



City of Nedlands

# ANNUAL REPORT 2010–11

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City of Nedlands



## TABLE OF CONTENTS

Report from mayor	2 – 3
Report from CEO	4 – 5
Your council	6 – 7
About the City of Nedlands Organisational structure	8 – 9
Infrastructure	10 – 13
Natural environment	14 – 17
Built environment	18 – 21
Community wellbeing	22 – 27
Governance	28 – 31
Community engagement	32 – 33
Economic development	34 – 37
Complaints register	38 – 39
Elected members attendance	40 – 41
Financial report	42 – 89

# REPORT FROM MAYOR



Sheryl Froese, Mayor

*The City is a dynamic and close-knit community which has so much to be proud of.*

## Mayor's message

Throughout the 2010–11 year your Council continued to develop and implement strategies to improve the delivery of service to its community. Council focused upon efficiencies and core functions, and as a result many important projects were completed.

## Engaging our community

In September 2010, the City undertook an inspiring Community Visioning Project, 2030: *imagine, engage, create*. The visioning project involved community members taking part in a series of community conversations with the aim of developing a shared vision for the future, which would be expressed in a community plan.

The Our Vision for 2030 Community Plan demonstrates what can be achieved when a community comes together to create its own future. In taking on the 2030 project, the City's goal and dream was to put the community in the driver's seat. We wanted the community to work together for a shared vision that would play a part in the City's major plans for the future.

## Sustainability

Our natural environment was given a high priority within Council in the last financial year. In June 2011 the City was awarded Waterwise Council status by the Water Corporation for its ongoing efforts to improve water management across its operations in the City.

## Safer roads

In the 2010–11 financial year, your Council was active in reviewing strategic traffic management issues throughout the City.

With its now well established Traffic Management Committee, investigations and reviews of strategic traffic management issues such as Black Spot projects, traffic and parking hot-spots and safety issues are regularly undertaken.

## Heritage

In June this year, restoration and refurbishment works commenced at the state heritage-listed site, The Maisonettes. The City will spend approximately \$325 000 on improvements to this historic building.



### Summer concerts

This year, once again the City was proud to present its annual Summer Concerts in the Park series held on every Sunday evening throughout February. The concerts are an opportunity for families, friends and neighbours to gather in a relaxed atmosphere in one of the City's beautiful parks.

### Thank you

The City is a dynamic and close-knit community which has so much to be proud of.

I would like to thank my fellow councillors, the CEO and City staff who have, over the past twelve months, contributed so much of their time, expertise and energy to assist us in delivering outcomes to our community.

We all look forward to an even more successful year in 2012.

Sheryl Froese  
Mayor

# REPORT FROM CEO



Graham Foster, Chief Executive Officer

*The strategic plan is a plan for the future and sets the strategic direction and key focus areas for Council and elected members.*

## **CEO's message**

I am pleased to bring you the 2010–11 annual report. In doing so, I would like to thank my strong team of directors, managers and staff for their continued commitment, dedication and hard work over the past twelve months.

This year has once again seen some significant achievements against the City's Strategic Plan 2008–13 and the City working with its community, neighbouring councils and state government. The strategic plan is a plan for the future and sets the strategic direction and key focus areas for Council and elected members. It is also the foundation for how the City develops its annual plans, service schedules and future budgets. The plan is focussed around the City's infrastructure, natural environment, the built environment, community wellbeing and governance.

## **Local government reform**

The 2010–11 financial year has represented a year of commitment and challenges. In 2010 the City entered into a Regional Transition Agreement with the City of Subiaco, and undertook a business case for local government restructure.

The report of this process, prepared by KPMG, indicated substantial savings of \$4.4 million annually and strategic advantages were achievable. An independent body will consider the future of this process.

## **Community engagement**

In 2010, the City embarked upon its Community Visioning 2030 Project. The 2030 project has been the City's most significant community engagement project to date, and was based on a model developed in Oregon, USA and adopted by a large number of councils around the world since. The local community responded strongly to the many consultation opportunities that the project provided, with over 2000 people providing input over a five month consultation period.

The next stage of the project will be the development of the Our Vision for 2030 Community Plan. The community plan will provide key input towards the City's strategic planning process, and the outcome of a 10 year City of Nedlands Strategic Plan.

It is an important time for the City to have a sound strategic plan in place. The City must be well prepared for many future challenges, including population pressures, infrastructure costs, environmental changes and local government reform.

Both the community plan and strategic plan will help ensure that the priorities of the City's community continue to influence its future, regardless of the outcomes of any local government restructure, and will make an important contribution now and in the future.

### **Budget and expenditure**

In the 2010–11 financial year our total revenue budget was \$25.17 million. The total revenue raised was \$26.51 million, mainly through rates \$15.44 million, grants and contributions \$3.39 million and fees and charges \$5.98 million.

The major areas of expenditure included recreation and culture \$6.56 million, roads, footpaths and drainage \$5.71 million, sanitation and town planning services \$4.37 million, buildings and regulatory services \$3.01 million and welfare services \$2.23 million. Other areas of expenditure were law and public safety, health and governance.

In early 2011, the City was successful in obtaining \$600 000 in grant funds that will go toward the planned upgrade of the John Leckie Pavilion. The full cost to upgrade the pavilion will be \$2.8 million. This will be offset by the amount approved in grants. It is anticipated that the refurbishments to the pavilion will be completed in 2012.

The City faces many challenges and will continue to set aside funds for improvements to its parks, buildings, plant and equipment, and traffic management projects such as upgrades to our roads, footpaths, drainage and kerbs. Often neglected in the past we can no longer afford to ignore the need to upgrade and improve our facilities. We will continue to provide a wide range of services for the community including child and youth services, aged care services, recreation programs, crime prevention, library services, waste collection, courses, activities and events.

In April this year the City took out a national communications award at the Government Communications Australia annual conference held in Canberra. The City was the only local government in Western Australia to win an award at this event. The award was presented for using a minimum budget to recreate its corporate branding of all its publications and website with particular attention to disability and accessibility requirements.

Finally, I want to thank our councillors, staff and members of our community groups who have all contributed to the liveability and amenity of our City, and to achieving our vision of making Nedlands an attractive City, with a strong sense of community and place.

Graham Foster  
Chief Executive Officer



# COUNCIL



Mayor  
Sheryl Froese



Cr. Nikola Horley  
Coastal Districts Ward



Cr. Kenneth Collins  
Coastal Districts Ward



Cr. Kerry Smyth  
Coastal Districts Ward



Cr. John Bell  
Hollywood Ward



Cr. Ben Hodsdon  
Hollywood Ward



Cr. Robert Binks  
Hollywood Ward

## The Strategic Plan 2008–13

The City of Nedlands Strategic Plan 2008–13 is a plan for the future and sets the strategic direction and key focus areas for Council and elected members. It also becomes the foundation for how the City develops its annual plans, service schedules and future budgets.

The strategic plan has been developed by elected members, City staff and members of the community. The goals and strategies represent the type of City we want to become and what we need to do to get there.

The strategic plan is based on the following principles and assumptions:

- The City will provide services and infrastructure that support the development of inclusive communities and liveable neighbourhoods.
- The City will effectively and efficiently plan and manage its resources in a transparent and accountable manner.



Cr. Ian Argyle  
Dalkeith Ward



Cr. Max Hipkins  
Dalkeith Ward



Cr. Matthew Negus  
Dalkeith Ward



Cr. Mike Somerville-Brown  
Melvista Ward



Cr. Irene Tan  
Melvista Ward



Cr. Bronwen Tyson  
Melvista Ward

- The City recognises the diversity of its community across the municipality and will ensure that the broader community needs of the whole City are considered.
- The City will take into account global trends and issues including climate change and sustainability as part of its planning for the future.
- The City will report back to the community on Council's progress in achieving the strategic plan on an annual basis.

### **Corporate purpose**

Serving our community.

### **Vision**

The City of Nedlands is an attractive City with residential amenity and a strong sense of community and place.

# ABOUT THE CITY OF NEDLANDS



Just 7 kilometres from Perth, the City of Nedlands stretches from the banks of the beautiful Swan River to the shores of the Indian Ocean.

The City is divided into four wards each represented by three councillors who are available to discuss and assist with any matters concerning your quality of life within the City.

## People

- Population: 22 404
- Electors: 14 272
- Suburbs: Dalkeith, Nedlands, Karakatta, Mt Claremont, Swanbourne and parts of Floreat and Shenton Park

## Environment

- Area: 21 square kilometres
- Fourteen major parks and reserves
- Area of parks, gardens, reserves and golf courses: 46 parks, gardens, reserves and bushlands totalling 314 ha

## Other facts of interest

- Council established in 1893
- Proclaimed as a City 1 July 1959
- Tourist attractions: river foreshore, water sports, Swanbourne Beach, Allen Park heritage area

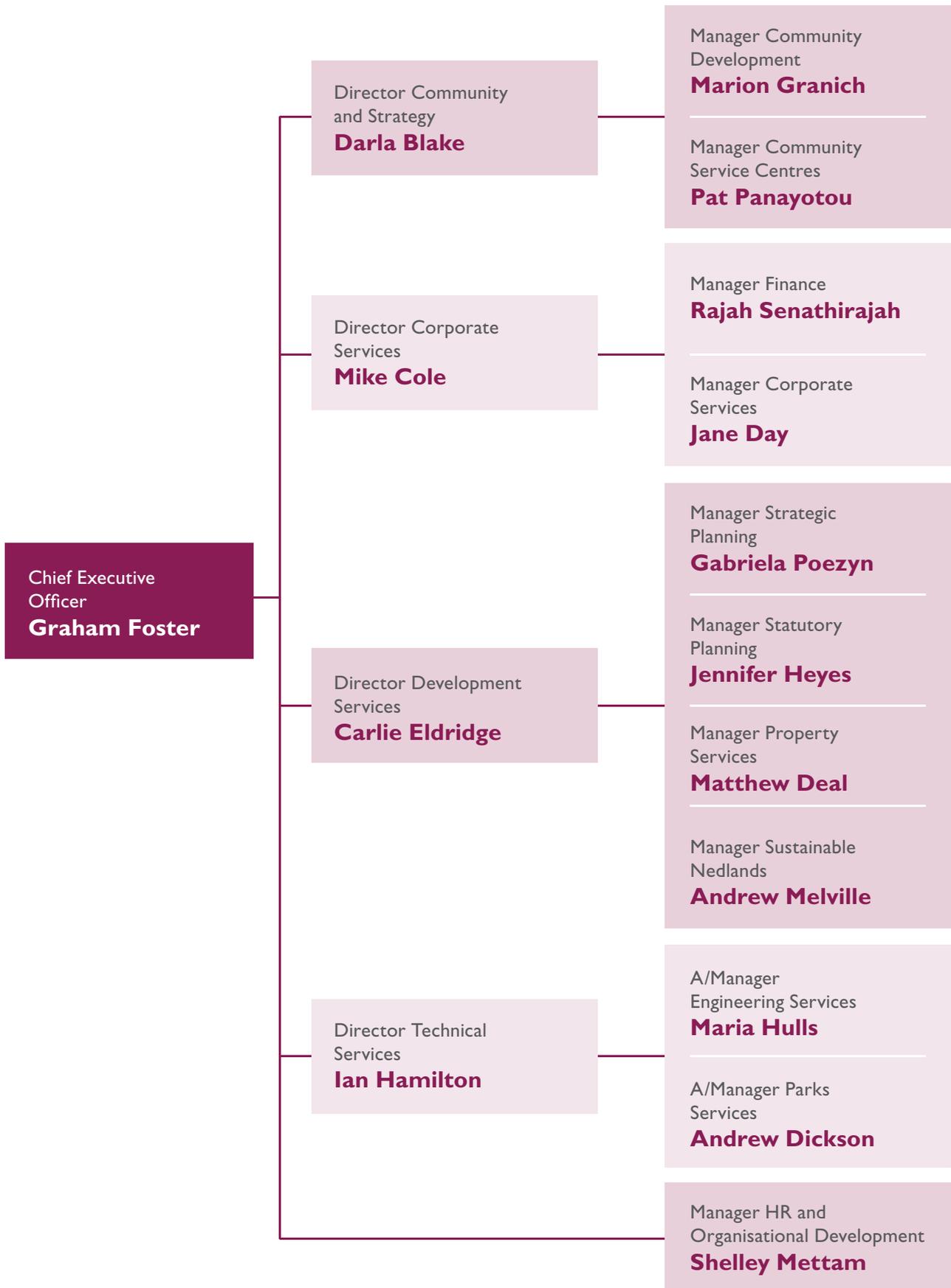
## Community events

- Summer Concerts in the Park series
- Premier's Australia Day Awards Ceremony
- Citizenship Ceremonies
- Remembrance Day Ceremony

## The built form

- Two libraries
- One senior citizens centre
- One child health centre
- Eight primary schools
- Two secondary colleges
- Two community centres

# ORGANISATIONAL STRUCTURE



# INFRASTRUCTURE

**To provide functional infrastructure in order to enable safe, efficient and effective transport systems, and passive and active recreational opportunities.**

## **Services provided under this key focus area:**

- parks services
- asset management
- special projects
- engineering services
- capital works
- traffic management
- parking strategy
- road safety.

## **Parks services**

During 2010–11, the City completed 352 parks maintenance programs on time and within budget. Maintenance programs included cleaning and rubbish removal, landscape maintenance, fertilising grounds, planting trees, turf renovations, weed control, watering and general maintenance.

## **Asset management**

**Provide and maintain quality passive and active recreational and leisure facilities and open space to meet community needs**

It was identified that the City required a more considered approach towards the future management of assets within its parks and reserves. An extensive audit was initiated and is due to be completed next year. This will include a report on the condition of each asset, a recommended replacement priority program and a budget for the replacement program.

This year a parks and playgrounds assets audit was completed and compiled into the Parks Asset Register. In 2011–12, the City will embark on an audit to compile a Living Asset Register for the future strategic management of street trees and trees in parks and reserves throughout the City.

In 2009, the City secured a reliable supply of good quality groundwater for use in irrigating parks and reserves throughout the St Johns Wood Estate area in Mt Claremont. This new supply replaced the previous groundwater resource, which had suffered from ongoing water quality issues and significant irrigation maintenance complications. To capitalise on the new water source, the City successfully undertook the cleaning of 32 kilometres of irrigation pipe that services 13 parks and numerous roadside verges in the area. The works included the installation of 81 isolation valves and flushing points, and has secured a more reliable supply of irrigation during the summer watering period.

## **Water conservation**

**Implement a water plan to reduce water consumption**

In June 2011 the City received Waterwise Council endorsement from the Department of Water, the Water Corporation and the International Council for Local Environment Initiatives - Local Governments for Sustainability (ICLEI). An important step in achieving this status was the development of a water conservation plan for using groundwater on parks and gardens. The City was also recognised for taking important steps in improving its irrigation of parks and gardens, including planting native and waterwise species in public open spaces.

The City implemented its Irrigation Operating Strategy, as adopted by Council in 2009. The strategy is a multiple site management plan where operational tasks are applied to all irrigation systems operated by the City. Tasks involve irrigation scheduling, monitoring and reporting of ground water usage and irrigation hydrozoning.

