

# Town of Claremont Annual Report 2017/18





## 2017/18 Annual Report

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## Purpose of the Annual Report

The Western Australian Local Government Act 1995 requires every local government to produce an Annual Report by 31 December each year. In addition, the Annual Report:

- Is an essential tool to inform the community and key stakeholders about achievements, challenges and future plans;
- Promotes greater community awareness of the Town's programs and services which contribute to a high quality of life for residents, visitors and stakeholders;
- Demonstrates the Town's performance against the long-term vision of the Strategic Community Plan: Claremont Ahead 2027, and the projects and priorities in the Corporate Business Plan;
- Provides information about the Town's organisational performance; and
- Illustrates the Town's commitment to an accountable and transparent government.

Feedback or questions relating to the Annual Report are welcome.

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## Overview

### About the Town of Claremont

Established in 1898, the Town of Claremont is the hub of the western suburbs of Perth. Situated just 9km from the Perth CBD, our elegant town centre is a harmonious blend of heritage and modern architecture. Comprising a large shopping centre and surrounding streets of boutiques, restaurants and cafes with the convenience of easy access public transport and a pedestrian friendly high street, Claremont is a popular destination for shopping and leisure. Covering an area of 4.9km<sup>2</sup>, the tree lined streets of the suburbs of Claremont and parts of Swanbourne are home to around 10,000 residents and is forecast to grow to 14,408 by 2036

### History of the Town of Claremont

The Nyungar Aboriginal people knew Claremont as a place of plentiful spring water, good fishing and abundant waterfowl. The British felt almost at home - its gently undulating landscape mirrored in the clear waters of the Swan River. In 1830, John Butler, recently arrived from Liverpool, speculated on its commercial qualities. It was at Freshwater Bay, halfway between Perth and Fremantle, that he set up his inn, attracting travellers on the road connecting the two anchor communities of the Swan River Colony. From these humble beginnings Claremont quickly established itself into one of the most well recognised suburbs of Perth, Western Australia. The Claremont Municipal District was created on 17 June, 1898.

## Community Profile\*



Population 2016  
**10,054**



Rateable Properties 2016/17  
**5088**



Household Composition  
**64.7% Family Households**  
**31% Single (or lone) person households**



Median Age 2016  
**43**



Median Weekly Household Income  
**\$2073**



Level of Highest Educational Attainment  
**Bachelor Degree level & above 46.1%**

\*Information and data obtained from ABS Census 2016

# Claremont Ahead

## Strategic Community Plan Claremont Ahead 2027

The Town's Strategic Community Plan, Claremont Ahead 2027 is the blueprint for the future which will guide decisions and priorities for the next four years and is a clear commitment to achieving the vision and aspirations of the community. Claremont Ahead was developed with significant community input and consideration of our current resources and demographic trends. The Plan is supported by a number of other Council documents including the Corporate Business Plan and the Annual Report

***Vision:** Claremont will develop as a harmonious cosmopolitan town creating opportunities for community well-being, the environment and business prosperity; whilst respecting and celebrating the past.*





## Mayor's Message

I am delighted to present the Town's 2017/18 Annual Report. It has been a busy year with many achievements, focusing on maintaining and renewing the Town's assets including roads, parks and community facilities.

In September 2017 we reopened the redesigned Lake Claremont Golf Course and clubrooms, which has proven to be a popular facility with resident and visitors. Our community program of events, presentations and workshops continues to be well supported by the community and has been developed to encourage participation, prosperity and enjoyment.

In May the Council endorsed the continuation of the *Claremont Town Centre* project for a further three years; developed to support our town centre businesses through street activations and marketing to ensure our town centre continues to thrive.

The Underground Power Project commenced in May and is progressing well. When complete, all residents within the Town will be enjoying not only the aesthetic benefits of underground power, but improved safety and reliable power to their homes.

I was humbled to be re-elected for another term as Mayor in the October elections. At these elections we also welcomed Cr Sara Franklyn to the West Ward following the retirement of Karen Wood.

We have continued to implement the strategies outlined in our Strategic Community Plan *Claremont Ahead 2027*, to improve the lives and well-being of residents, businesses and ratepayers through the delivery and maintenance of high quality services and infrastructure for today and into the future.

On behalf of the Town of Claremont, I would like to take this opportunity to thank my fellow elected Members of Council, our administration and the community members for their contribution toward another successful year for the Town.

**Mayor Jock Barker**



## CEO's Message

The 2017/18 Annual Report is a record of the Town's commitment to delivering high quality services and responding to our community needs in a sustainably responsible manner.

We have worked hard toward fulfilling the aspirational objectives outlined in our *Strategic Community Plan Claremont Ahead 2027* under the focus areas of People, Leadership & Governance, Local Prosperity, Liveability and Environmental Sustainability.

In this period, our capital works program delivered \$3 million of improved roads, footpaths and parking, as well as ongoing beautification and maintenance of the Town's green spaces, Lake Claremont and the foreshore.

Council's support of a connected community, recognising our heritage and culture, was realised through a number of programs, events and services including; our fourth annual Art Award and Exhibition; ARTTRA Light Festival; a celebration of our aging community with Seniors' Week; our annual Anzac Day commemoration; the Get into Health Fun Run and Fair; and our award-winning, environmentally aware event – Celebrate Lake Claremont.

Fostering opportunities for young families is a recognised objective, and in May we partnered with FORM to present the first festival of literature and art for young people - 'Scribblers Festival 2018'. Furthermore, Council was pleased to open a nature playground at Lake Claremont specifically designed for older, primary school aged children.

Being a sustainability focused Council, the Town developed its first Sustainable Living Action Plan to drive initiatives, to reduce our impact on the environment. One such initiative has been the commitment to maintaining the tree canopy cover, with the planting of 250 trees across the Town in this financial year.

It is a privilege to be the Town's CEO, working with such a dedicated Council, and to lead a committed team of professional officers who have achieved so much this year.

**Liz Ledger  
Chief Executive Officer**

## Snapshot of Financial Performance

During the year, the Town revalued its Infrastructure Assets in accordance with the revaluation timetable stipulated in the Local Government (Financial Management) Regulations 1996. The revaluation resulted in an overall increase of \$1,095,078 in the net value of Infrastructure Assets, taking the total of noncurrent assets to \$119,267,708.

The Town's operating result of (4,654,647) was distorted by operating expenditure of \$6,544,697 relating to Underground Power Project (UGP). This project was funded by a loan (\$3 Million) and Reserve Funds (\$3.54 Million). Town's operating result and net cash operating result excluding UGP project would be \$1,890,050 and \$4,679,471 respectively.

This result assisted to fund \$4,199,095 in asset renewal and upgrade, and a closing surplus of \$2,106,550 (of which \$1,384,823 are carry forwards), continues to reflect Town's responsible financial management of its resources and delivering its strategic objectives.

The Financial Auditor's Report provides a measure of four financial and three asset ratios (Note 28), which also indicates the Town's financial and asset management sustainability. Overall, the Town's ratios remain well above the target ratios as per DLGSC Guidelines. The trend from ratios (average over the years) indicate that Town remains sustainable and self-reliant.

## Financial Summary

Total Operating Income  
**\$19,755,307**

### Revenue

General Rates	71.97%
Fees & Charges	14.59%
Non-Operating Grants	4.82%
Other Revenue	3.57%
Interest Earnings	3.17%
Grants, subsidies & contributions	1.86%

Total Operating Expenses  
**\$24,409,954**

### Expenditure

Employee Costs	28.53%
Materials & Contracts	50.51%
Depreciation and Amortisation	11.41%
Utilities	2.24%
Interest Expense	1.46%
Insurance	0.84%
Loss on Disposal of Assets	0.04%

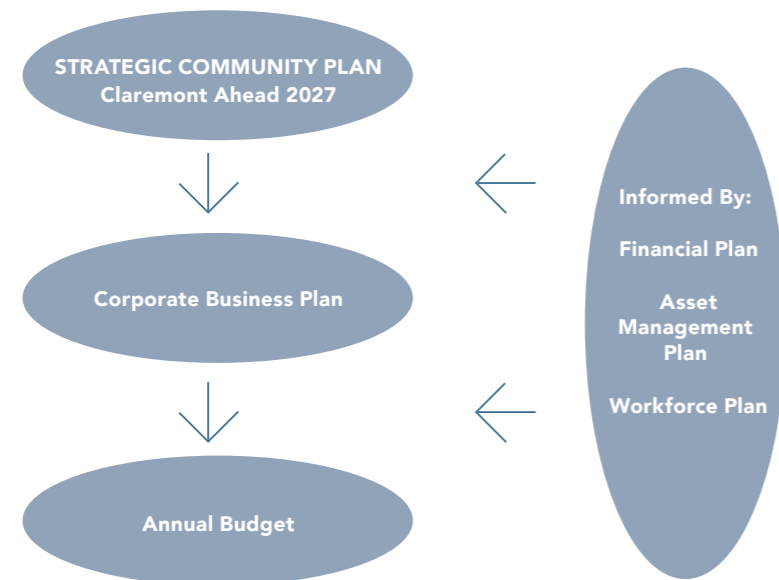
SUMMARY	2016/17	2017/18
Total Assets	134,497,814	134,052,151
Total Liabilities	11,648,327	14,762,233
Equity/Net Assets	122,849,487	119,289,918
Operating Revenue	19,287,779	18,803,777
Operating Expenditure	17,823,433	24,409,954
Operating Surplus - Deficit Excluding non-cash (depreciation & asset disposal net loss)	4,111,344	1,865,226
Non-Operating Revenue	429,474	951,530
Capital Expenditure	4,070,128	4,199,095
Cash Backed Reserves	12,270,318	9,805,182

# Year in Review 2017/18 – Major Achievements

The Strategic Community Plan *Claremont Ahead 2027* provides the vision for the Town's projects and the Corporate Business Plan outlines our priority projects and programs to achieve this vision.

## Integrated Planning Framework

Community Engagement



The Underground Power Project commenced in May 2018 with an estimated completion date of June 2019. When finalised, all residents in the Town will be enjoying the benefits of underground power.

Other major achievements for 2017/18 include:

- Revised Strategic Community & Corporate Business Plan adopted
- A new Nature Space playground for 8 to 12 year olds at Lake Claremont
- Parks and gardens improvements and maintenance
- Replaced 2.63km of paths and cycleways in 17 streets to the value of \$800,000
- Renewal of 2.7km of road infrastructure
- Sustainable Living Action Plan finalised
- Loch Street Station Study
- Redevelopment of the Lake Claremont Golf Course & carpark
- Implementation of a Precinct Parking Plan to assist with traffic and parking issues
- Ongoing planning for the Freshwater Bay Museum's new community facility.
- Local elections successfully held.

# The Year Ahead 2018/19

The Town's Corporate Business Plan 2017/18 to 2020/21 details the major projects and programs which will be delivered over this period. Priority projects for the year ahead are as follows:

Aquatic Centre Splash pad \$600k	Freshwater Bay Museum redevelopment \$1.6m
Water efficiency measures on irrigation systems \$70k	Completion of Underground Power First residential street rated LED streetlights installed in WA as part of UGP \$11m
Claremont Town Centre Project Business Improvement Program \$240k	Graffiti Management \$41k
Upgrades to Shared Paths & Cycleways \$675k	Planning for McKenzie Pavilion
Renewal of Road Infrastructure \$1.1m	Creative festivals ARTTRA & Scribblers Festival \$180k
Parks and Gardens improvements and maintenance \$671k	

# The Council

## Council Structure

Council is made up of 10 Elected Members -one Mayor and nine Councillors. The Town has three wards (East, West & South) with each ward represented by three Councillors.

The Mayor and Councillors are elected for four year terms, with half expiring every two years. The Mayor is elected by the residents and ratepayers of the Town, commonly known as the 'popular vote' method.

## Advisory Committees

To assist Council in its role, a number of Advisory Committees have been established. These Committees comprise of Town of Claremont administrative staff, Councillors and members of the public.

