

TOWN OF COTTESLOE



2014 / 2015

ANNUAL REPORT

OUR VISION

An iconic coastal community with a relaxed lifestyle.

OUR MISSION

To preserve and improve Cottesloe's natural and built environment and beach lifestyle by using sustainable strategies in consultation with the community.

UNDERPINNING PRINCIPLES

Sustainable Development

To embrace and integrate sustainable development principles including social, economic, environmental and cultural aspects when planning for the district.

Community Participation

Effective community participation in decisions about the district and its future.

Good Governance

Leadership, transparency, accountability, probity, proper management, effective services, equitable access to services, commitment to partnership working and organisational capacity building.

Co-operation

The exchange of good practice, support and mutual learning and partnerships with government and other stakeholders to progress the Town.

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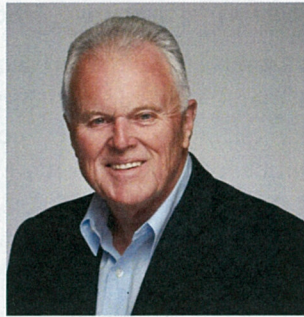
OUR ELECTED MEMBERS – JUNE 2015



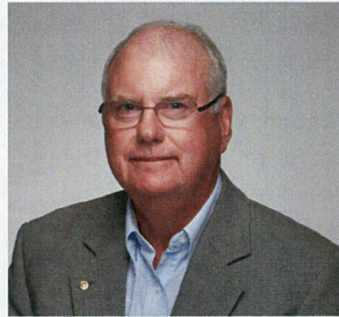
Mayor Jo Dawkins



Central Ward
Katrina Downes



North Ward
Cr Philip Angers



Central Ward
Cr Peter Jeanes



East Ward
Cr Jay Birnbrauer



South Ward
Cr Sally Pyvis



East Ward
Cr Rob Rowell



South Ward
Cr Helen Burke



North Ward
Cr Jack Walsh

MAYOR'S REPORT

I am pleased to present the 2014 / 2015 Annual Report for the Town of Cottesloe. The past year has been a very busy time for Council and staff. There have been significant projects locally and some major developments within the local government, which I have highlighted below.

Significant Projects and Events

The 2014/2015 financial year saw the refurbishment of infrastructure in Napoleon Street. The lights, bollards, street furniture and paving were all upgraded. This was the first major works in this area since the 1980's and marks the start of a revitalisation of the Town precinct. In the 2015/2016 financial year, Council have set aside funds to continue these works into Station Street, and will work with property Owners to re-invigorate the area, as well as plan for improvements to the train station interface

The settlement of the Town's former works Depot was finalised in February 2015. The Depot site is now being re-developed into an attractive Residential area – within the structure as set down by Council prior to sale. This single transaction will allow the Town to plan for its assets needs in a strategic rather than reactive way for the foreseeable future. Projects such as the redevelopment of the Indiana Tea House, incorporating the public toilet facility, and Revitalisation of the Town Centre can proceed due the funds received from the sale of this land.

The Town also began works on the Lesser Hall, engaging consultants and an architect to oversee the renovation of this highly used public asset. Works are expected to begin early in 2016.

Local Government Reform

While the reform process ended quickly, it has had an impact on the entire sector. As WALGA have stated in a recent publication, the process was by its nature adversarial, with neighbouring Councils responding to the process set down by the State in differing ways. At a local level, Councils endeavoured to do what they believed in their community's best interests, all the while hearing from those who supported reform and those who were against it.

Whilst the reform process has ended, the interaction between our neighbouring Councils has highlighted

areas whereby we can work more closely to share services with a view to reducing costs by improving efficiencies.

Local Planning

Local Planning Scheme No 3 came into effect on 01 August 2014. This has provided certainty to all Property Owners and will encourage upgrade of those properties in need. One application has been received in the foreshore area, which was approved by the Council under the provisions of LPS3.

A New Chief Executive Officer

In March 2015, Council accepted the resignation of its then Chief Executive Officer, Mr Carl Askew, who has taken on a new position at the Shire of Wyndham-East Kimberly. Mr Askew was appointed as the Town's CEO in October 2008 and started with the Town in the following January.

During his 6 years with the Town, Mr Askew was involved in many issues, but the two highest profile being the passage of Local Planning Scheme 3 and the State Government Reform Program.

In June 2015, Council appointed Mr Mathew Humfrey to the position of Chief Executive Officer. Mr Humfrey had been the Town's Manager of Corporate and Community Services since June 2011.

Special Thanks

On behalf of the Town of Cottesloe I thank councillors, staff and our many community volunteers for their commitment and efforts to maintain and improve our community.

Jo Dawkins
Mayor

CHIEF EXECUTIVE OFFICER'S REPORT

This is my first annual report in the position of Chief Executive Officer having been appointed to the position on 08 June 2015. I would like to take this opportunity to congratulate Mr Askew on his new position as well as what he achieved while CEO of the Town of Cottesloe.

Strategic Planning

The main issue that confronted local governments across the Perth Metropolitan area in 2014/2015, was the final chapter State Government's reform program. The State presented a program that would see the number of local governments in the metropolitan area halved, with an implementation date of 01 July 2015. As has been widely reported, this program came to an abrupt halt in January 2015, when the three polls provided for under the Dadour provisions, saw the amalgamations in all three instances rejected. Shortly after, the State abandoned the entire program including the revoking of the Governor's Orders for the boundary adjustments it had previously accepted.

Corporate Business Plan

The Town adopted its first Corporate Business Plan in February 2015. The plan is one of the two plans required from each local government by the Local Government Act 1995. This particular plan outlines how the Town will implement the Strategic Community Plan over the next 4 years.

The Corporate Business Plan will be reviewed annually, with the review commencing in February each year. The review will consider issues such as the past year's financial performance, projects that have been completed and any changes in the Strategic Community Plan. It will also need to consider the projections contained within the Long Term Financial Plan and Asset Management Plans.

The development of the Corporate Business Plan is an important step in the Town moving to a proactive and strategic approach to its responsibilities. While the Town has proactively looked at asset management and financial management for several years now, the Strategic Community Plan and Corporate Business Plan together, provide for proactive and strategic thinking to be applied to all aspects of Council operations.

Major Projects

The Town has come a long way in 12 months. In the last annual report the CEO's message included statements regarding imminent reform, the progress of the sale of the Depot and the finalisation of LPS3. In the last financial year, the reform program ended, the depot sale was finalised and LPS3 was gazetted. In many respects, the 2014/2015 financial year was an incredibly busy time.

Several major projects have been started in the second half of the 2014/2015 financial year. Work has begun on redeveloping the Indiana Tea House and the public toilets at Cottesloe Beach. This is a complex project that will likely take another two years to complete. The project has several aims, being to modernise the building, have control and responsibility for the public parts (including toilets) of the building return to the Town and for the current lease to be replaced. The project will require extensive community consultation, which will begin with the preparation and advertising of a Business Plan for the project early in the 2015/16 financial year.

The Town has also commenced a project to refurbish Station Street in the Town Centre, along similar lines to the work that was completed in Napoleon Street. Further to this, Council has appointed a consultant to look at how Station Street could be developed to revitalise this area. The study will look at planning controls, strategic projects and working in partnership with State agencies, such as the Public Transport Authority. This will be a challenging project that will improve the overall vibrancy of the Town Centre.

The Town has also recently engaged a consultant to assist with the implementation of the Foreshore Redevelopment Plan. The first stage of this project is to develop a detailed concept plan for the area between Forrest Street and Eric Street. Following on from this, detailed working drawings will be developed for the area between Forrest Street and Napier Street. A staged approach to the redevelopment has been chosen to allow for the better management of the redevelopment and to assist in seeking State and Federal support for the project. The public consultation required for this project is expected to begin early 2016.

CHIEF EXECUTIVE OFFICER'S REPORT

Town Operations

The budget for the 2014/2015 financial year allowed the Town to undertake all of the required works included within the 5 year works programs. It is expected that in future years there will be a shift within the Town's Operations from programs of ongoing repair to programs of asset maintenance. With the sale of the former works depot, the Town is in a position where many of the asset replacement programs can be accelerated. Programs such as the replacement of all of the Town's footpaths and beach access trails, can be completed within the next 5 years.

The acceleration of the replacement programs will result in less time and money being spent on fixing and repairing aged assets. The resources currently being put into repairs will instead be available for preventative maintenance, which ultimately will reduce the cost of service provision.

Administration

The Town is now in a sound financial position and has a very stable administrative base. Besides the changes at senior level, there have been very few changes in staff at the Town. The changes at the senior levels were a result of personal choices, with the Manager of Engineering retiring and the Chief Executive Officer taking up a new position in a very different geographic location. The third change at the senior level was my promotion from Manager of Corporate and Community Services to Chief Executive Officer.

It is hoped that this stable position will be maintained for the foreseeable future. While some staff turnover is inevitable, recruiting staff is costly – both financially and in lost corporate knowledge.

Year Ahead

There are a number of strategic projects that have been identified in Council's current strategic planning documents for the next 12 months. Perhaps the highest profile project will be the redevelopment of the Indiana Tea House building. Along side this project, the Town will also be working through projects to make improvements to the Town Centre and Cottesloe Foreshore area. Add to this the redevelopment of the Lesser Hall within the Civic Centre and the host of other works that are

planned and it can be seen that it will be a very busy time within the Town.

The Town will also be having an election in October 2015. One Councillor in each of the Town's four wards will be up for election.

I look forward to working with the Council and community to ensure that this very busy year will also be a very rewarding year for the Town.

Mat Humfrey
Chief Executive Officer

ENGINEERING SERVICES REPORT

Roadworks

Under Council's five year road resurfacing program, sections of seven streets (Pearse Street, Bryan Way, Little Marine Parade, Hawkstone Street, Forrest Street, Marmion Street and Congdon Street) received asphalt resurfacing and some replacement kerbing.

Playgrounds

Maintenance of playground equipment and extra soft fall rubber surfacing was installed at several playground sites. Rubber soft fall was installed at the Napier Street playground in anticipation of the installation of a universal access 'Birds-nest' swing.

Footpaths

Eleven sections of concrete slab footpaths were replaced with in-situ concrete during 2014/15. This work included pedestrian access ramps designed for disability access at all path intersections with street kerbing.

A concept design was developed for the completion of the new Disability Access path at the Cottesloe Main Beach. Construction of the path is expected to coincide with future major redevelopment works in the vicinity.

The review of the Cottesloe Bike Plan commenced with completion early in the new financial year. The revised plan is expected to focus on major cycling routes, with particular emphasis on improving cyclist safety along Marine Parade.

Laneway Upgrading

Under Council's long term program to seal and drain existing unsealed laneways, five laneways had improvement works completed: ROW 56 between Jarrad and Rosser, ROW 52 between Dalgety and Railway, ROW 57 between Rosser and Webb, completion of part of ROW 76B, and the completion of a small gap in ROW 32 (Doscas Lane).

Community Improvement Works

The ongoing restoration of the Civic Centre paths and limestone walls continued, as part of the commitment to fully restore the building and grounds to their previous condition. These works included the completion of the balustrade to the wall adjacent to DeBenarles Walk. In addition a balustrade was installed to the second storey verandah adjacent to the Council Chamber, to bring the area up to current Australian Standards. Other

works include re-pointing of the beach walls at the Cottesloe Main Beach.

Cottesloe Depot Operations

Depot services continue to operate from our premises in Stack Street, North Fremantle with some storage located at the Civic Centre. A new storage facility was commissioned at the Sea View Golf Club, which will improve the efficiency of depot operations.

Streetscape Works

The Napoleon Street upgrade has been completed. These works consisted of new modern streetlighting, new surfaces, new street furniture, and the installation of small art pieces.

Doug Elkins

Manager Engineering Services

CORPORATE & COMMUNITY SERVICES REPORT

This will be my last report as Manager of Corporate and Community Services, having been recently appointed to the position of Chief Executive Officer.

Finance

At the completion of the Financial Year, the Town finds itself in a very strong financial position. Over the last four years, the financial position of the Town has improved significantly. With the recent settlement of the sale of the Former Depot, the financial position has improved significantly.

The overall result shows a positive operating result of \$7,924,746 with an end of year surplus of \$963,144. These results are very impressive and were something that we couldn't envisage 4 years ago. However, they should also be taken with a note of caution. While the operating result is positive for the year ended 30 June 2015, each year the Town is adopting a budget with a net loss. In essence this means that the Town is budgeting to spend more on operating expenditure than it receives in operating income. Generally speaking the trend is that through careful control of expenditure, staff are generally able to ensure a positive result. However, the trend should not be relied upon and staff and Council are still working to reduce overall operating expenditure to ensure the lowest level of rate pressure is experienced in the future.

The second caution to be given is that while the Town has significant reserves, much of these reserves are already allocated to major strategic projects. These projects include the redevelopment of the Indiana Tea House, the redevelopment of the Cottesloe Foreshore Precinct and the continuation of the redevelopment works in the Town Centre. There are other infrastructure projects, such as the replacement of existing slab footpaths with concrete in-situ and the replacement of beach access paths, which will also be funded from these reserves. All of these projects will reduce the maintenance and repair costs that the Town experiences each year, which will in the end improve the Town's operating position. But as most of these funds are allocated, the Town still needs to be careful what projects it commits to and to ensure that any funding or income sources available are maximised.

We will again be reviewing the Town's Long Term Financial Plan following the budget review in early 2016. The Plan was first adopted in February 2014 and then reviewed in February 2015. By reviewing

the plan as a part of the development of the annual budget, we can ensure that we are mindful of our long term commitments when assessing budget expenditures in each year.

The last financial year has seen significant cost increases to the Town, such as the increase in the refuse charges that the Town pays. Along with utilities such as electricity and water, these place a strain on the Town's operating budget. We have previously used innovative strategies to minimise these costs, such as working on reducing water consumption through the WaterWise process and installing photovoltaic cells on the Civic Centre to dramatically decrease the consumption of electricity. Likewise, this year we introduced the 3 bin system to divert as much waste from landfill as possible. While there was an upfront cost to rolling the system out, the reduction in landfill fees will see that capital investment cleared within 2 years, with the remaining reduction in costs ensuring that rates do not need to rise by as much as they otherwise would have.

Governance and Administration

Policies Reviewed

The following policies were reviewed and updated during the 2014/15 year and are available on the Town's website for inspection.

- Sustainable Travel Allowance (Staff) Policy
- Uniform Policy
- Severance and Redundancy Policy

Ranger Services

Parking

Revenue from parking infringement remained largely unchanged from the previous year. The Town has taken a number of steps to improve compliance with the Town's local laws, in order to ensure parking strategies are able to be properly activated. However, there are still instances where either driver inattention or disregard result in infringements being issued.

Provided below is a summary of the actions taken during the 2014/2015 financial year.

CORPORATE & COMMUNITY SERVICES REPORT

Parking Infringement Statistics

Total Parking Infringements	5641
Cautions Issued	759
Infringements Sent to F E R	564
Reminder Notices Sent	2971
Final Demand	1278
F E R Warning Notice	941
Prosecutions	16

Dog Control

Rangers again continued the practice of undertaking foot patrols in areas where people regularly exercise dogs. There has been a significant improvement in the number of people complying with the requirements to keep their dogs on leads while in public areas that are not designated dog exercise areas.

