

City of Belmont
**ANNUAL
REPORT**
2018-2019



HISTORY OF BELMONT



The municipality of Belmont was established in 1898 as the Belmont Road Board. In 1907, the name was changed to Belmont Park Road Board and remained unchanged until 1961 when it became the Shire of Belmont. In 1979, the present administration building was opened in Faulkner Park and the municipality became the City of Belmont.

The municipality was called Belmont after Belmont Farm, which had been established in the area in 1830 by Captain F. Byrne. The farm of 2,000 acres was later acquired by John Hardey who had already established Grove Farm, also 2,000 acres, on the banks of the Swan River nearby. John Hardey and his son Robert were destined to own almost the entire Belmont area.



In 1848, Hardey allowed the first race meeting to be held on Grove Farm. Although race meetings had been held at other venues around Perth, a site on Hardey's farm soon became Perth's permanent racecourse and the horse racing industry grew up around it.

Robert Hardey later built a mansion on Grove Farm in 1880 which he called 'Belmont House'. In 1889, he leased the house to J. Handron-Smith, a horse racing owner, who later became secretary of the West Australian Turf Club and went on to become the first elected Chairman of the Belmont Road Board.

The early settlers in Belmont found the land to be of poor quality for cropping and swampy in many parts. Needless to say, many of the Chinese migrants who came with the Gold Rush in the 1890's found the swampy areas excellent for some of Perth's first market gardens.

In 1911, the population of Belmont was 1,088. Today, the City of Belmont is a thriving municipality of over 40,000 residents with extensive parklands and some outstanding facilities such as the Ascot Racecourse and surrounding residential stables precinct, the picturesque marina at Ascot Waters, the inspired Adachi Park which both offer spectacular views of the iconic Swan River, the Belmont Oasis Leisure Centre and Belmont Forum Shopping Centre.

Belmont is a mix of residential, commercial, and light industrial properties and includes within its boundaries, the Perth Domestic and International Airports. The City is made up of the localities of Ascot, Redcliffe, Belmont, Cloverdale, Kewdale, Rivervale and as of October 2013 is divided into three wards, namely East, West and South. With an area of 40 square kilometres, the City of Belmont is in close proximity to air, rail and major road arteries and lies only six kilometres from the centre of Perth.

CONTENTS

City of Belmont Councillors	2
Mayor's Report	4
Chief Executive Officer's Report	5
Executive Committee Report	6
Standing Committee (Audit and Risk) Report	7
Standing Committee (Environmental) Report	8
Standing Committee (Community Vision) Report	9
Disability Access and Inclusion Plan Progress to Date	10
Environment and Sustainability Strategy 2016-2021 Progress	13
Record Keeping Report	16
Plan for the Future	17
Executive Responsibilities	26
Councillor Attendance at Council and Committee Meetings	27
Councillor Professional Development	28
Financial Reports	29
Belmont in Brief	97

City of Belmont Councillors

(as at 30 June 2019)

EAST WARD



**Cr Phil MARKS
MAYOR**

4/12 Tanunda Drive, Rivervale 6103
PHONE
9277 4919
MOBILE
0417 998 229
EMAIL
crmarks@belmont.wa.gov.au



Cr Margie BASS

77 Keymer Street, Belmont 6104
PHONE
9277 9504
MOBILE
0423 768 760
EMAIL
crbass@belmont.wa.gov.au



Cr Bernie RYAN

44 Lyall Street, Redcliffe 6104
MOBILE
0418 941 328
EMAIL
crryan@belmont.wa.gov.au

SOUTH WARD



Cr Janet POWELL

62 Treave Street, Cloverdale 6105
PHONE
9277 3915
MOBILE
0407 277 391
EMAIL
crpowell@belmont.wa.gov.au



Cr Steve WOLFF

244 Surrey Road, Kewdale 6105
MOBILE
0401 822 553
EMAIL
crwolff@belmont.wa.gov.au



Cr Jenny DAVIS

382 Belmont Avenue, Kewdale 6105
PHONE
9478 1352
MOBILE
0413 579 390
EMAIL
crdavis@belmont.wa.gov.au

WEST WARD



**Cr Robert ROSSI JP
DEPUTY MAYOR**

9 Wheatley Street, Kewdale 6105
MOBILE
0408 693 584
EMAIL
crossoi@belmont.wa.gov.au



**Cr George
SEKULLA JP**

PO Box 1010, Cloverdale 6985
MOBILE
0431 963 660
EMAIL
crsekulla@belmont.wa.gov.au



Cr Lauren CAYOUN

42 Lintonmarc Drive, Redcliffe 6104
PHONE
9361 0719
MOBILE
0416 380 633
EMAIL
crcayoun@belmont.wa.gov.au



City of Belmont Committees

EXECUTIVE COMMITTEE

Cr Phil Marks – Mayor*

Cr Robert Rossi JP – Deputy Mayor**

Cr George Sekulla – Presiding Member – Standing Committee (Audit and Risk)

Cr Steve Wolff – Presiding Member – Standing Committee (Environmental)

Cr Janet Powell – Presiding Member – Standing Committee (Community Vision)

STANDING COMMITTEE

Audit and Risk

Cr Phil Marks – Mayor (Ex Officio)

Cr Margie Bass**

Cr Jenny Davis

Cr George Sekulla*

Mr Ron Back –

Independent Member

Environmental

Cr Phil Marks – Mayor (Ex Officio)

Cr Janet Powell*

Cr Robert Rossi JP**

Cr Bernie Ryan

Community Vision

Cr Phil Marks – Mayor (Ex Officio)

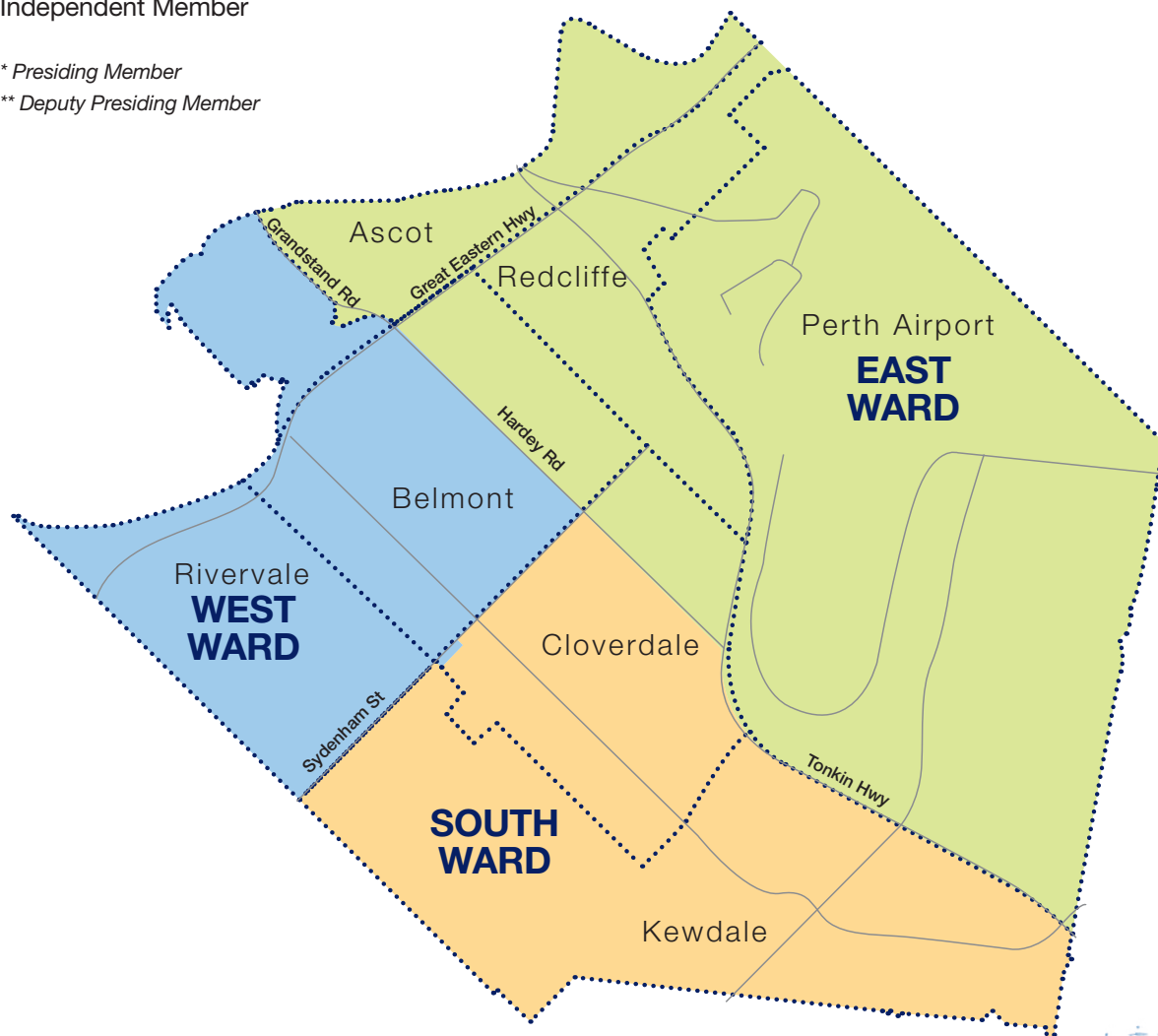
Cr Lauren Cayoun

Cr Bernie Ryan**

Cr Steve Wolff*

* Presiding Member

** Deputy Presiding Member





Mayor's Report

It is with pleasure that I present the City of Belmont's 2018-2019 Annual Report.

The City is proud of its achievements over the past 12 months and the quality of services and facilities it provides for the Community.

I would like to express my appreciation and thanks to all residents and businesses for playing a significant role by assisting the City to achieve our goals this year.

Our strong financial management saw us implement a low rate rise for the current financial year consistent with the forecasted Consumer Price Index for Perth which is a great win for ratepayers.

Our Budgets continue to maintain the City's commitment to the local community together with responsible planning for the future while delivering major community projects.

As the City of Opportunity, the City of Belmont aims to lead the way in facilitating exciting new projects.

Throughout the year we have been watching our much awaited multi-purpose Community Centre move from artist impression to reality.

The Community Centre represents a major investment by the City of Belmont to facilitate the delivery of community services, which is being generously supported with significant grants from the Federal Government and Lotterywest.

As a community hub, the completed Community Centre will allow for the co-location of the library and digital hub and recording studio; museum, Senior Citizens Centre, offices for not-for-profit service providers, cafe and crèche.

This centre will be a great asset for the Belmont community, and it is now evident this building will be a significant landmark with its unique architectural style.

The 2019 Community Perceptions Scorecard showed that the City achieved an overall performance index score is 72 out of 100 – seven points above the industry average for Western Australia.

The City of Belmont also set industry standards in eight community and 10 business services areas.

The survey showed a 93 per cent positive rating for residents satisfied with the City of Belmont as a place to live, and a 90 per cent positive rating for residents satisfied in the City as a governing organisation.

The City of Belmont is also an industry leader in value for money from Council rates achieving an 83 per cent positive rating.

These results are a fantastic endorsement by the community of the City's actions in service delivery.

We ensure that we continue to consult and engage with our community, and more importantly hear and respond to what they have to say.

The City of Belmont's Community Perceptions Scorecards also identified priorities the community would like addressed and these included safety and security.

To address these concerns the City has created a Community Safety Taskforce which aims to improve community safety within the City. The Taskforce is a strategic multi-agency partnership where members at a local level share a collective commitment to improving community safety within the City of Belmont.

We are delighted with our achievements and grateful for the faith the community has entrusted us.

Looking forward, the City is set to continue delivering excellence in service to our community, while ensuring that we create opportunities for residents, businesses and visitors into the future for our City of Opportunity.

**Cr Phil Marks
Mayor**



Chief Executive Officer's Report

It is with pleasure I present my Report for the 2018-2019 year.

It has been a satisfying year to review and I commend the Council and our staff for their commitment and professionalism as it has enabled us to again finish the year in a strong, sustainable financial position.

I am proud to report that the City continues to deliver excellent services and projects to the City of Belmont community.

Together with Council, the City has remained strongly focussed on community needs.

The City recognises that it is at the heart of one of the most significant logistics hub for the region and State. Over the past year we have continued to work with our neighbouring local governments, and the freight / logistics industry, to ensure that we continue to support and grow this vital component of the State's economy.

Progress has also continued on the delivery of one of the City's major projects – the Community Centre.

We are grateful for the generous funding commitments from Lotterywest and the Federal Government which will assist us to deliver this great facility.

As a community hub, the completed Community Centre will allow for the co-location of the library and digital hub and recording studio; museum, Senior Citizens Centre, offices for not-for-profit service providers, cafe and crèche.

During the year the City's Belmonster's Book Project won the Arts Animates – Creating Vibrant and Cohesive Communities through the Arts category, as part of the 2019 National Awards for Local Government.

The creation of the Belmonster's book by the City, along with members of our community, shows the valuable contribution local government plays in building happy, healthy and engaged communities.

The City of Belmont is committed to providing and achieving positive learning outcomes for our community and this award recognised the important role local government has in providing life-long learning through arts and cultural activities.

Community wellbeing and enhancing the quality of life for our residents is important.

The City prides itself in providing a wide range of free events for our community to enjoy. A comprehensive program of events were held during the year, attracting a large number of residents which included Harmonise Cultural Festival, Autumn River Festival and Kidz Fest, along with the Let's Celebrate Festival.

A wide range of community development initiatives were again made available to residents including wellbeing activities, promoting active, nutritious, creative lifestyle classes and the CountUSin, a program designed to increase awareness and access to health and wellbeing information.

The City is committed to working proactively with businesses and the community to continue to protect the natural environment.

It is well documented that the City of Belmont has one of the lowest tree canopy covers in Australia. This is largely due to the fact the City includes Perth Airport and the industrial suburb of Kewdale.

I am happy to report that over the past 12 months tree canopy has increased by 3.1 per cent – and the City of Belmont is one of only two councils in the State to have an increase.

The City is committed to greening our community through our Urban Forest Strategy and is working to preserve and increase tree canopy on private and public land.

Further showcasing our commitment to the environment, welcomed SUEZ Western Australia's first electric vehicle recycling truck in Western Australia to its streets.

Reducing carbon emissions is a key element of the City's Environment and Sustainability Strategy, and innovation in waste management is an important part of this.

Community safety and crime prevention remain priorities with the City continuing its commitment to enhancing its Closed Circuit TV program for both residents and businesses. The launch this year of the Community Safety Taskforce is another example of the City's commitment to addressing the community's concerns in the area of safety and security.

None of our achievements would be realised without the hard work of Councillors and staff working towards a shared vision.

Working together we can all make a difference and by working closely to deliver our plans for the future the City of Belmont – the City of Opportunity will continue to be a great place to live, work, play and invest.

John Christie
Chief Executive Officer



Executive Committee Report

The Executive Committee is responsible for making recommendations to Council on Chief Executive Officer (CEO) appointments, contract reviews/renewals, performance and remuneration reviews and assessments and the processing of complaints against the CEO, Councillors and the Mayor as prescribed in Council's Complaints Management Procedure.

During 2018-2019 the Executive Committee met on two occasions, once in August 2018 to conduct the Chief Executive Officer's 2017-2018 performance review and to set goals and targets for 2018-2019 and once in April 2019 to conduct the interim review of the Chief Executive Officer's 2018-2019 performance plan.

The Committee was not required to meet about any complaints against the Chief Executive Officer, Mayor or Councillors.

I would like to thank the members of the Committee including Cr Rossi (Deputy Presiding Member), Cr Powell, Cr Sekulla and Cr Wolff as well as the Chief Executive Officer and staff for their assistance during the year and the support I have received as Presiding Member.

Report By

Cr Phil Marks
Presiding Member
Executive Committee

The Committee is convened in accordance with Part 5 Division 2 of the *Local Government Act 1995* and consequently Standing Orders will apply.





Standing Committee (Audit and Risk) Report

The purpose of the Committee is to assist the Council to discharge its responsibilities with regard to exercising due care and diligence in relation to the reporting of financial information, the application of accounting policies, and the management of the financial affairs of the City in accordance with the provisions of the *Local Government Act 1995* and associated Regulations including an assessment of the management of risk.

In the year under review the Standing Committee (Audit and Risk) met three times.

The Committee provides guidance and assistance to the City of Belmont in carrying out its functions in relation to audits carried out under Part 7 of the *Local Government Act 1995*.

The Committee was involved in the following throughout the year:

- Consideration of the City's audited Annual Financial Report to 30 June 2018 and recommended its adoption by Council prior to the Annual Meeting of Electors.
- Consideration of comparison reports presenting an assessment of the City's operations with findings from two Corruption and Crime Commission reports and recommended that Council receive the reports and that a copy of the City's report to Council is forwarded to the Minister for Local Government.
- Revisions to its Terms of Reference following changes to the Local Government (Audit) Regulations 1996 and the new Terms of Reference were endorsed by Council on 26 March 2019.
- Received the 2018 Compliance Audit Return
- Consideration of the outcomes of a Focus Audit on the Management of Supplier Master Files undertaken by the Office of the Auditor General during October 2018; and
- Received the findings of the Financial Management Review (as required under Section 5(2)(c) of the Local Government (Financial Management) Regulations 1996) and the review of certain systems and procedures to demonstrate compliance with Regulation 17 of the Local Government (Audit) Regulations 1996 which were undertaken in November and December 2018.

I would like to thank the members of the Committee including Cr Bass (Deputy Presiding Member), Cr Marks, Cr Davis and Mr Ron Back as well as Mr Robin Garrett, Director Corporate and Governance, and staff for their assistance during the year and for the support I have received as Presiding Member.

Report By

Cr George Sekulla, JP
Presiding Member
Standing Committee
(Audit and Risk)





Standing Committee (Environmental) Report

The purpose of the Standing Committee (Environmental) is to consider and recommend to Council on matters of strategic environmental importance and relevance to the City of Belmont.

Cr Steve Wolff is the Presiding Member and Cr Bernie Ryan is the Deputy Presiding Member. Other members are Cr Phil Marks (Ex Officio) and Cr Lauren Cayoun.

Significant achievements for the 2017-2018 period included:

- Successful transition of the City's Environmental Management System to the ISO 14001: 2015 Standard.
- Continued recognition as a Waterwise Council.
- Involvement in Eastern Metropolitan Regional Council (EMRC) projects including 'Understanding and Managing Flood Risk in Perth's Eastern Region', Healthy Wildlife Healthy Lives and Bush Skills 4 Youth.
- Participation in the Light Industry Program Reference Group; an information and support forum for local government officers involved in light industry regulation, with inaugural meeting held in May 2018.
- Completion of the following 'new actions' from the City of Belmont Environment and Sustainability Strategy 2016-2021:

- Advocate for regional investigation of Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development by EMRC, and consider relevance to transition of the City's EMS to the ISO 14001: 2015 standard.
- Transition the City's EMS to the ISO 14001: 2015 standard, with certification achieved following 2018 external audit.
- Obtain 'as constructed' digital designs for stormwater drainage upon completion of the Tonkin Highway upgrade, and incorporate into the City's Intramaps system.
- Revise the City's Process Map for 'Obtaining Approval for Ground Disturbing Works at Aboriginal Heritage Sites', based on the Noongar Standard Heritage Agreement.
- Revise the City's Process Map for 'Clearing of native vegetation' to include referrals under the *Environmental Protection and Biodiversity Conservation Act 1999*.

Report By

Cr Steve Wolff
Presiding Member
Standing Committee
(Environmental)





Standing Committee (Community Vision) Report

The Standing Committee (Community Vision) is responsible for examining, considering and making recommendations to Council on matters of strategic importance and relevance to the City of Belmont that relate to Community Development, Community Placemaking and Community Safety and Crime Prevention.

The primary objective of the Standing Committee (Community Vision) is to act as a catalyst for social change that is driven by the community and designed to foster resilience and sustainability.

The Committee reports to Council and provides appropriate advice and recommendations on matters relevant to its terms of reference, in order to facilitate informed decision making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

During 2018-2019 the Standing Committee (Community Vision) met on three occasions; in July 2018 to provide updates on the Youth Strategy for Western Australia, the Activate Belmont Group and the End User Working Group Projects relating to the New Community Building; in September 2018 to provide updates on the 2018 Sister City

Delegation to Belmont, the new Library & Heritage Services, the Sports Community Online Toolkit and the 2018 Community Service Awards Nominations; and in June 2019 to present the revised Terms of Reference - Standing Committee (Community Vision).

I would like to thank the members of the Committee including Mayor, Cr Marks, Cr Rossi (Deputy Presiding Member) and Cr Ryan as well as the Chief Executive Officer and staff for their assistance during the year and the support I have received as Presiding Member.

