



2014 – 15

# Annual Report



# Subiaco at a glance

- Total area of 7.1 square kilometres
- Over 20 000 residents
- 38 per cent of residents born overseas
- 9000 residential dwellings
- 1300 commercial premises
- 23 000 workers in the city each day
- Thirty-four parks and reserves
- 114 kilometres of road network
- 137 kilometres of footpaths
- Two public hospitals
- Three primary schools, one high school and one tertiary institution (The University of Western Australia)





The background of the page is a photograph of a street at night. On the left, a large tree is illuminated with warm, golden lights, its branches spreading across the upper left portion of the frame. The street below is dark, with a few cars visible in the distance. On the right, a building with a classic architectural style is visible, featuring a brightly lit storefront with a sign that reads 'MIA JADE' and 'MEMS & LADIES FASHION & FOOTWEAR'. A small, ornate metal trash can stands on the sidewalk in the foreground on the right.

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# Welcome to the City of Subiaco

## Our history

The City of Subiaco is established on the traditional homelands of the Nyungah people, who were the custodians of this land long before the first European settlers arrived.

In 1851, a group of Benedictine monks came to the area and named their monastery New Subiaco after the birthplace of the Benedictine Order – Subiaco, Italy.

When the Perth to Fremantle railway opened in 1881, the name Subiaco was adopted for a railway station near the monastery and later for the cluster of houses and businesses that became the present Subiaco.

Subiaco was proclaimed a municipality in 1897 and was officially gazetted as the City of Subiaco in 1952.

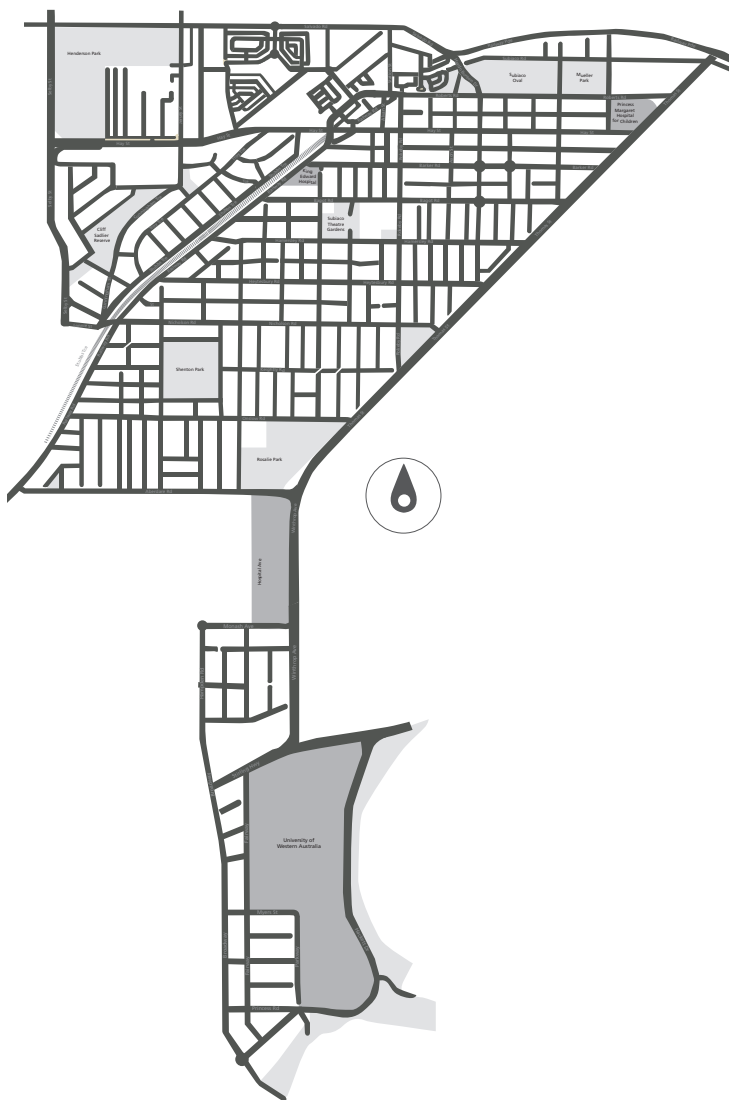
## Subiaco today

The City of Subiaco is the local government area which covers the suburbs of Subiaco, Daglish, and parts of Crawley, Jolimont, Shenton Park and Nedlands. Over 20 000 people call the city home and a further 23 000 people visit the city every day for work.

The city's town centre includes a mix of commercial, residential, retail, hospitality and entertainment which gives the area vitality, and its walkability and links to the underground train station demonstrate healthy urban design.

The city builds upon its long standing heritage buildings with modern architecture and the city's parks, reserves and open spaces provide the backdrop to all the city has to offer.

A great place to live, work and visit, the City of Subiaco is consistently ranked as one of the most liveable local government areas in Western Australia.







# Our plan for the future

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## Community vision

In 2030 the City of Subiaco is a unique, popular and welcoming place. The city celebrates its rich history, while embracing the diversity and vitality of the present. The parks, public spaces, events and recreational opportunities are easily accessible and promote a healthy and happy lifestyle for all. There is a diverse range of local businesses and entertainment that contribute to a lively atmosphere. The city faces the challenges of the future with strong leadership, an innovative approach and an emphasis on community values and voices. Sustainability, in all its forms, is at the core of the community and underpins the city's operations.

## Corporate vision

An innovative, community-focused organisation providing strong leadership to build a unique and welcoming place.

## Community plan

The *Strategic Community Plan* guides the future direction of the City of Subiaco and our community. It is our commitment to our community that the city's operations, services and projects are driven by the desires and needs of the community.

The *Strategic Community Plan* is the result of extensive engagement with the community four years ago as part of the Think2030 visioning project. From the thousands of pieces of feedback received, the city identified what the community's priorities were and these became the six focus areas of the *Strategic Community Plan*.

## Corporate plan

The *Corporate Business Plan 2014–2018* outlines the city's key priorities and actions until 2018. The plan is informed by the *Strategic Community Plan* and aims to integrate the community's aspirations into the city's operations.

The *Strategic Community Plan* and the *Corporate Business Plan* form part of the Western Australian Government's Integrated Planning and Reporting Framework.

## How to read this report

The city has been working to implement the actions within the six focus areas of its *Strategic Community Plan* and *Corporate Business Plan*. The annual report outlines the progress made in 2014–15 to deliver on the objectives and strategies in these plans.

The report is divided into six chapters, reflecting the six focus areas that support our community's vision for the City of Subiaco:

- Our sense of community
- Parks, open spaces and places
- A unique destination
- The built environment
- An effective and integrated transport system
- Council leadership.



## Mayor's message

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It is my privilege to report on the past year's achievements as the Mayor of the City of Subiaco.

The city has long maintained its status as an independent, sustainable local government so it was with much excitement that we saw the halting of the reform process. Thanks to the combined efforts of ours and many other communities across the metropolitan area, forced amalgamations and boundary adjustments did not occur. The threat of the City of Perth Bill 2015 which may fragment the City of Subiaco and remove approximately 3000 residents from our South Ward is still of great concern to our community.

With the reform behind us we were able to focus on tasks and challenges ahead with a positive, optimistic vision for the future.

2015 marked the commemoration of the ANZAC Centenary and both the Shenton Park and Subiaco Returned and Services League sub-branch ceremonies attracted record crowds. We were honoured to be joined by sixty descendants of Cliff Sadlier VC and Charles Stokes DCM, who were honoured for their bravery at Villers-Bretonneux on ANZAC Day in 1918. A commemorative sculpture *Age Shall Not Weary Them* by Greg James was unveiled in recognition of this historic occasion.

Thanks to the foresight of former Town Clerk Jim McGeough, who began undergrounding power in the Subiaco in the 1980s, we celebrated the completion of underground power in the city by watching the last pole being removed. The City of Subiaco is the largest local government in Western Australia to completely underground the street level power network and it was recognised and applauded as a model which other local governments could follow.

One of the critical challenges was to address the revitalisation of the Subiaco Town Centre. Working closely with the business community, the Subiaco Town Centre Network was formed to assist with the promotion and activation of the town centre. Plantings, bud lighting and new infrastructure further supported the renewal of Rokeby Road. Council approved a licence for the Markets on Rokeby weekend street market which will bring a new element to Subiaco. Markets have historically played a significant role in community life in Subiaco and are much valued by our community.

Our community survey results revealed overall satisfaction with the City of Subiaco, with 93 per cent satisfaction as a place to live and 79 per cent as a governing organisation. The city was also the industry leader in eleven key areas (see page 31).

Our urban forests, inclusive community, wonderful open spaces and industry leading services make Subiaco a great place to live, work and recreate.

May marked my tenth year as Mayor of the City of Subiaco. I would like to thank Ian Hill, interim CEO, and his dedicated directors and staff for all that they have achieved for our community in the past year.

I also take this opportunity to acknowledge my fellow Councillors for their ongoing passion and commitment to their community. The strong leadership which we provided will continue to build a unique, sustainable and welcoming place.

**Heather Henderson**  
Mayor





# CEO's message

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An annual report is a time for both reflection and an opportunity to consider what is ahead. The city has achieved a great deal between 1 July 2014 and 30 June 2015, and this work will stand our community in good stead for a prosperous and fulfilling future.

Taking over from the previous CEO Stephen Tindale in January to guide the organisation through the planned merger with the Town of Cambridge, the state government's local government reform process was subsequently abandoned and we had to regain the path and momentum as an independent local government. While it is very clear long term reform is needed as a sector, this is likely to be some time away.

Meantime, we have been implementing our own reforms, and identifying the short and long term priorities for the city. We acknowledge our challenges, among them the town centre and parking perceptions, and take these as opportunities – with some results already evident.

We also acknowledge our performance and progress, with the results of the Community Perceptions Survey again confirming that the City of Subiaco is a terrific place to live. The city was recognised as the industry leader in eleven key areas.

With the Subiaco community's *Strategic Community Plan* being the guiding vision and strategy, it is pleasing to report that 96 per cent of the 140 actions identified in the city's *Corporate Business Plan* have been achieved or are continuing. The city also continues its strong financial sustainability record with six of seven financial ratios falling comfortably within state government specified limits.

The city's position as a leading local government and a great place to live is testimony to our hard working and enthusiastic team of staff. There is an outstanding group of people here and the tremendous contributions of the city's executive, managers and staff is acknowledged with thanks. We work by our values – respect, integrity, teamwork and customer service – to deliver quality services to our community.

It has been an interesting time working with the city. There is much still to be done, and through collaboration and cooperation, we can achieve positive outcomes.

Very best wishes to my successor Don Burnett, Mayor Heather Henderson and the Council, the dedicated staff, the Subiaco community and our other key stakeholders.

**Ian Hill**  
Chief Executive Officer

## 2014–15 key highlights

- Reopening of Lords Recreation Centre after significant works to replace the roof
- Over 1000 people attended the ANZAC Day memorial event where a sculpture commissioned by the city to commemorate the ANZAC Centenary was unveiled
- Launched the Upskill youth development program to assist the development of young people in the city
- Winner at the 2015 Parks and Leisure Australia (WA) Awards of Excellence for the new Theatre Gardens nature playspace
- Partnered with Perth International Arts Festival to present augmented reality public art project Subiaco pARk
- Completion of underground power program





# What's happening in 2015–16

- Community Facilities Plan
- Rosalie Park Master Plan
- Integrated Transport Strategy
- Local government elections
- Strategic Community Plan review
- Plan for the long-term future of Subiaco Oval
- Mobile friendly website
- Markets on Rokeby
- Brand for the Subiaco Town Centre

**Community facilities**  
\$1 million



**Car park upgrades**  
\$1.3 million



**Roads renewal**  
\$3.5 million



**Streetscape improvements**  
\$670 000



**Drainage upgrades**  
\$1.5 million



**Parks and reserves projects**  
\$2 million





# Our council

The City of Subiaco is comprised of four wards with three councillors representing each ward and the Mayor who represents the entire electorate. The City of Subiaco Council as at 30 June 2015:



**MAYOR**

Heather Henderson

## CENTRAL WARD



Cr Scott Arbuckle

## EAST WARD



Cr Paul Clements

## NORTH WARD



Cr Mark Burns

## SOUTH WARD



Cr Lee Hemsley



Cr Judith Gederö



Cr Julie Matheson



Cr Stephanie Stroud



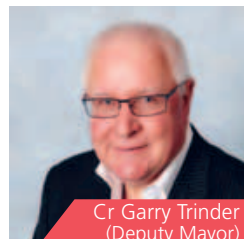
Cr Lynley Hewett



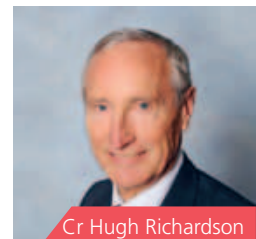
Cr Leanne Potter



Cr Murray Rowe



Cr Garry Trinder  
(Deputy Mayor)



Cr Hugh Richardson





# Our services

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Our workforce is made up of people with diverse skills in different roles to make the City of Subiaco a great place to live and work. Each day we all do our part to make our community a better place. Every team member is appreciated and we ensure a safe workplace for all.

## Community Development

The Community Development directorate facilitates the development and delivery of a range of services that promote community wellbeing. The directorate is made up of community services, recreation services and cultural services.

## Corporate Services

Corporate Services provides a range of services that cater to the organisation. The directorate is made up of financial services, people and organisational development, information services, land and property, and governance and customer service.

## Development Services

The Development Services directorate looks after the city's building and planning requirements and applications, built heritage, the provision of environmental health services, parking and animal controls, and the city's place making and economic development functions. The directorate is made up of planning services, building and health services, field services and place development.

## Office of the CEO

The Office of the CEO provides communications and community engagement services for the organisation, as well as support to the Chief Executive Officer, Mayor and councillors.

## Technical Services

The Technical Services directorate manages and maintains the city's infrastructure, parks and gardens, major projects, recycling and waste, and general cleaning. The directorate is made up of infrastructure services and parks and environment services.

## We work by our values

**Respect:** We acknowledge and value the opinions and contributions of others.

**Integrity:** We are committed to being ethical, honest and transparent in everything we do.

**Customer service:** We aim to deliver a high quality service that is both efficient and professional.

**Teamwork:** We work cooperatively and support one another to achieve our goals.

## KEY HIGHLIGHTS

Reopening of Lords Recreation Centre after significant works to replace the roof

A range of events to commemorate the ANZAC Centenary including two memorial services, a museum exhibition, community talks and a new public artwork

Launched the Upskill youth development program to assist the development of young people in the city

Race around Subi 2014 had the greatest participation yet with 178 competitors, ten local businesses and six community groups involved

Completion of secure taxi rank in Hay Street with CCTV



## Focus area one

# Our sense of community

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**The City of Subiaco is a welcoming, safe and diverse community. Our strong sense of identity is connected to a sense of belonging to community and our rich local history is celebrated and reflected through the city's events, programs and public art.**

### A strong identity

The City of Subiaco has a strong connection to its past and a community which seeks to learn more about our history through the programs and initiatives the city offers.

Subiaco Museum developed and launched two exhibitions in 2014–15. *Founding 'New Subiaco': The Benedictine Connection* explored the Benedictine beginnings of the New Subiaco monastery and *When the Great War Came to Subiaco* provided an insight into the impact of the First World War on the Subiaco community.

The museum's See Subi on Sunday program provided an insight into parts of Subiaco's history through seven guided walks while the city's Local History Awards, in its twelfth year, encouraged people to document and share Subiaco's unique local, social and cultural history.

### A connected and inclusive community

The city embraces its diverse community and is committed to creating a sense of belonging for all community members.

