

Annual Report

2021-2022



City of Nedlands





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CONTENTS ↑

Welcome to the 2021/22 Annual Report

The City of Nedlands is proud to present our Annual Report for the financial year ending 30 June 2022.

The report outlines the City's financial and operational performance for the year against the Strategic Community Plan (SCP).

The *Local Government Act 1995* requires local governments to adopt an Annual Report by 31 December each year or within two months of the Auditor General's report on the City's financial statement being available. The City of Nedlands meets this requirement by producing a detailed report annually.

Our Annual Report is an opportunity for us to inform our key stakeholders, residents and ratepayers on our performance over the previous year. Our report outlines the progress made on strategic goals, as well as challenges faced and the strategic plans for the coming financial year.

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Message from the Mayor



Welcome to the City of Nedlands Annual Report for the 2021/22 financial year.

As your Mayor I do not view this document as a statutory requirement, rather it is a privilege to inform our stakeholders, residents, and ratepayers on where we stood and where we now stand. Since becoming Mayor in 2021 I have dedicated myself to four key objectives and I am proud of what we are achieving.



We froze our rates for residents for the second financial year in a row. We have been able to do this through smart fiscal policy, managing our investments and cutting costs.

Community representation & kindness

We said NO to Tawarri, a private spa development on A class Reserve in Dalkeith, based on strong fiscal and environmental data. In May, 2022 I attended a rally where over 280 community members protested the development, it was a glorious morning.

We opened our arms to Ukrainian refugees, placing two children at Loretto Nedlands and our lovely Ukrainian Grandmother at Regis Nedlands, with all their fees waived. I am so grateful to our generous community. When the war is over our friends can leave our City, lovingly supported, and better educated.

I would also like to acknowledge the traditional custodians of the region, the Yellagonga people of the Noongar Nation and their continuing connection to the land, waters, and community. We pay our respects to their Elders past, present, and emerging, and to their descendants.

Powerful fiscal management

We froze our rates for residents for the second financial year in a row. We have been able to do this through smart fiscal policy, managing our investments and cutting costs.

Smart City Planning

We implemented a Governance Framework Policy in December 2021 that has streamlined the decision-making

processes of the City, ensuring better outcomes for our stakeholders, residents, and ratepayers. We're in the process of an organisational review, developing new robust asset management plans, workforce plans, and long-term financial plans that are all moving ahead. We continue to advocate behind the scenes with a tireless work ethic displayed by all staff and members of council.

Sustainability now

We increased our tree planting budget, approved the Nedlands Nature Network, and introduced Scheme Amendment 12 – Tree Retention on Private Land. The amendment will bring us in line with other Australian states and will mean a Development Application will be required to take down a significant tree.

I'm so privileged to liaise with everyone involved in making our City 'Uniquely Nedlands'. From the staff to the councillors to the over 100 volunteers who make up our Nedlands heartbeat. I am so grateful for your contribution, you can all be proud that you're a part of this extraordinary City with its unique and revered landscape, its wonderful people, and unrivalled attributes.

Fiona Argyle
Mayor, City of Nedlands

Message from the CEO

Stability and progress characterised the 2021-22 financial year at the City of Nedlands, with five Key Result Areas (KRAs) guiding my management of the Administration.

The implementation of the new Governance Framework Policy has transformed the meeting structure for our Council, increasing transparency, efficiency, and participation. This new policy aligns with the City's value of Great Governance and Civic Leadership as outlined within the Strategic Community Plan (SCP).

In December 2021 Council established the Organisational Review Committee to assist in the development of a Workforce Plan. The revised plan will ensure retention of the City's skilled workforce whilst delivering critical projects such as Enterprise Resource Planning (ERP) which will transform the City's approach to customer service, operations and reporting.

We implemented Phase 1 of the Enterprise Resource Planning (ERP) Project which included recruitment and system

configuration for Finance, HR/payroll, Purchasing, Online Customer Requests and Enterprise Content Management (ECM). A greater understanding of the City's financial position was realised, with the development of the City's first Asset Management Plans. The new plans provide detail on the condition, age and renewal requirements of the \$665,162,076 asset management portfolio.

The City also progressed in the development of a Long-Term Financial Plan (LTFP) that was informed by the Asset Management Plans and Workforce Plan.

The new financial year will see the further progression of the City's asset management, workforce and long-term financial planning maturity.

I would like to thank everyone who has worked so diligently on these projects, as they, and their associated initiatives will help to shape a sustainable future.

Thank you to the Nedlands community, Council Members and staff for such a prosperous year, I look forward to continuing our positive trajectory.

Bill Parker
CEO, City of Nedlands



The implementation of the new Governance Framework Policy has transformed the meeting structure for our council.



About our City of Nedlands

Our History

On 1 July 1959 Nedlands was declared a City by the Governor, Sir Charles Gairdner after years of petitioning by the Nedlands Road Board.

According to Council minutes from 2 July 1959, 300 ratepayers packed into Dalkeith Civic Hall to hear the proclamation. John Charles Smith became the first Mayor and would go on to dedicate 43 years of his life to the local government of Nedlands.

Stretching from the Indian Ocean to the Swan River, the City of Nedlands was populated by professionals and business owners whose leisure time was spent pursuing sporting endeavors. Playing fields along the foreshore and throughout the City were created to satisfy the athletic appetite of residents.

Nedlands Today

At the end of the 2021-22 financial year the City of Nedlands local government area was characterised by four Wards: The Coastal Ward, Hollywood Ward, Melvista Ward and Dalkeith Ward. Three councillors represent each Ward, taking in the suburbs of Dalkeith, Karrakatta, Mount Claremont, Nedlands, Swanbourne and portions of Shenton Park and Floreat.







22,132 people called the City home during the 2021 Census with nearly half the working population identifying as Professionals.

Over 50% of residents are couples with children. It is projected that by 2050 the City of Nedlands will have a population of between 31,000 and 34,000 people, this is based on the State Government driven urban infill target of 4,400 new dwellings by 2050.

Fast facts



22,132 people called the City home during the 2021 Census

 <p>22,132 People</p>	<p>2 </p> <p>Average number of cars per household</p>	<p>Female 50.7%</p>  <p>Male 49.3%</p>
 <p>8,369 Dwellings</p>	<p>1.9 </p> <p>Average number of children per family</p>	<p>43 Median age</p>
 <p>5,950 Families</p>		

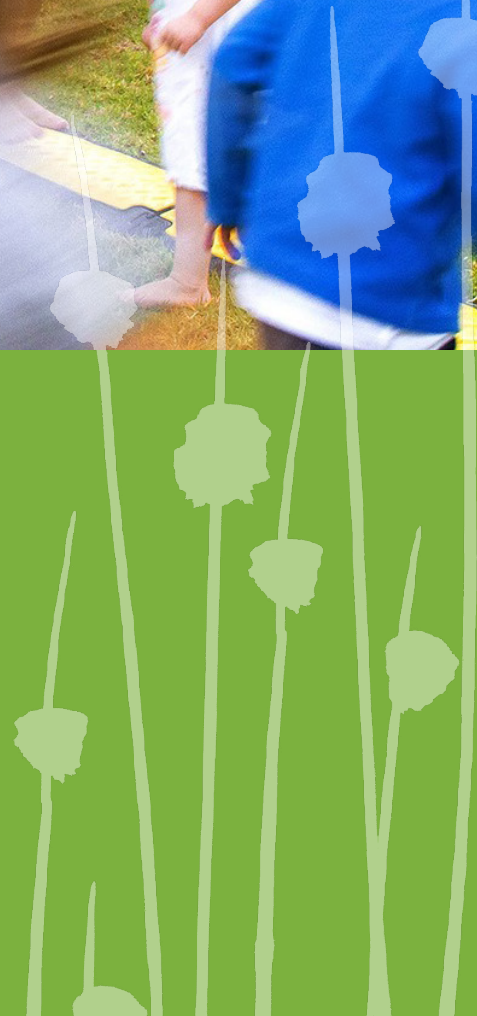
 <p>\$3,500 Median monthly mortgage repayments</p>	<p>\$3,226 Median weekly household income</p>	<p>\$520 Median weekly household rent</p>
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 <p>39.9% Both parents born overseas</p>	 <p>Top languages spoken other than English Mandarin, Cantonese, Italian, French and Indonesian</p>
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<p>Community Services Facilities</p> <p>Libraries: 2 Childcare Facilities: 1</p>	<p>Population Projections</p> <p>2050: 31,000-34,000 (estimate – based on State Government-driven urban dwelling infill target of 4,400 new dwellings by 2050).</p>	<p>Dwellings Projections</p> <p>By 2050, an additional 4,400 new dwellings – State Government-driven urban dwelling infill target.</p>
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“Our city will be an environmentally-sensitive, beautiful and inclusive place.”



Community's Vision

Nedlands 2028 Strategic Community Plan (SCP)

The City of Nedlands Community Vision is a diverse community where people can live through the different ages and stages of their lives.

We will have easy access to community 'hubs' where a mix of parks, shops, community and sporting facilities will bring people together, strengthening local relationships.

Our gardens, streets, parks and bushlands will be clean, green and tree-lined and we will live sustainably within the natural environment.

We will enjoy great transport systems and people will have access to local facilities through efficient cycling and walking facilities.

We will be an active, safe, inclusive community enjoying a high standard of local services and facilities.

We will live in a beautiful place.

Values & Aspirations



We enjoy places, events and facilities that bring people together. We are inclusive, connected and caring and we support volunteers.



Healthy & Safe

Our City has clean, safe neighbourhoods where public health is protected and promoted.



High Standard of Services

We have local services delivered to a high standard that take the needs of our diverse community into account.



Great Natural & Built Environment

We protect our enhanced, engaging community spaces, heritage, the natural environment and our biodiversity through well-planned and managed development.



Great Governance & Civic Leadership

We value our Council's quality decision-making, effective and innovative leadership, transparency, accountability, equity, integrity and wise stewardship of the community's assets and resources. We have an involved community and collaborate with others, valuing respectful debate and deliberation.



Reflects Identities

We value our precinct character and charm. Our neighbourhoods are family-friendly with a strong sense of place.



Easy to Get Around

We strive for our City to be easy to get around by preferred mode of travel, whether by car, public transport, cycle or foot.



Great for Business

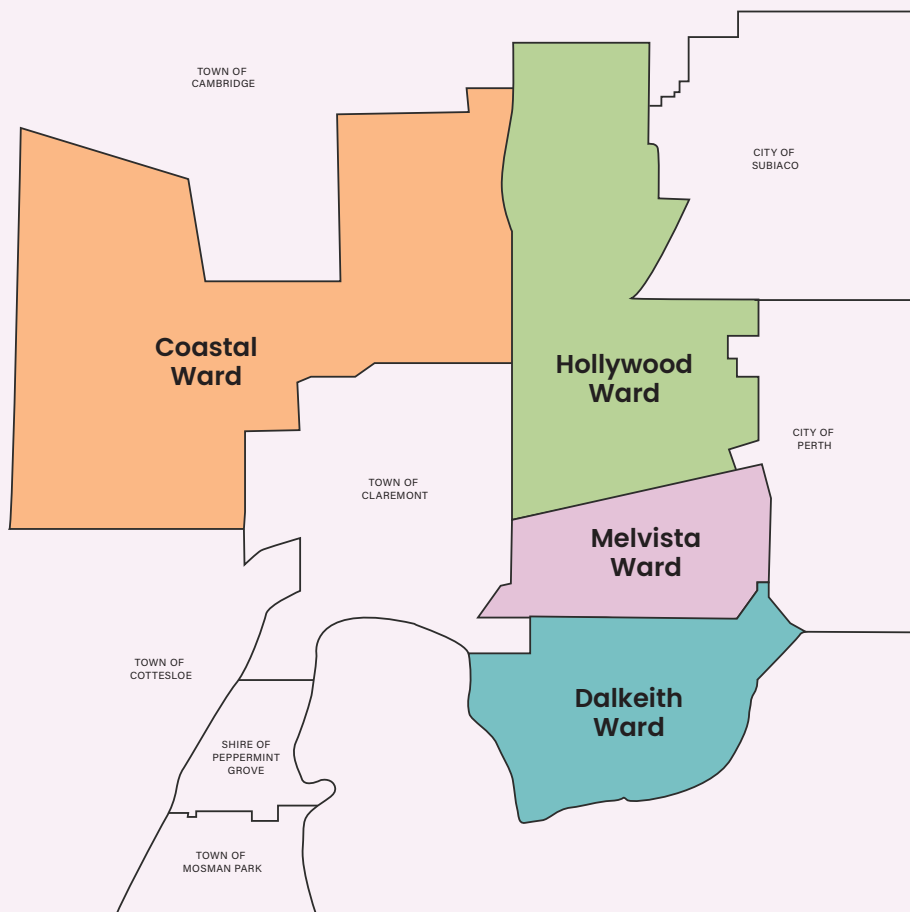
Our City has a strong economic base with renowned Centres of Excellence and is attractive to entrepreneurs and start-ups.



Great Communities

We enjoy places, events and facilities that bring people together. We are inclusive, connected and caring and we support volunteers. We are strong in culture, arts, sport and recreation. We have protected amenity, respect our history and have strong community leadership.

Our Council



About Council & the Wards

The City of Nedlands Council comprises of 11 Council Members, a Mayor and a Deputy Mayor. Throughout the 2021/22 financial year three Council Members represented each of the four Wards:

- Coastal Ward
- Hollywood Ward
- Melvista Ward
- Dalekeith Ward

The Mayor is elected to represent the entire electorate.

Councillors govern for the entire City and work together to provide good governance with decisions being based on all aspects of the community

Council members

The City of Nedlands Council from 1 July 2021 to 30 June 2022.



Fiona Argyle
Mayor

Elected (Mayor) June 2021-2023

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee
- Public Art Committee
- Chief Executive Officer Recruitment & Selection Committee
- Chief Executive Performance Review Committee

Committees & Panels (External)

- WESROC (Western Suburbs Regional Organisation of Councils)

Coastal Ward



Leo McManus
Deputy Mayor

Elected 2011-2023

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee
- Public Art Committee (Deputy)
- Organisational Review Committee (Deputy)
- Chief Executive Officer Recruitment & Selection Committee (Deputy)
- Chief Executive Officer Performance Review Committee (Deputy)
- Foreshore Management Steering Committee (Deputy)

Committees & Panels (External)

- WESROC (Western Suburbs Regional Organisation of Councils) (Deputy)
- Community Working Group
- Site Assessment Working Group
- WALGA Central Metropolitan Zone (Deputy)



Hengameh Amiry
Councillor

Elected 2021-2025

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee (Deputy)
- Public Art Committee (Deputy)
- Organisational Review Committee
- Chief Executive Officer Recruitment & Selection Committee (Deputy)
- Chief Executive Officer Performance Review Committee
- Foreshore Management Steering Committee (Deputy)

Committees & Panels (External)

- Nil.



Kerry Smyth
Councillor

Elected 2013-2025

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Public Art Committee
- Organisational Review Committee (Deputy)
- Chief Executive Officer Recruitment & Selection Committee
- Chief Executive Officer Performance Review Committee (Deputy)
- Foreshore Management Steering Committee

Committees & Panels (External)

- Site Assessment Working Group
- WALGA Central Metropolitan Zone
- Metropolitan Regional Roads Group (Deputy)
- Development Assessment Panel (Member)



Nikola Horley
Councillor

Elected 2001-October 2021

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Public Art Committee (Deputy)
- Chief Executive Officer Recruitment & Selection Committee (Deputy)
- Chief Executive Officer Performance Review Committee

Committees & Panels (External)

- Community Working Group
- Site Assessment Working Group (Deputy)

Dalkeith Ward



Andrew Mangano
Councillor

Elected 2017-2023

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee
- Public Art Committee
- Organisational Review Committee
- Chief Executive Officer Recruitment & Selection Committee

Committees & Panels (External)

- Nil



Noel Youngman
Councillor

Elected 2020-2025

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Public Art Committee
- Chief Executive Officer Recruitment & Selection Committee (Deputy)
- Chief Executive Officer Performance Review Committee
- Foreshore Management Steering Committee (Deputy)

Committees & Panels (External)

- Nil



Fergus Bennett
Councillor

Elected 2019-2023

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee (Deputy)
- Public Art Committee (Deputy)
- Organisational Review Committee (Deputy)
- Chief Executive Officer Performance Review Committee (Deputy)
- Foreshore Management Steering Committee

Committees & Panels (External)

- WALGA Central Metropolitan Zone (Deputy)
- Lake Claremont Advisory Committee (Deputy)
- Metropolitan Regional Roads Group
- Development Assessment Panel (Member)

Melvista Ward



Rebecca Coghlan
Councillor

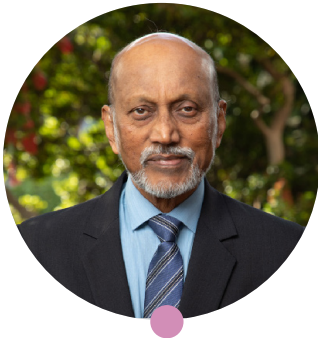
Elected 2019-2023

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Public Art Committee (Deputy)
- Chief Executive Officer Recruitment & Selection Committee
- Chief Executive Officer Performance Review Committee
- Foreshore Management Steering Committee (Deputy)

Committees & Panels (External)

- Community Working Group (Deputy)
- WALGA Central Metropolitan Zone (Deputy)
- Development Assessment Panel (Alternate Member)



Rajah Senathirajah
Councillor

Elected 2019-2023

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee
- Organisational Review Committee
- Chief Executive Officer Recruitment & Selection Committee (Deputy)
- Chief Executive Officer Performance Review Committee (Deputy)

Committees & Panels (External)

- WALGA Central Metropolitan Zone

Melvista Ward



Blane Brackenridge
Councillor

Elected 2021-2025

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee (Deputy)
- Public Art Committee
- Organisational Review Committee (Deputy)

Committees & Panels (External)

- Development Assessment Panel



Bronwyn Tyson
Councillor

Elected 2 March 2021 – October 2021.

