



CITY OF VINCENT



# ANNUAL REPORT

2015/16



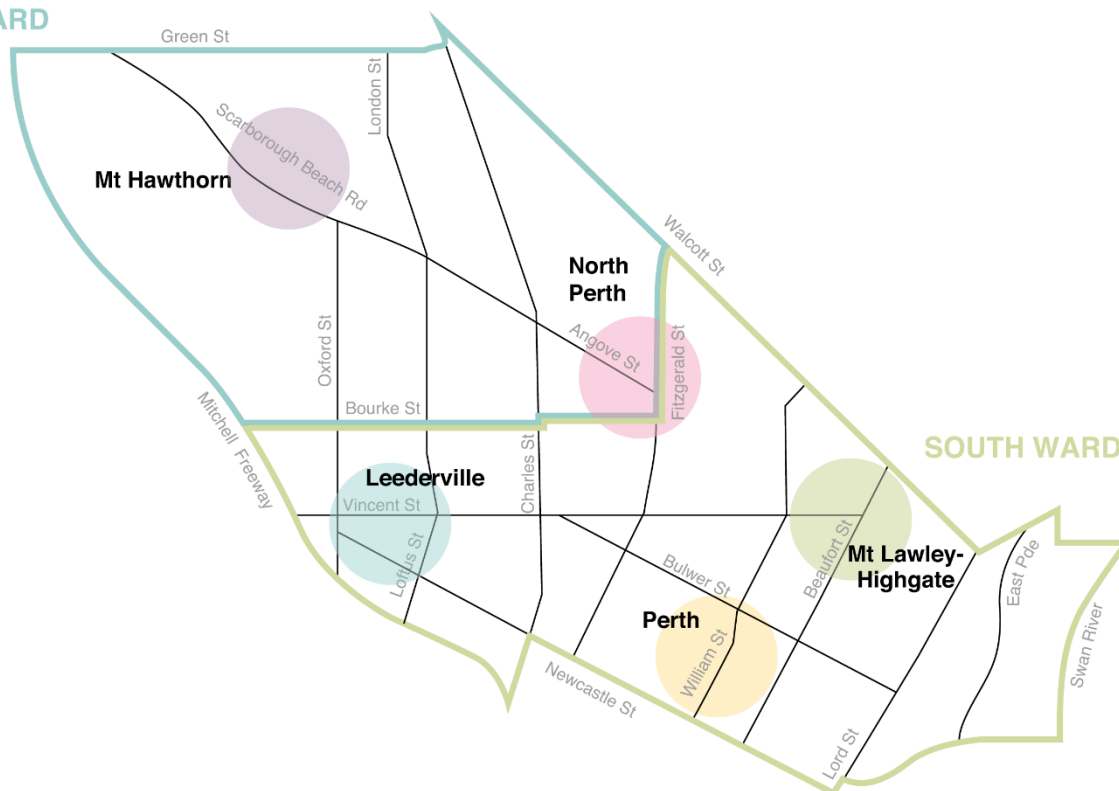
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## ABOUT THE CITY OF VINCENT

### NORTH WARD



The City of Vincent is a progressive inner city municipality encompassing the suburbs of North Perth, Leederville, Highgate, Mount Hawthorn and parts of East Perth, West Perth, Perth City, Mount Lawley and Coolbinia.

Since settlement, much of Vincent's rich heritage stems from the 1890's and 1900's following the gold rush, when many community buildings were established. North Perth emerged as a municipality in its own right in 1901, alongside Leederville and Perth. These merged in 1914 to form the Greater Perth Council, which our suburbs were part of until 1994, when Perth was subdivided once again and the Town of Vincent created.

More recently, inner-city living has become ever more popular, offering diverse housing options amongst the leafy parks and public open space on offer. Riding in tandem with the increasing popularity of inner-city living, Vincent's eating and shopping precincts have thrived to become popular places for residents and visitors alike.

Vincent's population continues to develop into a wonderfully rich melting pot of cultures and nationalities, which has contributed to its unique diversity.

And our local government area is rather unique too. Vincent is one of Perth's most multicultural localities and we're proud of our rich tapestry of people that collectively create a colourful and vibrant place to live, work and visit. By comparison to the broader Perth metropolitan area, our residents are younger, highly educated and earn a good income, and most of us live in either medium or high density dwellings. We have a connected, energetic and savvy community who cares about what happens here in Vincent.

With the ongoing support of our residential and business community, visitors to Vincent, council members and staff, the City will continue to thrive and provide a wonderful living and working environment which is well regarded by many.

## CITY OF VINCENT FAST FACTS

|                               |  |   |
|-------------------------------|--|---|
| Area                          | 11.3 square km   |   |
| Population                    | 37,461 (30 June 2015)  |   |
| Median Age                    | 34 years   |   |
| Rateable Properties           | 17,554 (July 2015)<br>17,816 (June 2016)   |   |
| Number of Council Employees   | 245 (FTE)<br>364 (Total)   |   |
| Number of Wards               | Two (2)  |   |
| Number of Elected Members     | Mayor and eight (8) Councillors  |   |
| Distance from Perth City      | The Administration & Civic Centre is 3km from Perth GPO  |   |
| Area of Parks and Gardens     | 106.4 Hectares   |   |
| Length of Roads and Footpaths | 149km (Road)   | 248km (Footpath)  |
| Suburbs and Localities        | Suburbs of: <ul style="list-style-type: none"> <li>• North Perth</li> <li>• Leederville</li> <li>• Highgate</li> <li>• Mount Hawthorn</li> </ul>   | Parts of: <ul style="list-style-type: none"> <li>• East Perth</li> <li>• West Perth</li> <li>• Perth City</li> <li>• Mount Lawley</li> <li>• Coolbinia</li> </ul> |
| Boundaries                    | Mitchell Freeway, Swan River, Town of Cambridge and Cities of Bayswater, Perth and Stirling  |   |
| Facilities                    | Library <ul style="list-style-type: none"> <li>• City of Vincent Library &amp; Local History Centre</li> </ul>   |   |
|                               | Child Health Centres <ul style="list-style-type: none"> <li>• Harold Street, Highgate</li> <li>• Loftus Community Centre, Loftus Street</li> <li>• Mt Hawthorn Community Centre, Scarborough Beach Road</li> <li>• View Street, North Perth</li> </ul> |   |
|                               | Community Centres <ul style="list-style-type: none"> <li>• Loftus Community Centre</li> </ul>  |   |

## Recreation Facilities

- Beatty Park Leisure Centre
- Hyde Park
- E & D Litis Stadium
- Dorrien Gardens (BGC Stadium)
- Loftus Recreation Centre
- Perth Oval (nib Stadium)
- Leederville Oval (Medibank Stadium)
- Parks & Reserves
- Halls & Pavilions
- Bowling Clubs
- Tennis Clubs
- Croquet Club



## THE YEAR IN REVIEW

The year in review is a quick snapshot of key achievements undertaken by the City of Vincent within the preceding 12-month period. Highlights include:

### **Significant strategic planning outcomes** (for further details see page 17-18)

Rigorous workshops were held across the organisation to better plan for the City's future. As a result, a list of Council Priorities for 2016-2017 was developed. This included:

- Developing a new 10-year Strategic Community Plan to guide the future of the City
- Leading local government transparency and accountability
- Stronger financial management and budget planning
- Better customer service
- Meaningful and smarter community engagement
- Cutting red tape
- Creating liveable neighbourhoods
- Renewing town centres
- Smarter, sustainable waste management for the community
- Guiding better density development in the City
- Better planning advice, quicker approval times
- Greater sustainability outcomes across Vincent
- Better targeted community development program which reflects real need

### **Implementation of our City-wide Greening Plan** (for further details see page 20)

The City's Greening plan is Vincent's blueprint to ensure we protect, enhance and effectively manage our environment. Key priorities include increasing canopy cover and biodiversity, enhancing our public open spaces, building community awareness and involvement in greening Vincent and encouraging 'greener' developments within the City.

### **Cutting red tape for business - Trading on footpaths** (for further details see page 32)

In April 2016, Council agreed to simplify and streamline the City's laws and policies relating to outdoor eating areas and the display of goods and signs on footpaths. The first phase of this initiative was in the form of a user-friendly online self-assessment tool that allows businesses to easily apply for and instantly generate their own approvals for outdoor eating areas and display of goods and signs on footpaths. This initiative results in an annual saving of around \$150,000 to local businesses in fees alone.

### **Achieving outstanding CATALYSE Scorecard results** (for further details see page 43-44)

The CATALYSE Community Scorecard surveys households across a local government area, with 25 local councils participating in the survey research over the past two years. Of those 25 councils, the City of Vincent ranked first, receiving an overall performance score of 82 out of 100, compared to 16<sup>th</sup> out of 18 councils in 2010.

The City was also ranked Number 1 local government among 25 Western Australian councils as both 'A Place to Live' and as 'A Governing Organisation' as rated by our community.



## MAYORS MESSAGE

The focus and drive of the City of Vincent is relentless: we are aiming to create an even better Council which serves our community, which is genuinely responsive to our ratepayers needs and understands that transparency and accountability needs to be at the heart of everything we do.

We need to be prepared to look at what we do, not be afraid to review our performance - and ask can we do better? Or better yet, ask our community if we can do better!

To do this, both Council and the City in 2015/2016 has been driving a program to change the culture of the organisation: to encourage innovation and outside the box thinking, to challenge the status quo and ultimately really make a difference for our community.



We know this reform program has already paid off - with independent research revealing in June 2016 that the City of Vincent is now the Number 1 local government among 25 Western Australian councils as both 'A Place to Live' and as 'A Governing Organisation' as rated by our community - jumping from its previous position of third last in 2010.

The Catalyse Community Scorecard surveys households across a local government area, with 25 local councils participating in the survey research over the past two years. Of those 25 councils, the City ranked first, receiving an overall performance score of 82 out of 100, compared to 16<sup>th</sup> out of 18 councils in 2010. The report also found that the City was ranked the highest in 18 categories (out of about 40), including the City's leadership with the community, how the community is informed and consulted about local issues, our playgrounds. There were also areas we needed to improve on - including planning and development, parking and traffic management, and we are working hard to address these policy challenges.

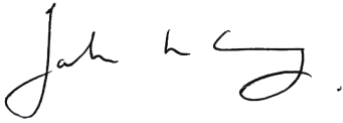
Our commitment to improving transparency within the City was most apparent in our budget reporting and managing. We consistently seek to improve financial reporting and accountability within the organisation, in particular reviewing the delivery of capital work programs and leasing agreements with external providers and organisations across the City. This renewed drive for greater financial scrutiny delivered a healthy bottom line with the 2015/2016 Budget in strong surplus.

The City's liveable neighbourhoods program continued to be rolled out, building on the significant achievements of major capital works program in 2014/2015. The greening program again boosted trees along our major corridors and streets, more funding was provided for our hugely popular Adopt a Verge program, and a range of smaller but noticeable measures, including new parklets, bike racks, street art and planters are all about making our streets friendlier and inviting places for people.

The Council and administration gave significant focus in 2015/2016 to developing a new Built Form Policy - with a large amount work undertaken with the community and within the organisation to create a smart, coherent and clear planning guidelines for developments in Vincent. This policy is aimed at addressing some of the key concerns of our local community, including landscaping provisions, rear setbacks and height of major developments, and ultimately delivering much better design outcomes.

My introduction message is not about trying to cover all bases but rather pick critical highlights for the year. To do that, I must recognise the incredible work of my fellow Councillors, who go well and beyond to represent their community and deliver great outcomes. I also want to recognise the huge efforts of all our staff, in building a better Vincent. This could not be possible without the energetic and vigorous leadership of our CEO, Len Kosova. I thank him for all this work.

As an organisation, we cannot rest on our laurels. It has been a great year - but there's a lot more to be done, and more work to do, to build an even better Vincent.

A handwritten signature in black ink, appearing to read "John Carey". The signature is written in a cursive, flowing style.

John Carey  
Mayor



## YOUR VINCENT COUNCIL



Mayor  
**JOHN CAREY**

Elected (Councillor) 2011-2013  
Elected (Mayor) 2013-2015  
Re-elected (Mayor) 2015-2019



### South Ward



**CR SUSAN GONTASZEWSKI**  
Elected 2015-2019



**CR LAINE MCDONALD**  
Elected 2013-2017



**CR JIMMY MURPHY**  
Elected 2015-2019



**CR JOSHUA TOPELBERG**  
Elected 2009-2017

### North Ward



**CR ROSLYN HARLEY**  
Deputy Mayor  
Elected 2011-2015  
Re-elected 2015-2019



**CR MATT BUCKELS**  
Elected 2009-2017



**CR EMMA COLE**  
Elected 2013-2017



**CR DAN LODEN**  
Elected 2015-2019

### Former Councillors

Note: the below Elected Members served on Council until the Ordinary Local Government Elections on Saturday 17 October 2015, with the exception of Cr James Peart who retired in July 2015.



**CR JOHN PINTABONA**  
Elected 2011  
Retired October 2015



**CR JAMES PEART**  
Elected 2014  
Retired July 2015



**CR JULIA WILCOX**  
Elected 2011  
Retired October 2015

## COUNCIL INFORMATION

### Council Meetings

Council Meetings were held every four weeks at 6.00pm on a Tuesday at the Administration and Civic Centre, 244 Vincent Street (corner Loftus Street), Leederville.

Council Briefings were held a week prior to the Council Meeting to provide the opportunity for Elected Members and members of the public to ask questions and clarify issues relevant to the specific agenda items due to be presented to Council in the following week. The Council Briefing is not a decision-making forum; Council makes decisions at the Council Meetings.

Special Meetings of Council were called to consider specific matters.

### Council Meeting Attendance 2015-2016

| Members               | Ordinary Council Meetings entitled to attend | Ordinary Council Meetings attended | Apologies | Leave of Absence | Special Council Meetings entitled to attend | Special Council Meetings attended | Apologies | Leave of Absence |
|-----------------------|--|------------------------------------|-----------|------------------|---|-----------------------------------|-----------|------------------|
| Mayor John Carey      | 12   | 11                                 | 0         | 1                | 9   | 9                                 | 0         | 0                |
| Cr Roslyn Harley      | 12   | 11                                 | 1         | 0                | 9   | 4                                 | 1         | 1                |
| Cr Matt Buckels       | 12   | 12                                 | 0         | 0                | 9   | 5                                 | 3         | 1                |
| Cr Emma Cole          | 12   | 12                                 | 0         | 0                | 9   | 9                                 | 0         | 0                |
| Cr Dan Loden          | 9  | 8                                  | 0         | 1                | 7   | 6                                 | 0         | 1                |
| Cr Susan Gontaszewski | 9  | 9                                  | 0         | 0                | 7   | 7                                 | 0         | 0                |
| Cr Jimmy Murphy       | 9  | 9                                  | 0         | 0                | 7   | 5                                 | 2         | 0                |
| Laine McDonald        | 12   | 8                                  | 1         | 3                | 9   | 7                                 | 0         | 2                |
| Cr Joshua Topelberg   | 12   | 10                                 | 0         | 2                | 9   | 8                                 | 0         | 1                |

### Committees to which the City has Delegates or Representatives

- Audit Committee - All Council Members.
- Development Assessment Panel (DAP) - Local Government Metro West (Delegates: Cr Buckels and; Cr Topelberg; Director Development Services - non-voting; and Manager Approval Services - non-voting. Deputies: Mayor Carey and Cr Cole.)
- Medibank Stadium (Leederville Oval) Ground Management Committee (Delegate: Chief Executive Officer (*Chair*). Deputy: Director Corporate Services.)
- Mindarie Regional Council (Delegates: Mayor Carey; and Chief Executive Officer - non-voting. Deputy: *See note\**)
  - \* Note: It is a requirement of the Mindarie Regional Council Establishment Agreement that Council carries a specific resolution to nominate an Alternate Member for each occasion that the approved Member is unable to act.
- Swan River Trust (*only matters relating to the City of Vincent*) (Delegates: Director Development Services or Director Technical Services. Deputy: Nil.)

- Swan River Trust - River Protection Strategy Advisory Committee (Delegates: Manager Policy & Place. Deputy: Nil.)
- Tamala Park Regional Council (Delegates: Mayor Carey; and Chief Executive Officer - non-voting. Deputy: Cr Murphy.)
- Western Australian Local Government Association (WALGA) - Central Metropolitan Zone (Delegates: Mayor Carey *(until May 2016)*; and Cr Harley *(until April 2016)*; Cr Buckels *(from May 2016)*; and Chief Executive Officer - non-voting. Deputy: Cr Cole.)

*plus,*

- Design Advisory Committee (City Representatives: Director Development Services; and Manager Approval Services.)
- District Emergency Management Committee (City Representatives: Manager Ranger & Community Safety Services. Deputy: Co-ordinator Safer Vincent.)
- Local Emergency Management Committee (City Representatives: Manager Ranger & Community Safety Services; and Co-ordinator Safer Vincent. Deputy: Nil.)
- North Metropolitan Regional Recreation Advisory Committee (NMRRAC) (City Representatives: Manager Community Development. Deputy: Nil.)

### **Advisory Groups**

- Arts Advisory Group.
- Business Advisory Group (former Local Business Advisory Group).
- Children and Young People Advisory Group.
- Environmental Advisory Group (former Sustainability Advisory Group).
- Pedestrian and Cycling Advisory Group *(from April 2016)*.
- Road Safety Advisory Group (former Integrated Transport Advisory Group).
- Safer Vincent Crime Prevention Partnership.

### **Working Groups**

- Claise Brook Catchment Group.
- Claise Brook North Community Liaison Group.
- Loftus Centre Management Working Group.
- Loftus Recreation Centre Management Working Group.
- Metropolitan Regional Road Group (MRRG) Central Technical Sub-Group *(Cities of Perth, Subiaco and Vincent)*.
- Mindarie Regional Council - Strategic Working Group.
- Parks Working Group.
- Party Bus Working Group.
- Perth Police Integration.
- Reconciliation Action Plan Working Group *(from March 2016)*.
- Vincent Accord.

## GOOD GOVERNANCE

### Accountability & Governance

The City has pursued an agenda of increasing its own transparency and accountability to its ratepayers. We're working towards building a better Vincent and improving transparency and accountability in how we operate is core to our goal.

At its 19 April 2016 Special Council Meeting, Council adopted its 'Raising the Bar' Discussion Paper to stimulate discussion and feedback among local governments on a range of measures designed to improve transparency and accountability across the sector in W.A. This important paper, plus statements from Mayor John Carey who introduced the motion, can be read on our website.

In support of these Council-led reforms we're also reinventing our organisation to cut red tape, simplify and streamline service delivery, provide good value for money and an improved customer experience. These reforms have included the launch of the City's "Accountability and Governance Portal" which serves as a central repository of all the City's publicly available registers, disclosures of interests and fee/allowance/salary information. The aim has been to make it easier for visitors to the City's website to find and access this information.

### Audit Committee

The Audit Committee is formally appointed by the Council and assists Council and the City's Administration to ensure that within the organisation there are appropriate and effective accounting, auditing, internal control, business risk management, compliance and reporting systems, processes and practices.

### Local Government (Rules of Conduct) Regulations 2007

These regulations require the reporting of various offences by Council Members, as prescribed by the Regulations. Council Members must comply with their obligations under the Local Government Act 1995 and subsidiary legislation. Complaints about Council Member conduct are to be made to the Complaints Officer who, in accordance with section 5.120, must be a designated senior employee. The City's Complaints Officer is the Chief Executive Officer. For the 2015/2016 financial year, no complaints were received concerning Council Members.

### Code of Conduct

The Council's Code of Conduct prescribes the standard of conduct and behaviour expected of the Council Members and all Employees. The Council Code, which was originally adopted at the Ordinary Meeting of Council of 26 August 1996, has been reviewed on a regular basis and has been listed on the City's Corporate Business Plan to be reviewed in 2016/17.

### Register of Financial Interests for Council Members and Senior Employees

The requirements of the *Local Government Act 1995* in reporting the financial interests of Council Members and Senior Staff were complied with. This register was implemented on 1 July 1997 in accordance with the requirements of the *Local Government Act 1995*. It is held within the City's Document Management System and is available for viewing by the public.

## **Public Interest Disclosure Act 2003**

In accordance with the requirements of the *Public Interest Disclosure Act 2003*, the City has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in place in respect to protected disclosures generally, to protect people from reprisals for making protected disclosures, and to provide guidance on investigations. In 2015/2016, no disclosures were made relating to improper conduct.

## **Privacy Rights and Legislation**

The City views privacy compliance as an integral part of its commitment to accountability and integrity in all its activities and programs. The City is committed to compliance with the laws that deal with personal and health information about individuals that is stored or received by it.

Consequently, the City will:

- Only use personal information provided by an individual for the purposes for which it was collected and for any other authorised use.
- Only disclose personal information to any third party (including other authorities) where authorised.
- Take all necessary measures to prevent unauthorised access or disclosure.

## **Freedom of Information Act**

The City has been subject to the provisions of the Freedom of Information Act since its creation in 1994. The Act gives individuals and organisations a general right of access to information held by the City. It also provides the right of appeal in relation to decisions made by the City to refuse access to information applied for under the Act. The City received and responded to twenty (20) requests under the Act during 2015/16.

## **Equal Opportunity**

The City supports, and is committed to, the achievement of its diversity management and equal opportunity goals. That means the City is continually aiming to ensure that it provides a workplace free from all forms of discrimination, harassment and bullying and that there is equality and fairness in all aspects of employment and customer service delivery in the organisation. Policies, practices and services are adapted to meet the needs of a diverse and evolving community and the City reviews and updates all relevant policies regularly to ensure they align with legislative requirements and the needs of the workforce.

These policies are the Equal Employment Opportunity Policy, Workplace Bullying Policy, Sexual Harassment Policy and the Internet Use and Email Policy.

## **Recordkeeping Plan**

An Amended Recordkeeping Plan meeting the requirements of the State Records Office was developed in 2016. The plan was developed in response to a self-evaluation of the previous plan which indicated that certain procedures were obsolete and required updating. The Plan and associated procedures are now comprehensive, addresses all requirements and was approved by the State Records Commission on 12 August 2016. The City is required to review its Recordkeeping Plan in 2021.

In accordance with SRC Standard 2 - Principle 6 - Compliance, the City reviewed the efficiency and effectiveness of its recordkeeping systems in 2013. Whilst the system in place was efficient, it was considered to be ineffective as its complexity resulted in employees not properly recording their documents and therefore not complying with the City's Recordkeeping Plan.

It was decided to implement HP TRIM in 2014 to be its new official Electronic Document and Records Management System (“EDRMS”). A recordkeeping training program was conducted for all staff prior to its implementation to ensure that all employees comply with the City’s Recordkeeping Plan.

The efficiency and effectiveness of the recordkeeping training was reviewed during 2015 / 2016 and follow-up training for employees has been conducted on an ad-hoc basis, either by request or at the suggestion of Records staff. A monthly session will be conducted on an ongoing basis for all staff requiring additional training.

Records staff conduct an induction program for all new starters to ensure that new employees are made aware of their roles and responsibilities in regard to their compliance with the City’s Recordkeeping Plan.

### **Disability Access and Inclusion Plan 2012-17**

Local governments are required to prepare a Disability Access and Inclusion Plan (most commonly known as a DAIP) to plan and implement improvements across seven outcome areas in regards to services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment.

The City of Vincent is committed to ensuring that services, events, buildings and facilities within its control are accessible to all members of the community. This includes meeting the requirements of people with of all abilities, namely; disability, seniors, children, parents and people from diverse backgrounds. It is recognised that all residents and visitors contribute to the social, economic, and cultural life of the community.

The City’s DAIP was endorsed by Council in July 2012 and has been approved by the Disability Services Commission (DSC). The City submits a Local Government Authority Progress Report to DSC annually to monitor achievements on the DAIP outcomes; our DAIP was rolled out this year which included the delivery of the Vincent Connect project.

### **National Competition Policy**

During the 2015/16 financial year, the City met its obligations with regards to National Competition Policy. The City has no local laws or policies that contain anti-competitive provisions. No complaints were received during the period.

### **Local Laws**

A review of the City’s local laws has been scheduled to be undertaken in 2016/17.

### **Policies**

In conjunction with the Local Laws Review process, the City regularly reviews its policies. New policies are advertised for at least twenty-one days for public comment, thereafter being adopted by the Council. In some cases policies were amended to reflect current terminology and changes in council positions or community expectations.

### **Local Government (Administration) Regulations - Reporting of Salaries over \$100,000**

The (Local Government Administration 1996) Regulations require local governments to report in their annual reports the number of employees with a salary of \$100,000 or more and for the number to be shown in each band of \$10,000 over \$100,000.

| Salary range        | Number of employees receiving salary |
|---------------------|--------------------------------------|
| \$100,000-\$109,999 | 4                                    |
| \$110,000-\$119,999 | 12                                   |
| \$120,000-\$129,999 | 1                                    |
| \$130,000-\$139,999 | 0                                    |
| \$140,000-\$149,999 | 0                                    |
| \$150,000-\$159,999 | 1                                    |
| \$160,000-\$169,999 | 2                                    |
| \$170,000-\$179,999 | 1                                    |
| \$180,000-269,999   | 0                                    |
| \$270,000-\$279,999 | 1                                    |

\*Amounts include cash and allowances, but do not include superannuation or vehicle allowances.



## CEO's MESSAGE

In the 2015/16 financial year the City of Vincent aimed to align our functions and to deliver on strategic objectives that put our community in the best possible position, both now and in the future.

The City achieved a financially responsible budget this year, which recognised the needs of the community and supported the ten Council adopted priorities. We also continued to implement a range of workplace culture and performance improvements to ensure that the organisation is better placed to serve our community.

This year our project focus has been on place making and improving community facilities, among them the award winning Mary Street Piazza and Charles Veryard Reserve. In addition, we continued to support the Town Teams (Leederville Connect, Mt Hawthorn Hub, North Perth Local, Beaufort Street Network and On William) to engage with local businesses and residents to find new ways of celebrating the unique character and identity of our Town Centres to boost visitation. This included the development of Place Plans and the ongoing financial and in-kind support of community festivals, public art and events.

In February the Council adopted major review and reform to our planning policy framework in order to provide improved guidance on planning and development proposals, and better reflect Council's strategic objectives as well as community expectations. The review received more than 1,500 individual comments and suggestions. The focus on character retention saw the City win a State Heritage Award and changes to the City's Parking Policy and Alfresco Permit requirements came into effect making it easier for small business to open and diversify.

I thank and recognise the continued efforts and leadership of the Vincent Council and City staff for their dedication to the community and the delivery of positive outcomes for ratepayers and residents.



Len Kosova  
Chief Executive Officer





## ORGANISATIONAL STRUCTURE



**Len Kosova**  
*Chief Executive Officer*

- Human Resources
  - Marketing and Communications
- 



**Rick Lotznicker**  
*Director Technical Services*

- Parks & Property Services
  - Engineering Operations
  - Recycling & Waste Management
  - Asset & Design Services
  - Works Depot
- 



**John Paton**  
*Director Corporate Services*

- Financial Services
  - Information Technology
  - Customer Service
- 



**Robert Boardman**  
*Director Community Services*

**Ryan Hall**  
A/Director

**Michael Quirk**  
Director,  
Community  
Engagement

- Community Partnerships
  - Rangers & Community Safety
  - Beatty Park Leisure Centre
  - Customer Service
- 



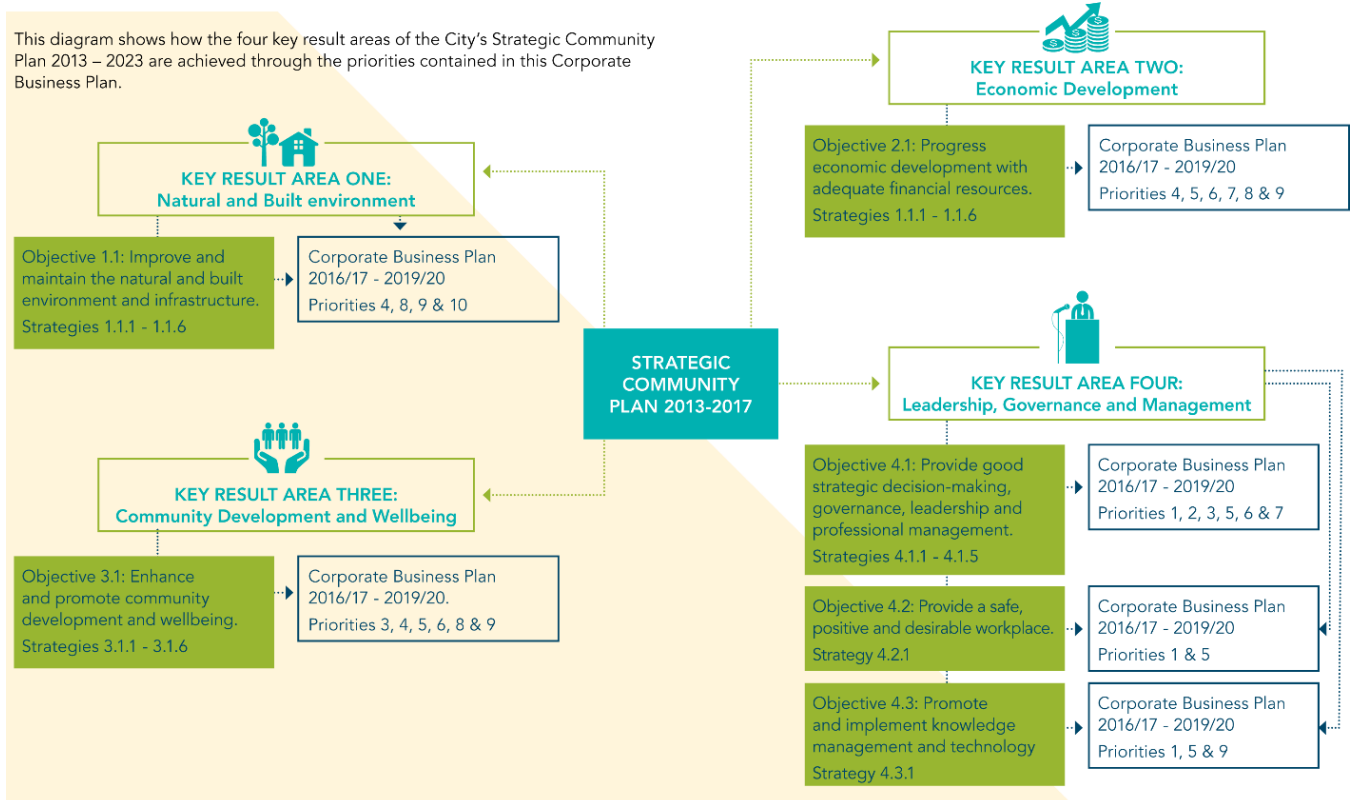
**Gabriela Poezyn**  
*Director Planning Services*

- Planning & Building
- Health & Compliance Services
- Policy & Place

## INTEGRATED PLANNING AND REPORTING

The Department of Local Government and Communities' Integrated Planning and Reporting Framework (IPRF) requires local governments to engage with their community to establish a vision that will frame the priorities and objectives into the future. The City's Strategic Planning and Reporting Framework below highlights the interaction between the various plans with emphasis given to a mutually informing relationship. The intent is to ensure the priorities and services provided by the City are aligned with the community's needs and aspirations.