## Parks capital works

**Implement a capital works program based on five and twenty year forward work schedules linked to the Strategic Financial Plan**

The City's capital works program for 2010–11 included:

- modifications to basketball courts at Mt Claremont Community Centre
- new barbeque facilities at Blain Park
- new synthetic cricket wicket at College Park
- new bore at Genesta Park
- new sports lighting designed to Australian Standards at Highview Park
- irrigation pipe cleaning at Mt Claremont
- new hydrozoned irrigation system at Nedlands Library surrounds
- a playground at Nedlands Park
- renovation of four garden beds at Peace Memorial Rose Garden
- conversion of an old well to a new submersible bore at Swanbourne Beach Reserve.

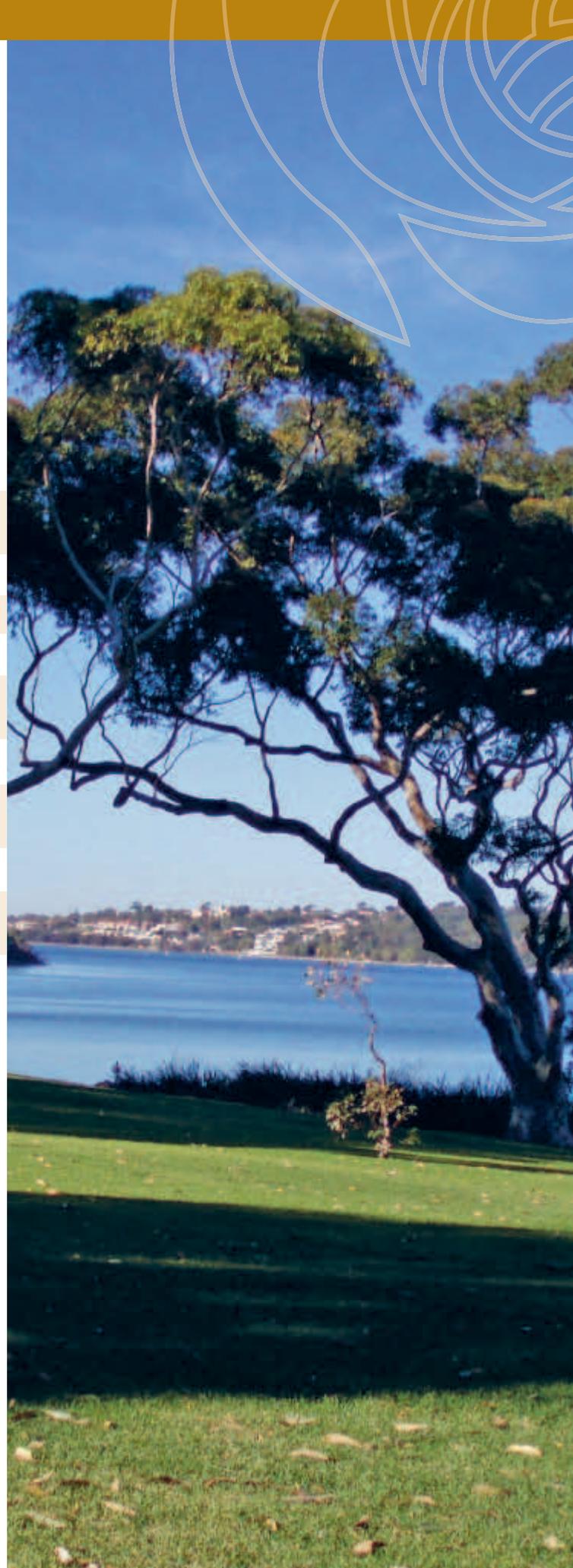
## Engineering services

Throughout 2010–11 the City improved road and footpath infrastructure networks by providing 6872 metres of road rehabilitation and resurfacing, 539 metres of new footpaths and 2628 metres of rehabilitated footpaths. The City's five year forward plan for road and footpath works is reviewed annually to ensure projects are on schedule and allowance is made for new priorities to be scheduled into the works program.

## Capital works program

**Implement a capital works program based on five and twenty year forward work schedules linked to the Strategic Financial Plan**

The Alfred and Montgomery roads intersection project was completed in June 2010. This federal government



# INFRASTRUCTURE

funded Black Spot Program achieved an improvement in pedestrian safety, and reinforced the intersection with an LED signals upgrade including an overhead mast arm.

The City's annual footpath rehabilitation program maintains community amenity throughout the City. In 2010–11 improvements took place at Beatrice Road, John XXIII, Elizabeth and Verdun streets, Dalkeith Road and Stubbs Terrace.

In this financial year's capital works program, all roads in the City that were resurfaced or rehabilitated, required extensive drainage improvements aimed to reduce the impact of flooding, improve road traffic safety and to recharge the ground water system. Road improvements took place at various locations throughout the City, which included upgrading existing drainage, underaking kerbing and asphalt resurfacing works, traffic management projects and the installation of five new bus shelters.

In the 2010–11 financial year a budget review of all the City's drainage network was undertaken with Council allocating an additional \$100 000 towards upgrades. Drainage was upgraded at Jenkins Avenue catchment and North Hollywood and Floreat precincts. A study was also undertaken on Loftus and Napier streets drainage sumps.

The City undertook repairs at three locations along its river wall foreshore area during 2010–11. Repairs included a 50 metre section at Paul Hasluck Reserve, a 10 metre section west of the Tawarri Function Centre jetty and a 100 metre section west of the Tawarri Function Centre. River wall urgent repairs remain a priority and will continue to receive upgrades on an as needs basis.

## Black Spot funding

The City successfully applied for Black Spot funding to upgrade roads and intersections that will address commuter safety issues and crashes.

The following projects are proposed to be undertaken in 2011–12 subject to community consultation and Main Roads Western Australia approval:

- upgrade to the intersection at Stirling Highway, Broadway and Hampden Road
- installation of median islands at Stirling Highway and Florence Road, Elizabeth and Tyrell streets, and Princess and Florence roads
- upgrade to street lighting at Carrington and Broome streets, Princess Road and Bruce Street, and Monash Avenue and Hampden Road
- installation of a roundabout at Bruce and Elizabeth streets.

## Traffic management

**Develop and implement an Integrated Transport Strategy for the City which promotes access to safe and integrated transport options**

In 2008, the City established a Traffic Management Committee with the specific purpose to investigate and review strategic traffic management issues within the municipality. Current projects under review by the committee include a Black Spot Program at the intersection of Broadway and Stirling Highway, a City-wide traffic and parking hot-spots analysis and corresponding action plan, a review of safety issues at the intersection of Broadway and Elizabeth Street, a review implementation of parking restrictions in the Hollywood Ward and a review of the *Parking and Parking Facilities Local Laws*.

To keep in line with the National Road Safety Strategy 2011–20 and the state government's Towards Zero Road Safety Strategy, the City devised an educational strategy that outlines three key areas: **Safe Roads, Safe Drivers = Saving Lives**. This involved strategically mapping hotspots throughout the City and a workshop for traffic and parking strategic planning. The educational strategy is proposed initially for a period of five years, which coincides with road accident data released by Main Roads WA.



Safe Roads, Safe Drivers  
= Saving Lives

# NATURAL ENVIRONMENT

**To enhance and protect the City's environmental assets to ensure management of natural resources and habitats, and environmental sustainability.**

**Services provided under this key focus area:**

- environment education
- bushcare
- environment planning
- waste minimisation and management
- sustainability
- environmental health.

## **TravelSmart**

TravelSmart is a behaviour change program which aims to increase the number of people using alternative transport modes. The City is proud to have been involved with the program for ten years. TravelSmart was promoted at a number of events coordinated by the City and other local organisations throughout the year, including the Summer Concerts in the Park series and the 4Sure Youth and Skate Festival.

Community projects held throughout the year included:

- a cycle maintenance workshop for cyclists
- the continuation of the Waratah Walking Group and development of the Hollywood Walkers (in conjunction with the Heart Foundation)
- local schools promoting the TravelSmart message including, in-class activities and reward programs
- schools continued involvement in the walking school bus program
- the installation of bicycle u-rails at Hampden Road, supported by local businesses.

## **Bushcare**

The City's bushcare program has involved the ongoing implementation of its Natural Area Management Plans. The City undertook controlling of priority weed species, re-vegetation of degraded bushland areas and greenways using locally occurring native species (24 000 seedlings planted), erosion control measures, and fire management and feral animal control measures in the City's bushland reserves.

The final stage (stage three) of the Point Resolution Foreshore Stabilisation and Restoration Project was completed with final funding of \$72 138 received from the Swan River Trusts Riverbank Grants Scheme Program. This was a joint initiative between the City, the Friends of Point Resolution Reserve and the Swan River Trust. The project stabilised and restored 210 linear metres of unstable foreshore and embankment. The City also received \$20 000 from the Swan River Trusts Program to help stabilise the Waratah Place river end foreshore and embankment.

The final stage of the Montgomery Avenue Greenway Project was completed this year. Over 10 000 local native seedlings were planted to re-vegetate the grassed lawn area between St Johns Wood Boulevard and Stephenson Avenue, and also near Mt Claremont Primary School. The greenway will assist with the City's aims to protect biodiversity and will provide improved habitats for local fauna, increase the City's capacity to absorb greenhouse gas emissions and reduce water consumption.

## **Waste minimisation**

The City's Waste Minimisation Strategic Plan 2009–13 highlights the long-term strategy for continuous improvement of the City's waste services, waste avoidance and resource recovery. This was benchmarked against best practice and sets targets for waste reduction, resource recovery and the diversion of waste from landfill disposal.

As part of the City's commitment to waste recovery, in 2010–11 three portable recycling stations were designed and custom made for used and unwanted fluorescent tubes and light globes, printer cartridges, batteries and mobile phones. These recycling stations are located at the City's Administration Centre, Nedlands Library and the Mt Claremont Community Centre. The City is the first Western Australian local government to design and introduce new custom made recycling stations. In its first year, this new initiative managed to divert approximately 3 tonnes of recyclable materials from landfill.

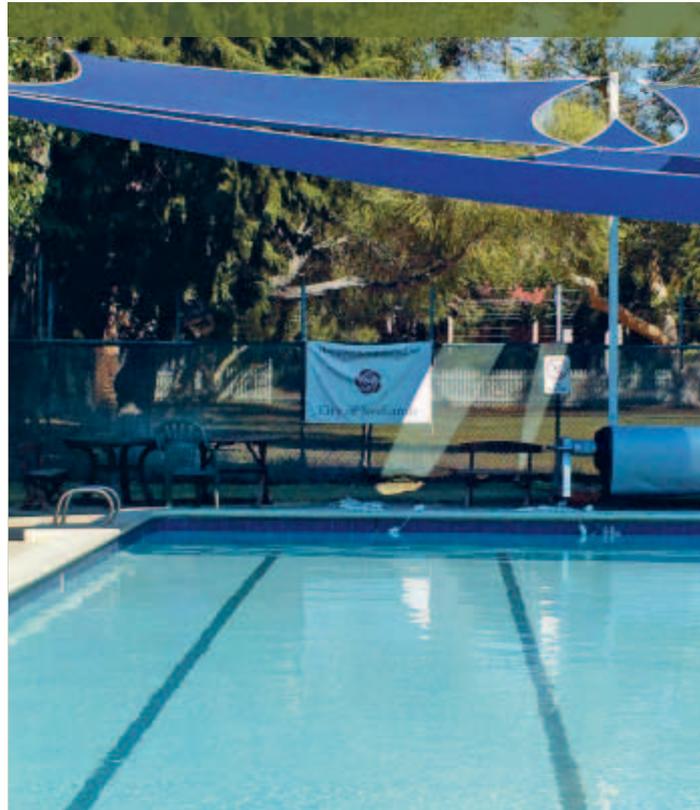
The City is also actively engaged in collection and recycling of residential e-waste and metal. It is anticipated that up to 95 per cent recovery rate from all e-waste materials and commodities will be collected. Therefore, the City predicts a significant reduction in the volume of e-waste going to landfill as a result of this initiative.

Throughout the year 6000 tonnes of general waste, 2900 tonnes of greenwaste, 2750 tonnes of recyclable material, 7 tonnes of e-waste, 3 tonnes of household batteries and 3 tonnes of metals were collected and processed. More than 5700 tonnes of material was diverted from landfill this year, compared to last year's 5500 tonnes.

### **Sustainability**

As part of its involvement in the ICLEI Local Governments for Sustainability, the City has almost completed Milestone 4 of the Water Campaign, for community and corporate water quality and conservation. Milestone 5 will see the City assess progress made since the program's inception in 2003.

The City's inaugural Waterwise Garden Competition opened in May, coinciding with the start of the Native Plant Subsidy Scheme and the development of the City's Waterwise demonstration garden on the Stirling Highway verge outside the Administration Centre. The Native Plant Subsidy Scheme saw 2100 plants being purchased by residents, plus plants going to Nedlands Primary School and everlasting seeds to Moerlina Primary School.



# NATURAL ENVIRONMENT



## Food surveillance

In 2010–11 the City saw its first full year implementation of the state-wide food legislation which came into effect in October 2009. This involved the City submitting its first food surveillance report to the Department of Health WA. The new legislation allows for greater flexibility in meeting safe food outcomes for businesses, and has also introduced a food safety program for businesses that provide meals to persons more susceptible to food-borne illness.

## Swimming pools and recreational waters

As required under the Department of Health WA aquatic facilities legislation, public swimming pools are tested monthly to ensure high water quality and safety for swimmers. In 2010–11 two public swimming pools revealed to have substandard bacterial water quality results. Both pools reopened after rectification works and the receipt of satisfactory water quality results.

The City together with Department of Health WA took part in the annual Ocean Sampling Program for metropolitan recreational waters. The City performed water sampling at Swanbourne Beach and submitted information to the department who is anticipated to produce a report for the results of the program in the near future.

This year found a number of residential properties illegally discharging their swimming pool water into the street and stormwater drains. This contravenes the City's *Health Local Laws 1997* for the disposal of liquid refuse, and as a consequence the City will look at implementing strategies to address the issue in 2011–12.

## Environmental

In 2010–11 the City had substantial input on a number of larger scale development applications to address matters such as noise, odour, plume modelling and construction management aspects. Several development applications incorporated new technologies such as the DICOM waste treatment

facility in Shenton Park, highlighting the diversity of land uses across the City.

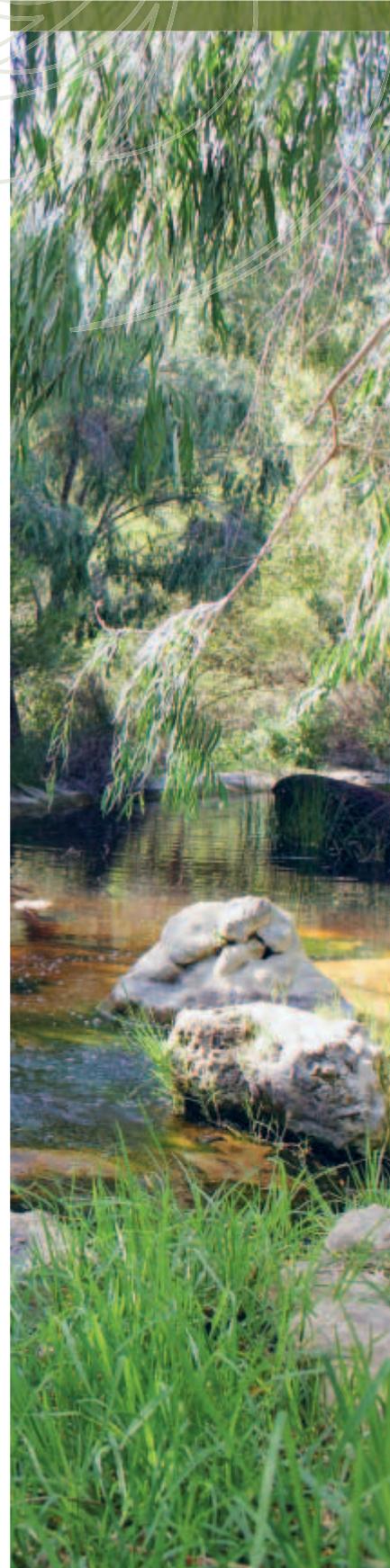
In early 2011, the City received a number of complaints about excessive numbers of mosquitoes at Pelican Point Reserve, which is a renowned breeding ground for mosquitoes. The cities of Nedlands and Subiaco have worked jointly to control mosquitoes at this site since 2008. Numbers of mosquitoes declined after a fresh larvicide treatment of the site in March 2011. Both cities look forward to a successful 2011–12 mosquito control season for the area.

