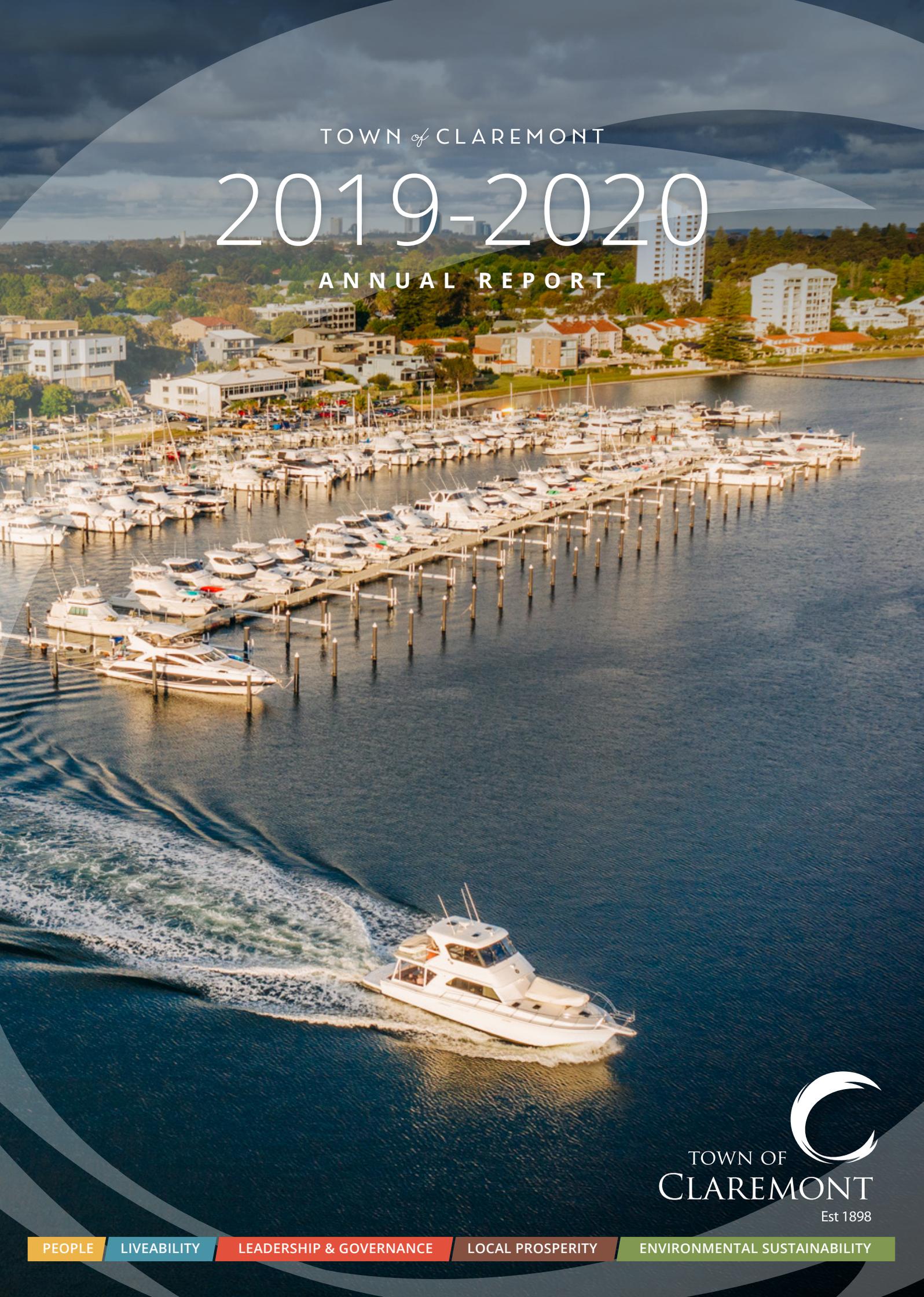


TOWN *of* CLAREMONT

# 2019-2020

ANNUAL REPORT



TOWN OF  
CLAREMONT

Est 1898

PEOPLE

LIVEABILITY

LEADERSHIP & GOVERNANCE

LOCAL PROSPERITY

ENVIRONMENTAL SUSTAINABILITY



TOWN of CLAREMONT  
2019-2020  
ANNUAL REPORT

## Contents

About the Annual Report .....	4
Mayor's message .....	6
Your Council .....	8
Chief Executive Officer's message .....	11
The organisation.....	12
Our community.....	14
Snapshot of financial performance .....	17
Summary of performance.....	
Leadership and governance .....	19-38
Liveability.....	39-45
People .....	47-59
Environmental sustainability.....	60-67
Local prosperity.....	69-73
Financial statements.....	74

# About the Annual Report

The Annual Report is the Town's most comprehensive report to the community, outlining how the Town has met its annual objectives. The central objective of the Annual Report is to inform the Claremont community and stakeholders of the Town's performance during the financial year, 1 July 2019 to 30 June 2020.

The Town's performance is measured against the Strategic Community Plan – **'Claremont Ahead 2027'**.

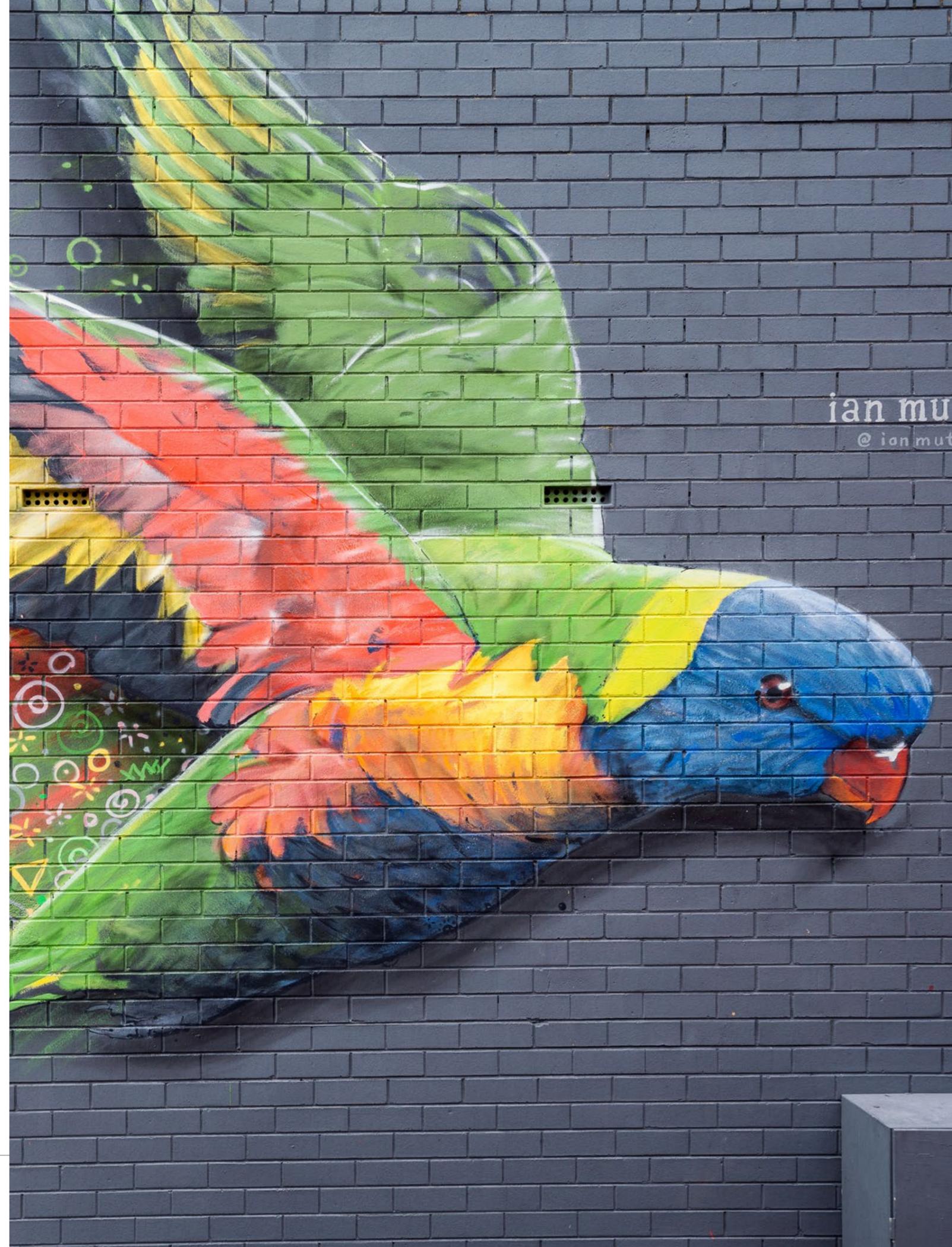
## Our Vision:

*Claremont will develop as a harmonious cosmopolitan town creating opportunities for community wellbeing the environment and business prosperity; whilst respecting and celebrating the past.*



The Annual Report includes a summary of the Town's performance against the Strategic Community Plan. The Town's Corporate Business Plan 2017-2021 underpins the Strategic Community Plan and guides the activities during the financial year.

This Annual Report has been produced in accordance with the *Local Government Act 1995*.





## Mayor's Message

On behalf of my fellow Elected Members, I am pleased to present the Town of Claremont's 2019/2020 Annual Report. This important document reports on the Town's performance against our Strategic Community Plan - 'Claremont Ahead 2027'.

This year has reiterated to me how lucky we are to live here in Claremont. While it has certainly presented us with challenges, the Council and administration responded adeptly to address the evolving situation that COVID-19 presented us with.

Council recognised the economic impact that the closure of businesses would have and developed a financial hardship policy to provide relief to our ratepayers. Furthermore, Council worked on a new budget for 20/21 with careful consideration to 0% rate increase and approximately 98% of ratepayers receiving the same or lower rates in 20/21.

It was important however to develop a budget that maintained a high quantity of capital and civil works to support the economy. I am pleased that during the year significant progress was made on the planning for two new community facilities, both of which will commence construction in 20/21; Claremont Museum community facility and McKenzie Pavillion.

As a Council we continued to focus on community engagement and consultation. We engaged with residents on a number of important issues throughout the year, including changes to parking restrictions, road closures, and community consultation around the location of the new community facility at Mrs Herbert's Park.

I am particularly proud of the support we provide as a Council to community groups through our community grants program and subsidised leases to facilities. This year we have assisted several community groups and businesses, including SHINE, to deliver invaluable services to Claremont, and the Shenton College Chaplaincy Program to support young people.

In what is my third term as your elected Mayor it has been extremely humbling to see our community band together to support one another. I am proud to call Claremont my home and look forward to leading the Council in 20/21. I would like to thank my fellow elected members, the CEO and staff for their hard work and continued commitment to the betterment of our community.

**Jock Barker**  
Mayor



# Your Council

## Mayor & Councillors (Left to right)

Cr Annette Suann 2019-2023

Cr Peter Edwards 2019-2023

Deputy Mayor, Cr Jill Goetze 2017-2021

Cr Paul Kelly 2017-2021

Mayor Jock Barker 2017-2021

Cr Bruce Haynes 2017-2021

Cr Peter Browne, OAM JP 2019-2023

Cr Peter Telford 2019-2023

Cr Kate Main 2019-2023

Cr Sara Franklyn 2017-2021



## Chief Executive Officer's message

The agility and responsiveness of our organisation was tested this financial year due to the global pandemic COVID-19. For several weeks the Town's buildings were closed in line with Government restrictions, however we continued to service our residents remotely, providing an uninterrupted delivery of essential services such as waste and recycling, community programs and customer relations.

The health and safety of our community was prioritised, and a change in the delivery of our programs and services was made to reflect the evolving situation. Replacing community gatherings and facilities to support community connection and wellbeing was a challenge that resulted in a number of new initiatives including daily calls to those in isolation, online competitions and events and at home service delivery to provide a 'Claremont Cares' service to our residents.

This meant we were able to stay connected with the community and provide opportunities to celebrate and commemorate despite challenges.

Following feedback from our Community Perceptions survey we implemented new initiatives, including the launch of our quarterly magazine, Flourish. This publication is delivered to every household in the Town and aims to engage the community through the sharing of relevant stories and information.

We moved forward with the actions from our Sustainability Action Plan, rolling out a third Garden Organics Bin in January, which has diverted more than 390 tonnes of garden organic waste from landfill.

Securing a Community Sport and Recreation Facilities grant for the redevelopment of Mackenzie Pavilion at Creswell Park cemented the project and has enabled detailed design work to be carried out which will progress to construction in 2021.

Upgrades to the Aquatic Centre including the addition of a family splash pad, enhancing the community facilities for existing and new residents moving into the Claremont on the Park development. Another large development in Airlie Street was approved during the latter half of the year, which will see our community continue to grow into the future.

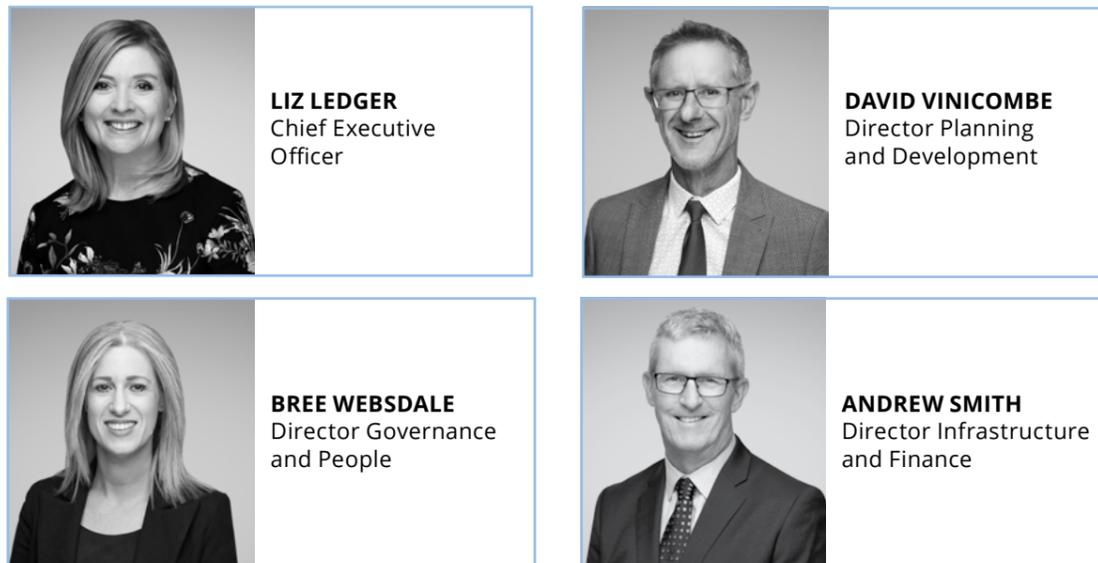
I wish to thank the Town's Elected Members, led by Mayor Jock Barker, as well as the Executive team, staff and volunteers, who together, achieved so much.