The city continues to implement the actions in the *Disability Access and Inclusion Plan 2012–17* (see page 37).

The highly attended sunday@subi concerts and sunset@subi concert series included Auslan interpreters. It is important to the city that all members of our community can take part in the programs and events the city has to offer.

The city recognises the importance of cultural diversity and regularly hosts activities and initiatives within the city that recognise and respect cultural diversity.

Subiaco Library was joined by Turbans and Trust for a special storytime during Harmony Week to share messages of acceptance to children. The city facilitated an art project for NAIDOC Week 2014 in which more than fifty children and young people created a large serpent banner and collection of artworks for display during future NAIDOC weeks.

A new partnership with REACH (Roaming Education and Community Health) has provided more than 300 free community health checks in the city. REACH also provide weekly health care services and education at Wandana flats, and the city continues to support a range of other social programs at the housing complex.

Council adopted a homelessness policy in November 2014 to facilitate a coordinated approach to address the increasing issue of homelessness. Strategies include collaborative relationships with key stakeholders, service provision and community education.



*Age Shall Not Weary Them*, 2015, Greg James



## KEY FACTS

25 000 e-books, audio books and e-magazines  
offered to library members

150 volunteers supporting city services

Coordination and facilitation of the Disability Access  
and Inclusion Committee

23 000 Meals on Wheels delivered

Subiaco Library presents year-round children's  
activities including storytime, baby rhyme time,  
LEGO™ club and school holiday programs

## Markets

The city recognises the importance of markets as a unique and social environment where residents and visitors can come together.

The city's market partners Subi Farmers Market, Perth Upmarket and the Rotary Craft and Community Fair attracted high visitation and the temporary food markets as part of 16 days of Subi were enjoyed by many.

Council approved the application for Markets on Rokeby in May 2015 and the city worked closely with market operators Venn Property Group to facilitate this new venture for Subiaco.

## Children, teens and young adults

The city continues to support the growth and development of children, teens and young people in the city and wider community.

Each year the city plays a role in uncovering a wealth of young talent in Western Australia through its long standing involvement in the prestigious Tim Winton Award for Young Writers and Shaun Tan Award for Young Artists, the Photographic Awards and AmpFest.

The city's Upskill youth development program commenced with the aim to assist the personal and professional development of young people aged twelve to twenty-five in the city through workshops on various topics including budgeting, goal setting, public speaking and barista training.





The Subi Kids Crew and Subi Voice of Youth provide leadership and skill development opportunities for children and young people within the city. Both groups spent the year at maximum membership capacity.

### **A community recreation centre**

In December 2014 Lords Recreation Centre reopened to the community after the facility was temporarily closed for significant works to replace asbestos roof and wall panels, and other upgrades.

Upgrade works to the car park adjacent to Lords were also completed during the year to provide better parking facilities for visitors.

Lords is recognised as one of the leading recreation centres in Perth, combining indoor community sport, health and fitness facilities and group fitness classes in a friendly and welcoming environment.

### **Creating a safe environment**

Local government plays a vital role in crime prevention and safety education. The city endeavours to use its resources and capabilities to provide and support initiatives to create a safe, crime-free city for all residents and businesses, and has a close working relationship with WA Police.

As part of the *Community Safety and Crime Prevention Plan 2014–2016*, the completion of a secure taxi rank in Hay Street with CCTV provides a safer and more secure weekend environment for taxi drivers and customers.

In the 2015 Community Perceptions Survey, the City of Subiaco was well above the industry average in the control of graffiti, vandalism and anti-social behaviour, with a 92 per cent satisfaction rating from residents.

### **ANZAC marks 100 years**

On Saturday 25 April 2015, over 1000 people joined the city and the Subiaco and Shenton Park Returned and Services League sub-branches at two locations in the city to commemorate the ANZAC Centenary. The First World War had a significant impact on the Subiaco community, with ten per cent of the population enlisting to serve.

To mark this special occasion the city commissioned an ANZAC Centenary sculpture from Western Australian artist Greg James, which was unveiled during the Subiaco ceremony. *Age Shall Not Weary Them* sits on the steps of the Subiaco Fallen Soldiers Memorial in the form of a young man contemplating the decision to sign up for war.

The project was partially funded under the Australian Government's ANZAC Centenary Local Grants Program.



## KEY HIGHLIGHTS

The City of Subiaco won two awards at the 2015 Parks and Leisure Australia (WA) Awards of Excellence for excellence and innovation in the management of community parks and leisure facilities:

- > Winner of the Minor Playspace category for the popular Theatre Gardens nature playspace
- > High commendation in the Use of Technology category for augmented reality public art project Subiaco pARk

Winner of the Local Government Improvement and Efficiency Award at the Irrigation Australia WA Awards of Excellence 2014 for best practice irrigation management of public spaces, which has resulted in saving 75 Olympic sized swimming pools of groundwater over five years

Upgrade of the Theatre Gardens and Jersey Street playspaces

Over 800 free fitness classes offered between June and December as part of 'Lords in the community' during the temporary closure of Lords Recreation Centre



## Focus area two

# Parks, open spaces and places

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**All community members have access to a diverse and sustainable range of parks, open spaces and public places in the City of Subiaco. Our parks and open spaces are maintained, preserved and enjoyed for their aesthetic, functional and environmental value.**

### A sustainable and green environment

The city is a leader in environmental innovation and sustainability and endeavours to improve the local environment for the benefit of current and future generations.

The city maintains a significant street tree register and continues quarterly tree audits and regular maintenance. New trees are added to the register when identified as significant.

The city is at the forefront of supporting sustainable verges. Over 6500 native plants were installed by the city in 2014–15 during the revegetation of natural areas while the annual Native Plant Subsidy Scheme facilitated the sale of 2000 native plants to residents at discounted rates.

The annual Sustainable Verge and Garden Awards actively encourage the residential and business community to think about creative and sustainable ways of integrating greenery into urban spaces.

### Being water wise

The city continued its Waterwise Council status and commitment to using its groundwater allocation in a sustainable manner. In 2014–15, the city's groundwater usage came in 67 498 kilolitres under allocation, or 13.8 per cent below the licensed amount. The city continues to make capital upgrades and implement efficiency measures to further reduce its groundwater use.

In 2013–14 the city's scheme water usage was 63 422 kilolitres while in 2014–15 this number was reduced to 51 577 kilolitres, a reduction of 18.6 per cent. The city continues to make water saving and efficiency measures wherever possible.

As part of the city's Public Open Space Management in a Drying Environment Policy, the city implemented a hydrozoning plan for Mueller Park, where plants with similar irrigation requirements are grouped together to conserve water. The total area hydrozoned is one hectare.

The Jersey Street car park redevelopment included the installation of a stormwater bio-filter in the base of the car park. The bio-filter system uses native plants to remove pollutants and nutrients from stormwater, cleaning the water before feeding it into the nearby Mabel Talbot wetland.









## Parks, open spaces and public places

As part of the *Local Greening Plan* the city continued its development of greenways, including the rail corridor. Works have commenced on the Subiaco Road section of the transit reserve greenway and stage two of the Hay Street greenway was completed. The city continued its restoration of JH Abrahams Bush Forever Site 402 and Jolimont Primary School bushland.

The city published the *Wildlife Enhancement Plan 2014–2019* which aims to support biodiversity and the conservation of native fauna and fauna habitat. The city also published the *Plant Pathogen Management Plan 2015–2019* which outlines strategies to protect and preserve the natural surrounds from disease.

The Lake Jualbup working group worked collaboratively with key stakeholders to develop a management plan for the site.

The city has eleven wildlife nest boxes in its parks and reserves, which contribute to the ecological value of the parks and assist in controlling pests. The nest boxes are used by species such as Gould's wattled bat and the Striated pardalote.

The city established an environmental volunteer group to assist with conservation projects and worked in partnerships to host environmental school and community events, including school nature excursions, school World Environment Day plantings, Clean up Australia Day, the Great Cocky Count and Beyond Gardens workshops. 64 volunteers participated in the National Tree Day community planting event in July.

## Recreation opportunities for all

The city continues to facilitate a range of club development opportunities to support community sporting clubs. Two workshops were held on the topics of developing a high performance culture within clubs and club governance.

The city offers a range of sociable, age-friendly fitness and recreational programs. These programs, which include Chair Yoga, Zumba Gold and Exercise for the Young at Heart, continued to be a success with attendance at or near full capacity. A new series of Pilates classes, Pilates Gold, was launched in June.

A well attended community walk was held in October as part of the Heart Foundation's Walk Over October campaign and several youth skate clinics were held at the recently refurbished Subiaco Skate Park during the school holidays.

## KEY FACTS

71.5 hectares of parks and reserves in the city

Thirty-four parks and reserves in the city and comprehensive parks maintenance program

Approximately 11 000 street trees, 278 items of park furniture and 128 pieces of play equipment

3800 park trees with significant community value

Streetscapes with 92 kilometres of road reserves

Western Suburbs Regional Organisation of Councils (WESROC) member council

## New playspace connects children and nature

The new Theatre Gardens playspace was officially launched in October 2014 following extensive community consultation.

The nature-themed playground encourages children to reconnect with the environment and explore and interact with the world around them.

The popular play area features a tight rope walk, water and sand play trays, boulder climb, balancing beams and stilts, puppet theatre, shop front cubby and basket swing.

The city's *Playspace Strategy* provides a framework and guiding principles for the planning of the city's playspaces to ensure they support the development of young people.

## KEY HIGHLIGHTS

Partnered with Perth International Arts Festival to bring Subiaco pARK and The Future Postal Service to Subiaco

Streetscape improvements in Rokeby Road and Hay Street including new street banners, colourful bike racks, planter boxes and bud lighting in trees

Two temporary 'parklets', which provide a comfortable, leafy place to enjoy the town centre, were installed in June and will be moved to new locations every six weeks

Identified as the industry leader in the 2015 Community Perceptions Survey in the areas of:

- > protection of health, noise and pollution through local laws
- > how the community is informed about the city's services, facilities and events

Approved application for new Markets on Rokeby weekend street market

Community events and promotions for 16 days of Subi, Subiaco Day and Mother's Day





## Focus area three

# A unique destination

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**The city works together with the business community to increase the town centre's appeal as a popular destination. Residents, workers and visitors enjoy the wide range of retail, hospitality and entertainment options.**

### Supporting businesses in Subiaco

The City of Subiaco has a diverse range of businesses to meet the needs of a changing and growing population.

In May, the city commissioned a Retail and Hospitality Assessment in the Subiaco Town Centre to establish ways the city and the business community can work together to improve the mix of retail, hospitality and services in the town centre, increase the number of visitors to the town centre, and improve the vitality and vibrancy of the town centre retail and hospitality precincts.

The city continues to implement the *Economic Development Strategy 2013–2017* and recently established a place development branch to facilitate the coordinated development and promotion of the Subiaco Town Centre.

A monthly business e-newsletter was launched in March to keep the business community informed about the city's activities, what's happening in the town centre and other business specific information. Three business breakfasts were held together with the Western Suburbs Business Association on topics including social media and customer experience.

Work to establish a Subiaco Town Centre Network commenced in June. The network will comprise representatives from the city and local businesses, with a remit to promote a positive image of Subiaco to the wider community and develop activation initiatives to attract and retain visitors and customers.

### Entertainment and hospitality

Subiaco is an arts and culture hub. The city delivers and supports a range of programs, facilities and events to ensure a wide variety of entertainment options for all ages and interests.

In 2015, the city partnered with Perth International Arts Festival to bring Subiaco pArk and The Future Postal Service to Subiaco. The Future Postal Service was a high-energy, big-thinking mail delivery game that allowed children to move through a series of stations, thinking, drawing and writing before delivering a postcard as a random act of kindness to a person walking by. More than 2000 people used the Subiaco pArk app in February and March, including eighty people at a special age and disability friendly event.

Subiaco boasts a variety of indoor and outdoor hospitality venues which provide choice when socialising, relaxing and networking. A revised Liquor Licensing Policy was adopted by Council in November, providing more flexibility for businesses while still safeguarding the amenity and character of the area.

The city also introduced two trial outdoor dining permit options in late 2014 to encourage more local businesses to operate street trading and alfresco dining areas at their businesses in order to increase the vibrancy of the area. The initiative had a 100 per cent success rate, with all participating restaurateurs choosing to retain an alfresco dining area at their business at the conclusion of their trial periods.

A number of pop up events have been held in vacant shops on Rokeby Road, including Pitstop, a partnership with the Red Cross Save-A-Mate program that aims to promote the safe consumption of alcohol by young people.

The Licensed Premises Working Group last met in August 2014, suspended due to the low number of safety issues in Subiaco related to licensed premises. The Licensed Premises Working Group functions have now been incorporated into the Subiaco Town Centre Network.

## Developing the Subiaco Town Centre

The Subiaco Town Centre Public Realm Design and Streetscape Enhancement Plan was adopted by council in December 2014. Further detailed consideration of various issues relating to staging, budget, implementation timeframe and risk management is underway.

A draft of the Subiaco Activity Centre Structure Plan, which will form the basis for managing land use and development in and around the town centre, has been completed. The release of the Department of Planning's 2015 Local Planning Scheme Regulations will allow the city to progress this plan towards advertising in 2016.

## KEY FACTS

A diverse mix of businesses including retail, hospitality and professional services

Supported more than thirty major events at Subiaco Oval

The sunset@subi and sunday@subi concert series were enjoyed by more than 12 000 music fans

Launched Subiaco Library and Lords Recreation Centre Facebook pages and continued to develop Visit Subiaco Facebook, Twitter and Instagram accounts







## Art and technology combine at Subiaco pARk

Subiaco pARk was a sculpture park with a difference. With the help of augmented reality (AR) technology and the GPS and camera functions on a smartphone or tablet, visitors to Theatre Gardens were able to view and interact with seven artworks in the park, which were otherwise invisible to the naked eye.

Augmented reality involves adding digital content such as graphics, sound or animation to real world environments, altering what we already see or hear.

The City of Subiaco, together with project curator Gemma Weston, asked eight Western Australian artists to create augmented reality artworks, taking their cues from the park's flora and fauna, and buildings and infrastructure.

The special Subiaco pARk mobile app was developed by local innovative architectural design team Felix. Subiaco pARk was presented as a 2015 Perth International Arts Festival event supported by Visual Arts Program Partner Wesfarmers Arts.



## KEY HIGHLIGHTS

Completion of underground power in Shenton Park

Duke Street declared a Conservation Area (Heritage Area) and Rawson Street Conservation Area extended

\$50 000 in heritage grants funding distributed to local residents

Major drainage upgrade at Keightley Road in Shenton Park



## Focus area four

# The built environment

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**The City of Subiaco has planned effectively for an increased population and a range of housing options are available to accommodate all sectors of the community. Our valued heritage homes and buildings are maintained and protected, and new developments integrated with a respect of this heritage.**

### Building upon long standing heritage

The city's built heritage is a major contributor to its character and identity. The city is fortunate to have a community which values heritage, and works together with the community to ensure it is preserved for future generations to come.

The heritage grants fund is the city's commitment to property owners who want to contribute to Subiaco's built heritage. Funding was provided to eight listed properties for conservation and restoration works.

The heritage advisory service is available to owners of listed properties and those in conservation areas, including the Duke Street Conservation Area, which was declared a Conservation Area (Heritage Area) under the city's Town Planning Scheme.

Built heritage is considered in all new developments with the city working to ensure heritage is respected and recognised, and city-owned heritage buildings are carefully maintained.