Report By

Cr Janet Powell
Presiding Member
Standing Committee
(Community Vision)



Disability Access and Inclusion Plan Progress To Date

The current Access and Inclusion Plan 2018-2021 (AIP) was endorsed by Council on 28 February 2018 and subsequently submitted to the Department of Communities as required under the *Disability Services Act 1993* (amended 2004). Throughout the reporting period, the City of Belmont (the City) has continued to develop and implement actions to achieve its obligations and commitment to the creation of an accessible and inclusive community.

The City continued to ensure its buildings, events and services are physically accessible while making certain that people felt included and welcome within the community. The construction of the new Community Centre has provided the City with an opportunity to provide a space that meets the needs of our diverse community, including an installation of a 'Changing Place' which will assist people living with disability and their Carers.

The City's Disability Access and Inclusion Focus Group (DAIFG) have had a number of new members join during this reporting period. This group consisting of community members, service providers, City staff and councillor continued to provide guidance and recommendations to effectively implement the AIP across Belmont. The DAIFG also seeks to share information with the community regarding relevant work being undertaken by the City. The City acknowledges the efforts of the DAIFG members and staff and extends its thanks for their ongoing contribution, participation and support.

A summary of achievements during the 2018-2019 financial year in accordance with defined outcomes are highlighted below:

Outcome 1:

People with disabilities have the same opportunities as other people to access services of, and any events organised by the City of Belmont.

The marketing team consulted with the City's Disability Access and Inclusion Focus Group to be guided on creating accessible events. This included the audit of a City event by a member of the group who is visually impaired (Autumn River Festival – one of the City's biggest events with around 7500 people attending the event). Issues such as signage and entry paths were identified and will be addressed in future events planning. Benefits of consultation with this group provide the opportunity for members with disability to have a voice and for City staff to learn from people with lived experience which may have not been considered in the planning process.

The City continues to ensure all residents have equal access to waste collection services through its gopher / 'go for' service. Registered residents living with disability or mobility limitation have their bin collected directly from their home by the truck driver. In the 2018-2019 period, this service met the needs of 39 Belmont residents.

'Frontrow' audio equipment was purchased to be used at workshops and events. The equipment provides high quality audio and increases the opportunity for participation for people with hearing impairment. This equipment has been used at numerous small workshops and positive feedback supports its effectiveness.

The access and inclusion checklist, designed in collaboration with People with Disability WA

co-design project, has been incorporated into the City's overall Community Event Plan to guide all internally planned events. This requires staff preparing events to give extensive consideration to the needs of people with disability in the planning process. This has resulted in the exploration of more options, serves as a practical tool and has raised awareness among staff.



Outcome 2:

People with disabilities have the same opportunities as other people to access the buildings and facilities of the City of Belmont.

The City has engaged services of an access consultant to provide guidance on both compliance and the opportunity to include universal design principles as part of the new Community Centre project. In this reporting period, access consultants provided advice on street signage and the IT component of the new Community Centre. The process relating to the appropriateness of when to engage access consultants is under review and will continue to be developed.

The City is regularly upgrading its parks and open spaces. This process includes recognising the needs of people with disability and creating spaces with access for all. The City has installed two new all abilities drinking fountains in Middleton and Peet Parks.

In addition to the formal access audit process, the City has worked directly with people with lived experience of disability and local community members to undertake 'experiential' audits of the City's facilities and spaces to assess their user friendliness. This reporting period has included a 'walk around' the Belmont Civic Precinct to review and identify any concerns with paving, signage or other elements. The findings of this walk were summarised in a report that was distributed to relevant departments for appropriate action.

This process provides an opportunity to meaningfully engage with community members while giving the City the opportunity to be proactive and address access concerns prior to an incident or formal complaint.

Outcome 3:

People with disabilities receive information from the City of Belmont in a format that will enable them to access the information as readily as other people access it.

The City has initiated the process to upgrade its website to Web Content Accessibility Guidelines 2. It is a high priority for the City to ensure the new website is accessible for all users. A customer user group is in its initial stages of development and will include members from the City's Disability Access and Inclusion Group, Age Friendly Focus Group and other interested community members.

A number of articles relating to accessible information has been included in the City's 'Team Brief' which is a monthly electronic newsletter required to be read by all staff. Articles included basic tips for creating accessible information and writing in Easy English.

The City has increased its use of social media as part of utilising alternative methods of providing and receiving information. The City has recently ordered Auslan books which are available through the City's Ruth Faulkner Public Library.

Outcome 4:

People with disabilities receive the same level and quality of service from the staff of the City of Belmont as other people receive from the City.

The City provides annual staff training to new and existing staff using external facilitators with lived experience of disability to raise awareness and understanding in respect to access and inclusion. The annual training was held in February 2019 with a total of 12 staff attending. The training contributes to staff development by familiarising them with the City's obligations and a greater knowledge of how to support people living with disability. In addition, a toolbox session on access and inclusion was held with over 40 staff working at the City's operations centre.

Outcome 5:

People with disabilities have the same opportunities as other people to make complaints to the City of Belmont.

The City continues to be responsive to community complaints. One such example is that a complaint was received by the City from a parent who reported that there are limited drop off facilities to drop off their child with disability at the Cloverdale Education Support Centre. The Infrastructure Services team reviewed the issue, then consulted with relevant internal and external stakeholders and the result was an additional accessible bay was installed to facilitate drop off. Feedback was provided to the resident.

The City's Disability Access and Inclusion Focus Group provides opportunity for complaints to be made directly to City staff. Two of the community members expressed concerns regarding the lack of pedestrian crossing at two busy intersections within the City. The City's officer advocated to the Main Roads Department who undertook an investigation of the two sites. As a result of the investigation, it was deemed that signage to advise drivers of pedestrians crossing was required and was duly installed.

The City has undertaken a review of the Complaint Management Procedure Manual to ensure complaints are dealt with efficiently. The Procedure Manual has been assessed for accessibility of content as it will be available externally once it is finalised. The City continues to offer a range of alternative methods for reporting complaints.

Outcome 6:

People with disabilities have the same opportunities as other people to participate in any public consultation by the City of Belmont.

The City facilitates the Disability Access and Inclusion Focus Group (DAIFG) which provides community members the opportunity to provide feedback on City programs, services and events. In this reporting period, the Environmental team have consulted with the group on signage in a park and the Marketing team have consulted on the accessibility of events. Since March 2019, the City relocated the bi-monthly meetings to a venue that allows members of the DAIFG to participate in meetings via skype.

Outcome 7:

People with disability have the same opportunities as other people to obtain and maintain employment with the City of Belmont.

The City continues to support people living with disability with the employment recruitment process. The City's Human Resources department is compliant with *Equal Opportunity Act 1984* and during this reporting period recorded two enquiries directly from a Disability Employment Service.

The City engaged the services of a WA Disability Enterprise (Workpower Café 1905) to provide catering at the National Disability Insurance Scheme (NDIS) expo coordinated by the City in February 2019. Students with disability from the Belmont City College were engaged to serve food to participants as part of their course work experience.

Outcome 8:

Raise awareness in the broader community on Access and Inclusion in the City of Belmont.

In the 2018-2019 period, two articles were published in the City's Belmont Business Talk with one article focusing on the challenges of people with disability accessing businesses and the second raising awareness of the benefits of employing people with disability.

The City facilitated a NDIS Workshop in partnership with Carers WA to assist those living with disability to gain information on the rollout of NDIS in Belmont.

The City partnered with Therapy Focus and supported the delivery of Sensorium project for families supporting children with disability.



Environment and Sustainability Strategy 2016-2021 Progress



A summary of achievements during the 2018-2019 financial year relating to the City's Environment and Sustainability Strategy 2016-2021 is outlined below. Significant achievements included:

- Successful recertification of the City's Environmental Management System to the ISO 14001: 2015 Standard
- Continued recognition as a Waterwise Council and Greenstamp Advantage
- Involvement in Eastern Metropolitan Regional Council (EMRC) projects including 'Understanding and Managing Flood Risk in Perth's Eastern Region', Healthy Wildlife Healthy Lives and Bush Skills 4 Youth
- Completion of 11 "new actions" from the City of Belmont Environment and Sustainability Strategy 2016-2021.

'OUR TREES' – URBAN FOREST STRATEGY

During Winter 2019 the City planted approximately 1260 advanced street trees in an effort to increase canopy cover and add to the liveability and health of the City. This brings the City's total street tree count to 16,616 with another 1094 planned for Winter 2020. Since the adoption of the Urban Forest Strategy in August 2014, a number of tree planting and tree retention initiatives have contributed to a statistically significant increase in canopy cover as reported by the 2020 Vision in 2017 (report released 2019). The City of Belmont along with the City of Armadale was recognised by the 2020 Vision as having demonstrated dedication and a commitment to urban forestry through strong targets and a committed urban forestry team.

The City would like to extend a thank you to all those who have agreed for a street tree to be planted on their verge and invite others to do the same next year. This simple task helps to enhance the natural environment and adds to the urban liveability of the City of Belmont for future generations to come.

In 2019 the City also adopted its first Urban Forest Policy and Canopy Plan 2019-2024 in support of a cooler and more vibrant City. The Policy and Plan aim to place trees at the forefront of design and will better enable street tree management in support of increased canopy cover.

COMMUNITY AWARENESS, ENGAGEMENT AND BEHAVIOUR CHANGE

The City hosted a range of volunteer environmental activities and events, including Grab a Gladi, fauna night stalks / frog walks, Healthy Wildlife Healthy Lives and seminars on energy, fauna friendly gardens and recycling / waste minimisation. Community volunteers contributed 54 hours at environmental weeding events, with several groups organising clean up days of local natural areas or joining Adopt-a-spot.

As part of the Business Environmental Assessment Project, 105 assessments and 56 premises visits were conducted, aimed at improving environmental practices and minimising risk of pollution incidence.

The City continued participation in Switch your thinking, with local residents and businesses eligible for a range of programs, initiatives and offers to inspire sustainable action. To find out more visit www.switchyourthinking.com.

NATURAL ENVIRONMENT AND BIODIVERSITY

A total of 1654 local native seedlings, 60 (11 litre) sedge bags and 1040 sedge strips were planted at Willow Lake, Ascot Racecourse foreshore, The Esplanade and Adachi Park foreshore.

Foreshore stabilisation and restoration was implemented at Ascot Racecourse foreshore (27 linear metres) and Adachi Park foreshore (20 linear metres).

WATER EFFICIENCY

In 2018-2019, the City achieved its goal of managing groundwater abstraction within its Department of Water and Environmental Regulation licensed allocation, maintained its Waterwise Council recognition and continued to install water efficiency devices within its facilities.

Throughout the irrigation season, public open space was managed in accordance with the City's Licence to Take Groundwater resulting in no breaches and water consumption being below the licenced allocation. In union with water efficient hydrozoned systems, the application of monthly budgets for each irrigated park enabled the City to maintain optimal levels of water delivery during the drier months and uphold park quality. In addition to this, to better utilise groundwater as an irrigation source, the City installed a new iron filtration system at Faulkner Civic Precinct to reduce iron staining on hard infrastructure and a new ring-main to deliver water more efficiently.

A water retrofit and refurbishment of the lagoon pool toilets and family change rooms was undertaken at the Belmont Oasis Leisure Centre, whereby water efficient WELS rated cisterns, taps and showerheads were fitted. Steps like this assist in facilities becoming more water efficient whilst maintaining visitor satisfaction.

The City's Corporate scheme water goal is to maintain water consumption to within 10% of 72,878 kilolitres (kL). Based on the most recent data that has been verified by the Water Corporation, the City consumed 79,903 kL in 2018-2019. Therefore total scheme water consumption has increased by 9.6% since 2014-2015 and is tracking within acceptable limits.

In 2018-2019, City of Belmont residents consumed 3,475,976 kL, which is on average 84 kL per person per annum (estimated population of 41,510 in 2019). This is significantly lower than the Perth average of 145 kL, comfortably meeting the City's goal of remaining at or below 125 kL per capita.

Table 1 Progress towards water efficiency goals and targets

Goal	2018-2019 Outcomes
Maintain irrigation delivery to below the Department of Water and Environmental Regulation Licenced Allocation	Achieved
Maintain Waterwise Council recognition for 2018-2019	Achieved
Maintain corporate scheme water use to within 10% of 72,878 kL (2014-2015 consumption) by 2021	79,903 kL in 2018-2019, decreased by 0.13% on 2017-2018 and achieved the goal of maintaining water consumption to within 10%
Maintain water consumption below 125 kL per person	Residential water use per capita is 84 kL

ENERGY MANAGEMENT AND CARBON

Electricity use at the City's contestable sites (those consuming >50,000 units per year) in

2018-2019 was reviewed (Table 1). There was an overall reduction of 10% in comparison to

2017-2018, the majority of which occurred at the Administration Building (Civic Centre and Library).

This was likely a result of the demolition of the Senior Citizens Centre with some contribution from an interior

LED lighting retrofit of the Civic Centre offices and meetings rooms, both occurring in the last half of 2017-2018.

As per the City's commitment to minimise its carbon footprint, 25% renewable energy or equivalent in "Gold standard" carbon offsets is purchased for the City's contestable sites, and light vehicle / passenger fleet emissions are fully offset.

Table 2 Electricity use (kWh) for contestable sites in 2018-2019 and comparison to previous years

Site	2015-2016	2016-2017	2017-2018	2018-2019	Difference	Percentage change
Administration Building – Civic Centre and Library	1,133,800	1,080,188	1,027,581	883,462	-144,119	-14%
Operations Centre	197,456	192,349	210,417	192,867	-17,550	-8%
Youth and Family Services	152,480	149,441	92,399	104,155	11,756	13%
Centenary Park (Daly and Elmsfield)	55,512	59,881	68,600	74,161	5,561	8%
TOTAL	1,583,349	1,526,503	1,442,134	-84,369	-6%	-10%

*Note: figures are adjusted to correlate to 365 days per year

The City's progress towards energy management and carbon goals for 2020-2021 is shown in the table below.

Table 3 Progress towards energy and carbon goals for 2020-2021

Goal	2018-2019 Outcomes
Maintain annual energy consumption per full time equivalent (FTE) at the Operations Centre to within 10% of 2015-2016 levels until 2021	A 7% increase was observed (3048 increased to 3258 kWh/ FTE)
Reduce the average 'CO2 tailpipe emissions rating' of the City's light vehicle fleet between 2016 and 2021	A reduction of 2g of CO2/km (from 188 in June 2016 to 186 in June 2019)
Reduce annual electricity consumption at Harman Park Community Centre by 10%, from 2014-2015 levels by 2020-2021	A 31% or 5,883 kWh reduction (from 18,972 in 2014-2015 to 13,089 in 2018/19)

Energy efficiency upgrades implemented in 2018-2019 included interior LED lighting retrofits at Belmont Oasis Leisure Centre and the Operations Centre, LED replacement of Pitman Park bollard lights, Garvey Park and Tomato Lake barbecue areas and interior road lighting on Scenic Drive. A 10 kilowatt solar PV system was installed by the Ascot Kayak Club at the Garvey Park Kayak Club / Kiosk building.

WASTE REDUCTION

The City's progress towards waste reduction goals is shown in the table below.

Table 4 Progress towards waste reduction goals

Goal	2018-2019 Outcomes
Reduce the percentage of recyclable material and quantity (by weight and volume) of single use plastics in the Civic Centre general waste (landfill) at the time of the annual audit in comparison to previous results	<p>Recyclable material (2018 vs 2017 audit): Reduction by weight from 19.4% to 16.8%. Slight increase by volume from 25.7% to 30%.</p> <p>Single use plastics (2018 vs 2017 audit): Reduction from 1.97kg / 223L in 2017 to 1.0kg / 66L in 2018.</p>
Minimise sheets of paper printed annually (calendar year) for Councillor communications below 2016 figures.	Approximately 3173 sheets per Councillor in 2018 in comparison to 8697 sheets printed per Councillor in 2016 (64% reduction)

The City of Belmont together with the Eastern Metropolitan Regional Council (EMRC) are working towards diverting waste from land fill (to energy), and in addition have endorsed a Food Organics and Garden Organics (FOGO) Recovery Strategy to introduce a three bin system by 2025 to meet State Government objectives in its Waste Avoidance and Resource Recovery Strategy 2030.

CONCLUSION

In the year ahead the City looks forward to participation in a Water Sensitive Cities Index Benchmarking workshop (funded by Water Corporation) and EMRC's Building Benchmarking Efficiency project, implementing actions required to submit for Gold Standard Waterwise Council Recognition in 2020 and finalisation of the Public Open Space and Environmental Planning Supporting

Documents for the Local Planning Scheme review.

While focusing on City operations, the City will continue to work proactively with businesses and the community to promote and encourage involvement in environmental programs, sustainable behaviour change and minimise the risk of pollution incidence.

Record Keeping Report

The City is committed to a systematic approach to its management of corporate records in accordance with legislative requirements. Records are a core information resource in the City of Belmont and sound record keeping practices contribute to the overall efficiency and effectiveness of the organisation.

As a Local Government Authority, the City of Belmont is required under the *State Records Act 2000* to provide an annual report, as outlined in the Recordkeeping Plan. The City's Recordkeeping Plan (RKP) was first approved by the State Records Commission in March 2005 and is comprehensively reviewed every five years. The current plan RKP 2016 was approved in August 2016.

RECORD KEEPING SYSTEM

Overall, the City's record keeping system is effective. It enables the organisation to capture records and manage them through processes using workflows and other functionalities of the system, as well as providing a high level of customer service both internally and externally to the City's stakeholders. The effectiveness of the system is constantly being assessed to ensure continuous improvement and organisational requirements are being met.

The City's electronic document and records management system, ECM has undergone continuous review in order to reach and maintain an optimum working level, with refinements being undertaken through user and system requirements.

TRAINING AND DEVELOPMENT

The City has a responsibility under the *State Records Act 2000* to ensure all staff are aware of their recordkeeping obligations.

The City informs new employees of their recordkeeping role and responsibilities as part of the induction process. Individual Records, Freedom of Information Awareness and System Introduction Training is provided to new employees.

Group training sessions for the City's Electronic Document and Record Management System, ECM are conducted monthly and complemented by recordkeeping work instructions and guidelines.

FREEDOM OF INFORMATION

The City of Belmont will if possible provide access to documents held by the City outside the *Freedom of Information Act 1992* process, however if we are unable to supply this information by less formal means, a Freedom of Information request can be made through our Records Section.

In accordance with the *Freedom of Information Act 1992* the City publishes a Freedom of Information Statement on the City's website. The statement outlines the City's functions, the kind of documents held by the City, how those documents can be accessed and details the process of applying for information under the *Freedom of Information Act 1992*.

A total of 15 Freedom of Information applications were received in the 2018-2019 financial year. No applications relating to the amendment of personal information were received.

Plan for the Future

Strategic Community Plan 2016–2036 and Corporate Business Plan 2018-2022

VISION STATEMENT

The City of Belmont will be home to a diverse and harmonious community, thriving from the opportunities of our unique, riverside City.

The City of Belmont’s Strategic Community Plan underwent its first full review in October 2015. Following significant community consultation, the City’s Strategic Community Plan 2016-2036 was adopted in December 2015. The City’s Strategic Community Plan will undergo its second full review during the latter half of 2019.

The City’s Corporate Business Plan underwent a minor review during 2017–2018 and the amended Corporate Business Plan 2018-2022 was adopted in February 2018.

When combined, the Strategic Community Plan 2016-2036 and the Corporate Business Plan 2018-2022 create the City of Belmont’s Plan for the Future.

ORGANISATIONAL VALUES

In everything we do, we will keep to a set of values that guide our attitudes and behaviours. They are:

TEAMWORK

People building relationships to work together to achieve common goals

LEADERSHIP

To focus and inspire people to achieve

INTEGRITY

To act in an honest, professional, open and accountable manner

INNOVATION

To create new, innovative and alternative ways of working

PEOPLE FOCUS

To work safely. To communicate and consult in order to understand people’s needs

KEY RESULT AREAS

To be successful overall, outcomes must be achieved for:

- the resident community (Social Belmont)
- the City’s business community (Business Belmont)
- the natural environment (Natural Belmont)
- the man-made physical structure and layout of the City (Built Belmont).

These four areas of achievement make up the Key Result Areas (KRAs) of the Strategic Community Plan 2016-2036 – as shown in the model.

Each of the KRAs interacts with the others.

The centre point of the diagram is the fifth KRA, Business Excellence. Business Excellence is the process utilised to deliver the integrated results of all KRAs in a consistent and efficient manner. It provides the methodology for excellent customer service and organisational improvement on a continual basis.

For instance, enhancement in the built environment must serve the residential and business communities, and support green environment objectives. A strategy in any one area often delivers results in other areas.



SOCIAL BELMONT OVERVIEW

Objective 1: The City will take a key leadership role to ensure access to services and facilities and developing collaborative partnerships that enable greater accessibility for a changing community.

