

# TOWN OF CLAREMONT ANNUAL REPORT 2016-17



# 2016-17 ANNUAL REPORT

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## MAYORS MESSAGE

It is with great pleasure that I present the Town of Claremont's 2016-2017 Annual Report, highlighting our achievements over the past 12 months.

Over the past year, we have focused on maintaining and upgrading the Town's assets to ensure Claremont's roads, parks and community facilities are protected for future generations. A number of notable infrastructure projects have been carried out to continue to improve our facilities for our community.

The redevelopment of Lake Claremont Golf Course took place this year, which includes 9 par 3 holes and new clubroom. This facility will be part of a greater leisure precinct, situated next to a gym, cafe and Lake Claremont.

The Freshwater Bay Museum closed for this year to allow the development of a new community facility, which will support further opportunities for enriching our community through our history.

The Town continues to deliver an extensive annual calendar of events, striving to be inclusive of all generations and the varying interests in our community. This year, we held school holiday activities, seniors' events, Christmas celebrations, as well as our annual Art Awards, to name a few.

We plan to continue to serve our community into the future, encapsulating our community vision in the development of our Strategic Community Plan 'Claremont Ahead 2027'. This plan provides us with a solid direction for the organisation to work towards in order to achieve this vision.

On behalf of the Town of Claremont, I would like to take this opportunity to thank my fellow Members of Council, our administration staff and community members for their time, enthusiasm and commitment over the past 12 months. This Annual Report is a testament to yet another successful year at the Town of Claremont.

A handwritten signature in blue ink that reads "Jock Barker". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

**Jock Barker**  
Mayor



## CHIEF EXECUTIVE OFFICER MESSAGE

2016-17 was a busy year for strategic planning, with our second review of the Strategic Community Plan 'Claremont Ahead' taking place. This involved extensive consultation with our community to establish and confirm the way forward. It has been pleasing to see that much of our prior work was supported by the community, and that we are making excellent progress.

The 'Claremont on the Park' development continued, and we welcomed back the Claremont Football Club to this precinct after two seasons away. The Town supported creative agency FORM's move into Claremont, a partnership which provides the local community access to the arts and has helped to rejuvenate the Station Master House, and surrounding precinct.

Our support for community groups continued in 2016-17 with Council approving an equitable subsidy for sporting clubs. The Town provided a number of grants and funding to local community groups including SHINE, who deliver services to our aged residents and people with disabilities.

Local economic development remained a focus as we worked with local businesses to develop and implement activities that promoted the whole Claremont Town Centre. This included a three day festival attracting approximately 7000 people to the central business district.

Ending the 2016-17 financial year was the Council's endorsement to undertake the undergrounding of power in the remaining portion of the Town. This will be a major infrastructure project for 2017-18, which will provide a safer, more attractive streetscape for our community.

A blue ink handwritten signature of Liz Ledger, consisting of stylized cursive letters.

**Liz Ledger**  
Chief Executive Officer

# ELECTED MEMBERS



**His Worship the Mayor  
Jock Barker**  
Term Expires: 2017



**Cr Jill Goetze**  
South Ward  
Term Expires: 2017



**Cr Alastair Tulloch**  
East Ward  
Term Expires: 2019



**Cr Paul Kelly**  
South Ward  
Term Expires: 2017



**Cr Bruce Haynes**  
East Ward  
Term Expires: 2017



**Cr Karen Wood**  
West Ward  
Term Expires: 2017



**Cr Kate Main**  
East Ward  
Term Expires: 2019



**Cr Peter Browne, JP  
Deputy Mayor**  
West Ward  
Term Expires: 2019

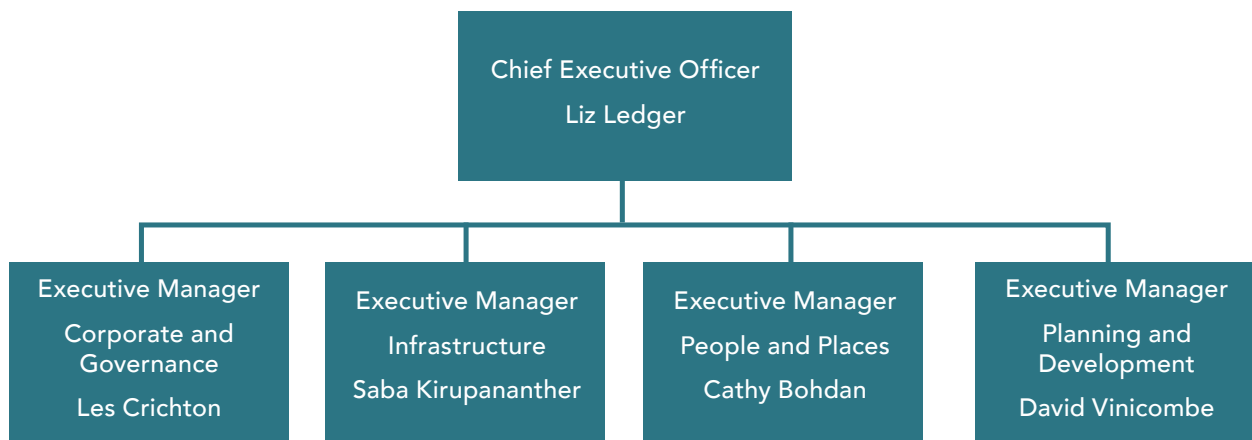


**Cr Chris Mews**  
South Ward  
Term Expires: 2019



**Cr Peter Edwards**  
West Ward  
Term Expires: 2019

# ORGANISATIONAL OVERVIEW



The team at the Town of Claremont is led by the Chief Executive Officer Liz Ledger, who operates under the guidance of the elected council.

The Town delivers its services to the community through four directorates, each of which is led by an Executive Manager. The Executive Managers are responsible for providing open, accountable leadership.

## CHIEF EXECUTIVE OFFICER

The office of the Chief Executive Officer is responsible for the Mayor and Councillors, strategic planning, community and economic development, communications and consultation.

## CORPORATE AND GOVERNANCE

Corporate and Governance is responsible for financial management, governance, rates and property, the Claremont Aquatic Centre, environmental health services, parking and Rangers.

## INFRASTRUCTURE

Infrastructure is responsible for capital works, engineering services, parks and the environment, and the Claremont Golf Course.

## PEOPLE AND PLACES

People and Places is responsible for human resources, the Claremont Community Hub and Library, the Freshwater Bay Museum, information technology, customer relations and record management.

## PLANNING AND DEVELOPMENT

Planning and Development is responsible for statutory planning, building services, heritage and strategic projects.

# STRATEGIC FOCUS

## VISION

Claremont will develop as a harmonious, cosmopolitan Town creating opportunity for community well-being, business prosperity and sustainable living whilst respecting and celebrating the past.

## MISSION

We exist to deliver quality services for Claremont today and to build the foundation for the future.

## VALUES

Respect	We are responsible for how we behave in our workplace and will show respect and courtesy to all of our customers and colleagues.
Integrity	We are open, accountable and honest.
Quality Communication	We demonstrate our respect for our community and each other through timely, accurate and understandable communication.
Customer Service	Every contact with a customer is an important opportunity to demonstrate the Town's commitment.
Excellence	Our focus is quality outcomes achieved on time and on budget.





# KEY FOCUS AREAS

<b>Goal 1: Liveability</b>	We are an accessible community, with well-maintained and managed assets. Our heritage is preserved for the enjoyment of the community.
<b>Goal 2: Prosperity</b>	Our businesses are thriving and integrated into the life of the Claremont community, and the town centre is known as a premier retail destination.
<b>Goal 3: People</b>	We live in an accessible and safe community that welcomes diversity, enjoys being active and has a strong sense of belonging.
<b>Goal 4: Environment</b>	We are leaders in responsibly managing the built and natural environment for the enjoyment of the community and continue to demonstrate diligent environmental practices.
<b>Goal 5: Governance &amp; Leadership</b>	We are an open and accountable local government; a leader in community service standards.



# GOAL 1: LIVEABILITY

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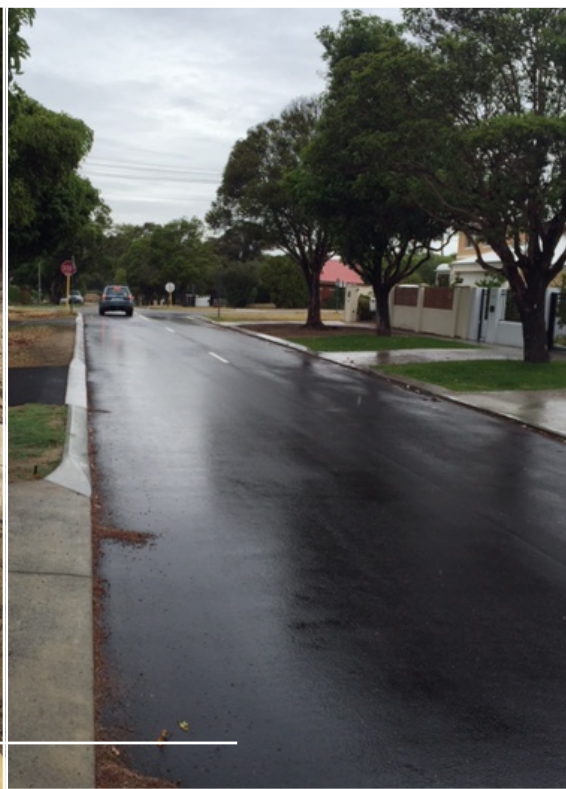
## INFRASTRUCTURE

A range of infrastructure projects have been completed in the 2016-17 financial year. Road rehabilitation and asphalt resurfacing took place in several streets around the Town including the resheeting of nine streets including; Central Avenue, Airlie Street and Saladin Street. Carpark upgrades have also taken place on Davies Road and a new carpark has been installed at Lake Claremont Golf Course on Lapsley Road.

Footpath upgrades along Stirling Highway (from Brown to Walter street, Langsford to Vaucluse and Church Way to Avion Way) as well as Mary, Servetus and Anstey streets, will create a safer environment for pedestrians and residents.

The 2016-17 financial year also saw the Barnfield Road and Dean Street intersection upgraded and reshaping the Mitford Street intersection. These upgrades will assist with traffic management in the area.

A universal access toilet was installed at the McKenzie Pavillion in Creswell Park to ensure the pavilion remains compliant for future use.



## URBAN PLANNING

Following on from the Town's 2012 Housing Capacity Study, progression has been made on the development of long term strategic plans to address housing growth targets set by the State Government with increased development opportunities surrounding Loch Street and Swanbourne Railway Stations.

The Town has also continued to work towards the final development of the North East Precinct – "Claremont on the Park" to improve the location and design of public facilities within the site. Approval was granted for a third set of apartments, containing 143 dwellings and commercial tenancies at the corner of Shenton Road and Davies Road. This development, along with other existing approvals, represent approximately 75% of the total development and progresses the shaping of the modern transit orientated development. Based on the apartment development yields to date, it is expected that the final development will provide for up to 1000 dwellings, which will significantly contribute to the Town's housing growth targets.

## STATUTORY PLANNING

The Planning Services Unit accepted 206 development applications and processed 204 applications by applying the provisions of its 'Town Planning Scheme'. The value of the development application fees totaled \$187,458 (for development valued at \$119,767,757) for the financial year. The number of applications accepted and processed during the year increased by approximately 5% compared to the previous year, as did the values of application fees (9%) and development value (146%).

The Planning Services Unit aims to process development applications within the 60 and 90 day statutory periods applicable. When applicant delays are taken into account, 91% applications were determined within the statutory periods (1% down on last year) with an average time of 43 days. Four development applications were lodged for review with the State Administration Tribunal.

## HERITAGE

A review of the Heritage list attached to Town Planning Scheme No. 3 was completed. The Royal Agricultural Society Showground remains the only outstanding on the list for review.

In this financial year the Town received 65 development applications requiring assessment as they were heritage-listed places, an increase in heritage related development from last year. This included the Good Shed refurbishment, which is an excellent example of adaptive reuse and restoration.

## BUILDING SERVICES

286 Building Permits were assessed and approved over the 2016-17 year, representing a 1.42% increase on last year. This included 173 Certified Building Permits, 54 Uncertified Building Permits, 18 Demolition Permits, 27 Occupancy Permits, six Building Approval Certificates and eight Sign Licenses.

The value of the application fees received for all approvals issued totaled \$185,680 for the financial year, a decrease of 6.42% on last year.