### Strategic Planning and Reporting Framework



### Council's Strategic Priorities for 2016/17

A strategic workshop was held with Council Members, CEO and Directors on Saturday 6 February 2016. The focus of the workshop was to develop Council's priorities, to help guide Council and assist in shaping budget decisions for 2016/17.

The development of strategic priorities was considered appropriate to provide a coherent and clear short term plan for Council, consistency of direction and assist in aligning budget considerations. As a result of the workshop, a list of proposed Council Priorities for 2016 - 2017 was compiled, including a range of initiatives to address the following strategies:

- Developing a new Strategic Community Plan to guide the future of the City
- Leading local government transparency and accountability
- Stronger financial management and budget planning
- Better customer service
- Meaningful and smarter community engagement
- Cutting red tape

- Creating liveable neighbourhoods
- Renewing of town centres
- Smarter, sustainable waste management for the community
- Guiding better density development in the City
- Better planning advice, quicker approval times
- Greater sustainability outcomes across Vincent
- Better targeted community development program which reflects real need



## Our new Corporate Business Plan

The preparation of a Corporate Business Plan (CBP) covering a period of at least four years is a statutory requirement for local governments and is a key element of an integrated planning and reporting framework. A CBP sets out the City's priorities and actions consistently with relevant priorities established in the Strategic Community Plan (SCP), and informs the preparation of the City's annual budget. Corporate business planning is also critical to achieve Council's strategic priorities.

At its Ordinary Meeting of 10 September 2013, Council adopted the amended City of Vincent Strategic Community Plan 2013 - 2023 and Corporate Business Plan 2013 - 2017. It's important to note that these two different strategic documents were presented as one document, attempting to achieve two functions - Council's strategic direction and also Administration's program delivery tool.

In working through the document, Administration identified that the contents of the combined Plan from 2013 was having a diminishing effect on, and relevance to, Council's decision making, as well as Administration's focus. It has become increasingly apparent that this document did not translate operationally and was not the basis for the City's key priorities and projects.

The Corporate Business Plan 2013 - 2017 was comprehensively reviewed and a revised Corporate Business Plan 2016/17 - 2019/20 was prepared. This was done during January to June 2016 in consultation with Elected Members, the Executive Management Team, Business Unit Managers and Staff.

The City's Strategic Planning and Reporting Framework 2016/17 shows that the four key result areas of the City's Strategic Community Plan 2013 - 2023 are achieved through the priorities contained in the Corporate Business Plan 2016/17 - 2019/20. This review is the first to occur since the Corporate Business Plan was adopted in 2013.

It's important to note that the Corporate Business Plan 2016/17 - 2019/20 represents an interim step in the City's Integrated Planning and Reporting Framework because a major review of the City's Strategic Community Plan is required. Administration has commenced this process, which will be undertaken and finalised during 2016/17. In the meantime, the current Strategic Community Plan and Council's priorities will be implemented through the Corporate Business Plan 2016/17 - 2019/20.

Existing commitments were identified to ensure that these projects were aligned to Council’s strategic direction and completed as planned. Consideration was also given to include the priorities identified by Council and that they’re achievable given the City’s available financial and human resources.

In the review and formulation of the revised Corporate Business Plan, many of the existing actions have been operationalised and are a part of normal business, such as “Review the Council’s Advisory Groups” and “Ensure stakeholders are effectively engaged on issues that may affect them”. Such examples are consequently a regular function of Administration’s operational responsibilities and do not need to have a specific reference in a Corporate Business Plan document for the activity to occur.

Informing strategies such as the Workforce Plan, Asset Management Plan and Long Term Financial Plan are being actively reviewed and their preparation will support the major review and formulation of the City’s new Strategic Community Plan. These informing strategies will also support the annual review of the City’s Corporate Business Plan.

Over the next 12 months, we’ll embark on a significant community engagement campaign to review our current Strategic Community Plan, to better reflect the needs and objectives of our community, both now and into the future.

The Corporate Business Plan is an important and symbolic step forward as it represents a renewed focus to align our functions to deliver strategic objectives and priorities. This is not the first or last Corporate Business Plan for Vincent. It is a shift towards an approach that is more strategic and structured.



# STRATEGIC COMMUNITY PLAN HIGHLIGHTS

The City's Strategic Community Plan 2013-2023 represents the City's 'Plan for the Future' and was reviewed and adopted by Council at its Ordinary Meeting held on 10 September 2013. The plan incorporates the City's vision, purpose, guiding values and four strategic objectives with specific actions related to each.

The Plan's four strategic objectives are:

- 1. Natural and Built Environment:** Improve and maintain the natural and built environment and infrastructure.
- 2. Economic Development:** Progress economic development with adequate financial resources.
- 3. Community Development and Wellbeing:** Enhance and promote community development, safety and wellbeing.
- 4. Leadership, Governance and Management:** Ensure good strategic decision-making, governance, leadership and professional management, supported by a positive and desirable workplace.



# Natural & Built Environment

## Key focus areas:

- » Policies, guidelines and other new initiatives or happenings
- » Local character and heritage
- » Reducing our environmental impacts
- » Providing environmental leadership
- » Enhancing and maintaining our assets, parks and landscaping
- » Improving transport, traffic and roads

## HIGHLIGHTS UNDER THIS PILLAR OF THE STRATEGIC COMMUNITY PLAN IN 2015/16 INCLUDE:

### City-wide Greening Plan/

The City's Greening Plan is our pathway to deliver on our commitment to protect, enhance and effectively manage our environment. Key priorities include increasing canopy cover and biodiversity, enhancing public open spaces, building community engagement in greening Vincent and encouraging 'greener' developments within the City. Highlights in 2015/16 include:



- A total of 503 new trees were planted throughout Vincent and more than 125m<sup>2</sup> of new garden areas were created on streetscapes in an effort to reduce the heat island effect.
- Eco-zoning Program - more than 5,000 shrubs were planted with the community at Britannia Reserve as part of National Tree Day, in addition to areas at Mick Michael Reserve and Kyilla Park.
- Providing subsidised native stock for residents via two Native Plant Sales.
- The Adopt-A-Verge program saw 66 verges completed; 204 verges have now been transformed since the program began in 2014.
- Eleven additional applications were received through the Adopt-A-Tree program.



## Compost and recycling initiative

In February 2016, the City launched the new Compost and Recycle Initiative with the aim of encouraging and educating the community to generate less waste and recycle correctly. A range of great greening resources were employed including:

- An expanded range of highly subsidised composting and worm farming equipment with something to suit all household types and sizes.
- Five new 'how to' fact sheets on composting, worm farming, recycling and household hazardous waste.
- Free community waste themed movie nights and workshops on composting and worm farming delivered in partnership with local sustainability group, Transition Town Mount Hawthorn.



## Hyde Park turtle monitoring

In collaboration with Claise Brook Catchment Group, the City commissioned a study of the oblong turtle population at Hyde Park Lakes during September.

The study identified that the turtle population within the lakes is estimated at 304, with a density of 139 turtles per hectare, which is relatively high for the lake size.

## Environmental Grants

The City's Environmental Grants program continued to assist and encourage schools and community groups in carrying out environmental projects within the City. The following schools and community groups received funding:

- North Perth Primary School - Secret Garden entrance statement, waterwise native garden and annual olive oil production and recycling awareness campaign.
- Mount Hawthorn Primary School - environmental improvements at Margaret's Kindergarten.
- Aranmore Catholic Primary School - school vegetable garden.
- Transition Town Mount Hawthorn - little free seed and book libraries.
- Norwood Neighbourhood Association - Garden workshops, an edible flowers garden and educational garden signage.

## Charles Veryard Reserve improvements

Significant funding was allocated to upgrading facilities at Charles Veryard Reserve in North Perth which is now home to the Cardinals Junior Football Club, Modernians Hockey Club and the Tuart Hill Cricket Club.

Completed works include the installation of new training lights, an equipment shed, playground fencing and upgrading the existing cricket nets with pavilion upgrades to be completed in 2016/17.

## Recycling - a continual improvement process

As a result of the new recycling initiatives and expanded services first introduced in 2014/15 the recycling rates continue to improve across Vincent.

In conjunction with the Mindarie Regional Council a 'No Glass' campaign was undertaken to reduce the volume of glass thrown in general waste bins in order to improve the quality of compost being produced at the Neerabup Resource Recycling Facility (RRF). Initial results have been very positive with a marked reduction in the glass fraction being processed through the RRF, while the recycling rate has seen a corresponding increase.

In 2015/16 the City offered the following recycling services:

- Plastics, paper, cardboard, cans and glass.
- Mattresses collected throughout the year have the fabric, timber and metal components recycled. For a small fee, residents can contact the City's Waste Management team to have their mattresses collected from their verge for only \$10.
- Dry cell batteries, light globes, fluorescent tubes, printer cartridges and old mobile phones can be dropped off at the City's library and administration centre for recycling.
- For four consecutive years the City has been recognised for the volume of mobile phones recycled, per capita, under the national Mobile Muster' program.
- The annual 'bulk verge collection' includes all 'e-Waste', scrap metal and mattresses while bi-annual green waste collections are mulched and reused.
- Disposing of household hazardous waste (such as paints, pesticides and car batteries) is a growing community problem and the City assists in its disposal by holding specific collection days in conjunction with neighbouring Councils.
- Recycling is now a big part of all the City's free events and major festivals, like the Beaufort Street Festival and Light Up Leederville Carnival, which resulted in many tonnes of recyclable materials being diverted away from landfill.
- More than 50 per cent of the glass free waste collected from the weekly domestic collection service was processed into renewable compost material at the Mindarie Regional Council's RRF in Neerabup.

## Vincent's growing cycling network

Our Bike Network Plan has helped guide the development of a number of new cycle routes throughout the City, which have helped link our town centres and key places, including:



- Stage 2 Bulwer Street bike lanes - Palmerston to Lord Streets. A combination of on-road and separated bike lanes, this has completed the major east-west route linking Leederville to destinations such as nib Stadium, East Perth train station, Hyde Park and Highgate primary schools.
- Stage 2 Scarborough Beach Road - separated bike lanes from London to Charles Streets. The separated bike lanes help connect the Mount Hawthorn and North Perth town centres. The project has also provided space to plant an additional 120 trees to green, shade and cool the street.

The Bike Network Plan and the City's efforts to deliver the infrastructure, were acknowledged with the City winning a statewide TravelSmart Award in June 2016, which highlighted what Vincent has achieved to encourage and support people of all abilities to cycle in the City.





### **Expanding bike parking facilities**

The City continues to respond to cyclist and local business requests, with an additional 20 racks installed over the year to bring the total bike parking within the City to 380 racks.

### **Integrated Transport Advisory Group (ITAG)**

The group, which is chaired by the Mayor and includes nominated Councillors, staff, community representatives and the WALGA Roadwise Officer, considered numerous matters raised by the community in relation to speed, rat-running, safety (particularly for pedestrian and cyclists), congestion and parking.

Typically the group's recommendations were reported to Council resulting in a number of traffic management improvements projects. Examples include the intersection of Angove and Woodville Streets in North Perth, a busy commercial area; Matlock Street in Mount Hawthorn, adjacent to Mount Hawthorn Primary School; and the intersections of Woodstock and Killarney Streets, a typically congested school zone.

### **Black Spot Improvements**

The City undertook a number of Black Spot Improvement Projects during the course of the year, which while designed to reduce or eliminate accidents at specific locations, are not always popular. When access to a street is modified or restricted there is always some redistribution of traffic, which in-turn can impact surrounding streets. An example of this was the intersection of London and Hobart streets where the London Street median island was extended through the intersection to prevent right turns into and out of Hobart Street. The outcome was the elimination of the right angled accidents, though there is more traffic using Gill Street, which will be addressed in 2016/17.

Other less contentious Black Spots improvements included a roundabout at the intersection of Pier and Parry streets, Perth and installation of right turn arrows at the London Street, Loftus Street and Scarborough Beach Road intersection, Mt Hawthorn/North Perth, in conjunction with the installation of protected bike lanes.

### **An extensive road network**

There are approximately 150km of sealed roads within Vincent which the City continually maintains and upgrades. These range from lower order access roads, typical residential streets, which form the bulk of the City's road network, through to district distributor roads, major arterial roads. Associated infrastructure includes piped drainage systems, footpaths, parking restrictions requiring poles, signs and line-marking, street trees, ever increasing as part of the Greening Plan, and landscaping, all of which require on-going care and maintenance.

The City maintains and improves its road network by accessing state and federal funding wherever possible, such as the State Metropolitan Regional Road Grants for the major roads and the federal Roads to Recovery grants for access roads, in addition to the City's own Local Roads Program.

There is also an extensive network of both sealed and unsealed Rights of Way (laneways). In 2015/16 the City sealed in excess of 500m of laneways as part of its Rights of Way Upgrade Program.

### **Better public transport**

Although public transport is the state government's remit, the City has worked closely with the Public Transport Authority (PTA) and Main Roads WA on a number of bus infrastructure improvement projects.

- Bus lanes on Beaufort Street and on the introduction of the 950 high frequency bus service, linking Morley to the University of Western Australia via the Perth CBD. The rapid increase in patronage of the 950 route has surpassed PTA's expectations, and is contributing to a faster and more reliable service for public transport users in Vincent. These lanes are also shared bus/bike lanes and many commuting cyclists are also using these lanes.
- In addition, the City has been involved with the PTA's Fitzgerald Street bus lanes project and the proposed 960 high frequency bus route, based on the success of the 950, which will be operational by October 2016.
- The final major bus infrastructure project to be undertaken within the City is the Charles Street Busway and Bus Bridge Project. Works include dedicated bus lanes on Charles Street, from Violet Street to Newcastle Street, linking to a new bridge over the Graham Farmer Freeway that will provide buses with a more direct access to the new underground bus station. This will not only reduce travel times but also congestion on Carr Street (between Charles and Fitzgerald Streets) and Fitzgerald Street as more than 500 daily services are diverted to the new busway.

### **Bus shelter improvements**

Some 50 new bus shelters were installed over the past two years, as part of the City's ongoing bus shelter improvement program. These have been installed by a private provider, Adshel, who also maintains these sites in return for rights to advertise on the shelters. As part of this agreement, the City receives a share of the advertising revenue.



### **Walking the talk**

Providing a great example of how easy it is to get around Vincent on bike, the Vincent Council approved the purchase of an electric bike for Mayor John Carey (pictured), to carry out his many mayoral duties. The bike is regularly spotted at events he attends and the added power boost ensures he gets there looking respectable without cracking a sweat.

In addition, the City received a TravelSmart award in June 2016, for its Breakfast Rumble initiative. This is a monthly event which encourages staff to walk, cycle, car pool or catch public transport to get to

work. Since its commencement, more than 50 staff have taken part, many developing new transport habits. This has reduced the number of cars on the road and in the car park, as well as improved employee health.

### **Beatty Park Leisure Centre sustainability**

Beatty Park Leisure Centre was endorsed as a Waterwise Business for the third consecutive year by the Water Corporation for the reduction of water use between 35-50 per cent. LED lights were retrofitted throughout the facility to reduce energy costs and usage. Variable speed drives were also retrofitted in the plant room to reduce energy costs and usage. Installation of new ultra violet disinfection system on the indoor pool was completed to provide better quality water for patrons

### **Public art and murals**

Public art is a part of our evolving culture, our public history, and our collective memory. It adds meaning to our City and it reflects and reveals our society. As artists respond to our times, they reflect their inner vision to the outside world, and create a chronicle of our public experience.

In 2015/16 Phil and Dawn Gamblen created three upside down lamps, known as *Downlounge*, which were installed within the Leederville Town Centre and Si Hummerston brought to life *Robotopia* (pictured below) with the three robots placed along Fitzgerald Street in the North Perth Town Centre. Over \$200,000 was expended on public art within the City of Vincent throughout the year.



Mural art is an important aspect of contemporary artistic expression. In partnership with Main Roads, the City commissioned painted murals on three traffic control boxes at the following locations:

- Loftus Street, Leederville painted by George Domahidy;
- Oxford Street, Mount Hawthorn painted by Peta Roebuck; and
- Flinders Street, Mount Hawthorn painted by Martin E Wills.

Vincent has a quality Murals Program with a collection that grows in size and quality each year. In 2015/16, a number of murals were commissioned including:

- Bruno Booth, Leederville Arcade, Leederville;
- Brenton See, Telstra Exchange, Bulwer Street, Perth;
- Sarasa Krishnan, SMV Building, Beaufort Street, Perth;
- Rene Brink, North Perth Plaza, North Perth;
- Robert Jenkins, Oxford Street Reserve, Leederville;
- Martin E Wills, North Perth; and
- Chris Nixon, Oxford Hotel, Mount Hawthorn.

### Percent for Public Art Scheme

Vincent's Percent for Public Art Scheme requires all proposals for commercial, non-residential or mixed residential/commercial developments over \$1,000,000 in value to set aside a minimum of one per cent of the development's estimated total project cost to be used for public artworks. The commissioned artwork reflects the place, locality and/or community. Eight projects totalling \$775,500 were completed in 2015/16:

- Kyle Hughes-Odgers, 103 Harold Street, Highgate;

- George Domahidy, 544 Beaufort Street, Mt Lawley;
- Stuart Green, 87 Bulwer Street, Perth;
- George Domahidy, 1 Bourke Street, North Perth;
- Stuart Green, 280 Lord Street, Perth;
- Mark Datodi, 152 Fitzgerald Street, North Perth;
- Lorena Grant, 602-610 Beaufort Street, Mt Lawley;
- Kyles Hughes-Odgers, 609-623 Beaufort Street, Mt Lawley; and
- Perth Soccer Club - Perth Community Playing Fields Project.

### **Perth Soccer Club**

The Perth Soccer Club was awarded \$250,000 from the City and \$850,000 from the Department of Sport and Recreation in March via the Community Sporting and Recreation Facilities Fund for the redevelopment of the Community Playing Fields at Dorrien Gardens. The City's contribution this year resulted in the construction of the new female specific change rooms and the upgrading of lights to meet minimum safety standards.

### **Vincent Planning Reform**

In 2014/15, the City commenced a major review of its town planning framework following the approval of the City's Town Planning Scheme No. 2 by Council. The objective of the review was to create a user friendly policy framework that provides consistency and certainty of development for residents and developers alike.

The review identified 19 of the City's town planning policies could be deleted and consolidated into six consolidated policies, one for each of the City's precincts and a main development policy.

The advertising of this suite of policies occurred between 31 July and 11 September 2015 and comprised the following:

- an information night for each of precincts;
- an open day where residents could speak to staff on specific issues relating to the new policies;
- three focus groups with a mix of residents, planning industry, developers, architects and precinct groups;
- a dedicated focus group with the City's Design Advisory Committee; and
- an online survey.

As a result of the consultation, the City received more than 1,500 individual comments and suggestions from almost 200 completed online surveys and 20 written submissions. This information directly informed the review process and resulted in substantial changes to the structure and content of the proposed policy. A revised policy was presented to a Council Workshop in April 2016 with reform to continue into 2016/17.

## Focus on heritage

In conjunction with landowners, the City successfully placed the below locations on the City's Municipal Heritage Inventory (MHI):

- Horry's Tree. Located near the Vincent Street freeway exchange in Leederville (an interpretative plaque has been installed under the tree);
- No. 10 (Lot 616) Richmond Street, North Perth;
- No. 58 (Lot 250) The Boulevard, Mount Hawthorn; and
- Metropolitan Sewerage Vents at Stuart Street and Hyde Park.

## Heritage Assistance Fund

As part of the City's ongoing commitment to heritage preservation, 13 heritage listed properties were provided with grant funding through the City's Heritage Assistance Fund. A total of \$34,335 was made available to these property owners to assist in the restoration and conservation of their properties.



## State Heritage Award - Brookman and Moir Street Precinct

The City nominated the Brookman and Moir Streets Precinct (pictured above) for a 2016 Western Australian Heritage Award in the 'Conservation or Adaptive Reuse of a State Registered Place' category and our nomination was successful.

The award is dedicated to past and present owners who worked tirelessly to preserve and restore properties to their original condition. The City helped connect owners and facilitated their conservation efforts, also creating the planning guidelines and framework.

At the awards, the Heritage Council stated this was “an inspirational story of how individuals can work together, by sharing knowledge and encouraging others to restore and adapt their 1890s workers cottages, thus returning this significant streetscape to its original state.”

The City is now eligible to enter the precinct for the UNESCO Asia-Pacific Award for Cultural Heritage Conservation.

### **Character Retention Areas**

Since the adoption of the Character Retention Area Policy in 2015, the City has received four nominations for consideration in accordance with the Policy. These include:

- a portion of Carr Street, West Perth;
- a portion of Janet Street, West Perth;
- Harley Street, Highgate; and
- a portion of Kingston Avenue, West Perth.

The assessment for each and any proposed amendment to the policy to include these areas will be considered by Council in late 2016.

### **Review of Percent for Art Policy**

Council adopted changes to the City’s Percent for Art Policy following a review by Administration. This policy aims to develop and promote community identity within the City of Vincent through public art. Since being introduced in 1998, it has been hugely successful with many developers working with artists to locate art installations across the City.

The amendments made to the Policy give developers the choice of providing their own public art, or providing a financial contribution towards public art provided by the City. The City encourages developers to provide a financial contribution by offering a 15 per cent discount when this option is selected. This will enable the City to pool funds for coordinated larger scale artworks within its boundaries.

### **Parking Management in Vincent**

In early 2016, the City conducted parking occupancy surveys across much of North Perth and Mount Hawthorn Town Centres.

This was in response to community concerns of the lack of parking in these areas. The results of the surveys, in conjunction with more targeted community consultation with residents and landowners, will inform a review of the City’s parking management and enforcement process. This is expected to be completed by late 2016 with formal advertising likely to occur in early 2017. The program will then be rolled out across other areas of the City.

### **Sustainability**

In 2015/16, the City continued to promote and support sustainable building design via an open house event for Sustainable House Day, a Heritage and Eco Ideas day and the strengthening of sustainable design and landscaping requirements for new developments.

The City’s participation in the Switch Your Thinking program has continued to provide residents with information and discounts on products and services to improve the sustainability of their homes and businesses.

## Town Centre Place Plans

Work commenced on five Town Centre Place Plans to outline the strategic direction for funding and resources from the City of Vincent in all the Town Centres. These Place Plans are due to be finalised in 2017.

## Town Centre Enhancements

A significant number of town centre enhancements have been undertaken throughout the City. These include:

### *Mt Lawley/Highgate*

The Mary Street Piazza is arguably Vincent's most dynamic new public place. Located at the intersection of Beaufort Street and Mary Street, it sits in the heart of Highgate within the Beaufort Street Town Centre. The piazza saw the transformation of nine car bays into Beaufort Street's first designated civic space, promoting the City's shift towards creating places for people.

The new design allows users of the space to make it their own - it is flexible, allowing curation. It combines hard and soft landscaping to cater for different uses at different types of day. It includes shade elements such as tree planting, shade structures and an umbrella to maximise its year round usability. It is a simple space but includes intricate details such as prints and artwork to tie it into its surrounds and existing landscape.

Importantly, the design and delivery of the piazza was community-led. The piazza's ongoing adaptation also exemplifies a design process and management framework that continues to give voice to the community.

The piazza also incorporates bike infrastructure, a variety of movable seating options and a stage for the curation of music events and performances. The increased foot traffic which is the result of the piazza success, complements and supports the surrounding land uses, providing increased opportunities for window shopping for local retailers and exposure for local food and beverage businesses.

Other enhancements include:

- overLOOKED chandelier at the lightbox laneway;
- Mary Street Piazza Festoon Lighting;
- Mary Street Piazza Interactive Steps Artwork;
- Town centre performers;
- Inside/Out Initiative on Beaufort Street;
- Lightbox Laneway Gallery Wayfinding Artwork; and
- Street Tree Planting, new trees along Walcott Street and Beaufort Street.

### *Mount Hawthorn*

- Street tree planting, new trees along Scarborough Beach Road and in the Flinders Street Car Park;
- Coogee Street Car Park and Flinders Street Car Park murals;
- Scarborough Beach Road Tree Lighting Trial;
- Bin upgrades;
- Public seating along Oxford Street North; and
- Scarborough Beach Road and Oxford Street North Planter Box Program.



## Leederville

- Newcastle/Carr Junction design and construction;
- Street tree plantings;
- Bins upgrade;
- Oxford Street Reserve power upgrade;
- Oxford Street Parklet upgrade;
- Assessment and approval of Pixel Café Parklet;
- Water Corporation Laneway planters;
- Leederville Fabric Project - bunting on Oxford and Newcastle Street; and
- Leederville Hotel laneway lighting upgrade.

## North Perth

- Street tree plantings;
- Albert/Angove Junction Public Open Space upgrade;
- Planter Box Program;
- Design and installation of Angove Street Parklet; and
- Bin upgrades.



## Planning and building approvals issued

In 2015/16, a total of 496 new dwellings (including single houses, grouped and multiple dwellings) were submitted to the City. This represents a decrease in the number of overall applications which could be attributed to general drop in new planning proposals within the state and nationwide. Building approval remained stable with only a minor reduction during this period.

The table below shows a summary of approvals issued within the 2015/16 financial year:

|  |     |
|--|-----|
| Total Planning Applications                            | 499 |
| Applications determined by DAP                         | 22  |
| Subdivision and Survey Strata applications             | 91  |
| Matters considered at the City's Design Advisory Group | 28  |
| SAT Appeals  | 25  |
| Number of Building Permits issued                      | 805 |

For comparison, the table below shows a summary of approvals issued within the 2014/2015 financial year:

|  |     |
|--|-----|
| Total Planning Applications                            | 651 |
| Applications determined by DAP                         | 29  |
| Subdivision and Survey Strata applications             | 53  |
| Matters considered at the City's Design Advisory Group | 56  |
| SAT Appeals  | 16  |
| Number of Building Permits issued                      | 875 |



### Compliance Services

Compliance Officers investigated 372 building and planning complaints at the request of ratepayers and residents and issued 20 planning infringement notices, two planning direction notices and 13 building orders. Four court cases resulted in successful convictions for seven planning and building offences.

Since the introduction of the *Building Act 2011* there has been a substantial increase in the number of building related compliance matters raised with the City. Compliance matters can be highly emotive involving sensitive planning and building issues and often arise through disputes between neighbours. They can be time consuming to resolve and require a high level of communication and skill to manage and resolve.

## Health Services

### *Substandard Buildings and Vacant Land Review*

The City’s ‘Substandard Buildings and Vacant Land Policy’ is mainly a procedural document that focusses on derelict properties, including those that attract squatters, brought to the City’s attention by way of complaints.

Administration reviewed the Policy to incorporate a heavy emphasis on prevention with processes adopted to inform land owners of their obligations to secure, fence, board up and keep clean and tidy their unoccupied buildings or land before they become a problem.