**Elizabeth Ledger**  
Chief Executive Officer

# Executive Management Team

The Town's administrative structure has been developed to support the delivery of the Town's projects and programs within the key focus areas of the Strategic Community Plan 'Claremont Ahead 2027'.

In the first half of 2020, the Town's Executive Management Team structure was revised and reduced from four Director positions to three. This allowed for increased resources in key growing areas such as community safety, information technology, procurement and risk.



	<b>Total employees (inc casuals)</b>	<b>119</b>	
	Female	<b>73</b>	<b>61%</b>
	Male	<b>46</b>	<b>39%</b>

	<b>Total managers/ELT/CEO</b>	<b>13</b>	
	Female	<b>6</b>	<b>46%</b>
	Male	<b>7</b>	<b>54%</b>

<b>Average Tenure all staff</b>	<b>4.67 years</b>
Excluding casuals	<b>5.71 years</b>
Age range: 18 - 77 Average age: 39	

Employees	Salary Range
2	\$100,000 - \$110,000
2	\$110,000 - \$120,000
0	\$120,000 - \$130,000
0	\$130,000 - \$140,000
1	\$140,000 - \$150,000
2	\$150,000 - \$160,000
2	\$160,000 - \$170,000
2	\$170,000 - \$180,000+



# Our Community

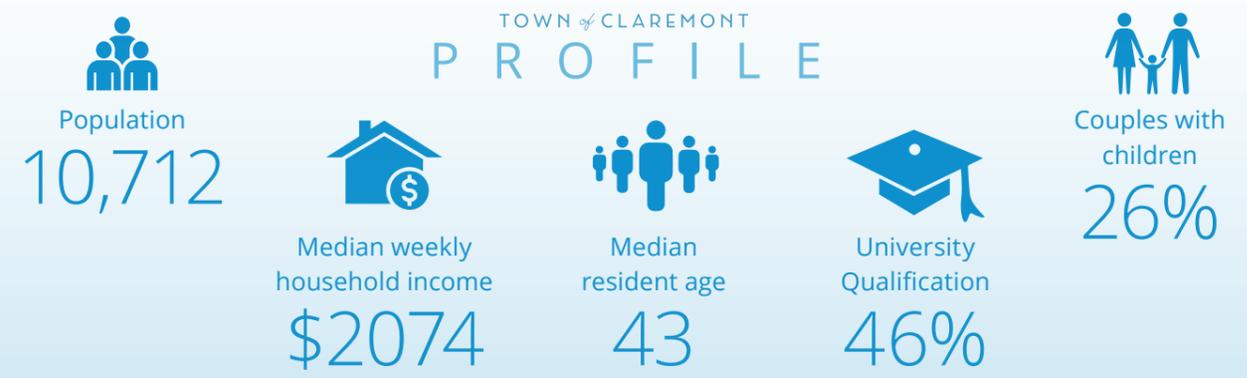
The Town of Claremont is located in the heart of the Western Suburbs of Perth, Western Australia. It is known for its beautiful natural features including the rejuvenated wetland and wildlife, foreshore and leafy street trees. It also offers attractions such as high-end fashion boutiques, a major shopping centre, art galleries and sporting options such as tennis, bowling, swimming and golf.

Located in part along the Swan River foreshore, the Town provides and supports a number of community amenities.

Buildings and Facilities	
Town of Claremont Administration and Council Chambers	308 Stirling Hwy, Claremont
Claremont Aquatic Centre	12 Davies Rd, Claremont
Meals on Wheels building	288 Stirling Hwy, Claremont
Claremont Community Hub and Library	327 Stirling Hwy, Claremont
Freshwater Bay Museum	66 Victoria Ave, Claremont
Lake Claremont Golf Course	Lapsley Rd, Claremont
Claremont Recreation and Bowling Club	64 Bay View Tce, Claremont
Claremont Lawn Tennis Club	Shenton Pl, Claremont
Mackenzie Pavilion	Cresswell Park – Mitford St, Swanbourne
Claremont Oval	3 Davies Rd, Claremont

## Parks, Reserves and Playgrounds

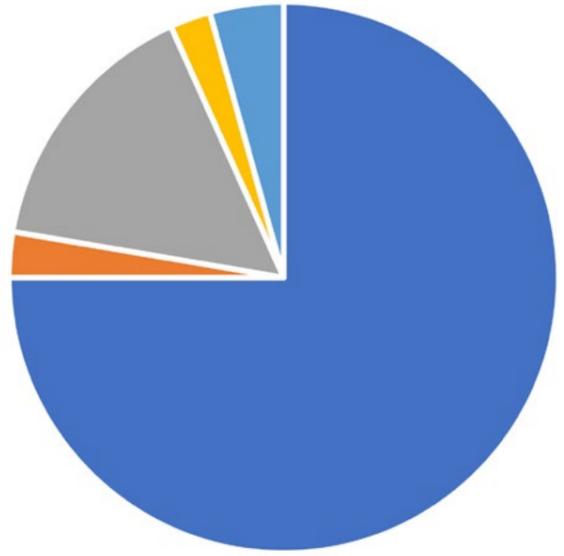
Rowe Park and playground, tennis and basketball	Gugeri St, Claremont
Mrs Herberts Park dand playground	66 Victoria Avenue, Claremont
Claremont Parkand and playground	Bay View Tce, Claremont
Mofflin Park	Mofflin Ave, Claremont
Cresswell Park and playground	Central Ave, Swanbourne
Stirling Road Nature playground	Stirling Rd, Claremont
Lake Claremont wetlands and parklands	Lapsley Rd, Claremont
Lake Claremont Nature Playground	Lapsley Rd, Claremont
Alex Prior Park	Victoria Ave, Claremont
Agett Park	Agett Rd, Claremont
Rowe Park	Gugeri St, Claremont
Mary Street Park	Gugeri St, Claremont
John & Jean Mulder Park and playground	Davies Rd, Claremont
Motteram Reserve	Motteram Ave, Claremont
First Avenue Park	First Ave, Claremont
Maclagan Park	Devon Rd, Swanbourne
Parry Street Reserve	Parry St, Swanbourne
Hatchett Park	Devon Rd, Swanbourne
Belleville Park	Narla Rd, Swanbourne
Ballaruk Bush	Narla Rd, Swanbourne
McKenzie Bush	Mitford St, Swanbourne





# A snapshot of financial performance

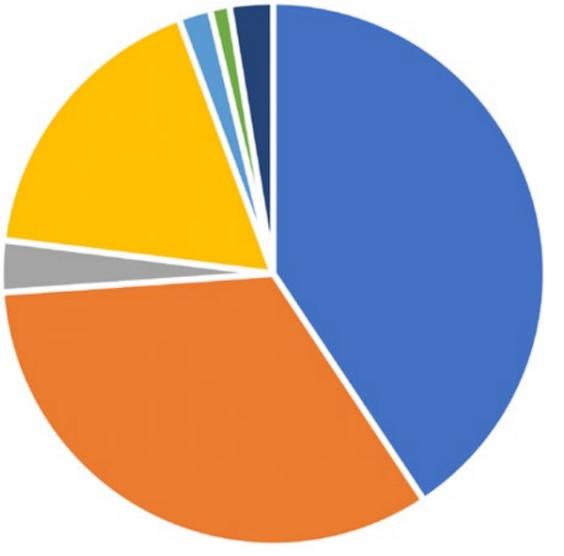
19/20 Operating Revenue



Revenue	\$
Rates	15,403,800
Operating grants, subsidies & contributions	547,721
Fees and charges	3,203,869
Service charges	0
Interest earnings	492,253
Other revenue	890,872
	<b>20,538,515</b>

- Rates
- Operating grants, subsidies and contributions
- Fees and charges
- Interest earnings
- Other revenue

19/20 Operating Expenses



Expenses	\$
Employee costs	7,245,688
Materials and contracts	5,919,188
Utility charges	549,278
Depreciation on non-current assets	3,095,406
Interest expenses	340,155
Insurance expenses	206,234
Other expenditure	459,219
	<b>17,815,168</b>

- Employee costs
- Materials and contracts
- Utility charges
- Depreciation on non-current assets
- Interest expenses
- Insurance expenses
- Other expenditure



SUMMARY OF PERFORMANCE

# Leadership & Governance

ASPIRATIONAL OUTCOME:

***We are an open and accountable local government, a leader in community service standards***

## Our stakeholders are well-informed and we provide opportunities for community engagement

In 2019/20 the Town continued to produce several written publications to keep customers informed of the Town's business including; monthly newsletter in both local newspapers; media releases; print adverts and direct mail outs.

In a response to feedback from the Community Perceptions Survey, the Town initiated a community magazine *Flourish*, delivered to all house-holds 4 times per year.

The Town's online communication strategies include a website, facebook, instagram and LinkedIn pages, and direct communications to a database of over 2,500 residents.

 88,847 total users  
137,258 total sessions

 2,847 followers

 1,451 followers

 354 followers



12 Electronic Direct mail newsletters  
to a database of approximately 2,760  
Total reach 33,120



A number of specific engagement strategies were implemented to assist with the Town's decision-making process, outlined below.

Date	Project	Detail
July 2019	30-minute timed parking on Claremont Crescent	Consultation to shop owners along Claremont Crescent regarding restrictions on parking bays along the street.
August 2019	Tiger Way road and footpath closure	Consultation of the community regarding the road and footpath closure of Tiger Way between Shenton Road and Graylands Road for a period of 24 months.
November 2019	Parking Restriction changes Bindaring Parade	Consultation to residents of Bindaring Parade regarding changes of parking restrictions along the street.
March 2020	Freshwater Bay Museum Upgrade	Consultation of the community regarding feedback for the concept plan of the museum upgrade.
June 2020	2020/21 Draft Annual Budget	Consultation of the community in regard to submissions on the Draft Budget 2020-21
June 2020	Perth Transport Authority long-term single lane road closure	Consultation of the community, on behalf of Perth Transport Authority, in regard to the long-term single lane closure of Claremont Crescent.

Most Development Applications are advertised for public comment in accordance with Council Policy to gain valuable community input. Two major applications, for the Airlie Street mixed use apartments and the Claremont Train Station redevelopment were extensively advertised and comments were considered by the Council and other decision-making authorities.

To further gain community and stakeholders' input into decision making, the Town has several Advisory Committees with representation from residents and experts in specific areas:

Town of Claremont Committees	2019/20 Meeting Dates	Council Representatives	Community Representatives
<b>Audit and Risk Management Committee</b>	9 August 2019 3 December 2019 7 February 2020 8 May 2020* 29 May 2020*	Mayor Jock Barker Cr Bruce Haynes <i>(Presiding Member)</i> Cr Paul Kelly Cr Peter Telford <i>(Appointed to committee November 2019)</i>	Ms Marguerite Anklesaria Mr Andrew Cuthbertson Mr Aiden Daly
<b>Claremont Town Centre Advisory Committee</b>	29 August 2019 10 December 2019 10 March 2020 9 June 2020 8 September 2020	Mayor Jock Barker Cr Jill Goetze Cr Annette Suann <i>(Presiding Member and appointed to committee November 2019)</i>	Ms Alison Reid Ms Michelle Docherty Ms Eleanor Jones Dr Tom Mildenhall Ms Samantha Monterio Ms Hannah Etherington Ms Scott Greenwood Ms Lesley Thomas
<b>Foreshore Advisory Committee</b>	15 July 2020	Cr Annette Suann Cr Peter Telford <i>(Presiding Member)</i>	Ms Claire Brittain Mr Bill Macleod Ms Ainslie De Vos
<b>Freshwater Bay Museum Advisory Committee</b>	5 September 2019 18 December 2019 19 March 2020 18 June 2020 17 September 2020	Cr Jill Goetze <i>(Presiding Member)</i> Cr Annette Suann <i>(Appointed to committee November 2019)</i>	Rosemary Hunter Karen Kaard Deborah Bray Karen Wood Joan Fisher Ricki Hewitt
<b>Lake Claremont Advisory Committee</b>	1 August 2019 7 November 2019 13 February 2020 7 May 2020* 13 August 2020	Cr Bruce Haynes <i>(Presiding Member)</i> Cr Sara Franklyn Cr Peter Browne OAM, JP <i>(resigned from committee November 2019)</i>	Karen Wood Leeuwin Beeck David Free Nick Cook David Kyle

\* Meetings held via Zoom due to COVID-19

## Demonstrate a high level of leadership, governance, accountability, management and strategic planning

The 2019 Annual Compliance Audit incorporating 104 questions across 10 disciplines was completed with no areas of non-compliance and submitted to the Department of Local Government, Sport and Cultural Industries in March 2020.

As per the requirements of the *Local Government (Audit) Regulations 1996*, Regulation 17 provides:

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
  - (a) risk management; and
  - (b) internal control; and
  - (c) legislative compliance.
- (2) The review may relate to any or all the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 budget years.
- (3) The CEO is to report to the audit committee the results of that review.

The Town's Regulation 17 audit took place over April and May 2020 and the findings presented to the Audit and Risk Committee on 29 May 2020 and then reported to Council on 16 June 2020.

The Town's delegations of authority were reviewed in June 2020 resulting in 26 delegations remaining unchanged, 6 were amended and 2 removed.



22 Ordinary Council Meetings and 1 Annual General Electors



71 residents become Australian citizens





External Committees	Council Representatives
WALGA Central Metropolitan Zone Committee	Cr Paul Kelly Cr Peter Browne OAM, JP
Western Metropolitan Regional Council	Cr Bruce Haynes Cr Sara Franklyn (Deputy)
Metro West Joint Development Assessment Panel	Cr Paul Kelly Cr Kate Main Cr Bruce Haynes (Alternate) Cr Peter Browne OAM, JP (Alternate)
SHINE Community Services Management Board	Cr Jill Goetze
Western Subgroup, Metropolitan Regional Road Group	Cr Sara Franklyn

#### Ordinary Council Meetings

July 2019	August 2019	September 2019	October 2019	November 2019	December 2019
2	6	3	1	5	3
16	20	17	15	19	17

January 2020	February 2020	March 2020	April 2020	May 2020	June 2020
No meeting	4	3	7*	5*	2*
No meeting	18	17	21*	19*	16

22 Ordinary Council Meetings were held as per the advertised timetable, and during the COVID-19 lockdown. The highlighted meetings were held via Zoom.

**Elected members attended a number of essential and non-essential training over the 12 months.**

Elected Members Professional Development Register		
Councillor	Training Completed	Date
Cr Peter Edwards	Serving on Council	16 December 2019
	Understanding Local Government	18 December 2019
	Meeting Procedures	1 January 2020
	Conflicts of Interest	1 January 2020
Cr Kate Main	Meeting Procedures	9 January 2020
	Development Assessment Panel	6 February 2020
	Conflicts of Interest	2 June 2020
Cr Annette Suann	Serving on Council	11 February 2020
	Understanding Local Government	12 February 2020
	Meeting Procedures	30 March 2020
	Conflicts of Interest	25 May 2020

*State Records Act 2000* Principle 6 (compliance to the *State Records Act 2000*) states that the Annual Report should include evidence of the Town's work to maintain an efficient and effective record keeping system.