Dog Control Statistics

Dog Attacks	7
Dog Nuisances	18
Dogs Impounded	43
Cautions Issued	938
Infringements issued	50
Final Demands Sent	0
Prosecutions	0

Cat Control Statistics

Cat Nuisances	0
Cats Impounded	0
Cautions Issued	0

Beach Patrols

The Town once again engaged the services of Surf Life Saving WA to patrol Cottesloe Beach on weekdays from October through to April. There were no major incidents during this time and by all reports the season was relatively uneventful. The report provided by SLSWA indicates that overall beach attendances were lower than previous years. While this possible a seasonal issue, it is likely that recent media coverage of shark attacks has decreased the number of people who regularly swim in the ocean.

Library Services

The Town of Cottesloe jointly owns and manages the Grove Library and the Community Learning Centre in partnership with the Town of Mosman Park and the Shire of Peppermint Grove.

Library membership has fallen by around 3% compared to the previous year, with a total of 9,537 (down from 9,874) "active" members (that is, members who have borrowed in the past two years), which includes 2,979 (down from 3,139) Cottesloe residents. Membership is still 25% higher overall than it was previous to the new library opening.

Loans of children's books has continued to increase, representing approximately 43% of all loans. Attendance at baby rhyme time, children's storytimes and school holiday activities has also increased.

Eight oral histories were recorded as part of the Claremont/Cottesloe Drapers Centenary interview project, and a further fourteen interviews were collected for the project entitled: Village Gossip: Napoleon Street Shops in the 20th Century. This project mapped the various local businesses and identities associated with the shopping district. It also highlighted the intangible heritage which existed during that period and the changing social values associated with the area.

In addition, two detailed oral histories were collected from prominent Cottesloe residents Margaret Spry and Yvonne Day.

A pictorial history book of Cottesloe featuring images from the Grove's digital archive was collated and published in-house and is available for purchase.

The Community History Librarian has assisted many local residents to preserve their family's historic records through "Scan the Clan" workshops. Several family archives have also been added to the collection, including:

Gowen Family archives – Warburton Street – Cottesloe

Michael Clifford Images – events at Cottesloe Civic Centre

McClellan Family archives – Hazelmoor Cottesloe

Mat Humfrey

Manager Corporate & Community Services

DEVELOPMENT SERVICES REPORT

During 2014/15 the Town Planning team has provided ongoing customer service, finalised the Scheme Review progressed planning projects, while liaising with owners, designers, neighbours as well as the community in the assessment of planning proposals.

The team deals with development applications, subdivision referrals, town planning scheme amendments, property enquiries, general planning enquiries, related building matters and signage. In addition, the team works on the new local planning scheme, strategic plans, planning studies and policies, heritage and regional planning matters.

Development Applications

Cottesloe has continued to attract proposals for new homes and extensions or renovations to existing homes which entail high-quality architecture and building finishes. The coastal topography and climate can be a challenge to design and meeting development requirements, whilst respecting the character of streetscapes and contributing to residential amenity. Significant heritage properties have also been the subject of several proposals.

During the year some 224 development applications were processed by the Town, mainly handled by staff under delegated authority. The remainder were referred to the Development Services Committee and Council, as they were major proposals or involved a significant exercise of discretion. A few were regional planning approvals involving the Western Australian Planning Commission (WAPC). The total number was a decrease over the previous year and predominantly residential, as well as several non-residential developments approved in the district. The volume which went to Council was limited by staff facilitating proposals suitable for delegated determination.

With the introduction of the new Scheme the first beachfront redevelopment for a five-storey mixed-use building on Marine Parade has been approved by Council, as a high-quality design for the precinct.

The first Joint Development Assessment Panel application was also dealt with, for a two-storey multiple dwellings development to the west of the Civic Centre.

Subdivisions and Stratas

A number of subdivision or survey strata proposals were received during the year for referral to and determination by the WAPC. There is a relatively low level of subdivision in the built-up district depending on the availability and suitability of properties. A significant proposal advanced was the formal subdivision of the former depot site and the associated environmental works towards residential development.

Compliance

Compliance monitoring, problem-solving, informal negotiation/mediation and enforcement action comprises another important task in relation to all of the types of approvals managed by the Planning staff in liaison with the Building staff. This ensures that developments are implemented correctly and that amenity impacts are minimised.

State Administrative Tribunal

In considering development applications, performance assessment, discretion and the ability to impose conditions means that Council can most often achieve balanced outcomes to address all concerns, however, a right of appeal does exist where agreement is not reached. Officers aim to minimise the number of appeals and there has been small number this year, due to various complexities of the proposals. These have had acceptable outcomes mediated or been determined by the SAT as relatively minor matters.

Local Planning Scheme No. 3

An important milestone was achieved with final approval of the new Scheme, which upon publication commenced on 1 August 2014.

The Scheme guides the strategic direction and statutory regulation of land use and development in the district for the next 5-10 year period.

Three Amendments have since been made to the Scheme, dealing with particular technical and operational aspects previously identified to be addressed once the overall Scheme came into being.

Also pursuant to the Scheme a Parking Matters Policy and Centres Design Guidelines have been prepared, advertised and finalised, whilst the Heritage List is being progressively compiled.

DEVELOPMENT SERVICES REPORT

Planning Projects

Planning projects involving working groups and consultants to examine certain matters have continued this year. This has included the former depot site; the Town Centre, in particular upgrading Napoleon Street; the Foreshore Redevelopment Plan as a basis for consideration of more detailed projects, including additional public toilets/change-rooms, parking distribution and a concept plan for John Black Dune Park.

Regional Planning

Development Services has also participated in ongoing regional planning activities including metropolitan growth strategies, transport networks and review of the Residential Design Codes.

Andrew Jackson
Manager Development Services

SUSTAINABILITY REPORT

Sustainability is an essential feature of the Town's operations. The Town actively maintains its role in promoting sustainable attitudes and encouraging staff and residents to incorporate sustainable practices into their daily lives. A number of community events were held this year including Clean-Up Australia Day, Earth Hour and the Community Waterwise Forum. All events were well-attended, promoting various sustainability messages in an enjoyable and educational way. In addition, the Town has several ongoing sustainability initiatives to ensure that its environmental impact is kept to a minimum. Such initiatives include:

Coastal Protection and Management

Local Governments are a key player in protecting and maintaining coastal reserves. As such the Town is committed to understanding coastal processes and change for the stretch of coast that lies within its jurisdiction. Funding was received through the Department of Transport's Coastal Adaptation and Protection Grant to implement a long-term coastal monitoring project. Year one of the project involved the installation of two remote-imagery units to capture a visual catalogue of coastal processes, as well as biannual beach profile surveys to record seasonal changes to the coastline. By having long-term data sets the Town is well-positioned to make sustainable decisions regarding future planning and coastal management.

Water Management

For the second consecutive year the Town has maintained its status as a Waterwise Council. The Town is committed to protecting water quality as well as reducing overall water consumption. The Waterwise Council program requires the Town to monitor its water use and continually find ways to improve water efficiency. The Native Plant Subsidy Scheme is one initiative offered to residents to assist with improving water efficiency in the wider community. Once again the scheme proved to be popular, with 1,500 plants sold in 2015, meeting the Town's entire quota.

Climate Change

The Climate Smart campaign is a collaborative initiative run through the Western Suburbs Regional Organisation of Councils (WESROC) which aims to enhance the resilience and adaptive capacity of the local community in light of a changing climate. The campaign provides residents with information on

the potential effects of climate change within the local environment and how to best prepare for such changes. Six key themes are delivered through the Campaign, including:

- Preparing for extreme weather.
- Safeguarding our water supplies.
- Protecting our urban forest.
- Building for the future.
- Protecting from river to coast.
- Enhancing health and quality of life.

The first two topics were delivered this year, the former promoted by a double-sided fridge magnet with advice on how to prepare for extreme weather, and the latter in the form of a community information forum on protecting local water supplies. The forum was a success, with guest speakers from the Water Corporation, the Department of Water and Beyond Gardens, as well as poster displays exhibiting the actions WESROC member councils have taken in protecting local water supplies.

In addition, the Town is actively working towards reducing its overall impact on the environment. The 2013/2014 carbon inventory revealed a total carbon footprint of 294 tonnes of Carbon Dioxide equivalent. This compares to a baseline footprint of 896 tonnes of Carbon Dioxide equivalent. Since 2010, when the Town made a commitment to become a carbon neutral council, the Town has implemented a wide range of initiatives to reach this goal. Such initiatives include large scale projects such as the installation of a 15 kilowatt solar system on the administration building, as well as personal computer power management and reduction of the vehicle fleet.

Cottesloe Sustainability Calendar

The theme for the 2015 Sustainability Calendar, 'Preserving our Urban Forest', was showcased through the artwork of Cottesloe Primary School students. Through their artwork, students demonstrated the importance of preserving urban forests and its benefits, including producing oxygen, reducing temperatures and providing habitats for animals. The 2015 calendar also presented residents with tips on how preserving urban forests can be achieved on an individual level through various gardening practices including native planting and hydro-zoning.

SUSTAINABILITY REPORT

Cottesloe Cat Shuttle Bus

The Cott Cat shuttle bus service operated during December through to March, transporting patrons from Cottesloe train station to the foreshore during the busy summer months. In its twelfth year of operation, the Cott Cat continues to reduce the number of cars on the road and reduce parking demand at Cottesloe beachfront. During the peak period of Sculptures by the Sea, the Cott Cat serviced an average of 450 patrons per day. This service provides residents and visitors with a safe, convenient and comfortable way to travel from Cottesloe train station to Cottesloe beach. Promotion of and signage for the service has also been enhanced.

Natural Areas Management Plan

In 2014 the Town set about reviewing its Natural Areas Management Plan. This is a document that sets out a management framework for each natural area through a five- year program. The Management Plan aims to act as an overarching policy to support local planning and development policies. With a view of keeping the Plan current, the Town set about compiling an addendum to the existing document. This addendum was completed in June 2015, forming a more prescriptive framework to assist the Town with managing its natural areas.

Melissa Rachan
Sustainability Officer

ENVIRONMENTAL HEALTH REPORT

The Environmental Health program aims to maintain and improve the health and well-being of the community through statutory services and community-based programs.

Food Safety

Environmental Health Officers have a regulatory duty to ensure safety of food, which is taken very seriously.

There are a wide variety of food businesses registered by the Town under the Food Act 2008. Most food operators display good food-handling skills and knowledge and routine inspections are sufficient to ensure that food from their kitchens is safe. An enforcement policy is in place to deal with businesses that do not comply with the requirements.

In all, 200 food-related activities were conducted this year for a total of 54 food businesses registered as low to high risk.

The Town has been supportive of Health Department-run sampling programs by participating regularly in coordinated sampling programs and also taking samples of food suspected to be unsafe. Most samples taken have complied with the requirements. For any non-complying samples follow-up was conducted until compliance was achieved.

Public Buildings

Routine risk assessments of public buildings and lodging houses are conducted by Environmental Health Officers to ensure public health and safety. Officers regularly inspect public buildings and lodging houses to ensure statutory compliance relating to safe egress from the building, review of building accommodation numbers and compliance with structural soundness and electrical works.

The Environmental Health team continues to liaise with the licensed premises community to reduce anti-social behaviour during the summer months. Meetings are held with community representatives, the Police, Department of Racing, Gaming and Liquor, Council Officers, representatives of the licensed premises and Elected Members of Council. Meetings were held on alternate months from October to April. The total number of public building activities for the year is 39.

Noise

Environmental Health Officers are authorised under the Environmental Protection Act 1986 to monitor any unreasonable noise within the community.

The total number of noise-related activities for last year is 102.

Swimming Pools

The monitoring of water quality in public pools during the summer months is a high priority. Daily monitoring is carried out by the pool operators and Environmental Health Officers collect monthly water samples for microbiological testing. All pools returned satisfactory results throughout the year. In addition to water sampling, officers are required to inspect the pool, equipment and surrounds during the monthly water-sampling activity.

Public Toilets

The Environmental Health team has been monitoring the public toilets located at Indiana and Barchetta.

Council is considering a proposal to refurbish the existing public toilets and change-room facilities at the main beach.

Customer Requests

Environmental Health Officers receive a number of service requests relating to non-compliance with various local laws or state legislation. These relate to asbestos, odours, illegal discharges, rats, mosquitoes and rubbish, amongst other matters.

All requests for service have been attended to promptly. The total number of activities recorded for customer requests was 247.

Services to Shire of Peppermint Grove

The Town continues to provide a comprehensive Environmental Health Service to the Shire of Peppermint Grove.

A total of 94 activities were completed and comprised mainly of food business, public buildings, swimming pool and compliance related matters.

ENVIRONMENTAL HEALTH REPORT

Waste Management and Recycling

The Town is committed to reducing waste sent to landfill, while continuing to provide a quality and timely service at the lowest cost possible. The Town's yearly report to the Department of Environmental Regulation indicates that Cottesloe diverted 55% of residential waste from landfill in 2014/15. The 5% increase in waste diversion is largely due to the added source separation due to the three bin system.

The Town is a member of the Western Metropolitan Regional Council (WMRC). The WMRC operates a transfer station located at the corner of Brockway Road and Lemnos Street, Shenton Park. The transfer station is now a permanent receiver of E-waste and Household Hazardous Waste (HHW) such as paints, thinners, mercury, etc. Residents are able to take all e-waste and HHW directly to the WMRC. The WMRC-issued tip passes are also available for purchase for disposal of additional loads of green and bulk waste in-between the verge collections.

Item, such as batteries, phones and light globes should all be recycled and the Town offers collection facilities at its office. Further details can be found on the Town's website waste disposal guide.

Darrell Monteiro
Principal Environmental Health Officer

BUILDING SERVICES REPORT

Building Services is responsible for assessment and management of building approvals by certifying plans and structures in accordance with building legislation and issuing building permits to start construction. The fundamental role of a building surveyor is to ensure that the buildings are safe, accessible and energy efficient. Building surveying has an impact on the design and functionality of buildings. It can detect and diagnose problems with design issues, construction techniques and materials.

Building compliance is another function of the Building Department to ensure that buildings under construction are built in accordance with the approved plans, the Building Code of Australia and over 90 Australian, New Zealand and international construction standards referenced in legislation, and to ensure that developments respect the surrounding developments and provide for compliant buildings.

Building /Demolition Applications

The Town has been operating under a new building approval system for three years. The number of certified applications reached 50% of overall Building Permits issued by the Town in the past year. The number of applications determined is marginally down from 255 in the previous year to 240 this year, with a total value of \$67.1 million. The majority of permits were for residential dwellings and dwelling additions and alterations. Twenty-four dwellings were demolished last year, with replacement dwellings currently under construction.