### *Health approvals*

The City’s Health Services has a significant compliance role which sees a large number of food business, lodging house and public building inspections undertaken on a routine basis. The table below shows a summary of approvals issued and monitoring during 2015/16:

|                             |      |
|-----------------------------|------|
| Health Requests             | 351  |
| Noise Requests              | 261  |
| Food Business Inspections   | 924  |
| Public Building Inspections | 83   |
| Lodging House Inspections   | 32   |
| Water Sampling              | 328  |
| Food Sampling               | 102  |
| Liquor applications         | 117  |
| Development assessments     | 1102 |
| Noise exemption permits     | 57   |
| Temporary structures        | 72   |
| Food Stalls                 | 527  |

This year the team equalled or exceeded the number of inspections undertaken in the previous year:

- Food premise inspections remained stable with 924 undertaken compared to 977 in 2014/15;
- 527 food stall applications were received to operate at various festivals, concerts, markets and events held during the year, an increase of 8 per cent from 2014/15;
- 246 applications were received and assessed for liquor permits, noise exemptions and temporary structures an increase of 30 per cent from 2014/15;
- A total of 612 customer service complaints were investigated, an increase of 23 from the previous year; and
- A total of 328 water samples were taken from public aquatic facilities registered within the City.

# Economic Development

## Key focus areas:

- » Contributions to/enhancements of our town centres
- » Promoting business development and our town centres as a place for investment
- » Development/promotion of strategic partnerships and alliances
- » Management of car parking and its associated assets
- » Reduction of the City's reliance on rates revenue
- » Working to identify the needs of the community
- » Providing a positive triple bottom line return
- » Implementation of the Leederville and North Perth Master plans
- » Completion/implementation of our Town Planning Scheme No.2

## HIGHLIGHTS UNDER THE ECONOMIC DEVELOPMENT PILLAR OF THE STRATEGIC COMMUNITY PLAN IN 2015/16 INCLUDE:

### Town Teams

The City continued to support 'Town Teams' which enable local businesses and volunteers to work together and lead the charge on place based issues and projects. They have created or are creating action plans which coordinate their resources and deliver a broad scope of changes to their town centres including physical interventions, events and place branding. The action plans also provide guidance on the City's strategic direction in town centres, soon to be finalised in Town Centre Place Plans.

### Draft Local Planning Strategy and Town Planning Scheme No. 2

The City's draft Local Planning Strategy and Town Planning Scheme No. 2 was adopted by Council in November 2014. This represents a major review of the City's zoning and residential densities to guide development for a further 10 years. The documents remained under assessment by the Western Australian Planning Commission (WAPC) throughout 2015/16 with formal consideration and approval anticipated in late 2016.

### Changes to Parking Policy for Change-of-Use Applications

In January 2016, changes to the City's Parking and Access Policy came into effect making it easier for small business to open or diversify without having to provide more car parking in some instances. If land uses are located or are proposed to be located in existing buildings that cannot accommodate more parking then the City will not undertake a parking assessment provided they do not reduce the number of bays already available or expand the floor area that would ordinarily require more bays to be provided. Removing this assessment criterion streamlines the approvals process allowing business to get on with business.

### Parklets Policy

A Parklet repurposes part of the street into a public space for people and enhances the streetscape by adding interest and amenity. Parklets can add value to the surrounding area, increase commercial and residential occupancy, encourage pedestrian traffic, highlight the character of the neighbourhood and provide pleasant views and entertainment space.

There are two types of Parklets:

- 'Hosted Parklet' - sponsored by a business or community group (the applicant) and are funded, designed, built and maintained by the applicant; and
- 'City Parklet' - funded, designed, built and maintained by the City.

To support this, the City created a new user-friendly Parklet Policy in 2015/16 with an accompanying set of guidelines to encourage community groups, business owners and individuals to apply to host a Parklet in their town centre or activity corridor.

### Trading on footpaths

In April 2016, Council agreed to simplify and streamline the City's laws and policies relating to outdoor eating areas and the display of goods and signs on footpaths. Subsequent implementation of this initiative will include a user-friendly online self-assessment tool that will allow businesses to easily apply for and instantly generate their own approvals for outdoor eating areas and display of goods and signs on footpaths, where a number of criteria are met. Council also opted to discontinue the application and annual licence fees for alfresco areas and display of goods and signs on footpaths which will result in an annual saving of around \$150,000 to local businesses in fees alone.

The second phase of this initiative will follow with the current policies to be reviewed and changes to City Local Laws to reduce or altogether remove the need for the City's approval of outdoor eating areas and display of goods and signs on footpaths in a wide range of instances will commence.



### Mobile Food Vendors ('food trucks')

The City introduced a policy to allow outdoor unique and high quality food vending activities in a manner that improves the access, usage, quality and image of the City's public realm while managing the competing needs and interests of pedestrians, consumers and local business proprietors.

The City encouraged entrepreneurs to activate parks and reserves with appropriate food vending activities. In its first year, twenty permits were issued to allow trade in Hyde Park, Braithwaite Park, Britannia Park, Banks Reserve and Charles Veryard Reserve.

## Beatty Park Leisure Centre

Masters Swimming, WA Diving, AUSTSWIM and Triathlon WA all now have office space within Beatty Park as part of the leased area managed by Swimming WA. This is a terrific use of the space bringing likeminded organisations together in an appropriate location while increasing the centre's vibrancy and financial sustainability.



# Community Development & Wellbeing

## Key focus areas:

- » Celebrating our cultural and social diversity
- » Providing a range of community programs
- » Implementing the principles of universal access
- » Focusing on community and customer needs
- » Enhancing of community safety and security

## HIGHLIGHTS UNDER THE COMMUNITY DEVELOPMENT AND WELLBEING PILLAR OF THE STRATEGIC COMMUNITY PLAN IN 2015/16 INCLUDE:

### Greening Vincent 2015 Garden Competition

The competition was a big hit in 2015 with a record 127 individual entries received. Entries were of a very high standard and showcased the result of the City's popular Adopt-A-Verge program, with many native verges taking out the major prizes. Pictured below is Mayor Carey with our winners.



### Bike education and events

The City regularly hosted a range of events to encourage and promote active transport, especially during Bike Week and Ride2Work Week. Community breakfasts, Bike Swap Meets and bike maintenance sessions supported and encouraged many people within Vincent to get on and stay on their bike. These events demonstrated that cycling in Vincent is for people of all ages and abilities.

## **Bike ID cards**

Acknowledging that bicycles are a target of theft, the City worked closely with WA Police to create Bike Identification Cards. This is a useful resource for bike owners, encouraging them to write down their bike's serial numbers, so police can facilitate the retrieval of lost and stolen items. These were distributed through local schools, community events and are also available on the City's website.

## **Health Services**

### *Vincent Liquor Accord*

The Accord encourages the adoption of a range of positive and effective community-based harm minimisation and prevention strategies aimed at reducing crime, violence and anti-social behaviour stemming from the excessive consumption of alcohol.

During 2015/16 a number of strategies were implemented that improved communication between police and venue operators, party bus controls, responsible serving of alcohol training and first aid training for industry employees.

### *Asbestos Awareness*

In conjunction with the Department of Health and Cities of Stirling and Bayswater, a public awareness forum on asbestos took place in November 2015 at the Mirrabooka Recreation Centre. Representatives from these agencies, WorkSafe and the Asbestos Diseases Association attended to impart vital information to interested members of the public. The City also promoted general information on its digital and social communication channels.

## **Beatty Park Leisure Centre**

A Community Infrastructure Grant of \$6,050 was received from the Western Australian Local Government Association (WALGA) which assisted with the installation of an automatic door on the accessible change room, and the purchase of a new water wheel chair. This has allowed better facility access for groups such as the Cerebral Palsy Association.

Phantoms and Triton Water Polo Clubs continued to develop strong junior programs to complement their senior programs, and both clubs' membership levels increased.

Online course advancement was introduced to Beatty Park Swim School which allows parents to login and move their children to the next level as soon as the necessary skills have been achieved through their qualified Swim Teacher.

## **Community Programs**

### *Community Grants, Sponsorship, Donations and Waiver of Fees*

The City provides grants to not-for-profit groups and organisations providing community and support services that directly benefit Vincent residents. During 2015/16, the City awarded monies to a variety of organisations and community members including:

- WA Aids Council - HIV Assistance Fund which provided financial assistance to clients in Vincent;
- Leederville Toy Library - purchasing of new toys and storage items to improve the quality and safety of the library;
- Vouchers were issued to 42 sport and recreation clubs;
- Mount Hawthorn Community Church - Annual Carols in the Park event at Braithwaite Park;
- Youth with a Mission - Annual Carols by Candlelight event at Hyde Park;



- Perth Folk and Roots Club Inc. - a community open air music event in Hyde Park to introduce new audiences to folk and roots music;
- Aranmore Catholic College - Cultural Twilight Event;
- Azzuri Bocce Club - annual interclub tournament, an opportunity for members to compete with clubs outside Vincent;
- YMCA - \$75,000 research subsidy to identify current issues and themes experienced by Vincent's young to better address their needs;
- Manna Inc. - in kind contribution to continue providing its meal service at Weld Square; and
- Loftus Community Centre - \$56,450 subsidy for school holiday programs, the 3+ Kindy program and playgroup sessions.

\$10,000 was awarded by the City to a variety of recipients of Youth Development Grants and Sports Donations. Some 112 residents received funding to contribute towards clubs fees through KidSport vouchers in partnership with the Department of Sport and Recreation which made it possible for them to participate regardless of their financial circumstances. Most notably, 86.6 per cent of vouchers were issued to participants who had not previously participated in sport and recreation in a club based setting before.



*ANZAC Day community event*

The City of Vincent and Mt Hawthorn Returned and Services League commemorated ANZAC Day this year at Axford Park, Mount Hawthorn with over 2,000 attendees from Vincent and beyond. The event featured a march, service and was followed by a community barbecue hosted by the local North Perth Rotary Club.

## *Seniors*

The City delivered a total of 25 social outings for Vincent residents aged 65 and over with 260 residents attending. The outings provide a networking opportunity for seniors. The program included six information sessions on a wide range of topics relevant to seniors. More than 170 residents attended information sessions, structured to provide senior residents life-long learning strategies and relevant information to assist them maintain a higher level of independence in later life.

### *Active Ageing Expo*

This event held in November 2015 at the Loftus Community Centre, was a 'one stop shop' offering a great mix of presenters, entertainment, fitness, giveaways and information stalls on services available to residents in our local area. Around 130 community members attended the event with 80 per cent of attendees rating the day a four out of five or higher, with 95 per cent of attendees saying they would attend a similar event in the future.

### *National Youth Week*

In 2016, with the support of Department of Local Government and Communities, National Youth Week celebrations organised by the City consisted of eight entertaining events. These events developed skills and encouraged local young people to try unique and exciting activities and covered a range of fields including art, sport, dance and music. More than 400 community members participated across the 10-day calendar of events.

### *Skateboard and Scooter Workshops*

The City and Skateboarding WA joined forces to provide seven skate clinics and two competitions at the Leederville Skate Park. The City also worked in partnership with Freestyle Now to hold two workshops and one competition. These events attracted a variety of young people from the City of Vincent and wider skate and scooter community.

### *Spirit of Christmas Street Banner Project*

The seventh anniversary of the Spirit of Christmas Banner Project was celebrated in 2015 and our primary schools were again invited to participate. Six schools took part: Aranmore Catholic Primary School, Sacred Heart Primary School, North Perth Primary School, Kyilla Primary School, Mt Hawthorn Primary School and Mt Hawthorn Education Support Centre.

Students submitted artwork in the theme of 'Spirit of Christmas' and then artwork was selected to create 22 banners, with the winning banners displayed on Fitzgerald Street and Scarborough Beach Road during the festive period. This project helps connects the City with its local schools, and it spreads festive cheer and showcases the artistic skills of our local students.

## **Celebrating cultural diversity**

### *Reconciliation Week*

The City worked in partnership with Department of Aboriginal Affairs (DAA) to organise the display of Reconciliation Banners in prominent locations across Vincent as part of the Street Banner Project. Reconciliation-themed banners were displayed during Reconciliation Week 2016.

This project positively contributed towards reconciliation and provided a great opportunity for the City to recognise the unique place of Aboriginal people within our community.

### *National Aboriginal and Islander Day Observance Committee Week Event*

As part of the 2015 National Aboriginal and Islander Day Observance Committee (NAIDOC) celebrations, the City hosted an event which highlighted the official NAIDOC Week theme, We All Stand on Sacred Ground: Learn, Respect and Celebrate.

Personal stories were shared by Aboriginal Elders Doolann-Leisha and Walter Eatts about their spiritual and cultural connection to land and sea. Local resident Mayble Parker was the Master of Ceremonies for the event which also included traditional dance by the Moorditj Mob.

### **Enhancing community safety**

Ranger and Community Safety Services are employed to assist members of the public throughout Vincent and have a wide diversity of duties and responsibilities. The City's Rangers received 5,483 customer action requests during the 2015/16 reporting period.

### *Parking enforcement*

Aside from being a desirable place to reside, Vincent also attracts a substantial number of visitors who travel to the area for work, shopping and leisure activities, which contributes to the demand on parking availability. Vincent is similar to many other inner-city areas in respect of the demand and pressure to provide adequate parking facilities, and managing the appropriate use and demand for parking space will continue to be one of the biggest challenges facing our Rangers.

Throughout 2015/16 the following parking enforcement actions were taken:

- 22,938 parking infringements were issued for breaches of parking local laws; the penalty value of the infringements was \$2,045,104;
- A total of 794 permits were issued for issued obstruction of roads, verges and footpaths.
- 2,158 residential premises were issued with residential/visitor parking permits;
- The Appeals Panel reviewed 3,027 appeals against infringements of which 1,321 were successful. 776 of these were residents or visitors failing to display permits; and
- 3,027 response letters were drafted and forwarded to recipients of infringements.

### *Safer Vincent*

In October 2015, we launched our new Safer Vincent Community Safety and Crime Prevention Plan, outlining our commitment to making Vincent a safer place through strong partnerships and collaboration with the community, police and other agencies.

This year we were also successful in obtaining a grant through the State Graffiti Fund to fit out our Graffiti Removal Van. We also achieved successful outcomes in identifying graffiti offenders, through use of our CCTV network and working closely with Vincent residents and WA Police.

Through the Safer Vincent Initiatives program, we continued our 'Light Up Laneways' program, covering a second laneway near the busy Beaufort Street precinct, with positive feedback from residents.

## Events and cultural development

### *Summer Concerts*

Four summer concerts were held in the City's parks which catered for all types of musical tastes, including a special Valentine's Day event. These events also offered a variety of food trucks and free children's entertainment. Around 400 people attended each concert, and the success and popularity of the series continues to grow each year.



### *Festivals*

Festivals and events highlight local community's businesses, arts, music and culture while fostering community spirit and a positive atmosphere of wellbeing in the community. The City was proud to be the major sponsor for 10 family friendly community events and an arts festival in 2015/16:

- Revelation Film Festival \$20,000;
- OnWilliam \$30,000;
- Angove Street Festival \$45,000;
- Beaufort Street Festival \$75,000;
- Light up Leederville Carnival \$50,000;
- Pride Fairday \$15,000;
- Anzac Cottage Celebrations \$7,000;
- Hyde Park Fair \$20,000;
- Mt Hawthorn Streets and Laneways Festival \$20,000;
- St Patricks Day Parade and Family Fun Day \$20,000; and
- FORM Public \$30,000.

### *Annual Film Project*

In partnership with the Film and Television Institute (FTI), the City called for filmmakers to apply to create short films in and about Vincent. A total of seven submissions were received, with the winners of the 2015 project being:

- Viva La Vincent - A Guinness Book of Records attempt to gather as many people with the same name in the same place at the same time - Vincents in the City of Vincent;
- Swing Seven - Mo swings his way to the next chapter of his life by exploring the quirky and vibrant Perth Lindy Hop scene; and
- Golden Hour - After 10 years as the iconic voice of RTRFM, Breakfast Presenter Peter Barr hangs up his headphones.

The films were screened in Hyde Park as part of the Summer Concert series.

### *Celebrations of our cultural and social heritage*

The Local History Centre continued to build upon the collection with the addition of many valuable resources. The collection now consists of 949 Books, 277 unpublished documents, 4740 photographs, 400 oral history reviews, 609 vertical file items, 13,072 newspaper items, 476 ephemera, 108 maps and 279 journals.

The Local History Centre offered monthly events which include speaker, workshops and tutorials related to local and family history topics.

This year Nonja Peters' talk on 400 years of the Dutch in Western Australia was well received by a capacity audience. The screening of the documentary film *Lady Soldiers* also provided a very moving experience for all that attended. The Local History Photographic Awards continue to provide engagement with our history for both current and former residents, ensuring that the Image Library continues to grow.

The Local History Centre also produced a quarterly newsletter, which goes out to more than 900 people and is available online. This includes research advice, articles which are researched and written by the Local History Team and Friends of Local History, plus updates on the Beaufort Street History Project.

Excerpts from interviews were then used to promote the project online and to encourage the community to contribute to the history of the City of Vincent. The Local History Centre web page also offers access to publications such as suburb histories and how to research the history of your house.

### *Great community programs*

A wide range of events were run throughout the year with more than 8,500 people of all ages attending. Our monthly Forums generally occur on the last Wednesday of every month from 10am to 11am. In the past 12 months, 10 forums with a total of 407 attendees, an average attendance of 40 people, were hosted.

Highlights of these sessions have been the 2015 Seniors Week event - Armchair Traveller with Stephen Scourfield which was made possible by a grant from the Council on the Ageing. Comedian Xavier Toby's appearance was well received, as was as 2015 Prime Minister's Literacy Award Winner, Joan London in June.

The library continued its commitment to the Better Beginnings family literacy program. This program fosters early learning and reading readiness through reading, talking, singing and playing. The program includes outreach to parents with babies through talks at Child Health Clinics and Baby Rhyme Time sessions. Older pre-school aged children are encouraged to attend Storytime sessions held twice weekly which includes stories and craft activities. In 2015/16, a combined total of 7,924 children and adults attended Baby Rhyme Time and Storytime. School holiday activities in the library also attracted more than 400 participants.

### *Implementing the principles of universal access*

As 2016 is the National Year of Digital Inclusion, the library joined the Go Digi initiative as a partner as we cultivate the smart, safe and responsible use of digital resources in our community as free access to the internet is one of our core services. By improving people's ability to access electronic resources we are helping to ensure universal access as technological literacy provides access to information and services, access to recreational material and avenues for community engagement and participation.

The library continued to provide the essential Housebound Readers Service. In the past year 5942 items have been selected, issued, packed and delivered to Vincent residents who are unable to visit the Library due to illness and frailty.

The Vincent Library and Local History Centre increased its online presence through improved webpages and building upon the online collections. The Local History Image Library is growing with more and more photographs being digitised into the collection. Our eLibrary collection has increased with more than 100 additional eBooks purchased.

The library endeavours to increase the variety of resources available to the community, and in 2015/16 provided the community 61,172 resources, an increase of 14.22per cent from 2014/15.



# Leadership, Governance & Management

## Key focus areas:

- » Development of leadership skills and behaviours
- » Improvements to our internal culture
- » Planning effectively for the future, in particular Local Government Structural Reform
- » Enhancement of organisational business planning
- » Enhancement of knowledge management
- » Improved financial accountability and transparency
- » Improving employee performance, recognition and reward
- » Promoting employee satisfaction and wellbeing
- » Innovative ways of service delivery/business improvement
- » Improvement of information flows to and from the community
- » Implementation/promotion of Vincent Vision 2024

## HIGHLIGHTS UNDER THE LEADERSHIP, GOVERNANCE AND MANAGEMENT PILLAR OF THE STRATEGIC COMMUNITY PLAN IN 2015/16 INCLUDE:

### Local Government Elections

Vincent's Local Government Elections were held on Saturday 17 October 2016 via postal vote. The full results can be viewed on the WA Electoral Commission website; here's a summary of the results:

- There were three candidates vying for the position of Mayor and our former Mayor John Carey was resoundingly re-elected to the position, with 81 per cent of all Mayoral votes.
- In the North Ward, five candidates were contesting two Councillor vacancies with Ros Harley being re-elected with the highest number of votes (32 per cent of North Ward votes) followed by newcomer Dan Loden (with 30 per cent of votes).
- In the South Ward, seven candidates were contesting two Councillor vacancies, with newcomers Jimmy Murphy and Susan Gontaszewski being elected with 26per cent and 21per cent of the votes respectively. The election result meant farewelling former Councillor John Pintabona.
- Councillor Ros Harley stays on as the City's Deputy Mayor.

### City of Perth Bill

On Friday 4 March 2016, the *City of Perth Act 2016* came into force. After years of uncertainty surrounding the prospect of local government amalgamations, the passing of the *City of Perth Act* provided the City of Vincent with increased assurance of its long-term existence as an independent local government area.

While the *City of Perth Act* altered the boundary of the City of Perth and surrounding local government areas, the boundary between the City of Perth and the City of Vincent was unaffected. The new legislation provides that the boundaries of the City of Perth may only be changed by amending the *City of Perth Act* through the normal parliamentary process.

The *City of Perth Act* was also used as a vehicle to amend the *Local Government Act 1995* and introduce a new requirement for Council Members across the State to disclose all gifts, travel and other benefits within 10 days of receipt, rather than annually, and also for a register of all those gifts

and benefits to be published online. The City of Vincent supported these amendments, as they were aligned to the City's agenda of enhancing transparency and accountability. The City of Vincent advocated for these sector-wide reforms at the WA Local Government Association's AGM in August 2015 and welcomed the resulting amendments to legislation.

### **Leading the way in transparency in local government**

The City pursued an agenda of increasing its own transparency and accountability to its ratepayers. Working towards building a better Vincent and improving transparency and accountability in operations is core to this goal. This year, a new Governance Manager commenced with the City and this role is key to driving improvements in reporting.

At its 19 April 2016 Special Council Meeting, Council adopted its 'Raising the Bar' Discussion Paper to stimulate discussion and feedback among local governments on a range of measures designed to improve transparency and accountability across the sector in Western Australia. This important paper, plus statements from Mayor John Carey who introduced the motion, can be read on the City's website.

In support of these Council-led reforms Vincent is also reinventing the organisation to cut red tape, simplify and streamline service delivery, provide good value for money and an improved customer experience.

These reforms have included the launch of the City's 'Accountability and Governance Portal' which serves as a central repository of all the City's publicly available registers, disclosures of interests and fee/allowance/salary information. The aim has been to make it easier for visitors to the City's website to find and access this information; it can be accessed via the dedicate button on the homepage.

### **Stronger financial management**

In 2014/15, a major correction was required to overcome a substantial budget deficit, which was the culmination of a significant imbalance between the forecast closing balance used for budgeting and actual closing balance delivering a deficit over successive years.

Through tight control and monitoring of the budget, supported by measures adopted by Council to eliminate the budget deficit, the actual closing balance for 2014/15 was a surplus of \$1million. This was the first surplus achieved since 2008-09, although that surplus was still insufficient to offset the full cost of capital projects carried forward from 2014/15 into 2015/16.

In order to improve the City's financial sustainability, a new and comprehensive approach was taken in developing the 2015/16 Budget, to ensure recognition of the underlying financial position of the City. This involved a review of various informing strategies and past financial and budget practices, to gain an understanding of the City's financial position and long term financial sustainability. This process revealed a range of issues that impacted on the confidence level of the City's forecasting capability beyond a 12-month period. This is primarily due to:

- The standard of the Strategic Community Plan and associated Corporate Business Plan and level of integration to the City's Resourcing Plans;
- The extent of asset data available to support the Asset Management Plans, to define and effectively plan for asset renewal/replacement requirements; and
- The absence of a 10 Year Capital Works Program to inform the Long Term Financial Plan.



Key initiatives flowing from the budget development process included:

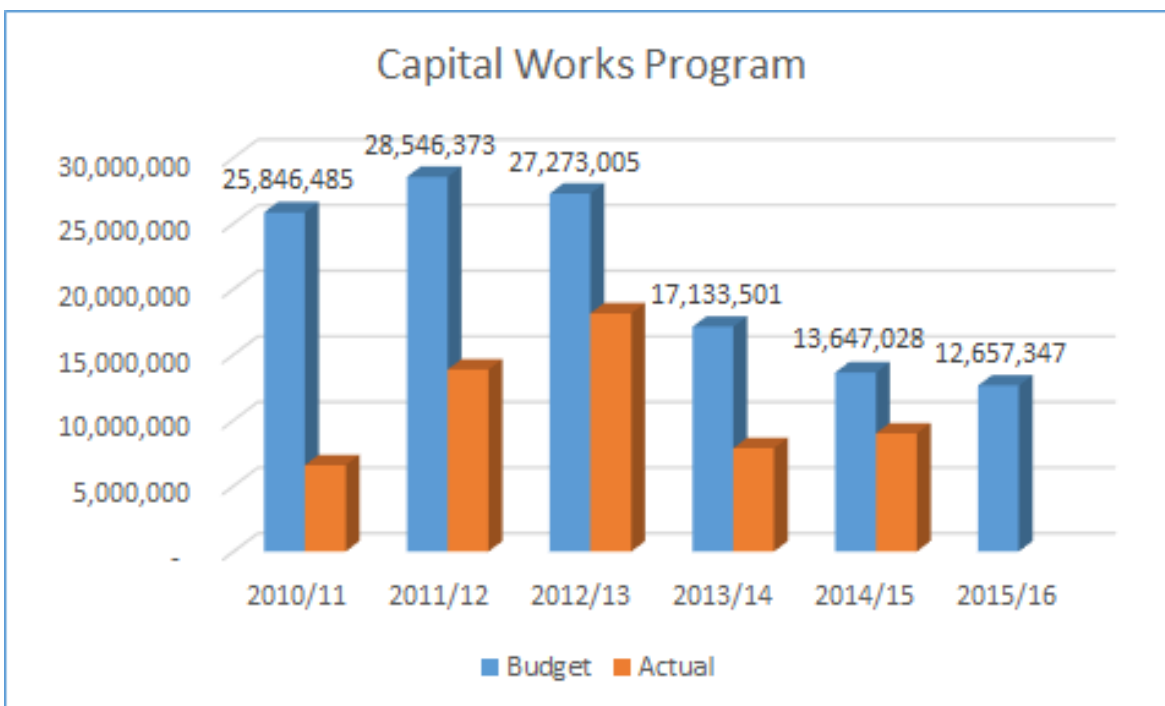
- Initiating a building asset assessment to provide data on the condition of all building assets;
- Establishing an Asset Sustainability Reserve to benefit Council and ultimately the community, by enabling the allocation of funds for future capital expenditure for the purpose of replacing and renewing long term assets; and
- Reviewing the rate setting strategy to ensure an equitable differential rating system, including recognising that the level of Minimum Rates charged was disproportionately low.

The resulting 2015/16 Budget was better informed in estimating the opening balance; optimised rate revenue; provided for a level of capital expenditure that was considered sustainable and achievable and included net transfers to Reserves, including the Asset Sustainability Reserve.

While the 2015/16 Budget anticipated a neutral closing position (\$0), the actual closing balance recorded for 2015/16 is \$4,251,223, of which \$1,974,498 (estimated) is allocated to funding carry forward projects in 2016/17. This is a substantial turnaround and provides confidence to our community, particularly given the estimate utilised for the subsequent 2016/17 Annual Budget was \$4,259,422.

### Working to capacity

Over the last five years, there has been a disconnect between project planning and project delivery. The graph below illustrates the difference between budgeted capital works program and actual expenditure in each of the financial years, which the City is now working to address.



The 2015/16 Budget provided a level-headed approach to our capital works by endeavouring to match our appetite and aspirations for new projects with our capacity to deliver them on time and on budget.

In developing the 2015/16 Capital Works Program, projects were prioritised based on demand, balanced against financial and resourcing capacity. It was necessary however to include \$3.060million of uncompleted projects to be carried forward and finalised in 2015/16. The 2015/16 Capital Works Program of \$12.657million reflected a \$1million reduction over the previous year, more closely aligned to the capacity of the organisation to deliver the program. Due to amendments during the year, the capital budget was actually increased to \$12,822 million, however a total of \$3.894 million was still recorded as uncompleted at the end of the financial year and carried forward into 2016/17.



### **Community callout for Draft Annual Budget submissions**

In May, our community was invited to put forward comments and suggestions for the City's draft budget that aligned with Council's Strategic Priorities for 2016/17. This was a deviation from previous years, with our community now being afforded an opportunity to put forward comments and suggestions much earlier in the process - while we were still drafting the budget - rather than at the end of the process, as was previously the case. It's all about creating a more open, inclusive and transparent process.

The City received favourable feedback on this from our community and more than 50 submissions relating to more than 30 proposals, with some people proposed the same idea. The submissions were detailed and well thought-out and the City would like to thank everyone for the time and effort they invested in sharing their ideas.

Submissions ranged from upgrading toilet facilities in our popular parks and installing pedestrian crossings, to reviewing the City's Multicultural Plan and funding local service providers. The City reviewed all submissions to see if and how they can be incorporated into the 2016/17 Budget or possibly earmarked for further consideration in future years' budgets.

## 2016/17 Budget

Continuing the work commenced in the 2015/16 Budget, the preparation for the 2016/17 Annual Budget was in the context of expanding the focus from a 12-month perspective to incorporate longer term planning, consistent with the requirements of the Integrated Planning and Reporting Framework.

This required a review of the City's Corporate Business Plan and substantial work on establishing an understanding of the condition of the City's assets and developing forward works plans for asset renewal. Whilst it was recognised there is still substantial work required, which will be informed by a proposed review of the Strategic Community Plan, firm foundations were established, enhancing the level of confidence in the City's long term financial sustainability.