The City liaised with the Department of Environment and Conservation (DEC) investigation, into a leaking unleaded petrol bowser from a club on foreshore land. The club was issued with a notice by DEC to clean up the site. Public access was restricted while remediation works (excavation and safe removal of contaminate soil and groundwater) were underway, and floating booms were deployed for extra surety. Ongoing monitoring will continue at the site.

### **Noise**

The City continues to work with the community to address noise complaints. In 2010–11 a total of 98 noise complaints such as music and parties (residential and commercial), construction, air-conditioning, delivery vehicles and leaf blowers were received.

**More than 5700 tonnes of material was diverted from landfill this year**



# THE BUILT ENVIRONMENT

**To provide a built environment and land use planning framework which offers diversity in housing choice, is environmentally responsible, provides a high level of amenity, consists of a variety of neighbourhoods with community identity, encourages economic activity in harmony with local amenity and enables appropriate facilities for community groups.**

## **Services provided under this key focus area:**

- property services
- statutory planning
- strategic planning
- building control services
- sustainability.

## **Property services**

In 2010–11 the City undertook significant projects to improve built facility infrastructure within the municipality.

## **Community facility upgrades**

The City completed the detailed architectural and relevant consultant drawings for the redevelopment of the John Leckie Pavilion. The City's Strategic Recreation Plan nominated this location as one of the four main centres for community recreation to be centralised within the City. The other locations are Allen Park, Highview Park and Charles Court Reserve. Refurbishments to the John Leckie Pavilion are expected to be completed by the end of 2012.

Construction of the new Mt Claremont Oval change rooms commenced in January. The new building will house two change rooms, ablution facilities, two storerooms, a kitchen and two universal public toilets. The new public toilets will be open for general public use, and are fitted with automated locking devices. There were no change room facilities previously located at the oval.

## **Building maintenance**

Refurbishment work of The Maisonettes commenced in June this year. The City anticipates the building will be an example that places of heritage significance can be restored and refurbished to a high standard, which will permit property owners to derive a relative rental return.

In addition, several maintenance projects were completed across the City at Drabble House, the City's Administration Centre and Depot, Nedlands Library, Mt Claremont Community Centre, Allen Park Lower Pavilion, JC Smith Pavilion and Dalkeith Hall.

## **Built facility asset management**

The City has commenced the progression towards complying with the Built Facility Asset Management Policy which was adopted by Council last year. The construction of the Mt Claremont Oval change rooms, and the refurbishment of The Maisonettes and John Leckie Pavilion are just a few projects that are planned for completion in the next financial year. This will ensure that the City delivers on the directives of the Strategic Plan 2008–13.

## **Swimming pool inspections**

The City performed 814 pool inspections during the year. In an effort to increase the compliance rate of pool barriers the frequency of inspections by the City was increased to a three-year cycle in 2002–03. The change has been successful with an increase in the compliance from 61 per cent in 2004–05 to 87 per cent in 2010–11.

## Building control

Building control statistics	2007–08	2008–09	2009–10	2010–11
Applications received	736	660	746	671
Licences issued	545	515	580	506
New residences	86	69	59	55
Demolition licences	56	55	58	46
Swimming pool licences	75	75	50	70
Sign licences	7	11	8	1
Verge material licences	17	26	35	41
Amended building licences	35	30	33	30
Residential strata titles approved	4	4	0	1
Acknowledgements	16	7	2	1
Building approval certificates	24	29	27	26
Value of fees collected	\$524 129	\$400 908	\$558 354	\$481 088
Value of all works	\$152 401 121	\$98 113 410	\$89 600 198	\$86 660 975

In May 2011, a new requirement for the provision of universal access to buildings was introduced by the state government. The Access to Premises Standards 2010 requires that all commercial buildings provide significant fixtures and access for all people, so as to not discriminate against individuals that have mobility or vision impairment. This new standard bridges the gap between the overarching legislation of the *Disability Discrimination Act 1992* and the requirements of the Building Code of Australia and Australian Standard. These new requirements will place design and cost implications to the construction of new buildings, which the City has no jurisdiction to vary.

New building control legislation is proposed to be adopted by parliament in 2011. The new legislation will enable building designers and owners the opportunity to have their building permit applications certified by private building surveyors or the relevant local government. The flexibility of the new legislation may provide many new commercial opportunities the current legislation does not cater for.

## Town planning

### Prepare and implement management plans for natural areas

A section 18 process under the *Aboriginal Heritage Act 1972* was completed in regards to all the River Foreshore Reserves. This approval is one of a number of approvals required before the City is able to do work in the reserves.

### Develop and implement a new planning scheme for the City

After Council adopted draft Town Planning Scheme 3 and the Local Planning Strategy in 2009, the document was also referred for a legal review. Identified legal changes were incorporated into the document and the updated version was forwarded to the Western Australian Planning Commission (WAPC) in September 2010.

The City has been working with the state government on the Local Planning Strategy.

# THE BUILT ENVIRONMENT



## **Encourage the development of diverse residential and commercial areas to meet the future needs of the whole City**

The design guidelines for the Waratah commercial area were completed and a scheme amendment to Town Planning Scheme 2 was initiated, advertised and forwarded to the WAPC as scheme amendment 192. As the WAPC recently returned the document requiring further advertising of proposed changes to the amendment, completion of this scheme amendment will progress into 2011–12.

Scheme amendment 193 was initiated and adopted by Council. This amendment seeks to streamline a number of anomalies in Town Planning Scheme 2 such as the zoning of the design guideline areas of Karella Street and Dalkeith Road, and introduces parking restrictions on residential properties. The documentation has been forwarded to the WAPC and it is expected that the amendment will be finalised in 2011–12.

Following a request for subdivision along Verdun Street, the Council initiated scheme amendment 194 to change the zoning of all properties along this street to allow for subdivision. The matter has not progressed beyond advertising, as more comprehensive planning of the area is required.

## **Develop and implement precinct plans for key areas in the City**

As part of the objective to provide housing diversity areas in Nedlands and to align with state government visions, a study was commenced to determine the future of the Broadway, Hampden Road, North Hollywood areas. Included in the study has been extensive community consultation to determine the needs and aspirations of the community. The study will continue through 2011–12. Design guidelines for these areas are expected to be finalised by August 2012.



### **Provide efficient and integrated approvals system**

The City processed and adopted an Outline Development Plan that will guide the future development or land used by the Cancer Council and John XXIII College. While significant progress was made in relation to the Outline Development Plan for the old Swanbourne Hospital, it is expected to be finalised in 2011–12.

The City commenced community consultation with the view of creating a Local Planning Policy to guide development of the land located within the waste water treatment buffer area.

### **Town planning key facts**

#### **Number of applications determined in 2010–11 for planning applications were:**

- Council - 35 (5%)
- Administration under delegation - 617 (95%)
- Total - 652 (100%)

Council determined 60 per cent within statutory timeframes. Determined by delegated authority 99 per cent within statutory timeframes. Total fees received for development applications \$561 000. Subdivisions - 22 applications, 86 per cent dealt with within statutory timeframes.

### **Town planning - State Administrative Tribunal (SAT) reviews**

- Eight reviews determined
- Three determined by SAT – all three upheld Councils decision
- Five determined by Council under reconsideration following mediation.

# COMMUNITY WELLBEING

**To provide a community where people have an opportunity to interact and enjoy a sense of belonging in order to promote healthy lifestyles, a safe and secure community and quality of life.**

## **Services provided under this key focus area:**

- volunteering services
- disability services
- sport and recreation
- child and youth services
- seniors' services
- community events
- crime prevention
- library services
- child care services
- community care services.

## **Summer Concerts in the Park series**

Each year the City holds the Summer Concerts in the Park series every Sunday evening throughout February. The concerts are an opportunity for families, friends and neighbours to gather in a relaxed atmosphere in one of the City's beautiful parks. The 2011 summer concerts attracted more than 2400 people. Four concerts in total were held at Lawler Park, Masons Gardens, Allen Park and Dot Bennett Park.

## **Community tours**

Nedlands Going Places Tours give residents an opportunity to enjoy a day out while getting to know other community members. The City hosted four tours this year including a Christmas in July, Swan Valley, Mandurah Canals and a visit to the Perth ABC studios.

## **Grants received for community events**

The City received various funding throughout the year. This included \$15 296 from Lotterywest for the Summer Concerts in the Park series, \$818 from the Injury Control Council of WA for Stay on Your Feet

week project, \$1000 from Healthway for the youth and children Pro Sports Program, \$7000 from Healthway for the 4Sure Music and Skate Festival and \$1000 from the Department for Communities for National Youth Week.

## **Community grants fund**

The City's community grants fund is to provide small grants to community groups and organisations wishing to organise events and projects that benefit and contribute to community spirit and help build a more inclusive community. The fund also aims to support the building of local relationships, networks, community interaction and the gathering and socialising of residents within their local communities. In 2010–11 the City provided twelve grants totalling \$7000.

## **Community halls**

The City has a number of community facilities including halls, pavilions and community centres, which are available for hire all year round. In 2010–11 a number of these facilities received renovations including Allen Park Pavilion and Dalkeith Hall.

## **Crime prevention**

The City's Safer Nedlands Program continued to provide a range of crime prevention and community safety initiatives. This included a cyber safety information session held at John XXIII College with the Australian Federal Police as guest speakers.

## **Community safety subsidies provided by the City**

The City continued its support to the Safety House Association and Constable Care Child Safety Foundation, by providing a subsidy to both organisations to enable them to provide safety and crime prevention information to children in local primary schools.

## Disability access

The City's Disability Access and Inclusion Plan outlines how the City ensures its services, buildings and information are accessible to people with disabilities. Some access improvements in 2010–11 included:

- Tresillian Community Centre's external toilet was refurbished into a universal toilet.
- Seats were installed with armrests to provide extra support for people with mobility impairments at Pine Tree Park.
- Mt Claremont basketball courts were made accessible with the path widened at the entrance.
- A Braille plaque was installed at the newly donated artworks at Genesta Park for the visually impaired, which has a description about the artwork and artist.

The Access Working Group continued to provide advice to the City on improving access and inclusion for people with disabilities. Individuals with experience in the field of disability access, who live or work within the City, volunteered their time and expertise as members of this advisory body.

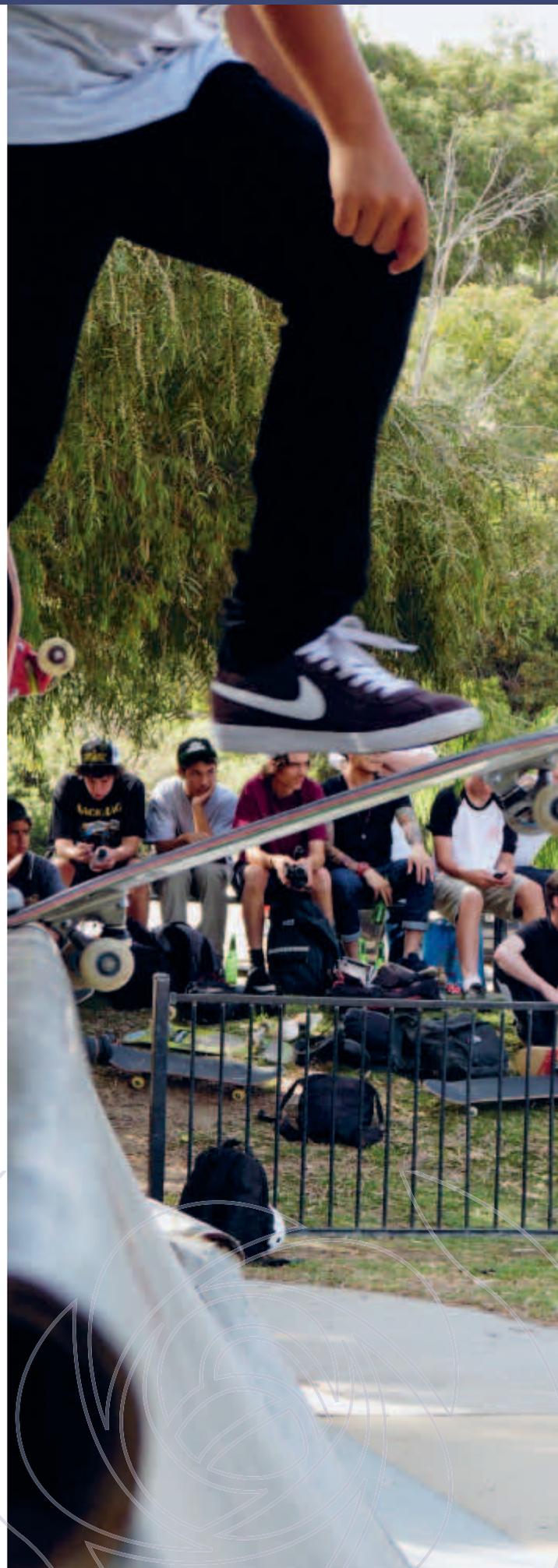
## Community events

The City approves events held at public locations by the community within the City. The City's approval role aims to minimise any potential negative impact, while still ensuring the community enjoys a wide range of local events. In 2010–11, major events approved included the City to Surf Fun Ride, the Challenge Fun Run and the Bike Ride for MS. These events increased social interaction and added to the wellbeing of the local community.

## Volunteering services

The City's volunteer service promotes volunteering, strengthens the capacity of the volunteer sector and matches volunteers with volunteer opportunities.

The City receives an annual grant from the Department of Communities to operate a Volunteer Resource Centre. With this funding, the City assists



# COMMUNITY WELLBEING

local community organisations with finding volunteers and provides training and information.

The City's volunteer service also places volunteers in positions within the City's community service areas. This provides valuable experience to volunteers who help provide assistance to services within the organisation and its customers. The main body of these volunteers are attached to Nedlands Community Care and Nedlands Library. Other areas include the Tresillian Community Centre, Volunteer Referral Centre and the City's Administration Centre. In the last financial year, volunteers donated an estimated 14 000 hours to the organisation, which equates to a dollar value of \$336 000.

In 2010–11, the invaluable contribution of volunteers within the community was recognised during the National Volunteer Week held in May. The City held a celebratory afternoon tea where over 60 volunteers attended and were acknowledged for their important contribution within the community. In addition, a breakfast was held in December to thank the City's 94 registered volunteers for their tireless efforts and ongoing commitment.

## Youth development

The City's youth program encourages young people to be involved in their local community through a wide range of youth specific activities that support community wellbeing are safe and encourage active participation in the community.

