

MINUTES

FINANCE AND ADMINISTRATION COMMITTEE

23 JUNE 2015

APPROVED FOR RELEASE



**GARY STEVENSON PSM
CHIEF EXECUTIVE OFFICER**



CITY *of* PERTH

MINUTES

FINANCE AND ADMINISTRATION COMMITTEE

23 JUNE 2015

THESE MINUTES ARE HEREBY CERTIFIED AS
CONFIRMED

PRESIDING MEMBER'S
SIGNATURE

I. E. Davidson

DATE: 14/7/2015

FINANCE AND ADMINISTRATION COMMITTEE

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Minutes of the meeting of the City of Perth **Finance and Administration Committee** held in Committee Room 1, Ninth Floor, Council House, 27 St Georges Terrace, Perth on **Tuesday, 23 June 2015**.

MEMBERS IN ATTENDANCE

Cr Davidson - Presiding Member
Cr Butler
Cr Yong

OFFICERS

Mr Stevenson - Chief Executive Officer
Mr Mileham - Director City Planning and Development
Mr Forster - Director City Infrastructure and Enterprises
Mr Mianich - Director Corporate Services
Mr Dunne - Director City Services
Mr Ridgwell - Manager Governance
Mr Richards - Manager Finance
Mr White - Chief Accountant
Mr Mulcahy - Senior Management Accountant
Mr McKay - Temporary Public Art Program Coordinator
Mr Noble - Coordinator Corporate Planning and Performance
Ms Best - Governance Officer

GUESTS AND DEPUTATIONS

Nil

OBSERVERS

Cr Harley (Entered the meeting at 4.07pm)

FA145/15 DECLARATION OF OPENING

4.02pm The Presiding Member declared the meeting open.

FA146/15 APOLOGIES AND MEMBERS ON LEAVE OF ABSENCE

Nil

FA147/15 QUESTION TIME FOR THE PUBLIC

Nil

FA148/15 CONFIRMATION OF MINUTES

Moved by Cr Butler, seconded by Cr Yong

That the minutes of the meeting of the Finance and Administration Committee held on 2 June 2015 be confirmed as a true and correct record.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

FA149/15 CORRESPONDENCE

Nil

FA150/15 DISCLOSURE OF MEMBERS' INTERESTS

Nil

**FA151/15 MATTERS FOR WHICH THE MEETING MAY BE
CLOSED**

Nil

**FA152/15 PAYMENTS FROM MUNICIPAL AND TRUST FUNDS –
MAY 2015**

BACKGROUND:

FILE REFERENCE:	P1031101-15
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	2 June 2015
MAP / SCHEDULE:	TRIM ref. 90067/15

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Regulation 13(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Community Outcome Capable and Responsive Organisation A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

COMMENTS:

Payments for the month of May 2015 included the following significant items:

- \$638,567.13 to Doric Contractors Pty Ltd for the April 2015 progress claim in relation to the Perth City Library and Public Plaza project.
- \$412,313.64 to Optimum Media Decisions (WA) Ltd for April 2015 Television and Newspaper advertisements.

Moved by Cr Butler, seconded by Cr Yong

That in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, the list of payments made under delegated authority for the month ended 31 May 2015, be received and recorded in the Minutes of the Council, the summary of which is as follows:

<i>FUND</i>	<i>PAID</i>
<i>Municipal Fund</i>	<i>\$ 13,486,205.03</i>
<i>Trust Fund</i>	<i>\$72,633.90</i>
<i>TOTAL:</i>	<i>\$ 13,558,838.93</i>

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

**FA153/15 FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY
STATEMENT FOR THE PERIOD ENDED 31 MAY 2015**

BACKGROUND:

FILE REFERENCE:	P1014149-25
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	15 June 2015
MAP / SCHEDULE:	Schedule 1 – Financial Statements and Financial Activity Statement for the period ended 31 May 2015

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Section 6.4(1) and (2) of the <i>Local Government Act 1995</i> Regulation 34(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Community Outcome Capable and Responsive Organisation A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

DETAILS:

The Financial Activity Statement is presented together with a commentary on variances from the revised budget.

FINANCIAL IMPLICATIONS:

There are no direct financial implications arising from this report.

COMMENTS:

The Financial Activity Statement commentary compares the actual results for the eleven months to 31 May 2015 to the February Revised Budget 2014/15 adopted by Council on 17 March 2015.

Moved by Cr Yong, seconded by Cr Butler

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 May 2015 as detailed in Schedule 1.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

4.07pm Cr Harley entered the meeting as an observer.

FA154/15 INVESTMENTS AND INVESTMENT RETURNS FOR THE PERIOD ENDED 31 MAY 2015

BACKGROUND:

FILE REFERENCE:	P1030634-13
RESPONSIBLE DIRECTORATE:	Corporate Services Directorate
RESPONSIBLE UNIT:	Finance
DATE:	11 June 2015
MAP / SCHEDULE:	Schedule 2 – Investment Report for the period ended 31 May 2015, Short Term Investments and Institutional Credit and Ratings

Investments are made in accordance with Policy 9.3 – Management of Investments. The policy sets objectives and risk management guidelines for investing surplus and reserve funds not immediately required for any other purpose.

This report reviews the results for the month of May 2015.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Section 6.14 of the <i>Local Government Act 1995</i> Regulation 19C of the <i>Local Government (Financial Management) Regulations 1996</i>
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Community Outcome Capable and Responsive Organisation A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.
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Policy

Policy No and Name:	9.3 – Management of Investments
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DETAILS:

	Actual \$	Budget \$	Variation \$
Interest Earnings	367,203	323,333	43,870

Average Rate	3.48%		
Benchmark Rate	2.38%		
RBA Cash Rate	2.00%		

*Figures exclude rate arrears.

Call Accounts

Balance at 31 May 2015	\$34.6 million
Interest Earned	\$56,503
Rate for balances over \$2 million	2.5%

Note

To ensure that the Municipal cash balance is sufficient for the demands of the financial year end, funds have not been invested in term deposits that mature after 30 June. With the Reserve Bank cutting the cash rate to 2% on 5 May 2015, the best short term interest return has been the At Call rate of 2.50%. This has resulted in funds at call increasing by \$10.7 million in May 2015.

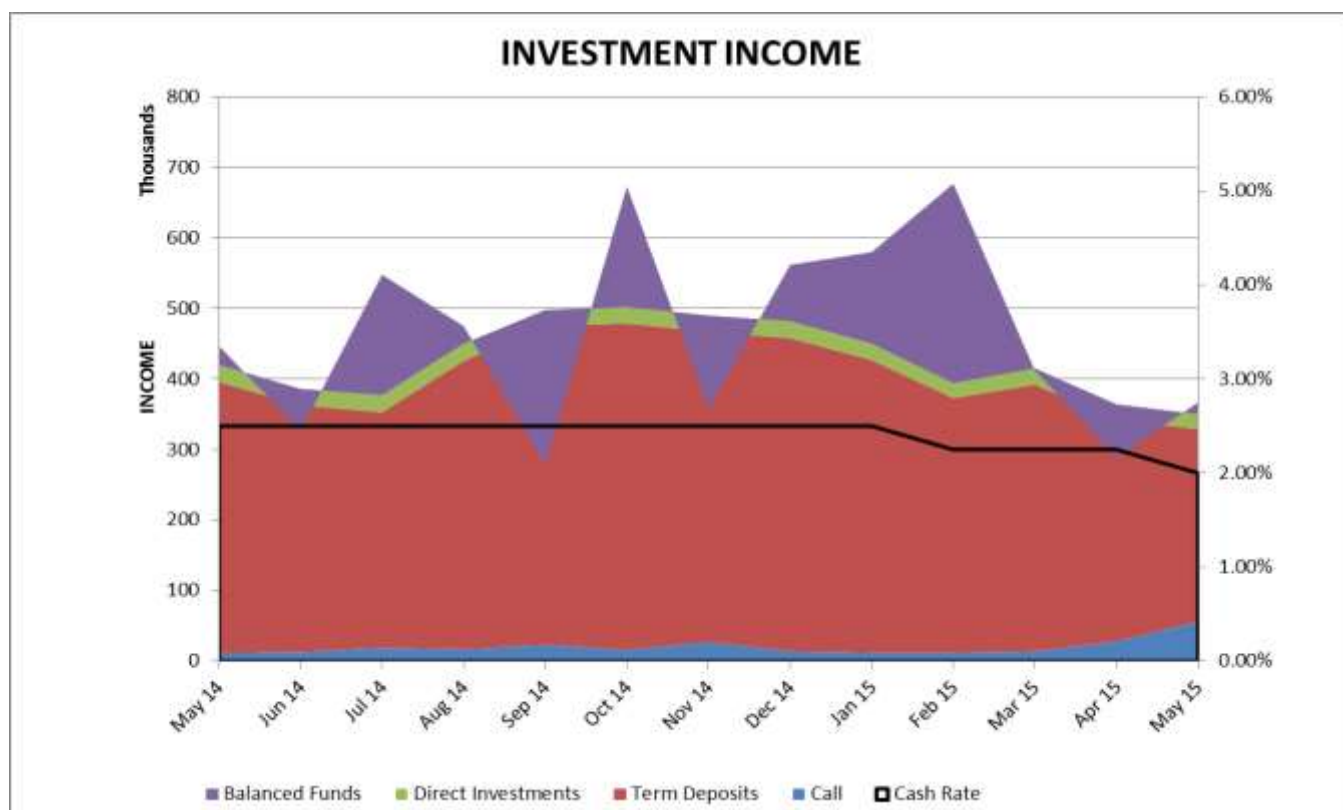
Term Deposits

Balance at 31 May 2015	\$89.0 million
Interest Earned	\$272,633
Average Rate (Municipal funds)	4.0%
Most Recent Rate (Municipal funds)	2.95%

Other Investments

	Interest Earned \$	Interest Rate %
Westpac Floating Rate Notes	9,102	3.67
Emerald Mortgage Backed Security	11,911	3.01
Colonial Share Index Balanced Fund	17,054	5.03

The Colonial Share Index Balanced Fund performed strongly in May after two months of poor performance. The index fund has been the City's best performing investment over the long term and with the ASX 200 index currently at 5,500, the City's investment advisor CPG recommended holding the asset.



Spread of Investments

The City's exposure to investment institutions is as follows:

ANZ	18%
ING	9%
Bank of Queensland	12%
BankWest	8%
NAB	34%
Suncorp Metway	1%
Others	18%
	<u>100%</u>

FINANCIAL IMPLICATIONS:

Reported investment earnings (excluding interest on rates arrears) at \$367,203, after Trust Account adjustments, were \$43,870 above budget in May.

COMMENTS

The City continues to adhere to its policy of obtaining the best returns commensurate with risk and the constraints imposed by the State Government regulations.

Moved by Cr Butler, seconded by Cr Yong

That the Finance and Administration Committee receives the report detailing investments and investment returns for the period ended 31 May 2015, as detailed in Schedule 2.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

FA155/15 CAPTAIN STIRLING SCULPTURE – REINSTATEMENT

BACKGROUND:

FILE REFERENCE:	7000267
REPORTING UNIT:	Community Services
RESPONSIBLE DIRECTORATE:	City Services
DATE:	5 June 2015
MAP / SCHEDULE:	Schedule 3 - Potential Sites for the relocation of Captain Stirling Statue;

Records indicate that Channel 9 commissioned the bronze sculpture of Captain Stirling for presentation to the City of Perth and an agreement was reached to initially place the artwork in the forecourt of the R&I Bank, confirmed by the Commissioner of the R&I Bank; Mr David Fisher. The statue was unveiled by Prince Charles on 10 March 1979 with the former Lord Mayor, Fred Chaney, officiating.

With the subsequent demolition of the R&I Bank, the statue was temporarily stored at the Midland Work Shop. The City's position in relation to the location of the statue is reiterated in a series of letters and email correspondence between Dr P. Nattrass, former Lord Mayor, and the Hon. Tom Stephens MLC, then Minister for Local Government, when in 2003 both agreed on Barrack Street as the site for the relocation of the of the sculpture.

In early 2012 the City of Perth was notified by the State Government that with forthcoming building works for the redevelopment of the Old Treasury Building site, the City would need to remove the Captain Stirling sculpture from Foundation Park to another location.

Given the short time frame within which the works were to be completed, it was not considered feasible to remove and relocate the work simultaneously. The work was therefore stored with the intention of making a decision on a suitable site within

twelve months. To date a suitable alternative location has not been determined and the sculpture remains in storage.

A report proposing two potential locations was presented to the General Purposes Committee at its meeting on 24 July 2012, but at this time the Committee deferred with a view to allow further investigation into other options for the relocation.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning Strategic Community Plan
and Reporting Council Four Year Priorities: Community Outcome
Framework
Implications

Healthy and Active in Perth
A city with a well-integrated built and green natural environment in which people and families chose a lifestyle that enhances their physical and mental health and take part in arts, cultural and local community events.

Policy

Policy No and Name: 1.6 – Memorials, Monuments and Plaques

DETAILS:

The Captain Stirling sculpture was removed with the express intent to relocate the artwork to a CBD location that makes reference to the artwork's significance and would not be too far removed from the central location where it was originally installed in 1979, and reinstated in 2003.

The redevelopment of the Old Treasury Building (OTB) site includes new works of interpretive public art that reference the foundation of Perth, and consequently no provision has been made for the reinstatement of this bronze figure in that location. There is very limited scope to reinstate the sculpture in close proximity to its original site, however, a preliminary investigation has identified a number of potential sites, as detailed in the table below. Images of the locations and have been provided in Schedule 3.

Potential Location	Notes
Site 1 – Preferred Location Perth Town Hall Undercroft, corner niche to north of Barrack Street entrance.	If feasible, this is the recommended site for the reinstatement of the sculpture as it is the closest available site to its original location. Placed here the work would be in close proximity to the pavement plaque commemorating foundation, and the work of public art commemorating the Foundation tree commissioned for the OTB courtyard.

Potential Location	Notes
	Installation in this site would have some impact on markets held periodically at Town Hall, and the time capsule installed close to this corner may also be a consideration.
<p>Site 2 – Stirling Gardens (three possible locations)</p> <p>A (Recommended Alternative Site): Stirling Gardens, garden bed to south of southern entry to Stirling Gardens from Barrack Street.</p> <p>B: Stirling Gardens, garden bed to north of the entrance to the Supreme Court, just north of the junction of the paths.</p> <p>C: Stirling Gardens, garden bed close to south-west corner of Council House, to the east of the junction of paths.</p>	<p>This site has the advantage of maintaining a Barrack Street presence consistent with the original siting of the sculpture.</p> <p>This site would give the work a prominent and central location in the gardens.</p> <p>This site would give the work a prominent and central location in the gardens.</p> <p>Aside from the name of the Gardens, all of these sites have limited specific connection with Captain Stirling or with the events of Foundation.</p>
<p>Site 3</p> <p>Swan River Foreshore/Riverside Drive, close to rest area on raised turf in reserve to the south east of Governor's Avenue intersection</p>	<p>In our consultation it has been suggested that a site close to river and along the axis of Pier Street (no longer meeting the river) would connect with the landing point of the early settlers. The site suggested here might be suitably prominent. This is relatively exposed location for a human-scaled and accessible sculpture, so poses some risk. It is also quite removed from the original location of the statue on Barrack Street and from sites more directly associated with Foundation.</p>
<p>Site 4</p> <p>Concert Hall/St Georges Terrace, small park to north west of Concert Hall, The statue could be installed either on the St</p>	<p>This site was identified as a possibility through our consultation and would mark Stirling's association with the domain on which Government House now stands, which was also the site of the temporary</p>

Potential Location	Notes
Georges Terrace frontage of the park, or it could be placed centrally in the park as a focal point.	Government House Stirling had erected in the early days of the Swan River Colony. This site is quite removed from the original site of the statue on Barrack Street and from sites more directly associated with the events of Foundation.
Site 5 Council House forecourt, near the north-eastern garden bed.	Due to the existing CPP signage and floodlight in this location the statue would need to be sited a short distance into the grassed area, and would require the construction of new plinth to give the work greater presence. In this site the statue would be seen from St Georges Terrace with a fitting backdrop of either Council House or Government House. The City Architect and the Heritage Council would need to be consulted regarding the impact of this installation on the aesthetics and conservation of Council House.

Depending on the site selected, the sculpture's plinth may need to be reconfigured and additional lighting may be required. A plaque highlighting the diverse achievements of Captain Stirling may also be a part of the relocation project.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	15-335-000-7215
BUDGET ITEM:	Recreation and Culture - Other Culture - Community Arts Program.
BUDGET PAGE NUMBER:	TBA
BUDGETED AMOUNT:	\$83,725
AMOUNT SPENT TO DATE:	\$ 0
PROPOSED COST:	\$12,400 - \$15,600 (depending on site)
BALANCE:	\$68,125
ANNUAL MAINTENANCE:	\$ 800
ESTIMATED WHOLE OF LIFE COST:	\$40,000 (50 Years)

All figures quoted in this report are exclusive of GST.

There is currently no budget allocation for the reinstatement project in the 2015/16 Public Art Budget. The project could, however, be resourced from the Public Art Maintenance Budget.

Preliminary estimates have been obtained for installation at each site, and range between \$8,400 - \$11,600. An additional contingency of \$4,000 has also been allowed to clean, wax and polish the statue, to make a new plaque and to install additional lighting if required.

COMMENTS:

Each of the potential sites identified has unique, associated practical constraints and cost implications for installation. Some of these sites will also be subject to approvals from the Heritage Council or other authorities. Once a determination has been made on which site/s are most suitable a more thorough evaluation can be undertaken that will provide more complete visibility of the implications and anticipated costs associated with installation of the sculpture.

The timing of the reinstallation project will be subject to confirming a budget for the project, the obtainment of any necessary approvals, and the availability of suitable contractors.

It is recommended that Council approve in principle the reinstatement of the sculpture of Captain Stirling at Site 1 (Town Hall) as the preferred site, subject to a more detailed investigation of the practical constraints and cost implications. It is also recommended that Council consider the other potential sites identified and nominate a second preference for the reinstatement of the sculpture in the event that the preferred location is not possible following a detailed investigation.

Moved by Cr Yong, seconded by Cr Butler

That Council:

- 1. approves in principle the reinstatement of the sculpture of Captain Stirling at potential Site 1 (Town Hall) as the preferred site, subject to a more detailed investigation of the practical constraints and cost implications;***
- 2. endorses the recommended alternative Site 2A (Stirling Gardens, Barrack Street) for the reinstatement of the sculpture in the event that the preferred location is not possible following a detailed investigation.***

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

FA156/15 STATE GOVERNMENT GUARANTEE FEE

BACKGROUND:

FILE REFERENCE: P1031135 / Relate 84295/15
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 11 June 2015
MAP / SCHEDULE: N/A

The Western Australian State Government charges the City of Perth a Government Guarantee fee levied on loans financed through the Western Australian Treasury Corporation (WATC). The recent State budget increased the fee from 0.1% to 0.7% on outstanding loan balances.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 6.2 of the *Local Government Act 1995*
Parts 3 and 5 of the *Local Government (Financial Management) Regulations 1996)*

Integrated Planning and Reporting Framework Implications	Corporate Business Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the Capacity of the Organisation
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Policy
Policy No and Name: 9.1 – Budget Policies

DETAILS:

The City currently has five loans financed through the Western Australian Treasury Corporation (WATC) to fund the City of Perth Library and the development of three car parks. The loans are fixed interest rates and will be paid out progressively between 2019 and 2022.

The announcement of the increase in fees was made after the City's 2015/16 Budget had been finalised. The budgeted fee for 2015/16 was \$37,000 and the actual amount for the year is forecast to be \$259,000, an increase of \$222,000.

The change to the fee (a 700% increase), will have a significant impact for Councils across Western Australia. The Western Australian Local Government Association (WALGA) surveyed its members and calculated an increase of \$4 million in borrowing costs for WA Councils for 2015/16.

COMMENTS

The Government Guarantee fee is only charged on loans financed through WATC. The last time that the City reviewed the market for finance providers, the WATC were found to be the most flexible and offered the cheapest rates. Going forward, the City will assess other finance providers for future loans to see if the WATC's rates are still competitive.

FINANCIAL IMPLICATIONS

Borrowing costs for 2015/16 will increase by \$222,000 which will require a budget adjustment in the November 2015 budget review. Over the life of the five loans, the impact to the City will be \$735,000.

Moved by Cr Butler, seconded by Cr Yong

That Council:

- 1. does not support the increase in the State Government Guarantee fee from 0.1% to 0.7% of outstanding loan balances financed through the Western Australian Treasury Corporation;***
- 2. notes the financial implications of the increase in the State Government Guarantee Fee announced in the 2015/16 State Budget;***
- 3. notes that the increase in fees for 2015/16 of \$222,000 have not been included in the City's Annual Budget and will require an adjustment in the November 2015 budget review.***

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

**FA157/15 ADOPTION OF THE CITY OF PERTH'S CORPORATE
BUSINESS, WORKFORCE, LONG TERM FINANCIAL,
AND CORPORATE ASSET MANAGEMENT PLANS**

BACKGROUND:

FILE REFERENCE:	P1028809-2
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	11 June 2015
MAP / SCHEDULE:	Schedule 4 – Corporate Business Plan Schedule 5 – Workforce Plan Schedule 6 – Corporate Asset Management Plan Schedule 7 – Long Term Financial Plan – As circulated under separate cover to Elected Members for the Briefing on 22 June 2015 and to be tabled at the meeting for members of the public.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Section 5.56 of the <i>Local Government Act 1995</i> Regulation 19DA of the <i>Local Government (Administration) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan, Vision 2029+ Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the capacity of the organisation

Details:

In June 2014, Council endorsed the City's second Integrated Planning suite of documents, including:

- Corporate Business Plan 2014 – 2018.
- Workforce Plan 2014 – 2018.
- Long Term Financial Plan 2014 – 2024.
- Corporate Asset Management Plan 2014 – 2024.

The legislation and supporting guidelines require the Corporate Business Plan, Long Term Financial Plan, Asset Management Plan and Workforce Plan to be reviewed and updated annually. The Strategic Community Plan however, is only required to be reviewed biennially, alternating between minor and major reaffirmations. As such, the following documents have gone through the review process and updated to reflect any changes in organisational priorities, with emphasis on improving the integration between them. It is a requirement that the following documents be approved by Council:

- Corporate Business Plan 2015 – 2019.