### CATALYSE Scorecard results

In June, the City announced that independent research has revealed that the City of Vincent is the number one local government among 25 Western Australian councils as both 'A Place to Live' and as 'A Governing Organisation' as rated by our community - jumping from its previous position of third last in 2010. This result greatly buoyed the City, and has added momentum to the significant organisation-wide cultural change initiative led by the CEO, 'Building a better Vincent'.

The CATALYSE Community Scorecard surveys households across a local government area, with 25 local councils participating in the survey research over the past two years. Of those 25 councils, the City of Vincent ranked first, receiving an overall performance score of 82 out of 100, compared to 16<sup>th</sup> out of 18 councils in 2010.

As part of the independent research, in April CATALYSE mailed invitations to complete the survey to 1,000 randomly selected households, and the survey was also widely promoted in print media and through the City's digital and social media channels. Overall, 556 residents submitted a response, resulting in a statistically reliable sample size.

The survey measures a number of different areas, including basic industry standards for governance, communication, community engagement and service delivery.

It also found that the City of Vincent was ranked the highest in 18 categories (out of about 40), which means Vincent is currently setting the benchmark in all of these areas:

- Place to live
- Governing organisation
- The City's leadership within the community
- Developing and communicating a clear vision for the area
- How the community is consulted about local issues
- Elected Members' understanding of community needs
- How open and transparent the City's processes are
- How the community is informed about local issues
- Explaining reasons for decisions and how residents' views are taken into account
- The City's social media presence
- The City's newsletter
- Services and facilities for families
- Beatty Park Leisure Centre
- Playgrounds, parks and reserves
- Festivals, events and cultural activities
- The area's character and identity
- Mix and diversity of housing types
- Efforts to promote and adopt sustainable practices

Vincent also ranked number one in the CATALYSE Business Scorecard results amongst seven participating Western Australian councils, with the highest state ranking for 'A Place to operate a Business' and above Western Australian average for the City as a 'A Governing Organisation'.

Top perceived strengths include waste removal, the Mt Hawthorn Hub and the Beaufort Street Network, two of 'Town Teams', our local streetscapes, plus the management of food, health, noise and pollution issues. Parking was the main priority, and businesses would like more parking with fewer restrictions to attract more visitors.

The organisation has been on a significant change journey in recent years and it's pleasing for all to see that the City's efforts are making a real difference in the community. Vincent won't rest on its laurels and will be improving the focus on the areas that our community identified.

The City will be conducting the survey again in two years and will be working very hard in that time to maintain or improve our community's satisfaction with Vincent as a place to live and as a governing organisation. Councillors and staff would like to thank everyone who took the time to complete the survey and provide their feedback. The full results are available on our website.

### **Building a Better Vincent**

The City has continued to implement a range of workplace culture and performance improvements to ensure the organisation is better placed to serve our community.

### **Leadership Development**

One of the key issues identified through the staff engagement survey was the need to invest in the City's leadership team. The City engaged external leadership and workplace culture experts to undertake a diagnostic leadership impact development program, using internationally recognised Human Synergistics psychological profiling tool.

## Marketing and Communications

The City continued to enhance its communication and flow of information to and from the City, predominantly via digital and social communication channels.

- We regularly sent six e-Newsletters for specific target audiences were distributed: the main City of Vincent e-news, plus arts, youth, sustainability, library and history. A new Planning and Building e-Newsletter was also established in January 2016;
- Each subscriber database grew but due to proactive strategies, the City's main fortnightly e-Newsletter distribution increased to more than 7,500 subscribers (versus 5,500 in 2014/15);
- Increased usage and greater emphasis on social media platforms, including Facebook with more than 5,300 'likes' (compared with 4,000 in 2014/15) and Twitter with more than 2,000 'followers' (compared with 1,500 in 2014/15);
- Media relationships were enhanced to ensure balanced media exposure of key projects and offerings from across the City;
- Production of strategic and consistent marketing material and corporate collateral was increased; and



## Human Resources

### Overview of our Employees

| Item  | 12/13 | 13/14 | 14/15 | 15/16 |
|---|-------|-------|-------|-------|
| Full Time Equivalent Employees  | 192   | 194   | 241   | 245.5 |
| Employee Turnover per cent  | 9.89  | 9.79  | 9.90  | 17.89 |
| Absenteeism (sick leave only) - total no. of days                             | 1611  | 1761  | 1682  | 1443  |
| Absenteeism (carer's leave only) - total no. of days                          | 159   | 136   | 168   | 163   |
| Absenteeism (carer's leave and sick leave) - average no. of days per employee | 9.22  | 9.78  | 9.16  | 8.15  |
| Number of Workers' Compensation Claims  | 8     | 12    | 20    | 7     |
| Lost Time Injury days   | 367   | 102   | 167   | 14    |
| Employee Assistance Programme - Utilisation (no. of referrals)                | 14    | 12    | 8     | 13    |

#### Corporate Business Plan objectives:

HR was tasked specifically to complete Objective 4.2: Provide a safe, positive and desirable workplace within the Corporate Business Plan 2013-2017.

#### 4.2.1 (a) Workforce Plan

The City's recruitment strategy was amended this financial year as per the workforce plan, to include more thorough competency based questioning and a focus on both technical and values based questions to ensure the City recruits not only the necessary skillset needed to achieve the objectives in the Corporate Business Plan, but also to achieve alignment with the City's values and behaviours.

The City also shifted to recruiting for permanent positions externally, continually testing the market for the best candidates to ensure new skills and talent are attracted into the City.

#### 4.2.1 (b) Employee Health and Wellbeing

The HR team conducted a health and wellbeing needs assessment of all staff in February 2015 which provided the City with a thorough understanding of the health and wellbeing needs of all staff, along with the key areas to focus on moving forward to develop health and wellbeing initiatives. Following the assessment, a committee was formed to engage staff and identify how to address the results.

Furthermore the City placed a greater emphasis on staff ergonomics and engaged our insurers to conduct ergonomic assessments on 20 workstations to provide employees with an ergonomically sound environment. In addition, the City continues to subsidise Beatty Park Leisure Centre memberships for staff to encourage use of the facilities to improve wellbeing.

#### 4.2.1 (c) Occupational Health and Safety

The City continued to hold regular OSH Committee Meetings where hazards and incidents are discussed, and mechanisms put in place to mitigate the risk of injury to employees and members of the public. The City also provided training for all relevant staff in hazardous substances and asbestos awareness, along with an update to the safety induction to ensure that it is compliant with current legislation.

The City's Occupational Health and Safety policies are currently due for review, and they will be revised in the coming months in conjunction with the City's HR policies.

#### 4.2.1 (d) Equal Employment Opportunity

The City was exempt from renewing our equal employment opportunity (EEO) plan which expired December 2014 by the equal employment opportunity commissioner due to the prospect of amalgamations. However after confirmation that amalgamation of local governments were no longer proceeding, the City committed to formulating a new EEO plan which is now in effect.

The City continued to uphold an equal opportunity workplace through encouraging a positive, inclusive and harassment-free workplace culture through working with the 'Build a Better Vincent' initiatives that emphasised the positive behaviours associated with the City's values.

The City also committed to interviewing on skills and behaviours, to ensure our recruitment strategy assesses candidates on how they align with the inherent requirements of the role, and provides appropriate consideration for flexibility for all diversity groups.

#### 4.2.1 (e) Employing disadvantaged members of the community

The HR Team worked with the Community Development Team on the City's Disability Access and Inclusion Plan, and worked across the organisation to improve our impact in this area.





**CITY OF VINCENT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED**

**30 JUNE 2016**





**Financial Report**  
**For the year ended 30 June 2016**

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## INDEPENDENT AUDITOR'S REPORT

### TO: THE RATEPAYERS OF CITY OF VINCENT

#### **Report on the Financial Report**

We have audited the financial report of the City of Vincent, which comprises the Statement of Financial Position as at 30 June 2016 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

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

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

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

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

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

#### ***Independence***

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.



# INDEPENDENT AUDITOR'S REPORT (Cont'd)

## **Auditor's Opinion**

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

- (a) gives a true and fair view of the financial position of the City of Vincent as at 30 June 2016 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including Australian Accounting Interpretations).

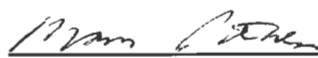
## **Report on Other Legal and Regulatory Requirements**


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

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) There are no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 38 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - (i) reasonably calculated; and
  - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

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

This auditor's report relates to the financial report of the City of Vincent for the year ended 30 June 2016 included on the City's website. Management is responsible for the integrity of the City's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. 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.

  
\_\_\_\_\_  
**MACRI PARTNERS**  
**CERTIFIED PRACTISING ACCOUNTANTS**  
**SUITE 2, 137 BURSWOOD ROAD**  
**BURSWOOD WA 6100**

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

**PERTH**  
**DATED THIS 30<sup>th</sup> DAY OF NOVEMBER 2016.**



**City of Vincent  
Statement by Chief Executive Officer  
Financial Year Ended 30 June 2016**

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

The attached financial report of the City of Vincent being the annual financial report and supporting notes and other information for the financial year ended 30 June 2016 are in my opinion, properly drawn up to present fairly the financial position of the City of Vincent as at 30 June 2016 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 28<sup>th</sup> day of November 2016



**Len Kosova  
Chief Executive Officer**

**City of Vincent**  
**Statement of Comprehensive Income**  
**By Nature or Type**  
**For the year ended 30 June 2016**

|   | Note  | Revised<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|---|-------|------------------------------------|-------------------------|-------------------------|
| <b>Revenue</b>  |       |                                    |                         |                         |
| Rates   | 3(a)  | 29,596,786                         | 29,601,379              | 27,478,028              |
| Operating Grants, Subsidies and Contributions                             | 4     | 1,029,740                          | 966,658                 | 2,138,565               |
| Fees and Charges  | 5     | 20,271,607                         | 19,285,579              | 19,654,668              |
| Interest Earnings   | 6     | 920,645                            | 1,106,722               | 907,919                 |
| Other Revenue   |       | 1,393,944                          | 1,503,562               | 1,418,990               |
|   |       | <b>53,212,722</b>                  | <b>52,463,900</b>       | <b>51,598,170</b>       |
| <b>Expenditure</b>  |       |                                    |                         |                         |
| Employee Costs  |       | (24,584,527)                       | (24,323,430)            | (23,287,895)            |
| Materials and Contracts   |       | (15,883,111)                       | (14,999,747)            | (14,237,564)            |
| Utilities Charges   |       | (2,012,555)                        | (1,927,414)             | (1,913,034)             |
| Depreciation of Non-Current Assets  | 7(b)  | (10,103,230)                       | (10,089,839)            | (11,214,551)            |
| Insurance Expenses  |       | (921,380)                          | (923,484)               | (1,137,988)             |
| Interest Expenses   | 8(a)  | (1,096,280)                        | (1,093,320)             | (1,163,983)             |
| Other Expenditure   |       | 88,080                             | 206,804                 | (173,107)               |
|   |       | <b>(54,513,003)</b>                | <b>(53,150,430)</b>     | <b>(53,128,122)</b>     |
| Non-Operating Grants, Subsidies and Contributions                         | 4     | 2,366,854                          | 1,384,622               | 1,000,136               |
|   |       | <b>2,366,854</b>                   | <b>1,384,622</b>        | <b>1,000,136</b>        |
| Profit on Asset Disposals   | 9     | 1,936,704                          | 1,852,654               | 1,566,787               |
| Loss on Asset Disposals   | 9     | (3,319)                            | (357)                   | (36,809)                |
|   |       | <b>1,933,385</b>                   | <b>1,852,297</b>        | <b>1,529,978</b>        |
| Net Share of Interests in Joint Ventures                                  | 10    | -                                  | 339,739                 | 2,139,257               |
| Change in Equity – WALGA LG House Trust                                   | 17    | -                                  | (4,142)                 | 35,777                  |
|   |       | -                                  | <b>335,597</b>          | <b>2,175,034</b>        |
| Profit on Assets Held for Sale (TPRC Joint Venture)                       | 10(b) | 1,783,333                          | 1,299,433               | 2,989,790               |
|   |       | <b>1,783,333</b>                   | <b>1,299,433</b>        | <b>2,989,790</b>        |
| Revaluation Decrement – Rights of Way                                     | 11    | -                                  | -                       | (666,779)               |
| Revaluation Decrement – Other Infrastructure                              | 11    | -                                  | -                       | (148,112)               |
|   |       | -                                  | -                       | <b>(814,891)</b>        |
| <b>Net Result</b>   |       | <b>4,783,291</b>                   | <b>4,185,419</b>        | <b>5,350,095</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                              | 11    | -                                  | 1,178,328               | 34,986,734              |
| <b>Total Other Comprehensive Income</b>                                   |       | -                                  | <b>1,178,328</b>        | <b>34,986,734</b>       |
| <b>Total Comprehensive Income</b>   |       | <b>4,783,291</b>                   | <b>5,363,747</b>        | <b>40,336,829</b>       |

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

**City of Vincent**  
**Statement of Comprehensive Income**  
**By Programme**  
**For the year ended 30 June 2016**

|  | Note | Revised<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|--|------|------------------------------------|-------------------------|-------------------------|
| <b>Operating Revenue</b>                                 |      |                                    |                         |                         |
| General Purpose Funding                                  |      | 31,473,526                         | 31,656,685              | 30,484,225              |
| Governance   |      | 32,970                             | 72,042                  | 85,913                  |
| Law, Order and Public Safety                             |      | 194,430                            | 202,325                 | 250,039                 |
| Health   |      | 431,660                            | 484,181                 | 411,765                 |
| Education and Welfare                                    |      | 348,770                            | 357,801                 | 241,963                 |
| Community Amenities                                      |      | 1,450,760                          | 1,255,579               | 1,600,407               |
| Recreation and Culture                                   |      | 11,003,954                         | 10,484,977              | 10,269,500              |
| Transport  |      | 7,619,462                          | 7,416,159               | 7,636,815               |
| Economic Services  |      | 459,340                            | 313,708                 | 361,097                 |
| Other Property and Services                              |      | 197,850                            | 220,443                 | 256,446                 |
|  |      | <b>53,212,722</b>                  | <b>52,463,900</b>       | <b>51,598,170</b>       |
| <b>Operating Expenditure (excluding Finance Costs)</b>   |      |                                    |                         |                         |
| General Purpose Funding                                  |      | (599,560)                          | (562,291)               | (695,252)               |
| Governance   |      | (3,089,910)                        | (2,996,102)             | (2,565,486)             |
| Law, Order and Public Safety                             |      | (1,373,230)                        | (1,313,045)             | (1,253,980)             |
| Health   |      | (1,125,090)                        | (1,031,406)             | (1,051,846)             |
| Education and Welfare                                    |      | (1,072,215)                        | (1,094,493)             | (1,156,999)             |
| Community Amenities                                      |      | (9,984,015)                        | (9,199,250)             | (8,842,025)             |
| Recreation and Culture                                   |      | (21,557,370)                       | (21,715,541)            | (21,152,300)            |
| Transport  |      | (11,611,943)                       | (11,496,118)            | (12,183,844)            |
| Economic Services  |      | (754,275)                          | (725,390)               | (678,330)               |
| Other Property and Services                              |      | (2,249,115)                        | (1,923,474)             | (2,384,077)             |
|  |      | <b>(53,416,723)</b>                | <b>(52,057,110)</b>     | <b>(51,964,139)</b>     |
| <b>Finance Costs</b>                                     |      |                                    |                         |                         |
|  | 8(a) |                                    |                         |                         |
| Education and Welfare                                    |      | -                                  | -                       | (129,184)               |
| Recreation and Culture                                   |      | (1,096,280)                        | (1,093,320)             | (1,034,799)             |
|  |      | <b>(1,096,280)</b>                 | <b>(1,093,320)</b>      | <b>(1,163,983)</b>      |
| <b>Non-Operating Grants, Subsidies and Contributions</b> |      |                                    |                         |                         |
|  | 4    |                                    |                         |                         |
| Law, Order and Public Safety                             |      | -                                  | 6,668                   | 40,902                  |
| Education and Welfare                                    |      | 18,212                             | 17,684                  | -                       |
| Recreation and Culture                                   |      | 62,000                             | 62,083                  | -                       |
| Transport  |      | 2,286,642                          | 1,298,187               | 959,234                 |
|  |      | <b>2,366,854</b>                   | <b>1,384,622</b>        | <b>1,000,136</b>        |

**City of Vincent**  
**Statement of Comprehensive Income**  
**By Programme**  
**For the year ended 30 June 2016**

|   | Note  | Revised<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|---|-------|------------------------------------|-------------------------|-------------------------|
| <b>Profit/(Loss) on Disposal of Assets</b>                                |       |                                    |                         |                         |
| Law, Order and Public Safety  | 9     | 9,162                              | 4,802                   | (1,597)                 |
| Health  |       | 2,653                              | 2,840                   | -                       |
| Education and Welfare   |       | -                                  | -                       | 1,554,330               |
| Community Amenities   |       | (940)                              | -                       | (731)                   |
| Recreation and Culture  |       | 3,249                              | 345                     | 5,572                   |
| Transport   |       | 1,828,173                          | 1,828,743               | -                       |
| Economic Services   |       | -                                  | -                       | (3,188)                 |
| Other Property and Services   |       | 91,088                             | 15,567                  | (24,408)                |
|   |       | <b>1,933,385</b>                   | <b>1,852,297</b>        | <b>1,529,978</b>        |
| <b>Net Share of Interests in Joint Ventures</b>                           |       |                                    |                         |                         |
| Other Property and Services   | 10    | -                                  | 339,739                 | 2,139,257               |
|   |       | -                                  | <b>339,739</b>          | <b>2,139,257</b>        |
| <b>Change in Equity – WALGA LG House Trust</b>                            |       |                                    |                         |                         |
| Other Governance  | 17    | -                                  | (4,142)                 | 35,777                  |
|   |       | -                                  | <b>(4,142)</b>          | <b>35,777</b>           |
| <b>Profit on Assets Held for Sale (TPRC Joint Venture)</b>                |       |                                    |                         |                         |
| Other Property and Services   | 10(b) | 1,783,333                          | 1,299,433               | 2,989,790               |
|   |       | <b>1,783,333</b>                   | <b>1,299,433</b>        | <b>2,989,790</b>        |
| <b>Revaluation Decrement – Other Infrastructure</b>                       |       |                                    |                         |                         |
| Health  | 11    | -                                  | -                       | (6,912)                 |
| Education and Welfare   | 11    | -                                  | -                       | (4,368)                 |
| Recreation and Culture  | 11    | -                                  | -                       | (126,749)               |
| Transport   | 11    | -                                  | -                       | (676,862)               |
|   |       | -                                  | -                       | <b>(814,891)</b>        |
| <b>Net Result</b>   |       | <b>4,783,291</b>                   | <b>4,185,419</b>        | <b>5,350,095</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                              | 11    | -                                  | 1,178,328               | 34,986,734              |
| <b>Total Other Comprehensive Income</b>                                   |       | -                                  | <b>1,178,328</b>        | <b>34,986,734</b>       |
| <b>Total Comprehensive Income</b>   |       | <b>4,783,291</b>                   | <b>5,363,747</b>        | <b>40,336,829</b>       |

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



**City of Vincent**  
**Statement of Financial Position**  
**As At 30 June 2016**

|                                      | Note | Actual<br>2015/16<br>\$   | Actual<br>2014/15<br>\$   |
|--------------------------------------|------|---------------------------|---------------------------|
| <b>Current Assets</b>                |      |                           |                           |
| Cash and Cash Equivalents            | 12   | 16,499,516                | 14,453,256                |
| Other Assets                         | 13   | 134,554                   | 28,550                    |
| Trade and Other Receivables          | 14   | 3,736,793                 | 3,738,543                 |
| Inventories                          | 15   | 170,061                   | 198,843                   |
| <b>Total Current Assets</b>          |      | <b><u>20,540,924</u></b>  | <b><u>18,419,192</u></b>  |
| <b>Non-Current Assets</b>            |      |                           |                           |
| Trade and Other Receivables          | 14   | 165,336                   | 163,300                   |
| Land Held for Development            | 16   | 108,145                   | 111,013                   |
| Financial Assets                     | 17   | 42,635                    | 46,777                    |
| Interests in Joint Ventures          | 10   | 9,520,230                 | 9,160,344                 |
| Property, Plant and Equipment        | 18   | 137,691,916               | 141,042,088               |
| Infrastructure Assets                | 19   | 129,076,686               | 127,431,640               |
| <b>Total Non-Current Assets</b>      |      | <b><u>276,604,948</u></b> | <b><u>277,955,162</u></b> |
| <b>Total Assets</b>                  |      | <b><u>297,145,872</u></b> | <b><u>296,374,354</u></b> |
| <b>Current Liabilities</b>           |      |                           |                           |
| Trade and Other Payables             | 20   | 6,812,942                 | 5,854,290                 |
| Provisions                           | 21   | 3,255,342                 | 3,009,574                 |
| Borrowings                           | 22   | 818,840                   | 760,288                   |
| <b>Total Current Liabilities</b>     |      | <b><u>10,887,124</u></b>  | <b><u>9,624,152</u></b>   |
| <b>Non-Current Liabilities</b>       |      |                           |                           |
| Provisions                           | 21   | 301,994                   | 291,713                   |
| Borrowings                           | 22   | 15,777,982                | 16,596,822                |
| <b>Total Non-Current Liabilities</b> |      | <b><u>16,079,976</u></b>  | <b><u>16,888,535</u></b>  |
| <b>Total Liabilities</b>             |      | <b><u>26,967,100</u></b>  | <b><u>26,512,687</u></b>  |
| <b>Net Assets</b>                    |      | <b><u>270,178,772</u></b> | <b><u>269,861,667</u></b> |
| <b>Equity</b>                        |      |                           |                           |
| Retained Surplus                     |      | 129,016,232               | 130,918,068               |
| Reserves – Cash Backed               | 23   | 6,221,415                 | 7,671,805                 |
| Revaluation Surplus                  | 11   | 134,941,125               | 131,271,794               |
| <b>Total Equity</b>                  |      | <b><u>270,178,772</u></b> | <b><u>269,861,667</u></b> |

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

**City of Vincent  
Statement of Changes in Equity  
For the year ended 30 June 2016**

|   | Note | Retained<br>Surplus<br>\$ | Reserves<br>Cash<br>Backed<br>\$ | Revaluation<br>Surplus<br>\$ | Total Equity<br>\$ |
|---|------|---------------------------|----------------------------------|------------------------------|--------------------|
| <b>Balance as at 1<sup>st</sup> July 2014</b>   |      | <b>124,545,699</b>        | <b>8,694,079</b>                 | <b>96,285,060</b>            | <b>229,524,838</b> |
| Comprehensive Income                            |      |                           |                                  |                              |                    |
| Net Result                                      |      | 5,350,095                 | -                                | -                            | 5,350,095          |
| Changes on Revaluation of<br>Non-Current Assets | 11   | -                         | -                                | 34,986,734                   | 34,986,734         |
| <b>Total Comprehensive Income</b>               |      | <b>5,350,095</b>          | <b>-</b>                         | <b>34,986,734</b>            | <b>40,336,829</b>  |
| Transfer from / (to) Reserves                   | 23   | 1,022,274                 | (1,022,274)                      | -                            | -                  |
| <b>Balance as at 30<sup>th</sup> June 2015</b>  |      | <b>130,918,068</b>        | <b>7,671,805</b>                 | <b>131,271,794</b>           | <b>269,861,667</b> |
| Comprehensive Income                            |      |                           |                                  |                              |                    |
| Net Result                                      |      | 4,185,419                 | -                                | -                            | 4,185,419          |
| Transfer to Revaluation<br>Surplus              | 11   | (2,491,003)               | -                                | 2,491,003                    | -                  |
| Changes on Revaluation of<br>Non-Current Assets | 11   | -                         | -                                | 1,178,328                    | 1,178,328          |
| <b>Total Comprehensive Income</b>               |      | <b>1,694,416</b>          | <b>-</b>                         | <b>3,669,331</b>             | <b>5,363,747</b>   |
| Transfer from / (to) Reserves                   | 23   | 1,450,390                 | (1,450,390)                      | -                            | -                  |
| Transfer from / (to) Trust                      | 30   | (5,046,642)               | -                                | -                            | (5,046,642)        |
| <b>Balance as at 30<sup>th</sup> June 2016</b>  |      | <b>129,016,232</b>        | <b>6,221,415</b>                 | <b>134,941,125</b>           | <b>270,178,772</b> |

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

**City of Vincent**  
**Statement of Cash Flows**  
**For the year ended 30 June 2016**

|  | Note  | Revised<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|--|-------|------------------------------------|-------------------------|-------------------------|
| <b>Cash Flows From Operating Activities</b>                      |       |                                    |                         |                         |
| <b>Receipts</b>  |       |                                    |                         |                         |
| Rates  |       | 29,596,786                         | 29,501,587              | 27,442,568              |
| Operating Grants, Subsidies and Contributions                    |       | 1,029,740                          | 2,234,024               | 3,431,015               |
| Fees and Charges   |       | 20,271,607                         | 21,557,587              | 20,472,256              |
| Interest Earnings  |       | 920,645                            | 1,106,722               | 907,919                 |
| Goods and Services Tax   |       | 2,957,333                          | 1,003,113               | 1,112,355               |
| Other Revenue  |       | 1,393,944                          | 518,999                 | 607,675                 |
| <b>Total Receipts</b>  |       | <b>56,170,055</b>                  | <b>55,922,032</b>       | <b>53,973,788</b>       |
| <b>Payments</b>  |       |                                    |                         |                         |
| Employee Costs   |       | (24,117,527)                       | (24,067,381)            | (23,263,417)            |
| Materials & Contracts  |       | (16,942,319)                       | (12,907,265)            | (13,447,568)            |
| Utilities  |       | (2,012,555)                        | (2,231,609)             | (2,226,481)             |
| Insurance  |       | (921,380)                          | (1,069,233)             | (1,324,445)             |
| Interest Expense   |       | (1,096,280)                        | (1,093,320)             | (1,163,983)             |
| Goods and Services Tax   |       | (2,957,333)                        | -                       | -                       |
| Other Expenditure  |       | 88,080                             | (4,129,072)             | (4,286,652)             |
| <b>Total Payments</b>  |       | <b>(47,959,314)</b>                | <b>(45,497,880)</b>     | <b>(45,712,546)</b>     |
| <b>Net Cash provided by (used in) Operating Activities</b>       | 24(b) | <b>8,210,741</b>                   | <b>10,424,152</b>       | <b>8,261,242</b>        |
| <b>Cash Flows from Investing Activities</b>                      |       |                                    |                         |                         |
| Payments for Purchase of Property, Plant and Equipment           | 18(b) | (4,807,669)                        | (2,407,142)             | (2,060,503)             |
| Payments for Construction of Infrastructure Assets               | 19(b) | (9,024,301)                        | (5,595,750)             | (6,994,170)             |
| Non-Operating Grants, Subsidies and Contributions                | 4     | 2,566,875                          | 1,384,622               | 1,000,136               |
| Cash Proceeds from Sale of Property, Plant and Equipment         | 9     | 2,831,757                          | 2,680,959               | 2,711,644               |
| Cash Proceeds from Joint Venture Operations                      | 10(b) | 1,833,333                          | 1,249,999               | 2,583,334               |
| Leederville Gardens Inc (Retirement Village) – Transfer to Trust |       | -                                  | (5,046,642)             | -                       |
| <b>Net Cash provided by (used in) Investing Activities</b>       |       | <b>(6,600,005)</b>                 | <b>(7,733,954)</b>      | <b>(2,759,559)</b>      |
| <b>Cash Flows from Financing Activities</b>                      |       |                                    |                         |                         |
| Repayment of Borrowings  | 8(a)  | (760,288)                          | (760,288)               | (1,743,479)             |
| Net increase in Bonds and Deposits                               |       | -                                  | 116,350                 | 86,986                  |
| <b>Net Cash Flows from Financing Activities</b>                  |       | <b>(760,288)</b>                   | <b>(643,938)</b>        | <b>(1,656,493)</b>      |
| <b>Net Increase/(Decrease) in Cash Held</b>                      |       | <b>850,448</b>                     | <b>2,046,260</b>        | <b>3,845,190</b>        |
| <b>Cash and Cash Equivalents at Beginning of Year</b>            |       | <b>14,453,258</b>                  | <b>14,453,256</b>       | <b>10,608,066</b>       |
| <b>Cash and Cash Equivalents at End of Year</b>                  | 24(a) | <b>15,303,706</b>                  | <b>16,499,516</b>       | <b>14,453,256</b>       |