Town of Claremont Committee's	2017/18 Meeting Dates	Council Representatives
Audit and Risk Management Committee	4 August 2017 6 October 2017 14 November 2017 9 February 2018 25 May 2018	Mayor Barker Cr Edwards Cr Haynes <i>(Presiding Member)</i> Cr Kelly
Claremont Town Centre Advisory Committee	29 August 2017 5 December 2017 27 February 2018 22 May 2018	Mayor Barker Cr Goetze Cr Tulloch
Foreshore Advisory Committee	21 February 2018	Cr Tulloch Cr Mews <i>(Presiding Member)</i>
Freshwater Bay Museum Advisory Committee	3 August 2017 4 December 2017 8 March 2018 14 June 2018	Cr Mews <i>(Presiding Member)</i> Cr Goetze
Lake Claremont Advisory Committee	24 August 2017 16 November 2017 1 February 2018 5 April 2018 7 June 2018	Cr Haynes <i>(Presiding Member)</i> Cr Browne OAM, JP

External Committee's	Council Representatives
WALGA Central Metropolitan Zone Committee	Cr Kelly Cr Main
Western Metropolitan Regional Council	Cr Haynes Cr Kelly (Deputy)
Metro West Joint Development Assessment Panel	Cr Haynes Cr Kelly Cr Mews (Alternate) Cr Tulloch (Alternate)
SHINE Community Services Management Board	Cr Goetze
WALGA State Council	Cr Kelly







## Mayor Jock Barker

**Mayor since:** 2009  
**Term Expires:** 2021

**T:** 0408 984 471  
**E:** mayor@claremont.wa.gov.au

**Councillor since:** 2001

**Council Appointed Committees:**  
Audit & Risk Management  
Claremont Town Centre Advisory

## WEST WARD



Deputy Mayor, Cr Peter Browne OAM JP  
West Ward

**Elected Member since:** 2011  
**Term Expires:** 2019

**T:** 0408 906 197  
**E:** pbrowne@claremont.wa.gov.au

**Council Appointed Committees:**  
Lake Claremont Advisory



Cr Sara Franklyn  
West Ward

**Elected Member since:** 2017  
**Term Expires:** 2021

**T:** 0403 003 840  
**E:** sfranklyn@claremont.wa.gov.au



Cr Peter Edwards  
West Ward

**Elected Member since:** 2011  
**Term Expires:** 2019

**T:** 0438 115 440  
**E:** pedwards@claremont.wa.gov.au

**Council Appointed Committees:**  
Audit & Risk Management

## EAST WARD



Cr Bruce Haynes  
East Ward

**Elected Member:** 1987-1995 and 2009 to present  
**Term Expires:** 2021

**T:** 9384 7426

**E:** bhaynes@claremont.wa.gov.au

**Council Appointed Committees:**

Lake Claremont Advisory  
Audit & Risk Management



Cr Alastair Tulloch  
East Ward

**Elected Member since:** 2011  
**Term Expires:** 2019

**T:** 0412 361 765

**E:** atulloch@claremont.wa.gov.au

**Council Appointed Committees:**

Claremont Town Centre Advisory  
Foreshore Advisory



Cr Kate Main  
East Ward

**Elected Member since:** 2015  
**Term Expires:** 2019

**T:** 0417 949 761 (after hours)

**E:** kmain@claremont.wa.gov.au

## SOUTH WARD



Cr Jill Goetze  
South Ward

**Elected Member since:** 2009  
**Term Expires:** 2021

**T:** 0407 440 249

**E:** jgoetze@claremont.wa.gov.au

**Council Appointed Committees:**

Town Centre Advisory  
Freshwater Bay Museum



Cr Paul Kelly  
South Ward

**Elected Member since:** 1994  
**Term Expires:** 2021

**T:** 0419 666 233

**E:** pkelly@claremont.wa.gov.au

**Council Appointed Committees:**

Audit & Risk Management



Cr Chris Mews  
South Ward

**Elected Member since:** 2011  
**Term Expires:** 2019

**T:** 0412 472 329


**E:** chrismews@mewsmarine.com.au

**Council Appointed Committees:**


Foreshore Advisory

# Organisation

The Town's organisational structure has been developed to support the delivery of the Town's projects and programs within the key focus areas of the Strategic Community Plan: Claremont Ahead 2027.



**EXECUTIVE OFFICE**  
Executive Team  
Elected Members  
Communications & Consultation  
Human Resources  
Legal



**CORPORATE & GOVERNANCE**  
Governance & Risk  
Statutory Services  
Finance, Rates & Property  
Aquatic Centre



**PLANNING & DEVELOPMENT**  
Town Planning  
Building  
Heritage



**PEOPLE & PLACES**  
Claremont Hub & Library  
Community & Economic Development  
Information Technology  
Museum  
Records & Customer Relations



**INFRASTRUCTURE**  
Parks & Environment  
Engineering  
Capital Works





## Leadership & Governance

**Aspirational Outcome:**  
*We are an open and accountable local government;  
a leader in community service standards.*

### Summary of Achievements

In August 2017, the Council adopted the revised Strategic Community Plan: Claremont Ahead 2027.

Annual Compliance Audit completed and submitted to the Department of Local Government & Communities.

Robust community engagement on social media platforms with a collective following of around 3000.

A range of consultation projects were undertaken including; Precinct Parking, Events Satisfaction, Loch Street Station, Swanbourne Planning Study, St Louis Estate and Sustainable Living Action Plan to seek community feedback on proposed changes to the services we provide.

Elections successfully held in October 2017 with an increase in voter turn-out from 30.91% in 2015 to 42.08% in 2017. One new Elected Member attended the WALGA New Councillor workshop and was also provided with an in-house induction.

Three citizenship ceremonies held throughout the year.

Risk Management Framework reviewed and adopted by Council May 2018.

Revised Corporate Business Plan adopted in June 2018.

Budget 2018/19 statutory requirements met.

### Challenges

Meeting community expectations with diminishing resources and dissolved responsibilities from State to Local Government.

### The Year Ahead

Delegations and Policy Review.

Procurement Review

Business Continuity plan

Review and improvement of business systems

## Our stakeholders are well informed and we provide opportunities for community engagement

The Town has produced a range of publications in 2017/18 including:

- The Annual Report 2016/17
- Strategic Community Plan – Claremont Ahead 2027
- Corporate Business Plan – 2017/18 to 2020/21
- A range of media releases
- Monthly and quarterly newsletter – Town Talk
- Special Rates edition of the Town Talk newsletter
- Claremont Ahead – 3x full page print newsletters reporting progress against the Strategic Community Plan
- Waste & Recycling Calendar
- School Holiday Event Calendar – September, December, April, June
- Generic facility brochures for Claremont Community Hub & Library and Claremont Aquatic Centre
- Event specific promotional material including programs, posters, flyers and advertising

Throughout the year, the Town has conducted a number of consultation projects to obtain community feedback for various services, projects and plans.

This included:

- Precinct Parking
- Intercept surveys at council run events to gauge satisfaction
- Loch Street Station – July 17
- Swanbourne Planning Study – Oct 17
- St Louis Estate – Dec 17
- Sustainability Action Plan

The methodology for collecting feedback varies depending on the stakeholders and relevant impacted parties and includes; intercept surveys at events, direct mail, public notices, print advertising and via social media.

## Demonstrate a high standard of governance, accountability, management and strategic planning

The process for the review of the Strategic Community Plan, as set out by the Department of Local Government, provided the opportunity to reassess community priorities in our key focus areas. The feedback received, together with the review of our plans and policies, also provided the opportunity to assess our progress on the plan we adopted in 2013.

The community feedback received during the review was positive and supportive of the direction in which the Town is heading.

Our Corporate Business Plan puts our priorities into a five year program. Community feedback received during the review process reaffirmed our focus on a number of areas including; work on our natural community assets, the need to continually look at and review ways we engage with our community, the need to facilitate and improve traffic issues and improving our streetscapes with lighting and shared paths.

The projects, programs and service priorities, including the required resources and financial plans to deliver for the next five years, are clearly detailed in the Plan within our five key focus areas.

Elections were successfully held in October 2017 with an increased voter turn out from 30.91% in 2015 to 42.08% in 2017. All incumbent members were re-elected with one new Councillor, Cr Franklyn replacing Cr Wood in the West Ward, following Cr Wood's retirement.

In-house induction training was held with incoming Cr Franklyn attending WALGA's New Councillor Workshop – Good Governance, Great Business forum for all Elected Members in May, 2018.

The Local Government Act 1995 enables Western Australian local governments to make local laws relevant to their individual communities. A review of the Town's Local Laws was undertaken in December 2017 of which six were identified for modification. One review was completed (Meeting Procedures Local Law 2018) with the following in various stages of review;

- Activities on Thoroughfares and Public Places Local Law 2003
- Fencing Local Law 2000
- Local Government Property Local Law 2000
- Health Local Law 2010
- Signs Local Law (Including 2008 Amendment)

Council also adopted the new Waste Local Law 2017 during the year.

The Town's policies guide our direction and operations. While no policies were added or amended during this period, a full review of the Council's Policy Manual is scheduled for the financial 2018/19 year.

The Town received just under 21,000 customer contacts throughout the year which includes all emails, mail and telephone calls. Our commitment to recordkeeping is in accordance with the State Records Act. Seven Freedom of Information requests were received and responded to within the requirements of the *Freedom of Information Act 1992*.

Four gifts valued over \$50 were entered into the Town's Gift Registry.

## Manage our finances responsibly and improve financial sustainability

The adopted Annual Budget for 2017/18 complied with the statutory requirements. The 2018/19 Budget was adopted in June 2018 and also complied with the statutory requirements.

In delivering services to the community, the Town is a significant purchaser of goods and services. This year, the Town processed \$30.17M in payments through the following; Electronic Funds Transfer (\$23.26M), direct debt (\$6.74M), purchase cards (\$0.16M) and cheques (\$0.01M). The Town also undertook four procurement tenders, two of which were conducted jointly with other Councils. Two were awarded during the period, one in the 2018/19 year, and the other rejected for not meeting the scope.

The Town's procurement processes are governed by the requirements of the Local Government Act and associated regulations together with the objectives and procedures outlined in Council's procurement policy. These processes ensure every procurement undertaken by Council, regardless of amount or complexity, achieves value for money, open and fair competition, accountability and transparency, sustainability, good governance and probity and risk management.

The advantage of being a small local government authority has allowed the procurement responsibilities to be shared across the organisation. Through appropriate training and system controls, risk of non-adherence to procedure has been largely eliminated with only four incidents of minor breaches identified with Council's annual Financial Management Review from the 4,478 payments processed during the year. Procurement processes and systems will be reviewed annually to ensure this high standard is maintained.

Council will implement a rate review strategy to ensure the quantum and methodology of rates collected delivers community expectations. The use of a differential rating as a means to discourage empty commercial lots was reviewed however was deemed outside the remit of the Local Government Act.

## Create an environment to support and develop our staff

The ongoing training and development of staff in 2017/18 included developing 'Special Project Teams' across the business, to provide officers with opportunities to learn facets of the organisation they may not ordinarily do in their job. In addition to this internal upskilling, the Town invested approximately \$40,000 in further training and development across the organisation.

Staff wellbeing was supported through a dedicated program which included a 'Fit24' activity, flu vaccinations, skin checks and access to a free Employee Assistance Program.

In this financial year, the Town was presented a Silver Award for its delivery and management of Occupation Health & Safety in the workplace.

## Provide the best possible customer experience throughout every interaction we have with our customers

The Town launched a new Customer Experience Charter in 2015/16, which improved the customer experience through an accountable, integrated process.

The Town received just under 21, 000 customer contacts (mail, email, calls) for the financial year, and 83.7% of these contacts were completed within the timeframe advertised within our Customer Experience Charter.

234 complaints were received over the 12 month period, which is approximately 1% of total customer contacts taken.

## Continually assess our performance and implement initiatives that drive continuous improvement

While also responding to the Town's Sustainable Living Action Plan to reduce paper use within the organisation and to streamline the purchasing process, a paperless purchase system card was introduced and the BPay system was implemented for debtor invoices.

The Town Centre's CCTV network was upgraded to improve clarity of footage captured and to allow reporting on real time failures.

An automated calculator was added to the website to enable building permit applicants to calculate required fees, streamlining the application process for both customers and administration.

## Develop and build partnerships that support the Town's vision

The Town endeavours to be active in developing and maintain partnerships that can reduce costs or improve community outcomes. In the 2017/18 financial period, the Town worked with the following:

<b>Regional Cooperatives</b>	WESROC Environmental Improvement Committee	Committee to progress with some common environmental matters such as animal control (fox and feral cats), ground water, tree canopy cover, walking trail network, greening rail corridor and bio diversity, Regional Road funding group etc.
	Western Suburbs Library Group	Working collectively as a group to support initiatives and create economies of scale (e.g. Library Management Systems, online databases, cross promotions, inter library membership, daily van service, collaboration on projects)
	Western Metropolitan Regional Council	Provision of centralised waste disposal facility as a member of the Regional Council to receive kerbside waste and recycling material. The WMRC also provides community education on best practice waste management.
<b>Schools</b>	Shenton College	Chaplaincy Program
	Scotch College	Volunteering
	Christ Church Grammar School	Volunteering
	Freshwater Bay Primary School	Free use of Claremont Park for sporting and leisure activities
<b>Not for Profit</b>	FORM Building a State of Creativity	Partnership to create and implement the annual Children's Literature and Arts Festival for Claremont, and the Art Walk 'Off the Page'.
	Royal Agricultural Society (RAS)	The Town works with the RAS when conducting events on their premises to ensure safe access to and attendance at the venue, while minimising the impact on local residents.
	SHINE	Financial support to provide services for seniors and people with a disability.
<b>State Government</b>	Main Roads	Ashton Avenue bridge replacement from concept to recent completion, Congdon St bridge replacement concepts, public consultation, reference groups, Metropolitan Regional Road group funding for road works and black spots.
	Perth Transport Authority	Station Access and Station Upgrade
	Department of Transport	Metro Bike plan development, Bike boulevard concept
	LandCorp	Facilitating the "Claremont on the Park" development
	Lotterywest	Working cooperatively to provide new community events and infrastructure, such as the Community Facility at the Museum
<b>Voluntary Community Groups</b>	Friends of Lake Claremont	Various volunteering activities around the lake and grant funding
	Friends of the Freshwater Bay Museum	Various volunteering activities for the Museum and support for funding
	Various Sporting Clubs	Subsidised leases, fee structures and ground maintenance to provide sporting opportunities to our community
	Various Community Groups	Use of the Community Centre known as Meals on Wheels to provide community services to our community
<b>Private organisations</b>	Mirvac	To produce the annual Christmas in Claremont 2017 celebration



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## Liveability

### ***Aspirational Outcome:***

***We are an accessible community with well-maintained and managed assets. Our heritage is preserved for the enjoyment of the community.***

### **Achievements**

Implemented Precinct Parking Plan developed to address the increased demand for parking within the Town.

Council initiated two amendments to the Town Planning Scheme in September 2017 for the Town Centre and Highway West Precincts, which will be progressed through statutory processes.

Commenced the Underground Power Project in the north precinct of the Town. When complete all residential properties within the Town will be enjoying the benefits of underground power.

### **Challenges**

The challenges include meeting density targets through best practice development, while planning for future needs in a sustainable way. As the population increases, and our demand on vehicles remain, the Town must ensure its transportation infrastructure can service the demands, and look at ways to encourage alternative methods of transport.

Global concerns such as waste management will shape how we live, and as a manager of local waste collection, the Town will need to be proactive to provide the best, most affordable solutions in this space.

### **The Year Ahead**

In the year ahead, the Town will tackle impending development and infrastructure challenges such as the upgrade of the Claremont Train Station, completion of Ashton Avenue Bridge, and assisting MRWA with the new Congdon bridge linking our Swanbourne Shopping Precinct to the south. Supporting the development of the Swanbourne Shopping Precinct, the Town commenced preliminary consultation to feed into a Swanbourne Station Precinct Planning Study. This will be presented to Council in 2018/19, with further consultation to follow.