Strategy: Adopt a collaborative approach through the development of partnerships with service providers, to ensure maximum benefit for community groups and individuals.

Key Actions:

- Outsource management of key functions to provide specialist management of Independent Living Units
- Strengthen the Adachi Sister City relationship
- Implement the City's Volunteer Program Strategy
- Review the City's Aged and Community Care Service provision
- Operational activities which support this Community Development strategy.

Strategy: Identify and assist those in need by connecting them with appropriate internal or external service providers.

Key Actions:

- Implementation the Youth Strategy 2019 and Beyond
- In partnership with early years providers, support the facilitation and delivery of early year's initiatives to the local community
- Undertake scoping paper to examine current provision and future options for aged accommodation
- Operational activities which support this 'Identifying those in need' strategy.

Strategy: Provide leisure, recreation, arts and lifestyle programs and resources to address existing and future community needs.

Key Actions:

- Deploy the Library and Heritage Plan 2018-2020
- Deploy the Leisure, Art and Lifestyle Plan 2014-2018
- Operational activities which support predominately this Leisure and Recreation strategy.

Strategy: Provide art and cultural opportunities as a means of community engagement and inclusion.

Key Actions:

- Review of Multicultural Action Plan 2016-2018 and development and implementation of Multicultural Action Plan 2018 and beyond
- Develop a Public Art Master Plan 2018-2021
- Develop and implement an annual calendar of activities to engage the community in the arts

- Continue to promote and celebrate Aboriginal art, with a focus on NAIDOC week, and other avenues
- Implementation and ongoing review of Youth Strategic Plan 2018 and Beyond
- Operational activities which support predominately this 'Art and Cultural' strategy.

Objective 2: Develop community capacity and self-reliance.

Strategy: Adopt a multi-generational approach (from seniors to younger generations), to identify and address community needs, to maximise individual and collective potential to live and thrive together.

Key Actions:

- Ongoing implementation and review of Moving Forward, the City of Belmont Youth Strategic Plan 2018 and Beyond
- Operational activities which support predominately this Youth strategy.

Strategy: Assist clubs and community groups to be viable and active.

Key Actions:

- Deployment of the Leisure, Art and Lifestyle Plan 2015-2018 to ensure the City continues to deliver programs and services in the areas of healthy lifestyle, leisure and arts
- Promote funding opportunities to the community groups and provide them with guidance in the Community Contribution Fund grant application process
- Assist new and existing local sporting clubs to be sustainable
- Operational activities which predominately support this 'Community Groups' strategy.

Strategy: Identify and address the needs of people from culturally diverse backgrounds to maximise individual and collective potential to live and thrive together.

Key Actions:

- Review of Multicultural Action Plan 2016-2018 and development and implementation of the Multicultural Action Plan 2018 and beyond
- Operational activities which support predominately this culturally diverse engagement strategy.

Strategy: A 'whole of community' inclusive approach is adopted emphasising the intrinsic value of committing time and resources to relationship building amongst the City and the community.

Key Actions:

- Ongoing implementation and review of the City of Belmont Disability Access and Inclusion Plan 2018-2021
- Ongoing implementation and review of the City of Belmont Age Friendly Communities Plan 2017-2021
- Operational activities which support predominately this 'whole of community' strategy.

Strategy: Identify and address the needs of Aboriginal people to maximise individual and collective potential to live and thrive together.

Key Actions:

- Ongoing implementation and review of the City of Belmont Reconciliation Action Plan
- Engage with Aboriginal community to capture valuable local history knowledge of the City
- Operational activities which predominately support this 'Aboriginal and Torres-Strait Islander Engagement' strategy.

Strategy: Promote and deliver resources and opportunities for the community to engage in lifelong learning.

Key Actions:

- Ensure the library continues to be an environment that explores and encourages learning opportunities
- Operational activities which support predominately this 'lifelong learning' strategy.

Objective 3: Encourage a high standard of community health and wellbeing.

Strategy: Continue to provide and enhance waste management services to the community.

Key Actions:

- Educate community on waste to energy initiatives e.g. Resource recovery plan, waste to energy or composting
- Liaise with Waste Service Provider and EMRC to implement new waste strategies that improve services, provide value for money and are consistent with environmental requirements
- Operational activities which support predominately this Waste Management Strategy.

Strategy: Provide environmental health services that raise public health standards within the City.

Key Actions:

- Work with the Department of Housing to reduce concentrations of social housing and seek the implementation of models for affordable housing
- Implement Environmental Health Plan 2018-2021
- Develop new Public Health Plan as per requirements of Public Health Act 2016
- Operational activities which support predominately this Public Health strategy.

Strategy: Identify and support initiatives that promote healthier and more active lifestyles.

Key Actions:

- Work in partnership with health and wellbeing service providers to increase the awareness of the positive health impacts associated with physical activity, healthy eating and safe alcohol consumption
- Operational activities which support predominately this Healthier Lifestyle strategy.

Objective 4: Create a city that leads to feelings of wellbeing, security and safety.

Strategy: The City will continue to design and implement programs which enhance safety, security and wellbeing in the community.

Key Actions:

- Increase emergency management awareness in the community
- Implement Community Safety and Crime Prevention Plan 2018-2021
- Work with Community Safety and Crime Prevention to promote existing and new business safety programs
- Continue to develop and enhance ongoing sustainable partnerships with service providers and other key local stakeholders to address the needs of the local community
- Operational activities which support predominately this Security strategy.



Strategy: Activate public spaces as a means to improving community spirit and sense of belonging.

Key Actions:

- Identify opportunities and spaces within the City that can encourage place activation and community participation
- Operational activities which support predominately this Community Spirit strategy.

Objective 5: Ensure that the cultural and historical significance of the City is identified and captured.

Strategy: Recognise all aspects of historical significance within the City.

Key Actions:

- Deploy the Library and Heritage Plan 2018-2020 to ensure the City's rich and diverse history is promoted and preserved for future generations
- Encourage the community to share their local history knowledge and ensure the information is captured and recorded for the benefit of future generations
- Operational activities which support predominately this 'Historical Significance' strategy.

BUSINESS BELMONT OVERVIEW

Objective 1: Maximise Business Development Opportunities.

Strategy: Attract and support high quality business development and the sustainable use of land in Belmont, including Perth Airport, by providing information and assistance to businesses seeking to establish operations in the City.

Key Actions:

- Develop and implement branding strategies for Belmont Business Park, Golden Gateway and Redcliffe West
- Encourage industrial / commercial sector growth through effective rating practices
- Demonstrate the City's support for home based business through regular distribution of information on City policy, changes or developments in the regulatory environment, support mechanisms available within Belmont etc.
- Facilitate business investment by advising, supporting and promoting Belmont as a place of business

- Operational activities which support predominately this 'attract and support' strategy.

Strategy: Enhance the relationship and interaction with existing business entities within the City.

Key Actions:

- Promote the use of the Opportunity Card for Business to Business transactions
- E-distribution of the Belmont Business Talk newsletter, increased targeted communication to business
- Maintain ongoing liaison with appropriate business advocacy, support and representative organisations
- Operational activities which support predominately this 'business relationship' strategy.

Strategy: Promote development opportunities through effective land asset management.

Key Actions:

- Operational activities which support predominately this 'land asset management' strategy
- Acquire strategic commercial sites to facilitate investment
- Development and distribution of information packs to assist and facilitate investment in appropriate areas.

Strategy: In partnership with Perth Airport Pty Ltd, support the business development of the airport.

Key Actions:

- Explore the provision of direct services to business premises within the airport precinct
- Facilitate quality transport linkages to the airport and between the airport and the City. Direct bus route from Airport West train station to Town Centre
- Coordinated cross government lobbying and development strategies
- Operational activities which support predominately this 'Perth Airport' strategy.

Objective 2: Maximise the regional benefits to the City.

Strategy: Support the Eastern Metropolitan Regional Council's (EMRC) development of a range of regional plans to attract businesses, investment and tourism and employment opportunities.

Key Actions:

- Contribute towards development of a coordinated foreshore trails network through involvement in the Swan Canning Marine Park Trails Master Plan
- Operational activities which support predominately this 'EMRC support' strategy.

Strategy: Continue to engage neighbouring local governments on issues of common interest.

Key Actions:

- Develop collaborative marketing and media to promote the positive perception that the different business areas within the City are working together rather than against each other
- Active involvement with relevant Eastern Metropolitan Regional Council (EMRC) committees and officers including involvement in working groups for lobbying federal and state government
- Regular liaison with appropriate officers / elected members of surrounding local governments on issues of common interest
- Operational activities which support predominately this 'engage neighbouring local governments' strategy.

Objective 3: Achieve and maintain an image of Belmont as an ideal location for business growth and opportunities.

Strategy: Promote the City of Belmont through various promotional and informative materials, facilitated networks and media to make it clear that the City is a great place to do business.

Key Actions:

- Implement the City's Marketing Plan
- The City will host regular briefing events, targeting specific strategies, initiatives or opportunities, for local business, developers and other actual or potential stakeholders
- Implement the City's Communication Strategy
- Operational activities which support predominately this promotional strategy.

NATURAL BELMONT OVERVIEW

Objective 1: Protect and enhance our natural environment.

Strategy: Ensure the City has policies and practices that safeguard and enhance the natural environment.

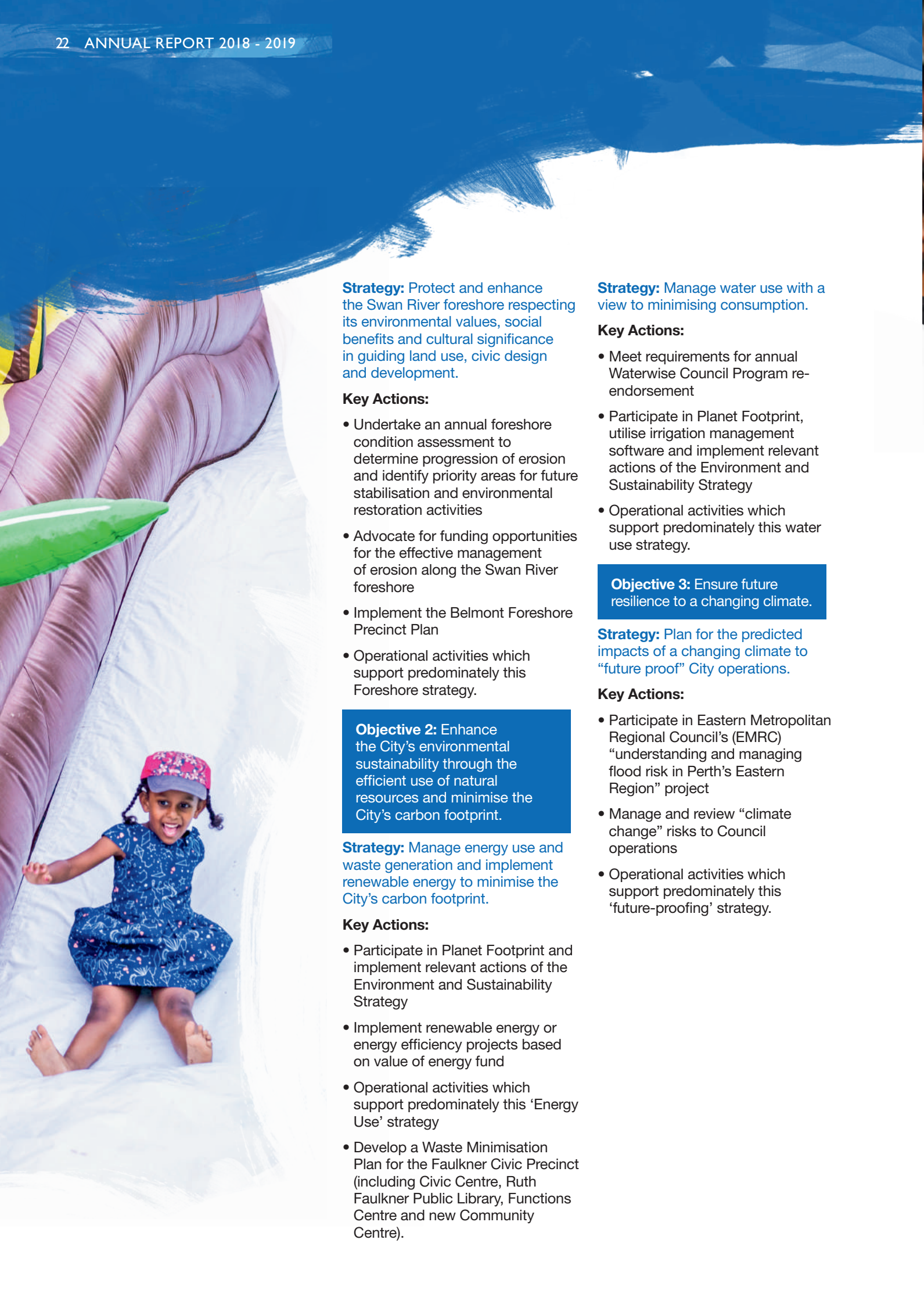
Key Actions:

- Develop a Canopy Plan to support the City's Urban Forest Strategy
- Maintain ISO14001 - 2015 (Environmental Management Systems) accreditation
- Undertake staged implementation of the Environment and Sustainability Strategy 2016-2021
- Manage and review "Environmental" risks associated with Council operations
- Conduct annual review of the City of Belmont's Environmental and Sustainability Policy and Strategy
- Operational activities which support predominately this environmental safeguarding strategy.

Strategy: Develop quality public open space in accordance with community needs.

Key Actions:

- Develop a Public Open Space Development Strategy that recognises the diminishing availability of natural resources, increasing population density and the changing expectations of the community
- Operational activities which support predominately this Public Open Space Development Strategy.



Strategy: Protect and enhance the Swan River foreshore respecting its environmental values, social benefits and cultural significance in guiding land use, civic design and development.

Key Actions:

- Undertake an annual foreshore condition assessment to determine progression of erosion and identify priority areas for future stabilisation and environmental restoration activities
- Advocate for funding opportunities for the effective management of erosion along the Swan River foreshore
- Implement the Belmont Foreshore Precinct Plan
- Operational activities which support predominately this Foreshore strategy.

Objective 2: Enhance the City’s environmental sustainability through the efficient use of natural resources and minimise the City’s carbon footprint.

Strategy: Manage energy use and waste generation and implement renewable energy to minimise the City’s carbon footprint.

Key Actions:

- Participate in Planet Footprint and implement relevant actions of the Environment and Sustainability Strategy
- Implement renewable energy or energy efficiency projects based on value of energy fund
- Operational activities which support predominately this ‘Energy Use’ strategy
- Develop a Waste Minimisation Plan for the Faulkner Civic Precinct (including Civic Centre, Ruth Faulkner Public Library, Functions Centre and new Community Centre).

Strategy: Manage water use with a view to minimising consumption.

Key Actions:

- Meet requirements for annual Waterwise Council Program re-endorsement
- Participate in Planet Footprint, utilise irrigation management software and implement relevant actions of the Environment and Sustainability Strategy
- Operational activities which support predominately this water use strategy.

Objective 3: Ensure future resilience to a changing climate.

Strategy: Plan for the predicted impacts of a changing climate to “future proof” City operations.

Key Actions:

- Participate in Eastern Metropolitan Regional Council’s (EMRC) “understanding and managing flood risk in Perth’s Eastern Region” project
- Manage and review “climate change” risks to Council operations
- Operational activities which support predominately this ‘future-proofing’ strategy.



BUILT BELMONT OVERVIEW

Objective 1: Achieve a planned City that is safe and meets the needs of the community.

Strategy: Encourage a wide choice and consistent implementation of development approaches.

Key Actions:

- Facilitate completion of preparation of Structure Plans for Development Area 8
- Preparation of Structure Plans for Development Area 6
- Facilitate the preparation of Structure Plans for Development Areas 4 and 5
- Landowners within the Town Centre are to be encouraged to progressively upgrade and redevelop commercial and support facilities
- The City will manage an ongoing program of awards and grants for innovative approaches to business practice, products or developments
- The City will support and where appropriate, lead shopping centre owners in activities that they feel have the potential to support the growth of their businesses
- Implement Local Planning Scheme No. 15
- Facilitate the development of a Corridor Plan for Great Eastern Highway
- Operational activities which support predominately this 'development approach' Strategy.

Strategy: Engage with identified local governments on working toward an agreement on the feasibility of standardisation of Local Planning Schemes (LPS) to assist the community and developers.

Key Actions:

- Engage with identified local governments on working towards an agreement on the feasibility of standardisation of local government planning processes and approaches to assist the community and developers
- Operational activities which support predominately this 'LPS standardisation' Strategy.

Objective 2: Maintain public infrastructure in accordance with sound asset management practices.

Strategy: Manage the City's infrastructure and other assets to ensure that an appropriate level of service is provided to the community.

Key Actions:

- Undertake detailed data and condition surveys to meet the requirements of the Asset Management Strategy
- Explore state, federal and private investment in public infrastructure by seeking external funding sources
- Enhance and raise standards of asset management tools
- Maintain assets in accordance with Asset Management Strategy and associated Plans
- Continue to promote an asset management culture across the organisation

- Submit funding applications to Office of Energy for underground power projects subject to favourable state government funding options
- Update Asset Management Plans biennially for all classes of assets covered by the Asset Management Strategy
- Develop a Master Plan for the Belmont Oasis Leisure Centre to guide the redevelopment of the City's primary leisure and aquatic centre for the community now and into the future
- Progress the construction and reporting requirements for the Civic Precinct Community Centre
- Progress the development of the Faulkner Precinct Master Plan through a Hydrology, Flora and Fauna Study. Review future uses of the existing library building
- Operational activities which support predominately this 'infrastructure management' strategy.

Objective 3: Provide a safe, efficient and well maintained transport network.

Strategy: Encourage a broad range of transport alternatives and provide adequate management of traffic density, parking, congestion and safety of the transport network, in and surrounding the City of Belmont.

Key Actions:

- Monitor relevance of current road network to suit future needs
- Implement Belmont on the Move
- Review priorities outlined in the City's Local Bike Plan and update schedule of works for implementation
- Implement the TravelSmart Plan 2017-2021
- Develop the City's Sustainable Transport Plan 2018-2023
- Investigate aged housing opportunities on the City's land (Beverly Road) with a view to rationalisation of the City's current Independent Living Unit aged housing options
- Prepare Local Development Plan for the Ascot Kilns site
- Prepared Local Structure Plan for the Golden Gateway precinct
- Operational activities which support predominately this 'transport alternatives' strategy.

BUSINESS EXCELLENCE OVERVIEW

Objective 1: Achieve excellence in the management and operation of the local government.

Strategy: Ensure Council is engaged at a strategic level to enable effective decision making.

Key Actions:

- Ensure a process that engages Council in regular reviews of the Activity and Outcome for the Strategic Community Plan and Corporate Business Plan
- Communicate the details of the Strategic Community Plan to the community to encourage understanding and obtain feedback from the community
- Operational activities which support predominately this 'council engagement' strategy.

Strategy: Ensure matters relating to the Belmont Trust property are resolved in conjunction with the Trustees.

Key Actions:

- Development of a Trust Strategic Plan
- Operational activities which support predominately this 'Belmont Trust' strategy.

Strategy: Maintain a healthy and safe working environment.

Key Actions:

- Maintain compliance with AS4801
- Maintain effective safety and risk management systems in accordance with the Occupational Safety and Health Management Plan and Risk Management Strategy requirements

- Implement the staff Wellness program
- Implement the Safety Management Plan in accordance with planned timeframes and parameters
- Operational activities which support predominately this safety strategy.

Strategy: Ensure community requirements drive internal policies and processes.

Key Actions:

- Conduct a half yearly organisational update, in person, to assist in developing / fostering a culture that we are here to care and protect the community. Be proud of Belmont
- Provide and maintain electronic interactive services which enable community engagement
- Provide interactive open and useful community consultations in accordance with Communication Strategy and Consultation and Engagement Strategy
- Operational activities which support predominately this 'community requirements' strategy.

Strategy: Ensure decision making is supported by effective information and knowledge management.

Key Actions:

- Apply the principles of the Data, Information and Knowledge Management Strategy
- Operational activities which support predominately this 'decision making' strategy.

Strategy: Ensure information systems and technology support knowledge management in order to meet community and organisational requirements.

Key Actions:

- Manage information and technology to meet the requirements of the City's Information Technology Disaster Recovery Plan and Business Continuity Plan
- Maintain the enterprise content and knowledge management systems



- Maintain a dynamic Information and Communication Technology infrastructure
- Maintain remote network access using mobile devices
- Coordinate and administer the core business applications
- Operational activities which support predominately this 'IT systems' strategy.

Objective 2: Apply sound and sustainable business management principles.

Strategy: Ensure competitive and sustainable financial performance through effective modelling, financial management and reporting practices which underpin capacity building.