## KEY FACTS

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294 building permits issued

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24 properties added to the city's Town Planning Scheme Register of Places of Cultural Heritage Significance (Heritage List)

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Work with industry to ensure construction techniques and materials meet relevant building standards and respect heritage values

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Weekly residential and business recycling and waste services





## Accommodating an increasing population

Ongoing developments in and around the city are in line with the state government's *Directions 2031* and draft *Perth and Peel@3.5 million* planning strategies. The Australian Bureau of Statistics has estimated the city's residential population has grown from 17 500 in 2011 to 20 200 in 2014.

Proposals for development are assessed against the city's Town Planning Scheme No. 4, the Residential Design Codes and relevant planning policies. The city encourages the provision of high quality public open spaces in the approval of building developments, and considers appropriate pedestrian and cycling infrastructure in new developments.

Seventeen proposals were referred to the Design Review Panel, which provides expert independent design and architectural input on commercial and town centre developments.

The city is continuing strategic planning work leading towards the preparation of a new Town Planning Scheme. This includes structure plans for the Town Centre and North Subiaco, reviews of planning zonings around the city, and updating policies as necessary to reflect changing requirements.

The city continues to undertake drainage upgrades as part of the annual Capital Works Program to ensure the city's infrastructure meets the needs of a growing community.





## Power heads underground

March 2015 marked the completion of underground power in the City of Subiaco, making it the largest local government in Western Australia to underground the entire street level power network.

The city was an early adopter of underground power thanks to the foresight and drive of then Town Clerk Jim McGeough. The process started in Rowland Street, Subiaco in 1982.

The city received two rounds of funding through the State Underground Power Program. The final stage in Shenton Park was funded entirely by the City of Subiaco, at an approximate cost of \$6.7 million.

Underground power greatly improves the amenity of the area, offers energy savings and provides a brighter future for the community.



Development of draft Integrated Transport Strategy and draft Bus Shelter Improvement Plan for community consultation



## Focus area five

# An effective and integrated transport system

---

**The City of Subiaco has a range of safe, convenient and sustainable transport options which are accessible to people living, visiting and working in the city. There is sufficient parking within the city and measures are taken to reduce congestion.**

### A safe road network

Recognising the needs of an increasing population, the city is working towards outcomes which reduce congestion and ensure the highest level of safety on our roads.

The city continues to develop and implement a city-wide traffic management plan. A base model has been developed and is applied to various locations and projects across the city to identify areas where major traffic management works are required.

Major roadworks such as the upgrade of the Thomas Street and Heytesbury Road intersection were carried out, supported by funding programs including Black Spot and Road to Recovery.

### Sustainable and accessible transport

Whether by foot, bicycle, bus or train, it is important that the city can help the community make positive and sustainable travel choices, and that a range of alternative transport options are available for moving in and around the city.

The city reviewed its Integrated Transport Strategy and a first draft was developed for public consultation. The high-level, long-term strategy aims to increase the use of public transport, cycling and walking, and manage parking, vehicle traffic and travel demand.

A draft Bus Shelter Improvement Plan was also developed for public consultation. The plan aims to provide clean, safe and universally accessible bus shelters, seats and other facilities to support a more environmentally sustainable method of transport.

The city supports and facilitates initiatives encouraging safe, active and sustainable transport options. The annual Bike to Work breakfast attracted 280 riders, 42 per cent of whom made the switch from other modes of transport to cycling on that day, while 467 students participated in the city-sponsored Ride to School Day 2015.



## An effective parking system

As a busy metropolitan area accommodating a range of community stakeholders the City of Subiaco strives to meet the demand for parking spaces in the city.

Parking is a high priority for the city and management systems are in place to ensure safe, fair and convenient access to services and facilities for all of the community.

The city continued to implement the actions in the *Parking Strategy 2012–16*, including the collection of data to progress the parking precinct plans.

A statutory review of Local Law Relating to Parking was conducted in December 2014. The amended law is expected to come into effect in late 2015 and will help shape the city's residential parking permit policy.

## KEY FACTS

114 kilometres of roads

137 kilometres of footpaths and cycle routes

13 bus routes within the city's boundaries

Partner in the provision of the number 97 Subiaco Shuttle bus

Manage an estimated 15 000 parking spaces

On average, 5210 people catch the train from Subiaco, Daglish and Shenton Park stations each day







## Subiaco the place to be as city looks forward

The City of Subiaco once again performed strongly in the annual CATALYSE Community Perceptions Survey, with 93 per cent of residents satisfied with the city as a place to live.

The survey results, which were benchmarked against twenty-five Western Australian local governments, highlighted the City of Subiaco as an industry leader in eleven areas:

- access to public transport
- footpaths and cycleways
- road maintenance
- street lighting
- value for money from council rates
- mix and diversity of housing types in your local area
- facilities, services and care available for seniors
- parks and sporting grounds
- animal and pest control
- enforcement of local laws relating to food, health, noise and pollution
- how the community is informed about council services, facilities and events.

The survey also identified a number of priority areas for the community, including parking, developing the town centre and promoting Subiaco, which closely mirror the city's current key focuses.

The city continuously strives to deliver measurable outcomes to the community, and the survey results reflect its ability to meet the needs of the community and deliver high quality local government services.



## KEY HIGHLIGHTS

Community consultation on four major projects for the city's long-term future – Subiaco Town Centre Public Realm Design and Streetscape Enhancement Proposal, North Subiaco Urban Design Study, draft Community Facilities Concept Plan and draft Rosalie Park Management Plan

Implementation of sustainability initiatives including a solar hot water system for Lords and an increase in stormwater harvesting and pollution control

Continued to implement the *Environment Enhancement Plan*, *Local Climate Change Adaptation Action Plan* and *Strategic Waste Minimisation Plan*



## Focus area six

# Council leadership

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**The City of Subiaco is a welcoming, safe and diverse community. Our strong sense of identity is connected to a sense of belonging to community and our rich local history is celebrated and reflected through the city's events, programs and public art.**

### Good governance

The City of Subiaco Council represents the community to ensure the best outcomes for the whole of the City of Subiaco. Elected members have clear responsibilities and receive ongoing training on governance matters including the code of conduct, roles and responsibilities, and conflict of interest. Elected members also participate in a range of professional development opportunities.

The Audit Committee and two advisory committees - the Disability Access and Inclusion Committee and Economic and Business Sustainability Committee - meet every two months or more frequently if required.

### Community consultation

The city actively engages with the community to help inform council's decision-making. In 2014–15, the city undertook engagement activities to enable broad community participation on four major projects – Subiaco Town Centre Public Realm Design and Streetscape Enhancement Proposal, North Subiaco Urban Design Study, draft Community Facilities Concept Plan and draft Rosalie Park Management Plan.

The city's Community Engagement Handbook and associated training continued to support and assist staff when engaging with the community on projects such as playspace upgrades, infrastructure works and other major projects.





## KEY FACTS

Thirty-seven council and committee meetings

170 000 visitors to the city's website

Subiaco Library the top battery recycling point in the western suburbs, collecting one tonne since the start of the program

193 full time equivalent employees

### Customer focused

The 2015 Community Perceptions Survey results once again confirmed the community's high level of satisfaction with the city's services and confirmed the City of Subiaco is an outstanding place to live. The city was the industry leader in eleven key areas including value for money from council rates, road maintenance, street lighting, mix and diversity of housing types in the local area, animal and pest control and facilities, services and care available for seniors. The community priorities – namely the town centre, parking and transparency – reflect the city's key priorities, and work to improve these areas is well underway.

The city is embracing digital technology to improve the customer experience. IntraMaps online mapping is available to the community via the city's website. Users can view information about properties and zoning including aerial imagery, and access information about parks, public art and more. The new 'Near me' feature on the city's homepage allows residents to input their address and easily access details such as their bin day and ward councillors.

Mobility infrastructure has been implemented in the administration and operations centres to enable the use of mobile technologies by relevant staff. The city also implemented IntraMaps Roam for data collection of the city's assets.





## Robust and resilient planning and reporting

The city continues to meet the requirements of the Department of Local Government and Communities' Integrated Planning and Reporting Framework by implementing and developing a number of plans including the *Strategic Financial Plan*, *Asset Management Plan* and *Information and Communications Technology Plan*.

The city's annual budget and long-term financial planning processes are transparent and accountable. The city manages its significant property investment portfolio in order to produce a sustainable income stream for generations to come. The refurbishment of 588 Hay Street was completed and the sale of the two larger lots in the new Carter Lane precinct in February marked a major milestone in this redevelopment

project. A new Risk Management Framework has been developed and reported to the Audit Committee.

The city's *Workforce Plan* details the human resources required to deliver local government services, and how these requirements will change in the short and long term to meet the priorities established by the community and council. Initiatives to address employee turnover include implementation of employee plans to better meet staff needs, a mentoring program and management skills and coaching.

The city has a diverse workforce including a high proportion of women in leadership roles. *The Equal Employment Opportunity Management Plan 2015–2017* outlines how the city will ensure a harassment and discrimination free workplace with equal opportunities for all.

## An independent and sustainable local government

Governor's Orders that would have seen the City of Subiaco merge with the Town of Cambridge on 1 July 2015 were officially revoked on 13 March 2015.

Council had long maintained its preference for the city to remain an independent and sustainable local government in the face of the state government's local government reform agenda.

Work to retain the city's independence included: regular communication with the community; community surveys, the results of which indicated a clear preference to keep Subiaco whole; proposals and submissions to the Local Government Advisory Board; lobbying of parliamentarians; and legal action in the Supreme Court and subsequent appeal.

The city continues to lobby parliamentarians in relation to the City of Perth Bill, proposed legislation to expand the City of Perth to include the part of the City of Subiaco south of Aberdare Road.

## Grants received

- The WA Local Government Grants Commission provided a Financial Assistance Grant (Local Roads) of \$326 088 and Financial Assistance Grant (General Purpose) of \$613 940.
- Lords Recreation Centre received \$10 000 as part of the Local Government Energy Efficiency Program to partially fund the installation of a solar hot water heating system for the swimming pool and change room facilities (additional funding received in previous financial year).
- The city received \$12 500 in KidSport funding to enable disadvantaged children to participate in sport and recreation within the city. This program is funded on an ongoing basis by the Department of Sport and Recreation.
- The city, in conjunction with the Western Suburbs Regional Organisation of Councils (WESROC), received \$40 000 under the 2014–15 Swan River Trust Riverbank Funding Program to assess the vulnerability of the foreshore to driving forces and identify management actions to protect the natural areas, reserves and associated infrastructure along Swan River Estuary in the western suburbs of Perth.
- The city received \$1500 from SciTech for National Science Week 2015 and \$600 from the Department of Local Government and Communities for Youth Week.
- A grant of \$900 was received by the city from the Children's Book Council of Australia WA for Children's Book Week 2014.
- Lotterywest granted the city \$55 000 toward conservation works to Subiaco Fallen Soldiers Memorial clock tower.
- The Department of Veterans Affairs provided \$22 727 towards the ANZAC Centenary sculpture as part of the ANZAC Centenary Local Grant Program.
- Home and Community Care (HACC) received funding to the value of \$1 136 777 to assist with the city's service delivery of in-home services, community meals, centre-based activities, transport and gardening and home maintenance.
- Perth International Arts Festival contributed a sponsorship grant of \$5000 for Subiaco pArk as part of the 2015 Perth Festival.
- The city received a Community Grant from Neighbourhood Watch State Office to the value of \$500 for Halloween activities.
- The city received \$107 712 from the WA Football Commission.
- West Cycle contributed \$1363 towards the Subiaco Bike to Work Breakfast.
- Adshel contributed \$40 552 towards street furniture and \$6 705 towards bus shelter maintenance.
- Lotterywest contributed \$66 399 towards the refurbishment of the Shenton Park Community Centre
- The city received the following grants from Main Roads Western Australia:
  - › Black Spot Funding to the value of \$150 801
  - › Road to Recovery fund contributed \$95 000
  - › Road Project Grant contributed \$384 458
  - › Roads Direct Grant of \$40 300
  - › Street Light Subsidy grant of \$2803.
- The Department of the Environment contributed \$1700 toward protecting and enhancing native bushland remnant.



# Statutory compliance

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## Plan for the future

The city's *Strategic Financial Plan* provides the financial framework for delivering on its *Strategic Community Plan* and *Corporate Business Plan*.

Along with carrying out a range of core operational and infrastructure activities, it includes investment in major capital works projects such as drainage and road improvements. The plan also provides for a range of social capital projects such as community development programs, sustainability initiatives and recreational facilities and services.

## Record keeping

The city is committed to best practice record keeping. The city's *Record Keeping Plan* for 2014 was approved by the State Records Office WA.

## Freedom of information

The *Freedom of Information Act 1992* gives the public a right to apply for access to documents held by the City of Subiaco. The city aims to make information available whenever possible outside the freedom of information process.

The city received six valid freedom of information applications in 2014–15.

## Disability access and inclusion

The city's *Disability Access and Inclusion Plan 2012–17* was progressively implemented and the city met the Disability Services Commission's reporting requirements.

The plan aims to improve accessibility and inclusiveness throughout the city. 76 per cent of planned strategies and initiatives were implemented in 2014–15.

New initiatives included: introduction of accredited access consultants to comment on major city projects; Wednesdays at Wandana program for vulnerable and

disadvantaged residents; Recharge Scheme, a national initiative that aims to create a more welcoming experience for users of electric mobility scooters and wheelchairs; Catch Music and VoiceWorks Plus partnerships; access audit of heritage trails; hearing loop audit and accessible venue upgrades.

Internal training programs included National Relay training by front desk staff, Equal Employment Opportunity training for new staff and biennial refreshers, Working with People with a Disability training for volunteers and staff, and cultural awareness training made available to staff.

## Register of complaints

For the purposes of section 5.121 of the *Local Government Act 1995* there were no complaints in the 2014–15 financial year which resulted in action under section 5.110 (6) (b) or (c) of the Act.

## Competition policy

The city met its obligations with regard to its competition policy. The city has no local laws or policies that contain anti-competitive provisions. No complaints were received by the city in 2014–15 in relation to anti-competitive practices.