The Town's Aquatic Centre splash pad project will commence in 2019, with the implementation of a tender process to source the company to construct the splash pad.

## Promote and support initiatives that improve traffic flow

The Town continued to work with local schools to improve traffic flow during peak times. The audit of Scotch College Traffic Management and Transport Plan will be presented to Council for consideration.

Traffic Management and Transport Plans (TMTP) and other traffic studies for Christ Church Grammar School, Methodist Ladies College and Scotch College have been finalised and are working well.

The Town helped facilitate the "Claremont on the Park" development. The approved developments represent approximately 75% of the total project and progresses the shaping of the transit orientated development. Based on the approved increases in apartment yields, it is expected the final development will provide for up to 1000 dwellings which will significantly contribute to the Town's housing growth targets.

In this financial year, the Town was advised of the proposal development of the Claremont Train Station as part of the Metronet project. The Town commenced working with the Public Transport Authority.

Council initiated two amendments to the Town Planning Scheme in September 2017 for the Town Centre and Highway West Precincts, which will be progressed through statutory processes.

One amendment (138) remains outstanding for the Stirling Highway East Precinct, requiring a public engagement exercise before initiation.

## Provide clean, usable, attractive and accessible streetscapes and public spaces

The Town's street sweeping and cleaning program has continued to see the streets, paths and cycleways cleanliness maintained to a high level.

Our Graffiti Management Policy dictates that all graffiti will be removed in a timely manner. With the exception of some difficult to access locations, this has been achieved, which has resulted in expenditure on graffiti removal decreasing by approximately one third for the year.

Throughout the year, we upgraded 2.63km of footpath in 17 streets, and Council committed surplus funds during this period for more footpath works.

New streetscapes were added including Guger Street and Stirling Road underpass entry statement gardens landscaping and Claremont on the Park additional verge gardens.

The Underground Power Project commenced in April, 2018 and is progressing on schedule with an estimated completion date of August, 2019. The project will see the last remaining pocket of approximately 1000 properties in the north east corner of the Town connected to underground power.



The Town's Public Art Policy provides 1% of the Town's new infrastructure projects to go towards public art. In 2017/18, the Town celebrated the installation of its latest public art piece at the front of the administration building. Designed and built by WA artist Alex Fossil, his functional piece links with the architecture of the building in a contemporary manner, while providing seating for visitors.

### **Balance the Town's historical character with complementary, well designed development**

The Town's Heritage List was reviewed in line with Statutory Requirements with exception to finalisation of the Royal Agricultural Society (RAS) Showgrounds portion.

This financial year the Town received 54 Development Applications relating to heritage listed places, a 17% decrease on heritage related development from the previous year.

Four Mike Balfe Heritage grants have been approved to support ratepayers maintaining the Town's historical character.

There was a 14% increase in Building Permits with 326 assessed and approved in the last year. This included 191 Certified Building Permits, 63 Uncertified Building Permits, 25 Demolition Permits, 21 Occupancy Permits, 11 Building Approval Certificates and 15 Sign Licences. The value of application fees for all applications totalled \$138,565, a decrease of 25% on previous financial year.

The Planning Services Unit accepted 204 Development Applications and processed 193 applications by applying the provisions of its Local Planning Scheme, Policies and the Residential Design Codes.

Development Application fees totalled \$243,564 (for development valued at \$210,328,365). The number of Development Applications was less than a 1% decrease from the previous year, however the application fees increased by 30% and development value increased by 76%, recognising a number of larger development proposals determined by the Development Assessment Panel.

The statutory time frame for determination of applications is 60 days for standard applications and 90 days for applications requiring advertising. The Planning Services Unit processed 85% of applications within the statutory requirements, with an average time of 65 days. Two applications for review were lodged with the State Administrative Tribunal.

The Town has 787 registered pools and conducts inspections every four years. A new round of inspections commenced in 2017 with a total of 180 pools inspected during the calendar year. 71 were found to be compliant on the first inspection, 85 compliant on the second inspection, with the remaining 24 compliant on the final inspection.

### **Maintain and upgrade the Town's assets for seamless day to day usage**

The Underground Power Project commenced in April 2018. The project is funded two thirds by the Town with the remaining third being contributed by property owners in the area. When finalised, all residential properties within the Town will be enjoying the benefits of underground power.

The Claremont Park network was upgraded in line with the Claremont Park Masterplan. The new path has added a connection to the Freshwater Bay Primary School from Bernard Street to facilitate a more direct path for walking. A minor realignment of the path from Thomson Road provides a slow point for bicycles while also providing sufficient space for a 100m sprint track for the primary school.

The Town commenced working with the MRWA to facilitate the upgrade of the Ashton Avenue Bridge to assist with improving traffic flow in that area.

2.63 kms of shared paths were upgraded to the value of \$800,000.

2.7 kms of road renewal was undertaken.

### **Develop the public realm as gathering spaces for participation, prosperity and enjoyment**

Following community consultation, the Loch Street Station Precinct Structure was modified and adopted by Council in February with reduced densities to address traffic concerns and achieve satisfactory levels of service for intersections. This has been endorsed by Council and forwarded to the WA Planning Commission (WAPC) for final approval, with or without modification.

Community consultation was undertaken as part of the process of review for our Disability Access & Inclusion Plan (DAIP). The 2018-2022 DAIP was adopted by Council in December 2017.



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## People

### **Aspirational Outcome:**

*We live in an accessible and safe community that welcomes diversity and enjoys being active and has a strong sense of belonging.*

### **Achievements**

Presented twelve annual community events that supported community activation and social connection to approximately 10,000 people.

The Claremont Community Hub & Library continues to be a popular meeting place for the community. This year we enrolled 434 new members with over 3,000 active members borrowing 53,156 items.

Two new nature space playgrounds opened at Lake Claremont catering to toddlers and older primary school aged children.

The Museum has continued to host the History in a Coffee Cup series and other external events.

The redesigned Lake Claremont Golf Course was reopened in September, 2017.

The Aquatic Centre welcomed 228,143 people, held 6 events, 30 swimming carnivals and facilitated 35 water based sporting groups.

Launched two new arts programs "Off the Page" and "Scribblers Festival" for children.

### **Challenges**

With an ageing and increasing population through increased density, the Town will face the challenge of meeting the needs of the community in terms of facility and service provision. Declining and unused facilities will need to be reviewed and updated where possible, and partnerships created to consider and support new community infrastructure. The need to provide opportunities for social connection and an active lifestyle will remain key to maintaining an engaged and healthy community.

### **Year Ahead**

Aquatic Centre splash pad redevelopment design will commence in 2018/19.

The Claremont Community Hub & Library system upgrade will be implemented in October 2018 with improved access to online services being offered.

Mackenzie Pavilion redevelopment project will commence.

## Effectively manage and enhance the Town's community facilities in response to a growing community

Stage 1 of the new museum facility design was completed and approved. During its closure, work was undertaken on the museum collection including an audit and deaccessioning of duplicate and unrequired artefacts, creating a more relevant collection. Conservation work and repacking was undertaken on a significant amount of the collection, in accordance with the national standards recommended by Museum Galleries Australia.

A range of museum records have been digitised. The overarching digitisation plan has been developed to allow greater public access to the museum's records and collections. The Western Australian History Foundation provided a grant to assist with the development of Whadjuk Noongar education programs. The Museum Advisory Committee met four times throughout the year to support the facilitation of these ongoing projects.

Two new nature based play spaces were officially opened at Lake Claremont in June. The new playgrounds cater to different age groups, toddlers and 8 to 12 years, and were designed to encourage creative and interactive play.

Council has committed \$600,000 to support a splash pad at the Aquatic Centre. This zero depth splash pad includes interactive equipment for young children through to teenagers.

## Facilitate opportunities for social participation, health, learning and including through programmed activities and events

The Town continues to offer a range of high quality events and activities on behalf of our local community, catering to a broad variety of interests.

The following events were held in 2017/18:

Three Terrace Nights town centre activations, Love is all Around Claremont outdoor concert and a love themed Sunset Cinema weekend, Celebrate Lake Claremont, Get into Health Fun Run & Fair, ARTTRA Light Festival, annual Art Award & Exhibition, Seniors' Week and monthly History in a Coffee Cup presentations hosted by both the Claremont Community Hub & Library and the Freshwater Bay Museum.

Our annual arts festiva ARTTRA, celebrating creativity and light has grown significantly since the inaugural 2014 event. 20 artists were selected to create custom designed light sculptures for exhibition within Claremont Park. The free, family-friendly festival was attended by approximately 4,000 people.

The inaugural Off the Page exhibition, in celebration of the Children's Literature and Arts Festival, Scribblers, was a joint initiative between the Claremont Town Centre Project, FORM and local businesses. Twelve artworks inspired by books, paper and print were displayed in shops throughout the town centre.

The Claremont Community Hub & Library programs for children were strongly supported with the weekly delivery of Baby Rhyme Time and Story Time to 1,916 participants. Other well attended

programs include; the Claremont Crafternooners encouraging participation in after-school craft activities, free parenting sessions run by Ngala and the popular Pyjama Drama activity for young children.

Literacy programs included the presentation of the National Simultaneous Storytime to school students, National Reading Hour event in September, the introduction of the new "Better Beginnings Sing With Me" reading backpacks for two year olds and the Better Beginnings Plus program which was delivered to 154 Kindergarten students at four local primary schools. School holiday activities included the Summer Reading Challenge and a great variety of craft, cooking and technology workshops.

With the support of our many volunteers, the Town was able to offer the following activities on a weekly basis at the Claremont Community Hub; foreign language conversation sessions including Chinese, Italian, German, French and English, Book Club, Creative Writing, Mahjong and Knitting Club.

The Aquatic Centre hosts a number of family and youth orientated events throughout the summer. These encourage new patrons as well as an opportunity for existing Aquatic Centre users to interact with the centre in a social setting.

## Support local safety and crime prevention

The Town coordinated four licensed premises meetings throughout the year that facilitated communication between the local police and our licensed premises, with the aim of reducing antisocial behaviour.

To support safe food options, the Town conducted approximately 250 food business inspections.

The Town is an active participant of the Western Central Local Emergency Management Committee and attended regular meetings throughout the year to ensure the risk management and preparedness for the Claremont community.

## Develop and implement a strategy that supports services for seniors and youth

The Town continues to provide financial support for the services provided by SHINE Community Services, which are promoted throughout the year to encourage and support people to live independently.

The Town's Meals on Wheels service provided 977 meals to our western suburbs seniors with the help of our volunteers.

Young children were a focus in 2017/18 with the Town supporting a major Children's Literature and Arts Festival, Scribblers. Partnering with FORM, the event involved 24 authors and illustrators from around the world, illuminating approximately 10,000 young minds. The success of the Festival has ensured it will be held again in May 2019.

Programs targeted at school aged children in creativity, arts, technology, cooking and craft have been a growing initiative of the Town, and continued in 2017/18. A new nature play space designed for 8-12 year olds was opened in June.

### Recognise and celebrate the Town's history and culture through arts and events

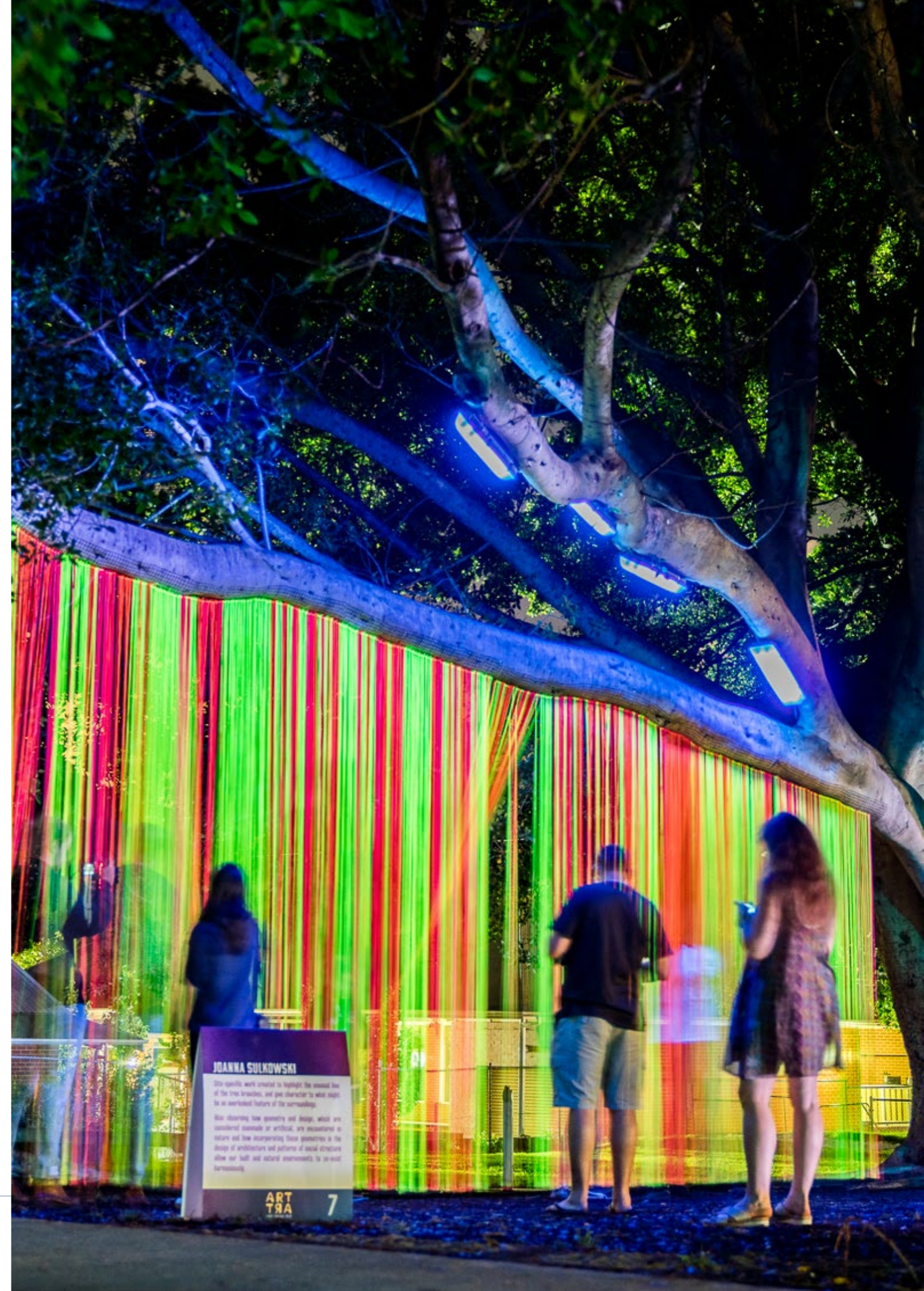
Approximately 500 community members attended our annual Anzac Commemoration service held at the War Memorial. The service was followed by a free cooked breakfast in Claremont Park. This year the Claremont Concert Band was followed by a live theatre performance, Spirit of Claremont by Agelink Theatre was a unique opportunity to bring to life the history of Claremont, to commemorate the 100 year anniversary of the end of WW1.