Key Actions:

- Monitor and ensure the ongoing use of the Project Management and Evaluation processes for projects which meet the required criteria
- Continued enhancement of Long Term Financial Model that meets the Department of Local Government and Communities' specifications and identifies future income requirements.

Strategy: Operate the City's land and facilities portfolio as an efficient investment.

Key Actions:

- Implement the City's Land Asset Management Plan
- The City will continue to be receptive to opportunities for the co-location of appropriate commercial activities in public facilities

- Operational activities which support predominately this 'land and facilities portfolio' strategy.

Strategy: Maintain the City's business management systems.

Key Actions:

- Conduct regular Business Improvement Meetings
- Operational activities which support predominately this 'BMS' strategy.

Objective 3: Maximise organisational effectiveness and reputation as an organisation, employer and a community.

Strategy: Ensure that the organisation's capacity and capability meets strategic, customer and operational needs.

Key Actions:

- Review and update the Customer Focus Strategy
- Review the Workforce Plan
- Manage the City's operations in a manner consistent with the Leadership Strategy
- Grow the capacity of the City by sourcing alternative funding support
- Implement the Workplace Equity and Diversity Plan
- Continue to pursue an integrated planning approach to its maximum potential
- implement the Training Strategy
- Identify grants, funding and partnerships to support the financial sustainability of the organisation where appropriate

- Operational activities which support predominately this 'capability meets needs' strategy.

Strategy: Establish and support effective staff retention and attraction practices and policies to enable capacity, capability and knowledge to be maintained.

Key Actions:

- Review and implement City's Attraction and Retention Strategy
- Implement HR Action Plan in accordance with Plan timeframe and parameters
- Operational activities which support predominately this 'staff retention and attraction' strategy.

Strategy: Promote the City as the "City of Opportunity".

Key Actions:

- Implement the City's Marketing Plan
- Operational activities which support predominately this promotional strategy.

Strategy: Ensure effective communication and consultation with the community and other stakeholders.

Key Actions:

- Implement the Communication Strategy and Consultation and Engagement Strategy
- Implement Stakeholder Management Plan
- Operational activities which support predominately this communication strategy.

Executive Responsibilities

(as at 30 June 2018)



John Christie

Chief Executive Officer

- Overall responsibility for the management of Council's affairs
- People and Organisational Development



Juliette Gillan

Director Development and Communities

- Economic & Community Development
- Community Place Making
- Planning Services
- Safer Communities



Robin Garrett

Director – Corporate and Governance

- Business Continuity & Risk Management
- Finance
- Governance
- Information Technology
- Marketing and Communications



Anne-marie Forte

Executive Manager People and Organisational Development

- Business Planning and Improvement
- Human Resources
- Occupational Safety and Health

Vacant

Director Infrastructure Services

- City Facilities and Property
- City Projects
- Design and Assets
- Infrastructure Development
- Parks and Environment
- Works (inc. Waste Management)

DEPARTMENT MANAGERS

Manager City Facilities and Property

James Pol

Manager City Projects

Victor Popescu

Manager Community Place Making

Natasha Griggs

Manager Design and Assets

Jim Polinelli

Manager Economic and Community Development

Vacant

Manager Finance

Stuart Monks

Manager Governance

Jim Olynyk

Human Resources Manager

Clare Bridges

Manager Information Technology

Rohit Das

Manager Infrastructure Development

Murray Ralph

Manager Marketing and Communications

Lisa Bradley

Manager Parks and Environment

Warren Stephens

Manager Planning Services

Wilmot Loh

Manager Property and Economic Development

Jay Hardison

Manager Safer Communities

Kevin Davidson

Manager Works

Steve Morrison

Councillor Attendance at Council and Committee Meetings

(1 July 2018 – 30 June 2019)

	Ordinary Council Meeting	Special Council Meeting	Annual / Special Electors' Meeting	Agenda Briefing Forum	Information Forum / Special Information Forum
No. of Meetings	11	2	1	11	20
Cr Marks	11	2	1	9	19
Cr Rossi	11	2	0	11	20
Cr Bass	11	2	0	8	14
Cr Cayoun	11	2	1	10	17
Cr Davis	11	2	0	10	15
Cr Powell	11	2	1	10	13
Cr Ryan	11	2	1	10	17
Cr Sekulla	11	2	1	10	17
Cr Wolff	11	2	1	10	18

	Standing Committee (Environmental)		Standing Committee (Audit & Risk)		Standing Committee (Community Vision)		Executive Committee	
No. of Meetings	4		3		3		2	
Cr Marks	3	M	3	M	3	M	2	M
Cr Rossi	4	P/O	3	O	2	M	2	M
Cr Bass	1	O	3	M	1	O	-	-
Cr Cayoun	2	M	-	-	-	-	-	-
Cr Davis	-	-	3	M	-	-	-	-
Cr Powell	1	O	-	-	3	M	2	M
Cr Ryan	4	M	-	-	2	M	-	-
Cr Sekulla	-	-	3	M	1	P	2	M
Cr Wolff	4	M	-	-	1	O	2	M

M Committee Member

P Committee Member Proxy

O Observer

Councillor Professional Development

Council Policy BEXB11B provides all councillors with an allocation of \$5,000 per year for their four year terms to cover professional development costs. This allocation can be utilised at any point during their term, provided that total professional development costs do not exceed \$20,000 over the four year term of office.

Councillor	Term	Balance 1/07/2018	Conference	Training	Total	Balance 1/07/2018
Cr Bass	Oct 2015–Oct 2019	19,950	0	0	0	19,950
Cr Cayoun	Oct 2017–Oct 2021	20,000	0	0	0	20,000
Cr Davis	Oct 2017–Oct 2021	15,722	300	3,728	4,028	11,694
Cr Marks	Oct 2015–Oct 2019	17,797	588	0	588	17,209
Cr Powell	Oct 2017–Oct 2021	18,382	0	0	0	18,382
Cr Rossi	Oct 2015–Oct 2019	18,384	136	0	136	18,284
Cr Ryan	Oct 2017–Oct 2021	18,309	136	0	136	18,173
Cr Sekulla	Oct 2017–Oct 2021	11,147	136	0	136	11,011
Cr Wolff	Oct 2015–Oct 2019	18,200	0	0	0	18,200
Total		157,891	1,296	3,728	5,024	152,867

*Re-elected to Office October 2017, allocation of \$20,000 recommenced from this date.



FINANCIAL REPORTS



INDEX

Independent Audit Report	31
Statement by Chief Executive Officer	34
Statement of Profit or Loss and Other Comprehensive Income by Program	35
Statement of Profit or Loss and Other Comprehensive Income by Nature and Type	36
Statement of Financial Position	37
Statement of Changes In Equity	38
Statement of Cash Flows	39
Rates Setting Statement	40
Notes To and Forming Part Of the Annual Financial Report	41



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Belmont

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the City of Belmont which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Belmont:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Other Matter

The financial ratios for 2017 in Note 27 of the financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

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



DON CUNNINGHAME
ACTING DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 November 2019

CITY OF BELMONT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

SCHEDULE 2

Form 1 [Reg. 51]

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

STATEMENT BY CEO

The attached financial report of the City of Belmont for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the City of Belmont at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 5th day of November 2019



Juliette Gillan
Acting Chief Executive Officer

CITY OF BELMONT

STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM FOR THE YEAR ENDED

30 JUNE 2019

	Note	2019 Actual \$	2018 Actual \$	2019 Budget \$
REVENUE				
Governance		391,190	402,984	479,195
General purpose funding		51,558,277	49,459,203	51,255,307
Law, order and public safety		286,543	349,499	331,732
Health		194,032	241,727	199,500
Education and welfare		1,873,205	2,140,139	2,092,406
Housing		190,498	445,720	399,000
Community amenities		6,901,060	6,421,968	6,827,161
Recreation and culture		488,100	579,332	464,639
Transport		676,496	683,867	363,528
Economic services		377,236	423,802	370,400
Other property and services		248,228	298,225	165,450
		63,184,865	61,446,466	62,948,318
EXPENSES				
Governance		8,778,278	8,828,431	8,107,950
General purpose funding		1,882,572	1,765,150	2,734,211
Law, order and public safety		3,343,499	3,181,155	3,427,341
Health		1,122,938	1,090,854	1,260,858
Education and welfare		4,445,133	4,474,003	4,251,521
Housing		703,903	529,299	395,223
Community amenities		8,423,887	8,469,504	8,703,621
Recreation and culture		13,860,903	13,722,285	15,286,503
Transport		14,048,721	8,958,015	8,651,138
Economic services		2,772,635	2,751,315	2,455,957
Other property and services		3,146,806	3,055,796	3,051,949
		62,529,275	56,825,807	58,326,269
FINANCE COSTS				
Recreation and culture		662,452	112,281	684,697
Other property and services		21,584	30,637	21,279
Law, order and public safety		2,718	124,055	Nil
		686,754	266,973	705,976
		(31,164)	4,353,686	3,916,073
Gain/(loss) on disposal of assets	17(a)	(203,689)	(2,068,731)	Nil
Non-operating grants, subsidies and contributions	2(a)	10,551,287	3,984,468	10,488,403
<u>General purpose funding</u>				
Fair value adjustments to assets through profit or loss	15	Nil	380,000	Nil
Fair value adjustments to financial assets through profit or loss	8	20,503	154,668	Nil
Change in equity - associate	9	1,042,427	1,237,024	Nil
NET RESULT		11,379,364	8,041,115	14,404,476
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	20	(18,347,301)	7,370,499	Nil
TOTAL OTHER COMPREHENSIVE INCOME		(18,347,301)	7,370,499	Nil
TOTAL COMPREHENSIVE INCOME		(6,967,937)	15,411,614	14,404,476

Notes to and forming part of the accounts are included on pages 11 to 66.

CITY OF BELMONT

STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE FOR THE YEAR ENDED

30 JUNE 2019

	Note	2019 Actual \$	2018 Actual \$	2019 Budget \$
REVENUE				
Rates	3	47,433,299	45,785,840	47,938,638
Operating grants, subsidies and contributions	2(a)	3,565,221	4,156,750	3,022,302
Fees and charges	2(a)	9,375,066	9,006,598	9,541,177
Interest earnings	4	2,300,866	1,954,021	2,054,911
Other revenue	2(a)	510,413	543,257	391,290
		63,184,865	61,446,466	62,948,318
EXPENSES				
Employee costs		24,219,976	23,251,282	25,142,218
Materials and contracts	2(b)	27,027,343	21,533,358	22,236,909
Utility charges		1,074,629	1,116,976	1,204,143
Depreciation on Non-current assets	17(b)	8,196,645	8,298,957	7,830,388
Interest expenses / finance costs	2(b),33	686,754	266,973	705,976
Insurance expenses		391,029	523,210	542,143
Other expenses		1,619,653	2,102,024	1,370,468
		63,216,029	57,092,780	59,032,245
		(31,164)	4,353,686	3,916,073
Profit on asset disposals		62,271	78,333	Nil
Loss on disposal of assets		(265,960)	(2,147,064)	Nil
Total profit/(loss) on disposal of assets	17(a)	(203,689)	(2,068,731)	Nil
Non-operating grants, subsidies and contributions	2(a)	10,551,287	3,984,468	10,488,403
Fair value adjustments to assets through profit or loss	15	Nil	380,000	Nil
Fair value adjustments to financial assets through profit or loss	8	20,503	154,668	Nil
Change in equity - associate	9	1,042,427	1,237,024	Nil
NET RESULT		11,379,364	8,041,115	14,404,476
OTHER COMPREHENSIVE INCOME				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	20	(18,347,301)	7,370,499	Nil
TOTAL OTHER COMPREHENSIVE INCOME		(18,347,301)	7,370,499	Nil
TOTAL COMPREHENSIVE INCOME		(6,967,937)	15,411,614	14,404,476

Notes to and forming part of the accounts are included on pages 11 to 66.

CITY OF BELMONT

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	2019 Actual \$	2018 Actual \$	2019 Budget \$
CURRENT ASSETS				
Cash and cash equivalents	4	12,690,444	7,203,892	1,530,453
Trade and other receivables	5(a)	2,790,426	1,836,125	2,017,403
Other current assets	6	2,297,153	1,712,709	2,138,806
Inventories	7	213,457	215,205	234,086
Other financial assets	8(a)	13,638,377	49,624,906	51,626,000
TOTAL CURRENT ASSETS		31,629,857	60,592,837	57,546,748
NON-CURRENT ASSETS				
Trade and other receivables	5(b)	408,401	374,155	433,803
Other financial assets	8(b)	41,371,170	21,650,805	Nil
Investments accounted for using the equity method	9	22,117,430	21,132,204	19,990,184
Property, plant and equipment	15	285,725,241	285,733,268	308,867,063
Infrastructure	16	266,123,748	264,275,763	285,672,296
TOTAL NON-CURRENT ASSETS		615,745,990	593,166,195	614,963,346
TOTAL ASSETS		647,375,847	653,759,032	672,510,094
CURRENT LIABILITIES				
Trade and other payables	11(a)	5,986,184	4,277,142	7,101,939
Provisions	11(b)	5,098,750	5,447,748	5,535,516
Borrowings	10	850,551	794,822	705,692
Other liabilities	13(a)	1,111,030	1,052,750	85,000
TOTAL CURRENT LIABILITIES		13,046,515	11,572,462	13,428,147
NON-CURRENT LIABILITIES				
Borrowings	10	13,956,689	14,662,381	13,956,689
Provisions	11(c)	460,158	651,331	661,283
Other liabilities	13(b)	61,050	53,486	50,021
TOTAL NON-CURRENT LIABILITIES		14,477,897	15,367,198	14,667,993
TOTAL LIABILITIES		27,524,412	26,939,660	28,096,140
NET ASSETS		619,851,435	626,819,372	644,413,954
EQUITY				
Reserves	19	58,574,632	54,016,812	46,679,576
Revaluation surplus	20	384,080,391	402,427,692	406,463,937
Accumulated Surplus		177,196,412	170,374,868	191,270,441
TOTAL EQUITY		619,851,435	626,819,372	644,413,954

Notes to and forming part of the accounts are included on pages 11 to 66.

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

	Note	2019 Actual \$	2018 Actual \$	2019 Budget \$
RESERVES - INVESTMENT / CASH BACKED				
Balance as at 1 July		54,016,812	45,880,202	54,076,856
Amount transferred from accumulated surplus		4,557,820	8,136,610	(7,397,280)
Balance as at 30 June	19	58,574,632	54,016,812	46,679,576
REVALUATION SURPLUS				
Balance as at 1 July		402,427,692	395,057,193	406,463,937
Revaluation adjustments of property, plant, equipment and infrastructure		(18,347,301)	7,370,499	Nil
Balance as at 30 June	20	384,080,391	402,427,692	406,463,937
TOTAL RESERVES		442,655,023	456,444,504	453,143,513
ACCUMULATED SURPLUS				
Balance as at 1 July		170,374,868	170,470,363	169,468,685
Net result		11,379,364	8,041,115	14,404,476
Net transfers to cash reserves		(4,557,820)	(8,136,610)	7,397,280
Balance as at 30 June		177,196,412	170,374,868	191,270,441
TOTAL EQUITY		619,851,435	626,819,372	644,413,954

Notes to and forming part of the accounts are included on pages 11 to 66.

CITY OF BELMONT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018	2019
	Actual	Actual	Budget
Note	\$	\$	\$
Cash flows from operating activities			
Payments			
Employee costs	(24,166,122)	(23,614,820)	(24,865,127)
Materials and contracts	(25,162,483)	(21,529,252)	(22,220,138)
Insurance expenses	(391,029)	(523,210)	(542,143)
Utilities	(1,074,629)	(1,116,976)	(1,204,143)
Interest	(661,156)	(165,149)	(700,297)
Goods and services tax	(4,308,142)	(2,437,826)	Nil
Other expenses	(2,394,492)	(1,497,263)	(1,355,562)
Receipts			
Rates	46,853,406	45,678,441	47,938,638
Operating grants, subsidies and contributions	3,565,221	4,156,750	2,957,107
Fees and charges	9,790,139	8,856,847	9,524,878
Interest income	2,330,039	1,921,655	2,054,911
Goods and services tax	3,918,038	1,966,683	Nil
Other revenue	510,413	543,257	412,093
Net cash from operating activities	8,809,203	12,239,137	12,000,217
22			
Cash flows from/(used) in investing activities			
Receipts of non-operating grants and contributions	9,596,634	3,984,468	10,488,403
Term deposits redeemed	76,427,304	91,555,267	92,793,959
Investments in term deposits	(60,140,636)	(113,832,900)	(70,396,679)
Purchase of property, plant, equipment and infrastructure	(29,423,685)	(13,384,961)	(46,973,726)
Proceeds from sale of property, plant and equipment	893,293	7,822,096	2,602,208
Net cash used in investing activities	(2,647,090)	(23,856,030)	(11,485,835)
Cash flows from/(used in) financing activities			
Repayments of borrowings	(675,561)	(1,091,522)	(675,561)
Proceeds from borrowings	Nil	15,000,000	Nil
Self supporting loan principal receipt	Nil	937,592	6,545
Net cash from/(used in) financing activities	(675,561)	14,846,070	(669,016)
Net increase/(decrease) in cash held	5,486,552	3,229,177	(154,634)
Cash held at the beginning of the reporting period	7,203,892	3,974,715	1,685,087
Cash and cash equivalents held at the end of the reporting period	12,690,444	7,203,892	1,530,453
21			

Notes to and forming part of the accounts are included on pages 11 to 66.

CITY OF BELMONT

**RATES SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 Actual \$	2018 Actual \$	2019 Budget \$
INCOME STATEMENT			
Operating Expenses			
Employee costs	24,219,976	23,251,282	25,142,218
Materials and contracts	27,027,343	21,533,358	22,236,909
Utility charges	1,074,629	1,116,976	1,204,143
Depreciation on Non-current assets	8,196,645	8,298,957	7,830,388
Loss on disposal of assets	265,960	2,147,064	Nil
Interest expenses / finance costs	686,754	266,973	705,976
Insurance expenses	391,029	523,210	542,143
Other expenses	1,619,653	2,102,024	1,370,468
	63,481,989	59,239,844	59,032,245
Operating Revenue (excluding rates)			
Operating grants, subsidies and contributions	3,565,221	4,156,750	3,022,302
Profit on asset disposals	62,271	78,333	Nil
Fees and charges	9,375,066	9,006,598	9,541,177
Interest earnings	2,300,866	1,954,021	2,054,911
Other revenue	510,413	543,257	391,290
	15,813,837	15,738,959	15,009,680
Net result excluding rates	(47,668,152)	(43,500,885)	(44,022,565)
Adjustment for non cash items			
Depreciation	8,196,645	8,298,957	7,830,388
Employee provisions	113,543	(99,564)	77,091
Adjustment for non-current rates debtors	(26,682)	(10,799)	Nil
(Profit)/loss on sale of assets	203,689	2,068,731	Nil
Funds demand from operations	(39,180,957)	(33,243,560)	(36,115,086)
Capital items			
Non-operating grants, subsidies and contributions	10,551,287	3,984,468	10,488,403
Acquisition of property plant, equipment and infrastructure	(29,423,685)	(13,384,961)	(47,029,427)
Proceeds from sale of assets	893,292	4,044,823	2,602,208
Loan principal repayments	(675,561)	(1,091,522)	(675,561)
Proceeds from borrowings	Nil	15,000,000	Nil
Self supporting loan principal receipt	Nil	937,592	6,545
	(18,654,667)	9,490,400	(34,607,832)
Reserves			
Transfer to reserve	(8,359,262)	(9,789,870)	(3,939,364)
Transfer from reserve	3,801,442	1,653,260	11,336,644
Net Transfer	19 (4,557,820)	(8,136,610)	7,397,280
Opening Position - Surplus (Deficit)	26 19,364,577	5,468,507	15,887,000
Closing Position - Surplus (Deficit)	26 4,404,431	19,364,577	500,000
Amount to be made up from rates	3 (47,433,299)	(45,785,840)	(47,938,638)

Notes to and forming part of the accounts are included on pages 11 to 66.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

1. BASIS OF PREPARATION

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

a) **Basis of Preparation**

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

Accounting policies which have been adopted in the preparation of the financial report have been consistently applied unless stated otherwise. The report has also been prepared on an accrual basis under the convention of historical cost accounting as modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Land under roads

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

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the the City.