- Workforce Plan 2015 – 2019.
- Long Term Financial Plan 2015 – 2025.
- Corporate Asset Management Plan 2015 – 2025.

The development of baseline information for the Strategic Enabling documents, and the preparation of the Corporate Business Plan, is based on the adopted 2014 suite of plans. This gives the City a good foundation to build on, as these informing documents are modelled on a five – ten year timeframe.

The diagram below shows the City's Integrated Planning and Reporting Framework, highlighting the relationship between the Strategic Community Plan, the Corporate Business Plan and the Strategic Enabling documents.



FINANCIAL IMPLICATIONS:

Any changes resulting from the plans presented in this report that have a significant financial impact on the City will be subject to approval by the Council.

COMMENTS:

During the review process, Elected Members were asked to provide guidance and feedback on the Corporate Business Plan, which resulted in a closer alignment of key initiative prioritisation against strategic objectives. Key factors that have been considered during this process, and will continually shape the City of Perth's strategic outlook, include impacts from Metropolitan Redevelopment Authority projects, the Capital City legislation, the economic environment as well as social and environmental concerns.

The Long Term Financial Plan process is running in parallel with the remaining Integrated Planning documents to give adequate opportunity for discussion and review. The Long Term Financial Plan will be presented at a briefing, to be held with Elected Members, on 22 June 2015.

It is worth noting that the Workforce Plan 2015 – 2019 only provides detailed numbers and projections for the 2015/16 period. This is due to the organisation transitioning into a new structure, which will be implemented during the 2015/16 financial year. More detail can be found within the Workforce Plan.

It is acknowledged that the integration and quality of the City's Integrated Planning documents are very much a work in progress, with the current plans being developed with as much information as currently available. The City is progressing with a dedicated working group to strengthen the City's strategic planning process. Going forward, during the 2015/16 financial year, the City will be embarking in a detailed review of the Strategic Community Plan, which will take place after the election period.

Moved by Cr Butler, seconded by Cr Yong

That Council approves BY AN ABSOLUTE MAJORITY the:

- 1. Corporate Business Plan 2015 – 2019, as detailed in Schedule 4.***
- 2. Workforce Plan 2015 – 2019, as detailed in Schedule 5.***
- 3. Corporate Asset Management Plan 2015 – 2025, as detailed in Schedule 6.***
- 4. Long Term Financial Plan 2015 – 2025, as detailed in Schedule 7.***

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

Meeting Note: The Finance and Administration Committee requested that a page be included within the Corporate Business Plan that indicates Councils endorsement of the document and also demonstrates the consultation between the City's Administration and Council.

**FA158/15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN
GIVEN**

Nil

FA159/15 GENERAL BUSINESS

Responses to General Business from a Previous Meeting

Nil

New General Business

1. WAITTA Incite Awards 2014-15

The Director City Infrastructure and Enterprises advised the Finance and Administration Committee of the City's achievement in being awarded the Government Award National iAward Finalist for City of Perth Parking – CPAMS at the 24th WAITTA Incite Awards 2014-15.

2. State CCTV Strategy Garry Dunne

The Director City Services advised the Finance and Administration Committee that the West Australian State Government have released the West Australian State CCTV Strategy and have requested Council's feedback by 25 June 2015. The Director City Services will circulate to Elected Members via memo the feedback that has been provided.

FA160/15 ITEMS FOR CONSIDERATION AT A FUTURE MEETING

Outstanding Items:

- **Council Dining Room (raised FA30/09/14, Updated 21/04/15).**

FA161/15 CLOSE OF MEETING

4.31pm There being no further business the Presiding Member declared the meeting closed.

SCHEDULES
FOR THE MINUTES OF THE
FINANCE AND
ADMINISTRATION
COMMITTEE MEETING
HELD ON
23 JUNE 2015

FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO 31 MAY 2015

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the eleven months to 31 May 2015 compared to the revised budget approved by Council on 17 March 2015.

Operating Revenue

- Parking revenue was \$305,000 above the revised budget where undercover car parks were \$343,000 higher, kerbside parking \$89,000 and partly offset by shortfalls in open air car parks (\$127,000). Kerbside parking includes higher Work Zone fees \$142,000 and permit fees of \$33,000. The Convention Centre car park exceeded estimates by \$129,000, Mayfair Street \$52,000, Elder Street \$100,000 and Pier Street \$77,000. Most other car parks were over the revised budget with the exceptions being His Majesty's (\$92,000), Citiplace (\$15,000) and Regal Place (\$20,000) below forecasts.
- Fines and Costs were (\$354,000) below the revised budget for the period to date after a shortfall of (\$87,000) for the month. A combination of factors contributed to this, including a number of vacant parking officer positions and a reduced number of available parking bays due to ongoing construction activity in the City; whereas estimates were based on previous trends.
- Investment income was \$243,000 above the revised budget for the period, with the longer term deposits being held at higher rates and positive returns from the other investment classes. The resultant overall average return (excluding Trust Funds) for the period was 3.48% against the benchmark rate of 2.38%.
- Rental and Hire Charges achieved better than the revised budget by \$142,000 mainly from Affordable Housing \$65,000, Banners \$47,000 and City Station Retail properties \$21,000.
- Other Income fell (\$212,000) below forecast primarily due to a timing difference for the Christmas Pageant grant from Lotterywest (\$400,000) that is now expected in June. Areas over the revised budget include Recoverable Works \$116,000, mainly from Main Roads, Registration and Licensing \$23,000 and Other Parking Income \$39,000. A range of other variances occurred across the organisation including Technical Services \$22,000, Advertising Rebate (\$25,000) and Parks and Gardens \$12,000, with the balance made up from smaller variances.

Operating Expenditure

- Materials and contracts were \$3,282,000 under the revised budget primarily in property maintenance \$596,000, Consultancy \$557,000

FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO 31 MAY 2015

REPORT OF VARIANCES TO BUDGET

and Infrastructure Contractors \$535,000. Other professional fees were \$309,000 below forecast, particularly in information and technical services, plus community arts. Main areas underspent were Footpaths \$198,000, Drainage \$89,000 and Hay Street Mall \$217,000. Other areas include maintenance in Council House \$163,000, Christmas Decorations \$73,000, Undercover car parks \$153,000, Transport Policy \$180,000 and Plant Operations \$150,000, which are partly due to timing differences. A range of smaller variances occurred throughout the organisation.

- Utilities were under the revised budget in power costs \$65,000 and water \$31,000.
- Depreciation is running below the revised budget by \$1,365,000 mainly in computer projects still to be capitalised \$320,000, Roads and Kerbs \$508,000, Footpaths \$196,000 plus estimates of infrastructure in Parks and Gardens that are under by \$178,000. These charges are dependent on timing of capitalisation of completed works and asset purchases such as fixed plant.
- The variance in Loss on Disposal of Assets \$385,000 was predominantly the result of better than expected proceeds from sale of assets \$342,000, being mainly for replacement vehicles, and lower carrying amounts of the assets written off.
- Other Expenditure savings \$1,126,000 occurred mainly in Donations and Sponsorships \$891,000 comprising mainly of Heritage Incentives and Contributions \$281,000, Community Arts \$88,000 and over estimation of the Emergency Services Levy \$108,000.

Investing Activities

- Capital expenditure was \$5.3 million under the revised budget with ongoing work in a number of large projects including the City of Perth Library and Public Plaza, Lighting in St Georges Terrace (William to King Streets), Harold Boas Gardens lake refurbishment, Wellington Street Stage 2A, 2-Way Mounts Bay Road conversion, Lighting - St Georges Terrace (William - King) as well as various footpath and drainage projects. Several large projects are delayed as a result access and other restrictions due to construction work. These are unlikely to be completed during this financial year; e.g. the Barrack Street 2-Way Conversion project and will be carried over into the next financial year.
- Transfers to Reserves are running marginally behind the revised budget.

Financing Activities

**FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO
31 MAY 2015**

REPORT OF VARIANCES TO BUDGET

- Transfers from Reserves are below the expected level in the revised budget by (\$2.5 million), as a result of both the delays in capital expenditure and the timing of expensing of the Parking Bay license payments.
- Funding from carry forwards estimated in the revised budget is also dependant on the progress of the capital works program.

Amounts sourced from Rates

- Rates revenue raised was in line with the revised budget.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 May 2015

	Revised Budget 2014/15 \$	Budget YTD 31-May-15 \$	Actual YTD 31-May-15 \$	Variance YTD 31-May-15 \$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	72,881,162	66,850,124	67,154,843	304,720
Fines and Costs	9,617,112	8,752,029	8,398,214	(353,815)
Investment Income and Interest	5,580,133	5,256,911	5,499,900	242,989
Community Service Fees	1,442,179	1,317,818	1,287,101	(30,717)
Rubbish Collection	6,039,005	6,077,446	6,074,896	(2,551)
Rentals and Hire Charges	5,364,809	4,934,946	5,076,935	141,990
Recurrent Grants	1,815,178	1,773,783	1,796,970	23,187
Contributions, Donations and Reimbursements	455,014	417,982	406,176	(11,806)
Other Income	6,144,988	5,771,035	5,559,355	(211,679)
	109,339,579	101,152,073	101,254,390	102,317
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	63,476,391	57,448,321	57,400,213	48,108
Materials and Contracts	48,662,165	42,737,223	39,454,787	3,282,436
Utilities	3,069,668	2,918,327	2,827,853	90,474
Insurance Expenditure	1,170,683	1,102,339	1,117,788	(15,449)
Depreciation and Amortisation	30,156,375	27,165,970	25,801,415	1,364,556
Interest Expenses	1,530,827	1,414,953	1,412,401	2,552
Expense Provisions	992,713	903,866	867,037	36,829
Loss on Disposal of Assets	3,253,872	609,288	223,910	385,378
Other Expenditure	22,512,024	20,627,970	19,501,471	1,126,498
	174,824,718	154,928,257	148,606,875	6,321,382
Add back Depreciation	(30,156,375)	(27,165,970)	(25,801,415)	(1,364,556)
(Loss) / Profit on Disposals	(3,253,872)	(609,288)	(223,910)	(385,378)
	141,414,471	127,152,999	122,581,550	4,571,448
Net Surplus/(Deficit) from Operations	(32,074,892)	(26,000,926)	(21,327,160)	4,673,765
Investing Activities				
Capital Expenditure	(78,068,852)	(57,860,811)	(52,591,032)	5,269,779
Repayment of Borrowings	(6,128,375)	(5,536,344)	(5,536,344)	-
Transfers to Reserves	(19,998,574)	(7,341,942)	(6,764,049)	577,893
	(104,195,801)	(70,739,097)	(64,891,425)	5,847,672
Financing Activities				
Transfer from Reserves	25,849,140	17,494,695	14,965,249	(2,529,446)
Carry Forwards	15,398,548	12,213,102	7,441,295	(4,771,806)
Proceeds from Disposal of Assets/Investments	1,171,000	1,074,753	1,619,438	544,685
Distribution from TPRC	1,666,667	1,166,667	1,166,667	-
Capital Grants	2,047,337	1,209,694	1,225,324	15,630
	46,132,692	33,158,912	26,417,973	(6,740,938)
Net Surplus/(Deficit) before Rates	(90,138,001)	(63,581,111)	(59,800,612)	3,780,499
Add: Opening Funds	16,073,145	16,073,145	16,073,145	-
Less: Closing Funds	1,728,224	28,285,114	32,125,342	3,840,228
Amount Sourced from Rates	75,793,080	75,793,080	75,852,809	59,729

Net Cash on Hand				
Cash On Hand	2,783,609	9,656,684	18,527,923	8,871,239
Money Market Investments	95,443,156	110,063,608	96,603,216	(13,460,392)
Funds on Hand	98,226,765	119,720,292	115,131,139	(4,589,153)
Analysis of Funds on Hand				
Reserves	77,804,213	70,028,482	67,867,907	(2,160,575)
Provisions	11,406,451	10,854,002	11,004,926	150,924
Carry forwards	-	21,391,353	19,358,691	(2,032,663)
Restricted Grants not yet utilised	176,291	262,500	381,582	119,082
General Funds	8,839,810	17,183,955	16,518,033	(665,921)
Funds on Hand	98,226,765	119,720,292	115,131,139	(4,589,153)

CURRENT POSITION AS AT THE END OF THE PERIOD

31-May-2015

	2014/15 Revised Budget	2014/15 Budget YTD	2014/15 Actual YTD	2014/15 Variance
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	2,783,609	9,656,684	18,527,923	8,871,239
Deposits and Prepayments	3,735,618	3,247,290	2,783,440	(463,850)
Money Market Investments - Municipal Funds	17,638,943	40,035,126	28,735,309	(11,299,817)
Money Market Investments - Restricted Funds	77,804,213	70,028,482	67,867,907	(2,160,575)
Trade and Other Receivables	11,768,380	7,570,937	10,159,473	2,588,536
Inventories	2,300,551	2,037,468	3,049,977	1,012,509
Total Current Assets	116,031,314	132,575,987	131,124,029	(1,451,958)
Current Liabilities				
Trade and Other Payables	24,628,912	23,145,889	19,544,575	(3,601,314)
Employee Entitlements	11,406,451	10,654,305	11,004,926	350,621
Provisions	287,225	199,697	199,697	-
Borrowings	6,441,707	6,408,597	6,408,597	-
Total Current Liabilities	42,764,295	40,408,488	37,157,795	- 3,250,693
Working Capital Position Brought Forward	\$ 73,267,020	\$ 92,167,499	\$ 93,966,234	\$ 1,798,735
Deduct Restricted Cash Holdings	(77,804,213)	(70,028,482)	(67,867,907)	2,160,575
Deduct Unspent Borrowings	(176,291)	-	-	-
Deduct Restricted Capital Grants	-	(262,500)	(381,582)	(119,082)
Add Current Borrowings	6,441,707	6,408,597	6,408,597	-
Current Funds Position Brought Forward	\$ 1,728,224	\$ 28,285,114	\$ 32,125,342	\$ 3,840,228

EXPLANATORY NOTES – FINANCIAL ACTIVITY STATEMENT

BACKGROUND

- Regulation 34 of the Local Government (Financial Management) Regulations 1996 was amended effective from 1 July 2005.
- The amendment prescribes a monthly Financial Activity Statement (FAS) reporting the sources and application of funds, as set out in the Rate Setting Statement which is included in the Annual Budget.

PURPOSE

- The FAS reports the actual financial performance of the City in relation to its adopted budget, which has been structured on financial viability and sustainability principles.
- The FAS is intended to act as a guide to Council of the impact of financial activities and the reasons for major variances to the annual budget estimates.

PRESENTATION

- Regulation 34 prescribes the minimum detail to be included in the FAS. These are listed below.
 - Annual Budget estimates, and approved revisions to these, are to be included for comparison purposes.
 - Actual amounts of income and expenditure to the end of the month of the FAS.
 - Material variances between the comparable amounts and commentary on reasons for these.
 - The net current assets at the end of the month to which the FAS relates.
- An explanation of the composition of the net current assets at the end of the month to which the FAS relates; less committed and restricted assets.
- Councils are given the option of adopting a format which is considered most appropriate to their needs. These options are listed below.
 - According to nature and type classification,
 - by program, or
 - by business unit.
- It is recommended that while the information presented by cost objects (programs and activities) or by cost centres (business units) are useful for expense allocation and cost centre accountability purposes, they are less informative and difficult to comprehend in matters of disclosure and less effective in cost management and control.
- The FAS has therefore been presented in the format using nature and type classification as the most meaningful disclosure to the Council and public.

FORMAT

- The FAS is formatted to align with the Rate Setting Statement.
- The first part deals with operating income and expenditure, excluding rate revenue.
- The next classification is the amount spent on capital expenditure and debt repayments.
- The classification 'Financing Activities' provides a statement of sources of funds other than from operating or rates revenue, which are usually associated with capital expenditure.
- Attached to the FAS is a statement of 'Net Current Assets' for the budget and actual expenditure to the end of the month to which the FAS relates.
- Opening and closing funds represent the balance of 'Net Current Assets', not including any funds which are committed or restricted.
- "Committed assets" means revenue unspent but set aside under the annual budget for a specific purpose.
- "Restricted assets" means those assets the uses of which are restricted, wholly or partially, by regulations or other externally imposed requirements", e.g. reserves set aside for specific purposes.
- To avoid duplication in calculating 'Closing Funds on hand', certain balances, such as provisions and borrowings, are also deducted.
- The total Closing Funds on hand are to be taken into account when calculating the amount to be raised by rates each year.
- The classification "Net Cash on Hand" represents the balances of funds held in cash or invested and the analysis into those funds reserved, carried forward or remaining unspent at the end of the month to which the FAS relates.



CITY of PERTH

CITY of PERTH

Financial Statements

For the 11 months ended 31 May 2015

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 11 months ended 31 May 2015

(By Program)

	<i>Note</i>	Budget 2014/2015	Revised Budget YTD	Actual YTD 31/05/2015	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
Governance		-	117	1,061	944	806.8%
General Purpose Funding Rates		77,090,912	76,639,799	76,682,833	43,034	0.1%
General Purpose Funding Other		5,698,125	5,809,740	6,040,118	230,378	4.0%
Law, Order, Public Safety		43,850	39,825	8,165	(31,660)	-79.5%
Health		794,500	885,949	943,901	57,952	6.5%
Education and Welfare		2,004,694	1,820,192	1,793,579	(26,613)	-1.5%
Housing		599,130	638,667	703,565	64,898	10.2%
Community Amenities		8,834,955	9,161,984	9,018,871	(143,113)	-1.6%
Recreation and Culture		2,020,166	2,255,937	1,978,504	(277,433)	-12.3%
Transport		90,391,399	77,573,160	77,597,394	24,234	0.0%
Economic Services		1,271,410	945,829	1,142,560	196,731	20.8%
Other Property and Services		1,688,879	1,173,954	1,196,648	22,694	1.9%
Total Operating Income		190,438,021	176,945,153	177,107,199	162,046	0.1%
OPERATING EXPENDITURE						
Governance		10,146,717	8,485,809	8,470,025	15,784	0.2%
General Purpose Funding		2,780,601	2,191,749	2,258,322	(66,573)	-3.0%
Law, Order, Public Safety		3,754,876	3,520,239	3,557,608	(37,369)	-1.1%
Health		2,079,830	1,679,889	1,654,917	24,972	1.5%
Education and Welfare		3,485,384	3,243,185	3,194,327	48,858	1.5%
Housing		586,705	511,355	521,182	(9,827)	-1.9%
Community Amenities		27,934,599	25,011,087	24,041,944	969,143	3.9%
Recreation and Culture		32,733,027	28,992,801	27,390,341	1,602,460	5.5%
Transport		78,645,533	69,161,412	66,455,801	2,705,611	3.9%
Economic Services		10,502,529	9,437,939	9,011,917	426,022	4.5%
Other Property and Services		4,508,297	2,083,503	1,826,581	256,922	12.3%
Total Operating Expenditure		177,158,097	154,318,969	148,382,965	5,936,004	3.8%
NET FROM OPERATIONS		13,279,924	22,626,184	28,724,234	6,098,050	27.0%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		76,885	80,200	80,200	-	0.0%
- Law, Order, Public Safety		-	20,000	-	(20,000)	-100.0%
- Other Community Amenities		-	-	15,000	15,000	0.0%
- Recreation and Culture		60,000	22,535	24,333	-	0.0%
- Transport		1,684,010	1,141,959	1,105,791	(36,168)	-3.2%
Total Grants/Contributions		1,820,895	1,264,694	1,225,324	(39,370)	-3.1%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,032,366)	(609,288)	(223,910)	385,378	-63.3%
Change in net assets resulting from operations before significant items		14,068,453	23,281,590	29,725,648	6,444,058	27.7%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,667,000	-	-	-	0.0%
Elizabeth Quay Contribution		-	(2,409,687)	(2,361,679)	48,008	-2.0%
Revaluation of Infrastructure Assets		-	-	184,311,651	184,311,651	0.0%
Change in net assets resulting from operations after significant items		15,735,453	20,871,903	211,675,620	190,803,717	914.2%

**CITY OF PERTH
MUNICIPAL**
Statement of Comprehensive Income for the 11 months ended 31 May 2015
(By Nature)

	<i>Note</i>	Budget 2014/2015	Revised Budget YTD	Actual YTD 31/05/2015	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
Rates		76,236,923	75,793,080	75,852,809	59,729	0.1%
Grants and Contributions for Non Capital Purposes		1,857,558	1,773,783	1,796,970	23,187	1.3%
Donations and Reimbursements		518,722	417,982	406,176	(11,806)	-2.8%
Fees and Charges		104,440,404	91,434,615	91,610,964	176,349	0.2%
Interest and Investment Income		5,487,586	5,256,911	5,499,900	242,989	4.6%
Other Revenue		1,896,827	2,268,781	1,940,381	(328,400)	-14.5%
Total Revenue from Operating Activities		190,438,021	176,945,153	177,107,199	162,046	0.1%
OPERATING EXPENDITURE						
Employee Costs		64,501,116	57,448,321	57,400,213	48,108	0.1%
Materials and Contracts		49,484,905	42,737,223	39,454,787	3,282,436	7.7%
Utilities		2,995,573	2,918,327	2,827,853	90,474	3.1%
Depreciation and Amortisation		34,536,990	27,165,970	25,801,411	1,364,559	5.0%
Interest		1,640,018	1,414,953	1,412,401	2,552	0.2%
Insurance		1,179,533	1,102,339	1,117,788	(15,449)	-1.4%
Expenses Provision		992,713	903,866	1,122,794	(218,928)	-24.2%
Other Expenses from Ordinary Activities		21,827,249	20,627,970	19,245,718	1,382,252	6.7%
Total Expenses from Ordinary Activities		177,158,097	154,318,969	148,382,965	5,936,004	3.8%
Change in Net Assets from Ordinary Activities before Capital Amounts		13,279,924	22,626,184	28,724,234	6,098,050	27.0%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		1,820,895	1,264,694	1,225,324	(39,370)	-3.1%
NET OPERATING SURPLUS		15,100,819	23,890,878	29,949,558	6,058,680	25.4%
DISPOSAL/WRITE OFF OF ASSETS	2	(1,032,366)	(609,288)	(223,910)	385,378	-63.3%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,667,000	-	-	-	0.0%
Elizabeth Quay Contribution		-	(2,409,687)	(2,361,679)	48,008	-2.0%
Revaluation of Infrastructure Assets		-	-	184,311,651	184,311,651	0.0%
Change in net assets resulting from operations after capital amounts and significant items		15,735,453	20,871,903	211,675,620	190,803,717	914.2%

