



# Town of Cottesloe

I hereby certify that the minutes of the Audit Committee  
meeting held on

**Wednesday, 2 February 2022**

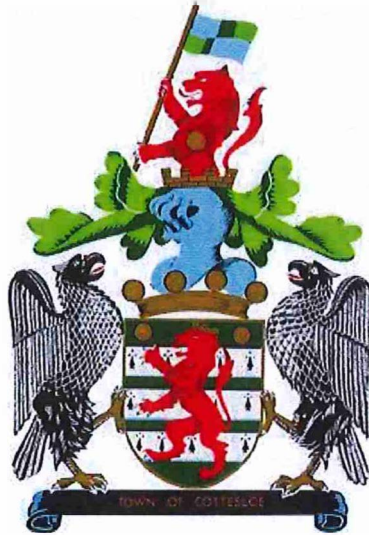
were confirmed as a true and accurate record by committee  
resolution.

Signed: *Craig Masarei*

Cr Craig Masarei  
Presiding Member

Date: 08/06/2022

# TOWN OF COTTESLOE



## AUDIT COMMITTEE MINUTES

AUDIT COMMITTEE  
HELD IN THE  
Mayor's Parlour, Cottesloe Civic Centre  
109 Broome Street, Cottesloe  
4.00pm Wednesday, 2 February 2022



**MATTHEW SCOTT**  
Chief Executive Officer

8 February 2022

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF MEETING OPENING/ANNOUNCEMENT OF VISITORS .....	1
1.1	ACKNOWLEDGEMENT OF COUNTRY .....	1
2	DISCLAIMER.....	1
2.1	APPOINTMENT OF A PRESIDING MEMBER.....	1
3	ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION .....	1
4	ATTENDANCE .....	1
5	DECLARATION OF INTERESTS.....	2
6	CONFIRMATION OF MINUTES.....	2
7	PRESENTATIONS .....	2
8	REPORTS.....	1
8.1	REPORTS OF OFFICERS.....	1
8.1.1	ADOPTION OF THE 2020/2021 ANNUAL REPORT AND AUDITOR'S REPORT	1
8.1.2	MEETING DATES 2022	6
8.1.3	COMPLIANCE AUDIT RETURN 2021	8
8.2	ITEMS FOR DISCUSSION.....	11
8.2.1	COMPLIANCE CALENDAR	11
8.2.2	COMPLIANCE AUDIT RETURN	11
8.2.2	LOCAL GOVERNMENT LEGISLATIVE CHANGES	11
9	GENERAL BUSINESS.....	11
9.1	COMMITTEE MEMBERS .....	11
9.2	OFFICERS.....	11
10	MEETING CLOSED TO PUBLIC.....	11
10.1	MATTERS FOR WHICH THE MEETING MAY BE CLOSED.....	11
11	NEXT MEETING .....	11
12	MEETING CLOSURE .....	11

**1 DECLARATION OF MEETING OPENING/ANNOUNCEMENT OF VISITORS**

The CEO announced the meeting opened at 4:06pm.

**1.1 ACKNOWLEDGEMENT OF COUNTRY**

I would like to begin by acknowledging the Whadjuk Nyoongar people, Traditional Custodians of the land on which we meet today, and pay my respects to their Elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

**2 DISCLAIMER**

The CEO drew attention to the Town’s Disclaimer.

**2.1 APPOINTMENT OF A PRESIDING MEMBER**

The CEO called for nominations for a Presiding Member. Cr MacFarlane nominated himself. Seconded by Cr Wylynko.

The CEO called for further nominations.

There being no further nominations, the CEO declared Cr MacFarlane elected as Presiding Member (unopposed).

Cr MacFarlane accepted the nomination and assumed the chair at 4:07pm.

**3 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

Nil.

**4 ATTENDANCE**

**Members**

Cr Brad Wylynko	Elected Member
Cr Paul MacFarlane	Elected Member
Mr Andrew Dimsey	Community Representative
Mr Ian McKenzie	Community Representative

**Officers**

Mr Matthew Scott	Chief Executive Officer
Mr Shane Collie	Director Corporate Services and Governance
Ms Lauren Davies	Finance Manager
Ms Mary-Ann Winnett	Governance Coordinator
Ms Kate Saunders	Executive Services Officer

**Apologies**

Cr Craig Masarei	Elected Member
------------------	----------------

**5 DECLARATION OF INTERESTS**

Nil.

**6 CONFIRMATION OF MINUTES**

**AC001/2022**

**Moved Cr MacFarlane**

**Seconded Cr Wylenko**

**That the Minutes of the Audit Committee Meeting held on Wednesday 1 December 2021 be confirmed as a true and accurate record.**

**Carried 4/0**

**7 PRESENTATIONS**

Nil

**8 REPORTS****8.1 REPORTS OF OFFICERS****8.1.1 ADOPTION OF THE 2020/2021 ANNUAL REPORT AND AUDITOR'S REPORT**

**Directorate:** Corporate and Community Services  
**Author(s):** Shane Collie, Director Corporate and Community Services  
**Authoriser(s):** Matthew Scott, Chief Executive Officer  
**File Reference:** D22/2725  
**Applicant(s):** Internal  
**Applicant(s) Proponents:**  
**Author Disclosure of Interest:** Nil

---

**SUMMARY**

The Town's 2020/21 Annual Financial Statements have now been audited by auditors Ernst & Young, and attached is the Auditors Report from the Office of the Auditor General.

**OFFICER RECOMMENDATION IN BRIEF**

It is recommended that the Audit Committee recommend to Council, the adoption of the 2020/21 Annual Report, including the Financial Statements and Auditors' Report; set the date for the date for the Electors' Annual General Meeting and provide 14 days notice of the meeting date on the Town's Notice Boards and Website.

**BACKGROUND**

Contemporary audits are intense activities and the Office of the Auditor General (OAG) is setting very high standards for local governments across Western Australia. Whilst Cottesloe has performed well, like all local governments, there are always areas that Auditors suggest require more rigour when considered against a contemporary accountability environment.

The Town's 2020/21 Annual Financial Statements have now been audited and the Auditor's Report to the CEO and Audit Committee has been received from the OAG on 16 December 2021.

The Annual Report is attached and contains an analysis of the year ended 30 June 2021. It also includes the required statutory declarations/reports.

**OFFICER COMMENT****Auditor General Report**

The Auditor General raised the matter of the Town's Operating Surplus Ratio being below the Department of Local Government, Sport and Cultural Industries standard for the past three years. This matter is not new and reasons have previously been put forward why this ratio is below the standard. The ratio did in fact improve from the previous year though still remained behind the standard. It is understood that the Department is reviewing this

standard to better reflect that the results across the industry which generally fall below the standard do not necessarily reflect a poor financial outcome for a local government.

In the Town of Cottesloe’s case while the standard has not been met the information needs to be viewed in the context of other financial measures contained within the statements including but not limited to the below results:

Net Assets/Total Equity	\$108,617,323
Cash Backed Reserves	\$8,591,484
Borrowings	\$2,880,200

Note these borrowings do not include two self supporting loans and represent a single loan being for the Grove Library.

Auditor Ernst and Young Report

There were no matters of “Significance” raised in the Audit. There were six matters raised as “Moderate” and two matters raised as “Minor”. The “Moderate” matters raised included the following:

- **AASB 1059 Assessment Completeness.** This matter relates to a new requirement to consider this Accounting Standard when reporting on lease arrangements. This will be included for future reporting.
- **Financial Statement Preparation.** This matter referenced hard coding in the production of financial information which is inefficient and prone to error. This is generally as a result of the Authority software system in place. This is anticipated to be corrected when the new Datacom system is implemented.
- **Revenue Recognition.** The recognition of revenue in the period in which it was received was the issue raised and while not material in respect of any overall impact this will be corrected in the future.
- **Daily Bank Reconciliation.** A request for greater separation in the tasks and greater emphasis on supporting documents was raised and the recommendations will be implemented.
- **Refine Provision for expected credit losses.** It is recommended that a more robust system of providing for expected credit losses be put in place. This is agreed with and will be implemented.
- **Significant Aged Bonds Payable.** It is recommended that a more robust system of dealing with aged bonds payable be introduced. This is agreed with and will be implemented.

Two minor matters relating to Bank Signatories and Bonds Payable Classification were also raised and will be attended to as recommended.

The Town’s Annual Report has been prepared by the administration and will be distributed via the Town’s Webpage, and also in hard copy at the Administration Centre and Library.

ATTACHMENTS

- 8.1.1(a) Town of Cottesloe Annual Report 2020/21 [under separate cover]

**CONSULTATION**

Office of the Auditor General

Ernst & Young

**STATUTORY IMPLICATIONS*****Local Government Act 1995******5.27 and 5.29. Electors' general meetings (and convening thereof)***

*Outlines that a general meeting of the electors is to be held once every financial year, and not more than 56 days after the local government accepts the annual report.*

*14 days' local public notice is to be given for the meeting (of the date, time, place and its purpose). The 14 days commences from the day the notice appears on the Town's notice board.*

***5.53. Annual reports***

*The local government is to prepare an annual report for each financial year that contains:*

- *a report from the mayor;*
- *a report from the CEO;*
- *an overview of the plan for the future of the district, including major initiatives that are proposed to commence or to continue in the next financial year;*
- *the financial report;*
- *payments made to prescribed employees;*
- *the auditor's report;*
- *Disability Services Act 1993 reports;*
- *register of complaints details (vis. number and how the complaints were dealt with);*
- *other details required by regulations or be prescribed.*

***5.54. Acceptance of annual reports***

*Subject to the Audit Report being available, the Annual Report is to be accepted (by absolute majority) by 31 December if it is received in time to reasonably do so (or no later than 2 months after the auditor's report becomes available).*

***5.55. Notice of annual reports***

*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.*

***6.4. Financial report***

*A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed. It is to be prepared and presented to the auditor by 30 September (in the manner and form prescribed; contain the prescribed information; and submitted).*



**7.12AB and AD and 19CA of the Local Government (Administration) Regulations (Conducting and Reporting a financial audit)**

*The auditor must audit the accounts and annual financial report of a local government at least once in respect of each financial year, and prepare and sign the report and give the report to the mayor; the CEO; and the Minister.*

**Regulations 16 of the Local Government (Audit) Regulations, 1996 outline the functions of audit committee, which is to (in relation to the annual report at least) -**

- (a) to guide and assist the local government in carrying out its functions under Part 6 (vis. Financial management) of the Act; and its functions relating to other audits and other matters related to financial management;*
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 (vis. Audit) of the Act;*
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) to oversee the implementation of any action that the local government —*
  - (i) is required to take by section 7.12A(3) (vis. examine an audit report received by the Town; determine if any matters raised by the audit report, require action to be taken; and ensure that appropriate action is taken in respect of those matters); and*
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) (vis. prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters).*

**19CA of the Local Government (Administration) Regulations (Information about modifications to certain plans to be included) –**

*Requires that if modifications are made during a financial year to a local government's strategic community plan or corporate business plan, the annual report is to contain information about those modifications.*

**POLICY IMPLICATIONS**

There are no perceived policy implications arising from the officer's recommendation.

**STRATEGIC IMPLICATIONS**

This report is consistent with the Town's *Strategic Community Plan 2013 – 2023*.

Priority Area 6: Providing open and accountable local governance

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

Consideration of the 2020/21 Financial Report and the Audit Report are in keeping with this strategic objective.

**RESOURCE IMPLICATIONS**

There are constant pressures to continue to heighten accountability levels. There will be staffing implications arising from these increasing requirements. As required, they will form part of future budgets for either support staff or contractors so that these elevated audit requirements can be accommodated.

**ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

There are no perceived sustainability implications arising from the officer's recommendation.

**VOTING REQUIREMENT**

Absolute Majority

**AC002/2022**

**OFFICER AND COMMITTEE RECOMMENDATION**

**Moved Cr MacFarlane                      Seconded Cr Wylynko**

**That the Audit Committee recommends that Council, by Absolute Majority:**

- 1. NOTES the Auditor's Report from the Office of the Auditor General (attached) and that no action is required by the Town's Audit Committee relevant to its responsibilities under the *Local Government (Audit) Regulations*;**
- 2. ADOPTS the 2020/2021 Annual Financial Statements (as incorporated in the attached Annual Report);**
- 3. ACCEPTS the Town of Cottesloe's Annual Report for the 2020/21 year (as attached);**
- 4. SETS the date for the Electors' Annual General Meeting for 6pm Wednesday 9 March 2022 in the War Memorial Hall, and that the purpose of the meeting be - "to discuss the contents of the 2020/21 Annual Report (incorporating the 2020/21 Annual Financial Statements and Auditor's Report) and any other general business"; and**
- 5. NOTES that local public notice will be placed on the Town's Notice Board on Wednesday 23 February and the Town's Website, to ensure the minimum 14 days notice is provided.**

**Carried 4/0**

There were two matters that the Committee highlighted in the Annual Report:

1. Change in Valuation method of the Civic Centre complex resulting in a reduction in book value of approximately \$20 million. This does not impact any rating or cash transactions of the Town. The changed valuation method notes that the land and buildings can not be used for any other purpose than they are now, hence the valuation reflects this restriction on use and realisation of the asset.
2. Operating Surplus ratio which industry standard regularly is below the recommended value. Non cash expenditure items such as depreciation are used in this ratio while capital income is not. Both negatively impact the ratio figure.

**8.1.2 MEETING DATES 2022**

**Directorate:** Corporate and Community Services  
**Author(s):** Shane Collie, Director Corporate and Community Services  
**Authoriser(s):** Matthew Scott, Chief Executive Officer  
**File Reference:** D22/2736  
**Applicant(s):** Internal  
**Author Disclosure of Interest:** Nil

---

**SUMMARY**

For the Committee to reset the Audit Committee meetings dates set by Council at its meeting held on 27 July 2021 due to changed circumstances and to set meeting dates for the remainder of 2022.

**OFFICER RECOMMENDATION IN BRIEF**

That the Audit Committee confirms the meeting dates for 2022 and advertises the dates on the Town of Cottesloe website.

**BACKGROUND**

The Audit Committee meets approximately four times per year and has a range of statutory responsibilities to attend to over the financial year. Setting dates in advance is efficient and saves having to specifically determine when members are available in the lead up to meetings.

At the Ordinary Council Meeting held on 27 July 2021, Council set the meeting dates for the 2021/22 financial year. To assist with determining availability of members for meetings this report proposes that meeting dates be set for the remainder of 2022 and advertised on the Town's website.

**OFFICER COMMENT**

Audit Committee meetings are generally held to coincide with audit related matters and to meet deadlines associated with those matters. For example an Audit Committee meeting is normally held in February each year to receive the Annual Report, March each year dealing with the Annual Compliance Return, the June meeting the Interim Audit and the December meeting the Annual Audit and Annual Report.

In the present year both the Annual Report and Compliance Return are ready for adoption at the February meeting with there being no need to hold a meeting in March.

Additionally this year the Audit Committee will deal with a financial Services Audit and an Audit Regulation 17 Review. These are both expected by the June 2022 meeting.

**ATTACHMENTS**

Nil

---

**CONSULTATION**

Audit Committee members are to determine which times/dates suit.

**STATUTORY IMPLICATIONS**

*Local Government Act 1995.*

Local Government (Audit) Regulations 1996.

**POLICY IMPLICATIONS**

There are no perceived Policy implications arising from the officer's recommendation.

**STRATEGIC IMPLICATIONS**

This report is consistent with the Town's *Strategic Community Plan 2013 – 2023*.

Priority Area 6: Providing open and accountable local governance

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

**RESOURCE IMPLICATIONS**

Resource requirements are in accordance with the existing budgetary allocation.

**ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

There are no perceived sustainability implications arising from the officer's recommendation.

**VOTING REQUIREMENT**

Simple Majority

**AC003/2022**

**OFFICER AND COMMITTEE RECOMMENDATION**

**Moved Cr MacFarlane                      Seconded Mr McKenzie**

**Moved    Seconded**

**THAT the Audit Committee recommends that Council CONFIRMS the following dates for Audit Committee meetings for 2022:**

**Wednesday 8 June 2022 at 4pm;**

**Wednesday 7 September 2022 at 4pm;**

**Wednesday 7 December 2022 at 4pm;**

**and that the dates be advertised on the Town of Cottesloe website**

**Carried 4/0**

**8.1.3 COMPLIANCE AUDIT RETURN 2021**

**Directorate:** Corporate and Community Services  
**Author(s):** Shane Collie, Director Corporate and Community Services  
**Authoriser(s):** Matthew Scott, Chief Executive Officer  
**File Reference:** D22/3640  
**Applicant(s):** Internal  
**Author Disclosure of Interest:** Nil

---

**SUMMARY**

A recommendation is made to adopt the Compliance Audit Return for 2021 and authorise the Mayor and Chief Executive Officer to certify the Return so that it may be returned to the Department of Local Government by the due date of 31 March 2022.

**OFFICER RECOMMENDATION IN BRIEF**

For Council to adopt the 2021 Compliance Audit Return and authorise the Mayor and Chief Executive Officer to certify the Return so that it may be returned to the Department of Local Government and Communities by the due date of 31 March 2022.

**BACKGROUND**

Each year the Department of Local Government issues a Compliance Audit Return that covers a sample of legislative provisions required under the provisions of the *Local Government Act 1995*, which is required to be completed by staff and endorsed by Council prior to submission.

The Compliance Audit Return (CAR) covers 11 different categories and each category can have anywhere from 3 to 24 questions.