This year the City provided a wide range of activities for children and young people including the Youth Arts Festival during National Youth Week, 4Sure Music and Skate Festival held in December, skateboarding workshops and school holiday activities. Overall, participation rates increased this year with more than 3500 young people and children taking part in City run programs.

Last year, the City introduced a new publication *The Buzz!* which provides details on activities, events and relevant information provided by the City specific to children, youth and families. The publication is produced quarterly for the school holidays.

The artistic talent of six local young people was recognised as part of the City's annual art project. The artists designed and created an urban art mural on a wall at the Mt Claremont Community Centre. The basis of the design was the participants' visions for the year 2030.

The City's Youth Advisory Council (YAC) consists of a group of local young people aged 12 to 21 who advise the City on youth issues, plan and deliver activities for local young people and encourage youth participation in the community. This year the YAC ran the first 4Sure Music and Skate Festival, and also supplied a range of giant games at the City's summer concert held at Dot Bennett Park.

The City continued to build on relationships with local schools through the implementation of the Engagement with Local Schools Strategy. The strategy outlines the City's approach to a more pro-active relationship with the 10 local schools within its boundaries. The City surveyed the schools on their level of satisfaction with service provided by the City throughout the year, resulting in an overall satisfaction rating of 86 per cent.

## Sponsorships

This year the City provided the following donations and subsidies:

- \$10 800 to Shenton Christian Council to assist with the provision of Chaplains at Shenton College, Mt Claremont and Swanbourne primary schools.
- Thirty-two grants of \$250 to individual young people for initiatives that connected them to their community, under the Sponsorship of Youth Initiatives Fund.

## Tresillian Centre

The City's Tresillian Centre brings people together by providing art, craft and leisure courses, a variety of studio artists working on site, art exhibitions, a crèche and café. In 2010–11 the Tresillian offered 297 art, craft, language and other leisure courses, with course participants expressing a 94 per cent satisfaction level. Income from courses this year was a record \$182 675.

The table below shows an increase in the Tresillian Centre's service delivery while maintaining a high level of customer satisfaction.



Year	2008–09	2009–10	2010–11	% Change 2008–09 to 2010–11
Number of courses	212	274	297	40 %
Room hire income	\$16 765	\$22 545	\$33 065	97 %
Customer satisfaction	94%	94%	94%	0 %

## Exhibitions

Throughout 2010–11 a total of 14 exhibitions were held at the Tresillian. Of these, six were curated by the Tresillian and eight were provided by organisations or artists hiring Tresillian's facilities.

The total revenue for exhibitions at the Tresillian this year was \$72 307. The annual Studio Artists' Exhibition opened on Friday 22 October with 125 works by nine Tresillian studio artists, generating sales of \$16 345. The 2011 Annual Student and Tutor Exhibition opened on Friday 11 June, where students and tutors exhibited 276 items generating sales of \$8970.

For the tenth consecutive year, the Tresillian Centre held an auction of demonstration artworks created by Brian Simmonds in his popular Tresillian art classes. Sales at auction totalled \$6858.

## Recreation services

The City's 2011 Sport Awards ceremony was held in April with local sporting clubs and community

members attending. The biannual awards' recognise the sporting achievements of local players, teams and individuals who have made outstanding contributions to the sporting industry.

The City continued to partner with the Shire of Peppermint Grove and towns of Claremont and Mosman Park to implement the sportslink program at Presbyterian Ladies' College. This program has been developed by the Recreation and Sport Network and is aimed at increasing participation in physical activity by children who are less likely to participate. It is an inclusive program that teaches basic sports skills and confidence to children experiencing difficulty with motor skills or with disabilities. Community participation funding from the Department of Sport and Recreation was obtained to implement the program.

The City continued to support local clubs with two events held this year. In February, the City together with the Department of Sport and Recreation held an information session on funding for sports facilities. The session provided information from how to apply

# COMMUNITY WELLBEING

for financial assistance to upgrading or constructing new facilities. In June this year, the cities of Nedlands and Subiaco jointly hosted a sport and recreation club development workshop. The clubs shared discussions on key topics of club governance, working with and recruiting volunteers, financial management and sponsorship and grants.

## Subsidised programs

The City provided a subsidy of \$7000 to the Parents and Citizens Association at Hollywood and Nedlands primary schools. The subsidy ensures their swimming pools are made available to the public on a regular basis during November to April.

The City continued its support of two local cricket clubs who were given a subsidy to maintain two turf wickets at College Park, plus one centre turf wicket and a training block at Melvista Oval and Allen Park. Claremont-Nedlands and Swanbourne cricket clubs received the grants which reduces the maintenance for the City.

Swanbourne-Nedlands Surf Life Saving Club again received a grant to support patrolling of Swanbourne Beach. The long standing agreement is linked with the closure of the kiosk at the beach, but provides support to those enjoying the facilities at Swanbourne.

## Customer satisfaction

Having surveyed the exclusive and non-exclusive use by clubs in the City, a significant increase in satisfaction was achieved with the City's service and facilities. Satisfaction ratings increased from 64 per cent in 2009–10 to 86 per cent in 2010–11.

## Grant success

The City has had a year of funding success to deliver projects to improve the City's sporting facilities. The Department for Sport and Recreation, Community Sport and Recreation Facilities Fund (CSRFF) has been the major provider of funding and made a huge contribution to the health and wellbeing of the local

community. The following is a list of clubs who worked with the City to access funding:

- Nedlands Rugby Club received \$160 000 from CSRFF and \$50 000 from the City for upgrades to the clubhouse, changing rooms, toilets and outdoor area.
- Dalkeith Tennis Club received \$123 471 from CSRFF and \$144 000 from the City to upgrade the courts at the club.
- Dalkeith Nedlands Bowling Club received \$8066 from CSRFF and \$8067 from the City to upgrade the ladies toilets at the club.
- Nedlands Tennis Club received \$64 000 from CSRFF and \$64 000 from the City for the upgrade of two tennis courts, fencing and lighting.

Subject to CSRFF funding being granted, the City has committed funds for Nedlands Croquet Club to place lighting in their grounds and endorsed lighting for UWA Hockey Club. The City was also successful in gaining a \$55 000 grant from the federal government's Regional and Local Community Infrastructure Fund to place lighting on Mt Claremont Oval.

## Library services

The City's two libraries, Nedlands and Mt Claremont have a combined membership of 10 595 members. In this financial year, loans and renewals of books and other items exceeded 243 000 transactions. Over 4000 community members participated in library coordinated events.

## Programs

In order to promote the City's libraries, a variety of events and programs were held throughout the year. These included the Subjects of Note series which presented a variety of assorted topics both educational and of entertainment value. Nedlands Library continued to host meet the author events with various professional local and interstate authors attending as guest speakers.

In September 2010, the library held the second series of A Day of Literary Feasting. This year's program included an array of sessions for book-lovers, food writers and aspiring authors. In February this year, the Local Studies Collection embarked on their new memoirs for *Your Family* series of workshops. These monthly workshops were held in conjunction with the Royal Historical Society of Western Australia.

The libraries also coordinated a range of reading and literacy programs throughout the year for children and young people. These included weekly storytime, pyjama storytime, baby rhyme time sessions and National Simultaneous Storytime. Once again a range of exciting school holiday activities also took place. These included activities with Scitech, guest authors, theatre entertainment and writing workshops.

A new series of parenting workshops commenced this year at the libraries. The workshops held every quarter are aimed at parents with babies to toddlers.

Over the year, the libraries also provided their outreach services including the fortnightly Books on Wheels service for customers that are house-bound, and the weekly bus service offered to senior library members that are able bodied but don't have their own transport.

### **Nedlands Community Care**

Throughout 2010–11 the City provided in-home care support for residents who are assessed as either frail aged, a younger person with a disability, or their carer. Services included activities for dementia-specific clients, respite for carers, social support activities and transport to appointments. Some activities held during the year included an open day with stalls and guest speakers, computer classes, Out and About Tours, Waratah Dinner Club, men's group and new wellness activities such as ballroom dancing, mah-jong and porcelain painting.

### **Point Resolution Occasional Child Care Centre**

The City's Point Resolution Occasional Child Care Centre (PROCC) provides occasional child care to residents of the City. Many families enjoy the bright, comfortable environment at PROCC and the centre continued to develop programs which are designed to stimulate and engage children with age appropriate activities.



# GOVERNANCE



**To ensure that the processes of local government are delivered responsibly and in a transparent, consistent and an accountable manner.**

## **Services provided under this key focus area:**

- records services
- councillor support
- financial services
- human resources
- customer service
- information technology
- statutory approvals.

## **Records services**

In the 2010–11 financial year the City processed 34 615 pieces of incoming correspondence, which captured 15 896 pieces of that correspondence into the Electronic Document Management System.

The City complies with the *Freedom of Information Act 1992* by making information about City operations available in the form of an information statement. The City received 18 FOI applications in 2010–11.

## **Our people**

The City has an increasing focus on encouraging wellness in employees. A number of initiatives were encouraged and contributed to, which supported the employees' health and wellbeing. The City offered general health risk assessments, skin cancer screening and a flu vaccination program to all staff.

The Employee Assistance Program continued to be a success with employees and their families making use of the free, confidential counselling service provided by PPC Worldwide. This additional support continues to be popular, it is well received by users and can provide timely support in times of need.

The City recognises the need for a workforce that is current in its knowledge with the ability to keep pace with contemporary needs. A wide range of training and development programs were rolled out across the City. These included:

- job specific training for outside and inside workers
- first aid training
- supervisory training
- local government training and information sessions
- seminars and briefings on a wide range of topics across all functional areas
- inducting and mentoring new staff.

## Employee's remuneration

The number of employees of the City entitled to an annual salary of \$100 000 or more were in the following categories:

Salary range	2010	2011
\$100 000 to \$109 999	0	0
\$110 000 to \$119 999	1	1
\$120 000 to \$129 999	3	0
\$130 000 to \$139 999	0	3
\$140 000 to \$149 999	0	0
\$150 000 to \$159 999	0	0
\$160 000 to \$169 999	1	0
\$170 000 to \$179 999	0	1

## Risk management and business continuity planning

The City's activities expose it to a variety of risks. To ensure these risk exposures don't adversely impact on the operations of the City, a risk management framework has been developed across the organisation. The City has continued with the development of a business continuity plan that will assist the City to deliver its critical services in the event of an emergency.

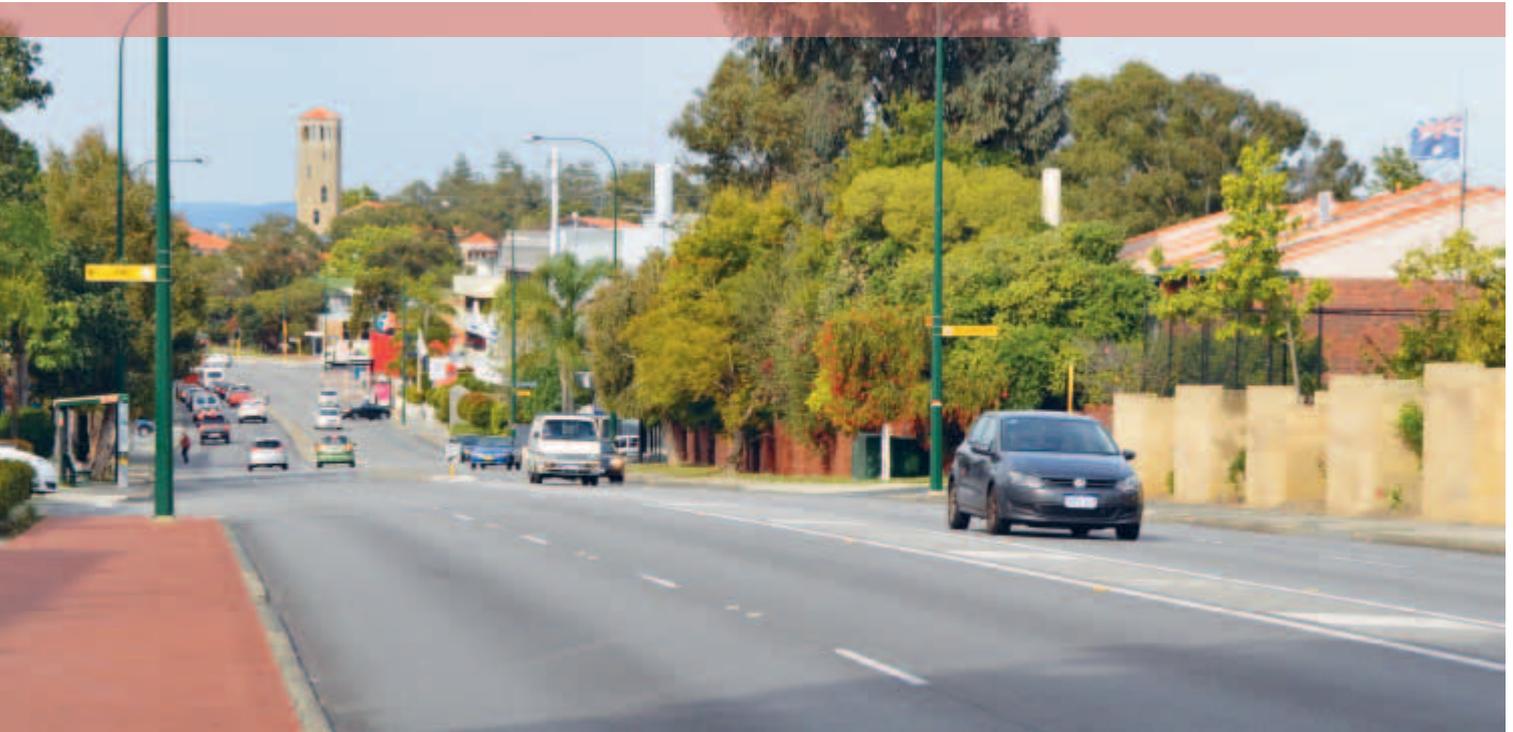
## Finance services

Finance services support the operations of the City through the provision of budgeting services, financial management reporting, accounts payable, accounts receivable, payroll, accounting and reporting of FBT and GST. Finance services is also responsible for managing the City's rating system.

Key projects undertaken each year include the preparations of the annual budget for the upcoming financial year, the annual issue of rates notices and the completion of annual financial statements. For the past two years the annual budget for the coming year has been adopted in June allowing the earlier issue of annual rates notices with resulting improvements in cash flow and interest earnings. Finance services also rolled out electronic requisitioning across the City during the financial year. This has enabled the streamlining of procurement processes resulting in increased efficiencies and improvements in internal controls across the organisation.



# GOVERNANCE



## Compliance audit

The City achieved a rating of 97.9 per cent for the annual Compliance Audit Return for 2010. The six non-compliant issues were reported to Council at their meeting of 22 March 2011. For each item of non-compliance, the recommendations of the reviewer have been accepted and have since been implemented.

While not meeting 100 per cent, the completion of the Compliance Audit Return for 2010 demonstrated a high level of compliance by the City in all areas. The City has a proven internal culture of compliance and commitment towards best practice, and the management of the City is based on sound systems and procedures with an emphasis on good governance.

The completion of the annual return is on the basis of self assessment. The City, however, engages the services of an independent consultant. An independent assessment such as this, with resulting high level of compliance, helps to demonstrate good governance, compliance and best practice and also provides the CEO and Council with additional elements of awareness of compliance and accountability by staff.