Critical Accounting

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

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

b) **The Local Government Reporting Entity**

The financial statements forming part of this report have been prepared on the basis of 3 funds (Municipal, Reserve and Trust Funds). For the purposes of reporting the Municipal authority as a single unit, all transactions and balances in respect to these Funds have been eliminated. Certain monies held in the Trust Fund have been excluded from the consolidated financial statements, but a separate statement of those monies appears at Note 13 to the Financial Report. Included within the financial statements are those transactions that relate to the Belmont Trust that are further explained in Note 14.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSESa) **Revenue****Grant Revenue**

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

	2019 Actual \$	2018 Actual \$	2019 Budget \$
Non-Operating Grants, Subsidies and Contributions			
General purpose funding	566,062	126,964	Nil
Law, order & public safety	98,368	16,479	Nil
Education & welfare	Nil	102,792	25,000
Community amenities	269,775	467,918	300,000
Recreation & culture	5,529,635	166,136	6,621,568
Transport	4,068,605	2,614,425	3,522,993
Economic services	Nil	489,754	Nil
Other property & services	18,842	Nil	18,842
	10,551,287	3,984,468	10,488,403
Operating Grants, Subsidies and Contributions			
Governance	159,232	103,603	192,500
General purpose funding	902,621	835,425	381,680
Law, order & public safety	81,231	78,657	75,532
Health	Nil	Nil	Nil
Education & welfare	1,625,350	1,915,584	1,902,721
Housing	Nil	214,651	Nil
Community amenities	Nil	Nil	500
Recreation & culture	57,031	168,256	45,091
Transport	672,024	683,476	363,528
Other property & services	67,731	157,097	60,750
	3,565,221	4,156,750	3,022,302

SIGNIFICANT ACCOUNTING POLICIESGrants, donations and other contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 32. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSES (Cont.)

	2019 Actual \$	2018 Actual \$	2019 Budget \$
<u>Fees and Charges</u>			
Governance	11,765	14,177	10,400
General purpose funding	927,711	911,996	915,975
Law, order & public safety	197,224	264,183	248,500
Health	179,723	223,612	183,000
Education & Welfare	230,988	187,320	162,000
Housing	190,498	231,069	399,000
Community amenities	6,883,451	6,353,701	6,823,661
Recreation & culture	346,675	337,143	356,041
Transport	Nil	Nil	Nil
Economic services	356,729	422,497	369,100
Other property & services	50,303	60,899	73,500
	<u>9,375,066</u>	<u>9,006,598</u>	<u>9,541,177</u>

Other Revenue

Other Revenue comprises:

Reimbursements	471,884	502,679
Miscellaneous/Other	38,529	40,578
	<u>510,413</u>	<u>543,257</u>

b) **Expenses****Auditors Remuneration**

Audit of the financial report	55,000	43,000
Audit of grant acquittals	1,500	2,700
	<u>56,500</u>	<u>45,700</u>

Interest Expenses (finance costs)

Borrowings (refer note 33)	686,754	266,973	705,976
	<u>686,754</u>	<u>266,973</u>	<u>705,976</u>

Debts Written Off

Debts totalling \$8,823.95 were written off during the reporting period to 30 June 2019.

Underground Power

Materials and contracts of \$27,027,343 includes a one-off expense to install underground power of \$3,820,000.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

3. RATING INFORMATION**Minimum Rates**

The minimum payments for 2018/19 have again been set to ensure the minimum level of service required is adequately funded. Minimum payments serve other key purposes in relation to encouraging owners of vacant land to develop the site for whichever purpose it is zoned. This process further complements the State Government initiative of promoting urban infill and arresting the urban sprawl that burdens the State's ability to provide Infrastructure Assets.

The following rates in the dollar applied to each property in the differential rate categories where a minimum rate was not applied. For additional details refer to the Statement of General Purpose Funding.

	Rate in \$	Minimum \$	Total Properties
RESIDENTIAL	0.052423	825	18,370
COMMERCIAL	0.061639	975	1,101
INDUSTRIAL	0.061807	995	461

Differential Rating

The *Local Government Act 1995* empowers a council to impose different rates in the dollar for different land zonings and different rates for improved or vacant land within a zoning. This power is provided to help local authorities with particular rating difficulties and to achieve better rating equity between different land use zonings.

For the purposes of this rating system, a land zone is a Town Planning Scheme Zone made under the *Planning and Development Act 2005* or a Zone made under Council's Planning By-laws.

Council may also apply an existing zone rate to land which is lawfully used for a non conforming use in another zone. In such cases, Council must formally declare that the land be categorised in that zone for the purpose of imposing the more appropriate rate. Within zones, land which is either improved or vacant may be rated differently. It should be noted that where, during the rating year, land is rezoned, the Council cannot issue an amended rate notice reflecting that change.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

3. RATING INFORMATION (Cont.)**Residential Rate**

The Residential Rate forms the basis of the differential rates relativities. The relativities are in place to provide Council with the flexibility to address any shifts from one rating category to another that it considers is too severe and should be phased in, or to recognise a differing level of service required by a particular rating category.

The residential rating category is also deemed to have the least capacity to pay. However, Council is committed to increasing the Residential Rate base through its City of Opportunity Marketing Strategy. This has resulted in considerable growth that is broadening the base and in turn, evenly distributing the overheads of maintaining the infrastructure of the City. There are continuing positive signs of redevelopment that have resulted in healthy growth that should continue into the foreseeable future.

Commercial Rate

Many of the reasons stated for the Industrial Rate apply to the Commercial Rate, however to a lesser degree. Certainly the location to the airports and rail terminal attract business and therefore more traffic to Belmont, however the vehicle traffic would be generally lighter and therefore not as great an impact on Council's road network.

Industrial Rate

Council has identified that the location of both the airports and the rail freight terminal has encouraged industry to locate within the City of Belmont. The result of this is large volumes of heavy vehicle traffic movements within the City and therefore an accelerated deterioration of roads.

Greater expenditure of Council's revenues is also required on services such as Health, Building and Town Planning.

The minimum payment is considered reasonable given the industrial properties will generally be serviced by and have access to a reasonable standard of infrastructure provided by the Council. It should also be seen as an incentive to develop any vacant lots that are zoned industrial.

Specified Area Rates

There were no specified area rates for the current reporting period.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

3. RATING INFORMATION (Cont.)**Discounts and Incentive Schemes**

The City of Belmont offers a 5% discount on rates paid in full by 17 September 2018 (35 days after issue of notice) or in the case of pensioners if the appropriate percentage of rates levied is paid by 17 September 2018. Payment must include any arrears and does not apply to the separate Rubbish Charge.

The total cost of the 5% discount to the City for 2018/19 is \$1,653,588 (Budget \$1,623,250, Prior Year \$1,548,116).

Instalments and Interest**Late Payment of Rates**

- 11% penalty interest rate for overdue rates.
- \$124,623 (Budget \$99,500, Prior Year \$113,721)

Instalment Options

4 instalments

- 17 September 2018
- 19 November 2018
- 21 January 2019
- 22 March 2019

Cost of 4 Instalment Program

- 5.5% instalment interest rate
- \$20.00 administration fee

2 Instalments

- 17 September 2018
- 21 January 2019

Cost of 2 Instalment Program

- \$20 administration fee

Income for Instalment Program

- Instalment Interest \$135,695 (Budget \$137,900, Prior Year \$135,874)
- Administration Fee \$126,030 (Budget \$122,155, Prior Year \$120,350)

Interim and Back Rates

Interim and back rates levied during 2018/19 totalled \$130,472 and were comprised as follows:-

	2019		2018	
	Actual		Actual	
	\$		\$	
	Interim	Back	Interim	Back
Residential	157,088	4,617	406,289	41,747
Commercial	(37,952)	(3,622)	642,153	(4,569)
Industrial	9,859	482	(27,368)	(238)
	128,995	1,477	1,021,075	36,940

The above table includes residential minimum payments of \$20,821 and (\$5,933) of interims and back payments respectively.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

3. RATING INFORMATION (Cont.)	2019	2019	2018	2019
	Actual	Valuations	Actual	Budget *
	\$	\$	\$	\$
<u>General Rate</u>				
Residential				
13,764 assessments				
GRV rate in \$: 0.052423	15,665,730	298,832,734	15,055,848	15,622,785
- Interims and back rates	161,705		448,036	388,653
-Less Discount	(456,426)		(427,866)	(448,052)
Commercial				
920 assessments				
GRV Rate in \$: 0.061639	9,134,922	148,200,364	8,491,726	9,154,663
- Interims and back rates	(41,574)		637,584	93,311
-Less Discount	(286,105)		(257,677)	(280,856)
Industrial				
453 assessments				
GRV rate in \$: 0.061807	8,472,410	137,078,483	8,216,323	8,302,271
- Interims and back rates	10,341		(27,606)	159,920
-Less Discount	(257,923)		(233,368)	(253,191)
<u>Minimum Rate</u>				
Residential				
GRV number of assessments 4,606 at \$825 each	3,799,950	65,512,770	3,672,390	3,809,850
-Less Discount	(98,930)		(97,910)	(97,115)
Commercial				
GRV number of assessments 181 at \$975 each	176,475	1,452,560	170,880	176,475
-Less Discount	(5,056)		(5,328)	(4,964)
Industrial				
GRV number of assessments 8 at \$995 each	7,960	87,219	7,840	7,960
-Less Discount	(199)		Nil	(195)
Payments in Lieu of Rates				
-Less Discount	11,698,967		10,660,932	11,846,000
	(548,950)		(525,967)	(538,877)
Total General Rates Levied	47,433,299	651,164,130	45,785,840	47,938,638

* The discount for rates fully paid by the due date is now netted against rates revenue rather than as a separate expense which has resulted in a budget reallocation between other expenses and rates.

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

4. CASH AND OTHER FINANCIAL ASSETS

The following restrictions have been imposed by regulations or other external requirements.

	Note	2019 Actual \$	2018 Actual \$	2019 Budget \$
Administration Building Reserve		227,491	221,312	226,739
Aged Accommodation - Homeswest Reserve		764,030	751,751	858,704
Aged Community Care Reserve		546,612	Nil	Nil
Aged Persons Housing Reserve		1,096,572	1,343,125	1,264,877
Aged Services Reserve		1,026,515	1,128,140	1,158,883
Ascot Waters Marina Maint. and Redev. Reserve		985,741	958,966	931,271
Belmont District Band Reserve		39,472	35,481	39,421
Belmont Oasis Refurbishment Reserve		3,990,074	3,881,697	3,983,995
Belmont Trust Reserve		1,668,994	1,636,968	1,429,336
Building Maintenance Reserve		5,355,458	5,230,744	5,353,340
Car Parking Reserve		59,700	Nil	Nil
District Valuation Reserve		207,056	123,605	207,687
Election Expenses Reserve		109,708	87,271	109,457
Environment Reserve		27,240	26,500	27,242
Faulkner Park Ret. Vill. Owner Maint. Reserve		434,935	423,122	468,410
Faulkner Park Ret. Vill. Buy Back Reserve		2,230,344	2,169,765	2,350,342
History Reserve		240,673	224,408	240,350
Information Technology Reserve		1,325,514	1,344,782	1,139,715
Land Acquisition Reserve		9,095,689	9,535,146	11,330,690
Long Service Leave Reserve - Funded Programs		151,790	90,936	104,167
Long Service Leave Reserve - Salaries		1,875,732	1,656,974	1,814,896
Long Service Leave Reserve - Wages		466,789	441,406	436,220
Miscellaneous Entitlements Reserve		779,940	893,561	936,130
Parks Development Reserve		142,715	278,070	Nil
Plant Replacement Reserve		933,234	909,585	617,103
Property Development Reserve		20,288,140	16,799,981	7,962,343
Public Art Reserve		287,940	189,645	194,723
Ruth Faulkner Library Reserve		44,263	43,061	44,195
Streetscapes Reserve		474,229	461,348	473,751
Urban Forest Strategy Reserve		111,987	108,945	111,815
Waste Management Reserve		2,017,415	1,631,589	1,438,093
Workers Compensation/Insurance Reserve		1,568,643	1,388,931	1,425,681
	19	58,574,632	54,016,812	46,679,576
Loan monies unspent		Nil	12,494,375	Nil
Grant funds unspent as at 30 June	32	870,714	1,390,299	Nil
Total restricted funds		59,445,346	67,901,486	46,679,576

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

4. CASH AND OTHER FINANCIAL ASSETS (Cont.)				
	Note	2019 Actual \$	2018 Actual \$	2019 Budget \$
Cash and cash equivalents				
Cash at bank and on hand		4,670,102	4,203,892	1,530,453
Term Deposits		8,020,342	3,000,000	Nil
		12,690,444	7,203,892	1,530,453
Other Financial Assets				
Deposits (>3 months)	8(a)	13,638,377	49,624,906	51,626,000
Deposits (>12 months)	8(b)	41,195,999	21,496,137	Nil
		54,834,376	71,121,043	51,626,000
Restricted		59,445,346	67,901,486	46,679,576
Unrestricted		8,079,474	10,423,450	6,476,877
		67,524,820	78,324,935	53,156,453
Investment and interest earnings				
Interest on other financial assets		2,054,453	1,838,610	
Interest on cash and short term deposits		246,413	115,411	
Total return		2,300,866	1,954,021	
Investment income by municipal fund		793,204	687,919	465,000
Investment income on reserve funds		1,507,662	1,266,102	1,589,911
Total Return		2,300,866	1,954,021	2,054,911

SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

5. TRADE AND OTHER RECEIVABLES

	Note	2019 Actual \$	2018 Actual \$
a) Current			
Rates and other levies		980,583	1,005,537
Trade debtors		819,668	230,517
GST Receivable		990,174	600,071
		2,790,426	1,836,125
b) Non-current			
Deferred rates and Emergency Services Levy		363,791	329,545
Loan (community group)		44,610	44,610
		408,401	374,155

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade receivables are held with the objective to collect contractual cashflows and give rise to cashflows representing solely payments of principal and interest. These are therefore classified and measured at amortised cost using the effective interest rate method. Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

6. OTHER CURRENT ASSETS

	2019 Actual \$	2018 Actual \$
Current		
Other accrued income	1,944,123	1,404,659
Prepayments	353,030	308,050
	2,297,153	1,712,709

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

CITY OF BELMONT

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

7. INVENTORIES

	2019 Actual \$	2018 Actual \$
Stores inventory	213,457	215,205
	<u>213,457</u>	<u>215,205</u>

SIGNIFICANT ACCOUNTING POLICIES

Inventories

Inventories are valued 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.

8. OTHER FINANCIAL ASSETS

	2019 Actual \$	2018 Actual \$
a) Current		
Other financial assets at amortised cost - term deposits	13,638,377	49,624,906
	<u>13,638,377</u>	<u>49,624,906</u>
b) Non-Current		
Other financial assets at amortised cost - term deposits	41,195,999	21,496,137
Financial assets at fair value through profit and loss previously classified as investments accounted for using the equity method:		
- Units in Local Government House Trust (i)	175,171	154,668
	<u>41,371,170</u>	<u>21,650,805</u>

- (i) The City has 10 units amounting to \$175,171 based on the Local Government House Trust's most current audited Financial Statements at 30 June 2018. These have been reclassified as other financial assets at fair value through profit or loss.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHODAssociates

The City is a participant in the Eastern Metropolitan Regional Council (EMRC). The City's interest in the EMRC calculated by the EMRC as at 30 June 2019 is 11.31% representing its share of net assets of \$22,117,430. The City has voting rights of 1/6th and the interest in the assets and liabilities of the EMRC is as follows:

	Note	2019 Actual \$	2018 Actual \$
Interest in Associates as at 30 June		22,117,430	21,132,204
Represented by Share of Associates :			
<u>EMRC:</u>			
Revenue		42,510,894	39,351,664
Net Result		8,245,723	11,436,556
Total Comprehensive Income		8,245,723	11,120,418
<u>Financial Position:</u>			
Current Assets		107,716,368	100,898,163
Non-Current Assets		99,466,539	93,952,114
Total Assets		207,182,907	194,850,277
Current Liabilities		7,175,888	5,146,182
Non-Current Liabilities		4,493,417	3,573,905
Total Liabilities		11,669,305	8,720,087
Net Assets		195,513,602	186,130,190
Change in equity		1,042,427	1,237,024
Revaluation Surplus movement	20	(57,201)	(95,004)
Dividends received from associate		Nil	Nil

SIGNIFICANT ACCOUNTING POLICIES

Interest in Associate

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The City's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the City's share of net assets of the associate since the acquisition date. The City's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Investments in associates are tested for any indication of impairment at the end of the reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the investment is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Other Investments

The City also holds a minor interest in jointly controlled assets (land and buildings) with the Housing Authority for aged accommodation purposes. Included in Property, Plant and Equipment the total value of the City's share of jointly controlled assets at 30 June 2019 is \$2,400,795 (2018: \$2,518,489).

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

10. BORROWINGS

The City currently has the following principal outstanding on loans borrowed for various capital works and land acquisition purposes.

	2019	2018	2019
	Actual	Actual	Budget
	\$	\$	\$
Current			
Interest on loans accrued	144,859	119,261	5,679
Loan liability	705,692	675,561	705,692
	850,551	794,822	711,371
Non-Current			
Loan liability	13,956,689	14,662,381	13,956,689
Total Borrowings	14,807,240	15,457,203	14,668,060
Loans raised during year (Note 33)	Nil	15,000,000	Nil
Unspent balance of borrowings	Nil	12,494,375	Nil

All borrowings made by the City are secured over the general funds of the City of Belmont.

SIGNIFICANT ACCOUNTING POLICIES

Financial Liabilities

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

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

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

Borrowing costs

Borrowing costs are recognised as an expense. Refer Note 25.

11. PAYABLES & PROVISIONS

	2019	2018
	Actual	Actual
	\$	\$
(a) Trade and other payables (Current)		
Creditors	658,277	930,856
Accrued Expenses	5,076,756	2,948,441
Salaries and wages accrued	251,152	397,845
	5,986,184	4,277,142

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

11. PAYABLES & PROVISIONS (Cont.)

	2019 Actual \$	2018 Actual \$
(b) Provisions (Current)		
Provision for annual leave	2,417,788	2,334,754
Provision for long service leave	2,494,031	2,189,316
Other leave provisions	186,931	182,960
Other provisions	Nil	740,718
	<u>5,098,750</u>	<u>5,447,748</u>
(c) Provisions (Non-current)		
Provision for long service leave	460,158	651,331
	<u>460,158</u>	<u>651,331</u>

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

	2019 Actual \$	2018 Actual \$
Within 12 months of the end of the reporting period	2,044,809	1,904,090
More than 12 months after the end of the reporting period	372,979	430,665
	<u>2,417,788</u>	<u>2,334,754</u>

Long service leave liabilities due or payable have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2019 Actual \$	2018 Actual \$
Within 12 months of the end of the reporting period	372,666	438,432
More than 12 months after the end of the reporting period	2,581,523	2,402,215
	<u>2,954,189</u>	<u>2,840,647</u>

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits**Short-term employee benefits**

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

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

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

11. PAYABLES & PROVISIONS (Cont.)**Other long-term benefits**

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

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

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

Provisions

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

12. CAPITAL AND LEASE COMMITMENTS AND ENTITLEMENTS

As at 30 June, the City had the following operating lease commitments expenditure outstanding.

Operating lease payable details	2019	2018
	Actual	Actual
	\$	\$
Not longer than 1 year	72,130	84,402
Longer than 1 year and not longer than 2 years	55,024	67,825
Longer than 2 years and not longer than 5 years	Nil	55,024
Longer than 5 years	Nil	Nil
	127,154	207,251

Operating lease expenditure relates to the leasing of cardio vascular gym equipment that is used in the Belmont Oasis. The implied interest rate and average lease life are 0.98% and 0.77 years respectively.

As at 30 June the City had the following operating lease commitments for which the City was the lessor.

Operating lease receivable details	2019	2018
	Actual	Actual
	\$	\$
Not longer than 1 year	400,284	369,169
Longer than 1 year and not longer than 2 years	152,542	315,993
Longer than 2 years and not longer than 5 years	313,042	259,941
Longer than 5 years	206,423	29,494
	1,072,292	974,597

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

12. CAPITAL AND LEASING LEASE COMMITMENTS (Cont.)

Operating lease revenue is receivable from tenants in property owned by City of Belmont. Leases have an average lease term of 2.5 years and an implicit interest rate based on CPI.

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, 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.

Capital Works Contract Commitments

As at 30 June, the City had the following contracted capital works commitments outstanding.