**OFFICER COMMENT**

The Compliance Audit Return for 2021 has been completed and it is recommended to Council for adoption and further, authorisation is sought from the Mayor and Chief Executive Officer to certify the Return so that it can be forwarded to the Department of Local Government and Communities.

There were no areas of non compliance located in the completion of the Return.

**ATTACHMENTS**

**8.1.3(a) Completed Compliance Audit Return 2021 [under separate cover]**

**CONSULTATION**

Senior Staff.

**STATUTORY IMPLICATIONS**

*Local Government Act 1995*

---

**7.13 Regulations as to Audits**

- (1) (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are –
- (i) of a financial nature or not; or
  - (ii) under this Act or another written law.
- (2) Regulations may also make any provision about audit committees that may be made under section 5.25 in relation to committees.

*Local Government (Audit) Regulations 1996 - Regulations 14 and 15*

**14. Compliance audits by local governments**

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under sub regulation (3A), the compliance audit return is to be –
- (a) presented to the council at a meeting of the council; and
  - (b) adopted by the council; and
  - (c) recorded in the minutes of the meeting at which it is adopted.

*[Regulation 14 inserted in Gazette 23 Apr 1999 p. 1724-5; amended in Gazette 30 Dec 2011 p. 5580-1.]*

**15. Compliance audit return, certified copy of etc. to be given to Executive Director**

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with –
- (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
  - (b) any additional information explaining or qualifying the compliance audit,
- is to be submitted to the Executive Director by 31 March next following the period to which the return relates.*
- (2) In this regulation –
- Certified in relation to a compliance audit return means signed by –*
- (a) the mayor or president; and
  - (b) the CEO.

*Local Government (Audit) Regulations 1996.*

**POLICY IMPLICATIONS**

There are no perceived Policy implications arising from the officer's recommendation.

**STRATEGIC IMPLICATIONS**

This report is consistent with the Town's *Strategic Community Plan 2013 – 2023*.

Priority Area 6: Providing open and accountable local governance

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

**RESOURCE IMPLICATIONS**

Resource requirements are in accordance with the existing budgetary allocation.

**ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

There are no perceived sustainability implications arising from the officer's recommendation.

**VOTING REQUIREMENT**

Simple Majority

**AC004/2022**

**OFFICER AND COMMITTEE RECOMMENDATION**

Moved Cr MacFarlane                      Seconded Cr Wylynko

**That Council ADOPTS the 2021 Compliance Audit Return and AUTHORISES the Mayor and Chief Executive Officer to certify the Return so that it may be returned to the Department of Local Government and Communities by the due date of 31 March 2022.**

**Carried 4/0**

**8.2 ITEMS FOR DISCUSSION****8.2.1 COMPLIANCE CALENDAR**

The Committee discussed the Compliance Calendar and requested an updated list for the next meeting.

**8.2.2 COMPLIANCE AUDIT RETURN**

The CEO provided an explanation of the various processes of local governments, how it is managed with limited resources and the options available to smaller Local Governments.

**8.2.2 LOCAL GOVERNMENT LEGISLATIVE CHANGES**

The Director Corporate and Community Services provided an explanation of some of the legislative changes being considered by the Department of Local Government and explained the affect it may have on financial areas for Band 3 Local Councils such as the Town of Cottesloe.

**9 GENERAL BUSINESS****9.1 COMMITTEE MEMBERS****9.2 OFFICERS****10 MEETING CLOSED TO PUBLIC****10.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED****11 NEXT MEETING**

Wednesday, 8 June 2022 at 4pm.

**12 MEETING CLOSURE**

The Presiding Member announced the meeting closed at 5:12pm.



# TOWN OF COTTESLOE



# ATTACHMENTS

AUDIT COMMITTEE – 2 FEBRUARY 2022

---

## TABLE OF CONTENTS

---

ITEM	SUBJECT	PAGE NO
<b>8.1</b>	<b>REPORTS OF OFFICERS</b>	
	<b>OFFICER REPORTS</b>	
8.1.1	ADOPTION OF THE 2020/2021 ANNUAL REPORT AND AUDITOR'S REPORT	
8.1.1(a)	TOWN OF COTTESLOE ANNUAL REPORT 2020/21 .....	2
8.1.3	COMPLIANCE AUDIT RETURN 2021	
8.1.3(a)	COMPLETED COMPLIANCE AUDIT RETURN 2021 .....	92

# TOWN OF COTTESLOE



## AUDIT COMMITTEE

# ATTACHMENT

ITEM 8.1.1A:  
TOWN OF COTTESLOE ANNUAL REPORT 2020/21



Town of Cottesloe



# Cottesloe

# ANNUAL

# REPORT

## 2021





## 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.



*Sculpture by the Sea 2021 – Structural Wave by WA artist Jarrod Taylor.  
Cover Image: Sculpture by the Sea 2021 – Dream of Gypus by Savako (Japan).*



# CONTENTS

Our Elected Members	4
Mayor's Message	5
CEO's Report	6
Sustainability in Cottesloe	8
Statutory Reports	
Disability Access and Inclusion Plan	9
Payments Made to Employees	9
Register of Complaints	9
Records Management	10
Commitment to Records Management	10
Recordkeeping Plan	10
Local Laws	10
Integrated Planning and Reporting	11
Strategic Community Plan and Corporate Business Plan	12
Annual Financial Report	28
Independent Auditor's Report	86



# OUR ELECTED MEMBERS

## 2020/2021



Cr Philip Angers - Mayor



Cr Lorraine Young -  
Deputy Mayor (South Ward)



Cr Caroline Harben (South Ward)



Cr Craig Masarei (North Ward)



Cr Helen Sadler (North Ward)



Cr Kirsty Barrett (East Ward)



Cr Michael Tucak (East Ward)



Cr Paul MacFarlane (Central Ward)



Cr Melissa Harkins (Central Ward)

# MAYOR'S MESSAGE



ON BEHALF OF THE TOWN OF COTTESLOE, I AM PLEASED TO PRESENT THE 2020-21 ANNUAL REPORT, HIGHLIGHTING OUR ACHIEVEMENTS OVER THE PAST 12 MONTHS, FROM 1 JULY 2020 TO 30 JUNE 2021.

As we lived with a year of the coronavirus pandemic, and were lucky with the relatively small impact this had here in Western Australia, the Town remained committed to ensuring that services to our community continued, and was fortunate to have limited workforce impacts. Despite this however the business community was affected and it is likely that financial challenges - and the need to balance the budget - will continue to have an impact for some time. The pandemic also had an impact on many property owners in the Town. In response to this, a decision was made to freeze rates for the 2020/21 financial year. This decision was not made lightly due to the significant flow-on effect this has on the Town's financial position, it was however, made at an early stage of the pandemic in response to the uncertainty faced by our ratepayers.

On to more positive news, the protected swimming enclosure at Cottesloe Main Beach was reinstalled in October 2020 for another season of relaxed summer swimming. To prolong the life of the barrier it was removed for the winter months in March 2021, when it was transported to a storage facility, cleaned, inspected and safely stored away ready to be re-installed next summer.

Plans to revitalise the foreshore moved ahead with Council adopting the recommendation of the Foreshore Precinct Advisory Committee to accept the

100% Foreshore Redevelopment Design as developed by ASPECT Studios, at the March 2021 Council Meeting. The comprehensive construction drawings provided by ASPECT have allowed the Town to commence conversations with State and Federal Government in regards to funding. There are some funds set aside by the Town for the project however significant funds from State and Federal Government will be required for the foreshore rejuvenation to commence.

The Beach Access Path Upgrade Program continued with the upgrade of S15, known as The Cove. The path features new access stairs and an upgraded viewing node with informal seating, shower and signage. This is a well-used path and the upgrade has been a welcome addition to the foreshore.

It was exciting to see construction of the new playground at Dutch Inn commence in June this year. This is the first playground upgrade since the Town's Public Open and Space and Playground Strategy was adopted and we are looking forward to seeing this, and other playground upgrades in the Town over the coming years.

On behalf of the Town of Cottesloe, I would like to thank the Elected Members, staff and our many community volunteers for their time, enthusiasm and commitment over the past 12 months. I would like to let our community know that I will not be running in the Local Government Election being held in October this year, and will be stepping down from the role of Mayor. Thank you to everyone I have worked with over the years, my time on Council has been very rewarding.

Phil Angers  
Mayor



*New access stairs at Cottesloe Main Beach were completed in October 2020.*



# CEO'S REPORT



I AM PLEASED TO PROVIDE AN UPDATE ON PROGRESS MADE TOWARDS ACHIEVING COUNCIL'S STATED STRATEGIC OBJECTIVES AS OUTLINED IN THE TOWN OF COTTESLOE CORPORATE BUSINESS PLAN.

## PRIORITY AREA 1

- Protect and enhance the wellbeing of residents and visitors

Over the past 12 months considerable progress has been accomplished towards achieving these objectives with some of the major achievements being:

- The protected swimming enclosure was reinstalled at Cottesloe Beach in late 2020;
- Tender to construct a new playground at Dutch Inn was accepted by Council, with construction commencing in June 2021;
- Investigation of location for skate facilities in Cottesloe – workshops held in May 2021;
- In May 2021 Council approved a concept option for the Harvey Field Recreation Precinct including construction of a new Anderson Pavilion;
- Four additional ACROD bays were installed in the Town, one at Eric Street Shopping Centre, SHINE Community Services, Cottesloe Tennis Club and Seaview Kindy;
- Four additional ACROD bays were installed in south Cottesloe carparks; and
- Continued support for *Sculpture by the Sea*

## PRIORITY AREA 2

- Achieving connectivity between east and west Cottesloe

- The Town has continued its discussions with Main Roads WA and the Public Transport Authority (PTA) with the aim of improving vehicle and pedestrian access over the railway line;
- The Town consulted with the community on a proposed cycle path concept for Eric Street, as part of the adopted Cottesloe Long Term Cycle Network (LTCN). A detail design is now being developed;

- The State Government is progressing the design for the Congdon Street Bridge Replacement project and construction is subject to funding;
- The PTAs Route Utilisation Strategy (RUS), estimates patronage on the rail network will approximately double by 2031. To determine what future investment is needed to meet access demands in a safe and efficient way, the PTA is undertaking a Station Access Improvement Program. The Town has liaised with the PTA at key stages of this project and the Station Access Strategy has now been completed; and
- The Town has had discussions with Metronet, who have undertaken a review of level crossing removal options. The detail design has been completed and will be implemented when funding becomes available.

## PRIORITY AREA 3

- Enhancing beach access and the foreshore

- The Beach Access Path Upgrade program continued with an upgrade of path S15 (The Cove);
- In March 2021 Council resolved to adopt the recommendations of the Foreshore Precinct Advisory Committee to accept the 100% Foreshore Redevelopment Design as developed by ASPECT Studios; and
- Ongoing dune restoration by Cottesloe Coastcare.

## PRIORITY AREA 4

- Managing development

The Town of Cottesloe is responsible for the control and management of development and land uses in the Town in the accordance with the current Local Planning Scheme No.3. This includes the Cottesloe foreshore, recreation reserves, Cottesloe Town Centre, local centres and residential areas.



In 2018 the Town approved the Wearne Cottesloe (1 Gibney Street) Redevelopment Masterplan and associated Local Planning Policy to facilitate its redevelopment as an aged care facility and lifestyle village. On 3 September 2019 the Metro West Joint Development Assessment Panel (JDAP) approved a planning application for the Wearne site that allowed for the development of 78 independent living units, 129 residential aged care rooms, and a number of commercial activities including a medical centre and restaurant/café. The Town issued a building permit for the development in June 2020 and the first stage of the development has been completed.

In addition, the following projects continued as a priority in the 2020/21 financial year and beyond:

- Review of the Town of Cottesloe Local Planning Strategy, which will ultimately inform a new Local Planning Scheme. Community workshops to assist the Town in the review of its Local Planning Strategy were held in November 2019 and a Discussion Paper on the review was released for public comment. A report on the submissions received, which will help inform the review, has been considered and noted by Council;
- Preparation of the Cottesloe Village Precinct Structure Plan was triggered by a proposed amendment to the Local Planning Scheme No.3 in 2019. As the area of the Cottesloe Activity Centre spanned both the Town of Cottesloe and the Shire of Peppermint Grove it was decided to undertake the project as a joint venture. This included entering into a Memorandum of Understanding and establishing a Steering Group to provide direction on the project.

A Draft Cottesloe Village Precinct Plan was subsequently prepared and released for comment in November 2019. Council has considered and noted the submissions received and these will assist to further develop the Precinct Plan and the next steps to be taken.

Other key outcomes in 2020/21 include:

- SDAU application – 120 Marine Parade. In late 2020/early 2021 the Town was advised that a development application proposing a nine story building at 120 Marine Parade had been lodged with the State Development Assessment Unit (SDAU), within the Department of Planning, Lands and Heritage (DPLH). The Town informed the community of this application and encouraged them to provide comments on the proposal to the DPLH;
- The number of Development Applications approved in 2020/21 was 140;
- The number of Building Permits issued in 2020/21 was 217; and
- There was one Joint Development Assessment Panel application made in 2020/21.

## PRIORITY AREA 5

– Providing sustainable infrastructure and community amenities

Council has prepared a Ten Year Financial Plan and is currently preparing an Asset Management Plan. These are designed to ensure that the assets of Council are both replaced and maintained at optimum times to preserve their useful life. When considering the acquisition of a new asset these plans assist to inform Council of whether their capital and maintenance costs are financially viable in the long term.

Some of the major infrastructure projects undertaken in 2020-21 include:

- New integrated parking management system installed and operating;
- Upgrade of the footpath network;
- Continuation of the road resurfacing program;
- Annual Street Tree Winter Planting program completed; and
- 6,000 tube stock planted along the length of the Principal Shared Path in Cottesloe.

## PRIORITY AREA 6

– Providing open and accountable local governance

Some of the major activities undertaken within this Priority Area include:

- Developed Customer Service Charter for the Town;
- Ongoing review of the Policies of Council;
- Ongoing review of the Town's Local Laws;
- Increased use of social media and email to communicate with electors; and
- Ongoing monthly e-newsletter sent to subscribers on the Residents and Ratepayers database.

The Town will need to undertake a full review of the Strategic Community Plan (and associated plans) during the 2020-21 financial year. This is a good time for the review, with solid progress having been achieved against the overall objectives listed.

I would like to take this opportunity to thank the Mayor, Elected Members and our dedicated staff for their efforts in achieving our goals in 2020/21.

Matthew Scott  
Chief Executive Officer





## SUSTAINABILITY IN COTTESLOE

THE TOWN OF COTTESLOE CONTINUED TO RUN A NUMBER OF SUCCESSFUL SUSTAINABILITY AND NATURAL AREAS PROJECTS THROUGHOUT THE YEAR. THE TOWN RECOGNISES THE IMPORTANCE OF PROACTIVE PROGRAMS AND ENCOURAGING COMMUNITY PARTICIPATION AND IS PLEASED TO REPORT ON A NUMBER OF SIGNIFICANT ACHIEVEMENTS IN SUSTAINABILITY.

The Town of Cottesloe was re-endorsed as a Gold Waterwise Council in 2020/21 by demonstrating an outstanding commitment to saving water through implementing a number of key water management actions and achieving significant improvements in water use. This achievement forms part of the State Government's Waterwise Perth Action Plan.

The Town also received a Waterwise Greening Scheme grant from the Water Corporation for several initiatives including the Native Waterwise Verge Rebate Scheme, the Native Plant Subsidy Scheme, planting waterwise street trees to increase urban canopy, and a local demonstration garden which saw sections of Andrews Place Reserve converted from turf to waterwise garden with native plants and mulch.

Coastal dune restoration and revegetation works continued across a number of new and ongoing sites. Weed species were removed and native coastal species were planted to restore ecological biodiversity which create habitat corridors for native animals. Over 6,000 seedlings were distributed between sites in north and south Cottesloe with erosion matting used in steep section to aid dune stability. Cottesloe Coastcare continued their

extremely valuable work and planted over 4,000 seedlings across several sites including S13 dunes, Vlamingh Nature Discovery Space, Grant Marine Park and Cottesloe Native Garden.

Urban greening continued along the Principal Shared Path with 6,000 native plants installed along the corridor.

The Town has now completed seven years of consecutive coastal monitoring with a Coastal Adaptation and Protection (CAP) grant received from the Department of Transport. The monitoring program aims to gain knowledge of the patterns in beach changes along its coastline and potentially identify longer-term trends in erosion and/or accretion. This will provide a greater understanding of coastal processes along the Cottesloe coastline, allowing the Town to develop plans for the future and enhancing the Town's capacity to make informed and sustainable decisions regarding coastal management planning.

Other successful projects include:

- The Cott Cat shuttle bus helped transport visitors between Cottesloe train station and the beach during *Sculpture by the*

*Sea* in March. Public transport reduces the number of cars on the road, alleviates parking congestion and is a sustainable form of transport;

- The annual WESROC Native Plant Subsidy Scheme offered to residents in May was a sell out, with all of the 2,200 plants allocated to Cottesloe purchased. This scheme promotes and encourages residents to grow native waterwise gardens. Many residents have also converted lawn verges to native waterwise gardens under the Town's waterwise verge rebate scheme;
- Year 11 students from John XXIII College teamed up with Cottesloe Coastcare to help plant 600 native seedlings as a part of National Plant a Tree day in June;
- Street tree verge infill planting continued with another 150 trees planted on verges in Cottesloe; and
- Community volunteers cleaned up 16.5 kilograms of rubbish from North Cottesloe Beach as part of a Plastic Free July and Keep Australia Beautiful event.