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 May 2015

	Note	31/05/2015	30/06/2014
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	11	18,527,923	4,464,366
Deposits/Prepayments	4	2,783,440	1,420,810
Investments	3, 11	96,603,216	103,131,912
Trade and Other Receivables	5	9,984,933	10,613,937
Rates Receivable	1	174,540	52,088
Inventories		3,049,977	2,107,372
TOTAL CURRENT ASSETS		131,124,029	121,790,485
NON CURRENT ASSETS			
Investments	3	8,355,497	9,660,340
Trade and Other Receivables	5	34,211	44,205
Property, Plant and Equipment	8	640,136,350	650,724,102
Infrastructure	8	477,129,936	305,154,277
Capital Work in Progress	8	80,717,784	45,032,351
TOTAL NON CURRENT ASSETS		1,206,373,778	1,010,615,275
TOTAL ASSETS		1,337,497,807	1,132,405,760
CURRENT LIABILITIES			
Trade and Other Payables	6	19,544,575	20,884,773
Employee Benefits	7	11,004,926	10,712,176
Provisions	7	199,697	287,225
Loan Liability	9	6,408,597	6,128,375
TOTAL CURRENT LIABILITIES		37,157,795	38,012,549
NON CURRENT LIABILITIES			
Employee Benefits	7	2,037,135	2,306,727
Provisions	7	3,837,182	3,479,847
Loan Liability	9	36,952,145	42,768,711
TOTAL NON CURRENT LIABILITIES		42,826,462	48,555,285
TOTAL LIABILITIES		79,984,257	86,567,834
NET ASSETS		\$1,257,513,550	\$1,045,837,926
EQUITY			
Accumulated Surplus		626,771,488	587,289,902
Asset Revaluation Reserve	10	557,254,098	372,942,447
Reserves	10	73,487,964	85,605,577
TOTAL EQUITY		\$1,257,513,550	\$1,045,837,926

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 11 months ended 31 May 2015

	Accumulated Surplus	Asset Revaluation Reserve	Cash Backed Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2013	468,362,919	377,710,375	90,492,874	936,566,168
Change in net assets resulting from operations	109,271,758	-	-	109,271,758
Transfer to Cash Backed Reserves	(26,612,491)	-	26,612,491	-
Transfers to Asset Revaluation Reserve	(575,625)	575,625	-	-
Transfers from Asset Revaluation Reserve	5,343,553	(5,343,553)	-	-
Transfer from Cash Backed Reserves	31,499,788	-	(31,499,788)	-
Balance at 30 June 2014	\$587,289,902	\$372,942,447	\$85,605,577	\$1,045,837,926
	\$	\$	\$	\$
Balance at 1 July 2014	587,289,902	372,942,447	85,605,577	1,045,837,926
Change in net assets resulting from operations	211,675,620	-	-	211,675,620
Transfer to Cash Backed Reserves	(6,764,049)	-	6,764,049	-
Transfers to Asset Revaluation Reserve	(184,311,651)	184,311,651	-	-
Transfers from Asset Revaluation Reserve	-	-	-	-
Transfer from Cash Backed Reserves	18,881,662	-	(18,881,662)	-
Balance at the end of the reporting period	\$626,771,482	\$557,254,098	\$73,487,964	\$1,257,513,546

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 11 months ended 31 May 2015

	Note	Budget 2014/2015	YTD Actual 31/05/2015	YTD Variation	
		\$	\$	\$	%
Cash Flows from Operating Activities					
Receipts					
Rates		76,080,929	75,680,815	(400,114)	-0.5%
Fees and Charges		101,023,509	92,044,296	(8,979,213)	-8.9%
Interest		5,436,794	5,548,922	112,128	2.1%
Other		5,353,848	2,327,117	(3,026,731)	-56.5%
		187,895,081	175,601,150	(12,293,931)	-6.5%
Payments					
Employee Costs		(64,749,961)	(57,330,631)	7,419,330	11.5%
Materials and Contracts		(49,537,107)	(44,031,581)	5,505,526	11.1%
Interest		(1,600,976)	(1,345,911)	255,065	15.9%
Other		(21,913,648)	(23,701,055)	(1,787,407)	-8.2%
		(137,801,692)	(126,409,178)	11,392,514	8.3%
Net Cash Flows from Operating Activities	12	50,093,388	49,191,972	(901,416)	1.8%
Cash Flows from Investing Activities					
Receipts					
Distribution from TPRC		1,667,000	1,166,667	(500,333)	-30.0%
Proceeds from Disposal of Assets		1,139,000	1,481,262	342,262	30.0%
Proceeds from Disposal of Investments(Non Current)		-	138,176	138,176	0.0%
Payments					
Purchase Land and Buildings		(23,156,250)	-	23,156,250	-100.0%
Purchase Infrastructure Assets		(38,694,561)	(449,217)	38,245,344	-98.8%
Purchase Plant and Mobile Equipment		(4,353,760)	(3,596,187)	757,573	17.4%
Purchase Office Furniture and Equipment		(767,801)	(37,014)	730,787	-95.2%
Work in Progress		-	(37,866,189)	(37,866,189)	0.0%
		(66,972,372)	(41,948,607)	25,023,765	37.4%
Net Cash Flows from Investing Activities		(64,166,372)	(39,162,502)	25,003,870	39.0%
Cash Flows from Financing Activities					
Proceeds from Borrowings		1,032,988	-	(1,032,988)	-100.0%
Repayment of Borrowings		(6,128,375)	(5,536,344)	592,031	9.7%
		(5,095,387)	(5,536,344)	(440,957)	-8.7%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		1,857,558	1,816,410	(41,148)	-2.2%
Capital		1,820,895	1,225,324	(595,571)	-32.7%
		3,678,453	3,041,734	(636,719)	-17.3%
Net Increase (Decrease) in Cash Held		(15,489,918)	7,534,860	23,024,778	-148.6%
Cash at 1 July 2014		113,706,928	107,596,278	(6,110,650)	-5.4%
Cash at 31 May 2015	11	98,217,010	115,131,139	16,914,129	17.2%

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2015

1 Rates Receivable

	Actual YTD 31/05/2015	2013/14 YTD 31/05/2014
	\$	\$
Outstanding Amount at 30 June 2014	52,088	24,530
Rates Levied for the Year	75,984,555	71,090,164
Late Payment Penalties	82,996	76,983
Ex Gratia Rates	10,283	10,268
Rates Administration Fee	297,941	277,137
Rates Instalment Interest	317,691	297,136
Back Rates	(142,029)	1,407
Bins Levy	3,887	(10,178)
	76,607,412	71,767,447
Amount Received during the Period	76,432,872	71,670,004
Outstanding Amount at 31 May 2015	\$174,540	\$97,443

2 Gain/(Loss) on Disposal/Write off of Assets

	Annual Budget	Actual YTD 31/05/2015
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,157,145	145,470
(Loss) on Write Off	(1,157,145)	(145,470)
Plant and Mobile Equipment		
Proceeds on Disposal	1,139,000	1,481,262
Less: Carrying amount of assets sold/written off	1,014,221	1,556,757
Profit/(Loss) on Disposal/Write Off	124,779	(75,495)
Furniture and Equipment		
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold /written off	-	2,945
(Loss) on Disposal/Write Off	-	(2,945)
Gain/(Loss) on Disposal/Write off of Assets	(\$1,032,366)	(\$223,910)

3 Investments

Current	31/05/2015	30/06/2014
Short Term Cash Investments *	\$	\$
Call Funds	10,005,335	1,043,523
Bank/Term Deposits	82,250,000	98,190,000
Balanced Funds	4,347,881	3,898,389
Total Current Investments	\$96,603,216	\$103,131,912

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	31/05/2015	30/06/2014
	\$	\$
Floating Rate Note (FRN)	3,003,655	3,003,655
Mortgage Backed Securities (MBS)	2,616,402	2,764,918
	5,620,057	5,768,573
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	387,351	377,011
Equity in Tamala Park Regional Council	2,338,089	3,504,756
	\$8,355,497	\$9,660,340

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2015

4 Deposits/Prepayments

	31/05/2015	30/06/2014
	\$	\$
Prepaid Insurance	205,427	-
Prepaid Parking Bay Licence Fees	1,162,924	91,560
Other	1,415,089	1,329,250
	\$2,783,440	\$1,420,810

5 Trade And Other Receivables

	31/05/2015	30/06/2014
Current	\$	\$
Emergency Services Levy (ESL)	110,090	32,858
Accrued Interest and Investment Income	1,301,000	1,350,021
Accrued Income	1,298,766	831,046
Modified Penalties/Fines and Costs	7,192,117	6,600,487
Debtors - General		
Australian Taxation Office - GST Refundable	293,708	479,963
Works and Services	858,746	156,225
Other Debtors	1,923,293	3,949,938
	12,977,720	13,400,538
Less: Provision for Doubtful Debts	(2,992,787)	(2,786,601)
	\$9,984,933	\$10,613,937
Non Current		
Pensioners' Rates Deferred	34,211	44,205
	\$34,211	\$44,205

6 Trade And Other Payables

	31/05/2015	30/06/2014
Current	\$	\$
Trade Creditors	6,426,766	13,831,285
Emergency Services Levy	2,226,554	-
Interest Payable on Loans	351,297	284,807
Accrued Expenses - Operating	4,474,860	2,818,834
Accrued Expenses - Capital	1,966,781	1,029,676
Advances Received for Recoverable Works	603,052	72,116
Income Received / Raised in Advance	763,896	855,479
Other Creditors	2,731,369	1,992,576
	\$19,544,575	\$20,884,773

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2015

7 Employee Benefits

	31/05/2015	30/06/2014
Current	\$	\$
Leave Entitlements		
Annual Leave	4,423,412	4,397,244
Self Funded Leave	259,530	307,440
Long Service Leave	6,182,253	5,855,705
Recognition of Employees- Presentations	139,731	151,787
	\$11,004,926	\$10,712,176
Non Current		
Annual Leave	944,700	1,214,292
Long Service Leave	1,092,435	1,092,435
	\$2,037,135	\$2,306,727

Provisions

	31/05/2015	30/06/2014
Current	\$	\$
Workers Compensation	199,697	287,225
	\$199,697	\$287,225
Non Current		
Provision for Equipment Replacement PCEC	3,837,182	3,479,847
	\$3,837,182	\$3,479,847

8 Property, Plant and Equipment and Work in Progress

	31/05/2015	30/06/2014
	\$	\$
Land and Air Rights - at cost/fair value	381,707,244	381,707,245
Less: Accumulated Depreciation	(2,523,706)	(2,005,206)
	379,183,538	379,702,039
Buildings/Freehold - at fair value	375,252,799	375,188,177
Less: Accumulated Depreciation	(145,508,671)	(138,059,884)
	229,744,128	237,128,293
Improvements - at fair value	7,837,188	7,837,189
Less: Accumulated Depreciation	(4,342,128)	(4,102,509)
	3,495,060	3,734,680
Infrastructure Assets - at cost/fair value	739,911,799	414,735,710
Less: Accumulated Depreciation	(262,781,863)	(109,581,432)
	477,129,936	305,154,278
Plant and Mobile Equipment - at cost/fair value	43,272,147	44,379,151
Less: Accumulated Depreciation	(25,633,939)	(25,496,556)
	17,638,208	18,882,595
Office Furniture and Equipment - at cost/fair value	21,832,195	22,007,987
Less: Accumulated Depreciation	(12,552,050)	(11,325,996)
	9,280,145	10,681,991
Agricultural - at cost	795,271	594,507
Less: Accumulated Depreciation	-	-
	795,271	594,507
Property, Plant and Equipment	1,117,266,286	955,878,383
Work in Progress - at cost	80,717,784	45,032,351
	80,717,784	45,032,351
Total Property, Plant and Equipment and Work in Progress	\$1,197,984,070	\$1,000,910,730

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2015

8 Property, Plant and Equipment and Work in Progress - Movement at Cost

	Balance 30/06/2014	Acquisitions Actual YTD 31/05/2015	Transfers Actual YTD 31/05/2015	Disposals/ Write off/ Actual YTD 31/05/2015	Revaluation Actual YTD 31/05/2015	Balance 31/05/2015
	\$	\$	\$	\$		\$
Land and Air Rights	381,707,245	-	-	-	-	381,707,245
Buildings	375,188,177	-	101,177	(36,554)	-	375,252,800
Improvements	7,837,189	-	-	-	-	7,837,189
Infrastructure Assets	414,735,710	449,217	1,293,333	(3,870,516)	327,304,056	739,911,800
Plant and Mobile Equipment	44,379,151	3,596,187	1,147,451	(5,850,642)	-	43,272,147
Office Furniture and Equipment	22,007,987	37,014	119,376	(332,182)	-	21,832,195
Agricultural	594,507	-	200,763	-	-	795,270
Work in Progress	45,032,351	38,803,294	(3,117,861)	-	-	80,717,784
	\$1,291,482,317	\$42,885,714	(255,761)	(\$10,089,894)	327,304,056	\$1,651,326,430

9 Loan Liability

	31/05/2015	30/06/2014
Current	\$	\$
Loans - Western Australian Treasury Corporation	6,408,597	6,128,375
Non Current		
Loans - Western Australian Treasury Corporation	36,952,145	42,768,711

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2014	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 31/05/2015
	\$	\$	\$	\$
Refuse Disposal and Treatment	4,755,639	172,287	(1,192,891)	3,735,035
Concert Hall - Refurbishment and Maint.	4,640,442	180,406	-	4,820,848
Asset Enhancement	30,427,044	3,615,961	(4,640,824)	29,402,181
Community Recreation Centres/Facilities	337,663	7,640	(345,303)	-
Street Furniture Replacement	476,186	18,514	-	494,700
Parking Levy	11,099,114	61,365	(11,053,947)	106,532
Art Acquisition	257,642	9,766	(6,188)	261,220
Heritage Incentive	1,113,339	43,367	-	1,156,706
Parking Facilities Development	26,316,681	998,958	(1,642,509)	25,673,130
Employee Entitlements	1,028,800	39,995	-	1,068,795
David Jones Bridge	260,014	10,109	-	270,123
Bonus Plot Ratio	573,018	22,278	-	595,296
PCEC Fixed Plant Replacement	3,479,847	357,335	-	3,837,182
Enterprise and Initiative	840,154	1,226,068	-	2,066,216
	85,605,583	6,764,049	(18,881,662)	73,487,964
* Asset Revaluation	372,942,447	184,311,651	-	557,254,098
	\$458,548,030	\$191,075,700	(\$18,881,662)	\$630,742,062

* The Asset Revaluation Reserve is a non cash backed reserve and cannot be used ,except for adjustments to fixed assets on their revaluation, disposal or write off

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2015

11 Cash Reconciliation

	31/05/2015	30/06/2014
	\$	\$
Cash and Cash Equivalents	18,527,923	4,464,366
Short Term Cash Investments	96,603,216	103,131,912
	\$115,131,139	\$107,596,278

12 Reconciliation of Net Cash Provided By Operating Activities to Operating Surplus

	31/05/2015	30/06/2014
	\$	\$
Change in Net Assets Resulting from Operations	29,725,648	29,354,176
Adjustment for items not involving the movement of Funds:		
Depreciation	25,801,411	22,543,017
Doubtful Debts	206,186	36,912
Non Capitalised Work in Progress	255,761	125,694
(Gain)/Loss on Disposal/Write off/Contribution of Assets	223,910	1,561,090
Profit on Disposal of Investments	-	170,926
	56,212,916	53,791,815
Revenues Provided By :		
Government Grants	(3,041,734)	(4,606,455)
Contribution from Other Parties	-	(22,000)
	(3,041,734)	(4,628,455)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Inventories	-	24,830
Decrease in Deposits and Prepayments	-	119,105
Decrease in Accrued Interest and Dividend Income	49,022	-
Decrease in Debtors	719,064	-
Decrease in Deferred Debtors	9,994	1,955
Decrease in Accrued Income	-	165,623
Increase in Income Received /Raised in Advance	439,353	699,823
Increase in Accrued Interest Payable	66,490	256,798
Increase in Accrued Expenses	1,656,026	-
Increase in Provisions	292,965	478,533
Deduct		
Decrease in Trade and Other Payables	(4,439,172)	(467,888)
Increase in Inventories	(942,605)	(330,519)
Increase in Trade and Other Receivables	-	(59,028)
Increase in Prepayments	(1,362,630)	-
Increase in Accrued Income	(467,720)	-
Increase in Accrued Interest and Investment Income	-	(344,877)
	(3,979,213)	544,355
Net Cash Provided by Operating Activities	\$49,191,972	\$49,707,715

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2015

13 Ratios

	31/05/2015	30/06/2014
1 Current Ratio		
<u>Current Assets minus Restricted Assets</u>		
Current Liabilities minus Liabilities associated with Restricted Assets	1.70	0.83
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	5.98%	7.64%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	4.32%	5.04%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	43.30%	40.71%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	0.23%	0.07%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	7.35	1.29
7 Gross Debt to Revenue Ratio		
<u>Gross Debt</u>		
Total Revenue	24.48%	10.82%
8 Gross Debt to Economically Realisable Assets Ratio		
<u>Gross Debt</u>		
Economically Realisable Assets	5.04%	5.91%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.05.2015

CITY OF PERTH

FAS GRAPHS

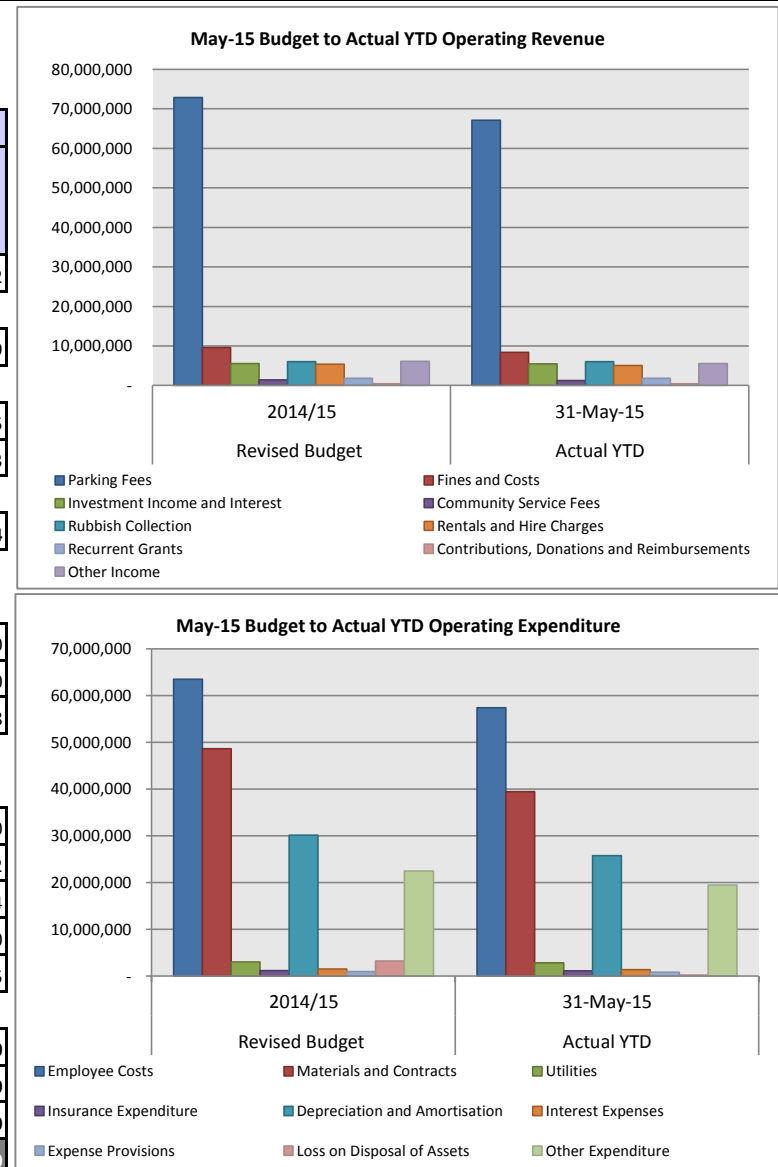
May-15

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Financial Activity Statement

	Annual	Year To Date May-15		
Proceeds from Operating Activities	Revised Budget 2014/15 \$000s	Budget YTD \$000s	Actual \$000s	Variance \$000s
Operating Revenue	109,340	101,152	101,254	102
Less: Operating Expenditure	174,825	154,812	148,603	6,209
Add back Depreciation	-30,156	-27,166	-25,801	-1,365
(Loss)/Profit on Disposals	-3,254	-493	-220	-273
Net Surplus/(Deficit) from Operations	-32,075	-26,001	-21,327	4,674
Investing Activities				
Capital Expenditure	-78,069	-57,861	-52,591	5,270
Repayment of Borrowings	-6,128	-5,536	-5,536	0
Transfers to Reserves	-19,999	-7,342	-6,764	578
Financing Activities				
Transfers from Reserves	25,849	17,495	14,965	-2,530
Carry Forwards	15,399	12,213	7,441	-4,772
Proceeds from Disposal of Assets	1,171	1,075	1,619	544
Distribution from TPRC	1,667	1,167	1,167	0
Capital Grants	2,047	1,210	1,225	15
Net Surplus/(Deficit) before Rates	-90,138	-63,581	-59,801	3,780
Add: Opening Funds	16,073	16,073	16,073	0
Less: Closing Funds	1,728	28,285	32,125	3,840
Amount Sourced from Rates	75,793	75,793	75,853	60

