valuation 2019 - level 2 & 3	13,127,375	13,523,541
Electronic Equipment		
At Independent Valuation 2016 - level 3	469,296	469,296
Add Additions after valuation - cost	44,300	17,650
Less Disposals after valuation - cost	(147,832)	(818)
Revaluation	79,591	-
Less : Accumulated Depreciation	(329,265)	(431,065)
Total At Independent Valuation 2019 - level 2 & 3	116,090	55,063
Furniture and Fittings		
At Independent Valuation 2016 - level 3	3,796,565	3,796,565
Add Additions after valuation - cost	607,603	99,033
Less Disposals after valuation - cost	(1,673,122)	(183,064)
Revaluation	89,540	-
Less : Accumulated Depreciation	(1,717,456)	(2,748,843)
Total At Independent Valuation 2019 - level 2 & 3	1,103,130	963,693
Computer Equipment		
At Independent Valuation 2016 - level 3	3,827,174	3,827,175
Add Additions after valuation - cost	1,212,254	844,923
Less Disposals after valuation - cost	(319,409)	(46,555)
Revaluation	161,506	-
Less : Accumulated Depreciation	(4,010,912)	(3,876,123)
Total At Independent Valuation 2019 - level 2 & 3	870,612	749,420
Property Improvements		
At Independent Valuation 2016 - level 3	1,369,156	1,369,156
Add Additions after valuation - cost	-	-
Less Disposals after valuation - cost	(197,917)	(143,063)
Revaluation	-	-
Less : Accumulated Depreciation	(1,171,240)	(1,224,714)
Total	-	1,379

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

Class of Assets	2018-2019 Actual \$	2017-2018 Actual \$
Fleet and Mobile Plant		
At Independent Valuation 2016 - level 3	9,173,123	9,173,123
Add Additions after valuation - cost	5,374,382	3,999,437
Less Disposals after valuation - cost	(2,468,798)	(1,152,684)
Revaluation	408,282	-
Less : Accumulated Depreciation	(3,222,493)	(2,561,211)
Total At Independent Valuation 2019 - level 2 & 3	9,264,496	9,458,665
Total Plant and Equipment		
At Independent Valuation 2016 & 2018- level 3	535,146,808	756,743,270
Add Additions after valuation - cost	15,465,653	10,622,097
Less Disposals after valuation - cost	(5,860,967)	(4,013,533)
Revaluation	7,905,741	(215,401,865)
Less : Accumulated Depreciation	(144,293,636)	(136,414,510)
Total Property, Plant & Equipment	408,363,598	411,535,457
Infrastructure		
(e) Infrastructure-Road, Drains and Footpath		
Infrastructure - Roads		
At Independent Valuation 2018 - level 3	332,457,078	344,620,715
Add Additions after valuation - cost	7,153,487	16,967,368
Less Disposals after valuation - cost	-	-
Revaluation	(11,886,421)	(29,131,005)
Less : Accumulated Depreciation	(137,844,139)	(132,565,057)
Total At Independent Valuation 2019- level 3	189,880,005	199,892,021
Infrastructure - Drains		
At Independent Valuation 2018 - level 3	137,569,945	111,233,942
Add Additions after valuation - cost	583,013	936,471
Less Disposals after valuation - cost	-	-
Revaluation	67,759,315	25,399,532
Less : Accumulated Depreciation	(70,118,070)	(69,063,368)
Total At Independent Valuation 2019 - level 3	135,794,203	68,506,577

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

Class of Assets	2018-2019 Actual \$	2017-2018 Actual \$
Infrastructure - Footpath		
At Independent Valuation 2018 - level 3	90,787,554	86,385,565
Add Additions after valuation - cost	2,064,847	1,785,497
Less Disposals after valuation - cost	-	-
Revaluation	(13,062,171)	2,616,492
Less : Accumulated Depreciation	(32,571,095)	(30,950,674)
Total At Independent Valuation 2019 - level 3	47,219,135	59,836,880
Total Infrastructure-Road, Drains and Footpath		
At Independent Valuation 2018 - level 3	560,814,577	542,240,222
Add Additions after valuation - cost	9,801,346	19,689,336
Less Disposals after valuation - cost	-	-
Revaluation	42,810,724	(1,114,981)
Less : Accumulated Depreciation	(240,533,304)	(232,579,099)
Total At Independent Valuation 2019 - level 3	372,893,343	328,235,478
Infrastructure - Other		
Infrastructure - Parks		
At Independent Valuation 2018- level 3	11,977,442	9,343,391
Add Additions after valuation - cost	172,268	2,127,782
Less Disposals after valuation - cost	-	-
Revaluation	-	506,269
Less : Accumulated Depreciation	(5,033,558)	(4,312,168)
Total	7,116,153	7,665,274
Infrastructure - Street Furniture		
At Independent Valuation 2018 - level 3	2,327,361	8,852,144
Add Additions after valuation - cost	-	109,925
Less Disposals after valuation - cost	-	-
Revaluation	-	(6,634,709)
Less : Accumulated Depreciation	(1,239,717)	(1,194,350)
Total	1,087,644	1,133,011

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

Class of Assets	2018-2019 Actual \$	2017-2018 Actual \$
Infrastructure - Irrigation Systems		
At Independent Valuation 2018 - level 3	20,480,616	16,051,470
Add Additions after valuation - cost	13,752	1,993,467
Less Disposals after valuation - cost	-	-
Revaluation	-	2,435,679
Less : Accumulated Depreciation	(16,178,621)	(15,301,071)
Total	4,315,747	5,179,545
Total Infrastructure - Work In Progress	12,619,025	5,425,947
Total Infrastructure - Other		
At Independent Valuation 2018 - level 3	47,404,444	39,672,952
Add Additions after valuation - cost	186,020	4,231,174
Less Disposals after valuation - cost	-	-
Revaluation	-	(3,692,760)
Less : Accumulated Depreciation	(22,451,895)	(20,807,589)
Total	25,138,569	19,403,777
Total Infrastructure	398,031,912	347,639,250
(f) Investment Property		
Investment Property : Land		
At Independent Valuation 2018 - level 2	67,379,855	53,331,829
Add Additions after valuation - cost	-	5,026,488
Less Disposals after valuation - cost	-	(2,664,000)
Revaluation	-	11,685,538
Less : Accumulated Depreciation	-	-
Total	67,379,855	67,379,855
Investment Property : Buildings		
At Independent Valuation 2018 - level 3	4,307,400	2,983,581
Add Additions after valuation - cost	-	956,919
Less Disposals after valuation - cost	-	-
Revaluation	-	366,900
Less : Accumulated Depreciation	(1,965,546)	(1,846,132)
Total	2,341,853	2,461,268
Total Investment Property		
At Independent Valuation 2018 - level 2 & 3	71,687,254	56,315,410
Add Additions after valuation - cost	-	5,983,406
Less Disposals after valuation - cost	-	(2,664,000)
Revaluation	-	12,052,438
Less : Accumulated Depreciation	(1,965,546)	(1,846,132)
Total Investment Property	69,721,708	69,841,123

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

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.

Capitalisation of Assets Threshold

Assets will be recognised and reported at fair value in accordance with *Local Government (Financial Management) 1996* and AASB 5, 13, 116 and 136 of the Standards.

Generally expenditure of a capital nature is recognised as an asset if the fair value of the asset at the date of acquisition is equal to or above \$5,000 by the City in accordance with *Local Government (Financial Management) Regulation 17A(5)*.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset and are expensed immediately.

Land Under Control

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

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

Land Under Roads

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

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

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

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

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

Initial Recognition and measurement between mandatory revaluation dates

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

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

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

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation, and are accounted for using the fair value model.

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 Statement of Comprehensive Income.

Rental income and operating expenses from investment property are reported within revenue and other expenses respectively.

Depreciation

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

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

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

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

Depreciation will be recognised on a straight-line basis, using rates which are reviewed each reporting period.