## Ranger services

The City's rangers cover a wide range of issues from parking enforcement, animal control, fire breaks and building compliance. A summary of some of their activities include:

Activity	2008-09	2009-10	2010-11
Number of dogs impounded	59	50	48
Number of complaints about barking	132	85	60
Number of inspections on vacant blocks for fire breaks (non-compliant blocks)	55	92	62
Number of abandoned vehicles dealt with (impounded)	32	21	17

## National competition policy

The Competition Principles Agreement is an agreement between the commonwealth and state governments that stipulates the manner in which governments will apply competition policy principles to public sector organisations under their jurisdiction. While local governments are not a signatory to the agreement, they are bound to apply the same competition principles to their activities and functions by virtue of Clause 7 of the agreement.

Clause 7 obliges the state government, in consultation with local government, to apply competition principles to local government activities and functions. These principles are competitive neutrality, structural reform of public monopolies and legislation review.

## Legislation review

The City's Disability Access and Inclusion Plan (DAIP) is a legislative requirement of the *Disability Services Act 2006*, which outlines how public authorities will make

their services, information and buildings accessible for people with disabilities. The City continues to meet its obligations outlined within the DAIP.

## Record keeping

Government legislation and regulations mandate the City's roles and functions. The City creates and maintains compliant records of these activities to ensure sufficient evidence of the City's performance of these functions. The City's records are consistent with any written law to which the City of Nedlands is subject when performing its functions.

New employees at the City are required to participate in an induction program on records management, to be made familiar with the filing system as well as the Electronic Data Management System. Staff are also inducted in their record keeping responsibilities.

File audits are conducted each quarter throughout the City including administration and offsite offices.



# COMMUNITY ENGAGEMENT

**To achieve a community which is informed and engaged in order to enable it to participate in decisions that affect the local area.**

**Services provided under this key focus area:**

- community engagement
- communications and media.

## **2030 *imagine, engage, create***

The City undertook the community visioning project 2030 *imagine, engage, create* which was launched to the community at a family fun day at Mt Claremont Community Centre in October 2010. This visioning project was designed to engage our community in creating a shared vision for the future that both the community and City could work towards together. The project was carried out in three stages.

Stage one of the visioning project was the information gathering stage, where approximately 2100 participants provided over 8500 separate items of information. The consultation process and events were designed specifically for residents, local businesses, sporting clubs, community organisations, children, young people and seniors. The strategies used in consulting with these groups included workshops, surveys, sundowners, children's art competition, community events and activities.

Four vision statements emerged from the consultation process:

- built environment
- natural environment
- transport
- community connections.

Stage two of the project was the Our 2030 Conference, which was held at the University Club of WA in February 2011. The 2030 vision statements were unveiled and conference attendees spent a full day developing specific strategies to achieve the statements.

Stage three of the project will be the development of a community plan Our Vision 2030. A draft version of the community plan will be delivered to the community in 2011, where it will be open for comment. This draft will then be developed into the community's final document.

## **Communications and media**

The City's Communication Strategy sets a minimum standard for communicating with key stakeholders and outlined strategies to assist with the implementation of a customer-focused organisational culture.

Four key projects were highlighted to be implemented over the next two years to ensure clear, consistent messaging, the best use of communication resources and the timely, effective distribution of key information.

- Reaffirm and communicate the City's brand, functions services and identity.
- Improve the City's relationship with the community and encourage community involvement.
- Deliver effective internal communication.
- Effectively utilise electronic media.

The effective implementation of this strategy requires a commitment to communication by both Council and staff at all levels and across all departments.

Various tools used to inform the public in the last financial year included:

- full page advertisements published monthly in the *Post Newspaper*
- print advertisements in local papers on events, out-for comment projects and public notices
- media releases issued to all media outlets
- the City's website
- community information notice boards
- two editions annually of the City's newsletter distributed to all residents and businesses.



## ECONOMIC DEVELOPMENT



**To encourage an environment where local businesses can operate efficiently and effectively, in harmony with residential amenity and which provides services to the local and broader community.**

**Services provided under this key focus area:**

- economic development.

### **Local Business Association**

During 2010–11 the City consulted with local businesses on preferred options for setting up a local business association. Three options were considered. Setting up a completely new organisation, joining Local Chambers of Commerce or joining an existing business association. Local businesses decided to join forces with the Subiaco Business Association (SBA). The City has taken up a membership with SBA, as have a number of local businesses.



### **Business sundowners**

This year the City held two business sundowners giving local businesses an opportunity to meet with councillors and senior staff in a relaxed social setting. The first sundowner, held at Chellingworth Nedlands attracted over 60 attendees who were addressed by the Subiaco Business Association. The second event was hosted by the Hon Bill Marmion MLA at his offices in Nedlands. Over 25 people attended the event, which was addressed by Darren Lomman of

Dreamfit Foundation. Darren provided an insight into this inspirational foundation which engineers equipment for people with disabilities.

# ECONOMIC DEVELOPMENT

## Grants

The City secured more than \$3 million in grant monies this financial year. Of the grants secured, a small number were recurring income, with the remainder representing one-off grants for specific projects.

The one-off grants included:

Grant	Amount	Funding body
2011 Summer Concerts in the Park series	\$15 296	LotteryWest
Black Spot – Hampden and Gordon roads	\$16 000	Main Roads WA
Black Spot – Stirling Highway, Dalkieth Road	\$26 667	Main Roads WA
Black Spot – Alfred and Davies roads, Montgomery Avenue	\$61 000	Main Roads WA
Black Spot – Lemnos Street, Brockway Road	\$24 000	Main Roads WA
Road projects – Stephenson Avenue	\$262 619	Main Roads WA
Road projects – Underwood Avenue	\$427 569	Main Roads WA
River Bank Funding - Waratah Place	\$20 000	Swan River Trust
River Bank Funding - Point Resolution	\$72 138	Swan River Trust
Part of the funding for the refurbishment of John Leckie Pavillion	\$200 000	LotteryWest
Mt Claremont Oval - lighting	\$55 000	Department of Infrastructure, Transport, Regional Development and Local Government
Playground – Nedlands Park Infant Health Centre	\$20 000	LotteryWest
Protection of Swanbourne dunes	\$20 454	Western Australian Planning Commission
Community Safety and Crime Prevention	\$10 200	Office of Crime Prevention
Graffiti Collection Automation	\$15 386	Office of Crime Prevention
4Sure Music and Skate Festival	\$7000	Healthways



# COMPLAINT REGISTER

Council member about whom the complaint is made	Person making the complaint	Local government complaint no.	Description of minor breach	Action taken	Date the complaint was referred to the standards panel	Outcome of the standards panel consideration of the minor complaint
Cr. I. S. Argyle	Mr. C. Courtney	SP 12 of 2010	Breach alleged to have occurred under the Local Government (Rules of Conduct) Regulations 2007: Regulation 7 - Securing personal advantage or disadvantaging others; and Regulation 11 - Non-disclosure of interest adverse to impartiality	I. Reported to Standards Panel.	10 March 2010	Notice of Finding: 8 March 2011 - The Panel found that Councillor Argyle did not contravene regulation 7(1) or regulation 11 in the circumstances alleged in the complaint.
Cr. M.R. Hipkins	Cr. I. Tan	SP 14 of 2010	Breach alleged to have occurred under the Local Government (Rules of Conduct) Regulations 2007: Regulation 7 - Securing personal advantage or disadvantaging others;	I. Reported to Standards Panel.	20 April 2010	Notice of Finding: 3 November 2010 - The Local Government Standards Panel (the Panel) has made a finding of minor breach in this matter - namely, that on 25 March 2010 Councillor Hipkins committed a minor breach by breaching regulation 7(1)(a) of the Regulations in that he made improper use of his office of Council member to gain directly or indirectly an advantage for Ms Margot Grace by voluntarily giving evidence for her in her application to the State Administrative Tribunal for a review of the decision by the City of Nedlands to refuse a development approval application for the use of the Feast Cafe premises in the Nedlands Village shopping centre as a cafe/restaurant with 48 seats. (the breach)
Cr. I. S. Argyle	Mr. C. Courtney	SP 30 of 2010	Breach alleged to have occurred under the Local Government (Rules of Conduct) Regulations 2007: Regulation 4 – Breach of Meeting Procedures Local Law (Standing Orders) Regulation 7 - Securing personal advantage or disadvantaging others; and Regulation 11 - Non-disclosure of interest adverse to impartiality	I. Reported to Standards Panel.	22 July 2010	Notice of Finding: 8 March 2011 - The panel found that Councillor Argyle did not contravene standing order 41(1) of the, City's standings orders or any of regulations 6, 7 or 11 in the circumstances alleged in the complaint.

Council member about whom the complaint is made	Person making the complaint	Local government complaint no.	Description of minor breach	Action taken	Date the complaint was referred to the standards panel	Outcome of the standards panel consideration of the minor complaint
Cr. I.Tan	Mrs. K. Kikiros	SP 32 of 2010	Breach alleged to have occurred under the Local Government (Rules of Conduct) Regulations 2007: Regulation 7 - Securing personal advantage or disadvantaging others Regulation 8 - Misuse of local government resources Regulation 9 - Prohibition against involvement in administration Regulation 10 - Relations with local government employees Regulation 11 - Non-disclosure of interest adverse to impartiality	I. Reported to Standards Panel.	2 August 2010	Notice of Finding: 18 April 2011 – The Panel found that Councillor Tan did not commit any minor breach as alleged in the complaint.
Cr. I.Tan	Mr. K.W. Eastwood	SP 33 of 2010	Breach alleged to have occurred under the Local Government (Rules of Conduct) Regulations 2007: Regulation 7 - Securing personal advantage or disadvantaging others Regulation 11 - Non-disclosure of interest adverse to impartiality	I. Reported to Standards Panel.	9 August 2010	Notice of Finding: 18 April 2011 – The Panel found that Councillor Tan did not contravene regulation 7(1)(b) as alleged in the complaint.
Cr. M.R. Hipkins	Ms S. Minshall	SP 49 of 2010	Breach alleged to have occurred under the Local Government (Rules of Conduct) Regulations 2007: Regulation 7 - Securing personal advantage or disadvantaging others	I. Reported to Standards Panel.	8 September 2010	No outcome as at 30 June 2011.
Cr. M.R. Hipkins	Mr. J. R. Anderson for Hadley Holdings	SP 52 of 2010	Breach alleged to have occurred under the Local Government (Rules of Conduct) Regulations 2007: Regulation 7 - Securing personal advantage or disadvantaging others	I. Reported to Standards Panel.	21 September 2010	No outcome as at 30 June 2011.

## ELECTED MEMBERS ATTENDANCE

Elected Member	Council (11)	Special Council (4)	Council Committee (11)	Audit and Risk Committee (3)	Budget Committee (1)	CEO Performance Review Committee (4)	Sustainable Nedlands Committee (3)	Traffic Management (7)
Her Worship the Mayor, S.A. Froese	11	4	8	2	1	4	1	6
Cr. I.S. Argyle	11	3	11	3	1			6
Cr. J.D. Bell	9	3	6		0			2 *
Cr. R.M. Binks	11	4	11		1			6
Cr. K.E. Collins	8	3	11	3	0			
Cr. R.M. Hipkins	11	3	10		1		3	
Cr. B.G. Hodsdon	10	3	10	2	1	4	1	2
Cr. N.B.J. Horley	8	4	8		1			*
Cr. M.S. Negus	11	4	11		1	3	*	
Cr. K.A. Smyth	11	2	9		0	3		6
Cr. M.L. Somerville-Brown	10	4	11	3	0			7
Cr. I. Tan	10	4	11		1			3 *
Cr. B. Tyson	9	2	11		1	4	3	3

( ) Number of meetings held | \* Deputy Delegate | ■ Councillor not required to attend meeting

Elected Member	Nedlands Cultural and Community Society (4)	Nedlands Aged Persons Homes Trust (Inc.) (11)	Swan River Trust Board (1)	WA Local Government Association – Central (5)	Western Suburbs District Planning Committee (Nil did not meet during this period)	Western Suburbs Regional Organisation of Councils (WESROC) (3)
Her Worship the Mayor, S.A. Froese	4			3		3
Cr. I.S.Argyle						
Cr. J.D. Bell			1			
Cr. R.M. Binks						
Cr. K.E. Collins		*				
Cr. R.M. Hipkins				5		*
Cr. B.G. Hodsdon	0		*			
Cr. N.B.J. Horley		6				
Cr. M.S. Negus					*	
Cr. K.A. Smyth						
Cr. M.L. Somerville-Brown						
Cr. I. Tan						
Cr. B. Tyson	3					

( ) Number of meetings held | \* Deputy Delegate | ■ Councillor not required to attend meeting

# FINANCIAL REPORT

Statement by Chief Executive Officer	43
Statement of Comprehensive Income by Nature or Type	44
Statement of Comprehensive Income by Program	45
Statement of Financial Position	46
Statement of Changes in Equity	47
Statement of Cash Flows	48
Rate Setting Statement	49
Notes to and Forming Part of the Financial Report	50–87
Independent Audit Report	88–89

CITY OF NEDLANDS

FINANCIAL REPORT

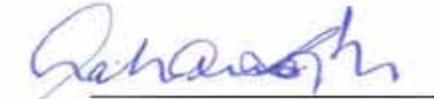
FOR THE YEAR ENDED 30TH JUNE 2011

LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Nedlands being the annual financial report and supporting notes and other information for the financial year ended 30th June 2011 are in my opinion properly drawn up to present fairly the financial position of the City of Nedlands at 30th June 2011 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 13 day of SEPTEMBER 2011



Graham Foster  
Chief Executive Officer

**CITY OF NEDLANDS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
<b>REVENUE</b>				
Rates	22	15,437,483	15,405,600	14,151,678
Operating Grants, Subsidies and Contributions	28	2,209,034	1,705,700	1,982,430
Fees and Charges	27	5,981,652	5,845,000	5,710,051
Service Charges	24	-	-	932,004
Interest Earnings	2(a)	1,055,723	844,000	718,309
Other Revenue		498,358	155,900	289,287
		<u>25,182,249</u>	<u>23,956,200</u>	<u>23,783,759</u>
<b>EXPENSES</b>				
Employee Costs		(8,525,104)	(8,392,000)	(7,890,853)
Materials and Contracts		(10,061,983)	(10,918,800)	(10,267,120)
Utility Charges		(694,691)	(666,500)	(544,436)
Depreciation on Non-Current Assets	2(a)	(5,667,375)	(5,546,400)	(3,216,889)
Interest Expenses	2(a)	(255,576)	(268,700)	(188,314)
Insurance Expenses		(291,474)	(306,500)	(168,519)
Other Expenditure		(540,271)	(470,600)	(397,599)
		<u>(26,036,474)</u>	<u>(26,569,500)</u>	<u>(22,673,729)</u>
		(854,225)	(2,613,300)	1,110,030
Non-Operating Grants, Subsidies and Contributions	28	1,184,449	1,144,900	1,733,467
Profit on Asset Disposals	20	145,769	69,000	98,321
Loss on Asset Disposal	20	(11,707)	(39,000)	(9,604)
<b>NET RESULT</b>		<b>464,287</b>	<b>(1,438,400)</b>	<b>2,932,213</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		21,683,357	-	41,093,672
<b>Total Other Comprehensive Income</b>		<u>21,683,357</u>	<u>-</u>	<u>41,093,672</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>22,147,644</u>	<u>(1,438,400)</u>	<u>44,025,885</u>