Swimming Pool Safety Barriers

Mandatory inspections of 613 residential swimming pool safety barriers commenced in April 2015. The inspections have been undertaken by the Royal Life Saving Society (RLSS) on behalf of the Town. These inspections ensure that non compliant barriers are identified so they can be rectified. The role of the RLSS is to make residents aware of any problems with their barrier that compromise its ability to restrict access to the pool area by young children. Although there is a relatively high compliance rate, the Town is yet to undertake further compliance actions in relation to non-compliant barriers.

In addition to the inspections the Town has offered, for the first time, a Public Awareness Program to the residents of Cottesloe. The program consists of a local media release, CPR training and distribution of CPR charts and other educational material to residents and pool owners.

Shire of Peppermint Grove

The Town continues to provide Building Services to the Shire of Peppermint Grove, which comprise:

- Assessment of uncertified building permit applications.
- Issuing of certificates of design compliance.
- Minor assistance with compliance issues.

Compliance

The Building Services team has expert knowledge in a range of building legislation, technical codes and construction standards. Enforcement of building control legislation is undertaken on a daily basis, and involves initial and follow-up inspections, dispute resolutions, issuing of building orders, forensic inspections and collection of evidence.

Elena Bull
Principal Building Surveyor

STATUTORY REPORTS

National Competition Policy

The Competition Principles Agreement is an intergovernmental agreement between the Commonwealth and State/Territory governments that sets out how governments will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The State Government released a policy statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The provisions of Clause 7 requires Local Government to report annually on their implementation, application and effects of Competition Policy as well as the structural reform of public monopolies and the implementation of Legislative review.

Competition Policy does not require contracting out or competitive tendering. It does not preclude local government from continuing to subsidize its business activities from general revenue, nor does it require privatisation of government functions.

Competitive neutrality principles apply to those significant business activities conducted by (or under the control of) one or more local government.

During the 2013/14 financial year the Town met its obligations relating to the National Competition Policy. It continues to monitor Council policies and local laws for anti-competitive practices. No complaints were received by the Town in the 2014/15 financial year regarding anti-competitive practices.

As there are no business activities undertaken by the Town of Cottesloe where "user pays" income greater than \$200,000 in any year, competitive neutrality principles have no application at the Town. The Town is not classified as a natural monopoly nor does it conduct any business activities that could be classed as public monopolies. Therefore the principle of structural reform of public monopolies does not apply to the Town of Cottesloe.

Disability Access & Inclusion Plan

The Disabilities Services Act 1993 requires that Council include in its annual report a report on the implementation of its Disability Access and Inclusion Plan.

Council adopted its plan in August 2012 and a copy of the plan is available at the Council's Offices and on its website.

Council also has a Disability Services Advisory Committee to assist with the review and implementation of the plan.

Access improvements initiatives undertaken during the past year include:

- One beach wheelchair (TADWA Beach Trekker) purchased by the Town and made available for members of the public to access at Cottesloe Beach, during the hours of Monday to Friday of each week.
- Engineering design completed for the next stage of the universal access path at Cottesloe Beach, which is to be reconciled with the existing bitumen road that provides vehicle access to the beach.
- An all abilities playground piece (Birds Nest Swing) ordered by the Town of Cottesloe ready to be installed at the existing playground at Cottesloe Beachfront.
- Audit of existing ACROD parking bays in Cottesloe carried out and complete.
- Works continued around Cottesloe Civic Centre and other public buildings to improve universal access.
- A range of minor works including parking bays, signage, kerb ramps and handrails at a number of community facilities.

STATUTORY REPORTS

Payments Made to Employees

Regulation 19B of the *Local Government (Administration) Regulation 1996* requires the Town of Cottesloe to include the following in its Annual Report:

- The number of employees of the Town entitled to an annual salary of \$100,000 or more
- The number of those employees with an annual salary entitlement that falls within cash bands of \$10,000 over \$100,000

The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000 is;

- \$110,000 to \$119,999:- 1
- \$120,000 to \$129,999:- 1
- \$130,000 to \$139,999:- 1
- \$150,000 to \$159,999:- 1

Please note the figures shown represent the cash component of any salary package.

Register of Complaints

Section 5.121 of the *Local Government Act 1995* requires the complaints officer for the Town of Cottesloe to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of the Act.

The register of complaints is to include, for each recorded complaint-

- (a) the name of the council member about whom the complaint is made;
- (b) the name of the person who makes the complaint;
- (c) a description of the minor breach that the standards panel finds has occurred; and
- (d) details of the action taken under section 5.110(6)(b) or (c).

For the purposes of section 5.115(2) of the *Local Government Act 1995* it is advised that no complaints were made to the Town of Cottesloe during the financial year under review.

Records Management

The Town of Cottesloe, as a local government, is required under the *State Records Act 2000* to provide an annual report on its recordkeeping practices.

Commitment to Records Management

The Town of Cottesloe is committed to the reliable and systematic management of government records in accordance with legislative requirements and best practice standards.

Recordkeeping Plan

The purpose of the Record Keeping Plan (RKP) is to set out the matters about which records are to be created by the Town of Cottesloe and how the Town is to retain its records. The RKP is to provide an accurate reflection of the record keeping program within the organisation including information regarding the organisation's record keeping systems, disposal arrangements, policies, procedures and practises. The RKP is the primary means of providing evidence of compliance with the *State Records Act 2000* and the implementation of best practice record keeping within the organisation.

The objectives of the Town of Cottesloe RKP are to ensure the following:

- Compliance with Section 28 of the *State Records Act 2000*;
- Recordkeeping within the Local Government is moving towards compliance with *State Records Commission Standards and Records Management Standard AS ISO 15489*;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and
- Protection and preservation of the Local Government's records.

The Town submitted a new Record Keeping Plan to the *State Records Commission* in October 2010 and it was approved in August 2011.

INTEGRATED PLANNING AND REPORTING FRAMEWORK

Priority Area 1 - Protect and enhance the wellbeing of residents and visitors

1.1. Develop an 'integrated transport strategy' that includes cycling, park and ride, Cott Cat, public transport and parking management strategies to meet the needs of pedestrians cyclists and other non-vehicular traffic

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Review the Current Bike Plan	Engineering	Revised bike plan adopted by 31 December 2014	14/15	14/15	Project expected to be completed during 2015/16 financial year
b. Implement projects contained within bike plan	Engineering	Projects within bike plan incorporated into 5 year capital works plans	15/16	ongoing	Project not due to start until next financial year
c. Lobby for the completion of the principle shared path (along rail line)	Executive	Commit of funds in the forward estimates for the improvements of the principle shared path	14/15	ongoing	Ongoing
d. Design, cost and include in the AMP and LTFP the Raia Roberts dual use path	Engineering / Corporate	Asset Management Plan and Long Term Financial Plan contain project costings	15/16	16/17	Project not due to start until next financial year

1.2. Continue working with licensed premises to manage noise, parking and anti-social behaviour

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Foster and develop a community forum where residents are able to convey any concerns with the licensed premises within the Town	Development Services	Monthly meetings of the Hotels Working Group continue and achieve a satisfactory level of attendance	ongoing	ongoing	The community forum continued to meet during the peak summer season

INTEGRATED PLANNING AND REPORTING FRAMEWORK

b.	Maintain a positive relationship with licensees	Development Services	Representatives of the licensees attend the Hotels Working Group on a regular basis	ongoing	ongoing	Ongoing
c.	Review Planning and Approval processes for any approval of or amendment to licensed facilities within the Town	Development Services	Effective consultation reporting and decision making on approvals or referrals for licensed premises	15/16		Ongoing

1.3. Identify places to host more cultural events and activities

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Undertake an audit of current cultural events and facilities within the Town.	Corporate	Calendar of events created, linked to a social media interface, that advertises events within the Town Inventory of facilities capable of hosting cultural events created	14/15	15/16	Calendar of events created and maintained.
b.	Identify cultural events that are desirable, but not currently available within the Town.	Corporate	Workshops held with elected members, community organisations and key stakeholders to identify opportunities for cultural events within the Town	15/16		Project not due to start until next financial year
c.	Create a checklist to assess potential facilities for hosting cultural events within the Town.	Corporate / Development	Essential requirements for the hosting of events identified and documented.	15/16		Project not due to start until next financial year
d.	Cost improvements required to facilities in point c. and include costs in Asset Management Plan and Long Term Financial Plan	Corporate	Asset Management Plan and Long Term Financial Plan updated to reflect improvements required	16/17		Project not due to start until next financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

1.4. Continue to improve community engagement.

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Review the Community Consultation Policy regularly	Executive	Regular reviews of the Community Consultation Policy undertaken	ongoing		Ongoing
b.	Create a register of community consultation processes undertaken, including the date, type, methods of advertising and summaries of submissions received	Executive	Register created; Register reviewed with Community Consultation Policy and trend data or observations contribute to policy amendments	15/16	ongoing	Project not due to start until next financial year
c.	Regularly research alternate methods of community engagement, including social media	Executive	Research leads to amendments in Community Consultation policy; Information Technology platforms expanded to cater for increased use of social media	ongoing	ongoing	Ongoing
d.	Training provided on interpreting and responding to community feedback, either from formal or informal consultation.	Executive	Reduced occurrences of resolutions being rescinded; Reduced occurrences of petitions and large scale feedback being received following Council or Committee decisions	15/16		Project not due to start until next financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

1.5. Continue to improve access and inclusion of aged persons and those with disabilities

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Review the Disability Access and Inclusion Plan on an annual basis	Corporate	Review of Disability Access and Inclusion Plan presented to Council for endorsement	14/15	ongoing	Update completed in August 2014
b.	Undertaken an audit of accessibility for all public buildings and infrastructure within the Town	Corporate	Results of and recommendation from audit presented to Council for consideration	15/16	ongoing	Project not due to start until next financial year
c.	Prioritise and cost improvements identified in the point b. and include in the Asset Management Plan and Long Term Financial Plan	Corporate	Asset Management Plan and Long Term Financial Plan amended to incorporate requirements from audit	16/17	ongoing	Project not due to start until next financial year
d.	Provide training and support to community groups to increase inclusive activities for seniors and people with disabilities	Corporate	Training sessions provided to community organisations within Cottesloe on providing universally accessible programs and facilities	14/15	ongoing	Ongoing
	Provide training to elected members and staff on the provision of universally accessible programs, facilities and support	Corporate	Training sessions made available to elected members and provided to staff on universal access	14/15	ongoing	Ongoing

INTEGRATED PLANNING AND REPORTING FRAMEWORK

Priority Area 2 - Achieving connectivity between east and west Cottesloe

2.1. Proactively pursue solutions for Curtin Avenue and Railway

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Lobby the State Government to sink the Fremantle rail line through Cottesloe and realign Curtin Avenue	Executive	A project to sink the Fremantle rail line is announced	ongoing	-	Ongoing
b. Lobby the State Government for improvements to the Eric Street bridge, to ease traffic congestion while improving pedestrian access and safety.	Engineering	State Government commits funds to the project and establishes project guidelines	ongoing		Ongoing
c. Lobby the State Government for improvements to the Jarrad Street crossing, including the provision of grade separation	Engineering	State Government commits funds to the project and establishes project guidelines	ongoing		Ongoing
d. Lobby the State Government for improvements to all local crossings, including the provision of grade separation	Engineering	State Government commits funds to the project and establishes project guidelines	ongoing		Ongoing

2.2. Produce a draft Structure Plan for consultation purposes showing the sinking of the railway and realignment of Curtin Avenue together with "what's possible" in terms of sustainable redevelopment and pedestrian and traffic links and Town Centre integration

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Lobby and advocate for the development of a strategic plan for railway crossings within the western suburbs	Development / Engineering	Strategic plan produced	14/15	16/17	Project initiated in September 2015

INTEGRATED PLANNING AND REPORTING FRAMEWORK

b.	Produce a structure plan, in partnership with PTA and DoP for the railway lands within Cottesloe	Development	Structure plan produced	14/15	16/17	Project initiated in September 2015
2.3. Promote an engineering and financial feasibility study within the preferred solution						
	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Undertake research and analysis to strengthen the case for improved east / west connectivity including; 1. Traffic counts and studies; 2. Analysis of pedestrian use; 3. Emissions (noise and pollutants) resulting from traffic in this area	Engineering	Case study for rail-road interactivity within the Town produced	15/16	17/18	Project initiated in September 2015
b.	Undertake a cost analysis of providing grade separation between rail and road within the western suburbs	Engineering	A project costing for the provision of grade separation is provided for consideration	16/17		Project not due to start this financial year
c.	Provide an analysis of the land acquisitions required as well as the land development potential within the rail corridor.	Planning	A structure plan is produced showing the net costs of land development within the Town as a result of providing rail - road separation	16/17		Project not due to start this financial year
d.	Undertake baseline environment studies (ie water table, drainage) and impact studies (noise) for providing grade separation within the rail corridor	Engineering	Current impacts of rail line documented Analysis of environmental factors within the rail corridor undertaken Model created showing impacts of providing grade separation	15/16		Project not due to start this financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

Priority Area 3 - Enhancing beach access and the foreshore

3.1. Implement the "Foreshore Redevelopment Plan" in consultation with the community

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Design Advisory Panel to review the Foreshore Redevelopment Plan.	Development	Revised plan presented to Council for consideration	14/15		During the year ended 30 June 2015, Council requested submissions from consultancy firms to undertake a range of works for the foreshore area. This includes detailed concept plans for the area between Forrest Street and Eric Street.
b.	Undertake a detailed audit of infrastructure in foreshore area to identify and prioritise required works	Engineering	Audit completed and presented to Council for consideration	15/16	16/17	
c.	Identify, cost and prioritise projects within the revised Foreshore Redevelopment Plan	Engineering / Development	Detailed costings for projects available	15/16		
d.	Where appropriate seek funds from State Government for projects	Executive	Funding attained from the State Government	15/16		Project not due to start this financial year
e.	Update Asset Management Plan and Long Term Financial Plan to incorporate projects within the Foreshore Redevelopment Plan as well as the required works from infrastructure audit	Corporate / Engineering	Plans updated and presented for consideration	15/16		Project not due to start this financial year
f.	Undertake baseline parking and traffic studies, to guide the development of a parking strategy and overall traffic strategy.	Development / Engineering	Parking Strategy and policy presented for consideration; Traffic strategy presented for consideration	15/16		Project not due to start this financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

3.2. Continue to improve access to beach facilities

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Renovate all beach access paths over a period of four years	Engineering	Beach paths renovated	15/16		Project not due to start this financial year
b.	Renovate and improve public ablutions at Cottesloe Beach	All	Renovated facilities opened for public use	15/16	17/18	Project not due to start this financial year
c.	Provide universal access to all facilities at Cottesloe Beach	Engineering	Universal access provided to renovated facilities and beach level	16/17		Project not due to start this financial year
d.	Audit and improve infrastructure for public events, such as Sculptures by the Sea at Cottesloe Beach	Engineering	Improved provision of events at Cottesloe Beach	ongoing		Ongoing