The Town has 772 registered pools, with pool inspections occurring every four years. A new round of inspections commenced during 2016-17, with a total of 229 pools inspected during the year. 194 were found to be compliant, with 35 requiring modifications to comply.



*Image credit LandCorp*

## RANGER SERVICES

### ANIMALS

The Town's Rangers prepared public information and displays at various community events and were proactively involved in animal management issues.

The annual 'Pets in the Park' event was held in April 2017, which attracted approximately 600 dogs and their owners, with entertainment and activities for the entire family.

In the 2016-17 financial year, the Town has 225 registered cats, 808 registered dogs, handled 19 dog attack complaints and 46 complaints regarding dogs barking.



## PARKING

The Town continues to work with the businesses in Claremont to facilitate turnover of available bays for customers, as well as working closely with builders on construction sites addressing parking needs and requirements within the Town.

Ranger Services continue to conduct regular parking and safety audits at local schools to ensure a safe environment for children, and decrease traffic congestion during peak drop off and pick up times.

## PRECINCT PARKING

In October 2016, Council endorsed the implementation of an on-street parking plan which includes seven parking precincts and controlled cones within the locality. The plan will provide residents of the district and their visitors with accessible on-street parking, helping manage parking issues in the growing community. The consultation process for on street parking commenced in November 2016, and feedback will be reviewed to develop the final plan, which will implemented in the new financial year.

## TRAFFIC MANAGEMENT

Traffic management around the showgrounds plays an important role when large events are being held.

During the annual Perth Royal Show, the Town contracts a traffic management company to work with the Town to reduce congestion surrounding the showgrounds. For other events staged at the showgrounds, promoters and the Town collaborate to develop a Traffic Management Plan which is paid for by the event promoters.

## EMERGENCY MANAGEMENT COORDINATION

The annual inspections on properties (including vacant lots) was undertaken in the lead up to the bush fire risk period. The program included initial and follow up inspections to ensure owners complied with the *Bush Fire Act 1954*.

The *Western Central Local Emergency Management Arrangements (WC-LEMC)* give incident management agencies support information at a local level. A review of the Town's Emergency Management Recovery Plan was completed during the year as part of the *State Emergency Management Committee* State requirements.

## HEALTH SERVICES

The Town continued regular food business and public building inspections, noise monitoring and food and recreational water/swimming pool water sampling, as well as special projects including; mosquito monitoring, microbiological and chemical analysis of foods and attending all major public events. These projects have been undertaken in a coordinated approach with City of Nedlands for mosquito monitoring and Department of Health WA, and the Local Health Authorities Analytical Committee for coordinated water and food sampling projects.

The Town's core services performed during 2016-17 include:

- Inspections and sampling of water of all aquatic facilities including public complex pools and spas;
- Sampling of recreational waters (Swan River) during the summer months as part of the Department of Health's project;

- Routine risk based food premises inspections, investigation all food borne infections, and ensure the licensing all food businesses and vendors;
- Regular public building inspections to ensure compliance with the *Health (Public Building) Regulations 1992* including fire safety, emergency exits and public safety;
- Routine inspections of hairdressers, skin penetration and nail salons to ensure communicable disease control;
- Investigating and monitoring of communicable and enteric disease within the community;
- Investigating and responding to noise complaints, including neighbourhood noise, concert noise and construction noise;
- Attending all public events including night markets, concerts and the Royal Agricultural Society Perth Royal Show, monitoring crowd numbers, emergency management and public safety, noise monitoring and ensuring the delivery of safe food to the public;
- Administrative activities in the Town through the *Activities on Thoroughfares and Public Places Local Law*, to ensure that operators are operating in a safe, non-threatening manner and within the legislation;
- Attending and input into external State Government forums, engaging with not-for-profit and private stakeholders to ensure the promotion and enhancement of the health outputs for the Town and greater community.

The *Public Health Act 2016* was enacted during 2016-17 which, when fully implemented, will see a developmental change in the legislative process of the service of health delivery moving towards a risk based model, similar to that of the *Food Act 2008*. This will present a significant shift in the way health is managed to a more proactive approach, keeping with the changes in the Town's current delivery of services.

The Town continues to promote the 'Scores on Doors' initiative for all food businesses to recognise and promote those that have high levels of food safety and understanding of the *Food Act 2008* and the *FSANZ Food Safety Standards*. The program promotes greater community understanding of food safety, whilst enhancing the businesses' profiles. Currently, there are 41 food businesses participating in the initiative.

The Town has seen the introduction of several new small bars adding to the lifestyle of night venues available for residents and visitors to the area. The Town has adapted existing programs and services for healthy living and healthy communities to include changes to alcohol use in venue types other than traditional licensed premises such as hotels, pubs and restaurants.

The Town continued its commitment to waste reduction and is working toward the Federal Government initiative of zero waste to landfill. The Town continues to support the Western Metropolitan Regional Council and the development of the *Waste Management Local Law* to encourage responsible disposal of waste.

## GOAL 2: PROSPERITY

### ECONOMIC DEVELOPMENT PROJECT

Claremont Town Centre (CTC) is a joint initiative between the local businesses in the community and the Town of Claremont (ToC), and is funded by a \$1 for \$1 contribution through a specified area rate and Council investment. The project is overseen by an Advisory Committee with business and Council representation, who support programs that improve the economic and social well-being of the central shopping precinct through the design and implementation of strategies that fall within four main project themes, 'Create Awareness, Create Interest, Create Comfort and Create Partnerships'.

In the 2016-17 financial year, activation programs reinforced by strong marketing campaigns were designed and actioned for Father's Day, Melbourne Cup, Christmas and the annual ARTTRA festival. Business workshops and strengthening a marketing plan across both traditional and social media platforms has engaged the business community and increased awareness of CTC as the premier place for shopping, dining and entertainment. To ensure that the programs implemented within the annual Operational Plan were accurately measured for effectiveness, independent research and reporting was commissioned to streamline activity planning in line with business needs and maximise investment return. This proactive approach to foster continuous improvement within the project has seen the CTC join the State Government's Small Business Friendly Local Government initiative, which aims to build stronger relations with small business and support local economic development.





# GOAL 3: PEOPLE

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## COMMUNITY DEVELOPMENT

### ACCESS AND INCLUSION

The Disability Access and Inclusion Plan review commenced early in 2017. The review of the survey will define the focus areas of the Access and Inclusion Plan itself.

Outcomes for 2016-17 include:

- Access facility improvements (e.g. pram ramps, concrete and asphalt path) were included as part of all capital and renewal streetscape park upgrade works;
- Upgrade of footpaths and pram ramps throughout the Town to universal access standards (addition of tactile markers) have been undertaken where requested as part of the programmed infrastructure maintenance work.

### COMMUNITY FUNDING

The Town's community funding program supported five projects throughout the 2016-17 financial year. Organisations supported were:

- Autism West;
- Shenton Christian College;
- Christ Church Music School;
- Friends of Museum;
- West Coast Community Care.

### SPORT AND RECREATION

In 2016-17, the Town focused on working with our clubs providing support and advice for club development and sustainability. Recreational initiatives such as KidSport, Community Sporting and Recreation Facilities Fund, Community Volunteer Project and Club Talk are available to assist our clubs with resources and funds.

The Town advocates the benefits of sport and recreation, not only for the physical, but the positive impact on the mental and emotional well-being of the community. These objectives are met through a variety of different activities, particularly our annual health and well-being event; 'Get into Health' held in May 2017.

### CULTURAL DEVELOPMENT

The Town focused on cultural events for the community to raise and promote activation, social connection and participation. The cultural development program evolves each year to meet the needs of the community, and in 2016-17 the following events were held:

- Celebrate Lake Claremont;
- A Night on Bay View;
- LIVE Seniors Week;
- Christmas in Claremont;
- ARTTRA Arts Festival (joint with Claremont Town Centre Project);
- Sunset Cinema;
- Civic Events;
- Get into Health;
- Art Award and Exhibition.

## FRESHWATER BAY MUSEUM

The School Days exhibition, which opened in February 2016, was visited by more than 3600 visitors. The exhibition explored the changes to schools over the last 150 years. The exhibition was a collaboration between the Museum, Scotch College, Methodist Ladies' College, St Hilda's Anglican School, Christ Church Grammar, Freshwater Bay Primary, St Thomas' Primary, John XXIII College, Mt Claremont Primary and Cottesloe Primary. The exhibition was accompanied by a program of family friendly activities, which attracted younger audiences.

Following on from the 'Future Directions 2016-2021' (a five year plan completed in 2016) a concept plan for the development of the current Freshwater Bay Museum site was endorsed by Council. Development is expected to be completed in the second half of 2018.

Due to this redevelopment, the Museum was closed in December 2016. Whilst closed, various projects are underway including the auditing of the Museum collections and digitising archives for community accessibility.

The Museum ran a number of public programs throughout the year including the bi-monthly hosted History in a Coffee Cup presentations. Other events included a Mrs Herbert's Holiday Fun Day, the Playgroup WA's 4th Annual Intergenerational Play Day, family open days and a pop-up exhibition on Anzac Cottage for Anzac Day.

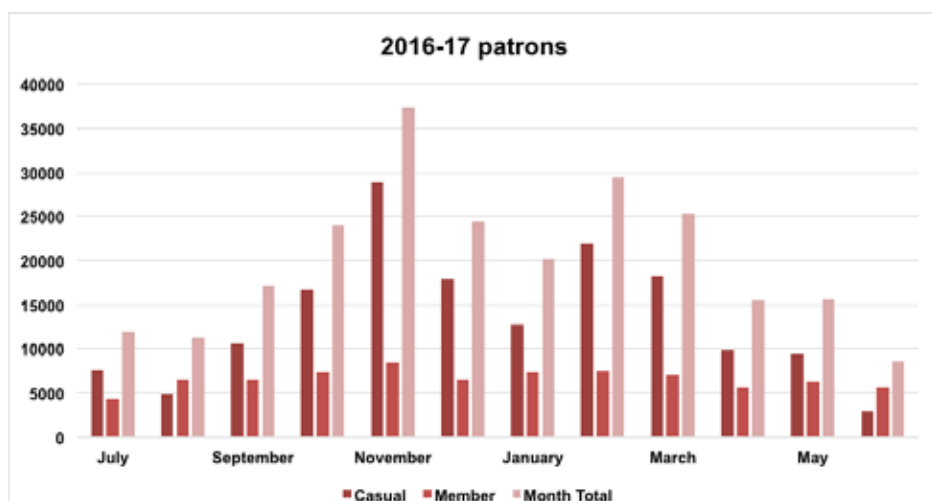
Statistics below are for July to December 2016, as the Museum has been closed since January 2017.

Visitors: 3,670, students: 847 and 867.25 volunteer hours.

## CLAREMONT AQUATIC CENTRE

During 2016-17 the Aquatic Centre attracted over 240,000 people (refer to table). The Town hosted a number of family initiated events such as fun days, pool parties and the annual Australia Day Barbeque.

2016-17 Entry Figures





## CLAREMONT COMMUNITY HUB AND LIBRARY

The Claremont Community Hub & Library enrolled 479 new members with 3,081 active members. There was 51,313 visitors to the hub and library and a total of 53,038 loans were made.

### PROGRAMS FOR CHILDREN

Programs for children were strongly supported with the weekly delivery of Baby Rhyme Time and Story time to 2,159 participants. Following these sessions local health professionals, GPs on Bayview, Wisdom Physiotherapy and Carlin Chiropractic presented topics relevant to young mothers. This new connection with local health services was introduced to enhance the delivery of literacy programs and is a welcoming new trend.

National Simultaneous Storytime was held in the library with Freshwater Bay Primary School (Year 1) and Christchurch Pre-Primary School in attendance.

Children's Book Week (CBW) sessions were delivered to 228 students at three local schools. In addition, a combined community and school event was held at the Claremont Quarter to celebrate CBW.

As part of the CCH & Library outreach service for "Access Asia Week" was presented to Christ Church Pre-Primary and Year 1 students during April and The Better Beginnings Plus program was delivered to 174 Kindergarten students at four local Primary Schools.

Lego Club was held every Friday with a total 617 children attending this fun one hour activity. School holiday activities included the Summer Reading Challenge with a "Super Hero" theme for craft workshops and cooking sessions.

### PROGRAMS FOR ADULTS

The library continues to provide a learning culture in the Community Hub delivering computer skills through the Broadband for Seniors program. The public PCs were accessed by 5,396 users accessing 3,136 hours of computer time an increase from 2014-2015.

Foreign language conversation sessions continue to support Chinese, Italian, German, French and English (second language) learning.