The Town's initiative "History in a Coffee Cup" continued with monthly local history presentations. Speakers and presentation topics are selected and sourced based on their connection and relevance to Claremont's local history.

### Promote and encourage an active lifestyle through supporting local community clubs, groups and recreation and leisure facilities

A number of initiatives and activities were held including:

- The annual *Get into Health* event combines a fun run or walk and a health themed fair, providing opportunities for local and relevant businesses to promote their services and products. In 2017/18 the event attracted 500 participants in the Fun Run/Walk and Fair.
- The Lake Claremont Golf Course reopened in September 2017 with a newly designed golf course and café facility.
- A Community Sporting and Recreational Facilities fund grant facilitated the replacement of reticulation in Cresswell Park. Financial ground maintenance subsidies continue to assist all local sporting clubs in maintaining their sporting facilities.



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## Environmental Sustainability

### **Aspirational Outcome:**

*We are a leader in responsibly managing the built and natural environment for the enjoyment of the community and continue to demonstrate diligent environmental practises.*

### **Achievements**

The Town created its first Sustainable Living Action Plan in May 2018, following research and community consultation. This Plan covers five key areas; Water, Energy, Transport, Green and Waste, which will be a focus for 2018/19.

The annual Celebrate Lake Claremont event received a gold star ranking for environmental sustainability awarded by the Western Earth Carers.

The Lake Claremont Advisory Committee met six times throughout the year and the Foreshore Advisory Committee met four times. The Foreshore Management Plan and the Lake Claremont Operational Plan continue to guide the priority of works and activities being undertaken in these areas.

One of the outcomes of the Lake Claremont Operational Plan was completing revegetation of the buffer areas surrounding Lake Claremont, providing an important habitat for turtle nesting and protection of birdlife.

The Chester Road carpark and revetment upgrades and the Alex Prior swale and bridge works were undertaken to improve resilience and function for years to come in line with the WESROC Foreshore Management Plan.

Christchurch Grammar School provided an undertaking to develop and implement a ten year revegetation plan of the foreshore and embankments surrounding their boat shed. This will help reinstate the natural beachline back in front of the boatshed while improving the natural areas and increasing biodiversity.

### **Challenges**

The Town continues to explore alternative options to chemical control (Glyphosate) such as hand weeding, mulching, direct seeding, organic chemical substitutes and reduced frequencies of application. It is hoped that frequency and volumes can be further reduced through a number of combined actions.

Lake Claremont water quality continues to be a challenge to maintain with pressure from nutrient inputs such as fertiliser runoff, dog faeces, increased summer rain prolonging water presence. This caused an outbreak of algae followed by botulism which impacted the bird community at Lake Claremont during the 2018 Autumn months.

### **Year Ahead**

Implementation of the Sustainable Living Action Plan.

Irrigation controllers and flow meters will be upgraded Town wide using a budget of \$70,000. The upgrade will allow remote access and monitoring from a tablet or smartphone to further improve water efficiency.

The Town will review all options available for waste collection including the feasibility of implementing a third bin system.

New signage will be installed throughout the Lake Claremont area, giving visitors an overview of the area.

The Bushfire Management Plan for Lake Claremont, to reduce fire hazards, will be staged over the next three years commencing in the new financial year.

### **Take a leadership role in the community in environmental sustainability**

The Sustainable Living Action Plan was developed to help drive and facilitate initiatives that support a greener, cleaner and environmentally sustainable town. There are five key focus areas to the plan; Energy, Green, Transport, Waste and Water.

Throughout the year, the Town has facilitated environmentally sustainable initiatives and programs including; promotion of the Earth Carers Course, Plastic Free July and the battery recycling program through social media channels, our Town Talk newsletter and at our Celebrate Lake Claremont event.

As part of the Underground Power Project the Town negotiated for LED lighting, making the Council one of the first with Western Power LED street lights.

The annual Celebrate Lake Claremont event is a sustainability themed event, created to educate and encourage residents to live more sustainably. The 2017 event was plastic free and highlighted the services provided by the Earth Carers group and other environmentally focused businesses and initiatives. The event received the Gold Ranking awarded by the West Metropolitan Regional Council for waste minimalisation.

The Town actively supports the Responsible Café movement project which encourages and supports the reduction or elimination of disposable coffee cups by offering a discount to customers with reusable takeaway cups.

## Aim for best practice in water usage and waste minimalisation in line with community expectations

The Town practices water wise landscaping through the selection of low water demand plants and uses local native species where practical. This year a number of areas around the Lake Claremont Golf Course have been planted using local species without irrigation support. Landscaping around the "Claremont on the Park" development has a strong focus on using local native plants and low water demand tree species.

The Town installed some gross pollutant traps, on the Henshaw Lane drain pipe leading to Lake Claremont to trap sediments, litter and hydrocarbons. The Town also undertakes annual water quality testing of Lake Claremont to monitor water quality of each storm water entry point each spring to better understand nutrient inputs to Lake Claremont.

With the support of Friends of Lake Claremont and numerous volunteer groups planted 30,000 native plants over the winter months to continue the expansion of the natural areas surrounding Lake Claremont, a Conservation Category Wetland.

The Town's Street Tree Masterplan continues to be implemented through the replacement of trees as required to ensure a healthy and consistent street-scape while maintaining the Town's significant tree canopy cover. Two hundred trees were planted during the winter months to improve our street tree inventory.

The Aquatic Centre is a water wise approved centre and applies a number of methods to minimise water consumption at the facility.

## Protect and conserve the natural flora and fauna of Lake Claremont and the Foreshore

The Lake Claremont Management Plan 2016/21 directs the actions that need to be implemented to fulfil the operational plan for the area. The Lake Claremont Advisory Committee comprising both Council and community representation, ensures that the Lake continues to be a healthy, natural season wetland for both conservation and recreational purposes.

The Foreshore Management Plan provides insight and guidance into the short, medium and long term strategies for managing the river shoreline. The Foreshore Management Committee oversees the implementation to the plan and is represented by the Mayor and three South Ward Councillors and three community representatives.



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## Local Prosperity

### **Aspirational Outcome:**

*Our businesses are thriving and integrated into the life of the Claremont community, the town centre is known as a premier visitor destination.*

### **Achievements**

Claremont Town Centre (CTC) is a joint economic development initiative between the precinct's business sector and the Town. The project is guided by the CTC Advisory Committee and includes business and Council representation, working together to plan and implement strategies across four main project themes, 'Create Awareness, Create Interest, Create Comfort and Create Partnerships'.

In 2017 the Council agreed to the continuation of the CTC project and matching funding against a specified area rate of the business district for a further three years to 30 June 2021.

### **Challenges**

Global economic uncertainty continues to have an impact across retail, hospitality and service industries. Financial reporting, during 2017/18, of low wage growth and increased household expenditure has influenced disposable income and consumer spending.

The combination of this circular economy process with rising commercial leasing rates continues to apply pressure on small businesses. While these factors are beyond the control of local government, the Town of Claremont acknowledges the challenges being presented. In a proactive partnership approach with its business community the Town continues to plan, engage resources and implement strategies to support the CTC's economic viability.

### **Year Ahead**

Preparation and presentation of strategic plan and associated budgets by the CTC Advisory Committee for adoption by Council.

The new financial year will see the development of audio/visual and image campaigns, including events and business profiling, to increase marketing audience on channels and strengthen partnerships with business.

The CTC will deliver and support activations that attract visitors in to Town centre, including; a street celebration and Christmas market in December 2018, and "Off the Page" in May 2019 and traditional nodes of summer, autumn, winter, spring, Christmas, Mother's Day, Father's Day, Melbourne Cup, school holidays etc. January to March will see the return of the "Terrace Nights", Bay View Terrace street activations.

## Plan for the development of attractive and thriving activity nodes to support small local businesses

Swanbourne Station Precinct Planning Study commenced to identify development opportunities that support the business precinct.

The budget to develop a Town Centre Activity Plan for the Claremont town centre was approved to include traffic and retail assessment. The study will be undertaken in 2019 following a public tender process.

The Loch Street Station Precinct Structure was modified and adopted by Council in February 2018 with reduced densities to address traffic concerns and achieve satisfactory levels of service for intersections. This has been endorsed by Council and was forwarded to the WAPC for final approval, with or without modification.

## Support new and existing local small business and entrepreneurial activity

Through the CTC, the Town has been recognised by the Small Business Development Corporation as a Small Business Friendly Local Government. Participation in this initiative is a demonstration of the Town's commitment to working with and supporting local small businesses.

Throughout the year, the CTC project presented five free professional development opportunities for local businesses, two of which were supported with grant funding options. The workshops resulted in greater engagement with local businesses, a strengthening of partnership programs as well as increased digital content and activity for the shopping precinct.

Approximately 60 food related businesses participated in the Town's Scores on Doors program, which was developed to encourage and promote businesses whose food safety and hygiene practices are assessed as being outstanding and given a relevant star rating.

The CTC project work with businesses through the small business grants program to assist them in presenting activation programs that contribute to the economic and social well-being of the Claremont town centre.

The Claremont Town Centre Little Libraries program was expanded to include an additional Little Library with a focus on books for children.

Research is an important tool for business development, and as part of the CTC project review a second survey was undertaken in order to comparatively measure responses and evaluate perceptions of programs, and provide this data to the business community.

## Raise the profile of the Claremont Town Centre (CTC) as a visitor destination

Implementation of the marketing, promotions and publicity campaign, to reinforce the CTC shopping precinct as Perth's premier place to shop, dine and be entertained.

A new program was introduced in 2017/18 that complemented the Scribblers Festival for children; that being Off the Page. This event supported business activation by displaying 11 art installations, inspired by paper and books in shops creating a temporary and engaging art trail.

A number of retail focused activations and promotions were delivered to attract visitors to the Town centre including promotional campaigns for summer, autumn, winter, spring, Christmas, Mother's Day, Father's Day, Melbourne Cup and school holidays plus the Terrace Nights series of Thursday evening street activations, held on Bay View Terrace.





**TOWN OF CLAREMONT**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

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**COMMUNITY VISION**

Claremont will develop as a harmonious cosmopolitan town creating opportunities for community wellbeing and business prosperity; whilst respecting and celebrating the past.

Principal place of business:  
308 Stirling Highway Claremont WA 6010

**TOWN OF CLAREMONT  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Town of Claremont for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the Town of Claremont at 30 June 2018 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

12

day of

November

2018



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Liz Ledger  
Chief Executive Officer

**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	21(a)	14,218,453	14,240,125	14,012,573
Operating grants, subsidies and contributions	2	367,973	385,352	558,568
Fees and charges	2	2,881,441	3,429,952	3,412,057
Service charges	21(c)	0	3,700,000	0
Interest earnings	2(a)	625,488	587,745	684,915
Other revenue	2(a)	705,105	270,637	618,455
		<u>18,798,460</u>	<u>22,613,811</u>	<u>19,286,568</u>
<b>Expenses</b>				
Employee costs		(6,964,249)	(7,134,189)	(6,763,052)
Materials and contracts		(12,330,570)	(17,316,047)	(6,305,062)
Utility charges		(547,667)	(522,435)	(544,992)
Depreciation on non-current assets	9(b)	(2,786,120)	(2,593,740)	(2,600,970)
Interest expenses	2(b)	(356,169)	(354,095)	(368,857)
Insurance expenses		(204,500)	(256,814)	(247,000)
Other expenditure		(959,639)	(958,458)	(901,537)
		<u>(24,148,914)</u>	<u>(29,135,778)</u>	<u>(17,731,470)</u>
		(5,350,454)	(6,521,967)	1,555,098
Non-operating grants, subsidies and contributions	2	951,530	1,075,585	429,474
Profit on asset disposals	9(a)	5,317	0	1,211
(Loss) on asset disposals	9(a)	(8,618)	(26,169)	(47,239)
Share of Joint Venture's Net Result	18	(252,422)	0	(44,724)
<b>Net result</b>		<b>(4,654,647)</b>	<b>(5,472,551)</b>	<b>1,893,820</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	1,095,078	500,000	19,988,957
<b>Total other comprehensive income</b>		<b>1,095,078</b>	<b>500,000</b>	<b>19,988,957</b>
<b>Total comprehensive income</b>		<b>(3,559,569)</b>	<b>(4,972,551)</b>	<b>21,882,777</b>