Asset Class	Components	Depreciation Rate
Property, Plant & Equipment		
Land		
- Municipal land		Not Depreciated
- Land Vested		Not Depreciated
Buildings		
- General Buildings	- Sub Structure	60 - 100 years
- Heritage Buildings	- Sub Structure only for Heritage buildings	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
Artworks		
Artworks		Not Depreciated
Plant & Equipment		
Plant and equipment		1 - 10 years
Computer equipment		3 - 5 years
Electronic equipment		3 - 5 years
Furniture & fittings		1 - 10 years
Fleet, Mobile and Other Plant		1 - 10 years
Infrastructure		
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
Infrastructure Other		
Parks		5 years
Street Furniture		5 - 30 years
Irrigation		5 - 30 years

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 12: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE
AND INVESTMENT PROPERTY**

Asset Class	Components	Depreciation Rate
Investment Property		
Investment Land		Not Depreciated
Investment Buildings	- Sub Structure	60 - 100 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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

NOTE 13: FAIR VALUE MEASUREMENTS

Mandatory requirement to revalue non-current assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations* were amended and the measurement of non-current assets at fair value became mandatory. Each asset class must be revalued in accordance with the regulatory framework established and the City measures the fair value of its asset classes at least every three years in accordance with this mandatory timetable. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions.

During the financial year ended 30 June 2019, the City measured the fair value of following class of assets:

- Plant and Equipment
- Infrastructure (Roads, Drainage and Footpath)

Valuation processes

When performing a revaluation, the City of Melville engages both independent and qualified valuers to determine the fair value of the entities land, buildings, infrastructure and major plant on a regular basis.

An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity.

Fair value hierarchy

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

Level 1- Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2- Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- Measurements based on unobservable inputs for the asset or liability.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 13: FAIR VALUE MEASUREMENTS

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 an asset at its current service capacity.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 13: FAIR VALUE MEASUREMENTS

<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>
Artworks					
Artworks	3	Market approach	Independent registered valuer	June 2018	Market valuation by Art Valuer
Land and Buildings					
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	Cost Approach	Independent registered valuer	June 2018	Non-observables market evidence and valuation relies on significant assumptions
Buildings	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.
Plant and Equipment					
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 2019**

NOTE 13: FAIR VALUE MEASUREMENTS

<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
Infrastructure 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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 13: FAIR VALUE MEASUREMENTS

<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 - 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
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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 13: FAIR VALUE MEASUREMENTS

<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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 14: INFORMATION ON BORROWINGS AND OTHER FINANCIAL LIABILITY

	2018-2019 Actual \$	2017-2018 Actual \$
Other Financial Liability		
Current		
Share of SMRC Loan Liability	1,289,048	1,569,242
	1,289,048	1,569,242
Non-Current		
Share of SMRC Loan Liability	4,652,983	5,966,047
	4,652,983	5,966,047
Borrowings		
Current		
Self Supporting Loans	313,467	317,022
	313,467	317,022
Non-Current		
Self Supporting Loans	1,769,557	2,083,024
	1,769,557	2,083,024

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. The Council resolved to amalgamate and relocate the Melville Bowling Club and Mt Pleasant Bowling Club to the Tompkins Park Sporting Hub. Provided that the relocation and amalgamation occur, the self supporting loan debt for Mt Pleasant Bowling Club and Tompkins Park Community and Recreation Association will be met by the City and treated as a cost of the project. A total of \$74,512 has been costed to the project in 2018-2019.

The City's share of loan liability to the South Metropolitan Regional Council (SMRC) of \$5,942,031 has been recognised as Financial Liability in 2018-2019. The comparative figures for 2017-2018 has also been reinstated accordingly. Refer to Note 27 Investment in Associates using Equity Method for more details.

New Debenture

There are no new debentures.

Unspent Borrowings

The City has no unspent borrowings on self-supporting loans as at 30th June 2019.

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.

Borrowing Costs

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Ardross East UGP & Streetscape Enhancement Reserve			
<i>To be used for underground power projects and streetscape enhancements in the Ardross East Underground Power project area.</i>			
Opening Balance	14,332	14,066	13,977
Funds to be set aside	-	-	253,840
Funds to be set aside - Investment Earnings	315	-	355
Funds to be used	(2,697)	(14,066)	(253,840)
Closing Balance	11,950	-	14,332
Attadale North Underground Power & Streetscape Enhancement Reserve			
<i>To be used for underground power projects and streetscape enhancements in the Attadale North Underground Power project area.</i>			
Opening Balance	93,029	91,304	90,724
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	2,525	-	2,305
Funds to be used	-	(91,304)	-
Closing Balance	95,554	-	93,029
Alfred Cove East Underground Power & Streetscape Enhancement Reserve			
<i>To be used for underground power projects and streetscape enhancements in the Alfred Cove East Underground Power project area.</i>			
Opening Balance	1,364,229	1,360,914	-
Funds to be set aside	-	-	1,347,115
Funds to be set aside - Investment Earnings	-	-	17,114
Funds to be used	(1,364,229)	(1,360,914)	-
Closing Balance	-	-	1,364,229
Melville North Underground Power & Streetscape Enhancement Reserve			
<i>To be used for underground power projects and streetscape enhancements in the Melville North Underground Power project area.</i>			
Opening Balance	1,193,518	-	-
Funds to be set aside	535,883	-	1,178,546
Funds to be set aside - Investment Earnings	46,943	-	14,972
Funds to be used	-	-	-
Closing Balance	1,776,344	-	1,193,518

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Melville South Underground Power & Streetscape Enhancement Reserve			
<i>To be used for underground power projects and streetscape enhancements in the Melville South Underground Power project area.</i>			
Opening Balance	-	-	-
Funds to be set aside	2,819	-	-
Funds to be set aside - Investment Earnings	77	-	-
Funds to be used	-	-	-
Closing Balance	2,896	-	-
Civic Centre Precinct Improvements Reserve			
<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	6,016	5,904	5,867
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	163	149	149
Funds to be used	-	-	-
Closing Balance	6,179	6,053	6,016
Commercial Refuse Reserve			
<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	3,261,455	2,757,780	2,701,084
Funds to be set aside	396,759	-	485,573
Funds to be set aside - Investment Earnings	99,171	68,877	74,798
Funds to be used	(4,680)	(31,503)	-
Closing Balance	3,752,705	2,795,154	3,261,455
Community Facilities Reserve			
<i>To be used for the provision of new, renewed or upgraded community facilities/buildings.</i>			
Opening Balance	22,538,527	22,308,659	21,688,160
Funds to be set aside	3,222,000	3,222,000	2,694,680
Funds to be set aside - Investment Earnings	603,701	244,421	554,809
Funds to be used	(3,519,726)	(8,386,193)	(2,399,122)
Closing Balance	22,844,502	17,388,887	22,538,527

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Community Surveillance and Security Reserve			
<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	649,513	543,608	593,407
Funds to be set aside	52,687	-	40,514
Funds to be set aside - Investment Earnings	17,800	11,107	15,592
Funds to be used	(46,438)	(103,965)	-
Closing Balance	673,562	450,750	649,513
Fleet Services Vehicles, Plant and Equipment Replacement Reserve			
<i>To be used to fund the purchase of replacement vehicles, plant and equipment.</i>			
Opening Balance	8,351,370	6,541,311	6,902,791
Funds to be set aside	2,000,000	2,000,000	2,000,000
Funds to be set aside - Investment Earnings	260,429	184,524	191,358
Funds to be used	(756,962)	(1,237,575)	(742,779)
Closing Balance	9,854,837	7,488,260	8,351,370
Future Works Reserve			
<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	1,498,768	178,935	82,189
Funds to be set aside	3,813,500	3,813,550	1,695,884
Funds to be set aside - Investment Earnings	82,562	-	19,833
Funds to be used	(2,270,618)	(3,992,485)	(299,138)
Closing Balance	3,124,212	-	1,498,768
Information Technology Reserve			
<i>To be used to fund the acquisition and replacement of computer software and information technology hardware.</i>			
Opening Balance	2,501,693	1,850,157	2,993,126
Funds to be set aside	715,000	715,000	650,000
Funds to be set aside - Investment Earnings	65,727	41,143	68,931
Funds to be used	(795,257)	(936,664)	(1,210,364)
Closing Balance	2,487,163	1,669,636	2,501,693