Recreational interest groups such as Mahjong and Knitting meet on a weekly basis.

The number of volunteers (15) supporting the delivery of library programs continues to grow and is paramount to the success of the library service.

## CLAREMONT GOLF COURSE

The Lake Claremont Golf Course was closed for a major upgrade on 30 June 2016. The Town committed \$1,000,000 to upgrade the course during the 2016-17 financial year.

Designer Terry Gale was commissioned to design and oversee the construction of the new course, which involved the redesign of all nine holes, tees, greens and fairways. A new irrigation system was installed to allow the new golf course operator/lessee Golf Oracle to operate and monitor the system remotely.



# GOAL 4: ENVIRONMENT

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## SUSTAINABILITY

### WATER SAVING

The Town has been involved with several water saving projects throughout the 2016-17 financial year. The UWA Soil Amendment Project has shown promising results in aiding the establishment of trees by improving the soil, and reducing water demands.

Around 1,500 plants were purchased by local residents under the Native Plant Subsidy Scheme, which offers up to 80 local seedling plants at half price each May for planting on verges and around gardens in the area.

### PARKS AND RESERVES UPGRADES

Central control irrigation systems were installed at Rowe Park, Claremont Park, Maclagan Park and Ashton Avenue Streetscape as well as at the upgraded Lake Claremont Golf Course. This system can be accessed remotely which increases efficiency through ease of access and quick control options. Water savings are also made through the ability to respond quickly to rain events, monitoring faults and turning systems off.

Lake Claremont Golf Course was upgraded over the financial year with significant earthworks to shape fairways, bunkers, greens and tees. New local species were planted throughout the course with fencing installed to maintain the area.

Other upgrades around the Town this financial year include a drink fountain at Lake Claremont dog exercise area, a decorative toilet screen at the public toilets in Claremont Park, a barbeque and picnic table in Rowe Park, a new garden bed at Maclagan Park to replace the struggling Kikuyu as well as verge landscaping at 40 St Quentin Avenue. These smaller projects increase the usability and aesthetics of the parks and reserves around Town.

### NATURAL AREAS

Additions to natural areas around the Town have made a positive difference to the usability of our precincts. These additions include the installation of a limestone track at Lake Claremont to improve access to vantage points, a path upgrade from Strickland Street to Gloucester Street at Lake Claremont to replace a failing concrete path as well as six additional car park bays created at the end of Lakeway Street with trees planted for shade.

The Friends of Lake Claremont were successful in applying for two grants this year totaling over \$65,000 for revegetation work. One from Natural Resource Management, the other was obtained from the Swan Alcoa Landcare Program. Overall, approximately 38,000 plants were planted this year as part of revegetating the area with 1,400 registered volunteers helping. National Tree Day was successful despite the wet weather. Schools, community groups and the local residents were involved with Friends of Lake Claremont.

The community public consultation for the Lake Claremont Management Plan was undertaken early in 2017 and was presented to the Lake Claremont Advisory Committee on 23 February 2017. The Town made a presentation of the draft plan at the South West Aboriginal Land and Sea Council in March 2017 to obtain comments from the Aboriginal Elders and soon after, the plan was endorsed by Council.

## TREE MANAGEMENT

The 2016 Winter Tree Planting Program totaled 300 new trees as per the Council approved Street Tree Master Plan. Over 250 of these are new plantings, which have added to the overall increase of 20% in street trees within the Town over the last decade.



## GOAL 5:

# LEADERSHIP AND GOVERNANCE

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## POLICIES

The Town's Policy Manual is reviewed in full on a biennial basis, with the previous review being completed in 2016 and the next review scheduled for 2018. The following changes to the Policy Manual were made:

### New Policies:

- LV130 – Heritage Maintenance Grants;
- PE403 – Public Art Policy;
- LV131 – Precinct Parking Management Policy;
- LV132 – Parking Permit Policy.

### Amended Policies:

- LG125 – Footpaths;
- LV127 – Dogs in Public Places;
- PS203 – Business Improvement District (BID);
- LG509 – Procurement Policy.

*A full copy of the Policy Manual is available on the Town's website.*

## LOCAL LAWS

The Town has introduced the following local laws:

### *Site Erosion and Sand Drift Local Law 2016*

In its meeting held on 20 September 2016, the Town this local law for the purpose of providing regulation, control and management of site erosion and sand on land within the district to protect the amenity of the area.

### *Parking Local Law 2016*

In its meeting held on 16 August 2016, the Town resolved to repeal its *Parking Local Law 2012* and replace it with the *Parking Local Law 2016* for the purpose of regulate parking of vehicles within the Town, and to provide for management and operation of its parking facilities.

The Town has a further 9 local laws which are reviewed in line with s3.16 of the *Local Government Act 1995* and the National Competition Policy. The Town's current local laws may be viewed in full on the Town's website.

## FINANCE

The Finance Unit supports the operations of the Town through the provision of budgeting services, financial management and statutory reporting, accounts payable, accounts receivable, rates, payroll, Fringe Benefit Tax and Goods and Services Tax reporting.

Key projects undertaken each year by the unit include preparation of the annual budget, issue of rate notices (initial and instalments), and completion of the annual financial statements. As has been the practice in recent years, budget preparations are commenced and finalised to enable rate notices to be issued as early as possible in the new financial year. This continues to support Council's cash flow position and capacity to commence and or continue key works.

During the year, the Town revalued its land and buildings in accordance with the revaluation timetable stipulated in the *Local Government (Financial Management) Regulations 1996*. The revaluation resulted in an overall increase of \$19,998,957 in the net value of land and buildings, taking the total of non-current assets to \$117,094,960.

The Town's result assisted to fund \$4,070,128 in asset renewal and upgrade, and a closing surplus of \$2,536,618 (of which \$1,222,647 are carry forwards), continues to reflect Town's responsible financial management of its resources and delivering its strategic objectives.

The Financial Auditor's Report provides a measure of four financial and three asset ratios (Note 19 and supplementary ratio), which also indicates the Town's financial and asset management sustainability.

Overall, the Town's ratios remain well above the target ratios as per DLGSCS Guidelines. Improvement in asset sustainability and operating ratio is mainly attributed to Management's review of Remaining Useful Life (RUL) initiative of assets, along with Debt Service Ratio. This improved due to a decrease in loan repayment (from 2M debt reduction on Loan 2 in 2015-16). Overall, the trend from ratios (average over the years) indicate that Town remains sustainable and self-reliant.

## COMMUNICATION AND CONSULTATION

The Town continues to engage with the community in meaningful ways under the 'Your Community Your Say' brand. We communicate with our residents and property owners in a variety of ways including via direct mail, print and outdoor advertising, at our community events, online and through social media.

A number of consultation projects were undertaken throughout the year including; the biennial Community Perceptions Survey, consultation on the proposed precinct parking plan commenced and approximately 1000 residents were invited to have their say on underground power. Residents and property owners effected by road works and other similar infrastructure projects were informed and when necessary consulted with directly.

A broad range of communication materials were produced over the financial period covering a range of communication and consultation projects. Some of these are included in the following list:

- Town Talk monthly newsletter, 9 print editions for each of the local newspapers covering the Town of Claremont; The Western Suburbs Weekly and The Post;
- Four quarterly editions of the Town Talk including the Special Budget edition, delivered to all households;
- Produced the Get into the Claremont Life Event Guides for Winter and Summer 2016 including associated individual event promotion where relevant including posters, banners, flyers, print advertising, social media and through our monthly e-newsletter;
- Promotion and information on the services and facilities provided by the Town was also provided to the community through a variety of channels for; the Claremont Community Hub and Library, children's programs and the various other workshops and programs, Claremont Aquatic Centre events, Waste and Recycling information calendar, publicity and promotion for the Freshwater Bay Museum, Lake Claremont Golf course refurbishment;
- Utilised opportunities to communicate the Town's projects, initiatives and events through publicity;
- Continued to utilise the Town's Facebook page to promote the services, initiatives and upcoming events;
- Researched and responded to enquiries from state and local media.



## CUSTOMER RELATIONS

In 2016, the Town launched its 'Customer Experience Charter'. The Customer Experience Charter sets out our commitment to provide our customers, with the service that they can expect. The document defines our service level agreements and includes how the Town handles complaints.

The intent of the Charter is to fully communicate all aspects of what customer service means to the Town, our employees and our customers. The Charter is a written policy that communicates the Town's commitment to doing business with others. It incorporates the purpose, scope and standards of your businesses' commitment to customer service so that both your employees and customers know what to expect.

The Customer Experience Charter is supported by the Customer Relations Module in Council First, which captures all the Town's interactions and timeframes with our customer. Reporting is in place to track and analyse these interactions.

## RECORDS MANAGEMENT

In compliance to the *State Records Act 2000*, the Town implemented the following in 2016-17:

- An induction program, which addresses employee roles and responsibilities in regard to their compliance with the organisations recordkeeping plan;
- Conducted a recordkeeping training program and reviewed the effectiveness of the training program.

## FREEDOM OF INFORMATION STATEMENT

The Town of Claremont received nine applications for information under the *Freedom of Information Act 1982* during the 2016-17 financial year. No internal or external reviews were requested or conducted.

## PEOPLE MANAGEMENT

The Town held a lower staff turnover rate than in previous years, with a measured decrease from 17.75% in 2015-16 to 11.03% in 2016-17. Our Workforce Plan was also developed during this financial year which highlights that this decrease in turnover does reflect lower employment rates in WA, and competitive conditions offered by the Town. The Enterprise Agreement negotiations commenced and was completed this financial year, which will see an increase in salaries of 8% over the next three years.

The Town implemented a cultural change program for 46 staff members in 2016-17, and also introduced an online training portal for all staff. Regular annual training was also upheld in this financial year.

Health, safety and wellbeing of staff was supported through a strong OSH program and a number of health and wellbeing programs as outlined below:

- Conducted Skin cancer checks for 35 staff, on-site;
- Completed Flu vaccinations for 32 staff, on-site;
- Coordinated Fit24 Health and Wellbeing challenge and fitness sessions for 48 staff;
- Completed Manual handling training for 63 staff.

## PAYMENTS MADE TO EMPLOYEES

Regulation 19B of the *Local Government (Administration) Regulations 1996* requires local governments to include the following information in its Annual Report:

- The number of employees entitled to an annual salary of \$100,000 or more;
- The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

The number of those employees with an annual salary entitlement over \$100,000 is;

\$220,000 - \$229,999	1
\$150,000 - \$159,999	3
\$140,000 - \$149,999	1
\$130,000 - \$139,999	1
\$100,000 – 109,999	3