## Employee remuneration

There were 26 employees entitled to an annual cash salary of \$100 000 or more:

\$100 000 to \$109 999	2
\$110 000 to \$119 999	5
\$120 000 to \$129 999	9
\$130 000 to \$139 999	2
\$140 000 to \$149 999	1
\$150 000 to \$159 999	1
\$160 000 to \$169 999	3
\$170 000 to \$179 999	2
\$200 000+	1

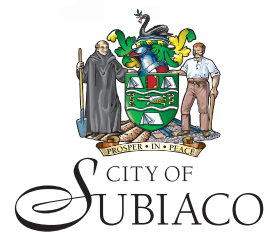
# 2014–15 income and expenditure summary

	2013–2014 \$'000s	2014–2015 \$'000s
<b>Operating revenue</b>		
Governance	4	3
General purpose funding	22,848	24,348
Law, order and public safety	72	52
Health	218	186
Education and welfare	1,389	1,509
Community amenities	4,913	5,270
Recreation and culture	3,307	1,630
Transport	5,898	5,266
Economic services	250	320
Other property and services	87,006	3,822
<b>Total operating revenue</b>	<b>125,906</b>	<b>42,406</b>
<b>Operating expenditure</b>		
Governance	(1,758)	(3,621)
General purpose funding	(969)	(1,060)
Law, order and public safety	(1,064)	(1,133)
Health	(652)	(683)
Education and welfare	(3,006)	(3,147)
Community amenities	(6,574)	(6,463)
Recreation and culture	(12,913)	(12,935)
Transport	(9,693)	(10,109)
Economic services	(6,313)	(4,295)
Other property and services	(2,175)	(2,098)
<b>Total operating expenditure</b>	<b>(45,117)</b>	<b>(45,543)</b>
<b>Borrowing costs expense</b>		
Recreation and culture	(53)	(100)
Transport	-	(0)
Economic services	(128)	(363)
Other property and services	(20)	(20)
<b>Total borrowing costs expense</b>	<b>(201)</b>	<b>(483)</b>
<b>Investments accounted for using the equity method</b>		
Community amenities	(42)	(28)
<b>Total share of profit of associates</b>	<b>(42)</b>	<b>(28)</b>
<b>Contributions to the development of assets</b>		
Education and welfare	-	-
Community amenities	42	-
Recreation and culture	72	136
Transport	878	630
<b>Total contribution to the development of assets</b>	<b>992</b>	<b>766</b>
<b>Profit/(loss) on disposal of assets</b>		
<b>Total profit/(loss) on disposal of assets</b>	<b>40</b>	<b>(742)</b>
<b>Net result</b>	<b>81,578</b>	<b>(3,625)</b>
<b>Other comprehensive income</b>		
Changes on revaluation of non-current assets	107,196	53,905
<b>Total other comprehensive income</b>	<b>107,196</b>	<b>53,905</b>
<b>Total comprehensive income</b>	<b>188,774</b>	<b>50,279</b>









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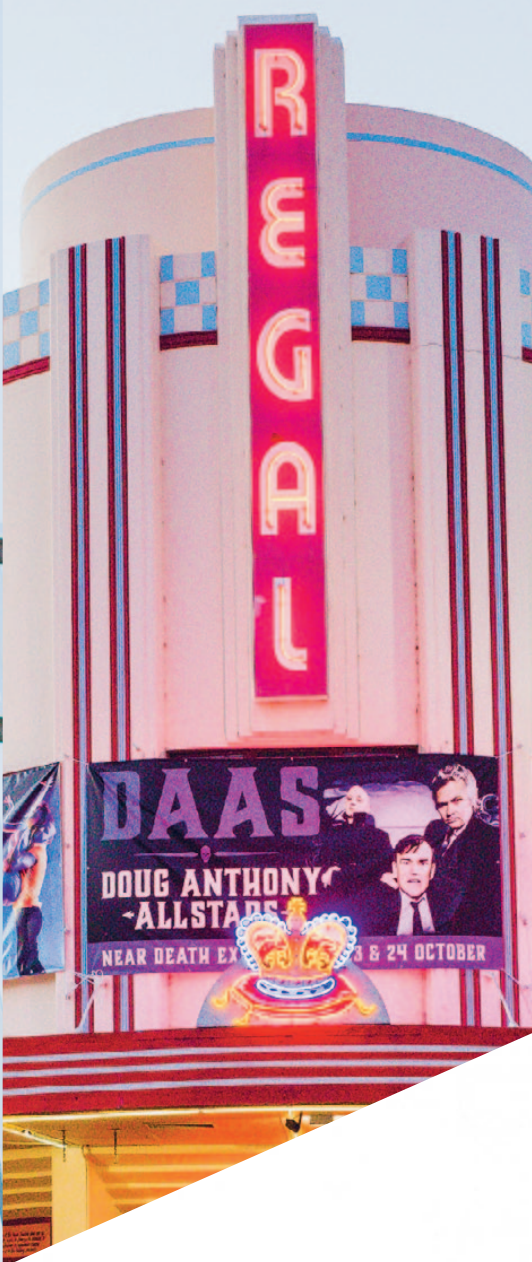
This document is available in  
alternative formats upon request.

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The City of Subiaco is committed to  
protecting the global environment through  
local action. By printing this publication on  
Australian made 100 per cent recycled  
paper, the city aims to conserve the  
resources of the city.  
The document is available online at  
**[www.subiaco.wa.gov.au](http://www.subiaco.wa.gov.au)**







2014 – 15

# Annual Financial Statement

**CITY OF SUBIACO**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

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Principal place of business: 241 Rokeby Road SUBIACO WA 6008	



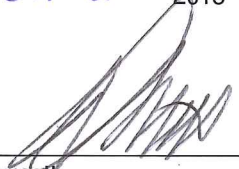
**CITY OF SUBIACO  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2015**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed as authorisation of issue on the 11<sup>th</sup> day of November 2015

  
\_\_\_\_\_  
Don Burnett  
Chief Executive Officer

**CITY OF SUBIACO**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>				
Rates	24	21,647,098	21,562,370	20,108,791
Operating grants, subsidies and contributions	30	2,319,833	1,876,654	1,567,283
Operating reimbursements and donations		426,144	219,461	303,604
Fees and charges	29	11,257,431	13,387,707	16,127,967
Sanitation charges		4,943,775	4,857,549	4,587,519
Interest earnings	2(a)	1,517,046	1,498,110	2,269,371
Other revenue	2(a)	294,751	521,960	80,941,854
		<u>42,406,078</u>	<u>43,923,811</u>	<u>125,906,389</u>
<b>Expenses</b>				
Employee costs		(22,622,344)	(22,470,198)	(22,544,673)
Materials and contracts		(10,729,116)	(14,383,254)	(10,461,974)
Utility charges		(984,476)	(1,003,667)	(1,016,500)
Depreciation on non-current assets	2(a)	(5,483,496)	(4,191,000)	(4,459,020)
Interest expenses	2(a)	(483,441)	(513,500)	(201,065)
Insurance expenses		(635,808)	(626,000)	(602,516)
Other expenditure		(3,397,558)	(3,361,060)	(6,032,347)
		<u>(44,336,239)</u>	<u>(46,548,679)</u>	<u>(45,318,095)</u>
		(1,930,161)	(2,624,868)	80,588,294
Non-operating grants, subsidies and contributions	30	766,033	1,592,010	992,391
Investment accounted for using the equity method	4	(28,147)	0	(42,399)
Loss on revaluation of fixed assets	2(a)	(1,690,656)	0	0
Profit on asset disposals	22	52,903	49,640	57,885
Loss on asset disposals	22	(795,289)	(107,560)	(17,949)
<b>Net result</b>		<b>(3,625,317)</b>	<b>(1,090,778)</b>	<b>81,578,222</b>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	14	53,904,572	0	107,195,678
<b>Total other comprehensive income</b>		<u><b>53,904,572</b></u>	<u><b>0</b></u>	<u><b>107,195,678</b></u>
<b>Total comprehensive income</b>		<u><u><b>50,279,255</b></u></u>	<u><u><b>(1,090,778)</b></u></u>	<u><u><b>188,773,900</b></u></u>

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



**CITY OF SUBIACO**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>Revenue</b>	2(a)			
Governance		2,985	2,000	4,227
General purpose funding		24,347,898	23,461,370	22,848,331
Law, order, public safety		52,303	27,900	72,158
Health		186,362	162,600	217,748
Education and welfare		1,508,600	1,337,604	1,388,909
Community amenities		5,269,870	5,197,849	4,913,488
Recreation and culture		1,630,003	3,312,987	3,306,929
Transport		5,266,125	5,440,620	5,898,311
Economic services		319,949	587,110	250,127
Other property and services		3,821,983	4,393,771	87,006,161
		<u>42,406,078</u>	<u>43,923,811</u>	<u>125,906,389</u>
<b>Expenses</b>	2(a)			
Governance		(3,620,872)	(2,212,018)	(1,758,012)
General purpose funding		(1,060,376)	(1,151,880)	(969,010)
Law, order, public safety		(1,132,507)	(1,231,796)	(1,063,623)
Health		(682,675)	(770,435)	(651,936)
Education and welfare		(3,147,036)	(3,303,766)	(3,005,983)
Community amenities		(6,463,347)	(6,673,381)	(6,573,735)
Recreation and culture		(12,934,770)	(13,512,660)	(12,913,444)
Transport		(10,108,654)	(10,384,727)	(9,693,142)
Economic services		(4,295,088)	(4,615,996)	(6,312,818)
Other property and services		(2,098,129)	(2,178,520)	(2,175,327)
		<u>(45,543,454)</u>	<u>(46,035,179)</u>	<u>(45,117,030)</u>
<b>Finance costs</b>	2(a)			
Recreation and culture		(100,151)	(134,000)	(52,937)
Transport		(24)	(48,200)	0
Economic services		(363,071)	(311,100)	(127,932)
Other property and services		(20,195)	(20,200)	(20,196)
		<u>(483,441)</u>	<u>(513,500)</u>	<u>(201,065)</u>
<b>Investment accounted for using equity method</b>				
Community Amenities	4	(28,147)	0	(42,399)
		<u>(28,147)</u>	<u>0</u>	<u>(42,399)</u>
<b>Non-operating grants, subsidies and contributions</b>				
Education and welfare		0	24,000	0
Community amenities		0	0	42,356
Recreation and culture		135,774	127,400	71,900
Transport		630,259	1,440,610	878,135
	30	<u>766,033</u>	<u>1,592,010</u>	<u>992,391</u>
<b>Profit/(Loss) on disposal of assets</b>				
Governance		(1,660)	0	0
Law, order, public safety		0	(8,380)	15,330
Health		0	0	(3,398)
Education and welfare		1,411	(5,390)	0
Community amenities		(18,351)	(9,950)	6,803
Recreation and culture		(22,094)	(6,350)	20,165
Transport		868	10,180	(2,409)
Economic services		0	(1,290)	0
Other property and services		(702,560)	(36,740)	3,445
	22	<u>(742,386)</u>	<u>(57,920)</u>	<u>39,936</u>
<b>Net result</b>		<u>(3,625,317)</u>	<u>(1,090,778)</u>	<u>81,578,222</u>
<b>Other comprehensive income</b>				
Changes on revaluation of non-current assets	14	53,904,572	0	107,195,678
<b>Total other comprehensive income</b>		<u>53,904,572</u>	<u>0</u>	<u>107,195,678</u>
<b>Total comprehensive income</b>		<u>50,279,255</u>	<u>(1,090,778)</u>	<u>188,773,900</u>

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

**CITY OF SUBIACO**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2015**

	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	42,663,682	32,974,925
Trade and other receivables	5	1,877,151	17,908,422
Inventories	6	19,407	0
<b>TOTAL CURRENT ASSETS</b>		<u>44,560,240</u>	<u>50,883,347</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	155,129	139,169
Investments accounted for using the equity method	4	2,182,523	2,210,670
Investment Properties	8	121,066,529	117,310,566
Property, Plant and Equipment	7	128,550,249	128,268,881
Infrastructure	9	106,523,905	50,518,027
<b>TOTAL NON-CURRENT ASSETS</b>		<u>358,478,335</u>	<u>298,447,313</u>
<b>TOTAL ASSETS</b>		<u>403,038,575</u>	<u>349,330,660</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	6,571,383	5,481,981
Current portion of long term borrowings	11	1,937,453	214,206
Provisions	12	3,085,111	3,111,833
<b>TOTAL CURRENT LIABILITIES</b>		<u>11,593,947</u>	<u>8,808,020</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	11	7,768,595	6,915,687
Provisions	12	528,029	738,204
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>8,296,624</u>	<u>7,653,891</u>
<b>TOTAL LIABILITIES</b>		<u>19,890,571</u>	<u>16,461,911</u>
<b>NET ASSETS</b>		<u>383,148,004</u>	<u>332,868,749</u>
<b>EQUITY</b>			
Retained surplus		190,699,374	201,953,905
Reserves - cash backed	13	31,258,921	23,629,707
Revaluation surplus	14	161,189,709	107,285,137
<b>TOTAL EQUITY</b>		<u>383,148,004</u>	<u>332,868,749</u>

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



**CITY OF SUBIACO  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2013</b>		<b>111,481,292</b>	<b>32,524,098</b>	<b>89,458</b>	<b>144,094,849</b>
Comprehensive income					
Net result		81,578,222	0	0	81,578,222
Changes on revaluation of non-current assets	14	0	0	107,195,678	107,195,678
Total comprehensive income		81,578,222	0	107,195,678	188,773,900
Transfers from/(to) reserves		8,894,391	(8,894,391)	0	0
<b>Balance as at 30 June 2014</b>		<b>201,953,905</b>	<b>23,629,707</b>	<b>107,285,137</b>	<b>332,868,749</b>
Comprehensive income					
Net result		(3,625,317)	0	0	(3,625,317)
Changes on revaluation of non-current assets	14	0	0	53,904,572	53,904,572
Total comprehensive income		(3,625,317)	0	53,904,572	50,279,255
Transfers from/(to) reserves		(7,629,214)	7,629,214	0	0
<b>Balance as at 30 June 2015</b>		<b>190,699,374</b>	<b>31,258,921</b>	<b>161,189,709</b>	<b>383,148,004</b>

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

**CITY OF SUBIACO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 \$	2015 Budget \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		21,556,998	19,485,503	20,063,172
Operating grants, subsidies and contributions		2,319,833	1,876,654	1,567,283
Reimbursements & Donations		426,144	219,461	303,604
Fees and charges		12,036,300	13,860,368	16,136,476
Interest earnings		1,517,046	1,498,110	2,269,371
Goods and services tax		2,611,264	1,369,098	1,378,656
Sanitation Charges		4,943,775	4,857,549	4,587,519
Other revenue		294,751	521,960	466,950
		<u>45,706,111</u>	<u>43,688,703</u>	<u>46,773,031</u>
<b>Payments</b>				
Employee costs		(22,780,362)	(22,077,787)	(22,011,554)
Materials and contracts		(9,772,378)	(14,673,551)	(10,019,704)
Utility charges		(984,476)	(1,003,667)	(1,016,500)
Interest expenses		(441,839)	(513,500)	(137,785)
Donations, Contributions and Grants Made		0	(279,380)	0
Insurance expenses		(635,808)	(626,000)	(602,516)
Goods and services tax		(2,791,946)	(1,369,098)	(1,581,697)
Other expenditure		(3,397,558)	(3,081,680)	(5,904,370)
		<u>(40,804,367)</u>	<u>(43,624,663)</u>	<u>(41,274,126)</u>
<b>Net cash provided by (used in) operating activities</b>	15(b)	<u>4,901,744</u>	<u>64,040</u>	<u>5,498,905</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for development of Land and Buildings		(3,120,027)	(1,021,870)	(1,637,928)
Payments for development of Investment Properties		(3,755,963)	(13,264,507)	(11,850,490)
Payments for Work in Progress of Investment Properties		0	0	(523,839)
Payments for purchase of Furniture		(697,302)	(2,014,160)	(419,032)
Payments for purchase of Plant & Equipment		(603,859)	(1,521,000)	(1,018,239)
Payments for construction of Infrastructure		(6,235,429)	(11,631,295)	(4,292,639)
Non-operating grants, subsidies and contributions		766,033	1,592,010	992,391
Proceeds from sale of Property, Plant & Equipment		357,405	8,486,000	467,006
Proceeds from Repayment of Deferred Debtor		15,500,000	15,500,000	0
<b>Net cash provided by (used in) investment activities</b>		<u>2,210,858</u>	<u>(3,874,822)</u>	<u>(18,282,770)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(689,345)	(719,700)	(745,636)
Proceeds from new debentures		3,265,500	3,061,000	5,580,000
<b>Net cash provided by (used in) financing activities</b>		<u>2,576,155</u>	<u>2,341,300</u>	<u>4,834,364</u>
<b>Net increase (decrease) in cash held</b>		9,688,757	(1,469,482)	(7,949,501)
Cash at beginning of year		32,974,925	28,976,118	40,924,426
<b>Cash and cash equivalents at the end of the year</b>	15(a)	<u><u>42,663,682</u></u>	<u><u>27,506,636</u></u>	<u><u>32,974,925</u></u>