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Infrastructure Asset Management Reserve			
<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	29,403,262	25,852,561	24,465,230
Funds to be set aside	12,628,369	12,544,532	13,135,109
Funds to be set aside - Investment Earnings	867,047	678,703	675,762
Funds to be used	(10,088,921)	(12,083,014)	(8,872,840)
Closing Balance	32,809,757	26,992,782	29,403,262
Land and Property Reserve			
<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	35,275,560	34,644,311	31,154,988
Funds to be set aside	2,198,506	2,205,041	4,979,061
Funds to be set aside - Investment Earnings	940,521	613,637	833,349
Funds to be used	(2,824,512)	(4,537,016)	(1,691,838)
Closing Balance	35,590,075	32,925,973	35,275,560
Leave Entitlements Reserve			
<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	2,665,847	2,257,072	2,599,791
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	72,361	46,054	66,056
Funds to be used	-	(434,191)	-
Closing Balance	2,738,208	1,868,935	2,665,847

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Library, Museums & Arts Equipment & Specialised Fitout Reserve			
<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	57,071	-	31,559
Funds to be set aside	193,120	100,000	100,000
Funds to be set aside - Investment Earnings	2,929	769	1,112
Funds to be used	(142,274)	(53,000)	(75,600)
Closing Balance	110,846	47,769	57,071
Organisational Environment Sustainability Initiatives Reserve			
<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	1,099,664	662,102	795,885
Funds to be set aside	250,000	250,000	280,000
Funds to be set aside - Investment Earnings	34,902	7,885	23,779
Funds to be used	(63,840)	(600,000)	-
Closing Balance	1,320,726	319,987	1,099,664
Parking Facilities Reserve			
<i>To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.</i>			
Opening Balance	384,414	385,879	324,510
Funds to be set aside	64,086	64,086	61,011
Funds to be set aside - Investment Earnings	9,785	9,094	8,893
Funds to be used	(87,995)	(90,000)	(10,000)
Closing Balance	370,290	369,059	384,414
Private Swimming Pool Inspection Fee Reserve			
<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	35,509	2,624	12,114
Funds to be set aside	66,370	-	22,798
Funds to be set aside - Investment Earnings	2,765	-	597
Funds to be used	-	(2,624)	-
Closing Balance	104,645	-	35,509

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Public Open Space and Urban Forest Reserve			
<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	4,313,162	2,995,270	3,648,237
Funds to be set aside	871,570	883,114	853,976
Funds to be set aside - Investment Earnings	132,646	85,933	99,873
Funds to be used	(297,964)	(477,041)	(288,924)
Closing Balance	5,019,414	3,487,276	4,313,162
Rates Equalisation Reserve			
<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	7,962,521	6,526,451	4,775,919
Funds to be set aside	4,440,869	-	3,026,803
Funds to be set aside - Investment Earnings	281,010	163,938	159,799
Funds to be used	(2,050,771)	(3,004,497)	-
Closing Balance	10,633,630	3,685,892	7,962,521
Recreation Centres Specialised Plant, Equipment and Structures Reserve			
<i>To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.</i>			
Opening Balance	1,999,495	148,368	1,216,831
Funds to be set aside	430,000	430,000	890,000
Funds to be set aside - Investment Earnings	43,950	2,250	40,348
Funds to be used	(810,340)	(489,294)	(147,684)
Closing Balance	1,663,106	91,324	1,999,495
Refuse Bins Reserve			
<i>To be used for the purchase and replacement of domestic refuse and recycling bins or receptacles.</i>			
Opening Balance	2,002,886	1,833,416	1,762,731
Funds to be set aside	200,000	200,000	868,164
Funds to be set aside - Investment Earnings	34,655	46,813	47,238
Funds to be used	(926,182)	(180,500)	(675,247)
Closing Balance	1,311,359	1,899,729	2,002,886

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Refuse Facilities Reserve			
<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	10,182,159	9,130,806	8,938,318
Funds to be set aside	240,879	-	1,039,356
Funds to be set aside - Investment Earnings	279,909	167,523	239,860
Funds to be used	(110,964)	-	(35,375)
Closing Balance	10,591,984	9,298,329	10,182,159
Risk Management Reserve			
<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	6,152,679	6,133,138	5,672,065
Funds to be set aside	219,617	100,000	332,277
Funds to be set aside - Investment Earnings	172,968	157,476	148,337
Funds to be used	-	-	-
Closing Balance	6,545,265	6,390,614	6,152,679
Special Projects Reserve			
<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	1,881,963	1,474,747	1,358,381
Funds to be set aside	700,000	700,000	1,000,000
Funds to be set aside - Investment Earnings	51,434	29,704	40,649
Funds to be used	(687,109)	(999,000)	(517,067)
Closing Balance	1,946,288	1,205,451	1,881,963
Unexpended Capital Works Reserve			
<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	1,504,773	3,750,000	3,221,096
Funds to be set aside	2,499,951	-	1,504,773
Funds to be set aside - Investment Earnings	-	-	-
Funds to be used	(1,504,773)	(3,750,000)	(3,221,096)
Closing Balance	2,499,951	-	1,504,773

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Summary			
Opening Balance	146,393,416	131,449,383	125,048,980
Funds to be set aside	35,741,986	27,227,323	38,439,480
Funds to be set aside - Investment Earnings	4,106,295	2,560,000	3,345,868
Funds to be used	(28,356,251)	(42,854,846)	(20,440,913)
Closing Balance	157,885,446	118,381,860	146,393,416
RESERVES SUMMARY			
Total Funds to be Set Aside			
Ardross East UGP & Streetscape Enhancement Reserve	315	-	254,195
Attadale North Underground Power & Streetscape Enhancement Reserve	2,525	-	2,305
Alfred Cove East Underground Power & Streetscape Enhancement Reserve	-	-	1,364,229
Melville North Underground Power & Streetscape Enhancement Reserve	582,826	-	1,193,518
Melville South Underground Power & Streetscape Enhancement Reserve	2,896	-	-
Civic Centre Precinct Improvements Reserve	163	149	149
Commercial Refuse Reserve	495,930	68,877	560,371
Community Facilities Reserve	3,825,701	3,466,421	3,249,489
Community Surveillance and Security Reserve	70,487	11,107	56,106
Fleet Services Vehicles, Plant and Equipment Replacement Reserve	2,260,429	2,184,524	2,191,358
Future Works Reserve	3,896,062	3,813,550	1,715,717
Information Technology Reserve	780,727	756,143	718,931
Infrastructure Asset Management Reserve	13,495,416	13,223,235	13,810,871
Land and Property Reserve	3,139,027	2,818,678	5,812,410
Leave Entitlements Reserve	72,361	46,054	66,056
Library, Museums & Arts Equipment & Specialised Fitout Reserve	196,049	100,769	101,112
Organisational Environment Sustainability Initiatives Reserve	284,902	257,885	303,779
Parking Facilities Reserve	73,871	73,180	69,904
Private Swimming Pool Inspection Fee Reserve	69,135	-	23,395
Public Open Space and Urban Forest Reserve	1,004,216	969,047	953,849
Rates Equalisation Reserve	4,721,879	163,938	3,186,602
Recreation Centres Specialised Plant, Equipment and Structures Reserve	473,950	432,250	930,348
Refuse Bins Reserve	234,655	246,813	915,402
Refuse Facilities Reserve	520,788	167,523	1,279,216
Risk Management Reserve	392,586	257,476	480,614
Special Projects Reserve	751,434	729,704	1,040,649
Unexpended Capital Works Reserve	2,499,951	-	1,504,773
	39,848,280	29,787,323	41,785,348