Committees & Working Groups (Internal)

- Whole of Council Committee
- Public Art Committee (Deputy)

Committees & Panels (External)

- Nil

Hollywood Ward



Ben Hodsdon
Councillor

Elected 2003-2025

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee (Deputy)
- Public Art Committee
- Foreshore Management Steering Committee

Committees & Panels (External)

- Nil



Olinka Combes
Councillor

Elected 2021-2025

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Audit & Risk Committee
- Public Art Committee (Deputy)
- Organisational Review Committee
- Chief Executive Officer Recruitment & Selection Committee (Deputy)
- Chief Executive Officer Performance Review Committee (Deputy)

Committees & Panels (External)

- Nil



John Wetherall
Councillor

Elected 2003-2023

Committees & Working Groups (Internal)

- Whole of Council Committee (until December 2021)
- Organisational Review Committee (Deputy)
- Chief Executive Officer Recruitment & Selection Committee
- Chief Executive Officer Performance Review Committee

Committees & Panels (External)

- Development Assessment Panel (Alternate Member)



Local Government Elections & Resignations

Elections

The following local government Elections were held between 1 July 2021 to 30 June 2022:

Ordinary Election

Held on Saturday, 16 October 2021

Resignations

John Wetherall (Councillor)

Elected in October 2003

Resigned in June 2022



This policy sets out the Council’s decision-making process including meeting structures and cycle, to provide for better transparency, efficiency, participation and statutory compliance.

Governance

Decision-Making

In December 2021, Council adopted the City of Nedland’s Governance Framework Policy (CEO Key Result Area (KRA) 5). This policy sets out the Council’s decision-making process including meeting structures and cycle, to provide for better transparency, efficiency, participation and statutory compliance.

The policy’s key objectives aim to ensure:

- Council Members are engaged in the development of strategy and policy from initiation to adoption
- Council Members are provided with accurate, relevant and timely information by the Chief Executive Officer (CEO) to inform quality decision-making
- Community members can participate in the decision-making process and have access to information used to inform Council decision

A copy of the Governance Framework Policy can be accessed on the City of Nedlands website.

Council Decision Making Meeting Process

1	First Tuesday of the month	Concept Forum Closed to public 5.30pm - 7.30pm	To discuss <ul style="list-style-type: none"> • Complex matters • Review and performance measurement of strategies • Other matters supported by 3+ Cllrs
Agenda, briefing and discussion papers added to Cllr portal by COB Friday before 1st Tuesday of month.			

2	Second Tuesday of the month	Agenda Forum Open to public 6pm start	Opportunity for Council Members to ask questions and seek information on items to be considered at the forthcoming Ordinary Council Meeting Members of the public may make presentations or ask questions on items contained within the agenda
Agenda added to Cllr portal and City's website by COB Thursday before Agenda forum.			

3	Third Tuesday of the month	Concept Forum Closed to public 5.30pm - 7.30pm	To discuss <ul style="list-style-type: none"> • Complex matters • Review and performance measurement of strategies • Other matters supported by 3+ Cllrs
Agenda added to Cllr portal and City's website by COB Thursday before Agenda forum.			

4	Fourth Tuesday of the month	Ordinary Council Meeting Open to public 6pm start	Council Members to consider items on the agenda comprising of officer's reports and recommendations Members of the public may make presentations or ask questions on items contained within the agenda
Agenda added to Cllr portal and City's website by 2pm Friday before OCM			

* December OCM is held on 3rd Tuesday of month | No OCM in January | No OCM in October of ordinary election year

Risk Management

Risk Management is an integral part of good management practice. It is also an essential element of sound corporate governance. Strategic and operational risks such as those associated with Health and Safety, Financial, Customer, Social/Cultural Heritage, Reputation, Environment, as well as Legal and Compliance are all considered by leadership when making decisions or providing services and projects to the community.

In May 2022, Moore Australia (WA) Pty Ltd conducted an internal audit of the City of Nedlands Risk Management service. Results of the internal audit identified a number of areas for improvement. The City is committed to maturing the Risk Management function to enable more robust corporate planning, decision-making and continuous business improvement in corporate performance.

Audit

Internal Audit

Internal Audit services at the City of Nedlands are provided by external consultant Moore Australia (WA) Pty Ltd, supplying an independent, objective review and advisory service to provide assurance that the City's financial and operational controls are operating in an efficient, effective and ethical manner.

Internal Audits undertaken in 2021/22:

- Occupational Health and Safety Report March 2022
- Risk Management June 2022

The City has in place an Internal Audit Plan 2022 to 2024, designed to ensure that the activities of Internal Audit are focused on key risk areas that may impact the City. This plan meets emerging business requirements and provides assurance that business processes and existing controls are operating as intended.

Risk management is an integral part of good management practice. It is also an essential element of sound corporate governance.

Audit & Risk Committee

The Audit & Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities regarding risk management, internal control, legislative compliance, and internal and external audit reporting, in accordance with Part 7 of the *Local Government Act 1996* and Regulation 16 of the *Local Government (Audit) Regulations 1995*.

The Audit & Risk Committee consists of six members, five Councillors including the Mayor and one Independent Member (vacant as at 30 June 2022). The nature of independence with regards to the Independent Member is a person with no operating responsibilities with the City.

The Audit & Risk Committee met on five occasions during 2021/22 financial year:

- 30 May 2022
- 14 March 2022
- 23 November 2021
- 21 September 2021
- 30 August 2021

Matters considered by the Audit Committee during 2021/22 included:

- Internal Audit Report - Moore Australia (WA) Pty Ltd
- Annual Financial Report Audit year ending 30 June 2021
- 2021 Compliance Audit Return
- External Audit Plan year ending 30 June 2022
- Procurement and Planning for the Enterprise Resource Planning (ERP) Project Implementation
- ERP One Council Project status
- Audit Log reports
- Audit recommendations of Contract Management
- Audit recommendations of Records Management

External Audit

The Office of the Auditor General (OAG) completed their Annual Financial Report for the year ending 30 June 2022 and should be issuing the Audit Opinion in early April 2023.



Our Organisation

About the City of Nedlands Organisation

The Chief Executive Officer (CEO) is responsible for the management of the City of Nedlands organisation. It is the CEO's role to provide overall strategic direction, leadership and coordination of day-to-day operations. Along with the Directors and staff, the CEO acts on Council decisions by developing and implementing the Council's resolutions.

Accountability

We conduct our business and all our services in an open, transparent and financially responsible manner.

Partnership

We work together for the benefits of the community.

Fairness

We provide consistent, fair and unbiased treatment for the whole the community.

Executive Management Team (& Organisational Structure)

Supporting the CEO is the Executive Management Team (EMT).
The EMT are comprised of the following:



Office of the Chief Executive

Bill Parker

Chief Executive Officer

Appointment

2 August 2021 (appointed as interim CEO)

The Office of the Chief Executive develops and implements strategic plans that enable the organisation to deliver the community's vision and aspirations. It is responsible for Council Member liaison, Strategic Planning and Projects, Governance and Legal, Risk Management, Human Resources, Communications and Engagement. It is also responsible for Community Development and Community Service Centre services.



Corporate Services Directorate

Michael Cole

Director Corporate Services

Appointment

14 March 2022 (permanent appointment)

The Corporate Services Directorate is responsible for all corporate matters and provides services to internal teams. This includes General Financial Services, Land and Property, Information, Communication and Technology (ICT) Services as well as Information and Record Management. It is also responsible for Customer Services, which facilitates both internal and external community interactions.



Planning & Development Directorate

Tony Free

Director Planning & Development

Appointment

19 January 2021 (appointed as interim director)

20 January 2022 (permanent appointment)

The Planning and Development Directorate performs research and creates the plans required to deliver a liveable, prosperous, sustainable city. It is responsible for Strategic and Statutory Planning, Building Services and Environmental Health, Environmental Conservation, Sustainability and Ranger Services.



Technical Services Directorate

Andrew Melville

(Acting) Director Technical Services

Appointment

5 July 2021 (appointed as acting director)

The Technical Services Directorate designs, constructs, manages and maintains infrastructure, buildings, fleet assets and the City of Nedlands's public spaces. It is responsible for City Projects, Civil Maintenance, Building Maintenance, Asset Management, Transport and Development, Fleet Management, Parks Maintenance and Arboriculture.

Workforce

Employee Numbers

The total number of employees on the payroll system as of 3 June 2022 was:

Full Time Equivalent (FTE)

Establishment (BUDGETED FTE) **169**

Occupied (ACTUAL FTE) **160.5**

Headcount

136 Full Time employees

24 Part Time employees

27 Casual employees

Employee Demographics (%)

Female employees
55.61%

Male employees
44.39%

Female employees in management
21.43%

Male employees in management
78.57%

Aboriginal Australians
0%

Employees with disability
1.60%

Employees from culturally diverse backgrounds
20.32%

Employees by age (%)

Under 25 **5.35%**

25-34 **28.34%**

35-44 **24.60%**

45-54 **22.99%**

55-64 **12.30%**

65 & over **6.42%**



Delivering to our Community

Integrated Planning & Performance Framework (IPRF)

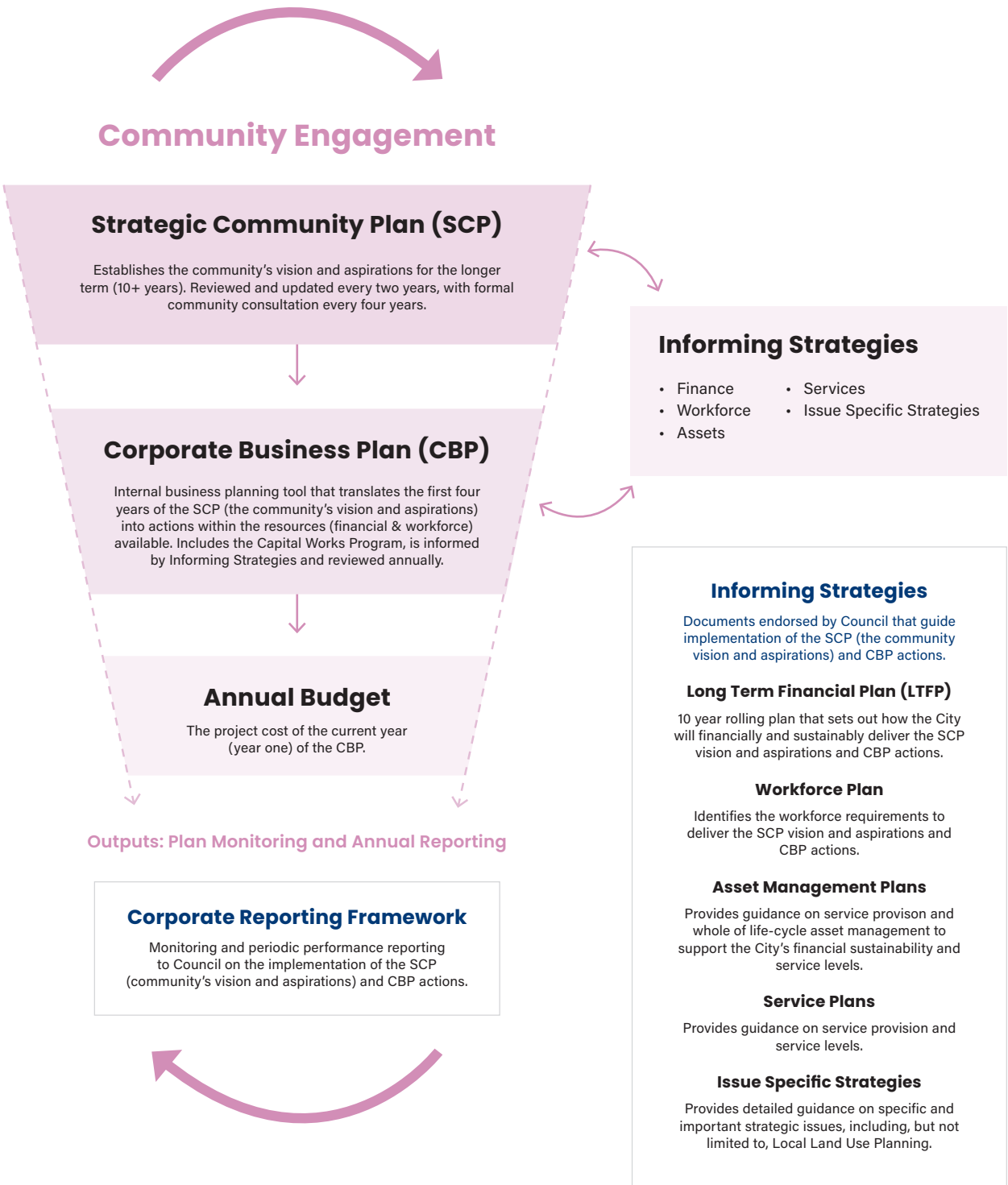
The City of Nedlands operates through an Integrated Planning and Reporting Framework (IPRF). IPRF provides local governments a mechanism for translating community vision and aspirations into operational actions, and tracking progress in the delivering of these actions.

Underlying principles of integrated planning and reporting include:

- What our community needs and aspires to
- Setting direction within our resource capability
- Monitoring performance for accountability and adaptability
- Applying a holistic approach to improve outcomes

The diagram below shows how this is applied at the City and how the core elements of IPRF both inform and are informed by other aspects of our planning and reporting.

The *Local Government Act 1995* and associated regulations require local governments **to plan for the future**.



Our Services

In June 2022, Council adopted Servicing Planning into its Integrated Planning and Performance Framework (IPRF) in-line with recommendations of an Organisational Review which concluded in May 2022 (see 'Leadership' Pillar for more information about the Organisational Review).

As part of this process, 41 services were identified as being delivered to the community. These services, including delivery of the Capital Works Program, reflect Council's translation of the community's vision and aspirations as articulated in the Strategic Community Plan (SCP).

Provided opposite is a list of the City's 41 services, grouped under the strategic pillars which provide the foundation of the SCP and its priorities.



People

Customer Services
Library Services
Childcare Services
Positive Ageing
Nedlands Community Care (NCC)
Community Programs & Events
Community Development
Sport & Recreation
Volunteer Services
Youth Development
Tresillian
Environmental Health
Ranger Services

Planet

Environmental Health
Ranger Services
Waste
Parks Maintenance
Arboriculture

Place

Building Services
Urban planning - Statutory
Urban planning - Strategic
City Projects
Civil Maintenance
Building Maintenance
Asset Management
Transport & Development

Leadership

CEO Office
Members of Council
Governance & Legal
Strategic Planning & Projects
Human Resources
Corporate Communications
Corporate Services Administration
Land & Property
General Finance Services
Information & Communication Technology
Information & Records Management
Customer & Community Services Administration
Planning & Development Administration
Technical Services Administration
Fleet

Our Performance

Given the Council's adoption of Service Planning in June 2022, annual performance reporting has been aligned to this approach. The following sections provide detail on the City of Nedlands performance delivering services and projects to the community in the 2021-22 reporting period.



People

Key Facts

111 Nedlands residents welcomed as Australian Citizens

The oldest client utilising Nedlands Community Care turned **101**

82,899 visits to the Nedlands and Mt Claremont Libraries

2,335 people attended three Summer Concerts in the Parks

13,390 members of local sporting clubs

154 entries into the Emerge Youth Art Awards

8,300 hours contributed by volunteers represented **\$385,000** in donated benefit

3,500 people attended courses at Tresillian Arts Centre

Key Achievements

Library Services

- 82,899 visits to Nedlands and Mt Claremont Libraries with 341,715 libraries transactions taking place
- The libraries circulated 46,197 eAudiobooks, 29,265 eBooks, 6,931 eMagazines and streamed 1,164 eMovies
- 89 residents were provided with one-on-one assistance for the ServiceWA App during the COVID-19 pandemic period, which was particularly helpful for elderly residents who had issues navigating the registration process
- With the assistance of library services, 13,271 family history database searches facilitated ancestral research for residents

Childcare Services

- The Point Resolution Child Care (PRCC) achieved a 100% satisfaction rate in the Annual Parent User Survey
- PRCC maintained its 'exceeded' rating in accordance with National Quality Standards and National Regulations
- PRCC passed all 'spot' checks and audits facilitated by the Educational Care Regulatory Authority, demonstrating a continued high level of care and governance
- PRCC's Food Safety Program was rated as 'Exceeding' program expectations
- PRCC continued to offer placements which supported Early Childhood Teaching practicum students from Edith Cowan and Murdoch universities
- PRCC implemented a program called 'KIDDO', based on Australian Early Development Census Data (AEDC), which focuses on children's physical health and wellbeing as well as developing their life skills and confidence

Positive Ageing

- Positive Aging services achieved an average satisfaction rate of 95% on Annual User Surveys
- The Affinity Club continued to provide 19 activities to assist seniors with staying engaged with the community during the COVID-19 pandemic period
- Following from information sessions with the University of Western Australia's (UWA) Exercise Performance Centre, 13 seniors (over 55s) engaged in clinical trials for research studies
- Seniors participating in the Positive Ageing Program created 120 Trauma Teddies for the Red Cross
- The seniors walking group 'the Waratah Walkers' celebrated its 13th year

Nedlands Community Care (NCC)

- Nedlands Community Care (NCC) services achieved a satisfaction rate of 99% in the Annual User Survey
- NCC continued to provide services to seniors during the COVID-19 period to help them stay connected to the community
- Facilitated an appreciation event in November 2021 to thank NCC volunteers for their dedication and service to the community

Community Development

- The City's Public Art Collection Report identified the City's art collection had increased in value by 40% from the original purchase value to a new total worth of \$1.8 million
- A new public art commission commenced which will be a tribute to health workers and their dedication of service through the COVID-19 pandemic period

Community Programs & Events

- 11 grants, totalling \$8,250 from the City's Community Grant Fund, were provided by the City to or for: the Disability Basketball League, local primary school Parents and Citizens (P&C) community events, Community Concerts, a Toy-Library Community event, a commemorative Tree-Planting afternoon tea, an Australia Day community event, an entrepreneurial training event, a Community Christmas Carol event, and Christmas Street parties
- Held two 'Nedlands Going Places Tours' - a program aiming to connect community members at risk of social isolation with other community members
- 68 events facilitated by external providers were held within the local area

Sport & Recreation

- The Swanbourne Surf Life Saving Club received an annual subsidy of \$46,374 from the City to assist with its continued service protecting the beach community
- The Hollywood Subiaco Bowling Club received a \$39,769 grant from the City to upgrade its playing fields
- Transitioned to the online booking system, SpacetoCo, which allows local sporting clubs greater control and access to their bookings for City's reserves and facilities

Volunteer Services

- The City's Volunteers Program received an overall satisfaction rating of 90% in the Annual Survey
- Volunteers reported the program increased their skills, confidence, life satisfaction and provided opportunities for community connections
- The program provided significant economic value to the City and Community – 8,300 hours contributed by volunteers represented \$385,000 in donated benefit to the City and community
- Volunteers were integral to the success of multiple City services. They enabled the City to extend its services, particularly at Tresillian Arts Centre, the libraries (including delivering 4,000 library books via Books on Wheels), Local Studies and NCC/Positive Ageing

Youth Development

- Provided \$13,000 in grant funding to YouthCARE to provide chaplaincy services at local schools
- Two Youth Grants were awarded to youth community members to assist with travel costs associated with competing in the Australian Surf Lifesaving Championships on the Gold Coast and the U18 National Hockey Championships in Cairns
- Local resident Emily Song won 1st prize in the Resident Category at the 2021 Emerge Youth Art Awards. She went on to win two prizes for her artwork in the prestigious Lester Prize. Emily also volunteers at the Tresillian Art Centre

Tresillian Art Centre

- The Tresillian Art Centre received a 94% customer satisfaction rate from users
- Tresillian Art Centre social media followers increased by 200%.
- The number of courses offered at the Tresillian Art Centre were increased
- There was a 15% increase in art sales at the Tresillian Art Centre compared to 2020-21 art sales.