3.3. Improve dune conservation outside of the central foreshore zone (implement NAMP)

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Undertake a review of the Natural Areas Management Plan (NAMP) 2010 - 2014	Development	Natural Areas Management Plan (NAMP) revised and overall progress assessed	14/15		Complete
b.	Draft and adopt a revised Natural Areas Management Plan (NAMP) 2014 - 2018	Development	Council adoption of the updated Natural Areas Management Plan (NAMP) 2014/ 2018	14/15		Complete
c.	Prioritise and cost projects included in NAMP for inclusion in the Asset Management Plan and Long Term Financial Plan	Corporate	Asset Management Plan and Long Term Financial Plan updated to include priorities and projects from Natural Areas Management Plan (NAMP) 2014 - 2018	15/16		Complete

INTEGRATED PLANNING AND REPORTING FRAMEWORK

3.4. Increase public transport services and solutions for moving people to and from the beach area

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Asses the current "Cott CAT" service, and where appropriate, implement improvements.	Development	Continuation and possible extension of the Cott Cat service	14/15		Complete
b.	Liaise with Public Transport Authority (PTA) with regards to service provision and improvements	Development	Additional bus services are provided during peak times	15/16		Underway
c.	Redesign the interface between Cottesloe Train Station and Forrest Street, and cost required improvements and works	Development / Engineering	Design for the train station / Forrest Street interface approved for public consultation	16/17		Project not due to start this financial year
d.	Find suitable alternative parking (such as train station) to ease congestion and parking issues at Cottesloe Beach during peak times.	Development / Engineering	Alternative parking stations developed and shuttle transports in place	16/17		Project not due to start this financial year

3.5. Develop a parking strategy for the beach precinct.

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Undertake an audit of current facilities within the foreshore zone	Corporate / Engineering	Map produced detailing all available parking, including any restrictions.	15/16		Project not due to start this financial year
b.	Develop a Foreshore Parking Strategy which covers beach precinct that includes; supporting infrastructure (paths, crossing points, car parks) provision of any additional bays; and traffic management issues	Engineering	Foreshore Parking Strategy adopted by Council	16/17		Project not due to start this financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

c.	Cost and prioritise the projects that arise out of the Foreshore Parking Strategy	Engineering	Costed implementation plan produced	16/17		Project not due to start this financial year
d.	Include projects from the Foreshores Parking Strategy in the Asset Management Plan and Long Term Financial Plan.	Corporate / Engineering	Asset Management Plan and Long Term Financial Plan updated to reflect the projects required for the Foreshore Parking Strategy	17/18		Project not due to start this financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

Priority Area 4 - Managing development

4.1. Finalise Local Planning Scheme No. 3 (LPS3)

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Gazettal of the LPS 3	Development	Complete	NA		Complete
b. Initiate and complete amendments required to correct minor issues within LPS 3 as Gazetted	Development	Amendments Gazetted	14/15		Complete
c. Undertake an awareness campaign to ensure relevant parties are aware of LPS 3 and the implications for land owners.	Development	Public awareness campaign completed.	14/15		Complete

4.2. Implement / apply planning incentives for heritage properties

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Apply the LPS3 provisions that offer concessions or variations for proposals for heritage properties	Development	Planning concessions made available to heritage properties	14/15		Underway
b. Operate a heritage advisory service to assist proponents with proposals for heritage properties	Development	Heritage advisory service available	15/16		Project not due to start this financial year
c. Formulate a policy that offers financial incentives for heritage properties in support of planning outcomes	Development	Policy adopted by Council	15/16		Project not due to start this financial year
d. Introduce a local heritage awards program to encourage the conservation of heritage properties	Development	Heritage awards program commences	16/17		Project not due to start this financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

4.3. Consider undeveloped Government owned land for higher density development provided there is both public support and benefit for the Cottesloe community

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Undertake an audit of Crown Land or land owned by the Town of Cottesloe that have development potential	Development	Audit results presented to Council for consideration	15/16		Project not due to start this financial year
b.	From the results of the audit above, prioritise available land for higher density developments	Development	Prioritised development strategy formulated	16/17		Project not due to start this financial year
c.	Create structure plans for high priority land or development zones in partnership with the State Government	Development	Structure plans presented to Council for consideration	17/18		Project not due to start this financial year
d.	Lobby and negotiate with relevant partners, such as the Department of Lands and LandCorp to instigate development in identified priority areas	Development	Development begins in priority areas	17/18		Project not due to start this financial year

INTEGRATED PLANNING AND REPORTING FRAMEWORK

Priority Area 5 - Providing sustainable infrastructure and community amenities

5.1. Develop sustainability and capacity criteria to assess major strategies

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Write and implement a 10 year Asset Management Plan (AMP)	Engineering	Asset Management Plan (AMP) adopted by Council	14/15	15/16	Underway - but not yet complete
b. Update Long Term Financial Plan to include impacts from Asset Management Plan	Corporate	Long Term Financial Plan updated	15/16		Ongoing
c. Research and develop criteria for whole of life costings and ensure criteria are used in assessment of tenders for major projects	Engineering / Corporate	Criteria used to assess any new project or strategy, prior to inclusion in Asset Management Plan or Long Term Financial Plan	16/17		Project not due to start this financial year

5.2. Manage assets that have a realisable value

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Finalise the sale of the former depot site at 2B Nailsworth Street Cottesloe	Corporate	Sale transaction settled	14/15		Complete
b. Update the Long Term Financial Plan (LTFP) to show the economic benefit of the sale of the former depot site	Corporate	Long Term Financial Plan updated to show impacts of depot funds strategy	14/15		Complete
c. Create a strategy for the development of the site at the corner of Station and Railway Streets in Cottesloe, which includes parking and traffic management plans	Development / Corporate	Strategy for the development of the site adopted by Council	15/16		A consultant has been appointed to develop the strategy required

INTEGRATED PLANNING AND REPORTING FRAMEWORK

d.	Create an inventory of land and other major assets that are currently held by the Town	Corporate	Inventory created	15/16	Project not due to start this financial year
5.3. Implement the Town Centre Public Domain Infrastructure Improvement Plan					
	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery
a.	Revise and update TCPDIFP, in consultation with stakeholders, such as ProCott	Development	Revised plan adopted by Council	14/15	15/16 A consultant has been appointed to develop the strategy required
b.	Complete streetscape improvement works within Napoleon Street	Engineering	Streetscape works completed	14/15	Complete
c.	Begin negotiations with Public Transport Authority (PTA) to redevelop train station interface with the Town Centre	Executive	A design for the redevelopment of the train station / town centre interface developed	14/15	15/16 A consultant has been appointed to develop the strategy required
d.	Undertake amendments to LPS3, where necessary, to prompt development within the Town Centre Precinct	Development	Amendments identified and initiated	14/15	15/16 A consultant has been appointed to develop the strategy required

INTEGRATED PLANNING AND REPORTING FRAMEWORK

5.4. Maximise income from non-rates sources

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Develop a list of projects that would be capable of attracting grants and develop grant applications accordingly	Corporate	Grant income increases	ongoing		Ongoing
b. Review lease arrangements to ensure the expenditure undertaken on leased buildings does not exceed lease payments received. Ensure commercial leases provide the most favourable return Lease payments and rents	Corporate	Leases reviewed and amended when they are presented for renewal	ongoing		Ongoing
c. Ensure that fees and charges for services provided are paid in a timely fashion and that where at all possible infringements issues are collected	Corporate	Ratio of outstanding debtors / infringements reduces	ongoing		Ongoing
d. Invest surplus funds prudently to maximise returns where possible, without risking financial assets	Corporate	Rate of return on investments is improved	ongoing		Ongoing

5.5. Develop a long term asset management plan and accompanying financial plan

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Review and improve the Long Term Financial Plan on an annual basis	Corporate	Annual review of LTTP undertaken	Ongoing		Review completed
b. Implement a long term Asset Management Plan to be reviewed annually (November each year)	Engineering	Asset Management Plan presented to Council for endorsement	14/15		Asset Management Plan being developed

INTEGRATED PLANNING AND REPORTING FRAMEWORK

c.	Analyse and compare the required level of renewal and replacement against the projected level of capital expenditure to ensure asset gaps do not eventuate	Corporate	Asset Consumption Ratio and Asset Sustainability Ratio are calculated and show improvement.	Ongoing		Ongoing
d.	Review asset "service levels" and "rating strategies" to ensure the expected level of service is achievable under the current rating levels	Engineering / Corporate	Asset Consumption Ratio and Asset Sustainability Ratio are calculated and show improvement.	Ongoing		Ongoing

INTEGRATED PLANNING AND REPORTING FRAMEWORK

Priority Area 6 - Providing open and accountable local governance

6.1. Ongoing implementation of Council's community consultation policy

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Ensure that where relevant, Council's final consideration of major issues follows appropriate community consultation	Executive	Appropriate consultation undertaken	ongoing		Ongoing
b. Community Consultation Policy Regularly Reviewed	Executive	Regular reviews provided to Council for consideration	ongoing		Ongoing
c. Strategic Community Plan reviewed on a regular basis, ensuring community involvement during the review	Executive	Strategic Community Plan regularly reviewed	ongoing		Ongoing

6.2. Continue to deliver high quality governance, administration, resource management and professional development

Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a. Ongoing provision of training and development for staff as well as membership of relevant associations	Executive	Highly skilled and supported staff available to guide and advise Council	ongoing		Ongoing
b. Ongoing provision of study leave for relevant professional development	Executive	Highly skilled and supported staff available to guide and advise Council	ongoing		Ongoing
c. Implement a customised elected member training and development program	Executive	Increased confidence in decision making skills and procedural awareness of elected members	ongoing		Ongoing
d. Undertake a cost analysis of significant decisions made that vary or amend projects	Executive	Increased awareness of the cost of making decisions that alter the current state of projects	ongoing		Ongoing

INTEGRATED PLANNING AND REPORTING FRAMEWORK

6.3. Implement technologies to enhance decision making, communication and service delivery

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Scope, design and implement a Customer Relationship Management (CRM) system	Corporate	Customer Relationship Management system in place and providing relevant reporting data	14/15	15/16	A specification for the system has been developed
b.	Undertake a review of the current core operating systems to identify and prioritise areas for improvement	Corporate	A full review of the core operating system is complete and a prioritised list of improvements presented	15/16		Project not due to start this financial year
c.	Develop a specification for the core systems required by the Town of Cottesloe	Corporate	A specification for core operating systems is available for tender purposes	16/17		Project not due to start this financial year
d.	Using the results of b. and c. - implement core systems that best meet the needs of the Town's administration and elected council	Corporate	Improvements in processing time and reporting capability are able to be documented	16/17	17/18	Project not due to start this financial year

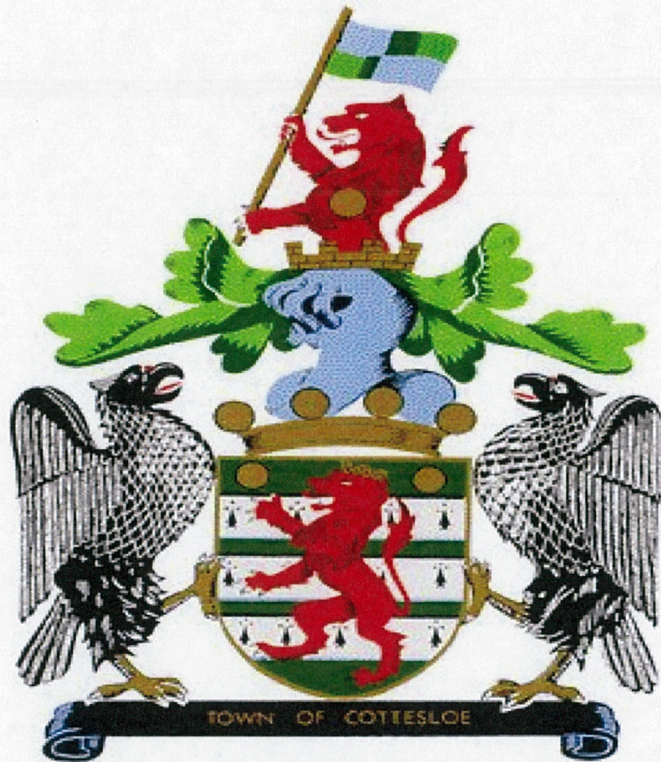
6.4. Enhance the Town's ability to embrace and manage change

	Actions	Responsible Unit	Success Indicator	Project Start	Year of delivery	Progress in year ended 30 June 2015
a.	Processes in place to educate community on impending changes	Executive	Relevant information on any change freely available to residents and ratepayers	ongoing		Ongoing
b.	Ensure that information on any major change or project is freely available via the Town's website, notice boards or from administration	Executive	Relevant information on any change freely available to residents and ratepayers	ongoing		Ongoing

INTEGRATED PLANNING AND REPORTING FRAMEWORK

c.	Regularly review administration structure and service delivery models to ensure they are as up to date as possible	Executive	Administration Structure and services offered are modern and meet the needs of the community.	ongoing		Ongoing
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TOWN OF COTTESLOE



2014 - 2015

ANNUAL FINANCIAL STATEMENTS

TOWN OF COTTESLOE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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Principal place of business: Address	
- 109 Broome Street, Cottesloe, Western Australia 6011	

TOWN OF COTTESLOE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town being the annual financial report and other information for the financial year ended 30 June 2015 are in my opinion properly drawn up to present fairly the financial position of the Town at 30th June 2015 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 13 day of October 2015



Mathew Humfrey
Chief Executive Officer

TOWN OF COTTESLOE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue				
Rates	23	8,898,704	8,764,379	8,503,306
Operating Grants, Subsidies and Contributions	29	458,244	165,000	203,429
Fees and Charges	28	1,752,392	1,815,283	2,016,833
Interest Earnings	2(a)	305,237	463,900	222,299
Other Revenue	2(a)	104,139	224,273	255,783
		<u>11,518,716</u>	<u>11,432,835</u>	<u>11,201,650</u>
Expenses				
Employee Costs		(3,770,972)	(3,671,070)	(3,402,266)
Materials and Contracts		(4,090,168)	(4,437,043)	(3,903,455)
Utility Charges		(316,693)	(313,086)	(342,020)
Depreciation on Non-Current Assets	2(a)	(2,397,882)	(2,046,524)	(2,074,113)
Interest Expenses	2(a)	(340,780)	(340,818)	(360,100)
Insurance Expenses		(185,747)	(179,345)	(187,546)
Other Expenditure		(884,882)	(901,625)	(874,151)
		<u>(11,987,124)</u>	<u>(11,889,511)</u>	<u>(11,143,651)</u>
		(468,408)	(456,676)	57,999
Non-Operating Grants, Subsidies and Contributions				
	29	127,776	0	542,000
Share of Joint Venture's Net Assets	6	0	0	(21,142)
Loss on Revaluation of Fixed Assets	8(b)	(128,287)	0	0
Profit on Asset Disposal	21	8,411,243	7,900,000	5,231
Loss on Asset Disposal	21	(17,578)	0	(48,392)
		<u>7,924,746</u>	<u>7,443,324</u>	<u>535,696</u>
Net Result				
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	8(b)	28,666,146	0	28,911,830
		<u>28,666,146</u>	<u>0</u>	<u>28,911,830</u>
Total Other Comprehensive Income				
		<u>36,590,892</u>	<u>7,443,324</u>	<u>29,447,526</u>
Total Comprehensive Income				