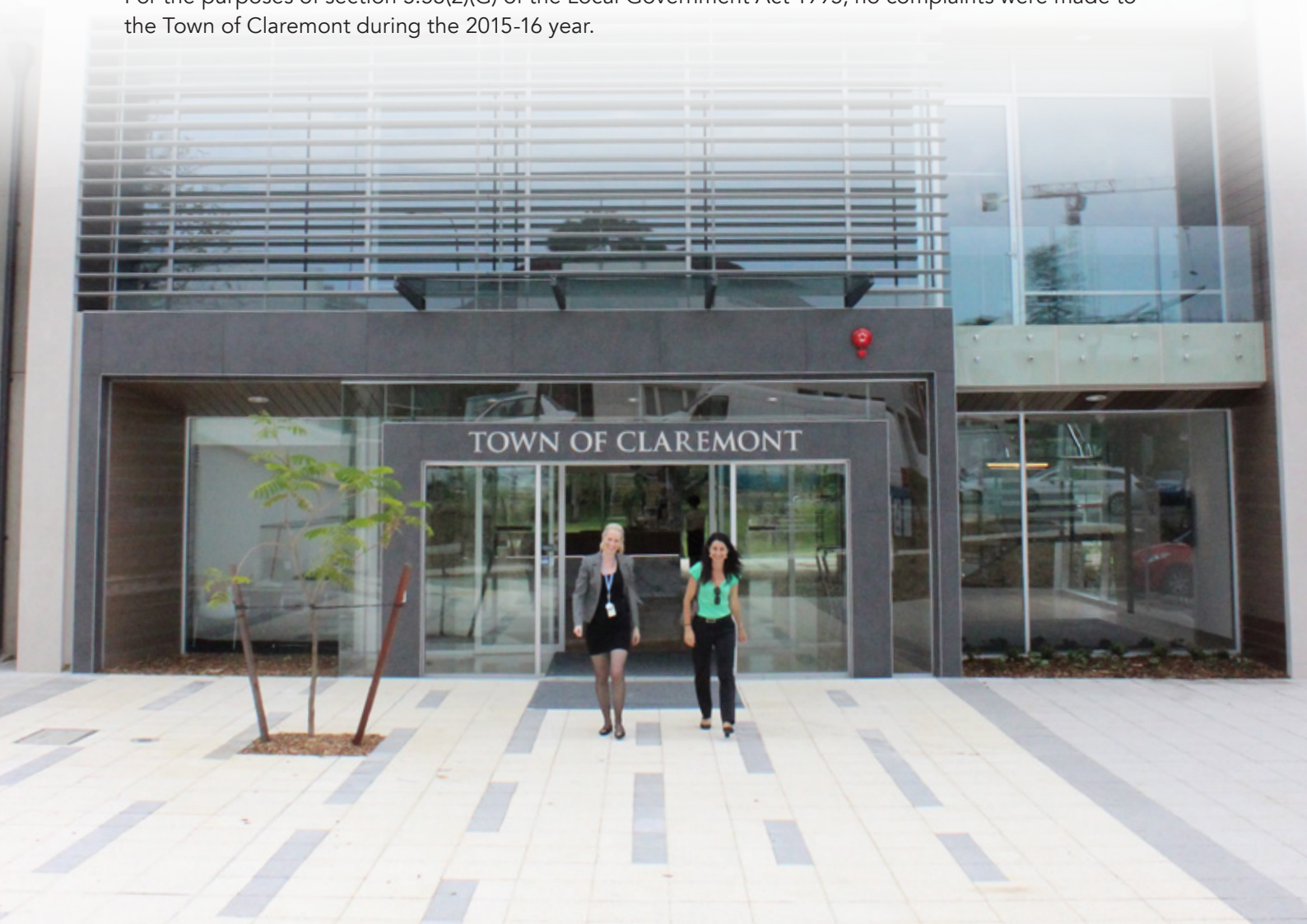
## REGISTER OF COMPLAINTS

Section 5.121 of the Local Government Act 1995 requires the complaints officer for the Town of Claremont 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 who 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 5.53(2)(G) of the Local Government Act 1995, no complaints were made to the Town of Claremont during the 2015-16 year.



## STATISTICAL COMPARISONS

Business Unit	2013-14	2014-15	2015-16	2016-17
<b>Claremont Pool</b>				
Number of Patrons	228,134	231,854	234,508	241,019
<b>Claremont Museum</b>				
Visitors	3,194	3,317	4,022	3,670
Number of Students	2,181	1,657	1,943	847
<b>Lake Claremont Golf Course</b>				
Number of Patrons	6,607	10,156	4,301	closed
<b>Claremont Community Hub and Library</b>				
Loans	59,343	59,545	62,520	53,038
Returns	54,823	56,051	58,618	46,541
Reservations	12,031	12,999	13,337	7,082
Interlibrary Loans Sent	505	573	485	379
Interlibrary Loans Requested	821	1,156	1,101	986
Reference Enquiries	15,038	15,602	18,984	15,948
Visitors to Library	45,239	47,713	51,978	51,313
<b>Health</b>				
Applications Processed	195	335	316	308
Public Spa/ Pool Samples	34	312	324	301
Food Premises Inspections	121	336	334	352
Food Products Sampled	12	118	11	19
Food Complaints	12	37	45	63
Public Buildings Inspections	49	62	41	45
General Complaints Resolved	64	122	98	174
Noise Complaints Resolved	52	40	22	90
Royal Show Food Outlet Inspections	86	236	544	135
RAS Concerts and Events	3	8	12	12
Waste Tonnes to Landfill	1,214	2,565.90	2,631	2,252
Verge Collection Waste Tonnes to Landfill	337	246.24	245	225
Recycling Tonnes	1,188	1,284.85	1,228	1,212
Verge Collection Greens	471	5,427	517	461

	2013-14	2014-15	2015-16	2016-17
General waste tip passes	66	41	34	46
Green waste tip passes	55	66	33	402
<b>Ranger Services</b>				
Removal notices placed on abandoned vehicles	47	56	36	31
Vehicles impounded	13	10	9	5
Notifications to retailers for shopping trolleys	76	58	266	238
Notice to comply issued on building sites	14	5	2	8
Infringement notices issued on building sites	NIL	NIL	NIL	NIL
Licence for Trading in Public Places	NIL	NIL	NIL	NIL
Signs impounded	NIL	NIL	NIL	NIL
Notices issued for illegal signs	NIL	NIL	NIL	NIL
Reports of graffiti to commercial properties	N/A	33	76	47
Reports of graffiti to residential properties	N/A	20	34	29
Reports of graffiti to infrastructure	N/A	55	134	159
Animal control issues	Dogs 16 Cats 3	Dogs 160 Cats 15	Dogs 525 Cats 54	Dog 437 Cats 34
Parking infringements issued	11,168	9,952	14,973	7,954
Residential parking permits	139	366	452	451
TIPP Permits issued	150	130	135	52

# AUDITOR'S REPORT

## INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE TOWN OF CLAREMONT

### **Opinion on the Audit of the Financial Report**

We have audited the accompanying financial report of the Town of Claremont (the Town), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

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

- a) giving a true and fair view of the Town's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

### **Basis for Opinion**

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

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

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

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

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Town's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

***Responsibilities of Management and Council for the Financial Report***

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

In preparing the financial report, management 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.

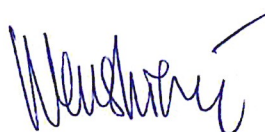
The Council is responsible for overseeing the Town's financial reporting process.

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

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI  
PARTNER

Date: 31 October 2017  
Perth, WA

**TOWN OF CLAREMONT**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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Principal place of business:  
Address  
308 Stirling Highway  
Claremont WA 6010



TOWN OF CLAREMONT  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Town being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Town at 30th June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 31 day of October 2017



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Liz Ledger  
Chief Executive Officer

**TOWN OF CLAREMONT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	23	14,012,573	14,006,445	13,383,621
Operating grants, subsidies and contributions	30	558,568	351,968	195,594
Fees and charges	29	3,412,057	3,272,498	3,745,947
Interest earnings	2(a)	684,915	627,220	728,227
Other revenue	2(a)	618,455	307,319	1,270,200
		<u>19,286,568</u>	<u>18,565,450</u>	<u>19,323,589</u>
<b>Expenses</b>				
Employee costs		(6,763,052)	(7,045,488)	(6,821,784)
Materials and contracts		(6,305,062)	(6,139,065)	(5,912,146)
Utility charges		(544,992)	(513,556)	(506,454)
Depreciation on non-current assets	2(a)	(2,600,970)	(3,455,400)	(3,495,323)
Interest expenses	2(a)	(368,857)	(368,826)	(539,567)
Insurance expenses		(247,000)	(267,286)	(254,693)
Other expenditure		(901,537)	(953,033)	(902,361)
		<u>(17,731,470)</u>	<u>(18,742,654)</u>	<u>(18,432,328)</u>
		1,555,098	(177,204)	891,261
Non-operating grants, subsidies and contributions	30	429,474	100,000	624,140
Profit on asset disposals	21	1,211	0	450,472
(Loss) on asset disposals	21	(47,239)	(47,259)	(83,781)
Share of Joint Venture's Net Result	4	(44,724)	0	64,060
<b>Net result</b>		<u><b>1,893,820</b></u>	<u><b>(124,463)</b></u>	<u><b>1,946,152</b></u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	19,988,957	750,000	141,161
<b>Total other comprehensive income</b>		<u><b>19,988,957</b></u>	<u><b>750,000</b></u>	<u><b>141,161</b></u>
<b>Total comprehensive income</b>		<u><u><b>21,882,777</b></u></u>	<u><u><b>625,537</b></u></u>	<u><u><b>2,087,313</b></u></u>

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

**TOWN OF CLAREMONT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
	2(a)			
Governance		30,955	30,496	47,013
General purpose funding		14,916,268	14,636,733	14,078,999
Law, order, public safety		27,175	14,800	25,414
Health		133,596	94,100	124,978
Education and welfare		353	352	348
Community amenities		619,332	308,900	675,137
Recreation and culture		1,215,412	1,303,860	2,169,328
Transport		1,241,797	1,126,690	1,255,285
Economic services		1,099,200	1,046,127	1,005,930
Other property and services		2,482	3,392	5,217
		<u>19,286,570</u>	<u>18,565,450</u>	<u>19,387,649</u>
<b>Expenses</b>				
	2(a)			
Governance		(1,374,208)	(1,404,745)	(1,425,087)
General purpose funding		(494,549)	(454,184)	(408,109)
Law, order, public safety		(330,153)	(397,986)	(360,883)
Health		(418,005)	(452,654)	(453,459)
Education and welfare		(306,678)	(208,075)	(180,671)
Community amenities		(2,663,561)	(2,687,239)	(2,575,643)
Recreation and culture		(4,993,422)	(5,473,958)	(5,296,234)
Transport		(5,004,243)	(5,456,261)	(5,294,477)
Economic services		(1,775,876)	(1,860,967)	(1,888,281)
Other property and services		(1,920)	22,241	(9,917)
		<u>(17,362,615)</u>	<u>(18,373,828)</u>	<u>(17,892,761)</u>
<b>Finance costs</b>				
	2(a)			
Governance		(76,384)	(76,352)	(78,580)
Recreation and culture		(107,123)	(107,124)	(111,705)
Economic services		(185,350)	(185,350)	(349,282)
		<u>(368,857)</u>	<u>(368,826)</u>	<u>(539,567)</u>
		1,555,098	(177,204)	955,321
Non-operating grants, subsidies and contributions				
	30	429,474	100,000	624,140
Profit on disposal of assets	21	1,211	0	450,472
(Loss) on disposal of assets	21	(47,239)	(47,259)	(83,781)
Share of Joint Venture's Net Result	4	(44,724)	0	0
<b>Net result</b>		<u>1,893,820</u>	<u>(124,463)</u>	<u>1,946,152</u>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	19,988,957	750,000	141,161
<b>Total other comprehensive income</b>		<u>19,988,957</u>	<u>750,000</u>	<u>141,161</u>
<b>Total comprehensive income</b>		<u>21,882,777</u>	<u>625,537</u>	<u>2,087,313</u>

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

**TOWN OF CLAREMONT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	16,986,567	16,023,248
Trade and other receivables	5	416,287	395,258
<b>TOTAL CURRENT ASSETS</b>		<u>17,402,854</u>	<u>16,418,506</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	208,785	185,190
Investment Accounted For Using the Equity Method	4	1,248,110	1,279,167
Inventories	6	128,725	50,335
Property, plant and equipment	7	73,381,964	53,736,819
Infrastructure	8	42,127,376	40,674,761
<b>TOTAL NON-CURRENT ASSETS</b>		<u>117,094,960</u>	<u>95,926,272</u>
<b>TOTAL ASSETS</b>		<u>134,497,814</u>	<u>112,344,778</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,377,519	952,197
Current portion of long term borrowings	10	126,582	333,814
Provisions	11	1,213,103	998,671
<b>TOTAL CURRENT LIABILITIES</b>		<u>2,717,204</u>	<u>2,284,682</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	8,740,326	8,866,909
Provisions	11	190,797	226,477
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>8,931,123</u>	<u>9,093,386</u>
<b>TOTAL LIABILITIES</b>		<u>11,648,327</u>	<u>11,378,068</u>
<b>NET ASSETS</b>		<u>122,849,487</u>	<u>100,966,710</u>
<b>EQUITY</b>			
Retained surplus		54,295,991	52,323,110
Reserves - cash backed	12	12,270,318	12,349,379
Revaluation surplus	13	56,283,178	36,294,221
<b>TOTAL EQUITY</b>		<u>122,849,487</u>	<u>100,966,710</u>

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

**TOWN OF CLAREMONT  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		<b>49,143,501</b>	<b>13,582,836</b>	<b>36,153,060</b>	<b>98,879,397</b>
Comprehensive income					
Net result		1,946,152	0	0	1,946,152
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>141,161</u>	<u>141,161</u>
Total comprehensive income		1,946,152	0	141,161	2,087,313
Transfers from/(to) reserves		1,233,457	(1,233,457)	0	0
<b>Balance as at 30 June 2016</b>		<b>52,323,110</b>	<b>12,349,379</b>	<b>36,294,221</b>	<b>100,966,710</b>
Comprehensive income					
Net result		1,893,820	0	0	1,893,820
Changes on revaluation of assets	13	<u>0</u>	<u>0</u>	<u>19,988,957</u>	<u>19,988,957</u>
Total comprehensive income		1,893,820	0	19,988,957	21,882,777
Transfers from/(to) reserves		79,061	(79,061)	0	0
<b>Balance as at 30 June 2017</b>		<b><u>54,295,991</u></b>	<b><u>12,270,318</u></b>	<b><u>56,283,178</u></b>	<b><u>122,849,487</u></b>