# STATUTORY REPORTS

## DISABILITY ACCESS AND INCLUSION PLAN

The Disabilities Services Act 1993 requires that the Town of Cottesloe include in its annual report progress on the implementation of its Disability Access and Inclusion Plan. Council adopted its 2018 – 2023 Plan in April 2018 and a copy is available at the Town's administration office and on the Town's website.

The Town has a Universal Access and Inclusion Community Reference Group to assist with the implementation of the Plan and a mid-term review was completed in June 2021 to ensure it remains relevant to the community. The following access improvement initiatives were undertaken in the past year:

- In partnership with Down Syndrome WA and Status Disability Employment Services, an Administration Officer with the Town successfully completed a Certificate II in Customer Engagement;
- Completion of Deafblind Awareness training by the Community Development Officer;
- Development of a mobility map of the Cottesloe Civic and Administration Centre to assist community access;
- Installation and upgrades of ACROD parking bays at Eric Street Shopping Centre, SHINE Community Services, Cottesloe Tennis Club, and Seaview Kindergarten;
- Participation in the State wide ACROD Parking Campaign "This Bay is Someone's Day" to decrease the misuse of ACROD parking bays;
- Membership of the Companion Card program allowing free entry to Council events for carer's of those with a disability;
- Requirement of events with more than 500 patrons to have a Disability Access and Inclusion Plan, for example *Sculpture by the Sea*;

- Expansion of the Universal Access and Inclusion Community Reference Group to include Weame Cottesloe and NDIS partner Mission Australia;
- Disability access and inclusion services, information and events promoted through the Town's Facebook page, community contacts list, e-newsletter and onscreen at the customer service area at the Town's administration office.

## 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 \$130,000 or more; and
- The number of those employees with an annual salary entitlement that falls within cash bands of \$10,000 over \$130,000.

The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000 is:

\$ Band	Number of Employees
\$180,000 to \$190,000	1
\$140,000 to \$149,999	1

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

The remuneration paid or provided to the CEO during the financial year was \$183,490.

The number of Council and Committee Meetings attended by each council member during the financial year is as follows:

	Council	Committee
Cr Philp Angers	11	2
Cr Lorraine Young	14	2
Cr Helen Sadler	13	2
Cr Melissa Harkins	15	5
Cr Michael Tucak	13	3
Cr Caroline Harben	12	0
Cr Paul MacFarlane	13	7
Cr Kirsty Barrett	13	7
Cr Craig Masarei	12	3

## 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;

- the name of the council member about whom the complaint is made;
- the name of the person who makes the complaint;
- a description of the minor breach that the standards panel finds has occurred; and
- 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 Recordkeeping 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's Recordkeeping Plan is due for review by 9 December 2021 and this timeframe has been met.

## LOCAL LAWS

The Town commenced the eight year review process of its Local Laws in 2019/20. All Local Laws will be reviewed over the next few years. Commencing with the Town's Standing Orders Local Law, this project will remain ongoing until completed.

The Town's Standing Orders Local Law was updated to a Local Government (Meetings Procedure) Local Law and was gazetted on 9 March 2021.





# INTEGRATED PLANNING AND REPORTING FRAMEWORK







# STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN

AN INTEGRATED PLANNING AND REPORTING FRAMEWORK (IPRF) WAS IMPLEMENTED IN 2011 BY THE STATE GOVERNMENT, TOGETHER WITH ASSOCIATED GUIDELINES FOR LOCAL GOVERNMENTS, AND INCLUSIVE OF ASSET MANAGEMENT AND LONG TERM FINANCIAL PLANNING.

All local governments are required to produce a Plan for the Future under S5.56 (1) of the Local Government Act 1995. Regulations have been made under S5.56 (2) of the Act to outline the minimum requirements to achieve this.

There are three major parties to the development of a Strategic Community Plan:

1. The community – participates in a community planning process to determine major vision or intended big picture directions and also participates in regular reviews of those directions.
2. The Council – signs off the Strategic Community Plan resulting from the community planning process, the four year reviews updating that plan, the Corporate Business Plan and the annual budget.
3. The local government administration – supports delivery of the Strategic Community Plan through regular reviews, annual budgets and corporate business planning.

To satisfy the requirement of the IPRF at least two plans are needed: The minimum requirement to meet the intent of the plan for the future is the development of:

- A Strategic Community Plan; and
- A Corporate Business Plan.

The key principle of the planning process is to provide both the future aspirations for the local government and a path to achieve them. Specific strategies address issues such as community safety or disability plans and place or local area plans. Strategic outcomes are supported by the identification and planning of all financial, human resource, asset and infrastructure requirements and income opportunities over the longer term.

The framework does not require a single methodology to be applied by local governments and is intended to guide local governments to a successful integrated strategic planning process, which, at its most simple, would deliver the following outcomes:

- a long term Strategic Community Plan that clearly links the community's aspirations with the Council's vision and long term strategy;

- a Corporate Business Plan that integrates resourcing plans and specific Council plans with the Strategic Community Plan; and
- a clearly stated vision for the future viability of the local government area.

Council has adopted the required Plans and has established a schedule to ensure they are reviewed regularly, in accordance with legislation. These reviews will be advertised and residents will be consulted on any possible changes. The Plans are available to view on Council's website.

The Town commenced the review process of its Corporate Business Plan in June 2020 with two workshops held in May and June 2020. The updated Corporate Business Plan was ultimately adopted by Council on 27 October 2020 and covers the period 2020 to 2024. Quarterly reports on the progress of the Corporate Business Plan are undertaken. In the 2022/23 financial year the Strategic Community Plan will be reviewed. In 2021/22 the Town will be developing the following Plans:

- Asset Management Plan
- Long Term Financial Plan
- Business Continuity Plan

These plans will inform the 2022/23 Strategic Planning and Budget Process.

## Priority Area 1 – COMMUNITY

### Protect and enhance the well being of residents and visitors

#### 1.1 Help families flourish and connect in Cottesloe.

##### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Implement the Town's adopted Playground Strategy	Engineering	That the Strategy be progressively implemented as budget allocations are made by Council	Very High		Tender to construct Dutch Inn Park Playground accepted by Council Initial discussions with POS working group discussing East Cottesloe Playground Upgrade Works at Dutch Inn Playground has commenced.
b.	Upgrade existing play spaces to build creative and diverse play environments for all children	Engineering	That playgrounds are progressively upgraded in accordance with the Playground Strategy	Very High		Tender to construct Dutch Inn Park Playground accepted by Council Initial discussions with POS working group discussing East Cottesloe Playground Upgrade Works at Dutch Inn has commenced
c.	Develop a Food Truck Policy	Compliance and Regulatory Services	That a Policy be prepared and submitted for Council's consideration	Moderate		No action to date
d.	Review the Town's Events Policy to ensure that Youth events remain a focus in the Policy	Corporate	That the Policy be reviewed and any changes identified recommended to Council	High		Review of policy underway. Budget allocation for dedicated Youth Event included in Draft Budget.
e.	Complete Dutch Inn Playground Upgrade	Engineering	That the works be completed	Very High		Tender to construct Dutch Inn Park Playground accepted by Council. Contractor has been awarded the works and construction is anticipated to commence in June 2021 once all the play equipment has been delivered. Awaiting approval from LRCL for the expenditure of the grant. Funding & Tenders resolved by Council. Work has commenced.
f.	Complete East Cottesloe Playground Upgrade	Engineering	That the works be completed	Very High		Initial discussions with POS working group discussing East Cottesloe Playground Upgrade. Awaiting DPLH to approve a cash in lieu expenditure to progress the concept to detail design
g.	Investigate and Consider implementation of Skating facilities into Town Public Open Space Infrastructure	Engineering	Allocation of funds to carry out investigation	Very High		Council resolve to hold community workshops on preferred locations, Cottesloe Foreshore & John Dune Park. In process of organising the community EOI advertising. Consultation workshop held, results to be reported to July OCM.
h.	Review the adequacy of Public Toilets within the district	Engineering	Review outcome included in future Capital Works Program	Moderate		No action to date. Will be done as part of the Foreshore Toilet Facility public consultation Foreshore Consultation reported to Council June OCM.



## INTEGRATED PLANNING AND REPORTING FRAMEWORK

## 1.2 Continue to improve Community Engagement.

## Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Review Community Engagement activities to ensure that effective messaging and feedback results	Executive	Community feedback on specific and general communication initiatives is received	Very High		Internal review has occurred, implementing lessons learnt.
b.	Review and improve on the social media presence for the Town of Cottesloe	Executive	Statistical analysis of visitation, including increases or decreases in volume and type of visitation	Very High		Facebook Pages being updated regularly.
c.	Monitor, review and improve the Town's webpage as deemed necessary	Executive	Webpage contains information no older than 12 months unless of historical interest or ongoing content	High		Website frontpage has been modified to provide better access to news. Reviewing currency of current pages. Major Project pages updated.
d.	Develop a Reconciliation Action Plan (RAP) in consultation with representatives from the Aboriginal community	Corporate	That the Plan be developed and implemented	High		Cultural Awareness Training provided to all staff and Councillors (Feb '21) Co-Chair of Reconciliation WA spoke to Council and Staff as part of Reconciliation Week Staff attending RAP training July, report to August OCM.

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

## Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Review the Disability Access and Inclusion Plan	Corporate	Council adopts reviewed plan	Moderate		Underway and is reviewed at each meeting of the DAIP. Current review undertaken July 2021.
b.	Implement initiatives adopted and funded by Council contained in the Disability Access and Inclusion Plan	Corporate	That initiatives such as Beach access, ACDRO Parking Bays and access to information in user friendly formats are undertaken in accordance with budget allocations	High		A number of ACROD bays have been completed. Beach matting still being reviewed as to suitability. Website add on now included multi language options. Four (4) additional ACROD bays installed at various south Cottesloe carparks.
c.	Retain an interest in preserving aged services to the Cottesloe region	Executive	That service provided such as Weame and Shine remain available and accessible to senior members of the community	High		Met with representatives from Shine Community Services, discussed current services and how the Town can promote them.

**1.4 Develop and implement Event controls to regulate public events in Cottesloe including the supporting and promoting of approved events.**

**Strategies and Enabling Documents**

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Review documentation relating to events management in respect of events that the Town hosts	Corporate	That the documentation be reviewed and updated if required	Moderate		Complete.
b.	Review documentation relating to events conducted by third parties including compliance and contract management arrangements	Corporate	That the documentation be reviewed and updated if required	Moderate		Catering contract for Civic Centre event has been called and submissions received and being assessed. Regular Compliance checks occurring for external events.
c.	Carry out a community noise survey for all event spaces	Compliance and Regulatory Services	That the survey be undertaken and results used to adjust and event matters if required	Moderate		No action to date
d.	Continue support for the Sculpture by the Sea event inclusive of entering into an Agreement for the conduct of the event for the coming 8 years	Corporate	That the Agreement be finalised and observed allowing for responsibilities to be known and the event to proceed smoothly	High		Council resolved to enter into long term funding agreement, new agreement has been executed. Sculpture by the Sea event for 2021 occurred without incident, organisers believed success, despite Covid restrictions. Council resolved not to purchase Sculpture post event.

**1.5 Develop and implement a strategy for the deployment of Electronic Surveillance Equipment (CCTV) within Cottesloe.**

**Strategies and Enabling Documents**

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Create a CCTV Policy that deals with footage control	Compliance and Regulatory Services	That the Policy be developed and submitted for Council's consideration	Moderate		Currently being reviewed internally. Potential funding opportunity to assist review.
b.	Review CCTV Strategy including Replacement Program, technologies used and cost/benefits of the initiative	Compliance and Regulatory Services	That the Strategy be reviewed and any actions identified be undertaken in accordance with existing or new budget allocations	Moderate		No action to date – dependent on above



## INTEGRATED PLANNING AND REPORTING FRAMEWORK

## Priority Area 2 – INFRASTRUCTURE

### Achieving connectivity between East and West Cottesloe

#### 2.1 Implement the Foreshore Redevelopment Plan.

##### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	As part of the Foreshore Masterplan develop concepts and designs for Carpark 2	Engineering	Detailed designs and concepts are completed and submitted to Council	Flagship		Initial discussion with State Agencies on tenure/ development paths. No detailed concepts developed at this stage. Business Case/Proposal to State Government being finalised.
b.	Source funding for implementation of the Foreshore Masterplan	Engineering	External funding confirmed	Flagship		Initial discussions with various state agencies and members of state & federal government. Currently developing business case and government submission doc. Business Case/Proposal to State Government being finalised. Detail design subject to minor amendments (ie Toilet block etc).
c.	Implement/ Construct Foreshore Masterplan projects as budgets and funding permits, inclusive of the redevelopment of Carparks 1 and 2	Engineering	Project completed inclusive of the various components which comprise it	Flagship		Dependent on funding – no action to date
d.	Develop an integrated transport strategy	Executive	That the Strategy be developed and submitted to Council	Flagship		Subject to internal review, seeking advice regarding Main Roads future plans. All supporting strategies i.e LTCN, parking strategy have been drafted.
e.	Ensure integration is achieved with the various private developments of Marine Parade and the Foreshore Masterplan	Development/ Engineering	That compatible outcomes are achieved in the design and implementation of the various developments in the main Beach precinct of Cottesloe	Flagship		Tender to construct Dutch Inn Park Playground accepted by Council. Contractor has been awarded the works and construction is anticipated to commence in June 2021 once all the play equipment has been delivered. Awaiting approval from LRCI for the expenditure of the grant. Funding & Tenders resolved by Council. Work has commenced.

2.2 Implement renewal projects for public open space in Cottesloe.  
Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Replace Anderson Pavilion	Engineering	That the current building be replaced with a more modern fit for purpose facility	Flagship		Concept design approved, however only have partial funding (\$1.4m) to deliver. Discussing funding options. Possible design and construct tender later in year. Tender documents being developed. Various meetings with state holders. Meeting with Minister Sport and Recreation in July.
b.	Work with the Rugby and the Seaview Golf Club in determining their future direction in so far as infrastructure provision is concerned	Compliance and Regulatory Services/ Engineering and Corporate	That the clubs be consulted and involved in decisions that impact their operations to their satisfaction	Very High		Ongoing meetings with stakeholder groups regarding recreation precinct plan. Rugby club upgrades works determined and included in 21/22 Budget. Review of Golf Clubhouse building completed. Initial meeting and presentation undertaken with Golf Club on request for new lease.
c.	Finalise Recreation Precinct Masterplan	Engineering	That the Plan be finalised and adopted by Council	High		Reduced scope of plan resolved by Council. Reported to May OCM with regards to Harvey Fields Precinct Concept.
d.	Implement the Recreation Precinct Masterplan	Engineering	That the Plan be implemented in stages as budgets and funding enable	Moderate		Anderson pavilion Project is underway. Football oval will be re-oriented after the completion of the Building works through modification of field marks, turf mowing and relocation of goal post.

## INTEGRATED PLANNING AND REPORTING FRAMEWORK

## 2.3 Lobby the State Government for infrastructure improvements to major State assets within the Cottesloe town site area.

## Strategies and Enabling Documents

– Lobbying actions to be ongoing annually until achieved

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Lobby and advocate for the development of a Strategic Plan for railway crossings within the western suburbs	Executive	That advocacy continues and that a positive outcome eventuates	Moderate		Council resolved to join State Govt's Western Suburbs Working Group, who's goal is the develop a strategic plan for major transport routes, including rail line. Requested meeting with Main Roads/ Transport Minister to update Town on potential bridges/road works associated with Railway line.
b.	Lobby the State Government for improvements to the Eric Street bridge, to ease traffic congestion while improving pedestrian access and safety	Executive	That lobby efforts are successful resulting in improvements to the bridge infrastructure	Moderate		Working with Main Roads to develop an acceptable design, so it can be included in State Budget. Trying to organise meeting with Main Roads to brief Council.
c.	Lobby the State Government for improvements to the Jarrad Street crossing, including the provision of grade separation	Executive	That the State Government commits to the project	Moderate		Advised by Main Roads this is not a State Priority until current rail bridges are resolved.
d.	Lobby the State Government to identify and implement the best connectivity option for the Fremantle rail line through Cottesloe	Executive	Works occur to improve east/west connectivity in the Cottesloe town site area	Moderate		Council resolved to join State Govt's Western Suburbs Working Group, who's goal is the develop a strategic plan for major transport routes, including rail line. Arranging meetings with Main Roads to brief Council.



2.4 Develop an 'Integrated Transport Strategy' that includes cycling, park and ride, public transport and parking management strategies to meet the needs of pedestrians, cyclists and other non-vehicular traffic.

Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Pending the outcome of Eric Street bridge work options, work with State agencies to develop a costed safe design that relocates school parking and drop off point from Eric Street to Railway Street	Engineering	Safe design accepted by Council	High		Working with Primary School and Main Roads on an acceptable design. Main Roads have been provided design to consider as part of larger projects along the corridor.
b.	Source funding from State Government for implementation of identified works	Engineering	That funding is provided	High		Subject to above
c.	Construct the design in accordance with the specifications	Engineering	That the works be completed on time and on budget	High		Subject to above
d.	Complete Eric Street cycleway from Marine Parade to Curtin Avenue	Engineering	Cycleway is built on time and within budget	High		\$70,000 in co-funding contribution has been approved by DoT to develop a detail design in 2021/2022. An item considered by Council in May 2021 to approve the concept for the purpose of public consultation.  Results of consultation to be presented to July OCM.
e.	Implement the adopted priorities contained within the Town of Cottesloe Long Term Cycle Network Strategy	Engineering	That the Town's Long Term Cycle Network Strategy is progressively completed in accordance with adopted budgets	Moderate		Ongoing project with the Towns Active Transport Working Group to prioritise the delivery of the various routes within this strategy. Focus on Eric Street Cycleway consultation, report to July OCM.
f.	Lobby for funds to implement the Foreshore PSP	Engineering	Foreshore PSP funded and constructed	Very High		Tied with Foreshore design and funding opportunities.