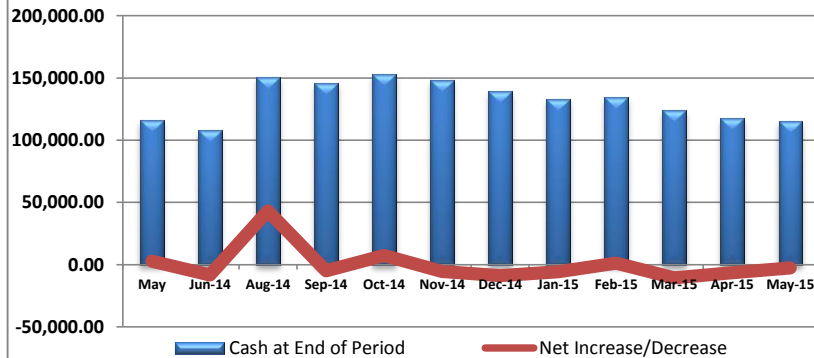


Cash

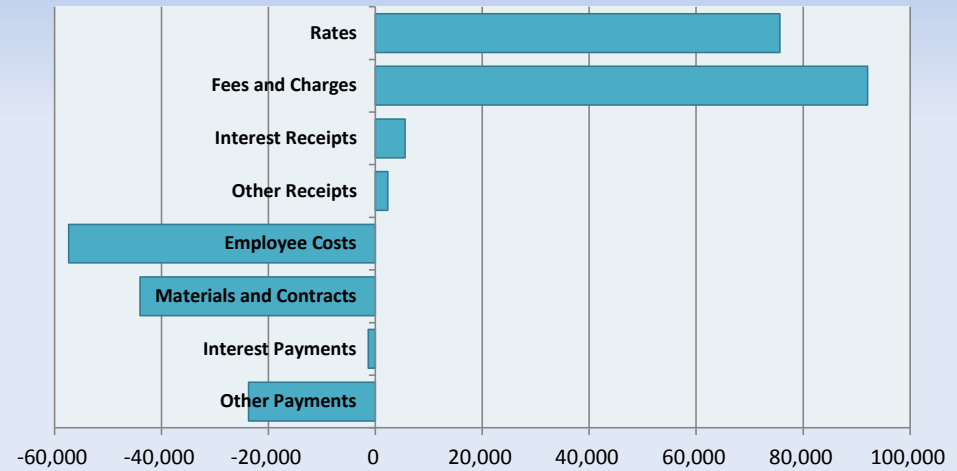
SUMMARY CASH FLOW STATEMENT

	Budget \$'000s 2014/2015	YTD Actual \$'000s May-15
Receipts from Customers	187,895	175,601
Payments to Suppliers and Creditors	-137,802	-126,409
Net Cash Inflow/Outflow from Operating Activities	50,093	49,192
Net Cash Inflow/Outflow from Investing Activities	-64,166	-39,163
Net Cash Inflow/Outflow from Financing Activities	-5,095	-5,536
Cash Flows from Government and Other Parties	3,678	3,042
Cash at 1 July 2014	113,707	107,596
Net Increase (Decrease) in Cash Held	-15,490	7,535
Cash at 31 May 2015	98,217	115,131

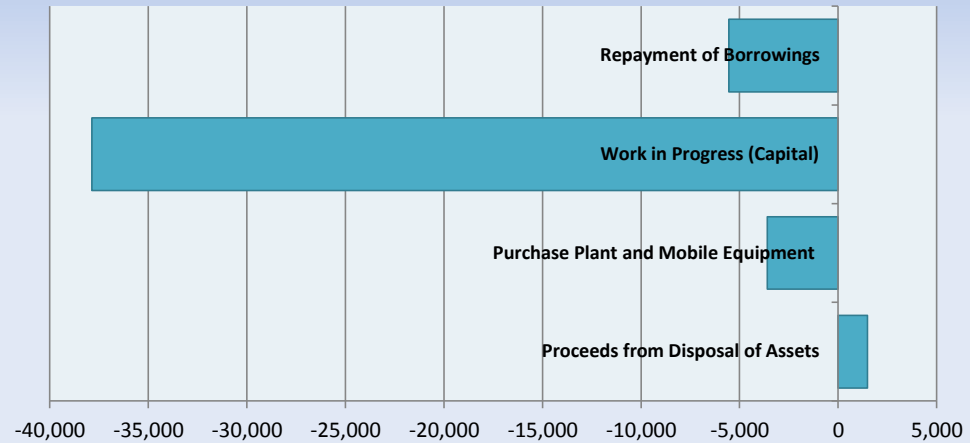
Monthly Cash Movements to May-15 \$'000s



Cash Flows from Operating Activities \$'000s

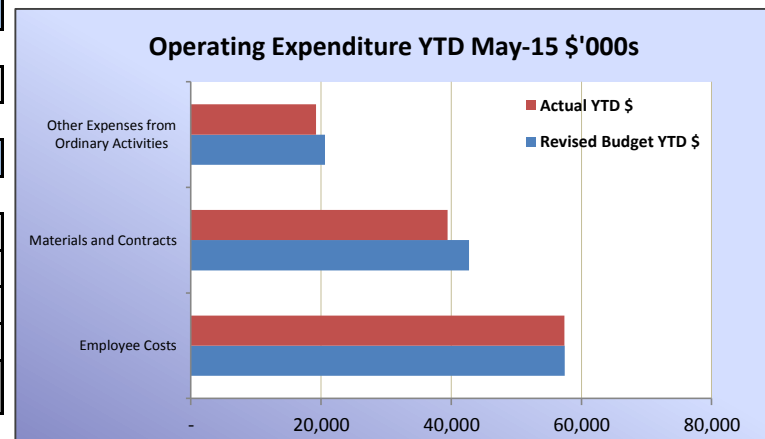
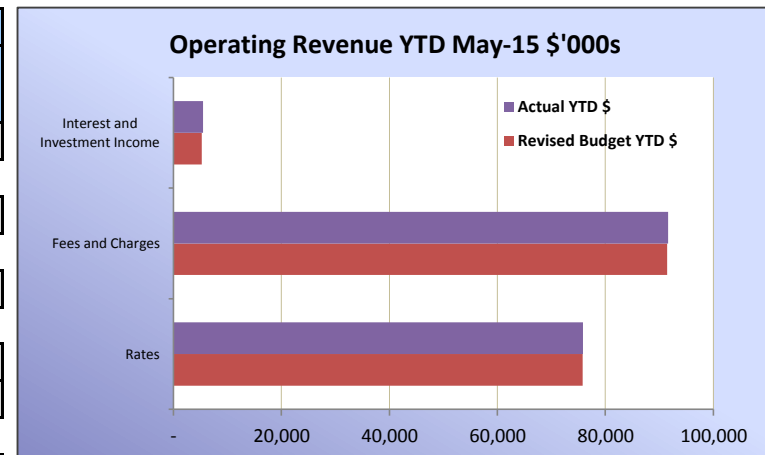


Cash Flows from Investing Activities \$'000s



Summary Operating Statement

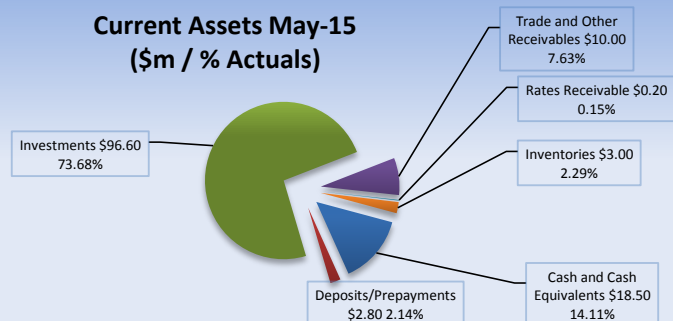
	2014/2015	Year To Date		
	Original Budget \$000	Revised Budget \$000s	Actual \$000s	Variance \$000s
Operating Revenue	190,438	176,945	177,107	162
less Operating Expenses	-140,982	-125,737	-121,170	4,567
Earnings before Interest and Depreciation (EBID)	49,456	51,208	55,937	4,729
less Interest Expense	-1,640	-1,415	-1,412	-3
less Depreciation	-34,537	-27,166	-25,801	-1,365
Operating Surplus/(Deficit)	13,279	22,627	28,724	6,097
Grants and Contributions- Capital	1,821	1,265	1,225	-39
NET OPERATING SURPLUS	15,100	23,892	29,949	6,057
DISPOSAL/WRITE OFF OF ASSETS	-1,032	-609	-224	385
Distribution from TPRC	1,667	0	0	0
Elizabeth Quay Contribution	0	-2,410	-2,362	48
Revaluation of Infrastructure Assets	0	0	184,312	184,312
Change in net assets resulting from operations after capital amounts and significant items	15,735	20,872	211,676	190,804



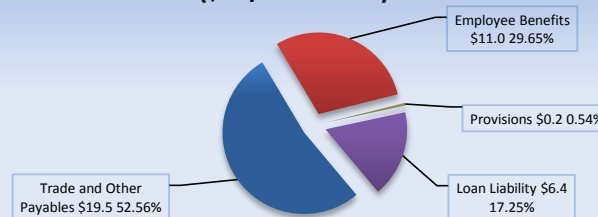
Summary Statement of Financial Position

	31-May-15	30-Jun-14
	Actual \$000s	Actual \$000s
Total Current Assets	131,124	121,790
Total Non Current Assets	1,206,374	1,010,615
TOTAL ASSETS	1,337,498	1,132,405
Total Current Liabilities	37,158	38,013
Total Non Current Liabilities	42,826	48,555
TOTAL LIABILITIES	79,984	86,568
NET ASSETS	1,257,514	1,045,838
COMMUNITY EQUITY		
Accumulated Surplus	626,771	587,290
Asset Revaluation Reserve	557,254	372,942
Reserves (Cash Backed)	73,488	85,606
TOTAL EQUITY	1,257,514	1,045,838

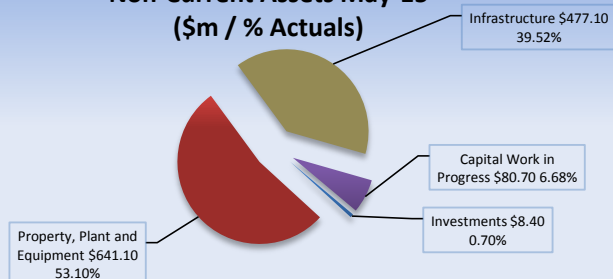
Current Assets May-15
(\$m / % Actuals)



Current Liabilities May-15
(\$m / % Actuals)



Non-Current Assets May-15
(\$m / % Actuals)

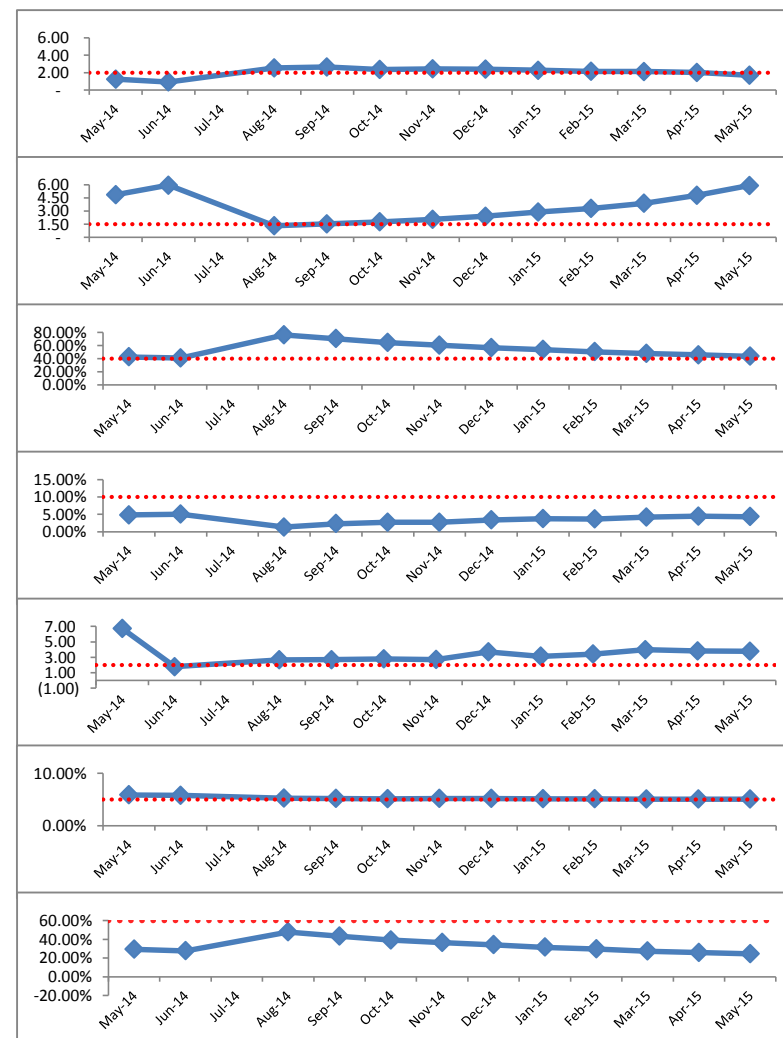


Non-Current Liabilities May-15
(\$m / % Actuals)



Ratio Analysis

	May-15
Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets)	1.70
Ability to generate working capital to meet our commitments	
Target is greater than 2.00	
Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD)	5.91
Ability to fund capital and exceptional expenditure	
Target is greater than 1.5	
Rate Coverage Ratio (Net Rate Revenue/Operating Revenue)	43.30%
Ability to reduce rates to ratepayers	
Target is less than 40.00% - The percentage will diminish as the bulk of the rates are raised in July	
Debt Service Ratio (Interest and principal repayments/Available Operating Revenue)	4.32%
Ability to service loans including principal and interest	
Target is less than 10.0%	
Cash Capacity in Months (Cash < 90 days invest / (Cash Operating Costs divided by 11 months)	3.77
Ability to manage cashflow	
Target is greater than 2.0 months	
Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets)	5.04%
Ability to retire debt from readily realisable assets	
Target is greater than 5.0%	
Gross Debt to Revenue Ratio (Gross Debt / Total Revenue)	24.48%
Ability to service debt out of total revenue	
Target is less than 60.0%	



SCHEDULE 2

31-May-15

INSTITUTION CREDIT AND RATING				
INSTITUTION	AMOUNT	PERCENTAGE	CREDIT RATING	MAX AMOUNT
ANZ	24,576,015.51	18%	A1+	OK
AMP	13,005,334.50	10%	A1	OK
ING	12,000,000.00	9%	A2	OK
BOQLD	16,550,000.00	12%	A2	OK
BANKWEST	10,305,698.43	8%	A1+	OK
BARCLAYS	2,616,401.93	2%	NR	OK
C B A	-	0%	A1+	OK
BENDIGO	-	0%	A2	OK
MACQUARIE	0.00	0%	A1	OK
MEQUITY	0.00	0%	A2	OK
NAB	45,180,016.25	34%	A1+	OK
ST GEORGE	-	0%	A1+	OK
SUNCORP METWAY	2,000,000.00	1%	A1	OK
WESTPAC	3,003,655.07	2%	A1+	OK
COLONIAL	4,347,881.76	3%	NR	OK
TOTAL	133,585,003.45	100%		

GLOBAL CREDIT EXPOSURE			
INSTITUTION	AMOUNT	PERCENTAGE	MAX ALLOWED
A1+, A1, AA	98,070,719.76	73%	100%
A2	28,550,000.00	21%	60%
A3 and Unrated	6,964,283.69	5%	10%
TOTAL	133,585,003.45	100%	

A1+	45%	INDIVIDUAL ADI EXPOSURE ALLOWED
A1	45%	
A2	40%	
A3	10%	
AAA	45%	
AA	45%	
Unrated	10%	

INVESTMENT REPORT

	Market Value	Market Value	Cost & Impairment	% of	Interest Earned	Weighted Average Monthly	Interest Earned
31-May-15	30-Apr-15	31-May-15	31-May-15	Class	May	Rate	YTD
Municipal							
Short term Direct Investments							
Call	\$20,255,173	\$31,507,304	\$31,507,304	24.4%	\$50,364	2.64%	\$211,654
Term Deposits	\$30,800,000	\$19,300,000	\$19,300,000	14.9%	\$82,647	4.00%	\$1,924,272
Short	\$51,055,173	\$50,807,304	\$50,807,304		\$133,011	3.49%	\$2,135,926
Total Municipal - Cash Back Securities	\$51,055,173	\$50,807,304	\$50,807,304		\$133,011	3.49%	\$2,135,926
Total Municipal Investments	\$51,055,173	\$50,807,304	\$50,807,304		\$133,011	3.49%	\$2,135,926
Reserves							
Short term Direct Investments							
Call	\$3,225,420	\$2,636,737	\$2,636,737	2.0%	\$5,824	2.50%	\$21,626
Term Deposits	\$60,200,000	\$62,950,000	\$62,950,000	48.7%	\$172,885	3.39%	\$2,161,170
Total	\$63,425,420	\$65,586,737	\$65,586,737		\$178,709	3.36%	\$2,182,797
Floating Rate Notes/ CLNs							
WPAC- Sub Debt -FRN	3,006,210	3,003,630	\$3,003,655	2.3%	\$9,102	3.67%	\$112,557
Total	\$3,006,210	\$3,003,630	\$3,003,655		\$9,102	3.67%	\$112,557
Medium term Direct Investments							
Barclays - Emerald -MBS	2,831,206	2,815,519	\$2,616,402	2.0%	\$11,911	3.01%	\$139,783
Total	\$2,831,206	\$2,815,519	\$2,616,402		\$11,911	3.01%	\$139,783
Total Reserve - Cash Back Securities	\$69,262,836	\$71,405,886	\$71,206,794		\$199,722	3.35%	\$2,435,137
Balanced Funds							
Colonial Share Index	\$4,330,707	\$4,347,882	\$4,347,882	100%	\$17,054	5.03%	\$448,514
Total	\$4,330,707	\$4,347,882	\$4,347,882		\$17,054	5.03%	\$448,514
Total Reserve Investments	\$73,593,544	\$75,753,768	\$75,554,676		\$216,776	3.47%	\$2,883,650
Trust							
Short term Direct Investments							
Call	\$405,492	\$437,309	\$437,309	0.3%	\$315	0.90%	\$5,052
Term Deposits	\$6,783,433	\$6,785,715	\$6,785,715	5.3%	\$17,101	3.04%	\$197,553
Total	\$7,188,925	\$7,223,023	\$7,223,023		\$17,416	3.00%	\$202,605
Total Trust - Cash Back Securities	\$7,188,925	\$7,223,023	\$7,223,023		\$17,416	3.00%	\$202,605
Total Investments-Cash Back Securities	\$127,506,934	\$129,436,214	\$129,237,122		\$350,149	3.39%	\$4,773,668
Grand Total Investments	\$131,837,642	\$133,784,095	\$133,585,003		\$367,203	3.57%	\$5,222,181

INVESTMENT
RATES:

CASH RATE
2.00%

BENCHMARK
2.38%

AVERAGE excl.Trust
3.48%

CITY OF PERTH - SHORT TERM INVESTMENTS (Excluding Call) AS AT 31 MAY 2015

							Total	TOTAL INTEREST	
							Investment	individual outstanding	
FUND	INSTITUTION	TYPE	AMOUNT	RATE	LODGED	MATURITY	Days	investment	
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	3.05%	24/02/2015	25/06/2015	121	\$	35,388.36
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.45%	30/01/2015	31/07/2015	182	\$	51,608.22
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.50%	7/10/2014	30/06/2015	266	\$	63,767.12
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,800,000.00	3.50%	4/12/2014	4/06/2015	182	\$	31,413.70
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.15%	11/02/2015	11/06/2015	120	\$	15,534.25
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.63%	25/07/2014	22/06/2015	332	\$	66,036.16
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.52%	22/10/2014	30/06/2015	251	\$	72,618.08
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.55%	16/12/2014	18/06/2015	184	\$	35,791.78
			\$ 19,300,000.00						
RESERVES	AMP	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.60%	23/12/2014	22/06/2015	181	\$	53,556.16
RESERVES	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.90%	9/04/2015	9/07/2015	91	\$	21,690.41
RESERVES	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	3.00%	10/03/2015	10/09/2015	184	\$	52,931.51
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.60%	4/12/2014	4/06/2015	182	\$	35,901.37
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	3.75%	4/06/2014	4/06/2015	365	\$	187,500.00
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,550,000.00	3.60%	9/12/2014	11/06/2015	184	\$	46,277.26
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	3.50%	8/01/2015	9/07/2015	182	\$	17,452.05
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	3.10%	12/03/2015	16/07/2015	126	\$	10,701.37
RESERVES	ING	Short Term Direct Investments TERM DEPOSITS	\$ 6,000,000.00	3.55%	21/10/2014	30/06/2015	252	\$	147,057.53
RESERVES	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	3.10%	20/02/2015	19/08/2015	180	\$	53,506.85
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.50%	8/12/2014	11/06/2015	185	\$	26,609.59
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.60%	21/08/2014	22/06/2015	305	\$	90,246.58
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.50%	23/12/2014	25/06/2015	184	\$	26,465.75
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.48%	22/01/2015	23/07/2015	182	\$	34,704.66
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.10%	27/02/2015	31/07/2015	154	\$	32,698.63
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,900,000.00	3.51%	26/11/2014	31/07/2015	247	\$	92,635.15
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.15%	17/02/2015	13/08/2015	177	\$	45,826.03
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	3.20%	5/02/2015	31/08/2015	207	\$	18,147.95
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 6,000,000.00	3.20%	9/02/2015	31/08/2015	203	\$	106,783.56
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.95%	7/05/2015	5/11/2015	182	\$	44,128.77
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.95%	21/05/2015	19/11/2015	182	\$	73,547.95
			\$ 62,950,000.00						
ROD EVANS	BWEST	Short Term Direct Investments TERM DEPOSITS	\$ 305,698.43	2.95%	27/05/2015	24/09/2015	120	\$	2,964.86
TRUST	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.10%	13/03/2015	16/07/2015	125	\$	21,232.88
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 730,016.25	3.50%	8/01/2015	9/07/2015	182	\$	12,740.28
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.90%	28/05/2015	27/08/2015	91	\$	14,460.27
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,750,000.00	3.03%	26/03/2015	24/09/2015	182	\$	26,439.86
			\$ 6,785,714.68						
TOTAL investments			\$ 89,035,714.68						

Potential Sites for the relocation of Captain Stirling Statue.