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

**TOWN OF CLAREMONT  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		13,920,368	14,006,445	13,339,559
Operating grants, subsidies and contributions		558,568	351,968	195,594
Fees and charges		3,496,793	3,192,498	3,846,573
Interest earnings		674,667	627,220	728,227
Goods and services tax		2,758,179	0	2,630,364
Other revenue		618,455	307,319	526,200
		<u>22,027,030</u>	<u>18,485,450</u>	<u>21,266,517</u>
<b>Payments</b>				
Employee costs		(6,543,753)	(7,005,488)	(6,740,211)
Materials and contracts		(5,920,289)	(6,099,065)	(6,117,071)
Utility charges		(544,992)	(513,556)	(522,112)
Interest expenses		(368,857)	(368,826)	(539,567)
Insurance expenses		(247,000)	(267,286)	(254,693)
Elected Members Costs		(253,030)	(255,602)	(246,206)
Goods and services tax		(2,785,088)	0	(2,656,784)
Other expenditure		(648,507)	(697,431)	(656,155)
		<u>(17,311,516)</u>	<u>(15,207,254)</u>	<u>(17,732,799)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	4,715,514	3,278,196	3,533,718
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of Land held for resale		(78,390)	0	(6,630)
Payments for purchase of property, plant & equipment		(859,190)	(1,512,000)	(793,256)
Payments for construction of infrastructure		(3,132,548)	(3,068,260)	(3,234,605)
Non-operating grants, subsidies and contributions		429,474	100,000	624,140
Proceeds from sale of fixed assets		222,273	120,800	605,271
<b>Net cash provided by (used in) investment activities</b>		<u>(3,418,381)</u>	<u>(4,359,460)</u>	<u>(2,805,080)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(1,973,308)	(1,973,308)	(7,629,135)
Proceeds from new debentures		1,639,494	1,839,494	5,500,000
<b>Net cash provided by (used in) financing activities</b>		<u>(333,814)</u>	<u>(133,814)</u>	<u>(2,129,135)</u>
<b>Net increase (decrease) in cash held</b>		963,319	(1,215,078)	(1,400,497)
Cash at beginning of year		16,023,248	14,274,274	17,423,745
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u><u>16,986,567</u></u>	<u><u>13,059,196</u></u>	<u><u>16,023,248</u></u>

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

**TOWN OF CLAREMONT  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at July 1 b/fwd - surplus/(deficit)</b>		2,118,259	888,105	1,963,911
		<u>2,118,259</u>	<u>888,105</u>	<u>1,963,911</u>
<b>Revenue from operating activities (excluding rates)</b>				
Governance		30,955	30,496	47,013
General purpose funding		1,023,416	750,288	812,843
Law, order, public safety		27,175	14,800	25,414
Health		133,596	94,100	124,978
Education and welfare		353	352	348
Community amenities		620,543	308,900	675,137
Recreation and culture		1,215,412	1,303,860	2,169,328
Transport		1,241,797	1,126,690	1,255,285
Economic services		1,099,200	1,046,127	1,456,402
Other property and services		2,482	3,392	5,217
		<u>5,394,929</u>	<u>4,679,005</u>	<u>6,571,965</u>
<b>Expenditure from operating activities</b>				
Governance		(1,467,550)	(1,481,097)	(1,533,360)
General purpose funding		(494,549)	(454,184)	(408,561)
Law, order, public safety		(336,617)	(403,369)	(361,897)
Health		(418,005)	(452,654)	(454,795)
Education and welfare		(306,678)	(208,075)	(180,671)
Community amenities		(2,708,285)	(2,695,965)	(2,578,784)
Recreation and culture		(5,106,045)	(5,586,701)	(5,420,540)
Transport		(5,004,243)	(5,456,261)	(5,324,207)
Economic services		(1,961,226)	(2,046,317)	(2,239,783)
Other property and services		(20,237)	(5,290)	(13,511)
		<u>(17,823,435)</u>	<u>(18,789,913)</u>	<u>(18,516,109)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	21	(1,211)	0	(450,472)
Loss on disposal of assets	21	47,239	47,259	83,781
Initial Recognition of Artefacts		0	0	(744,000)
Share of Loss/(Profit) from Joint Venture		44,724	0	(64,060)
Movement in deferred pensioner rates (non-current)		(23,595)	0	(8,340)
Movement in employee benefit provisions (non-current)		(35,680)	0	26,901
Depreciation and amortisation on assets	2(a)	2,600,970	3,455,400	3,495,323
<b>Amount attributable to operating activities</b>		<u>(7,677,800)</u>	<u>(9,720,144)</u>	<u>(7,641,100)</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		429,474	100,000	624,140
Proceeds from disposal of assets	21	222,273	120,800	605,271
Purchase of land held for resale		(78,390)	0	(6,630)
Purchase of property, plant and equipment	7(b)	(859,190)	(1,512,000)	(793,256)
Purchase and construction of infrastructure	8(b)	(3,132,548)	(3,068,260)	(3,234,605)
<b>Amount attributable to investing activities</b>		<u>(3,418,381)</u>	<u>(4,359,460)</u>	<u>(2,805,080)</u>
<b>FINANCING ACTIVITIES</b>				
Repayment of debentures	22(a)	(1,973,308)	(1,973,308)	(7,629,135)
Proceeds from new debentures	22(a)	1,639,494	1,839,494	5,500,000
Transfers from/to Restricted Assets		(5,299)	0	193,961
Transfers to reserves (restricted assets)	12	(1,785,837)	(1,199,118)	(1,713,302)
Transfers from reserves (restricted assets)	12	1,864,898	1,605,141	2,946,759
<b>Amount attributable to financing activities</b>		<u>(260,052)</u>	<u>272,209</u>	<u>(701,717)</u>
<b>Surplus(deficiency) before general rates</b>		<u>(11,356,233)</u>	<u>(13,807,395)</u>	<u>(11,147,897)</u>
<b>Total amount raised from general rates</b>	23	<u>13,892,852</u>	<u>13,886,445</u>	<u>13,266,156</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><u>2,536,618</u></u>	<u><u>79,050</u></u>	<u><u>2,118,259</u></u>

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

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

**(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) Cash and Cash Equivalents**

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

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



**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Trade and Other Receivables**

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

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

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

**(d) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(e) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

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

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

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

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

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***Land under control***

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

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

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

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

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

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

***Revaluation***

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

***Land under roads***

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

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

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

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

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(e) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

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

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.

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

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

**Market approach**

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Income approach**

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

**Cost approach**

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

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

**(g) Financial Instruments**

***Initial recognition and measurement***

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

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

***Classification and subsequent measurement***

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

Amortised cost is calculated as:

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

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

*(iv) Available-for-sale financial assets*

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

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

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

*(v) Financial liabilities*

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Financial Instruments (Continued)**

***Impairment***

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

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

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

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

***Derecognition***

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

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

**(h) Impairment of Assets**

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

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**(i) Trade and Other Payables**

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Employee Benefits**

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**(k) 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.

**(l) 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.

**(m) Leases**

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

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

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

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

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



**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(n) Investment in Associates**

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

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

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

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

**(o) Interests in Joint Arrangements**

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Town's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 4

**(p) Rates, Grants, Donations and Other Contributions**

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

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

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

**(q) Superannuation**

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**(s) Rounding Off Figures**

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

**(t) Comparative Figures**

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

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

**(u) Budget Comparative Figures**

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Town's operations.</p>

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

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

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

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

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 &amp; 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Town as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
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**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

<b>2. REVENUE AND EXPENSES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	18,250	21,826
- Financial Management Review	5,000	5,000
- Assistance with the finalisation of the annual financial report	1,500	0
- Audit of Acquittals	2,280	1,300
<b>Depreciation</b>		
Buildings	498,734	751,696
Furniture and equipment	50,032	84,491
Electronic Equipment	116,635	308,949
Plant and equipment	255,635	317,790
Infrastructure - Roads	1,053,028	1,350,894
Foothpath	249,549	246,118
Drainage	67,452	132,887
Parks & Reserves	136,290	131,317
Car Parks	68,599	68,750
Street Furniture	29,793	28,812
Street Lights	31,284	31,284
Public Arts Collection	14,146	12,564
Reticulation	29,793	29,771
	<u>2,600,970</u>	<u>3,495,323</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 22 (a))	368,857	539,567
	<u>368,857</u>	<u>539,567</u>
<b>Rental charges</b>		
- Operating leases	11,923	3,332
	<u>11,923</u>	<u>3,332</u>
<b>Significant revenue</b>		
Initial Recognition of Artefact	0	744,000
	<u>0</u>	<u>744,000</u>
Artefacts includes number of objects of historical significance found in Claremont Museum and Claremont Railway Station Signal Cabin. They have been classified as other revenue in the Statement of Comprehensive Income by Nature or Type and other property and services by Program.		
<b>Other revenue</b>		
Reimbursements and recoveries	388,132	291,189
Significant revenue (refer above)	0	744,000
Other	230,323	235,011
	<u>618,455</u>	<u>1,270,200</u>
	<u>618,455</u>	<u>1,270,200</u>
	<b>2017</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>		<b>2016</b>
- Reserve funds	319,504	Actual
- Other funds	239,842	349,130
Other interest revenue (refer note 28)	125,569	263,550
	<u>684,915</u>	<u>115,547</u>
	<u>684,915</u>	<u>728,227</u>

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(b) Statement of Objective**

The Town of Claremont is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

**COMMUNITY VISION**

Claremont will develop as a harmonious cosmopolitan town creating opportunities for community wellbeing and business prosperity; whilst respecting and celebrating the past. Town operations as disclosed in these financial statements encompass the following service orientated activities/programs.

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

**GOVERNANCE**

**Objective:**

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

**Activities:**

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

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

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

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

**Objective:**

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

**Activities:**

Pre-schools, aged and disabled, senior citizens, welfare administration, donations to welfare organisations.

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Rubbish collections, recycling, litter control, public litter bins, town planning control/studies.

**RECREATION AND CULTURE**

**Objective:**

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

**Activities:**

Public halls, civic centres, swimming pool, golf course, parks, sports grounds, sports groups, community recreation programs, library, community arts program, youth activities, heritage and museum.

**TRANSPORT**

**Objective:**

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

**Activities:**

Roads, footpaths, cycleways, right of way, drainage, road verges, median strips, street lighting, street cleaning, street trees, traffic surveys, parking services, traffic management and underground power.

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

Building services, strategic planning and activities involving the Royal Agricultural Society Claremont Now and Anzac Cottage.

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control Town's overheads operating accounts.