Activities during 2019/20 to support this included the following:

1. The Town's Recordkeeping Plan (RKP) review was submitted on 2 June 2020 for approval and will be submitted by September 2020.
2. The Disaster Management Plan, Induction Manual and Annual Destruction Manual for Records were reviewed and updated.
3. The Procedure Manual setting out recordkeeping procedures was updated and new procedures created in anticipation for the Town's Digitisation program.
4. Staff Training and Information Sessions were held to ensure that all staff are aware of their recordkeeping responsibilities and compliance with the RKP:
  - a. New employees receive a face-to-face induction covering an overview of the Recordkeeping Plan, the Records Induction Manual, and staff responsibilities.
  - b. Reminders on the RKP and staff obligations are provided via a staff newsletter (Staff Connect).
  - c. Reminders on the RKP and elected member obligations are provided via an elected member newsletter (Quill).
  - d. Further training is provided when deemed necessary and when requested by staff.



## Manage our finances responsibly and improve financial sustainability

The Town continued to deliver transparent and accountable financial management and reporting throughout the year. Annual revenue for the year reached \$20,538,515 against a budget of \$17,815,168.

In May Council endorsed a financial hardship policy and 0% rates revenue rise to reflect any impact the COVID-19 pandemic would have on our economy and prepared a budget for 20/21 to reflect this impact.

The Town's culture of continuous improvement led to a review of the budgeting process for capital works, resulting in a more precise method being developed and implemented. This has seen greater accuracy in initial projects costs and therefore budget projections. The Town also commenced recruitment for a Procurement Officer to review and implement the Town's procurement process in line with best practice.

Summary	2019/20 (\$)	2018/19 (\$)
<b>Total Asset</b>	147,641,667	138,074,465
<b>Total Liabilities</b>	14,969,025	15,429,468
<b>Equity / Net Assets</b>	132,672,642	122,644,995
<b>Operating Revenue</b>	20,538,515	24,048,811
<b>Operating Expenditure</b>	17,815,168	21,420,005
<b>Operating Surplus</b> Excluding non-cash (depreciation & asset disposal net loss)	6,193,725	5,115,283
<b>Non Operating Revenue</b>	822,398	945,372
<b>Capital Expenditure</b>	3,359,836	3,328,830
<b>Cash Backed Reserve</b>	12,866,008	11,841,786

The *Freedom of Information Act* 1992 gives individuals the right to apply for access to documents held by Town of Claremont.

Date received	Date of Notice of Decision	Number of days to complete	Approximate staff time spent	Fees received
19/06/2019	22/08/2019	42 Days	50 hours	\$1,252
19/07/2019	Withdrawn	N/A	20 hours	\$30
25/11/2019	11/12/2019	16 Days	15 hours	\$30
3/12/2019	6/01/2020	22 days	5 hours	\$30
9/12/2019	5/02/2020	45 Days	60 hours	\$1,483.80
25/03/2020	3/04/2020	10 Days	10 hours	\$30

No internal or external reviews were requested or conducted in relation to these requests.



## Create an environment to support and develop our staff

The Town is committed to ongoing training and development of staff, investing in training and development across the organisation including the Operational Management Team completing 'Building High Performance Teams' as well as Workplace Behaviours training delivered to all staff following a review of Discrimination Bullying and Harassment and Drug and Alcohol procedures.

The Town purchased and rolled out WALGA's 'Introduction to Local Government and Procurement' training packages to all staff.

The Town of Claremont was the first local government to close its doors due to the pandemic. This prompt decision was welcomed by staff and allowed the Town to ensure rapid deployment of multiple initiatives to enable staff to work remotely and continue to provide services and a high level of customer service.

Transitioning back to workplace once state government restrictions had eased was another period of intense activity to meet new distancing and hygiene requirements.



Encourages and supports staff for internal promotion with 14 staff promotions in 2019/20



Invested \$62,000 in staff training and development

Staff wellbeing was supported through a dedicated program which included:



mindfulness sessions



on-site flu vaccinations for staff



skin cancer checks for staff



free access to a confidential employee assistance, corporate gym and aquatic centre



The Town held five occupational safety and health (OSH) committee meetings in 2019/20, and these representatives conducted regular site inspections throughout the year.

The Town commenced Enterprise Agreement (EA) negotiations with the employees with view to replace existing EA prior to its expiry due in April 2020. Negotiations went well with staff and unions however due to COVID, staff and unions agreed to place negotiations on hold and have the existing EA continue until the end of December 2020, with the Town committing to review its financial position in October 2020.

## Provide the best possible customer experience throughout every interaction we have with our customers

Our commitment to customer service is outlined in the Town's Customer Experience Charter, managed through specific customer record system software. This software logs a customer's request, and forwards to the appropriate officer to respond. This must be done within the charter timeframe to ensure that Officer is compliant.

In the 19/20 period, the Town recorded over 21,000 customer contacts, of which 15,800 were via the telephone. In line with the Customer Experience Charter, the response rate across the organisation was 85%.

The Town provides a skilled and friendly Customer Relations team, to which all queries are generated through. The team are trained to solve as many queries as possible at the initial call (first call resolution), without having to speak to multiple people, to provide a better experience for the customer.

## Continually assess our performance and implement initiatives that drive continuous improvement

The culture of continually assessing and improving what we do is driven throughout the business. At recruitment stage, it is outlined as an outcome in all employee position descriptions, reported on through departmental reports and achievements celebrated.

In 19/20 the Town's processes were reviewed by each department, and improvements were made over a number of these processes. This included introducing a new system for the Town's forward planning of roadworks, changing the programming to coincide during the drier periods of the year, resulting in minimising project delays and costs.

2019/20 saw the completion of a major enhancements in building maintenance and asset management systems for the Town, with more proactive planning, inspection, programming, and works being implemented.

This has extended to the development of an interactive online portal for all maintenance request that aims to prioritise works based on the risk to the community or the impact to the provision of services and facilities. This portal has seen a more measured approach to building maintenance and a dramatic improvement in the quality of facilities provided to the public as result of these works.

An invention from the Infrastructure Directorate has created more accuracy in the measurement of crossovers at construction. A simple but effective one person trolley has enabled the team to assess the grade of the crossover at construction, when any small faults can be corrected. This has reduced call outs for corrective work, and improved customer satisfaction.

The Town audited over 140 oral histories in the collection for digital copies, transcripts, and permissions. Subjects from each oral history are now being indexed and entered our collection database making them searchable and easier to research.

The Claremont Museum has completed its 3-year project to audit over 8000 artefacts and repack them according to preventative conservation practices. Over 800 artefacts have been deaccessioned (or removed) from the Museum's collection during this process due to a lack of provenance, duplication, condition and/or little interpretive value.





## Develop and build partnerships that support the Town's vision

The Town works with and supports several community groups that provide services to our community. Throughout the year the Town has also maintained existing partnerships with aligned organisations, and works closely with agencies to achieve the best outcomes possible for the community.

<b>WESROC</b>	A joint initiative of the western suburbs local governments to identify and develop shared services and potential joint initiatives. This includes environmental matters such as animal control (fox and feral cats), ground water, tree canopy cover, walking trail network, greening rail corridor and biodiversity.	
<b>Regional Road Group</b>	To manage distributed regional road group funding and direct grants from Main Roads to local government.	
<b>Western Metropolitan Regional Council</b>	The WMRC is a regional council of Peppermint Grove, Mosman Park, Cottesloe, Subiaco and Claremont, formed to efficiently manage waste and support recycling and sustainable waste options. The WMRC operates the Waste Transfer Station on behalf of these Councils.	
<b>WALGA</b>	The WA umbrella agency for local government, of which the Town is a member and receives advice and advocacy.	
<b>State Emergency Management Committee</b>	To provide support to hazard management agencies as required through the Western Central Local Emergency Management Committee.	
<b>Scotch College</b>	Volunteering programs include Lake Claremont planting, weeding and general environmental management.	
<b>Freshwater Bay Primary School</b>	The Town supports the Freshwater Bay Primary School through the free use of Claremont Park for sporting and leisure activities.	
<b>Public Transport Authority</b>	Developing improvements to infrastructure to support improved public transport.	
<b>Development WA</b>	Facilitating the Claremont on the Park project vision for overall management of this precinct.	
<b>Lotterywest</b>	The state's Lotterywest is a major funding partner contributing to the new community facility at the Claremont Museum.	

<b>Community Sport and recreation Facility Fund</b>	A major funding partner for the McKenzie Pavilion redevelopment.	
<b>Small Business Development WA</b>	The Town is a registered Small Business Friendly Local Government which enables the Town to further support the town centre businesses.	
<b>Department of Planning, Lands and Heritage</b>	To improve the balance of technical expertise and local knowledge on planning decisions through the Metropolitan West Joint Development Assessment Panel (Metro West JDAP).	
<b>Friends of Lake Claremont</b>	The Town works in partnership with the local environmental group, the Friends of Lake Claremont. This further enhances the revegetation, planting, weed control and environmental management at the Lake Claremont reserve, including bush fire control and risk reduction.	
<b>Friends of Claremont Museum</b>	The Town works collaboratively with the Friends of Claremont Museum to support the museum through advocacy and fund raising.	
<b>Claremont Lawn Tennis Club</b>	The Town supports the Claremont Lawn Tennis Club through subsidised leases, promotion and other opportunities.	
<b>Claremont Recreation Club</b>	The Town supports the Claremont Recreation Club through subsidised leases, promotion and other opportunities.	
<b>Shenton College Chaplaincy</b>	The Town supported the Chaplaincy program at Shenton College, contributing to student access to a counsellor when required.	
<b>Disability groups</b>	The Town supports various local group through the free use of the Town's Meals on Wheels Community building.	
<b>FORM</b>	The Town works in partnership with FORM to support their existence in Claremont, which provides our residents access to cultural events and festivals for social connection, stimulation, education and civic pride.	
<b>Claremont Concert Band</b>	A partnership that supports the band to play at several Town held community events including ANZAC Day.	
<b>West Australian Symphony Orchestra</b>	The Town's partnership with the state's orchestra provides the community access to a free family concert each year.	
<b>SHINE Community Services</b>	The Town supports SHINE community services which enables them to provide independent living support services to seniors, people with disabilities and other eligible residents in the Town.	





## SUMMARY OF PERFORMANCE

# Liveability

## ASPIRATIONAL OUTCOME

***We are an accessible community with well-maintained and managed assets. Our heritage is preserved for the enjoyment of the community***

## Promote and support initiatives that improve traffic flow

Working with Main Roads WA, the Town continues to seek improvements to the draft Stirling Highway carriageway plans to ensure appropriate intersection treatments are delivered in the future Highway widening project. The aim is to support the focus of attention on increasing residential densities along the Highway as part of the Town's approach to meeting State driven density targets using sustainable transport initiatives.

The Public Transport Authority's Metronet project with upgrades to the Claremont Train Station as the terminus of the Forrestfield Airport Link proceeded during the 19/20 period. Following extensive design, Western Australian Planning Commission approval was granted in February. Negotiations between the Town and the PTA resulted in non-closure of the east grade crossing and the addition of an underpass. Concerns regarding traffic flow on Guger Street resulted in an improved and smaller bus terminus to be built in the existing bus terminus location.

The Town has progressed plans for increased residential development around Claremont, Swanbourne, and Loch Street railway stations. These are proposed to be progressed further in the next fiscal year, with direction from the Department of Planning, for the Town to review its Local Planning Strategy and Scheme, and address Planning Reform.

Amendment No. 136 (Stirling Highway West Precinct) and Amendment No. 137 (Stirling Highway Central Precinct) were finalised.

The Town continues to work with the local schools and conducts audits on traffic flow.



## Provide clean, usable, attractive and accessible streetscapes and public spaces

2019/20 had an increase in the use of street sweeping to maintain appropriate levels of cleanliness in high leaf drop areas. In addition, during the COVID-19 restrictions, the Town increased the resource in the Claremont town centre to improve cleaning in the streets, removing discarded shopping trolleys, regularly wiping down high contact surfaces such as bins and seats and improving the overall presentation of the Town Centre.

Themed planting commenced in 2019/20 in areas outside of the Town Centre, using plant types and landscaping styles in areas that were previously underdeveloped or vacant verges or garden beds.

The Town of Claremont Disability Access and Inclusion Plan 2018 to 2022 is a key strategic document, outlining the Town's approach to create a more accessible and inclusive community. During the year, the Town completed the following:

- Anzac Cottage Access: External footpath has been renewed replacing an old 1.2m wide slab path with a new 1.8m wide poured concrete path.
- Claremont Station Access Strategy: In partnership with the Perth Transport Authority, upgrades were made to the Town's footpath network providing a continuous route from the Town of Claremont boundary at Alfred Road through to the Claremont Train Station, to provide a route that met design requirements for Universal Access along its entire length. This included widening of a footpath, replacement of crossing ramps, and the installation of some wayfinding pavement markers.
- Station Access: Replacement of a pedestrian ramp near to the rail line at-grade crossing at the west side of Claremont Train Station, to provide improved landing and grades.
- Crossing facilities: Installation of tactile ground surface indicators on all ramps within the CBD zone within the Town of Claremont.
- Bus Stops: Facilitation of the upgrade of a number of Perth Transport Authority bus stops within the Town at various locations, enhancing the design to comply with current access requirements.
- Aquatic Centre: Design of a new Universal Access Toilet and Ambulant Toilet has commenced with construction scheduled for 2020/21 financial year.
- McKenzie Pavilion: Design of a new community sports pavilion which includes a new Universal Access Toilet and Ambulant Toilet has commenced with construction scheduled for 2020/21 financial year. This incorporates specifics within the design for the provision of access through the Changing Places In Western Australia program.
- Museum Multipurpose Facility: Design of a new multipurpose space which includes a new Ambulant Toilet has commenced, with construction scheduled for 2020/21 financial year.
- Continued to fund SHINE to provide support and services for elderly people and people with disabilities.

## Balance the Town's historical character with complementary, well-designed development

An Activity Centre Plan for the Claremont Town Centre commenced in earnest in this period, with base studies relating to traffic, parking, engineering, infrastructure and retail/commercial impact for the Town being prepared.

The Town progressed towards the North East Precinct (NEP) "Claremont on the Park" finalisation. The approved developments represent 86% of the total development and progresses the shaping of the transit orientated development.

Based on the approved increases in apartment yields, it is expected the final development will provide for up to 870 dwellings which significantly contribute to the Town's housing growth targets.

The Town's review of the Local Government Inventory and Heritage List progressed, which will notice revised requirements for Heritage Areas in line with the new *Heritage Act 2018*.

The Town's biennial Civic Design Awards were cancelled due to COVID, however have been rescheduled for May 2021. These Awards recognize those that contribute to the Town's historical character.



Six Mike Balfe Heritage Maintenance Program grants approved.