Prepared by Duncan McKay, 4 June 2015

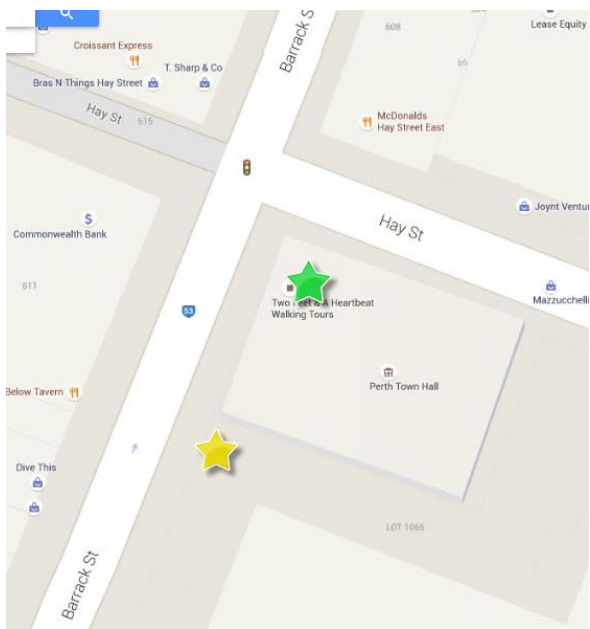



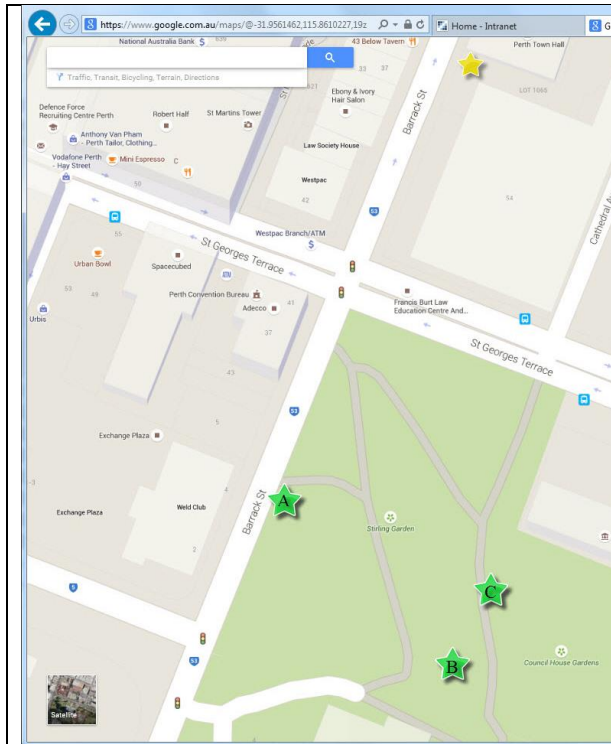
Somers, Phil, *Captain Stirling*, 1979, Bronze, City of Perth Public Art Collection

(Photo taken at time of removal from Foundation Square site in April 2012)

Yellow Star indicates the 2003 site, which was also close to the original site in the forecourt of the R&I Bank building on Barrack Street

Green Stars indicate the potential sites that have been identified for the reinstatement of the sculpture

	<p>SITE 1 : PREFERRED LOCATION: Town Hall Undercroft – to north of Barrack Street Entrance.</p> 
<p>Notes: This location is the closest available to the statue's original position on Barrack Street, adjacent to the Town Hall. In this location the statue would also be in close proximity to the pavement plaque marking the Foundation of Perth, and the public artwork being commissioned in the courtyard of the OTB which is an interpretation of the tree felled at Foundation.</p> <p>The time capsule installed close to this corner, may or may not be an issue for the footings of the artwork. This will have some impact on the markets held in this space three times a year.</p>	



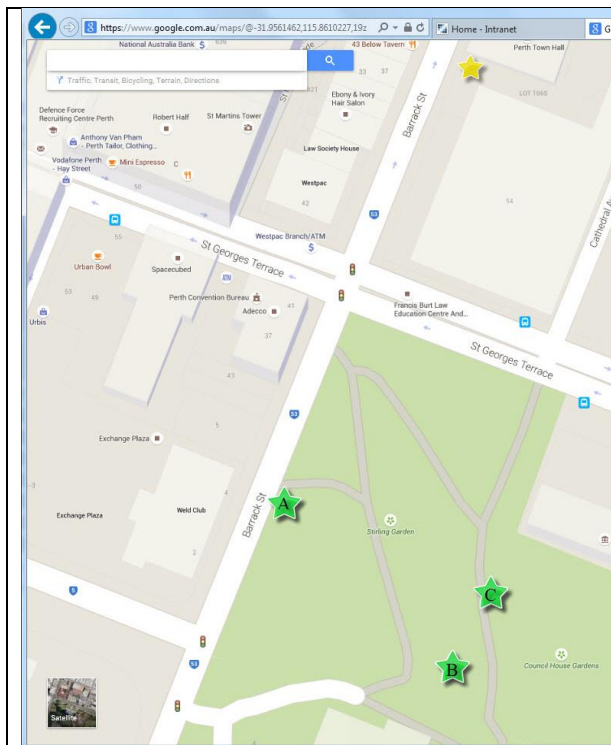
SITE 2: Stirling Gardens, Location A -
garden bed to south of southern entry to
Stirling Gardens from Barrack Street



Notes:

This location maintains a reasonably prominent Barrack Street presence for the statue, and would see the work situated in the appropriately named Stirling Gardens.

Aside from the name of the Gardens the site is not especially connected to Captain Stirling or the events of Foundation.



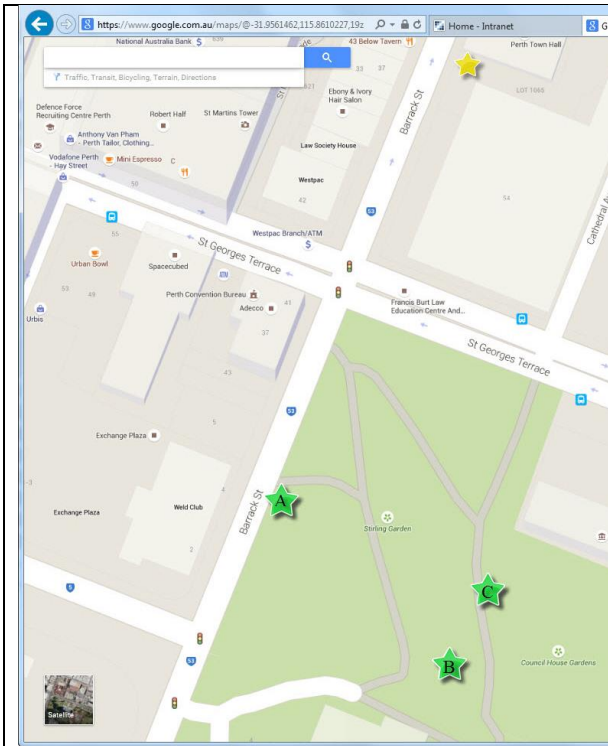
SITE 2: Stirling Gardens, Location B - garden bed to north of the entrance to the Supreme Court, just north of the junction of the paths.



Notes:

This location would give the work a prominent presence within the appropriately named Stirling Gardens.

Aside from the name of the Gardens the site is not especially connected to Captain Stirling or the events of Foundation.



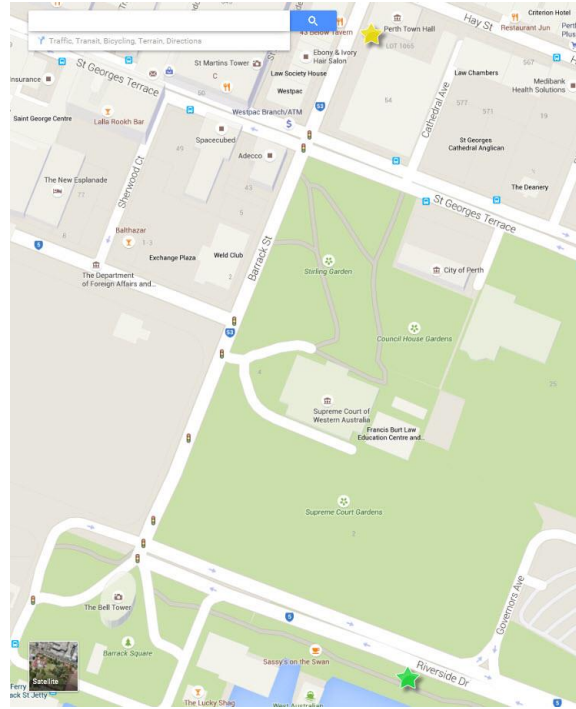
SITE 2: Stirling Gardens, Location C - in garden bed to east of junction of paths close to south-west corner of Council House



Notes:

This location would give the work a prominent presence within the appropriately named Stirling Gardens.

Aside from the name of the Gardens the site is not especially connected to Captain Stirling or the events of Foundation.



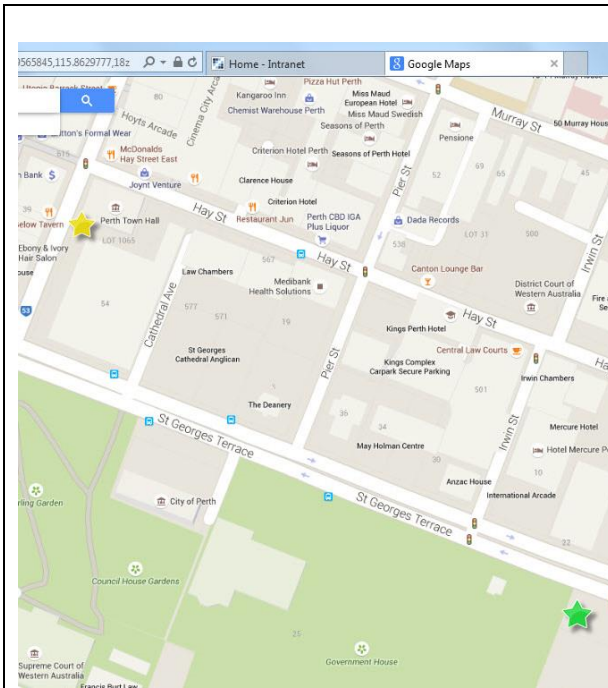
SITE 3: Swan River Foreshore/Riverside Drive - on raised turf in reserve to the south east of Governor's Avenue intersection, close to rest area.



Notes:

Richard Offen, Heritage Perth, suggested that a site close to river and along the axis of Pier Street (no longer meeting the river) would connect with the landing point of the early settlers. The site suggested here might be suitably prominent.

This is relatively exposed location for a human-scaled and accessible sculpture, so poses some risk. It is also quite removed from the original location of the statue on Barrack Street and from sites more directly associated with Foundation.



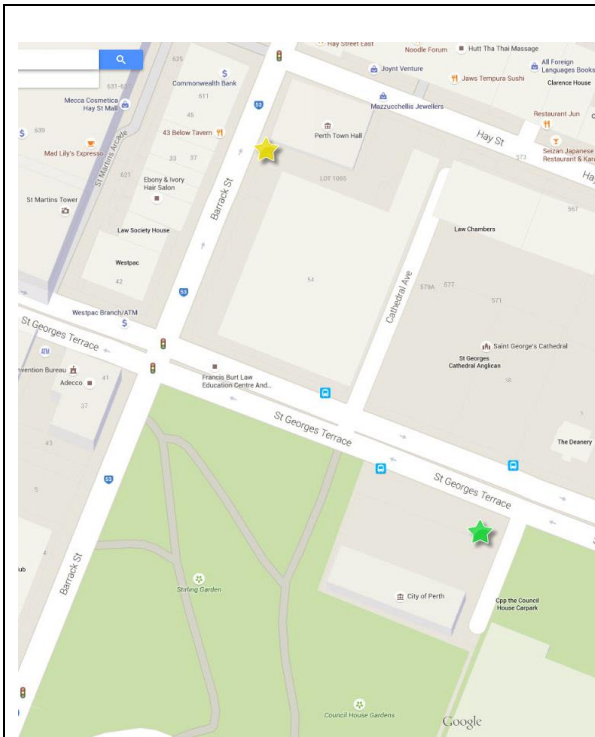
SITE 4: Concert Hall/St Georges Terrace - in a suitable location within small park to north west of Concert Hall on St Georges Terrace – installed either on St Georges Terrace frontage or centrally within park.



Notes:

Richard Offen, Heritage Perth, suggested this site as a possibility, marking Stirling's association with the domain on which Government House now stands, which was also the site of the temporary Government House Stirling had erected in the early days of the Swan River Colony. The statue could be installed either on the St Georges Terrace frontage of the park, or it could be placed centrally in the park as a focal point.

This site is quite removed from the original site of the statue on Barrack Street and from sites more directly associated with the events of Foundation.



SITE 5: Council House forecourt, near the north-eastern garden bed.



Notes:

In this site the statue would be seen from St Georges Terrace with a fitting backdrop of either Council House or Government House.

Due to the existing CPP signage and floodlight in this location the statue would need to be sited a short distance into the grassed area, and would require the construction of new plinth to give the work greater presence. The City Architect and the Heritage Council would need to be consulted and approvals sought regarding the impact of this installation on the aesthetics and conservation of Council House.



CORPORATE
BUSINESS PLAN

2015 - 2019

2029
VISION

Contents

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Message from the CEO

I am pleased to present the City of Perth's Corporate Business Plan. It provides clarity on the initiatives and services that the City is working towards over the next four years, with emphasis on the delivery of our strategic priorities set by the Community Strategic Plan, Vision 2029+.

This Corporate Business Plan will see a continued commitment to enhancing city living and delivering world class capital city infrastructure. An emphasis on financial sustainability and driving economic activity is the City of Perth's focus, with commitments to delivering key initiatives, in the areas of enhancing customer service and increasing economic development and area activation opportunities. These will be supported by further actions that are designed to connect city spaces, through our key capital investment projects

To deliver these initiatives and strengthening the ongoing services the City of Perth provides, we introduced a 'New City of Perth' organisational structure, in April 2015. This structure has been designed to deliver an enhanced quality of service, with a focus on having the building blocks to better cater for future Capital City needs.

We remain committed to forward planning and consistent organisational improvement, with open communication with all levels of government and key stakeholders are high priority. Team Perth is dedicated in delivering quality outcomes for our community, helping to create a Capital City that Western Australia can be proud of.

Gary Stevenson PSM

Chief Executive Officer

1. Introduction

Welcome to the City of Perth's Corporate Business Plan 2015 – 2019.

The Corporate Business Plan is a key component of the City's Integrated Planning and Reporting Framework and is the organisation's commitment to activating the Strategic Community Plan, 'Vision 2029+'. The City of Perth's Corporate Business Plan builds on the identified directions from previous plans, with an emphasis on meeting commitments and expectations now and into the future.

Integrated Planning and Reporting Framework

The diagram below depicts the components that make up the City of Perth's Integrated Planning and Reporting Framework (IPRF). It shows the interaction between the plans, the influence of the informing strategies and the strategic enablers, with emphasis given to a mutual informing relationship. The intent of the IPRF is to ensure the priorities and services provided by the City of Perth are aligned with our community needs and aspirations. The strategic enablers allow rigour to be applied to these, taking into account available resources to deliver the best possible results for the community.



The **Strategic Community Plan, Vision 2029+**, is our long term strategic direction that guides the remainder of the framework. It expresses the community's vision for the future together with the strategies that Council are intending to implement to address strategic community outcomes. This is a key document for Council to track and report on progress to the community.

This drives the City of Perth's **Corporate Business Plan**, which is the detailed implementation plan for services, key projects and capital investments over the next four years. The intention is that the implementation of this plan contributes towards the delivery of the community objectives over the longer term. It contains the same themes, community outcomes and strategies as the Strategic Community Plan, to ensure we deliver services in line with community aspirations.

The City's key strategic enablers show how we are equipped to deliver on the commitments made in this Corporate Business Plan. These key strategies are:

- **Long Term Financial Plan**

This ten year rolling plan assists the City to set priorities in accordance with its financial resources, through the allowance of key assumption based analysis. This allows the organisation to make decisions in a financially sustainable manner.

- **Workforce Plan**

The plan identifies the workforce requirements and strategies for current and future operations, ensuring the needs and limitations to support the delivery of the Corporate Business plan are met.

- **Corporate Asset Management Plan**

This plan provides guidance on service provision and whole of life cycle asset management to support the City's financial sustainability and key service levels.

The **Annual Budget** is based on the projected costing of year one of the Corporate Business Plan, with opportunity to review during the mid-year budget review process. The budget creation process will be continually improved on to strengthen the financial integration between the plans within the framework, with emphasis given on expanding to a robust annualised four year budget over time.

2. Strategic Direction

Community Vision

Extensive community engagement was conducted in 2013, to develop the City of Perth's Strategic Community Plan, Vision 2029+. A number of methodologies were used to gather information from the community to ensure the creation of the City of Perth's vision reflected their views. The methodologies used were:

- Stakeholder workshops.
- Online engagement.
- Previous relevant item specific engagement.

The analysis of information gathered formed the basis of the descriptive vision of:

Perth is renowned as an accessible city. It is alive with urban green networks that are safe and vibrant. As a global city, there is a diverse culture that attracts visitors. It provides city living at its best. Local and global businesses thrive here. Perth honours its past, while creating a sustainable future.

Community Outcomes

As a result of extensive Community Engagement the following ‘themes’ were identified:

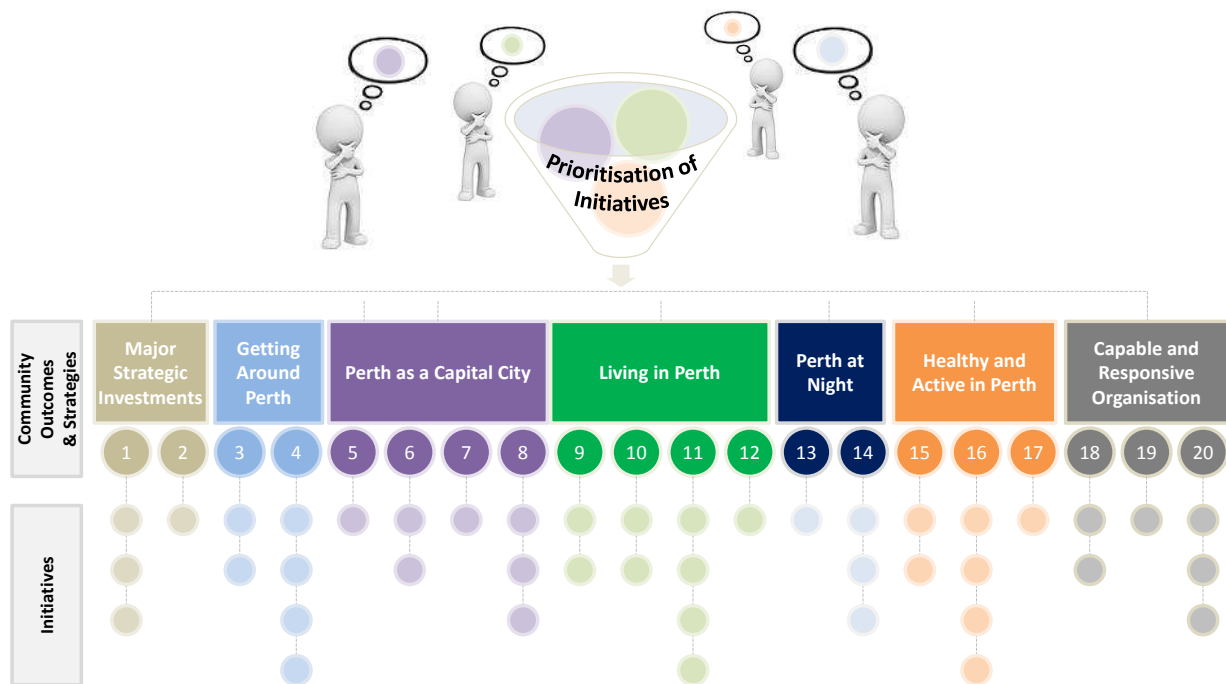
- Getting Around Perth
- Perth as a Capital City
- Living in Perth
- Perth at Night
- Healthy and Active in Perth
- Capable and Responsive Organisation

In addition to the above themes, Council resolved the inclusion of a seventh theme, Major Strategic Investments. The themes and aspirations were adopted as follows:

Major Strategic Investments The planning and integration of major infrastructure and developments to maximise their net benefit and minimise risk and future costs to the City.	Getting Around Perth An effective pedestrian friendly movement system integrating transport modes to maintain a high level of accessibility to and within the city.	Perth as a Capital City The City is recognised internationally as a city on the move and for its liveability, talented people, centres of excellence and business opportunities.
Living in Perth The City is a place where a diverse range of people choose to live for a unique sustainable urban lifestyle and access to government and private services.	Perth at Night A City that has a vibrant night time economy that attracts new innovative businesses and events and where people and families feel safe.	Healthy and Active in Perth A city with a well-integrated built and green natural environment in which people and families choose a lifestyle that enhances their physical and mental health and take part in arts, cultural and local community events.
Capable and Responsive Organisation A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and provide efficient and effective community centred services.		

Elected Member Prioritisation

During the 2015/16 planning process, Elected Members and the Executive Leadership Team undertook two facilitated workshops to confirm strategic assumptions. These workshops provided guidance and direction to the organisation in developing the City's Integrated Planning documents. The diagram below is aimed to depict the alignment of initiatives within the Corporate Business Plan with strategic thinking.



3. Priorities and Planning

The City of Perth's four year Corporate Business Plan identifies the key operational projects, operational services and key capital investment projects. The cost associated to deliver the commitments within this plan have been evaluated against the City's future financial projections and alignment with the strategic direction set through the Community Strategic Plan, Vision 2029+.