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15: RESERVES - CASH BACKED

	<i>2018-2019 Actual \$</i>	<i>2018-2019 Budget \$</i>	<i>2017-2018 Actual \$</i>
Total Funds to be Used			
Ardross East UGP & Streetscape Enhancement Reserve	(2,697)	(14,066)	(253,840)
Attadale North Underground Power & Streetscape Enhancement Reserve	-	(91,304)	-
Alfred Cove East Underground Power & Streetscape Enhancement Reserve	(1,364,229)	(1,360,914)	-
Melville North Underground Power & Streetscape Enhancement Reserve	-	-	-
Civic Centre Precinct Improvements Reserve	-	-	-
Commercial Refuse Reserve	(4,680)	(31,503)	-
Community Facilities Reserve	(3,519,726)	(8,386,193)	(2,399,122)
Community Surveillance and Security Reserve	(46,438)	(103,965)	-
Fleet Services Vehicles, Plant and Equipment Replacement Reserve	(756,962)	(1,237,575)	(742,779)
Future Works Reserve	(2,270,618)	(3,992,485)	(299,138)
Information Technology Reserve	(795,257)	(936,664)	(1,210,364)
Infrastructure Asset Management Reserve	(10,088,921)	(12,083,014)	(8,872,840)
Land and Property Reserve	(2,824,512)	(4,537,016)	(1,691,838)
Leave Entitlements Reserve	-	(434,191)	-
Library, Museums & Arts Equipment & Specialised Fitout Reserve	(142,274)	(53,000)	(75,600)
Organisational Environment Sustainability Initiatives Reserve	(63,840)	(600,000)	-
Parking Facilities Reserve	(87,995)	(90,000)	(10,000)
Private Swimming Pool Inspection Fee Reserve	-	(2,624)	-
Public Open Space and Urban Forest Reserve	(297,964)	(477,041)	(288,924)
Rates Equalisation Reserve	(2,050,771)	(3,004,497)	-
Recreation Centres Specialised Plant, Equipment and Structures Reserve	(810,340)	(489,294)	(147,684)
Refuse Bins Reserve	(926,182)	(180,500)	(675,247)
Refuse Facilities Reserve	(110,964)	-	(35,375)
Risk Management Reserve	-	-	-
Special Projects Reserve	(687,109)	(999,000)	(517,067)
Unexpended Capital Works Reserve	(1,504,773)	(3,750,000)	(3,221,096)
	(28,356,251)	(42,854,846)	(20,440,913)

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15(A): REVALUATION SURPLUS

	2018-2019 Actual \$	2017-2018 Actual \$
Land and Buildings		
Land - Opening Balance	230,334,685	512,041,967
Revaluation Increment / (Decrement)	-	(281,707,282)
Closing Balance	230,334,685	230,334,685
Buildings - Opening Balance	94,721,008	120,528,332
Revaluation Increment / (Decrement)	-	(25,807,324)
Closing Balance	94,721,008	94,721,008
Land Vested In & Under Council Control	8,525,000	5,138,491
Revaluation Increment / (Decrement)	-	3,386,509
Closing Balance	8,525,000	8,525,000
Total Land and Buildings	333,580,693	333,580,693
Artworks		
Artworks - Opening Balance	2,276,749	2,221,091
Revaluation Increment / (Decrement)	-	55,658
Total Artworks	2,276,749	2,276,749
Plant and Equipment		
Computer Equipment - Opening Balance	392,927	392,927
Revaluation Increment / (Decrement)	161,506	-
Closing Balance	554,433	392,927
Electronic Equipment - Opening Balance	48,199	48,199
Revaluation Increment / (Decrement)	79,591	-
Closing Balance	127,790	48,199
Furniture & Fittings - Opening Balance	233,352	233,352
Revaluation Increment / (Decrement)	89,540	-
Closing Balance	322,892	233,352
Plant & Equipment - Opening Balance	17,968,349	16,282,162
Revaluation Increment / (Decrement)	62,650	1,686,187
Closing Balance	18,030,999	17,968,349
Mobile Plant - Opening Balance	1,203,447	1,203,447
Revaluation Increment / (Decrement)	408,282	-
Closing Balance	1,611,729	1,203,447
Total Plant and Equipment	20,647,842	19,846,274

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15(A): REVALUATION SURPLUS

	2018-2019 Actual \$	2017-2018 Actual \$
Infrastructure		
Drains - Opening Balance	52,256,106	50,893,552
Revaluation Increment / (Decrement)	67,759,315	1,362,554
Closing Balance	120,015,421	52,256,106
Footpaths - Opening Balance	50,160,452	52,734,273
Revaluation Increment / (Decrement)	(13,062,171)	(2,573,821)
Closing Balance	37,098,281	50,160,452
Roads - Opening Balance	58,692,288	76,444,017
Revaluation Increment / (Decrement)	(11,886,421)	(17,751,729)
Closing Balance	46,805,867	58,692,288
Total Infrastructure	203,919,570	161,108,846
Infrastructure - Other		
Parks - Opening Balance	2,472,242	(1,372,958)
Revaluation Increment / (Decrement)	-	3,845,200
Closing Balance	2,472,242	2,472,242
Irrigation - Opening Balance	(579,827)	2,076,717
Revaluation Increment / (Decrement)	-	(2,656,544)
Closing Balance	(579,827)	(579,827)
Street Furniture - Opening Balance	1,493,694	1,838,645
Revaluation Increment / (Decrement)	-	(344,951)
Closing Balance	1,493,694	1,493,694
Total Infrastructure - Other	3,386,109	3,386,109
Share of Revaluation of SMRC Non Current Assets		
Opening Balance	470,205	470,205
Revaluation Increment / (Decrement)	(371,373)	-
Closing Balance	98,832	470,205

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 15(A): REVALUATION SURPLUS

	2018-2019 Actual \$	2017-2018 Actual \$
Revaluation decrement of Local Government House Unit Trust Holding		
Opening Balance	(75,977)	(75,977)
Revaluation Increment / (Decrement)	20,503	-
Closing Balance	(55,474)	(75,977)
Total Revaluation Surplus	563,854,320	520,592,898

Summary of Changes in Revaluation Surplus

	2018-2019 Actual \$	2017-2018 Actual \$
Opening Balance 1 July 2018	520,592,898	841,174,419
Revaluation Increment / (Decrement)	43,261,422	(320,581,521)
Total Revaluation Surplus	563,854,320	520,592,898

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 16: 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 1 July 2018</i> \$	<i>Receipts</i> \$	<i>Payments</i> \$	<i>Transfer</i>	<i>Balance 30 June 2019</i> \$
Cash in Lieu of Parking:					
North East Neighbourhood	223,500	60,000	-	(283,500)	-
South West Neighbourhood	36,000	-	-	(36,000)	-
Public Open Space (POS)					
Applecross	13,441				13,441
Melville	19,572				19,572
Streetscape - Hislop Road Precinct	19,016			(19,016)	-
Artwork Developer Contribution					-
North East Neighbourhood	26,208	74,500		(100,708)	-
North West Neighbourhood	235,600	28,000	(14,000)	(249,600)	-
South West Neighbourhood	14,000	-	-	(14,000)	-
Bonds	324,094	9,300	(295,604)	(37,790)	-
Retention	25,643	68,095	-	(93,738)	-
Tree Bonds	2,000	-	-	(2,000)	-
Building Services Levy	33,120	653,855	(622,476)	(64,499)	-
Building and Construction Industry Training Fund	45,047	709,467	(676,803)	(77,711)	-
	1,017,241	1,603,217	(1,608,883)	(978,562)	33,013