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



**CITY OF SUBIACO  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2015**

	NOTE	2015 Actual \$	2015 Budget \$	2014 Actual \$
<b>Revenue</b>				
Governance		2,985	2,000	4,227
General purpose funding		3,061,874	2,258,110	3,362,670
Law, order, public safety		52,303	27,900	87,488
Health		186,362	162,600	217,748
Education and welfare		1,510,012	1,361,604	1,388,909
Community amenities		5,269,870	5,200,069	4,928,691
Recreation and culture		1,778,972	3,450,487	3,398,994
Transport		5,906,161	6,917,420	6,776,446
Economic services		319,949	587,110	250,127
Other property and services		3,850,503	4,394,901	87,013,305
		<u>21,938,991</u>	<u>24,362,201</u>	<u>107,428,605</u>
<b>Expenses</b>				
Governance		(3,622,532)	(2,212,018)	(1,758,012)
General purpose funding		(1,088,523)	(1,151,880)	(969,010)
Law, order, public safety		(1,132,507)	(1,240,176)	(1,063,623)
Health		(682,675)	(770,435)	(655,334)
Education and welfare		(3,147,036)	(3,309,156)	(3,005,983)
Community amenities		(6,481,698)	(6,685,551)	(6,582,178)
Recreation and culture		(13,070,210)	(13,663,110)	(12,966,381)
Transport		(10,117,587)	(10,458,937)	(9,695,551)
Economic services		(4,658,159)	(4,928,386)	(6,440,750)
Other property and services		(2,849,405)	(2,236,590)	(2,199,222)
		<u>(46,850,332)</u>	<u>(46,656,239)</u>	<u>(45,336,044)</u>
<b>Net result excluding rates</b>		(24,911,341)	(22,294,038)	62,092,561
<b>Adjustments for cash budget requirements:</b>				
<b>Non-cash expenditure and revenue</b>				
Fair Value Adjustment on Investment Properties		0	0	(80,474,905)
(Profit)/Loss on asset disposals	22	742,386	57,920	(39,936)
Loss on Revaluation of Fixed Assets		301,688	0	0
Fair Value Adjustment on Infrastructure		1,388,968	0	0
Movement in deferred pensioner rates (non-current)		(15,960)	0	(5,111)
Movement in Deferred Debtor		15,500,000	0	0
Movement in employee benefit provisions (non-current)		(210,175)	0	129,421
Depreciation on assets	2(a)	5,483,496	4,191,000	4,459,020
Movement in Unspent Grants	2(c)	72,082	0	(139,438)
<b>Capital Expenditure and Revenue</b>				
Purchase Investment Properties	8	(3,755,963)	(10,335,200)	(11,850,490)
Work in Progress Investment Properties	8	0	0	(523,839)
Purchase Land and Buildings	7(b)	(3,120,027)	(3,951,177)	(1,637,928)
Purchase furniture and equipment	7(b)	(697,302)	(2,014,160)	(419,032)
Purchase plant and equipment	7(b)	(603,859)	(1,521,000)	(1,018,239)
Purchase roads	9(b)	(1,907,943)	(4,761,247)	(1,600,989)
Purchase footpaths	9(b)	(435,586)	(439,140)	(298,465)
Purchase drainage	9(b)	(1,167,165)	(1,753,830)	(920,636)
Purchase street furniture	9(b)	(1,100,349)	(2,913,460)	(425,340)
Purchase parks, gardens, reserves and equipment	9(b)	(1,331,251)	(1,763,618)	(1,047,209)
Purchase other infrastructure	9(b)	(293,135)	0	0
Write Back Adjustment to Share of Associate	4	28,147	0	42,399
Proceeds from disposal of fixed assets	22	357,405	23,986,000	467,006
Repayment of debentures	23(a)	(689,345)	(719,700)	(745,636)
Proceeds from new debentures	23(a)	3,265,500	3,061,000	5,580,000
Transfers to reserves (restricted assets)	13	(21,255,729)	(28,971,703)	(10,481,401)
Transfers from reserves (restricted assets)	13	13,626,515	26,998,485	19,375,792
ADD Estimated surplus/(deficit) July 1 b/fwd	24(b)	3,020,388	1,940,608	3,017,122
LESS Estimated surplus/(deficit) June 30 c/fwd	24(b)	3,577,469	0	3,020,388
<b>Total amount raised from general rate</b>	24(a)	<u>(21,286,024)</u>	<u>(21,203,260)</u>	<u>(19,485,661)</u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

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

**Critical accounting estimates**

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

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

**The local government reporting entity**

All Funds through which the City 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 21 to these financial statements.

**(b) Goods and Services Tax (GST)**

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

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

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

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

**(c) Cash and Cash Equivalents**

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

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



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

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

**(d) Trade and Other Receivables**

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

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

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

**(e) Inventories**

***General***

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

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

***Land held for sale***

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

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

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

**(f) Fixed Assets**

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

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

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

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

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

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

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

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

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

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

**(f) Fixed Assets (Continued)**

***Land under control***

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

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

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

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

In 2013 as part of Council's review of current land holdings, it was determined that Subiaco Oval and the land upon which it is situated is captured by Regulation 16(a), as it is a sporting/recreational facility of state or regional significance and therefore it must be recognised as an asset. During this assessment it was determined that Council does not control any other land which would be captured under this Regulation.

In determining the value of Subiaco Oval as an asset the following has been taken into consideration:

- The State Government recently announced it would build a new stadium, which once complete would mean that Subiaco Oval will no longer be considered a sporting or recreational facility of state or regional significance.
- Subiaco Oval is currently leased via a "peppercorn long term ground lease" to an entity with "not for profit" status.
- the lessee owns all improvements on Subiaco Oval and these improvements are recorded in their financial statements. Council has not contributed to any of these improvements.
- Council has no control, ownership or management of the improvements on the land. Upon expiry of the lease the improvements would become property of Council and recognised only at that time.
- The current lessee has recognised that with the announcement of a new stadium, Subiaco Oval will no longer be a sporting or recreational facility of state or regional significance, and so has taken the approach to accelerate their write off of the Subiaco Oval assets to coincide with a nil value at the commencement of the new stadium.

As a result, Council has assessed that Subiaco Oval has a nil value to the City upon recognition.

***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 City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework 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.



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

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

**(f) Fixed Assets (Continued)**

***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 City.

***Depreciation***

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

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

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

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

Buildings	0 to 40 years
Furniture and Equipment	5 to 10 years
Plant and Equipment	3 to 7 years
Infrastructure Assets:	
Roads	40 years
Laneways	40 years
Drains	60 years
Street Furniture	15 years
Footpaths	40 years
Park Furniture	15 years
Playground Equipment	15 years
Reticulation	15 years
Grassed Areas	N.A.
Infrastructure Buildings	40 years
Parks & Reserves	25 years

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

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

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.

***Capitalisation threshold***

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

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

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

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

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

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

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

***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.



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

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

***Valuation techniques***

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

**Market approach**

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

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

**Income approach**

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

**Cost approach**

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

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

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

**(h) Intangible Assets**

***Easements***

Due to legislative changes, Easements are required to be recognised as assets. If significant, they are initially recognised at cost and have an indefinite useful life.

**(i) Financial Instruments**

***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City 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.

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

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

**(i) Financial Instruments (Continued)**

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

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.

***(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 City 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.



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

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

**(i) 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 City 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.

**(j) Impairment of Assets**

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

Where such an indication exists, an impairment test is carried out on the 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.

**(k) Trade and Other Payables**

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

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

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

**(l) Employee Benefits**

**Short-term employee benefits**

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related 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 City'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 City'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 City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**(m) 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.

**(n) Provisions**

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

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

**(o) Leases**

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

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

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

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

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



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

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

**(p) Investment in Associates**

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

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

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

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

**(q) Investment Properties**

Investment property, comprising freehold office complexes is held to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is initially measured at cost and subsequently measured at fair value and any changes to fair value are recorded in the statement of comprehensive income as other income.

The fair value of an investment property is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction of investment property being valued. Fair values are determined by the valuer using market information, including prices for similar properties in comparable locations.

**(r) 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 City'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 18.

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

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

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

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

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

**(t) Superannuation**

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

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The municipality contributes superannuation at a rate of \$1.00 for every \$1.00 contributed to the fund by employees, to a maximum of 9% of the employees salary. The Municipality also contributes an amount calculated at 9.25% of the employee's gross salaries and wages (Superannuation Guarantee Contribution). These contributions are shown as an expense. No liability for accumulated benefits has been recognised in these financial statements.

**(u) 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 City's operational cycle. In the case of liabilities where the City 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 City's intentions to release for sale.

**(v) Rounding Off Figures**

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

**(w) Comparative Figures**

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

When the City 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.

**(x) 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.



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

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

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

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

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

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(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 City, it is not anticipated the Standard will have any material effect.
(ii)	AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	September 2012	1 January 2018	Nil - The revisions embodied in this Standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the City (refer (i) above).
	[AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]			
(iii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2017	<p>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.</p> <p>The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.</p>

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

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

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

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

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

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

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

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



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

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

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

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

Notes:

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

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

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

These new and revised Standards were:

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

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

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

<b>2. REVENUE AND EXPENSES</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Significant expense</b>		
Other Property and Services	1,690,656	0
Economic Services	2,235,732	4,500,000
The significant expenses relate to:		
<u>Other Property and Services (2015)</u>		
- Fair value adjustment of Infrastructure (\$1,388,968) and Furniture and equipment (\$301,688) which has been classified as Other Expenditure by Nature or Type.		
<u>Economic Services (2014 &amp; 2015)</u>		
- Installation of Underground Power. It has been classified as Other Expenditure by Nature or Type		
<b>Investment Property Expense</b>		
Direct Operating Expenses	702,628	638,837
Depreciation	113	64,860
<b>Auditors remuneration</b>		
- Audit of the annual financial report	48,703	21,500
- Other services	5,400	5,605
<b>Depreciation</b>		
Non-specialised buildings	13,889	3,212
Specialised buildings	1,531,777	492,542
Furniture and Equipment	341,726	280,312
Plant and Equipment	850,949	1,006,764
Investment Buildings	0	64,747
Roads	1,006,146	965,988
Footpaths	263,804	256,343
Drainage	342,664	327,321
Street Furniture	496,230	467,873
Parks, gardens, reserves and equipment	636,311	593,918
	<u>5,483,496</u>	<u>4,459,020</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 23 (a))	483,441	201,065
	<u>483,441</u>	<u>201,065</u>
<b>Rental charges</b>		
- Operating leases	123,867	104,530
	<u>123,867</u>	<u>104,530</u>

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

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
(ii) Crediting as revenue:		
<b>Investment Property Revenue</b>		
Rent and outgoings	<u>3,487,400</u>	<u>6,305,624</u>
<b>Significant revenue</b>		
Fair Value Adjustment of investment Properties	0	80,474,905
Upfront Lease Payment	<u>0</u>	<u>3,000,000</u>
	<u>0</u>	<u>83,474,905</u>

The significant revenues in 2014 relate to:

- Fair Value adjustment of investment properties which has been classified as Other Revenue by Nature or Type and Other Property and Services by Program.
- Upfront lease payment in accordance with the Occupancy Agreement which has been classified as Fees and Charges by Nature or Type and Other Property and Services by Program.

	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Other revenue</b>			
Fair Value Adjustment of investment Properties	0	0	80,474,905
Other (including Lords Recreational Facility)	<u>294,751</u>	<u>521,960</u>	<u>466,949</u>
	<u>294,751</u>	<u>521,960</u>	<u>80,941,854</u>
<b>Interest earnings</b>			
- Reserve funds	1,190,353	946,110	1,828,935
- Other funds	280,843	500,000	396,586
Other interest revenue (refer note 28)	<u>45,850</u>	<u>52,000</u>	<u>43,850</u>
	<u>1,517,046</u>	<u>1,498,110</u>	<u>2,269,371</u>

**(b) Statement of Objective**

The City of Subiaco is dedicated to providing high quality services to the community through the various service-oriented programs which it has established.

City operations as disclosed in these financial statements encompass the following service oriented activities/programs.

**COMMUNITY VISION**

In 2030 the City of Subiaco is a unique, popular and welcoming place. The city celebrates its rich history, while embracing the diversity and vitality of the present. The parks, public spaces, events and recreational opportunities are easily accessible and promote a healthy and happy lifestyle for all. There is a diverse range of local businesses and entertainment that contributes to a lively atmosphere. The city faces the challenges of the future with strong leadership, an innovative approach and an emphasis on community values and voices. Sustainability, in all its forms, is at the core of the community and underpins the city's operations.



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

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

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

**GOVERNANCE**

**Objective:**

*To ensure high quality democratic processes and informed local decision making.*

**Activities:**

Includes administration and operation of facilities and services to members of council and other costs that relate to the tasks of assisting members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

**Objective:**

*To fairly and efficiently levy and collect rates and other monies required to fund the city's operations.*

**Activities:**

Rates revenue from rates levied under Division 6 of Part 6 of the Local Government Act 1995 and amounts receivable from the Western Australian Grants Commission and any government grants of a general purpose nature.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

*To ensure safety and amenity of the community in public areas.*

**Activities:**

Control of parking facilities, implementation and control of parking, and other local laws. Also includes fire prevention outlays.

**HEALTH**

**Objective:**

*To protect the health of all persons and promote environmental quality.*

**Activities:**

Administration, inspection and operations of programs concerned with the general health of the community.

**EDUCATION AND WELFARE**

**Objective:**

*To contribute towards the well being of people with special needs.*

**Activities:**

Maintenance of pre-school buildings, aged care services including home and community care, meals-on-wheels, and seniors activities.

**COMMUNITY AMENITIES**

**Objective:**

*To provide waste management services which minimise adverse environmental impacts, orderly and controlled development of land and the built environment, and well maintained public conveniences.*

**Activities:**

This includes the collection and disposal of community and domestic rubbish and recycling, and the administration and operation of town planning and sustainable development within the local government.

**RECREATION AND CULTURE**

**Objective:**

*To provide and support community recreational and cultural pursuits.*

**Activities:**

Maintenance of community, recreation and function centres, various reserves, and operation of the library.

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

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

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

**TRANSPORT**

**Objective:**

*To facilitate safe and convenient transport access.*

**Activities:**

Construction and maintenance of roads, drainage works, footpaths, traffic facilities.

**ECONOMIC SERVICES**

**Objective:**

*To facilitate economic development, promote compliance with building standards, regulations and local laws and enhance public amenity by placing powerlines underground.*

**Activities:**

Area promotion and building control services.

**OTHER PROPERTY AND SERVICES**

**Objective:**

*To maximise long-term return on investment assets for the benefit of the community.*

**Activities:**

Includes management of the city's investment assets.

**STRATEGIC PLAN**

In order to discharge its responsibilities to the community, the City has developed a strategic plan. The strategic plan sets the direction of the council so that the community's needs and expectations are met in a planned, co-ordinated and cost effective manner. The strategic plan states a vision of the city, being "a unique place where people want to be".

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

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

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

Grant/Contribution	Function/ Activity	Opening Balance <sup>(1)</sup> 1/07/13 \$	Received <sup>(2)</sup> 2013/14 \$	Expended <sup>(3)</sup> 2013/14 \$	Closing Balance <sup>(1)</sup> 30/06/14 \$	Received <sup>(2)</sup> 2014/15 \$	Expended <sup>(3)</sup> 2014/15 \$	Closing Balance 30/06/15 \$
Selby/Nash Road	Transport	0	41,600	0	<b>41,600</b>	0	(21,150)	<b>20,450</b>
Barker Road	Transport	0	10,400	0	<b>10,400</b>	15,600	(23,053)	<b>2,947</b>
Station Street	Transport	0	52,000	0	<b>52,000</b>	0	(27,704)	<b>24,296</b>
Restoration of Jolimont	Recreation & Culture	0	12,800	(11,000)	<b>1,800</b>	1,700	0	<b>3,500</b>
Perth Bicycle Network	Transport	0	20,668	0	<b>20,668</b>	0	(20,668)	<b>0</b>
Broadway Road	Transport	0	70,076	(57,106)	<b>12,970</b>	0	(12,970)	<b>0</b>
Railway Road	Transport	0	0	0	<b>0</b>	73,334	(57,772)	<b>15,562</b>
Kidsport	Recreation & Culture	0	0	0	<b>0</b>	12,500	(11,899)	<b>601</b>
<b>Total</b>		<b>0</b>	<b>207,544</b>	<b>(68,106)</b>	<b>139,438</b>	<b>103,134</b>	<b>(175,216)</b>	<b>67,356</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.