	2019	2018
	Actual	Actual
	\$	\$
Not longer than 1 year	18,922,062	35,379,281
Longer than 1 year and not longer than 2 years	Nil	5,748,521
Longer than 2 years and not longer than 5 years	Nil	Nil
Longer than 5 years	Nil	Nil
	<u>18,922,062</u>	<u>41,127,802</u>

Significant decrease relates to the construction contract of the new community centre.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

13. OTHER LIABILITIES

(a) Other Liabilities (Current)	Note	2019	2018
		Actual	Actual
		\$	\$
Total funds (bonds/deposits/trust funds) held		1,585,747	1,566,705
Less trust funds (not under the City's control)		(1,474,760)	(1,466,577)
		110,987	100,128
Income received in advance		783,764	762,065
Other Liabilities		7,983	605
Emergency Services Levy		208,296	189,952
		1,111,030	1,052,750
(b) Other Liabilities (Non-Current)			
Emergency Services Levy (Deferred)		61,050	53,486
		61,050	53,486

Funds over which the City has no control and which are not included in the financial statements are as follows:

	2019	2018
	Actual	Actual
	\$	\$
BCITF Levy	100,567	20,261
Building Services Levy	97,923	52,586
Cash In Lieu Of Public Open Space	1,276,270	1,240,134
Unclaimed/Surplus Cash	Nil	700
Cash In Lieu Of Carparking (i)	Nil	59,700
Department of Planning Fees	Nil	196
Cash In Lieu Of Public Art (i)	Nil	93,000
Total trust funds (not under the City's control)	1,474,760	1,466,577

(i) In previous years these deposits were held as trust funds. From this year all deposits not required by legislation to be held in trust are included in Reserves (note 19).

Summary of Trust Funds Held

(a) BCITF Levy		
Opening balance	20,261	12,627
Receipts	362,660	500,539
Payments	(282,354)	(492,905)
Balance at 30 June	100,567	20,261
(b) Building Services Levy		
Opening balance	52,586	11,661
Receipts	284,241	378,932
Payments	(238,904)	(338,007)
Balance at 30 June	97,923	52,586

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

13. OTHER LIABILITIES (Cont.)

	2019	2018
	Actual	Actual
	\$	\$
(c) Cash In Lieu Of Public Open Space		
Opening balance	1,240,134	1,207,318
Receipts	36,136	32,816
Payments/Transfers	Nil	Nil
Balance at 30 June	<u>1,276,270</u>	1,240,134
(d) Unclaimed Monies		
Opening balance	700	730
Receipts	Nil	Nil
Transfers	(700)	(30)
Balance at 30 June	<u>Nil</u>	700
(e) Cash in Lieu of Carparking		
Opening balance	59,700	59,700
Receipts	Nil	Nil
Transfers to Reserve	(59,700)	Nil
Balance at 30 June	<u>Nil</u>	59,700
(f) Department of Planning Fees		
Opening balance	196	155
Receipts	36,909	32,014
Payments	(37,105)	(31,973)
Balance at 30 June	<u>Nil</u>	196
(g) Cash in Lieu of Public Art		
Opening balance	93,000	60,000
Receipts	Nil	33,000
Transfers to Reserve	(93,000)	Nil
Balance at 30 June	<u>Nil</u>	93,000
Total Trust funds held	<u>1,474,760</u>	<u>1,466,577</u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

14. BELMONT TRUST

The City of Belmont is a trustee for lot 49 Great Eastern Highway and lot 5 Stoneham Street held in Ascot. The effect of the Trust Deed is that the City holds the trust property (land) for the charitable purpose of public recreation and enjoyment for the people that reside in the City of Belmont.

The Belmont Trust is not a separate legal entity and it cannot own property in its own name. Instead the land is held by the City as the sole trustee. The Trust's assets, liabilities, income and expenditure are consolidated in the City's own financial statements. However to ensure that any financial benefits generated by the Trust are managed in accordance with the Trust Deed, assets, liabilities, income and expenditure will be separately recorded.

During the year ending 30 June 2019 the Belmont Trust incurred expenditure of \$13,193 to maintain the land and fund legal services while interest income of \$45,220 was earned. Net funds were transferred to the Belmont Trust Reserve (note 19(i)) which had a balance of \$1,668,994 at the end of the financial year.

As at the reporting date the Trust land is recognised as a Non-Current Asset under Property, Plant and Equipment at a fair value of \$31.725 million.

15. PROPERTY, PLANT AND EQUIPMENT

	2019 Actual \$	2018 Actual \$
Land (Freehold) at:		
Independent valuation (level 2)	165,631,900	182,902,000
Additions after valuation	Nil	400,000
	<u>165,631,900</u>	<u>183,302,000</u>
Buildings at:		
Independent valuation (level 3)	101,654,546	101,815,337
Additions after valuation	2,807,640	2,376,073
Less: accumulated depreciation	(14,165,558)	(12,775,298)
	<u>90,296,628</u>	<u>91,416,114</u>
Furniture & equipment at:		
Management valuation (level 3)	7,431,857	5,203,482
Additions after valuation	77,080	2,157,838
Less: accumulated depreciation	(6,997,733)	(6,564,735)
	<u>511,204</u>	<u>796,586</u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

15. PROPERTY, PLANT AND EQUIPMENT (Cont.)

	2019 Actual \$	2018 Actual \$
Plant and machinery at:		
Management valuation (level 3)	8,464,879	2,814,585
Additions after valuation	422,082	6,307,466
Less: accumulated depreciation	(4,186,903)	(3,601,080)
	<u>4,700,058</u>	<u>5,520,972</u>
Work in Progress - Cost	24,585,451	4,697,596
Total Property, plant and equipment	<u>285,725,241</u>	<u>285,733,268</u>

Fair Value Measurements**Land**

The the City's land (freehold) was revalued as at 30 June 2019 by independent valuers.

Level 2 valuation inputs were used to value land in freehold title as well as land used for special purposes which are restricted in use under current zoning rules. 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 are price per square metre.

Buildings

The City's buildings including other structures were revalued as at 1 July 2016 using the cost approach by independent valuers. This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.

Furniture and Equipment & Plant and Machinery

The City's Furniture and Equipment and Plant and Machinery were revalued at 1 January 2019 by management having regard for their current replacement cost (level 2 inputs), condition assessment, residual values and estimated useful life (level 3 inputs). Although level 2 inputs were also used, given the significance of the level 3 inputs into the overall fair value measurement, the assets are deemed to have been valued using level 3 inputs.

The revaluation resulted in neither an increase or decrease in the net value of the respective asset classes. Consequently no adjustment was recognised in other comprehensive income in the Statement of Profit or Loss and Other Comprehensive Income.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

15. PROPERTY, PLANT AND EQUIPMENT (Cont.)		
Movements in Carrying Amounts	2019	2018
	Actual	Actual
(a) Land	\$	\$
Opening Balance	183,302,000	186,048,000
Additions	620,000	400,000
Disposals (at cost/valuation)	Nil	(3,146,000)
Net revaluations	(18,290,100)	Nil
Closing Balance	<u>165,631,900</u>	<u>183,302,000</u>
(b) Buildings		
Opening Balance	91,416,114	93,833,526
Additions	423,927	757,121
Transfers from work in progress	7,640	136,149
Disposals (at cost/valuation)	(160,793)	(2,353,385)
Disposals (accum. depreciation)	61,009	494,542
Depreciation expense	(1,451,269)	(1,451,838)
Closing Balance	<u>90,296,628</u>	<u>91,416,114</u>
(c) Furniture and equipment		
Opening Balance	796,586	1,189,346
Additions	205,512	316,630
Transfers from work in progress	9,431	Nil
Disposals (at cost/valuation)	(67,327)	(2,138,855)
Disposals (accum. depreciation)	67,327	2,030,853
Depreciation expense	(500,324)	(601,389)
Closing Balance	<u>511,204</u>	<u>796,586</u>
(d) Plant and machinery		
Opening Balance	5,520,972	5,613,393
Additions	1,219,403	1,525,489
Disposals (at cost/valuation)	(1,454,493)	(1,513,269)
Disposals (accum. depreciation)	555,287	624,912
Depreciation expense	(1,141,109)	(729,553)
Closing Balance	<u>4,700,058</u>	<u>5,520,972</u>
(e) Work in progress		
Other Improvements	83,314	9,431
Building construction - general	24,502,137	4,688,165
Total non current work in progress	<u>24,585,451</u>	<u>4,697,596</u>
Total property, plant and equipment	<u>285,725,241</u>	<u>285,733,268</u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

16. INFRASTRUCTURE

	2019 Actual \$	2018 Actual \$
Reserves improvements		
Independent valuation (level 3)	21,250,000	21,604,000
Additions after valuation	3,049,516	1,088,073
Less: accumulated depreciation	(11,119,593)	(10,208,753)
	<u>13,179,922</u>	<u>12,483,320</u>
Road network - infrastructure at:		
Independent valuation (level 3)	187,626,132	187,626,132
Additions after valuation	8,893,478	5,485,581
Less: accumulated depreciation	(46,162,456)	(43,766,396)
	<u>150,357,153</u>	<u>149,345,317</u>
Footpath network - infrastructure at:		
Management valuation (level 3)	21,174,019	21,174,019
Additions after valuation	1,394,426	536,126
Less: accumulated depreciation	(10,334,460)	(9,817,347)
	<u>12,233,985</u>	<u>11,892,798</u>
Drainage network - infrastructure at:		
Management valuation (level 3)	86,684,610	86,684,610
Additions after valuation	1,479,766	673,507
Less: accumulated depreciation	(25,884,385)	(24,943,034)
	<u>62,279,990</u>	<u>62,415,083</u>
Parks and gardens - turf at:		
Management valuation (level 3)	22,826,376	22,826,376
Less: accumulated depreciation	Nil	Nil
	<u>22,826,376</u>	<u>22,826,376</u>
Carparks at:		
Management valuation (level 3)	6,099,488	6,099,488
Additions after valuation	29,827	Nil
Less: accumulated depreciation	(1,750,661)	(1,668,095)
	<u>4,378,654</u>	<u>4,431,393</u>
Work in progress		
Cost	867,668	881,475
Less: Accumulated Depreciation	Nil	Nil
	<u>867,668</u>	<u>881,475</u>
Total Infrastructure	<u>266,123,748</u>	<u>264,275,763</u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

16. INFRASTRUCTURE (Cont.)**Fair Value Measurements**

The City's roads, footpaths, drains and carparks were revalued as at 1 July 2017 by management. An independent asset management consultant also reviewed the road valuation and had previously reviewed the valuation inputs for all other respective asset types that were again used with the exception of unit rates that were updated.

The City's Reserve Improvements were revalued as at 1 July 2017 using the cost approach by independent valuers. The City's Parks and Gardens - Turf was revalued as at 30 June 2018 using the cost approach by management.

The valuations required estimating the replacement cost for each asset type by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.

Movements in Carrying Amounts	2019	2018
	Actual	Actual
	\$	\$
(a) Reserves improvements		
Opening Balance	12,483,320	11,943,851
Additions	1,644,844	905,717
Transfers from work in progress	316,599	182,356
Disposals (at cost/valuation)	(354,000)	(484,500)
Disposals (accum. depreciation)	256,011	372,148
Net revaluations	Nil	653,198
Depreciation expense	(1,166,851)	(1,089,450)
Closing Balance	13,179,922	12,483,320
(b) Road network - infrastructure		
Opening Balance	149,345,317	136,015,457
Additions	2,890,769	4,824,946
Transfers from work in progress	517,127	660,635
Net revaluations	Nil	10,753,553
Depreciation expense	(2,396,060)	(2,909,274)
Closing Balance	150,357,153	149,345,317

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

16. INFRASTRUCTURE (Cont.)

	2019 Actual \$	2018 Actual \$
(c) Footpath network - infrastructure		
Opening Balance	11,892,798	13,097,493
Additions	813,195	536,126
Transfers from work in progress	45,106	Nil
Net revaluations	Nil	(1,246,909)
Depreciation expense	(517,113)	(493,912)
Closing Balance	<u>12,233,985</u>	<u>11,892,798</u>
(d) Drainage network - infrastructure		
Opening Balance	62,415,083	66,149,849
Additions	803,615	666,088
Transfers from work in progress	2,644	7,419
Net revaluations	Nil	(3,480,486)
Depreciation expense	(941,351)	(927,787)
Closing Balance	<u>62,279,990</u>	<u>62,415,083</u>
(e) Parks and gardens - Turf		
Opening Balance	22,826,376	22,783,443
Net revaluations	Nil	42,933
Closing Balance	<u>22,826,376</u>	<u>22,826,376</u>
(f) Carparks		
Opening Balance	4,431,393	3,783,933
Additions	29,827	Nil
Net revaluations	Nil	743,214
Depreciation expense	(82,566)	(95,754)
Closing Balance	<u>4,378,654</u>	<u>4,431,393</u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

16. INFRASTRUCTURE (Cont.)

	2019 Actual \$	2018 Actual \$
(g) Work in progress		
Non Current		
Road construction	793,967	517,127
Footpath construction	61,548	45,106
Drainage construction	932	2,644
Reserves improvements	11,220	316,599
Total non current work in progress	867,668	881,475
Total Infrastructure	266,123,748	264,275,763

SIGNIFICANT ACCOUNTING POLICIES

Property, Plant, Equipment and Infrastructure

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

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

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

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of asset classes are credited as a revaluation surplus in equity. Decreases that offset previous increases of the same asset class are recognised against the revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Any accumulated depreciation at the date of revaluation and the gross carrying amount of the asset is restated to the revalued amount of the asset.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

16. INFRASTRUCTURE (Cont.)

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance. No such Crown Land is operated by the City.

17. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

a) ASSET DISPOSALS	2019 Actual \$	2018 Actual \$	2019 Budget \$
Land			
Net book value of disposals	Nil	3,146,000	1,100,000
Proceeds on disposal	Nil	3,150,000	1,100,000
Profit/(loss) on disposal	<u>Nil</u>	<u>4,000</u>	<u>Nil</u>
Buildings			
Net book value of disposals	99,785	1,858,843	Nil
Proceeds on disposal	Nil	Nil	Nil
Profit/(loss) on disposal	<u>(99,785)</u>	<u>(1,858,843)</u>	<u>Nil</u>
Furniture, fixtures and equipment			
Net book value of disposals	Nil	108,001	Nil
Proceeds on disposal	4,500	Nil	Nil
Profit/(loss) on disposal	<u>4,500</u>	<u>(108,001)</u>	<u>Nil</u>
Plant and machinery			
Net book value of disposals	899,208	888,357	1,502,208
Proceeds on disposal	888,792	894,822	1,502,208
Profit/(loss) on disposal	<u>(10,416)</u>	<u>6,465</u>	<u>Nil</u>
Reserve Improvements			
Net book value of disposals	97,989	112,352	Nil
Proceeds on disposal	Nil	Nil	Nil
Profit/(loss) on disposal	<u>(97,989)</u>	<u>(112,352)</u>	<u>Nil</u>
Net profit/(loss)	<u><u>(203,689)</u></u>	<u><u>(2,068,731)</u></u>	<u><u>Nil</u></u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

17. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Cont.)

a) ASSET DISPOSALS (Cont.)	2019 Actual \$	2018 Actual \$	2019 Budget \$
Gain/(Loss) by Program/Function			
Governance	3,573	(22,504)	Nil
General purpose funding	Nil	(2,078)	Nil
Law, order & public safety	(2,802)	(10,247)	Nil
Health	2,869	8,523	Nil
Education & welfare	7,694	(1,880,521)	Nil
Housing	Nil	Nil	Nil
Community amenities	5,892	5,017	Nil
Recreation & culture	(199,014)	(198,816)	Nil
Transport	(37,064)	16,684	Nil
Economic services	6,229	2,933	Nil
Other property & services	8,933	12,278	Nil
	(203,689)	(2,068,731)	Nil

b) DEPRECIATION EXPENSE

	2019 Actual \$	2018 Actual \$
Depreciation Expense by Asset Class		
Buildings	1,451,269	1,451,838
Furniture and equipment	500,324	601,389
Plant and machinery	1,141,109	729,553
Reserves improvements	1,166,851	1,089,450
Road network - infrastructure	2,396,060	2,909,274
Footpath network - infrastructure	517,113	493,912
Drainage network - infrastructure	941,351	927,787
Carparks	82,566	95,754
	8,196,645	8,298,957

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

17. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Cont.)

	2019 Actual \$	2018 Actual \$
Depreciation Expense by Program/Function		
Governance	384,948	446,299
General Purpose Funding	10,247	13,005
Law, order & public safety	251,444	210,614
Health	59,203	64,932
Education & welfare	116,161	125,322
Housing	87,520	87,520
Community amenities	23,769	26,829
Recreation & culture	2,115,972	2,055,709
Transport	4,822,144	4,940,665
Economic services	218,960	215,348
Other property & services	106,276	112,713
	8,196,645	8,298,957

SIGNIFICANT ACCOUNTING POLICIES

Depreciation of Property, Plant, Equipment and Infrastructure

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. No changes were made during the 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.

Major depreciation periods are:

Buildings - Floor	40 - 150 years
Buildings - Envelope	40 - 150 years
Buildings - Fit-out	15 - 100 years
Buildings - Roof	40 - 150 years
Buildings - Other	10 - 50 years
Furniture & Equipment - General	3 - 7 years
Furniture & Equipment - Artwork	50 years
Plant - Motor Vehicles	5 years
Plant - Other	3 - 15 years
Roads/Carparks - Formation	Not depreciated
Roads/Carparks - Paving	40 - 150 years
Roads/Carparks - Kerbing	40 years
Roads/Carparks - Surfacing	20 years
Infrastructure - Footpaths	20 - 50 years
Infrastructure - Drainage	77 - 100 years
Infrastructure - Parks and Gardens	10 - 50 years
Infrastructure - Turf on Parks	Not depreciated

Following a revaluation the accumulated depreciation at the date of revaluation and the gross carrying amount of the asset is restated to the revalued amount of the asset.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

18. TOTAL ASSETS

TOTAL ASSETS CLASSIFIED BY FUNCTION/ACTIVITY

	2019	2018
	Actual	Actual
	\$	\$
General purpose funding	162,386,981	178,432,217
Governance	3,377,343	3,418,285
Law, order & public safety	753,747	861,388
Health	3,741,461	3,722,427
Education & welfare	5,199,385	5,281,418
Housing	6,201,327	6,212,333
Community amenities	25,695,344	5,834,226
Recreation & culture	71,444,199	71,099,094
Transport	245,350,422	245,540,348
Economic services	17,621,627	17,498,434
Other property & services	37,589,301	38,138,198
Finance & borrowing	172,069	99,884
Other - unallocated	67,842,642	77,620,780
	<u>647,375,847</u>	<u>653,759,032</u>

19. RESERVES - CASH/INVESTMENT BACKED**Reserve Account Descriptions**

ADMINISTRATION BUILDING RESERVE

Established for the refurbishment of Council's administration building.

AGED ACCOMMODATION - HOMESWEST RESERVE

Established to provide for the long term maintenance of Gabriel Gardens and Orana aged housing units.

AGED COMMUNITY CARE RESERVE

Established to fund aged care community services.

AGED PERSONS HOUSING RESERVE

Used to manage the surplus/deficit position and capital improvements of Council's aged housing centres.

AGED SERVICES RESERVE

Established to fund the provision of aged services within the City of Belmont.

ASCOT WATERS MARINA MAINTENANCE AND REDEVELOPMENT RESERVE

Established to provide for the ongoing maintenance and future redevelopment needs of the marina at Ascot Waters.

BELMONT DISTRICT BAND RESERVE

Established to provide funds for the replacement and acquisition of instruments for the Belmont District Band.

BELMONT OASIS REFURBISHMENT RESERVE

Established to provide funds for the future refurbishment of the Belmont Oasis Leisure Centre.

BELMONT TRUST RESERVE

Established to fund costs in relation to the Belmont Trust land.

BUILDING MAINTENANCE RESERVE

Established to provide funds for the refurbishment and maintenance of Council's Buildings.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

CAR PARKING RESERVE

Established to provide funds including those received as cash in lieu for any activities that create or enhance car parks.

DISTRICT VALUATION RESERVE

As the valuation of the district takes place every three years, a reserve was established to spread the costs of the revaluation over the three years.

ELECTION EXPENSES RESERVE

Established to spread the cost of postal voting over two years as elections are only held every two years.

ENVIRONMENT RESERVE

Established to fund environmental programs.

FAULKNER PARK RETIREMENT VILLAGE BUY BACK RESERVE

Established to fund the future buy back of the Faulkner Park Retirement Village from existing residents.

FAULKNER PARK RETIREMENT VILLAGE OWNER MAINTENANCE RESERVE

Established to provide for the future major maintenance and refurbishment requirements at the Faulkner Park Retirement Village.

FORESHORE DEVELOPMENT RESERVE

Established to fund Swan River foreshore development as required.

HISTORY RESERVE

Provision for the future costs associated with the acquisition, recording, preservation and display of articles and information associated with the history of the City of Belmont.

INFORMATION TECHNOLOGY RESERVE

Established for the replacement of Council's core business hardware and software requirements.

LAND ACQUISITION RESERVE

Established for the acquisition and/or redevelopment of land and buildings and receives the proceeds of any land or building sales.

LONG SERVICE LEAVE RESERVE - FUNDED PROGRAMS

Established to part fund the long service leave liability of Council's community services HACC funded programs.