Key Operational Projects

The Vision 2029+ Strategic Community Plan outlines seven focus themes, in which twenty strategic objectives were identified. The following tables highlight the four year operational initiatives that the City of Perth will focus on. Each initiative has been assigned a Lead Unit, with contributions from other organisational units crucial to the success of the initiative.

Major Strategic Investments

The planning and integration of major infrastructure and developments to maximise their net benefit and minimise risk and future costs to the City.

				Expected work undertaken			
No.	Operational Initiative	Success Measure	Lead Unit	15/16	16/17	17/18	18/19
S1	Ensure that major developments effectively integrate into the city with minimal disruption and risk.						
1.1	Strategic Review of the City's Planning approach (Local Planning Strategy)	• Approach endorsed	Strategic Planning	●	●	●	
1.2	Establish site specific agreements and manage transition of Elizabeth Quay Precinct	• Agreements embedded	Coordination & Design	●	●	●	●
1.3	Establish site specific agreements and manage transition of Perth City Link Precinct	• Agreements embedded	Coordination & Design	●	●	●	●
1.4	Establish site specific agreements and manage transition of Waterbank/Riverside Precinct	• Agreements embedded	Coordination & Design	●	●	●	●
1.5	Establish site specific agreements and manage transition of connection points in the Stadium Precinct	• Agreements embedded	Coordination & Design	●	●	●	
S2	Optimise the commercial and community outcomes within the property portfolio						
2.1	Develop a Strategy for the management of City of Perth Property that addresses opportunities for growth, de- accession/accession and ownership needs	• Adoption of strategy	Properties	●	●		
2.2	Develop Implementation Plan for the Strategic Community Infrastructure Study 2031	• Adoption of implementation plan	Community Amenity & Safety		●	●	

Getting Around Perth

An effective pedestrian friendly movement system integrating transport modes to maintain a high level of accessibility to and within the city.

				Expected work undertaken			
No.	Operational Initiative	Success Measure	Lead Unit	15/16	16/17	17/18	18/19
S3	Proactive planning for an integrated transport system, including light rail, that meets community needs and makes the sustainable choice the easy choice						
3.1	Develop an Integrated Transport Strategy	<ul style="list-style-type: none">Adoption of strategy	Transport	<div></div>			
S4	Enhanced accessibility in and around the City including parking						
4.1	Develop Business Plan for future car park development	<ul style="list-style-type: none">Adoption of plan	Commercial Parking	<div></div>	<div></div>		
4.2	Deliver Two-Way Street Program	<ul style="list-style-type: none">Effective delivery of program	Transport	<div></div>	<div></div>		
4.3	Implement City of Perth Cycle Plan	<ul style="list-style-type: none">Implementation of plan	Transport	<div></div>	<div></div>	<div></div>	

Perth as a Capital City

The City is recognised internationally as a city on the move and for its liveability, talented people, and centres of excellence and business opportunities.

				Expected work undertaken			
No.	Operational Initiative	Success Measure	Lead Unit	15/16	16/17	17/18	18/19
S5	Increased place activation and use of under-utilised space						
5.1	Review and explore opportunities for adaptability associated with occupancy rates	• Completion of review	Economic Development	●	●	●	
5.2	Develop a precinct and place management approach for the City	• Approach endorsed	Business Support & Sponsorship	●	●	●	
S6	Maintain a strong profile and reputation for Perth as a city that is attractive for investment						
6.1	Develop an Economic Development Strategy	• Adoption of strategy	Economic Development	●	●		
6.2	Undertake a review of the City's Tourism Framework	• Completion of review	Economic Development	●	●		
6.3	Drive the development of a 2029 initiative for the 200th year of City of Perth	• Initiative scoped	Executive Support	●	●	●	●
6.4	Drive and manage the Capital City Committee	• Implementation of Committee	Executive Support	●	●	●	
6.5	Implement the International Engagement Strategy	• Implementation of strategy	International Engagement	●	●		
S7	Collaborate with private sector to leverage city enhancements						
7.1	Review City of Perth Public Wi-Fi Strategy	• Completion of review	Community Amenity & Safety	●	●		
7.2	Review Destination Perth Marketing Strategy	• Completion of review	Marketing & Events	●	●		
7.3	Develop a Strategy for Implementing Smarter Cities Report Initiatives	• Adoption of strategy	Executive Support	●	●		
7.4	Establish business information and support program	• Adoption of program	Business Support & Sponsorship	●	●		
S8	Contribute to a strong service culture and an attitude of gratitude in the private sector						
8.1	Develop a City Achievement and Service Promotion Strategy	• Adoption of strategy	Communication & Engagement	●	●		

Living in Perth

The City is a place where a diverse range of people choose to live for a unique sustainable urban lifestyle and access to government and private services.

				Expected work undertaken			
No.	Operational Initiative	Success Measure	Lead Unit	15/16	16/17	17/18	18/19
S9	Promote and facilitate CBD living						
9.1	Review and manage the interface between the growing residential population and the City of Perth	<ul style="list-style-type: none">Development of strategies	Communication & Engagement	●	●	●	
9.2	Review the City's approach to Conservation of Heritage Places	<ul style="list-style-type: none">Completion of review	Arts, Culture & Heritage	●	●		
9.3	Develop Noise Management Strategy	<ul style="list-style-type: none">Adoption of strategy	Environment & Public Health	●	●		
9.4	Develop a system to gather and respond to information collected assisting the enhancement of the presentation of the City	<ul style="list-style-type: none">Development of system	Street Presentation & Maintenance	●	●		
9.5	Promote the new City of Perth Library with emphasis on utilising its state of the art facilities	<ul style="list-style-type: none">Approach endorsed	Library	●	●		
S10	Improve the diversity in housing stock						
10.1	Develop an affordable housing choice	<ul style="list-style-type: none">Adoption of affordable options	Strategic Planning	●	●	●	
S11	Increase community awareness of environmentally sustainable ways of living						
11.1	Implement Energy Resilient City Plan	<ul style="list-style-type: none">Effective delivery of plan	Environment & Public Health	●			
11.2	Develop the Environmental Strategy and Implementation Plan	<ul style="list-style-type: none">Adoption of strategyAdoption of implementation plan	Environment & Public Health	●	●		
11.3	Develop Foreshore Preservation Plan	<ul style="list-style-type: none">Adoption of plan	Parks	●	●		
S12	Provide facilities to cater for the growth of the residential community						
12.1	Develop East Perth infrastructure and land use plan	<ul style="list-style-type: none">Adoption of plan	Strategic Planning	●	●		
12.2	Implement the Waste Strategy, with a view to consider longer term future treatment options	<ul style="list-style-type: none">Implementation of strategy	Waste & Cleansing	●	●	●	●

Perth at Night

A City that has a vibrant night time economy that attracts new innovative business' and events and where people and families feel safe.

				Expected work undertaken			
No.	Operational Initiative	Success Measure	Lead Unit	15/16	16/17	17/18	18/19
S13	Development of a healthy night time economy						
13.1	Develop a Night Time Economy Strategy	<ul style="list-style-type: none">Adoption of strategy	Economic Development	●	●		
13.2	Develop a laneways and key public realm strategy	<ul style="list-style-type: none">Adoption of strategy	Economic Development	●	●		
S14	Further improve safety and security						
14.1	Review and implement the Community Safety & Crime Prevention Plan	<ul style="list-style-type: none">Completion of reviewImplement plan	Community Amenity & Safety	●	●		
14.2	Identify and commit to key stakeholders with a focus on communication relationship building, to address social issues	<ul style="list-style-type: none">Key stakeholders identified	Community Amenity & Safety		●	●	●

Healthy and Active in Perth

A city with a well-integrated built and green natural environment in which people and families chose a lifestyle that enhances their physical and mental health and take part in arts, cultural and local community events.

				Expected work undertaken			
No.	Operational Initiative	Success Measure	Lead Unit	15/16	16/17	17/18	18/19
S15	Reflect and celebrate the diversity of Perth						
15.1	Undertake full review of Grants, Donations Sponsorships and Event Funding Policies	<ul style="list-style-type: none">Completion of review	Business Support & Sponsorship	<div></div>			
15.2	Develop Arts and Cultural Development Strategy	<ul style="list-style-type: none">Adoption of strategy	Arts, Culture & Heritage	<div></div>	<div></div>		
15.3	Develop Public Art Strategy and implementation Plan	<ul style="list-style-type: none">Adoption of strategyAdoption of implementation plan	Arts, Culture & Heritage	<div></div>	<div></div>		
15.4	Develop a Community Development Strategy	<ul style="list-style-type: none">Adoption of strategy	Community Amenity & Safety	<div></div>	<div></div>		
S16	Increase accessibility to green networks in the city						
16.1	Finalise the development of the Urban Forest Strategy	<ul style="list-style-type: none">Adoption of strategy	Environment & Public Health	<div></div>			
S17	Recognition of Aboriginal culture and strong relationships with the Indigenous community						
17.1	Develop Reconciliation Action Plan	<ul style="list-style-type: none">Adoption of plan	Community Amenity & Safety	<div></div>	<div></div>		

Capable and Responsive Organisation

A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

				Expected work undertaken			
No.	Operational Initiative	Success Measure	Lead Unit	15/16	16/17	17/18	18/19
S18	Strengthen the capacity of the organisation						
18.1	Implement Organisational Structure Reform	<ul style="list-style-type: none">Transition plans implemented	Human Resources	●			
18.2	Greater emphasis on the Diversification Revenue for Sustainability Management	<ul style="list-style-type: none">Mandate received	Finance	●	●	●	
18.3	Develop Enterprise Performance Model	<ul style="list-style-type: none">Adoption of model	Governance	●	●		
18.4	Develop Continuous Improvement Strategy	<ul style="list-style-type: none">Adoption of strategy	Human Resources	●	●		
S19	Improve the customer focus of the organisation						
19.1	Review and Update the City of Perth Emergency Management Plan	<ul style="list-style-type: none">Completion of review	Community Amenity & Safety	●	●		
19.2	Implement Organisational Project Management Framework (including Gateways)	<ul style="list-style-type: none">Implementation of framework	Coordination & Design	●	●	●	
19.3	Develop a Customer Service Strategy and Contact Centre	<ul style="list-style-type: none">Adoption of strategyImplementation of contact centre	Customer Service	●	●	●	
19.4	Conduct a review of the Strategic Community Plan	<ul style="list-style-type: none">Completion of review	Governance	●			
19.5	Deliver Online Customer Service systems (including Approvals)	<ul style="list-style-type: none">Effective delivery of program	Customer Service	●	●		
S20	Meaningful and contemporary community engagement and communications						
20.1	Develop Community Engagement Capability	<ul style="list-style-type: none">Capability developed	Communication & Engagement	●	●	●	
20.2	Develop a Information and Communications Infrastructure Strategy	<ul style="list-style-type: none">Adoption of strategy	Information Technology	●	●		
20.3	Develop a Information and Communications Data Strategy	<ul style="list-style-type: none">Adoption of strategy	Data & Information	●	●		
20.4	Develop a plan to engage with new communities in response to transition of boundary adjustments	<ul style="list-style-type: none">Adoption of plan	Communication & Engagement	●	●		
20.5	Develop Social Media Usage Framework	<ul style="list-style-type: none">Adoption of framework	Communication & Engagement	●	●		

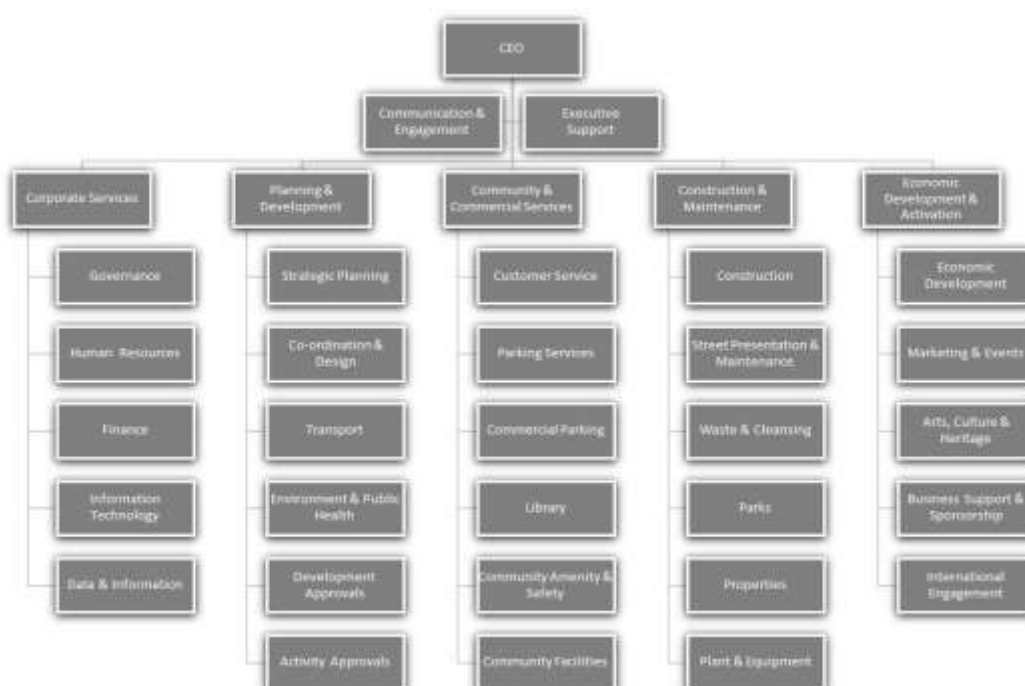
Organisational Structure

The City of Perth provides the community with many services, directly and indirectly. The organisational structure is designed to maximise the quality and timeliness of these services to ensure the community receives the best possible outcomes. In April 2015, the City of Perth announced a new organisational structure, detailed below, to strengthen its capacity in delivering quality outcomes for the community into the future. This structure sees an increase in directorates to five that reflect the following five core functions of the City of Perth in a virtual value chain of delivery of services, facilities and activity to the Community:

- **Governing** - “**Corporate Services**” Directorate with a primary focus on the Organisation
- **Planning and Designing** – “**Planning and Development**” Directorate with a primary focus on the City
- **Serving** – “**Community and Commercial Services**” Directorate with a primary focus on Customers
- **Building and Maintaining** – “**Construction and Maintenance**” Directorate with a primary focus on Assets
- **Growing and Activating** – “**Economic Development and Activation**” Directorate with a primary focus on Activation

The mid-structure is designed to consolidate like functions, elevate emerging priorities and optimise the span of management. The mid-structure is proposed to comprise five, six or seven Business Units in each Directorate

The new structure will be effective from 1 July 2015, however due to the significant change in the organisations structure and operations, the transition to the “New City of Perth” will take some time to be fully operational.



Organisational Profile

A breakdown of the units within the City of Perth and the functions they provide is detailed in the below section.



Chief Executive Office

Unit	Communication & Engagement	Executive Support
Mission	Support the organisation's efforts to engage with our Community and our stakeholders and to establish and maintain relationships.	Support the Lord Mayor and Councillors, and the Chief Executive Officer to perform their statutory roles and to build and maintain relationships with Federal, State and other Local Governments.
Functions	<ul style="list-style-type: none"> Media Relations Communications (External and Internal) Community Engagement Graphic Design Corporate Brand Management 	<ul style="list-style-type: none"> Lord Mayor's Office Support Councillors' Support CEO's Office Support Inter-government Relations Capital City Committee Support Council of Capital City Lord Mayors Support



Corporate Services

Unit	Governance	Human Resources
Mission	Establish a solid governance foundation for the organisation by facilitating integrated planning and diligent decision-making	Provide advice, support and management of systems that assist Managers to manage staff and provide support to all employees.
Functions	<ul style="list-style-type: none"> • Governance • Corporate Planning and Performance • Risk Management • Electoral Services 	<ul style="list-style-type: none"> • HR Business Partner Support • Employee Relations • Occupational Safety and Health • Learning and Development • Organisational Development

Unit	Finance	Information Technology
Mission	Manages corporate finance and provides financial and related services to the organisation.	Provide the hardware and software necessary to activate the organisation. Manage enterprise architecture and the systems that it comprises to ensure users are equipped to do their best.
Functions	<ul style="list-style-type: none"> • Financial Accounting • Payroll • Funds Management • Management Accounting • Procurement and Contract Management • Asset Management 	<ul style="list-style-type: none"> • User Support System • Operations Support • Business Systems • Enterprise Architecture

Unit	Data & Information
Mission	Pioneer new approaches to managing and using information, supporting the organisation as it develops new service delivery models.
Functions	<ul style="list-style-type: none"> • Records • Social Listening Capacity • Spatial Data Management • ECM/eService Capability Development and Data Management



Planning and Development

Unit	Strategic Planning	Coordination & Design
Mission	Plan for our City's future and in doing so establishes a robust knowledge and research base for the rest of the organisation to employ.	Responsible for integrated management of the organisation's program for the City's development. Define project scope, justification and develop concepts that others design and construct.
Functions	<ul style="list-style-type: none"> Economic, Environmental and Social Research Strategic Land-use Planning Strategic Social Planning Strategic Infrastructure Planning Strategic Environmental Planning 	<ul style="list-style-type: none"> Investment Gateways Management MRA Project Interface Management Urban Projects Concept Development Drafting Services Project Scoping and Business Case Development

Unit	Transport	Environment & Public Health
Mission	Responsible for transport planning for the future and management of today's traffic.	Plan, facilitate and regulate for a healthy community and sustainable management of its natural and built environment.
Functions	<ul style="list-style-type: none"> Transport Planning Traffic Management Traffic Modelling Parking Planning 	<ul style="list-style-type: none"> Environmental Planning Environmental Approvals Public Health Approvals Promotional and Preventative Health and Well-being Environmental and Public Health Compliance Environmental Monitoring and Reporting

Unit	Development Approvals	Activity Approvals
Mission	Handle applications for the development of the built environment in our City and ensuring compliance with approvals.	Consider all event applications in our City and manage the impacts of the many activities that occur in our public places in an integrated manner.
Functions	<ul style="list-style-type: none"> Development Approvals Building Approvals Development Compliance Statutory Process Management 	<ul style="list-style-type: none"> Event Approvals Event Compliance Obstruction Approvals Mall Entry Approvals



Community and Commercial Services

Unit	Customer Service	Parking Services
Mission	Handle the vast majority of external customer contact on behalf of the organisation and act as the facilitating interface between customers and their ultimate objectives.	Provide information and assistance to users of the City's street parking. Regulate parking to ensure that its usage and accessibility are optimised.
Functions	<ul style="list-style-type: none"> • Call Centre • Customer Service Centre • Training and Information • Complaints • Customer e-Service 	<ul style="list-style-type: none"> • Street Patrolling (information and enforcement) • Infringement Processing • Event Parking

Unit	Commercial Parking	Library
Mission	Commercialise the operation of off-street car-parks and provide technical support for street parking operations.	Provide a hub of knowledge and activity for the whole community to enjoy.
Functions	<ul style="list-style-type: none"> • Business Development • Marketing • Car-park Operations • Technical Services 	<ul style="list-style-type: none"> • Library Services and Operations • Collections Management • Young People's Library • Children's Library • Room and Facility Hire

Unit	Community Amenity & Safety	Community Facilities
Mission	Provides services that enhance our community. Work with others to make our City safe and secure and maintain a lifestyle at the highest possible level.	Provide essential services and facilities that make a difference to residents, workers and visitors in our City
Functions	<ul style="list-style-type: none"> • Surveillance • Ranger Services • Community Development and Support • Public Safety • Disaster Management 	<ul style="list-style-type: none"> • Child Care Operations • Public Conveniences • Citiplace Community Centre • Rod Evans Community Centre • Town Hall



Construction and Maintenance

Unit	Construction	Street Presentation & Maintenance
Mission	Design and build things that are fit for purpose and that will last. Provide infrastructure that contributes to the growth and development of our City.	Responsible for the way our City looks, presenting and maintaining infrastructure in public places to the standard that our Community expects.
Functions	<ul style="list-style-type: none"> Construction Tendering and Contract Management Materials and Cost Management Design and Drafting Civil Infrastructure Construction Building Construction 	<ul style="list-style-type: none"> Presentation Surveillance Materials and Cost Management Programmed Maintenance Reactive Maintenance Trades Maintenance Third Party Utility Works Oversight

Unit	Waste & Cleansing	Parks
Mission	Provide essential street cleaning, waste collection and waste disposal services and actively promote responsible waste minimisation, reuse and recycling	Care for our precious parks, gardens and other special places in the City
Functions	<ul style="list-style-type: none"> Business Development Street Cleaning Waste Collection Waste Minimisation 	<ul style="list-style-type: none"> Materials and Cost Management Horticulture/Arboriculture Parks (East, Central and West) Irrigation/Mowing

Unit	Properties	Plant & Equipment
Mission	Manage and maintain all buildings and properties that the City owns or occupies to ensure activities are able to be undertaken in the best way possible.	Provides tools and specialist advice that the rest of the organisation needs to do its job.
Functions	<ul style="list-style-type: none"> Materials and Cost Management Business Development Leasing and Licensing Programmed Maintenance Periodic Maintenance and Project Management 	<ul style="list-style-type: none"> Depot and Store Fleet Procurement Fleet Maintenance Electrical Engineering Mechanical Engineering Street Lighting and Christmas Decorations



Economic Development and Activation

Unit	Economic Development	Marketing & Events
Mission	Reach out and bring opportunity to our City in various industry sectors.	Market our City and all it has to offer. Facilitates and presents a wide range of events that enliven our City and make it the greatest place to live, work and visit.
Functions	<ul style="list-style-type: none"> Economic Planning and Research Energy and Resources Sector support Creative Industries Sector support Tourism and Conference Sector strategic support (not including Destination Marketing) Investment Attraction 	<ul style="list-style-type: none"> Destination and Activity Marketing Events Civic Events and Catering Piazza and Forrest Place I-city Volunteer Program

Unit	Arts, Culture & Heritage	Business Support & Sponsorship
Mission	Provide support and create opportunities for our community to participate in and enjoy the arts and cultural and heritage activities and manage our collections.	Provide information and support for the businesses that operate in our City. Manage the wide range of sponsorship and grants that are on offer to the Community.
Functions	<ul style="list-style-type: none"> Arts and Cultural Development, sector engagement and research Arts and Cultural Projects and Partnership Assessment and advice Public Art Heritage Assessment and Advice History Centre Management, development and interpretation of Cultural Collections (Art Collection, History Centre Collection, Memorabilia and Public Art Collections). 	<ul style="list-style-type: none"> Business Engagement and Research Business Information and Support Programs Sponsorship and Grants Lord Mayor Distress Relief Fund Administration Funding Programs (including Heritage Perth and Perth Public Art Foundation) Place Management

Unit	International Engagement
Mission	Communicate and maintain relationships with people and entities all over the world, promoting our City for the world to admire.
Functions	<ul style="list-style-type: none"> Sister Cities Program Diplomats and Delegations Multilateral Relationship Programs Lord Mayoral Activity Support International Engagement Strategy Implementation

Key Services

The City of Perth provides many diverse services directly and indirectly to the community it serves, with key services detailed below.