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

TOWN OF COTTESLOE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2015

	NOTE	2015 \$	2015 Budget \$	2014 \$
Revenue	2(a)			
Governance		93,783	76,213	134,952
General Purpose Funding		9,671,714	9,400,729	8,919,281
Law, Order, Public Safety		31,627	18,980	28,239
Health		85,288	80,310	78,840
Education and Welfare		44,601	33,036	33,285
Community Amenities		591,682	542,035	577,942
Recreation and Culture		300,085	275,936	317,552
Transport		730,406	831,237	897,922
Economic Services		120,870	173,759	209,285
Other Property and Services		161,008	600	4,352
		<u>11,831,064</u>	<u>11,432,835</u>	<u>11,201,650</u>
Expenses	2(a)			
Governance		(775,271)	(800,733)	(686,056)
General Purpose Funding		(238,465)	(252,997)	(292,904)
Law, Order, Public Safety		(288,075)	(296,826)	(249,307)
Health		(201,077)	(243,946)	(194,226)
Education and Welfare		(304,886)	(219,900)	(219,121)
Community Amenities		(3,210,836)	(3,375,922)	(3,091,876)
Recreation and Culture		(3,238,994)	(2,964,734)	(2,724,620)
Transport		(3,039,373)	(3,027,531)	(3,018,721)
Economic Services		(349,367)	(392,585)	(306,720)
Other Property and Services		(312,348)	26,481	0
		<u>(11,958,692)</u>	<u>(11,548,693)</u>	<u>(10,783,551)</u>
Finance Costs	2(a)			
Governance		0	(300)	0
Recreation and Culture		(340,780)	(340,518)	(360,100)
		<u>(340,780)</u>	<u>(340,818)</u>	<u>(360,100)</u>
Non-Operating Grants, Subsidies and Contributions				
Recreation and Culture		49,797	0	50,000
Transport		77,979	0	492,000
	29	<u>127,776</u>	<u>0</u>	<u>542,000</u>
Share of Joint Venture's Net Assets				
Community Amenities	6	<u>0</u>	<u>0</u>	<u>(21,142)</u>
		0	0	(21,142)
Profit/(Loss) on Disposal of Assets				
Governance		28	0	(8,278)
Community Amenities		(12,548)	0	(6,250)
Recreation and Culture		5,015	0	(11,770)
Transport		8,102	0	195
Economic Services		(5,030)	0	0
Other Property and Services		8,398,098	7,900,000	(17,058)
	21	<u>8,393,665</u>	<u>7,900,000</u>	<u>(43,161)</u>
Loss on Revaluation of Fixed Assets				
Community Amenities	8(b)	(128,287)	0	0
Net Result		7,924,746	7,443,324	535,696
Other Comprehensive Income				
Changes on Revaluation of Non-Current Assets	8(b)	28,666,146	0	28,911,830
Total Other Comprehensive Income		<u>28,666,146</u>	<u>0</u>	<u>28,911,830</u>
Total Comprehensive Income		<u><u>36,590,892</u></u>	<u><u>7,443,324</u></u>	<u><u>29,447,526</u></u>

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

**TOWN OF COTTESLOE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3	11,320,558	2,879,586
Trade and Other Receivables	4	302,301	360,685
Inventories	5	37,995	197,799
TOTAL CURRENT ASSETS		<u>11,660,854</u>	<u>3,438,070</u>
NON-CURRENT ASSETS			
Other Receivables	4	479,905	451,619
Investment Accounted for using the Equity Method	6	1,034,684	1,034,684
Property, Plant and Equipment	7	45,942,024	46,573,608
Infrastructure	8	43,508,495	14,823,328
TOTAL NON-CURRENT ASSETS		<u>90,965,108</u>	<u>62,883,239</u>
TOTAL ASSETS		<u>102,625,962</u>	<u>66,321,309</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	929,206	870,810
Long Term Borrowings	10	374,013	365,759
Provisions	11	736,240	683,621
TOTAL CURRENT LIABILITIES		<u>2,039,459</u>	<u>1,920,190</u>
NON-CURRENT LIABILITIES			
Long Term Borrowings	10	4,773,359	5,147,371
Provisions	11	38,665	70,161
TOTAL NON-CURRENT LIABILITIES		<u>4,812,024</u>	<u>5,217,532</u>
TOTAL LIABILITIES		<u>6,851,483</u>	<u>7,137,722</u>
NET ASSETS		<u>95,774,479</u>	<u>59,183,587</u>
EQUITY			
Retained Surplus		28,315,704	28,952,783
Reserves - Cash Backed	12	9,744,771	1,182,946
Revaluation Surplus	13	57,714,004	29,047,858
TOTAL EQUITY		<u>95,774,479</u>	<u>59,183,587</u>

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

**TOWN OF COTTESLOE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2013		28,126,240	1,370,267	239,554	29,736,061
Comprehensive Income		535,696	0	0	535,696
Net result		535,696	0	0	535,696
Changes on Revaluation of Non-Current Assets	13	0	0	28,911,830	28,911,830
Total Comprehensive Income		<u>535,696</u>	<u>0</u>	<u>28,911,830</u>	<u>29,447,526</u>
Transfers from/(to) Reserves		187,321	(187,321)	0	0
Transfer of Prior Year Revaluation Increment to Retained Surplus on Sale of Plant and Equipment		103,526	0	(103,526)	0
Balance as at 30 June 2014		28,952,783	1,182,946	29,047,858	59,183,587
Comprehensive Income		7,924,746	0	0	7,924,746
Net Result		7,924,746	0	0	7,924,746
Changes on Revaluation of Non-Current Assets	13	0	0	28,666,146	28,666,146
Total Comprehensive Income		<u>7,924,746</u>	<u>0</u>	<u>28,666,146</u>	<u>36,590,892</u>
Transfers from/(to) Reserves		(8,561,825)	8,561,825	0	0
Balance as at 30 June 2015		28,315,704	9,744,771	57,714,004	95,774,479

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

**TOWN OF COTTESLOE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		8,924,760	8,764,379	8,494,123
Operating Grants, Subsidies and Contributions		458,244	165,000	221,921
Fees and Charges		1,718,775	1,815,283	2,016,833
Interest Earnings		305,237	463,900	222,299
Goods and Services Tax		671,691	940,000	551,728
Other Revenue		416,489	224,273	255,783
		<u>12,495,196</u>	<u>12,372,835</u>	<u>11,762,687</u>
Payments				
Employee Costs		(3,841,760)	(3,671,070)	(3,324,111)
Materials and Contracts		(3,931,658)	(4,437,043)	(3,960,528)
Utility Charges		(316,693)	(313,086)	(342,020)
Interest Expenses		(345,354)	(340,818)	(366,816)
Insurance Expenses		(185,747)	(179,345)	(187,546)
Share of Joint Venture Net Assets		0	0	(21,142)
Goods and Services Tax		(669,268)	(930,000)	(548,693)
Other Expenditure		(1,041,056)	(903,350)	(853,010)
		<u>(10,331,536)</u>	<u>(10,774,712)</u>	<u>(9,603,866)</u>
Net cash provided by (used in)				
Operating Activities	14(b)	<u>2,163,660</u>	<u>1,598,123</u>	<u>2,158,821</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for Resale		0	0	(98,984)
Payments for purchase of Property, Plant & Equipment		(856,056)	(656,854)	(704,808)
Payments for construction of Infrastructure		(1,409,449)	(1,225,850)	(1,825,752)
Non-Operating Grants, Subsidies and Contributions		127,776	0	542,000
Proceeds from sale of Fixed Assets		8,745,564	8,214,930	159,599
Net cash provided by (used in)				
Investment Activities		<u>6,607,835</u>	<u>6,332,226</u>	<u>(1,927,945)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of Debentures		(365,759)	(365,759)	(357,642)
Proceeds from Self Supporting Loans		35,236	12,000	45,755
Net cash provided by (used in)				
Financing Activities		<u>(330,523)</u>	<u>(353,759)</u>	<u>(311,887)</u>
Net increase (decrease) in cash held		8,440,972	7,576,590	(81,011)
Cash at beginning of year		2,879,586	2,522,550	2,960,597
Cash and cash equivalents at the end of the year	14(a)	<u><u>11,320,558</u></u>	<u><u>10,099,140</u></u>	<u><u>2,879,586</u></u>

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

**TOWN OF COTTESLOE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
Revenue				
Governance		93,798	76,213	134,952
General Purpose Funding		773,010	636,350	415,975
Law, Order, Public Safety		31,627	18,980	28,239
Health		85,288	80,310	78,840
Education and Welfare		44,601	33,036	33,285
Community Amenities		591,682	542,035	577,942
Recreation and Culture		355,135	275,936	367,552
Transport		816,487	831,237	1,390,117
Economic Services		120,870	173,759	209,285
Other Property and Services		8,246,771	7,900,600	4,352
		<u>11,159,269</u>	<u>10,568,456</u>	<u>3,240,539</u>
Expenses				
Governance		(775,271)	(801,033)	(694,334)
General Purpose Funding		(238,465)	(252,997)	(292,904)
Law, Order, Public Safety		(288,075)	(296,826)	(249,307)
Health		(201,077)	(243,946)	(194,226)
Education and Welfare		(304,886)	(219,900)	(219,121)
Community Amenities		(3,351,671)	(3,375,922)	(3,119,268)
Recreation and Culture		(3,580,011)	(3,305,252)	(3,096,490)
Transport		(3,039,373)	(3,027,531)	(3,018,721)
Economic Services		(366,719)	(392,585)	(306,720)
Other Property and Services		12,321	26,481	(17,058)
		<u>(12,133,227)</u>	<u>(11,889,511)</u>	<u>(11,208,149)</u>
Net Result excluding Rates		(973,958)	(1,321,055)	(7,967,610)
Adjustments for cash budget requirements:				
Non-Cash Expenditure and Revenue				
(Profit)/Loss on Asset Disposals	21	(8,393,665)	(7,900,000)	43,161
Loss on revaluation of fixed assets		128,287	0	0
Movement in Non-Current Receivables		(52,015)	0	3,597
Movement in Equity Accounted Joint Ventures		0	0	21,142
Movement in Employee Benefit Provisions		21,122	0	104,191
Depreciation on Assets	2(a)	2,397,882	2,046,524	2,074,113
Capital Expenditure and Revenue				
Purchase Land held for Resale		0	0	(98,984)
Purchase of Land and Buildings	7(b)	(527,736)	(280,500)	(245,249)
Purchase Furniture and Equipment	7(b)	(17,799)	(36,654)	(120,503)
Purchase Plant and Equipment	7(b)	(310,521)	(339,700)	(339,056)
Purchase Roads	8(b)	(303,045)	(300,600)	(527,704)
Purchase Footpaths	8(b)	(383,402)	(225,250)	(610,177)
Purchase Drainage	8(b)	(44,269)	(20,150)	(7,907)
Purchase Parks and Ovals	8(b)	(51,430)	(46,350)	(43,002)
Purchase Car Parks	8(b)	(49,358)	0	(201,672)
Purchase Street Furniture	8(b)	(340,339)	(460,000)	(198,295)
Purchase Rights of Way	8(b)	(77,079)	(72,700)	(139,843)
Purchase Irrigation	8(b)	(15,564)	(30,800)	(75,816)
Purchase Other Infrastructure	8(b)	(144,963)	(70,000)	(21,336)
Proceeds from Disposal of Fixed Assets	21	8,745,564	8,214,930	159,599
Repayment of Debentures	22(a)	(365,759)	(365,759)	(357,642)
Proceeds from Self Supporting Loans		35,236	35,237	45,755
Proceeds from Land Held for Resale		156,174	0	0
Transfers to Reserves (restricted assets)	12	(8,879,827)	(8,360,648)	(73,318)
Transfers from Reserves (restricted assets)	12	318,002	5,000	260,639
ADD Estimated Surplus July 1 b/fwd	23(b)	1,192,902	764,096	1,005,513
LESS Estimated Surplus June 30 c/fwd	23(b)	963,144	0	1,192,902
Total amount raised from general rate	23(a)	<u>(8,898,704)</u>	<u>(8,764,379)</u>	<u>(8,503,306)</u>

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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

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

Critical accounting estimates

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

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

The local government reporting entity

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 20 to these financial statements.

(b) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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

(c) Cash and Cash Equivalents

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

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Trade and Other Receivables

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

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

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

(e) Inventories

General

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

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

Land held for sale

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

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

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

(f) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

The amendments allow for a phasing in of fair value in relation to fixed assets over three years as follows:

- (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government -
 - (i) that are plant and equipment; and
 - (ii) that are -
 - (I) land and buildings; or-
 - (II) Infrastructure;
- and
- (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.

Thereafter, in accordance with the regulations, each asset class must be revalued at least every 3 years.

In 2013, the Town commenced the process of adopting Fair Value in accordance with the Regulations.

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fixed Assets (Continued)

Depreciation

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

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

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

Buildings	50 years
Furniture and Equipment	2 to 15 years
Plant and Equipment	2 to 10 years
Computer and Ancillary Equipment	2 to 10 years
Roads, Right of Ways, Car Parks	
- Seal/Surface	15 to 40 years
- Pavement	40 to 80 years
- Kerb	60 years
Footpaths	
- Insitu Concrete	50 years
- Slab, Asphalt and Brick Pave	20 years
Drainage	
- PVC Pipe	40 years
- Concrete Pipes, pits, GPT's, Headwalls etc	100 years
- Grate Gully Lids, Side Entry Lids and Pit Covers	60 years
- Sumps (filled in)	100 years
Irrigation Components	40 years
Street Furniture	
- Chairs, Picnic Tables, Barbeques, Bins	20 years
- Street Lights	20 years
- Bus Shelters	40 years
- Beach Showers and Drinking Fountains	25 years
Parks and Ovals	
- Playground Equipment - Combination Units	18 years
- Playground Equipment - Soft Fall and Shade Sail Equipment	10 years
Miscellaneous Infrastructure	5 to 60 years

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.

Capitalisation threshold

Expenditure on buildings construction, purchase of plant, furniture and equipment under \$1,000 is not capitalised. This threshold is \$5,000 for infrastructure construction.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Fair Value of Assets and Liabilities (Continued)

Income approach

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

Cost approach

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

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

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

(h) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Town has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in non-current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

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

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

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Town no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying 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.