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

**STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		44,869	28,495	30,955
General purpose funding		15,130,069	14,945,737	14,916,268
Law, order, public safety		25,229	14,800	27,175
Health		95,625	81,100	133,596
Education and welfare		312	325	353
Community amenities		582,305	362,900	619,332
Recreation and culture		1,211,261	1,302,059	1,215,412
Transport		839,393	4,898,773	1,241,797
Economic services		862,227	976,390	1,099,200
Other property and services		7,170	3,232	2,482
		<u>18,798,460</u>	<u>22,613,811</u>	<u>19,286,570</u>
<b>Expenses</b>				
	2(a)			
Governance		(1,363,682)	(1,435,491)	(1,374,208)
General purpose funding		(525,889)	(504,103)	(494,549)
Law, order, public safety		(360,383)	(390,528)	(330,153)
Health		(501,150)	(411,594)	(418,005)
Education and welfare		(232,171)	(223,724)	(306,678)
Community amenities		(2,728,566)	(2,743,317)	(2,663,561)
Recreation and culture		(4,857,465)	(4,962,832)	(4,993,422)
Transport		(11,501,656)	(16,231,212)	(5,004,243)
Economic services		(1,707,648)	(1,885,617)	(1,775,876)
Other property and services		(14,135)	6,735	(1,920)
		<u>(23,792,745)</u>	<u>(28,781,683)</u>	<u>(17,362,615)</u>
<b>Finance Costs</b>				
	2(a)			
Governance		(50,327)	(66,382)	(76,384)
Recreation and culture		(102,362)	(102,363)	(107,123)
Transport		(18,130)	0	0
Economic services		(185,350)	(185,350)	(185,350)
		<u>(356,169)</u>	<u>(354,095)</u>	<u>(368,857)</u>
		<u>(5,350,454)</u>	<u>(6,521,967)</u>	<u>1,555,098</u>
Non-operating grants, subsidies and contributions	2	951,530	1,075,585	429,474
Profit on disposal of assets	9(a)	5,316	0	1,211
(Loss) on disposal of assets	9(a)	(8,617)	(26,169)	(47,239)
Share of Joint Venture's Net Result	18	(252,422)	0	(44,724)
		<u>695,807</u>	<u>1,049,416</u>	<u>338,722</u>
		<u>(4,654,647)</u>	<u>(5,472,551)</u>	<u>1,893,820</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	10	1,095,078	500,000	19,988,957
<b>Total other comprehensive income</b>		<u>1,095,078</u>	<u>500,000</u>	<u>19,988,957</u>
<b>Total comprehensive income</b>		<u>(3,559,569)</u>	<u>(4,972,551)</u>	<u>21,882,777</u>

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2018**

	NOTE	2018	2017
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	14,297,143	16,986,567
Trade and other receivables	5	487,300	416,287
<b>TOTAL CURRENT ASSETS</b>		<b>14,784,443</b>	<b>17,402,854</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	249,660	208,785
Investment Accounted For Using the Equity Method	18	995,688	1,248,110
Inventories	6	128,725	128,725
Property, plant and equipment	7	72,505,330	73,381,964
Infrastructure	8	45,388,305	42,127,376
<b>TOTAL NON-CURRENT ASSETS</b>		<b>119,267,708</b>	<b>117,094,960</b>
<b>TOTAL ASSETS</b>		<b>134,052,151</b>	<b>134,497,814</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,479,127	1,377,519
Current portion of long term borrowings	12(a)	700,495	126,582
Provisions	13	1,330,012	1,213,103
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,509,634</b>	<b>2,717,204</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	12(a)	11,018,094	8,740,326
Provisions	13	234,505	190,797
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,252,599</b>	<b>8,931,123</b>
<b>TOTAL LIABILITIES</b>		<b>14,762,233</b>	<b>11,648,327</b>
<b>NET ASSETS</b>		<b>119,289,918</b>	<b>122,849,487</b>
<b>EQUITY</b>			
Retained surplus		52,106,480	54,295,991
Reserves - cash backed	4	9,805,182	12,270,318
Revaluation surplus	10	57,378,256	56,283,178
<b>TOTAL EQUITY</b>		<b>119,289,918</b>	<b>122,849,487</b>

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2018**

		<b>RESERVES</b>			
	<b>NOTE</b>	<b>RETAINED SURPLUS</b>	<b>- CASH BACKED</b>	<b>REVALUATION SURPLUS</b>	
		\$	\$	\$	
				<b>TOTAL EQUITY</b>	
				\$	
<b>Balance as at 1 July 2016</b>		<b>52,323,110</b>	<b>12,349,379</b>	<b>36,294,221</b>	<b>100,966,710</b>
Comprehensive income					
Net result		1,893,820	0	0	1,893,820
Changes on revaluation of assets	10	0	0	19,988,957	19,988,957
Total comprehensive income		1,893,820	0	19,988,957	21,882,777
Transfers from/(to) reserves		79,061	(79,061)	0	0
<b>Balance as at 30 June 2017</b>		<b>54,295,991</b>	<b>12,270,318</b>	<b>56,283,178</b>	<b>122,849,487</b>
Comprehensive income					
Net result		(4,654,647)	0	0	(4,654,647)
Changes on revaluation of assets	10	0	0	1,095,078	1,095,078
Total comprehensive income		(4,654,647)	0	1,095,078	(3,559,569)
Transfers from/(to) reserves		2,465,136	(2,465,136)	0	0
<b>Balance as at 30 June 2018</b>		<b>52,106,480</b>	<b>9,805,182</b>	<b>57,378,256</b>	<b>119,289,918</b>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		14,239,598	14,240,125	13,920,368
Operating grants, subsidies and contributions		275,574	385,352	558,568
Fees and charges		2,851,382	3,349,952	3,496,793
Service charges		0	3,700,000	0
Interest earnings		620,542	587,745	674,667
Goods and services tax		3,948,875	0	2,758,179
Other revenue		705,105	270,637	618,455
		<u>22,641,076</u>	<u>22,533,811</u>	<u>22,027,030</u>
<b>Payments</b>				
Employee costs		(6,794,919)	(7,239,106)	(6,543,753)
Materials and contracts		(12,252,296)	(17,627,788)	(5,920,289)
Utility charges		(547,667)	(533,047)	(544,992)
Interest expenses		(341,548)	(354,095)	(368,857)
Insurance expenses		(204,500)	(262,031)	(247,000)
Elected Member Costs		(251,835)	(255,602)	(253,030)
Goods and services tax		(3,954,504)	0	(2,785,088)
Other expenditure		(707,801)	(190,369)	(648,507)
		<u>(25,055,070)</u>	<u>(26,462,038)</u>	<u>(17,311,516)</u>
<b>Net cash provided by (used in) operating activities</b>	14	<u>(2,413,994)</u>	<u>(3,928,227)</u>	<u>4,715,514</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of Land held for resale		0	0	(78,390)
Payments for purchase of property, plant & equipment		(474,491)	(1,783,500)	(859,190)
Payments for construction of infrastructure		(3,724,604)	(3,160,577)	(3,132,548)
Non-operating grants, subsidies and contributions		951,530	1,075,585	429,474
Proceeds from sale of fixed assets		120,455	95,000	222,273
<b>Net cash provided by (used in) investment activities</b>		<u>(3,127,110)</u>	<u>(3,773,492)</u>	<u>(3,418,381)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(148,320)	(126,583)	(1,973,308)
Proceeds from new long term borrowings		3,000,000	4,500,000	1,639,494
<b>Net cash provided by (used in) financing activities</b>		<u>2,851,680</u>	<u>4,373,417</u>	<u>(333,814)</u>
<b>Net increase (decrease) in cash held</b>		<u>(2,689,424)</u>	<u>(3,328,302)</u>	<u>963,319</u>
Cash at beginning of year		16,986,567	14,350,698	16,023,248
<b>Cash and cash equivalents at the end of the year</b>	14	<u><u>14,297,143</u></u>	<u><u>11,022,396</u></u>	<u><u>16,986,567</u></u>

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

**RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2018**

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at July 1 b/fwd - surplus/(deficit)</b>				
		2,536,618	1,222,647	2,118,259
		2,536,618	1,222,647	2,118,259
<b>Revenue from operating activities (excluding rates)</b>				
Governance		44,869	28,495	30,955
General purpose funding		971,712	765,612	1,023,416
Law, order, public safety		25,229	14,800	27,175
Health		95,625	81,100	133,596
Education and welfare		312	325	353
Community amenities		587,013	362,900	620,543
Recreation and culture		1,211,261	1,302,059	1,215,412
Transport		839,393	4,898,773	1,241,797
Economic services		862,227	976,390	1,099,200
Other property and services		7,778	3,232	2,482
		4,645,419	8,433,686	5,394,929
<b>Expenditure from operating activities</b>				
Governance		(1,414,009)	(1,501,873)	(1,467,550)
General purpose funding		(525,889)	(504,103)	(494,549)
Law, order, public safety		(360,383)	(390,528)	(336,617)
Health		(503,821)	(417,556)	(418,005)
Education and welfare		(232,171)	(223,724)	(306,678)
Community amenities		(2,980,988)	(2,743,985)	(2,708,285)
Recreation and culture		(4,959,827)	(5,065,195)	(5,106,045)
Transport		(11,519,786)	(16,231,212)	(5,004,243)
Economic services		(1,892,998)	(2,070,967)	(1,961,226)
Other property and services		(20,081)	(12,804)	(20,237)
		(24,409,953)	(29,161,947)	(17,823,435)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	(5,317)	0	(1,211)
Loss on disposal of assets	9(a)	8,618	26,169	47,239
Share of Loss/(Profit) from Joint Venture		252,422	0	44,724
Movement in deferred pensioner rates (non-current)		(40,875)	0	(23,595)
Movement in employee benefit provisions (non-current)		43,708	0	(35,680)
Depreciation and amortisation on assets	9(b)	2,786,120	2,593,740	2,600,970
<b>Amount attributable to operating activities</b>		(14,183,240)	(16,885,704)	(7,677,800)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		951,530	1,075,585	429,474
Proceeds from disposal of assets	9(a)	120,455	95,000	222,273
Purchase of land held for resale		0	0	(78,390)
Purchase of property, plant and equipment	7(b)	(474,491)	(1,783,500)	(859,190)
Purchase and construction of infrastructure	8(b)	(3,724,604)	(3,160,577)	(3,132,548)
<b>Amount attributable to investing activities</b>		(3,127,110)	(3,773,492)	(3,418,381)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	12(a)	(148,320)	(126,583)	(1,973,308)
Proceeds from new long term borrowings	12(b)	3,000,000	4,500,000	1,639,494
Transfers from/to Restricted Assets		(58,273)		(5,299)
Transfers to reserves (restricted assets)	4	(1,458,751)	(990,746)	(1,785,837)
Transfers from reserves (restricted assets)	4	3,923,887	3,120,000	1,864,898
<b>Amount attributable to financing activities</b>		5,258,543	6,502,671	(260,052)
<b>Surplus(deficiency) before general rates</b>		(12,051,808)	(14,156,525)	(11,356,233)
<b>Total amount raised from general rates</b>	21	14,158,357	14,180,125	13,892,852
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	22	<b>2,106,550</b>	<b>23,600</b>	<b>2,536,618</b>

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



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

**THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 24 to these financial statements.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Land under roads**

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

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

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
<b>Other revenue</b>		
Reimbursements and recoveries	341,048	388,132
Other	364,057	230,323
	<u>705,105</u>	<u>618,455</u>
<b>Fees and Charges</b>		
Governance	1,489	212
General purpose funding	94,358	95,575
Law, order, public safety	25,106	27,016
Health	94,861	97,644
Community amenities	430,596	389,088
Recreation and culture	1,162,839	1,182,602
Transport	465,975	904,608
Economic services	606,218	715,312
	<u>2,881,441</u>	<u>3,412,057</u>

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
<b>Operating grants, subsidies and contributions</b>		
Governance	10,000	7,000
General purpose funding	215,609	329,517
Recreation and culture	5,585	6,207
Transport	129,779	190,753
Economic services	7,000	25,091
	<u>367,973</u>	<u>558,568</u>
<b>Non-operating grants, subsidies and contributions</b>		
Recreation and culture	66,889	15,000
Transport	884,641	414,474
	<u>951,530</u>	<u>429,474</u>
	<u>1,319,503</u>	<u>988,042</u>

Total grants, subsidies and contributions

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 20. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

Interest earnings

- Loans receivable - clubs/institutions

- Reserve funds

- Other funds

Other interest revenue (refer note 21(e))

	2018	2018	2017
	Actual	Budget	Actual
	\$	\$	\$
	283,382	300,745	319,504
	209,635	180,000	239,842
	132,471	107,000	125,569
	<u>625,488</u>	<u>587,745</u>	<u>684,915</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	2018	2017
	\$	\$
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	18,750	18,250
- Financial Management Review	5,000	5,000
- Assistance with the finalisation of the annual financial report	1,639	1,500
- Audit of Acquittals	2,500	2,280
- Additional audit work/guidance	4,500	0
	<u>32,389</u>	<u>27,030</u>
<b>Interest expenses (finance costs)</b>		
Long term borrowings (refer Note 12(a))	356,169	368,857
	<u>356,169</u>	<u>368,857</u>
<b>Rental charges</b>		
- Operating leases	36,014	11,923
	<u>36,014</u>	<u>11,923</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

3. CASH AND CASH EQUIVALENTS

	NOTE	2018	2017
		\$	\$
Unrestricted		4,428,388	4,710,950
Restricted		9,868,755	12,275,617
		14,297,143	16,986,567

The following restrictions have been imposed by regulations or other externally imposed requirements:

Pool Upgrade	4	596,653	446,509
Underground Power	4	146,933	3,012,761
Plant Replacement	4	121,922	119,076
Bore Replacement	4	64,074	43,060
Public Art	4	102,961	81,002
Cash in lieu Reserve	4	527,294	424,725
Parking	4	314,306	305,033
Building	4	317,073	53,666
Future Fund	4	6,139,213	6,492,825
Golf Course Land	4	1,721	1,721
Aged Transport Subsidy	4	12,814	12,502
Claremont Joint Venture	4	927,547	910,655
Claremont NOW	4	92,009	136,539
NEP Developer Contribution	4	375,662	230,244
Heritage Grant Reserve	4	65,000	0
Unspent grants	20	63,573	5,299
		9,868,755	12,275,617

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk

Cash and cash equivalents (Continued)