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

**City of Vincent**  
**Rate Setting Statement**  
**For the year ended 30 June 2016**

|  | Note  | Original<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|--|-------|-------------------------------------|-------------------------|-------------------------|
| <b>Revenue from operating activities (excluding rates)</b> |       |                                     |                         |                         |
| General Purpose Funding                                    |       | 1,719,195                           | 2,055,305               | 3,006,197               |
| Governance   |       | 32,110                              | 72,042                  | 121,690                 |
| Law, Order and Public Safety                               |       | 199,062                             | 207,484                 | 251,946                 |
| Health   |       | 405,993                             | 487,021                 | 411,765                 |
| Education and Welfare                                      |       | 331,940                             | 357,801                 | 1,796,293               |
| Community Amenities  |       | 1,630,139                           | 1,255,579               | 1,600,407               |
| Recreation and Culture                                     |       | 11,061,224                          | 10,485,322              | 10,275,072              |
| Transport  |       | 9,789,163                           | 9,244,902               | 7,636,815               |
| Economic Services  |       | 459,340                             | 313,708                 | 361,097                 |
| Other Property and Services                                |       | 2,051,451                           | 1,875,182               | 5,390,471               |
|  |       | <b>27,679,617</b>                   | <b>26,354,346</b>       | <b>30,851,753</b>       |
| <b>Expenditure from operating activities</b>               |       |                                     |                         |                         |
| General Purpose Funding                                    |       | (617,250)                           | (562,291)               | (695,252)               |
| Governance   |       | (3,269,225)                         | (3,000,244)             | (2,565,486)             |
| Law, Order and Public Safety                               |       | (1,374,465)                         | (1,313,402)             | (1,257,484)             |
| Health   |       | (1,159,030)                         | (1,031,406)             | (1,058,758)             |
| Education and Welfare                                      |       | (1,101,830)                         | (1,094,493)             | (1,290,551)             |
| Community Amenities  |       | (10,150,859)                        | (9,199,250)             | (8,842,756)             |
| Recreation and Culture                                     |       | (22,846,370)                        | (22,808,861)            | (22,313,848)            |
| Transport  |       | (12,210,450)                        | (11,496,118)            | (12,860,706)            |
| Economic Services  |       | (765,230)                           | (725,390)               | (681,518)               |
| Other Property and Services                                |       | (2,359,265)                         | (1,923,474)             | (2,413,463)             |
|  |       | <b>(55,853,974)</b>                 | <b>(53,154,929)</b>     | <b>(53,979,822)</b>     |
| <b>Non Cash Items Adjustment</b>                           |       |                                     |                         |                         |
| Movement in Employee Benefit Provisions (Non-Current)      |       | -                                   | 10,281                  | 31,634                  |
| Movement in Deferred Pensioner Rates (Non-Current)         |       | -                                   | (2,036)                 | 18,083                  |
| Equity in Local Government House in Trust                  | 17    | -                                   | 4,142                   | (35,777)                |
| Movement in Joint Venture Operations                       | 10    | -                                   | (339,739)               | (2,139,257)             |
| Work in Progress Assets Expensed                           |       | -                                   | -                       | 375,536                 |
| Depreciation and Amortisation on Assets                    | 7(b)  | 11,058,555                          | 10,089,839              | 11,214,551              |
| Asset Revaluation Decrements                               |       | -                                   | -                       | 814,891                 |
| (Profit)/Loss on Asset Disposals                           | 9     | (3,716,718)                         | (1,852,297)             | (1,529,978)             |
| (Profit)/Loss on Assets Held for Sale – TPRC Joint Venture | 10(b) | -                                   | (1,299,433)             | (2,989,790)             |
| Current Land Held for Resale Adjustment                    |       | -                                   | -                       | 13,144                  |
| Aged Persons and Senior Citizens Funds Adjustment          | 12    | -                                   | (4,171,011)             | (875,631)               |
|  |       | <b>7,341,837</b>                    | <b>2,439,746</b>        | <b>4,897,406</b>        |
| <b>Amount attributable to operating activities</b>         |       | <b>(20,832,520)</b>                 | <b>(24,360,837)</b>     | <b>(18,230,663)</b>     |

**City of Vincent**  
**Rate Setting Statement**  
**For the year ended 30 June 2016**

|  | Note      | Original<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|--|-----------|-------------------------------------|-------------------------|-------------------------|
| <b>Investing Activities</b>                                    |           |                                     |                         |                         |
| Non-operating grants, subsidies and contributions              | 4         | 1,791,189                           | 1,384,622               | 1,000,136               |
| Cash Proceeds from Disposal of Assets                          | 9         | 4,662,151                           | 2,680,959               | 2,711,644               |
| Cash Proceeds from Sale of Land Held for Sale                  | 10(b)     | -                                   | 1,249,999               | 2,583,334               |
| Purchase of Property, Plant and Equipment                      | 18(b)     | (5,159,222)                         | (2,407,142)             | (2,060,503)             |
| Purchase and Construction of Infrastructure                    | 19(b)     | (7,498,125)                         | (5,595,750)             | (6,994,170)             |
| <b>Amount attributable to investing activities</b>             |           | <b>(6,204,007)</b>                  | <b>(2,687,312)</b>      | <b>(2,759,559)</b>      |
| <b>Financing Activities</b>                                    |           |                                     |                         |                         |
| Repayment of Borrowings  | 8(a)      | (760,288)                           | (760,288)               | (1,743,479)             |
| Transfer to Reserves   | 23        | (4,568,059)                         | (4,719,310)             | (4,708,891)             |
| Transfer from Reserves   | 23        | 2,391,223                           | 6,169,700               | 5,731,165               |
| <b>Amount attributable to financing activities</b>             |           | <b>(2,937,124)</b>                  | <b>690,102</b>          | <b>(721,205)</b>        |
| <b>Net Surplus/(Deficit) before Rates and Opening Funds</b>    |           | <b>(29,973,651)</b>                 | <b>(26,358,047)</b>     | <b>(21,711,427)</b>     |
| Add: Opening Funds (Net Current Asset at 1 July)               | 25        | 576,865                             | 1,007,891               | (4,758,710)             |
| <b>Net Surplus/(Deficit) before Rates</b>                      |           | <b>(29,396,786)</b>                 | <b>(25,350,156)</b>     | <b>(26,470,137)</b>     |
| Amount Sourced from Rates                                      | 3(a)      | 29,396,786                          | 29,601,379              | 27,478,028              |
| <b>Balance of Closing Funds (Net Current Asset at 30 June)</b> | <b>25</b> | <b>-</b>                            | <b>4,251,223</b>        | <b>1,007,891</b>        |

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

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**1. Significant Accounting Policies**

The significant policies which have been adopted in the preparation of these financial statements are:-

**(a) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the report has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of 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 a judgment, 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 judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

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

**Trust Funds**

Monies held in the Trust Fund, which Council holds in a custodian role, are excluded from the Financial Statements, but a separate Statement of those monies is disclosed in Note 29.

**(c) 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.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**1. Significant Accounting Policies (Continued)**

**(d) 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 of changes in value and bank overdrafts.

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

**(e) 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 may not be collectible.

**(f) Inventories**

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.

**(g) 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. 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 Council's intentions to release for sale.

**(h) Fixed Assets**

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

*Mandatory Requirement to Revalue Non-Current Assets*

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**1. Significant Accounting Policies (Continued)**

**(h) Fixed Assets (Continued)**

During the year ended 30 June 2013, the City commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the City revalues its asset classes in accordance with this mandatory timetable.

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

*Land Under Control*

In accordance with Local Government (Financial Management) Regulation 16(a), the Council 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.

Whilst they were initially recorded at cost, fair value at the date of acquisition was deemed cost as per AASB 116.

Consequently, these assets were initially recognised at cost but revalued along with other items of Land and Buildings at 30 June 2014.

*Initial Recognition and Measurement between Mandatory Revaluation Dates*

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.



**1. Significant Accounting Policies (Continued)**

**(h) Fixed Assets (Continued)**

*Revaluation*

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

*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 Council.

*Depreciation*

The depreciable amount of all fixed assets including buildings but excluding freehold 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 restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**1. Significant Accounting Policies (Continued)**

**(h) Fixed Assets (Continued)**

Major depreciation periods used for each class of depreciable asset are:

|                               |                       |
|-------------------------------|-----------------------|
| Buildings                     | 30 to 75 years        |
| Furniture and Equipment       | 3 to 40 years         |
| Plant and Equipment           | 2.5 to 35 years       |
| Sealed roads and streets      |                       |
| Subgrade Structure            | 1,000 to 10,000 years |
| Pavement Structure            | 20 to 120 years       |
| Surface Structure             | 20 to 120 years       |
| Footpaths                     | 13 to 113 years       |
| Surface Water Channels        | 50 years              |
| Drainage Systems              | 120 years             |
| Car Parks Infrastructure      |                       |
| Car Park Pavement             | 100 to 999 years      |
| Car Park Seals                | 30 to 50 years        |
| Car Park Other Infrastructure | 20 to 60 years        |
| Parks Infrastructure          |                       |
| Reticulation                  | 20 years              |
| Parks Other Infrastructure    | 3 to 80 years         |

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

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

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

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

*Intangible Assets*

**Easements**

The Council has determined that under AASB 138, easements are valued on an historical cost basis, because it is unlikely that an active market in easements exists to allow for fair value measurement. Due to acquisition of easements at NIL values, no easements have been included in the financial report.

*Capitalisation Threshold*

Expenditure on items of equipment under \$1,000 is not capitalised. Rather, it is recorded on an asset inventory listing.

**1. Significant Accounting Policies (Continued)**

**(i) Fair Value of Assets and Liabilities**

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council 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. 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 (i.e. the market with the greatest volume and level of activity for the asset) 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 sell it to another market participant that would use the asset in its highest and best use.

*Fair Value Hierarchy*

AASB 13 requires the disclosure of fair value information by 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 Council 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 Council are consistent with one or more of the following valuation approaches:

**1. Significant Accounting Policies (Continued)**

**(i) Fair Value of Assets and Liabilities (Continued)**

*Market approach*

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

*Income approach*

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

*Cost approach*

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

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 Council 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".

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

**(j) Financial Instruments**

**Initial recognition and measurement**

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

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

**Classification and subsequent measurement**

Financial assets are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

**1. Significant Accounting Policies (Continued)**

**(j) Financial Instruments (Continued)**

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the differences, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

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

The Council does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. Assets in this category are classified as current assets.

*(ii) Loans and Receivables*

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

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

**1. Significant Accounting Policies (Continued)**

**(j) Financial Instruments (Continued)**

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Council's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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

If during the period the Council sold or reclassified more than a significant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investments category would be tainted and reclassified as available-for-sale.

*(iv) Available for sale financial assets*

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

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

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

*(v) Financial Liabilities*

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

**1. Significant Accounting Policies (Continued)**

**(j) Financial Instruments (Continued)**

**Impairment**

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

**(k) Impairment of Assets**

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

Where such an indication exists, an impairment test is carried out on the assets 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 assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**1. Significant Accounting Policies (Continued)**

**(l) Trade and Other Payables**

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

**(m) Employee Benefits**

*Short-Term Employee Benefits*

Provision is made for the Council'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 annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council'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. The Council'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*

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council 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.

**(n) 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.

**(o) Provisions**

Provisions are recognised when the Council 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.



**1. Significant Accounting Policies (Continued)**

**(p) Leases**

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

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**(q) Investment in Associates**

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

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

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

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

**1. Significant Accounting Policies (Continued)**

**(r) Interest in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(q) for a description of the equity method of accounting.

The Council is participant with six other Councils (namely the Cities of Joondalup, Wanneroo, Stirling, Perth and the Towns of Cambridge and Victoria Park) in Mindarie Regional Council and Tamala Park Regional Council.

The Council's interest in Mindarie Regional Council and Tamala Park Regional Council is accounted for by applying the equity method of accounting in the financial report. Under this method of accounting interest in a joint controlled entity is initially recorded at cost and adjusted thereafter for the post acquisition change in the venturer's share of net assets of the jointly controlled entity.

For further details relating to the Interest in Joint Venture in the Mindarie Regional Council and the Tamala Park Regional Council refer to Note 10.

**(s) Rates, Grants, Donations and other Contributions**

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 25. The note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the Council's operations for the current reporting period.

**(t) Rounding Off Figures**

All figures shown in the financial report, other than a rate in the dollar, have been rounded off to the nearest dollar.

**(u) Superannuation**

The City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes, with the exception of the City of Perth Superannuation Plan, are accumulated benefit funds. The City of Perth Superannuation Plan is a defined benefit scheme. Further detail of these arrangements is provided in Note 26.

**1. Significant Accounting Policies (Continued)**

**(v) Current and Non-Current Classification**

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

**(w) Comparatives**

Comparative figures are, where appropriate, reclassified as to be comparable with the figures presented for the current financial year.

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

**(x) Budget Comparative Figures**

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the revised budget for the relevant item of the disclosure except the rate setting statement and statement of rating information Note 3(a) where the original budget is used.

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

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

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

- (i) *AASB 9 – Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)*  
Issued/Compiled December 2014  
Applicable 1 January 2018  
Impact Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
- (ii) *AASB 2010-7 – Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*  
*[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]*  
Issued/Complied September 2012  
Applicable 1 January 2018  
Impact Nil – The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer (i) above).

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**1. Significant Accounting Policies (Continued)**

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

*(iii) AASB 15 – Revenue from Contracts with Customers*

Issued/Compiled December 2014

Applicable 1 January 2019

Impact 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 upon the nature of future transactions the Council has with those third parties it has dealings with. It may or may not be significant.

*(iv) AASB 2013-9 – Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*

Issued/Compiled December 2013

Applicable 1 January 2015 (Part C – Financial Instruments)

Impact Part C of this Standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.

As the bulk of changes related either to editorial or reference changes it is not expected to have a significant impact on the Council.

*(v) AASB 2014-3 – Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & 11]*

Issued/Compiled August 2014

Applicable 1 January 2016

Impact This Standard amends AASB 11: *Joint Arrangements* to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: *Business Combinations*, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Council's financial statements.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**1. Significant Accounting Policies (Continued)**

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

(vi) *AASB 2014-4 – Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]*

Issued/Compiled August 2014

Applicable 1 January 2016

Impact This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortization as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

Given the Council currently uses the expected pattern of consumption of the future economic benefits of an asset as the basis of calculation of depreciation, it is not expected to have a significant impact.

(vii) *AASB 2014-5 – Amendments to Australian Accounting Standards arising from AASB 15*

Issued/Compiled December 2014

Applicable 1 January 2017

Impact Consequential changes to various Standards arising from the issuance of AASB 15.

It will require changes to reflect the impact of AASB 15.

(viii) *AASB 2015-2 – Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]*

Issued/Compiled January 2015

Applicable 1 January 2016

Impact This standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements.

This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title.

It is not anticipated it will have any significant impact on disclosures.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**1. Significant Accounting Policies (Continued)**

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

(ix) *AASB 2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities*

*[AASB 10, 124 & 1049]*

Issued/Compiled March 2015

Applicable 1 July 2016

Impact The objective of this Standard is to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit public sector entities.

This Standard is expected to have a significant disclosure impact on the financial report of the Council as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

**(z) Adoption of New and Revised Accounting Standards**

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

These new and revised standards were:

(i) *AASB 2015-3 – Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality*

(ii) *AASB 2015-7 – Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities and which were applicable to its operations*

## **2. Component Functions/Activities**

In order to discharge its responsibilities to the community, the City has developed a Purpose, Vision, Guiding Values and operational and financial Strategic Objectives. These provide a framework for the strategic direction of the City of Vincent.

### **Purpose**

To provide and facilitate services for a safe, healthy and sustainable community.

### **Vision**

A sustainable and caring community built with vibrancy and diversity.

### **Guiding Values**

The guiding values of City of Vincent are those that describe how we want to operate, and all employees are strongly encouraged to align and work to these values.

- **Excellence and Service**  
We aim to pursue and deliver the highest possible standard of service and professionalism to the Vincent community.
- **Honesty and Integrity**  
We are honest, fair, consistent, accountable, open and transparent in our dealings with each other and are committed to building trust and mutual respect.
- **Caring and Empathy**  
We are committed to the wellbeing and needs of our employees and community and value each others' views and contributions.
- **Innovation and Diversity**  
We encourage creativity, innovation and initiative to realise the vibrancy and diversity of our vision.
- **Teamwork and Commitment**  
Effective teamwork is vital to our organisation and we encourage co-operation, teamwork and commitment within and between our employees and our business partners and community.

### **Strategic Objectives**

- **Natural and Built Environment:** Improve and maintain the natural and built environment and infrastructure.
- **Economic Development:** Progress economic development with adequate financial resources.
- **Community Development and Wellbeing:** Enhance and promote community development and wellbeing.
- **Leadership, Governance and Management:** Provide good strategic decision-making, governance, leadership and professional management; provide a safe, positive and desirable workplace and promote and implement Knowledge Management and Technology.

## **2. Component Functions/Activities (Continued)**

The Operating Statements are presented in a programme format using the following classifications:-

### **Governance**

This schedule details costs and revenues associated with Governance of the City. These include Members of Council and other costs involved in supporting members and governing the City.

### **General Purpose Funding**

This schedule records detail of rate revenue and general purpose grants allocated by the WA Local Government Grants Commission as well as expenditures associated with this (rates collection, investment of funds).

### **Law, Order and Public Safety**

This programme covers costs associated with Animal Control, Fire Prevention and other Law, Order and Public Safety services generally associated with Local Law control.

### **Health**

This programme covers Health Administration and Inspection, Child Health Clinics, Immunisation Clinics, Food Control and Pest Control Services.

### **Education and Welfare**

The major costs here relate to staff involved in coordinating welfare, disability and youth services and donations to various community welfare groups serving the City. Costs of maintaining pre-school premises are also included.

### **Community Amenities**

This programme covers activities of household refuse and recycling, other sanitation including public litter bins and bulk rubbish collections, as well as town planning and regional development administration, protection of the environment and bus shelters and street furniture.

### **Recreation and Culture**

This programme covers activities associated with public halls, recreation administration, sportsgrounds, parks and reserves, Beatty Park Leisure Centre, Vincent Library and cultural activities.

### **Transport**

The principal operating areas here relate to maintenance of footpaths, drains, street cleaning, verges and medians, roads and kerbs, rights of way, crossovers, street trees and road reserves. Parking control and operation of car parks is also covered.

### **Economic Services**

This programme covers costs associated with building control and area promotion.

### **Other Property and Services**

This programme is principally a clearing area where costs associated with public works overheads are accumulated and then subsequently dispersed to other expense areas. Other activities include general administration overheads, plant operation costs, insurance claims and properties held for civic purposes.



**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**3. Rating Information**

**(a) Rates**

|  | Rateable<br>Value<br>\$ | Rate<br>in<br>Dollar<br>Cents | Original<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|--|-------------------------|-------------------------------|-------------------------------------|-------------------------|-------------------------|
| <b>Rate Revenue Assessments</b>        |                         |                               |                                     |                         |                         |
| General Rate                           |                         |                               |                                     |                         |                         |
| 13,744 Residential                     | 322,219,510             | 5.951                         | 19,175,285                          | 19,175,285              | 26,148,082              |
| 1,640 Other                            | 122,947,656             | 6.281                         | 7,722,342                           | 7,722,343               | -                       |
| 45 Vacant Other                        | 2,999,250               | 11.578                        | 347,253                             | 347,253                 | 418,643                 |
| Minimum Rate                           |                         |                               |                                     |                         |                         |
| 2,052 Residential                      | 25,956,236              | @ 907                         | 1,861,164                           | 1,861,164               | 639,835                 |
| 70 Other                               | 656,110                 | @ 907                         | 63,490                              | 63,490                  | -                       |
| 3 Vacant Other                         | 23,603                  | @ 1,414                       | 4,242                               | 4,242                   | 2,828                   |
| Interim Rates                          | 9,418,071               |                               | 220,000                             | 416,286                 | 230,445                 |
| Back Rates                             | 1,252,390               |                               | 3,010                               | 11,316                  | 2,763                   |
| <b>Total General Rates Levied</b>      |                         |                               | <b>29,396,786</b>                   | <b>29,601,379</b>       | <b>27,442,596</b>       |
| Ex Gratia – Levied                     |                         |                               | -                                   | -                       | 35,492                  |
| Ex Gratia – Interim                    |                         |                               | -                                   | -                       | (60)                    |
| <b>Total Amount Made Up From Rates</b> |                         |                               | <b>29,396,786</b>                   | <b>29,601,379</b>       | <b>27,478,028</b>       |

**(b) Interest Charges, instalments and write offs**

|   | Revised<br>Budget<br>2015/16<br>\$ | Actual<br>2015/16<br>\$ | Actual<br>2014/15<br>\$ |
|---|------------------------------------|-------------------------|-------------------------|
| Instalment Interest @ 5.5%                | 167,000                            | 178,283                 | 167,463                 |
| Penalty Interest @ 11%                    | 76,000                             | 95,025                  | 72,917                  |
| Administration Charge \$12 per instalment | 190,000                            | 204,876                 | 191,034                 |
| Legal Costs Recovered                     | 20,000                             | 24,492                  | 25,764                  |
| Other Reimbursements                      | 200                                | 678                     | 455                     |
| Interest Write Off                        | (500)                              | -                       | -                       |
|   | <b>452,700</b>                     | <b>503,354</b>          | <b>457,633</b>          |

Ratepayers had the option of paying rates in four equal instalments. These were due on

- 1 31 August 2015
- 2 2 November 2015
- 3 5 January 2016
- 4 8 March 2016

Administration charges and interest applied for the final three instalments.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**4. Grants and Contributions**

|  | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|--|---------------------------|---------------------------|
|  | <b>\$</b>                 | <b>\$</b>                 |
| <b>By Nature and Type</b>                |                           |                           |
| Grants and Contributions - Operating     | 966,658                   | 2,138,565                 |
| Grants and Contributions - Non Operating | 1,384,622                 | 1,000,136                 |
|  | <b>2,351,280</b>          | <b>3,138,701</b>          |

|  | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|--|---------------------------|---------------------------|
|  | <b>\$</b>                 | <b>\$</b>                 |

**By Programme**

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| General Purpose Funding     | 533,425          | 1,705,851        |
| Governance                  | 379              | 926              |
| Law Order and Public Safety | 10,017           | 44,582           |
| Health                      | 2,114            | 1,997            |
| Education and Welfare       | 18,027           | 2,851            |
| Community Amenities         | 242,356          | 254,381          |
| Recreation and Culture      | 196,595          | 112,711          |
| Economic                    | 1,854            | 2,208            |
| Transport                   | 1,320,865        | 979,116          |
| Other Property and Services | 25,648           | 34,078           |
|                             | <b>2,351,280</b> | <b>3,138,701</b> |

**5. Fees and Charges by Programme**

|                             | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|-----------------------------|---------------------------|---------------------------|
|                             | <b>\$</b>                 | <b>\$</b>                 |
| General Purpose Funding     | 362,713                   | 340,750                   |
| Governance                  | 3,063                     | 4,058                     |
| Law Order and Public Safety | 198,976                   | 246,359                   |
| Health                      | 465,906                   | 394,020                   |
| Education and Welfare       | 102,575                   | 128,741                   |
| Community Amenities         | 978,126                   | 1,155,630                 |
| Recreation and Culture      | 9,505,004                 | 9,513,855                 |
| Transport                   | 7,298,326                 | 7,382,700                 |
| Economic Services           | 306,033                   | 352,381                   |
| Other Property and Services | 64,857                    | 136,174                   |
|                             | <b>19,285,579</b>         | <b>19,654,668</b>         |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**6. Revenue**

**Interest Earnings**

|                        | <b>Revised<br/>Budget<br/>2015/16</b> | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|------------------------|---------------------------------------|---------------------------|---------------------------|
|                        | <b>\$</b>                             | <b>\$</b>                 | <b>\$</b>                 |
| Reserve Investments    | 258,624                               | 294,082                   | 258,852                   |
| Municipal Investments  | 390,461                               | 518,179                   | 388,534                   |
| Other interest revenue | 271,560                               | 294,461                   | 260,533                   |
|                        | <b>920,645</b>                        | <b>1,106,722</b>          | <b>907,919</b>            |

**7. Expenses**

**(a) Remuneration of Auditors**

|                               | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|-------------------------------|---------------------------|---------------------------|
|                               | <b>\$</b>                 | <b>\$</b>                 |
| Auditing the Financial Report | 24,800                    | 22,560                    |
| Audit of Project Acquittals   | 1,200                     | 1,200                     |
|                               | <b>26,000</b>             | <b>23,760</b>             |

**(b) Depreciation**

Depreciation expense for the financial year was charged in respect of:

|                                | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|--------------------------------|---------------------------|---------------------------|
|                                | <b>\$</b>                 | <b>\$</b>                 |
| Buildings                      | 4,267,032                 | 4,415,818                 |
| Roads                          | 1,743,694                 | 2,795,573                 |
| Footpaths                      | 501,473                   | 164,253                   |
| Rights of Way                  | 119,676                   | 278,425                   |
| Drainage                       | 231,912                   | 315,656                   |
| Parks Development              | 1,083,154                 | 941,138                   |
| Car Park Development           | 165,420                   | 240,490                   |
| Other Infrastructure Assets    | 456,721                   | 669,834                   |
| Plant and Mobile Equipment     | 1,384,061                 | 1,262,316                 |
| Office Furniture and Equipment | 136,696                   | 131,048                   |
|                                | <b>10,089,839</b>         | <b>11,214,551</b>         |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**8. Information on Borrowings**

**(a) Repayments – Debentures**

| Particulars                   | Principal<br>1 July 2015 | New Loans | Principal<br>Repayments |                | Principal<br>30 June 2016 |                   | Interest<br>Repayments |                  |
|-------------------------------|--------------------------|-----------|-------------------------|----------------|---------------------------|-------------------|------------------------|------------------|
|                               | \$                       | \$        | Actual<br>\$            | Budget<br>\$   | Actual<br>\$              | Budget<br>\$      | Actual<br>\$           | Budget<br>\$     |
| <b>Recreation and Culture</b> |                          |           |                         |                |                           |                   |                        |                  |
| Office Building               | 6,097,498                | -         | 146,500                 | 146,500        | 5,950,998                 | 5,950,998         | 426,427                | 426,380          |
| Loftus Centre Belgravia       | 2,233,420                | -         | 127,024                 | 127,024        | 2,106,396                 | 2,106,396         | 152,378                | 152,745          |
| Loftus Centre UG Carpark      | 1,677,254                | -         | 207,235                 | 207,235        | 1,470,019                 | 1,470,019         | 70,930                 | 71,325           |
| Beatty Park Redevelopment     | 7,348,938                | -         | 279,529                 | 279,529        | 7,069,409                 | 7,069,409         | 443,585                | 445,830          |
|                               | <b>17,357,110</b>        | -         | <b>760,288</b>          | <b>760,288</b> | <b>16,596,822</b>         | <b>16,596,822</b> | <b>1,093,320</b>       | <b>1,096,280</b> |

(\*) Self supporting loan financed by payments from third parties.  
All other loan repayments were financed by general purpose revenue.

**(b) New Debentures – 2015/16**

| Particulars/Purpose | Amount Borrowed |              | Institution | Loan<br>Type | Term<br>(Years) | Total Interest and<br>Charges<br>\$ | Amount Used  |              | Balance<br>Unspent<br>\$ |
|---------------------|-----------------|--------------|-------------|--------------|-----------------|-------------------------------------|--------------|--------------|--------------------------|
|                     | Actual<br>\$    | Budget<br>\$ |             |              |                 |                                     | Actual<br>\$ | Budget<br>\$ |                          |
|                     | -               | -            |             |              |                 | -                                   | -            | -            | -                        |
|                     | -               | -            |             |              |                 | -                                   | -            | -            | -                        |

The City did not take up any new debentures during the year ended 30 June 2016.

**(c) Unspent Debentures**

| Particulars | Date Borrowed | Balance<br>1 July 2015 | Borrowed During<br>Year | Expended<br>During Year | Balance<br>30 June 2016 |
|-------------|---------------|------------------------|-------------------------|-------------------------|-------------------------|
|             |               | -                      | -                       | -                       | -                       |
|             |               | -                      | -                       | -                       | -                       |

The City did not have any unspent debentures as at 30 June 2016.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**9. Disposal of assets – 2015/16 Financial Year**

|                              | Net Book Value |                | Sale Price       |                  | Profit / (Loss)  |                  |
|------------------------------|----------------|----------------|------------------|------------------|------------------|------------------|
|                              | Budget<br>\$   | Actual<br>\$   | Budget<br>\$     | Actual<br>\$     | Budget<br>\$     | Actual<br>\$     |
| <b>Land</b>                  |                |                |                  |                  |                  |                  |
| Transport                    | 660,000        | 660,000        | 1,187,264        | 1,300,909        | 527,264          | 640,909          |
|                              | 660,000        | 660,000        | 1,187,264        | 1,300,909        | 527,264          | 640,909          |
|                              |                |                |                  |                  |                  |                  |
| <b>Buildings</b>             |                |                |                  |                  |                  |                  |
| Transport                    | 75,645         | 75,231         | 1,376,554        | 1,263,065        | 1,300,909        | 1,187,834        |
|                              | 75,645         | 75,231         | 1,376,554        | 1,263,065        | 1,300,909        | 1,187,834        |
|                              |                |                |                  |                  |                  |                  |
| <b>Plant and Equipment</b>   |                |                |                  |                  |                  |                  |
| Law, Order and Public Safety | 3,838          | 19,835         | 13,000           | 24,637           | 9,162            | 4,802            |
| Health                       | 5,347          | 4,565          | 8,000            | 7,405            | 2,653            | 2,840            |
| Community Amenities          | 19,940         | -              | 19,000           | -                | (940)            | -                |
| Recreation and Culture       | 14,251         | 7,787          | 17,500           | 8,132            | 3,249            | 345              |
| Other Property and Services  | 116,412        | 61,244         | 207,500          | 76,811           | 91,088           | 15,567           |
|                              | 159,788        | 93,431         | 265,000          | 116,985          | 105,212          | 23,554           |
|                              | <b>895,433</b> | <b>828,662</b> | <b>2,828,818</b> | <b>2,680,959</b> | <b>1,933,385</b> | <b>1,852,297</b> |

|        | Budget<br>\$     | Actual<br>\$     |
|--------|------------------|------------------|
| Profit | 1,936,704        | 1,852,654        |
| Loss   | (3,319)          | (357)            |
|        | <b>1,933,385</b> | <b>1,852,297</b> |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**10. Interests in Joint Ventures**

**(a) Mindarie Regional Council**

The Mindarie Regional Council was formally constituted in December 1987. The City of Vincent (along with the Cities of Perth, Wanneroo, Joondalup, Stirling and Towns of Victoria Park and Cambridge) is a member of the Mindarie Regional Council. The primary function of the Regional Council under the constitution agreement is for the orderly and efficient treatment and/or disposal of waste. City of Vincent is a participant in the Mindarie Regional Council (MRC) and has one twelfth (1/12) equity in the land and assets of the refuse disposal facility as per the constitution amendment (dated 25 November 1996) that recognises the City as a member of the Mindarie Regional Council.