125 Development Applications processed.



\$214,737 Development Application fees - for development's valued at \$232,024,910.



35 Development Applications required heritage assessment.



Development applications were processed on average in 36.6 days (statutory timeframe of 60)



96 days for applications requiring advertising (statutory timeframe of 90 days)



Six applications for review were lodged with the State Administrative Tribunal.

The Loch Street Structure Plan has been supported by the Statutory Planning Committee of the Western Australian Planning Commission with modified densities resulting in a similar development yield as proposed under the Draft Study. Once the modifications are incorporated in the final Structure Plan the Town will progress to initiate Amendments to Local Planning Scheme No. 3 to facilitate the development outcomes of the Structure Plan.

**228 Building Permits were assessed and approved in line with legislative requirements, a 15% decrease on the previous year.**



The value of application fees for all applications totaled \$205,775, an increase of 28.8% on last year.



The Town has 824 registered pools, with inspections carried out every four years. A new round of inspections commenced in 2019, and a total of 250 pools were inspected during the year. 180 were found to be compliant on the first inspection, 61 compliant on the second inspection, with the remaining 9 compliant on the final inspection.

## Develop the public realm as gathering spaces for participation, prosperity and enjoyment

During 2019/20 the Town successfully completed the Hatchett Park redevelopment project (stage 1) after considerable community engagement. This has provided a much-improved facility, with public seating and gathering spaces, with the design also encouraging greater use of this area as local open space.

The Aquatic Centre saw the addition of a splash pad, which opened in January 2020. The interactive water playground provides families with a new leisure option and encourages water play at an early age.

Planning for the redevelopment of McKenzie Pavilion at Cresswell Park continued during the year, with the contract for the detailed design being awarded. In addition, noteworthy progress on the new community facility for the Claremont Museum was made, with concept plans presented for consultation. This feedback assisted with determining the actual location of the facility, leading to the final detailed design stage of the project being underway in this financial period.



8 roads were subject to re surfacing programs



17 footpath upgrade projects completed totalling 1927 m2 of new footpath

## Maintain and upgrade the Town's assets for seamless day-to-day usage

Regular testing and inspections of assets and infrastructure was conducted to ensure efficient operation and to avoid non programed failures and the consequential impact to services and facilities. Examples of this includes the annual bore pressure and flow test, which is used to identify pump and bore performance to ensure water quality and efficiencies are maintained to acceptable levels.

Several upgrades were made to the Town's biggest community facility, the Aquatic Centre including:

- Change room internal upgrade
- Reception foyer upgrade
- Swim shop merchandise improvements
- Storage shed upgrade

During the COVID-19 restrictions, many of the Town services and facilities had to be managed controlled, or in some cases restricted. These included playgrounds, outdoor gyms equipment, tennis courts and other areas.





## SUMMARY OF PERFORMANCE

# People

## ASPIRATIONAL OUTCOME

*We live in an accessible and safe community that welcomes diversity and enjoys being active and has a strong sense of belonging*

## Effectively manage and enhance the Town's community facilities in response to a growing community

Planning for the redevelopment of McKenzie Pavilion at Cresswell Park continued during the year, with the contract for the detailed design being awarded. The project aims to improve functionality of the sporting facility, including the addition of female change rooms.

The Town celebrated the successful installation and opening of a splash pad water playground at the Claremont Aquatic Centre. The new \$750,000 water playground has replaced the toddler pool with interactive features including jet sprays, channels with pumps, wheels and gates, and a mega bucket water dump. A wide range of landscaping and other improvements were also implemented at the same time to complement the new Splash Pad, and these works have revitalised this area of the centre and created a major attraction for its users.

Considerable progress on the new community facility for the Claremont Museum was made, with concept plans presented for consultation. This feedback assisted with determining the actual location of the facility, leading to the final detailed design stage of the project being underway in this financial period.

Other community facility enhancements included the installation of new drink fountains in Claremont Park, a new nature play space at First Avenue Park and improvements to Hatchett Park. 2019/20 saw major electrical works completed at the Meals on Wheels facility adjacent to Claremont Park, a facility which is used free of charge by several community groups who provide services, facilities, and social interaction for the disabled and elderly parts of our community.



## Facilitate opportunities for social participation, health, learning and inclusion through programmed activities and events

The Claremont Community Hub and Library School Holiday programs were consistently booked out, with activities including craft, cooking, recycling, and STEM. The centre also delivered the National Simultaneous Storytime, National Reading Hour, Better Beginnings and Sing with Me.

Weekly language conversation sessions in French, German, Italian, Mandarin and English provide participants the opportunity to hone their language skills in a supportive group environment. During COVID-19 closure members were still able to access this popular program through Zoom, as well as a unique weekly home delivery service for Claremont residents.



372 people became new members at the Claremont Community Hub and Library,



the Town now has over 3,300 active members borrowing 44,053 items annually.



3,789 new items were added to the Claremont Library collection during the past year.



Total number of classes held at the Library was 555 with a total of 5,715 participants.



Weekly language sessions in French, Italian, Chinese, German, and English as a second language were held.



Other COVID-19 related activities were promoted during this period, such as a history project for local school students who were asked to write postcards from the perspective of historical Claremont figures about their experiences during the COVID-19 lockdown. The Town held 9 'History in a Coffee Cup' sessions, providing opportunities to learn about local history in a social setting.

The Aquatic Centre facilitates opportunities for social participation by offering an extensive range of swimming programs outlined below:

- Learn to swim lessons
- Squad training
- Water polo
- Aqua aerobic classes
- Synchronised swimming
- Professional development courses
- Community clubs
- Centre run events
- General swimming.

The Environmental Health Officers inspected the temporary food vendors at events at the Showgrounds and in the community, resulting in 169 Food Business Assessments checking compliance with the *Food Act 2008*, *Health (Public Building) Regulations 1992* and *Environmental Protection (Noise) Regulations 1997*, contributing to community health and safety.

The Town had 134 Food Businesses registered and officers had conducted 287 assessment for these permanent businesses in 2019/20.

## Support local safety and crime prevention

Feedback from the Town's Community Perceptions survey 2019 revealed the need for increased surveillance throughout the Town. A security patrol service was engaged in March which provides valuable information on nighttime activity and address non-police issues on the spot.

During COVID-19, the Town assisted the Operational Area Support Group (OASG) chaired by the Deputy Police Commissioner. This involved monitoring the car parks, river foreshore and Lake Claremont to observe and report any non-compliance with the social distancing rules.

In addition to these eyes on the street, the Town conducted an audit and undertook maintenance works on the CCTV network, which has led to improved static surveillance.

The issue of homelessness became more prevalent during the COVID-19 lockdown. The Community Safety team liaised with the Salvation Army and acquired 12 heavy duty sleeping bags and assisted 8 homeless find accommodation.

Graffiti removal continued in 2019/20 with the enforcement of the Council's graffiti removal policies, rapid response to publicly visible graffiti and cooperation with private owners to help remove graffiti as soon as it was identified. Council staff also worked closely with the Police Department and the anti-graffiti taskforce to help in identifying tags and repeat offenders.



Total amount of parking infringements issued	6,255
Total amount of parking cautions issued	1,193
Total number of appeals	879
Appeals that stood	567
Appeals that were accepted	312



Dog Infringements	14
Dog Cautions	19
Dog Warnings	168



Bushfire Infringements	3
Bushfire 10-day compliance letter	10
Bushfire Section 33	2



Litter Infringements	4
----------------------	---

## Provide opportunities for local community groups that support their capacity and ongoing sustainability

The Town continued to provide several initiatives to support community groups:

- Free use of the Town's community facility to several community based not for profit groups to support their work for people with disabilities and other community services.
- Subsidised leases for facilities and sporting grounds to support local recreational clubs and cultural organisations.
- An annual Community Funding Program to provide seed funding to groups who contribute to developing and connecting the Claremont community.
- Featured articles on clubs and groups in the quarterly magazine 'Flourish.'
- Providing fund raising opportunities through events and leaflet distribution.



The Aquatic Centre provides opportunities for a wide range of community groups that supports their capacity and ongoing sustainability and include:

- School swimming carnivals
- Not for-profit clubs
- Community and youth organisations
- Family fun days
- Australia Day barbeque
- Come and try days for aquatic sport programs

## Develop and implement a strategy that supports services for seniors and youth

The Town provides ongoing financial support to SHINE Community Services, a not-for-profit organisation that provides support to Claremont residents, to encourage and support people to live independently. With the help of volunteers for the Town's Meals on Wheels service, 1359 meals were provided to western suburbs seniors in 2019/2020. To provide social interaction and engagement for Seniors, the Town ran its annual Seniors' Twilight Cruise which was well received by the 80 plus attendees.

A continuing focus on youth, the Town supported the Shenton Christian YouthCARE Council, assisting local youth through their chaplaincy program at Shenton College. Shenton Christian YouthCARE Council received a \$5,000 grant from the Town to support their pastoral care program provided by chaplains at Shenton College, Mt Claremont and Swanbourne Primary Schools.

During COVID a number of activities for people under 18 were developed and implemented including a Youth Writing Competition and a photography competition.

The Claremont Museum staff held incursions in 3 schools before COVID resulted in the cancellation of bookings in the second half of the year. Close to 100 students engaged in a hands-on history program scrubbing on washboards and following Mrs Herbert's instructions on the slate board. To assist schools while incursions were not possible the Museum loaned items from the education collection to several schools so that students could still have access to their local history. A unique loan was a typewriter to the Christchurch Grammar School Music Department which was used as an instrument in a percussion piece.





The Claremont Community Hub and Library promotes leisure activities through a weekly Mahjong Club, Knitting Club and Writer's group. On a monthly basis the Library organises two Book Clubs selecting popular books that are hired as Book Club sets from Nedlands Public Library.

The Claremont Community Hub and Library offers cyber safety talks to Library members through the *Be Connected* program. *Be Connected* is an Australian Government initiative aimed at increasing the confidence, skills and online safety of older Australians in using digital technology. *Be Connected* adopts a family and community centered approach to target those aged 50 years and over, who have minimal or no engagement with digital technology. During Seniors Week and Library Information Week talks on cyber safety were presented.



The Library held 313 Children's' classes which included weekly story and rhyme time, craftnooners and lego club.



242 adult classes were conducted including weekly Mah Jong, Knitting and Be Connected, as well as monthly classes for Book Club and Climbing My Tree.

In November, the Town organised a free heritage walk along the Freshwater Bay foreshore, concluding at the Claremont Yacht Club with morning tea. The tour included reflections on the much-remembered Claremont Baths, the Boat Shed, the Mansions and the Claremont Jetty.

## Recognise and celebrate the Town's history and culture through arts and events

The Town's annual free family concert 'A Night on Bay View' featured the West Australian Symphony Orchestra to provide a free concert featuring our state orchestra.

Due to COVID-19 the annual Anzac Day commemoration was unable to be held. The Town created a video that was aired from 7.30am on 25 April, featuring a special message from the Mayor.

The Claremont Museum created a Whadjuk Noongar audio-visual presentation based on the history of the Noongar people in the Claremont area to be used in future education programs and events.

A social media strategy to celebrate the Town's history was implemented during the year called Flash Back Friday, offering followers a weekly snippet of our local history.

Giving the impact that COVID-19 had globally and locally the Town instituted a contemporary collecting program revolving around the pandemic. Stories have been collected from Claremont residents and Elected Members of their experiences during isolation, and photographs and

artefacts have been collected depicting social distancing and new practices instated for public safety.

During August, the Claremont Community Hub and Library presented a program celebrating *Children's Book Week*. The Children's Book Council recommends books that the library purchases to support the weeklong literacy celebration. The *Be Connected* program is delivered on a weekly basis on Tuesday mornings. Volunteers support the program offering free tuition on how to use digital technology and keep safe online.

The Western Suburbs Library group purchased a subscription to a reading app called Beanstack. The reading app was used during the closure to promote reading via online challenges. Several challenges were created to cover different age groups from babies, toddlers, school children and adults. The app will be used in future Summer Reading challenges to promote literacy to children over summer holidays.

100 research requests have been carried out in relation to the history of Claremont for members of the public. The Claremont Museum provides information on former Claremont businesses, house histories and family research.

## Promote and encourage an active lifestyle through supporting local community clubs, groups, recreation and leisure facilities

The Aquatic Centre continued to encourage an active lifestyle by operating a safe and accessible outdoor pool, open Monday to Sunday all year round. The centre caters for a wide range of physical levels and promotes individual and user group access at all times of the day. In addition, programs such as aqua aerobics are available, as well as events to encourage community interaction and promote fitness such as the annual Australia Day barbeque.

The Town provides support to the Claremont Recreation Club, Claremont Lawn Tennis Club, Parks and Footpaths Program to encourage walkability and active leisure



SUMMARY OF PERFORMANCE

# Environmental Sustainability

ASPIRATIONAL OUTCOME

*We are a leader in responsibly managing the built and natural environment for the enjoyment of the community, and continue to demonstrate diligent environmental practices*

## Take leadership in the community in environmental sustainability

The Town trialed the use of Recycled Asphalt Pavement for the first time in 19/20 and is one of the few local governments in the Metropolitan Area who has. Recycled asphalt was used as part of a re-sheet project on Mofflin Avenue, using a few different recycled materials including crumb rubber (from used vehicle tyres) 10% recycled asphalt removed from road, and 1% glass (crushed). On a project such as Mofflin Avenue this project resulted in the recycling of;



48,000 600ml plastic bottles



25 passenger car tyres



31,000 glass bottles

### Household waste



Implementation of Garden Organics bins which collected **390 Tonnes Collected** and **386 Tonnes Recovered.**



Domestic Hard Waste 347 Tonnes collected and **21 Tonnes Recovered.**



1,109 Recycling collected and **906 Tonnes Recovered.**



Bulk Greenwaste 302 Tonnes collected and **302 Tonnes Recovered.**



During 2019/20 the Town conducted annual nutrient tests of turf and adaption of fertiliser uses accordingly, utilising only organic fertilisers. In addition, the Town implemented and maintained nutrient striping swales and drainage facilities to ensure improved water qualities flowing into Lake Claremont.

Other ongoing initiatives to reduce our energy use includes the Aquatic Centre using geothermal heating to the pool water temperature which is a stable and sustainable renewable energy source and solar panels on the Town's administration building which provides cost efficient energy.

In terms of education and promotion, the Town coordinated a sustainability awareness program in July 2019 to support *Plastic Free July*. The Town continued to focus on reducing waste at events and a plastic free approach in the delivery of its programs was taken. All Library activities removed the use of balloons and plastic straws from their activities, and the annual event 'Celebrate Lake Claremont' continued to be plastic free, with no disposable cups.

Specific items such as household batteries and the lids from milk, water and soft drink bottles have easy access collection bins around the Town to encourage recycling of these products.

For the Lake, Phase 2 of the Bush Fire Hazard reduction was completed with the assistance of the Friends of Lake Claremont. The installation of a fire access gate at the bottom of Strickland Street and firebreaks between bushland and properties was completed.