INTEGRATED PLANNING AND REPORTING FRAMEWORK OCM

**Priority Area 3 – ENVIRONMENT**  
**Enhancing Beach Access and the Foreshore**

**3.1 Implement policies that protect existing trees and that actively seek to increase the tree canopy in Cottesloe.**

Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Develop a Green Infrastructure Management Plan for the Town	Engineering	That the Plan is developed and submitted for Council's consideration	Very High		In progress.
b.	Implement the Green Infrastructure Plan following adoption by Council	Engineering	Plantings are carried out in accordance with the adopted Plan	Very High		Subject to above
c.	The Town implements an annual program of planting additional trees in public reserves it controls	Engineering	Additional plantings are carried out under the tree plan	Very High		Ongoing annual plantings. Report to July OCM on resident requests regarding Street Trees.
d.	Encroachments on verges, in particular those detrimental to trees, be addressed as part of a removal or permit system to protect both the trees and reduce any potential liability to the Town	Compliance and Regulatory Services and Engineering	That a Strategy be developed and then implemented to address the many encroachments that are known to exist	High		Verge policy item to April OCM. Taskforce on play equipment formed, membership to be considered at July OCM. Internal protocol introduced for play equipment. Audit of current play equipment on verges complete.



20 | Town of Cottesloe ANNUAL REPORT 2021

2020 Christmas activation – camels on Cottesloe Beach.

### 3.2 Continue to improve access to beach facilities.

#### Strategies and Enabling Documents

- Disability Access and Inclusion Plan
- Asset Management Plan
- Long Term Financial Plan

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Develop a Beach Access Paths Priority Plan including rationalisation of existing access ways	Engineering	That the plan be developed and submitted for Council's consideration	Very High		Item presented to April & June OCM. Consultation on the proposed closure of N11 with N10 and N12 remaining open to commence mid July with a report going to the September OCM.
b.	Implement the Beach Access Paths Priority Plan	Engineering	That the Plan be implemented in accordance with Council's direction and budget allocations	Very High		Current resolved closures being implemented.
c.	Replace public ablutions at Cottesloe Main Beach (Indiana) in conjunction with the redevelopment of Indiana	Engineering	Facility opened for public use	Very High		Report on consultation of additional toilet block presented to Council at June OCM. Deferred for comment from Aspect Studio and FPAC. Council resolve to require public toilets with any redevelopment of Indiana's.
d.	Provide universal access to all facilities at Cottesloe Beach	Engineering	Universal access provided to upgraded facilities as part of both private and public Foreshore developments	High		Universal Access included in Foreshore redevelopment plan.  Universal access projects to the south of the Indiana Teahouse have been completed in 2019 and 2020.

### 3.3 Improve dune conservation outside of the Central Foreshore Zone (implement Natural Area Management Plan).

#### Strategies and Enabling Documents

- Natural Area Management Plan

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Prioritise and cost projects for inclusion in the Natural Asset Management Plan (NAMP)	Engineering	Asset Management Plan and Long Term Financial Plan updated to include priorities and projects from Natural Areas Management Plan	High		Asset condition assessments ongoing. Asset Management Plan to be developed as part of 21/22 Budget
b.	Implement projects contained in the NAMP	Engineering	That the projects are successfully completed	High		Subject to above
c.	Implement Natural Asset Management Plan projects per adopted plan and budget allocations	Engineering	That adopted projects are completed on time and within budget	High		No action to date
d.	Cost and support Coast Care plan initiatives with the Coastal Dune Management	Engineering	Annual program of maintenance, inspecting and updating set in place and reported to Council	High		Ongoing, currently discussing rejoining NRM in new financial year to assist Cottesloe Coast Care.



## INTEGRATED PLANNING AND REPORTING FRAMEWORK

## Priority Area 4 – DEVELOPMENT

### Managing Development

#### 4.1 Implement the Cottesloe Precinct Improvement Plan.

##### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Develop in conjunction with PTA and DoP a Structure Plan for the Railway lands in Cottesloe	Development	That a Structure Plan be developed and submitted to Council for consideration	High		No action to date
b.	Complete the Cottesloe Town Centre Precinct Plan including the consideration of infill to identified areas	Engineering	That the plan be finalised and submitted to Council for adoption	Flagship		Project Officer recruited. RFQ issued on additional consultancy work required. Council brief on new State requirements/policy on precinct plans. Steering Committee meeting July.
c.	Implement those initiatives contained in the Precinct Plan as per Council's budget allocations	Engineering	That works be undertaken on time and within budget	Flagship		No action to date
d.	Consult with the Public Transport Authority, Main Roads WA and relevant State agencies to redevelop the train station interface with the Town Centre	Executive	A design for the redevelopment of the train station/town centre interface is developed	Very High		Initial discussions ongoing as part of overall railway corridor upgrade development.
e.	Establish an Interagency Project Group to consider the interface between Cottesloe Train station and Forrest Street	Development/Engineering	That the group be established and operational	Very High		Council resolved to join State Govt's Western Suburbs Working Group, who's goal is the develop a strategic plan for major transport routes, including rail line. Trying to create similar working group with just SoPG to target this area. Western Suburbs Working Group yet to meet.

#### 4.2 Oversee the proper, orderly Planning of sites within the community recognising Heritage, Height controls and neighbour considerations.

##### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Review the Cottesloe Local Heritage List as and when required	Development	That the review be undertaken and the document updated as required	Moderate		Officers have started to review the Town's Heritage list
b.	Facilitate the Community History Program as adopted in the 2020/21 Town Budget	Corporate	That work on the Community History project be commenced and continued	Moderate		The Town financially supported The Waves of Change exhibition for the National Trust's Australian Heritage Festival held at The Grove Library in April 2021. The exhibition included historical photos and documents from the Town.
c.	Develop a Short Stay Policy to guide Development based on direction provided by the State Government to ensure consistency in application across the State	Development	That a Policy be developed and then enforced	Very High		No action to date as waiting on State government to develop a State Policy and provide further direction

## Priority Area 5 – ECONOMIC SUSTAINABILITY

### Providing Sustainable Infrastructure and Community Amenities

#### 5.1 Maximise income from non-rates sources.

##### Strategies and Enabling Documents

- Long Term Financial Plan
- Asset Management Plan
- 5 Year Works Program

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Develop a list of projects that would be capable of attracting grants and develop grant applications accordingly	Corporate	Grant income	Flagship		Current focus on funding existing projects, however this is subject to budget bids for next year.
b.	Actively pursue Federal and State Government funding opportunities as well as sponsorship or private investment arrangements for key projects	Executive	Number of grants submitted and the rate of success measured by funding achieved	Flagship		Ongoing for various projects.
c.	Actively pursue the highest return for leases held by the Town and research other investment opportunities	Corporate	Leases reviewed and amended when they are presented for renewal	High		All leases reviewed as they expire. Barchetta coming up and briefing to Council done.
d.	Annually review all investments in order to maximise returns received	Corporate	Rate of return on investments is improved	High		Period record low interest rates, difficult maximise returns without exposing Council to higher risks.
e.	Maximise the obtaining of Government stimulus funding as a result of COVID 19	Corporate	Continue to access funds where possible	Flagship		Stimulus funding received, based on length of road network. 21/22 funding possibly available.
f.	Explore economic development opportunities to maximise economic sustainability	Executive	That opportunities are realised as and when they present	Flagship		Working with Destination Perth (RTO) to help promote Cott Village.



## INTEGRATED PLANNING AND REPORTING FRAMEWORK

## 5.2 Shared services with neighbouring Councils.

## Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Continue to explore partnerships with other local governments	Executive	That discussions are held and projects developed if justified	High		Continue to work the ToMP and SoPG with Library. Looking at a partnership with surrounding Lg's for OHS and risk management services.
b.	Continue to monitor and explore shared services such as Library, Depot, Rangers, EHOs for efficiencies and effective service delivery	Executive	Adjustments to service provision is undertaken if necessary	Very High		Rangers Services structure currently under formal review.
c.	Remain involved and abreast of Emergency Management by continued participation in the Regional Local Emergency Management Committee as well as continuing collaboration with LEMC, WMRC and WESROC	Compliance and Regulatory Services	Involvement and meeting attendance occurs, risk management planning, local recovery plans	Moderate		Ongoing involvement with LEMC and DEMC. CEO to become new chair in 21/22.
d.	Continue to participate in Waste Management programs with neighbouring councils including the shared Waste Management facility at Shenton Park being the main source of waste disposal and recycling	Compliance and Regulatory Services	That Waste Management Service remain at a high standard throughout the town	High		Ongoing involvement with WMRC. Waste Plan endorsed by State Govt.

## 5.3 Develop and implement long term planning strategies per the Integrated Planning and Reporting requirements.

## Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Review and update annually the Long Term Financial Plan (LTFP)	Corporate	Annual review of LTFP undertaken	Moderate		Scheduled for 2021/22 with new Finance Manager approximately November 2021.
b.	Develop and implement the Public Health Plan for the Town of Cottesloe	Compliance and Regulatory Services	That the plan is operational and effective	Moderate		Consultant to be engaged to assist. Discussions with neighbouring LGS on possible share service approach.
c.	Complete the Asset Management Plan for the Town of Cottesloe	Engineering	Asset Management Plan presented to Council for endorsement	Moderate		In development by Engineering Services
d.	Review Workforce Plan and redevelop strategies contained therein	Executive	That the plan be reviewed and updated	High		Currently being reviewed for budget process.
e.	Review the Corporate Business Plan on an annual basis per legislative requirements	Corporate	That the review be undertaken and the plan updated each year	Very High		Reviewed Corporate Business adopted by Council in 20/21.
f.	Review the Strategic Community Plan once every 2 years (Desktop) with a full review and reprint once every 4 years in accordance with Departmental best practice guidelines	Corporate	That the reviews be undertaken and completed satisfactorily	Very High		No action to date. ELT to discuss Strategy and timeframe.
g.	Retain connections with local, regional and State/Federal Tourism strategies that may impact the community	Executive	Ensure the Town's Tourism interests are represented and promoted	High		Developing a relationship with Destination Perth (RTO) and Tourism WA.

#### 5.4 Manage assets that have a realisable value.

##### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Identify and categorise freehold and Reserve land assets held by the town in view of developing a strategy for their future use	Development	Inventory presented to Council with recommendations on action	High		Currently an ad hoc process, subject to external proposals.
b.	Identify sites where the Town would be able to invest by either purchasing unallocated Crown Land or approaching the State with joint development projects	Executive	Appropriate acquisitions made or joint ventures entered into	Moderate		No action to date, subject to above.
c.	Town Leases are set up to generate income and minimise expenses	Corporate	Ensure leases are administered with a view to maximising returns	Moderate		Ongoing review in progress as leases expire.
d.	Continue to evaluate the Right of Way Strategy in terms of sealing, determining ownership and exploring land transfer options	Engineering	That opportunities continue to be assessed and implemented as deemed necessary	Moderate		Completed
e.	Implement the new Parking system including utilising available new technologies	Compliance and Regulatory Services	That the new system be implemented and infringement measurements be recorded as an assessment basis	Flagship		New Parking System implemented. Currently working with DCA to move all other local law infringements onto the same platform as parking infringements. Completed.



25



## INTEGRATED PLANNING AND REPORTING FRAMEWORK

## Priority Area 6 – GOVERNANCE

### Providing Open and Accountable Local Governance

#### 6.1 Implement technologies to enhance collaborative decision making, communication and service delivery.

##### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Review the effectiveness of the Customer Relationship Management (CRM) system	Corporate	Customer Relationship Management system in place and providing relevant reporting data if justified	High		Internal review has found weaknesses in the system, exploring possible resolutions. New ERP solution identified and being planned for.
b.	Under take a review of the current core operating systems to implement improvements	Executive	A full review of the core operating systems areas complete and a prioritised list of improvements presented	High		Review of core operating system undertaken and Council briefed. Project to be budgeted for 21/22 and/or 22/23.
c.	Develop and implement an Information Technology Plan including Data Recovery and Replacement programs	Corporate	That the Plan be developed and implemented	High		Outdated IT equipment in the process of being replaced. Current IT service provision to be reviewed within the parameters of the Contract in place.
d.	Business Continuity Plan - Benchmark with other local government internal service provision for effectiveness	Corporate	That the benchmarking be undertaken	High		Part of overall IT systems review currently being undertaken including Replacement Program and contingency plan for loss of system.
e.	Develop a Customer Service Charter for the Town	Corporate	That the Charter be developed and implemented	Very High		Implemented

#### 6.2 Ongoing review and updating of various Council Policies, Local Laws and Delegations.

##### Strategies and Enabling Documents

– Strategic Community Plan

– Corporate Business Plan

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Continually review the Policies of Council to ensure they are up to date, relevant and have application to the current circumstances	Corporate	That the Policies of Council are reviewed and do not fall into the category of non relevance	Very High		Ongoing, various policies have been reviewed and considered by Council. May 2021 Human Resource Policies converted to Management Protocols under the direction of the CEO.
b.	Ensure that where relevant, Council's final consideration of major issues follows appropriate community consultation	Executive	Appropriate consultation undertaken	Moderate		Ongoing, all community consultation reported to Council.
c.	Review the Town's Local Laws on a regular basis and in accordance with legislative requirements	Corporate	Regular reviews provided to Council for consideration	High		Ongoing, new Standing Orders Local Law reviewed and adopted by Council. Parking and Dogs Local Laws presently being reviewed.
d.	Review Council Delegations in place at least annually and in accordance with legislative requirements	Corporate	Annual reviews provided to Council for consideration	High		Completed May 2021.

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

#### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Support the ongoing provision of training for staff, membership of relevant associations and study leave pursuant to Council Policy for relevant professional development	Executive	Highly skilled and supported staff available to guide and advise Council	Moderate		Ongoing
b.	Prepare and Implement a customised elected member training and development program	Executive	Increased confidence in decision making skills and procedural awareness of elected members	Moderate		Providing training opportunities to Elected Members.
c.	Under take 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	Moderate		Ongoing, dependent on scale of variation. Significant variations presented to Council for consideration – Dutch Inn Playground
d.	Ensure Council elections undertaken by the Electoral Commissioner proceed with assistance and cooperation from the Town	Corporate	The Bi-annual elections are conducted without issue	Moderate		No election in 20/21. WAEC appointed to manage 21/22 general election.

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

#### Strategies and Enabling Documents

	Actions	Responsible Directorate	Success Indicator	Service Priority	20/21	Actions
a.	Ensure Processes in place to educate community on impending changes	Executive	Relevant information on any change issue is freely available to residents and ratepayers	Moderate		Ongoing, learning from previous exercises.
b.	Project pages on the Town's website are updated regularly	Executive	Relevant information on any change issue is freely available to residents and ratepayers	Moderate		Review underway. Front page updated. Major Projects page updated.
c.	Regularly review administration structure and service delivery models to ensure they are as up to date and fit for the intended outcomes and purpose	Executive	Administration Structure and services offered are modern and meet the needs of the community	Moderate		Minor restructure implemented. Ranger Services currently under review. Draft Workforce plan currently under review.