Marion did everything with sincerity, professionalism and warmth.



Planet

Key Facts

462 health inspections conducted

2,700 plants sold in the Annual Native Plant Subsidy Scheme

Planted approximately **15,000** local provenance seedlings across bushland and greenways

The City ended the year with **24,114** trees in the local area (not including bushland)

11,333 tonnes of domestic waste collected

20 new food businesses registered

Managed approximately **63** hectares of bushland for biodiversity conservation

Waste diverted from landfill:

- **2,271** tonnes of recyclables
 - **18** tonnes of e-waste and mattresses
 - **3,460** tonnes of greenwaste
 - **11** tonnes of residential household Hazardous waste
-

Key Achievements

Environmental Health

- Replaced second generation rat bait with first generation rat bait to protect wildlife and domestic animals from secondary poisoning
- Assisted the Department of Primary Industries and Regional Development to locate and destroy European Wasp nests within the local area
- Continued to lead Western Suburbs Regional Organisation of Councils (WESROC) local governments on coordinated mosquito management including monitoring and public messaging
- Contributed to the State's emergency COVID response operations at the local government level by reviewing COVID event plans and conducting compliance checks on contact register requirements
- Developed an Indoor Wood Heater Brochure to assist the community with safe use

Ranger Services

- Assisted residents with sandbagging during a severe flooding event in July 2021
- Implemented changed parking restrictions in the Broadway Parking Precinct to protect residents from the adverse effects of large construction sites
- During the Royal Show event, arranged with the Lions Club to provide parking services on the City's reserves that surround the Showgrounds, as well as implemented parking restrictions to reduce the impact on residents in the area

Sustainability

- Native Verge Conversion Workshops were held for residents, in conjunction with being an active member of WESROC

Environment Conservation

- Successful completion of the Coastwest Grant Project – Swanbourne Coastal Dunes Greenway Corridor Enhancement – in conjunction with the Swanbourne Coastal Alliance
- Worked in collaboration with Hollywood Primary School on its Bush School Program, improving students' local knowledge of culture and the environment
- Worked in collaboration with Nedlands Primary School with its Schools Tree Day
- Provided erosion control at Mt Claremont Oval Bushland and Allen Park
- Planted approximately 15,000 local provenance seedlings across bushland and greenways

Arboriculture

- 123 trees were planted in response to resident requests, demonstrating strong community support of our urban canopy
- Updated the Street Tree Policy and preferred species list
- Continued to manage the Polyphagous Shot-Hole Borer in co-operation with Department of Primary Industries and Regional Development

Waste

- Continued as a leading metropolitan local government using a three-bin system and verge collection with a diversion rate of 51 per cent
- Maintained residential waste charges for residents, despite a significant increase in the State Government's landfill levies
- Delivered a Waste Education Program to students at local primary schools
- Completed the design and planning stages for the Food Organics, Garden Organics 'FOGO', three-bin system, ready for implementation with residents in 2022-23

Give it a FOGO

Recyclables

- ✓ Aluminium, steel cans
- ✓ Glass bottles & jars
- ✓ Plastic bottles & containers
- ✓ Cardboard (flattened)
- ✓ Paper (not shredded)

FOGO

- ✓ Food scraps
- ✓ Garden waste
- ✓ Pizza boxes
- ✓ Tissues & cardboard
- ✓ Compostable liners

General waste

Or take to a REDcycle bin

- ✓ Soft plastics



SCHEME AMENDMENT 12

PROTECTING TREES ON PRIVATE LAND

At the Ordinary Council Meeting (OCM) on 27 July 2021, Mayor Argyle moved a motion to protect trees on private land.

The motion was carried with Council requesting the Chief Executive Officer provide a report to Council detailing the options available to amend its Local Planning Scheme (LPS) or other means to protect significant trees on private property, subject to landowner agreement in order to address the heat island effect, enhance biodiversity and ensure the leafy green character of Nedlands is maintained.

At the OCM held on 14 December 2021 Council resolved that an amendment to Local Planning Scheme No. 3 (the Scheme) be prepared, for the purpose of requiring development approval for the removal of trees that meet certain criteria on lots with a coding of R20 or less (the Amendment).

The report included draft scheme amendment provisions but it was noted that the criteria would be refined in the subsequent report to Council. The tree criteria for the scheme amendment was refined based on further research relating to the tree protection criteria used by other jurisdictions and advice from relevant specialists.

At the final OCM for the 2021/22 financial year Council carried the motion for the initiation of Scheme Amendment No. 12 – Tree Retention on Private Land. The next stage of the process will take place in the 2022/23 financial year, this will include an extensive public consultation period and approval from the Western Australian Planning Commission (WAPC).

Place



Key Facts

322 new dwellings approved

240 additional dwellings approved in 'infill areas'

273 development applications determined by the City and 20 determined by external bodies

701 building applications processed – 98% of these processed within statutory timeframes

1 new scheme amendment (No. 12) adopted for advertising

Maintain assets including:

- A footpath network spanning **155.37** km
 - **183.9** hectares of Public Open Space
 - **38** playgrounds
 - **10** sports fields
-

Key Achievements

Building Services

- Processed 701 building applications, with 98% processed within statutory timeframes
- 794 pool inspections were conducted in the local area as part of the Pool Safety Barrier Inspection Program, with an additional 324 conducted for Shared Service Partners – the Town of Claremont and the Shire of Peppermint Grove
- Shared Services Partnership with other local governments continued to be a success.

Urban Planning – Strategic

- Waratah Village, Broadway and Hampden/Hollywood all had precinct policies completed, with 'approval to advertise' granted
- Completed an investigation into developer contribution models with Council identifying public open space contributions as a key area of focus in the short term
- Research which included community group collaboration was undertaken for the preparation of a scheme amendment and local planning policy. The proposed amendment will address tree canopy loss in the local area
- Four Community Reference Groups met several times to workshop issues surrounding the planning and development of the local 'infill' areas

Urban Planning – Statutory

- The City's Design Review Panel, which provides an independent design review of larger projects against the ten principles of good design outlined in the 'Design of the Built Environment' State Planning Policy, commenced
- There was a significant increase in the number of 'Deemed-to-Comply' checks being managed by the City. This certification service aims to streamline the approvals process and is aimed at single houses or extensions to an existing single house. Fully compliant houses are exempt from development approval

City Projects

- Introduced concrete and brick recycling requirements into contracts, requiring these be recycled in-lieu of going to land fill. As a result, 360 tonnes were diverted from landfill to be repurposed as drainage material
- Reduced capital works construction timeframes from 20 days per 100 metres, to 8 days per 100 metres
- Commenced the Waratah Avenue Road rehabilitation and tree installation project

- Completed road resurfacing on Pine Tree Lane, Lobelia Drive and Morro Drive
- Commenced design and construction works for the Swanbourne Surf Life Saving Club redevelopment

Civil Maintenance

- Provided significant repairs and cleaning after a severe major flooding event in July 2021
- Provided repairs and maintenance on all road, footpath and drainage pits, and signage installations, within a timely manner

Building Maintenance

- Building Maintenance issues were consistently addressed in a timely manner, taking an average of two days to complete
- New solar panels were installed on Adam Armstrong and John Leckie pavilions

Asset Management

- Development and drafting of the City's first Asset Management Plans for buildings, drainage, footpaths, parks, and roads, which provided greater understanding of the City's financial position and are informing the City's new Long-Term Financial Plan (LTFP) (see 'Leadership Pillar for more information about the Asset Management Plans)



- Conducted flood modelling and drainage investigation across the local area to improve and mitigate the impact of severe flooding events
- Completed a comprehensive condition assessment and update of all data for the Footpath Asset Portfolio
- Completed revaluation and condition assessments on all City building assets
- Provided ongoing asset management of public infrastructure

Parks Maintenance

- Ongoing water saving measures and close management of water usage resulted in groundwater usage of 30,689 kilolitres, which was below allocation
- Upgraded the Hamilton Park Playground by installing rubber soft fall ground cover and shade sails

Asset management of public infrastructure breakdown



Roads

Network: 155km
Laneways: 13.5km
 (Top surface and unsealed components)



City Buildings (incl. leased buildings)

95 Buildings



Footpath Networks

155.37km (total)
Footpaths: 144.02km
Shared Paths: 11.35km



Parks

Recreation: 211.17Ha
Natural Areas: 31.72Ha
Playgrounds: 38
BBQ: 19



Urban Trees

24,225 trees



Car Parks

33 off-street car parks



Drainage

Pits: 4,724 pits
Pipes: 71.5km

MAJOR PROJECTS COMPLETED IN 2021-22

Waratah Avenue Footpath
and road renewal

\$1.5 million

Portland Street
Road Resurfacing

\$688,000

Melvista Oval
Car Park Renewal

\$230,000

Mooro Drive
Resurfacing

\$280,000

Montgomery Avenue
Entry Statement repairs

\$100,000

Bus Stop
Upgrade

\$40,000

Leadership

Key Facts

CEO Key Result Areas (KRAs)

CEO KRA 1

Phase 1 of the Enterprise Resource Planning 'One Council' Project – implemented

CEO KRA 2

The City's First Workforce Plan – developed & adopted by Council

CEO KRA 3

The City's First Asset Management Plans – developed & drafted

CEO KRA 4

A new Long-Term Financial Plan (LTFP) – began development

CEO KRA 5

Governance Framework Policy – developed & adopted by Council

Key Achievements

Strategic Planning & Projects

- An Organisational Review, which commenced in February 2022 and concluded in May 2022, assisted with:
 - Establishing, for the first time, a baseline for service delivery, which subsequently informed a Service Planning approach adopted by Council in June 2022
 - Prioritising the enhancement of Integrated Planning & Reporting Framework (IPRF), in-line with the CEO's Key Result Areas (KRAs) set by the Council, including the development of City's first Workforce Plan
- Significant progress made with enhancing the City's IPRF, including:
 - The City's first Workforce Plan – Council established the Organisational Review Committee to assist in the development of the new Workforce Plan, which was developed and adopted in June 2022 (CEO KRA 2)
 - The City's first Asset Management Plans – developed, drafted and ready for Council adoption in 2022-23 (CEO KRA 3)
 - A new Long-Term Financial Plan (LTFP) – development began, informed by the City's first Workforce Plan and draft Asset Management Plans (CEO KRA 4)

Governance & Legal (includes CEO Office and Members of Council)

- A new Governance Framework Policy (CEO KRA 5) was adopted by Council in December 2021 providing better transparency, efficiency, participation, and statutory compliance with Council decision-making processes and meetings
- Introduced Concept Forums, as part of the Governance Framework Policy (CEO KRA 5), which provides for robust discussion ahead of public meetings, and which are assisting in shaping policy and strategy more in-line with the community's vision
- Completed the Compliance Audit Return, which was adopted by Council in March 2022
- Achieved 100% compliance with Council meeting agenda distribution deadlines
- Developed a new Councillor Induction Program
- Successfully conducted an Ordinary Election on Saturday, 16 October 2021

Human Resources (includes Health & Safety)

- Employee culture ratings improved from 2020-21 results:
 - Overall Performance increased from 83% to 93%
 - Workplace Score increased from 58 to 66
 - Commitment Score increased from 62 to 64
 - Net Promoter Score increased from -63 to -44

- Transitioned the Human Resource/Workforce Management system from Authority to 'One Council' (Phase 1 of the Enterprise Resource Planning 'One Council' Project – CEO KRA 1)
- Responded with rapid response recruitment to manage a challenging job market and high staff turnover
- Pivoted employee working arrangements (hybrid/remote working and e-learning) in response to COVID pandemic restrictions and safety measures

Corporate Communications

- Developed a new City of Nedlands' website to improve the community and customer experience, with launch planned for July 2022
- Conducted community engagement on major projects – Waratah Avenue and Lawler Park Masterplan

Land & Property

- Continued ongoing lease renewals with community groups and sporting clubs to ensure a level of social return for the community by way of community benefits that enhance social, health and wellbeing outcomes
- Identified additional leasing opportunities that have contributed to improving building and land asset utilisation, revenue and the provision of new/additional services for the community
- Commenced a major review of the Leasing Policy with a move towards a more sustainable City that seeks to achieve positive economic and environmental outcomes whilst supporting volunteer run organisations

Finance

- Significant work went into developing the City's new Long-Term Financial Plan (LTFP) which sets out how the City will financially and sustainably deliver strategic services and capital works programs over a 10-year period. The LTFP is being informed by the new Workforce Plan and draft Asset Management Plans developed in 2021-22
- Transitioned the finance management system from Authority to 'One Council' (Phase 1 of the Enterprise Resource Planning 'One Council' Project – CEO KRA 1)

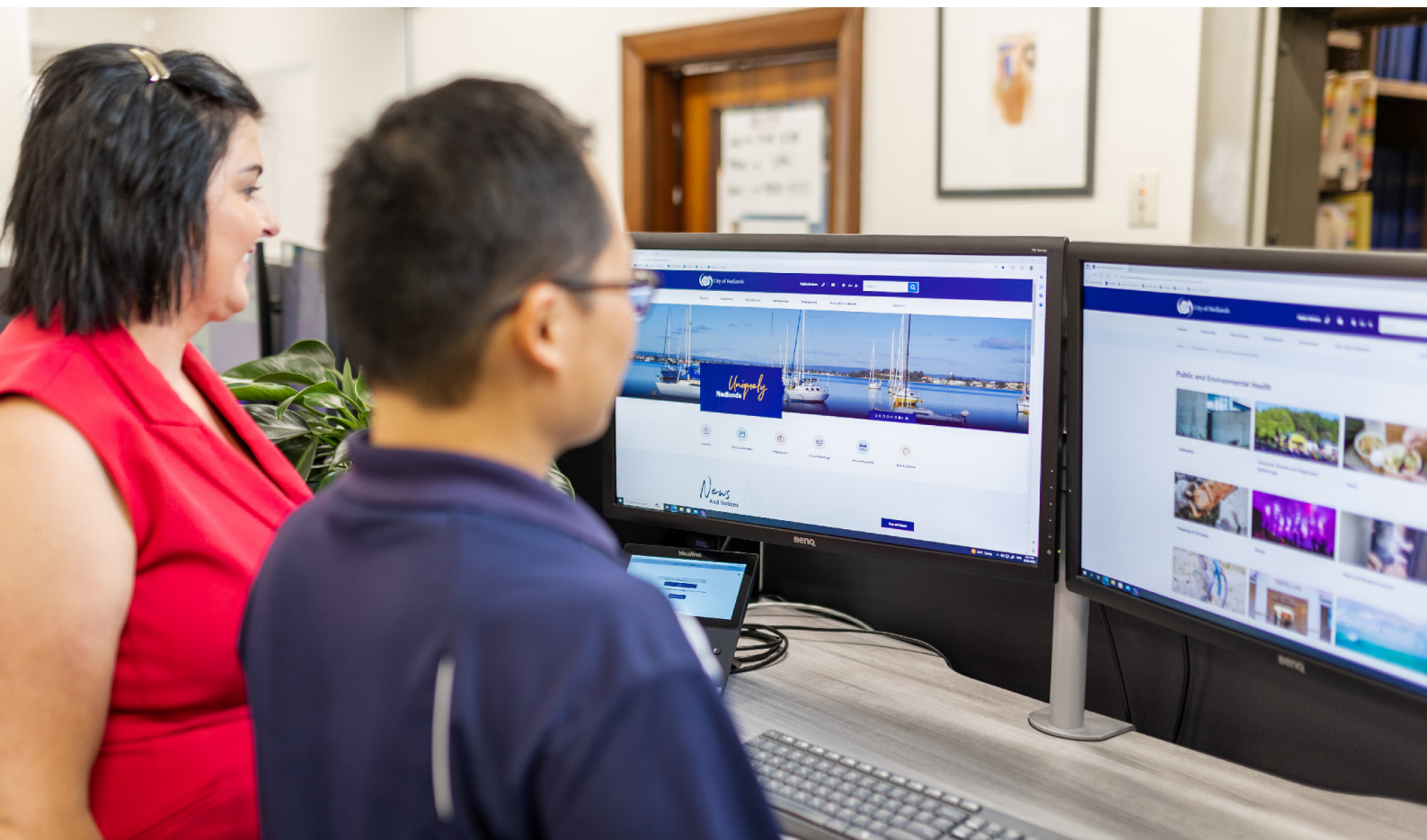
Information, Communication & Technology Services

(Includes Customer Services and Information & Records Management)

- Delivered Phase 1 of the Enterprise Resource Planning (ERP) 'One Council' Project (CEO KRA 1) which has begun the process of transforming the City's approach to customer service operations and reporting
- Transitioned the Customer Services Management (CRM) system from Authority to 'One Council' (Phase 1 of the ERP 'One Council' Project – CEO KRA 1)

Fleet

- Fleet included:
 - 11 Trucks
 - 18 Utilities
 - 2 Tractors
 - 3 Loaders
 - 2 Out Front Mowers, and
 - 29 Cars and Busses
- Rationalised light vehicle fleet by disposing five vehicles deemed in surplus of the City's needs
- Started investigating the use of Hybrid Technology for the City's fleet



ORGANISATIONAL REVIEW AND MATURING THE INTEGRATED PLANNING & REPORTING FRAMEWORK (IPRF)

In February 2022, an Organisational Review (the review) commenced concluding in June 2022.