The City holds bond money from POS as required by the Local Government Act in a trust fund. The City has adopted the position paper issued by the Office of the Auditor-General (OAG) to Local Governments that "There are no provisions in the Act or any other written law that specify that work bonds, building bonds and hire bonds are to be credited to, or held in, the Trust Fund, and these moneys are not held in trust. Consequently, section 6.9 of the Act is not applicable to these funds, and they should be held in the Municipal Fund". The table above details amounts transferred from Trust to Municipal Fund in 2018-2019 accordingly.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 17: STATEMENT OF RATING INFORMATION

<i>Current 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>
GENERAL RATE							
General Rate GRV							
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
	30,025	867,005,267		56,007,704	607,605	(34,815)	56,580,494
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
	1,520	242,991,502		17,684,800	126,327	1,894	17,813,021
Sub Total General Rate	31,545	1,109,996,769		73,692,504	733,932	(32,921)	74,393,515
MINIMUM RATE							
Minimum Rate							
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
	10,560	173,225,997		13,328,365	-	-	13,328,365
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
	233	1,645,882		229,454	-	-	229,454
Sub Total Minimum Rate	10,793	174,871,879		13,557,819	-	-	13,557,819
Amount Raised from Rates				87,250,323	733,932	(32,921)	87,951,334
Storage Unit Concession				(27,081)			(27,081)
				87,223,242	733,932	(32,921)	87,924,253
Rates received in advance*							(1,100,281)
Reversal of Rates received in advance 2018-2019							1,037,948
Rates received in advance in 2019-2020*							
Total Amount Raised from Rates							87,861,920
Plus:							
Instalment Administration Fee							198,070
Instalment Interest							284,804
Late Payment Interest							467,171
GRAND TOTAL	42,338	1,284,868,648		87,223,242	733,932	(32,921)	88,811,965

Summary

<i>Current 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
	42,338	100%	1,263,359,463	100%	87,214,805	100%	

Rates Received in Advance*

Rates received in advance for the amount of \$1,037,948 is recognised as rates income as per AASB 1004, paragraph 30 in 2018-2019. In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change. Please refer to Note 33(b)

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 17: STATEMENT OF RATING INFORMATION

<i>Prior Year Actual 2017-2018</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>
GENERAL RATE							
General Rate GRV							
Residential - Improved	29,099	840,608,419	6.379582	53,627,303	(32,882)	(1,043)	53,593,378
Residential - Unimproved	862	21,038,990	7.186171	1,511,898	(50,880)	(2,151)	1,458,867
	29,961	861,647,409		55,139,200	(83,762)	(3,194)	55,052,245
Commercial - Improved	1,510	241,716,328	7.213036	17,435,086	51,124	(76,719)	17,409,491
Commercial - Unimproved	21	1,655,327	7.213036	119,399	16,505	-	135,904
Strata Storage Units	2	14,040	7.213036	1,013	-	-	1,013
	1,533	243,385,695		17,555,499	67,629	(76,719)	17,546,408
Sub Total General Rate	31,494	1,105,033,104		72,694,699	(16,133)	(79,913)	72,598,653
MINIMUM RATE							
Minimum Rate							
Residential - Improved	10,647	176,272,592	1,258.15	13,395,523	(8,213)	(261)	13,387,049
Residential - Unimproved	120	1,090,370	802.50	96,300	(3,241)	(137)	92,922
	10,767	177,362,962		13,491,823	(11,454)	(398)	13,479,971
Commercial - Improved	176	1,542,368	976.00	171,776	12,511	(18,774)	165,513
Commercial - Unimproved	3	13,567	976.00	2,928	70	-	2,998
Strata Storage Units	55	93,967	976.00	53,680	-	-	53,680
	234	1,649,902		228,384	12,581	(18,774)	222,191
Sub Total Minimum Rate	11,001	179,012,864		13,720,207	1,127	(19,172)	13,702,162
Amount Raised from Rates				86,414,906	(15,006)	(99,085)	86,300,815
Storage Unit Concession				(26,840)			(26,840)
				86,388,066	(15,006)	(99,085)	86,273,975
Rates received in advance*							
Reversal of Rates received in advance 2016-2017							(876,999)
Rates received in advance in 2017-2018*							1,100,281
Total Amount Raised from Rates							86,497,257
Plus:							
Instalment Administration Fee							205,425
Instalment Interest							343,530
Late Payment Interest							272,833
GRAND TOTAL	42,495	1,284,045,968		86,388,066	(15,006)	(99,085)	87,319,045
Summary							
<i>Prior Year Actual 2017-2018</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	40,728	95.84%	1,016,881,011	80.58%	68,631,023	79.42%	1,685
Commercial	1,767	4.34%	245,035,597	19.42%	17,783,883	20.58%	10,064
	42,495	100%	1,261,916,608	100%	86,414,906	100%	

Rates Received in Advance*

Rates received in advance for the amount of \$1,100,281 is recognised as rates income as per AASB 1004, paragraph 30 in 2017-2018.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 17: STATEMENT OF RATING INFORMATION

<i>Current Year Budget 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>
GENERAL RATE							
General Rate GRV							
Residential - Improved	29,209	846,952,830	6.436998	54,518,337	130,958		54,649,295
Residential - Unimproved	816	20,037,350	7.250847	1,452,878	8,381		1,461,259
	30,025	866,990,180		55,971,214	139,339	-	56,110,553
Commercial - Improved	1,500	241,077,244	7.277950	17,545,481	68,183		17,613,664
Commercial - Unimproved	22	1,948,289	7.277950	141,796	5,076		146,872
Strata Storage Units	2	14,009	7.277950	1,020			1,020
	1,524	243,039,542		17,688,296	73,259	-	17,761,555
Sub Total General Rate	31,549	1,110,029,722		73,659,511	212,598	-	73,872,109
MINIMUM RATE							
Minimum Rate							
Residential - Improved	10,392	171,754,192	1,269.47	13,192,332	19,042		13,211,374
Residential - Unimproved	168	1,471,805	809.72	136,033	1,619		137,652
	10,560	173,225,997		13,328,365	20,661	-	13,349,026
Commercial - Improved	176	1,538,368	984.78	173,321	11,817		185,138
Commercial - Unimproved	2	13,547	984.78	1,970	4,924		6,894
Strata Storage Units	55	93,967	984.78	54,163			54,163
	233	1,645,882		229,454	16,741	-	246,195
Sub Total Minimum Rate	10,793	174,871,879		13,557,819	37,402	-	13,595,221
Amount Raised from Rates				87,217,329	250,000	-	87,467,329
Storage Unit Concession				(27,081)			(27,081)
Total Amount Raised from Rates				87,190,248	250,000	-	87,440,248
Plus:							
Instalment Administration Fee							192,579
Instalment Interest							308,050
Late Payment Interest							242,121
GRAND TOTAL	42,342	1,284,901,601		87,190,248	250,000	-	88,182,998

Summary

<i>Current Year Budget 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	96%	1,040,216,177	81%	69,299,579	79%	1,708
Commercial	1,757	4%	244,685,424	19%	17,917,750	21%	10,198
	42,342	100%	1,284,901,601	100%	87,215,300	100%	

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 17: 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 6.436998 cents with a minimum rate of \$1,269.47. 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 18: 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 2018 were automatically eligible to go into the draw to win one of three major sponsored prizes. Major sponsored prizes for 2018-2019 are sponsored prizes by various organisations listed below:

Major Prize: \$10,000 from Amara City Gardens Booragoon

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 2018 were automatically eligible to win one of the prizes sponsored by various organisations listed below:

Prizes offered as early payment incentives

Minor Prize - Five (5) \$100 gift vouchers from Raffle Hotel

Minor Prize - One (1) \$500 gift voucher from Stockland Bull Creek

Minor Prize - Two (2) \$250 vouchers from Guardsman Self Storage

Minor Prize - One (1) \$500 "Couples Escape" Gift voucher for use at Le Beau Day Spa

Minor Prize - Three (3) overnight accommodation packages at Pagoda Resort & Spa

(c) Concessions

A concession was granted to strata titled storage units of 18m² or smaller, whereby the minimum rate charged was \$492.38. The value of this concession was \$27,081. 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 \$10,460. 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 2019**

NOTE 19: INFORMATION ABOUT INTEREST PAYMENTS AND ADDITIONAL CHARGES

	<i>Interest Rate %</i>	<i>2018-2019 Actual \$</i>	<i>2018-2019 Budget \$</i>	<i>2017-2018 Actual \$</i>
Late Payment Interest	8	467,171	242,121	272,833
Instalment Interest	4	284,804	308,050	343,530
Instalment Administration Fee		198,070	192,579	205,424

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 2018 to qualify for the early payment

Option 2 - Full amount of the rate notice payable by 24 August 2018.