The valuation as shown below is, at the time of preparation of these statements, unaudited.

|                          | <b>2015/16</b>   | <b>2014/15</b>   |
|--------------------------|------------------|------------------|
|                          | <b>\$</b>        | <b>\$</b>        |
| Current Assets           | 2,380,325        | 2,480,209        |
| Non-Current Assets       | 5,282,218        | 5,541,279        |
| <b>Total Assets</b>      | <b>7,662,543</b> | <b>8,021,488</b> |
| Current Liabilities      | 888,293          | 1,130,550        |
| Non-Current Liabilities  | 1,355,734        | 1,738,449        |
| <b>Total Liabilities</b> | <b>2,244,027</b> | <b>2,868,999</b> |
| <b>Net Assets</b>        | <b>5,418,516</b> | <b>5,152,489</b> |

**(b) Tamala Park Regional Council**

The City is a participant (along with the Cities of Joondalup, Perth, Stirling, Wanneroo and the Towns of Cambridge and Victoria Park) in the operations of the Tamala Park Regional Council (TPRC). The TPRC was created in 2006 to develop approximately 173 hectares of land for sale immediately north of the land leased by the Mindarie Regional Council. The City has a one twelfth (1/12) equity in the assets and liabilities of the development; as well as a one twelfth (1/12) equity in the assets and liabilities of TPRC as the operator of the development; and a one twelfth (1/12) share in the asset of the lands held for development.

The City's interest in the TPRC joint venture is represented by the following break-down of the joint venture's financial position (1/12<sup>th</sup> share):

|   | <b>2015/16</b>   | <b>2014/15</b>   |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Current Assets                          | 3,961,705        | 3,870,810        |
| Non-Current Assets                      | 160,947          | 164,177          |
| <b>Total Assets</b>                     | <b>4,122,652</b> | <b>4,034,987</b> |
| Current Liabilities                     | 16,217           | 24,554           |
| Non - Current Liabilities               | 4,721            | 2,578            |
| <b>Total Liabilities</b>                | <b>20,938</b>    | <b>27,132</b>    |
| <b>Net Assets</b>                       | <b>4,101,714</b> | <b>4,007,855</b> |
| <b>Total Interest in Joint Ventures</b> | <b>9,520,230</b> | <b>9,160,344</b> |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**10. Interests in Joint Ventures (Continued)**

**(b) Tamala Park Regional Council (Continued)**

During the 2015-16 financial year, the City's share of the profit from the development and the operator was \$1,340,990, made up of:

|  | <b>2015/16</b>    | <b>2014/15</b>    |
|--|-------------------|-------------------|
|  | <b>\$</b>         | <b>\$</b>         |
| Proceeds from Sale of Land   | 3,211,695         | 5,006,422         |
| Land Development Expenses  | (1,883,556)       | (1,957,706)       |
| Rates  | (25,838)          | (35,214)          |
| Cost of Land Developed   | (2,868)           | (23,712)          |
| <b>Profit/(Loss) on Sale of Land Assets (TPRC)</b>                 | <b>1,299,433</b>  | <b>2,989,790</b>  |
| <br><b>Net Share of Interests in TPRC (Joint Venture Operator)</b> | <br><b>41,557</b> | <br><b>42,139</b> |

Of the above profit, \$1,249,999 was received in cash and the balance of \$90,991 is represented as a change in the City's following two assets:

|                                | <b>Note</b> | <b>2015/16</b> | <b>2014/15</b> |
|--------------------------------|-------------|----------------|----------------|
|                                |             | <b>\$</b>      | <b>\$</b>      |
| <b>Non-Current Assets</b>      |             |                |                |
| Land Held for Development      | 16          | 108,145        | 111,013        |
| Interest in TPRC Joint-Venture |             | 4,101,714      | 4,007,855      |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**11. Revaluation Surplus**

Revaluation surplus have arisen on revaluation of the following classes of non-current assets:

|                                | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--------------------------------|----------------------------------|----------------------------------|
| <b>Land</b>                    |                                  |                                  |
| Opening Balance                | 52,158,356                       | 52,158,356                       |
| Revaluation Increment          | -                                | -                                |
| Revaluation Decrement          | -                                | -                                |
| Closing Balance                | <b>52,158,356</b>                | <b>52,158,356</b>                |
| <b>Buildings</b>               |                                  |                                  |
| Opening Balance                | 29,302,080                       | 29,547,080                       |
| Revaluation Increment          | -                                | -                                |
| Revaluation Decrement          | -                                | (245,000)                        |
| Closing Balance                | <b>29,302,080</b>                | <b>29,302,080</b>                |
| <b>Plant and Equipment</b>     |                                  |                                  |
| Opening Balance                | 1,300,727                        | 1,300,727                        |
| Revaluation Increment          | 812,608                          | -                                |
| Revaluation Decrement          | -                                | -                                |
| Closing Balance                | <b>2,113,335</b>                 | <b>1,300,727</b>                 |
| <b>Furniture and Equipment</b> |                                  |                                  |
| Opening Balance                | 160,080                          | 160,080                          |
| Revaluation Increment          | 46,529                           | -                                |
| Revaluation Decrement          | -                                | -                                |
| Closing Balance                | <b>206,609</b>                   | <b>160,080</b>                   |
| <b>Roads</b>                   |                                  |                                  |
| Opening Balance                | 28,483,439                       | 4,855,300                        |
| Revaluation Increment          | -                                | 23,628,139                       |
| Revaluation Decrement          | -                                | -                                |
| Closing Balance                | <b>28,483,439</b>                | <b>28,483,439</b>                |
| <b>Footpaths</b>               |                                  |                                  |
| Opening Balance                | 15,706,778                       | 7,545,707                        |
| Revaluation Increment          | -                                | 8,161,071                        |
| Revaluation Decrement          | -                                | -                                |
| Closing Balance                | <b>15,706,778</b>                | <b>15,706,778</b>                |
| <b>Rights of Way</b>           |                                  |                                  |
| Opening Balance                | -                                | 717,810                          |
| Revaluation Increment          | -                                | -                                |
| Revaluation Decrement          | -                                | (717,810)                        |
| Closing Balance                | -                                | -                                |



**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**11. Revaluation Surplus (Continued)**

|  | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--|----------------------------------|----------------------------------|
| <b>Drainage</b>                                      |                                  |                                  |
| Opening Balance                                      | 3,091,488                        | -                                |
| Revaluation Increment                                | -                                | 3,091,488                        |
| Revaluation Decrement                                | -                                | -                                |
| Closing Balance                                      | <b>3,091,488</b>                 | <b>3,091,488</b>                 |
| <b>Parks Development</b>                             |                                  |                                  |
| Opening Balance                                      | 291,121                          | -                                |
| Revaluation Increment                                | -                                | 291,121                          |
| Revaluation Decrement                                | -                                | -                                |
| Closing Balance                                      | <b>291,121</b>                   | <b>291,121</b>                   |
| <b>Car Park Development</b>                          |                                  |                                  |
| Opening Balance                                      | 777,725                          | -                                |
| Revaluation Increment                                | -                                | 777,725                          |
| Revaluation Decrement                                | -                                | -                                |
| Closing Balance                                      | <b>777,725</b>                   | <b>777,725</b>                   |
| <b>Other Infrastructure Assets</b>                   |                                  |                                  |
| Opening Balance                                      | -                                | -                                |
| Revaluation Increment                                | 351,346                          | -                                |
| Revaluation Decrement                                | -                                | -                                |
| Closing Balance                                      | <b>351,346</b>                   | -                                |
| <b>Joint Venture in Mindarie Regional Council</b>    |                                  |                                  |
| Opening Balance                                      | -                                | -                                |
| Revaluation Increment                                | 2,458,319                        | -                                |
| Revaluation Decrement                                | -                                | -                                |
| Closing Balance                                      | <b>2,458,319</b>                 | -                                |
| <b>Joint Venture in Tamala Park Regional Council</b> |                                  |                                  |
| Opening Balance                                      | -                                | -                                |
| Revaluation Increment                                | 529                              | -                                |
| Revaluation Decrement                                | -                                | -                                |
| Closing Balance                                      | <b>529</b>                       | -                                |
| <b>Total Revaluation Surplus</b>                     | <b>134,941,125</b>               | <b>131,271,794</b>               |
| <b>Summary of Revaluation Surplus</b>                |                                  |                                  |
| Opening Balance                                      | 131,271,794                      | 96,285,060                       |
| Revaluation Increment                                | 3,669,331                        | 35,949,544                       |
| Revaluation Decrement                                | -                                | (962,810)                        |
| Closing Balance                                      | <b>134,941,125</b>               | <b>131,271,794</b>               |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**12. Cash and Cash Equivalents**

|              | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--------------|----------------------------------|----------------------------------|
| Unrestricted | 10,278,101                       | 5,905,820                        |
| Restricted   | 6,221,415                        | 8,547,436                        |
|              | <b>16,499,516</b>                | <b>14,453,256</b>                |

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

|   | <b>Note</b> | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|---|-------------|----------------------------------|----------------------------------|
| Reserves                                | 23          | 6,221,415                        | 7,671,805                        |
| Unspent Grants                          | 26          | -                                | -                                |
| Unspent Loans                           | 8(c)        | -                                | -                                |
| Aged Persons and Senior Citizens Funds* |             | -                                | 875,631                          |
|   |             | <b>6,221,415</b>                 | <b>8,547,436</b>                 |

\* Restricted by a Trust obligation.

**13. Other Assets**

|                          | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--------------------------|----------------------------------|----------------------------------|
| <b>Current</b>           |                                  |                                  |
| Deposits and prepayments | 134,554                          | 28,550                           |
|                          | <b>134,554</b>                   | <b>28,550</b>                    |

**14. Trade and Other Receivables**

|   | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|---|----------------------------------|----------------------------------|
| <b>Current</b>                                |                                  |                                  |
| Rates   | 271,891                          | 174,134                          |
| Works and Services                            | 219,188                          | 165,485                          |
| Property Rental/Leases                        | 142,387                          | 114,435                          |
| Other Receivables                             | 568,360                          | 640,429                          |
| Accrued Income                                | 475,703                          | 628,868                          |
| Infringements                                 | 2,312,925                        | 2,142,019                        |
| Less: Provision for Impairment of Receivables | (253,661)                        | (126,827)                        |
|   | <b>3,736,793</b>                 | <b>3,738,543</b>                 |
| <b>Non-Current</b>                            |                                  |                                  |
| Pensioners' Rates Deferred                    | 165,336                          | 163,300                          |
|   | <b>165,336</b>                   | <b>163,300</b>                   |

**Pensioners' Rates Deferred**

The amount of \$165,336 in 2015/16 relates to Council Rates deferred by pensioners in accordance with the Rates and Charges (Rebates and Deferments) Act 1992. During the 2014/15 year the deferred rates amounted to \$163,300.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**15. Inventories**

|  | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|--|---------------------------|---------------------------|
|  | <b>\$</b>                 | <b>\$</b>                 |
| Stock held at the Depot                  | 120,372                   | 131,466                   |
| Beatty Park Leisure Centre – Café/Retail | 49,689                    | 67,377                    |
|  | <b>170,061</b>            | <b>198,843</b>            |

**16. Land Held For Development**

|                                  | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|----------------------------------|---------------------------|---------------------------|
|                                  | <b>\$</b>                 | <b>\$</b>                 |
| <b>Non-Current</b>               |                           |                           |
| Land Held for Development (TPRC) | 108,145                   | 111,013                   |
|                                  | <b>108,145</b>            | <b>111,013</b>            |

**17. Financial Assets**

|   | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|---|---------------------------|---------------------------|
|   | <b>\$</b>                 | <b>\$</b>                 |
| <b>Non-Current</b>  |                           |                           |
| Financial Assets  |                           |                           |
| Shares in Unlisted Corporation – North Perth Community Financial Services Limited | 11,000                    | 11,000                    |
| Investment in WALGA Local Government House Trust*                                 | 31,635                    | 35,777                    |
|   | <b>42,635</b>             | <b>46,777</b>             |

**\* Investment in WALGA Local Government House Trust**

This note discloses the equity the City has in the Local Government House Trust as a consequence of a contribution towards the cost of purchasing Local Government House.

The total contribution by all Councils towards the cost of the WALGA building was \$582,000. There are 620 units in the Local Government House Unit Trust, 2 of which are held by the City of Vincent.

The City first capitalised its share in the Local Government House Trust in 2015, with the current valuation based on the trust's 30 June 2015 audited financial statements.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**18. (a) Property, Plant and Equipment**

|   | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|---|----------------------------------|----------------------------------|
| Land and Buildings                                      |                                  |                                  |
| Freehold Land at:                                       |                                  |                                  |
| - Independent Valuation 2014                            | 41,915,327                       | 42,575,327                       |
|   | 41,915,327                       | 42,575,327                       |
| Land Vested in and Under the Control of the Council at: |                                  |                                  |
| - Independent Valuation 2014                            | 12,930,000                       | 12,930,000                       |
|   | 12,930,000                       | 12,930,000                       |
|   | <b>54,845,327</b>                | <b>55,505,327</b>                |
| Non-Specialised Buildings at:                           |                                  |                                  |
| - Independent Valuation 2014                            | 4,613,873                        | 4,613,873                        |
| - Additions after Valuation – Cost                      | -                                | -                                |
| Less Accumulated Depreciation                           | (2,440,771)                      | (2,325,619)                      |
|   | 2,173,102                        | 2,288,254                        |
| Specialised Buildings at:                               |                                  |                                  |
| - Independent Valuation 2014                            | 145,559,812                      | 145,559,812                      |
| - Additions after Valuation – Cost                      | 1,801,555                        | 771,096                          |
| Less Accumulated Depreciation                           | (72,618,248)                     | (68,620,273)                     |
|   | 74,743,119                       | 77,710,635                       |
|   | <b>76,916,221</b>                | <b>79,998,889</b>                |
| <b>Total Land and Buildings</b>                         | <b>131,761,548</b>               | <b>135,504,216</b>               |
| Plant and Equipment at:                                 |                                  |                                  |
| - Management Valuation                                  | 10,431,491                       | 11,277,961                       |
| Less Accumulated Depreciation                           | (6,223,941)                      | (6,752,732)                      |
|   | 4,207,550                        | 4,525,229                        |
| Office Furniture and Equipment at:                      |                                  |                                  |
| - Management Valuation                                  | 3,313,736                        | 3,269,006                        |
| Less Accumulated Depreciation                           | (2,501,402)                      | (2,644,107)                      |
|   | 812,334                          | 624,899                          |
| Work In Progress  | 910,484                          | 387,744                          |
| <b>Total Property, Plant and Equipment Assets</b>       | <b>137,691,916</b>               | <b>141,042,088</b>               |

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown at cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
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**18. 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.

|  | Balance<br>at the<br>Beginning<br>of the Year<br>\$ | Additions<br>\$  | (Disposals)<br>\$ | Revaluation<br>Increments/<br>(Decrements)<br>\$ | Impairment<br>(Losses)/<br>Reversals<br>\$ | Depreciation<br>(Expense)<br>\$ | Transfers<br>\$ | Carrying<br>Amount<br>At the<br>End of Year<br>\$ |
|--|---|------------------|-------------------|--|--|---------------------------------|-----------------|---|
| Freehold Land  | 42,575,327  | -                | (660,000)         | -  | -  | -                               | -               | 41,915,327  |
| Land Vested in and Under the<br>Control of the Council | 12,930,000  | -                | -                 | -  | -  | -                               | -               | 12,930,000  |
| <b>Total Land</b>                                      | <b>55,505,327</b>                                   | <b>-</b>         | <b>(660,000)</b>  | <b>-</b>   | <b>-</b>                                   | <b>-</b>                        | <b>-</b>        | <b>54,845,327</b>                                 |
| Non-Specialised Buildings                              | 2,288,254   | -                | -                 | -  | -  | (115,152)                       | -               | 2,173,102   |
| Specialised Buildings                                  | 77,710,635  | 1,069,196        | (75,231)          | -  | -  | (4,151,880)                     | 190,399         | 74,743,119  |
| <b>Total Buildings</b>                                 | <b>79,998,889</b>                                   | <b>1,069,196</b> | <b>(75,231)</b>   | <b>-</b>   | <b>-</b>                                   | <b>(4,267,032)</b>              | <b>190,399</b>  | <b>76,916,221</b>                                 |
| <b>Total Land and Buildings</b>                        | <b>135,504,216</b>                                  | <b>1,069,196</b> | <b>(735,231)</b>  | <b>-</b>   | <b>-</b>                                   | <b>(4,267,032)</b>              | <b>190,399</b>  | <b>131,761,548</b>                                |
| Plant and Equipment                                    | 4,525,229   | 347,205          | (93,431)          | 812,608  | -  | (1,384,061)                     | -               | 4,207,550   |
| Furniture and Equipment                                | 624,899   | 277,602          | -                 | 46,529   | -  | (136,696)                       | -               | 812,334   |
| Work In Progress                                       | 387,744   | 713,139          | -                 | -  | -  | -                               | (190,399)       | 910,484   |
| <b>Total Property, Plant and<br/>Equipment Assets</b>  | <b>141,042,088</b>                                  | <b>2,407,142</b> | <b>(828,662)</b>  | <b>859,137</b>                                   | <b>-</b>                                   | <b>(5,787,789)</b>              | <b>-</b>        | <b>137,691,916</b>                                |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**19. (a) Infrastructure Assets**

|                                    | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|------------------------------------|----------------------------------|----------------------------------|
| Roads                              |                                  |                                  |
| - Management Valuation 2015        | 105,955,896                      | 105,955,896                      |
| - Cost                             | 2,850,445                        | -                                |
| Less Accumulated Depreciation      | <u>(52,602,705)</u>              | <u>(50,859,011)</u>              |
|                                    | 56,203,636                       | 55,096,885                       |
| Footpaths                          |                                  |                                  |
| - Management Valuation 2015        | 33,473,683                       | 33,473,683                       |
| - Cost                             | 1,622,680                        | -                                |
| Less Accumulated Depreciation      | <u>(13,954,616)</u>              | <u>(13,453,143)</u>              |
|                                    | 21,141,747                       | 20,020,540                       |
| Rights of Way                      |                                  |                                  |
| - Management Valuation 2015        | 8,785,076                        | 8,785,076                        |
| - Cost                             | 237,001                          | -                                |
| Less Accumulated Depreciation      | <u>(5,778,746)</u>               | <u>(5,659,070)</u>               |
|                                    | 3,243,331                        | 3,126,006                        |
| Drainage                           |                                  |                                  |
| - Management Valuation 2015        | 27,737,396                       | 27,737,396                       |
| - Cost                             | 135,080                          | -                                |
| Less Accumulated Depreciation      | <u>(10,564,699)</u>              | <u>(10,332,787)</u>              |
|                                    | 17,307,777                       | 17,404,609                       |
| Park Development                   |                                  |                                  |
| - Management Valuation 2015        | 19,243,268                       | 19,243,268                       |
| - Cost                             | 1,036,433                        | -                                |
| Less Accumulated Depreciation      | <u>(5,359,639)</u>               | <u>(4,276,485)</u>               |
|                                    | 14,920,062                       | 14,966,783                       |
| Car Park Development               |                                  |                                  |
| - Management Valuation 2015        | 11,621,557                       | 11,621,557                       |
| - Cost                             | 120,363                          | -                                |
| Less Accumulated Depreciation      | <u>(2,814,152)</u>               | <u>(2,648,732)</u>               |
|                                    | 8,927,768                        | 8,972,825                        |
| Other Infrastructure Assets        |                                  |                                  |
| - Management Valuation 2015        | 9,060,254                        | 9,060,254                        |
| - Management Valuation 2016        | 351,346                          | -                                |
| - Cost                             | 622,510                          | -                                |
| Less Accumulated Depreciation      | <u>(4,651,192)</u>               | <u>(4,194,472)</u>               |
|                                    | 5,382,918                        | 4,865,782                        |
| Work In Progress                   | <u>1,949,447</u>                 | <u>2,978,210</u>                 |
| <b>Total Infrastructure Assets</b> | <b><u>129,076,686</u></b>        | <b><u>127,431,640</u></b>        |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**19. (a) Infrastructure Assets (Continued)**

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown at cost. Given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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 infrastructure to be shown at fair value.

**City of Vincent**  
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**For the year ended 30 June 2016**

**19. Infrastructure Assets (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.

|                                    | Balance<br>at the<br>Beginning<br>of the Year<br>\$ | Additions<br>\$  | (Disposals)<br>\$ | Revaluation<br>Increments/<br>(Decrements)<br>\$ | Impairment<br>(Losses)/<br>Reversals<br>\$ | Depreciation<br>(Expense)<br>\$ | Transfers<br>\$ | Carrying<br>Amount<br>At the<br>End of Year<br>\$ |
|------------------------------------|---|------------------|-------------------|--|--|---------------------------------|-----------------|---|
| Roads                              | 55,096,885  | 1,850,314        | -                 | -  | -  | (1,743,694)                     | 1,000,131       | 56,203,636  |
| Footpaths                          | 20,020,540  | 338,223          | -                 | -  | -  | (501,473)                       | 1,284,457       | 21,141,747  |
| Rights of Way                      | 3,126,006   | 237,001          | -                 | -  | -  | (119,676)                       | -               | 3,243,331   |
| Drainage                           | 17,404,609  | 135,080          | -                 | -  | -  | (231,912)                       | -               | 17,307,777  |
| Park Development                   | 14,966,783  | 652,472          | -                 | -  | -  | (1,083,154)                     | 383,961         | 14,920,062  |
| Car Park Development               | 8,972,825   | 120,363          | -                 | -  | -  | (165,420)                       | -               | 8,927,768   |
| Other Infrastructure Assets        | 4,865,782   | 511,414          | -                 | 351,346  | -  | (456,721)                       | 111,097         | 5,382,918   |
| Work In Progress                   | 2,978,210   | 1,750,883        | -                 | -  | -  | -                               | (2,779,646)     | 1,949,447   |
| <b>Total Infrastructure Assets</b> | <b>127,431,640</b>                                  | <b>5,595,750</b> | <b>-</b>          | <b>351,346</b>                                   | <b>-</b>                                   | <b>(4,302,050)</b>              | <b>-</b>        | <b>129,076,686</b>                                |

The revaluation of infrastructure assets on outdoor artwork (sculptures) was excluded in 2014-15. These items have been recognised during the current revaluation process and resulted in a net increase on revaluation of \$351,346 in the value of infrastructure assets.



**City of Vincent**  
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**20. Trade and Other Payables**

|                                | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|--------------------------------|---------------------------|---------------------------|
|                                | <b>\$</b>                 | <b>\$</b>                 |
| <b>Current</b>                 |                           |                           |
| Creditors                      | 2,983,661                 | 3,071,777                 |
| Deposits and Income in Advance | 1,022,148                 | 320,305                   |
| Contribution Liabilities       | 1,544,737                 | 1,428,387                 |
| Accrued Expenses               | 1,262,396                 | 1,033,821                 |
|                                | <b>6,812,942</b>          | <b>5,854,290</b>          |

**21. Provisions**

|                                  | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|----------------------------------|---------------------------|---------------------------|
|                                  | <b>\$</b>                 | <b>\$</b>                 |
| <b>Current</b>                   |                           |                           |
| Provision for Annual Leave       | 1,717,781                 | 1,458,766                 |
| Provision for Long Service Leave | 1,537,561                 | 1,550,808                 |
|                                  | <b>3,255,342</b>          | <b>3,009,574</b>          |
| <br><b>Non-Current</b>           |                           |                           |
| Provision for Long Service Leave | 301,994                   | 291,713                   |
|                                  | <b>301,994</b>            | <b>291,713</b>            |

**22. Borrowings**

|                        | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|------------------------|---------------------------|---------------------------|
|                        | <b>\$</b>                 | <b>\$</b>                 |
| <b>Current</b>         |                           |                           |
| Debentures             | 818,840                   | 760,288                   |
|                        | <b>818,840</b>            | <b>760,288</b>            |
| <br><b>Non-Current</b> |                           |                           |
| Debentures             | 15,777,982                | 16,596,822                |
|                        | <b>15,777,982</b>         | <b>16,596,822</b>         |
|                        | <b>16,596,822</b>         | <b>17,357,110</b>         |

**23. Reserves – Cash Backed**

On restructuring of the City of Perth, the City of Vincent was provided with several specific cash reserves which were transferred to the City by Order of the Governor under Section 13 of the Local Government Act 1960. The City has also established other specific reserves to provide for future capital works. The specific reserves have been established for the following purposes:

**(a) Administration Centre Reserve**

This reserve was established in 1996/97 for the purpose of providing for major renovation, maintenance, repairs and replacement of the fixtures and fittings associated with the City's Administration and Civic Centre.

**(b) Aged Persons And Senior Citizens Reserve**

This reserve was established in 1997/98 from a contribution from the Board of Leederville Gardens Retirement Village for the purpose of the acquisition, provision, maintenance, management or extension of the existing Leederville Gardens Village, or the purchase or construction of a similar type of village for senior citizens or provision of aged or senior citizens facilities, within the City's boundaries.

Council resolved in March 2016 to transfer the balance of this reserve to the new *Leederville Gardens Inc Surplus Trust*. The transfers were completed in June 2016. The City administers the new trust as part of the City's Trust Account, however the funds may not be used for the direct benefit of either the City or Leederville Gardens Retirement Village. In July 2016 Council approved the closure of the *Aged Persons and Senior Citizens' Reserve*.

**(c) Asset Sustainability Reserve**

This reserve was established in June 2015 *for the purpose of assisting Council in funding its long-term asset management objectives and provide a means to spread the cost of inter-generational assets over multiple years.*

**(d) Beatty Park Leisure Centre Reserve**

This reserve was established in 1994/95 for the major upgrade and redevelopment of the Beatty Park Leisure Centre including the replacement or purchase of major plant, equipment, fixtures and fittings.

**(e) Capital Reserve**

This reserve was established in 1995/96 with the allocation of \$1,000,000 from the Infrastructure Account established under the City of Perth Restructuring Act for the future major capital works and projects.

**(f) Cash In Lieu Parking Reserve**

This reserve was established in 1996/97 from payment of cash-in-lieu of car parking from development applicants. At the Special Meeting of Council held on 17 May 2011, the purpose of the Reserve Fund as amended to be as follows:

*"This reserve is established from payment of cash-in-lieu of car parking from development applicants and is to be used for the upgrade of existing car parking facilities or the establishment of new car parking facilities and associated infrastructure."*

**(g) Electronic Equipment Reserve**

This reserve was established for the purpose of replacement and major upgrade of electronic equipment including, but not limited to computer hardware and software, information technology and communication equipment.

**23. Reserves – Cash Backed (Continued)**

**(h) Heritage Loan Reserve**

This reserve was established in 1998/99 with the allocation of \$20,000 to the newly created Heritage Loan Reserve.

The purpose of the Heritage Loan Reserve changed to the Heritage Low Interest Loan Scheme and the funds held to be applied to that new Reserve, to enable the funds to be transferred to the proposed Western Australian Municipal Association scheme.

**(i) Hyde Park Lake Reserve**

At the Special Council Meeting held on 12 July 2005, it was resolved to establish a reserve for works associated with the investigation, maintenance, remedial works and the rehabilitation of the Hyde Park Lakes and surrounds.

**(j) Land And Building Asset Acquisition Reserve**

This reserve was established from proceeds of sale of land. The purpose of the reserve is to ensure that proceeds of real assets disposed of are restricted to purchase other land and buildings for civic purposes.

**(k) Leederville Oval Reserve**

This reserve was established in 1998/99 with the allocation of \$1,000,000 from the Infrastructure Account established under the City of Perth Restructuring Act. The purpose of this reserve is for the redevelopment of Leederville Oval.

At the Special Council meeting of the 30 October 2001 it was resolved to change the future use of this reserve to include the following:

*“and for works associated with the maintenance, repairs, upgrade and replacement of Leederville Oval buildings, fixtures, fittings and associated land.”*

**(l) Leederville Tennis Reserve**

This reserve was established in 2015/16 for the upgrade, renewal and replacement of the water bore and/or pump at the Leederville tennis courts, with funds contributed by the Lessee in accordance with the Special Condition – Sinking Fund provision of the Lease.