**Activities:**

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(c) Conditions Over Grants/Contributions**

<b>Grant/Contribution</b>	<b>Opening Balance <sup>(1)</sup> 1/07/15 \$</b>	<b>Received <sup>(2)</sup> 2015/16 \$</b>	<b>Expended <sup>(3)</sup> 2015/16 \$</b>	<b>Closing Balance <sup>(1)</sup> 30/06/16 \$</b>	<b>Received <sup>(2)</sup> 2016/17 \$</b>	<b>Expended <sup>(3)</sup> 2016/17 \$</b>	<b>Closing Balance 30/06/17 \$</b>
<b>Recreation and culture</b>							
Department Of Infrastructure	0	0	0	0	5,299	0	5,299
<b>Transport</b>							
LandCorp - Depot Relocation	24,520	0	(24,520)	0	0	0	0
Developer - DA3086 (^)	408,252	0	0	408,252	0	0	408,252 ^
<b>Total</b>	<b><u>432,772</u></b>	<b><u>0</u></b>	<b><u>(24,520)</u></b>	<b><u>408,252</u></b>	<b><u>5,299</u></b>	<b><u>0</u></b>	<b><u>413,551</u></b>

**Notes:**

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

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

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

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



**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>Note</b>	<b>2017</b>	<b>2016</b>
		<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		4,710,950	3,673,869
Restricted		12,275,617	12,349,379
		<u>16,986,567</u>	<u>16,023,248</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Pool Upgrade	12	446,509	469,594
Underground Power	12	3,012,761	2,587,438
Plant Replacement	12	119,076	75,959
Bore Replacement	12	43,060	22,408
Public Art	12	81,002	59,417
Cash in lieu Reserve	12	424,725	0
Parking	12	305,033	917,422
Building	12	53,666	248,820
Future Fund	12	6,492,825	6,884,549
Golf Course Land	12	1,721	69,740
Aged Transport Subsidy	12	12,502	12,149
Claremont Joint Venture	12	910,655	883,740
Claremont NOW	12	136,539	118,143
NEP Developer Contribution	12	230,244	0
Unspent grants	2(c)	5,299	0
		<u>12,275,617</u>	<u>12,349,379</u>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**4 INVESTMENTS**

**INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**

**Non-Current**

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

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

<b>(a) Retained Surplus attributable to interest in joint venture:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the financial year	532,268	468,208
Share of joint venture's other comprehensive income	13,667	0
Share of joint venture's net result	(44,724)	64,060
Balance at the end of the financial year	<u>501,211</u>	<u>532,268</u>
<b>(b) Carrying amount of investment in joint venture:</b>		
Balance at the beginning of the financial year	1,279,167	1,215,107
Share of joint venture's other comprehensive income	13,667	0
Share of joint venture's net result	(44,724)	64,060
Balance at the end of the financial year	<u>1,248,110</u>	<u>1,279,167</u>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	251,813	183,203
Sundry debtors	67,388	152,154
Provision for Doubtful Debts	(3,378)	(3,378)
GST receivable	60,170	33,262
Accrued Income	40,294	30,017
	<u>416,287</u>	<u>395,258</u>
<b>Non-current</b>		
Rates outstanding - pensioners	208,785	185,190
	<u>208,785</u>	<u>185,190</u>
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
<b>Rates outstanding</b>	<u>251,813</u>	<u>183,203</u>
Includes:		
Past due and not impaired	251,813	183,203
Impaired	<u>0</u>	<u>0</u>
<b>Sundry debtors</b>	<u>67,388</u>	<u>152,154</u>
Includes:		
Past due and not impaired	<u>15,609</u>	<u>20,282</u>
<b>6. INVENTORIES</b>		
<b>Non-current</b>		
Land held for resale - cost		
Development costs	128,725	50,335
	<u>128,725</u>	<u>50,335</u>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Land - freehold at:		
- Independent valuation 2014 - level 2	0	22,375,000
- Independent valuation 2014 - level 3	0	9,010,000
- Independent valuation 2017 - level 2	35,695,750	0
- Management valuation 2017 - level 3	8,633,000	0
	44,328,750	31,385,000
Land - vested in and under the control of Council at:		
- Management valuation 2014 - level 3	0	216,221
- Management valuation 2017 - level 3	216,221	0
	216,221	216,221
	44,544,971	31,601,221
Buildings - non-specialised at:		
- Independent valuation 2014 - level 2	0	400,000
- Independent valuation 2017 - level 3	1,066,800	0
- Additions after valuation - cost	0	26,775
Less: accumulated depreciation	0	(32,438)
	1,066,800	394,337
Buildings - specialised at:		
- Independent valuation 2014 - level 3	0	13,053,750
- Independent valuation 2017 - level 3	25,261,539	0
- Additions after valuation - cost	0	7,580,012
Less: accumulated depreciation	0	(1,411,149)
	25,261,539	19,222,613
	26,328,339	19,616,950
Total land and buildings	70,873,310	51,218,171

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

Furniture and equipment at:		
- Management valuation 2016 - level 3	397,804	397,804
Less: accumulated depreciation	<u>(50,032)</u>	<u>0</u>
	347,772	397,804
Electronic Equipment at:		
- Management valuation 2016 - level 3	583,409	583,409
- Additions after valuation - cost	249,885	0
Less: accumulated depreciation	<u>(116,635)</u>	<u>0</u>
	716,659	583,409
Minor Plant and equipment at:		
- Management valuation 2016 - level 3	928,540	928,540
- Additions after valuation - cost	10,852	0
Less: accumulated depreciation	<u>(157,934)</u>	<u>0</u>
	781,458	928,540
Major Plant and equipment at:		
- Management valuation 2016 - level 2	69,637	69,637
Less: accumulated depreciation	<u>(14,730)</u>	<u>0</u>
	54,907	69,637
Motor Vehicles at:		
- Management valuation 2016 - level 2	249,357	539,258
- Additions after valuation - cost	274,845	0
Less: accumulated depreciation	<u>(61,372)</u>	<u>0</u>
	462,830	539,258
Work in Progress at:		
- Cost	<u>145,028</u>	<u>0</u>
	145,028	0
	<u>73,381,964</u>	<u>53,736,819</u>

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Land - freehold land (Level 2)	22,375,000	0	0	13,320,750	0	35,695,750
Land - freehold land (Level 3)	9,010,000	0	0	(377,000)	0	8,633,000
Land - vested in and under the control of Council	216,221	0	0	0	0	216,221
<b>Total land</b>	<b>31,601,221</b>	<b>0</b>	<b>0</b>	<b>12,943,750</b>	<b>0</b>	<b>44,544,971</b>
Buildings - non-specialised	394,337	48,781	0	632,676	(8,994)	1,066,800
Buildings - specialised	19,222,613	129,799	0	6,398,864	(489,740)	25,261,539
<b>Total buildings</b>	<b>19,616,950</b>	<b>178,580</b>	<b>0</b>	<b>7,031,540</b>	<b>(498,734)</b>	<b>26,328,339</b>
<b>Total land and buildings</b>	<b>51,218,171</b>	<b>178,580</b>	<b>0</b>	<b>19,975,290</b>	<b>(498,734)</b>	<b>70,873,310</b>
Furniture and equipment	397,804	0	0	0	(50,032)	347,772
Electronic Equipment	583,409	249,885	0	0	(116,635)	716,659
Minor Plant and equipment	928,540	10,852	0	0	(157,934)	781,458
Major Plant and equipment	69,637	0	0	0	(14,730)	54,907
Motor Vehicles	539,258	274,845	(268,302)	0	(82,971)	462,830
Work in Progress	0	145,028	0	0	0	145,028
<b>Total property, plant and equipment</b>	<b>53,736,819</b>	<b>859,190</b>	<b>(268,302)</b>	<b>19,975,290</b>	<b>(921,036)</b>	<b>73,381,964</b>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(c) Fair Value Measurements**

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

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

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
<b>8 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Independent Valuation 2015- level 3	19,692,630	19,692,630
- Additions after valuation - cost	3,972,393	2,581,645
Less: accumulated depreciation	<u>(2,403,922)</u>	<u>(1,350,894)</u>
	21,261,101	20,923,381
 Footpath		
- Independent Valuation 2015- level 3	8,732,003	8,732,003
- Additions after valuation - cost	548,932	228,061
Less: accumulated depreciation	<u>(495,667)</u>	<u>(246,118)</u>
	8,785,268	8,713,946
 Drainage		
- Independent Valuation 2015- level 3	5,583,395	5,583,395
- Additions after valuation - cost	58,375	53,150
Less: accumulated depreciation	<u>(200,339)</u>	<u>(132,887)</u>
	5,441,431	5,503,658
 Parks & Reserves		
- Independent Valuation 2015- level 3	2,051,859	2,051,859
- Additions after valuation - cost	1,125,929	226,047
Less: accumulated depreciation	<u>(267,607)</u>	<u>(131,317)</u>
	2,910,181	2,146,589
 Car Parks		
- Independent valuation 2015 - level 3	869,337	869,337
- Additions after valuation - cost	464,487	0
Less: accumulated depreciation	<u>(137,349)</u>	<u>(68,750)</u>
	1,196,475	800,587
 Street Furniture		
- Independent Valuation 2015- level 3	511,769	511,769
- Additions after valuation - cost	65,431	65,431
Less: accumulated depreciation	<u>(58,605)</u>	<u>(28,812)</u>
	518,595	548,388
 Street Lights		
- Independent Valuation 2015- level 3	417,110	417,110
- Additions after valuation - cost	49,536	0
Less: accumulated depreciation	<u>(62,568)</u>	<u>(31,284)</u>
	404,078	385,826
 Artefact		
- Cost - Level 3	<u>744,000</u>	<u>744,000</u>
	744,000	744,000
 Public Arts Collection		
- Independent Valuation 2015- level 3	177,894	177,894
- Management valuation 2015 - level 3	290,816	290,816
- Additions after valuation - cost	80,865	79,065
Less: accumulated depreciation	<u>(26,710)</u>	<u>(12,564)</u>
	522,865	535,211
 Reticulation		
- Independent Valuation 2015- level 3	401,740	401,740
- Additions after valuation - cost	1,206	1,206
Less: accumulated depreciation	<u>(59,564)</u>	<u>(29,771)</u>
	343,382	373,175
	<u>42,127,376</u>	<u>40,674,761</u>

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



**TOWN OF CLAREMONT**  
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**FOR THE YEAR ENDED 30TH JUNE 2017**

**8. INFRASTRUCTURE (Continued)**

**(b) Movements in Carrying Amounts**

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

	<b>Balance as at the Beginning of the Year</b>	<b>Additions</b>	<b>Depreciation (Expense)</b>	<b>Carrying Amount at the End of the Year</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Infrastructure - Roads	20,923,381	1,390,747	(1,053,028)	21,261,101
Foothpath	8,713,946	320,871	(249,549)	8,785,268
Drainage	5,503,658	5,225	(67,452)	5,441,431
Parks & Reserves	2,146,589	899,882	(136,290)	2,910,181
Car Parks	800,587	464,487	(68,599)	1,196,475
Street Furniture	548,388	0	(29,793)	518,595
Street Lights	385,826	49,536	(31,284)	404,078
Artefact	744,000	0	0	744,000
Public Arts Collection	535,211	1,800	(14,146)	522,865
Reticulation	373,175	0	(29,793)	343,382
<b>Total infrastructure</b>	<b><u>40,674,761</u></b>	<b><u>3,132,548</u></b>	<b><u>(1,679,934)</u></b>	<b><u>42,127,376</u></b>

**TOWN OF CLAREMONT**  
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**8. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Infrastructure - Roads</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Foothpath</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Drainage</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Parks &amp; Reserves</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Car Parks</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Street Furniture</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Street Lights</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Public Arts Collection</b>	3	Cost approach using depreciated replacement cost	Independent & Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Reticulation</b>	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

**TOWN OF CLAREMONT**  
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**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	1,283,928	877,978
Accrued interest on debentures	4,673	4,673
Accrued salaries and wages	88,918	48,371
Income Received in Advance	<u>0</u>	<u>21,175</u>
	<u><u>1,377,519</u></u>	<u><u>952,197</u></u>
<b>10. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by floating charge		
Debentures	<u>126,582</u>	<u>333,814</u>
	<u><u>126,582</u></u>	<u><u>333,814</u></u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	<u>8,740,326</u>	<u>8,866,909</u>
	<u><u>8,740,326</u></u>	<u><u>8,866,909</u></u>

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

	<b>Provision for Annual Leave \$</b>	<b>Provision for Long Service Leave \$</b>	<b>Provision for Sick Leave \$</b>	<b>Total \$</b>
<b>Opening balance at 1 July 2016</b>				
Current provisions	445,023	457,961	95,687	998,671
Non-current provisions	<u>0</u>	<u>226,477</u>	<u>0</u>	<u>226,477</u>
	445,023	684,438	95,687	1,225,148
Additional provision	<u>52,292</u>	<u>114,978</u>	<u>11,482</u>	<u>178,752</u>
<b>Balance at 30 June 2017</b>	<u><u>497,315</u></u>	<u><u>799,416</u></u>	<u><u>107,169</u></u>	<u><u>1,403,900</u></u>
<b>Comprises</b>				
Current	497,315	608,619	107,169	1,213,103
Non-current	<u>0</u>	<u>190,797</u>	<u>0</u>	<u>190,797</u>
	<u><u>497,315</u></u>	<u><u>799,416</u></u>	<u><u>107,169</u></u>	<u><u>1,403,900</u></u>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Pool Upgrade	469,594	93,463	(116,548)	446,509	468,485	93,585	(300,000)	262,070	379,589	90,005	0	469,594
Underground Power	2,587,438	562,323	(137,000)	3,012,761	2,486,057	572,095	0	3,058,152	1,847,557	739,881	0	2,587,438
Plant Replacement	75,959	43,117	0	119,076	75,612	2,192	0	77,804	73,782	2,177	0	75,959
Bore Replacement	22,408	20,652	0	43,060	22,416	20,649	0	43,065	21,766	642	0	22,408
Public Art	59,417	21,585	0	81,002	58,855	21,706	0	80,561	58,221	1,196	0	59,417
Cash in lieu Reserve	917,422	14,668	(507,365)	424,725	595,468	20,087	0	615,554	0	0	0	0
Parking	0	305,033	0	305,033	0	0	0	0	917,156	127,051	(126,785)	917,422
Building	248,820	6,637	(201,791)	53,666	244,695	7,096	(251,791)	0	421,164	11,492	(183,836)	248,820
Future Fund	6,884,549	440,470	(832,194)	6,492,825	6,708,540	431,500	(915,350)	6,224,690	8,570,123	639,729	(2,325,303)	6,884,549
Golf Course Land	69,740	1,981	(70,000)	1,721	69,749	2,020	(70,000)	1,769	38,601	31,139	0	69,740
Aged Transport Subsidy	12,149	353	0	12,502	12,153	352	0	12,505	11,801	348	0	12,149
Claremont Joint Venture	883,740	26,915	0	910,655	877,922	25,500	(68,000)	835,422	1,163,673	30,902	(310,835)	883,740
Claremont NOW	118,143	18,396	0	136,539	80,572	2,336	0	82,908	79,403	38,740	0	118,143
NEP Developer Contribution	0	230,244	0	230,244	0	0	0	0	0	0	0	0
	<u>12,349,379</u>	<u>1,785,837</u>	<u>(1,864,898)</u>	<u>12,270,318</u>	<u>11,700,523</u>	<u>1,199,118</u>	<u>(1,605,141)</u>	<u>11,294,500</u>	<u>13,582,836</u>	<u>1,713,302</u>	<u>(2,946,759)</u>	<u>12,349,379</u>