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

	Note	2015 \$	2014 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		11,337,405	9,205,780
Restricted		31,326,277	23,769,145
		<u>42,663,682</u>	<u>32,974,925</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Plant and Equipment Replacement	13	1,425,297	1,226,351
Building and Facilities	13	2,195,362	2,389,930
Parking and Public Transport Improvements	13	1,410,829	1,818,170
Waste Management	13	1,000,533	580,418
HACC Capital Grants	13	91,438	28,958
Undergrounding of Power Lines	13	807,503	652,536
Capital Investment	13	16,016,064	5,936,818
Student Bursaries	13	52,324	50,890
Infrastructure Replacement	13	585,928	525,767
Investment Income Reserve	13	7,629,554	10,188,157
CBD Promotion Reserve	13	0	184,619
Public Art	13	0	47,093
Heritage Grants Reserve	13	44,089	0
Unspent grants	2(c)	67,356	139,438
		<u>31,326,277</u>	<u>23,769,145</u>

**4. INVESTMENTS IN ASSOCIATE**

**Western Metropolitan Regional Council**

The City of Subiaco, together with the Town of Cottesloe, the Town of Claremont, the Town of Mosman Park and the Shire of Peppermint Grove have a joint venture arrangement with regard to the provision of a waste transfer station

The Western Metropolitan Regional Council was formed to provide for the efficient treatment and/or disposal of waste. A waste transfer station was constructed from funds provided by constituent Councils. The share held by the City of Subiaco is 38.33%.

	2015 \$	2014 \$
<b>a) Retained Surplus attributed to Investment in Associate:</b>		
Balance at the beginning of the financial year	613,585	658,756
-Share of associate's (loss) from ordinary activities	(28,147)	(42,399)
-Share of associate's reserve increments/(decrement) arising during the year	0	(2,772)
<b>Balance at the end of the financial year</b>	<u>585,438</u>	<u>613,585</u>
<b>(b) Carrying Amount of Investment in Associate</b>		
Balance at the beginning of the financial year	2,210,670	2,255,841
-Share of associate's (loss) from ordinary activities	(28,147)	(42,399)
-Share of associate's reserve increments/(decrement) arising during the year	0	(2,772)
<b>Balance at the end of the financial year</b>	<u>2,182,523</u>	<u>2,210,670</u>

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

	2015 \$	2014 \$
<b>4. INVESTMENTS IN ASSOCIATE (Continued...)</b>		
<b>(c) Share of associate entity's results and financial position</b>		
Current Assets	1,438,764	1,390,695
Non Current Assets	1,041,772	1,100,202
<b>Total Assets</b>	<u>2,480,536</u>	<u>2,490,897</u>
Current Liabilities	288,475	271,028
Non Current Liabilities	9,538	9,198
<b>Total Liabilities</b>	<u>298,013</u>	<u>280,226</u>
Revenues	2,306,653	2,566,038
Expenses	(2,334,800)	(2,608,437)
<b>Total (Loss) from ordinary Activities</b>	<u>(28,147)</u>	<u>(42,399)</u>
<b>Other Comprehensive Income</b>		
Changes in revaluation of non current assets	0	(2,772)
Total Other Comprehensive Income	0	(2,772)
<b>Total Comprehensive Income</b>	<u>(28,147)</u>	<u>(45,171)</u>
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	193,963	119,823
Sundry Debtors	1,622,389	2,201,490
GST Receivable	395,443	214,762
Prepayments	86,627	68,868
Accrued Income	93,245	198,645
Less Allowance for Doubtful Debts	(514,516)	(395,166)
Other Receivables	0	15,500,000
	<u>1,877,151</u>	<u>17,908,422</u>
<b>Non-current</b>		
Rates outstanding - pensioners	155,129	139,169
	<u>155,129</u>	<u>139,169</u>
<b>6. INVENTORIES</b>		
<b>Current</b>		
Consumables	19,407	0
	<u>19,407</u>	<u>0</u>

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

	2015 \$	2014 \$
<b>7 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
Freehold land at:		
- Independent valuation 2014 - Level 2	95,390,000	95,390,000
	<u>95,390,000</u>	<u>95,390,000</u>
	<u>95,390,000</u>	<u>95,390,000</u>
Non-specialised buildings at:		
- Independent valuation 2014 - Level 2	375,000	375,000
Less: accumulated depreciation	<u>(13,889)</u>	<u>0</u>
	361,111	375,000
Specialised buildings at:		
- Independent valuation 2014 - Level 3	28,261,155	28,261,155
- Additions after valuation - cost	3,120,027	0
Less: accumulated depreciation	<u>(1,531,777)</u>	<u>0</u>
	29,849,405	28,261,155
	<u>30,210,516</u>	<u>28,636,155</u>
Total land and buildings	<u>125,600,516</u>	<u>124,026,155</u>
Furniture and Equipment at:		
- Management valuation 2015 - level 2	659,379	0
- Cost	0	3,904,588
Less accumulated depreciation	<u>0</u>	<u>(2,539,445)</u>
	659,379	1,365,143
Plant and Equipment at:		
- Management Valuation 2013 - Level 2	2,319,379	2,851,625
- Additions after valuation - cost	1,622,098	1,018,239
Less accumulated depreciation	<u>(1,651,123)</u>	<u>(992,281)</u>
	2,290,354	2,877,583
	<u>128,550,249</u>	<u>128,268,881</u>

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



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

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

**(b) Movements in Carrying Amounts**

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Freehold land	95,390,000	0	0	0	0	0	0	95,390,000
<b>Total land</b>	<b>95,390,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>95,390,000</b>
Non-specialised buildings	375,000	0	0	0	0	(13,889)	0	361,111
Specialised buildings	28,261,155	3,120,027	0	0	0	(1,531,777)	0	29,849,405
<b>Total buildings</b>	<b>28,636,155</b>	<b>3,120,027</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,545,666)</b>	<b>0</b>	<b>30,210,516</b>
<b>Total land and buildings</b>	<b>124,026,155</b>	<b>3,120,027</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1,545,666)</b>	<b>0</b>	<b>125,600,516</b>
Furniture and Equipment	1,365,143	697,302	(759,652)	(301,688)	0	(341,726)	0	659,379
Plant and Equipment	2,877,583	603,859	(340,139)	0	0	(850,949)	0	2,290,354
<b>Total property, plant and equipment</b>	<b>128,268,881</b>	<b>4,421,188</b>	<b>(1,099,791)</b>	<b>(301,688)</b>	<b>0</b>	<b>(2,738,341)</b>	<b>0</b>	<b>128,550,249</b>

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

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

**(c) Fair Value Measurements**

<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>					
Freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per hectare
Non-specialised buildings	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per square metre
Specialised buildings	3	Cost Approach using depreciated replacement cost	Independent registered valuers	June 2014	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Furniture and Equipment</b>	3	Cost Approach using depreciated replacement cost	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Plant and Equipment</b>	2	Market approach using recent observable market data for similar properties	Management Valuation	June 2013	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.

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

	2015 \$	2014 \$
<b>8. INVESTMENT PROPERTIES</b>		
(a) <u>Investment Land</u>		
- Independent Valuation 2014 - Level 2	107,701,409	107,701,409
- Additions after valuation - cost	<u>1,678,660</u>	<u>0</u>
	109,380,069	107,701,409
 <u>Investment Buildings</u>		
- Independent Valuation 2014 - Level 3	9,085,318	9,085,318
- Cost	<u>2,601,142</u>	<u>0</u>
	11,686,460	9,085,318
 <u>Work in Progress</u>		
Investment Buildings - Cost	0	523,839
	<u><u>121,066,529</u></u>	<u><u>117,310,566</u></u>

**(b) Movements in Carrying Amounts**

	Investment Land (Level 2) \$	Investment Buildings (Level 3) \$	Work In Progress \$	Total \$
Balance as at the beginning of the year	107,701,409	9,085,318	523,839	117,310,566
Additions	1,678,660	2,077,303	0	3,755,963
Work In Progress	0	523,839	(523,839)	0
(Disposals)	0	0	0	0
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment - (Losses)	0	0	0	0
- Reversals	0	0	0	0
Depreciation (Expense)	0	0	0	0
<b>Carrying amount at the end of year</b>	<u><u>109,380,069</u></u>	<u><u>11,686,460</u></u>	<u><u>0</u></u>	<u><u>121,066,529</u></u>



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

**8 INVESTMENT PROPERTIES (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>					
Investment Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2014	Price per hectare
Investment Buildings	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2014	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 by the local government to determine the fair value of investment property .using either level 2 or level 3 inputs.

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

	2015 \$	2014 \$
<b>9 (a). INFRASTRUCTURE</b>		
Roads		
- Independent valuation 2015 - level 3	60,252,700	0
- Cost	0	40,245,820
Less accumulated depreciation	0	(19,337,137)
	<u>60,252,700</u>	<u>20,908,683</u>
Footpaths		
- Independent valuation 2015 - level 3	12,604,065	0
- Cost	0	10,552,187
Less accumulated depreciation	0	(6,096,386)
	<u>12,604,065</u>	<u>4,455,801</u>
Drainage		
- Independent valuation 2015 - level 3	19,279,940	0
- Cost	0	20,559,865
Less accumulated depreciation	0	(9,053,327)
	<u>19,279,940</u>	<u>11,506,538</u>
Street Furniture		
- Independent valuation 2015 - level 3	2,620,500	0
- Cost	0	7,443,443
Less accumulated depreciation	0	(4,038,094)
	<u>2,620,500</u>	<u>3,405,349</u>
Parks, gardens, reserves and equipment		
- Independent valuation 2015 - level 3	10,958,150	0
- Cost	0	15,907,799
Less accumulated depreciation	0	(5,666,143)
	<u>10,958,150</u>	<u>10,241,656</u>
Other Infrastructure		
- Independent valuation 2015 - level 2	769,300	0
- Independent valuation 2015 - level 3	39,250	0
Less accumulated depreciation	0	0
	<u>808,550</u>	<u>0</u>
	<u>106,523,905</u>	<u>50,518,027</u>

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

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

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

**9. 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>(Disposals) \$</b>	<b>Revaluation Increments/ (Decrements) \$</b>	<b>Impairment (Losses)/ Reversals \$</b>	<b>Depreciation (Expense) \$</b>	<b>Transfers \$</b>	<b>Carrying Amount at the End of the Year \$</b>
Roads	20,908,683	1,907,943	0	38,442,220	0	(1,006,146)	0	60,252,700
Footpaths	4,455,801	435,586	0	7,976,482	0	(263,804)	0	12,604,065
Drainage	11,506,538	1,167,165	0	6,948,901	0	(342,664)	0	19,279,940
Street Furniture	3,405,349	1,100,349	0	(1,388,968)	0	(496,230)	0	2,620,500
Parks, gardens, reserves and equipment	10,241,656	1,331,251	0	21,554	0	(636,311)	0	10,958,150
Other Infrastructure	0	293,135	0	515,415	0	0	0	808,550
<b>Total infrastructure</b>	<b><u>50,518,027</u></b>	<b><u>6,235,429</u></b>	<b><u>0</u></b>	<b><u>52,515,604</u></b>	<b><u>0</u></b>	<b><u>(2,745,155)</u></b>	<b><u>0</u></b>	<b><u>106,523,905</u></b>

The revaluation of infrastructure assets resulted in an increase on the revaluation of "Roads", "Footpaths", "Drainage", "Parks, Gardens, Reserves and Equipment", and "Other Infrastructure" of \$53,904,572 and a decrease on the revaluation of "Street Furniture" of \$1,388,968, resulting in a net increase in the value of assets of \$52,515,604.

The increases were allocated to the revaluation surplus in the City's equity (refer note 14) and were recognised as Changes on Revaluation of Non-Current Assets in the Statement of Comprehensive Income. The decrease has been recognised as an expense in Other Property & Services in the Statement of Comprehensive Income (refer note 2(a)).



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

**9. 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>Roads</b>	3	Cost Approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Footpaths</b>	3	Cost Approach using depreciated replacement cost	Independent registered valuers	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 registered valuers	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 registered valuers	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Parks, gardens, reserves and equipment</b>	3	Cost Approach using depreciated replacement cost	Independent registered valuers	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Other Infrastructure</b>	2	Market approach using recent observable market data for similar items	Independent registered valuers	June 2015	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 to determine the fair value of infrastructure using level 3 inputs.

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

	2015 \$	2014 \$
<b>10 TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	3,360,163	2,139,337
Accrued interest on debentures	116,772	75,170
Accrued salaries and wages	732,659	653,781
Bond Creditors	1,533,873	1,414,593
Income in Advance	688,611	713,593
Accrued Expenses	139,305	485,507
	<u>6,571,383</u>	<u>5,481,981</u>

**11. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	1,937,453	214,206
	<u>1,937,453</u>	<u>214,206</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	7,768,595	6,915,687
	<u>7,768,595</u>	<u>6,915,687</u>

Additional detail on borrowings is provided in Note 23.