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

**CITY OF NEDLANDS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
<b>REVENUE</b>				
Governance		503,124	148,500	302,778
General Purpose Funding		17,286,517	16,876,100	16,575,899
Law, Order, Public Safety		51,636	49,000	219,624
Health		64,408	80,000	2,490
Education and Welfare		1,220,627	1,221,600	1,201,276
Community Amenities		3,947,839	3,907,400	3,642,338
Recreation and Culture		1,000,774	657,000	677,710
Transport		374,342	282,400	129,527
Economic Services		718,490	727,600	1,017,012
Other Property and Services		14,492	12,000	15,105
	2 (a)	<u>25,182,249</u>	<u>23,961,600</u>	<u>23,783,759</u>
<b>EXPENSES EXCLUDING FINANCE COSTS</b>				
Governance		(1,597,520)	(1,660,700)	(1,755,398)
General Purpose Funding		(467,075)	(445,100)	(359,456)
Law, Order, Public Safety		(804,761)	(849,100)	(778,098)
Health		(195,082)	(237,400)	(250,245)
Education and Welfare		(2,228,963)	(2,363,300)	(2,130,840)
Community Amenities		(4,365,197)	(4,691,900)	(4,261,738)
Recreation & Culture		(6,559,503)	(6,826,800)	(5,858,567)
Transport		(5,705,847)	(5,585,500)	(3,291,253)
Economic Services		(3,013,785)	(2,947,000)	(2,847,485)
Other Property and Services		(843,165)	(699,400)	(952,336)
	2 (a)	<u>(25,780,898)</u>	<u>(26,306,200)</u>	<u>(22,485,416)</u>
<b>FINANCE COSTS</b>				
Transport		(272)	-	(1,359)
General Purpose Funding		(255,304)	(268,700)	(186,955)
	2 (a)	<u>(255,576)</u>	<u>(268,700)</u>	<u>(188,314)</u>
<b>NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS</b>				
Recreation & Culture		9,223	-	160,000
Economic Services		-	-	55,000
Education & Welfare		-	-	28,648
Transport		1,175,226	1,144,900	1,489,819
		<u>1,184,449</u>	<u>1,144,900</u>	<u>1,733,467</u>
<b>PROFIT/(LOSS) ON DISPOSAL OF ASSETS</b>				
Profit		145,769	69,000	98,321
Loss		(11,707)	(39,000)	(9,604)
		<u>134,063</u>	<u>30,000</u>	<u>88,717</u>
<b>NET RESULT</b>		<b><u>464,287</u></b>	<b><u>(1,438,400)</u></b>	<b><u>2,932,213</u></b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-Current Assets		21,683,357	-	41,093,672
<b>Total Other Comprehensive Income</b>		<b><u>21,683,357</u></b>	<b><u>-</u></b>	<b><u>41,093,672</u></b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u><u>22,147,644</u></u></b>	<b><u><u>(1,438,400)</u></u></b>	<b><u><u>44,025,885</u></u></b>

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

**CITY OF NEDLANDS  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2011**

	NOTE	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	11,649,263	10,027,708
Trade and Other Receivables	4	954,182	822,397
Inventories	5	12,539	17,083
<b>TOTAL CURRENT ASSETS</b>		<b>12,615,984</b>	<b>10,867,188</b>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	4	261,190	313,488
Property, Plant and Equipment	6	56,108,872	33,562,969
Infrastructure	7	85,461,277	86,278,304
<b>TOTAL NON-CURRENT ASSETS</b>		<b>141,831,339</b>	<b>120,154,761</b>
<b>TOTAL ASSETS</b>		<b>154,447,323</b>	<b>131,021,949</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	2,904,545	3,620,637
Borrowings	9	917,010	135,474
Provisions	10	1,251,732	1,172,233
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,073,287</b>	<b>4,928,344</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	9	5,049,549	3,966,560
Provisions	10	160,291	110,494
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,209,840</b>	<b>4,077,054</b>
<b>TOTAL LIABILITIES</b>		<b>10,283,127</b>	<b>9,005,398</b>
<b>NET ASSETS</b>		<b>144,164,196</b>	<b>122,016,552</b>
<b>EQUITY</b>			
Retained Surplus		59,122,960	59,816,711
Reserves - Cash Backed	11	4,928,860	3,770,822
Reserves - Asset Revaluation	12	80,112,376	58,429,019
<b>TOTAL EQUITY</b>		<b>144,164,196</b>	<b>122,016,552</b>

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

**CITY OF NEDLANDS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	ASSET REVALUATION RESERVE \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2009</b>		56,252,673	4,402,647	17,335,347	77,990,667
Net Result		2,932,213	-	-	2,932,213
Total Other Comprehensive Income		-	-	41,093,672	41,093,672
Reserve Transfers		631,825	(631,825)	-	-
<b>Balance as at 30 June 2010</b>		<b>59,816,711</b>	<b>3,770,822</b>	<b>58,429,019</b>	<b>122,016,552</b>
Net Result		464,287	-	-	464,287
Total Other Comprehensive Income		-	-	21,683,357	21,683,357
Reserve Transfers		(1,158,038)	1,158,038	-	-
<b>Balance as at 30 June 2011</b>		<b>59,122,960</b>	<b>4,928,860</b>	<b>80,112,376</b>	<b>144,164,196</b>

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

**CITY OF NEDLANDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2011**

	NOTE	2011 \$	2011 Budget \$	2010 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		15,489,781	15,405,600	14,120,197
Operating Grants, Subsidies and Contributions		1,880,434	1,705,700	1,982,430
Fees and Charges		5,912,565	5,845,000	5,878,537
Service Charges		-	-	932,004
Interest Earnings		1,055,723	844,000	718,309
Goods and Services Tax		-	-	-
Other Revenue		448,748	155,900	289,287
		<u>24,787,251</u>	<u>23,956,200</u>	<u>23,920,764</u>
<b>Payments</b>				
Employee Costs		(8,382,752)	(8,392,000)	(7,806,287)
Materials and Contracts		(10,395,321)	(10,918,800)	(9,687,554)
Utility Charges		(694,691)	(666,500)	(544,436)
Insurance Expenses		(291,474)	(268,700)	(168,519)
Interest expenses		(301,602)	(306,500)	(188,314)
Goods and Services Tax		(29,718)	-	(6,214)
Other Expenditure		(540,271)	(470,600)	(397,599)
		<u>(20,635,829)</u>	<u>(21,023,100)</u>	<u>(18,798,923)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	13(b)	<u>4,151,422</u>	<u>2,933,100</u>	<u>5,121,841</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(2,557,845)	(2,421,300)	(1,375,494)
Payments for Construction of Infrastructure		(3,514,447)	(5,321,800)	(5,824,543)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		1,184,449	1,144,900	1,492,267
Proceeds from Sale of Plant & Equipment		493,450	299,100	361,444
<b>Net Cash Provided By (Used In) Investing Activities</b>		<u>(4,394,393)</u>	<u>(6,299,100)</u>	<u>(5,346,326)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(127,971)	(165,200)	(1,306,444)
Repayment of Finance Leases		(7,504)	-	(13,975)
Proceeds from New Debentures		2,000,000	2,000,000	2,000,000
<b>Net Cash Provided By (Used In) Financing Activities</b>		<u>1,864,525</u>	<u>1,834,800</u>	<u>679,581</u>
<b>Net Increase (Decrease) in Cash Held</b>		<u>1,621,555</u>	<u>(1,531,200)</u>	<u>455,096</u>
Cash at Beginning of Year		10,027,708	10,027,700	9,572,611
<b>Cash and Cash Equivalents at the End of the Year</b>	13(a)	<u><u>11,649,263</u></u>	<u><u>8,496,500</u></u>	<u><u>10,027,708</u></u>

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

**CITY OF NEDLANDS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2011**

	2011	2011 Budget
	\$	\$
<b>REVENUE</b>		
Governance	503,124	148,500
General Purpose Funding	1,849,034	1,470,500
Law, Order, Public Safety	51,636	49,000
Health	64,408	80,000
Education and Welfare	1,220,627	1,221,600
Community Amenities	3,947,839	3,907,400
Recreation and Culture	681,397	657,000
Transport	1,549,568	1,427,300
Economic Services	718,490	727,600
Other Property and Services	14,492	12,000
	<u>10,600,615</u>	<u>9,700,900</u>
<b>EXPENSES</b>		
Governance	(1,597,520)	(1,660,700)
General Purpose Funding	(722,582)	(713,800)
Law, Order, Public Safety	(804,761)	(849,100)
Health	(195,082)	(237,400)
Education and Welfare	(2,228,963)	(2,363,300)
Community Amenities	(4,365,197)	(4,691,900)
Recreation & Culture	(6,559,503)	(6,826,800)
Transport	(5,706,119)	(5,585,500)
Economic Services	(3,013,785)	(2,947,000)
Other Property and Services	(843,165)	(699,400)
	<u>(26,036,677)</u>	<u>(26,574,900)</u>
<b>Net Operating Result Excluding Rates</b>	(15,436,062)	(16,874,000)
<b>Adjustments for Cash Budget Requirements:</b>		
<b>Non-Cash Expenditure and Revenue</b>		
Movement in Accrued Interest	11,412	-
Movement in Deferred Pensioner Rates (Non-Current)	52,298	-
Movement in Accrued Salaries and Wages	13,056	-
Movement in Employee Benefit Provisions	79,499	-
Depreciation and Amortisation on Assets	5,667,375	5,546,400
<b>Capital Expenditure and Revenue</b>		
Purchase Land and Buildings	(1,364,134)	(1,424,800)
Purchase Infrastructure Assets - Roads	(2,720,892)	(4,494,600)
Purchase Infrastructure Assets - Parks	(793,555)	(827,200)
Purchase Plant and Equipment	(980,599)	(683,500)
Purchase Furniture and Equipment	(213,113)	(213,000)
Purchase of Investments		
Proceeds from Disposal of Assets	493,450	299,100
Repayment of Debentures	(135,475)	(165,200)
Proceeds from New Debentures	2,000,000	2,000,000
Self-Supporting Loan Principal Income		
Transfers to Reserves (Restricted Assets)	(1,873,038)	(727,000)
Transfers from Reserves (Restricted Assets)	715,000	716,100
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd	2,303,497	2,303,500
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd	3,256,202	836,700
<b>Amount Required to be Raised from Rates</b>	<u>(15,437,483)</u>	<u>(15,405,600)</u>

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

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this financial report are:

**(a) Basis of Preparation**

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations.

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

***Critical Accounting Estimates***

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

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

**(b) The Local Government Reporting Entity**

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

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

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 19 to these financial statements.

**(c) Goods and Services Tax**

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the statement of financial position are stated inclusive of applicable GST.

**(d) Cash and Cash Equivalents**

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

Bank overdrafts are shown as short term borrowings in current liabilities on the statement of financial position.

**(e) Trade and Other Receivables**

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (f) Inventories

#### **General**

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

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

#### **Land Held for Resale**

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until Finance costs and holding charges incurred after development is completed are expensed.

Revenue arising from the sale of property is recognised in the statement of comprehensive income as at the time of signing an unconditional contract of sale.

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

### (g) Fixed Assets

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

#### **Initial Recognition**

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

#### **Revaluation**

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (g) Fixed Assets (Continued)

#### **Land under Roads**

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

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

#### **Depreciation of Non-Current Assets**

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	20 years
Gravel roads formation	not depreciated
pavement	50 years
gravel sheet	12 years
Formed roads (unsealed) formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (g) Fixed Assets (Continued)

#### ***Depreciation of Non-Current Assets (Continued)***

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 with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### ***Capitalisation Threshold***

Expenditure on items of equipment under \$500 is not capitalised. Rather, it is recorded on an asset inventory listing.

### (h) Financial Instruments

#### ***Initial Recognition and Measurement***

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

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

#### ***Classification and Subsequent Measurement***

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

#### ***Amortised cost is calculated as:***

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments;
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount
- (d) less any reduction for impairment.

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (h) Financial Instruments (Continued)

#### ***Amortised cost is calculated as: (Continued)***

##### (ii) Loans and receivables

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

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period (classified as non-current assets).

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

If the Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

##### (iv) Available-for-sale financial assets

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

Available-for-sale financial assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period (classified as current assets).

##### (v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

#### ***Impairment***

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (h) Financial Instruments (Continued)

#### (i) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

#### (j) Impairment

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 *'Impairment of Assets'* and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

#### (k) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (l) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

#### (i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employees services provided to reporting date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

#### (ii) Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where the Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

### (m) 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.

### (n) Provisions

Provisions are recognised when:

- a) the Council has a present legal or constructive obligation as a result of past events;
- b) for which it is probable that an outflow of economic benefits will result to settle the obligation; and
- c) 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.

Provisions are not recognised for future operating losses.

### (o) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present

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

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

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

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (p) Joint Venture

The Council's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. The Council has no joint ventures.

### (q) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

### (r) Superannuation

The Council contributes to a number of superannuation funds on behalf of employees.

### (s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

### (t) Rounding Off Figures

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

### (u) Comparative Figures

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

### (v) Budget Comparative Figures

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

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2011.

Council's assessment of these new standards and interpretation is set out below:

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i)	AASB 9 – Financial Instruments	December 2009	01 January 2013	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
(ii)	AASB 124 – Related Party Disclosures	December 2009	01 January 2011	Nil – It is not anticipated the Council will have any related parties as defined by the Standard.
(iii)	AASB 1053 - Application of Tiers of Australian Accounting Standards	June 2010	01 July 2013	Nil - Due to its nature and statutory requirements the Council will be deemed a Tier 1 entity and will continue to prepare general purpose financial statements.
(iv)	AASB 2009 -12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	December 2009	01 January 2011	Nil – The revisions embodied in this standard relate to standards which do not apply to local government (ie AASB8) or are largely editorial in nature and will have minimal effect (if any) on the accounting practices of the Council.
(v)	AASB 2009– 11 Amendments to Australian Accounting Standards arising from AASB 9  [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2009	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(vi)	AASB 2010 - 2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	June 2010	01 July 2013	Nil - None of these amendments will have any effect on the financial report as the standard does not apply in the case of general purpose financial statements.
(vii)	AASB 2010 - 4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101, 134, and Interpretation 13]	June 2010	01 January 2011	Nil - The revisions are part of the AASB's annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs. It is not anticipated these will have any effect on the Council.

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Title and Topic	Issued	Applicable (*)	Impact
(viii)	AASB 2010 - 5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	October 2010	01 January 2011	Nil - The revisions embodied in this standard are largely editorial in nature or relate to standards not applicable to the Council and will have minimal effect (if any) on the accounting practices of the Council.
(ix)	AASB 2010 - 6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]	November 2010	01 July 2011	Nil - The revisions embodied in this standard amend disclosures required on transfers of financial assets. The Council is not expected to have any qualifying transfers.
(x)	AASB 2010 – 7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12)	December 2010	01 January 2013	Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).
(xi)	AASB 2010 - 8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets [AASB 1 & 7]	December 2010	01 January 2012	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2010 - 9 Amendments to Australian Accounting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	December 2010	01 July 2011	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2009– 14 Amendments to Australian Interpretations – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	December 2009	01 January 2011	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	AASB 2010 - 10 Further Amendments to Australian Accounting Standards - Removal of Fixed Dates for First-time Adopters [AASB 2009 - 11 & 2010 - 7]	December 2010	01 January 2013	Nil - None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.