LONG SERVICE LEAVE RESERVE – SALARIES

Established to part fund the long service leave liability of Council's salaried staff.

LONG SERVICE LEAVE RESERVE – WAGES

Established to part fund the long service leave liability of Council's wages staff.

MISCELLANEOUS ENTITLEMENTS RESERVE

Established to provide funding for unforeseen expenditures relating to staff and entitlements.

PARKS DEVELOPMENT RESERVE

Established to provide for future development of the City's Parks including playgrounds and irrigation.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

PLANT REPLACEMENT RESERVE

Used to fund the replacement of Council's heavy plant. Funds the shortfall between income generated through plant operation recoveries and replacement costs.

PROPERTY DEVELOPMENT RESERVE

Established to fund any Council property development.

PUBLIC ART RESERVE

Established to fund future acquisitions of public art for display in the City of Belmont.

RUTH FAULKNER LIBRARY RESERVE

Established for capital improvements to Council's library.

STREETSCAPES RESERVE

Established to fund shopping centre revitalisation and streetscape enhancements.

URBAN FOREST STRATEGY RESERVE

Established to fund the management and retention of the urban forest.

WASTE MANAGEMENT RESERVE

Established to fund waste management initiatives and activities.

WORKERS COMPENSATION/INSURANCE RESERVE

Established to fund self insurance expenses and major fluctuations in insurance premiums.

Reserve Balances	2019 Actual \$	2018 Actual \$	2,019 Budget \$
(a) Administration Building Reserve			
Opening balance	221,312	215,358	220,563
Transfer from accumulated surplus	6,179	5,954	6,176
Transfer to accumulated surplus	Nil	Nil	Nil
	227,491	221,312	226,739
(b) Aged Accommodation - Homeswest Reserve			
Opening balance	751,751	728,377	792,275
Transfer from accumulated surplus	42,052	23,375	66,429
Transfer to accumulated surplus	(29,773)	Nil	Nil
	764,030	751,751	858,704
(c) Aged Community Care Reserve			
Opening balance	Nil	Nil	Nil
Transfer from accumulated surplus	546,612	Nil	Nil
Transfer to accumulated surplus	Nil	Nil	Nil
	546,612	Nil	Nil
(d) Aged Persons Housing Reserve			
Opening balance	1,343,125	1,497,347	1,388,857
Transfer from accumulated surplus	37,500	41,395	77,227
Transfer to accumulated surplus	(284,053)	(195,617)	(201,207)
	1,096,572	1,343,125	1,264,877

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

	2019 Actual \$	2018 Actual \$	2,019 Budget \$
(e) Aged Services Reserve			
Opening balance	1,128,140	1,097,791	1,127,318
Transfer from accumulated surplus	31,498	30,349	31,565
Transfer to accumulated surplus	(133,122)	Nil	Nil
	1,026,515	1,128,140	1,158,883
(f) Ascot Waters Marina Maintenance & Redevelopment Reserve			
Opening balance	958,966	933,169	955,906
Transfer from accumulated surplus	26,774	25,798	25,365
Transfer to accumulated surplus	Nil	Nil	(50,000)
	985,741	958,966	931,271
(g) Belmont District Band Reserve			
Opening balance	35,481	31,607	35,429
Transfer from accumulated surplus	3,991	3,874	3,992
Transfer to accumulated surplus	Nil	Nil	Nil
	39,472	35,481	39,421
(h) Belmont Oasis Refurbishment Reserve			
Opening balance	3,881,697	3,777,273	3,875,482
Transfer from accumulated surplus	108,377	104,424	108,513
Transfer to accumulated surplus	Nil	Nil	Nil
	3,990,074	3,881,697	3,983,995
(i) Belmont Trust Reserve			
Opening balance	1,636,968	1,604,836	1,560,599
Transfer from accumulated surplus	45,220	42,092	43,697
Transfer to accumulated surplus	(13,193)	(9,960)	(174,960)
	1,668,994	1,636,968	1,429,336
(j) Building Maintenance Reserve			
Opening balance	5,230,744	5,304,839	5,208,299
Transfer from accumulated surplus	146,042	146,654	145,041
Transfer to accumulated surplus	(21,328)	(220,750)	Nil
	5,355,458	5,230,744	5,353,340
(k) Car Parking Reserve			
Opening balance	Nil	Nil	Nil
Transfer from trust funds	59,700	Nil	Nil
Transfer to accumulated surplus	Nil	Nil	Nil
	59,700	Nil	Nil

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

	2019 Actual \$	2018 Actual \$	2,019 Budget \$
(l) District Valuation Reserve			
Opening balance	123,605	42,432	124,209
Transfer from accumulated surplus	83,451	81,173	83,478
Transfer to accumulated surplus	Nil	Nil	Nil
	207,056	123,605	207,687
(m) Election Expenses Reserve			
Opening balance	87,271	148,333	87,020
Transfer from accumulated surplus	22,437	24,101	22,437
Transfer to accumulated surplus	Nil	(85,163)	Nil
	109,708	87,271	109,457
(n) Environment Reserve			
Opening balance	26,500	Nil	26,500
Transfer from accumulated surplus	740	26,500	742
Transfer to accumulated surplus	Nil	Nil	Nil
	27,240	26,500	27,242
(o) Faulkner Park Ret. Vill. Owner Maint. Reserve			
Opening balance	423,122	351,490	393,614
Transfer from accumulated surplus	11,814	71,632	74,796
Transfer to accumulated surplus	Nil	Nil	Nil
	434,935	423,122	468,410
(p) Faulkner Park Retirement Vill. Buy-Back Reserve			
Opening balance	2,169,765	1,980,604	2,231,631
Transfer from accumulated surplus	60,580	189,160	118,711
Transfer to accumulated surplus	Nil	Nil	Nil
	2,230,344	2,169,765	2,350,342
(q) Foreshore Development Reserve			
Opening balance	Nil	Nil	Nil
Transfer from accumulated surplus	Nil	Nil	Nil
Transfer to accumulated surplus	Nil	Nil	Nil
	Nil	Nil	Nil
(r) History Reserve			
Opening balance	224,408	188,205	224,076
Transfer from accumulated surplus	16,265	36,203	16,274
Transfer to accumulated surplus	Nil	Nil	Nil
	240,673	224,408	240,350

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)			
	2019	2018	2,019
	Actual	Actual	Budget
	\$	\$	\$
(s) Information Technology Reserve			
Opening balance	1,344,782	1,011,810	1,343,108
Transfer from accumulated surplus	37,546	332,972	102,607
Transfer to accumulated surplus	(56,815)	Nil	(306,000)
	1,325,514	1,344,782	1,139,715
(t) Land Acquisition Reserve			
Opening balance	9,535,146	6,248,556	9,973,506
Transfer from accumulated surplus	266,221	3,286,590	1,357,184
Transfer to accumulated surplus	(705,677)	Nil	Nil
	9,095,689	9,535,146	11,330,690
(u) Long Service Leave Reserve - Funded Programs			
Opening balance	90,936	94,034	93,051
Transfer from accumulated surplus	60,854	23,450	22,605
Transfer to accumulated surplus	Nil	(26,548)	(11,489)
	151,790	90,936	104,167
(v) Long Service Leave Reserve - Salaries			
Opening balance	1,656,974	1,820,987	1,798,135
Transfer from accumulated surplus	526,083	315,262	350,348
Transfer to accumulated surplus	(307,326)	(479,275)	(333,587)
	1,875,732	1,656,974	1,814,896
(w) Long Service Leave Reserve - Wages			
Opening balance	441,406	494,335	418,293
Transfer from accumulated surplus	124,847	74,410	111,712
Transfer to accumulated surplus	(99,464)	(127,339)	(93,785)
	466,789	441,406	436,220
(x) Miscellaneous Entitlements Reserve			
Opening balance	893,561	990,320	1,051,916
Transfer from accumulated surplus	24,948	127,378	29,454
Transfer to accumulated surplus	(138,570)	(224,136)	(145,240)
	779,940	893,561	936,130

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)

	2019 Actual \$	2018 Actual \$	2,019 Budget \$
(y) Parks Development Reserve			
Opening balance	278,070	228,634	190,000
Transfer from accumulated surplus	7,764	196,321	5,320
Transfer to accumulated surplus	(143,119)	(146,885)	(195,320)
	142,715	278,070	Nil
(z) Plant Replacement Reserve			
Opening balance	909,585	505,718	591,232
Transfer from accumulated surplus	206,981	541,452	640,043
Transfer to accumulated surplus	(183,332)	(137,585)	(614,172)
	933,234	909,585	617,103
(aa) Property Development Reserve			
Opening balance	16,799,981	13,280,612	16,778,039
Transfer from accumulated surplus	5,173,831	3,519,369	395,188
Transfer to accumulated surplus	(1,685,671)	Nil	(9,210,884)
	20,288,140	16,799,981	7,962,343
(ab) Public Art Reserve			
Opening balance	189,645	135,888	189,419
Transfer from trust funds	93,000	Nil	Nil
Transfer from accumulated surplus	5,295	53,757	5,304
Transfer to accumulated surplus	Nil	Nil	Nil
	287,940	189,645	194,723
(ac) Ruth Faulkner Library Reserve			
Opening balance	43,061	41,902	42,991
Transfer from accumulated surplus	1,202	1,158	1,204
Transfer to accumulated surplus	Nil	Nil	Nil
	44,263	43,061	44,195
(ad) Streetscapes Reserve			
Opening balance	461,348	302,972	460,847
Transfer from accumulated surplus	12,881	158,376	12,904
Transfer to accumulated surplus	Nil	Nil	Nil
	474,229	461,348	473,751
(ae) Urban Forest Strategy Reserve			
Opening balance	108,945	106,014	108,769
Transfer from accumulated surplus	3,042	2,931	3,046
Transfer to accumulated surplus	Nil	Nil	Nil
	111,987	108,945	111,815

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

19. RESERVES - CASH/INVESTMENT BACKED (Cont.)			
	2019	2018	2,019
	Actual	Actual	Budget
	\$	\$	\$
(af) Waste Management Reserve			
Opening balance	1,631,589	1,365,192	1,398,923
Transfer from accumulated surplus	385,826	266,397	39,170
Transfer to accumulated surplus	Nil	Nil	Nil
	2,017,415	1,631,589	1,438,093
(ag) Workers Compensation/Insurance Reserve			
Opening balance	1,388,931	1,351,566	1,386,849
Transfer from accumulated surplus	179,712	37,365	38,832
Transfer to accumulated surplus	Nil	Nil	Nil
	1,568,643	1,388,931	1,425,681
Total Movement	4,557,820	8,136,610	(7,402,584)
TOTAL CASH RESERVES	58,574,632	54,016,812	46,679,576

20. REVALUATION SURPLUS

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

	2019	2018
	Actual	Actual
	\$	\$
(a) Land		
Opening balance	186,374,188	186,374,188
Impairment/Revaluation Movement	(18,290,100)	Nil
	168,084,088	186,374,188
(b) Buildings		
Opening balance	65,490,390	65,490,390
Revaluation Movement	Nil	Nil
	65,490,390	65,490,390
(c) Road network - infrastructure		
Opening balance	71,854,029	61,100,475
Revaluation Movement	Nil	10,753,553
	71,854,029	71,854,029

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

20. REVALUATION SURPLUS (Cont.)		
	2019	2018
	Actual	Actual
	\$	\$
(d) Footpath network - infrastructure		
Opening balance	7,955,956	9,202,865
Revaluation Movement	Nil	(1,246,909)
	<u>7,955,956</u>	<u>7,955,956</u>
(e) Drainage network - infrastructure		
Opening balance	46,346,919	49,827,405
Revaluation Movement	Nil	(3,480,486)
	<u>46,346,919</u>	<u>46,346,919</u>
(f) Parks and gardens - infrastructure		
Opening balance	16,813,098	16,116,967
Revaluation Movement	Nil	696,130
	<u>16,813,098</u>	<u>16,813,098</u>
(g) Carparks		
Opening balance	2,869,844	2,126,630
Revaluation Movement	Nil	743,214
	<u>2,869,844</u>	<u>2,869,844</u>
(h) Eastern Metropolitan Regional Council		
Opening balance	4,723,267	4,818,271
Revaluation Movement (note 9)	(57,201)	(95,004)
	<u>4,666,066</u>	<u>4,723,267</u>
Total Revaluation Surplus		
Opening balance	402,427,692	395,057,192
Revaluation Movement	(18,347,301)	7,370,499
	<u>384,080,391</u>	<u>402,427,692</u>

21. NOTES TO THE STATEMENT OF CASH FLOWS**Reconciliation of cash**

For the purposes of the Statement of Cash Flows, the City considers cash to include cash on hand, in banks and short-term deposits with an original maturity of three months or less that are readily convertible to cash. 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:

	2019	2018	2019
	Actual	Actual	Budget
	\$	\$	\$
Cash at bank	12,685,194	7,198,642	1,525,203
Cash on hand	5,250	5,250	5,250
	<u>12,690,444</u>	<u>7,203,892</u>	<u>1,530,453</u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

22. RECONCILIATION OF NET CASH FROM OPERATING ACTIVITIES

	2019 Actual \$	2018 Actual \$
Net result	11,379,364	8,041,115
Add/(less) non cash items:		
Depreciation	8,196,645	8,298,957
(Profit)/loss on disposal of assets	203,689	2,068,731
Fair value adjustments to assets	(20,503)	(380,000)
Change in equity - associate	(1,042,427)	(1,391,692)
	<u>18,716,768</u>	<u>16,637,111</u>
Changes in operating assets and liabilities:		
* (Increase)/decrease in receivables	(33,895)	(505,159)
(Increase)/decrease in other current assets	(584,444)	86,953
(Increase)/decrease in stores inventory	1,748	4,106
Increase/(decrease) in interest payable	25,599	101,824
Increase/(decrease) in creditors & provisions	1,168,871	(189,590)
Increase/(decrease) in other current liabilities	65,844	88,360
Non-Operating grants, subsidies and contributions	(10,551,287)	(3,984,468)
Net cash from operating activities	<u>8,809,203</u>	<u>12,239,137</u>

* Excludes non-operating receivables

23. CREDIT STANDBY ARRANGEMENTS

The City of Belmont endeavours to maintain its Municipal bank accounts with sufficient funds to ensure that they do not go into overdraft, however, the City has an overdraft facility of:

	2019 Actual \$	2018 Actual \$
Bank overdraft limit	200,000	200,000
Credit Card limit	60,000	60,000
Total Amount of credit unused at balance date	<u>260,000</u>	<u>260,000</u>

24. TRADING UNDERTAKINGS

In accordance with Regulation 45 of the Local Government (Financial Management) Regulations 1996, there are no Trading Undertakings conducted in the financial year ended 30 June 2019.

CITY OF BELMONT

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

25. FINANCIAL RISK MANAGEMENT

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

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

Financial risk management is carried out by the Finance Department under policies approved by the Council.

The City held the following financial instruments at balance date:

	Carrying Value 2019	Fair Value 2019
	\$	\$
Financial Assets		
Cash and cash equivalents	12,690,444	12,690,444
Other financial assets at amortised cost	54,834,376	54,834,376
Other financial assets at fair value through profit and loss	175,171	175,171
Trade and other receivables at amortised cost	2,208,652	2,208,652
	<u>69,908,643</u>	<u>69,908,643</u>
Financial Liabilities		
Trade and other payables	5,986,184	5,986,184
Borrowings	14,807,240	11,095,905
	<u>20,793,424</u>	<u>17,082,089</u>
	Carrying Value 2018	Fair Value 2018
	\$	\$
Financial Assets		
Cash and cash equivalents	7,203,892	7,203,892
Other financial assets	71,275,711	71,275,711
Trade and other receivables at amortised cost	1,610,209	1,610,209
	<u>80,089,812</u>	<u>80,089,812</u>
Financial Liabilities		
Trade and other payables	4,277,142	4,277,142
Borrowings	15,457,203	11,091,789
	<u>19,734,345</u>	<u>15,368,931</u>

Fair value is determined as follows:

Cash and Cash Equivalents, Other Financial Assets, 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 BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

25. FINANCIAL RISK MANAGEMENT (Cont.)**Cash and Cash Equivalents / Other Financial Assets (Investments)**

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. Investments must also comply with statutory and policy requirements. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). The City has an investment policy and the policy is subject to an annual review. Monthly Investment Reports are provided on a quarterly basis setting out the make-up and performance of the portfolio.

Cash and investments are also subject to interest rate risk being the risk that movements in interest rates could affect returns. Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts.

Impact of a 1% movement in interest rates on cash and investments:

	2019	2018
	\$	\$
Equity	67,891	52,088
Statement of Comprehensive Income	67,891	52,088

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 City.

The City manages these risks by applying counterparty limits and maintaining credit quality (i.e. credit ratings) in line with The City's Investment Policy . The City also seeks advice from independent advisers (where applicable) before placing any cash and investments.

The City no longer holds managed fund investments so the investment portfolio is not subject to price risk.

Receivables

The City's major receivables comprise rates, annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be paid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment. The amount of rates and annual charges outstanding as at the balance date reflects a collection ratio of 97.98%.

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

CITY OF BELMONT

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

25. FINANCIAL RISK MANAGEMENT (Cont.)

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

Percentage of Trade and Other Receivables	2019	2018
- Current	99.90%	95.01%
- Overdue (in excess of 90 days)	0.10%	4.99%

Payables and Borrowings

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

The contractual undiscounted cash flows of the City's payables and borrowings (principal and interest) are set out in the Liquidity Table below:

	Due within 1 year \$	Due between 1 and 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2019					
Trade and other payables	5,986,184	Nil	Nil	5,986,184	5,986,184
Borrowings	1,361,870	4,674,015	15,723,376	21,759,261	14,807,240
	<u>7,348,054</u>	<u>4,674,015</u>	<u>15,723,376</u>	<u>27,745,445</u>	<u>20,793,424</u>
2018					
Trade and other payables	4,277,142	Nil	Nil	4,277,142	4,277,142
Borrowings	1,375,858	4,873,580	16,885,681	23,135,119	15,457,203
	<u>5,653,000</u>	<u>4,873,580</u>	<u>16,885,681</u>	<u>27,412,261</u>	<u>19,734,345</u>

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

25. FINANCIAL RISK MANAGEMENT (Cont.)**Interest Rate Risk**

The following table details the City's exposure to interest rate risk as at 30 June 2019.

2019	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate To Maturity			Non Interest Bearing	Total
			Less Than 1 Year	1 To 5 Years	More Than 5 Years		
Financial Assets							
Cash and cash equivalents	1.94%	12,685,194				5,250	12,690,444
Other financial assets at amortised cost	2.86%	Nil	13,463,206	41,371,170			54,834,376
Other financial assets at fair value through profit and loss						175,171	175,171
Rates and other levies	11.00%		980,583				980,583
Deferred rates & ESL	2.26%	363,791					363,791
Trade debtors	N/A					819,668	819,668
		13,048,985	14,443,789	41,371,170	Nil	1,000,089	69,864,033
Financial Liabilities							
Trade and other payables						5,986,184	5,986,184
Other Liabilities						1,172,080	1,172,080
Borrowings	4.53%	Nil	850,551	2,338,438	11,618,252	Nil	14,807,240
		Nil	850,551	2,338,438	11,618,252	7,158,264	21,965,505
2018							
2018	Weighted Average Interest Rate	Variable Interest Rate	Fixed Interest Rate To Maturity			Non Interest Bearing	Total
			Less Than 1 Year	1 To 5 Years	More Than 5 Years		
Financial Assets							
Cash and cash equivalents	1.96%	7,198,642				5,250	7,203,892
Other Financial Assets	2.67%	Nil	49,624,906	21,496,137			71,121,043
Rates and other levies	11.00%		1,005,537				1,005,537
Deferred rates & ESL	2.72%	329,545					329,545
Trade debtors	N/A					964,777	964,777
		7,528,187	50,630,443	21,496,137	Nil	970,027	80,624,794
Financial Liabilities							
Trade and other payables						4,277,142	4,277,142
Other Liabilities						1,106,236	1,106,236
Borrowings	4.55%	Nil	794,822	2,426,019	12,236,362	Nil	15,457,203
		Nil	794,822	2,426,019	12,236,362	5,383,378	20,840,581

26. NET CURRENT ASSETS POSITION**Net Current Assets position**

The net current assets position balance carried forward from the previous financial year after adjustment for restricted assets for the purpose of the 2018/19 budget was \$15,887,000.

The actual net current asset position balance shown in the audited financial report as at 30 June 2018 and after adjustment for restricted assets was \$19,364,577.