**12. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Provision for Sick Leave \$	Total \$
<b>Opening balance at 1 July 2014</b>	1,664,925	1,208,221	238,687	3,111,833
Non-current provisions	<u>0</u>	<u>738,204</u>	<u>0</u>	<u>738,204</u>
	1,664,925	1,946,425	238,687	3,850,037
Additional provision	1,675,575	(247,563)	90,371	1,518,383
Amounts used	(1,529,838)	(141,117)	(84,325)	(1,755,280)
<b>Balance at 30 June 2015</b>	<u>1,810,662</u>	<u>1,557,745</u>	<u>244,733</u>	<u>3,613,140</u>
<b>Comprises</b>				
Current	1,810,662	1,029,716	244,733	3,085,111
Non-current	<u>0</u>	<u>528,029</u>	<u>0</u>	<u>528,029</u>
	<u>1,810,662</u>	<u>1,557,745</u>	<u>244,733</u>	<u>3,613,140</u>

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

	2015 \$	2015 Budget \$	2014 \$
<b>13. RESERVES - CASH BACKED</b>			
<b>(a) Plant and Equipment Replacement</b>			
Opening balance	1,226,351	1,152,391	867,968
Amount set aside / transfer to reserve	399,551	384,620	538,313
Amount used / transfer from reserve	(200,605)	(699,000)	(179,930)
	<u>1,425,297</u>	<u>838,011</u>	<u>1,226,351</u>
<b>(b) Building and Facilities</b>			
Opening balance	2,389,930	2,397,484	1,884,598
Amount set aside / transfer to reserve	67,332	80,340	919,480
Amount used / transfer from reserve	(261,900)	(350,480)	(414,148)
	<u>2,195,362</u>	<u>2,127,344</u>	<u>2,389,930</u>
<b>(c) Parking and Public Transport Improvements</b>			
Opening balance	1,818,170	1,660,150	1,924,955
Amount set aside / transfer to reserve	51,225	32,150	104,030
Amount used / transfer from reserve	(458,566)	(1,304,510)	(210,815)
	<u>1,410,829</u>	<u>387,790</u>	<u>1,818,170</u>
<b>(d) Waste Management</b>			
Opening balance	580,418	541,314	371,465
Amount set aside / transfer to reserve	421,261	244,573	449,695
Amount used / transfer from reserve	(1,146)	(227,000)	(240,742)
	<u>1,000,533</u>	<u>558,887</u>	<u>580,418</u>
<b>(e) HACC Capital Grants</b>			
Opening balance	28,958	25,681	44,951
Amount set aside / transfer to reserve	62,480	1,110	2,636
Amount used / transfer from reserve	0	0	(18,629)
	<u>91,438</u>	<u>26,791</u>	<u>28,958</u>
<b>(f) Undergrounding of Power Lines</b>			
Opening balance	652,536	720,584	486,864
Amount set aside / transfer to reserve	1,207,384	1,201,160	1,010,257
Amount used / transfer from reserve	(1,052,417)	(925,100)	(844,585)
	<u>807,503</u>	<u>996,644</u>	<u>652,536</u>
<b>(g) Capital Investment</b>			
Opening balance	5,936,818	4,770,973	18,298,873
Amount set aside / transfer to reserve	15,500,000	23,500,000	0
Amount used / transfer from reserve	(5,420,754)	(11,835,200)	(12,362,055)
	<u>16,016,064</u>	<u>16,435,773</u>	<u>5,936,818</u>
<b>(h) Student Bursaries</b>			
Opening balance	50,890	50,735	49,195
Amount set aside / transfer to reserve	1,434	2,030	1,695
Amount used / transfer from reserve	0	0	0
	<u>52,324</u>	<u>52,765</u>	<u>50,890</u>
<b>(i) Infrastructure Replacement</b>			
Opening balance	525,767	537,337	190,543
Amount set aside / transfer to reserve	443,773	430,740	499,416
Amount used / transfer from reserve	(383,612)	(789,334)	(164,192)
	<u>585,928</u>	<u>178,743</u>	<u>525,767</u>



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	2015 \$	2015 Budget \$	2014 \$
<b>13. RESERVES - CASH BACKED (CONTINUED)</b>			
<b>(j) Investment Income Reserve</b>			
Opening balance	10,188,157	11,289,101	8,118,897
Amount set aside / transfer to reserve	2,931,723	2,976,540	6,832,824
Amount used / transfer from reserve	(5,490,326)	(10,601,411)	(4,763,564)
	<u>7,629,554</u>	<u>3,664,230</u>	<u>10,188,157</u>
<b>(k) CBD Promotion Reserve</b>			
Opening balance	184,619	149,450	250,660
Amount set aside / transfer to reserve	7,150	0	4,203
Amount used / transfer from reserve	(191,769)	(149,450)	(70,244)
	<u>0</u>	<u>0</u>	<u>184,619</u>
<b>(l) Public Art</b>			
Opening balance	47,093	22,690	35,129
Amount set aside / transfer to reserve	118,326	118,440	118,852
Amount used / transfer from reserve	(165,419)	(117,000)	(106,888)
	<u>0</u>	<u>24,130</u>	<u>47,093</u>
<b>(m) Heritage Grants Reserve</b>			
Opening balance	0	0	0
Amount set aside / transfer to reserve	44,089	0	0
Amount used / transfer from reserve	0	0	0
	<u>44,089</u>	<u>0</u>	<u>0</u>
<b>TOTAL RESERVES</b>	<u>31,258,921</u>	<u>25,291,108</u>	<u>23,629,707</u>
<b>Total Opening balance</b>	23,629,707	23,317,890	32,524,098
<b>Total Amount set aside / transfer to reserve</b>	21,255,729	28,971,703	10,481,401
<b>Total Amount used / transfer from reserve</b>	(13,626,515)	(26,998,485)	(19,375,792)
<b>TOTAL RESERVES</b>	<u>31,258,921</u>	<u>25,291,108</u>	<u>23,629,707</u>

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**13. RESERVES - CASH BACKED (CONTINUED)**

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

	<b>Expected Utilisation</b>
<p><b>(a) Plant and Equipment Replacement</b>  To fund future replacement of plant.</p>	<b>Ongoing</b>
<p><b>(b) Building and Facilities</b>  To provide funds for the future maintenance of Council Buildings and Facilities.</p>	<b>Ongoing</b>
<p><b>(c) Parking and Public Transport Improvements</b>  To maintain and improve the parking facilities within the City.</p>	<b>Ongoing</b>
<p><b>(d) Waste Management</b>  To fund the improvement, replacement and expansion of waste management facilities. Surplus operating funds for Waste Services are transferred to the reserve each year to provide for future plant replacement.</p>	<b>Ongoing</b>
<p><b>(e) HACC Capital Grants</b>  To hold Capital Grants not yet spent on Grant purpose.</p>	<b>Ongoing</b>
<p><b>(f) Undergrounding of Power Lines</b>  To contribute towards the future undergrounding of power lines.</p> <p>The City of Subiaco has completed the undergrounding of low voltage power lines, together with associated street lighting improvements, as part of the State Underground Power Program. Undergrounding of power and associated lighting is to be paid for from general revenue using loan funds if required.</p>	<b>2034/35</b>
<p><b>(g) Capital Investment</b>  A Capital Investment reserve is to be maintained to hold the following investment funds:  - The existing capital Investment reserve proceeds of any sale or land or other long-term investment  - The City's share of the net surplus from the Subi Centro project; and  - Any other funds as determined by Council from time-to-time.</p> <p>The Capital Investment Reserve will be maintained as a holding reserve for investment capital, where available funds will be consolidated until being used only for the purchase of other investment assets (whether property or other assets) in accordance with specific resolutions of Council.</p>	<b>Ongoing</b>
<p><b>(h) Student Bursaries</b>  To provide for the development of students within the City of Subiaco.</p>	<b>Ongoing</b>
<p><b>(i) Infrastructure Replacement</b>  To ensure the continued funding of infrastructure replacement.</p>	<b>Ongoing</b>
<p><b>(j) Investment Income Reserve</b>  An Investment Income Reserve will be maintained to hold all rents and other income received from long-term investment assets. Effective as of 1 July 2004, all investment income is to be transferred to the Investment Income Reserve from general revenue at six-monthly intervals in accordance with Section 8 of Policy 10.9 <i>Investment Assets</i>. Funds held in the Investment Income Reserve may be disbursed from time-to-time and in accordance with resolutions of Council as follows:</p> <p>- To meet direct costs incurred in managing the investment portfolio;  - To compensate general revenue for internal costs incurred in managing the investment portfolio;  - To supplement general revenue as determined by resolution of Council to finance specific  - Reinvestment in the Capital Investment Reserve determined by resolution of Council.</p>	<b>Ongoing</b>

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<b>13. RESERVES - CASH/INVESTMENT BACKED (CONTINUED)</b>	<b>Expected Utilisation</b>
<b>(k) CBD Promotion Reserve</b>	<b>2015/16</b>
All unspent funds from the 'Specified Area Rate' for business promotion, are to be transferred to the CBD Promotion Reserve for future utilisation for business promotion.	
<b>(l) Public Art</b>	<b>Ongoing</b>
To enable the City to support the development and procurement of significant works.	
<b>(m) Heritage Grants Reserve</b>	<b>Ongoing</b>
To provide grants toward works which contribute to the retention of the heritage, values and character of privately owned properties listed on the Town Planning Scheme No. 4 Register of Places of Cultural Heritage Significance or are situated within a declared Conservation Area, in accordance with the City of Subiaco Heritage Incentives Policy.	

<b>14. REVALUATION SURPLUS</b>	<b>2015 \$</b>	<b>2014 \$</b>
Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:		
<b>(a) Land and buildings</b>		
Opening balance	107,198,450	0
Revaluation increment	0	107,198,450
Revaluation decrement	0	0
	<u>107,198,450</u>	<u>107,198,450</u>
<b>(b) Plant and Equipment</b>		
Opening balance	86,687	89,459
Revaluation increment	0	(2,772)
Revaluation decrement	0	0
	<u>86,687</u>	<u>86,687</u>
<b>(c) Roads</b>		
Opening balance	0	0
Revaluation increment	38,442,220	0
Revaluation decrement	0	0
	<u>38,442,220</u>	<u>0</u>
<b>(d) Footpaths</b>		
Opening balance	0	0
Revaluation increment	7,976,482	0
Revaluation decrement	0	0
	<u>7,976,482</u>	<u>0</u>
<b>(e) Drainage</b>		
Opening balance	0	0
Revaluation increment	6,948,901	0
Revaluation decrement	0	0
	<u>6,948,901</u>	<u>0</u>
<b>(f) Parks, gardens, reserves and equipment</b>		
Opening balance	0	0
Revaluation increment	21,554	0
Revaluation decrement	0	0
	<u>21,554</u>	<u>0</u>
<b>(g) Other Infrastructure</b>		
Opening balance	0	0
Revaluation increment	515,415	0
Revaluation decrement	0	0
	<u>515,415</u>	<u>0</u>
<b>TOTAL ASSET REVALUATION SURPLUS</b>	<u><u>161,189,709</u></u>	<u><u>107,285,137</u></u>



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**15. 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>2015</b> <b>\$</b>	<b>2015</b> <b>Budget</b> <b>\$</b>	<b>2014</b> <b>\$</b>
Cash and cash equivalents	<u>42,663,682</u>	<u>27,506,636</u>	<u>32,974,925</u>

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

Net result	(3,625,317)	(1,090,778)	81,578,222
Non-cash flows in Net result:			
Depreciation	5,483,496	4,191,000	4,459,020
(Profit)/Loss on sale of asset	742,386	57,920	(39,936)
Adjustment to share in Associate	28,147	0	42,399
Loss on revaluation of fixed assets	1,690,656	0	0
Increase in Revaluation of Investment Property	0	0	(80,474,905)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	508,088	(1,804,206)	(240,151)
(Increase)/Decrease in inventories	(19,407)	(2,632)	57,158
Increase/(Decrease) in payables	1,017,747	(20,254)	576,370
Increase/(Decrease) in provisions	(158,019)	325,000	533,119
Grants contributions for the development of assets	(766,033)	(1,592,010)	(992,391)
Net cash from operating activities	<u>4,901,744</u>	<u>64,040</u>	<u>5,498,905</u>

	<b>2015</b> <b>\$</b>	<b>2014</b> <b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	30,000	30,000
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	<u>30,000</u>	<u>30,000</u>
<b>Loan facilities</b>		
Loan facilities - current	1,937,453	214,206
Loan facilities - non-current	7,768,595	6,915,687
<b>Total facilities in use at balance date</b>	<u>9,706,048</u>	<u>7,129,893</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

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**16. CONTINGENT ASSETS**

By way of an agreement signed in April 1996 between the City and the Minister for Planning, the City is entitled to a 20% share of any net surplus arising from the "Subi Centro" development project. A non-refundable amount of \$6.1million was paid to the City in 2006/07 as an interim payment. As the project is not yet complete, no provision has been raised to bring to account the City's share, if any, of any net surplus arising. If the project does not return a surplus the City is not required to contribute to any shortfall.

	2015 \$	2014 \$
<b>17. CAPITAL AND LEASING COMMITMENTS</b>		
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but		
Payable:		
- not later than one year	81,440	115,662
- later than one year but not later than five years	75,595	50,160
- later than five years	0	0
	<u>157,035</u>	<u>165,822</u>

**(b) Capital Expenditure Commitments**

Contracted for:		
- capital expenditure projects	1,444,338	5,214,588
Payable:		
- not later than one year	1,444,338	5,214,588

The capital expenditure projects outstanding at the end of the current reporting period represents Keightly Road Drainage Upgrade, Rokeby Road Improvements, Carter Lane Land Improvements and General Carpark Improvements.

**18. JOINT VENTURE ARRANGEMENTS**

The City of Subiaco is not involved in any joint venture arrangements during the 2014/15 financial year.

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Governance	8,720	23,798
General purpose funding	2,032,280	2,547,591
Law, order, public safety	121,148	125,110
Health	41,774	52,277
Education and welfare	3,891,444	3,899,608
Community amenities	2,225,120	2,284,617
Recreation and culture	68,382,391	66,589,816
Transport	140,334,048	84,498,745
Economic services	18,893	25,891
Other property and services	185,982,757	189,283,207
	<u>403,038,575</u>	<u>349,330,660</u>

	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>20. FINANCIAL RATIOS</b>			
Current ratio	1.14	3.08	1.33
Asset sustainability ratio	2.16	1.80	2.14
Debt service cover ratio	1.34	90.05	8.91
Operating surplus ratio	(0.11)	1.85	0.07
Own source revenue coverage ratio	0.86	0.96	1.03

The above ratios are calculated as follows:

Current ratio	<u>current assets minus restricted assets</u> current liabilities minus liabilities associated with restricted assets
Asset sustainability ratio	<u>capital renewal and replacement expenditure</u> Depreciation expenses
Debt service cover ratio	<u>annual operating surplus before interest and depreciation</u> principal and interest
Operating surplus ratio	<u>operating revenue minus operating expenses</u> own source operating revenue
Own source revenue coverage ratio	<u>own source operating revenue</u> operating expenses

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**20. FINANCIAL RATIOS (Continued...)**

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 64 of this document.

Three of the 2015 ratios disclosed above are distorted by items of significant expenditure of \$1,690,656 relating to fair value adjustment of fixed assets and \$2,235,732 relating to installation of underground power. These items form part of operating expenditure and have been included in the calculations above. The significant expenses are considered to be "one off" and, if they were ignored, the calculations disclosed in the 2015 column above would be as below.

The Debt Service Cover Ratio in 2015 has also been adjusted by \$455,690 which relates to a lump sum payment made in addition to the standard loan repayments to finalise Loan 122 for Underground Power.

Three of the 2014 ratios disclosed above are distorted by items of significant revenue of \$3,000,000 relating to an upfront lease payment and \$80,474,905 relating to fair value adjustment on investment properties, plus items of significant expenditure of \$4,500,000 relating to installation of underground power. These items form part of operating revenue and operating expenditure and have been included in the calculations above. The significant revenues and significant expense are considered to be a "one off" and, if they were ignored, the calculations disclosed in the 2014 column above would be as below.

The Debt Service Cover Ratio in 2014 has also been adjusted by \$275,000 which relates to an additional lump sum repayment made to reduce the principal of Loan 122 for Underground Power.