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 2018 Actual	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Pool Upgrade	446,509	211,132	(60,988)	596,653	263,050	206,839	0	469,889	469,594	93,463	(116,548)	446,509
Underground Power	3,012,761	134,172	(3,000,000)	146,933	3,004,878	158,127	(3,000,000)	163,005	2,587,438	562,323	(137,000)	3,012,761
Plant Replacement	119,076	2,846	0	121,922	78,167	2,032	0	80,199	75,959	43,117	0	119,076
Bore Replacement	43,060	21,014	0	64,074	43,072	21,120	0	64,192	22,408	20,652	0	43,060
Public Art	81,002	21,959	0	102,961	80,997	22,106	0	103,103	59,417	21,585	0	81,002
Cash in lieu Reserve	424,725	102,569	0	527,294	425,056	11,051	0	436,107	917,422	14,668	(507,365)	424,725
Parking	305,033	9,273	0	314,306	308,545	8,022	0	316,567	0	305,033	0	305,033
Building	53,666	351,407	(88,000)	317,073	3,646	100,095	0	103,741	248,820	6,637	(201,791)	53,666
Future Fund	6,492,825	373,733	(727,345)	6,139,213	6,312,465	434,124	0	6,746,589	6,884,549	440,470	(832,194)	6,492,825
Golf Course Land	1,721	0	0	1,721	1,692	44	0	1,736	69,740	1,981	(70,000)	1,721
Aged Transport Subsidy	12,502	312	0	12,814	12,501	325	0	12,826	12,149	353	0	12,502
Claremont Joint Venture	910,655	16,892	0	927,547	911,786	23,706	0	935,492	883,740	26,915	0	910,655
Claremont NOW	136,539	3,024	(47,554)	92,009	121,284	3,153	(120,000)	4,437	118,143	18,396	0	136,539
NEP Developer Contribution	230,244	145,418	0	375,662	0	0	0	0	0	230,244	0	230,244
Heritage Grant Reserve	0	65,000	0	65,000	0	0	0	0	0	0	0	0
	12,270,318	1,458,751	(3,923,887)	9,805,182	11,567,141	990,746	(3,120,000)	9,437,886	12,349,379	1,785,837	(1,864,898)	12,270,318

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

In accordance with council resolutions 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
Pool Upgrade	2018/19	to fund major maintenance of the Claremont Pool.
Underground Power	2018/19	to provide for the undergrounding of power lines within the balance of the Town not already. Serviced with underground power.
Plant Replacement	Ongoing	to provide for the replacement of major items of heavy plant.
Bore Replacement	Ongoing	to be used for the replacement of Park bores.
Public Art	Ongoing	to assist with the programmed purchase and development of Public Art assets throughout the Town.
Cash in lieu Reserve	Ongoing	to provide for the purchase of land for car parking in accordance with Clause 33(2).
Parking	Ongoing	to provide for the purchase, upgrade or renewal of parking infrastructure.
Building	Ongoing	to provide for building renewal in accordance with Council's Asset Management Plans.
Future Fund	Ongoing	to receive proceeds of Lakeway Subdivision sales and to provide for the future planning and undertaking of capital and infrastructure works in the Town.
Golf Course Land	Ongoing	to provide for the future major maintenance of the Lake Claremont Golf Course.
Aged Transport Subsidy	Ongoing	to provide a subsidy to the Shine Community Services regional service for aged patrons transport.
Claremont Joint Venture	Ongoing	to provides for traffic modifications/road works within the Town Centre zone and the surrounding roads.
Claremont NOW	Ongoing	to fund promotion and publicity of claremont CBD.
NEP Developer Contribution	2020/21	to accumulate funds to cover the Town's Contribution to NEP Development arising from ownership of Lot 11578 Claremont Crescent.
Heritage Grant Reserve	Ongoing	to assist with funding of the Town's Heritage Grant Maintenance Program.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**5. TRADE AND OTHER RECEIVABLES**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Rates outstanding	189,793	251,813
Sundry debtors	198,185	67,388
Provision for Doubtful Debts	(11,716)	(3,378)
GST receivable	65,799	60,170
Accrued Income	45,239	40,294
	<hr/>	<hr/>
	487,300	416,287
<b>Non-current</b>		
Rates outstanding - pensioners	249,660	208,785
	<hr/>	<hr/>
	249,660	208,785

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

**Rates outstanding**

Includes:

Past due and not impaired	189,793	251,813
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**Sundry debtors**

Includes:

Past due and not impaired	20,166	15,609
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**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 goods sold and services performed in the ordinary course of business.

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

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

**Classification and subsequent measurement**

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**6. INVENTORIES**

**Non-current**

Land held for resale - cost

	<b>2018</b>	<b>2017</b>
	\$	\$
	128,725	128,725
	<u>128,725</u>	<u>128,725</u>

**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.

**Land held for sale**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

**Land held for sale (Continued)**

Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**7 (a). PROPERTY, PLANT AND EQUIPMENT**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	35,695,750	35,695,750
- Management valuation 2017 - level 3	8,633,000	8,633,000
	<u>44,328,750</u>	<u>44,328,750</u>
Land - vested in and under the control of Council at:		
- Management valuation 2017 - level 3	216,221	216,221
	<u>216,221</u>	<u>216,221</u>
Total land	<u>44,544,971</u>	<u>44,544,971</u>
Buildings - non-specialised at:		
- Independent valuation 2017 - level 2	1,066,800	1,066,800
Less: accumulated depreciation	(18,361)	0
	<u>1,048,439</u>	<u>1,066,800</u>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	25,261,539	25,261,539
- Additions after valuation - cost	275,148	0
Less: accumulated depreciation	(485,316)	0
	<u>25,051,371</u>	<u>25,261,539</u>
Total buildings	<u>26,099,810</u>	<u>26,328,339</u>
Total land and buildings	<u>70,644,781</u>	<u>70,873,310</u>
Furniture and equipment at:		
- Management valuation 2016 - level 3	397,804	397,804
- Additions after valuation - cost	3,170	0
Less: accumulated depreciation	(100,321)	(50,032)
	<u>300,653</u>	<u>347,772</u>
Electronic Equipment at:		
- Management valuation 2016 - level 3	583,409	583,409
- Additions after valuation - cost	312,176	249,885
Less: accumulated depreciation	(289,632)	(116,635)
	<u>605,953</u>	<u>716,659</u>
Minor Plant and equipment at:		
- Management valuation 2016 - level 3	553,960	928,540
- Additions after valuation - cost	70,169	10,852
Less: accumulated depreciation	(233,835)	(157,934)
	<u>390,294</u>	<u>781,458</u>
Major Plant and equipment at:		
- Management valuation 2016 - level 2	69,637	69,637
Less: accumulated depreciation	(29,464)	(14,730)
	<u>40,173</u>	<u>54,907</u>
Motor Vehicles at:		
- Management valuation 2016 - level 2	249,357	249,357
- Additions after valuation - cost	305,982	274,845
Less: accumulated depreciation	(90,466)	(61,372)
	<u>464,873</u>	<u>462,830</u>
Work in Progress at:		
- Cost	58,603	145,028
	<u>58,603</u>	<u>145,028</u>
<b>Total property, plant and equipment</b>	<u>72,505,330</u>	<u>73,381,964</u>

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land (Level 2)	Land - freehold land (Level 3)	Land - vested in and under the control of Council	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Electronic Equipment	Minor Plant and equipment	Major Plant and equipment	Motor Vehicles	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	22,375,000	9,010,000	216,221	31,601,221	394,337	19,222,613	19,616,950	51,218,174	397,804	583,409	928,540	69,637	539,258	0	53,736,822
Additions	0	0	0	0	48,781	129,799	178,580	178,580	0	249,885	10,852	0	274,845	145,028	859,190
Revaluation increments/ (decrements) transferred to revaluation surplus	13,320,750	(377,000)	0	12,943,750	632,676	6,398,864	7,031,540	19,975,290	0	0	0	0	0	0	19,975,290
Depreciation (expense)	0	0	0	0	(8,994)	(489,740)	(498,734)	(498,734)	(50,032)	(116,635)	(157,934)	(14,730)	(82,971)	0	(921,036)
<b>Carrying amount at 30 June 2017</b>	35,695,750	8,633,000	216,221	44,544,971	1,066,800	25,261,539	26,328,339	70,873,310	347,772	716,659	781,458	54,907	462,830	145,028	73,381,964
Additions	0	0	0	0	0	149,674	149,674	149,674	3,170	62,292	12,442	0	207,864	39,049	474,491
(Disposals)	0	0	0	0	0	0	0	0	0	0	0	0	(123,756)	0	(123,756)
Depreciation (expense)	0	0	0	0	(18,361)	(485,316)	(503,677)	(503,677)	(50,289)	(172,998)	(117,672)	(14,734)	(82,065)	0	(941,435)
Transfers	0	0	0	0	0	125,474	125,474	125,474	0	0	(285,934)	0	0	(125,474)	(285,934)
<b>Carrying amount at 30 June 2018</b>	35,695,750	8,633,000	216,221	44,544,971	1,048,439	25,051,371	26,099,810	70,644,781	300,653	605,953	390,294	40,173	464,873	58,603	72,505,330

## 7. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2 3	Market approach using recent observable or estimated data for similar properties.	Independent & Management Valuation	June 2017	Market or estimated price per square metre
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life (Level 3) inputs.
Buildings - non-specialised	2	Market approach using recent observable data for similar properties.	Independent Valuation	June 2017	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life (Level 3) inputs.
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Electronic Equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Minor Plant and equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Major Plant and equipment</b>	2	Market approach using recent observable data for similar properties.	Management Valuation	June 2016	Price per item
<b>Motor Vehicles</b>	2	Market approach using recent observable data for similar properties.	Management Valuation	June 2016	Price per item

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Independent Valuation 2015- level 3	0	19,692,630
- Management valuation 2018 - level 3	18,180,753	0
- Additions after valuation - cost	0	3,972,393
Less: accumulated depreciation	0	(2,403,922)
	<u>18,180,753</u>	<u>21,261,101</u>
Infrastructure - Footpath		
- Independent Valuation 2015- level 3	0	8,732,003
- Management valuation 2018 - level 3	13,754,303	0
- Additions after valuation - cost	0	548,932
Less: accumulated depreciation	0	(495,667)
	<u>13,754,303</u>	<u>8,785,268</u>
Infrastructure - Drainage		
- Independent Valuation 2015- level 3	0	5,583,395
- Management valuation 2018 - level 3	4,601,158	0
- Additions after valuation - cost	0	58,375
Less: accumulated depreciation	0	(200,339)
	<u>4,601,158</u>	<u>5,441,431</u>
Infrastructure - Parks & Reserves		
- Independent Valuation 2015- level 3	0	2,051,859
- Management valuation 2018 - level 3	4,265,722	0
- Additions after valuation - cost	0	1,125,929
Less: accumulated depreciation	0	(267,607)
	<u>4,265,722</u>	<u>2,910,181</u>
Infrastructure - Car Parks		
- Independent valuation 2015 - level 3	0	869,337
- Management valuation 2018 - level 3	1,616,811	0
- Additions after valuation - cost	0	464,487
Less: accumulated depreciation	0	(137,349)
	<u>1,616,811</u>	<u>1,196,475</u>
Infrastructure - Street Furniture		
- Independent valuation 2015 - level 3	0	511,769
- Management valuation 2018 - level 3	887,308	0
- Additions after valuation - cost	0	65,431
Less: accumulated depreciation	0	(58,605)
	<u>887,308</u>	<u>518,595</u>
Infrastructure - Street Lights		
- Independent Valuation 2015- level 3	0	417,110
- Management valuation 2018 - level 3	369,000	0
- Additions after valuation - cost	0	49,536
Less: accumulated depreciation	0	(62,568)
	<u>369,000</u>	<u>404,078</u>
Infrastructure - Artefact		
- Cost - Level 3	0	744,000
- Independent valuation 2018 - level 2	1,298,000	0
Less: accumulated depreciation	0	0
	<u>1,298,000</u>	<u>744,000</u>
Infrastructure - Public Arts Collection		
- Independent Valuation 2015- level 3	0	177,894
- Management valuation 2015 - level 3	0	290,816
- Management valuation 2018 - level 3	415,250	0
- Additions after valuation - cost	0	80,865
Less: accumulated depreciation	0	(26,710)
	<u>415,250</u>	<u>522,865</u>
Infrastructure - Reticulation		
- Independent Valuation 2015- level 3	0	401,740
- Additions after valuation - cost	0	1,206
Less: accumulated depreciation	0	(59,564)
	<u>0</u>	<u>343,382</u>
<b>Total infrastructure</b>	<u>45,388,305</u>	<u>42,127,376</u>

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpath	Infrastructure - Drainage	Infrastructure - Parks & Reserves	Infrastructure - Car Parks	Infrastructure - Street Furniture	Infrastructure - Street Lights	Infrastructure - Artefact	Infrastructure - Public Arts Collection	Infrastructure - Reticulation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	20,923,381	8,713,946	5,503,658	2,146,589	800,587	548,388	385,826	744,000	535,211	373,175	40,674,761
Additions	1,390,747	320,871	5,225	899,882	464,487	0	49,536	0	1,800	0	3,132,548
Depreciation (expense)	(1,053,028)	(249,549)	(67,452)	(136,290)	(68,599)	(29,793)	(31,284)	0	(14,146)	(29,793)	(1,679,934)
Carrying amount at 30 June 2017	21,261,101	8,785,268	5,441,431	2,910,181	1,196,475	518,595	404,078	744,000	522,865	343,382	42,127,376
Additions	1,825,371	1,136,439	114,012	381,195	70,625	14,884	128,512	0	53,567	0	3,724,604
Revaluation increments/ (decrements) transferred to revaluation surplus	(3,773,243)	4,089,856	(886,582)	577,340	427,742	384,276	(131,312)	554,000	(146,999)	0	1,095,078
Depreciation (expense)	(1,132,476)	(257,260)	(67,703)	(232,310)	(78,031)	(30,447)	(32,278)	0	(14,183)	0	(1,844,688)
Transfers	0	0	0	629,316	0	0	0	0	0	(343,382)	285,934
Carrying amount at 30 June 2018	18,180,753	13,754,303	4,601,158	4,265,722	1,616,811	887,308	369,000	1,298,000	415,250	0	45,388,305

## 8. INFRASTRUCTURE (Continued)

### (c) Fair Value Measurements

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	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpath	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks & Reserves	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Car Parks	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Street Furniture	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Street Lights	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Artefact	2	Market approach using recent observable market data for similar assets	Independent Valuer	June 2018	Market price per item
Infrastructure - Public Arts Collection	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. 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 except for Artefacts for which level 2 inputs were used.