Net Current Assets Calculation

	Note	2019	2018
Total Current Assets		31,629,857	60,592,837
Plus Non-Current Financial Assets that back reserves	8(b)	41,195,999	21,496,137
Less Reserves - Restricted Cash	4	(58,574,632)	(54,016,812)
Total Net Current Assets for closing balance purposes		14,251,224	28,072,162
Total Current Liabilities		(13,046,515)	(11,572,462)
Adjust for LSL (reserve backed)	4	2,494,031	2,189,316
Current portion of long term borrowings	10	705,692	675,561
Total Liabilities for C/B purposes		(9,846,793)	(8,707,585)
Net Current Assets for closing balance purposes		4,404,431	19,364,577

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

27. FINANCIAL RATIOS

	2019	2018	2017
Current Ratio	1.27:1	1.51:1	1.50:1
<i>Measures the ability to meet current commitments.</i>			
<i>Basic Standard > 1:1</i>			
<u>Current Assets minus Restricted Assets</u>			
Current liabilities minus liabilities associated with restricted assets			
Debt Service Cover Ratio	6.35	7.99	29.40
<i>Measures capacity to meet annual debt commitments.</i>			
<i>Advanced Standard > 5</i>			
<u>Annual Operating Surplus before Interest and Depreciation</u>			
Principal and Interest			
Own Source Revenue Coverage	0.94	0.98	0.98
<i>Ability to cover costs through Council's own revenue.</i>			
<i>Basic Standard : 0.40 to 0.60</i>			
<u>Own Source Operating Revenue</u>			
Operating Expense			
* Operating Surplus Ratio	-0.39%	3.98%	5.68%
<i>Measure of Council's financial performance.</i>			
<i>Basic Standard : 1% to 15%</i>			
<u>Operating Revenue minus Operating Expense</u>			
Own Source Operating Revenue			
* Operating expense includes a one-off expense of \$3.82m for underground power otherwise the ratio would have been 6.01% for 2019.			
Asset Sustainability Ratio	0.93	1.05	1.09
<i>Measures the extent to which assets are replaced at the end of their useful lives.</i>			
<i>Basic Standard >0.90</i>			
<u>Capital Replacement and Renewal Expenditure</u>			
Depreciation			
Asset Renewal Funding ratio	100%	100%	100%
<i>Measures ability to fund asset renewal as required.</i>			
<i>Basic Standard : 75% to 95%</i>			
<u>NPV of Planned Capital Renewals over 10 years</u>			
NPV of Required Capital Renewals over 10 years			
Asset Consumption Ratio	0.74	0.75	0.72
<i>Extent to which assets have been consumed.</i>			
<i>Basic Standard >0.50</i>			
<u>Depreciated Replacement Cost of Depreciable Asset</u>			
Current Replacement Cost of Depreciable Asset			

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

28. EMPLOYEES NUMBERS

	2019	2018
	No.	No.
Total number of full time equivalent employees at balance date.	232.23	240.40

29. CONTINGENT LIABILITIES

The City has sites with possible contamination at 5 Resolution Drive, Ascot and 50 Peachey Ave, Kewdale.

Until the City conducts an investigation to determine the presence and scope of contamination, assesses the risk, and agrees with the respective state government authorities on the need and criteria for remediation, the City is unable to estimate the potential costs associated with the remediation works.

The City has performed an audit of City owned buildings that contain combustible cladding, with the Civic Centre and existing library being the only buildings identified. The City's insurers are aware of this issue and the risk is monitored as part of the City's risk management plans. At this stage the costs associated with any potential remedial work required cannot be reliably estimated.

30. EVENTS AFTER THE REPORTING DATE

No events after the reporting date were identified by management that would affect the operations of the City or the results of the City significantly.

31. RELATED PARTY TRANSACTIONS**Key Management Personnel (KMP) Compensation Disclosure**

The total remuneration paid to KMP, excluding the Elected Members remuneration, during the year are as follows:

	2019	2018
	Actual	Actual
	\$	\$
Short-term employee benefits	1,142,631	1,055,318
Post-employee benefits	124,180	112,696
Other long-term benefits	110,028	100,609
Termination benefits	8,846	112,244
	<u>1,385,686</u>	<u>1,380,867</u>

Short-term employee benefits

These amounts include salaries awarded to KMP except for details in respect of fees and benefits paid to elected members which may be found below.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual and long service leave benefits accrued during the year.

Termination benefits

These amounts represent termination benefits paid to or provided for KMP.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

31. RELATED PARTY TRANSACTIONS (Cont.)**Elected Members Remuneration**

Fees, expenses and allowances paid to elected members in accordance with the provisions of the *Local Government Act 1995* are as follows:

	2019 Actual \$	2018 Actual \$	2019 Budget \$
Mayor			
Local Government Allowance	88,864	88,864	88,864
Annual Meeting Attendance Fees	47,045	47,045	47,045
Information & Communications Allowance	3,500	3,500	3,500
Expense Allowance	Nil	Nil	Nil
	139,409	139,409	139,409
Deputy Mayor			
Local Government Allowance	22,216	22,216	22,216
Annual Meeting Attendance Fees	31,364	31,364	31,364
Information & Communications Allowance	3,500	3,500	3,500
Expense Allowance	Nil	Nil	Nil
	57,080	57,080	57,080
Other Councillors			
Annual Meeting Attendance Fees	219,548	211,537	219,549
Information & Communications Allowance	24,500	24,481	24,500
Expense Allowance	Nil	Nil	3,500
	244,048	236,018	247,549
	440,537	432,507	444,038

Related Parties

The City's main related parties are as follows:

1. *Key Management Personnel* - Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member. Also included are close family members of KMP and entities controlled by any KMP or their close family members.

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

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

31. RELATED PARTY TRANSACTIONS (Cont.)**Transactions with related parties**

Normal citizen transactions that have been identified as not requiring disclosure includes rates, rate refunds, hall hire fees and other common fees and charges.

Related party transactions listed below are on normal commercial terms and conditions.

	2019	2018
	Actual	Actual
	\$	\$
<u>Associate:</u>		
Payments made to the EMRC for waste services.	2,989,616	2,285,938
Balances outstanding to the EMRC at balance date	226,662	103,147
Grant income for City held events	20,141	20,000
<u>Other Entities:</u>		
Payments made to Belmont Retirement Villages Board of Management (BRVBM).	196,178	158,000
Balances outstanding to the BRVBM at balance date.	13,500	Nil
Income received by the City from the BRVBM	94,211	375,221
Balances owing to the City from the BRVBM at balance date.	Nil	Nil

The City of Belmont has two elected members and the CEO on the Board of the Belmont Retirement Villages Board of Management (BRVBM). As the City is represented by three of the seven Board members this would illustrate significant influence although it is not an investee/investor relationship and the City cannot benefit financially from this arrangement. The City makes a contribution to the ongoing management of the Board and receives a percentage of sales income from unit sales within the Faulkner Park Retirement Village that is placed into specific reserves.

32. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening			Closing			Closing Balance 30/06/2019
	Balance ⁽¹⁾ 1/07/2017	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Balance ⁽¹⁾ 30/06/2018	Received ⁽²⁾ 2018/19	Expended ⁽³⁾ 2018/19	
	\$	\$		\$	\$	\$	\$
RECREATION							
Club Development/Seniors Sports	105,867	Nil	105,867	Nil	Nil	Nil	Nil
DLGSCI Sporting Facilities	Nil	30,000	Nil	30,000	Nil	30,000	Nil
Sport Australia	Nil	Nil	Nil	Nil	400,000	Nil	400,000
LAW, ORDER AND PUBLIC SAFETY							
Volunteer Emergency Services	Nil	21,435	Nil	21,435	71,731	84,625	8,541
Safer Communities Fund Grant	Nil	Nil	Nil	Nil	98,368	Nil	98,368
TRANSPORT							
NSRF-Road Works	202,471	1,100,000	687,462	615,009	1,579,890	2,194,899	Nil
Bike Boulevard	434,439	691,434	677,793	448,080	1,255,849	1,703,929	Nil
Blackspot Program Project	Nil	232,000	Nil	232,000	Nil	50,691	181,309
MRWA Road Projects	Nil	234,571	190,796	43,775	303,893	165,172	182,496
	<u>742,777</u>	<u>2,309,440</u>	<u>1,661,918</u>	<u>1,390,299</u>	<u>3,709,731</u>	<u>4,229,316</u>	<u>870,714</u>

Notes:

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

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

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

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

33. BORROWING DETAILSCITY OF BELMONT - LOAN REPAYMENT SCHEDULE
FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Issue Date	Original Principal	Interest Rate	Mat Date	Opening Liability	Principal Paid	Budget 2018/19	Interest Expense	Budget 2018/19	Accrued Interest	Closing Liability
OTHER PROPERTY & SERVICES											
Loan No. 181 Waterway Crescent	30/06/10	1,350,000	6.28	05/20	342,204	163,749	163,749	21,584	21,108	3,750	177,944
LAW, ORDER AND PUBLIC SAFETY											
Loan No. 182 SES Building *	28/09/11	1,325,000	5.17	05/26	2,718	Nil	Nil	2,718	Nil	Nil	Nil
NEW LOANS											
RECREATION AND CULTURE											
Loan 183 New Community Centre	01/05/18	15,000,000	4.51	05/38	15,112,280	511,812	511,812	662,452	679,189	141,109	14,629,296
		17,675,000			15,457,203	675,561	675,561	686,754	700,297	144,859	14,807,240

* Self-supporting loan, wholly reimbursed by FESA.

The Western Australian Treasury Corporation (WATC) is the lender of all loans and no loans have been refinanced.

Interest expense includes the Government Guarantee Fee. The movement in accrued interest for the year ended 30 June 2019 was \$25,598 with \$661,156 paid to the WATC.

34. MAJOR LAND TRANSACTIONS

The 2017-2018 financial year includes one Major Land Transaction being a new Community Centre which includes a dedicated area for a Café with the intention to commercially lease the Café. The Café component of the Community Centre is approximately 2.5% (293m²) of the total floor area, being 11612 m². Even though the Café is incidental to the primary purpose of the Centre it is considered commercial in nature and as such necessitates compliance to section 3.59 "Commercial Enterprises by local government" of the Act.

New Community Centre

A contract for the construction of the New Community Centre was awarded during 2017-2018 with construction expected to be finalised during 2019-2020. The following table provides the funding sources, estimated costs and future budgets for the construction contract.

	2017-2018 Actual	2018-2019 Actual	2019-2020 Budget	Total
Grants	483,754	4,939,590	8,089,294	13,512,638
\$15M Loan (as used)	2,505,625	12,494,375	Nil	15,000,000
Reserves	Nil	1,685,671	8,091,070	9,776,741
* Municipal Fund	Nil	260,537	-260,537	Nil
Total Funding	2,989,379	19,380,173	15,919,827	38,289,379
Annual Construction Cost	2,989,379	19,380,173	15,919,827	38,289,379

* Municipal Fund will provide funding in 2018-2019 due to the timing of grant income and then be reimbursed in 2019-2020 through the closing balance.

Other known costs associated with the New Community centre includes professional fees for consulting and project management services that are supported by Municipal Funds:

	2017-2018 and Prior Actual	2018-2019 Actual	2019-2020 Budget	Total
Operating and Architectural Costs	1,901,840	518,092	813,047	3,232,979
** Capital Costs - Fitout and Equipment	Nil	Nil	4,147,371	4,147,371
Total	1,901,840	518,092	4,960,418	7,380,350

** Grant funds and reserves totalling \$3.7M have been allocated to largely fund the capital costs.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

35. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

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

(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)

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

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies however other changes were assessed as not material and therefore no adjustments were required to the amounts recognised in the financial statements including comparative information which in accordance with AASB 9.7.2.15 continue to be reported under AASB 139.

Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on the City's business model for managing the assets and whether the assets contractual cash flows represent solely payments of principal and interest on the principal outstanding.

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

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

- Financial Assets held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- Other financial assets are classified and measured at fair value through profit and loss (Units in Local Government House Trust).

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

AASB 139 category	AASB 139 value \$	AASB 9 category	
		Amortised Cost \$	FV through P/L \$
Held-to-maturity			
- Financial Assets (current)	49,624,906	49,624,906	Nil
- Financial Assets (non-current)	21,496,137	21,496,137	Nil
- Trade and other receivables (current)	1,236,054	1,236,054	Nil
- Trade and other receivables (non-current)	374,155	374,155	Nil
Available for sale financial assets	154,668	Nil	154,668
	<u>72,885,920</u>	<u>72,731,252</u>	<u>154,668</u>

Impairment

The adoption of AASB 9 has fundamentally changed the City's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. Upon adoption of AASB 9 the effect was assessed as not material, and there no adjustment was made.

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

36. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the City for the annual reporting period ending 30 June 2019.

The City's assessment of these new standards and interpretations is set out below:

a) Revenue from Contracts with Customers

The City will adopt AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount 30 June 2019	Reclassification	AASB 15 carrying amount 01 July 2019
	\$	\$	\$
<u>Contract liabilities - current</u>			
Unspent grants, contributions and reimbursements	Nil	8,541	8,541
Adjustment to retained surplus	Nil	8,541	8,541

b) Leases

The City adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the City has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the City will not restate comparatives for prior reporting periods

On adoption of AASB 16, the City will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 1.50% resulting in an immaterial movement.

	<u>2019</u>
	\$
Operating lease commitments disclosed as at 30 June 2019	127,154
Lease liability recognised as at 1 July 2019	127,154
Property, Plant and Equipment Increase	127,154
Adjustment to retained surplus	Nil

Note: The discount rate implicit in the lease is only 0.99%

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

36. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Cont.)

On adoption of AASB 16, the City will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$127,154 on 1 July 2019 and the net impact on retained earnings on 1 July 2019 will be nil.

c) Income For Not-For-Profit Entities

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

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items:

	AASB 1004 carrying amount 30 June 2019	Reclassification	AASB 15 carrying amount 01 July 2019
Other Liabilities (current)	1,111,030	862,173	1,973,203

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

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

The City uses volunteer Services in relation to range of services however although these can mostly be reliably estimated it is likely they would largely be absorbed within the City's current staff resources had they not been donated.

d) Impact of changes to Retained Surplus

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

	Adjustments 01 July 2019
Retained surplus - 30 June 2019	177,196,412
Adjustment to retained surplus from adoption of AASB 15	(8,541)
Adjustment to retained surplus from adoption of AASB 16	Nil
Adjustment to retained surplus from adoption of AASB 1058	(862,173)
Retained surplus - 1 July 2019	176,325,698

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

37. OTHER SIGNIFICANT ACCOUNTING POLICIES

- a) Goods and Services Tax
Revenues, Expenses and Assets are recognised net of the amount of Goods and Services Tax (GST), except:

- i) Where the amount of GST incurred is not recoverable from the taxation office, it is recognised as part of the acquisition of an asset or as part of an item of expense; or
- ii) for receivables or payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation office is included as part of the receivables or payables. Cashflows are included in the Statement of Cash Flows on a gross basis. The GST component arising from investing and financing activities is classified as operating cashflows.

- b) Fair value of assets and liabilities

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

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

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

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

- c) Fair Value Hierarchy

When performing a revaluation the City uses a mix of both independent and management valuations. Where appropriate, revalued assets are carried at their fair value being the price that would be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value will be determined based on the nature of the asset class. For freehold land and non-specialised buildings, fair value will be determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value will be determined having regard for current replacement cost and both observable and unobservable inputs. These include construction costs based on recent contract prices (observable level 2 inputs in the fair value hierarchy), current condition, residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

37. OTHER SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c) Fair Value Hierarchy (continued)

Valuation Techniques

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

- i) Market approach
Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- ii) Income approach
Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- iii) Cost approach
Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

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

d) Impairment of assets

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

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

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

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

CITY OF BELMONT

NOTES TO AND FORMING PART OF THE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

38. ACTIVITIES/PROGRAMS**Statement of Objective**

The City of Belmont is dedicated to effectively and efficiently promote growth, safeguard the health, safety and convenience, and economic and general welfare of the community of the City of Belmont.

GOVERNANCE

All costs associated with the elected members of Council, together with all costs associated with the general governance of the district. Includes all costs generated by the full allocation of administration costs in accordance with the principles of Activity Based Costing.

GENERAL PURPOSE FUNDING

Includes the cost of collecting rates income and all general purpose funding e.g. Grants Commission Funding.

LAW, ORDER AND PUBLIC SAFETY

The control and prevention of fire. Administration of all matters relating to the control of animals, mainly dogs and all general law, order and public safety matters administered by Council's Rangers.

HEALTH

The administration of maternal and infant health through child health clinics. The administration of preventative services such as: Immunisation, Meat Inspections, Inspection of food premises and Pest Control.

EDUCATION AND WELFARE

The provision of children services, the care of the aged and disabled through Aged and Disabled Services, Senior Citizen Centres and Meals on Wheels. The provision of some pre-school education facilities, but not the delivery of education.

HOUSING

The provision of Aged Housing Facilities throughout the district.

COMMUNITY AMENITIES

Includes sanitation (household refuse); stormwater drainage; town and regional planning and development; the provision of rest rooms and protection of the environment.

RECREATION AND CULTURE

The provision of facilities and support of organisations concerned with leisure time activities and sport. The provision and maintenance of a public library. The provision of a cultural centre and a historical museum.

TRANSPORT

Construction and maintenance of streets, roads, footpaths, cycleways and Council Depot. The control of street parking and the control of traffic management of local streets.

ECONOMIC SERVICES

The management of local tourism and area promotion. The provision of building approvals and control. Any other economic services.

OTHER PROPERTY AND SERVICES

Private works, public work overheads, plant operations. A summary of salaries and wages total costs and any other miscellaneous activities that cannot otherwise be classified in the above.

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

SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED 30 JUNE 2019

The number of employees of the Council, in bands of \$10,000, entitled to an annual salary of \$100,000 or more is as follows:

Salary range	2019	2018
\$	No.	No.
100,000 - 109,999	3	2
110,000 - 119,999	4	7
120,000 - 129,999	5	1
130,000 - 139,999	2	2
140,000 - 149,999	3	3
150,000 - 159,999	Nil	Nil
160,000 - 169,999	1	5
170,000 - 179,999	5	4
180,000 - 189,999	4	1
190,000 - 199,999	Nil	Nil
200,000 - 209,999	Nil	1
210,000 - 219,999	2	1
220,000 - 229,999	Nil	Nil
230,000 - 239,999	1	1
240,000 - 249,999	Nil	Nil
250,000 - 259,999	Nil	Nil
260,000 - 269,999	1	Nil
270,000 - 279,999	Nil	Nil
280,000 - 289,999	Nil	Nil

**This page has been left
blank intentionally**

BELMONT IN BRIEF

ADDRESS	215 Wright Street, Cloverdale WA 6105
POSTAL ADDRESS	Locked Bag 379, Cloverdale WA 6985
PHONE NUMBER	(08) 9477 7222
FACSIMILE NUMBER	(08) 9478 1473
E-MAIL ADDRESS	belmont@belmont.wa.gov.au
WEB PAGE ADDRESS	www.belmont.wa.gov.au
AREA IN SQUARE KILOMETRES	40
AREA OF PARKS AND GARDENS	309 hectares administered by City of Belmont and 58 hectares at Ascot Racecourse
DISTANCE FROM PERTH	6 kilometres
LENGTH OF ROADS	234 kilometres
POPULATION	41,510 approximately
OPERATING REVENUE	\$63,184,865
OPERATING EXPENDITURE	\$62,529,275
NUMBER OF ELECTORS	24,954 electors
NUMBER OF RATE ASSESSMENTS	20,033
NUMBER OF DWELLINGS	19,244 (forecast)
SUBURBS AND LOCALITIES	Ascot, Belmont, Cloverdale, Kewdale, Redcliffe, Rivervale
NUMBER OF LIBRARIES	One - Ruth Faulkner Public Library
NUMBER OF CHILD HEALTH CENTRES	Two
NUMBER OF SENIOR CITIZENS FACILITIES	Three




The colourful ‘City of Opportunity’ logo symbolises the enthusiasm the Council feels about the City and its future. It is not the mark of a corporate body, but is symbolic of an opportunistic journey which the community of Belmont has embarked upon.

The logo is painted in an informal style because it belongs to the community. The bright colours, dominated by blue, suggest joy and expectation and the City’s close proximity to the Swan River. The joyful figure strides confidently forward to embrace the opportunities the City is offering symbolised by the sun, moon and star; the traditional artistic representatives of promise and opportunity. The star in the figure’s eye indicates that these opportunities will enter the lives of all who reach for them.

The arc that encloses the logo and gives it its own ‘space’, is an upward sloping curve that represents the growth the City has experienced in recent years, as well as the growth that is still to come. The curve is expressed as three coloured lines, which mirror the three strands of Living Belmont, Business Belmont and Green Belmont, reflecting the ‘triple bottom line’ that delivers social and environmental benefits as well as economic performance in every endeavour.

 BelmontCouncilWA

 BelmontCouncilWA

 @BelmontCouncil

www.belmont.wa.gov.au