The review assisted with the establishment of a service delivery baseline that identified 41 areas that provide services and projects in accordance with the community's vision. At the time of the review most components were absent, incomplete or outdated so several business improvement opportunities were recommended, many relating to improving and/or enhancing the City's Integrated Planning and Reporting Framework (IPRF).

IPRF provides the strategic foundation for the City's operations translating in a financially sustainable manner the community's vision into the services and projects delivered to the community. The maturity of the IPRF was flagged during the Organisational Review as well as the development of key Informing Strategies/Plans of the IPRF. These were prioritised by Council as part of the CEO's Key Result Areas (KRAs) for the 2021-22 FY.

Therefore, significant progress was made on developing and enhancing the IPRF in 2021-22.

This included:

Development and adoption by Council of the City's first Workforce Plan (CEO KRA 2) which identifies workforce requirements needed to deliver the community's vision.

Development and drafting of the City's first Asset Management Plans (CEO KRA 3) which provides guidance on the service provision and whole of life-cycle asset management required to deliver the community's vision.

Significant progress made on the development of the City's new Long- Term Financial Plan (LTFP) (CEO KRA 4) which was informed by the City's first Workforce Plan and draft Asset Management Plans. These will set out how the City will financially and sustainably deliver the community's vision over a 10-year period.

Implementation of a Service Planning approach including development of 41 Service Plans to manage the resourcing and service levels required to deliver the community's vision.

The following infographic shows, using traffic lighting, the status of IPRF at close of the 2021-22 reporting period:

Key

- Outdated and/or review due
- Developing
- Developed and continuously improving



Continuous improvement and maturation of the City’s IPRF will be a key focus in 2022-23, including major review of the Strategic Community Plan (SCP) and development of a new Corporate Business Plan (CBP).

ENTERPRISE RESOURCE PLANNING (ERP) 'ONE COUNCIL' PROJECT

In 2021-22, the City began its transition to the OneCouncil SaaS solution from TechnologyOne. TechnologyOne are well known in local government with its software and solutions being used by many of our sister governments.

The transition is a phased approach running over successive financial years and the implementation and use of the platform is just one pillar of activity that will enable the City to transform its operations both in terms of digital engagement but also transparency within the broader community.

The OneCouncil team delivered phase one seamlessly despite ongoing challenges that involved changes in management structure, team member departures and COVID.

The access to information facilitated by OneCouncil is already making an impact on business operations. Those impacts will grow as more modules are made available, and as the City's ability to interrogate and integrate with a modern business system improves.

DEVELOPING A NEW CITY OF NEDLANDS WEBSITE

Between January and June 2021, the City's communication team underwent the development of a new website. The existing website format and function no longer met user experience requirements and included irrelevant and outdated information.

After an internal consultation process a refreshed website came to life with a new look and modern feel. Accessing information on the new website is efficient and intuitive improving the overall end user experience.

A new feature of the website was designed to increase community engagement. The customer enquiry portal enables customers to directly lodge an online enquiry, application or complaint into the City's Enterprise Resource Planning (ERP) system. This feature ensures customer enquiries, applications and complaints can be tracked more accurately and responded to in a manner that aligns with the City's Customer Service Charter.

Organisational Priorities for 2022–23

At its meeting held on 22 November 2022, Council adopted the following Chief Executive Officer (CEO) Key Result Areas (KRA) which are the Organisational Priorities for 2022-23.

Key	KRA	Key Result Area	ITS	Integrated Transport Strategy
	KPI	Key Performance Indicator	POSS	Public Open Space Strategy
	CEO	Chief Executive Officer	SCP	Strategic Community Plan
	ERP	Enterprise Resource Planning	CBP	Corporate Business Plan
	LoS	Levels of Service	LTFP	Long-Term Financial Plan
	FOGO	Food Organics, Garden Organics	AMPs	Asset Management Plan
	FMP	Foreshore Masterplan	WFP	Workforce Plan

CEO Key Result Areas

Governance

Key Result Area (KRA)	Key Performance Indicator (KPI)
Improve efficacy and efficiency of Council Meeting Agenda Forum	<ul style="list-style-type: none"> Governance Framework Policy reviewed, presented and endorsed by Council and updated on the website Council Member satisfaction with timeliness of Council Meeting Agenda Forums, post review of the Governance Framework Policy
Increase transparency in policy, process and communication to build the community's trust and confidence	<ul style="list-style-type: none"> The review of business areas of concern/priority, as identified in the Audit Plan for the next 12 months, includes auditing against related policies, processes and procedures and updating where required Community Engagement Policy reviewed, presented and endorsed by Council Council Report template for Statutory Planning items modified to include a section on the provision of the information relevant to make an informed decision Weekly Chief Executive Officer (CEO) Statutory Planning Update modified to indicate if all required planning information has been submitted with the application, when advertised

Key Result Area (KRA)

Key Performance Indicator (KPI)

Risk Management Framework review

- Risk Management Framework, processes and procedures reviewed, presented and endorsed by the Audit and Risk Committee and Council
- Organisational Risk Register developed, and quarterly reporting provided to the Audit and Risk Committee and Council for oversight

A community engagement survey to inform the strategic planning and set the City of Nedlands benchmarks in service delivery

- Community Scorecard Survey delivered, and results presented and endorsed by Council as part of the Strategic Community Plan (SCP)/Corporate Business Plan (CBP) Major Review Process

Customer Service

Key Result Area (KRA)

Key Performance Indicator (KPI)

Progress the Enterprise Resource Planning (ERP) 'One Council' Project

- ERP/'OneCouncil' Project Status Report and Stage 2 Delivery Timeframe presented and endorsed by Audit & Risk Committee and Council
- Quarterly project status report provided to Audit & Risk Committee and Council

Establish Levels of Service (LoS) for each service area

- Levels of Service (LoS) for each Service Plan established and presented and endorsed by Council

Improve customer request and complaints system

- Customer requests and complaints responded to within the guidelines of the Customer Service Charter

Project Management

Key Result Area (KRA)	Key Performance Indicator (KPI)
Access the City of Nedlands ability to deliver the underground power program	<ul style="list-style-type: none"> • Business Case for remaining project stages developed and presented and adopted by Council • Community Consultation Plan developed and implemented. • Community Consultation Results and Project Delivery Timeframe presented and endorsed by Council
Implement Food Organics, Garden Organics (FOGO) waste management in the city of Nedlands	<ul style="list-style-type: none"> • Implement Food Organics, Garden Organics (FOGO) waste management in the City of Nedlands • Comprehensive community information sessions delivered

Planning & Development

Key Result Area (KRA)	Key Performance Indicator (KPI)
Develop a Foreshore Masterplan (FMP) for the development and management of Nedlands foreshore areas	<ul style="list-style-type: none"> • Foreshore Masterplan (FMP) development Status Report on provided to Council • Foreshore Masterplan (FMP) developed and presented and endorsed by Council
Develop an Integrated Transport Strategy (ITS) for the City of Nedlands	<ul style="list-style-type: none"> • Integrated Transport Strategy (ITS) developed and presented and endorsed by Council
Develop a Public Open Space Strategy (POSS) to guide expenditure and cash-in-lieu public open space developer contributions	<ul style="list-style-type: none"> • Public Open Space Strategy (POSS) developed and presented and endorsed by Council
Develop a Stirling Highway Precinct Strategy for the Stirling Highway Precinct	<ul style="list-style-type: none"> • Stirling Highway Precinct Strategy developed and presented and endorsed by Council

Statutory

Key Result Area (KRA)	Key Performance Indicator (KPI)
<p>Develop a Strategic Community Plan (SCP) in consultation with the community and key stakeholders to give clear strategic direction for the City of Nedlands</p>	<ul style="list-style-type: none"> • Community Consultation Plan developed and presented and endorsed by Council • Draft Strategic Community Plan (SCP) developed and presented and endorsed by Council for public comment • Final Strategic Community Plan (SCP) developed and presented and endorsed by Council
<p>Develop a Corporate Business Plan (CBP) informed by the Strategic Community Plan (SCP) and the Service Delivery Review outcomes</p>	<ul style="list-style-type: none"> • Corporate Business Plan (CBP) developed and presented and endorsed by Council
<p>Finalised Long-Term Financial Plan (LTFP) to give clear financial direction to the City of Nedlands, with clear inputs from the SCP, CBP, AMPs, WFPs, projects and Budget Reviews, and including the ability for plausible scenario plans for Council’s consideration</p>	<ul style="list-style-type: none"> • Long-Term Financial Plan (LTFP) finalised and presented and endorsed by Council
<p>Continuously improve, mature and implement the Asset Management Plans (AMPs) and related practices</p>	<ul style="list-style-type: none"> • Strategic Property Report on rationalisation of the City’s assets and presented and endorsed by Council • Forward Works Plan on basic to intermediate level improvement over three-years for all asset management classes, developed, and presented and endorsed by Council
<p>Continuously improve, mature and implement the Workforce Plan (WFP).</p>	<ul style="list-style-type: none"> • Organisational Review Stage 2 completed, WFP updated, and presented and endorsed by Council • Employee Attraction and Retention Strategy developed and presented and endorsed by the Executive Management Team • Workforce Full-Time Equivalent’ (FTE) dashboard analytics developed and reported to Council



Statutory Compliance

Council Member Attendance

Ordinary Council Meeting

In accordance with the *Local Government Act 1995*, the Council Members meet regularly to make decisions on governing the local government.

Council Meetings are attended by the Mayor, Deputy Mayor, Councillors of the City of Nedlands, the Chief Executive Officer, Directors and Executive Officer and other administration staff as required, members of the media, and community members.

City of Nedlands Council Meetings are held on the fourth Tuesday of the month, with the exception of the December Council meeting which is held on the 2nd Tuesday of the month. No meetings were held in October 2021 as it was an election year.

* Councillors not on Council for the full financial year

Member	Meetings Held	Number Attended
Mayor Fiona Argyle	10	10
Coastal Ward		
Councillor Hengameh Amiry	10	6
Councillor Kerry Smyth	10	10
Councillor Leo McManus	10	9
Councillor Nikola Horley*	10	3
Dalkeith Ward		
Councillor Fergus Bennett	10	10
Councillor Noel Youngman	10	9
Councillor Andrew Mangano	10	10
Melvista Ward		
Councillor Blane Brackenridge	10	7
Councillor Rebecca Coghlan	10	10
Councillor Rajah Senathirajah	10	10
Councillor Bronwen Tyson*	10	3
Hollywood Ward		
Councillor Ben Hodsdon	10	10
Councillor Olinka Combes	10	7
Councillor John Wetherall	10	7

Special Council Meeting

Special Council Meetings are attended by the Mayor, Deputy Mayor, Councillors of the City of Nedlands, the Chief Executive Officer, Directors and Executive Officer and other administration staff as required, members of the media, and community members.

Member	Meetings Held	Number Attended
Mayor Fiona Argyle	11	11
Coastal Ward		
Councillor Hengameh Amiry	11	7
Councillor Kerry Smyth	11	11
Councillor Leo McManus	11	10
Councillor Nikola Horley*	11	1
Dalkeith Ward		
Councillor Fergus Bennett	11	9
Councillor Noel Youngman	11	9
Councillor Andrew Mangano	11	11
Melvista Ward		
Councillor Blane Brackenridge	11	10
Councillor Rebecca Coghlan	11	11
Councillor Rajah Senathirajah	11	11
Councillor Bronwen Tyson*	11	1
Hollywood Ward		
Councillor Ben Hodsdon	11	10
Councillor Olinka Combes	11	7
Councillor John Wetherall	11	4

Council Meeting Agenda Forum (from 1 January 2022)

Council Meeting Agenda Forums

Purpose: The purpose of the Council Meeting Agenda Forum is for Council Members to ask questions and seek information in respect to items that are to be considered at the forthcoming Ordinary Council Meeting.

Member	Meetings Held	Number Attended
Mayor Fiona Argyle	5	5
Coastal Ward		
Councillor Hengameh Amiry	5	2
Councillor Kerry Smyth	5	5
Councillor Leo McManus	5	5
Councillor Nikola Horley*	5	
Dalkeith Ward		
Councillor Fergus Bennett	5	5
Councillor Noel Youngman	5	5
Councillor Andrew Mangano	5	4
Melvista Ward		
Councillor Blane Brackenridge	5	5
Councillor Rebecca Coghlan	5	5
Councillor Rajah Senathirajah	5	5
Councillor Bronwen Tyson*	5	0
Hollywood Ward		
Councillor Ben Hodsdon	5	5
Councillor Olinka Combes	5	4
Councillor John Wetherall	5	2

Council Committee Meetings (Internal-until December 2021)

Council Committee

Purpose: The Committee of the Whole of Council will consider matters presented to it by the Council administration and only make recommendations to Council to enable the necessary or convenient proper management of the Council functions of the *Local Government Act 1995*, the *Planning and Development Act 2005* and other relevant legislation as amended from time to time.

Member	Meetings Held	Number Attended
Mayor Fiona Argyle	5	5
Coastal Ward		
Councillor Hengameh Amiry	5	2
Councillor Kerry Smyth	5	5
Councillor Leo McManus	5	4
Councillor Nikola Horley*	5	3
Dalkeith Ward		
Councillor Fergus Bennett	5	5
Councillor Noel Youngman	5	5
Councillor Andrew Mangano	5	5
Melvista Ward		
Councillor Blane Brackenridge	5	2
Councillor Rebecca Coghlan	5	5
Councillor Rajah Senathirajah	5	5
Councillor Bronwen Tyson*	5	3
Hollywood Ward		
Councillor Ben Hodsdon	5	4
Councillor Olinka Combes	5	2
Councillor John Wetherall	5	4

Audit & Risk Committee

Purpose: Oversee and monitor the effectiveness of Council in carrying out its responsibilities regarding risk management, internal control, legislative compliance, and internal and external audit reporting, in accordance with Part 7 of the *Local Government Act 1995* and Regulation 16 of the *Local Government (Audit) Regulations 1996*.

Member	Meetings Held	Meetings Attended
Mayor Fiona Argyle	5	2
Coastal Ward		
Councillor Hengameh Amiry	5	1
Councillor Leo McManus	5	5
Councillor Kerry Smyth (observer)	5	1
Dalkeith Ward		
Councillor Andrew Mangano	5	5
Melvista Ward		
Councillor Rajah Senathirajah	5	5
Councillor Rebecca Coghlan (observer)	5	1
Hollywood Ward		
Councillor Olinka Combes	5	3
Councillor John Wetherall	5	1



CEO Recruitment & Selection Committee

Purpose:

1. The CEO Recruitment and Selection Committee is to be an interim Committee for the life of the CEO recruitment and selection processes.
2. In accordance with Local Government Operational Guidelines Number 10 – Appointing a CEO (updated April 2019) and in the interests of professionalism for all parties and the reputation of the City, matters discussed and information relating to executive search companies that are commercial in confidence or relating to applicants and their details will be treated in the strictest confidence. All Councillors and staff dealing with the CEO recruitment and selection processes are to sign a confidentiality agreement.

3. The role of respective members of the Committee are to be clarified and confirmed – that is, the roles of the Mayor and Committee members and the roles of alternate Committee members, including whether the alternate Committee members are to act as proxies.
4. The CEO Recruitment and Selection Committee with the assistance of the HR Manager as required will refine the requirements for the selection of the CEO and will assist with coordination of the process.
5. The CEO Recruitment and Selection Committee will coordinate the end-to-end recruitment process, including working with an Executive Search consultancy as required to advertise for and search and select appropriate candidates.
6. The CEO Recruitment and Selection Committee will report back to Council at important points in the process as approved by Council and enable Council to make the final decision regarding selection and appointment of the interim CEO and the long-Term CEO.

Member	Meetings Held	Meetings Attended
Mayor Fiona Argyle	4	2
Coastal Ward		
Councillor Leo McManus	4	1
Councillor Kerry Smyth	4	4
Dalkeith Ward		
Councillor Fergus Bennett	4	1
Councillor Andrew Mangano	4	4
Melvista Ward		
Councillor Rebecca Coghlan	4	4
Councillor Rajah Senathirajah	4	2
Hollywood Ward		
Councillor Ben Hodsdon	4	1
Councillor John Wetherall	4	4

CEO Performance Review Committee

Purpose: Under delegated authority to manage the performance appraisal process of the Chief Executive Officer in order to meet both Council's statutory obligations in accordance with the provisions of Section 5.38(1) of the *Local Government Act 1995* and any terms and conditions of the employment contract of the Chief Executive Officer.

Member	Meetings Held	Meetings Attended
Mayor Fiona Argyle	3	3
Coastal Ward		
Councillor Kerry Smyth	3	2
Councillor Nikola Horley*	3	2
Dalkeith Ward		
Councillor Fergus Bennett	3	1
Councillor Andrew Youngman	3	1
Melvista Ward		
Councillor Rebecca Coghlan	3	3
Hollywood Ward		
Councillor John Wetherall	3	2





Public Art Committee

Purpose: The Public Art Committee was established by Council in accordance with Section 5.8 of the Local Government Act 1995 for public art projects within the City of Nedlands.