## 9. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

#### Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

#### Land under control

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

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

## 9. FIXED ASSETS (Continued)

### (a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>								
<b>Health</b>								
PE370 Hyundai ix35 1ENI295	15,270	13,636	0	(1,634)	15,554	14,000	0	(1,554)
PE375 Mazda 6 1EPW748	18,310	17,273	0	(1,037)	19,408	15,000	0	(4,408)
<b>Community amenities</b>								
PE365 Honda CRV 1EMM326	12,338	17,046	4,708	0	15,668	15,000	0	(668)
<b>Other property and services</b>								
PE355 Ford Ranger 4x2 1EJN831	15,154	14,318	0	(836)	16,101	11,500	0	(4,601)
PE356 Ford Ranger 4x2 1EJN 832	13,937	13,636	0	(301)	12,192	11,500	0	(692)
PE357 Ford Ranger 4x2 1EJO567	13,937	14,546	609	0	0	0	0	0
PE363 Holden Colorado 1EKU192	14,850	11,364	0	(3,486)	0	0	0	0
PE374 Toyota Rav 4 1EPQ239	19,960	18,636	0	(1,324)	22,613	16,500	0	(6,113)
PE 378 ETO	0	0	0	0	19,633	11,500	0	(8,133)
	123,756	120,455	5,317	(8,618)	121,169	95,000	0	(26,169)

### (b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	18,361	8,994
Buildings - specialised	485,313	489,740
Furniture and equipment	50,289	50,032
Electronic Equipment	172,998	116,635
Minor Plant and equipment	117,672	157,934
Major Plant and equipment	14,734	14,730
Motor Vehicles	82,065	82,971
Infrastructure - Roads	1,132,476	1,053,028
Infrastructure - Footpath	257,260	249,549
Infrastructure - Drainage	67,703	67,452
Infrastructure - Parks & Reserves	232,310	136,290
Infrastructure - Car Parks	78,031	68,599
Infrastructure - Street Furniture	30,447	29,793
Infrastructure - Street Lights	32,278	31,284
Infrastructure - Public Arts Collection	14,183	14,146
	2,786,120	2,600,970



**9. FIXED ASSETS (Continued)**

**(b) Depreciation (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by

reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted

to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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 (Continued)**

Major depreciation periods used for each class of depreciable asset

Asset Class	Expected Useful Life
Buildings:	
Buildings	50
Buildings fixtures/fittings	10-15
Furniture & Equipment:	
Furniture	10
Plant & Equipment:	
Motor Vehicle	5-8
Construction vehicles (e.g water trucks)	7-10
Other Plant & Equipment	3-10
Electronic Equipment:	
Computers & peripherals	3-5
Other electronic equipment	3-10
Software	
Website	4-5
Other Software	4-5
Infrastructure:	
Road/ Car Park Pavement	40-50
Road/ Car Park Formation	20-30
Footpaths	30-50
Drainage	90-100
Parks & Reserves	20-40
Street Furniture	10-20
Street Lights	20-30
Public Art Collection	40-50
Reticulation	20-25

## 10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	33,899,439	0	0	0	33,899,439	20,955,689	12,943,750	12,943,750	33,899,439
Building	8,637,912	0	0	0	8,637,912	1,606,372	7,031,540	7,031,540	8,637,912
Furniture and Equipment	59,622	0	0	0	59,622	59,622	0	0	59,622
Electronic Equipment	290,432	0	0	0	290,432	290,432	0	0	290,432
Minor Plant and Equipment	549,764	0	0	0	549,764	549,764	0	0	549,764
Major Plant and Equipment	24,499	0	0	0	24,499	24,499	0	0	24,499
Motor Vehicles	33,333	0	0	0	33,333	33,333	0	0	33,333
Roads	6,495,561	0	(3,773,243)	(3,773,243)	2,722,318	6,495,561	0	0	6,495,561
Footpaths	2,880,227	4,089,856	0	4,089,856	6,970,083	2,880,227	0	0	2,880,227
Drainage	1,841,668	0	(886,582)	(886,582)	955,086	1,841,668	0	0	1,841,668
Parks & Reserves	676,800	577,340	0	577,340	1,254,140	676,800	0	0	676,800
Car Parks	286,748	427,742	0	427,742	714,490	286,748	0	0	286,748
Street Furnitures	168,806	384,276	0	384,276	553,082	168,806	0	0	168,806
Street Lights	137,583	0	(131,312)	(131,312)	6,271	137,583	0	0	137,583
Public Art Collection	154,603	0	(146,999)	(146,999)	7,604	154,603	0	0	154,603
Reticulation	132,514	0	0	0	132,514	132,514	0	0	132,514
Investment in Joint Venture	13,667	0	0	0	13,667		13,667	13,667	13,667
Artefacts	0	554,000	0	554,000	554,000	0	0	0	0
	56,283,178	6,033,214	(4,938,136)	1,095,078	57,378,256	36,294,221	19,988,957	19,988,957	56,283,178

Movements on revaluation of fixed assets 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**11. TRADE AND OTHER PAYABLES**

**Current**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Sundry creditors	1,351,702	1,283,928
Accrued interest on long term borrowings	19,294	4,673
Accrued salaries and wages	97,631	88,918
Prepaid income	10,500	0
	<b>1,479,127</b>	<b>1,377,519</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Trade and other payables (Continued)**

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

12. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal	New Loans		Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>									
4 – Claremont No.1	1,639,494	0	0	64,736	43,000	1,574,758	1,596,494	50,327	66,382
<b>Recreation and culture</b>									
3 Claremont Community Hub	928,808	0	0	44,690	44,690	884,118	884,118	47,001	47,001
1 Pool Refurbishment	798,607	0	0	38,894	38,893	759,713	759,714	55,362	55,362
<b>Transport</b>									
UGP	0	3,000,000	4,500,000	0	0	3,000,000	4,500,000	18,130	0
<b>Economic services</b>									
2 Purchase 333 Stirling Hwy	5,500,000	0	0	0	0	5,500,000	5,500,000	185,350	185,350
	<u>8,866,909</u>	<u>3,000,000</u>	<u>4,500,000</u>	<u>148,320</u>	<u>126,583</u>	<u>11,718,589</u>	<u>13,240,326</u>	<u>356,169</u>	<u>354,095</u>

All loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
	\$	\$
Current	700,495	126,582
Non-current	<u>11,018,094</u>	<u>8,740,326</u>
	<u>11,718,589</u>	<u>8,866,908</u>

12. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Interest Rate	Amount (Used)		Balance Unspent
	Actual	Budget						Actual	Budget	
Loan 5 – Underground Power	\$ 3,000,000	\$ 4,500,000	WATC	Debenture	5	\$ 118,598	% 2.94	\$ (3,000,000)	\$ (4,500,000)	\$ 0
	3,000,000	4,500,000				118,598		(3,000,000)	(4,500,000)	0

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit								\$ 49,000	\$ 60,000	
Credit card balance at balance date								(10,188)	(516)	
<b>Total amount of credit unused</b>								<b>38,812</b>	<b>59,484</b>	

Loan facilities

Loan facilities - current								700,495	126,582	
Loan facilities - non-current								11,018,094	8,740,326	
<b>Total facilities in use at balance date</b>								<b>11,718,589</b>	<b>8,866,908</b>	

Unused loan facilities at balance date

NIL NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

### 13. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Sick Leave	Total
	\$	\$	\$	\$
<b>Opening balance at 1 July 2017</b>				
Current provisions	497,315	608,619	107,169	1,213,103
Non-current provisions	0	190,797	0	190,797
	497,315	799,416		1,403,900
Additional provision	69,613	67,247	23,757	160,617
<b>Balance at 30 June 2018</b>	566,928	866,663	130,926	1,564,517
<b>Comprises</b>				
Current	566,928	632,158	130,926	1,330,012
Non-current	0	234,505	0	234,505
	566,928	866,663	130,926	1,564,517

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

##### Short-term employee benefits

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

##### Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

##### Other long-term employee benefits (Continued)

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

##### Provisions

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

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

**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:

	<b>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
Cash and cash equivalents	14,297,143	11,022,396	16,986,567

**Reconciliation of Net Cash Provided By  
Operating Activities to Net Result**

Net result	(4,654,647)	(5,472,551)	1,893,820
Non-cash flows in Net result:			
Depreciation	2,786,120	2,593,740	2,600,970
(Profit)/loss on sale of asset	3,301	26,169	46,028
Share of Joint Venture's Net Assets accounted using equity accounting method	252,422	0	44,724
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(111,888)	80,000	47,579
(Increase)/decrease in inventories	0	0	(92,205)
Increase/(decrease) in payables	101,609	(40,000)	425,320
Increase/(decrease) in provisions	160,619	(40,000)	178,752
Grants contributions for the development of assets	(951,530)	(1,075,585)	(429,474)
Net cash from operating activities	<u>(2,413,994)</u>	<u>(3,928,227)</u>	4,715,514

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Governance	7,306,940	7,538,319
Law, order, public safety	131,420	121,728
Health	511,072	535,932
Education and welfare	8,891,101	8,937,569
Community amenities	1,266,518	1,570,490
Recreation and culture	31,088,569	29,068,282
Transport	49,458,701	48,698,691
Economic services	20,037,919	20,095,077
Other property and services	325,809	320,083
Unallocated	15,034,102	17,611,643
	<b>134,052,151</b>	<b>134,497,814</b>

**16. CONTINGENT LIABILITIES**

The Town of Claremont had no contingent liabilities on 30 June 2018.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**17. LEASING COMMITMENTS**

**(a) Operating Lease Commitments**

Non-cancellable operating leases contracted for but

Payable:

- not later than one year	36,014	11,923
- later than one year but not later than five years	62,382	29,815
- later than five years	0	0
	98,396	41,738

Receivable:

- not later than one year	383,197	318,732
- later than one year but not later than five years	1,156,647	1,135,761
- later than five years	136,793	36,421
	1,676,637	1,490,914

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Town, are classified as finance leases.

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

	2018	2017
	\$	\$
	98,396	41,738
	1,676,637	1,490,914

**Leases (Continued)**

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**18. Investment in Associates**

**Non-Current**

**Investment in Joint Venture - Western Metropolitan Regional Council (WMRC)**

The Town together with the Town of Cottesloe, the Town of Mosman Park, the Shire of Peppermint Grove and the City of Subiaco have an interest in the WMRC waste of transfer station. The Council was formed to provide for the efficient treatment and/or disposal waste. A waste transfer station was constructed from funds provided from constituent Councils. The voting power held by the Town is 20%. The Town's 21.34% share of the net assets are included as follows:

(a) Retained Surplus attributable to interest in joint venture:	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the financial year	501,211	532,268
Share of joint venture's reserve increments during the year	0	0
Share of joint venture's other comprehensive income	0	13,667
Share of joint venture's net result	<u>(252,422)</u>	<u>(44,724)</u>
Balance at the end of the financial year	<u><u>248,789</u></u>	<u><u>501,211</u></u>
 (b) Carrying amount of investment in joint venture:		
Balance at the beginning of the financial year	1,248,110	1,279,167
Share of joint venture's other comprehensive income	0	13,667
Share of joint venture's net result	<u>(252,422)</u>	<u>(44,724)</u>
Balance at the end of the financial year	<u><u>995,688</u></u>	<u><u>1,248,110</u></u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Investment in associates**

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

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investment in associates (Continued)**

Profits and losses resulting from transactions between the Town and the associate are eliminated to the extent Profits and losses resulting from transactions between the Town and the associate are eliminated to the extent of the Town's interest in the associate. When the Town's share of losses in an associate equals or exceeds its interest in the associate, the Town discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Town will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**19. RELATED PARTY TRANSACTIONS**

**Elected Members Remuneration**

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

	<b>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
Meeting Fees	170,936	170,937	170,936
Mayor's Allowance	36,591	36,592	36,591
Deputy Mayor's Allowance	9,148	9,148	9,148
Travelling expenses	160	1,000	1,355
Telecommunications allowance	35,000	31,940	35,000
	<b>251,835</b>	<b>249,617</b>	<b>253,030</b>

**Key Management Personnel (KMP) Compensation Disclosure**

The total of remuneration paid to KMP of the Town during the year are as follows:

	<b>2018</b>	<b>2017</b>
	\$	\$
Short-term employee benefits	927,687	956,693
Post-employment benefits	122,884	107,919
Other long-term benefits	19,482	21,519
Termination benefits	59,748	0
	<b>1,129,801</b>	<b>1,086,131</b>

*Short-term employee benefits*

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

*Post-employment benefits*

These amounts are the current-year's estimated cost of providing for the Town's superannuation contributions made during the year.

*Other long-term benefits*

These amounts represent long service benefits 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).