(i) Impairment of Assets

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

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

(j) Trade and Other Payables

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee Benefits

Short-term employee benefits

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

The Town's obligations for short-term employee benefits such as wages and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Town's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(l) Borrowing Costs

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

(m) Provisions

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

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

(n) Leases

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

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

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

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

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Investment in Associates

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

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

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

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

(p) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Town's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

(q) Rates, Grants, Donations and Other Contributions

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

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

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

(r) Superannuation

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Current and Non-Current Classification

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

(t) Rounding Off Figures

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

(u) Comparative Figures

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

When the Town applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(v) Budget Comparative Figures

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Town, it is not anticipated the Standard will have any material effect.
(ii) AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Town (refer (i) above).
(iii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the Town has with those third parties it has dealings.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(iv) AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments	December 2013	Refer title column	Part C of this Standard makes consequential amendments to AASB 9 and numerous other Standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.
[Operative date: Part C Financial Instruments - 1 January 2015]			As the bulk of changes relate either to editorial or reference changes it is not expected to have a significant impact on the Town.
(v) AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	August 2014	1 January 2016	This Standard amends AASB 11: <i>Joint Arrangements</i> to require the acquirer of an interest (both initial and additional) in a joint operation in which the activity constitutes a business, as defined in AASB 3: <i>Business Combinations</i> , to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11; and disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.
			Since adoption of this Standard would impact only acquisitions of interests in joint operations on or after 1 January 2016, management believes it is impracticable at this stage to provide a reasonable estimate of such impact on the Town's financial statements.
(vi) AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & 138]	August 2014	1 January 2016	This Standard amends AASB 116 and AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. It also clarifies the use of revenue-based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(vii) AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	December 2014	1 January 2017	Consequential changes to various Standards arising from the issuance of AASB 15. It will require changes to reflect the impact of AASB 15.
(viii) AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, 101, 134 & 1049]	January 2015	1 January 2016	This Standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the Standard proposes narrow-focus amendments to address some of the concerns expressed about existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying a Standard in determining what information to disclose in their financial statements. This Standard also makes editorial and consequential amendments as a result of amendments to the Standards listed in the title column. It is not anticipated it will have any significant impact on disclosures.
(ix) AASB 2015-3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	January 2015	1 July 2015	This Standard completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing it to be completely withdrawn. It is not anticipated it will have a significant impact as the principles of materiality remain largely unchanged.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(x) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities [AASB 10, 124 & 1049]	March 2015	1 July 2016	The objective of this Standard is to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities. The Standard is expected to have a significant disclosure impact on the financial report of the Town as both Elected Members and Senior Management will be deemed to be Key Management Personnel and resultant disclosures will be necessary.

Notes:

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

(x) Adoption of New and Revised Accounting Standards

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

These new and revised Standards were:

- AASB 2011-7
- AASB 2012-3
- AASB 2013-3
- AASB 2013-8
- AASB 2013-9 Parts A & B

Most of the Standards adopted had a minimal effect on the accounting and reporting practices of the Town as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES	2015	2014
	\$	\$
(a) Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	18,000	18,000
- Assistance with the finalisation of the Annual Financial Report	4,000	7,000
Depreciation		
Specialised Buildings	761,535	367,315
Furniture and Equipment	146,866	142,142
Plant and Equipment	227,340	227,032
Roads	744,155	712,415
Footpaths	203,652	188,129
Drainage	107,726	120,502
Parks and Ovals	39,499	49,547
Car Parks	33,523	25,344
Street Furniture	39,783	34,664
Rights of Way	14,597	7,602
Irrigation	20,913	23,949
Other Infrastructure	58,293	175,472
	<u>2,397,882</u>	<u>2,074,113</u>
Interest expenses (finance costs)		
Debentures (refer Note 22 (a))	340,780	360,100
	<u>340,780</u>	<u>360,100</u>
(ii) Crediting as revenue:		
Significant revenue		
Other Property and Services	<u>8,397,916</u>	<u>0</u>
The significant revenue in 2015 relates to the sale of the Town's former Depot site (refer notes 21 & 32 for further details)		
Other revenue		
Reimbursements and recoveries	218,533	206,767
Other	(114,394)	49,016
	<u>104,139</u>	<u>255,783</u>
	<u>2015</u>	<u>2015</u>
	<u>Actual</u>	<u>Budget</u>
	<u>\$</u>	<u>\$</u>
Interest earnings		
- Reserve funds	116,608	250,000
- Other funds	109,369	146,000
Other interest revenue (refer note 27)	79,260	67,900
	<u>305,237</u>	<u>463,900</u>
	<u>2014</u>	<u>Actual</u>
		<u>\$</u>

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

"To preserve and improve Cottesloe's natural and built environment and beach lifestyle by using sustainable strategies. Members of the community will continue to be engaged to shape the future for Cottesloe and strengthen Council's leadership role."

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

GOVERNANCE

Objective:

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

Activities:

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Inspection of food outlets and their control, noise control and waste disposal compliance.

EDUCATION AND WELFARE

Objective:

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

Provision of child care centres and aged care support services in conjunction with community organisations.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

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

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resource which will help the social well being of the community.

Activities:

Maintenance of public halls, civic centres, beaches, recreation facilities and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.

TRANSPORT

Objective:

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

Activities:

Construction and maintenance of roads, streets, footpaths, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

Objective:

To help promote the shire and its economic wellbeing.

Activities:

Tourism and area promotion including the maintenance and provision of services including Building Control.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Town's overheads operating accounts.

Activities:

Private works operation, plant repair and operation costs and engineering operation costs.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions	Grant/Contribution	Function/ Activity	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
			Balance ⁽¹⁾ 1/07/13 \$	2013/14 \$	2013/14 \$	Balance ⁽¹⁾ 30/06/14 \$	2014/15 \$	2014/15 \$	Balance 30/06/15 \$
Metropolitan Local Government Reform		Governance	0	55,000	0	55,000	0	(55,000)	0
North Metro Foreshore Weed Eradication Project		Recreation and Culture	2,732	0	(2,732)	0	0	0	0
Federal Stimulus Package (Round 2 - Playgrounds)		Recreation and Culture	72	0	(72)	0	0	0	0
Federal Stimulus Package (Round 3 - Disability)		Aged & Welfare	2,806	0	(2,806)	0	0	0	0
Total			5,610	55,000	(5,610)	55,000	0	(55,000)	0

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.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	Note	2015 \$	2014 \$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		1,575,787	1,641,641
Restricted		9,744,771	1,237,945
		11,320,558	2,879,586

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

Leave Reserve	12	180,021	175,249
Civic Centre Reserve	12	81,034	342
Area Improvement Reserve	12	34	34
Parking Reserve	12	10,298	10,024
Property Reserve	12	389,313	378,993
Infrastructure Reserve	12	371,930	298,439
Unspent Grants/Funds Reserve	12	265	258
Legal Reserve	12	67,264	65,481
Parking Facilities Reserve	12	154,396	150,303
Combined Library Reserve	12	83,441	83,441
Sustainability Reserve	12	28,479	20,382
Depot Funds Reserve	12	8,378,296	0
Unspent grants	2(c)	0	55,000
		9,744,771	1,237,945

4. TRADE AND OTHER RECEIVABLES

Current

Rates Outstanding		45,936	69,230
Sundry Debtors		135,564	166,690
GST Receivable		48,322	50,745
Loans - Clubs/Institutions		23,730	35,237
Accrued Income		48,359	7,057
Other Tax Debtors		390	512
Prepayments		0	31,214
		302,301	360,685

Non-current

Rates Outstanding - Pensioners		192,237	194,999
Loans - Clubs/Institutions		232,891	256,620
Sundry Debtors		54,777	0
		479,905	451,619

5. INVENTORIES

Current

History Books		37,995	41,624
Land held for Resale - cost			
Development costs		0	156,175
		37,995	197,799

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

6. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Western Metropolitan Regional Council (WMRC)

The Town of Cottesloe, together with the Town of Claremont, the Town of Mosman Park, the Shire of Peppermint Grove and the City of Subiaco have an interest in the WMRC waste transfer station. The Council was formed to provide for the efficient treatment and/or disposal of waste. A waste transfer station was constructed from funds provided from constituent Councils. The voting power held by the Town of Cottesloe is 20%. The Town of Cottesloe's 17.94% share of the net assets are included as follows:

NON CURRENT	2015	2014
	\$	\$
(a) Retained Earnings attributable to interest in joint venture:		
Balance at the beginning of the financial year	464,170	491,932
Adjustment from prior year audited Financial Statements	0	0
Net Transfers (to)/from reserves	0	(7,918)
Share of joint venture's profit from ordinary activities after tax	0	56,714
Share of Impairment Loss	0	(76,558)
Balance at the end of the financial year:	<u>464,170</u>	<u>464,170</u>
(b) Reserves - Cash Backed:		
Balance at the beginning of the financial year	529,942	522,024
Transfer to Reserves	0	81,886
Transfer from Reserves	0	(73,968)
Balance at the end of the financial year:	<u>529,942</u>	<u>529,942</u>
(c) Carrying amount of investment in joint venture:		
Balance at the beginning of the financial year	1,034,684	1,055,826
Adjustment from prior year audited Financial Statements	0	0
Share of profit from ordinary activities	0	56,714
Share of Impairment Loss	0	(76,558)
Share of Total Other Comprehensive Income	0	(1,298)
Balance at the end of the financial year:	<u>1,034,684</u>	<u>1,034,684</u>

At the time of completion of the Town of Cottesloe's 2014-2015 audit, final audited figures for 2014-2015 were not available from WMRC. Draft accounts were obtained and indicated a small reduction in total equity for the year of \$74,433 of which the Town of Cottesloe's share is \$13,174. These draft figures have not been included in the balances above for the year ended 30th June 2015.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
7 (a). PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
Freehold Land at:		
- Independent Valuation 2014 - Level 2	14,608,500	14,608,500
- Independent Valuation 2014 - Level 3	<u>1,307,570</u>	<u>1,307,570</u>
	15,916,070	15,916,070
Land vested in and under the control of Council at:		
- Independent Valuation 2014 - Level 3	<u>1,500,000</u>	<u>1,500,000</u>
	1,500,000	1,500,000
	<u>17,416,070</u>	<u>17,416,070</u>
Specialised Buildings at:		
- Independent Valuation 2014 - Level 3	27,711,619	27,963,703
- Additions after valuation - cost	527,736	0
Less: Accumulated Depreciation	<u>(761,534)</u>	<u>0</u>
	27,477,821	27,963,703
	<u>27,477,821</u>	<u>27,963,703</u>
Total Land and Buildings	<u>44,893,891</u>	<u>45,379,773</u>
Furniture and Equipment at:		
- Management Valuation 2013 - Level 3	1,286,871	1,286,871
- Additions after Valuation - Cost	138,303	120,503
Less Accumulated Depreciation	<u>(1,191,498)</u>	<u>(1,044,631)</u>
	233,676	362,743
Plant and Equipment at:		
- Management Valuation 2013 - Level 2	629,108	759,800
- Management Valuation 2013 - Level 3	104,983	105,709
- Additions after valuation - cost	649,577	339,056
Less Accumulated Depreciation	<u>(736,154)</u>	<u>(540,416)</u>
	647,514	664,149
Combined Library - Plant and Equipment at:		
- Management Valuation 2014 - Level 2	<u>8,037</u>	<u>8,037</u>
	8,037	8,037
Combined Library - Furniture and Equipment at:		
- Management Valuation 2014 - Level 3	<u>158,906</u>	<u>158,906</u>
	158,906	158,906
	<u>45,942,024</u>	<u>46,573,608</u>

The fair value of property, plant and equipment is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold Land	15,916,070	0	0	0	0	0	0	15,916,070
Land vested in and under the control of Council	1,500,000	0	0	0	0	0	0	1,500,000
Total land	17,416,070	0	0	0	0	0	0	17,416,070
Specialised Buildings	27,963,703	527,736	(252,083)	0	0	(761,535)	0	27,477,821
Total Buildings	27,963,703	527,736	(252,083)	0	0	(761,535)	0	27,477,821
Total Land and Buildings	45,379,773	527,736	(252,083)	0	0	(761,535)	0	44,893,891
Furniture and Equipment	362,743	17,799	0	0	0	(146,866)	0	233,676
Plant and Equipment	664,149	310,521	(99,816)	0	0	(227,340)	0	647,514
Combined Library - Plant and Equipment	8,037	0	0	0	0	0	0	8,037
Combined Library - Furniture and Equipment	158,906	0	0	0	0	0	0	158,906
Total Property, Plant and Equipment	46,573,608	856,056	(351,899)	0	0	(1,135,741)	0	45,942,024

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land and Buildings					
Freehold Land	2	Market approach using recent observable market data for similar items	Independent registered valuers	June 2014	Price per square metre
Freehold Land	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2014	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Land vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Specialised Buildings	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2014	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and Equipment					
	3	Cost approach using depreciated replacement cost	Management Valuation	June 2013	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Plant and Equipment					
- Management Valuation 2013 - Level 2	2	Market approach using recent observable market data for similar items	Management Valuation	June 2013	Price per item
- Management Valuation 2013 - Level 3	3	Cost approach using depreciated replacement cost	Management Valuation	June 2013	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
8 (a). INFRASTRUCTURE		
Roads		
- Management Valuation 2015 - Level 3	32,944,731	0
- Cost	0	18,293,314
Less Accumulated Depreciation	<u>(7,360,080)</u>	<u>(11,743,044)</u>
	25,584,651	6,550,270
Footpaths		
- Management Valuation 2015 - Level 3	6,941,566	0
- Cost	0	5,797,139
Less Accumulated Depreciation	<u>(3,313,873)</u>	<u>(3,671,461)</u>
	3,627,693	2,125,678
Drainage		
- Management Valuation 2015 - Level 3	6,291,340	0
- Cost	0	5,461,784
Less Accumulated Depreciation	<u>(1,391,400)</u>	<u>(1,920,751)</u>
	4,899,940	3,541,033
Parks and Ovals		
- Management Valuation 2015 - Level 3	1,776,816	0
- Cost	0	991,819
Less Accumulated Depreciation	<u>(424,240)</u>	<u>(831,485)</u>
	1,352,576	160,334
Car Parks		
- Management Valuation 2015 - Level 3	3,160,009	0
- Cost	0	798,954
Less Accumulated Depreciation	<u>(336,057)</u>	<u>(39,936)</u>
	2,823,952	759,018
Street Furniture		
- Management Valuation 2015 - Level 3	792,340	0
- Cost	0	612,686
Less Accumulated Depreciation	<u>(300,536)</u>	<u>(293,151)</u>
	491,804	319,535
Rights of Way		
- Management Valuation 2015 - Level 3	2,320,651	0
- Cost	0	1,564,431
Less Accumulated Depreciation	<u>(606,767)</u>	<u>(1,300,685)</u>
	1,713,884	263,746
Irrigation		
- Management Valuation 2015 - Level 3	1,171,080	0
- Cost	0	1,255,418
Less Accumulated Depreciation	<u>(181,987)</u>	<u>(972,304)</u>
	989,093	283,114
Other Infrastructure		
- Management Valuation 2015 - Level 3	3,430,612	0
- Cost	0	1,564,808
Less Accumulated Depreciation	<u>(1,405,710)</u>	<u>(744,208)</u>
	2,024,902	820,600
	<u>43,508,495</u>	<u>14,823,328</u>

The fair value of infrastructure is determined at least every three years in accordance with legislative requirements. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions.

This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires infrastructure to be shown at fair value.