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

**TOWN OF CLAREMONT  
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**12. RESERVES - CASH BACKED**

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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
Pool Upgrade	2018/19	to fund major maintenance of the Claremont Pool.
Underground Power	2017/18	to provide for the undergrounding of power lines within the balance of the Town not already.Serviced with underground power.
Plant Replacement	Ongoing	to provide for the replacement of major items of heavy plant.
Bore Replacement	Ongoing	to be used for the replacement of Park bores.
Public Art	Ongoing	to assist with the programmed purchase and development of Public Art assets throughout the Town.
Cash in lieu Reserve	Ongoing	to provide for the purchase of land for car parking in accordance with Clause 33(2).
Parking	Ongoing	to provide for the purchase, upgrade or renewal of parking infrastructure.
Building	2017/18	to provide for building renewal in accordance with Council's Asset Management Plans.
Future Fund	2017/18	to receive proceeds of Lakeway Subdivision sales and to provide for the future planning and undertaking of capital and infrastructure works in the Town.
Golf Course Land	Ongoing	to provide for the future major maintenance of the Lake Claremont Golf Course.
Aged Transport Subsidy	Ongoing	to provide a subsidy to the Shine Community Services regional service for aged patrons transport.
Claremont Joint Venture	Ongoing	to provides for traffic modifications/road works within the Town Centre zone and the surrounding roads.
Claremont NOW	2017/18	to fund promotion and publicity of claremont CBD.
NEP Developer Contribution	2020/21	to accumulate funds to cover the Town's Contribution to NEP Development arising from ownership of Lot 11578 Claremont Crescent.

**TOWN OF CLAREMONT**  
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**FOR THE YEAR ENDED 30TH JUNE 2017**

**13. REVALUATION SURPLUS**

	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	Opening	Revaluation	Revaluation	Total	Closing	Opening	Revaluation	Revaluation	Total	Closing
	Balance	Increment	(Decrement)	Movement on	Balance	Balance	Increment	(Decrement)	Movement on	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	20,955,689	12,943,750	0	12,943,750	33,899,439	20,955,689	0	0	0	20,955,689
Building	1,606,372	7,031,540	0	7,031,540	8,637,912	1,606,372	0	0	0	1,606,372
Furniture and Equipment	59,622	0	0	0	59,622	34,831	24,791	0	24,791	59,622
Electronic Equipment	290,432	0	0	0	290,432	213,409	77,023	0	77,023	290,432
Minor Plant and Equipment	549,764	0	0	0	549,764	529,452	20,312	0	20,312	549,764
Major Plant and Equipment	24,499	0	0	0	24,499	32,744	0	(8,245)	(8,245)	24,499
Motor Vehicles	33,333	0	0	0	33,333	6,053	27,280	0	27,280	33,333
Roads	6,495,561	0	0	0	6,495,561	6,495,561	0	0	0	6,495,561
Footpaths	2,880,227	0	0	0	2,880,227	2,880,227	0	0	0	2,880,227
Drainage	1,841,668	0	0	0	1,841,668	1,841,668	0	0	0	1,841,668
Parks & Reserves	676,800	0	0	0	676,800	676,800	0	0	0	676,800
Car Parks	286,748	0	0	0	286,748	286,748	0	0	0	286,748
Street Furnitures	168,806	0	0	0	168,806	168,806	0	0	0	168,806
Street Lights	137,583	0	0	0	137,583	137,583	0	0	0	137,583
Public Art Collection	154,603	0	0	0	154,603	154,603	0	0	0	154,603
Reticulation	132,514	0	0	0	132,514	132,514	0	0	0	132,514
Investment in Joint Venture	0	13,667	0	13,667	13,667	0	0	0	0	0
	<u>36,294,221</u>	<u>19,988,957</u>	<u>0</u>	<u>19,988,957</u>	<u>56,283,178</u>	<u>36,153,060</u>	<u>149,406</u>	<u>(8,245)</u>	<u>141,161</u>	<u>36,294,221</u>

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

**(a) Reconciliation of Cash**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and cash equivalents	<u>16,986,567</u>	<u>13,059,196</u>	<u>16,023,248</u>

**(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result**

Net result	1,893,820	(124,463)	1,946,152
Non-cash flows in Net result:			
Depreciation	2,600,970	3,455,400	3,495,323
(Profit)/Loss on sale of asset	46,028	47,259	(366,691)
Share of Joint Venture's Net Assets accounted using equity accounting method	44,724	0	(64,060)
Initial Recognition of Artefact at Deemed Cost.	0	0	(744,000)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	47,579	80,000	74,206
(Increase)/Decrease in rates receivables	(92,205)	0	(44,062)
Increase/(Decrease) in payables	425,320	(40,000)	(172,212)
Increase/(Decrease) in provisions	178,752	(40,000)	33,202
Grants contributions for the development of assets	(429,474)	(100,000)	(624,140)
Net cash from operating activities	<u>4,715,514</u>	<u>3,278,196</u>	<u>3,533,718</u>

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Credit card limit	60,000	52,000
Credit card balance at balance date	(516)	(1,224)
<b>Total amount of credit unused</b>	<u>59,484</u>	<u>50,776</u>
<b>Loan facilities</b>		
Loan facilities - current	126,582	333,814
Loan facilities - non-current	8,740,326	8,866,909
<b>Total facilities in use at balance date</b>	<u>8,866,908</u>	<u>9,200,723</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

**TOWN OF CLAREMONT**  
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**15. CONTINGENT LIABILITIES**

The Town of Claremont had no contingent liabilities on 30 June 2017.

<b>16. CAPITAL AND LEASING COMMITMENTS</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	11,923	3,332
- later than one year but not later than five years	29,815	0
	<u>41,738</u>	<u>3,332</u>
Receivable:		
- not later than one year	318,732	288,383
- later than one year but not later than five years	1,135,761	1,415,963
- later than five years	36,421	466,252
	<u>1,490,914</u>	<u>2,170,598</u>

The above lease arrangement is relating to lease of 333 Stirling Hwy, 39 Guger St and 12 Davies Rd (Café).

**(b) Capital Expenditure Commitments**

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

**17. JOINT VENTURE ARRANGEMENTS**

The Town of Claremont takes part in the Western Metropolitan Regional Council Waste Transfer Station Joint Venture. See financial details in Note 4 to these statements.

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	7,538,319	8,727,537
Law, order, public safety	121,728	122,445
Health	535,932	314,636
Education and welfare	8,937,569	8,217,720
Community amenities	1,570,490	383,601
Recreation and culture	29,068,282	18,447,301
Transport	48,698,691	39,752,196
Economic services	20,095,077	18,107,609
Other property and services	320,083	388,870
Unallocated	17,611,643	17,882,863
	<u>134,497,814</u>	<u>112,344,778</u>



**TOWN OF CLAREMONT**  
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19. FINANCIAL RATIOS	2017	2016	2015
Current ratio	1.89	1.78	0.99
Asset sustainability ratio	1.02	0.79	1.75
Debt service cover ratio	6.31	2.01	5.62
Operating surplus ratio	0.08	0.07	0.09
Own source revenue coverage ratio	1.05	1.03	1.04

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

- a) Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 59 of this document.
- b) **For 2017**
- 1) The Current, Debt Service Cover and Operating Surplus ratios disclosed above are distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant (FAG) on 30 June 2017.  
  
The early payment of the grant received increased operating revenue in 2017 and will decrease operating revenue in 2018 by \$ 166,960.
  - 2) The Debt Service Cover ratio was also distorted by part repayment of loan taken for the rebuilt of Administration Building at 308 Stirling Highway which was funded (201,791) by the Building Reserve.
- c) **For 2016**
- 1) The Debt Service Cover and Operating Surplus ratios disclosed above are distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant (FAG) on 30 June 2015.  
  
The early payment of the grant received increased operating revenue in 2015 and decreased operating revenue in 2016 by \$ 162,623.
  - 2) The Debt Service Cover ratio was also distorted by part repayment (\$2 million) of loan taken for the purchase of the commercial building at 333 Stirling Highway which was funded by the Future Fund Reserve.
  - 3) The Debt Service Cover and Operating Surplus ratios disclosed above are distorted by item of significant revenue totalling \$744,000 relating to the initial recognition of Artefacts.
- d) **For 2015**  
The Current, Debt Service Cover and Operating Surplus ratios disclosed above were distorted by an item of revenue relating to the early payment of 2015/16 Financial Assistance Grants (FAGs) of \$162,623 which was received prior to year end.

Items (b) to (d) mentioned above are considered to be "one-off" and are non-cash in nature and, if they were ignored, the calculations disclosed in the columns above would be as follows:

	2017	2016	2015
Current ratio	1.83	1.78	0.95
Debt service cover ratio	8.52	7.14	5.41
Operating surplus ratio	0.07	0.04	0.08

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**20. TRUST FUNDS**

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

	<b>1 July 2016 \$</b>	<b>Amounts Received \$</b>	<b>Amounts Paid (\$)</b>	<b>30 June 2017 \$</b>
BCITF	7,281	296,134	(301,207)	2,208
BRB Levy	5,655	219,236	(222,450)	2,441
Damage Bonds	1,197,499	511,930	(407,500)	1,301,929
Hall Hire Bonds	100	0	(100)	0
Performance Bonds	87,367	13,600	(55,600)	45,367
Staff Tube of Charity	182	140	(300)	22
Use of Verge	5,300	0	(150)	5,150
DAP Fees	0	13,357	(13,357)	0
Staff Social Club	2,570	5,050	(4,079)	3,540
Car Bay Bond	1,620	120	0	1,740
Other Bonds & Retentions	0	1,421	0	1,421
	<u>1,307,574</u>			<u>1,363,818</u>