Member	Meetings Held	Meetings Attended
Mayor Fiona Argyle	3	1
Coastal Ward		
Councillor Kerry Smyth	3	3
Councillor Leo McManus	3	1
Dalkeith Ward		
Councillor Andrew Mangano	3	1
Councillor Noel Youngman	3	2
Melvista Ward		
Councillor Bronwyn Tyson*	3	1
Councillor Blane Brackenridge	3	2
Hollywood Ward		
Councillor Ben Hodsdon	3	3

Organisational Review Committee

Purpose: This Committee is established by Council in accordance with section 5.8 of the *Local Government Act 1995* to oversee the City of Nedlands Organisational Review.

Member	Meetings Held	Meetings Attended
Mayor Fiona Argyle	4	3
Coastal Ward		
Councillor Hengameh Amiry	4	3
Councillor Kerry Smyth (observer)	4	4
Dalkeith Ward		
Councillor Andrew Mangano	4	4
Councillor Fergus Bennett (observer)	4	2
Melvista Ward		
Councillor Rajah Senathirajah	4	4
Councillor Rebecca Coghlan (observer)	4	4
Hollywood Ward		
Councillor Olinka Combes	4	3
Councillor John Wetherall (Deputy)	4	1
Councillor Ben Hodsdon (observer)	4	2

Working Groups (Internal)

Briefing Sessions (July 2021–December 2021) & Concept Forums (February 2022 – 30 June 2022)

In addition to Council Meetings, Committee Meetings and internal and external working groups and panels, as part of the decision-making process Council Members also attend Council Member Briefing sessions on the 1st and 3rd Tuesday of the month with additional meetings held on Thursdays or other days as required. These briefings cover a variety of important issues.

From July 2021 to December 2021 Council Members attended a total of 17 briefings consisting of 11 Tuesdays, 5 Thursdays and 1 Saturday.

Following the adoption of Council's Governance Framework Policy in December 2021 Briefing Sessions were amended to be Concept Forums.

The sessions provide an environment where Council Members and the Administration can meet to review and measure the performance of policy and strategy matters, and to discuss and consider complex, important and topical issues. Concept Forums also provide an opportunity to discuss projects that are in the early planning stage and are sometime away from being presented to Council for decision.

Concept Forums are closed to the public.

Debating, collective decision making or revelation of one's intention to vote at a future Council meeting is not permitted. Expressing an opinion on matters under discussion is appropriate and welcome.

Council Members attended a total of 23 Concept Forums from 1 February 2022 to 30 June 2022 consisting of 11 Tuesdays and 12 Thursdays.

Site Assessment Working Group

Purpose: For the purpose of this Terms of Reference, the 'Site' is defined as the proposed Hospice site and its vicinity within the Allen Park Master Plan location. The establishment of the Site Assessment Working Group (SAWG) will enable the key stakeholders to be directly involved in reviewing the proposal for a Perth Children's Hospice in Swanbourne.

The feedback provided by the SAWG will assist the City of Nedlands and Council in making decisions that respond to community concerns and aspirations and have the best overall outcomes for the community.

Member	Meetings Held	Meetings Attended
Councillor Kerry Smyth	4	3
Councillor Nikola Horley*	4	3
Councillor Leo McManus	4	3



Committees, Working Groups & Panels (External)

Lake Claremont Advisory Committee

Purpose: The Committee was established to prepare and implement a Management Plan for the Lake. The Lake Claremont Advisory Committee along with community participation, ensures that the Lake is managed by the Town of Claremont, as a healthy natural seasonal lake for both conservation and recreational purposes.

Member	Meetings Held	Meetings Attended
Councillor Fergus Bennett	4	1
Councillor Kerry Smyth	4	3

Development Assessment Panel

Purpose: Development Assessment Panels (DAP) were introduced by the (then) Department of Planning during 2011 to assist with decision making involved with complex development applications.

Each DAP consists of three specialist members, one of which is the presiding member, and two local government members.

The Planning and Development (Development Assessment Panels) Regulations 2011 (DAP Regulations) requires Council to nominate four elected members of the Council, comprising two local members and two alternate local members to sit on the Joint Development Assessment Panel (JDAP).

Member	Meetings Held	Meetings Attended
Councillor Fergus Bennett	15	10
Councillor Blane Brackenridge	15	7
Councillor Rebecca Coghlan	15	3
Councillor Kerry Smyth	15	10

WALGA Central Metropolitan Zone

Purpose: The City of Nedlands is a member of the Western Australian local Government Association (WALGA).

Zones are required to meet to consider items contained on the agenda to have input into the decision making of State Council on a particular item, it must pass an advisory resolution.

The relationship between State Council and the Zones within the Western Australian Local Government Association is a critical one in the political representation of Local Government at the State and Federal levels. Zones have an integral role in shaping the political and strategic direction of Local Government as a sphere of government. Not only are Zones responsible for bringing relevant local and regional issues to the State decision making table, but they are also a key player in developing policy and legislative initiatives for Local Government. Zones have a direct relationship with the State Council of the Association, Policy Teams and Policy Forums and the Secretariat of the Association.

The primary role of Zones is to elect a State Council representative, consider the State Council agenda and provide direction/feedback to their State Councillor. The role/functions of a Zone may include developing/advocating positions on regional issues affecting Local Government, progressing regional Local Government initiatives, identifying relevant issues for action by WALGA, networking and sharing information, and contributing to policy development through Policy Teams and Policy Forums.

Under the representational framework of the Association, Member Local Governments have the capacity to be directly involved in the development of policy for Local Government. Member Local Government can access the Association through the State Council, Secretariat, Policy Teams and Policy Forums, or alternatively can access the Association through their respective Zones.

Zones provide critical input into the business which is considered by State Council.

The relationship between State Council and the Zones within the Western Australian Local Government Association is a critical one in the political representation of Local Government at the State and Federal levels. Zones have an integral role in shaping the political and strategic direction of Local Government as a sphere of government. Not only are Zones responsible for bringing relevant local and regional issues to the State decision making table, but they are also a key player in developing policy and legislative initiatives for Local Government. Zones have a direct relationship with the State Council of the Association, Policy Teams and Policy Forums and the Secretariat of the Association.

Member	Meetings Held	Meetings Attended
Mayor Fiona Argyle	5	1
Councillor Rajah Senathirajah	5	5
Councillor Kerry Smyth	5	3

Metropolitan Regional Road Group – West Sub Group

Purpose: The State Road Funds to Local Government Agreement 2018/19 to 2022/23 provides the framework for distribution of State funds available from State Government for local roads. The State Road Funds to Local Government Advisory Committee (SAC) oversees, monitors and recommends to the Minister for Transport the distribution of State funds under the Agreement.

Regional Road Groups, under the Agreement, are responsible for developing regional specific policies and procedures within the overarching framework to suit local circumstances. Membership of Regional Road Groups is to comprise elected Local Government representatives (Councillors and Commissioners as appointed under the Local Government Act) with all local governments being represented.

Member	Meetings Held	Meetings Attended
Councillor Fergus Bennett	2	1
Councillor Kerry Smyth	2	1



Council Member Complaints

The *Local Government Act 1995* requires a local government's annual report contain details of entries made in the Complaints Register in the financial year. A summary for the 2021-22 financial year is provided below:

- 11 Complaints recorded & referred to Standards Panel
- 0 Complaints with findings of no breach by Standards Panel
- 8 Complaints with findings of refusal by Standards Panel
- 0 Complaints with findings of Breach by Standards Panel
- 3 Complaints with an investigation still in Progress

Payments Ordered by the Local Government Standards Panel

The *Local Government (Administration) Regulations 1996* require a local government to report any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under sections 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year. The amount order for the 2021-22 financial year was \$0.

Remuneration and Allowances paid to the Local Government Standards Panel

For the 2021-22 financial year, the amount the City paid in sitting fees to the standards panel was \$0 noting that these are only paid when findings are made.

CEO Renumeration

The CEO's remuneration package was \$300,000 (including salary, allowances, fees, emoluments, and benefits).

Employee Renumeration

The *Local Government (Administration) Regulations 1996* require a local government to report the number of employees entitled to an annual salary of \$130,000 or more, and the number of employees entitled to an annual salary that falls within each band of \$10,000 over \$130,000. There were 13 employees (including the CEO) entitled to an annual cash salary of \$130,000 or more, a summary which is provided below.

Annual cash salary	Number of employees
\$130,000 - \$139,999	0
\$140,000 - \$149,999	4
\$150,000 - \$159,999	4
\$160,000 - \$169,999	1
\$170,000 - \$179,999	1
\$180,000 - \$189,999	0
\$190,000 - \$199,999	0
\$200,000 - \$209,999	1
\$210,000 - \$219,999	0
\$220,000 - \$229,999	1

Note: The table above reports the annual cash component only and includes the CEO.

Records Keeping

The City is committed to best practice record keeping and compliance in accordance with the *State Records Act 2000* and best practice standards.

Record-Keeping Plan

The City's current Record-Keeping Plan, RKP2018005, was submitted to the State Records Office in March 2018 and subsequently approved on 23 March 2018. In accordance with the *State Records Act 2000*, RKP2018005, is due to be reviewed and submitted to the State Records Office by 23 March 2023. The City has completed the review and the revised Record-Keeping Plan will be submitted for approval in March 2023.

Information Management Systems

The City continuously reviews and improves business processes and systems used to capture business intelligence across the organisation. In 2016, the City migrated to SharePoint Online and implemented RecordPoint365 to work alongside Sharepoint, to comply with document classification, retention and disposal legislative requirements.

The City is currently in the implementation of Enterprise Resource Planning (ERP) system 'OneCouncil' including an Enterprise Content Management (ECM) component allowing for better records management practices.

Training & Awareness

Record-keeping induction training is provided to all new employees. This training program is reviewed regularly and updated as required. Annual Freedom of Information (FOI) workshop/information sessions are also conducted for staff and a refresher training program is currently in development. Staff also undergo annual records keeping training on a regular basis, as well as attend monthly and quarterly forums for networking, information, education, and knowledge sharing purposes.

Freedom of Information

The *Freedom of Information Act 1992* gives the public the right to apply for access to documents held by State and Local governments. The City aims to make information available outside of the Freedom of Information (FOI) process wherever possible. A summary of the FOI process undertaken in the 2021-22 financial year is provided below:

- 17 valid FOI applications received.
 - 15 internally reviewed and finalised
 - 1 externally reviewed and finalised
 - 1 transferred to another agency

Disability Access & Inclusion

The City of Nedlands' Disability Access and Inclusion Plan 2018-19 to 2022-23 outlines the City's approach to working towards a more accessible and inclusive community.

The City is required by legislation to:

- maintain a Disability Access and Inclusion Plan (DAIP)
- address seven specific outcome areas within the plan
- report to the Department of Communities – Disability Services annually on progress against actions within the plan

The strategies outlined in the DAIP have a direct community benefit. This extends beyond those with a disability. Making the City of Nedlands more accessible benefits the elderly, culturally and linguistically diverse (CaLD) community members and young children.

The table below shows the outcome areas where strategies or initiatives were planned, as well as the strategies or initiatives completed during the financial year.

Outcome Areas	Number of Strategies / Initiatives			Comment
	Planned	Completed	Ongoing	
Service & Events	14	11	N/A	Covid-19 impacted on the delivery of some services
Buildings & Facilities	4	3	1	The installation of a new path at Paul Hasluck Reserve was delayed. This action is ongoing
Information	5	2	2	Delays in the website process mean that the website had not been tested by an appropriate focus group or launched by the end of financial year. These actions are ongoing
Services from Employees	1	0	N/A	Training options were interrupted by Covid-19
Feedback & Complaints	0	0	0	The City's complaints process was reviewed in 2018-19. No further action was assigned
Public Consultation	3	3	0	
Employment	2	2	0	



Financials

Understanding the Financial Statements

A guide to some of the terminology contained within the statutory Financial Statements.

Statement of Comprehensive Income by Nature and Type (Operating Statement/Statement of Profit and Loss)

The 'Statement of Comprehensive Income' demonstrates whether the City of Nedlands' operations were in operating surplus or deficit for the year. It shows the operating revenue and expenditure items grouped by local government program and by nature and type classification. The net result is calculated as Total Revenue less Total Expenditure.

The 'Statement of Comprehensive Income' includes non-cash entries in our accounts to reflect the increase in value of community assets (buildings, roads, paths, land etc.) held by the City.

A positive result does not necessarily mean that there are extra funds available for spending - nor does a negative result mean that there are insufficient funds, providing the shortfall is made up from other sources such as existing cash reserves or borrowings.

Statement of Financial Position (Balance Sheet)

The 'Statement of Financial Position' shows what the City owns (our Assets) and what it owes (Liabilities).

'Current Assets' are items that can be readily converted into cash within 12 months. Any other assets such as infrastructure, property and equipment are classified as 'Non-Current' as it would generally take longer than 12 months to convert them to cash.

Liabilities that are expected to have to be paid within the next 12 months are classified as 'Current Liabilities' whilst all other liabilities are 'Non-Current'.

Statement of Changes in Equity

The 'Statement of Changes in Equity' shows how much our investment in community assets is worth. Our 'Net Worth' is calculated as Total Assets less Total Liabilities.

Some of this 'Net Worth' is represented by 'Cash Backed Reserves' whilst the remainder (Retained Surplus from Prior Years and Asset Revaluation Surplus) is backed by other fixed assets rather than by cash.

Statement of Cash Flows (Cash Flow Statement)

The 'Statement of Cash Flows' indicates how cash flows into the City and what the cash outflows are over the year. It indicates the City's ability to pay its debts, when they are due, and have money left for the future.

Cash flows can occur through:

- Operating Activities (receipt of rates, fees, interest, operating grants or other revenue)
- Investing Activities (sale, purchase or construction of property, plant or equipment, capital grants)
- Financing Activities (repayment of borrowings or proceeds of new loans)

Rate Setting Statement

The 'Rate Setting Statement' demonstrates how the City arrived at the amount of money required to be derived from Rates. In effect, it looks at the proposed expenditures then allows for funding from all sources other than rates. The remaining portion then represents the cash required to be raised from Rates.

Each of these major financial statements will have cross references to the 'Notes to the Accounts' which provide more detail on how a particular number shown on the statements is made up.

Financial Statements 2021-22

CITY OF NEDLANDS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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COMMUNITY VISION

Our City will be an environmentally-sensitive, beautiful, and inclusive place.

Principal place of business:
71 Stirling Highway
Nedlands WA 6009

**CITY OF NEDLANDS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The attached financial report of the City of Nedlands for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the City of Nedlands at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 21st day of April 2023



Chief Executive Officer

William Parker

Name of Chief Executive Officer



CITY OF NEDLANDS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	26(a),2(a)	25,305,927	25,127,655	24,724,235
Operating grants, subsidies and contributions	2(a)	2,451,096	1,608,056	2,162,126
Fees and charges	25(c),2(a)	7,678,159	8,077,681	7,699,409
Service charges	26(c),2(a)	7,936	0	(19,966)
Interest earnings	2(a)	241,044	275,000	268,905
Other revenue	2(a)	246,812	67,573	132,711
		35,930,974	35,155,965	34,967,420
Expenses				
Employee costs		(17,195,294)	(16,011,302)	(14,396,659)
Materials and contracts		(11,103,613)	(14,961,202)	(11,089,161)
Utility charges		(1,089,876)	(827,703)	(882,938)
Depreciation	10(a)	(4,491,612)	(4,656,600)	(4,288,831)
Finance costs	2(b)	(114,275)	(113,432)	(169,430)
Insurance		(359,136)	(408,200)	(375,901)
Other expenditure	2(b)	(1,119,883)	(1,516,326)	(706,287)
		(35,473,689)	(38,494,765)	(31,909,207)
		457,285	(3,338,800)	3,058,213
Capital grants, subsidies and contributions	2(a)	1,393,561	3,994,383	2,256,281
Profit on asset disposals	10(c)	17,938	6,545	35,067
Loss on asset disposals	10(c)	(3,262)	(133,440)	0
Fair value adjustments to financial assets at fair value through profit or loss		7,993	0	5,172
		1,416,230	3,867,488	2,296,520
Net result for the period	25(b)	1,873,515	528,688	5,354,733
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	(43,621,065)	0	0
Total other comprehensive income for the period	18	(43,621,065)	0	0
Total comprehensive income for the period		(41,747,550)	528,688	5,354,733

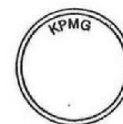
This statement is to be read in conjunction with the accompanying notes.



**CITY OF NEDLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,159,497	15,827,346
Trade and other receivables	5	1,812,104	1,954,644
Other financial assets	4(a)	12,118,917	4,298,665
Inventories	6	40,738	34,191
Other assets	7	44,747	61,812
TOTAL CURRENT ASSETS		20,176,003	22,176,658
NON-CURRENT ASSETS			
Trade and other receivables	5	1,301,176	1,443,370
Other financial assets	4(b)	195,875	205,015
Property, plant and equipment	8	107,509,452	151,569,167
Infrastructure	9	92,586,196	92,642,616
Right-of-use assets	11(a)	84,318	134,853
Intangible assets	12	973,400	0
TOTAL NON-CURRENT ASSETS		202,650,417	245,995,021
TOTAL ASSETS		222,826,420	268,171,679
CURRENT LIABILITIES			
Trade and other payables	13	5,061,932	7,573,268
Other liabilities	14	590,595	562,173
Lease liabilities	11(b)	65,506	64,310
Borrowings	15	1,136,520	1,405,492
Employee related provisions	16	2,886,568	2,678,769
Other provisions	17	56,211	108,850
TOTAL CURRENT LIABILITIES		9,797,332	12,392,862
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	142,099	207,605
Borrowings	15	1,572,473	2,708,993
Employee related provisions	16	364,244	161,190
Other provisions	17	89,974	93,181
TOTAL NON-CURRENT LIABILITIES		2,168,790	3,170,969
TOTAL LIABILITIES		11,966,122	15,563,831
NET ASSETS		210,860,298	252,607,848
EQUITY			
Retained surplus		86,260,566	87,333,105
Reserve accounts	29	8,263,144	5,317,090
Revaluation surplus	18	116,336,588	159,957,653
TOTAL EQUITY		210,860,298	252,607,848

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



**CITY OF NEDLANDS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		81,399,623	5,895,843	159,957,653	247,253,119
Comprehensive income for the period					
Net result for the period		5,354,733	0	0	5,354,733
Total comprehensive income for the period		5,354,733	0	0	5,354,733
Transfers from reserves	29	906,703	(906,703)	0	0
Transfers to reserves	29	(327,947)	327,947	0	0
Balance as at 30 June 2021		87,333,105	5,317,090	159,957,653	252,607,848
Comprehensive income for the period					
Net result for the period		1,873,515	0	0	1,873,515
Other comprehensive income for the period	18	0	0	(43,621,065)	(43,621,065)
Total comprehensive income for the period		1,873,515	0	(43,621,065)	(41,747,550)
Transfers from reserves	29	1,491,532	(1,491,532)	0	0
Transfers to reserves	29	(4,437,586)	4,437,586	0	0
Balance as at 30 June 2022		86,260,566	8,263,144	116,336,588	210,860,298

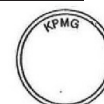
This statement is to be read in conjunction with the accompanying notes.