**(m) Light Fleet Replacement Reserve**

This reserve was established in 2001/02 to fund the replacement of the City’s light vehicle fleet.

**(n) Loftus Community Centre Reserve**

This reserve was established in 1994/95. Contributions are made to the Council by the lessee of the Loftus Community Centre for the redevelopment of the Centre, including upgrade, renovation, maintenance, repairs and replacement of major items of plant, equipment, fixtures or fittings.

**(o) Loftus Recreation Centre Reserve**

This reserve was established in 1994/95. Contributions are made to the Council by the lessee of the Loftus Recreation Centre for the upgrade, renovation, maintenance, repairs and replacement of major items of plant, equipment, fixtures or fittings.

**23. Reserves – Cash Backed (Continued)**

**(p) North Perth Tennis Reserve**

This reserve was established in 2015/16 for the upgrade, renewal and replacement of the North Perth tennis courts, with funds contributed by the Lessee in accordance with the Special Condition – Sinking Fund provision of the Lease.

**(q) Office Building Reserve – 246 Vincent Street**

This reserve was established in 2003 for major building upgrade, maintenance, repairs, renovation and replacement of floor covering, fixtures and fittings associated with the new Office Building and Land.

**(r) Parking Facility Reserve**

This reserve was established in 2008. At the Special Meeting of Council held on 17 May 2011, the purpose of the Reserve Fund as amended to be as follows:

*“for the purchase, maintenance and operations of parking ticket machines; provision and improvement of parking information systems; security lighting, improved pathways and associated infrastructure to access parking areas; and associated works.”*

**(s) Parking Funded City Upgrade Reserve**

At the Special Council Meeting held on 17 May 2011, it was agreed to establish a Parking Funded City Centre Upgrade Reserve. This Reserve is for the provision and upgrade of infrastructure, facilities and services, both parking and non-parking, in the City of Vincent, City Centre’s and the promotion of those City Centre’s as well as works associated with any Parking Benefit Districts as determined by the Council.

**(t) Parking Funded Transport Initiatives Reserve**

At the Special Council Meeting held on 17 May 2011, a new Reserve was established for the provision of sustainable transport initiatives and modes and including, but not limited to, the provision and maintenance of footpaths, cycle ways and other cycling support facilities, bus shelter and other transit facilities.

**(u) Perth Oval Reserve**

At the Special Council meeting of 30 October 2001 it was resolved to establish a new Reserve Fund for Perth Oval and associated land for the following purpose:

*“works associated with the maintenance, repairs, upgrade and replacement of Perth Oval buildings, fixtures, fittings and associated land.”*

**(v) Plant And Equipment Reserve**

This reserve was established in April 1995 for the purchase of replacement plant and equipment associated with City’s works.

**(w) Public Open Space Reserve**

This reserve was established in the transfer from the City of Perth for the acquisition and development of land to provide additional public open space in the City.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**23. Reserves – Cash Backed (Continued)**

**(x) State Gymnastics Centre Reserve**

At the Ordinary Meeting of Council, held on 23 July 2002, it was agreed to establish a new State Indoor Multi-Use Sports Centre Reserve for the following purpose:

*“For works associated with the maintenance, repairs, alterations, upgrade and replacement of the proposed State Gymnastics Centre buildings, major plant and equipment, fixtures, fittings and associated land.”*

**(y) Strategic Waste Management Reserve**

At the Ordinary Meeting of Council, held on 23 October 2001, it was agreed to establish a new Strategic Waste Management Reserve for the following purpose:

*“Investigation and implementation of integrated waste management strategies/programmes and initiatives, (including secondary waste treatment and costs associated with the redevelopment of Lot 118 Tamala Park).”*

**(z) Tamala Park Land Sales Reserve**

This reserve was established in 2013/14 for future significant/major capital works, infrastructure, project or debt reduction programme for the benefit of the City.

**(aa) Underground Power Reserve**

This reserve was established in 1998/99 with the allocation of \$20,000 for the purpose of funding the City’s contribution to approved underground power projects.

**(bb) Waste Management Plant And Equipment Reserve**

This reserve was established for the purpose of replacing plant and equipment associated with City’s waste management, minimisation and recycling operations.

At the Ordinary Council meeting of the 23 October 2001 it was resolved to alter the name of this reserve to the Waste Management Plant and Equipment Reserve fund to reflect its use.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**23. Reserves – Cash Backed (Continued)**

The following reserve funds will be used, as and when the need arises:

- Administration Centre Reserve;
- Aged Persons and Senior Citizens Reserve;
- Capital Reserve;
- Cash In Lieu Parking Reserve;
- Heritage Loan Reserve;
- Hyde Park Lake Reserve;
- Land and Building Asset Acquisition Reserve;
- Leederville Oval Reserve;
- Leederville Tennis Reserve;
- North Perth Tennis Reserve;
- Office Building Reserve – 246 Vincent Street;
- Parking Facility Reserve;
- Parking Funded City Upgrade Reserve;
- Parking Funded Transport Initiatives Reserve;
- Perth Oval Reserve;
- State Gymnastics Centre Reserve;
- Strategic Waste Management Reserve;
- Tamala Park Land Sales Reserve; and
- Underground Power Reserve.

The following reserve funds are established to minimize the impact of major expenditure on any one budget and varying levels of expenditure will occur from year to year as required:

- Asset Sustainability Reserve;
- Beatty Park Leisure Centre Reserve;
- Electronic Equipment Reserve;
- Light Fleet Replacement Reserve;
- Loftus Community Centre Reserve;
- Loftus Recreation Centre Reserve;
- Plant and Equipment Reserve;
- Public Open Space Reserve; and
- Waste Management Plant and Equipment Reserve.

**City of Vincent**  
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**23. Reserves – Cash Backed (Continued)**

|   | <b>Revised<br/>Budget<br/>2015/16<br/>\$</b> | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|---|--|----------------------------------|----------------------------------|
| <b>Administration Centre Reserve</b>            |  |                                  |                                  |
| Opening Balance 1 July 2015                     | 124,948                                      | 60,382                           | 226,132                          |
| Transfer to Reserve                             | 1,589  | 1,173                            | 50,000                           |
| Transfer from Reserve                           | (116,816)                                    | -                                | (215,750)                        |
| Closing Balance 30 June 2016                    | 9,721  | 61,555                           | 60,382                           |
| <b>Aged Persons and Senior Citizens Reserve</b> |  |                                  |                                  |
| Opening Balance 1 July 2015                     | 3,238,209                                    | 3,238,209                        | 3,620,923                        |
| Transfer to Reserve                             | 1,170,861                                    | 1,173,488                        | 362,638                          |
| Transfer from Reserve                           | (4,409,070)                                  | (4,411,697)                      | (745,352)                        |
| Closing Balance 30 June 2016                    | -  | -                                | 3,238,209                        |
| <b>Asset Sustainability Reserve</b>             |  |                                  |                                  |
| Opening Balance 1 July 2015                     | -  | -                                | -                                |
| Transfer to Reserve                             | 1,718,354                                    | 1,720,356                        | -                                |
| Transfer from Reserve                           | -  | -                                | -                                |
| Closing Balance 30 June 2016                    | 1,718,354                                    | 1,720,356                        | -                                |
| <b>Beatty Park Leisure Centre Reserve</b>       |  |                                  |                                  |
| Opening Balance 1 July 2015                     | -  | 104,774                          | -                                |
| Transfer to Reserve                             | 147,030                                      | 149,968                          | 200,000                          |
| Transfer from Reserve                           | (113,214)                                    | (40,578)                         | (95,226)                         |
| Closing Balance 30 June 2016                    | 33,816                                       | 214,164                          | 104,774                          |
| <b>Capital Reserve</b>                          |  |                                  |                                  |
| Opening Balance 1 July 2015                     | 256,054                                      | 255,510                          | 346,514                          |
| Transfer to Reserve                             | 4,949  | 5,837                            | 140,000                          |
| Transfer from Reserve                           | (162,085)                                    | (162,085)                        | (231,004)                        |
| Closing Balance 30 June 2016                    | 98,918                                       | 99,262                           | 255,510                          |
| <b>Cash In Lieu Parking Reserve</b>             |  |                                  |                                  |
| Opening Balance 1 July 2015                     | 583,517                                      | 585,128                          | 410,535                          |
| Transfer to Reserve                             | 266,600                                      | 205,835                          | 294,466                          |
| Transfer from Reserve                           | (170,000)                                    | (142,306)                        | (119,873)                        |
| Closing Balance 30 June 2016                    | 680,117                                      | 648,657                          | 585,128                          |
| <b>Electronic Equipment Reserve</b>             |  |                                  |                                  |
| Opening Balance 1 July 2015                     | 130,123                                      | 130,123                          | 147,672                          |
| Transfer to Reserve                             | 2,465  | 3,255                            | -                                |
| Transfer from Reserve                           | (87,105)                                     | (82,207)                         | (17,549)                         |
| Closing Balance 30 June 2016                    | 45,483                                       | 51,171                           | 130,123                          |
| <b>Heritage Loan Reserve</b>                    |  |                                  |                                  |
| Opening Balance 1 July 2015                     | -  | -                                | -                                |
| Transfer to Reserve                             | -  | -                                | -                                |
| Transfer from Reserve                           | -  | -                                | -                                |
| Closing Balance 30 June 2016                    | -  | -                                | -                                |

**City of Vincent**  
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**23. Reserves – Cash Backed (Continued)**

|  | <b>Revised<br/>Budget<br/>2015/16<br/>\$</b> | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--|--|----------------------------------|----------------------------------|
| <b>Hyde Park Lake Reserve</b>                      |  |                                  |                                  |
| Opening Balance 1 July 2015                        | 139,913                                      | 139,913                          | 183,913                          |
| Transfer to Reserve                                | 3,340  | 4,214                            | 266,000                          |
| Transfer from Reserve                              | -  | -                                | (310,000)                        |
| Closing Balance 30 June 2016                       | 143,253                                      | 144,127                          | 139,913                          |
| <b>Land and Building Asset Acquisition Reserve</b> |  |                                  |                                  |
| Opening Balance 1 July 2015                        | 261,329                                      | 261,329                          | 261,329                          |
| Transfer to Reserve                                | 6,253  | 7,869                            | -                                |
| Transfer from Reserve                              | -  | -                                | -                                |
| Closing Balance 30 June 2016                       | 267,582                                      | 269,198                          | 261,329                          |
| <b>Leederville Oval Reserve</b>                    |  |                                  |                                  |
| Opening Balance 1 July 2015                        | 225,650                                      | 219,099                          | 290,666                          |
| Transfer to Reserve                                | 4,562  | 6,427                            | -                                |
| Transfer from Reserve                              | (14,800)                                     | (14,752)                         | (71,567)                         |
| Closing Balance 30 June 2016                       | 215,412                                      | 210,774                          | 219,099                          |
| <b>Leederville Tennis Reserve</b>                  |  |                                  |                                  |
| Opening Balance 1 July 2015                        | -  | -                                | -                                |
| Transfer to Reserve                                | 995  | 975                              | -                                |
| Transfer from Reserve                              | -  | -                                | -                                |
| Closing Balance 30 June 2016                       | 995  | 975                              | -                                |
| <b>Light Fleet Replacement Reserve</b>             |  |                                  |                                  |
| Opening Balance 1 July 2015                        | -  | -                                | -                                |
| Transfer to Reserve                                | -  | -                                | 140,000                          |
| Transfer from Reserve                              | -  | -                                | (140,000)                        |
| Closing Balance 30 June 2016                       | -  | -                                | -                                |
| <b>Loftus Community Centre Reserve</b>             |  |                                  |                                  |
| Opening Balance 1 July 2015                        | 18,928                                       | 18,928                           | 12,928                           |
| Transfer to Reserve                                | 6,668  | 6,732                            | 6,000                            |
| Transfer from Reserve                              | (5,500)                                      | (4,714)                          | -                                |
| Closing Balance 30 June 2016                       | 20,096                                       | 20,946                           | 18,928                           |
| <b>Loftus Recreation Centre Reserve</b>            |  |                                  |                                  |
| Opening Balance 1 July 2015                        | -  | 5,725                            | 40,590                           |
| Transfer to Reserve                                | 57,484                                       | 56,819                           | 55,580                           |
| Transfer from Reserve                              | (36,000)                                     | (36,000)                         | (90,445)                         |
| Closing Balance 30 June 2016                       | 21,484                                       | 26,544                           | 5,725                            |



**City of Vincent**  
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**23. Reserves – Cash Backed (Continued)**

|   | <b>Revised<br/>Budget<br/>2015/16<br/>\$</b> | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|---|--|----------------------------------|----------------------------------|
| <b>North Perth Tennis Reserve</b>                   |  |                                  |                                  |
| Opening Balance 1 July 2015                         | -  | -                                | -                                |
| Transfer to Reserve                                 | 35,886                                       | 36,316                           | -                                |
| Transfer from Reserve                               | (8,000)                                      | -                                | -                                |
| Closing Balance 30 June 2016                        | 27,886                                       | 36,316                           | -                                |
| <b>Office Building Reserve - 246 Vincent Street</b> |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 551,740                                      | 551,740                          | 562,340                          |
| Transfer to Reserve                                 | 12,404                                       | 16,590                           | -                                |
| Transfer from Reserve                               | (62,000)                                     | (55,700)                         | (10,600)                         |
| Closing Balance 30 June 2016                        | 502,144                                      | 512,630                          | 551,740                          |
| <b>Parking Facility Reserve</b>                     |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 145,447                                      | 145,447                          | 339,337                          |
| Transfer to Reserve                                 | 2,953  | 4,309                            | -                                |
| Transfer from Reserve                               | (43,650)                                     | (20,700)                         | (193,890)                        |
| Closing Balance 30 June 2016                        | 104,750                                      | 129,056                          | 145,447                          |
| <b>Parking Funded City Upgrade Reserve</b>          |  |                                  |                                  |
| Opening Balance 1 July 2015                         | -  | -                                | 14,953                           |
| Transfer to Reserve                                 | -  | -                                | 300,000                          |
| Transfer from Reserve                               | -  | -                                | (314,953)                        |
| Closing Balance 30 June 2016                        | -  | -                                | -                                |
| <b>Parking Funded Transport Initiative Reserve</b>  |  |                                  |                                  |
| Opening Balance 1 July 2015                         | -  | -                                | 266,298                          |
| Transfer to Reserve                                 | -  | -                                | 300,383                          |
| Transfer from Reserve                               | -  | -                                | (566,681)                        |
| Closing Balance 30 June 2016                        | -  | -                                | -                                |
| <b>Perth Oval Reserve</b>                           |  |                                  |                                  |
| Opening Balance 1 July 2015                         | -  | -                                | -                                |
| Transfer to Reserve                                 | -  | -                                | -                                |
| Transfer from Reserve                               | -  | -                                | -                                |
| Closing Balance 30 June 2016                        | -  | -                                | -                                |
| <b>Plant and Equipment Reserve</b>                  |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 409,513                                      | 392,416                          | 473,330                          |
| Transfer to Reserve                                 | 7,292  | 11,701                           | -                                |
| Transfer from Reserve                               | (215,985)                                    | (5,801)                          | (80,914)                         |
| Closing Balance 30 June 2016                        | 200,820                                      | 398,316                          | 392,416                          |

**City of Vincent**  
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**23. Reserves – Cash Backed (Continued)**

|   | <b>Revised<br/>Budget<br/>2015/16<br/>\$</b> | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|---|--|----------------------------------|----------------------------------|
| <b>Public Open Space Reserve</b>                    |  |                                  |                                  |
| Opening Balance 1 July 2015                         | -  | -                                | -                                |
| Transfer to Reserve                                 | -  | -                                | -                                |
| Transfer from Reserve                               | -  | -                                | -                                |
| Closing Balance 30 June 2016                        | -  | -                                | -                                |
| <b>State Gymnastics Centre Reserve</b>              |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 70,556                                       | 70,556                           | 60,066                           |
| Transfer to Reserve                                 | 12,303                                       | 12,905                           | 10,490                           |
| Transfer from Reserve                               | -  | -                                | -                                |
| Closing Balance 30 June 2016                        | 82,859                                       | 83,461                           | 70,556                           |
| <b>Strategic Waste Management Reserve</b>           |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 19,679                                       | 19,679                           | 19,679                           |
| Transfer to Reserve                                 | 468  | 593                              | -                                |
| Transfer from Reserve                               | -  | -                                | -                                |
| Closing Balance 30 June 2016                        | 20,147                                       | 20,272                           | 19,679                           |
| <b>Tamala Park Land Sales Reserve</b>               |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 1,122,479                                    | 1,250,544                        | 841,853                          |
| Transfer to Reserve                                 | 1,863,885                                    | 1,287,255                        | 2,583,334                        |
| Transfer from Reserve                               | (1,645,612)                                  | (1,193,160)                      | (2,174,643)                      |
| Closing Balance 30 June 2016                        | 1,340,752                                    | 1,344,639                        | 1,250,544                        |
| <b>Underground Power Reserve</b>                    |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 184,531                                      | 184,531                          | 184,531                          |
| Transfer to Reserve                                 | 4,420  | 5,555                            | -                                |
| Transfer from Reserve                               | -  | -                                | -                                |
| Closing Balance 30 June 2016                        | 188,951                                      | 190,086                          | 184,531                          |
| <b>Waste Management Plant and Equipment Reserve</b> |  |                                  |                                  |
| Opening Balance 1 July 2015                         | 37,772                                       | 37,772                           | 390,490                          |
| Transfer to Reserve                                 | 896  | 1,138                            | -                                |
| Transfer from Reserve                               | -  | -                                | (352,718)                        |
| Closing Balance 30 June 2016                        | 38,668                                       | 38,910                           | 37,772                           |
| <b>Total Reserves</b>                               | <b>5,762,208</b>                             | <b>6,221,415</b>                 | <b>7,671,805</b>                 |
| <b>Summary of Reserves:</b>                         |  |                                  |                                  |
| Total Opening Balance 1 July 2015                   | 7,520,388                                    | 7,671,805                        | 8,694,079                        |
| Total Transfers to Reserves                         | 5,331,657                                    | 4,719,310                        | 4,708,891                        |
| Total Transfers from Reserves                       | (7,089,837)                                  | (6,169,700)                      | (5,731,165)                      |
| Total Closing Balance 30 June 2016                  | <b>5,762,208</b>                             | <b>6,221,415</b>                 | <b>7,671,805</b>                 |

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 12 to this financial report.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

**24. Notes to the Statement of Cash Flows**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, the City of Vincent considers cash to include cash on hand and in banks and investments net of outstanding bank overdrafts and non-cash investments. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

|                           | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|---------------------------|----------------------------------|----------------------------------|
| Cash and Cash Equivalents | 16,499,516                       | 14,453,256                       |
|                           | <b>16,499,516</b>                | <b>14,453,256</b>                |

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

|  | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--|----------------------------------|----------------------------------|
| Change in Net Assets Resulting from Operations           | 4,185,419                        | 5,350,095                        |
| Adjustment for items not involving the movement of Cash: |                                  |                                  |
| Depreciation   | 10,089,839                       | 11,214,551                       |
| Asset Revaluation Decrement                              | -                                | 814,891                          |
| Net Share of Interests in Joint Ventures                 | (339,739)                        | (2,139,257)                      |
| Change in Equity – WALGA LG House Trust                  | 4,142                            | (35,777)                         |
| Profit on Assets Held for Sale (TPRC Joint Venture)      | (1,299,433)                      | (2,989,790)                      |
| Work in Progress Assets Expensed                         | -                                | 375,536                          |
| (Gain)/Loss on Sale of Property, Plant and Equipment     | (1,852,297)                      | (1,529,978)                      |
|  | 10,787,931                       | 11,060,271                       |
| Revenue Provided by:                                     |                                  |                                  |
| Government Grants for the Development of Assets          | (1,384,622)                      | (1,000,136)                      |
|  | (1,384,622)                      | (1,000,136)                      |
| Change in Operating Assets and Liabilities               |                                  |                                  |
| Increase/(Decrease) in Provisions                        | 256,049                          | 24,477                           |
| Increase/(Decrease) in Income Received in Advance        | 673,768                          | (11,657)                         |
| Increase/(Decrease) in Accrued Income                    | 153,165                          | (539,046)                        |
| Increase/(Decrease) in Creditors                         | 168,535                          | (1,479,700)                      |
| Decrease/(Increase) in Debtors                           | (178,002)                        | (1,698)                          |
| Decrease/(Increase) in Prepayments                       | (106,004)                        | 146,083                          |
| (Increase)/Decrease in Stock on Hand                     | 28,782                           | (15,311)                         |
| Increase/(Decrease) in GST Movement                      | 24,550                           | 77,959                           |
|  | 1,020,843                        | (1,798,893)                      |
| <b>Net Cash Provided by Operating Activities</b>         | <b>10,424,152</b>                | <b>8,261,242</b>                 |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**24. Notes to the Statement of Cash Flows (Continued)**

**(c) Undrawn Borrowing Facilities**

|  | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--|----------------------------------|----------------------------------|
| <b>Credit Standby Arrangements</b>             |                                  |                                  |
| Bank overdraft limit*                          | -                                | -                                |
| Bank overdraft at balance date                 | -                                | -                                |
| Credit card limit                              | 38,000                           | 48,000                           |
| Credit card balance at balance date            | (11,542)                         | (6,796)                          |
| <b>Total amount of credit unused</b>           | <b>26,458</b>                    | <b>41,204</b>                    |
| <br>   |                                  |                                  |
| <b>Loan Facilities</b>                         |                                  |                                  |
| Loan facilities – current                      | 818,840                          | 760,288                          |
| Loan facilities – non-current                  | 15,777,982                       | 16,596,822                       |
| <b>Total facilities in use at balance date</b> | <b>16,596,822</b>                | <b>17,357,110</b>                |
| <br>   |                                  |                                  |
| <b>Unused loan facilities at balance date</b>  | <b>16,623,280</b>                | <b>17,398,314</b>                |

\* The City does not have a formal bank overdraft facility. However, the City has a Group Limit Facility with the Commonwealth Bank of Australia of \$2 million which is secured by a charge over the City's other bank accounts held with the bank. The facility was not used by the City during the year ended 30 June 2016.

**City of Vincent**  
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**25. Net Current Assets**

Composition of net current assets

|   | <b>2016 Closing<br/>Funds<br/>(30 June 2016<br/>Carried<br/>Forward)<br/>\$</b> | <b>2016 Opening<br/>Funds<br/>(1 July 2015<br/>Brought<br/>Forward)<br/>\$</b> | <b>2015 Closing<br/>Funds<br/>(30 June 2015<br/>Carried<br/>Forward)<br/>\$</b> |
|---|---|--|---|
| <b>Surplus/(Deficit) brought forward</b>                  | 4,251,223   | 1,007,891  | 1,007,891   |
| <b>Current Assets</b>                                     |   |  |   |
| Cash and Cash Equivalents                                 | 10,278,101  | 6,781,451  | 6,781,451   |
| Unrestricted  | 6,221,415   | 7,671,805  | 7,671,805   |
| Restricted  |   |  |   |
| Receivables   |   |  |   |
| Rates Outstanding   | (17,656)  | (87,337)   | (87,337)  |
| Sundry Debtors  | 3,531,588   | 3,402,799  | 3,402,799   |
| GST Receivable  | 67,868  | 190,158  | 190,158   |
| Inventories   |   |  |   |
| Depot   | 120,372   | 131,466  | 131,466   |
| Beatty Park Leisure Centre – Café/Retail                  | 49,689  | 67,377   | 67,377  |
| <b>Less: Current Liabilities</b>                          |   |  |   |
| Trade and Other Payables                                  |   |  |   |
| Sundry Creditors  | (6,131,282)   | (5,369,695)  | (5,369,695)   |
| Accrued Interest on Debentures                            | (76,599)  | (79,847)   | (79,847)  |
| Accrued Salaries and Wages                                | (315,516)   | (143,276)  | (143,276)   |
| Current Portion of Long Term Borrowings                   |   |  |   |
| Secured by Floating Charge                                | (818,840)   | (760,288)  | (760,288)   |
| Provisions  |   |  |   |
| Provision for Annual Leave                                | (1,717,781)   | (1,458,766)  | (1,458,766)   |
| Provision for Long Service Leave                          | (1,537,561)   | (1,550,808)  | (1,550,808)   |
| <b>Unadjusted Net Current Assets</b>                      | <b>14,065,495</b>   | <b>8,795,039</b>   | <b>8,795,039</b>  |
| <b>Adjustments</b>  |   |  |   |
| Less: Reserves – Restricted Cash                          | (6,221,415)   | (7,671,805)  | (7,671,805)   |
| Less: Restricted – Aged Persons and Senior Citizens Funds | -   | (875,631)  | (875,631)   |
| Add: Secured by Floating Charge                           | 818,840   | 760,288  | 760,288   |
| <b>Adjusted Net Current Assets - Surplus/(Deficit)</b>    | <b>4,251,223</b>  | <b>1,007,891</b>   | <b>1,007,891</b>  |

**Difference**

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward as disclosed in the 2015 audited financial report.

**City of Vincent**  
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**26. Conditions over Grants/Contributions**

| Grant/Contribution   | Function/<br>Activity | Opening<br>Balance <sup>(1)</sup><br>1/07/2014 | Received <sup>(2)</sup><br>2014/15 | Expended <sup>(3)</sup><br>2014/15 | Closing<br>Balance <sup>(1)</sup><br>30/06/2015 | Received <sup>(2)</sup><br>2015/16 | Expended <sup>(3)</sup><br>2015/16 | Closing <sup>(4)</sup><br>Balance<br>30/06/2016 |
|----------------------|-----------------------|--|------------------------------------|------------------------------------|---|------------------------------------|------------------------------------|---|
|                      |                       | \$   | \$                                 | \$                                 | \$  | \$                                 | \$                                 | \$  |
| Grant for road works | Transport             | -  | 92,615                             | (92,615)                           | -   | 526,499                            | (526,499)                          | -   |
| <b>Total</b>         |                       | -  | <b>92,615</b>                      | <b>(92,615)</b>                    | -   | <b>526,499</b>                     | <b>(526,499)</b>                   | -   |

**Notes:**

- (1)** Grant/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.
- (4)** Final instalment of 2015/16 grant not received until the beginning of 2016/17.

## **27. Superannuation**

The total statutory superannuation contribution paid by the Council during the reporting period was \$1,676,187. During the 2014/2015 year the contributions were \$1,585,990.

The City of Vincent complies with the minimum obligations under federal law and contributes in respect of its employees to one of the following types of superannuation plans:-

### **Accumulated Benefit Superannuation Funds**

The Council contributes in respect of certain of its employees to accumulated benefit superannuation funds, nominated by the employees. In accordance with statutory requirements, the Council contributes to these funds amounts nominated by the Council. As such, assets are accumulated in the plan to meet members' benefits as they accrue. No liability of the Council has been recognised as at the reporting date in respect of superannuation benefits for its employees.

### **City of Perth Superannuation Plan – a sub plan in the AustralianSuper Corporate Division**

The Council contributes in respect of certain former City of Perth employees to a defined benefit superannuation plan. In accordance with statutory requirements, the Council contributes to the City of Perth Superannuation Plan (the Plan) amounts determined by the Plan Actuary. As such, assets are accumulated in the Plan to meet members' benefits as they accrue. The latest available audited financial report of the plan as at 30 June 2015, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

An Actuarial Report was received from Nerida Seccombe (BEc) of the Heron Partnership dated 29 March 2016. This latest review found the Plan was over-funded (plan assets exceeded the calculated minimum requisite benefits) at 30 June 2015; and recommended a reduction in employer contributions until the next review in 2018. During this time the reduced employer contributions will be supplemented with contributions from the surplus of the Plan. Any contributions allocated from the surplus of the Plan will not be represented in the City's financial statements.

The City also received from the Actuary a "Funding and Solvency Certificate" and a "Benefit Certificate" for the Plan. Both certificates are dated 1 April 2016 and are valid until 31 March 2021 (unless new certificates are issued earlier).

The plan has a number of different participating employers contributing to the Plan. There is no segregation of the assets applicable to each employer and the each individual employer is not able to accurately identify its share of the underlying financial position of the multi-employer plan with sufficient reliability for accounting purposes. The plan is therefore accounted for as a defined contribution plan. The defined benefit section of the plan was closed to the admission of new members from 1 July 2010.

## **28. Contingent Liabilities**

### **Mindarie Regional Council**

In line with other equity holders in the Mindarie Regional Council (MRC) the City of Vincent has guaranteed, proportionate to its equity share (one twelfth), the obligations of MRC to the contractor which built and is now operating the Neerabup Resource Recovery Facility. The financial guarantee is to provide comfort to the operator (and its financiers) by providing a direct contractual relationship between each member council and the operator.