Option 3 - Full amount of the rate notice payable in four equal instalments due on the following dates.

1st Instalment	Due	28 August 2018
2nd Instalment	Due	30 October 2018
3rd Instalment	Due	4 January 2019
4th Instalment	Due	7 March 2019

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 20: FEES AND CHARGES

Program	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
General Purpose Funding	414,298	420,412	446,755
Law, Order, Public Safety	263,401	262,900	260,601
Health	325,008	294,405	286,165
Education & Welfare	62,687	58,212	92,776
Housing	108,359	108,822	95,329
Community Amenities	3,288,349	3,262,847	3,339,539
Recreation and Culture	7,807,345	7,566,954	7,480,758
Transport	1,343,330	1,148,650	1,090,395
Economic Services	2,900,537	2,627,598	2,712,420
Other Property and Services	138,794	120,239	213,611
	16,652,108	15,871,039	16,018,349

Swimming Pool Inspections	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Operating Income			
Staff Vehicle Contributions	3,049	2,300	3,030
Building Application Fees	(43)	-	56
Other Building Fees	9,471	-	-
Swimming Pool Inspection Fees	475,909	477,078	409,105
Insurance Claim Recoups	909	-	-
Total Operating Income	489,295	479,378	412,191
Operating Expenditure			
Employee Costs	(169,003)	(235,374)	(160,577)
Materials & Contracts	(1,111)	(665)	-
Insurance	(5,094)	-	(1,447)
Internal Charges	(247,717)	(245,963)	(227,369)
Total Operating Expenditure	(422,925)	(482,002)	(389,393)
Net Swimming Pool	66,370	(2,624)	22,798
Transfer From/(To) Private Swimming Pool Inspection Fee Reserve	(66,370)	2,624	(22,798)
NET	-	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 21: SERVICE CHARGES

SERVICE CHARGES	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Community Security - See below note (a)	2,405,559	2,388,709	2,343,233
Underground Power Projects - See below note (b)	2,913,662	2,917,938	2,607,998
	5,319,221	5,306,647	4,951,231

(a) Community Security	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Operating Income			
Call Out/Alarm Response Fees	627	2,626	3,209
City of Melville Security Patrol Fees	2,404,932	2,388,709	2,340,024
Total Operating Income	2,405,559	2,391,335	2,343,233
Operating Expenditure			
Employee Costs	(1,740,029)	(1,857,600)	(1,694,601)
Materials & Contracts	(33,818)	(49,690)	(29,723)
Insurance	(1,250)	(2,000)	(1,198)
Other Expenditure	(1,285)	(1,500)	(3,636)
Internal Charges	(605,879)	(609,509)	(594,889)
Internal Recovery	29,389	25,000	21,328
Total Operating Expenditure	(2,352,872)	(2,495,300)	(2,302,719)
Net Community Security	52,687	(103,965)	40,514
Transfer From/(To) Community Security Reserve	(52,687)	103,965	(40,514)
Net - Surplus / (Deficit)	-	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 21: SERVICE CHARGES

(b) Underground Power Projects	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Operating Income			
Melville South Underground Power	2,283	-	294,069
Ardross East Underground Power	(2,697)	-	(211,732)
Melville North Underground Power	2,935,883	2,917,938	1,178,546
Alfred Cove East Underground Power	(21,806)	-	1,347,115
Total Operating Income	2,913,662	2,917,938	2,607,998
Operating Expenditure			
Western Power - Melville North Underground Power Cash Calls	(2,400,000)	(2,917,938)	-
Western Power - Alfred Cove East Underground Power Cash Calls	(2,780,000)	(3,475,000)	-
Total Operating Expenditure	(5,180,000)	(6,392,938)	-
Net Underground Power Projects	(2,266,338)	(3,475,000)	2,607,998
Transfer From/(To) Underground Power Projects Reserve (See below)	2,246,815	3,475,000	(2,525,661)
Net - Surplus / (Deficit)	(19,523)	-	82,337

Transfer From/(To) Underground Power Projects Reserve	2018-2019 Actual \$
Melville North Underground Power & Streetscape Enhancement Reserve	(535,883)
Alfred Cove East Underground Power & Streetscape Enhancement Reserve	1,364,229
Ardross East UGP & Streetscape Enhancement Reserve	2,697
Rates Equalisation Reserve	1,415,771
	2,246,815

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 22: GRANTS, SUBSIDIES AND CONTRIBUTIONS

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

	2018-2019 Actual \$	2018-2019 Budget \$	2017-2018 Actual \$
Operating Grants, Subsidies and Contributions			
Governance	2,890	-	905
General Purpose Funding	3,228,086	3,200,000	3,139,152
Law, Order, Public Safety	28,738	18,750	72,131
Health	17,500	40,000	9,963
Education & Welfare	135,141	107,407	127,747
Community Amenities	786,676	25,250	241,708
Recreation and Culture	48,158	99,030	82,346
Transport	191,156	214,315	104,320
Economic Services	(66)	-	14,425
Other Property and Services	269	13,000	16,000
	4,438,548	3,717,752	3,808,697
Non-Operating Grants, Subsidies and Contributions			
Community Amenities	-	-	24,769
Recreation and Culture	34,179	1,509,959	882,819
Transport	4,109,603	3,453,167	3,341,844
	4,143,782	4,963,126	4,249,432

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations And Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expected in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 23. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the Local Government's operations for the current reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 23: CONDITIONS OVER GRANTS/CONTRIBUTIONS

	<i>Type of Grant</i>	<i>Opening Balance (1) 1 July 2017</i> \$	<i>Received (2) 2017-2018</i> \$	<i>Expended (3) 2017-2018</i> \$	<i>Closing Balance (1) 30 June 2018</i> \$	<i>Received (2) 2018-2019</i> \$	<i>Expended (3) 2018-2019</i> \$	<i>Closing Balance 30 June 2019</i> \$
Grant/Contribution								
Community Amenities								
Smart Cities - Micro Grid Project	Operating	-	-	-	-	427,186	-	427,186
Education & Welfare								
National Science Week	Operating	-	-	-	-	1,950	-	1,950
"Be Connected" Program	Operating	-	-	-	-	5,223	250	4,973
Transport								
Links Road	Non-Operating	-	-	-	-	340,000	-	340,000
Safe Active St Ardross	Non-Operating	-	-	-	-	340,000	-	340,000
Total		-	-	-	-	1,114,359	(250)	1,114,109

Notes:

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 24: ELECTED MEMBERS REMUNERATION

	<i>2018-2019 Actual \$</i>	<i>2018-2019 Budget \$</i>	<i>2017-2018 Actual \$</i>
Sitting Fees - Mayor	47,046	47,046	47,046
Sitting Fees - Councillors	351,742	376,368	368,053
Conference and Training	34,999	61,750	13,018
Allowance - Mayor	88,863	88,864	88,864
Allowance - Deputy Mayor	48,667	22,216	22,216
Allowance - Councillors	55,097	80,365	52,804
	626,415	676,609	592,001

NOTE 25: LEASING COMMITMENTS

There are no leasing/capital commitments in the years 2018-2019 and 2017-2018.

NOTE 26: CONTINGENT LIABILITIES

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>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
Contingent liability for additional Workers' Compensation Premium	5,678,136	4,798,077

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 2019**

NOTE 27: INVESTMENT IN ASSOCIATES - USING EQUITY METHOD

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.