CITY OF NEDLANDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		25,483,046	25,127,655	25,232,316
Operating grants, subsidies and contributions		2,468,910	1,608,056	1,818,375
Fees and charges		7,681,985	8,077,681	7,736,502
Service charges		7,936	0	(19,966)
Interest received		241,044	275,000	268,905
Goods and services tax received		1,855,520	0	1,667,021
Other revenue		246,812	67,573	132,711
		37,985,253	35,155,965	36,835,864
Payments				
Employee costs		(17,197,626)	(15,951,316)	(14,467,132)
Materials and contracts		(13,229,838)	(14,961,202)	(9,433,355)
Utility charges		(1,089,876)	(827,703)	(882,938)
Finance costs		(114,275)	(113,432)	(169,430)
Insurance paid		(359,136)	(408,200)	(375,901)
Goods and services tax paid		(1,704,621)	0	(1,808,907)
Other expenditure		(1,115,109)	(1,516,326)	(706,287)
		(34,810,481)	(33,778,179)	(27,843,950)
Net cash provided by (used in) operating activities	19(b)	3,174,772	1,377,786	8,991,914
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(420,273)	(3,509,195)	(582,018)
Payments for construction of infrastructure	9(a)	(3,113,651)	(4,738,653)	(5,334,657)
Payments of right of use assets		0	0	(157,176)
Payments for intangible assets	12	(973,400)	0	0
Non-operating grants, subsidies and contributions		875,281	3,994,383	2,256,281
Proceeds from financial assets at amortised cost		(7,819,802)	0	1,991,900
Proceeds from financial assets at amortised cost - self supporting loans		16,683	0	8,178
Proceeds from sale of property, plant & equipment	10(c)	62,593	269,909	101,989
Net cash provided by (used in) investing activities		(11,372,569)	(3,983,556)	(1,715,503)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(1,405,492)	(1,407,745)	(1,750,165)
Payments for principal portion of lease liabilities	28(b)	(64,560)	(64,560)	(75,171)
Recognition of new lease liabilities		0	0	156,922
Proceeds on disposal of financial assets at fair values through other comprehensive income		0	485,175	0
Net cash provided by (used in) financing activities		(1,470,052)	(987,130)	(1,668,414)
Net increase (decrease) in cash held		(9,667,849)	(3,592,900)	5,607,997
Cash at beginning of year		15,827,346	13,028,521	10,219,350
Cash and cash equivalents at the end of the year	19(a)	6,159,497	9,435,621	15,827,346

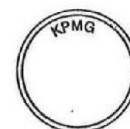
This statement is to be read in conjunction with the accompanying notes.



**CITY OF NEDLANDS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	27(b)	5,805,698	4,826,033	3,238,997
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		2,451,096	1,608,056	2,162,126
Fees and charges		7,678,159	8,077,681	7,699,409
Service charges		7,936	0	(19,966)
Interest earnings		241,044	275,000	268,905
Other revenue		246,812	67,573	132,711
Profit on asset disposals	10(c)	17,938	6,545	35,067
Fair value adjustments to financial assets at fair value through profit or loss		7,993	0	5,172
		10,650,978	10,034,855	10,283,424
Expenditure from operating activities				
Employee costs		(17,195,294)	(16,011,302)	(14,396,659)
Materials and contracts		(11,103,613)	(14,961,202)	(11,089,161)
Utility charges		(1,089,876)	(827,703)	(882,938)
Depreciation		(4,491,612)	(4,656,600)	(4,288,831)
Finance costs		(114,275)	(113,432)	(169,430)
Insurance		(359,136)	(408,200)	(375,901)
Other expenditure		(1,119,883)	(1,516,326)	(706,287)
Loss on asset disposals	10(c)	(3,262)	(133,440)	0
		(35,476,951)	(38,628,205)	(31,909,207)
Non-cash amounts excluded from operating activities	27(a)	4,925,361	4,783,495	4,422,232
Amount attributable to operating activities		(19,900,612)	(23,809,855)	(13,964,554)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,393,561	3,994,383	2,256,281
Proceeds from disposal of assets	10(c)	62,593	269,909	101,989
Proceeds from financial assets at amortised cost - self supporting loans		16,683	0	8,178
Purchase of property, plant and equipment	8(a)	(880,273)	(3,509,195)	(582,018)
Purchase and construction of infrastructure	9(a)	(3,113,651)	(4,738,653)	(5,334,657)
Purchase of right of use asset		0	0	(157,176)
Payments for intangible assets	12	(973,400)	0	0
		(3,494,487)	(3,983,556)	(3,707,403)
Amount attributable to investing activities		(3,494,487)	(3,983,556)	(3,707,403)
FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(1,405,492)	(1,407,745)	(1,750,165)
Payments for principal portion of lease liabilities	28(b)	(64,560)	(64,560)	(75,171)
Transfers to reserves (restricted assets)	29	(4,437,586)	(2,052,500)	(327,947)
Transfers from reserves (restricted assets)	29	1,491,532	1,364,528	906,703
Amount attributable to financing activities		(4,416,106)	(2,160,277)	(1,246,580)
Surplus/(deficit) before imposition of general rates		(22,005,507)	(25,127,655)	(18,918,537)
Total amount raised from general rates	26(a)	25,305,927	25,127,655	24,724,235
Surplus/(deficit) after imposition of general rates	27(b)	3,300,420	0	5,805,698

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



**CITY OF NEDLANDS
FOR THE YEAR ENDED 30 JUNE 2022
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**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

Judgements and estimates

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial and non financial assets
- impairment of financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible asset

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment date adopted by Council during the year	None	When rates are issued
Service charges	Charge for specific service	Over time	Payment date adopted by Council during the year	Refund in the event monies are unspent	When rates are issued
Operating grants, subsidised and contributions with customer	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges-licenses, registrations, approvals	Building, planning development and animal management	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled in line with hire agreements	On entry or at hire booking
Other revenue-private works	Contracted private works	Single point in time	Monthly in arrears	None	Output method based on works done
Fees & Charges - Courses	Community events, training	Last month of the Financial Year	Fixed	Yes	On payment of course fee in advance

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

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	25,305,927	0	25,305,927
Operating grants, subsidies and contributions	1,141,753	0	0	1,309,343	2,451,096
Fees and charges	7,230,858	0	362,112	85,189	7,678,159
Service charges	0	0	0	7,936	7,936
Interest earnings	12,544	0	155,671	72,829	241,044
Other revenue	67,402	52,500	0	126,910	246,812
Non-operating grants, subsidies and contributions	0	1,393,561	0	0	1,393,561
Total	8,452,557	1,446,061	25,823,710	1,602,207	37,324,535

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	24,724,235	0	24,724,235
Operating grants, subsidies and contributions	0	2,162,126	0	0	2,162,126
Fees and charges	7,219,017	0	480,392	0	7,699,409
Service charges	0	0	(19,966)	0	(19,966)
Interest earnings	0	0	166,540	102,365	268,905
Other revenue	121,959	0	0	10,752	132,711
Non-operating grants, subsidies and contributions	0	2,256,281	0	0	2,256,281
Total	7,340,976	4,418,407	25,351,201	113,117	37,223,701

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
(a) Revenue (Continued)				
Interest earnings				
Financial assets at amortised cost - self supporting loans		1,793	1,822	2,203
Interest on reserve funds		16,892	38,500	28,249
Rates instalment and penalty interest (refer Note 26(e))		155,671	151,000	166,540
Other interest earnings		66,688	83,678	71,913
		<u>241,044</u>	<u>275,000</u>	<u>268,905</u>
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		114,175	113,432	45,000
- Other services		29,593	4,714	10,000
		<u>143,768</u>	<u>118,146</u>	<u>55,000</u>
Finance costs				
Borrowings	28(a)	109,561	113,432	164,187
Lease liabilities	28(b)	4,714	4,714	5,243
		<u>114,275</u>	<u>118,146</u>	<u>169,430</u>
Other expenditure				
Impairment losses on receivables from contracts with customers		4,774	0	10,432
Sundry expenses		1,115,109	1,516,326	695,855
		<u>1,119,883</u>	<u>1,516,326</u>	<u>706,287</u>

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Note	2022 \$	2021 \$
	4,088,292	11,217,687
	2,071,205	4,609,659
	6,159,497	15,827,346
19(a)		
	2,851,569	11,321,015
	3,307,928	4,506,331
	6,159,497	15,827,346
19(a)		

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 19.

4. OTHER FINANCIAL ASSETS

(a) Current assets

	2022 \$	2021 \$
Financial assets at amortised cost	12,118,917	4,298,665
	12,118,917	4,298,665

Other financial assets at amortised cost

Self supporting loans receivable	17,133	16,683
Term deposits	12,101,784	4,281,982
	12,118,917	4,298,665

Held as

- Unrestricted other financial assets at amortised cost	3,855,773	16,683
- Restricted other financial assets at amortised cost	8,263,144	4,281,982
	12,118,917	4,298,665

(b) Non-current assets

Financial assets at amortised cost	40,268	57,401
Financial assets at fair value through profit and loss	155,607	147,614
	195,875	205,015

Financial assets at amortised cost

Self supporting loans receivable	40,268	48,079
Term deposits	0	9,322
	40,268	57,401

Financial assets at fair value through profit and loss

Units in Local Government House Trust	155,607	147,614
	155,607	147,614

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

	Note	2022 \$	2021 \$
Current			
Rates receivable		477,704	606,717
Trade and other receivables		1,018,132	855,456
GST receivable		211,858	362,757
Allowance for credit losses of trade and other receivables	23(b)	(14,258)	(10,432)
Underground power		65,452	88,346
Lease receivable		53,216	51,800
		1,812,104	1,954,644
Non-current			
Pensioner's rates and ESL deferred		449,477	458,741
Underground power		463,140	542,853
Lease receivable		388,559	441,776
		1,301,176	1,443,370

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

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

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

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

6. INVENTORIES

Current	Note	2022	2021
		\$	\$
Fuel and materials		40,738	34,191
		40,738	34,191

The following movements in inventories occurred during the year:

Balance at beginning of year	34,191	22,816
Inventories expensed during the year	(136,271)	(115,523)
Write down of inventories to net realisable value	0	5,172
Additions to inventory	142,818	121,726
Balance at end of year	40,738	34,191

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets

	2022	2021
	\$	\$
Prepayments	40,021	48,312
Accrued income	4,726	0
Contract assets	0	13,500
	44,747	61,812

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Contract assets

Contract assets primarily relate to the City's right to consideration for work completed but not billed at the end of the period.

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings - non-specialised	Buildings - specialised	Vested improvements		Furniture and equipment	Plant and equipment	Public Artworks	Total property, plant and equipment
				Buildings - specialised	improvements (b)				
Balance at 1 July 2020	\$ 111,635,000	\$ 1,229,518	\$ 31,241,296	\$ 5,000,926	\$ 148,969,423	\$ 509,815	\$ 2,475,070	\$ 195,547	\$ 152,149,855
Additions	0	0	350,178	0	350,178	121,792	110,048	0	582,018
Disposals	0	0	0	0	0	0	(66,923)	0	(66,923)
Depreciation	0	(54,292)	(703,157)	(137,317)	(757,449)	(85,604)	(239,344)	(13,386)	(1,095,783)
Balance at 30 June 2021	\$ 111,635,000	\$ 1,175,226	\$ 30,888,317	\$ 4,863,609	\$ 148,562,152	\$ 546,003	\$ 2,278,851	\$ 182,161	\$ 151,569,167
Comprises:									
Gross balance amount at 30 June 2021	111,635,000	1,372,656	46,379,378	8,681,748	168,068,782	1,821,583	4,325,352	195,547	174,411,264
Accumulated depreciation at 30 June 2021	0	(197,430)	(15,491,061)	(3,818,139)	(19,506,630)	(1,275,580)	(2,046,501)	(13,386)	(22,842,097)
Balance at 30 June 2021	\$ 111,635,000	\$ 1,175,226	\$ 30,888,317	\$ 4,863,609	\$ 148,562,152	\$ 546,003	\$ 2,278,851	\$ 182,161	\$ 151,569,167
Additions	0	0	252,471	0	252,471	627,802	0	0	880,273
Disposals	0	0	0	0	0	0	(47,917)	0	(47,917)
Revaluation increments / (decrements) transferred to revaluation surplus	(54,862,900)	382,760	7,707,060	2,027,516	(44,745,564)	0	0	1,095,771	(43,649,793)
Depreciation	0	(47,986)	(828,179)	(14,395)	(890,560)	(119,165)	(222,917)	(9,636)	(1,242,278)
Balance at 30 June 2022	\$ 56,772,100	\$ 1,510,000	\$ 38,019,669	\$ 6,876,730	\$ 103,178,499	\$ 1,054,640	\$ 2,008,017	\$ 1,268,296	\$ 107,509,452
Comprises:									
Gross balance amount at 30 June 2022	56,772,100	3,344,000	60,818,456	11,892,100	132,826,656	2,355,321	4,254,887	1,291,318	140,728,182
Accumulated depreciation at 30 June 2022	0	(1,834,000)	(22,798,787)	(5,015,370)	(29,648,157)	(1,300,681)	(2,246,870)	(23,022)	(33,218,730)
Balance at 30 June 2022	\$ 56,772,100	\$ 1,510,000	\$ 38,019,669	\$ 6,876,730	\$ 103,178,499	\$ 1,054,640	\$ 2,008,017	\$ 1,268,296	\$ 107,509,452

(b) Change in Presentation for comparative figures

Effective 6 November 2020, Local Government (Financial Management) Regulation 16 was deleted and Local Government (Financial Management) Regulation 17A was amended in relation to crown land and improvement on the land, with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the City's initial application classified improvements on the crown land at the time of vestment as building right-of-use assets. While undertaking a revaluation assessment of the land and building asset classes for the year ending 30 June 2022, the City has determined that these building assets would be more appropriately classified as vested improvements with property, plant, and equipment, thus a comparative figures have been reclassified to conform with changes in presentation for the current year.

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		2	Market approach using recent observed market data for similar properties	Independent registered valuer	30/06/2022	Sales evidence of similar assets
Land		3	Cost approach	Independent registered valuer	30/06/2022	Improvements to land using current condition (level 2), residual values, and remaining useful life assessments (level 3)
Buildings - non-specialised		2	Market approach using recent observed market data for similar properties	Independent registered valuer	30/06/2022	Sales evidence of similar assets
Buildings - specialised		3	Cost approach using depreciated replacement cost	Independent registered valuer	30/06/2022	Construction costs and current condition (level 2) residual values, and remaining useful life assessments (level 3)
Public Artworks		3	Cost approach using depreciated replacement cost	Independent registered valuer	30/06/2022	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs

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

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

(ii) Cost

Furniture and equipment	Cost	Purchase cost
Plant and equipment	Cost	Purchase cost

Following a change to the *Local Government (Financial Management) Regulations 1996* section 17A, furniture, plant, and equipment are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Other infrastructure - drainage	Other infrastructure - footpaths	Other infrastructure - parks	Other infrastructure - street furniture	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	48,636,204	13,066,560	11,801,121	14,662,184	2,136,312	90,302,381
Additions	2,223,244	1,469,714	532,461	819,990	289,248	5,334,657
Depreciation	(1,250,038)	(383,896)	(414,511)	(793,284)	(152,693)	(2,994,422)
Balance at 30 June 2021	49,609,410	14,152,378	11,919,071	14,688,890	2,272,867	92,642,616
Comprises:						
Gross balance at 30 June 2021	84,182,712	29,248,945	21,341,666	23,218,398	3,911,681	161,903,402
Accumulated depreciation at 30 June 2021	(34,573,302)	(15,096,567)	(9,422,595)	(8,529,508)	(1,638,814)	(69,260,786)
Balance at 30 June 2021	49,609,410	14,152,378	11,919,071	14,688,890	2,272,867	92,642,616
Additions	1,961,503	371,859	77,455	274,500	428,334	3,113,651
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	28,728	0	28,728
Depreciation	(1,337,522)	(422,153)	(433,894)	(842,689)	(162,541)	(3,198,799)
Balance at 30 June 2022	50,233,391	14,102,084	11,562,632	14,149,429	2,538,660	92,586,196
Comprises:						
Gross balance at 30 June 2022	86,144,215	29,620,804	21,419,121	23,521,626	4,340,015	165,045,781
Accumulated depreciation at 30 June 2022	(35,910,824)	(15,518,720)	(9,856,489)	(9,372,197)	(1,801,355)	(72,459,585)
Balance at 30 June 2022	50,233,391	14,102,084	11,562,632	14,149,429	2,538,660	92,586,196

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent registered valuer	30/06/2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent registered valuer	30/06/2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure -footpaths	3	Cost approach using depreciated replacement cost	Independent registered valuer	30/06/2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure -parks	3	Cost approach using depreciated replacement cost	Independent registered valuer	30/06/2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
	Other infrastructure - street furniture	3	Cost approach using depreciated replacement cost	Independent registered valuer	30/06/2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs

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

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	47,986	48,000	54,292
Buildings - specialised	8(a)	828,179	893,700	703,157
Furniture and equipment	8(a)	119,165	135,000	85,604
Plant and equipment	8(a)	222,917	399,400	239,344
Vested Improvements	8(a)	14,395	0	137,317
Infrastructure - roads	9(a)	1,337,522	1,334,600	1,250,038
Other infrastructure - drainage	9(a)	422,153	386,900	383,896
Other infrastructure -footpaths	9(a)	433,894	471,700	414,511
Other infrastructure -parks	9(a)	842,689	834,600	793,284
Other infrastructure - street furniture	9(a)	162,541	152,700	152,693
Right-of-use assets - photocopier	11(a)	50,535	0	61,309
		4,491,612	4,656,600	4,288,831

Revision of useful lives of plant and equipment

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

Depreciation rates

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

Asset Class	Useful life
Buildings	
- Structure	100 - 140 years
- Fit-outs	30 - 50 years
- Mechanical	50 - 100 years
- Roof Cladding	50 - 120 years
Furniture and equipment	4 - 10 years
Plant and equipment	5 - 15 years
Roads	
- Pavement	20 - 210 years
- Sub Grade	Not depreciated
- Top Surface	35 - 50 years
Footpaths	25 - 50 years
Stormwater	
- Pipes	60 - 80 years
- Pits	60 - 80 years
- Plant	30 - 80 years
Right of use (plant and equipment)	Based on the remaining lease
Transport	
- Bus Shelters	30 years
- Roundabouts	20 - 80 years
- Street Lights	10 - 50 years
Parks	10 - 100 years
Parks Reticulation	25 - 50 years

(b) Temporarily Idle or retired from use assets

The carrying value of assets held by the City which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	2022 \$
Plant and equipment	268,086

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	47,917	62,593	17,938	(3,262)	396,804	269,909	6,545	(133,440)	66,923	101,989	35,066	0
	47,917	62,593	17,938	(3,262)	396,804	269,909	6,545	(133,440)	66,923	101,989	35,066	0

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Other property and services				
Ford Ranger (1GWQ237)	20,867	30,128	9,261	0
Ford Ranger (1GXE348)	22,924	29,310	6,386	0
John Papas Trailer (1TTD430)	864	3,155	2,291	0
Kawasaki KBH Brushcutter	2,700	0	0	(2,700)
Hyundai i20 Hatchback (1ENA521)	562	0	0	(562)
	47,917	62,593	17,938	(3,262)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

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

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

Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. LEASES

(a) Right-of-Use Assets

	Note	Right-of-use assets - photocopier	Right-of-use assets (c) Total
		\$	\$
Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.			
Balance at 1 July 2020		38,986	38,986
Additions		157,176	157,176
Depreciation		(61,309)	(61,309)
Balance at 30 June 2021	(c)	134,853	134,853
Depreciation	10(a)	(50,535)	(50,535)
Balance at 30 June 2022		84,318	84,318

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual	2021 Actual (c)
		\$	\$
Depreciation on right-of-use assets	10(a)	(50,535)	(61,309)
Interest expense on lease liabilities	28(b)	(4,714)	(1,374)
Total amount recognised in the statement of comprehensive income		(55,249)	(62,683)
Total cash outflow from leases		(69,274)	(80,414)
(b) Lease Liabilities			
Current		65,506	64,560
Non-current		142,099	207,605
	28(b)	207,606	272,165

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

- (c) See note 8(b) for details of comparative figures that have been reclassified to conform with changes in presentation for the current financial year.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 28(b).

Right-of-use assets - valuation measurement

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the City anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2022 Actual	2021 Actual
	\$	\$
	54,671	53,216
	56,165	54,671
	57,701	56,165
	59,278	57,701
	60,899	59,278
	99,845	160,744
	388,559	441,775

SIGNIFICANT ACCOUNTING POLICIES

The City as Lessor

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies AASB 15 to allocate the consideration under the contract to each component.

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

12. INTANGIBLE ASSETS

	Note	2022 Actual \$	2021 Actual \$
Intangible assets			
Non-current			
Intangible assets - OneCouncil Solution		973,400	0
		973,400	0
Movements in balances of intangible assets during the financial year are shown as follows:			
Balance at 1 July		0	0
Recognition of intangible assets - onecouncil solution		973,400	0
Balance at 30 June		973,400	0
TOTAL INTANGIBLE ASSETS		973,400	0

SIGNIFICANT ACCOUNTING POLICIES

Computer software

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

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 Bonds and deposits held
 Accrued interest on borrowings
 Underground power refund

	2022	2021
	\$	\$
	1,933,313	4,026,954
	301,102	262,540
	5,465	418,650
	2,748,189	2,800,200
	24,826	31,729
	49,037	33,195
	5,061,932	7,573,268

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. OTHER LIABILITIES

Current

Contract liabilities
 Capital grant/contributions liabilities

	2022 \$	2021 \$
Contract liabilities	30,856	0
Capital grant/contributions liabilities	559,739	562,173
	590,595	562,173
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	559,739	562,173
> 5 years	0	0
	559,739	562,173

The City expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year
 > 5 years

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

15. BORROWINGS

	Note	2022			2021		
		Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured							
Debentures		1,136,520	1,572,473	2,708,993	1,405,492	2,708,993	4,114,485
Total secured borrowings	28(a)	1,136,520	1,572,473	2,708,993	1,405,492	2,708,993	4,114,485

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City of Nedlands.

The City of Nedlands has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 28(a).

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	1,431,075	1,344,414
Long Service Leave	1,455,493	1,334,355
	2,886,568	2,678,769
Long Service Leave	364,244	161,190
	364,244	161,190
	3,250,812	2,839,959

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	2,145,536	1,875,138
More than 12 months from reporting date	1,105,276	964,821
	3,250,812	2,839,959

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The City's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. OTHER PROVISIONS

	Note	Underground power deferred income \$	Total \$
Opening balance at 1 July 2021			
Current provisions		108,850	108,850
Non-current provisions		93,181	93,181
		202,031	202,031
Amounts used		(55,846)	(55,846)
Balance at 30 June 2022		146,185	146,185
Comprises			
Current		56,211	56,211
Non-current		89,974	89,974
		146,185	146,185

Other provisions

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

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

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. REVALUATION SURPLUS

	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021
	Opening	Revaluation	Revaluation	Total	Opening	Revaluation	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Increment	(Decrement)	Movement on	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	94,742,418	0	(54,862,900)	(54,862,900)	94,742,418	0	0	0	0	94,742,418
Revaluation surplus - Buildings - non-specialised	140,384	382,760	0	382,760	140,384	0	0	0	0	140,384
Revaluation surplus - Buildings - specialised	23,004,320	7,707,060	0	7,707,060	23,004,320	0	0	0	0	23,004,320
Revaluation surplus - Plant and equipment	732,800	0	0	0	732,800	0	0	0	0	732,800
Revaluation surplus - Vested Improvements	0	2,027,516	0	2,027,516	0	0	0	0	0	0
Revaluation surplus - Public Artworks	0	1,095,771	0	1,095,771	0	0	0	0	0	0
Revaluation surplus - Infrastructure - roads	28,141,668	0	0	0	28,141,668	0	0	0	0	28,141,668
Revaluation surplus - Other infrastructure - drainage	8,401,646	0	0	0	8,401,646	0	0	0	0	8,401,646
Revaluation surplus - Other infrastructure -footpaths	3,998,893	0	0	0	3,998,893	0	0	0	0	3,998,893
Revaluation surplus - Other infrastructure -parks	0	28,728	0	28,728	0	0	0	0	0	0
Revaluation surplus - Other infrastructure - street furniture	795,524	0	0	0	795,524	0	0	0	0	795,524
	159,957,653	11,241,835	(54,862,900)	(43,621,065)	159,957,653	0	0	0	0	159,957,653

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. 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:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	6,159,497	9,435,621	15,827,346
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	3,307,928	1,776,380	4,506,331
- Financial assets at amortised cost	4	8,263,144	4,281,982	4,281,982
		11,571,072	6,058,362	8,788,313
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	29	8,263,144	6,058,362	5,317,090
Grants for transfers of recognised non financial assets		559,739		671,023
Retentions, and bonds and deposits held		2,748,189		2,800,200
Total restricted financial assets		11,571,072	6,058,362	8,788,313

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

Net result		1,873,515	528,688	5,354,733
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(7,993)	0	(5,172)
Depreciation/amortisation		4,491,612	4,656,600	4,288,831
(Profit)/loss on sale of asset		(14,676)	126,895	(35,066)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		285,014	1,525,434	389,739
(Increase)/decrease in other assets		17,035	0	262,465
(Increase)/decrease in inventories		(6,547)	6,210	(11,375)
Increase/(decrease) in trade and other payables		(2,511,336)	(2,397,117)	1,387,146
Increase/(decrease) in employee related provisions		410,853	2,450,823	(77,399)
Increase/(decrease) in other provisions		(55,846)	0	45,930
Increase/(decrease) in other liabilities		28,422	(1,525,364)	(351,636)
Non-operating grants, subsidies and contributions		(1,335,281)	(3,994,383)	(2,256,281)
Net cash provided by/(used in) operating activities		3,174,772	1,377,786	8,991,914

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit		76,000		130,000
Credit card balance at balance date		(4,956)		(2,859)
Total amount of credit unused		71,044		127,141

Loan facilities

Loan facilities - current		1,136,520		1,405,492
Loan facilities - non-current		1,572,473		2,708,993
Total facilities in use at balance date		2,708,993		4,114,485

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. CONTINGENT LIABILITIES

Under the *Contaminated Sites Act 2003*, the City is required to report known and suspected contaminated sites to the Department of Water and Environmental Protection (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values.

Where sites are classified as “contaminated – remediation required” or “possibly contaminated – investigation required”, the City may have a liability in respect of investigation or remediation expenses.

The City has identified Swanbourne Reserve as possibly contaminated. Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with DWER on the need and criteria for remediation, the City is unable to estimate the potential costs and timing of outflows associated with remediation of this site.

21. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	3,404,614	1,656,527
- plant & equipment purchases	112,511	96,035
	3,517,125	1,752,562
Payable:		
- not later than one year	3,517,125	1,752,562

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Mayor F Argyle			
Mayor's annual allowance	63,354	63,354	1,760
Meeting attendance fees	31,149	31,149	865
Annual allowance for ICT expenses	3,500	3,500	97
Annual allowance for travel and accommodation expenses	50	50	0
	98,053	98,053	2,722
Deputy Mayor L McManus			
Deputy Mayor's annual allowance	15,838	15,838	15,839
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	42,618	42,618	42,569
Councillor H Amiry			
Meeting attendance fees	16,486	16,487	0
Annual allowance for ICT expenses	2,484	2,485	0
Annual allowance for travel and accommodation expenses	35	37	0
	19,005	19,009	0
Councillor A Mangano			
Meeting attendance fees	23,230	23,230	23,230
Other expenses	26	0	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	26,806	26,780	26,730
Councillor B Hodsdon			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	26,780	26,780	26,730
Councillor K Smyth			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	26,780	26,780	26,730
Councillor O Combes			
Meeting attendance fees	16,486	16,487	0
Child care expenses	1,190	0	0
Annual allowance for ICT expenses	2,484	2,485	0
Annual allowance for travel and accommodation expenses	35	37	0
	20,195	19,009	0
Councillor R Senathirajah			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	26,780	26,780	26,730
Councillor R Coghlan			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	26,780	26,780	26,730

CITY OF NEDLANDS
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FOR THE YEAR ENDED 30 JUNE 2022

22 RELATED PARTY TRANSACTIONS (Continued)

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor F Bennett			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	26,780	26,780	26,730
Councillor B Brackenridge			
Meeting attendance fees	16,486	16,485	0
Annual allowance for ICT expenses	2,484	2,483	0
Annual allowance for travel and accommodation expenses	35	37	0
	19,005	19,005	0
Councillor N Youngman			
Meeting attendance fees	23,230	23,230	19,358
Annual allowance for ICT expenses	3,500	3,500	2,917
Annual allowance for travel and accommodation expenses	50	50	0
	26,780	26,780	22,275
Councillor J Wetherall			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,500	3,500
Annual allowance for travel and accommodation expenses	50	50	0
	26,780	26,780	26,730
Former Mayor C M De Lacy			
Mayor's annual allowance	0	0	41,482
Meeting attendance fees	0	0	20,395
Annual allowance for ICT expenses	0	0	2,292
	0	0	64,169
Former Councillor N Horley			
Meeting attendance fees	6,744	6,744	23,230
Annual allowance for ICT expenses	1,016	1,016	3,500
Annual allowance for travel and accommodation expenses	15	15	0
	7,775	7,775	26,730
Former Councillor B Tyson			
Meeting attendance fees	6,744	6,744	7,681
Annual allowance for ICT expenses	1,016	1,016	1,158
Annual allowance for travel and accommodation expenses	15	15	0
	7,775	7,775	8,839
Former Councillor P Poliwka			
Meeting attendance fees	0	0	21,294
Annual allowance for ICT expenses	0	0	3,208
	0	0	24,502
Former Councillor G Hay			
Meeting attendance fees	0	0	8,776
Annual allowance for ICT expenses	0	0	1,322
	0	0	10,098
	428,692	427,484	389,014
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual \$	2022 Budget \$	2021 Actual \$
Mayor's annual allowance	63,354	63,354	43,242
Deputy Mayor's annual allowance	15,838	15,838	15,839
Meeting attendance fees	303,165	303,166	287,439
Child care expenses	1,190	0	0
Other expenses	26	0	0
Annual allowance for ICT expenses	44,484	44,485	42,494
Annual allowance for travel and accommodation expenses	605	611	0
22(b)	428,662	427,454	389,014

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the City during the year are as follows:

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	2,464,635	2,392,592
Post-employment benefits	266,460	248,499
Employee - other long-term benefits	54,117	41,308
Employee - termination benefits	76,322	187,243
Council member costs	428,662	389,014
22(a)	3,290,196	3,258,656

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

These amounts are the current-year's cost of the City's superannuation contributions made during the year.

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual	2021 Actual
	\$	\$
Payment of Council member costs	428,662	389,014

(d) Related Parties

The City's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the City.

iii. Entities subject to significant influence by the City

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.21%	6,159,497	2,071,205	4,088,292	0
Financial assets at amortised cost - term deposits	1.11%	12,101,784	12,101,784	0	0
2021					
Cash and cash equivalents	0.12%	15,827,346	4,609,659	11,217,687	0
Financial assets at amortised cost - term deposits	0.25%	4,291,304	4,291,304	0	0

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	61,595	158,273

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is 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.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0%	0%	0%	0%		
Gross carrying amount	770,234	122,053	80,234	26,550	999,071	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	680,234	95,234	18,056	13,373	806,897	
Loss allowance	0	0	0	0	0	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	4.37%		
Gross carrying amount	0	0	0	326,280	326,280	
Loss allowance	0	0	0	14,258	14,258	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	4.37%		
Gross carrying amount	164,162	26,106	40,990	238,464	469,722	
Loss allowance	0	0	0	10,432	10,432	5

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 10,432	\$ 9,282	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	0	0	4,774	10,432	0	0
Receivables written off during the year as uncollectible	0	0	(948)	0	0	0
Unused amount reversed	0	0	0	(9,282)	0	0
Closing loss allowance at 30 June	0	0	14,258	10,432	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the City, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 19(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values	Note
	\$	\$	\$	\$	\$	
<u>2022</u>						
Trade and other payables	5,061,932	0	0	5,061,932	5,061,932	13
Borrowings	1,210,524	1,556,006	103,323	2,869,853	2,708,993	15
Lease liabilities	69,274	105,786	46,189	221,249	207,605	11
	<u>6,341,730</u>	<u>1,661,792</u>	<u>149,512</u>	<u>8,153,034</u>	<u>7,978,530</u>	
<u>2021</u>						
Trade and other payables	7,573,268	0	0	7,573,268	7,573,268	13
Borrowings	1,521,957	2,663,207	206,645	4,391,809	4,114,485	15
Lease liabilities	69,274	157,178	64,070	290,522	272,165	11
	<u>9,164,499</u>	<u>2,820,385</u>	<u>270,715</u>	<u>12,255,599</u>	<u>11,959,918</u>	

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

k) Initial application of accounting standards
 During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years
 The following new accounting standards will have application to local government in future years:
 - AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
 - AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
 - AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
 - AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

City operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>Health To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.</p>
<p>Housing To provide and maintain elderly residents housing.</p>	<p>Provision and maintenance of elderly residents housing.</p>
<p>Community amenities To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.</p>
<p>Recreation and culture To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.</p>
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.</p>
<p>Economic services To help promote the City and its economic wellbeing.</p>	<p>Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.</p>
<p>Other property and services To monitor and control City of Nedlands's overheads operating accounts.</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs.</p>

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	443,105	21,300	107,086
General purpose funding	25,624,094	25,885,655	25,066,067
Law, order, public safety	325,750	344,000	345,547
Health	164,537	85,500	59,545
Education and welfare	1,194,121	1,037,000	1,019,596
Community amenities	4,063,014	4,138,960	3,993,694
Recreation and culture	866,912	692,039	802,821
Transport	92,807	56,000	134,224
Economic services	658,542	1,275,660	1,266,720
Other property and services	72,927	18,340	50,233
	33,505,809	33,554,454	32,845,533
Grants, subsidies and contributions			
Governance	726	0	3,049
General purpose funding	1,083,957	375,000	764,727
Law, order, public safety	0	0	31,844
Education and welfare	1,076,431	1,043,500	1,063,419
Recreation and culture	601,772	319,339	132,548
Transport	989,386	3,792,000	2,287,511
Economic services	61,401	20,000	80,754
Other property and services	30,984	52,600	54,555
	3,844,657	5,602,439	4,418,407
Total Income	37,350,466	39,156,893	37,263,940
Expenses			
Governance	(1,612,377)	(4,062,564)	(3,318,649)
General purpose funding	(491,667)	(561,733)	(458,156)
Law, order, public safety	(952,772)	(933,328)	(916,601)
Health	(853,621)	(968,864)	(671,243)
Education and welfare	(2,694,946)	(2,835,623)	(2,465,249)
Community amenities	(7,000,948)	(7,492,141)	(5,863,738)
Recreation and culture	(9,310,798)	(9,706,145)	(7,921,678)
Transport	(4,150,104)	(4,751,819)	(4,391,559)
Economic services	(4,978,606)	(5,364,014)	(4,686,349)
Other property and services	(3,431,112)	(1,951,974)	(1,215,985)
Total expenses	(35,476,951)	(38,628,205)	(31,909,207)
Net result for the period	1,873,515	528,688	5,354,733