	<b>2015</b>	<b>2014</b>
Debt Service Cover Ratio	7.67	9.34
Operating Surplus Ratio	(0.01)	0.04
Own Source Revenue Coverage Ratio	0.94	1.00



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**21. TRUST FUNDS**

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

	Balance 1 July 2014 \$	Amounts Received \$	Amounts Paid (\$)	Balance 30 June 2015 \$
Building Industry Training Fund	0	275,918	(275,918)	0
Building Commission	0	131,247	(131,247)	0
	0	407,165	(407,165)	0

**22. DISPOSALS OF ASSETS - 2014/15 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Plant and Equipment</b>						
Law, order, public safety	0	36,380	0	28,000	0	(8,380)
Education and welfare	20,407	20,390	21,818	15,000	1,411	(5,390)
Community amenities	0	77,950	0	68,000	0	(9,950)
Recreation and culture	42,326	107,350	51,209	101,000	8,883	(6,350)
Transport	20,331	104,820	16,014	115,000	(4,317)	10,180
Economic services	0	16,290	0	15,000	0	(1,290)
Other property and services	257,075	180,740	268,364	144,000	11,289	(36,740)
<b>Furniture and Equipment</b>						
Governance	1,660	0	0	0	(1,660)	0
Recreation and culture	34,746	0	0	0	(34,746)	0
Other property and services	723,246	0	0	0	(723,246)	0
<b>Land</b>						
Other property and services	0	8,000,000	0	8,000,000	0	0
	1,099,791	8,543,920	357,405	8,486,000	(742,386)	(57,920)

Profit	52,903	49,640
Loss	(795,289)	(107,560)
	(742,386)	(57,920)

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**23. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

		Principal 1 July 2014 \$	New Loans \$	Principal Repayments		Principal 30 June 2015		Interest Repayments	
				Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
<b>Particulars</b>									
<b>Recreation and culture</b>									
Rosalie Park Improvements	121A	672,157	0	25,529	25,500	646,628	646,700	41,804	41,800
Rosalie Park Improvements	121B	150,945	0	5,274	5,300	145,671	145,600	9,180	9,200
Rosalie Park Improvements	121C	1,080,000	0	34,003	33,300	1,045,997	1,161,700	49,081	67,500
Rosalie Park Improvements	121D	0	204,500	0	6,700	204,500	243,300	19	15,500
<b>Transport</b>									
Street Lighting	124	0	235,000	0	19,700	235,000	215,300	22	8,900
Drainage Keightley Road	125	0	600,000	0	15,200	600,000	584,800	68	39,300
<b>Economic services</b>									
Undergrounding of Powerlines	122B	456,791	0	456,791	448,500	0	0	36,090	20,300
Undergrounding of Powerlines	123A	4,500,000	0	133,155	133,200	4,366,845	4,366,800	230,133	232,300
Undergrounding of Powerlines	123B	0	2,226,000	34,593	32,300	2,191,407	2,193,700	96,848	58,500
<b>Other property and services</b>									
Chamber and Office Improvements	118	270,000	0	0	0	270,000	270,000	20,196	20,200
		7,129,893	3,265,500	689,345	719,700	9,706,048	9,827,900	483,441	513,500

All other loan repayments were financed by general purpose revenue.

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

(b) New Debentures - 2014/15

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Street Lighting	235,000	235,000	WATC	Debenture	10	53,013	3.38%	235,000	235,000	0
Drainage Keightley Road	600,000	600,000	WATC	Debenture	20	328,806	4.08%	600,000	600,000	0
Rosalie Park Improvements	204,500	250,000	WATC	Debenture	20	42,881	3.38%	204,500	204,500	0
Undergrounding of Powerlines	2,226,000	2,226,000	WATC	Debenture	20	1,367,525	4.58%	2,226,000	2,226,000	0
	3,265,500	3,311,000				1,792,225		3,265,500	3,265,500	0

(c) Unspent Debentures

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

(d) Overdraft

The City did not have any bank overdraft as at 30 June 2015.

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**24. RATING INFORMATION - 2014/15 FINANCIAL YEAR**

(a) Rates	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
<b>RATE TYPE</b>											
<b>General rate</b>											
<b>Gross rental value valuations</b>											
GRV - Residential	5.1000	7,582	243,237,251	12,405,100	186,753	634	12,592,487	12,406,410	100,000	5,000	12,511,410
GRV - Commercial	5.1000	1,255	155,376,676	7,924,210	15,323	(9,187)	7,930,346	7,924,200	0	0	7,924,200
GRV - Industrial	5.1000	13	1,463,145	74,620	(4,974)	(137)	69,509	74,620	0	0	74,620
<b>Unimproved value valuations</b>											
<b>Sub-Totals</b>		8,850	400,077,072	20,403,931	197,102	(8,690)	20,592,342	20,405,230	100,000	5,000	20,510,230
<b>Minimum payment</b>	<b>Minimum \$</b>										
<b>Gross rental value valuations</b>											
GRV - Residential	746	922	11,961,672	687,812	856	0	688,668	687,810	0	0	687,810
GRV - Commercial	746	7	56,815	5,222	0	0	5,222	5,220	0	0	5,220
<b>Unimproved value valuations</b>											
<b>Sub-Totals</b>		929	12,018,487	693,034	856	0	693,890	693,030	0	0	693,030
Discounts/concessions (refer note )							21,286,232				21,203,260
<b>Total amount raised from general rate</b>							(208)				0
Specified Area Rate (refer note 25)							<b>21,286,024</b>				<b>21,203,260</b>
<b>Totals</b>							361,074				359,110
							21,647,098				21,562,370



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

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

**(b) Information on Surplus/(Deficit) Brought Forward**

	2015 (30 June 2015 Carried Forward) \$	2015 (1 July 2014 Brought Forward) \$	2014 (30 June 2014 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 14 brought forward</b>	<u>3,577,469</u>	<u>3,020,388</u>	<u>3,020,388</u>
<b><u>Comprises:</u></b>			
Cash and cash equivalents			
Unrestricted	11,337,405	9,205,780	9,205,780
Restricted	31,326,277	23,769,145	23,769,145
Receivables			
Rates Outstanding	193,963	119,823	119,823
Sundry Debtors	1,622,389	2,201,490	2,201,490
GST Receivable	395,443	214,762	214,762
Accrued Income	93,245	198,645	198,645
Less Allowance for Doubtful Debts	(514,516)	(395,166)	(395,166)
Inventories			
Consumables	19,407	0	0
Prepayments	86,627	68,868	68,868
<b><u>Less:</u></b>			
Trade and other payables			
Sundry creditors	(3,360,163)	(2,139,337)	(2,139,337)
Accrued interest on debentures	(116,772)	(75,170)	(75,170)
Accrued salaries and wages	(732,659)	(653,781)	(653,781)
Income in Advance	(688,611)	(713,593)	(713,593)
Bond Creditors	(1,533,873)	(1,414,593)	(1,414,593)
Accrued Expenses	(139,305)	(485,507)	(485,507)
Current portion of long term borrowings			
Secured by floating charge	(1,937,453)	(214,206)	(214,206)
Provisions			
Provision for Sick Leave	(244,733)	(238,687)	(238,687)
Provision for Annual Leave	(1,810,662)	(1,664,925)	(1,664,925)
Provision for Long Service Leave	(1,029,716)	(1,208,221)	(1,208,221)
<b>Net current assets</b>	<u><b>32,966,293</b></u>	<u><b>26,575,327</b></u>	<u><b>26,575,327</b></u>
<b><u>Less:</u></b>			
Reserves - restricted cash	(31,326,277)	(23,769,145)	(23,769,145)
<b><u>Add:</u></b>			
Current portion of long term borrowings			
Secured by floating charge	1,937,453	214,206	214,206
<b>Surplus/(deficit)</b>	<u><b>3,577,469</b></u>	<u><b>3,020,388</b></u>	<u><b>3,020,388</b></u>

**Difference**

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

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

**25. SPECIFIED AREA RATE - 2014/15 FINANCIAL YEAR**

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
<b>CBD Promotion</b>							
- Rate	0.6097	GRV	58,899,998	359,113	359,110	359,113	359,110
- Interim Rate				1,961	0	0	0
				361,074	359,110	359,113	359,110

In accordance with Council's adopted 2014/15 budget a Specified Area Rate was levied during the year. The Specified Area Rate was levied for the purpose of contributing towards the promotion of the Subiaco Business District. It was levied on the Central Business District of Subiaco.

**26. SERVICE CHARGES - 2014/15 FINANCIAL YEAR**

The City did not impose any service charges.

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

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates Rate Assessment	Discount Write Off	0.00%	0	0
			208	0
			0	0
			208	0

**28. INTEREST CHARGES AND INSTALMENTS - 2014/15 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	11.00%	0	40,353	45,000
Charges on instalment plan		52	153,729	120,000
Pensioner deferred rate interest	4.02%	0	5,497	7,000
			199,579	172,000

Ratepayers had the option of paying rates in four equal instalments, due on 28th August 2014, 6th November 2014, 8th January 2015 and 12th March 2015. Administration charges and interest applied for the final three instalments.

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

<b>29. FEES &amp; CHARGES</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
General purpose funding	243,726	188,706
Law, order, public safety	46,413	62,153
Health	179,586	217,748
Education and welfare	342,468	318,779
Community amenities	325,786	289,090
Recreation and culture	1,264,841	2,756,711
Transport	5,044,005	5,753,317
Economic services	313,068	228,576
Other property and services	3,497,538	6,312,887
	<u>11,257,431</u>	<u>16,127,967</u>

**30. GRANT REVENUE**

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

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature or Type:</b>		
Operating grants, subsidies and contributions	2,319,833	1,567,283
Non-operating grants, subsidies and contributions	766,033	992,391
	<u>3,085,866</u>	<u>2,559,674</u>
<b>By Program:</b>		
General purpose funding	940,028	281,463
Law, order, public safety	0	3,500
Education and welfare	1,137,277	1,040,040
Community Amenities	0	42,356
Recreation and culture	203,725	156,456
Transport	803,472	1,001,826
Economic services	0	13,364
Other property and services	1,364	20,669
	<u>3,085,866</u>	<u>2,559,674</u>

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>193</u>	<u>202</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>2015</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	264,000	264,000	259,043
Meeting Attendance Fees - Mayor	29,500	29,500	29,500
Mayoral Allowance	60,000	60,000	60,000
Deputy Mayoral Allowance	15,000	15,000	15,000
Travelling expenses	0	1,500	1,278
Telecommunications allowance	37,700	37,700	37,700
	<u>406,200</u>	<u>407,700</u>	<u>402,521</u>

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

**33. MAJOR LAND TRANSACTIONS**

**2014/15 Financial Year**

588 Hay Street

The two level office building forms part of the city's property investment portfolio. The total cost of refurbishment was \$2,599,919 funded from the Capital Investment Reserve. The building was leased in July 2015 following completion of the refurbishment.

20 Roydhouse Street

The city acquired this property through payment for surrender of long term lease in 2011/12 to allow for redevelopment of the site. Redevelopment was expected to be completed in 2014/15 at an estimated cost of approx \$4,000,000. Completion of this redevelopment has been delayed and is now expected in 2015/16. The proposed new precinct will allow for the provision of community and public infrastructure and the release of land for development, and will provide a capital return from land sales as well as positive social and economic benefits to the community through improved pedestrian safety, increased green space, proper vehicular access, community infrastructure and increased property values.

**2013/14 Financial Year**

588 Hay Street

The two level office building forms part of the city's property investment portfolio. The former tenant vacated the premises on 30 June 2013 upon expiration of its lease, upon which it was clear that the building had to be refurbished to comply with current statutory requirements and contemporary office standards. The cost of refurbishment is budgeted at \$2,500,000 in total over the 2013/14 and 2014/15 financial years funded from the Capital Investment Reserve. The building is to be offered for lease upon completion.

41 Bishop Street

Council previously resolved to retain and refurbish the existing office building, in order to further the city's program to recapitalise its property investment portfolio and increase recurrent income.

The cost of refurbishment was \$4,168,170 in total over the 2011/12, 2012/13 and 2013/14 financial years funded from the Capital Investment Reserve. The building was completed in August 2013 and was subsequently leased.

20 Roydhouse Street

The city acquired this property through payment for surrender of long term lease in 2011/12 to allow for redevelopment of the site. Redevelopment is expected to be completed in 2014/15 at an estimated cost of approx \$4,000,000. The proposed new precinct will allow for the provision of community and public infrastructure and the release of land for development, and will provide a capital return from land sales as well as positive social and economic benefits to the community through improved pedestrian safety, increased green space, proper vehicular access, community infrastructure and increased property values.

133 Salvado Road

The city paid \$10,090,091 (excl. GST) to acquire the land and buildings at 133 Salvado Road, Wembley in accordance with the business plan adopted by council in November 2012. The business plan detailed preliminary information on various options of potential rental income and return on investments. Since acquisition of this property additional investigation on potential options has been conducted. This information is being further considered and is pending council decision.

**2011/12 Financial Year**

20 Roydhouse Street

The city has paid \$3,900,000 to Bosich Holdings to surrender the long term lease in order to allow for redevelopment of the site.



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

**33. MAJOR LAND TRANSACTIONS (Continued...)**

**2008/09 Financial Year**

**6 Tighe Street**

The city has entered into an agreement with the tenant to sell 6 Tighe Street to St Ives Pty Ltd. A deposit of \$1,500,000 was received in 2008/09. A further \$8,500,000 was received in 2009/10. The balance of \$15,500,000 was reflected as a deferred debtor transaction, with interest earnings based on the BBSW + 1.5% paid quarterly. The debt was fully recovered in 2014/15.

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

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

**35 LOCAL GOVERNMENT REFORM PROCESS**

The City of Perth Bill 2015 is currently being considered by the Western Australian Parliament. The proposed legislation seeks to expand the City of Perth boundaries, including the part of the City of Subiaco south of Aberdare Road. If the bill is passed, it is expected to come into effect on 1 July 2016

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

**36. FINANCIAL RISK MANAGEMENT**

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

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

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

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

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	42,663,682	32,974,925	42,663,682	32,974,925
Receivables	2,032,280	18,047,591	2,032,280	18,047,591
	<u>44,695,962</u>	<u>51,022,516</u>	<u>44,695,962</u>	<u>51,022,516</u>
<b>Financial liabilities</b>				
Payables	6,571,383	5,481,981	6,571,383	5,481,981
Borrowings	9,706,048	7,129,893	7,704,787	5,810,417
	<u>16,277,431</u>	<u>12,611,874</u>	<u>14,276,170</u>	<u>11,292,398</u>

Fair value is determined as follows:

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

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

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

**(a) Cash and Cash Equivalents**

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

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

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

The City manages these risks by diversifying its portfolio and only investing 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>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	426,637	329,749
- Statement of Comprehensive Income	426,637	329,749

**Notes:**

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

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

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

**(b) Receivables**

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

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

The City 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 City's credit risk at balance date was:

	<b>2015</b>	<b>2014</b>
Percentage of rates and annual charges		
- Current	53%	53%
- Overdue	47%	47%
Percentage of other receivables		
- Current	26%	6%
- Overdue	74%	94%



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

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

The contractual undiscounted cash flows of the City's Payables and Borrowings 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>2015</u></b>					
Payables	6,571,383	0	0	6,571,383	6,571,383
Borrowings	813,719	3,465,098	10,548,217	14,827,034	9,706,048
	<u>7,385,102</u>	<u>3,465,098</u>	<u>10,548,217</u>	<u>21,398,417</u>	<u>16,277,431</u>
<b><u>2014</u></b>					
Payables	5,481,891	0	0	5,481,891	5,481,981
Borrowings	594,592	2,378,368	8,585,002	11,557,962	7,129,893
	<u>6,076,483</u>	<u>2,378,368</u>	<u>8,585,002</u>	<u>17,039,853</u>	<u>12,611,874</u>

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

**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 City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b><u>Year ended 30 June 2015</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	0	9,706,048	9,706,048	4.95%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
<b><u>Year ended 30 June 2014</u></b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	0	0	0	0	0	7,129,893	7,129,893	5.21%
Weighted average Effective interest rate	0.00%	0.00%	0.00%	0.00%	0.00%	5.21%		

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## **INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE CITY OF SUBIACO**

### **REPORT ON THE FINANCIAL REPORT**

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

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

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

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

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

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

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

#### ***Opinion***

In our opinion, the financial report of the City of Subiaco 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 City's financial position as at 30 June 2015 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE CITY OF SUBIACO (CONTINUED)**

***Other Matters***

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 City.
- 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 64 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - i) reasonably calculated; and
  - ii) based on verifiable information.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

MOORE STEPHENS  
CHARTERED ACCOUNTANTS



GREG GODWIN  
PARTNER

Signed at Perth this 11<sup>th</sup> of November 2015.



**CITY OF SUBIACO  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2015**

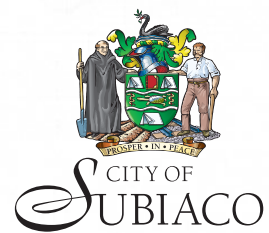
**RATIO INFORMATION**

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

	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asset consumption ratio	0.67	0.71	0.59
Asset renewal funding ratio	1.10	1.22	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	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



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