(a) 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 2019:

SMRC Existing Undertakings Proportional Equity Share: **40.06%**

(b) 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.

The City's share as on 30 June 2019:

RRRC Project Proportional Equity Share: **74.07%**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 27: INVESTMENT IN ASSOCIATES - USING EQUITY METHOD

RRRC - Lending Facility

The capital construction of the RRRC facility was funded by borrowings from Western Australian Treasury Corporation (WATC). A \$40 million lending facility was initially set up for this purpose (repayable over a term of 20 years) and this facility has since been extended to a total of \$55 million. The SMRC administer the borrowings 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 with the City's share for the 2018-2019 year being 40.62%.

As at 30 June 2019, the balance outstanding against the lending facility stood at: \$13,086,683 with the City's share of this liability being \$5,315,811.

(c) 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 2019:

Office Accommodation Project Proportional Equity Share: **38.95%**

SMRC Administration Building - Lending Facility

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 2019, the balance outstanding against the lending facility stood at: **\$ 1,800,000**
With the City's share of this liability being: **\$ 626,220**
Using the current cost/profit sharing percentage of: **34.79%**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 27: INVESTMENT IN ASSOCIATES - USING EQUITY METHOD

	<i>Note</i>	<i>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
Net Assets	7	13,142,718	15,802,054
Less: Share of SMRC Loan Liability	14	(5,942,031)	(7,535,289)
Share in the net assets of the SMRC (excluding equity)		7,200,687	8,266,765
Equity Ratio		40.06%	46.70%
Represented by Share of Investment in Associates Entity's Financial Position:			
Current Assets		11,319,728	11,748,155
Non Current Assets		8,827,669	23,937,623
Total Assets		20,147,397	35,685,778
Current Liabilities		4,312,059	7,136,717
Non Current Liabilities		2,692,622	12,747,007
Total Liabilities		7,004,681	19,883,724
Net Assets	7	13,142,718	15,802,054
Profit/(Loss) in Share of SMRC net result		(694,705)	1,859,738
Share of Loss on Revaluation of SMRC Non Current Assets		(371,373)	-
Net Increase / (Decrease) in Equity - SMRC Investment in Associates		(1,066,078)	1,859,738

The City's share of loan liability to the South Metropolitan Regional Council (SMRC) of \$5,942,031 in 2018-2019 and \$7,535,289 in 2017-2018 have been recognised as Other Financial Liability.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 27: INVESTMENT IN ASSOCIATES - USING EQUITY METHOD

SIGNIFICANT ACCOUNTING POLICIES

INVESTMENT IN ASSOCIATES

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 28: RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	<i>2018-2019 Actual \$</i>	<i>2017-2018 Actual \$</i>
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	1,487,459	1,637,932
Post-employment benefits	179,778	189,994
Other long-term benefits	87,772	45,668
	1,755,009	1,873,594

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 in Note 24.

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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 28: RELATED PARTY TRANSACTIONS

Related Parties

The City's main related parties are as follows:

i. Key management personnel

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

ii. 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 40.06% interest in the South Metropolitan Regional Council (SMRC) . The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 27.

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:

	2018-2019 Actual \$	2017-2018 Actual \$
Associated companies/individuals:		
Sale of goods and services	26,000	26,000
Purchase of goods and services	30,340	-
Amounts outstanding from related parties:		
Trade and other receivables	-	-
Loans to associated entities	-	-
Loans to key management personnel	-	-
Amounts payable to related parties:		
Trade and other payables	-	-
Loans from associated entities	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 29: MAJOR LAND TRANSACTIONS

There are no major land transactions in the year 2018-2019.

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.

Portion of the Former Carawatha Primary School Site, 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. 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 Satterley Property Group 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 (project manager) is expected to commence the civil subdivision works by September 2019. The project includes single residential lots, townhouse and apartment construction with the project expected to be completed by 2026.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 29: MAJOR LAND TRANSACTIONS (CONTINUED)

**Ground Lease Redevelopment Proposal 391 Canning Hwy and 36-38A Waddell Rd
Palmyra**

At its meetings held on 20 August 2013 (Resolution C13/3405) and 10 December 2013 (Resolution C13/5339) the Council endorsed an approach to explore opportunities for the potential redevelopment of the City's strategic properties via either seeking Requests for Proposals (RFP) or Expression of Interest (EOI) subject to community engagement and compliance with the requirements of the *Local Government Act 1995*. In July 2017 the City sought requests for proposals for the ground leasing and redevelopment of the subject site, being Lots 830, 831 and 832 Waddell Rd, Palmyra and Lot 55 Canning Highway, Palmyra within the Melville District Activity Centre.

Three proponents submitted proposals and as a result of the evaluation process, formal offers were requested from two short-listed proponents; from which Melville Health, Aged and Community (WA) Pty Ltd (Hall & Prior) was selected as the preferred proponent. The preferred proponent has proposed to ground lease and develop the Melville Health, Aged and Community Activity Centre including a new world class ageing facility with acute care, dementia and complex care, community care, mental health management, young and disabled and health services for Melville residents. Council approved the proposal in December 2018 after it was advertising publically as a Major Land Transaction in accordance with section 3.59 of the LGA 1995 and submissions were considered by Council.

Council also approved the CEO to prepare the draft ground lease agreement with Melville Health, Aged and Community (WA) Pty Ltd and report back to Council for its approval. The ground lease is expected to be approved by the end of 2019, with the site expected to be handed over to the Lessee in February 2021. Construction of the facility by Melville Health, Aged and Community (WA) Pty Ltd is expected to take up to two years with the ground lease expected to commence in 2023 upon completion.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 30: FINANCIAL RISK MANAGEMENT

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

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

Financial risk management is carried out by the Finance Service Area under policies approved by the Council and the Local Government Act 1995, Local Government (Financial Management) Regulations 1996 and the Trustees Act 1962 (Part 3).

(a) Interest Rate Risk

	<i>Carrying Value</i>		<i>Fair Value</i>	
	2019	2018	2019	2018
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	170,776,611	154,604,464	170,776,611	154,604,464
Receivables	11,927,474	14,126,975	11,927,474	14,126,975
	182,704,085	168,731,439	182,704,085	168,731,439
Financial Liabilities				
Payables	12,198,512	6,848,306	12,198,512	6,848,306
Borrowings	8,025,054	2,400,046	1,889,062	2,107,325
	20,223,566	9,248,352	14,087,574	8,955,631

Fair Value is determined as follows:

Cash and Cash Equivalents, Receivables, Payables - estimated to be the carrying value which approximates net market value.

Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

The City's objective is to maximise its return on cash and investments at low levels of risk appropriate for public monies whilst maintaining an adequate level of liquidity and preserving capital. The Finance Service Area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). The City has an investment policy and the policy is subject to review and approval by the Council. An Investment Report is provided to the Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash and investments are subject to interest rate risk - the risk that movements in interest rates could affect returns. The weighted average interest rate for 2018-2019 was 2.39% (2.58% for 2017-2018).