	Service
Governing	Facilitating the development of the City's Asset Management framework.
	Maintaining a high standard of tender and contract documentation, ensuring probity is compiled in accordance with the Local Government Act 1995.
	Enhance the City's profile and recognition as a Capital City. Support the City's involvement in Local, State and Federal decision making processes.
	Administrative support and professional advice to Lord Mayor, and Councillors.
	To ensure that specific city projects are delivered to expectations; in a timely manner; and within budget
	Certified Applications assessed for completeness.
	Certificates of Design Compliance processed to ensure compliance with the Building Code of Australia and related standards.
	Liaise with government and non-government organisations
	Implementation of Emergency Management and Recovery Plans in the event of an emergency in the capacity as a support agency.
	Administer electoral functions, decision making (Council, Committee) functions and policy and local law review processes.
	Maximising the capability of the organisation to provide effective and efficient services to meet community expectations.
	Provision of information for management decision making. Provide efficient, effective and legislatively compliant financial management, enabling the City to deliver sustainable services and projects.
	Provide comprehensive HR consultancy and support services to Management and employees at the City of Perth.
	To provide the IT and record keeping services required to enable the City of Perth to achieve its business goals, priorities and objectives.
	Risk Management approach and mitigation support.

Service	
Planning and Designing	Provision of parking equipment including Install, remove, replace, repair and maintain on street parking equipment including customer service and financial management.
	Ensure all decorations are stored and maintained in good order and installed safely in various locations within the City's boundaries.
	Provision of meeting spaces for community use, capacity building and civic activities.
	Coordinate and assess traffic management for events, emergencies and developments.
	Planning for the long term infrastructure needs of the community.
	Develop and manage the City's approach to the conservation of places of cultural heritage significance.
	Lead on developing and managing the City's approach to strategic environment matters impacting the City and community.
	Assess and implement requests for changes to parking restrictions, involving consultation with affected businesses and in compliance with the City's On-street Parking Policy.
	Interagency strategic transport planning to adequately plan for capital city growth and movement requirements. Project specific transport planning and traffic management.
	Assessing against Council policies and procedures and enforcing relevant statutory requirements while ensuring there are no unnecessary barriers to promoting city vitality.
	Lead on developing and advocating the strategic and spatial planning of the city.
	Assessing and enforcing relevant statutory town planning requirements. Providing town planning advice to customers.
	Provision of appropriate on street parking facilities and management of turn over through foot and mobile patrols.

Serving	Commercial and Residential Waste Collection
	Remove either chemically or by paint-out graffiti on private and Council owned properties. Sweep and high pressure clean streets and footpaths.
	Produce parking signs, street name plates and various other signage to Council requirements in accordance with the relevant design standards.
	Homeless services, disability services; youth services; indigenous services and recreational services
	Commonwealth Accredited quality childcare for children – Long Day care and Occasional care which meets the needs of people working and shopping in the city. Childcare also provided to migrants attending English speaking classes.
	Provision of a range of services for people over 55 years in a safe, accessible and comfortable environment. Provision of low cost and nutritious meals and snacks, interesting and varied activities and entertainment, meeting spaces, information on senior services, hairdresser and podiatrist
	Provide innovative, high quality library services to drive social inclusion by supporting the intellectual, educational, cultural and social needs of the Perth community.
	Provision of arts and culture services; advocates, supports and promotes arts and culture in the City of Perth; provision of specialised advice about arts and culture. Cultural and corporate sponsorship and donations.
	To effectively and efficiently deliver innovative and proactive environmental health service, and enforcing where required
	To effectively and efficiently deliver CCTV Surveillance, Ranger/Security and Community Safety Planning.
	Provision of information to the community in various forms including website, social media, print, radio and TV. Graphic design services. Provision of internal communications
	Primary point of contact for external enquiries to the City

Service	
Building and Maintaining	Maintaining street and reserve lighting
	Provide and Maintain Public Spaces
	Parks and Streetscape Maintenance Services
	Building Maintenance Services
	Engineering Maintenance Services
	Conservation and Tree Maintenance Services
	Installation, removal, reinstatement, maintenance and repair to footpaths, crossovers, pram ramps, pedestrian ramps, pit surrounds and tree grates
	Repair, replace and install kerbing, potholes and patching of roads, laneways and Dual Use Pathways. Resurfacing and reconstruction of roads.
	Repair, replace, clean, maintain and install stormwater assets
	Install, remove, replace, repair and maintain on street parking signs and poles and install and renew embayment markings on street and open air car parks
	Provision and maintenance of appropriate fleet, vehicle, plant, stores and stock to allow the City to deliver services.
	Disposal and acquisition of property, maintenance and upgrades of City's property portfolio.
Growing and Activating	Provision and operation of 33 car parks, including the maintenance of all parking equipment, related facilities management, customer service and financial management. Provide event parking. Provide event parking services to City owned and external events. Provide sponsorship for external events in the City.
	Supporting the promotion of city vitality through the provision of event parking and appropriate and effective signage.
	Install and remove advertising banners at various locations throughout the City
	Assess applications for alfresco dining and liquor and for compliance with Health legislation and issue licences and approvals in accordance with applicable policy, local law and legislation.
	Online provision of demographic information. Research to encourage best practice and understand the economic climate. Point of liaison and support for City business. Strengthening and broadening networks within targeted emerging industry sectors and supporting international resource sector groups.
	Manage Sister City relationships
	Coordinate international cultural, education and business visits
	Maintain international contacts and relationships
	Managing the delivery of City owned events. Provide sponsorship for external events in the City. Place management of major public spaces (Piazza, Forrest Place and Malls,). Citizenship ceremonies and other civic events.
	Marketing research, planning to create campaigns that will increase visitation to the city. Implementation of campaigns through different media. Liaison with city retail and food and beverage business. Provision of tourist information through lcity kiosk.

Key Capital Spend

Over the four year period commencing 1 July 2015, the expected capital expenditure will total approximately \$232 million. A breakdown of expected spend, within each strategic priority, is detailed below.

Strategic Theme	\$ million
Major Strategic Investments	4.8
Getting Around Perth	70.2
Perth as a Capital City	41.3
Living in Perth	56.7
Perth at Night	9.6
Healthy and Active in Perth	9.2
Capable and Responsive Organisation	40.2

A further breakdown of capital projects can be found in the City of Perth's Long Term Financial Plan.

4. Strategic Risk Management

Risk management is an integral part of good management practice and an essential element of sound corporate governance. Identifying and managing risk enables a more robust basis for decision-making and facilitates continuous improvement in performance.

Strategic risks are things that could prevent or seriously impede the achievement of the Strategic Community Plan. These risks can fall into a number of categories including financial, compliance, people, service delivery, environmental, strategic, ethical and reputational.

The following table demonstrates the strategic risk profile for the City of Perth, identifying 22 strategic risks, with 1 indicated as being within the high risk category.

		Consequence				
Likelihood		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
A	Almost certain					
B	Likely					
C	Moderate			7	1	
D	Unlikely		1	1	2	
E	Rare			4	5	1

TOTAL	Low - 5	Medium -16	High - 1	Extreme - 0
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The Enterprise Risk Management Framework states that all extreme and high risks are to be treated, or if not possible, closely monitored. Medium risks are to be treated if possible and cost effective to do so and low level risks are to be monitored. The below high risk was identified during the risk review:

Risk Description	Controls	Risk
Contributed assets from Metropolitan Redevelopment Authority (MRA) projects have detrimental financial and operational impacts for the City	Liaison Project Managers & Engineers	High

To address the identified strategic risk, the following has been implemented as part of the City's mitigation strategy:

- Introduction of MRA Interface Project Coordinators for Elizabeth Quay, Perth City Link and Riverside-Waterbank Project Areas.
- The negotiation of MRA Agreements - Memorandum of Understanding, Site Specific Agreements for each Project Area and Agreement for Public Asset Design, Approvals, Development and Handover
- The creation of a draft MRA Interface Corporate Procedure

5. Reporting and Next Steps

The Corporate Business Plan is reviewed annually, in conjunction with the annual budget setting process, with reporting on operational progress commencing quarterly, ensuring that the City of Perth is constantly working towards activating and achieving Vision 2029+.

It is important for the City to be able to measure and monitor progress of initiatives to deliver on the strategic aspirations, detailed in the Strategic Community Plan. The City of Perth is committed to reviewing internal and external reporting mechanisms to ensure the business is aligning its priorities and delivering on its commitments. Reporting to the Council, and ultimately the Community, on the performance and achievement of the Corporate Business Plan will be provided through:

- Quarterly Progress Reports to Elected Members.
- City of Perth Annual Reports to the Community.

The focus for the organisation during the 2015/16 financial year will be predominately around consolidating the impacts of major change, created through the organisational reform process. This focus is necessary to ensure that, moving forward, the organisation has the capability and capacity to deliver greater outcomes for the City's residents, businesses and visitors. To assist in this capacity building, work on further integrating the City's Integrated Planning documents will be continuous, ensuring alignment to the Strategic Community and Corporate Business Plans.

In October 2015 the Local Government elections, which will see five out of nine Elected Member positions, including the Lord Mayor, undertaken. This will drive a full review of the Strategic Community Plan, that is aimed to ensure the priorities and needs of the community are the focus for decision making.

6. Contacts

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CITY of PERTH



WORKFORCE
PLAN

2015 – 2019

2020
VISION

Contents

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1. Introduction

The City of Perth's Workforce Plan has been developed in response to the key strategic objectives within the City's Integrated Planning Framework. This includes the Strategic Community Plan, the Corporate Business Plan and individual Business Units Plans. This plan outlines the required resources, capabilities, and competencies the City requires to deliver against its objectives, as well as continue to service the community.

The development of the 2015/16 Workforce Plan has been produced in collaboration with Unit Managers, Finance and the Executive Leadership Group. The plan has been strengthened by the City's organisational restructure which will streamline activities across the business, resulting in efficiencies and increased productivity.

The City of Perth's Workforce Plan will transform and evolve significantly over the next four years as the organisation looks to implement the new structure. The organisation will be required to make fundamental and essential changes to its current operations to ensure it is able to respond to new emerging priorities and achieve the highest return on its human capital investment.

New projects within the City's pipe line will see an increase in resources over the next four years with the introduction of the new City Library and the contribution of assets and infrastructure from key developments including Elizabeth Quay, Perth City Link and Riverside developments by the Metropolitan Redevelopment Authority (MRA). .

It is an exciting time for the City and the City's employees are critical to its success. The City of Perth's Workforce Plan has been developed with its people front of mind to ensure that they are supported, resources appropriately and provided with opportunities to develop their capabilities, and skills to provide the best possible service to the community.

Integrated Planning and Reporting Framework

The diagram below depicts the components that make up the City of Perth's Integrated Planning and Reporting Framework (IPRF). It shows the interaction between the plans, the influence of the informing strategies and the strategic enablers, with emphasis given to a mutual informing relationship. The intent of the IPRF is to ensure the priorities and services provided by the City of Perth are aligned with our community needs and aspirations. The strategic enablers allow rigour to be applied to these, taking into account available resources to deliver the best possible results for the community.



The **Strategic Community Plan, Vision 2029+**, is our long term strategic direction that guides the remainder of the framework. It expresses the community's vision for the future together with the strategies that Council are intending to implement to address strategic community outcomes. This is a key document for Council to track and report on progress to the community.

This drives the City of Perth's **Corporate Business Plan**, which is the detailed implementation plan for services, key projects and capital investments over the next four years. The intention is that the implementation of this plan contributes towards the delivery of the community objectives over the longer term. It contains the same themes, community outcomes and strategies as the Strategic Community Plan, to ensure we deliver services in line with community aspirations.

The City's key strategic enablers show how we are equipped to deliver on the commitments made in the Corporate Business Plan. These key strategies are:

- **Long Term Financial Plan**

This ten year rolling plan assists the City to set priorities in accordance with its financial resources, through the allowance of key assumption based analysis. This allows the organisation to make decisions in a financially sustainable manner.

- **Workforce Plan**

This plan identifies the workforce requirements and strategies for current and future operations, ensuring the needs and limitations to support the delivery of the Corporate Business plan are met.

- **Corporate Asset Management Plan**

This plan provides guidance on service provision and whole of life cycle asset management to support the City's financial sustainability and key service levels.

The **Annual Budget** is based on the projected costing of year one of the Corporate Business Plan, with opportunity to review during the mid-year budget review process. The budget creation process will be continually improved on to strengthen the financial integration between the plans within the framework, with emphasis given on expanding to a robust annualised four year budget over time.

2. Developing the Plan

Methodology

The 2015/16 Workforce Plan has undergone a review and renewal in its approach and has been designed to be a more effectual and valuable tool to the organisation as it plans for the future.

The 2015/16 Plan has been focused on reviewing the existing Workforce Plans, reassessing Business Units requirements and ensuring that the City's structures are the most optimal to deliver against its objectives. The review has extended beyond Workforce Planning and as part of the organisational restructure has looked at the business processes required to operate most effectively.

New processes have and will continue to be introduced to ensure increased accuracy in the City's workforce planning and the changes to resource will be tracked on a monthly basis throughout the year. Re-categorisation of the resources the city employs has provided greater clarity to the trends and movements throughout the business enabling real time adjustments to be made resulting in a more robust budget management process.

A new methodology will be rolled out in 2015/16 as part of the organisational restructure that will empower leaders with the necessary tools to effectively plan for their future requirements. By assessing the necessary capabilities required to deliver against the City's objectives, Managers will be able to maximise their existing resources creating efficiencies and cost savings.

In addition to the new methodologies being introduced, the focus on Organisational Development will be increased and will result in a dedicated function being established within the Human Resources Unit. This function will look to assess the organisations business processes across all units and introduce new and innovative ways of operating to improve productivity and reduce costs. This will include a review of all systems, technologies, capabilities and skills the City requires and identifying what needs to be introduced, improved or removed. This evaluation of the organisation will refocus the City's efforts to those activities that return the largest benefits to the City and community and enable a culture of continuous improvement to be introduced.

The Organisational Development Strategy is already in development and will expand on the existing Organisational Development Plan that has driven the organisational restructure. This strategy will see the City improve its entire operations and establish a more defined Workforce Plan in 2016/17 that identifies the specific skills and capabilities required to be a successful organisation.

Transitional Organisation

The next 12 months is a period of significant change for the City of Perth and will focusing on transitioning the City to becoming a stronger Capital City. Pending State Government Capital City legislation, The City of Perth Act, will strengthen the City's role in the strategic management of the city for the benefit of the state.

In preparation for this the CEO initiated an organisational restructure of the organisation, the first time the structure has significantly altered in 20 years. The next 12 months will be dedicated to transitioning the City to the new vision and establishing the most effective and efficient administration possible.

This transition presents several challenges for management that will need to be addressed to ensure success:

Organisational Challenges:

- The current workforce within the City that has seen little change in operations in the past 20 years. The transition process to the new structure is focused heavily on assisting staff through this period of significant change with a detailed Change Management Program guiding and supporting individuals through the process.
- The mid-structure of the New City of Perth has been redesigned to consolidate like functions, elevate emerging priorities and optimise the span of management. This will require all units to review and realign their plans and operations to meet these new priorities. Internal relationships and cross functional operations will be strengthened to enable flexible operations and integrated decision making.
- The introduction of a fifth directorate and an increase in management positions requires a robust recruitment and selection plan to ensure that the City attracts and retains the best possible talent to lead the organisation.
- One of the key initiatives and priorities of the Lord Mayor and Councillors is to increase the focus on customer service ensuring that that community is serviced in the most effective and professional manner. This will result in centralised customer support function that will integrate all customer service operations across the organisation. It is anticipated the dedicated Customer Service Centre is expected to answer 80% of customer queries at the first contact resulting in an improved customer experience.
- To ensure the success of the new Customer Service Centre, the City's information and data sources need to be 100% accurate, in real time and easily accessible. The previous silo operations within the City, as well as the current information systems in place, provides challenges to accessing data and consequently a dedicated Data and Information Unit has been established as part of the new organisational structure.
- Improvements to productivity and operations will place a greater emphasis on the need to introduce and utilise technology. All processes will be reviewed to identify ways to streamline processes and reduce unnecessary procedures. The Organisational Development function and the Business Improvement specialists in each directorate will work collaboratively to identify opportunities to improve operations, partnering with the new Data and Information, and Information Technology units.

- The increased focus on ensuring continuous improvement becomes a core capability within the organisation will require significant changes to the organisational culture. A Cultural Change program is currently in development that will focus on establishing a flexible and innovative culture that initiates improvements and strives for best practice.
- To ensure that the City improves productivity and establishes a culture of continuous improvement it is critical that the City takes a proactive approach to addressing performance issues. The CEO announced a zero tolerance on bullying across the organisation that has had a positive impact on the teams. In addition to the City not accepting of all staffs appropriate behaviour, the City is also focused on improving the performance and taking the necessary steps to address issues if necessary.
- To attract and retain capable and skilled employees, the City needs to start to focus on its offering as an employer and become an “Employer of Choice”. The results from the annual staff survey assist the City by providing feedback to the needs and wants of its people. In addition to this the increase in learning and development opportunities, flexible work arrangements, and other important benefits will assist the City in their journey to becoming an “Employer of Choice”.

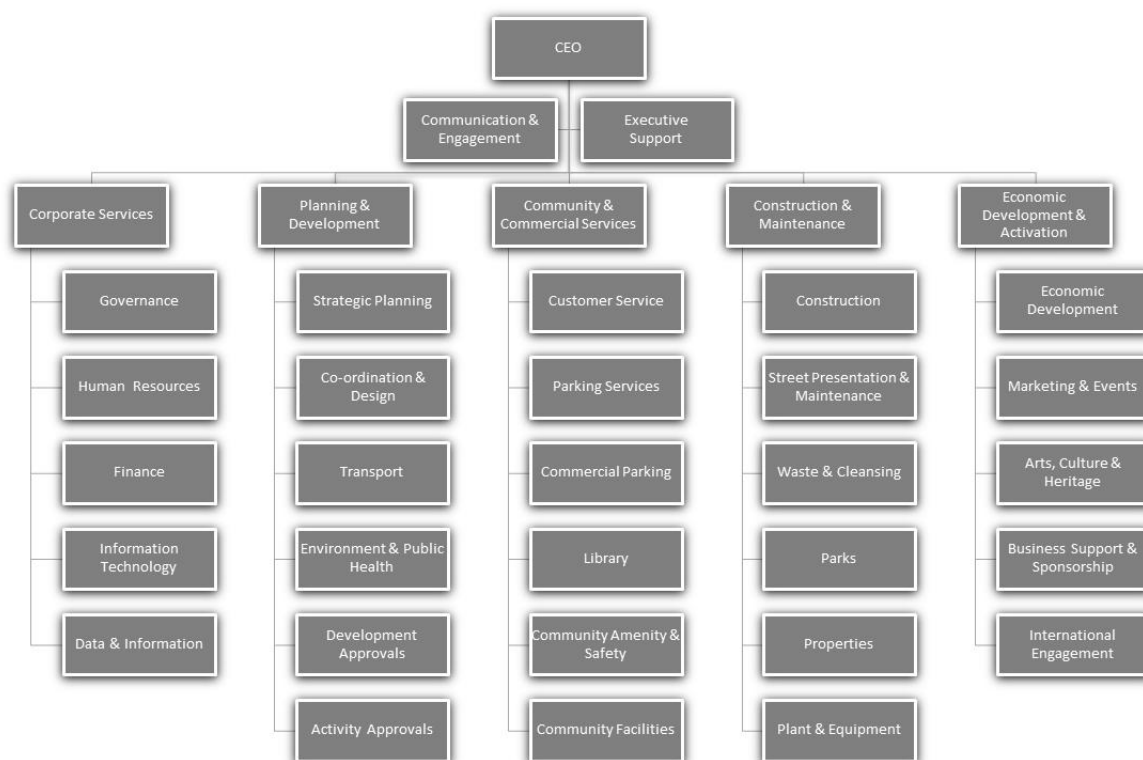
3. Organisational Structure

The recently developed structure sees an increase in directorates to five that reflect the following five core functions of the City of Perth in a virtual value chain of delivery of services, facilities and activity to the Community:

- **Governing** - “Corporate Services” Directorate with a primary focus on the Organisation
- **Planning and Designing** – “Planning and Development” Directorate with a primary focus on the City
- **Serving** – “Community and Commercial Services” Directorate with a primary focus on Customers
- **Building and Maintaining** – “Construction and Maintenance” Directorate with a primary focus on Assets
- **Growing and Activating** – “Economic Development and Activation” Directorate with a primary focus on Activation

The mid-structure is designed to consolidate like functions, elevate emerging priorities and optimise the span of management. The mid-structure is proposed to comprise five, six or seven Business Units in each Directorate

The new structure will be effective from 1 July 2015, however due to the significant change in the organisations structure and operations, the transition to the “New City of Perth” will take some time to be fully operational.



4. Workforce Profile

The City of Perth has a diverse and dedicated workforce, many who have been with the organisation for several years. This wealth of knowledge and expertise has enabled the City to service the community during the significant growth period over the past 15 years. With the revitalisation of the organisation through the new structure and the introduction of new capabilities and technologies, the City will be able to continue to support the community and grow to become a stronger capital city. Within the existing workforce, our strengths and challenges are demonstrated within our demographics:

Strengths

- The City of Perth has a culturally diverse workforce with 267 employees representing different nationalities and cultures across the organisation.
- The City of Perth has a healthy turnover rate at approx. 9.2% per annum.
- The City of Perth has long and established tenure in multiple areas with the average tenure being over 8 years.