Mosquito monitoring and in elevated areas further baiting of storm drains was implemented. Follow-up mosquito trapping was conducted in February 2020 and April 2020 which confirmed that both Councils treatments had reduced mosquito numbers.

In June 2020, the Town was supported a trial of a solar powered, self-compacting, smart bin called the FinBin.





In partnership with WESROC (Western Suburbs Regional Organisation of Councils), an assortment of environmental projects was undertaken:

- Native Plant Subsidy Scheme
- Western quarter groundwater aquifer recharge investigation
- Whadjuk Walking Trails
- Urban vegetation and heat spot mapping
- Western Suburbs Greening Plan 2020-2025
- Greening the Transit Reserve
- Feral animal control
- Mosquito program

## Aim for best-practice in water usage and waste minimisation, in line with community expectations

The Town undertakes regular monitoring of its many irrigation systems to ensure correct working order and efficiencies, introducing hydro zones to low use and poor grass coverage areas by way of installing native plants and reducing watering run times. Also, regular inspection results in breaks or vandalism rectified efficiently limiting water wastage.

In 2019/20 the Town completed the installation of water monitoring apps on its reticulation systems. These allow for real time management of all reticulation systems, prevent water wastage, failures of systems and allows Council staff to switch off systems when there are sudden rain falls.

The Aquatic Centre is endorsed by Water Wise for efforts in promoting water efficiency within the Centre.



This year's site increased the Town's bushland by over 4000m<sup>2</sup> and planted over 8000 native seedlings.



## Protect and conserve the natural flora and fauna of the Swan River foreshore and Lake Claremont

2019/20 saw the continuation of the annual planting of native seedlings and the creation of a new bushland site surrounding Lake Claremont.

Environmental Health Officers are actively involved in the annual project with the Department of Health to test the microbiological quality of the Swan River at three key sites in Claremont, being Mrs Herbert's Park, Jetty Road Jetty and Claremont Yacht Club.

The Town partnered with Department of Primary Industries and Regional Development in a supportive role to assist them with their Queensland Fruit Fly eradication program. This program was implemented to eradicate the pest from the area and ensure it does not jeopardise the Western Australian Fruit industry.

Due to COVID-19 restrictions the Town increased its frequency of collection by waste contractors to clear the public litter bins from streets and parks due to increase volumes as food businesses could only operate as a takeaway business and more people walking their dogs, led to increased waste in public bins.

The Town coordinates two advisory committees specific to the Lake and the foreshore. These committees have representatives from the community who are experience or passionate in environmental sustainability to help advise Council on these key natural locations.

The Town celebrates the Lake annually with a special event called "Celebrate Lake Claremont," which promotes the natural wildlife, environmental sustainability and the many volunteers who have contributed to protecting and enhancing the wetland.





## SUMMARY OF PERFORMANCE

# Local Prosperity

## ASPIRATIONAL OUTCOME

*Our businesses are thriving and integrated into the life of the Claremont community, and the town centre is known as a premier visitor destination*

Raise the profile of Claremont Town Centre as a visitor destination.

The Claremont Town Centre (CTC) project continued this fiscal year through the joint funding between Council and the Town Centre businesses through a specified area rate. The project plan for 19/20 included broad promotion through social media marketing, CTC website, and activations.

Prior to COVID-19 and the restrictions, the CTC project implemented three mini street festivals to activate quieter areas of the precinct and introduce a new audience to businesses in the area. Those festivals were:

### **Buon Natale - a celebration of Christmas**

Bay View Terrace Northern End

Thursday December 2019

Attendance 1200

### **Chinese New Year**

Avion Way

Thursday February 2020

Attendance 200 unfortunately the news of the pandemic impacted numbers at this event

### **Au Revoir Summer**

Walt Drabble Lane - Northern End

Thursday 27 February

Attendance 150 Raining

The CTC project continued its small grants program offering 5 business grants to support their own promotions and activations.

During COVID-19 restrictions the Town significantly altered its pre-existing grant programs, enabling businesses to seek funding to help promote themselves, individually or in cooperation with others, encouraging them to develop their online presence during the restrictive phases and to assist in their progression from these restrictions once they were lifted.

During the restrictions, the Town also acted as a conduit for many businesses, providing ready and easy access to information, advice and links to State and Federal funding and support services as they were required.

## Plan for the development of attractive and thriving activity nodes to support small local businesses

An Activity Centre Plan for the Claremont Town Centre commenced in earnest on this period, with base studies relating to traffic, parking, engineering, infrastructure, and retail/commercial impact for the Town being prepared.

A survey undertaken the year prior revealed that the cleanliness and safety of the Town Centre are highly valued and key features of the Centre. Resources to keep the town Centre clean and tidy increased in this period, and a new security patrol was introduced in March.



7,613 total users, 7,567 total new users  
Total sessions 8,782



2,018 followers



1,676 followers





## Support new and existing local small business and entrepreneurial activity

The challenges of the COVID-19 pandemic impacted small business and retailers exponentially in 2019/2020. In response, the Town, via the Claremont Town Centre (CTC) project, assisted by developing an online and social media strategy to promote businesses in the Town's Centre. Additional activity delivered to small business throughout the year included:

- recognition by the Small Business Development Corporation as a Small Business Friendly Local Government, ongoing participation in this initiative demonstrating the Town's commitment to working with and supporting local small businesses;
- ongoing provision of free professional development opportunities for local businesses. These workshops resulted in greater engagement by the Town with local businesses, strengthened partnership programs, and increased digital activity for the shopping precinct;
- provision of small grants to help businesses present activation programs that contribute to the economic and social well being of the town centre
- the Town's Scores on Doors program continued and by June 2020 there were a total of 41 food businesses that attained the top 5-star rating

NUMBER  
**ONE**  
CLAREMONT  
Town of Claremont  
Council Chambers & Administration

# Financials



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Town of Claremont

### Report on the Audit of the Financial Report

#### **Opinion**

I have audited the annual financial report of the Town of Claremont which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Town of Claremont:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Town for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### **Basis for Opinion**

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

#### **Emphasis of Matters – Basis of Accounting**

I draw attention to Notes 1 and 11 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Town's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

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

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

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

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

### **Auditor's Responsibility for the Audit of the Financial Report**

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

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

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

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

- (i) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
  - a. Accounting journal entries were posted with no evidence to demonstrate that they were subject to review and authorisation by an independent officer. This increased the risk of unauthorised journals being processed and funds misappropriated, however our audit testing did not identify any.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

### **Other Matter**

The financial ratios for 2018 in Note 29 of the annual financial report were audited by another auditor when performing their audit of the Town for the year ended 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Town of Claremont for the year ended 30 June 2020 included on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.

*Aloha Morrissey.*

ALOHA MORRISSEY  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
8 March 2021

**TOWN OF CLAREMONT**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	53

**COMMUNITY VISION**

Claremont will develop as a harmonious cosmopolitan town creating opportunities for community wellbeing and business prosperity; whilst respecting and celebrating the past.

Principal place of business:  
308 Stirling Highway Claremont WA 6010

**TOWN OF CLAREMONT  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached financial report of the Town of Claremont for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Town of Claremont at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 2nd day of March 2021



Chief Executive Officer

Liz Ledger

Name of Chief Executive Officer



**TOWN OF CLAREMONT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	22(a)	15,403,800	15,262,767	14,862,300
Operating grants, subsidies and contributions	2(a)	547,721	489,960	399,980
Fees and charges	2(a)	3,203,869	3,332,838	3,464,023
Service charges	22(c)	0	0	4,105,050
Interest earnings	2(a)	492,253	523,636	795,582
Other revenue	2(a)	890,872	272,807	421,876
		<b>20,538,515</b>	<b>19,882,008</b>	<b>24,048,811</b>
<b>Expenses</b>				
Employee costs		(7,245,688)	(7,538,887)	(6,831,511)
Materials and contracts		(5,919,188)	(6,222,183)	(9,463,922)
Utility charges		(549,278)	(554,995)	(618,893)
Depreciation on non-current assets	11(b)	(3,095,406)	(2,930,256)	(2,931,686)
Interest expenses	2(b)	(340,155)	(412,384)	(434,044)
Insurance expenses		(206,234)	(217,122)	(197,809)
Other expenditure		(459,219)	(1,188,796)	(942,140)
		<b>(17,815,168)</b>	<b>(19,064,623)</b>	<b>(21,420,005)</b>
		<b>2,723,347</b>	<b>817,385</b>	<b>2,628,806</b>
Non-operating grants, subsidies and contributions	2(a)	822,398	2,147,162	945,372
Profit on asset disposals	11(a)	10,528	0	1,440
(Loss) on asset disposals	11(a)	(9,840)	(17,792)	(32,030)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	(66,550)
Share of net loss of associate accounted for using the equity method	21	(96,022)	0	(170,073)
		<b>727,064</b>	<b>2,129,370</b>	<b>678,159</b>
<b>Net result for the period</b>		<b>3,450,411</b>	<b>2,946,755</b>	<b>3,306,965</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	6,735,875	0	48,112
<b>Total other comprehensive income for the period</b>		<b>6,735,875</b>	<b>0</b>	<b>48,112</b>
<b>Total comprehensive income for the period</b>		<b>10,186,286</b>	<b>2,946,755</b>	<b>3,355,077</b>

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



**TOWN OF CLAREMONT**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2020**



	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		93,823	20,794	39,376
General purpose funding		16,028,255	16,001,017	15,784,786
Law, order, public safety		23,919	15,300	28,614
Health		95,026	81,300	96,289
Community amenities		614,601	487,900	424,110
Recreation and culture		1,190,691	1,302,444	1,272,167
Transport		1,590,507	1,114,148	5,393,886
Economic services		898,205	854,224	977,020
Other property and services		3,488	4,881	32,563
		<b>20,538,515</b>	<b>19,882,008</b>	<b>24,048,811</b>
<b>Expenses</b>				
	2(b)			
Governance		(1,631,741)	(1,639,915)	(1,236,993)
General purpose funding		(371,248)	(581,092)	(421,456)
Law, order, public safety		(392,188)	(485,893)	(330,010)
Health		(398,156)	(365,954)	(394,623)
Education and welfare		(231,310)	(252,898)	(233,714)
Community amenities		(2,948,237)	(2,885,699)	(2,805,492)
Recreation and culture		(4,608,140)	(5,316,412)	(4,833,664)
Transport		(5,225,930)	(5,164,317)	(9,061,982)
Economic services		(1,567,789)	(1,945,832)	(1,648,461)
Other property and services		(100,274)	(14,227)	(19,566)
		<b>(17,475,013)</b>	<b>(18,652,239)</b>	<b>(20,985,961)</b>
<b>Finance Costs</b>				
	2(b)			
Governance		(35,892)	(46,001)	(48,308)
Recreation and culture		(84,047)	(91,988)	(97,338)
Transport		(81,957)	(101,848)	(106,931)
Economic services		(138,259)	(172,547)	(181,467)
		<b>(340,155)</b>	<b>(412,384)</b>	<b>(434,044)</b>
		<b>2,723,347</b>	<b>817,385</b>	<b>2,628,806</b>
Non-operating grants, subsidies and contributions	2(a)	822,398	2,147,162	945,372
Profit on disposal of assets	11(a)	10,528	0	1,440
(Loss) on disposal of assets	11(a)	(9,840)	(17,792)	(32,030)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	(66,550)
Share of net loss of associate accounted for using the equity method	21	(96,022)	0	(170,073)
		<b>727,064</b>	<b>2,129,370</b>	<b>678,159</b>
<b>Net result for the period</b>		<b>3,450,411</b>	<b>2,946,755</b>	<b>3,306,965</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	6,735,875	0	48,112
<b>Total other comprehensive income for the period</b>		<b>6,735,875</b>	<b>0</b>	<b>48,112</b>
<b>Total comprehensive income for the period</b>		<b>10,186,286</b>	<b>2,946,755</b>	<b>3,355,077</b>



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

**TOWN OF CLAREMONT**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	6,765,493	8,810,781
Trade and other receivables	6	1,734,457	2,235,668
Other financial assets	5(a)	12,866,008	7,589,552
Inventories	7	9,200	4,625
Other assets	8	2,379	43,436
<b>TOTAL CURRENT ASSETS</b>		<b>21,377,537</b>	<b>18,684,062</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	294,975	269,039
Inventories	7	128,725	128,725
Investment in associate	21	777,705	873,727
Property, plant and equipment	9	79,268,391	72,089,762
Infrastructure	10	45,764,648	46,029,148
Right of use assets	12(a)	29,686	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>126,264,130</b>	<b>119,390,401</b>
<b>TOTAL ASSETS</b>		<b>147,641,667</b>	<b>138,074,463</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	2,977,295	2,983,020
Lease liabilities	15(a)	24,742	0
Borrowings	16(a)	1,895,160	511,983
Employee related provisions	17	1,331,779	1,293,638
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,228,976</b>	<b>4,788,641</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15(a)	4,944	0
Borrowings	16(a)	8,608,082	10,503,242
Employee related provisions	17	127,023	137,585
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>8,740,049</b>	<b>10,640,827</b>
<b>TOTAL LIABILITIES</b>		<b>14,969,025</b>	<b>15,429,468</b>
<b>NET ASSETS</b>		<b>132,672,642</b>	<b>122,644,995</b>
<b>EQUITY</b>			
Retained surplus		55,644,391	53,376,841
Reserves - cash/financial asset backed	4	12,866,008	11,841,786
Revaluation surplus	13	64,162,243	57,426,368
<b>TOTAL EQUITY</b>		<b>132,672,642</b>	<b>122,644,995</b>

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



**TOWN OF CLAREMONT**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

		RESERVES CASH/FINANCIAL			
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
				TOTAL EQUITY	
		\$		\$	
<b>Balance as at 1 July 2018</b>		<b>52,106,480</b>	<b>9,805,182</b>	<b>57,378,256</b>	<b>119,289,918</b>
Comprehensive income					
Net result for the period		3,306,965	0	0	3,306,965
Other comprehensive income	13	0	0	48,112	48,112
Total comprehensive income		3,306,965	0	48,112	3,355,077
Transfers from reserves	4	431,897	(431,897)	0	0
Transfers to reserves	4	(2,468,501)	2,468,501	0	0
<b>Balance as at 30 June 2019</b>		<b>53,376,841</b>	<b>11,841,786</b>	<b>57,426,368</b>	<b>122,644,995</b>
Change in accounting policy	25(c)	(158,639)	0	0	(158,639)
<b>Restated total equity at 1 July 2019</b>		<b>53,218,202</b>	<b>11,841,786</b>	<b>57,426,368</b>	<b>122,486,356</b>
Comprehensive income					
Net result for the period		3,450,411	0	0	3,450,411
Other comprehensive income	13	0	0	6,735,875	6,735,875
Total comprehensive income		3,450,411	0	6,735,875	10,186,286
Transfers to reserves	4	(1,024,222)	1,024,222	0	0
<b>Balance as at 30 June 2020</b>		<b>55,644,391</b>	<b>12,866,008</b>	<b>64,162,243</b>	<b>132,672,642</b>