The guarantee can be called upon in the event of a default event during the contractor's operation of the facility. The share of the liability that could be generated by the exercise of the guarantee is estimated at an amount between \$7.21 million diminishing to \$1.5 million depending on the time of any such default event. This guarantee expires on 15 July 2019.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
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**29. Capital and Leasing Commitments**

**(a) Operating Lease Commitments**

|  | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|--|---------------------------|---------------------------|
|  | <b>\$</b>                 | <b>\$</b>                 |
| Non-cancellable operating leases contracted for but payable: |                           |                           |
| - not later than one year                                    | 538,612                   | 687,336                   |
| - later than one year but not later than five years          | 476,649                   | 1,015,583                 |
| - later than five years                                      | -                         | -                         |
|  | <b>1,015,261</b>          | <b>1,702,919</b>          |

**(b) Capital Expenditure Commitments**

|                                 | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|---------------------------------|---------------------------|---------------------------|
|                                 | <b>\$</b>                 | <b>\$</b>                 |
| Contracted for:                 |                           |                           |
| - capital expenditure projects  | 264,897                   | 573,483                   |
| - plant and equipment purchases | 361,179                   | -                         |
|                                 | <b>626,076</b>            | <b>573,483</b>            |
| Payable:                        |                           |                           |
| - not later than one year       | 626,076                   | 573,483                   |
|                                 | <b>626,076</b>            | <b>573,483</b>            |

The capital expenditure projects outstanding at the end of the current reporting period represent the construction of buildings, road works, footpaths, parks development and miscellaneous works.

**30. Trust Funds**

Funds held at balance date over which the Council has no control and which are not included in the Financial Statements are as follows:

|                              | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|------------------------------|---------------------------|---------------------------|
|                              | <b>\$</b>                 | <b>\$</b>                 |
| <b>Beatty Park Bond</b>      |                           |                           |
| Balance as at 1st July 2015  | 250                       | 250                       |
| Receipts                     | -                         | -                         |
| Payments                     | -                         | -                         |
| Balance as at 30th June 2016 | <b>250</b>                | <b>250</b>                |
| <b>Ground Bonds</b>          |                           |                           |
| Balance as at 1st July 2015  | 12,430                    | 10,880                    |
| Receipts                     | 30,503                    | 40,000                    |
| Payments                     | (30,953)                  | (38,450)                  |
| Balance as at 30th June 2016 | <b>11,980</b>             | <b>12,430</b>             |
| <b>Hall Deposits</b>         |                           |                           |
| Balance as at 1st July 2015  | 58,366                    | 59,681                    |
| Receipts                     | 124,568                   | 98,400                    |
| Payments                     | (122,768)                 | (99,715)                  |
| Balance as at 30th June 2016 | <b>60,166</b>             | <b>58,366</b>             |



**City of Vincent**  
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**30. Trust Funds (Continued)**

|  | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--|----------------------------------|----------------------------------|
| <b>Key Deposits</b>                          |                                  |                                  |
| Balance as at 1st July 2015                  | 17,050                           | 16,400                           |
| Receipts                                     | 2,850                            | 2,650                            |
| Payments                                     | (1,150)                          | (2,000)                          |
| Balance as at 30th June 2016                 | <b>18,750</b>                    | <b>17,050</b>                    |
| <b>Leederville Gardens Inc Surplus Trust</b> |                                  |                                  |
| Balance as at 1st July 2015                  | -                                | -                                |
| Receipts                                     | 4,411,697                        | -                                |
| Payments                                     | -                                | -                                |
| Balance as at 30th June 2016                 | <b>4,411,697</b>                 | -                                |
| <b>Nomination Deposits</b>                   |                                  |                                  |
| Balance as at 1st July 2015                  | -                                | 160                              |
| Receipts                                     | 1,200                            | -                                |
| Payments                                     | (1,200)                          | (160)                            |
| Balance as at 30th June 2016                 | -                                | -                                |
| <b>Work Bonds</b>                            |                                  |                                  |
| Balance as at 1st July 2015                  | 1,978,200                        | 1,982,410                        |
| Receipts                                     | 928,100                          | 1,257,695                        |
| Payments                                     | (851,524)                        | (1,261,905)                      |
| Balance as at 30th June 2016                 | <b>2,054,776</b>                 | <b>1,978,200</b>                 |
| <b>Unclaimed Monies</b>                      |                                  |                                  |
| Balance as at 1st July 2015                  | 184,248                          | 28,377                           |
| Receipts                                     | 60                               | 155,871                          |
| Payments                                     | (2,327)                          | -                                |
| Balance as at 30th June 2016                 | <b>181,981</b>                   | <b>184,248</b>                   |
| <b>Planning Application Bond</b>             |                                  |                                  |
| Balance as at 1st July 2015                  | 50,900                           | 39,300                           |
| Receipts                                     | -                                | 11,600                           |
| Payments                                     | (10,800)                         | -                                |
| Balance as at 30th June 2016                 | <b>40,100</b>                    | <b>50,900</b>                    |
| <b>Total Trust Balance</b>                   | <b>6,779,700</b>                 | <b>2,301,444</b>                 |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
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**31. Elected Members Fees and Allowances**

|                                  | <b>Revised<br/>Budget<br/>2015/16<br/>\$</b> | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|----------------------------------|--|----------------------------------|----------------------------------|
| Members Meeting Fee              | 211,665                                      | 205,109                          | 211,665                          |
| Mayor Allowance                  | 61,800                                       | 61,800                           | 61,800                           |
| Deputy Mayor Allowance           | 15,450                                       | 15,450                           | 15,450                           |
| Information Technology Allowance | 31,500                                       | 31,500                           | 31,230                           |
| Travelling Expenses              | 1,500  | 690                              | 1,264                            |
| Child Care                       | 2,850  | 2,287                            | 90                               |
| Stationery/Printing              | 6,500  | 2,631                            | 3,735                            |
| Other Expenses                   | 950  | 4,151                            | 510                              |
| <b>Total</b>                     | <b>332,215</b>                               | <b>323,618</b>                   | <b>325,744</b>                   |

**32. Financial Risk Management**

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

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk. Financial risk management is carried out by Financial Services under policies approved by the Council.

The Council held the following financial instruments at balance date:

|                              | <b>Carrying Value</b>            |                                  | <b>Fair Value</b>                |                                  |
|------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                              | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
| <b>Financial Assets</b>      |                                  |                                  |                                  |                                  |
| Cash and Cash Equivalents    | 16,499,516                       | 14,453,256                       | 16,499,516                       | 14,453,256                       |
| Receivables                  | 3,902,129                        | 3,901,843                        | 3,902,129                        | 3,901,843                        |
|                              | <b>20,401,645</b>                | <b>18,355,099</b>                | <b>20,401,645</b>                | <b>18,355,099</b>                |
| <b>Financial Liabilities</b> |                                  |                                  |                                  |                                  |
| Payables                     | 6,812,942                        | 5,854,290                        | 6,812,942                        | 5,854,290                        |
| Borrowings                   | 16,596,822                       | 17,357,110                       | 14,899,378                       | 14,513,556                       |
|                              | <b>23,409,764</b>                | <b>23,211,400</b>                | <b>21,712,320</b>                | <b>20,367,846</b>                |

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
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**32. Financial Risk Management (Continued)**

**(a) Cash and Cash Equivalents**

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

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

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns. The weighted effective average interest for all the cash and cash equivalent for the year was 2.89% (2014/2015 was 3.32%).

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

**Sensitivity Analysis**

|  | <b>30 June 2016</b> | <b>30 June 2015</b> |
|--|---------------------|---------------------|
|  | \$                  | \$                  |
| Impact of a 1.0% movement in interest rates on the average balance of cash and investments |                     |                     |
| - Equity   | 281,065             | 194,871             |
| - Income Statement   | <u>281,065</u>      | <u>194,871</u>      |

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
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**32. Financial Risk Management (Continued)**

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is monitored against benchmarks for acceptable collection performance. Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

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

|  | <b>30 June 2016</b> | <b>30 June 2015</b> |
|--|---------------------|---------------------|
|  | \$                  | \$                  |
| Percentage of Rates and Annual Charges                               |                     |                     |
| - Current  | 62%                 | 52%                 |
| - Non-Current (Pensioners' Deferred Rates)                           | 38%                 | 48%                 |
|  |                     |                     |
|  | <b>30 June 2016</b> | <b>30 June 2015</b> |
|  | \$                  | \$                  |
| Percentage of Other Receivables (excluding Underground Power Charge) |                     |                     |
| - Current  | 100%                | 100%                |
| - Non-Current  | -                   | -                   |

**City of Vincent**  
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**32. Financial Risk Management (Continued)**

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

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

|             | Due within<br>1 year<br>\$ | Due<br>between<br>1 & 5 years<br>\$ | Due<br>after<br>5 years<br>\$ | Total<br>Contractual<br>Cash Flows<br>\$ | Carrying<br>Values<br>\$ |
|-------------|----------------------------|-------------------------------------|-------------------------------|--|--------------------------|
| <b>2016</b> |                            |                                     |                               |  |                          |
| Payables    | 6,812,942                  | -                                   | -                             | 6,812,942                                | 6,812,942                |
| Borrowings  | 1,868,323                  | 11,832,118                          | 9,363,411                     | 23,063,852                               | 16,596,822               |
|             | <b>8,681,265</b>           | <b>11,832,118</b>                   | <b>9,363,411</b>              | <b>29,876,794</b>                        | <b>23,409,764</b>        |
| <b>2015</b> |                            |                                     |                               |  |                          |
| Payables    | 5,854,290                  | -                                   | -                             | 5,854,290                                | 5,854,290                |
| Borrowings  | 1,848,454                  | 12,438,101                          | 10,625,751                    | 24,912,306                               | 17,357,110               |
|             | <b>7,702,744</b>           | <b>12,438,101</b>                   | <b>10,625,751</b>             | <b>30,766,596</b>                        | <b>23,211,400</b>        |

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

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

|  | <1 year<br>\$ | >1<5<br>years<br>\$ | >5 years<br>\$ | Total<br>\$ | Weighted<br>Average<br>Effective<br>Interest<br>Rate<br>% |
|--|---------------|---------------------|----------------|-------------|---|
| <b>Year Ended 30 June 2016</b>           |               |                     |                |             |   |
| <b>Borrowings</b>                        |               |                     |                |             |   |
| <b>- Fixed Rate</b>                      |               |                     |                |             |   |
| Debentures                               | 818,840       | 8,720,009           | 7,057,973      | 16,596,822  |   |
| Weighted Average Effective Interest Rate | 6.48%         | 6.22%               | 6.40%          |             | 6.33%   |
| <b>Year Ended 30 June 2015</b>           |               |                     |                |             |   |
| <b>- Fixed Rate</b>                      |               |                     |                |             |   |
| Debentures                               | 760,288       | 8,745,761           | 7,851,061      | 17,357,110  |   |
| Weighted Average Effective Interest Rate | 6.41%         | 6.29%               | 6.38%          |             | 6.34%   |

**City of Vincent**  
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**33. Total Assets Classified by Function and Activity**

|                             | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|-----------------------------|----------------------------------|----------------------------------|
| General Purpose Funding     | 2,353,491                        | 2,340,691                        |
| Governance                  | 21,706,831                       | 19,615,726                       |
| Law, Order, Public Safety   | 2,059,262                        | 2,096,979                        |
| Health                      | 3,181,676                        | 3,236,528                        |
| Education and Welfare       | 8,707,089                        | 8,914,877                        |
| Community Amenities         | 2,041,321                        | 2,504,204                        |
| Recreation and Culture      | 128,237,316                      | 130,276,926                      |
| Transport                   | 112,083,810                      | 110,895,384                      |
| Other Property and Services | 16,775,076                       | 16,493,039                       |
|                             | <b><u>297,145,872</u></b>        | <b><u>296,374,354</u></b>        |

**34. Trading Undertakings, Major Trading Undertakings and Major Land Transactions**

Tamala Park Regional Council – Development of Catalina Estate

**(a) Details**

The City is a participant (along with the Cities of Joondalup, Perth, Stirling, Wanneroo and the Towns of Cambridge and Victoria Park) in the operations of the Tamala Park Regional Council (TPRC). The TPRC was created in 2006 to develop the Catalina Estate - approximately 173 hectares of land for sale immediately north of the land leased by the Mindarie Regional Council. The City has a one twelfth (1/12) equity in the assets and liabilities of the development and the net proceeds of the land development; as well as a one twelfth (1/12) share in the asset of the lands held for development.

During the financial year ended 30 June 2016, the sale of 112 lots was settled. The City's share of the sale proceeds received by TPRC was \$3,211,695; and the City's share of the development and selling costs was \$1,912,262; resulting in a net gain on the disposal of the developed land as \$1,299,433. This note should also be read in conjunction with Note 10 Interests in Joint Ventures.

**(b) Current Year Transactions**

|  | <b>Actual<br/>2015/16<br/>\$</b> | <b>Actual<br/>2014/15<br/>\$</b> |
|--|----------------------------------|----------------------------------|
| <b>Capital Income</b>                              |                                  |                                  |
| Proceeds from Sale of Land                         | 3,211,695                        | 5,006,422                        |
| <b>Capital Expenditure</b>                         |                                  |                                  |
| Land Development Expenses                          | (1,883,556)                      | (1,957,706)                      |
| Rates  | (25,838)                         | (35,214)                         |
| Acquisition Cost of Land Developed                 | (2,868)                          | (23,712)                         |
|  | <u>(1,912,262)</u>               | <u>(2,016,632)</u>               |
| <b>Profit/(Loss) on Sale of Land Assets (TPRC)</b> | <b><u>1,299,433</u></b>          | <b><u>2,989,790</u></b>          |

**City of Vincent**  
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**34. Trading Undertakings, Major Trading Undertakings and Major Land Transactions (Continued)**

**(c) Expected Future Cash Flows**

The City's share of future cash flows from the last Catalina Estate development project plan are:

|                            | <b>2017</b>      | <b>2018</b>      | <b>2019</b>      | <b>2020</b>      | <b>2021</b>      | <b>2022</b>      |
|----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                            | \$               | \$               | \$               | \$               | \$               | \$               |
| <b>Cash Inflows</b>        |                  |                  |                  |                  |                  |                  |
| Proceeds from Sale of Land | 2,589,815        | 3,331,856        | 3,816,949        | 4,390,393        | 5,641,758        | 5,648,761        |
| <b>Cash Outflows</b>       |                  |                  |                  |                  |                  |                  |
| Land Development Expenses  | (2,712,196)      | (3,589,872)      | (2,709,047)      | (2,600,663)      | (2,660,814)      | (2,429,924)      |
| <b>Net Cash Flows</b>      | <b>(122,381)</b> | <b>(258,016)</b> | <b>1,107,902</b> | <b>1,789,730</b> | <b>2,980,944</b> | <b>3,218,837</b> |
|                            |                  |                  |                  |                  |                  |                  |
|                            | <b>2023</b>      | <b>2024</b>      | <b>2025</b>      | <b>2026</b>      | <b>2027</b>      | <b>2028</b>      |
|                            | \$               | \$               | \$               | \$               | \$               | \$               |
| <b>Cash Inflows</b>        |                  |                  |                  |                  |                  |                  |
| Proceeds from Sale of Land | 5,177,981        | 5,365,680        | 4,122,673        | 6,527,700        | 2,444,907        | -                |
| <b>Cash Outflows</b>       |                  |                  |                  |                  |                  |                  |
| Land Development Expenses  | (2,292,631)      | (2,535,011)      | (2,032,944)      | (2,266,999)      | (392,253)        | (78,775)         |
| <b>Net Cash Flows</b>      | <b>2,885,350</b> | <b>2,830,669</b> | <b>2,089,729</b> | <b>4,260,701</b> | <b>2,052,654</b> | <b>(78,775)</b>  |

**35. Employee Numbers**

|  | <b>Actual<br/>2015/16</b> | <b>Actual<br/>2014/15</b> |
|--|---------------------------|---------------------------|
| The number of full-time equivalent Employees at balance date | <u>245.5</u>              | <u>241.0</u>              |

**36. Economic Dependency**

A significant portion of revenue is received by way of grant from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 4.

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**37. Fair Value Measurement**

The City measure the following assets and liabilities on a recurring basis:

- Financial Assets – Investments
- Land and Buildings
- Furniture and Equipment
- Plant and Equipment
- Roads
- Footpaths
- Rights of Way
- Drainage
- Park Development
- Car Park Development
- Other Infrastructure Assets

The City does not measure any other assets and liabilities at fair value on a non-recurring basis.

The following table provides the fair values of the City's assets measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

**Recurring Fair Value Measurements**

**Financial Assets 30 June 2016**

|             | Note | Level 1 | Level 2 | Level 3 | Total  |
|-------------|------|---------|---------|---------|--------|
|             |      | \$      | \$      | \$      | \$     |
| Investments | 17   | -       | 42,635  | -       | 42,635 |

**Financial Assets 30 June 2015**

|             | Note | Level 1 | Level 2 | Level 3 | Total  |
|-------------|------|---------|---------|---------|--------|
|             |      | \$      | \$      | \$      | \$     |
| Investments | 17   | -       | 46,777  | -       | 46,777 |

**Non-Financial Assets 30 June 2016**

|   | Note | Level 1 | Level 2           | Level 3            | Total*             |
|---|------|---------|-------------------|--------------------|--------------------|
|   |      | \$      | \$                | \$                 | \$                 |
| Land  | 18   | -       | 12,930,000        | 41,915,327         | 54,845,327         |
| Buildings   | 18   | -       | 2,173,102         | 74,743,119         | 76,916,221         |
| Plant and Equipment   | 18   | -       | 3,568,147         | 639,403            | 4,207,550          |
| Furniture and Equipment   | 18   | -       | 142,960           | 669,374            | 812,334            |
| Roads   | 19   | -       | -                 | 56,203,636         | 56,203,636         |
| Footpaths   | 19   | -       | -                 | 21,141,747         | 21,141,747         |
| Rights of Way   | 19   | -       | -                 | 3,243,331          | 3,243,331          |
| Drainage  | 19   | -       | -                 | 17,307,777         | 17,307,777         |
| Park Development  | 19   | -       | -                 | 14,920,062         | 14,920,062         |
| Car Park Development  | 19   | -       | -                 | 8,927,768          | 8,927,768          |
| Other Infrastructure  | 19   | -       | -                 | 5,382,918          | 5,382,918          |
| <b>Total non-financial assets recognised at fair value on a recurring basis</b> |      | -       | <b>18,814,209</b> | <b>245,094,462</b> | <b>263,908,671</b> |

\* Excludes Work in Progress.



**City of Vincent**  
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**37. Fair Value Measurement (Continued)**

| <b>Non-Financial Assets 30 June 2015</b>  |             | <b>Level 1</b> | <b>Level 2</b>    | <b>Level 3</b>     | <b>Total*</b>      |
|---|-------------|----------------|-------------------|--------------------|--------------------|
|   | <b>Note</b> |                |                   |                    |                    |
|   |             | <b>\$</b>      | <b>\$</b>         | <b>\$</b>          | <b>\$</b>          |
| Land  | 18          | -              | 12,930,000        | 42,575,327         | 55,505,327         |
| Buildings   | 18          | -              | 2,288,254         | 77,710,635         | 79,998,889         |
| Plant and Equipment   | 18          | -              | 4,525,229         | -                  | 4,525,229          |
| Furniture and Equipment   | 18          | -              | 624,899           | -                  | 624,899            |
| Roads   | 19          | -              | -                 | 55,096,885         | 55,096,885         |
| Footpaths   | 19          | -              | -                 | 20,020,540         | 20,020,540         |
| Rights of Way   | 19          | -              | -                 | 3,126,006          | 3,126,006          |
| Drainage  | 19          | -              | -                 | 17,404,609         | 17,404,609         |
| Park Development  | 19          | -              | -                 | 14,966,783         | 14,966,783         |
| Car Park Development  | 19          | -              | -                 | 8,972,825          | 8,972,825          |
| Other Infrastructure  | 19          | -              | -                 | 4,865,782          | 4,865,782          |
| <b>Total non-financial assets recognised at fair value on a recurring basis</b> |             | <b>-</b>       | <b>20,368,382</b> | <b>244,739,392</b> | <b>265,107,774</b> |

\* Excludes Work in Progress.

**(a) Transfers Policy**

The policy of the City is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Levels 1 and 2 for recurring fair value measurements during the year. There were also no transfers in and out of Level 3 measurements.

**(b) Highest and Best Use**

There were no assets valued where it was assumed that the highest and best use was other than their current use.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
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**37. Fair Value Measurement (Continued)**

**(c) Valuation techniques and inputs used to derive fair values**

The following table summarises valuation inputs and techniques used to determine the Fair value for each asset class.

| <b>Asset</b>                | <b>Level of<br/>Valuation<br/>Input</b> | <b>Fair Value at<br/>30 June 2016<br/>\$</b> | <b>Valuation<br/>Technique(s)</b> | <b>Inputs Used</b>  |
|-----------------------------|---|--|-----------------------------------|---|
| <b>Non-Financial Assets</b> |   |  |                                   |   |
| Land                        | 2                                       | 12,930,000                                   | Market approach                   | Price per square metre  |
| Land                        | 3                                       | 41,915,327                                   | Cost Approach                     | Price per square metre  |
| Buildings                   | 2                                       | 2,173,102                                    | Market Approach                   | Estimates of useful life, pattern of consumption, asset condition, residual value and relationship to the assessed level of remaining service potential of the depreciable amount |
| Buildings                   | 3                                       | 74,743,119                                   | Cost and Market Approach          | Estimates of useful life, pattern of consumption, asset condition, residual value and relationship to the assessed level of remaining service potential of the depreciable amount |
| Plant and Equipment         | 2                                       | 3,568,147                                    | Cost and Market approach          | Make, size/model, year of manufacture and condition   |
| Plant and Equipment         | 3                                       | 639,403                                      | Cost and Market approach          | Make, size/model, year of manufacture and condition   |
| Furniture and Equipment     | 2                                       | 142,960                                      | Cost and Market approach          | Make, size/model, year of manufacture and condition   |
| Furniture and Equipment     | 3                                       | 669,374                                      | Cost and Market approach          | Make, size/model, year of manufacture and condition   |

**City of Vincent**  
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**37. Fair Value Measurement (Continued)**

**(c) Valuation techniques and inputs used to derive fair values (Continued)**

| <b>Asset</b>         | <b>Level of<br/>Valuation<br/>Input</b> | <b>Fair Value at<br/>30 June 2016<br/>\$</b> | <b>Valuation<br/>Technique(s)</b> | <b>Inputs Used</b>   |
|----------------------|---|--|-----------------------------------|--|
| Roads                | 3                                       | 56,203,636                                   | Cost Approach                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Footpaths            | 3                                       | 21,141,747                                   | Cost Approach                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Rights of Way        | 3                                       | 3,243,331                                    | Cost Approach                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Drainage             | 3                                       | 17,307,777                                   | Cost Approach                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Park Development     | 3                                       | 14,920,062                                   | Cost Approach                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Car Park Development | 3                                       | 8,927,768                                    | Cost Approach                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| Other Infrastructure | 3                                       | 5,382,918                                    | Cost Approach                     | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| <b>Total*</b>        |   | <b><u>263,908,671</u></b>                    |                                   |  |

\* Excludes Work in Progress.

**37. Fair Value Measurement (Continued)**

**(c) Valuation techniques and inputs used to derive fair values (Continued)**

**Recurring fair value measurements**

**Land**

Land assets were revalued in 2014. Level 2 valuation inputs are used to value land held in freehold title as well as land used for special purposes that are restricted in use under current zoning rules (i.e. Commercial, Industrial or Residential). Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach were price per square metre.

With regard to land that is currently zoned Parks, Recreation and/or for Public Purpose, having a highly restricted use, it is difficult with any degree of confidence in applying the typical valuation method of direct comparable sales evidence consistent with the Level 2 input. These were subsequently valued at the Level 3 valuation input hierarchy by using the professional judgement of a Registered Valuer who investigated land value within a wider general area of the region where traditionally land values are at their lowest. The appropriate sales of this marginal land was then applied to the subject property after making due allowances for location, size and utility. This provided only a low level of comparability.

**Buildings**

The City's building & improvement assets such as the City's Depot, Community Halls and Club houses, Pavilion, etc. which are considered to be of a "specialised nature" (non – market type properties which are not readily traded in the market place) were valued in 2014 by professionally qualified Registered Valuers using the cost approach. This approach is commonly referred to as the depreciated replacement cost (DRC).

The "DRC" approach considers the cost (sourced from cost guides such as Rawlinsons, Cordell, professional quantity surveyors and recent construction costs for similar projects throughout Western Australia) to reproduce or replace similar assets with an asset in new condition, including allowance for installation, less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence. The depreciation consists of a combination of unit rates based on square metres and quantification of the component parts of the asset (level 2 valuation inputs). Other inputs (i.e. remaining useful life, asset condition and utility) required extensive professional judgement and impacted significantly on the final determination of fair value. Therefore, specialised building assets were classified as having been valued using Level 3 valuation inputs.

**Plant and Equipment**

Plant and equipment were revalued in 2016 as part of the mandatory requirements embodied in Local Government (Financial Management) Regulation 17A. Whilst the additions since 1 July 2015 have been brought in the books at cost, given they were acquired at arm's length and any accumulated depreciation reflects the usage of service potential, it is considered that the recorded written down values approximate fair values. Thus, the value of the class of assets in the City's books is considered to be in accordance with Local Government (Financial Management (Regulation) 17A (2), which requires these assets to be shown at fair value.

**37. Fair Value Measurement (Continued)**

**(c) Valuation techniques and inputs used to derive fair values (Continued)**

**Plant and Equipment (Continued)**

Most plant and equipment assets are generally valued using the market and cost approach using comparable sales and relevant industry market price reference guides, and have been classified as being valued at Level 2 of the fair value hierarchy. The most significant inputs into this valuation approach are the make, size, model, year of manufacture and condition.

**Infrastructure Assets**

The infrastructure assets valuation was carried out by an independent valuer in 2015. The assets which were the focus of this project included the following:

- Roads
- Footpaths
- Rights of Way
- Drainage
- Park Development
- Car Park Development
- Other Infrastructure Assets

The valuation was undertaken using the City's inventory data. The data for car parks and parks had recently been updated and are of a moderate to high confidence level. The inventory of drainage is of a low confidence level.

The valuation process has been performed in accordance with accepted accounting standards (e.g. AASB 116 and AASB 13) and other best practice asset and financial management guides (e.g. International Infrastructure Management Manual 2011© and Australian Infrastructure Financial Management Guidelines 2011©). All assets have been valued using unit rate costs, sourced from the City, local suppliers or the Rawlinsons Australian Construction Handbook 2015 (Edition 33).

**City of Vincent**  
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**37. Fair Value Measurement (Continued)**

**(d) Disclosed Fair Value Measurements**

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

Borrowings

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used:

| Description        | Note | Fair Value Hierarchy Level | Valuation Technique(s)                                 | Inputs Used  |
|--------------------|------|----------------------------|--|--|
| <b>Liabilities</b> |      |                            |  |  |
| Borrowings         | 8(a) | 2                          | Income approach using discounted cash flow methodology | Current treasury borrowing rates for similar instruments |

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

**City of Vincent**  
**Notes to and forming part of the Financial Report**  
**For the year ended 30 June 2016**

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**38. Financial Ratios of the Accounts**

|                                   | <b>2016</b> | <b>2015</b> | <b>2014</b> |
|-----------------------------------|-------------|-------------|-------------|
| Current Ratio                     | 1.32        | 1.04        | 0.51        |
| Asset Sustainability Ratio        | 0.53        | 0.46        | 0.50        |
| Debt Service Cover Ratio          | 7.54        | 5.75        | 4.20        |
| Operating Surplus Ratio           | 0.05        | 0.08        | (0.07)      |
| Own Source Revenue Coverage Ratio | 1.03        | 1.00        | 0.88        |

The above ratios are calculated as follows:

|                                   |  |
|-----------------------------------|--|
| Current Ratio                     | $\frac{\text{(Current Assets – Restricted Assets)}}{\text{(Current Liabilities – Liabilities associated with Restricted Assets)}}$ |
| Asset Sustainability Ratio        | $\frac{\text{Capital Renewal and Replacement Expenditure}}{\text{Depreciation Expense}}$   |
| Debt Service Cover Ratio          | $\frac{\text{Annual Operating Surplus Before Interest and Depreciation}}{\text{Principal and Interest}}$                           |
| Operating Surplus Ratio           | $\frac{\text{Operating Revenue – Operating Expenses}}{\text{Own Source Operating Revenue}}$  |
| Own Source Revenue Coverage Ratio | $\frac{\text{Own Source Operating Revenue}}{\text{Operating Expenses}}$  |

**Additional Financial Ratios**

The following information relates to those ratios which only require an attestation they have been checked and supported by verifiable information.

|                             | <b>2016</b> | <b>2015</b> | <b>2014</b> |
|-----------------------------|-------------|-------------|-------------|
| Asset Consumption Ratio     | 0.54        | 0.55        | 0.54        |
| Asset Renewal Funding Ratio | 0.96        | 0.76        | 0.76        |

The above ratios are calculated as follows:

|                             |   |
|-----------------------------|---|
| Asset Consumption Ratio     | $\frac{\text{Depreciated Replacement Cost of Assets}}{\text{Current Replacement Cost of Depreciable Assets}}$           |
| Asset Renewal Funding Ratio | $\frac{\text{NPV of Planned Capital Renewals Over 10 Years}}{\text{NPV of Required Capital Expenditure Over 10 Years}}$ |