# FINANCIAL REPORT

FOR THE YEAR ENDED  
30TH JUNE 2021

28 | Town of Cottesloe ANNUAL REPORT 2021





## CONTENTS

Statement by Chief Executive Officer	30
Statement of Comprehensive Income by Nature or Type	31
Statement of Comprehensive Income by Program	32
Statement of Financial Position	33
Statement of Changes in Equity	34
Statement of Cash Flows	35
Rate Setting Statement	36
Notes to and Forming Part of the Financial Report	37
Independent Auditor's Report	86



TOWN OF COTTESLOE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town of Cottesloe for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the Town of Cottesloe at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 16 day of DECEMBER 2021



Chief Executive Officer

William Matthew Scott

Name of Chief Executive Officer

**TOWN OF COTTESLOE**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	26(a)	10,875,226	10,821,000	10,708,197
Operating grants, subsidies and contributions	2(a)	346,976	196,866	343,479
Fees and charges	2(a)	2,422,833	1,470,138	1,715,037
Interest earnings	2(a)	136,573	184,023	310,883
Other revenue	2(a)	254,616	123,623	243,258
		<u>14,036,224</u>	<u>12,795,650</u>	<u>13,320,854</u>
<b>Expenses</b>				
Employee costs		(5,278,211)	(5,302,200)	(4,844,268)
Materials and contracts		(5,110,884)	(5,618,798)	(5,210,591)
Utility charges		(346,937)	(350,905)	(374,345)
Depreciation on non-current assets	11(c)	(2,743,636)	(2,447,584)	(2,616,741)
Interest expenses	2(b)	(250,180)	(253,281)	(263,869)
Insurance expenses		(172,309)	(161,142)	(159,219)
Other expenditure	2(b)	(465,072)	(429,090)	(366,251)
		<u>(14,367,229)</u>	<u>(14,563,000)</u>	<u>(13,835,284)</u>
		(331,005)	(1,767,350)	(514,430)
Non-operating grants, subsidies and contributions	2(a)	380,291	12,906,900	192,635
Profit on asset disposals	11(a)	6,418	0	41,692
(Loss) on asset disposals	11(a)	0	0	(10,054)
Fair value adjustments to financial assets at fair value through profit or loss		3,879	0	106,832
Share of net profit of associates accounted for using the equity method	25	(70,162)	0	(80,724)
		<u>320,426</u>	<u>12,906,900</u>	<u>250,381</u>
<b>Net result for the period</b>		<b>(10,579)</b>	<b>11,139,550</b>	<b>(264,049)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	(20,481,658)	0	61,660
<b>Total other comprehensive income/(loss) for the period</b>		<b>(20,481,658)</b>	<b>0</b>	<b>61,660</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(20,492,237)</b>	<b>11,139,550</b>	<b>(202,389)</b>

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 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		25,366	4,000	42,238
General purpose funding		11,320,902	11,142,266	11,331,895
Law, order, public safety		55,086	37,650	61,932
Health		112,569	84,550	97,557
Education and welfare		52,371	32,400	39,460
Community amenities		602,171	422,090	456,440
Recreation and culture		513,103	412,600	444,015
Transport		1,105,184	512,935	647,438
Economic services		242,800	146,659	195,441
Other property and services		6,672	500	4,438
		<b>14,036,224</b>	<b>12,795,650</b>	<b>13,320,854</b>
<b>Expenses</b>				
	2(b)			
Governance		(779,922)	(827,012)	(900,293)
General purpose funding		(342,043)	(380,590)	(275,743)
Law, order, public safety		(373,351)	(408,451)	(372,418)
Health		(269,235)	(316,359)	(244,419)
Education and welfare		(332,259)	(305,997)	(406,290)
Community amenities		(3,604,850)	(3,662,050)	(3,517,402)
Recreation and culture		(4,184,191)	(4,315,965)	(4,097,871)
Transport		(3,685,773)	(3,589,213)	(3,207,372)
Economic services		(585,835)	(544,492)	(518,738)
Other property and services		40,410	40,410	(30,869)
		<b>(14,117,049)</b>	<b>(14,309,719)</b>	<b>(13,571,415)</b>
<b>Finance Costs</b>				
	2(b)			
Governance		(417)	(884)	(472)
Recreation and culture		(209,353)	(211,987)	(226,642)
Other property and services		(40,410)	(40,410)	(36,755)
		<b>(250,180)</b>	<b>(253,281)</b>	<b>(263,869)</b>
		<b>(331,005)</b>	<b>(1,767,350)</b>	<b>(514,430)</b>
Non-operating grants, subsidies and contributions	2(a)	380,291	12,906,900	192,635
Profit on disposal of assets	11(a)	6,418	0	41,692
(Loss) on disposal of assets	11(a)	0	0	(10,054)
Fair value adjustments to financial assets at fair value through profit or loss		3,879	0	106,832
Share of net profit of associates accounted for using the equity method	25	(70,162)	0	(80,724)
		<b>320,426</b>	<b>12,906,900</b>	<b>250,381</b>
		<b>(10,579)</b>	<b>11,139,550</b>	<b>(264,049)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	(20,481,658)	0	61,660
<b>Total other comprehensive income/(loss) for the period</b>		<b>(20,481,658)</b>	<b>0</b>	<b>61,660</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>(20,492,237)</b>	<b>11,139,550</b>	<b>(202,389)</b>

**TOWN OF COTTESLOE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	11,485,299	12,427,866
Trade and other receivables	6	620,318	732,686
Other financial assets	5(a)	62,141	59,512
Inventories	7	9,560	9,790
Other assets	8	37,373	109,926
<b>TOTAL CURRENT ASSETS</b>		<b>12,214,691</b>	<b>13,339,780</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	301,177	212,676
Other financial assets	5(b)	387,207	445,470
Investment in associate	25	583,635	653,797
Property, plant and equipment	9	62,606,095	83,407,321
Infrastructure	10	38,966,860	37,942,717
Right-of-use assets	12(a)	1,249,999	1,322,572
<b>TOTAL NON-CURRENT ASSETS</b>		<b>104,094,973</b>	<b>123,984,553</b>
<b>TOTAL ASSETS</b>		<b>116,309,664</b>	<b>137,324,333</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,988,606	2,339,268
Lease liabilities	16(a)	58,211	53,052
Borrowings	17(a)	329,882	310,650
Employee related provisions	18	1,062,510	892,006
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,439,209</b>	<b>3,594,976</b>
<b>NON-CURRENT LIABILITIES</b>			
Other liabilities	15	0	6,785
Lease liabilities	16(a)	1,246,805	1,308,466
Borrowings	17(a)	2,810,904	3,140,786
Employee related provisions	18	195,423	163,760
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>4,253,132</b>	<b>4,619,797</b>
<b>TOTAL LIABILITIES</b>		<b>7,692,341</b>	<b>8,214,773</b>
<b>NET ASSETS</b>		<b>108,617,323</b>	<b>129,109,560</b>
<b>EQUITY</b>			
Retained surplus		28,434,028	27,948,844
Reserves - cash backed	4	8,591,484	9,087,247
Revaluation surplus	13	71,591,811	92,073,469
<b>TOTAL EQUITY</b>		<b>108,617,323</b>	<b>129,109,560</b>

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



**TOWN OF COTTESLOE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2019</b>		<b>27,601,078</b>	<b>9,699,062</b>	<b>92,011,809</b>	<b>129,311,949</b>
<b>Restated balance at the beginning of the financial year</b>		<b>27,601,078</b>	<b>9,699,062</b>	<b>92,011,809</b>	<b>129,311,949</b>
Comprehensive income					
Net result for the period		(264,049)	0	0	(264,049)
Other comprehensive income	13	0	0	61,660	61,660
Total comprehensive income		(264,049)	0	61,660	(202,389)
Transfers from reserves	4	1,705,338	(1,705,338)	0	0
Transfers to reserves	4	(1,093,523)	1,093,523	0	0
<b>Balance as at 30 June 2020</b>		<b>27,948,844</b>	<b>9,087,247</b>	<b>92,073,469</b>	<b>129,109,560</b>
<b>Restated balance at 1 July 2020</b>		<b>27,948,844</b>	<b>9,087,247</b>	<b>92,073,469</b>	<b>129,109,560</b>
Comprehensive income					
Net result for the period		(10,579)	0	0	(10,579)
Other comprehensive income	13	0	0	(20,481,658)	(20,481,658)
Total comprehensive income		(10,579)	0	(20,481,658)	(20,492,237)
Transfers from reserves	4	3,387,752	(3,387,752)	0	0
Transfers to reserves	4	(2,891,989)	2,891,989	0	0
<b>Balance as at 30 June 2021</b>		<b>28,434,028</b>	<b>8,591,484</b>	<b>71,591,811</b>	<b>108,617,323</b>

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

TOWN OF COTTESLOE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		10,849,664	10,821,000	10,785,937
Operating grants, subsidies and contributions		384,126	196,866	461,326
Fees and charges		2,391,214	1,470,138	1,552,284
Interest received		143,632	184,023	300,454
Goods and services tax received		799,305	720,000	727,519
Other revenue		251,624	123,623	129,256
		<u>14,819,565</u>	<u>13,515,650</u>	<u>13,956,776</u>
<b>Payments</b>				
Employee costs		(5,103,645)	(4,983,176)	(4,811,076)
Materials and contracts		(5,326,041)	(5,461,314)	(5,586,600)
Utility charges		(364,987)	(320,080)	(339,202)
Interest expenses		(255,072)	(253,281)	(202,445)
Insurance paid		(172,309)	(148,790)	(159,219)
Goods and services tax paid		(764,398)	(720,000)	(764,108)
Other expenditure		(479,112)	(931,808)	(293,999)
		<u>(12,465,564)</u>	<u>(12,818,449)</u>	<u>(12,156,649)</u>
<b>Net cash provided by (used in) operating activities</b>	19	<u>2,354,001</u>	<u>697,201</u>	<u>1,800,127</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(619,699)	(4,156,551)	(1,146,987)
Payments for construction of infrastructure	10(a)	(2,778,439)	(16,522,666)	(1,809,737)
Non-operating grants, subsidies and contributions	2(a)	380,291	12,906,900	192,635
Proceeds from financial assets at amortised cost - term deposits		0	0	5,794,277
Proceeds from financial assets at amortised cost - self supporting loans		59,513	59,512	57,011
Proceeds from sale of property, plant & equipment	11(a)	28,918	96,068	124,986
<b>Net cash provided by (used in) investment activities</b>		<u>(2,929,416)</u>	<u>(7,616,737)</u>	<u>3,212,185</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	17(b)	(310,650)	(310,651)	(292,576)
Payments for principal portion of lease liabilities	16(b)	(56,502)	(61,329)	(26,741)
<b>Net cash provided by (used in) financing activities</b>		<u>(367,152)</u>	<u>(371,980)</u>	<u>(319,317)</u>
<b>Net increase (decrease) in cash field</b>		<u>(942,567)</u>	<u>(7,291,516)</u>	<u>4,692,995</u>
Cash at beginning of year		12,427,866	11,745,042	7,734,871
<b>Cash and cash equivalents at the end of the year</b>	19	<u>11,485,299</u>	<u>4,453,526</u>	<u>12,427,866</u>

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

**TOWN OF COTTESLOE**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	1,853,753	1,700,299	2,453,660
		1,853,753	1,700,299	2,453,660
<b>Revenue from operating activities (excluding rates)</b>				
Governance		35,663	4,000	150,984
General purpose funding		445,676	321,266	623,698
Law, order, public safety		55,087	37,650	61,932
Health		112,569	84,550	97,557
Education and welfare		52,371	32,400	39,460
Community amenities		602,171	422,090	480,048
Recreation and culture		513,103	412,600	448,283
Transport		1,105,184	512,935	659,340
Economic services		172,638	146,659	195,441
Other property and services		6,672	500	4,438
		3,101,134	1,974,650	2,761,181
<b>Expenditure from operating activities:</b>				
Governance		(780,339)	(827,896)	(906,116)
General purpose funding		(342,043)	(380,590)	(275,743)
Law, order, public safety		(373,352)	(408,451)	(372,418)
Health		(269,235)	(316,359)	(244,419)
Education and welfare		(332,259)	(305,997)	(406,290)
Community amenities		(3,604,850)	(3,662,050)	(3,598,126)
Recreation and culture		(4,393,544)	(4,527,952)	(4,329,216)
Transport		(3,685,773)	(3,589,213)	(3,207,372)
Economic services		(585,835)	(544,492)	(518,738)
Other property and services		0	0	(67,620)
		(14,367,230)	(14,563,000)	(13,926,058)
Non-cash amounts excluded from operating activities	27(a)	2,821,500	2,447,584	2,559,807
<b>Amount attributable to operating activities</b>		(6,590,843)	(8,440,467)	(6,151,410)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	380,291	12,906,900	192,635
Proceeds from disposal of assets	11(a)	28,918	96,068	124,986
Proceeds from financial assets at amortised cost - self supporting loans		59,513	59,512	57,011
Purchase of property, plant and equipment	9(a)	(619,699)	(4,156,551)	(1,282,718)
Purchase and construction of infrastructure	10(a)	(2,778,439)	(16,758,255)	(2,087,446)
		(2,929,416)	(7,852,326)	(2,995,532)
<b>Amount attributable to investing activities</b>		(2,929,416)	(7,852,326)	(2,995,532)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	17(b)	(310,650)	(310,650)	(292,576)
Payments for principal portion of lease liabilities	16(b)	(56,502)	0	(26,741)
Transfers to reserves (restricted assets)	4	(2,891,989)	(1,807,099)	(1,093,523)
Transfers from reserves (restricted assets)	4	3,387,752	7,589,542	1,705,338
<b>Amount attributable to financing activities</b>		128,611	5,471,793	292,498
<b>Surplus/(deficit) before imposition of general rates</b>		(9,391,648)	(10,821,000)	(8,854,444)
<b>Total amount raised from general rates</b>	26(a)	10,875,226	10,821,000	10,708,197
<b>Surplus/(deficit) after imposition of general rates</b>	27(b)	<b>1,483,578</b>	<b>0</b>	<b>1,853,753</b>

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



TOWN OF COTTESLOE  
INDEX OF NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	16
Note 4	Reserves - Cash backed	17
Note 5	Other Financial Assets	19
Note 6	Trade and Other Receivables	20
Note 7	Inventories	21
Note 8	Other Assets	22
Note 9	Property, Plant and Equipment	23
Note 10	Infrastructure	25
Note 11	Fixed Assets	27
Note 12	Leases	30
Note 13	Revaluation Surplus	31
Note 14	Trade and Other Payables	32
Note 15	Other Liabilities	33
Note 16	Lease Liabilities	34
Note 17	Information on Borrowings	35
Note 18	Employee Provisions	37
Note 19	Notes to the Statement of Cash Flows	38
Note 20	Total Assets Classified by Function and Activity	39
Note 21	Commitments	40
Note 22	Elected Members Remuneration	41
Note 23	Related Party Transactions	43
Note 24	Investment in Associate and Joint Arrangements	44
Note 25	Investment in Associate	45
Note 26	Rating Information	47
Note 27	Rate Setting Statement Information	51
Note 28	Financial Risk Management	52
Note 29	Trust Funds	55
Note 30	Other Significant Accounting Policies Activities/	56
Note 31	Programs	57
Note 32	Financial Ratios	58

**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**1. BASIS OF PREPARATION**

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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

**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 29 to these financial statements.

**INITIAL APPLICATION OF 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 were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the financial report.

**NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

**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.

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES**

(a) **Grant revenue**

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	585	1,000	850
General purpose funding	280,143	125,366	287,149
Health	0	25,000	0
Community amenities	96	12,500	21,386
Recreation and culture	32,558	8,000	549
Transport	33,594	25,000	33,545
	<b>346,976</b>	<b>196,866</b>	<b>343,479</b>
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	4,545	11,000,000	1,132
Transport	375,746	1,906,900	150,402
Other property and services	0	0	41,101
	<b>380,291</b>	<b>12,906,900</b>	<b>192,635</b>
<b>Total grants, subsidies and contributions</b>	<b>727,267</b>	<b>13,103,766</b>	<b>536,114</b>
<b>Fees and charges</b>			
General purpose funding	47,528	28,800	48,902
Law, order, public safety	40,775	26,000	49,318
Health	100,987	73,550	89,811
Education and welfare	23,511	23,100	23,490
Community amenities	502,547	357,090	361,861
Recreation and culture	385,930	360,439	389,458
Transport	997,306	455,000	558,147
Economic services	324,249	146,159	194,050
	<b>2,422,833</b>	<b>1,470,138</b>	<b>1,715,037</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for services, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.



**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)

**Contracts with customers and transfers  
for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Town was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Fees and charges	826,068	711,488	809,164
Other revenue	72,006	31,735	50,849
Non-operating grants, subsidies and contributions	380,291	12,906,900	192,635
	<u>1,278,365</u>	<u>13,650,123</u>	<u>1,052,648</u>

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Town is comprised of:

Revenue from contracts with customers recognised during the year	898,074	743,223	860,013
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	380,291	12,906,900	192,635
	<u>1,278,365</u>	<u>13,650,123</u>	<u>1,052,648</u>

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	89,248		208,633
---	--------	--	---------

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)

**Revenue from statutory requirements**

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	10,875,226	10,821,000	10,708,197
Statutory permits and licences	565,185	288,350	313,489
Fines	1,031,580	470,300	592,384
	<u>12,471,991</u>	<u>11,579,650</u>	<u>11,614,070</u>
<b>Other revenue</b>			
Reimbursements and recoveries	182,610	91,888	192,409
Other	72,006	31,735	50,849
	<u>254,616</u>	<u>123,623</u>	<u>243,258</u>
<b>Interest earnings</b>			
Financial assets at amortised cost - self supporting loans	16,760	0	16,081
Interest on reserve funds	27,934	70,390	149,806
Rates instalment and penalty interest (refer Note 26(e))	63,469	43,000	68,198
Other interest earnings	28,410	70,633	76,798
	<u>136,573</u>	<u>184,023</u>	<u>310,883</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**2. REVENUE AND EXPENSES (Continued)**

(b) Expenses

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

**Interest expenses (finance costs)**

Borrowings

Other

Lease liabilities

**Other expenditure**

Impairment loss on trade and other receivables

Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	64,000	59,300	56,000
	7,525	7,000	7,350
	71,525	66,300	63,350
17(b)	206,773	211,988	226,642
	2,580	99	
16(b)	40,827	41,194	37,227
	250,180	253,281	263,869
	14,545	0	20,152
	450,527	429,090	346,099
	465,072	429,090	366,251



## TOWN OF COTTESLOE NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

### 2. REVENUE AND EXPENSES

#### REVENUE RECOGNITION POLICY

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

Revenue Category	Financial goods and services	When obligations typically crystallise	Payment terms	Returns/Refunds (Where applicable)	Debt resolution's transfer or compromise	Allocating financial transactions	Administrative obligations (ie returns)	Provision's recognition condition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	On approval of the application
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Adopted by Council annually	Apportioned equally across the inspection cycle	No refunds	Apportioned equally across the four yearly inspection cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	When the inspection is completed
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on annual basis in advance for domestic and eight weekly in arrears for commercial	None	Adopted by Council annually	When taxable event occurs	Not applicable	For domestic, when rates notice is issued, for commercial, output method based on regular eight weekly period proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal site	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by Council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled with conditions	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry of conclusion of hire
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Sale of stock i.e. history books etc.	Single point in time	Payment in full in advance	Refunds for faulty goods	Adopted by Council annually	Applied fully based on timing of provision	Returns limited to repayment of transaction price of terms	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full with defined time	None	Adopted by Council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Fees and charges - commissions	Other commissions i.e. for agency collections	Single point in time	Payment in full on sale	None	Set by mutual agreement with the customer	Applied fully on timing of provision	Not applicable	Output method based on regular basis
Other revenue - reimbursements	Other reimbursements i.e. insurance claims etc.	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When the claim is agreed	Not applicable	When claim is agreed

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**3. CASH AND CASH EQUIVALENTS**

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		2,977,542	3,327,943
Term deposits		8,507,757	9,099,923
<b>Total cash and cash equivalents</b>		<b>11,485,299</b>	<b>12,427,866</b>

**Restrictions**

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents		8,591,484	9,087,247
		<b>8,591,484</b>	<b>9,087,247</b>

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	4	8,591,484	9,087,247
<b>Total restricted assets</b>		<b>8,591,484</b>	<b>9,087,247</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.