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

**TOWN OF CLAREMONT**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		15,084,856	15,262,767	14,828,426
Operating grants, subsidies and contributions		1,125,901	489,960	406,897
Fees and charges		3,203,869	3,332,838	3,464,023
Service charges		0		2,346,284
Interest received		492,253	523,636	795,582
Goods and services tax received		0	2,550,000	235,565
Other revenue		890,872	272,807	421,876
		<u>20,797,751</u>	<u>22,432,008</u>	<u>22,498,653</u>
<b>Payments</b>				
Employee costs		(7,117,908)	(7,538,887)	(7,006,167)
Materials and contracts		(5,988,632)	(6,686,369)	(7,920,758)
Utility charges		(549,278)	(554,995)	(618,893)
Interest expenses		(340,155)	(412,384)	(434,775)
Insurance paid		(206,234)	(217,122)	(197,809)
Goods and services tax refund/(paid)		57,400	(2,550,000)	(262,828)
Other expenditure		(459,219)	(724,610)	(942,140)
		<u>(14,604,026)</u>	<u>(18,684,367)</u>	<u>(17,383,370)</u>
<b>Net cash provided by operating activities</b>	18	<u>6,193,725</u>	<u>3,747,641</u>	<u>5,115,283</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for financial assets at fair values through profit and loss		0	0	2,131,909
Payments for purchase of property, plant & equipment	9(a)	(1,535,064)	(3,312,700)	(696,474)
Payments for construction of infrastructure	10(a)	(1,824,772)	(2,885,113)	(2,632,356)
Non-operating grants, subsidies and contributions	2(a)	822,398	2,147,162	945,372
Proceeds from financial assets at amortised cost - term deposits		(5,276,456)	0	0
Proceeds from sale of property, plant & equipment	11(a)	118,561	77,800	74,729
<b>Net cash (used in) investment activities</b>		<u>(7,695,333)</u>	<u>(3,972,851)</u>	<u>(176,820)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(511,983)	(511,984)	(5,903,364)
Payments for principal portion of lease liabilities	15(b)	(31,697)	0	0
Proceeds from new borrowings	16(b)	0	300,000	5,200,000
<b>Net cash (used in) financing activities</b>		<u>(543,680)</u>	<u>(211,984)</u>	<u>(703,364)</u>
<b>Net (decrease) increase in cash held</b>		<u>(2,045,288)</u>	<u>(437,194)</u>	<u>4,235,099</u>
Cash at beginning of year		8,810,781	13,708,872	4,575,682
<b>Cash and cash equivalents at the end of the year</b>	18	<u><u>6,765,493</u></u>	<u><u>13,271,678</u></u>	<u><u>8,810,781</u></u>

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

**TOWN OF CLAREMONT**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	23 (b)	2,406,979	801,624	2,106,549
		2,406,979	801,624	2,106,549
<b>Revenue from operating activities (excluding rates)</b>				
Governance		93,823	20,794	39,376
General purpose funding		743,036	858,250	1,042,489
Law, order, public safety		28,984	15,300	28,614
Health		95,026	81,300	96,289
Community amenities		614,601	487,900	424,110
Recreation and culture		1,190,691	1,302,444	1,272,167
Transport		1,590,507	1,114,148	5,393,886
Economic services		802,183	854,224	977,020
Other property and services		8,951	4,881	34,003
		5,167,802	4,739,241	9,307,954
<b>Expenditure from operating activities</b>				
Governance		(1,667,633)	(1,685,916)	(1,314,620)
General purpose funding		(371,248)	(581,092)	(421,456)
Law, order, public safety		(392,188)	(489,688)	(330,010)
Health		(398,156)	(365,954)	(399,363)
Education and welfare		(231,310)	(252,898)	(233,714)
Community amenities		(2,955,121)	(2,893,272)	(2,975,565)
Recreation and culture		(4,692,665)	(5,410,198)	(4,956,559)
Transport		(5,307,887)	(5,266,165)	(9,175,683)
Economic services		(1,706,048)	(2,118,379)	(1,832,413)
Other property and services		(102,752)	(18,853)	(49,275)
		(17,825,008)	(19,082,415)	(21,688,658)
Non-cash amounts excluded from operating activities	23(a)	3,154,242	2,948,048	3,082,600
<b>Amount attributable to operating activities</b>		(7,095,985)	(10,593,502)	(7,191,555)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	822,398	2,147,162	945,372
Proceeds from disposal of assets	11(a)	118,561	77,800	74,729
Purchase of property, plant and equipment	9(a)	(1,535,064)	(3,312,700)	(696,474)
Purchase and construction of infrastructure	10(a)	(1,824,772)	(2,885,113)	(2,632,356)
<b>Amount attributable to investing activities</b>		(2,418,877)	(3,972,851)	(2,308,729)
<b>FINANCING ACTIVITIES</b>				
Transfers from/to Restricted Assets		0	0	(344,679)
Repayment of borrowings	16(b)	(511,983)	(511,984)	(5,903,364)
Proceeds from borrowings	16(c)	0	300,000	5,200,000
Payments for principal portion of lease liabilities	15(b)	(31,697)	0	0
Transfers to reserves (restricted assets)	4	(1,024,222)	(688,584)	(2,468,501)
Transfers from reserves (restricted assets)	4	0	365,000	431,897
<b>Amount attributable to financing activities</b>		(1,567,902)	(535,568)	(3,084,647)
<b>Surplus/(deficit) before imposition of general rates</b>		(11,082,764)	(15,101,921)	(12,584,931)
<b>Total amount raised from general rates</b>	22(a)	15,285,219	15,142,767	14,742,297
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>4,202,455</b>	<b>40,846</b>	<b>2,157,366</b>

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

**TOWN OF CLAREMONT**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash/Financial Asset	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Other Assets	20
Note 9	Property, Plant and Equipment	21
Note 10	Infrastructure	23
Note 11	Fixed Assets	25
Note 12	Leases	28
Note 13	Revaluation Surplus	29
Note 14	Trade and Other Payables	30
Note 15	Lease Liabilities	31
Note 16	Information on Borrowings	32
Note 17	Employee Provisions	34
Note 18	Notes to the Statement of Cash Flows	35
Note 19	Total Assets Classified by Function and Activity	36
Note 20	Related Party Transactions	37
Note 21	Investment in Associate	39
Note 22	Rating Information	40
Note 23	Rate Setting Statement Information	43
Note 24	Financial Risk Management	44
Note 25	Initial Application of Australian Accounting Standards	47
Note 26	Trust Funds	49
Note 27	Other Significant Accounting Policies	50
Note 28	Activities/Programs	51
Note 29	Financial Ratios	52

## **1. BASIS OF PREPARATION**

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

### **AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Town. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Town has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Town to measure any vested improvements at zero cost.

The Town has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the 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.

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

On 1 July 2020 the following new accounting standards are to be adopted:

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

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

### **CRITICAL ACCOUNTING ESTIMATES**

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

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

### **THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 26 to these financial statements.

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by Council at point of adoption of budget	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council at point of adoption of budget	Refund in event monies are unspent over life of 3 year cycle, unless retained in Reserve for future 3 year cycle	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council at point of adoption of budget	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed term transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Not applicable	Output method based on project milestones and/or completion date matched to performance obligations as inputs
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed term transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual	General appropriations and contributions with no reciprocal commitment	No obligations	Fixed term transfer of funds without milestones or reporting requirements	Not applicable	Cash received, prior advice of customer	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, town planning and development, heritage approvals, infrastructure permits and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation to the cost of provision or by Council in adopted Fees and Charges	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, environmental health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbise collection service	Overtime	Payment on an annual basis in advance	None	Adopted by council annually	Appointed equally across the collection period	Not applicable	Output method based on regular weekly, fortnightly or other scheduled collection period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls, facilities and reserves	Single point in time	In full in advance	Refund if event cancelled within 14 days where pre booking is provided for Meals on Wheels. Reserve bookings paid at point of access or hire, no refund applicable	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - memberships	Aquatic Centre membership	Over time	Payment in full in advance	Extend the period of the membership beyond the 12 month period based on	Adopted by council annually	Appointed equally across the access period	Returns limited to repayment of	Output method over 12 months matched to access right
Fees and charges for other goods and services	Library fees	Single point in time	Payment in full in advance or on generation of event (lost books etc)	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Aquatic Centre kiosk	Single point in time	In full at point of sale	Refund for faulty goods	Cost plus 50-100%	Applied fully based on timing of provision	Returns limited to repayment of	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on point of sale	None	Set by mutual agreement with the customer or as event is programmed	On receipt of funds	Not applicable	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Grant revenue**

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

	<b>2020 Actual</b>	<b>2020 Budget</b>	<b>2019 Actual</b>
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	341,325	317,600	332,693
Law, order, public safety	0	0	4,000
Community amenities	154,650	105,000	0
Recreation and culture	10,112	1,760	1,773
Transport	36,134	40,600	34,514
Economic services	5,500	25,000	27,000
	<b>547,721</b>	<b>489,960</b>	<b>399,980</b>
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	225,000	1,600,000	25,000
Transport	597,398	547,162	920,372
	<b>822,398</b>	<b>2,147,162</b>	<b>945,372</b>
<b>Total grants, subsidies and contributions</b>	<b>1,370,119</b>	<b>2,637,122</b>	<b>1,345,352</b>
<b>Fees and charges</b>			
Governance	2,830	300	150
General purpose funding	113,227	106,150	107,580
Law, order, public safety	23,764	15,100	24,354
Health	93,535	81,200	93,638
Community amenities	457,637	382,700	420,391
Recreation and culture	1,121,730	1,268,096	1,224,355
Transport	759,768	827,300	958,013
Economic services	631,378	651,992	635,542
	<b>3,203,869</b>	<b>3,332,838</b>	<b>3,464,023</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

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

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

**Fees and Charges**

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

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

**(a) Revenue (Continued)**

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

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions	547,721	489,960	399,980
Fees and charges	3,203,869	3,332,838	3,464,023
Non-operating grants, subsidies and contributions	822,398	2,147,162	945,372
	<u>4,573,988</u>	<u>5,969,960</u>	<u>4,809,375</u>

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

Other revenue from contracts with customers recognised during the year	3,751,590	3,822,798	3,864,003
Other revenue from performance obligations satisfied during the year	822,398	2,147,162	945,372
	<u>4,573,988</u>	<u>5,969,960</u>	<u>4,809,375</u>

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

Trade and other receivables from contracts with customers	1,360,138		1,938,318
-----------------------------------------------------------	-----------	--	-----------



**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. CASH AND CASH EQUIVALENTS**

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	4,633,601	5,699,258
Term deposits	2,131,892	3,111,523
<b>Total cash and cash equivalents</b>	<b>6,765,493</b>	<b>8,810,781</b>
<b>Restrictions</b>		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	0	4,252,234
- Financial assets at amortised cost	12,866,008	7,589,552
	<b>12,866,008</b>	<b>11,841,786</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash/financial asset backed	4	12,866,008
<b>Total restricted assets</b>	<b>12,866,008</b>	<b>11,841,786</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

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



**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Financial assets at amortised cost**

Term deposits

	2020	2019
	\$	\$
	12,866,008	7,589,552
	<u>12,866,008</u>	<u>7,589,552</u>
	12,866,008	7,589,552
	<u>12,866,008</u>	<u>7,589,552</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 24.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable	
Trade and other receivables	
GST receivable	

### Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2020	2019
\$	\$
338,657	204,288
1,360,138	1,938,318
35,662	93,062
1,734,457	2,235,668
294,975	269,039
294,975	269,039

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

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

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

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 24.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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

## 7. INVENTORIES

### Current

Aquatic Centre Shop

### Non-current

Land held for resale - cost

Cost of acquisition

The following movements in inventories occurred during the year:

**Carrying amount at beginning of the year**

Additions to inventory

**Carrying amount at end of the year**

	2020	2019
	\$	\$
	9,200	4,625
	9,200	4,625
	128,725	128,725
	128,725	128,725
	133,350	128,725
	4,575	4,625
	137,925	133,350

### SIGNIFICANT ACCOUNTING POLICIES

#### General

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

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

#### Land held for resale

Land held for development and resale 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.

#### Land held for resale (Continued)

Borrowing 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 onto the buyer at this point.

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

## 8. OTHER ASSETS

### Other assets - current

Accrued income

	2020	2019
	\$	\$
	2,379	43,436
	<u>2,379</u>	<u>43,436</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### Other current assets

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**9. PROPERTY, PLANT AND EQUIPMENT**

**(a) 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.

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment - Minor	Plant and equipment - Major	Electronic Equipment	Motor Vehicles	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	44,544,971	44,544,971	1,048,439	25,051,371	26,099,810	70,644,781	293,011	367,467	40,173	569,872	464,873	58,603	72,438,780
Additions	0	0	0	369,649	369,649	369,649	6,944	127,011	22,865	11,166	116,356	42,483	696,474
(Disposals)	0	0	0	0	0	0	0	0	0	0	(105,319)	0	(105,319)
Depreciation (expense)	0	0	(18,362)	(482,537)	(500,899)	(500,899)	(48,817)	(119,212)	(19,273)	(178,336)	(73,636)	0	(940,173)
<b>Carrying amount at 30 June 2019</b>	44,544,971	44,544,971	1,030,077	24,938,483	25,968,560	70,513,531	251,138	375,266	43,765	402,702	402,274	101,086	72,089,762
<b>Comprises:</b>													
Gross carrying amount at 30 June 2019	44,544,971	44,544,971	1,066,800	25,906,336	26,973,136	71,518,107	391,817	664,780	92,502	796,535	523,702	101,086	74,088,529
Accumulated depreciation at 30 June 2019	0	0	(36,723)	(967,853)	(1,004,576)	(1,004,576)	(140,679)	(289,514)	(48,737)	(393,833)	(121,428)	0	(1,998,767)
<b>Carrying amount at 30 June 2019</b>	44,544,971	44,544,971	1,030,077	24,938,483	25,968,560	70,513,531	251,138	375,266	43,765	402,702	402,274	101,086	72,089,762
Additions	0	0	0	953,467	953,467	953,467	0	275,790	0	85,356	111,208	109,243	1,535,064
(Disposals)	0	0	0	0	0	0	0	0	0	0	(117,873)	0	(117,873)
Revaluation increments / (decrements) transferred to revaluation surplus	7,937,500	7,937,500	0	(1,201,625)	(1,201,625)	6,735,875	0	0	0	0	0	0	6,735,875
Depreciation (expense)	0	0	(18,360)	(505,448)	(523,808)	(523,808)	(45,816)	(162,316)	(12,731)	(158,083)	(71,683)	0	(974,437)
Transfers	0	0	0	58,603	58,603	58,603	0	0	0	0	0	(58,603)	0
<b>Carrying amount at 30 June 2020</b>	52,482,471	52,482,471	1,011,717	24,243,480	25,255,197	77,737,668	205,322	488,740	31,034	329,975	323,926	151,726	79,268,391
<b>Comprises:</b>													
Gross carrying amount at 30 June 2020	52,482,471	52,482,471	1,066,800	25,577,248	26,644,048	79,126,519	391,817	855,545	92,502	881,891	517,037	151,726	82,017,037
Accumulated depreciation at 30 June 2020	0	0	(55,083)	(1,333,768)	(1,388,851)	(1,388,851)	(186,495)	(366,805)	(61,468)	(551,916)	(193,111)	0	(2,748,646)
<b>Carrying amount at 30 June 2020</b>	52,482,471	52,482,471	1,011,717	24,243,480	25,255,197	77,737,668	205,322	488,740	31,034	329,975	323,926	151,726	79,268,391