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
(c) Fees and Charges	\$	\$	\$
Governance	411,487	396,300	91,162
General purpose funding	89,668	108,000	86,825
Law, order, public safety	325,750	344,000	345,547
Health	163,677	83,500	58,044
Education and welfare	1,193,726	1,037,000	1,019,596
Community amenities	3,992,383	4,138,960	3,962,499
Recreation and culture	776,907	665,171	844,635
Transport	92,721	56,000	88,793
Economic services	631,142	1,243,500	1,202,243
Other property and services	698	5,250	65
	7,678,159	8,077,681	7,699,409
(d) Total Assets	\$	\$	
Governance	104,817,235	116,096,814	
Education and welfare	9,105,511	7,758,468	
Community amenities	16,616,103	2,043,498	
Recreation and culture	41,600,864	35,724,147	
Transport	6,334,683	77,953,725	
Other property and services	56,148,153	28,603,940	
Unallocated	(11,796,129)	(8,913)	
	222,826,420	268,171,679	

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

26. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual		2021/22 Actual Interim		2021/22 Actual Back Rates		2021/22 Budget Interim		2021/22 Budget Back Rate		2021/22 Budget Total		2020/21 Actual Total		
				Rateable Value*	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue
Residential	Gross rental valuation	0.065579	6,807	\$ 274,811,149	\$ 17,824,238	\$ 112,303	\$ 25,092	\$ (32,510)	\$ 150,000	\$ 0	\$ 17,951,291	\$ 0	\$ 17,951,291	\$ 17,836,087	\$ 453,467	\$ 3,728,671	\$ 22,018,225	
Residential Vacant	Gross rental valuation	0.090422	140	\$ 7,663,600	\$ 679,600	\$ 19,995	\$ (32,510)	\$ 0	\$ 0	\$ 688,769	\$ 0	\$ 688,769	\$ 0	\$ 688,769	\$ 453,467	\$ 3,728,671	\$ 22,018,225	
Non- Residential	Gross rental valuation	0.073136	421	\$ 53,704,666	\$ 3,713,491	\$ 149,330	\$ 3,862,821	\$ (7,418)	\$ 0	\$ 3,713,491	\$ 0	\$ 3,713,491	\$ 0	\$ 3,713,491	\$ 3,728,671	\$ 22,018,225	\$ 22,018,225	
Sub-Total			7,368	\$ 336,179,435	\$ 22,217,329	\$ 281,628	\$ 22,491,539	\$ (7,418)	\$ 150,000	\$ 22,203,551	\$ 0	\$ 22,353,551	\$ 0	\$ 22,353,551	\$ 3,728,671	\$ 22,018,225	\$ 22,018,225	
Minimum payment																		
Residential	Gross rental valuation	1.484	1,497	\$ 28,085,980	\$ 2,220,064	\$ (25,903)	\$ 2,193,421	\$ (740)	\$ 0	\$ 2,221,548	\$ 0	\$ 2,221,548	\$ 0	\$ 2,221,548	\$ 2,245,130	\$ 2,245,130	\$ 2,245,130	
Residential Vacant	Gross rental valuation	2.165	135	\$ 2,454,900	\$ 303,100	\$ 44,534	\$ 344,852	\$ (2,782)	\$ 0	\$ 292,275	\$ 0	\$ 292,275	\$ 0	\$ 292,275	\$ 200,278	\$ 200,278	\$ 200,278	
Non- Residential	Gross rental valuation	1.957	133	\$ 2,354,391	\$ 260,281	\$ 5,871	\$ 276,115	\$ 9,963	\$ 0	\$ 260,281	\$ 0	\$ 260,281	\$ 0	\$ 260,281	\$ 260,602	\$ 260,602	\$ 260,602	
Sub-Total			1,765	\$ 32,895,271	\$ 2,783,445	\$ 24,502	\$ 2,814,388	\$ 6,441	\$ 0	\$ 2,774,104	\$ 0	\$ 2,774,104	\$ 0	\$ 2,774,104	\$ 2,706,010	\$ 2,706,010	\$ 2,706,010	
			9,133	\$ 369,074,706	\$ 25,000,774	\$ 306,130	\$ 25,305,927	\$ (977)	\$ 150,000	\$ 24,977,655	\$ 0	\$ 25,127,655	\$ 0	\$ 25,127,655	\$ 24,724,235	\$ 24,724,235	\$ 24,724,235	\$ 24,724,235

Total amount raised from general rates

* Rateable value is based on the value of properties at the time the rate is raised.

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

CITY OF NEDLANDS
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

26. RATING INFORMATION (Continued)

(c) Service Charges

Service Charges	Amount of Charge	2021/22 Actual		2021/22 Actual		2021/22 Budget		2021/22 Budget		2021/22 Budget		2020/21 Total Actual Revenue
		Revenue Raised	Charges Applied to Costs	Charges Applied to Reserve	Charges Set Aside to Reserve	Charges Applied to Costs	Charges Set Aside to Reserve	Reserve Applied to Costs	Reserve Applied to Costs			
Underground power	various	\$ 7,936	\$ 0	\$ 7,936	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (19,966)	
		7,936	0	7,936	0	0	0	0	0	0	(19,966)	

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

26. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	20/09/2021	0.0	0.00%	7.00%
Option Two				
First instalment	20/09/2021	0.0	5.50%	7.00%
Second instalment	22/11/2021	16.0	5.50%	7.00%
Third instalment	27/01/2022	16.0	5.50%	7.00%
Fourth instalment	4/04/2022	16.0	5.50%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	70,482	51,000	60,973
Interest on instalment plan	85,189	100,000	98,865
Charges on instalment plan	80,160	90,000	89,424
ESL interest income	4,479	7,000	6,702
	240,310	248,000	255,964

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. RATE SETTING STATEMENT INFORMATION

Note	2021/22	2021/22	2021/22	2020/21		
	(30 June 2022 Carried Forward)	Budget (30 June 2022 Carried Forward)	(1 July 2021 Brought Forward)	(30 June 2021 Carried Forward)		
	\$	\$	\$	\$		
(a) Non-cash amounts excluded from operating activities						
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .						
Adjustments to operating activities						
	Less: Profit on asset disposals	10(c)	(17,938)	(6,545)	(35,067)	(35,067)
	Add: Movement in liabilities associated with restricted cash		48,592	0	0	0
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(7,993)	0	(5,172)	(5,172)
	Add: Loss on disposal of assets	10(c)	3,262	133,440	0	0
	Add: Depreciation	10(a)	4,491,612	4,656,600	4,288,831	4,288,831
Non-cash movements in non-current assets and liabilities:						
	Pensioner deferred rates		9,544	0	11,993	11,993
	Employee benefit provisions		203,054	0	(103,797)	(103,797)
	Other provisions		(3,208)	0	45,930	45,930
	Service charge receivable		79,713	0	97,273	97,273
	Lease receivable (non-current)		53,217	0	51,799	51,799
	Lease payables (non-current)		65,506	0	70,442	70,442
Non-cash amounts excluded from operating activities						
			4,925,361	4,783,495	4,422,232	4,422,232
(b) Surplus/(deficit) after imposition of general rates						
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.						
Adjustments to net current assets						
	Less: Reserve accounts	29	(8,263,144)	(6,058,362)	(5,317,090)	(5,317,090)
	Less: Financial assets at amortised cost - self supporting loans	4(a)	(17,133)	(16,743)	(16,683)	(16,683)
Add: Current liabilities						
	- Current portion of borrowings	15	1,136,520	1,138,739	1,405,492	1,405,492
	- Current portion of lease liabilities	11(b)	65,506	65,506	64,310	64,310
	- Employee benefit provisions		0	0	(49,817)	(49,817)
Total adjustments to net current assets						
			(7,078,251)	(4,870,860)	(3,978,098)	(3,978,098)
Net current assets used in the Rate Setting Statement						
	Total current assets		20,176,003	22,176,658	22,176,658	22,176,658
	Less: Total current liabilities		(9,797,332)	(17,305,798)	(12,392,862)	(12,392,862)
	Less: Total adjustments to net current assets		(7,078,251)	(4,870,860)	(3,978,098)	(3,978,098)
Net current assets used in the Rate Setting Statement						
			3,300,420	0	5,805,698	5,805,698

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Laon Number	Actual			Budget		
			Principal at 1 July 2020	New Loans During 2020-21	Principal at 30 June 2021	Principal at 30 June 2022	New Loans During 2021-22	Principal at 30 June 2022
Underground Power Project		187	\$ 1,831,084	\$ 0	\$ 1,180,514	\$ 512,598	\$ 0	\$ 512,598
Underground Power Project		188	\$ 578,626	\$ 0	\$ 513,717	\$ 446,816	\$ 0	\$ 446,816
Underground Power Project		189	\$ 84,512	\$ 0	\$ 75,031	\$ 65,260	\$ 0	\$ 65,262
Underground Power Project		190	\$ 60,019	\$ 0	\$ 53,286	\$ 46,346	\$ 0	\$ 46,346
Buildings & Infrastructures		181	\$ 256,766	\$ 0	\$ 256,766	\$ 0	\$ 0	\$ 0
Buildings & Infrastructures		182	\$ 398,478	\$ 0	\$ 135,921	\$ 0	\$ 0	\$ 0
Buildings & Infrastructures		183	\$ 871,357	\$ 0	\$ 706,606	\$ 537,226	\$ 0	\$ 537,226
Buildings & Infrastructures		184	\$ 791,285	\$ 0	\$ 657,290	\$ 519,065	\$ 0	\$ 519,065
Buildings & Infrastructures		185	\$ 374,498	\$ 0	\$ 311,081	\$ 245,662	\$ 0	\$ 245,662
Road Infrastructures		179	\$ 539,211	\$ 0	\$ 416,277	\$ 285,748	\$ 0	\$ 285,748
Total			\$ 5,785,836	\$ 0	\$ 4,049,723	\$ 2,658,721	\$ 0	\$ 2,658,723
Self Supporting Loans								
Buildings & Infrastructures		186	\$ 78,815	\$ 0	\$ 64,762	\$ 50,272	\$ 0	\$ 48,019
Total Self Supporting Loans			\$ 78,815	\$ 0	\$ 64,762	\$ 50,272	\$ 0	\$ 48,019
Total Borrowings	15		\$ 5,864,651	\$ 0	\$ 4,114,485	\$ 2,708,993	\$ 0	\$ 2,706,742

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022		Budget for year ending 30 June 2022	
						\$	%	\$	%
Underground Power Project		Community amenities	187	WATC*	2.64%	(23,152)	(24,589)	(39,171)	(39,171)
Underground Power Project		Community amenities	188	WATC*	3.07%	(14,060)	(14,508)	(16,093)	(16,093)
Underground Power Project		Community amenities	189	WATC*	3.07%	(2,054)	(2,119)	(2,358)	(2,358)
Underground Power Project		Community amenities	190	WATC*	3.07%	(1,458)	(1,502)	(1,664)	(1,664)
Buildings & Infrastructures		Recreation and culture	181	WATC*	5.91%	0	0	(7,061)	(7,061)
Buildings & Infrastructures		Recreation and culture	182	WATC*	4.67%	(2,109)	(2,385)	(13,013)	(13,013)
Buildings & Infrastructures		Recreation and culture	183	WATC*	2.80%	(17,146)	(17,496)	(21,463)	(21,463)
Buildings & Infrastructures		Recreation and culture	184	WATC*	3.12%	(18,036)	(18,182)	(22,155)	(22,155)
Buildings & Infrastructures		Recreation and culture	185	WATC*	3.12%	(8,536)	(8,536)	(10,445)	(10,445)
Road Infrastructures		Transport	179	WATC*	6.04%	(21,217)	(8,605)	(28,561)	(28,561)
Total						(107,768)	(111,610)	(161,984)	(161,984)
Self Supporting Loans Interest Repayments									
Buildings & Infrastructures		Community amenities	186	WATC*	3.07%	(1,793)	(1,822)	(2,204)	(2,204)
Total Self Supporting Loans Interest Repayments						(1,793)	(1,822)	(2,204)	(2,204)
Total Interest Repayments	2(b)					(109,561)	(113,432)	(164,188)	(164,188)

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Lease Number	Principal at 1 July 2020	New Leases		Principal at 30 June 2021		Principal Repayments		Principal at 30 June 2022	Principal at 1 July 2021	New Leases		Principal Repayments		Principal at 30 June 2022
			During 2020-21	During 2020-21	During 2020-21	During 2020-21	During 2021-22	During 2021-22			During 2021-22	During 2021-22			
Photocopier	X636629	38,987	5,570	0	0	0	0	0	0	0	0	0	0	0	0
Land	K655915	151,175	0	0	137,163	0	(14,395)	0	122,768	137,163	0	(14,395)	0	(14,395)	122,768
Photocopier	CUAPCS20	0	151,606	0	135,003	0	(50,166)	0	84,838	135,003	0	(50,166)	0	(50,166)	84,838
Total Lease Liabilities	11(b)	190,162	157,176	0	272,166	0	(64,560)	0	207,606	272,166	0	(64,560)	0	(64,560)	207,606

Purpose	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Lease Term
Photocopier	Other property and services	X636629	Fuji Xerox Australia Pty Limited	3.50%	0	0	24 months
Land	Other property and services	K655915	Department of Planning, Lands and Heritage	2.50%	(3,486)	(3,486)	20 years +364 days
Photocopier	Other property and services	CUAPCS2018	Kyocera	1.10%	(1,228)	(1,228)	36 months
Total Interest Repayments	2(b)				(4,714)	(4,714)	

**CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

29. RESERVE ACCOUNTS

	2022		2022		2022		2022		2022		2021		2021		
	Opening Balance	Actual Transfer to	Actual Transfer (from)	Budget	Budget Transfer to	Budget Transfer (from)	Closing Balance	Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Restricted by council															
(a) Plant/Replacement	34,681	249,847	0	34,832	174	0	35,006	34,483	198	0	34,681				
(b) City Development	75,133	1,363,977	0	101,380	507	0	101,887	273,662	1,471	(200,000)	75,133				
(c) North Street	136,320	315	0	138,141	691	0	138,832	373,517	1,975	(239,172)	136,320				
(d) Welfare	696,217	145,388	(15,000)	700,660	3,503	(15,000)	689,163	693,688	2,529	0	696,217				
(e) Services	212,226	364	(200,000)	213,365	1,067	0	214,432	211,237	989	0	212,226				
(f) Insurance	65,387	68	0	65,780	329	0	66,109	65,123	264	0	65,387				
(g) Underground Power	748,021	2,193,481	(751,528)	1,192,672	105,963	0	1,298,635	642,142	105,879	0	748,021				
(h) Waste Management	1,187,663	102,890	0	476,865	90,534	0	567,399	1,459,625	92,058	(964,000)	1,187,663				
(i) Building Replacement	473,272	89,661	0	135,820	679	0	136,499	472,803	469	0	473,272				
(j) City development - Swanbourne	134,937	441	0	98,321	492	(98,000)	813	134,443	494	0	134,937				
(k) Public Art	97,872	340	(25,000)	556,148	2,781	(500,000)	58,929	94,918	2,954	0	97,872				
(l) Business System	553,574	189,566	(500,000)	315,642	99,978	0	415,620	519,715	99,859	(66,000)	553,574				
(m) All Ability Play Space	314,327	99,231	0	564,965	1,741,923	(751,528)	1,555,360	336,296	3,879	(25,848)	314,327				
(n) Major projects	587,436	2,017	0	775,799	3,879	0	779,678	584,194	3,242	0	587,436				
(o) Lawler Park Infrastructure Reserve	4	0	(4)	0	0	0	0	0	11,687	(11,683)	4				
	5,317,090	4,437,586	(1,491,532)	5,370,390	2,052,500	(1,364,528)	6,058,362	5,895,846	327,947	(906,703)	5,317,090				

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Plant/Replacement	To fund replacement of plant and equipment so the cost is spread over a number of years.	
(b) City Development	To fund improvement and purchases of property, plant and equipment and infrastructure.	
(c) North Street	To fund operational and capital costs of community and recreational facilities at Mt Claremont and Swanbourne, and infrastructure generally.	
(d) Welfare	To fund the operational and capital costs to welfare services.	
(e) Services	To fund purchase of property, purchase of land and for parking areas, expenses of streets, depots, town planning schemes, valuation and legal costs, items of works of an urgent nature such as drainage.	
(f) Insurance	To fund any excess that may arise from having a performance based workers compensation premium.	
(g) Underground Power	To fund replacement of rubbish bin stock so that the cost is spread over a number of years.	
(h) Waste Management	To fund the upgrade and/or replacement of council buildings.	
(i) Building Replacement	To fund capital works in the Swanbourne area associated with the Swanbourne Masterplan. Set-up with proceeds of the insurance claim arising from the fire of council property in Swanbourne.	
(j) City development - Swanbourne	To fund works of art in the City of Nedlands.	
(k) Public Art	To fund councils business system.	
(l) Business System	To fund the annual operating and maintenance cost of the All Abilities Play Space.	
(m) All Ability Play Space	To fund underground power projects.	
(n) Major projects	To fund capital works from proceeds from sale of major assets.	
(o) Lawler Park Infrastructure Reserve	To receive from the Hackett Civic Association to fund the specific requests of the Association within Lawler Park, the specific request are for covered seating, an item of exercise equipment and a plaque acknowledging the donation.	

Independent Auditor's Report 2022



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 City of Nedlands

To the Councillors of the City of Nedlands

Opinion

I have audited the financial report of the City of Nedlands (City) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2022 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for preparing, and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the City is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the City's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Nedlands for the year ended 30 June 2022 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.



Sandra Labuschagne
Acting Auditor General for Western Australia
Perth, Western Australia
21 April 2023



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City of Nedlands