**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**4. RESERVES - CASH BACKED**

	2021 Opening Balance	2021 Transfers to Account	2021 Transfers from Account	2021 Closing Balance	2021 Opening Balance	2021 Transfers to Account	2021 Transfers from Account	2021 Closing Balance	2020 Actual	2020 Actual	2020 Actual	2020 Actual
(a) Reserves cash backed - Leave Reserve	309,126	1,387	(10,972)	299,541	308,504	2,468	(10,972)	300,000	304,167	4,869	0	306,126
(b) Cash in lieu of parking reserve	11,702	50	0	11,752	11,879	83	0	11,772	11,514	188	0	11,702
(c) Reserves cash backed - Civic centre reserve	360,028	1,829	(99,483)	271,174	368,285	2,946	(121,231)	250,000	383,108	5,920	0	360,028
(d) Reserves cash backed - Waste management reserve	829,855	2,708	(433,816)	1,98,948	828,567	5,029	(433,816)	200,000	819,750	10,105	0	828,855
(e) Reserves cash backed - Property reserve	309,574	1,133,031	(88,640)	1,434,965	389,788	1,034,118	(1,147,890)	276,216	384,308	6,268	0	390,574
(f) Reserves cash backed - Infrastructure reserve	586,717	2,451	(170,834)	388,334	555,540	3,244	(385,000)	193,784	575,183	427,238	(445,702)	586,717
(g) Reserves cash backed - Legal reserve	171,820	18,120	(40,000)	149,740	171,274	18,726	(40,000)	150,000	186,887	2,753	0	171,820
(h) Reserves cash backed - Parking facilities reserve	158,171	2,895	(191,098)	0	211,344	2,249	(208,750)	4,843	171,823	102,798	(118,250)	158,171
(i) Reserves cash backed - Library reserve	170,286	20,816	0	190,902	170,153	21,208	0	191,361	84,922	105,384	0	170,286
(j) Reserves cash backed - Sustainability reserve	198,938	704	(197,840)	0	198,866	1,335	(188,201)	0	184,520	2,418	0	196,938
(k) Reserves cash backed - Foreshore redevelopment reserve (former	4,066,140	838,467	(2,202,821)	3,369,686	4,878,023	38,877	(4,917,000)	0	5,993,812	102,704	(1,140,176)	4,866,140
(l) Reserves cash backed - Right of way reserve	194,499	872	0	195,388	194,154	1,352	(65,000)	130,506	166,598	27,898	0	194,499
(m) Reserves cash backed - Sculpture and artworks reserve	109,094	9,131	0	118,225	108,935	9,510	(70,000)	48,445	77,825	31,289	0	109,094
(n) Reserves cash backed - Green infrastructure and sustainability r	112,969	77,184	0	190,893	112,442	77,558	0	190,000	110,861	1,808	0	112,969
(o) Reserves cash backed - Active transport reserve	357,235	157,826	0	514,861	340,097	159,803	0	500,000	213,838	146,807	(3,210)	357,235
(p) Reserves cash backed - Information technology reserve	291,557	401,415	0	692,972	290,971	2,328	(20,000)	273,299	286,879	4,878	0	291,557
(q) Reserves cash backed - Recreation precinct reserve	22,041	95	(12,550)	9,586	21,907	175	(22,082)	0	21,887	364	0	22,041
(r) Reserves cash backed - Shark barrier reserve	110,000	25,800	0	135,800	110,000	25,800	0	135,800	0	110,000	0	110,000
(s) Reserves cash backed - Public open space reserve	0	400,107	0	400,107	0	400,000	0	400,000	0	0	0	0
	9,087,247	2,891,989	(3,387,752)	8,591,484	9,038,549	1,807,069	(7,589,542)	3,256,106	9,889,062	1,093,523	(1,705,338)	9,087,247

All reserves are supported by cash and cash equivalents and are restocked within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Five years	To partially cash back the accumulated employee leave liability and to fund the payment of accumulated leave entitlements for Town of Cottesloe staff.
(b) Cash in lieu of parking reserve	Twenty years	The purpose of this reserve is, in accordance with the Council's Town Planning Schemes, to set aside funds from developers for the development of parking facilities.
(c) Reserves cash backed - Civic centre reserve	Ten years	To fund the cost of improvement, renovations and extensions to the buildings that make up Cottesloe Civic Centre.
(d) Reserves cash backed - Waste management reserve	Ten years	To fund the improvement, replacement and expansion of waste management plant, equipment, facilities and services within the suburb of Cottesloe.
(e) Reserves cash backed - Property reserve	Ten to twenty years	To contribute towards future property construction/renoval within the Town of Cottesloe.
(f) Reserves cash backed - Infrastructure reserve	Ten to twenty years	To contribute towards ongoing future infrastructure construction/renoval within the suburb of Cottesloe which includes the following categories of infrastructure, roads, drainage, footpaths, parks and ovals, irrigation, streetscapes and miscellaneous infrastructure.
(g) Reserves cash backed - Legal reserve	Five years	To contribute towards unanticipated legal expenses incurred by the Town of Cottesloe.
(h) Reserves cash backed - Parking facilities reserve	Ten years	To fund improvements to parking facilities within the suburb of Cottesloe.
(i) Reserves cash backed - Library reserve	Ten to twenty years	To be used for the upgrade and/or replacement of Library facilities.
(j) Reserves cash backed - Sustainability reserve	Ten years	To fund new or enhance existing sustainability initiatives within the suburb of Cottesloe.
(k) Reserves cash backed - Foreshore redevelopment reserve (formerly the depot funds reserve)	One to two years	To be used to fund the development of the Cottesloe foreshore.
(l) Reserves cash backed - Right of way reserve	Ten years	To be used to fund the improvement of right of ways within the suburb of Cottesloe.
(m) Reserves cash backed - Sculpture and artworks reserve	One year	To be used for the acquisition of new and restoration of existing sculptures and artworks within the suburb of Cottesloe.
(n) Reserves cash backed - Green infrastructure and sustainability r	Ten to twenty years	To be used for the purpose of developing, commencing and implementing the Green Infrastructure Management Strategy within the suburb of Cottesloe and to fund new or enhance existing sustainability initiatives within the suburb of Cottesloe.
(o) Reserves cash backed - Active transport reserve	Ten to twenty years	To be used for the purpose of developing and maintaining active transport infrastructure within the suburb of Cottesloe.
(p) Reserves cash backed - Information technology reserve	Ten to twenty years	To be used for the purpose of developing and renewing information technology assets within the suburb of Cottesloe, including replacement of the parking system and core business system.
(q) Reserves cash backed - Recreation precinct reserve	One year	To be used for the purpose of developing and implementing improvements to the Town's recreation precincts.
(r) Reserves cash backed - Shark barrier reserve	Five to ten years	To develop and replace the shark barrier within the suburb of Cottesloe.
(s) Reserves cash backed - Public open space reserve	One year	To be used to fund the enhancement of existing, and creation of new, public open space within the suburb of Cottesloe to cater for the needs of all ages and abilities of the Town's youth.



**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Self supporting loans

**(b) Non-current assets**

Financial assets at amortised cost

Financial assets at fair value through profit and loss

**Financial assets at amortised cost**

Self supporting loans

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

	2021	2020
	\$	\$
	62,141	59,512
	<u>62,141</u>	<u>59,512</u>
	62,141	59,512
	<u>62,141</u>	<u>59,512</u>
	276,497	338,638
	110,710	106,832
	<u>387,207</u>	<u>445,470</u>
	276,497	338,638
	<u>276,497</u>	<u>338,638</u>
	110,710	106,832
	<u>110,710</u>	<u>106,832</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 17(b) as self supporting loans.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 28.

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**6. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable	177,503
Trade and other receivables	169,289
GST receivable	40,877
Allowance for impairment of receivables	(14,545)
Sundry receivables - infringements	436,601
Provision for expected credit losses - infringements	(189,407)
	620,318

**Non-current**

Pensioner's rates and ESL deferred	192,488
Long service leave receivable from other local governments	108,689
	301,177

	2021	2020
	\$	\$
	177,503	134,779
	169,289	208,633
	40,877	104,749
	(14,545)	(20,152)
	436,601	409,038
	(189,407)	(104,361)
	620,318	732,686
	192,488	185,609
	108,689	27,067
	301,177	212,676

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification and subsequent measurement**

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

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

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

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

## 7. INVENTORIES

### Current

Materials  
Provision for Obsolescence

	2021	2020
	\$	\$
	33,355	34,157
	(23,795)	(24,367)
	9,560	9,790
	9,790	9,790
	(230)	0
	9,560	9,790

The following movements in inventories occurred during the year:

### Balance at beginning of year

Write down of inventories to net realisable value

### Balance at end of year

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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



TOWN OF COTTESLOE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

**8. OTHER ASSETS**

**Other assets - current**

Prepayments  
 Accrued income

	2021	2020
	\$	\$
Prepayments	29,259	101,801
Accrued income	8,114	8,125
	37,373	109,926

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Furniture and Equipment - Library	Plant and Equipment - Library	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	54,452,000	27,263,582	81,715,582	418,919	763,981	120,770	3,800	83,023,052
Additions	0	845,510	845,510	142,934	294,274	0	0	1,282,718
(Disposals)	0	0	0	(9,436)	(83,912)	0	0	(93,348)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	30,444	31,216	0	0	61,660
Depreciation (expense)	0	(688,231)	(688,231)	(70,121)	(104,609)	0	(3,800)	(866,761)
<b>Balance at 30 June 2020</b>	54,452,000	27,420,861	81,872,861	512,740	900,950	120,770	0	83,407,321
<b>Comprises:</b>								
Gross balance amount at 30 June 2020	54,452,000	29,156,092	83,608,092	747,328	900,950	127,125	0	85,383,495
Accumulated depreciation at 30 June 2020	0	(1,735,231)	(1,735,231)	(234,588)	0	(6,355)	0	(1,976,174)
<b>Balance at 30 June 2020</b>	54,452,000	27,420,861	81,872,861	512,740	900,950	120,770	0	83,407,321
Additions	0	159,075	159,075	357,468	90,287	3,552	9,317	619,689
(Disposals)	0	0	0	0	(22,500)	0	0	(22,500)
Revaluation increments / (decrements) transferred to revaluation surplus	(29,949,000)	9,588,112	(20,360,888)	0	0	(120,770)	0	(20,481,658)
Depreciation (expense)	0	(631,223)	(631,223)	(73,494)	(212,050)	0	0	(916,767)
<b>Balance at 30 June 2021</b>	24,503,000	36,536,825	61,039,825	796,714	756,687	3,552	9,317	62,606,095
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	24,503,000	36,536,825	61,039,825	1,104,796	957,605	3,552	9,317	63,115,095
Accumulated depreciation at 30 June 2021	0	0	0	(308,082)	(200,918)	0	0	(509,000)
<b>Balance at 30 June 2021</b>	24,503,000	36,536,825	61,039,825	796,714	756,687	3,552	9,317	62,606,095

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		3	Market approach using recent observable market data for similar items	Independent valuation	June 2021	Price per hectare
Buildings – specialised		3	Improvements to land valued using cost approach using depreciated replacement cost	Independent valuation	June 2021	Improvements to land using construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
(ii) Cost						
Furniture and equipment		3	Market approach using recent observable market data for similar items	Independent valuation	June 2020	Make, size, year of manufacture and condition
Plant and equipment		3	Market approach using recent observable market data for similar items	Independent valuation	June 2020	Make, size, year of manufacture and condition

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.



**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**10. INFRASTRUCTURE**

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - parks	Infrastructure - kerbs	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks	Infrastructure - miscellaneous	Infrastructure - light or way	Infrastructure - streetlights	Infrastructure - irrigation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2015</b>	14,747,939	1,088,411	5,348,083	5,039,786	2,403,587	7,076,101	994,913	666,244	174,520	37,539,564	
<b>Additions</b>	122,972	65,045	78,154	0	480,860	819,647	27,773	488,288	4,709	2,087,448	
<b>Depreciation expense</b>	(802,077)	(82,911)	(190,157)	(81,887)	(81,157)	(334,191)	(65,012)	(47,999)	(9,202)	(1,884,203)	
<b>Balance at 30 June 2020</b>	14,068,834	1,070,545	5,236,060	4,958,199	2,803,290	7,561,557	967,674	1,106,531	170,027	37,942,717	
<b>Compare:</b>											
<b>Gross balance at 30 June 2020</b>	28,484,848	2,938,424	9,701,499	7,506,062	3,225,842	12,107,786	1,902,123	1,445,983	212,513	67,524,848	
<b>Accumulated depreciation at 30 June 2020</b>	(14,415,812)	(1,867,879)	(4,465,409)	(2,547,893)	(422,552)	(4,546,229)	(934,449)	(339,452)	(42,486)	(29,582,131)	
<b>Balance at 30 June 2020</b>	14,068,834	1,070,545	5,236,060	4,958,199	2,803,290	7,561,557	967,674	1,106,531	170,027	37,942,717	
<b>Additions</b>	747,092	36,263	42,496	34,670	99,882	1,347,775	71,725	375,438	23,100	2,778,439	
<b>Depreciation expense</b>	(607,076)	(84,753)	(191,530)	(81,623)	(88,711)	(366,271)	(55,761)	(67,120)	(9,360)	(1,754,286)	
<b>Balance at 30 June 2021</b>	14,208,850	1,022,055	5,086,966	4,911,245	2,814,461	8,541,061	983,638	1,414,847	183,737	38,966,860	
<b>Compare:</b>											
<b>Gross balance at 30 June 2021</b>	29,231,738	2,974,697	9,743,966	7,540,732	3,325,723	13,456,582	1,973,848	1,821,418	235,613	70,303,287	
<b>Accumulated depreciation at 30 June 2021</b>	(15,232,889)	(1,952,632)	(4,656,999)	(2,629,487)	(511,303)	(4,914,999)	(980,209)	(406,572)	(51,876)	(31,336,427)	
<b>Balance at 30 June 2021</b>	14,008,849	1,022,055	5,086,967	4,911,245	2,814,460	8,541,062	983,639	1,414,848	183,737	38,966,860	

TOWN OF COTTESLOE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - car parks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - parks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - miscellaneous	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - right of way	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - streetscape	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs
	Infrastructure - irrigation	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, values and remaining useful life assessment inputs

**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**11. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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 that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

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

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY  
Revaluation (Continued)**

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

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

**Land under roads from 1 July 2019**

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

**Vested improvements from 1 July 2019**

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Town to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 12 that details the significant accounting policies applying to leases (including right-of-use assets).



**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**11. FIXED ASSETS**

**(a) Disposals of Assets**

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Furniture and equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,436	\$ 0	\$ 0	\$ (9,436)
Plant and equipment	22,500	28,918	6,418	0	96,068	96,068	0	0	83,912	124,986	41,692	(618)
	22,500	28,918	6,418	0	96,068	96,068	0	0	93,348	124,986	41,692	(10,054)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
<b>Plant and Equipment</b>				
<b>Governance</b>	\$	\$	\$	\$
Passenger Vehicle	22,500	28,918	6,418	0
	22,500	28,918	6,418	0
	22,500	28,918	6,418	0

**(b) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Town which are currently in use yet fully depreciated are shown in the table below.

	2021	2020
	\$	\$
Furniture and equipment	103,799	0
Infrastructure - miscellaneous	642,850	642,850
	746,649	642,850

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**11. FIXED ASSETS**

(c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - specialised	631,223	559,065	688,231
Furniture and equipment	73,494	82,479	70,121
Plant and equipment	212,050	101,745	104,609
Plant and Equipment - Library	0	0	3,800
Infrastructure - roads	807,076	801,784	802,077
Infrastructure - car parks	84,753	82,752	82,911
Infrastructure - footpaths	191,590	192,240	190,157
Infrastructure - drainage	81,624	81,588	81,587
Infrastructure - parks	88,711	2,500	81,157
Infrastructure - miscellaneous	368,271	406,346	334,191
Infrastructure - right of way	55,761	54,944	55,012
Infrastructure - streetscape	67,120	17,608	47,999
Infrastructure - irrigation	9,390	64,533	9,202
Right-of-use assets - buildings	59,531	0	59,052
Right-of-use assets - plant and equipment	13,042	0	6,635
	<b>2,743,636</b>	<b>2,447,584</b>	<b>2,616,741</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

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

**Depreciation rates**

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

Asset Class	Useful life
Buildings	33 to 159 years
Furniture and equipment	2 to 15 years
Plant and equipment	2 to 10 years
Infrastructure - roads	25 to 50 years
Infrastructure - footpaths	26 to 50 years
Infrastructure - car parks	34 years
Infrastructure - drainage	20 to 50 years
Infrastructure - parks	5 to 237 years
Infrastructure - miscellaneous	10 to 60 years
Infrastructure - right of way	34 years
Infrastructure - streetscape	15 to 25 years
Infrastructure - irrigation	8 to 25 years
Right of use - plant and equipment	Based on the remaining lease

**Depreciation on revaluation**

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:

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

**Amortisation**

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

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**12. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Right-of-use assets - buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$	\$
<b>Balance at 1 July 2019</b>	0	0	0
Additions	1,356,776	31,483	1,388,259
Depreciation (expense)	(59,052)	(6,635)	(65,687)
<b>Balance at 30 June 2020</b>	1,297,724	24,848	1,322,572
Depreciation (expense)	(59,531)	(13,042)	(72,573)
<b>Balance at 30 June 2021</b>	1,238,193	11,806	1,249,999

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

	2021 Actual	2020 Actual
	\$	\$
Interest expense on lease liabilities	(40,827)	(37,227)
Short-term lease payments recognised as expense	(56,502)	(26,741)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>(97,329)</b>	<b>(63,968)</b>
<b>Total cash outflow from leases</b>	<b>(97,329)</b>	<b>(63,968)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Leases for right-of-use assets are secured over the asset being leased.