Notes:

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

## 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (x) Adoption of New and Revised Accounting Standards

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

These new and revised standards were:

AASB 2009 - 5  
AASB 2009 - 8  
AASB 2009 - 10  
AASB 2009 - 13  
AASB 2010 - 1  
AASB 2010 - 3

Interpretation 19

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

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

<b>2. REVENUE AND EXPENSES</b>	<b>2011</b>	<b>2010</b>	
	<b>\$</b>	<b>\$</b>	
<b>(a) Net Result</b>			
The Net Result includes:			
(i) Charging as an Expense:			
<b>Auditors Remuneration</b>			
- Audit	17,140	15,550	
<b>Depreciation</b>			
Buildings	378,309	364,031	
Furniture and Equipment	306,425	335,368	
Plant and Equipment	651,178	599,966	
Roads	3,306,904	1,092,904	
Footpaths	392,573	370,677	
Drainage	194,170	74,204	
Street Furniture	-	11,906	
Parks, Gardens and Reserves	437,816	367,833	
	<u>5,667,375</u>	<u>3,216,889</u>	
<b>Interest Expenses (Finance Costs)</b>			
Debentures & HP interest	255,576	188,314	
	<u>255,576</u>	<u>188,314</u>	
(ii) Crediting as Revenue:	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
<b>Interest Earnings</b>			
Investments			
- Reserve Funds	230,212	210,000	209,429
- Other Funds	653,928	500,000	382,049
Other Interest Revenue (Refer Note 26)	171,583	134,000	126,830
	<u>1,055,723</u>	<u>844,000</u>	<u>718,309</u>

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
STATEMENT BY CHIEF EXECUTIVE OFFICER**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, the City of Nedlands has developed operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this report encompass the following service orientated activities/programs:

**GOVERNANCE**

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

**Activities:** Includes the activities of members of council, the administrative support available to the council for the provision of governance of the district, and corporate services.

**GENERAL PURPOSE FUNDING**

**Objective:** To collect revenue to allow for the provision of services.

**Activities:** Rates, general purpose government grants, and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**Activities:** Supervision and enforcement of various local laws relating to fire prevention, animal control and protection of the environment and other aspects of public safety including emergency services.

**HEALTH**

**Objective:** To provide services that will ensure a healthy environment.

**Activities:** Regulation and monitoring of food premises, and management of pest control.

**EDUCATION AND WELFARE**

**Objective:** To provide services that will assist the elderly to enjoy meaningful, independent living and child care services

**Activities:** Home and Community Care (HACC) services, Meals on Wheels, Seniors' activities and Occasional Child Care services.

**COMMUNITY AMENITIES**

**Objective:** To provide services required by the community.

**Activities:** Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

## 2. REVENUE AND EXPENSES (Continued)

### (b) Statement of Objective (Continued)

#### RECREATION AND CULTURE

**Objective:** To establish and effectively manage infrastructure and resources which will help the social well being of the community.

**Activities:** Maintenance of public halls, civic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, and facilitating of cultural activities.

#### TRANSPORT

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

**Activities:** Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting, drainage etc. Control of parking and enforcement of parking local laws.

#### ECONOMIC SERVICES

**Objective:** To help promote the City and it's economic wellbeing.

**Activities:** Maintenance of the City's buildings and natural areas. Building control.

#### OTHER PROPERTY AND SERVICES

**Objective:** To monitor and control council's overheads operating accounts.

**Activities:** Private works operation, plant repair and operation costs and infrastructure services

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function/ Activity	Opening Balance (*) 01/07/09 \$	Received (+) 2009/10 \$	Expended (#) 2009/10 \$	Closing Balance (*) 30/06/10 \$	Received (+) 2010/11 \$	Expended (#) 2010/11 \$	Closing Balance 30/06/11 \$
Community Development	Grants Operation		34,046		4,500	29,546		4,500
Natural Areas			269,834	(234,804)	35,030	103,948	134,219	4,759
Office of Crime Prevention	Graffiti Software					15,386	-	15,386
Swan River Trust	River wall					250,000	-	250,000
<b>Total</b>		-	<b>269,834</b>	<b>(234,804)</b>	<b>35,030</b>	<b>403,380</b>	<b>163,765</b>	<b>274,645</b>

**Notes:**

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

(+) - 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.

(#) - 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.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	5,022,545	4,701,945
Restricted	<u>6,626,718</u>	<u>5,325,763</u>
	<u><u>11,649,263</u></u>	<u><u>10,027,708</u></u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Plant Replacement Reserve	207,488	197,130
City Development Reserve	1,405,918	1,387,206
North St Reserve	1,014,393	638,357
Welfare Reserve	370,047	348,131
Services Reserve	1,137,417	268,218
Insurance Reserve	48,843	46,179
Waste Management Infrastructure Reserve	131,942	124,066
Building Replacement Reserve	512,405	666,886
Swanbourne Reserve	100,407	94,649
Adelma Account	101,481	
Provision for Long Service Leave	160,291	110,494
Bonds and Deposits	1,161,440	1,444,447
Unspent Grants	<u>274,645</u>	
	<u><u>6,626,718</u></u>	<u><u>5,325,763</u></u>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	218,220	315,970
Sundry Debtors	497,199	297,408
Less: Provision for Doubtful Debts	(11,473)	(16,983)
Other Receivables	32,982	38,465
GST Receivable	<u>217,255</u>	<u>187,537</u>
	<u><u>954,182</u></u>	<u><u>822,397</u></u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	<u>261,190</u>	<u>313,488</u>
	<u><u>261,190</u></u>	<u><u>313,488</u></u>
<b>5. INVENTORIES</b>		
<b>Current</b>		
Fuel and Oil	<u>12,539</u>	<u>17,083</u>
	<u><u>12,539</u></u>	<u><u>17,083</u></u>

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>		
Land - Independent Valuation	29,344,000	16,990,000
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
	29,344,000	16,990,000
Buildings - Independent Valuation	22,690,000	14,744,013
Less: Accumulated Depreciation	<u>-</u>	<u>(2,337,747)</u>
	22,690,000	12,406,265
Furniture and Equipment - Cost	3,604,793	3,467,745
Less: Accumulated Depreciation	<u>(2,797,564)</u>	<u>(2,563,391)</u>
	807,229	904,354
Plant and Equipment - Cost	5,289,887	5,141,763
Less: Accumulated Depreciation	<u>(2,022,245)</u>	<u>(1,879,414)</u>
	3,267,643	3,262,349
	<u>56,108,872</u>	<u>33,562,969</u>

The valuations for land and buildings were carried out by Mr. Martin McEaney (Licensed Valuer No. 44551) on 30 June 2011.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**6a. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**Movements in Carrying Amounts**

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	<b>Land</b>	<b>Buildings</b>	<b>Furniture &amp; Equipment</b>	<b>Plant &amp; Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance as at the beginning of the year	16,990,000	12,406,265	904,355	3,262,350	33,562,970
Additions	-	1,364,134	213,113	980,599	2,557,845
(Disposals)	-	-	(3,814)	(355,575)	(359,389)
Revaluation - Increments	12,354,000	9,297,909	-	31,447	21,683,356
Depreciation (Expense)	-	(378,308)	(306,425)	(651,178)	(1,335,911)
<b>Carrying amount at the end of year</b>	<b><u>29,344,000</u></b>	<b><u>22,690,000</u></b>	<b><u>807,229</u></b>	<b><u>3,267,643</u></b>	<b><u>56,108,872</u></b>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	2011 \$	2010 \$
<b>7. INFRASTRUCTURE</b>		
Roads - Independent Valuation	67,965,325	66,000,000
Less Accumulated Depreciation	<u>(3,300,000)</u>	<u>-</u>
	64,665,325	66,000,000
Footpaths - Cost	8,343,155	7,851,458
Less Accumulated Depreciation	<u>(2,048,422)</u>	<u>(1,655,848)</u>
	6,294,734	6,195,610
Drainage - Independent Valuation	7,048,341	6,795,951
Less Accumulated Depreciation	<u>(194,170)</u>	<u>-</u>
	6,854,171	6,795,951
Parks - Cost	7,254,839	6,461,284
Less Accumulated Depreciation	<u>(1,443,680)</u>	<u>(1,120,616)</u>
	5,811,159	5,340,668
Reticulation - Cost	2,295,040	2,295,040
Less Accumulated Depreciation	<u>(678,814)</u>	<u>(564,062)</u>
	1,616,226	1,730,978
Street Furniture - Cost	240,836	133,936
Less Accumulated Depreciation	<u>(117,832)</u>	<u>(133,936)</u>
	123,005	-
Rights of Ways - Cost	159,987	159,987
Less Accumulated Depreciation	<u>(63,328)</u>	<u>(56,424)</u>
	96,658	103,563
<b>Sub-Total</b>	85,461,277	86,166,770
<b>Work-in-Progress</b>	<u>-</u>	<u>111,525</u>
<b>Grand Total</b>	<u><u>85,461,277</u></u>	<u><u>86,278,304</u></u>

Council has adopted a policy of re-valuing with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. The independent valuation was last carried out at 30 June 2010.

This policy also accords with AASB 116.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**7a. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

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

	<b>Roads</b>	<b>Footpaths</b>	<b>Drainage</b>	<b>Parks and Ovals</b>	<b>Reticulation</b>	<b>Street Furniture</b>	<b>Right of Ways</b>	<b>Work-in Progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>			<b>\$</b>
Balance at the beginning of the year	66,000,000	6,195,610	6,795,951	5,340,668	1,730,978	-	103,563	111,525	86,278,304
Additions	1,965,325	491,697	252,391	793,555	-	123,005	-	(111,525)	3,514,447
Revaluation - Increments	-	-	-	-	-	-	-	-	-
Depreciation (Expense)	(3,300,000)	(392,573)	(194,170)	(323,064)	(114,752)	-	(6,904)	-	(4,331,463)
<b>Carrying amount at the end of year</b>	<b>64,665,325</b>	<b>6,294,734</b>	<b>6,854,172</b>	<b>5,811,159</b>	<b>1,616,226</b>	<b>123,005</b>	<b>96,659</b>	<b>-</b>	<b>85,461,277</b>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>8. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	1,314,200	1,271,028
Bonds and Deposits	1,161,440	1,444,447
Accrued Interest on Debentures	144,055	633,369
Accrued Salaries and Wages	284,850	271,794
	<u>2,904,545</u>	<u>3,620,637</u>
<b>9. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge		
Debentures	917,010	127,972
HP Loan	-	7,502
	<u>917,010</u>	<u>135,474</u>
<b>Non-Current</b>		
Secured by Floating Charge		
Debentures	5,049,549	3,966,560
HP Loan	-	-
	<u>5,049,549</u>	<u>3,966,560</u>
Additional detail on borrowings is provided in Note 21.		
<b>10. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	670,632	648,805
Provision for Long Service Leave	581,100	523,428
	<u>1,251,732</u>	<u>1,172,233</u>
<b>Non-Current</b>		
Provision for Long Service Leave	160,291	110,494
	<u>160,291</u>	<u>110,494</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	2011	2011 Budget	2010
	\$	\$	\$
<b>11. RESERVES - CASH BACKED</b>			
<b>(a) Plant Replacement Reserve</b>			
Opening Balance	197,130	197,117	141,917
Amount Set Aside / Transfer to Reserve	410,358	372,605	55,213
Amount Used / Transfer from Reserve	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
	<u>207,488</u>	<u>169,722</u>	<u>197,130</u>
<b>(b) City Development Reserve</b>			
Opening Balance	1,387,205	1,390,364	1,388,390
Amount Set Aside / Transfer to Reserve	83,713	83,423	65,355
Amount Used / Transfer from Reserve	<u>(65,000)</u>	<u>(66,100)</u>	<u>(66,540)</u>
	<u>1,405,918</u>	<u>1,407,687</u>	<u>1,387,205</u>
<b>(c) North Street Reserve</b>			
Opening Balance	638,356	645,294	882,802
Amount Set Aside / Transfer to Reserve	376,037	38,722	35,554
Amount Used / Transfer from Reserve		-	<u>(280,000)</u>
	<u>1,014,393</u>	<u>684,016</u>	<u>638,356</u>
<b>(d) Welfare Reserve</b>			
Opening Balance	348,130	350,356	401,895
Amount Set Aside / Transfer to Reserve	21,917	22,914	16,235
Amount Used / Transfer from Reserve		-	<u>(70,000)</u>
	<u>370,047</u>	<u>373,270</u>	<u>348,130</u>
<b>(e) Services Reserve</b>			
Opening Balance	268,218	271,733	628,633
Amount Set Aside / Transfer to Reserve	919,199	148,952	23,585
Amount Used / Transfer from Reserve	<u>(50,000)</u>	<u>(50,000)</u>	<u>(384,000)</u>
	<u>1,137,417</u>	<u>370,685</u>	<u>268,218</u>
<b>(g) Insurance Reserve</b>			
Opening Balance	46,179	45,924	43,724
Amount Set Aside / Transfer to Reserve	2,664	2,755	2,455
Amount Used / Transfer from Reserve		-	-
	<u>48,843</u>	<u>48,679</u>	<u>46,179</u>
<b>(i) Waste Management Infrastructure Reserve</b>			
Opening Balance	124,066	124,130	118,030
Amount Set Aside / Transfer to Reserve	7,876	7,448	6,036
Amount Used / Transfer from Reserve		-	-
	<u>131,942</u>	<u>131,578</u>	<u>124,066</u>
<b>(j) Building Replacement Reserve</b>			
Opening Balance	666,886	670,580	675,214
Amount Set Aside / Transfer to Reserve	45,519	25,240	32,672
Amount Used / Transfer from Reserve	<u>(200,000)</u>	<u>(200,000)</u>	<u>(41,000)</u>
	<u>512,405</u>	<u>495,820</u>	<u>666,886</u>
<b>(l) Swanbourne Reserve</b>			
Opening Balance	94,650	94,588	-
Amount Set Aside / Transfer to Reserve	5,757	5,675	94,650
Amount Used / Transfer from Reserve		-	-
	<u>100,407</u>	<u>100,263</u>	<u>94,650</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u><b>4,928,861</b></u>	<u><b>3,781,720</b></u>	<u><b>3,770,820</b></u>

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**11. RESERVES - CASH BACKED (Continued)**

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

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

**Plant Replacement Reserve**

To provide for the replacement of Council's plant and equipment so that the cost is spread over a number of years. The use of funds in this reserve is ongoing.

**City Development Reserve**

To fund the improvement of Property, Plant and Equipment. The use of funds in this reserve is ongoing.

**North Street Reserve**

To fund the operational and capital costs of community facilities in Mt Claremont, community and recreation facilities in Swanbourne and infrastructure generally. Use of this reserve is ongoing.

**Welfare Reserve**

To fund the operational and capital costs of welfare services. The use of funds in this reserve is ongoing.

**Services Reserve**

To provide funds for the purchase of land for parking areas, streets, depots etc. town planning schemes, valuation and legal expenses, items of works of an urgent nature such as drainage, street works, provision of street lighting and buildings maintenance. The use of funds in this reserve is ongoing.

**Swanbourne Reserve**

Set-up during the year with proceeds of the insurance claim arising from the fire of Council property in Swanbourne, for future development in that suburb.

**Insurance Reserve**

To cover any excess that may arise from having a performance based workers compensation premium.

**Waste Management Infrastructure Reserve**

To provide for the replacement of Council's Rubbish Bin stock so that the cost is spread over a number of years. The use of funds in this reserve is ongoing.