**21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	<b>Actual Net Book Value \$</b>	<b>Actual Sale Proceeds \$</b>	<b>Actual Profit \$</b>	<b>Actual Loss \$</b>	<b>Budget Net Book Value \$</b>	<b>Budget Sale Proceeds \$</b>	<b>Budget Profit \$</b>	<b>Budget Loss \$</b>
<b>Plant and Equipment</b>								
<b>Governance</b>								
PE369 Jeep CEO	40,818	38,409	0	(2,409)	0	0	0	0
PE 390 Grand Cherokee (CE	55,458	40,909	0	(14,549)	0	0	0	0
<b>Law, order, public safety</b>								
PE345 VW Caddy Ranger	16,666	16,136	0	(530)	12,740	11,200	0	(1,540)
PE368 Holden Captiva	19,570	13,636	0	(5,934)	16,643	12,800	0	(3,843)
<b>Community amenities</b>								
PE364 VW Golf GTI	21,971	23,182	1,211	0	24,126	15,400	0	(8,726)
<b>Recreation and culture</b>								
PE 362 Holden Captiva	18,000	12,500	0	(5,500)	17,619	12,000	0	(5,619)
<b>Other property and services</b>								
PE359 Coor Main	20,000	15,455	0	(4,545)	14,839	11,200	0	(3,639)
PE361 Asset Officer Margare					12,134	9,200	0	(2,934)
PE366 Subaru Lib	20,027	15,682	0	(4,345)	20,478	15,400	0	(5,078)
PE355 Ford Ranger Park	0	0	0	0	17,720	11,200	0	(6,520)
PE356 Ford Ranger Maint	0	0	0	0	15,298	11,200	0	(4,098)
PE357 Ford Ranger Maint	0	0	0	0	16,462	11,200	0	(5,262)
PE367 Holden Captiva	22,727	19,091	0	(3,636)	0	0	0	0
PE352 Mazda CX	19,727	15,455	0	(4,272)	0	0	0	0
PE350 Holden Captiva	13,337	11,818	0	(1,519)	0	0	0	0
	<u>268,301</u>	<u>222,273</u>	<u>1,211</u>	<u>(47,239)</u>	<u>168,059</u>	<u>120,800</u>	<u>0</u>	<u>(47,259)</u>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July 2016		Loans	Repayments Actual	Budget	30 June 2017 Actual	Budget	Repayments Actual
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governance</b>								
4 – Claremont No.1	1,894,002	0	1,894,002	1,894,002	0	0	76,384	76,352
4 – Claremont No.1- Rewrite	0	1,639,494	0	0	1,639,494	1,639,494	0	0
<b>Recreation and culture</b>								
3 Claremont Community Hub	971,573	0	42,766	42,766	928,807	928,807	49,186	49,186
1 Pool Refurbishment	835,147	0	36,540	36,540	798,607	798,607	57,937	57,938
<b>Economic services</b>								
2 Purchase 333 Stirling Hwy	5,500,000	0	0	0	5,500,000	5,500,000	185,350	185,350
	9,200,722	1,639,494	1,973,308	1,973,308	8,866,908	8,866,908	368,857	368,826

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Interest		Amount Used		Balance Unspent
	Actual	Budget				Charges	Rate	Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
Refinance No 4- Claremont No1	1,639,494	1,639,494	WATC	Debenture	4	38,962	2.40%	1,639,494	1,639,494	0
Loan 5 – Museum Redevelopment	0	200,000				0	0.00%	0	200,000	0
	<u>1,639,494</u>	<u>1,839,494</u>				<u>38,962</u>		<u>1,639,494</u>	<u>1,839,494</u>	<u>0</u>

(c) Unspent Debentures

The Town did not have any unspent debentures as at 30 June 2017.

(d) Overdraft

The Town of Claremont has no overdraft facility.

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**23. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>Rateable Value \$</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Total Revenue \$</b>	<b>Budget Rate Revenue \$</b>	<b>Budget Interim Rate \$</b>	<b>Budget Total Revenue \$</b>
<b>Gross rental value valuations</b>									
Residential	5.8060	3,566	147,310,840	8,386,893	93,116	8,480,009	12,099,612	233,413	12,333,025
Commercial	5.8060	203	56,623,902	3,287,584	0	3,287,584	0	0	0
Industrial	5.8060	54	9,506,256	551,933	0	551,933	0	0	0
Miscellaneous	5.8060	3	691,450	40,146	0	40,146	0	0	0
<b>Sub-Total</b>		<b>3,826</b>	<b>214,132,448</b>	<b>12,266,556</b>	<b>93,116</b>	<b>12,359,672</b>	<b>12,099,612</b>	<b>233,413</b>	<b>12,333,025</b>
<b>Minimum payment</b>	<b>Minimum \$</b>								
<b>Gross rental value valuations</b>									
Residential	1,265	1,193	20,443,540	1,509,145	0	1,509,145	1,553,420	0	1,553,420
Commercial	1,265	19	321,860	24,035	0	24,035	0	0	0
<b>Sub-Total</b>		<b>1,212</b>	<b>20,765,400</b>	<b>1,533,180</b>	<b>0</b>	<b>1,533,180</b>	<b>1,553,420</b>	<b>0</b>	<b>1,553,420</b>
		<b>5,038</b>	<b>234,897,848</b>	<b>13,799,736</b>	<b>93,116</b>	<b>13,892,852</b>	<b>13,653,032</b>	<b>233,413</b>	<b>13,886,445</b>
<b>Total amount raised from general rate</b>						<b>13,892,852</b>			<b>13,886,445</b>
Specified Area Rate (refer note 25)						119,721			120,000
<b>Totals</b>						<b>14,012,573</b>			<b>14,006,445</b>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**24. NET CURRENT ASSETS**

Composition of net current assets

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>(30 June 2017</b>	<b>(1 July 2016</b>	<b>(30 June 2016</b>
	<b>Carried</b>	<b>Brought</b>	<b>Carried</b>
	<b>Forward)</b>	<b>Forward)</b>	<b>Forward)</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Surplus/(Deficit)</b>	<u>2,536,618</u>	<u>2,118,259</u>	<u>2,118,259</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	4,710,950	3,673,869	3,673,869
Restricted	12,275,617	12,349,379	12,349,379
Receivables			
Rates outstanding	251,813	183,203	183,203
Sundry debtors	67,388	152,154	152,154
Provision for Doubtful Debts	(3,378)	(3,378)	(3,378)
GST receivable	60,170	33,262	33,262
Accrued Income	40,295	30,017	30,017
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(1,283,926)	(877,978)	(877,978)
Accrued interest on debentures	(4,673)	(4,673)	(4,673)
Accrued salaries and wages	(88,918)	(48,371)	(48,371)
Income Received in Advance	0	(21,175)	(21,175)
Current portion of long term borrowings			
Secured by floating charge	(126,582)	(333,814)	(333,814)
Provisions			
Provision for annual leave	(497,315)	(445,023)	(445,023)
Provision for sick leave	(107,169)	(95,687)	(95,687)
Provision for long service leave	(608,619)	(457,961)	(457,961)
<b>Unadjusted net current assets</b>	<b>14,685,653</b>	<b>14,133,824</b>	<b>14,133,824</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(12,270,318)	(12,349,379)	(12,349,379)
Less: Unspent Grant - Restricted Cash	(5,299)	0	0
Add: Secured by floating charge	126,582	333,814	333,814
<b>Adjusted net current assets - surplus/(deficit)</b>	<b><u>2,536,618</u></b>	<b><u>2,118,259</u></b>	<b><u>2,118,259</u></b>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

Specified Area Rate	Basis of Valuation	Rate in \$	Rateable Value \$	Rate Revenue \$	Interim Rate Revenue \$	Back Rate Revenue \$	Total Specified Area Rate Revenue	Budget Rate Revenue \$	
Central Business District (CBD)	GRV	0.2620	45,881,928	120,211	(490)	0	119,721	120,000	
					<u>120,211</u>	<u>(490)</u>	<u>0</u>	<u>119,721</u>	<u>120,000</u>

**26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

No service charges were imposed by the Town during the year ended 2017.

**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2016/17 FINANCIAL YEAR**

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	Actual \$	Budget \$
Rate Assessments - Various	Write-off			4,779	1,000
				<u>4,779</u>	<u>1,000</u>

Town does not offer any discount, incentives and concessions on the payment of rates. However Town did write off small rate balances at 30 June 17. These small balances were mainly interest being charges on late payment of rates.

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**28. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	<b>Date Due</b>	<b>Instalment Plan Admin Charge \$</b>	<b>Instalment Plan Interest Rate %</b>	<b>Unpaid Rates Interest Rate %</b>
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	12-Aug-16			11.00%
<b>Option Two</b>				
First Instalment	12-Aug-16	16.80	5.50%	11.00%
Second Instalment	12-Oct-16	16.80	5.50%	11.00%
Third Instalment	12-Dec-16	16.80	5.50%	11.00%
Fourth Instalment	12-Feb-17	16.80	5.50%	11.00%
			<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on unpaid rates			41,792	25,000
Interest on instalment plan			83,777	82,000
Charges on instalment plan			61,821	58,000
			<u>187,390</u>	<u>165,000</u>



**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

<b>29. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	212	225
General purpose funding	95,575	111,600
Law, order, public safety	27,016	24,436
Health	97,644	96,788
Community amenities	389,088	521,829
Recreation and culture	1,182,602	1,370,881
Transport	904,608	1,029,756
Economic services	715,312	590,432
	<u>3,412,057</u>	<u>3,745,947</u>

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

**30. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	7,000	0
General purpose funding	329,517	106,790
Recreation and culture	6,207	7,548
Transport	190,753	80,756
Economic services	25,091	500
	<u>558,568</u>	<u>195,594</u>
<b>Non-operating grants, subsidies and contributions</b>		
Recreation and culture	15,000	10,500
Transport	414,474	613,640
	<u>429,474</u>	<u>624,140</u>

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

69	<u>63</u>
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**32. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	170,936	182,372	166,365
Mayor's Allowance	36,591	36,050	36,050
Deputy Mayor's Allowance	9,148	9,012	9,013
Travelling Expenses	1,355	1,000	0
Telecommunications Allowance	35,000	22,400	34,636
	<u>253,030</u>	<u>250,834</u>	<u>246,064</u>

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**33. RELATED PARTY TRANSACTIONS**

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

	<b>2017</b>
	<b>\$</b>
The total of remuneration paid to KMP of the Town during the year are as follows:	
Short-term employee benefits	956,693
Post-employment benefits	107,919
Other long-term benefits	21,519
	1,086,131

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

**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.

**Related Parties**

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

- i. Key management personnel*  
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.
- ii. Entities subject to significant influence by the Town*  
An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.
- iii. Joint venture entities accounted for under the equity method*  
The Town has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities, refer to Note 17.

**33. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

The following transactions occurred with related parties:

	<b>2017</b>
	<b>\$</b>
<b>Associated companies/individuals:</b>	
Sale of goods and services	62,406

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

**34. MAJOR LAND TRANSACTIONS**

The Town did not participate in any major land transactions during the 2016/2017 financial year.

**35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Town did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**36. FINANCIAL RISK MANAGEMENT**

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

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

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

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

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	16,986,567	16,023,248	16,986,567	16,023,248
Receivables	625,072	580,448	625,072	580,448
	<u>17,611,639</u>	<u>16,603,696</u>	<u>17,611,639</u>	<u>16,603,696</u>
<b>Financial liabilities</b>				
Payables	1,377,519	952,197	1,377,519	952,197
Borrowings	8,866,908	9,200,723	8,995,743	8,608,032
	<u>10,244,427</u>	<u>10,152,920</u>	<u>10,373,262</u>	<u>9,560,229</u>

Fair value is determined as follows:

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

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

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

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

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	208,355	206,851
- Statement of Comprehensive Income	208,355	206,851

*Notes:*

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

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

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

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

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

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

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

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of other receivables		
- Current	90.70%	86.67%
- Overdue	9.30%	13.33%

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings**

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

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

	<b>Due within 1 year \$</b>	<b>Due between 1 &amp; 5 years \$</b>	<b>Due after 5 years \$</b>	<b>Total contractual cash flows \$</b>	<b>Carrying values \$</b>
<b><u>2017</u></b>					
Payables	1,377,519	0	0	1,377,519	1,377,519
Borrowings	424,997	7,953,334	1,611,111	9,989,442	8,866,908
	<u>1,802,516</u>	<u>7,953,334</u>	<u>1,611,111</u>	<u>11,366,961</u>	<u>10,244,427</u>
<b><u>2016</u></b>					
Payables	952,197	0	0	952,197	952,197
Borrowings	2,281,681	6,423,156	1,798,625	10,503,462	9,200,723
	<u>3,233,878</u>	<u>6,423,156</u>	<u>1,798,625</u>	<u>11,455,659</u>	<u>10,152,920</u>

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings (continued)**

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

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

	<b>&lt;1 year</b>	<b>&gt;1&lt;2 years</b>	<b>&gt;2&lt;3 years</b>	<b>&gt;3&lt;4 years</b>	<b>&gt;4&lt;5 years</b>	<b>&gt;5 years</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b><u>Year ended 30 June 2017</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	5,500,000	0	1,639,494	0	1,727,415	8,866,909	3.14%
Weighted average Effective interest rate		2.67%		2.40%		5.32%		
<b><u>Year ended 30 June 2016</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	1,894,002	0	5,500,000	0	0	1,806,721	9,200,723	3.33%
Weighted average Effective interest rate	3.36%		2.67%			5.32%		

**TOWN OF CLAREMONT  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2017**

**RATIO INFORMATION**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	0.95	0.91	0.71
Asset renewal funding ratio	1.13	1.09	1.02

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$