**Right-of-use assets - valuation**

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

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

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



TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrease)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation Movement on Revaluation	2020 Closing Balance
Revaluation surplus - Land - freehold land	54,311,297	0	(29,949,000)	(29,949,000)	24,362,297	54,311,297	0	0	54,311,297
Revaluation surplus - Buildings - specialised	14,225,902	9,588,112	0	9,588,112	23,814,014	14,225,902	0	0	14,225,902
Revaluation surplus - Furniture and equipment	33,695	0	0	0	33,695	3,251	30,444	30,444	33,695
Revaluation surplus - Plant and equipment	129,886	0	0	0	129,886	98,670	31,216	31,216	129,886
Revaluation surplus - Furniture and Equipment - Library	(1,983)	0	(120,770)	(120,770)	(122,753)	(1,983)	0	0	(1,983)
Revaluation surplus - Plant and Equipment - Library	125,979	0	0	0	125,979	125,979	0	0	125,979
Revaluation surplus - Buildings - specialised - WMRC	7,897	0	0	0	7,897	7,897	0	0	7,897
Revaluation surplus - Infrastructure - roads	10,613,747	0	0	0	10,613,747	10,613,747	0	0	10,613,747
Revaluation surplus - Infrastructure - car parks	687,095	0	0	0	687,095	687,095	0	0	687,095
Revaluation surplus - Infrastructure - footpaths	3,288,925	0	0	0	3,288,925	3,288,925	0	0	3,288,925
Revaluation surplus - Infrastructure - parks	1,780,282	0	0	0	1,780,282	1,780,282	0	0	1,780,282
Revaluation surplus - Infrastructure - miscellaneous	4,556,047	0	0	0	4,556,047	4,556,047	0	0	4,556,047
Revaluation surplus - Infrastructure - right of way	454,062	0	0	0	454,062	454,062	0	0	454,062
Revaluation surplus - Infrastructure - streetscape	1,828,088	0	0	0	1,828,088	1,828,088	0	0	1,828,088
Revaluation surplus - Infrastructure - roads - WMRC	32,550	0	0	0	32,550	32,550	0	0	32,550
	92,073,469	9,588,112	(30,069,770)	(20,481,658)	71,591,811	92,011,809	61,660	61,660	92,073,469

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**14. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
ATO liabilities	
Bonds and deposits held	
Trade and other payables to related parties	
Accrued interest	
Income in advance	

2021	2020
\$	\$
825,600	1,158,534
100,288	76,247
106,130	77,636
0	85,277
613,334	697,801
44,632	87,859
56,209	61,424
242,413	94,490
<b>1,988,606</b>	<b>2,339,268</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other payables**

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

**Prepaid rates**

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

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**15. OTHER LIABILITIES**

**Non-current**

Sundry creditors

	2021	2020
	\$	\$
	0	6,785
	0	6,785

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity**  
 Grant liabilities represent the the Town's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

Grant liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Service concession liabilities**

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Town. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.





**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**17. INFORMATION ON BORROWINGS**

	2021	2020
(a) Borrowings	\$	\$
Current	329,882	310,650
Non-current	2,810,804	3,140,786
	3,140,786	3,451,436

(b) Repayments - Borrowings:

Particulars	Loan Number	Institution	Interest Rate	30 June 2021		30 June 2021		30 June 2021		30 June 2021		30 June 2020		30 June 2020	
				Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
<b>Recreation and culture</b>															
Loan 107	107	WA Treasury	6.51%	3,127,127	3,127,127	(246,827)	(246,828)	(194,048)	(190,822)	(194,048)	(190,822)	3,358,732	3,358,732	(231,605)	(210,561)
				3,127,127	3,127,127	(246,827)	(246,828)	(194,048)	(190,822)	(194,048)	(190,822)	3,358,732	3,358,732	(231,605)	(210,561)
<b>Self Supporting Loans</b>															
<b>Recreation and culture</b>															
Loan 105	105	WA Treasury	6.22%	122,008	122,008	(32,233)	(32,233)	(6,624)	(7,085)	(6,624)	(7,085)	152,334	152,334	(30,318)	(9,525)
Loan 108	108	WA Treasury	2.71%	202,303	202,303	(31,490)	(31,490)	(5,201)	(5,271)	(5,201)	(5,271)	232,956	232,956	(30,653)	(6,556)
				324,309	324,309	(63,723)	(63,723)	(11,825)	(12,356)	(11,825)	(12,356)	385,290	385,290	(60,971)	(16,081)
				3,451,436	3,451,436	(310,650)	(310,651)	(205,773)	(211,868)	(205,773)	(211,868)	3,744,012	3,744,012	(292,576)	(226,642)

\* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

The loans with WA Treasury Corporation are secured against the general funds as defined in section 6.2(4) of the Local Government Act 1995.

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**17. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(706)	(7,651)
<b>Total amount of credit unused</b>	<b>259,294</b>	<b>252,349</b>
<b>Loan facilities</b>		
Loan facilities - current	329,882	310,650
Loan facilities - non-current	2,810,904	3,140,786
Lease liabilities - current	58,211	53,052
Lease liabilities - non-current	1,246,805	1,308,466
<b>Total facilities in use at balance date</b>	<b>4,445,802</b>	<b>4,812,954</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at [Note 20](#).



**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**18. EMPLOYEE RELATED PROVISIONS**

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2020</b>			
Current provisions	589,896	302,110	892,006
Non-current provisions	0	163,760	163,760
	<u>589,896</u>	<u>465,870</u>	<u>1,055,766</u>
Additional provision	125,645	76,522	202,167
<b>Balance at 30 June 2021</b>	<u>715,541</u>	<u>542,392</u>	<u>1,257,933</u>
<b>Comprises</b>			
Current	715,541	346,969	1,062,510
Non-current	0	195,423	195,423
	<u>715,541</u>	<u>542,392</u>	<u>1,257,933</u>
<b>Amounts are expected to be settled on the following basis:</b>	<b>2021</b>	<b>2020</b>	
	\$	\$	
Less than 12 months after the reporting date	1,062,510	892,006	
More than 12 months from reporting date	304,112	190,827	
Expected reimbursements from other WA local governments	(108,689)	(27,067)	
	<u>1,257,933</u>	<u>1,055,766</u>	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

**Other long-term employee benefits (Continued)**  
rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**Provisions**

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

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

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	11,485,299	4,453,526	12,427,866
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(10,579)	11,139,550	(264,049)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,879)	0	(106,832)
Depreciation on non-current assets	2,743,636	2,447,584	2,616,741
(Profit)/loss on sale of asset	(6,418)	0	(31,638)
Share of profits of associates	70,162	0	80,724
Changes in assets and liabilities:			
(Increase)/decrease in receivables	23,867	0	(204,563)
(Increase)/decrease in other assets	72,553	0	(57,369)
(Increase)/decrease in inventories	230	0	620
Increase/(decrease) in payables	(357,447)	16,967	(44,248)
Increase/(decrease) in employee provisions	202,167	0	3,376
Non-operating grants, subsidies and contributions	(380,291)	(12,906,900)	(192,635)
Net cash from operating activities	2,354,001	697,201	1,800,127

TOWN OF COTTESLOE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	1,379,799	1,098,102
General purpose funding	399,250	387,362
Law, order, public safety	7,143	7,500
Health	21,450	0
Education and welfare	15,861,723	21,852,750
Community amenities	2,389,479	2,590,215
Recreation and culture	47,329,467	59,292,364
Transport	40,352,877	40,869,552
Economic services	18,137	18,000
Other property and services	5,054,477	7,014,903
Unallocated	3,495,862	4,193,585
	<u>116,309,664</u>	<u>137,324,333</u>





TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Cr. Phil Angers</b>			
Mayor's annual allowance	27,500	27,500	27,500
Meeting attendance fees	24,000	24,000	24,000
Annual allowance for ICT expenses	1,600	1,600	1,600
Travel and accommodation expenses	0	556	0
	53,100	53,656	53,100
<b>Cr. Lorraine Young</b>			
Deputy Mayor's annual allowance	6,875	6,875	4,762
Meeting attendance fees	15,500	15,500	15,520
Annual allowance for ICT expenses	1,600	1,600	1,602
Travel and accommodation expenses	0	556	0
	23,975	24,531	21,884
<b>Cr. Caroline Harben</b>			
Meeting attendance fees	15,500	15,500	10,893
Annual allowance for ICT expenses	1,600	1,600	1,124
Travel and accommodation expenses	0	556	0
	17,100	17,656	12,017
<b>Cr. Melissa Harkins</b>			
Meeting attendance fees	15,500	15,500	15,500
Annual allowance for ICT expenses	1,600	1,600	1,600
Travel and accommodation expenses	0	556	0
	17,100	17,656	17,100
<b>Cr. Paul MacFarlane</b>			
Meeting attendance fees	15,500	15,500	10,893
Annual allowance for ICT expenses	1,600	1,600	1,124
Travel and accommodation expenses	0	556	0
	17,100	17,656	12,017
<b>Cr. Helen Sadler</b>			
Meeting attendance fees	15,500	15,500	11,625
Annual allowance for ICT expenses	1,600	1,600	1,200
Travel and accommodation expenses	0	556	0
	17,100	17,656	12,825
<b>Cr. Craig Masarei</b>			
Meeting attendance fees	15,500	15,500	10,893
Annual allowance for ICT expenses	1,600	1,600	1,124
Travel and accommodation expenses	0	556	0
	17,100	17,656	12,017
<b>Cr. Kirsty Barrett</b>			
Meeting attendance fees	15,500	15,500	10,893
Annual allowance for ICT expenses	1,600	1,600	1,124
Travel and accommodation expenses	0	556	0
	17,100	17,656	12,017

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

22. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Cr. Michael Tucak</b>			
Meeting attendance fees	15,500	15,500	15,500
Annual allowance for ICT expenses	1,600	1,600	1,600
Travel and accommodation expenses	0	556	0
	17,100	17,656	17,100
<b>Cr. Mark Rodda</b>			
Deputy Mayor's annual allowance	0	0	2,075
Meeting attendance fees	0	0	4,680
Annual allowance for ICT expenses	0	0	483
	0	0	7,238
<b>Cr. Sally Pyvis</b>			
Meeting attendance fees	0	0	4,680
Annual allowance for ICT expenses	0	0	483
	0	0	5,163
<b>Cr. Rob Thomas</b>			
Meeting attendance fees	0	0	4,680
Annual allowance for ICT expenses	0	0	483
	0	0	5,163
	196,775	201,775	187,641
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
Mayor's allowance	27,500	27,500	27,500
Deputy Mayor's allowance	6,875	6,875	6,837
Meeting attendance fees	148,000	148,000	139,755
Annual allowance for ICT expenses	14,400	14,400	13,549
Travel and accommodation expenses	0	5,000	0
	196,775	201,775	187,641



**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**23. RELATED PARTY TRANSACTIONS**

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

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	1,196,912	1,171,269
Post-employment benefits	139,370	104,213
Other long-term benefits	25,639	18,322
Termination benefits	8,659	0
	<u>1,370,580</u>	<u>1,293,804</u>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent long service benefits accruing during the year.

*Termination benefits*

These amounts represent termination benefits paid to KMP

**Transactions with related parties**

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

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

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

24. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

(a) Share of joint operations

The Town has a 42.23 per cent interest in the Grove Library, which is involved in the provision of library services for the ratepayers of the Town of Cottesloe, Town of Mosman Park and the Shire of Peppermint Grove. The voting rights of the Town is 33.33 per cent. The principal place of business of the Grove Library is 1 Leake Street, Peppermint Grove, WA 6011.

The Town's interests in the Grove Library are accounted for as a joint operation using the proportional consolidation method in the financial statements. Summarised financial information of the joint operation, based on its IFRS financial statements as of 30 June 2021 and the year then ended, and adjusted for the Town proportional interest (42.23%) is set out below:

	2021 €	2020 €
Current assets	0	0
Non current assets	2,588,900	6,110,379
Total assets	2,588,900	6,110,379
Current liabilities	105,675	98,241
Non current liabilities	2,369	8,470
Total liabilities	108,044	106,711
Net assets	2,480,856	6,003,668
Net increase/(decrease) in share of associate entity's net assets	(3,522,812)	(578,295)
<b>Statement of Comprehensive income</b>		
Other revenue	16,057	12,112
Other expenditure	(539,503)	(590,407)
Net result for the period	(523,446)	(578,295)
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in asset revaluation surplus	(2,999,366)	0
<b>Total other comprehensive income for the period</b>	(2,999,366)	0
<b>Total comprehensive income for the period</b>	(3,522,812)	(578,295)

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**25. INVESTMENT IN ASSOCIATES**

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% and the Town's share of net assets is 17.94%.

Western Metropolitan Regional Council is involved in waste management for the ratepayers of the Town of Cottesloe, Town of Claremont, Town of Mosman Park, the Shire of Peppermint Grove and the City of Subiaco. The voting power held by the Town is 20 per cent. The principal place of business of the Western Metropolitan Regional Council is Suite 2/317 Churchill Avenue, Subiaco, WA 6008.

Summarised financial information of the equity accounted venture based on its IFRS financial statements as of 30 June 2021 and the year then ended, and reconciliation with the carrying amount of the investment in the statement of financial position, are set out below:

	2021	2020
	\$	\$
Current assets	1,503,214	1,993,383
Non-current assets	2,492,769	2,306,340
Current Liabilities	(694,737)	(620,330)
Non-current liabilities	(47,983)	(35,040)
<b>Equity</b>	<b>3,253,263</b>	<b>3,644,353</b>
Town's share in equity - 17.94% (2020:17.94%)	<b>583,635</b>	<b>653,797</b>
<b>Revenue</b>		
Operating grants, subsidies and contributions	1,946,203	1,919,456
Fees and charges	3,485,174	3,050,142
Interest earnings	7,687	34,214
Other revenue	122,070	611,022
	<b>5,561,134</b>	<b>5,614,834</b>
<b>Expenses</b>		
Employee costs	(1,754,566)	(1,650,918)
Materials and contracts	(3,567,691)	(3,021,072)
Utility charges	(17,013)	(10,818)
Depreciation	(220,833)	(201,324)
Loss on asset disposals	(36,178)	(93,755)
Insurance expenses	(71,244)	(59,325)
Other expenses	(284,699)	(1,027,587)
	<b>(5,952,224)</b>	<b>(6,064,799)</b>
<b>Net surplus/(deficit) for the period</b>	<b>(391,090)</b>	<b>(449,965)</b>
Town's share of net result - 17.94% (2020:17.94%)	<b>(70,162)</b>	<b>(80,724)</b>
<b>Total comprehensive income for the period</b>	<b>(391,090)</b>	<b>(449,965)</b>

**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**SIGNIFICANT ACCOUNTING POLICIES**

**Investment in associates**

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

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investment in associates (Continued)**

Profits and losses resulting from transactions between the Town and the associate are eliminated to the extent 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.



TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

26. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

Rate in \$	Number of Properties	2020/21		2020/21		2020/21		2020/21		2019/20	
		Actual Rateable Value \$	Actual Rate \$	Actual Interim Rates \$	Actual Back Rates \$	Actual Total Revenue \$	Budget Rate \$	Actual Total Revenue \$			
0.0686	3,227	128,616,583	8,823,096	38,429	7,607	8,869,132	8,896,377	8,768,600			
0.0686	75	3,095,900	212,379	15,785	1,390	229,554	227,978	204,533			
0.0686	66	8,071,261	553,689	(7,689)	(1,059)	544,941	502,331	529,941			
0.0686	1	63,500	4,356	3,910	907	9,173	4,356	1,411			
0.0686	1	28,020	1,922	0	0	1,922	1,922	1,987			
0.0795	119	10,651,931	846,829	0	(1,248)	845,581	804,920	821,677			
	<b>3,489</b>	<b>150,527,195</b>	<b>10,442,270</b>	<b>50,435</b>	<b>7,597</b>	<b>10,500,302</b>	<b>10,437,886</b>	<b>10,328,149</b>			

Minimum payment

Gross rental valuations

1.161	299	4,421,300	347,139	0	0	347,139	345,978	344,448
1.161	4	1,170	4,644	0	0	4,644	6,966	7,752
1.161	11	132,224	12,771	0	0	12,771	12,771	12,771
1.161	19	253,171	22,059	0	0	22,059	22,059	19,737
	<b>333</b>	<b>4,807,865</b>	<b>386,613</b>	<b>0</b>	<b>0</b>	<b>386,613</b>	<b>387,774</b>	<b>384,708</b>

Discounts/concessions (Note 26(d))

Total amount raised from general rate

3,822	155,335,060	10,828,883	50,435	7,597	10,886,915	10,825,660	10,712,857
					(11,689)	(4,660)	(4,660)
							10,708,197

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period

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

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

26. RATING INFORMATION (Continued)

(b) Specified Area Rate

No specified area rates were imposed by the Town during the year ended 30 June 2021.