TOWN OF COTTESLOE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2015

8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of the Year \$
Roads	6,550,270	303,045	0	19,475,491	0	(744,155)	0	25,584,651
Footpaths	2,125,678	383,402	0	1,322,265	0	(203,652)	0	3,627,693
Drainage	3,541,033	44,269	0	1,422,364	0	(107,726)	0	4,899,940
Parks and Ovals	160,334	51,430	0	1,180,311	0	(39,499)	0	1,352,576
Car Parks	759,018	49,358	0	2,049,099	0	(33,523)	0	2,823,952
Street Furniture	319,535	340,339	0	(128,287)	0	(39,783)	0	491,804
Rights of Way	263,746	77,079	0	1,387,656	0	(14,597)	0	1,713,884
Irrigation	283,114	15,564	0	711,328	0	(20,913)	0	989,093
Other Infrastructure	820,600	144,963	0	1,117,632	0	(58,293)	0	2,024,902
Total infrastructure	14,823,328	1,409,449	0	28,537,859	0	(1,262,141)	0	43,508,495

The revaluation of infrastructure assets resulted in an increase on revaluation of \$28,537,859 in the net value of infrastructure. Of this amount \$28,666,146 was credited to the revaluation surplus in the Town's equity (refer Note 13) and was recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income. The reduction of \$128,287 upon revaluation of street furniture was debited to Loss on Revaluation of Fixed Assets in the Statement of Comprehensive Income.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

8. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Parks and Ovals	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Car Parks	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Street Furniture	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Rights of Way	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Irrigation	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other Infrastructure	3	Cost approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	267,524	103,312
Accrued Interest on Debentures	92,915	97,489
Accrued Salaries and Wages	0	118,994
ATO Liabilities	100,563	68,334
Accrued Expenses	468,204	482,681
	<u>929,206</u>	<u>870,810</u>

10. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	374,013	365,759
	<u>374,013</u>	<u>365,759</u>
Non-current		
Secured by floating charge		
Debentures	4,773,359	5,147,371
	<u>4,773,359</u>	<u>5,147,371</u>

Additional detail on borrowings is provided in Note 22.

11. PROVISIONS

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2014	443,158	240,463	683,621
Non-current provisions	0	70,161	70,161
	<u>443,158</u>	<u>310,624</u>	<u>753,782</u>
Additional provision	220,566	47,718	268,284
Amounts used	(221,829)	(25,332)	(247,161)
Balance at 30 June 2015	<u>441,895</u>	<u>333,010</u>	<u>774,905</u>
Comprises			
Current	441,895	294,345	736,240
Non-current	0	38,665	38,665
	<u>441,895</u>	<u>333,010</u>	<u>774,905</u>

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED			
(a) Leave Reserve			
Opening balance	175,249	174,514	169,232
Amount set aside / transfer to reserve	4,772	6,108	6,017
Amount used / transfer from reserve	0	0	0
	<u>180,021</u>	<u>180,622</u>	<u>175,249</u>
(b) Civic Centre Reserve			
Opening balance	342	0	1,533
Amount set aside / transfer to reserve	80,692	0	261
Amount used / transfer from reserve	0	0	(1,452)
	<u>81,034</u>	<u>0</u>	<u>342</u>
(c) Waste Management Reserve			
Opening balance	0	10,053	73,365
Amount set aside / transfer to reserve	0	2,627	1,997
Amount used / transfer from reserve	0	0	(75,362)
	<u>0</u>	<u>12,680</u>	<u>0</u>
(d) Area Improvement Reserve			
Opening balance	34	0	857
Amount set aside / transfer to reserve	0	0	61
Amount used / transfer from reserve	0	0	(884)
	<u>34</u>	<u>0</u>	<u>34</u>
(e) Parking Reserve			
Opening balance	10,024	14,845	9,677
Amount set aside / transfer to reserve	274	520	347
Amount used / transfer from reserve	0	0	0
	<u>10,298</u>	<u>15,365</u>	<u>10,024</u>
(f) Property Reserve			
Opening balance	378,993	310,441	365,869
Amount set aside / transfer to reserve	10,320	13,410	13,124
Amount used / transfer from reserve	0	0	0
	<u>389,313</u>	<u>323,851</u>	<u>378,993</u>
(g) Infrastructure Reserve			
Opening balance	298,439	349,114	379,667
Amount set aside / transfer to reserve	73,491	12,219	13,410
Amount used / transfer from reserve	0	0	(94,638)
	<u>371,930</u>	<u>361,333</u>	<u>298,439</u>
(h) Unspent Grants/Funds Reserve			
Opening balance	258	0	1,193
Amount set aside / transfer to reserve	7	0	18
Amount used / transfer from reserve	0	0	(953)
	<u>265</u>	<u>0</u>	<u>258</u>
(i) Legal Reserve			
Opening balance	65,481	65,211	63,215
Amount set aside / transfer to reserve	1,783	2,282	2,266
Amount used / transfer from reserve	0	0	0
	<u>67,264</u>	<u>67,493</u>	<u>65,481</u>

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015 \$	2015 Budget \$	2014 \$
12. RESERVES - CASH BACKED (CONTINUED)			
(j) Parking Facilities Reserve			
Opening balance	150,303	151,132	232,778
Amount set aside / transfer to reserve	4,093	5,290	4,875
Amount used / transfer from reserve	0	0	(87,350)
	<u>154,396</u>	<u>156,422</u>	<u>150,303</u>
(k) Combined Library Reserve			
Opening balance	83,441	0	72,881
Amount set aside / transfer to reserve	0	0	10,560
Amount used / transfer from reserve	0	0	0
	<u>83,441</u>	<u>0</u>	<u>83,441</u>
(l) Sustainability Reserve			
Opening balance	20,382	19,782	0
Amount set aside / transfer to reserve	8,097	8,192	20,382
Amount used / transfer from reserve	0	(5,000)	0
	<u>28,479</u>	<u>22,974</u>	<u>20,382</u>
(m) Depot Funds Reserve			
Opening balance	0	0	0
Amount set aside / transfer to reserve	8,696,298	8,310,000	0
Amount used / transfer from reserve	(318,002)	0	0
	<u>8,378,296</u>	<u>8,310,000</u>	<u>0</u>
TOTAL RESERVES	<u>9,744,771</u>	<u>9,450,740</u>	<u>1,182,946</u>
Total Opening balance	1,182,946	1,095,092	1,370,267
Total Amount set aside / transfer to reserve	8,879,827	8,360,648	73,318
Total Amount used / transfer from reserve	(318,002)	(5,000)	(260,639)
TOTAL RESERVES	<u>9,744,771</u>	<u>9,450,740</u>	<u>1,182,946</u>

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

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

- (a) Leave Reserve**
- to partially cash back the accumulated employee leave liability and to fund the payment of accumulated leave entitlements.
- (b) Civic Centre Reserve**
- to fund the cost of improvement, renovations and extensions to the buildings that make up Cottesloe Civic Centre.
- (c) Waste Management Reserve**
- to fund the improvement, replacement, and expansion of waste management plant, equipment, facilities and services.
- (d) Area Improvement Reserve**
- to fund the cost of improving facilities within the suburb of Cottesloe.
- (e) Parking Reserve**
- the purpose of this reserve is, in accordance with the Council's Town Planning Scheme, to set aside funds from developers for the development of parking facilities.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

12. RESERVES - CASH BACKED (CONTINUED)

- (f) Property Reserve
 - to contribute towards future property construction/renewal within the suburb of Cottesloe.
- (g) Infrastructure Reserve
 - to contribute towards future infrastructure construction/renewal within the suburb of Cottesloe.
- (h) Unspent Grants/Funds Reserve
 - to carry forward available funding for uncompleted projects and grants that will be utilised in ensuing financial years.
- (i) Legal Reserve
 - to contribute towards unanticipated legal expenses within the suburb of Cottesloe.
- (j) Parking Facilities Reserve
 - to fund improvements to Parking Facilities within the suburb of Cottesloe.
- (k) Combined Library Reserve
 - to fund the operations of the combined library.
- (l) Sustainability Reserve
 - to fund new or enhance existing Sustainability Initiatives within the suburb of Cottesloe.
- (m) Depot Funds Reserve
 - to be used to fund the improvement of infrastructure within the suburb of Cottesloe.

It is anticipated that the reserves will be utilised as follows:-

Leave Reserve - as staff take leave.

Area Improvement - to fund ongoing improvement of facilities within the suburb of Cottesloe.

Civic Centre Improvements Reserve - to fund upgrades of the Civic Centre over the next five years.

Waste Management Reserve - ongoing improvement, replacement and expansion of plant, facilities and services.

Parking Reserve - to fund ongoing upgrades to parking facilities within the suburb of Cottesloe.

Property Reserve - to contribute to ongoing future property construction/renewal.

Infrastructure Reserve - to contribute towards ongoing future infrastructure construction/renewal.

Unspent Grants/Funds Reserve - to carry forward available funding for uncompleted projects and grants that will be utilised in ensuing financial years.

Legal Reserve - to fund unanticipated legal expenses over the next two years.

Parking Facilities Reserve - to fund Parking Facilities within the suburb of Cottesloe over the next five years.

Combined Library Reserve - to fund ongoing library operations.

Sustainability Reserve - to fund new and ongoing initiatives over the next five years.

Depot Funds Reserve - to fund improvement to infrastructure within the suburb of Cottesloe over the next four years.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
13. REVALUATION SURPLUS		
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
(a) Land		
Opening Balance	15,140,408	0
Revaluation Increment	0	15,140,408
Revaluation Decrement	0	0
	15,140,408	15,140,408
(b) Buildings		
Opening Balance	13,615,252	0
Revaluation Increment	0	13,615,252
Revaluation Decrement	0	0
	13,615,252	13,615,252
(c) Furniture and Equipment		
Opening Balance	210,480	0
Revaluation Increment	0	210,480
Revaluation Decrement	0	0
	210,480	210,480
(d) Plant and Equipment		
Opening Balance	81,718	0
Revaluation Increment	0	81,718
Revaluation Decrement	0	0
	81,718	81,718
(e) Roads		
Opening Balance	0	0
Revaluation Increment	19,475,491	0
Revaluation Decrement	0	0
	19,475,491	0
(f) Footpaths		
Opening Balance	0	0
Revaluation Increment	1,322,265	0
Revaluation Decrement	0	0
	1,322,265	0
(g) Drainage		
Opening Balance	0	0
Revaluation Increment	1,422,364	0
Revaluation Decrement	0	0
	1,422,364	0
(h) Parks and Ovals		
Opening Balance	0	0
Revaluation Increment	1,180,311	0
Revaluation Decrement	0	0
	1,180,311	0

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

	2015	2014
	\$	\$
13. REVALUATION SURPLUS (Continued)		
(i) Car Parks		
Opening Balance	0	0
Revaluation Increment	2,049,099	0
Revaluation Decrement	0	0
	2,049,099	0
(j) Rights of Way		
Opening Balance	0	0
Revaluation Increment	1,387,656	0
Revaluation Decrement	0	0
	1,387,656	0
(k) Irrigation		
Opening Balance	0	0
Revaluation Increment	711,328	0
Revaluation Decrement	0	0
	711,328	0
(l) Other Infrastructure		
Opening Balance	0	0
Revaluation Increment	1,117,632	0
Revaluation Decrement	0	0
	1,117,632	0
TOTAL ASSET REVALUATION SURPLUS	57,714,004	29,047,858

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2015 \$	2015 Budget \$	2014 \$
Cash and cash equivalents	<u>11,320,558</u>	<u>10,099,140</u>	<u>2,879,586</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	7,924,746	7,443,324	535,696
Non-cash flows in Net result:			
Depreciation	2,397,882	2,046,524	2,074,113
(Profit)/Loss on Sale of Asset	(8,393,665)	(7,900,000)	43,161
Loss on revaluation of fixed assets	128,287	0	0
(Increase)/Decrease in Equity Accounted Joint Ventures	0	0	21,142
Changes in assets and liabilities:			
(Increase)/Decrease in Receivables	(5,138)	0	(18,870)
(Increase)/Decrease in Inventories	159,803	0	(70)
Increase/(Decrease) in Payables	58,398	8,275	(58,543)
Increase/(Decrease) in Provisions	21,123	0	104,192
Grants contributions for the development of assets	<u>(127,776)</u>	<u>0</u>	<u>(542,000)</u>
Net cash from operating activities	<u>2,163,660</u>	<u>1,598,123</u>	<u>2,158,821</u>
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements	2015		2014
	\$		\$
Bank overdraft limit	250,000		250,000
Bank overdraft at balance date	0		0
Credit card limit	5,000		5,000
Credit card balance at balance date	(885)		0
Total amount of credit unused	<u>254,115</u>		<u>255,000</u>
Loan facilities			
Loan facilities - current	374,013		365,759
Loan facilities - non-current	4,773,359		5,147,371
Total facilities in use at balance date	<u>5,147,372</u>		<u>5,513,130</u>
Unused loan facilities at balance date	<u>NIL</u>		<u>NIL</u>

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

15. CONTINGENT LIABILITIES

The Town did not have any contingent liabilities as at 30th June 2015.

16. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

The Town did not have any future operating lease commitments at the reporting date.

(b) Capital Expenditure Commitments

The Town did not have any future capital expenditure commitments at the reporting date.

17. JOINT VENTURE ARRANGEMENTS

The Town, together with the Shire of Peppermint Grove and the Town of Mosman Park have a joint venture arrangement with regard to the provision of Library Services in the area. The assets consist of property, furniture, equipment and a motor vehicle. Council's share of these assets, and its percentage share of annual contributions, are based upon the each Local Governments population as per the 2006 census. The Town of Cottesloe's share was 42.47% and its share of assets and liabilities are contained in balances elsewhere as follows:

	2015	2014
	\$	\$
CURRENT ASSETS		
Cash		
- Library Restricted Reserves	83,441	83,441
	<u>83,441</u>	<u>83,441</u>
NON CURRENT ASSETS		
Plant and Equipment - at Cost	10,533	10,533
Accumulated Depreciation	<u>(2,496)</u>	<u>(2,496)</u>
	8,037	8,037
Furniture and Equipment - at Cost	158,907	158,907
Accumulated Depreciation	<u>0</u>	<u>0</u>
	158,907	158,907
Buildings at:		
- Cost	0	0
- Independent Valuation 2013	5,177,358	5,177,358
Less Accumulated Depreciation	<u>0</u>	<u>0</u>
	5,177,358	5,177,358
TOTAL ASSETS	<u>5,268,836</u>	<u>5,268,836</u>
CURRENT LIABILITIES		
Long Term Borrowings	168,127	168,127
Provision for Leave	<u>40,170</u>	<u>40,170</u>
	208,297	208,297
NON CURRENT LIABILITIES		
Long Term Borrowings	4,150,077	4,150,077
Provision for Leave	<u>1,067</u>	<u>1,067</u>
	4,151,144	4,151,144
TOTAL LIABILITIES	<u>4,359,441</u>	<u>4,359,441</u>
SHARE OF NET ASSETS OF JOINT VENTURE	<u>909,395</u>	<u>909,395</u>

At the time of completion of the Town of Cottesloe's 2014-2015 audit, audited financial statements for the year ended 30th June 2015 were not available from the Shire of Peppermint Grove.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2015	2014
	\$	\$
Governance	297,759	578,638
General Purpose Funding	287,810	270,913
Health	0	24,027
Education and Welfare	12,213,989	13,713,750
Community Amenities	1,733,435	1,523,399
Recreation and Culture	31,514,580	26,653,266
Transport	45,540,516	20,964,351
Economic Services	30,194	22,004
Other Property and Services	8,417,844	148,178
Unallocated	2,589,835	2,422,783
	<u>102,625,962</u>	<u>66,321,309</u>

19. FINANCIAL RATIOS

	2015	2014	2013
Current Ratio	1.03	1.26	1.20
Asset Sustainability Ratio	0.82	0.49	0.53
Debt Service Cover Ratio	14.91	3.38	7.33
Operating Surplus Ratio	0.40	0.00	0.26
Own Source Revenue Coverage Ratio	1.63	0.98	1.00

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset Sustainability Ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt Service Cover Ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating Surplus Ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own Source Revenue Coverage Ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

Notes:

Information relating to the **Asset Consumption Ratio** and the **Asset Renewal Funding Ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

19. FINANCIAL RATIOS (Continued)

Notes: (Continued)

Three of the 2013 ratios disclosed above are distorted by items of significant revenue and expenses relating to:

- The initial recognition of Land under the Town's control in accordance with amendments to the Financial Management Regulations amounting to \$2,659,458. (Refer to notes 1f,1g and 2(a)(ii) for further details). This forms part of operating revenue.