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 30: FINANCIAL RISK MANAGEMENT

The City manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

	30 June 2019	30 June 2018
	\$	\$
Impact of a 1% movement in interest rates on cash and investments:		
- Equity	1,707,766	1,546,045
- Income Statement	1,707,766	1,546,045

(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. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to 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 loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

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

	Current	More than 1 year past due	More than 2 year past due	More than 3 year past due	Total
30 June 2019					
Rates Receivable					
Expected Credit Loss	0%	0%	0%	0%	
Gross Carrying Amount	5,024,914	-	-	-	5,024,914
Loss Allowance	-	-	-	-	-
1 July 2018					
Rates Receivable					
Expected Credit Loss	0%	0%	0%	0%	
Gross Carrying Amount	3,469,749	-	-	-	3,469,749
Loss Allowance	-	-	-	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 30: FINANCIAL RISK MANAGEMENT

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	<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>
30 June 2019					
Sundry Receivable					
Expected Credit Loss	2.986%	0%	0%	0%	
Gross Carrying Amount	311,255				311,255
Loss Allowance	9,294	-	-	-	9,294
1 July 2018					
Sundry Receivable					
Expected Credit Loss	1.758%	0%	0%	0%	
Gross Carrying Amount	439,509				439,509
Loss Allowance	7,726	-	-	-	7,726

(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 sensitivity table below:

	<i>Due within 1 year \$</i>	<i>Due between 1 & 5 years \$</i>	<i>Due after 5 years \$</i>	<i>Total contractual cash flows \$</i>	<i>Carrying values \$</i>
<u>2019</u>					
Payables	12,198,512	-	-	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
	13,881,987	5,916,274	816,903	20,615,164	20,223,567
<u>2018</u>					
Payables	6,848,306	-	-	6,848,306	6,848,306
Borrowings and Other Financial Liability	2,043,424	7,550,553	1,033,230	10,627,207	9,935,335
	8,891,730	7,550,553	1,033,230	17,475,513	16,783,641

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 31: 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.

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

AASB 9 FINANCIAL INSTRUMENTS

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

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, The City has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	01 July 2018 \$
Assets		
Trade Receivables Including Self Supporting Loans	(a)	-
Total Assets		-
Total Adjustments On Equity		
Accumulated Surplus/(Deficit)	(a)	-
		-

The nature of these adjustments are described below:

Classification And Measurement

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 31: INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Trade Receivables and Loans and Advances (i.e. Other Debtors) classified as Loans and Receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial Assets at amortised cost beginning 1 July 2018.

The City did not designate any financial assets as at fair value through Profit and Loss.

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

	AASB 139 Value	AASB 9 Category Amortised Cost	Fair Value Through OCI	Fair Value Through OCI
	\$	\$	\$	\$
AASB 139 CATEGORY				
Receivables				
Trade Receivables				
Including Self Supporting Loans	9,681,447	9,681,447	-	-
	9,681,447	9,681,447	-	-

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 32: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN
FUTURE YEARS**

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

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

(a) Revenue from Contracts with Customers

The City will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City will adopted 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 \$
Contract Assets - Current				
Synthetic Playing		-	562,500	562,500
Contract Liabilities - Current				
Membership Fees - Leisure Fit Booragagoon		-	464,666	464,666
Unspent Grants, Contributions and Reimbursements		-	1,114,109	1,114,109
Adjustment to Retained Surplus from adoption of AASB 15	32(d)	-	(1,016,275)	

(b) Income For Not-For-Profit Entities

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

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

	Note	AASB 1004 Carrying Amount 30 June 2019 \$	Reclassification \$	AASB 1058 Carrying Amount 01 July 2019 \$
Prepaid Rates		-	1,037,948	1,037,948
Adjustment to Retained Surplus from adoption of AASB 1058	32(d)		(1,037,948)	

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

**NOTE 32: NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN
FUTURE YEARS**

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

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

(c) Leases

The City does not have any lease liability from 1 July 2018.

On adoption of AASB 16 to recognise lease liabilities in relation to leases which had previously been classified as an "operating lease" applying AASB 117. Lease liability will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019.

(d) Impact of Changes to Retained Surplus

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

	Note	Adjustments \$	2019 \$
Retained Surplus - 30 June 2019			324,160,300
Adjustment to Retained Surplus from adoption of AASB 15	32(a)	(1,016,275)	
Adjustment to Retained Surplus from adoption of AASB 1058	32(b)	(1,037,948)	(2,054,223)
Retained Surplus - 30 June 2019		(2,054,223)	322,106,077

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 33: 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:

Program Titles	Sub-Program
Governance - To provide a decision making process for the efficient allocation of scarce resources	Members of Council Governance - general
General Purpose Funding - 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
Law, Order, Public Safety - To provide services to help ensure a safer and environmentally conscious community	Fire Prevention Animal Control Other Law, Order, Public Safety
Health - 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
Education and Welfare - 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
Housing - To provide and maintain housing	Staff housing Other housing
Community Amenities - 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
Recreation and Culture - 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
Transport - To provide safe, effective and efficient transport services to the community	Streets, Roads, Bridges, Depots Road Plant Purchase (not capitalised) Parking Facilities Traffic Control
Economic Services - To help promote the City and its economic wellbeing	Tourism and Area Promotion Building Control Saleyards and Markets Other Economic Services
Other Property and Services - 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 2019**

NOTE 34: FINANCIAL RATIOS

	<i>2018-2019</i>	<i>2017-2018</i>	<i>2016-2017</i>
Current Ratio	1.30	1.42	1.49
Asset Consumption Ratio	0.52	0.56	0.65
Asset Renewal Funding Ratio	1.00	1.00	1.00
Asset Sustainability Ratio	1.26	1.35	1.28
Debt Service Cover Ratio	66.96	77.93	73.07
Operating Surplus Ratio	0.09	0.18	0.16
Own Source Revenue Coverage Ratio	1.05	1.17	1.12

Current Ratio

Measures the short term (unrestricted) liquidity.

<i>Ratio</i>	<i>Target</i>	<i>Actual</i>	<i>Comments</i>
Dept. of Local Government Advanced Benchmark	1.0 Higher is better	1.30	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

\$181.571 - \$157.89 = \$23.69 million

\$21.01 - \$2.74 = \$18.27 million

[Numbers taken from the Statement of Financial Position and Reserves Note 14]

The City's share of loan liability to the South Metropolitan Regional Council (SMRC) of \$5,942,031 has been recognised as Financial Liability in 2018-2019. The comparative figures for 2017-2018 has also been reinstated accordingly. The current liability portion has been taken into the ratio calculation. Refer to Note 27 Investment in Associates using Equity Method for more details.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 34: 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.

Ratio	Target	Actual	Comments
Dept. of Local Government Advanced Benchmark	0.6 Higher is better	0.52	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

\$ 546.56 million
\$1,045.50 million

[Numbers taken from Note 12 -Property, Plant and Equipment, Infrastructure and Investment Property 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.

Ratio	Target	Actual	Comments
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

\$161.34 million
\$161.34 million

[Numbers taken from the Long Term Financial Plan]

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 34: FINANCIAL RATIOS

Asset Sustainability Ratio

Measures whether assets are being replaced/renewed at the rate they are wearing out.

Ratio	Target	Actual	Comments
Dept. of Local Government Advanced Benchmark	1.1 Higher is better	1.26	The City is investing in asset renewal/replacement to the degree that offsets the current consumption of its assets and provides for the effect of inflation.

Capital renewal and replacement expenditure

Depreciation Expense

\$25.36 million

\$20.20 million

[Numbers taken from Note 12(a) - 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.

Ratio	Target	Actual	Comments
Dept. of Local Government Advanced Benchmark	5.0 Higher is better	66.96	The City has the ability to pay for its debts when they are due.

Annual Operating Surplus before interest and depreciation

Principal and Interest

\$122.49 - \$112.08 + \$0.142 + \$20.20 = \$30.76 million

\$0.317 + \$0.142 = \$0.459 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 14]

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 34: FINANCIAL RATIOS

Operating Surplus Ratio

Measures the ability to cover its operational costs and have revenues available for capital funding or other purposes.

Ratio	Target	Actual	Comments
Dept. of Local Government Advanced Benchmark	0.15 Higher is better	0.09	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

\$122.49 - \$112.08 = \$10.41 million

\$118.05 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.

Ratio	Target	Actual	Comments
Dept. of Local Government Advanced Benchmark	0.9 Higher is better	1.05	The City has the ability to cover its own operating expenses from its own source revenue.

Own Source Operating Revenue

Operating Expense

\$122.49 - \$4.44 = \$118.05 million

\$111.04 + \$1.03 = \$112.07 million

[Numbers taken from Statement of Comprehensive Income by Nature & Type]