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

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

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2 3	Market approach using recent observable or estimated data for similar properties.	Independent & Management Valuation	June 2017	Market or estimated price per square metre
Land - vested in and under the control of Council	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2017	Price per square metre
Buildings - non-specialised	2	Market approach using recent observable data for similar properties.	Independent Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life (Level 3) inputs.
Buildings - specialised	2	Market approach using recent observable data for similar properties.	Independent Valuation	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life (Level 3) inputs.
<b>Plant and equipment - Major</b>	2	Market approach using recent observable data for similar properties.	Management Valuation	June 2018	Price per item
<b>Furniture and Equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Electronic Equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
<b>Motor Vehicles</b>	2	Market approach using recent observable data for similar properties.	Management Valuation	June 2018	Price per item

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

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**10. INFRASTRUCTURE**

**(a) 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.

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - Parks and Reserves	Infrastructure - Car Parks	Infrastructure - Street Furniture	Infrastructure - Streetlights	Infrastructure - Artefact	Infrastructure - Public Arts Collection	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	18,180,753	13,754,303	4,601,158	4,265,722	1,616,811	887,308	369,000	1,298,000	415,250	45,388,305
<b>Additions</b>	1,432,379	622,484	11,741	487,423	32,517	8,333	31,306	0	6,173	2,632,356
<b>Depreciation (expense)</b>	(1,024,296)	(488,507)	(55,214)	(263,196)	(87,961)	(37,177)	(24,947)	0	(10,213)	(1,991,513)
<b>Carrying amount at 30 June 2019</b>	18,588,834	13,888,280	4,557,685	4,489,949	1,561,367	858,464	375,359	1,298,000	411,210	46,029,148
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	19,613,132	14,376,787	4,612,899	4,753,145	1,649,328	895,641	400,306	1,298,000	421,423	48,020,661
Accumulated depreciation at 30 June 2019	(1,024,296)	(488,507)	(55,214)	(263,196)	(87,961)	(37,177)	(24,947)	0	(10,213)	(1,991,513)
<b>Carrying amount at 30 June 2019</b>	18,588,834	13,888,280	4,557,685	4,489,949	1,561,367	858,464	375,359	1,298,000	411,210	46,029,148
<b>Additions</b>	1,188,324	467,483	53,223	114,184	0	1,558	0	0	0	1,824,772
<b>Depreciation (expense)</b>	(1,100,521)	(498,587)	(55,355)	(272,940)	(88,608)	(37,357)	(25,572)	0	(10,332)	(2,089,272)
<b>Carrying amount at 30 June 2020</b>	18,676,637	13,857,176	4,555,553	4,331,193	1,472,759	822,665	349,787	1,298,000	400,878	45,764,648
<b>Comprises:</b>										
Gross carrying amount at 30 June 2020	20,801,456	14,844,270	4,666,123	4,867,330	1,649,328	897,198	400,306	1,298,000	421,423	49,845,434
Accumulated depreciation at 30 June 2020	(2,124,819)	(987,094)	(110,570)	(536,137)	(176,569)	(74,533)	(50,519)	0	(20,545)	(4,080,786)
<b>Carrying amount at 30 June 2020</b>	18,676,637	13,857,176	4,555,553	4,331,193	1,472,759	822,665	349,787	1,298,000	400,878	45,764,648

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**10. INFRASTRUCTURE (Continued)**

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks and Reserves	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Car Parks	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Street Furniture	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Streetlights	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Artefact	2	Market approach using recent observable market data for similar assets	Independent Valuer	June 2018	Market price per item
Infrastructure - Public Arts Collection	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

## 11. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Town includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

#### Revaluation

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

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

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Town was previously required to include as an asset (by 30 June 2013), vested 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.

#### Land under roads prior to 1 July 2019

In Western Australia, most 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 then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited 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 was not included as an asset of the Town.

#### Land under roads from 1 July 2019

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

The Town has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

#### Vested improvements from 1 July 2019

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

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**11. FIXED ASSETS**

(a) Disposals of Assets

	2020			2020			2020			2020			2020			2020		
	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Loss	Budget Net Book Value	Budget Sale Proceeds	2020 Budget Profit	Budget Net Book Value	Budget Sale Proceeds	2020 Budget Loss	Actual Net Book Value	Actual Sale Proceeds	2019 Actual Profit	Actual Net Book Value	Actual Sale Proceeds	2019 Actual Loss
Motor Vehicles	117,873	118,561	10,528	117,873	118,561	(9,840)	95,592	77,800	0	105,319	74,729	(17,792)	105,319	74,729	1,440	105,319	74,729	(32,030)
	117,873	118,561	10,528	117,873	118,561	(9,840)	95,592	77,800	0	105,319	74,729	(17,792)	105,319	74,729	1,440	105,319	74,729	(32,030)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
<b>Plant and Equipment</b>				
<b>Law, order, public safety</b>				
PE403 - Manager Community Safety and Rangers	19,253	24,318	5,065	0
<b>Community amenities</b>				
PE401 - Director Planning 1GDI527	24,763	17,879	0	(6,884)
<b>Recreation and culture</b>				
PE395 - Manager Pool 1GCV865	15,478	15,000	0	(478)
<b>Transport</b>				
PE371 - Ute Field Officer 1EHO198	8,521	10,909	2,388	0
PE389 - Works Coordinator 1GBC053	16,309	16,591	282	0
PE396 - Coordinator Infra. 1GDI155	16,071	18,864	2,793	0
PE400 - Supervisor Parks 1GEF300	17,478	15,000	0	(2,478)
	117,873	118,561	10,528	(9,840)

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**11. FIXED ASSETS**

**(b) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	18,360	0	18,362
Buildings - specialised	505,448	510,948	482,537
Furniture and equipment	45,816	50,424	48,817
Plant and equipment - Minor	162,316	0	119,212
Plant and equipment - Major	12,731	252,276	19,273
Electronic Equipment	158,083	180,312	178,336
Motor Vehicles	71,683	0	73,636
Infrastructure - roads	1,100,521	1,936,296	1,024,298
Infrastructure - footpaths	498,587	0	488,507
Infrastructure - drainage	55,355	0	55,214
Infrastructure - Parks and Reserves	272,940	0	263,196
Infrastructure - Car Parks	88,608	0	87,961
Infrastructure - Street Furniture	37,357	0	37,177
Infrastructure - Streetlights	25,572	0	24,947
Infrastructure - Public Arts Collection	10,332	0	10,213
Right of use assets - IT Equipment	31,697	0	0
	<b>3,095,406</b>	<b>2,930,256</b>	<b>2,931,686</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

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

**Depreciation rates**

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

Asset Class	Useful life
Buildings:	
Buildings	40 to 80 years
Buildings Fixtures and fittings	10 to 15 years
Furniture and Equipment:	
Furniture	10 years
Electronic Equipment:	
Computers and peripherals	3 to 5 years
Other electronic equipment	3 to 10 years
Plant and Equipment:	
Motor Vehicles	5 to 8 years
Plant and Equipment Minor	5 to 8 years
Plant and Equipment Major	7 to 10 years
Infrastructure:	
Road/ Car Park Pavement	40 to 50 years
Road/ Car Park Formation	20 to 30 years
Footpaths	30 to 50 years
Drainage	90 to 100 years
Parks and Reserves	20 to 40 years
Street Furniture	10 to 20 years
Street Lights	20 to 30 years
Public Art Collection	40 to 50 years

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

## 12. LEASES

### (a) Right of Use Assets

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

	Right of use assets - IT Equipment	Right of use assets Total
	\$	
<b>Carrying amount at 30 June 2019</b>	0	0
Recognised on initial application of AASB 16	61,383	61,383
<b>Restated total equity at the beginning of the financial year</b>	61,383	61,383
Depreciation (expense)	(31,697)	(31,697)
<b>Carrying amount at 30 June 2020</b>	29,686	29,686
<b>(b) Cash outflow from leases</b>		
Interest expense on lease liabilities	897	897
Lease principal expense	30,800	30,800
<b>Total cash outflow from leases</b>	31,697	31,697

### SIGNIFICANT ACCOUNTING POLICIES

#### Leases

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

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

Right of use assets are subsequently measured under the revaluation model as they relate to asset classes that are also revalued.

#### Leases (continued)

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

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

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**13. REVALUATION SURPLUS**

	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	2020 Closing Balance	2020 Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Closing Balance	2019 Total Movement on Revaluation	2019 Closing Balance
Revaluation surplus - Land - freehold land	33,281,729	7,937,500	0	41,219,229	7,937,500	33,281,729	33,281,729	0	0	33,281,729	0	33,281,729
Revaluation surplus - Land - vested in and under the control of Council	617,710	0	0	617,710	0	617,710	617,710	0	0	617,710	0	617,710
Revaluation surplus - Buildings - non-specialised	161,563	0	0	161,563	0	161,563	161,563	0	0	161,563	0	161,563
Revaluation surplus - Buildings - specialised	8,476,349	0	(1,201,625)	7,274,724	(1,201,625)	8,476,349	8,476,349	0	0	8,476,349	0	8,476,349
Revaluation surplus - Plant and equipment - Minor	549,764	0	0	549,764	0	549,764	549,764	0	0	549,764	0	549,764
Revaluation surplus - Plant and equipment - Major	24,499	0	0	24,499	0	24,499	24,499	0	0	24,499	0	24,499
Revaluation surplus - Furniture and Equipment	59,622	0	0	59,622	0	59,622	59,622	0	0	59,622	0	59,622
Revaluation surplus - Electronic Equipment	290,432	0	0	290,432	0	290,432	290,432	0	0	290,432	0	290,432
Revaluation surplus - Motor Vehicles	33,333	0	0	33,333	0	33,333	33,333	0	0	33,333	0	33,333
Revaluation surplus - Infrastructure - roads	2,722,318	0	0	2,722,318	0	2,722,318	2,722,318	0	0	2,722,318	0	2,722,318
Revaluation surplus - Infrastructure - footpaths	6,970,083	0	0	6,970,083	0	6,970,083	6,970,083	0	0	6,970,083	0	6,970,083
Revaluation surplus - Infrastructure - drainage	955,086	0	0	955,086	0	955,086	955,086	0	0	955,086	0	955,086
Revaluation surplus - Infrastructure - Parks and Reserves	1,254,140	0	0	1,254,140	0	1,254,140	1,254,140	0	0	1,254,140	0	1,254,140
Revaluation surplus - Infrastructure - Car Parks	714,490	0	0	714,490	0	714,490	714,490	0	0	714,490	0	714,490
Revaluation surplus - Infrastructure - Street Furniture	553,082	0	0	553,082	0	553,082	553,082	0	0	553,082	0	553,082
Revaluation surplus - Infrastructure - Streetlights	6,271	0	0	6,271	0	6,271	6,271	0	0	6,271	0	6,271
Revaluation surplus - Infrastructure - Artefact	554,000	0	0	554,000	0	554,000	554,000	0	0	554,000	0	554,000
Revaluation surplus - Infrastructure - Public Arts Collection	7,604	0	0	7,604	0	7,604	7,604	0	0	7,604	0	7,604
Revaluation surplus - Investment in Associate	61,779	0	0	61,779	0	61,779	13,667	48,112	0	48,112	0	61,779
Revaluation surplus - Reticulation	132,514	0	0	132,514	0	132,514	132,514	0	0	132,514	0	132,514
	57,426,368	7,937,500	(1,201,625)	64,162,243	6,735,875	57,426,368	57,378,256	48,112	0	48,112	0	57,426,368

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40, 1.

## 14. TRADE AND OTHER PAYABLES

### Current

Sundry payables
Accrued salaries and wages
Bonds and deposits held
Accrued interest
Rates in Credit

2020	2019
\$	\$
1,303,617	1,627,446
178,073	77,872
1,315,689	1,259,139
20,756	18,563
159,160	0
2,977,295	2,983,020

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

#### Prepaid rates

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

TOWN OF CLAREMONT  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

15. LEASE LIABILITIES

	2020	2019
(a) Lease Liabilities	\$	\$
Current	24,742	0
Non-current	4,944	0
	29,686	0

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	30 June 2020		30 June 2020		30 June 2020	
					Actual Lease Principal	Actual Lease Principal	Actual Lease Principal	Actual Lease Interest	Actual Lease Principal	Actual Lease Interest
<b>Governance</b>										
IT equipment		IBM		4 years	44,492	19,774	24,718	0		
IT equipment		Kyocera		4 years	16,891	11,923	4,968	0		
					61,383	31,697	29,686	0		
					\$	\$	\$	\$		

\* Whilst the Leases listed above existed in the previous financial year, they were considered immaterial and not recognised in the 2018/2019 Annual Financial Statements as a lease liability under the scope of AASB 16. They were reported in the 2018/2019 Annual Financial Statements in Note 19(a) as Operating Lease Commitments.



TOWN OF CLAREMONT  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

16. INFORMATION ON BORROWINGS (Continued)

	2020	2019
	\$	\$
<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	150,000	50,000
Credit card balance at balance date	(15,026)	(15,130)
<b>Total amount of credit unused</b>	<b>134,974</b>	<b>34,870</b>
<b>Loan facilities</b>		
Loan facilities - current	1,895,160	511,983
Loan facilities - non-current	8,608,082	10,503,242
Lease liabilities - current	24,742	0
Lease liabilities - non-current	4,944	0
<b>Total facilities in use at balance date</b>	<b>10,532,928</b>	<b>11,015,225</b>
<b>Unused loan facilities at balance date</b>	<b>0</b>	<b>0</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 24.