(c) Service Charges

No service charges were imposed by the Town during the year ended 30 June 2021.

**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**26. RATING INFORMATION (Continued)**

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

**Rates Discounts**

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	2020 Budget \$	Circumstances in which Discount is Granted
General Rates	80.00%	\$	4,761	4,660	4,660	4,660	As part of a lease agreement
Waivers or Concessions			4,761	4,660	4,660	4,660	

**Rate or Fee and Charge to which the Waiver or Concession is Granted**

Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	2020 Budget \$
General rates	100.00%	\$	6,928	5,475	5,475	5,475
Venue hire	100.00%	\$	0	0	1,080	1,080
<b>Total discounts/concessions (Note 26(a))</b>			<b>6,928</b>	<b>5,475</b>	<b>6,555</b>	<b>6,555</b>

**Rate or Fee and Charge to which the Waiver or Concession is Granted**

Circumstances in which the Waiver or Concession is Granted	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Owner applied for waiver as part of consideration of forfeiture of right of way ownership	Part of the Town's strategy	As consideration for the forfeit of the right of way ownership
Certain events, community groups and committees requiring venue hire	As listed in the Town's policy	Council considers support of these groups necessary for the overall benefit of the community

TOWN OF COTTESLOE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

26. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	4/09/2020			8.00%
<b>Option Three</b>				
First instalment				
Second instalment				
<b>Option Two</b>				
First instalment	4/09/2020	3.00	5.50%	8.00%
Second instalment	6/11/2020	3.00	5.50%	8.00%
Third instalment	15/01/2021	3.00	5.50%	8.00%
Fourth instalment	12/03/2021	3.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	22,718	18,000	29,662
Interest on instalment plan	40,751	25,000	38,536
Charges on instalment plan	10,308	10,750	21,624
	<u>73,777</u>	<u>53,750</u>	<u>89,822</u>



TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

27. RATE SETTING STATEMENT INFORMATION

		2020/21 (30 June 2021) Carried Forward	2020/21 Budget (30 June 2021) Carried Forward	2019/20 (30 June 2020) Carried Forward	
Note		\$	\$	\$	
<b>(a) Non-cash amounts excluded from operating activities</b>					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
<b>Adjustments to operating activities</b>					
	Less: Profit on asset disposals	11(a)	(6,418)	0	(41,692)
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,879)	0	(106,832)
	Less: Share of net profit of associates and joint ventures accounted for using the equity method		70,162	0	80,724
	Movement in pensioner deferred rates (non-current)		(6,879)	0	(4,498)
	Movement in employee benefit provisions (non-current)		31,663	0	60,962
	Movement in employee benefit provisions (current)				(57,586)
	Movement in other payables (non-current)		(6,785)	0	6,785
	Movement in receivables (non-current)				(4,851)
	Add: Loss on disposal of assets	11(a)	0	0	10,054
	Add: Depreciation on non-current assets	11(c)	2,743,636	2,447,584	2,616,741
	<b>Non cash amounts excluded from operating activities</b>		<b>2,821,500</b>	<b>2,447,584</b>	<b>2,559,807</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
<b>Adjustments to net current assets</b>					
	Less: Reserves - cash backed	4	(8,591,484)	(3,256,106)	(9,087,247)
	Less: Financial assets at amortised cost - self supporting loans	5(a)	(62,141)	(63,723)	(59,512)
	Add: Current liabilities not expected to be cleared at end of year				
	- Current portion of borrowings	17(a)	329,882	325,000	310,650
	- Current portion of lease liabilities		58,211	63,564	53,052
	- Employee benefit provisions		973,628	887,612	892,006
	<b>Total adjustments to net current assets</b>		<b>(7,291,904)</b>	<b>(2,043,653)</b>	<b>(7,891,051)</b>
<b>Net current assets used in the Rate Setting Statement</b>					
	Total current assets		12,214,691	5,239,829	13,339,780
	Less: Total current liabilities		(3,439,209)	(3,196,176)	(3,594,976)
	Less: Total adjustments to net current assets		(7,291,904)	(2,043,653)	(7,891,051)
	<b>Net current assets used in the Rate Setting Statement</b>		<b>1,483,578</b>	<b>0</b>	<b>1,853,753</b>

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**28. FINANCIAL RISK MANAGEMENT**

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.13%	11,485,299	8,507,757	2,976,242	1,300
<b>2020</b>					
Cash and cash equivalents	0.66%	12,427,866	9,099,923	3,327,243	700

**Sensitivity**

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

\* Holding all other variables constant

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	29,762	33,272

**Borrowings**

Borrowings are 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 Town does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 17(b).

TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

**Trade and Other Receivables**

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

Credit risk on rates and annual charges is minimised by the ability of the 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 encourage payment.

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



TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The 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 and disclosed in Note 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	1,988,606	0	0	1,988,606	1,988,606
Borrowings	522,637	1,992,231	1,562,923	4,077,791	3,140,786
Lease liabilities	97,329	365,080	1,250,664	1,713,073	1,305,016
	<u>2,608,572</u>	<u>2,357,311</u>	<u>2,813,587</u>	<u>7,779,470</u>	<u>6,434,408</u>
<b>2020</b>					
Payables	2,339,268	0	0	2,339,268	2,339,268
Borrowings	522,637	2,514,867	1,562,923	4,600,427	3,451,436
Lease liabilities	97,007	462,730	1,250,664	1,810,401	1,361,518
	<u>2,958,912</u>	<u>2,977,597</u>	<u>2,813,587</u>	<u>8,750,096</u>	<u>7,152,222</u>



TOWN OF COTTESLOE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

**29. TRUST FUNDS**

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Cash in lieu of public open space	670,194	3,986		674,180
	670,194	3,986	0	674,180

**TOWN OF COTTESLOE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**30. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair

**h) Fair value hierarchy (continued)**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**i) Impairment of assets**

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

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

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

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

**TOWN OF COTTESLOE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021**

**31. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.</p>	Includes the activities of members of council and administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
<p><b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p><b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>HEALTH</b> To provide an operational framework of environmental and community health.</p>	Inspection of food outlets and their control, noise control and waste disposal compliance.
<p><b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly, children and youth.</p>	Maintenance of senior citizen centre and community care programs.
<p><b>COMMUNITY AMENITIES</b> To provide services required by the community.</p>	Rubbish collection services, operation of rubbish disposal sites, litter control, protection of the environment and administration of the town planning scheme.
<p><b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.</p>	Maintenance of public halls, civic centres, beaches and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.
<p><b>TRANSPORT</b> To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, footpaths, cycle ways, parking facilities and traffic control. Maintenance of street trees, street lighting etc.
<p><b>ECONOMIC SERVICES</b> To help promote the Town and its economic wellbeing.</p>	Tourism and area promotion, Building control.
<p><b>OTHER PROPERTY AND SERVICES</b> To monitor and control the Town's overheads and operating accounts.</p>	Engineering operating costs, plant repair and operation costs.

TOWN OF COTTESLOE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2021

32. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.15	1.09	1.52
Asset consumption ratio	0.76	0.79	0.80
Asset renewal funding ratio	0.79	0.82	0.84
Asset sustainability ratio	0.84	0.63	1.24
Debt service cover ratio	5.03	4.67	3.19
Operating surplus ratio	(0.03)	(0.04)	(0.02)
Own source revenue coverage ratio	0.95	0.94	0.97

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$





## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 Town of Cottesloe

To the Councillors of the Town of Cottesloe

## Report on the audit of the annual financial report

### Opinion

I have audited the financial report of the Town of Cottesloe (Town) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Town of Cottesloe:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Town for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

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

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

The Chief Executive Officer (CEO) of the Town is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

### Auditor's responsibility for the audit of the financial report

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

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

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

### Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Town:
  - a) The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard for the past three years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

### Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Town of Cottesloe for the year ended 30 June 2021 included on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
16 December 2021





Town of Cottesloe



109 Broome Street, Cottesloe WA 6011  
P 9285 5000 | E [council@cottesloe.wa.gov.au](mailto:council@cottesloe.wa.gov.au)



# TOWN OF COTTESLOE



## ATTACHMENT

**ITEM 8.1.3A:  
COMPLETED COMPLIANCE AUDIT RETURN 2021**

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

## Cottesloe - Compliance Audit Return 2021

### Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of the relevant minutes.

Commercial Enterprises by Local Governments					
No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2021?	N/A		Shane Collie
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2021?	N/A		Shane Collie
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2021?	N/A		Shane Collie
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2021?	N/A		Shane Collie
5	s3.59(5)	During 2021, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		Shane Collie

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

Delegation of Power/Duty					
No	Reference	Question	Response	Comments	Respondent
1	s5.16	Were all delegations to committees resolved by absolute majority?	Yes		Shane Collie
2	s5.16	Were all delegations to committees in writing?	N/A	There are no Delegations to Committees in place.	Shane Collie
3	s5.17	Were all delegations to committees within the limits specified in section 5.17?	N/A		Shane Collie
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A		Shane Collie
5	s5.18	Has council reviewed delegations to its committees in the 2020/2021 financial year?	N/A		Shane Collie
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Act?	Yes		Shane Collie
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	Delegation Register reviewed and adopted by Council 25 May 2021.	Shane Collie
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes		Shane Collie
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes		Shane Collie
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the council to amend or revoke a delegation made by absolute majority?	N/A		Shane Collie
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes		Shane Collie
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2020/2021 financial year?	Yes		Shane Collie
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Admin Reg 19?	Yes		Shane Collie
Disclosure of Interest					
No	Reference	Question	Response	Comments	Respondent
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Shane Collie

2 of 12

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
2	s5.68(2) & s5.69 (5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by Admin Reg 21A, recorded in the minutes of the relevant council or committee meeting?	N/A		Shane Collie
3	s5.73	Were disclosures under section sections 5.65, 5.70 or 5.71A(3) recorded in the minutes of the meeting at which the disclosures were made?	Yes		Shane Collie
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Shane Collie
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2021?	Yes		Shane Collie
6	s5.77	On receipt of a primary or annual return, did the CEO, or the mayor/president, give written acknowledgment of having received the return?	Yes	Trim Folder SUB/3089	Shane Collie
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76?	Yes	Trim Folder D20/8230	Shane Collie
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A, in the form prescribed in Admin Reg 28?	Yes	Trim Folder D20/8230	Shane Collie
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76, did the CEO remove from the register all returns relating to that person?	Yes		Shane Collie
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Shane Collie
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B, in the form prescribed in Admin Reg 28A?	Yes		Shane Collie
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Shane Collie
13	s5.89A(6)	When a person ceases to be a person who is required to make a disclosure under section 5.87A or 5.87B, did the CEO remove from the register all records relating to that person?	Yes		Shane Collie

3 of 12



Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A (6) been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes		Shane Collie
15	Rules of Conduct Reg 11(1), (2) & (4)	Where a council member had an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person, did they disclose the interest in accordance with Rules of Conduct Reg 11(2)?*  *Question not applicable after 2 Feb 2021	Yes		Shane Collie
16	Rules of Conduct Reg 11(6)	Where a council member disclosed an interest under Rules of Conduct Reg 11(2) was the nature of the interest recorded in the minutes?*	Yes		Shane Collie
		*Question not applicable after 2 Feb 2021			
17	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Shane Collie
18	s5.71A & s5.71B (5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under s5.71A(1) relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A		Shane Collie
19	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under subsection 5.71B(6) recorded in the minutes of the council meeting at which the decision was considered?	N/A		Shane Collie
20	s5.103 Admin Regs 34B & 34C	Has the local government adopted a code of conduct in accordance with Admin Regs 34B and 34C to be observed by council members, committee members and employees?*	Yes		Shane Collie
		*Question not applicable after 2 Feb 2021			
21	Admin Reg 34B(5)	Has the CEO kept a register of notifiable gifts in accordance with Admin Reg 34B(5)?*	Yes		Shane Collie
		*Question not applicable after 2 Feb 2021			

4 of 12

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
22	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates within 3 months of the prescribed model code of conduct coming into operation (3 February 2021)?	Yes		Shane Collie
23	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4)?	N/A		Shane Collie
24	s5.104(7)	Did the CEO publish an up-to-date version of the adopted code of conduct on the local government's website?	Yes		Shane Collie
25	s5.51A(1) & (3)	Did the CEO prepare, and implement and publish an up-to-date version on the local government's website, a code of conduct to be observed by employees of the local government?	Yes		Shane Collie

#### Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) (unless section 3.58(5) applies)?	N/A		Shane Collie
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	N/A		Shane Collie

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

Elections					
No	Reference	Question	Response	Comments	Respondent
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate?	Yes		Shane Collie
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years?	Yes		Shane Collie
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with Elect Reg 30G(6)?	Yes		Shane Collie

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

Finance					
No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act?	Yes		Shane Collie
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority?	N/A		Shane Collie
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2021 received by the local government by 31 December 2021?	Yes	16/12/21	Shane Collie
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	N/A		Shane Collie
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	No significant matters raised.	Shane Collie
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under s7.12A(4)(b), did the CEO publish a copy of the report on the local government's official website?	N/A		Shane Collie
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June received by the local government within 30 days of completion of the audit?	Yes		Shane Collie

7 of 12



Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

<b>Integrated Planning and Reporting</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted 25 July 2017. Due for review 2022.	Shane Collie
2	Admin Reg 19DA (1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	Adopted 27 October 2020. Quarterly reports are submitted to Council on performance.	Shane Collie
3	Admin Reg 19DA (2) & (3)	Does the corporate business plan comply with the requirements of Admin Reg 19DA(2) & (3)?	Yes		Shane Collie
<b>Local Government Employees</b>					
<b>No</b>	<b>Reference</b>	<b>Question</b>	<b>Response</b>	<b>Comments</b>	<b>Respondent</b>
1	Admin Reg 18C	Did the local government approve a process to be used for the selection and appointment of the CEO before the position of CEO was advertised?	N/A		Shane Collie
2	s5.36(4) & s5.37 (3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Admin Reg 18A?	N/A		Shane Collie
3	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A		Shane Collie
4	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4)?	N/A		Shane Collie
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A		Shane Collie
6	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A		Shane Collie

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

Official Conduct					
No	Reference	Question	Response	Comments	Respondent
1	§5.120	Has the local government designated a senior employee as defined by section 5.37 to be its complaints officer?	Yes		Shane Collie
2	§5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a)? Does the complaints register include all information required by section 5.121(2)?	Yes		Shane Collie
3	§5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes		Shane Collie

Optional Questions					
No	Reference	Question	Response	Comments	Respondent
1	Financial Management Reg 5 (2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with Financial Management Reg 5(2)(c) within the three years prior to 31 December 2021? If yes, please provide the date of council's resolution to accept the report.	No	Due in 2022 and is presently underway.	Shane Collie
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Audit Reg 17 within the three years prior to 31 December 2021? If yes, please provide date of council's resolution to accept the report.	No	Due in 2022 and is presently underway.	Shane Collie
3	§5.87C	Where a disclosure was made under sections 5.87A or 5.87B, was the disclosure made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C?	Yes		Shane Collie
4	§5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events ?	Yes		Shane Collie

9 of 12

Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4)?	Yes		Shane Collie
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes		Shane Collie
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2020/2021 financial year and publish it on the local government's official website by 31 July 2021?	Yes		Shane Collie
8	s6.4(3)	By 30 September 2021, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2021?	Yes		Shane Collie
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes		Shane Collie

#### Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy [adopted under F&G Reg 11A(1) & (3)] in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Shane Collie
2	s3.57 F&G Reg 11	Subject to F&G Reg 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in F&G Reg 11(1)?	Yes		Shane Collie
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with F&G Reg 14(3) and (4)?	Yes		Shane Collie
4	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than a single contract?	N/A		Shane Collie

10 of 12



Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
**Local Government, Sport  
and Cultural Industries**

No	Reference	Question	Response	Comments	Respondent
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer notice of the variation?	Yes		Shane Collie
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Regs 15 and 16?	Yes		Shane Collie
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Shane Collie
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes		Shane Collie
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Shane Collie
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Shane Collie
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of F&G Regs 21 and 22?	Yes		Shane Collie
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	Yes		Shane Collie
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under F&G Reg 23 (1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A		Shane Collie
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with F&G Reg 24?	N/A		Shane Collie
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with F&G Reg 24AD(4) and 24AE?	N/A		Shane Collie

11 of 12



Department of Local Government, Sport and Cultural Industries - Compliance Audit Return



Department of  
Local Government, Sport  
and Cultural Industries

No	Reference	Question	Response	Comments	Respondent
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A		Shane Collie
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A		Shane Collie
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of F&G Reg 24AG?	N/A		Shane Collie
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		Shane Collie
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A		Shane Collie
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A		Shane Collie
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of F&G Regs 24E and 24F?	N/A		Shane Collie

I certify this Compliance Audit Return has been adopted by council at its meeting on \_\_\_\_\_

\_\_\_\_\_  
Signed Mayor/President, Cottesloe

\_\_\_\_\_  
Signed CEO, Cottesloe