**Building Replacement Reserve**

To fund the upgrade and/or replacement of Council's buildings. The use of this reserve is ongoing.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>12. RESERVES - ASSET REVALUATION</b>		
Asset revaluation reserves have arisen on revaluation of the following classes of non-current assets:		
Revaluations prior to 30th June 2009	17,335,347	17,335,347
<b>(a) Land</b>		
Opening balance	-	-
Revaluation Increment	12,354,000	-
Revaluation Decrement	-	-
	<u>12,354,000</u>	<u>-</u>
<b>(b) Buildings</b>		
Opening balance	-	-
Revaluation Increment	9,297,909	-
Revaluation Decrement	-	-
	<u>9,297,909</u>	<u>-</u>
<b>(c) Plant &amp; Equipment</b>		
Opening Balance	-	-
Revaluation Increment	31,447	-
Revaluation Decrement	-	-
	<u>31,447</u>	<u>-</u>
<b>(d) Roads</b>		
Opening Balance	39,126,980	-
Revaluation Increment	-	39,126,980
Revaluation Decrement	-	-
	<u>39,126,980</u>	<u>39,126,980</u>
<b>(e) Drainage</b>		
Opening Balance	1,966,692	-
Revaluation Increment	-	1,966,692
Revaluation Decrement	-	-
	<u>1,966,692</u>	<u>1,966,692</u>
<b>TOTAL ASSET REVALUATION RESERVES</b>	<b>80,112,375</b>	<b>58,429,019</b>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**13. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the statement of cash flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows:

	2011	2011 Budget	2010
	\$	\$	\$
Cash and Cash Equivalents	<u>11,649,263</u>	<u>8,496,500</u>	<u>10,027,708</u>

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

Net Result	464,287	(1,438,400)	2,932,213
Depreciation	5,667,375	5,546,400	3,216,889
(Profit)/Loss on Sale of Asset	(134,063)	(30,000)	(88,717)
(Increase)/Decrease in Receivables	(79,487)	100,000	130,780
(Increase)/Decrease in Inventories	4,544	-	(1,202)
Increase/(Decrease) in Payables	(716,081)	(150,000)	413,995
Increase/(Decrease) in Employee Provisions	129,296	50,000	10,150
Grants/Contributions for the Development of Assets	<u>(1,184,449)</u>	<u>(1,144,900)</u>	<u>(1,492,267)</u>
Net Cash from Operating Activities	<u>4,151,422</u>	<u>2,933,100</u>	<u>5,121,841</u>

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Bank Overdraft limit	500,000	500,000	500,000
Bank Overdraft at Balance Date	-	-	-
Credit Card limit	25,000	25,000	25,000
Credit Card Balance at Balance Date	<u>8,281</u>	<u>6,000</u>	<u>2,567</u>
<b>Total Amount of Credit Unused</b>	<u>533,281</u>	<u>531,000</u>	<u>527,567</u>

**Loan Facilities**

Loan Facilities - Current	917,010	917,000	135,474
Loan Facilities - Non-Current	<u>5,049,549</u>	<u>4,858,900</u>	<u>3,966,560</u>
<b>Total Facilities in Use at Balance Date</b>	<u>5,966,559</u>	<u>5,775,900</u>	<u>4,102,034</u>

<b>Unused Loan Facilities at Balance Date</b>	<u>-</u>	<u>-</u>	<u>-</u>
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**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>14. CONTINGENT LIABILITIES</b>		
No claims outstanding.		
<b>15. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Finance Lease Commitments</b>		
Nil		
<b>(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	90,038	27,440
- later than one year but not later than five years	96,918	39,243
- later than five years	-	-
	<u>186,956</u>	<u>66,683</u>
<b>(c) Capital Expenditure Commitments</b>		
Contracted for:		
- capital expenditure projects	215,413	466,000
Payable:		
- not later than one year	215,413	466,000
The capital expenditure project outstanding at the end of the current reporting period represents the renovation of the Maisonettes and the upgrade of Peace Memorial Rose Garden.		

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>16. JOINT VENTURE</b>		
The City has not entered into any joint venture agreements.		
 <b>17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
Governance	32,161,188	18,170,494
General Purpose Funding	-	-
Law, Order, Public Safety	1,422,326	1,235,334
Health	621,478	683,587
Education and Welfare	2,899,752	1,336,454
Community Amenities	82,429	19,631
Recreation and Culture	21,735,033	15,552,152
Transport	81,578,610	82,080,831
Economic Services	20,332	313,152
Other Property and Services	13,926,174	11,630,314
	<u>154,447,323</u>	<u>131,021,949</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

<b>18. FINANCIAL RATIOS</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Current Ratio	1.53 : 1.0	1.59 : 1.0	1.31 : 1.0
Untied Cash to Unpaid Trade Creditors Ratio	3.82 : 1.0	2.47 : 1.0	3.66 : 1.0
Debt Ratio	6.7%	6.9%	9.2%
Debt Service Ratio	1.5%	6.3%	5.9%
Gross Debt to Revenue Ratio	23.6%	17.2%	14.8%
Gross Debt to Economically Realisable Assets Ratio	8.6%	9.2%	7.6%
Rate Coverage Ratio	59.1%	59.3%	52.9%
Outstanding Rates Ratio (excluding Deferred Rates)	1.4%	2.2%	1.9%

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**19. TRUST FUNDS**

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

	<b>Balance 1 July 2010 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid \$</b>	<b>Balance 30 June 2011 \$</b>
Unclaimed Monies	20,777	30	(1,375)	19,432
Charity donation by staff	4,280	3,577	(1,146)	6,711
	<u>25,057</u>			<u>26,143</u>

**20. DISPOSALS OF ASSETS - 2010/11 FINANCIAL YEAR**

The following assets were disposed of during the year.

	<b>Net Book Value</b>		<b>Sale Price</b>		<b>Profit (Loss)</b>	
	<b>Actual \$</b>	<b>Budget \$</b>	<b>Actual \$</b>	<b>Budget \$</b>	<b>Actual \$</b>	<b>Budget \$</b>
Plant & Equipment	355,575	260,100	493,450	299,100	137,875	39,000
Furniture & Equipment	3,812	9,000	-	-	(3,812)	(9,000)
	<u>359,387</u>	<u>269,100</u>	<u>493,450</u>	<u>299,100</u>	<u>134,063</u>	<u>30,000</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**21. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal \$	New Loans \$	Principal Repayments		Principal 30/06/2011		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Community Amenities</b>								
New Bin Stock - Loan 178**	658,105		60,469	61,300	597,636	597,700	37,851	38,700
Roads Infrastructure - Loan 179**	1,436,426		67,502	67,500	1,368,924	1,368,900	85,605	86,100
Buildings & Roads - Loan 180**	2,000,000	2,000,000	-	154,300	2,000,000	1,845,700	116,933	112,700
Building & Infrastructure - Loan 181**			-	36,400	2,000,000	1,963,600	14,915	31,200
	4,094,531	2,000,000	127,971	319,500	5,966,560	5,775,900	255,304	268,700

\*\* Repayments for loans 178, 179, 180 and 181 are financed from general purpose revenue.

(b) New Debentures - 2010/11

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Building & Infrastructure - Loan 181	2,000,000	2,000,000	WA Treasury	Fixed Interest, Principal & Interest Payment	10 years	674,419	5.91 % pa	2,000,000	2,000,000	-

(c) Unspent Debentures  
Council had no unspent debenture funds as at 30th June 2011.

(d) Overdraft  
Council has not utilised an overdraft facility during the financial year although an overdraft facility of \$500,000 with the National Australia Bank

CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011

22. RATING INFORMATION - 2010/11 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>Differential General Rate</b>											
GRV - Residential	0	5,653	199,299,277	10,778,104	70,362		10,848,466	10,709,200	(148,000)	-	10,561,200
GRV - Non Residential	0	366	28,615,157	2,153,577	35,232		2,188,809	2,156,600	-	-	2,156,600
<b>Sub-Totals</b>		6,019	227,914,434	12,931,681	105,594	-	13,037,275	12,865,800	(148,000)	-	12,717,800
<b>Minimum Rates</b>											
	<b>Minimum \$</b>										
GRV - Residential	992	2,248	31,402,718	2,230,016	(30,661)		2,199,355	2,245,100	(15,400)	-	2,229,700
GRV - Non Residential	1,348	148	1,619,208	199,504	1,348		200,852	199,500	-	-	199,500
<b>Sub-Totals</b>		2,396	33,021,926	2,429,520	(29,313)	-	2,400,207	2,444,600	(15,400)	-	2,429,200
Specified Area Rate (refer note 23)							15,437,483				15,147,000
Discounts (refer note 25)							15,437,483				15,147,000
<b>Totals</b>							15,437,483				15,147,000

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**23. SPECIFIED AREA RATE - 2010/11 FINANCIAL YEAR**

The City of Nedlands did not levy any Special Area Rate in 2010/11 year.

**24. SERVICE CHARGES - 2010/11 FINANCIAL YEAR**

The City did not levy any Service Charges in 2010/11 year.

**25. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2010/11 FINANCIAL YEAR**

There were no discounts, incentives, concessions or write-offs during the 2010/11 financial year.

**26. INTEREST AND INSTALMENT CHARGES- 2010/11 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		54,668	40,000
ESL Interest Income			23,411	3,000
Interest on Instalments Plan	5.00%		76,543	75,000
Deferred Rates Interest			16,962	16,000
<b>Total Interest Charge</b>			<b>171,583</b>	<b>134,000</b>
Charges on Instalment Plan		18	40,344	38,000
<b>Total Instalment Charge</b>			<b>40,344</b>	<b>38,000</b>

Ratepayers had the option of paying rates in four equal instalments, due on 17th August 2010, 18th October 2010, 20th December 2010 and 21st February 2011. Administration charges and interest applied for the final three instalments.

**27. FEES & CHARGES**

	2011 \$	2010 \$
Governance	74,844	106,068
General Purpose Funding	56,662	37,590
Law, Order, Public Safety	34,311	34,619
Health	63,542	2,490
Education and Welfare	349,794	363,539
Community Amenities	3,913,581	3,562,746
Recreation and Culture	567,091	529,841
Transport	318,480	244,265
Economic Services	588,855	813,788
Other Property and Services	14,492	15,105
	<u>5,981,652</u>	<u>5,710,051</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**28. GRANT REVENUE**

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

<b>By Nature and Type:</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Operating Grants, Subsidies and Contributions	2,209,034	1,982,430
Non-Operating Grants, Subsidies and Contributions	1,184,449	1,733,467
	<u>3,393,483</u>	<u>3,715,897</u>
<b>By Program:</b>		
Governance	-	74,139
General Purpose Funding	736,444	729,158
Law, Order, Public Safety	17,222	-
Education and Welfare	933,247	865,083
Community Amenities	103,948	-
Recreation and Culture	375,920	253,677
Transport	1,226,702	1,540,222
Economic Services	-	253,618
	<u>3,393,483</u>	<u>3,715,897</u>

**29. ELECTED MEMBERS REMUNERATION**

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

	<b>2011</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	98,447	98,000	97,947
Mayor's Allowance	39,730	39,500	41,711
Deputy Mayor's Allowance	9,930	9,900	9,579
Information Technology Allowance	10,394	10,100	8,444
Travelling Expenses	300	-	291
Telecommunications Allowance	12,147	11,700	9,758
	<u>170,948</u>	<u>169,200</u>	<u>167,730</u>

**30. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

	<b>2011</b>	<b>2010</b>
	<u>139</u>	<u>130</u>

**31. MAJOR LAND TRANSACTIONS**

The City did not undertake any major land transaction during the 2010/11 financial year.

**32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The City did not participate in any trading undertakings or major trading undertakings during the 2010/11 financial year.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**33. FINANCIAL RISK MANAGEMENT**

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash and cash equivalents	11,649,263	10,027,708	11,649,263	10,027,708
Receivables	<u>1,215,372</u>	<u>1,135,885</u>	<u>1,215,372</u>	<u>1,135,885</u>
	<u><u>12,864,635</u></u>	<u><u>11,163,593</u></u>	<u><u>12,864,635</u></u>	<u><u>11,163,593</u></u>
<b>Financial Liabilities</b>				
Payables	2,904,545	3,620,637	2,904,545	3,620,637
Borrowings	<u>5,966,559</u>	<u>4,102,034</u>	<u>4,218,769</u>	<u>3,386,329</u>
	<u><u>8,871,104</u></u>	<u><u>7,722,671</u></u>	<u><u>7,123,314</u></u>	<u><u>7,006,966</u></u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables - estimated to 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.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

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

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

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

Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees. Council also seeks advice from independent advisers (where applicable) before placing any cash and investments.

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Impact of a 2% (*) movement in interest rates on cash and investments:		
- Equity	233,000	200,600
- Statement of Comprehensive Income	233,000	200,600

**Notes:**

(\*) Sensitivity percentages based on management's expectation of future possible market movements. Recent market volatility has seen large market movements for certain types of investments.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2011**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

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

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

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

	<b>2011</b>	<b>2010</b>
<b>Percentage of Outstanding Rates and Annual Charges</b>		
- Excluding Deferred Pensioners	1.41%	2.23%
- Including Deferred Pensioners	3.11%	4.45%
<b>Percentage of Other Receivables</b>		
- Current	88.77%	85.05%
- Overdue	11.23%	14.95%

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings**

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b>2011</b>					
Payables	2,904,545	-	-	2,904,545	2,904,545
Borrowings	1,253,389	3,549,030	2,816,362	7,618,781	5,966,560
	<u>4,157,934</u>	<u>3,549,030</u>	<u>2,816,362</u>	<u>10,523,326</u>	<u>8,871,105</u>
<b>2010</b>					
Payables	3,620,637	-	-	3,620,637	3,620,637
Borrowings	378,482	3,211,521	1,732,828	5,322,831	4,102,034
	<u>3,999,119</u>	<u>3,211,521</u>	<u>1,732,828</u>	<u>8,943,468</u>	<u>7,722,671</u>

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2011**

**33. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings (Continued)**

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b>Year Ended 30 June 2011</b>								
Payables								
Borrowings								
<b>Fixed Rate</b>								
Debtentures	-	-	2,000,000	-	-	3,966,560	5,966,560	5.91%
Weighted Average Effective Interest Rate			5.78%			5.97%		
<b>Year Ended 30 June 2010</b>								
Payables								
Borrowings	7,503	-	-	-	-	-	7,503	9.64%
<b>Fixed Rate</b>								
Debtentures	-	-	-	2,000,000	-	2,094,531	4,094,531	5.91%
Weighted Average Effective Interest Rate	9.64%			5.78%		6.03%		

## INDEPENDENT AUDITOR'S REPORT

### TO: RATEPAYERS OF CITY OF NEDLANDS

We have audited the financial report of the City of Nedlands, which comprises the Statement of Financial Position as at 30 June 2011 and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

#### *Council's Responsibility for the Financial Report*

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

#### *Independence*

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Auditor's Opinion**

In our opinion, the financial report of the City of Nedlands:

- (i) gives a true and fair view of the financial position of the City of Nedlands as at 30 June 2011 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

**Statutory Compliance**

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

  
\_\_\_\_\_  
MACRI PARTNERS  
CERTIFIED PRACTISING ACCOUNTANTS  
28 THOROGOOD STREET  
BURSWOOD WA 6100

  
\_\_\_\_\_  
A MACRI  
PARTNER

PERTH  
DATED THIS 13<sup>th</sup> DAY OF SEPTEMBER 2011.



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