## 17. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

	Provision for Annual & Personal Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2019</b>			
Current provisions	727,835	565,803	1,293,638
Non-current provisions	0	137,585	137,585
	727,835	703,388	1,431,223
Additional provision	(34,732)	62,311	27,579
<b>Balance at 30 June 2020</b>	693,103	765,699	1,458,802
<b>Comprises</b>			
Current	693,103	638,676	1,331,779
Non-current	0	127,023	127,023
	693,103	765,699	1,458,802

	2020	2019
	\$	\$
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	1,308,747	300,000
More than 12 months from reporting date	127,023	1,107,358
Expected reimbursements from other WA local governments	23,032	23,865
	1,458,802	1,431,223

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

##### Other long-term employee benefits (Continued)

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

##### Provisions

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

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

## 18. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	6,765,493	13,271,678	8,810,781
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	3,450,411	2,946,755	3,306,965
Non-cash flows in Net result:			
Adjustments to fair value of investment property	0	0	66,550
Depreciation on non-current assets	3,095,406	2,930,256	2,931,686
(Profit)/loss on sale of asset	(688)	17,792	30,590
Share of loss of associate	96,022	0	170,073
Changes in assets and liabilities:			
(Increase)/decrease in receivables	475,275	0	(1,812,986)
(Increase)/decrease in other assets	41,057	0	1,803
(Increase)/decrease in inventories	(4,575)	0	(4,625)
Increase/(decrease) in payables	(164,364)	0	1,503,893
Increase/(decrease) in provisions	27,579	0	(133,294)
Non-operating grants, subsidies and contributions	(822,398)	(2,147,162)	(945,372)
Net cash from operating activities	6,193,725	3,747,641	5,115,283

## 19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	6,918,949	7,057,739
Law, order, public safety	81,870	104,948
Health	475,112	489,356
Education and welfare	15,492,484	8,823,857
Community amenities	307,215	1,066,599
Recreation and culture	32,013,266	31,405,906
Transport	49,755,449	49,903,036
Economic services	19,923,603	19,978,275
Other property and services	223,503	291,648
Unallocated	22,450,217	18,953,099
	<b>147,641,667</b>	<b>138,074,463</b>

## 20. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

	2020 Actual	2020 Budget	2019 Actual
The following fees, expenses and allowances were paid to council members, Mayor and Deputy Mayor	\$	\$	\$
Meeting fees	172,644	172,645	170,936
Mayor's allowance	36,957	36,958	36,591
Deputy Mayor's allowance	9,216	9,240	9,148
Travelling expenses	0	1,000	0
Telecommunications allowance	35,000	35,000	35,019
	<b>253,817</b>	<b>254,843</b>	<b>251,694</b>

### Key Management Personnel (KMP) Compensation Disclosure

	2020 Actual	2019 Actual
The total of remuneration paid to KMP of the Town during the year are as follows:	\$	\$
Short-term employee benefits	932,308	946,562
Post-employment benefits	91,352	129,064
Other long-term benefits	21,147	23,654
Termination benefits	20,224	0
	<b>1,065,030</b>	<b>1,099,280</b>

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

#### *Termination benefits*

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

## 20. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Sale of goods and services	17,879	0
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	388	0

### Related Parties

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

##### *i. Key management personnel*

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

##### *ii. Other Related Parties*

The associated person of KMP was employed by the Town under normal employment terms and conditions.

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

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

**21. INVESTMENT IN ASSOCIATE**

	2020	2019
	\$	\$
<b>Carrying amount of investment in associate</b>		
The Town together with the Town of Cottesloe, the Town of Mosman Park, the Shire of Peppermint Grove and the City of Subiaco have an interest in the Western Metropolitan Regional Council (WMRC) waste transfer station. The Council was formed to provide for the efficient treatment and/or disposal of waste. A waste transfer station was constructed from funds provided from constituent Councils. The voting power held by the Town is 20%. The Town's 21.34% share of the net assets are included as follows:		
Current assets	425,388	514,959
Non current assets	492,173	479,428
<b>Total assets</b>	<b>917,561</b>	<b>994,387</b>
Current liabilities	132,378	116,525
Non current liabilities	7,478	4,135
<b>Total liabilities</b>	<b>139,856</b>	<b>120,660</b>
<b>Net assets</b>	<b>777,705</b>	<b>873,727</b>
<b>Net increase/(decrease) in share of associate entity's net assets</b>	<b>(96,022)</b>	
- Share of associate profit/(loss) from ordinary activities	0	(170,073)
- Share of associate other comprehensive income arising during the period	(96,022)	48,112
- Share of associate total comprehensive income arising during the period	(96,022)	(121,961)
<b>Carrying amount at beginning of period</b>	<b>873,727</b>	<b>995,688</b>
- Share of associate total comprehensive income arising during the period	(96,022)	(121,961)
<b>Carrying amount at end of period</b>	<b>777,705</b>	<b>873,727</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Investment in associate**

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

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

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investment in associate (Continued)**

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



**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**22. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

Specified Area Rate	Basis of Valuation	Rate in \$	2019/20 Rateable Value	2019/20 Revenue	2019/20 Interim Rate Revenue	2019/20 Back Rate Revenue	2019/20		2019/20 Total Budget Revenue	2018/19 Total Actual Revenue
							Budget Revenue	Budget Rate		
BID Program - CBD	GRV	0.00260	\$ 118,770	\$ 118,770	\$ (189)	\$ 0	\$ 0	\$ 0	\$ 120,000	\$ 120,003
			\$ 0	\$ 118,770	\$ (189)	\$ 0	\$ 0	\$ 0	\$ 120,000	\$ 120,003

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2019/20 Actual Rate Applied to Costs	2019/20 Actual Rate Set Aside to Reserve	2019/20 Actual Reserve Applied to Costs
BID Program - CBD	Promotion of CBD thru: marketing, advertising, festivals, street activities etc.	Commercial Properties within CBD, bounded by Stirling Hwy, Stirling Rd, Gugeri St, and Leura Ave.	\$ 118,770	\$ 0	\$ 0
			\$ 118,770	\$ 0	\$ 0

**(c) Service Charges**

Service Charges	Amount of Charge	2019/20 Actual Revenue Raised	2019/20 Actual Charges Applied to Costs	2019/20 Actual Charges Set Aside to Reserve	2019/20 Actual Reserve Applied to Costs	2019/20		2018/19 Total Actual Revenue
						Budget Charges Applied to Costs	Budget Reserve Applied to Costs	
Underground Power Service	General UGP	\$ 3,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,208,500
		\$ 3,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,896,550
		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,105,050

**Nature of the Service Charge**

Underground Power Service

**Objects of the Charge**

Undergrounding of power

**Reasons for the Charge**

Contribution from owners towards the cost of the project

**Area/Properties Charge Imposed**

All Owners within the designated undergrounding of power area.

## 22. RATING INFORMATION (Continued)

### (d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	16/08/2019	0.00	0.00%	11.00%
<b>Option Two</b>				
First instalment	16/08/2019	0	0.0%	11.0%
Second instalment	18/10/2019	17	5.5%	11.0%
Third instalment	20/12/2019	17	5.5%	11.0%
Fourth instalment	21/02/2020	17	5.5%	11.0%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	43,432	27,000	37,775
Interest on instalment plan	96,861	82,000	102,178
Charges on instalment plan	65,301	70,000	64,493
Interest on service charge	124		154,513
	205,718	179,000	358,959

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**23. RATE SETTING STATEMENT INFORMATION**

		2019/20 Budget	2019/20	2018/19
	2019/20 (30 June 2020 Carried Forward)	(30 June 2020 Carried Forward)	(1 July 2019 Brought Forward)	(30 June 2019 Carried Forward)
Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
	Less: Profit on asset disposals	11(a)	(10,528)	0
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,440)	(1,440)
			66,550	66,550
	Less: Share of net profit of associate accounted for using the equity method		96,022	170,073
	Movement in pensioner deferred rates (non-current)		(25,936)	0
	Movement in employee benefit provisions (non-current)		(10,562)	(19,379)
	Add: Loss on disposal of assets	11(a)	9,840	0
	Add: Depreciation on non-current assets	11(b)	3,095,406	17,792
	<b>Non cash amounts excluded from operating activities</b>		3,154,242	32,030
			2,948,048	(96,920)
			3,082,600	3,082,600
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
	Less: Reserves - cash/financial asset backed	4	(12,866,008)	(10,908,993)
	Add: Current liabilities not expected to be cleared at end of year			(11,841,786)
	- Current portion of borrowings	16(a)	1,895,160	511,983
	- Current portion of contract liability held in reserve		0	0
	- Current portion of lease liabilities		24,742	(408,252)
	<b>Total adjustments to net current assets</b>		(10,946,106)	0
			(10,426,691)	(11,738,055)
<b>Net current assets used in the Rate Setting Statement</b>				
	Total current assets		21,377,537	13,758,978
	Less: Total current liabilities		(6,228,976)	(3,291,441)
	Less: Total adjustments to net current assets		(10,946,106)	(4,947,280)
	<b>Net current assets used in the Rate Setting Statement</b>		4,202,455	18,684,062
			40,846	(4,788,641)
			2,406,979	(158,639)
			2,157,366	(4,947,280)
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
	<b>Total current assets at 30 June 2019</b>			18,684,062
	- Contract assets	25(a)		0
	<b>Total current assets at 1 July 2019</b>			18,684,062
	<b>Total current liabilities at 30 June 2019</b>			(4,788,641)
	- Rates paid in advance	25(a)		(158,639)
	<b>Total current liabilities at 1 July 2019</b>			(4,947,280)

## 24. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

The Town's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Town to cash flow interest rate risk.

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2020</b>					
Cash and cash equivalents	0.56%	6,765,493	2,131,892	4,633,601	0
Financial assets at amortised cost - term deposits	0.78%	12,866,008	12,866,008	0	0
<b>2019</b>					
Cash and cash equivalents	1.59%	8,810,781	3,111,523	4,951,908	747,350
Financial assets at amortised cost	2.35%	7,589,552	7,589,552	0	0

#### Sensitivity

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

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	46,336	49,519

\* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Town manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Town does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### *Trade and Other Receivables*

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

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

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

The Town applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2020 and 1 July 2019 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2019 or 30 June 2020 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	604,942	26,127	2,563	0	633,632
Loss allowance	0	0	0	0	0
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	443,386	24,725	4,074	1,142	473,327
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,272,353	70,421	17,364	0	1,360,138
Loss allowance	0	0	0	0	0
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,910,465	13,239	0	14,614	1,938,318
Loss allowance	0	0	0	0	0

## 24. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Town manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2020</u></b>					
Payables	2,536,513	0	0	2,536,513	2,977,295
Borrowings	2,216,553	8,389,899	1,087,764	11,694,216	10,503,242
Lease liabilities	24,742	4,944	0	29,686	29,686
	<u>4,777,808</u>	<u>8,394,843</u>	<u>1,087,764</u>	<u>14,260,415</u>	<u>13,510,223</u>
<b><u>2019</u></b>					
Payables	2,983,020	0	0	2,983,020	2,983,020
Borrowings	849,944	10,432,003	1,262,213	12,544,160	11,015,225
	<u>3,832,964</u>	<u>10,432,003</u>	<u>1,262,213</u>	<u>15,527,180</u>	<u>13,998,245</u>

**25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS**

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

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

**(a) AASB 1058: Income For Not-For-Profit Entities**

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

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004: Contributions before the change:

Note	AASB 118 and AASB 1004 carrying amount 30 June 2019 \$	Reclassification \$	AASB 1058 carrying amount 01 July 2019 \$
<b>Trade and other payables</b>			
Rates paid in advance	0	(158,639)	(158,639)
Adjustment to retained surplus from adoption of AASB 1058		(158,639)	

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

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

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**  
**25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$	2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058
			Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>			
<b>Revenue</b>			
Rates	22(a)	15,403,800	0
Operating grants, subsidies and contributions	2(a)	547,721	0
Fees and charges	2(a)	3,203,869	0
Non-operating grants, subsidies and contributions	2(a)	822,398	0
Net result		3,450,411	0
<b>Statement of Financial Position</b>			
Trade and other payables	14	2,977,295	0
Net assets		132,672,642	0
<b>Statement of Changes in Equity</b>			
Net result		3,450,411	0
Retained surplus		55,644,391	0

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

**(b) AASB 16: Leases**

The Town adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Town has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Town will not restate comparatives for prior reporting periods.

	Note	2020 \$
Discount applied using incremental borrowing rate		61,383
Lease liability recognised as 1 July 2019 discounted using the Town's incremental borrowing rate of 2%	15(b)	61,383
Lease liability - current		31,697
Lease liability - non-current		29,686
Right-of-use assets recognised at 1 July 2019		61,383

In applying AASB 16 for the first time, the Town has used the following practical expedient permitted by the standard.  
- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

**(c) Impact of New Accounting Standards on Retained Surplus**

The impact on the Town's retained surplus due to the adoption of AASB 15, AASB 1058 and AASB 16 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			53,376,841
Adjustment to retained surplus from adoption of AASB 1058	25(a)	(158,639)	(158,639)
Retained surplus - 1 July 2019			53,218,202

**TOWN OF CLAREMONT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**26. TRUST FUNDS**

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

	<u>1 July 2019</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>Transferred to Municipal Fund</u>	<u>30 June 2020</u>
	\$	\$	\$		\$
BCITF Fees	8,839	176,790	(142,363)	(43,266)	0
Building Services Levy	19,033	231,012	(215,693)	(34,352)	0
Other Trust Bonds	79,282	690	(75,035)	(4,937)	0
	<u>107,154</u>	<u>408,492</u>	<u>(433,091)</u>	<u>(82,555)</u>	<u>0</u>

# TOWN OF CLAREMONT

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

### 27. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

#### c) Rounding off figures

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

#### d) Comparative figures

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

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

#### e) Budget comparative figures

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

#### f) Superannuation

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

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

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

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

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

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

#### h) Fair value hierarchy

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

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

#### i) Impairment of assets

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

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

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

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

**TOWN OF CLAREMONT  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**28. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.</p>	Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
<p><b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p><b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help insure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>HEALTH</b> To provide an operational framework for environmental and community health.</p>	Inspection of food outlets and their control, noise control and waste disposal compliance.
<p><b>EDUCATION AND WELFARE</b> To provide services to disadvantaged persons, the elderly and youth.</p>	Maintenance of child minding centre. Provision and maintenance of home care programs and youth services.
<p><b>COMMUNITY AMENITIES</b> To provide services required by the community.</p>	Rubbish collection services, litter control, administration of town planning schemes and planning services.
<p><b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	Maintenance and operation of Claremont Aquatic Centre, Claremont Community Hub and Museum. Maintenance of various sporting facilities, parks and playgrounds. Provision of heritage services.
<p><b>TRANSPORT</b> To provide safe, effective and efficient transport and parking services to the community.</p>	Construction and maintenance of roads, footpaths, parking facilities and traffic control. Cleaning of streets and maintenance of street trees and street lighting.
<p><b>ECONOMIC SERVICES</b> To help promote the Town of Claremont and it's economic well being.</p>	Building control, area promotion, community events and commercial leasing.
<p><b>OTHER PROPERTY AND SERVICES</b> To monitor and control Council's overhead operating accounts.</p>	Engineering technical services, plant operations, asset management and general administration support for councils operations, allocated to other functions.

## 29. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.37	1.47	1.40
Asset consumption ratio	0.95	0.97	0.99
Asset renewal funding ratio	1.01	1.18	1.02
Asset sustainability ratio	1.05	0.99	1.32
Debt service cover ratio	7.25	6.84	(4.88)
Operating surplus ratio	0.13	0.10	0.30
Own source revenue coverage ratio	1.11	1.09	0.76

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$