- The significant expense relates to an Impairment Loss of \$185,913 at the Western Metropolitan Regional Council. (Refer note 6 for further details). This forms part of operating expenditure.

These items form part of operating revenue and expenditure and have been included in the calculations above. These items of significant revenue and expenditure are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the 2013 column above would be as follows:

	2013
Debt Service Cover Ratio	3.89
Operating Surplus Ratio	0.04
Own Source Revenue Coverage Ratio	1.01

Three of the 2015 ratios disclosed above are distorted by an item of significant revenue relating to the sale of the Town's former depot site which resulted in proceeds on sale of \$8,650,000.00 and a profit on sale of \$8,397,916 which forms part of operating revenue (Refer to notes 2(a)(ii) & 32 for further details)

This item forms a part of operating revenue and has been included in the calculations above. This item of significant revenue is considered to be "one-off" and, if it was ignored, the calculations disclosed in the 2015 column above would be as follows:

	2015
Debt Service Cover Ratio	3.03
Operating Surplus Ratio	(0.05)
Own Source Revenue Coverage Ratio	0.91

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

20. TRUST FUNDS

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
BCITF Levy	0	87,663	(87,663)	0
Building Services Levy	12,776	50,689	(60,924)	2,541
Infrastructure Deposits	550,348	421,264	(354,764)	616,848
Right of Ways	42,866	32,739	(12,663)	62,942
Miscellaneous	66,260	39,362	(23,921)	81,701
	<u>672,250</u>			<u>764,032</u>

21. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant and Equipment						
Governance	0	18,000	0	18,000	0	0
Health	0	18,000	0	18,000	0	0
Community Amenities	56,328	20,000	43,780	20,000	(12,548)	0
Recreation and Culture	5,153	2,930	10,168	2,930	5,015	0
Transport	19,171	38,000	27,273	38,000	8,102	0
Economic Services	19,163	18,000	14,133	18,000	(5,030)	0
Other Property and Services	0	0	182	0	182	0
Furniture and Equipment						
Governance	0	0	28	0	28	0
Buildings						
Other Property and Services	252,084	200,000	8,650,000	8,100,000	8,397,916	7,900,000
	<u>351,899</u>	<u>314,930</u>	<u>8,745,564</u>	<u>8,214,930</u>	<u>8,393,665</u>	<u>7,900,000</u>

Profit	8,411,243	7,900,000
Loss	(17,578)	0
	<u>8,393,665</u>	<u>7,900,000</u>

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Recreation and culture								
*Loan 104 - Cottesloe Tennis Club	12,917	0	12,917	12,917	0	0	282	433
*Loan 105 - Seaview Golf Club	278,939	0	22,320	22,320	256,619	256,619	16,960	16,253
Loan 106 - Civic Centre	903,070	0	162,395	162,395	740,675	740,675	44,356	44,749
Loan 107 - Joint Library	4,318,204	0	168,127	168,127	4,150,078	4,150,077	279,182	279,083
	5,513,130	0	365,759	365,759	5,147,372	5,147,371	340,780	340,518

(*) Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

(b) New Debentures - 2014/15

The Town did not take up any new debentures during the year ended 30 June 2015.

(c) Unspent Debentures

The Town did not have any unspent debentures as at 30 June 2015.

(d) Overdraft

Council established an overdraft facility of \$250,000 in 2009 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2014 and 30 June 2015 was nil.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental value valuations											
GRV - Residential Improved (RI)	0.0526	3,055	133,078,670	7,003,930	37,742	(2,843)	7,038,829	7,041,704	0	0	7,041,704
GRV - Residential Vacant (RV)	0.0526	86	3,962,120	208,526	28,224	5,178	241,928	209,534	0	0	209,534
GRV - Commercial Improved (CI)	0.0526	69	8,876,069	467,148	(1,174)	0	465,974	469,042	0	0	469,042
GRV - Commercial Town (CT)	0.0609	133	11,929,470	726,028	(6,594)	0	719,434	614,047	0	0	614,047
GRV - Industrial (I)	0.0526	1	34,500	1,816	0	0	1,816	1,816	0	0	1,816
Sub-Totals		3,344	157,880,829	8,407,448	58,198	2,335	8,467,981	8,336,143	0	0	8,336,143
Minimum payment	Minimum \$										
Gross rental value valuations											
GRV - Residential Improved (RI)	1,008	416	6,450,030	419,328	0	(2,016)	417,312	402,192	0	0	402,192
GRV - Residential Vacant (RV)	1,008	1	18,300	1,008	1,008	0	2,016	0	0	0	0
GRV - Commercial Improved (CI)	1,008	9	135,050	9,072	0	0	9,072	9,072	0	0	9,072
GRV - Commercial Town (CT)	1,008	6	87,020	6,048	0	0	6,048	21,168	0	0	21,168
Sub-Totals		432	6,690,400	435,456	1,008	(2,016)	434,448	432,432	0	0	432,432
Discounts/concessions (refer note 26)							8,902,429				8,768,575
Total amount raised from general rate							(3,725)				(4,196)
Specified Area Rate (refer note 24)							8,898,704				8,764,379
Totals							8,898,704				8,764,379

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

23. RATING INFORMATION - 2014/15 FINANCIAL YEAR (Continued)

(b) Information on Surplus Brought Forward

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
Surplus 1 July 14 brought forward	<u>963,144</u>	<u>1,192,902</u>	<u>1,192,902</u>
<u>Comprises:</u>			
Cash and cash equivalents			
Unrestricted	1,575,787	1,641,641	1,641,641
Restricted	9,744,771	1,237,945	1,237,945
Receivables			
Rates Outstanding	45,936	69,230	69,230
Sundry Debtors	135,564	166,690	166,690
GST Receivable	48,322	50,745	50,745
Loans - Clubs/Institutions	23,730	35,237	35,237
Accrued Income	48,359	7,057	7,057
Other Tax Debtors	390	512	512
Prepayments		31,214	31,214
Inventories			
History Books	37,995	41,624	41,624
Land held for Resale - cost			
Development costs	0	156,175	156,175
<u>Less:</u>			
Trade and other payables			
Sundry Creditors	(267,524)	(103,312)	(103,312)
Accrued Interest on Debentures	(92,915)	(97,489)	(97,489)
Accrued Salaries and Wages	0	(118,994)	(118,994)
ATO Liabilities	(100,563)	(68,334)	(68,334)
Accrued Expenses	(468,207)	(482,681)	(482,681)
Long Term Borrowings			
Secured by floating charge	(374,013)	(365,759)	(365,759)
Provisions			
Provision for Annual Leave	(441,895)	(443,158)	(443,158)
Provision for Long Service Leave	(294,345)	(240,463)	(240,463)
Net current assets	<u>9,621,392</u>	<u>1,517,880</u>	<u>1,517,880</u>
<u>Less:</u>			
Reserves - restricted cash	(9,744,771)	(1,182,946)	(1,182,946)
Land held for Resale - cost			
Development costs	0	(156,175)	(156,175)
Loans - Clubs/Institutions	(23,730)	(35,237)	(35,237)
<u>Add:</u>			
Long Term Borrowings			
Secured by floating charge	374,013	365,759	365,759
Component of Leave Liability not required to be funded	736,240	683,621	683,621
Surplus	<u><u>963,144</u></u>	<u><u>1,192,902</u></u>	<u><u>1,192,902</u></u>

Difference

There was no difference between the surplus 1 July 2014 brought forward position used in the 2015 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2014 audited financial report.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

24. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR

The Town did not impose any Specified Area Rates.

25. SERVICE CHARGES - 2014/15 FINANCIAL YEAR

The Town did not impose any Service Charges.

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS
- 2014/15 FINANCIAL YEAR**

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount		3,725	4,196
Venue Hire	Discount	20.00%	1,000	4,000
Venue Hire	Waiver	100.00%	500	2,200
			5,225	10,396

Council has resolved to give an eighty per cent discount of the annual rates to a community organisation.

A discount is offered to residents and affiliated groups hiring the Civic Centre facilities for multiple bookings.

Fees for the hire of the War Memorial Hall are waived for hirers listed in Council's Policy on Civic Centre Hall Hire.

27. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%		36,954	28,900
Interest on instalments plan	5.50%		34,854	33,000
Charges on instalment plan		18	15,959	16,000
Pensioner deferred rate interest			7,452	6,000
			95,219	83,900

28. FEES & CHARGES	2015 \$	2014 \$
General purpose funding	39,539	44,635
Law, order, public safety	21,975	19,259
Health	74,785	72,721
Education and welfare	22,316	21,602
Community amenities	553,040	544,343
Recreation and culture	262,593	268,884
Transport	658,990	838,347
Economic services	119,154	207,042
	<u>1,752,392</u>	<u>2,016,833</u>

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

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

29. GRANT REVENUE

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

By Nature or Type:	2015	2014
	\$	\$
Operating grants, subsidies and contributions	458,244	203,429
Non-operating grants, subsidies and contributions	127,776	542,000
	<u>586,020</u>	<u>745,429</u>
By Program:		
Governance	0	50,000
General purpose funding	424,144	129,300
Law, order, public safety	500	500
Recreation and culture	63,797	50,000
Transport	97,579	515,629
	<u>586,020</u>	<u>745,429</u>

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

<u>42</u>	<u>41</u>
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31. ELECTED MEMBERS REMUNERATION

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

	2015	2015	2014
	\$	Budget	\$
		\$	
Meeting Fees	145,417	148,000	113,252
Mayor's Allowance	28,300	27,500	16,618
Deputy Mayor's Allowance	6,877	6,875	4,904
Travelling Expenses	0	3,000	14
Telecommunications Allowance	12,000	18,000	20,408
Other Member Expenses	3,314	8,300	7,378
	<u>195,908</u>	<u>211,675</u>	<u>162,574</u>

32. MAJOR LAND TRANSACTIONS

Cottesloe Depot Redevelopment

(a) Details

The Town's Depot operations moved to leased premises in Fremantle during 2012-2013 and the buildings at the old site at the rear of Marmion Street, Cottesloe, were demolished. The old site was sold during the 2014/15 financial year

(b) Current Year Transactions

	2015	2015	2014
	\$	Budget	\$
<u>Operating Income</u>			
Profit on Sale	8,397,916	7,900,000	0
Sale Proceeds	8,650,000	8,100,000	0
Development Costs (including demolition)	252,084	200,000	98,984

(c) Expected Future Cash Flows

There are no future expected cash flows.

33. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Town did not participate in any trading undertakings or major trading undertakings during the 2014/15 financial year.

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT

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

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

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

The Town held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2015	2014	2015	2014
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	11,320,558	2,879,586	11,320,558	2,879,586
Receivables	782,206	812,304	782,206	812,304
	<u>12,102,764</u>	<u>3,691,890</u>	<u>12,102,764</u>	<u>3,691,890</u>
Financial liabilities				
Payables	929,206	870,810	929,206	870,810
Borrowings	5,147,372	5,513,130	5,942,180	5,382,488
	<u>6,076,578</u>	<u>6,383,940</u>	<u>6,871,386</u>	<u>6,253,298</u>

Fair value is determined as follows:

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

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

34. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

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

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

The Town manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	2015	2014
	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash		
- Equity	113,206	28,796
- Statement of Comprehensive Income	113,206	28,796

Notes:

⁽¹⁾ Sensitivity percentages based on management's expectation of future possible market movements.

**TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015**

34. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

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

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

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

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

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

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

	2015	2014
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	72%	74%
- Overdue	28%	26%

TOWN OF COTTESLOE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2015</u>					
Payables	929,206	0	0	929,206	929,206
Borrowings	693,578	2,379,610	4,379,855	7,453,043	5,147,372
	<u>1,622,784</u>	<u>2,379,610</u>	<u>4,379,855</u>	<u>8,382,249</u>	<u>6,076,578</u>
<u>2014</u>					
Payables	870,810	0	0	870,810	870,810
Borrowings	706,868	2,774,319	4,865,745	8,346,932	5,513,130
	<u>1,577,678</u>	<u>2,774,319</u>	<u>4,865,745</u>	<u>9,217,742</u>	<u>6,383,940</u>

TOWN OF COTTESLOE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2015

34. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
 Borrowings (continued)

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
Year ended 30 June 2015								
Borrowings								
Fixed rate								
Debtentures	0	0	0	740,674	0	4,406,698	5,147,372	5.81%
Weighted average	0.00%	0.00%	0.00%	5.25%	0.00%	6.37%		
Effective interest rate								
Year ended 30 June 2014								
Borrowings								
Fixed rate								
Debtentures	12,917	0	0	0	903,069	4,597,144	5,513,130	6.29%
Weighted average	5.75%	0.00%	0.00%	0.00%	5.25%	6.49%		
Effective interest rate								

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INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE TOWN OF COTTESLOE

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of the Town of Cottesloe, which comprises the statement of financial position as at 30 June 2015, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial report of the Town of Cottesloe is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a) giving a true and fair view of the Town's financial position as at 30 June 2015 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE TOWN OF COTTESLOE (CONTINUED)**

Report On Other Legal and Regulatory Requirements

During the course of the audit we became aware of the following instance where the Council did not comply with the Local Government (Financial Management) Regulations 1996 (as amended):

Budget Review

A copy of the budget review was not submitted to the Department within 30 days of its adoption as required by Local Government (Financial Management) Regulation 33A(4).

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as detailed above, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 59 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not:
 - i) reasonably calculated; and
 - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit

MOORE STEPHENS
CHARTERED ACCOUNTANTS


GREG GODWIN
PARTNER

Signed at Perth this 13th day of October 2015

**TOWN OF COTTESLOE
SUPPLEMENTARY RATIO INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2015**

RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2015	2014	2013
Asset Consumption Ratio	0.83	0.46	0.32
Asset Renewal Funding Ratio	1.05	1.05	1.05

The above ratios are calculated as follows:

Asset Consumption Ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset Renewal Funding Ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$