**Related Parties**

**The Town's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Entities subject to significant influence by the Town*

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

20. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing	Received <sup>(2)</sup>	Expended <sup>(3)</sup>	Closing
	Balance <sup>(1)</sup> 1/07/16	2016/17	2016/17	Balance <sup>(1)</sup> 30/06/17	2017/18	2017/18	Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Recreation and culture</b>							
Department Of Infrastructure	0	5,299	0	5,299	0	(5,299)	0
Department of Local Government, Sport and Cultural Industries	0	0	0	0	63,573	0	63,573
<b>Transport</b>							
Developer - DA3086 (^)	408,252	0	0	408,252	0	0	408,252 ^
<b>Total</b>	<b>408,252</b>	<b>5,299</b>	<b>0</b>	<b>413,551</b>	<b>63,573</b>	<b>(5,299)</b>	<b>471,825</b>

Notes:

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

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

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

(^)- These amounts have been transferred to Reserves.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

21. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>									
<b>Gross rental valuations</b>									
Residential	0.06235	3,714	140,857,550	8,662,156	46,567	8,708,723	12,643,495	150,000	12,793,495
Commercial	0.06235	199	54,884,915	3,369,289	29,202	3,398,491	0	0	0
Industrial	0.06235	56	9,703,910	605,039	0	605,039	0	0	0
Miscellaneous	0.06235	75	623,600	56,918	0	56,918	0	0	0
<b>Unimproved valuations</b>									
<b>Sub-Total</b>		4,044	206,069,975	12,693,402	75,769	12,769,171	12,643,495	150,000	12,793,495
<b>Minimum payment</b>	\$								
<b>Gross rental valuations</b>									
Residential	1,278	1,064	17,258,518	1,359,792	0	1,359,792	1,386,630	0	1,386,630
Commercial	1,278	22	362,810	28,116	0	28,116	0	0	0
Industrial	1,278	1	16,200	1,278	0	1,278	0	0	0
<b>Unimproved valuations</b>									
<b>Sub-Total</b>		1,087	17,637,528	1,389,186	0	1,389,186	1,386,630	0	1,386,630
<b>Total amount raised from general rate</b>		5,131	223,707,503	14,082,588	75,769	14,158,357	14,030,125	150,000	14,180,125
Specified Area Rate (refer note 21(b))						60,096			60,000
<b>Totals</b>						14,218,453			14,240,125

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

21. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	Rateable Value	Revenue	Interim Rate Revenue	Back Rate Revenue	Total Specified Area Rate Revenue	Budget Rate Revenue	Budget Back Rate Revenue	Budget Interim Rate Revenue	Total Budget Revenue
BID Program-CBD	GRV	0.1315	\$ 45,680,623	\$ 60,070	\$ 26	\$ 0	\$ 60,096	\$ 60,000	\$ 0	\$ 0	\$ 60,000
				60,070	26	0	60,096	60,000	0	0	60,000

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	Rate Applied to Costs	Rate Set Aside to Reserve	Reserve Applied to Costs	Budget Rate Applied to Costs	Budget Rate Set Aside to Reserve	Budget Reserve Applied to Costs
BID Program-CBD	Promotion of CBD thru: marketing, advertising, festivals, street activities etc	CBD, bounded by Strirling Hwy, Stirling Road, Guger Street and Leura Ave	\$ 60,000	\$ 0	\$ 47,554	\$ 240,000	\$ 0	\$ 120,000
			60,000	0	47,554	240,000	0	120,000

(c) Service Charges

Service Charges	Type	Amount of Charge	Revenue Raised	Budget Revenue	Charges Applied to Costs	Charges Set Aside to Reserve	Reserve Applied to Costs	Budget Charges Applied to Costs	Budget Charges Set Aside to Reserve	Budget Reserve Applied to Costs
Underground Power Service	General	\$ 3,500	\$ 0	\$ 1,764,000	\$ 0	\$ 0	\$ 1,764,000	\$ 0	\$ 0	\$ 0
	UGP Property	3,150	0	1,936,000	0	0	1,936,000	0	0	0
			0	3,700,000	0	0	3,700,000	0	0	0

Nature of the Service Charge	Objects of the Charge	Reasons for the Charge	Area/Properties Charge Imposed
Underground Power Service	Undergrounding of power	Contribution from owners towards the cost of the project	All Owners within the designated undergrounding of power area.

UGP Project was included in 2017-18 adopted budget. UGP services charge and other associated costs are carried forward into 2018-19 budget.

21. RATING INFORMATION (Continued)

(d) Discounts, Incentives, Concessions, & Write-offs

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
Rate Assessments - Various	Write-off	N/A	N/A	3,378	1,000
				<u>3,378</u>	<u>1,000</u>

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rate Assessments - Various	Small rate balances (under \$30) on various rate assessments.	These small balances were mainly interest being charged on late payments of rates.	Administration cost to recover these are more than the balance.

21. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	28-Aug-17	0	0.00%	11.00%
<b>Option Two</b>				
First instalment	28-Aug-17	0	0.00%	11.00%
Second instalment	27-Oct-17	17	5.50%	11.00%
Third instalment	05-Jan-18	17	5.50%	11.00%
Fourth instalment	06-Mar-18	17	5.50%	11.00%

	2018	
	2018	Budget
	\$	\$
Interest on unpaid rates	40,751	25,000
Interest on instalment plan	91,720	82,000
Charges on instalment plan	64,311	58,000
	<u>196,782</u>	<u>165,000</u>



NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018

## 22. NET CURRENT ASSETS

Composition of net current assets for  
the purposes of the Rate Setting Statement

	2018 (30 June 2018 Carried Forward) \$	2018 (1 July 2017 Brought Forward) \$	2017 (30 June 2017 Carried Forward) \$
<b>Surplus/(Deficit)</b>	2,106,550	2,536,618	2,536,618
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	4,428,388	4,710,950	4,710,950
Restricted	9,868,755	12,275,617	12,275,617
Receivables			
Rates outstanding	189,794	251,813	251,813
Sundry debtors	198,185	67,388	67,388
Provision for Doubtful Debts	(11,716)	(3,378)	(3,378)
GST receivable	65,799	60,170	60,170
Accrued Income	45,239	40,295	40,295
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(1,351,702)	(1,283,926)	(1,283,926)
Accrued interest on long term borrowings	(19,294)	(4,673)	(4,673)
Accrued salaries and wages	(97,631)	(88,918)	(88,918)
Prepaid income	(10,500)	0	0
Current portion of long term borrowings	(700,495)	(126,582)	(126,582)
Provisions			
Provision for annual leave	(566,928)	(497,315)	(497,315)
Provision for Sick leave	(130,926)	(107,169)	(107,169)
Provision for long service leave	(632,158)	(608,619)	(608,619)
<b>Unadjusted net current assets</b>	11,274,810	14,685,653	14,685,653
<b>Adjustments</b>			
Less: Reserves - restricted cash	(9,805,182)	(12,270,318)	(12,270,318)
Less: Unspent Grant - Restricted Cash	(63,573)	(5,299)	(5,299)
Add: Current portion of long term borrowings	700,495	126,582	126,582
<b>Adjusted net current assets - surplus/(deficit)</b>	2,106,550	2,536,618	2,536,618

### Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**23. FINANCIAL RISK MANAGEMENT**

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

The Town 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 Town held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	14,297,143	16,986,567	14,297,143	16,986,567
Receivables	736,960	625,072	736,961	625,072
	<u>15,034,103</u>	<u>17,611,639</u>	<u>15,034,104</u>	<u>17,611,639</u>
<b>Financial liabilities</b>				
Payables	1,479,127	1,377,519	1,479,127	1,377,519
Borrowings	11,718,589	8,866,908	11,828,125	8,995,743
	<u>13,197,716</u>	<u>10,244,427</u>	<u>13,307,252</u>	<u>10,373,262</u>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

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

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (a) Cash and Cash Equivalents

The Town's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio.

The Town has an Investment Policy and the Policy is subject to review by Council.

An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

The Town manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

Impact of a 1% <sup>(1)</sup> movement in interest rates on cash	\$	\$
- Equity	197,068	208,355
- Statement of Comprehensive Income	197,068	208,355

*Notes:*

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible interest rate movements.

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Receivables

The Town's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Town 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 Town to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Town is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

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

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

	<b>2018</b>	<b>2017</b>
	%	%
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	93.48%	90.70%
- Overdue	6.52%	9.30%

## 23. FINANCIAL RISK MANAGEMENT (Continued)

### (c) 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 Town manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	1,479,127	0	0	1,479,127	1,479,127
Borrowings	6,088,670	5,430,501	1,436,662	12,955,833	11,718,589
	7,567,797	5,430,501	1,436,662	14,434,960	13,197,716
<b>2017</b>					
Payables	1,377,519	0	0	1,377,519	1,377,519
Borrowings	424,997	7,953,334	1,611,111	9,989,442	8,866,908
	1,802,516	7,953,334	1,611,111	11,366,961	10,244,427

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

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

<u>Year ended 30 June 2018</u>	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	5,500,000	0	1,574,758	0	3,000,000	1,643,831	11,718,589	3.08%
Weighted average Effective interest rate	2.67%		2.40%		2.94%	5.32%		
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	0	5,500,000	0	1,639,494	0	1,727,415	8,866,909	3.14%
Weighted average Effective interest rate		2.67%		2.40%		5.32%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**24. TRUST FUNDS**

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

	<b>1 July 2017</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2018</b>
	\$	\$	\$	\$
BCITF Fees	2,208	167,180	(162,853)	6,535
Build Services Levy	2,441	141,003	(128,080)	15,364
DAP Fees	0	33,036	(24,525)	8,511
Damage Bond Residential	840,629	372,062	(345,563)	867,128
Damage Bond Demolition	190,500	50,000	(78,000)	162,500
Damage Bond Lakeway	17,500	0	0	17,500
Damage Bond Commercial	253,300	46,000	(106,800)	192,500
Damage Bond Verge Usage Bond	5,150	0	0	5,150
Damage Bond Performance Bond	45,368	33,000	(41,868)	36,500
Other Trust Bonds	6,723	138,314	(64,170)	80,867
	<u>1,363,818</u>			<u>1,392,555</u>

## 25. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Town, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend on the nature of future transactions the Town has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability into the statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position when AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Town, the impact is not expected to be significant.

Notes:

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

## 25. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(iv)	AASB 1058 Income of Not-for-Profit Entities	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Town's operations.</p>

Notes:

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

### Adoption of New and Revised Accounting Standards

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

- |      |   |                |
|------|---|----------------|
| (i)  | AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities | 1 January 2017 |
| (ii) | AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities  | 1 January 2017 |



## 26. 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 Town's operational cycle. In the case of liabilities where the Town 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 Town'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 Town 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 Town contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Town contributes are defined contribution plans.

### g) Fair value of assets and liabilities

Fair value is the price that the Town 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) 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 Town 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 Town 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 Town 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.

### i) Impairment of assets

In accordance with Australian Accounting Standards the Town'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 regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

## **27. ACTIVITIES/PROGRAMS**

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Town's Community Vision, and for each of its broad activities/programs.

Town operations as disclosed in these financial statements encompass the following service orientated activities/programs.

<b>PROGRAM NAME</b>	<b>OBJECTIVE</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b>	To provide a decision making process for the efficient allocation of scarce resources.	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.
<b>GENERAL PURPOSE FUNDING</b>	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>LAW, ORDER, PUBLIC SAFETY</b>	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>HEALTH</b>	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control
<b>EDUCATION AND WELFARE</b>	To provide services to disadvantaged persons, the elderly, children and youth	Pre-schools, aged and disabled, senior citizens, welfare administration, donations to welfare organisations.
<b>HOUSING COMMUNITY AMENITIES</b>	To provide services required by the community.	Rubbish collections, recycling, litter control, public litter bins, town planning control/studies.
<b>RECREATION AND CULTURE</b>	infrastructure and resource which will help the social well being of the community.	Public halls, civic centres, swimming pool, golf course, parks, sports grounds, sports groups, community recreation programs, library, community arts program, youth activities, heritage and museum.
<b>TRANSPORT</b>	To provide safe, effective and efficient transport services to the community	Roads, footpaths, cycleways, right of way, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, parking services, traffic management and underground power.
<b>ECONOMIC SERVICES</b>	To help promote the shire and its economic wellbeing.	Building services, commercial leases, strategic planning and activities involving the Royal Agricultural Society, Claremont Now and Anzac Cottage.
<b>OTHER PROPERTY AND SERVICES</b>	To monitor and control council's overheads operating accounts.	Public works overheads, plant/vehicle operations, private works and other property.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2018**

**28. FINANCIAL RATIOS**

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Current ratio	1.40	1.89	1.78
Asset consumption ratio	0.99	0.95	0.91
Asset renewal funding ratio	1.02	1.13	1.09
Asset sustainability ratio	1.32	1.02	0.79
Debt service cover ratio	(4.88)	6.31	2.01
Operating surplus ratio	(0.30)	0.08	0.07
Own source revenue coverage ratio	0.76	1.05	1.03

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Four of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants. In addition, three of the ratios were impacted by operating expenditure associated with Underground Power Project (UGP). This expenditure was funded by loan (\$3 Million) and Reserve Funds (\$3.54 Million).

	<b>2017/18</b>	<b>2016/17</b>	<b>2015/16</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	168,294	166,960	0
Amount of Financial Assistance Grant received in prior year relating to current year.	166,960	0	162,623
Part Repayment of loan using Reserve Funds	0	201,791	2,000,000
Operating expenditure relating UGP Project was funded by Loan & UGP Reserve.	6,544,697		
Significant revenue from initial recognition of Artefacts	0	0	744,000

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Current ratio	1.35	1.83	1.78
Debt service cover ratio	8.09	8.52	7.14
Operating surplus ratio	0.05	0.07	0.04
Own source revenue coverage ratio	1.02	1.05	1.03

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE TOWN OF CLAREMONT REPORT ON THE FINANCIAL REPORT**

### **Opinion**

We have audited the accompanying financial report of the Town of Claremont (the Town), which comprises the Statement of Financial Position as at 30 June 2018, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Town of Claremont:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Town for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Town in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter – Basis of Preparation**

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

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE TOWN OF CLAREMONT REPORT ON THE FINANCIAL REPORT (CONTINUED)**

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

Our objectives of the 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 our 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.

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
TO THE COUNCILLORS OF THE TOWN OF CLAREMONT  
REPORT ON THE FINANCIAL REPORT (CONTINUED)**

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) All required information and explanations were obtained by us.
- b) All audit procedures were satisfactorily completed in conducting our audit.
- c) In my opinion, the asset consumption ratio and the asset renewal ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

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

This auditor's report relates to the annual financial report of the Town of Claremont for the year ended 30 June 2018 included on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



WEN SHIEN CHAI  
PARTNER

Date: 12<sup>th</sup> November 2018  
Perth, WA