Challenges

- The City has an ageing workforce. The need to ensure an adequate Fit for Work programme is in place to support those in physical roles is being developed in consultation with the teams impacted. In other parts of the organisation information sharing and knowledge capturing is being utilised to ensure specialised knowledge and experience is not lost due to retirement.
- The City's gender balance is equal across the organisation in medium to lower level position however women are not well represented in the senior leadership positions. As part of the New City of Perth recruitment approach, the organisation is actively looking to secure professional women from a wide range of sectors for their Senior Management roles.
- The City has a low representation of people with a disability and people from indigenous background. Diversity programs are being developed to increase the level of disabled and indigenous employees.
- Absence rate has increased over the past three years. This is being reviewed and strategies developed to reduce the high level of absenteeism.

5. Workforce Requirements

Effective workforce planning connects Human Resource strategies and practices to business strategies to ensure the organisation has the right people in the right place at the right time and at the right cost. As the organisation transitions to its new structure, the business strategies and plans will look to reflect the emerging priorities the City of Perth is focused on and align its workforce to support these requirements.

Resource Requirements

The new structure will be aligned to the projected 2015/16 workforce plan of 722.00 FTE. Below is the allocation of resources across the organisation based on the following:

- Current organisational structure which will remain in place until 30 June 2015; and
- New organisational structure which will see a redistribution of resources across the organisation. The numbers for year ending 30 June 2016 are current estimates based on the impact analysis conducted on the new structure. It is likely that the allocation of resources will change and are likely to be different within the next workforce plan.
- Restructure pool of planned positions which will be distributed across the organisation to support the new structure. Where positions will reside will be assessed throughout 2015/16 based on business needs and priorities.

Based on Year ended 30 June 2015		Based on Year ended 30 June 2016*	
Chief Executive Office	9.00	Chief Executive Office	21.00
Corporate Services	88.74	Corporate Services	93.74
City Services	241.33	Community and Commercial Services	225.16
City Planning and Development	98.54	Planning and Development	99.54
City Infrastructure and Enterprise	235.72	Construction and Maintenance	200.59
		Economic Development and Activation	46.90
		Restructure Pool	35.07
TOTAL FTE:	673.33		722.00

* Figures are estimates and subject to change as a result of the internal review of requirements

It is expected that the additional cost of the workforce, over the four year period, will be \$12.2 million. This is based on the organisation conducting a review and optimisation of existing resources that will enable to the organisation to maximise its resources and result in future growth being approximately 2% per annum.

The Workforce Plan is integrated with the Long Term Financial Plan to ensure that the City of Perth has the financial resources to meet the service delivery outcomes planned. For this purpose it is sufficient to use a simple averaging of employee costs.

Capability and Competency

To enable the City to deliver against its objectives and meet the needs of the emerging priorities, the capabilities and competencies within the organisation will need to evolve to meet the new demands. This is an evolving process however as part of the restructure, core capabilities and competencies have already been identified as critical to the overall success of the city:

Capability Requirements

Capabilities refer to the organisational attributes and functions required for the organisation to operate effectively. The review of the capability requirements for the new structure looked at both existing capabilities that the City already possess but needs to enhance, and new capabilities that the City needs to introduce:

Existing Capability Enhancement:

- Customer Services
- Community Engagement
- Communications (Internal and External)
- Data and Knowledge Management
- Technology and systems
- Project Management and Delivery

Introduction of New Capabilities:

- Research and Development
- Organisational Development – including change management and business improvement

The enhancement or introduction of these capabilities will be delivered through the establishment of new units, such as Data and Information, and Communications and Engagement, and the insourcing of specific expertise such as Research Analysts and Organisational Development experts.

Competency Requirements

Competencies refer to the behaviours and skills individuals require to be successful within their role and the organisation. The review of the competency requirements for the new structure looked at where individuals and teams need to develop to improve their abilities to perform their roles most competently:

Competencies for Development:

- Customer Service
- Leadership and Management abilities
- Integrated decision making
- Business Management and Commercial Acumen
- Financial planning and management
- Collaborative and flexible working relations
- Communication and teamwork

The City intends to develop these competencies through an extensive Cultural Change Program and the identification of learning and development requirement for individual to equip them with the necessary skills to be successful.

Future Requirements

As the City of Perth continues to grow, the requirements of City's administration will need to change to meet these new and emerging priorities. This will require the City to assess its distribution of existing resources, add additional resources where required and introduce new capabilities and competencies. The restructure pool has been established to ensure immediate needs are met however; requirements for the next 3-4 years are evolving and are dependent on the following:

- The City will inherit a large proportion of assets through the three major Metropolitan Redevelopment Authority projects underway within the City, they include:
 - Elizabeth Quay – At the end of 2015 the City will inherit responsibility for a number of assets including streets and footpaths as well as the delivery of services including cleaning, presentation and maintenance. The initial increase of assets will be minor however over the next 10 years the City will possibly inherit significant assets such as inlet walls and public realm open spaces that will have an impact of the City's service levels. If and when these assets are to be transferred is not yet confirmed and therefore the City is required to manage the increase in demand incrementally and assess its servicing and maintenance resource requirement periodically.
 - Perth City link and Riverside development – Both of these sites will require minimal servicing from a cleansing and street maintenance perspective however, the overall increase to the City's portfolio of assets and the long term asset renewal strategy will have to be amended to take these assets into consideration. The immediate impact on the City may be limited however the requirements over the next 10 years are yet to be determined and will most likely have an impact on resourcing requirements.

- As part of the new structure, a fifth directorate has been created to focus on Economic Development and Activations within the City. The increased focus on the international community, attracting new business opportunities to the city, and the enhanced activation of our city spaces through increased events and destination marketing is likely to increase the needs for resources in this area of the business. Strategies will be developed and executed over the next two years that look to deliver the objectives and goals of this new Directorate. These strategies will outline the Directorate's priorities and the specific resource requirements.

6. Workforce Strategies

Natural attrition

The City has a number of Directors and Managers who have or are approaching retirement. Two directors and five managers will transition out of the business in 2015 due to retirement. To date the city has had a strong reliance of replacement based on market availability rather than developing internal talent and creating succession plans. Due to this the recruitment and selection plan being developed as part of the restructure has reviewed the current remuneration structure and bandings to ensure the most competitive offers are going out to the market to attract high quality candidates.

Going forward, as part of the Human Resources Strategy, a Talent Management program will be introduced which will ensure that the city is able to develop high performing individuals and establish succession plans for key position, reducing the reliance on market availability and ensuring the retention of key talent.

Workforce Supply Factors

The City of Perth is not a large employer of any particular work or professional group. The Local Government Sector has identified, both at Federal and State level, where there are significant skill gaps and commenced the development of plans for closing these gaps.

The City of Perth is not generally able to influence supply, but does work with specialised professional peak groups to address skill gaps.

The new Talent Management process will focus on developing specific plans for positions where there is low market availability to ensure they can be filled in the future.

Strategies for Building Human Capital

There are several key workforce issues that could affect the City's ability to deliver against the Strategic Community Plan and Corporate Business Plan outcomes. The Human Resources and Organisational Development Strategies will focus on ensuring that the investment in human places the City in the best position possible to be able to deliver against Community outcomes.

The main activities to build the City's workforce capacity and capability revolve around:

- Acquisition through recruitment and selection – moving from a tactical activity to strategic through workforce planning.
- Implementation of the Equity and Diversity Management Plan.
- Engagement and retention through employee engagement strategies and promoting the City of Perth is an employer of choice
- Leadership Development programs to up skill our leaders and establish a strong and effective leadership team.
- Learning and development opportunities for all staff, tailored to the specific needs of their role.
- External expertise to supplement and complement existing skills and capabilities.
- Increasing communication and support of the New City of Perth.
- Maximising workforce flexibility by progressive organisational design resulting in responsible structures and the ability to deploy resources based on operational needs.

Risk Mitigation – Critical Roles

Within the City, there are several specialised positions that need to be proactively managed to ensure that the city is able to continue to meet its requirement. These specialised roles are categories into two classifications.

Unique roles: difficult to copy, hard to replace, takes time to acquire and high initial investment in training - the higher the cost of turnover.

Value roles: roles more important and critical to business outcomes and have greater influence and impact over business performance.

Should either of these roles become vacant the city needs to be able to address these vacancies urgent. Due to this Unit managers have identified those positions which are 'high risk', and developed mitigation strategies to be implemented should there become a vacancy.

Workforce Initiatives

Based on the current workforce in place, several initiatives have been identified to assist the organisation to getting the most out of their human capital investment, both in the short and long term:

- Managing the complexity and diversity of the organisation.
- Improving the demographics within management, especially at executive level.
- Capability based planning and flexible organisational design.
- Addressing employee expectations including appropriate remuneration, work/life balance, working environment.
- Managing annual and long service leave liabilities.
- Reducing absenteeism

7. The New City of Perth

As previously mentioned the City of Perth is currently transitioning to the New City of Perth, which will have a significant impact on the operational capacity to deliver key services to a diverse and rapidly changing landscape. The impact of change is major across the organisation suggesting a significant impact on the future direction for the City of Perth administration. The City has initiated the preparation for transition to the new structure announced in April 2015. These changes will be reflected in the creation of revised strategic documents to ensure the change in community aspirations are captured, with the City of Perth working towards activating and achieving their vision.

Whilst acknowledging the significant impacts of The New City of Perth, the City of Perth will continuously look to improve the integration of the strategic enablers and the Corporate Business Plan to strengthen the delivery and attainment of the Strategic Community Plan, Vision 2029+. The Workforce Plan will be reviewed annually, in conjunction with the annual budget setting process, to ensure changes are reflected.

8. Contacts

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CITY of PERTH

CORPORATE ASSET
MANAGEMENT
PLAN

2029
VISION

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1. Executive Summary

The City of Perth is a proud custodian of its diverse asset portfolio within the boundaries of Perth, the Capital City of Western Australia. It is critical that Asset Management as a discipline is developed and embedded across the whole organisation to ensure assets are managed in a manner which allows maximum performance to support the many services delivered to the City's residents, business owners and operators, workers and visitors.

This Corporate Plan presents information across key aspects such as the City's Asset Management Governance arrangements; Asset Inventory; Asset Valuations; Age Profile of Individual Asset Classes; and Opportunities for the Future. This Plan is underpinned by ten (10) individual Asset Class Plans of which three are newly developed in 2014/15 and a dedicated Asset Management Section supported by nominated technical Asset Custodians throughout the organisation.

As Asset Management is a multi-field discipline that brings together engineering, financial, information technology and knowledge management functions; the highlights of this third annual Plan for 2014/15 are summarised in these broad components:

Asset Management Governance:

- Creation of two new Policies and supporting Procedures for: Disposal of Property (9.14) and Contributed Assets(9.15); in addition to a renewal of the Asset Hierarchy and Asset Management Policy(9.12);
- Three (3) new individual Asset Class Plans developed: Infrastructure Riverbank, Infrastructure Drainage and Information Technology Fibre Optic;
- Ongoing consolidation toward a single corporate asset register; and
- Completion of the reconciliation and uploading of Infrastructure Asset Class Valuations into a single centralised database.

Financial Management:

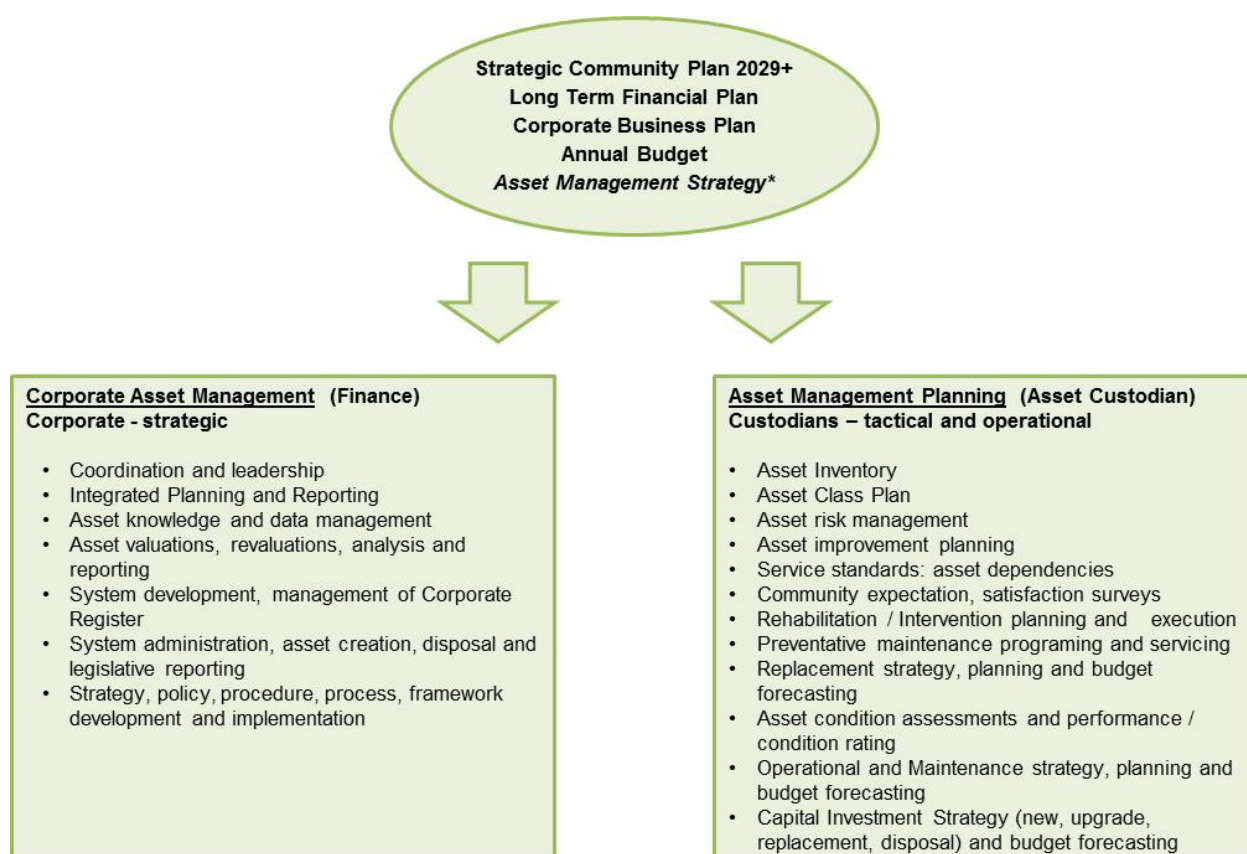
- Appointment of a Financial Asset Accountant located within the Asset Management Section;
- Completion of all required Asset Class Valuations/Revaluations to satisfy *Local Government (Financial Management) Regulations 1996 Section 17A*; and
- Valuation data represented in Section 5.1 for 15 Asset Classes (excluding Land) has a Current Replacement Cost of \$1,130 M and a Depreciated Replacement Cost of \$778 M.

Knowledge Management / Performance:

- The Average Asset Consumption Ratio (ACR) for 14 Asset Classes is 61.36% which is deemed an Advanced Standard (See Section 6.1.1);
- However within these 15 Classes, 3 Classes have not met a Basic Standard for the ACR: Infrastructure Roads, Infrastructure Lights and City of Perth Parking;
- The Average Asset Sustainability Ratio (ASR) for 14 Asset Classes is 101% which is deemed an Advanced Standard (See Section 6.1.1);
- The Asset Renewal Funding Ratio (ARFR) is deemed an Advanced Standard as it primarily sits between 95% and 105% for the 10 year period to 2023/24 (See Section 6.1.2); and
- The average useful life for the 15 Asset Classes presented in Section 6.4 is 37 years and the remaining life is 23 years, equating to 62% (See Section 6.4).

A summary of asset management activities across the corporate and custodial functions can be represented as in Figure 1 below:

Figure 1: Asset Management Hierarchy



*To be developed in 2015/16

Opportunities identified to be considered for future implementation, ensuring the ongoing strengthening of the City's stewardship of its assets portfolio includes (See Section 7.2):

- Development of an Asset Management Strategy;
- Undertake community survey/s on service level expectations for all Asset Classes;
- Improved forecasting for renewal and replacement of assets (ie demand forecasting);
- Greater transparency and accuracy of data within the 10 Year Capital Works Plan (ie budget and expenditure defined as new, upgrade; renewal (replacement); and expansion;
- Development of a rolling Revaluation Plan to ensure all Asset Classes are revalued in accordance to legislated requirements and aligned to internal corporate timeframes;
- Reconciliation to be attained between the General Ledger and asset management system;
- Development of a Data Migration Plan for asset registers to be consolidated into a single corporate asset register;
- Establish and verify unit rates for all key asset components;
- Improve accuracy and details of whole of life cycle costs for assets: and
- Aligned to the International Infrastructure Management Manual (2012) the City is maturing towards *lifecycle asset management* with the objective of looking at the lowest long term cost option rather than short term savings when making decisions on asset management; thus providing significant benefits for the organisation and community (See Section 3.0 for details).

2. Introduction

Welcome to the City of Perth's Corporate Asset Management Plan 2015 – 2029+.

The Corporate Asset Management Plan is a key component of the City's Integrated Planning and Reporting Framework and is one of the strategic enablers activating the Strategic Community Plan 'Vision 2029+' and its broad vision for Perth as the Capital City of Western Australia:

Perth is renowned as an accessible city. It is alive with urban green networks that are safe and vibrant. As a global city, there is a diverse culture that attracts visitors. It provides city living at its best. Local and global businesses thrive here. Perth honours its past, while creating a sustainable future.

The City of Perth's inaugural Corporate Asset Management Plan was adopted by Council in June 2013 with the intention that it be reviewed on an annual basis. This Plan now builds upon previous versions whereby asset management is fundamental to ensuring the City's assets are managed and maintained in a manner which allows maximum performance at an optimum whole of life cost to support the multitude of services delivered by the City.

Integrated Planning and Reporting Framework

The diagram below depicts the components that make up the City of Perth's Integrated Planning and Reporting Framework (IPRF). It shows the interaction between the plans, the influence of the informing strategies and the strategic enablers, with emphasis given to a mutual informing relationship. The intent of the IPRF is to ensure the priorities and services provided by the City of Perth are aligned with our community needs and aspirations. The strategic enablers allow rigour to be applied to these, taking into account available resources to deliver the best possible results for the community.



The **Strategic Community Plan, Vision 2029+**, is our long term strategic direction that guides the remainder of the framework. It expresses the community's vision for the future together with the strategies that Council are intending to implement to address strategic community outcomes. This is a key document for Council to track and report on progress to the community.

This drives the City of Perth's **Corporate Business Plan**, which is the detailed implementation plan for services, key projects and capital investments over the next four years. The intention is that the implementation of this plan contributes towards the delivery of the community objectives over the longer term. It contains the same themes, community outcomes and strategies as the Strategic Community Plan, to ensure we deliver services in line with community aspirations.

The City's key strategic enablers show how we are equipped to deliver on the commitments made in the Corporate Business Plan. These key strategies are:

- **Long Term Financial Plan**

This ten year rolling plan assists the City to set priorities in accordance with its financial resources, through the allowance of key assumption based analysis. This allows the organisation to make decisions in a financially sustainable manner.

- **Workforce Plan**

This plan identifies the workforce requirements and strategies for current and future operations, ensuring the needs and limitations to support the delivery of the Corporate Business plan are met.

- **Corporate Asset Management Plan**

This plan provides guidance on service provision and whole of life cycle asset management to support the City's financial sustainability and key service levels.

The **Annual Budget** is based on the projected costing of year one of the Corporate Business Plan, with opportunity to review during the mid-year budget review process. The budget creation process will be continually improved on to strengthen the financial integration between the plans within the framework, with emphasis given on expanding to a robust annualised four year budget over time.

Council's Strategic Priorities

As a result of community engagement undertaken in creating the City's Strategic Community Plan 'Vision 2029+' the following 'priorities' or 'themes' were identified. Asset Management plays a critical role in ensuring assets are acquired, managed, maintained, renewed or replaced to enable key City services to be delivered and roles undertaken to support these seven key strategic priorities.

Major Strategic Investments	Getting Around Perth	Perth as a Capital City
The planning and integration of major infrastructure and developments to maximise their net benefit and minimise risk and future costs to the City.	An effective pedestrian friendly movement system integrating transport modes to maintain a high level of accessibility to and within the city.	The City is recognised internationally as a city on the move and for its liveability talented people, centres of excellence and business opportunities.
Living in Perth	Perth at Night	Healthy and Active in Perth
The City is a place where a diverse range of people choose to live for a unique sustainable urban lifestyle and access to government and private services.	A City that has a vibrant night time economy that attracts new innovative businesses and events and where people and families feel safe.	A City with a well-integrated built and green natural environment in which people and families choose a lifestyle that enhances their physical and mental health and takes part in arts, cultural and local community events.
Capable and Responsive Organisation		
A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and provide efficient and effective community centred services.		

Asset Management Framework

The Department of Local Government Asset Management Framework defines what local governments should strive to achieve in order for asset management to be an enabler of their IPR Framework. The Asset Management Framework can be summarised as four tiers:

- **Asset Management Policy:** a statement of intent and guiding principles that informs the City's Strategic Community Plan and Corporate Business Plan (Section 3.1);
- **Asset Management Strategy:** the key component of objectives and measures as the enabler or informing strategy for Asset Management (Section 3.2);
- **Asset Management Plans:** individual Asset Class Plans (Tactical and Operational) that inform Business Unit Plans and the City's Long Term Financial Plan and Corporate Business Plan(Section 3.4); and
- **Evaluation of Process and Plans:** Annual business processes that ensure compatibility of all asset management practices to both legislative and business requirements (Section 3.7).

As such the City's Asset Management Section is engaged in continuing to develop and implement methodologies across the organisation to support this framework.

3. Asset Management Governance

Asset Management is a multi-field discipline that brings together **engineering, financial and information technology** expertise and functions allowing an organisation to manage its physical assets in the most optimal manner in fulfilling service levels demands. The City has identified specific roles and responsibilities within its Policy to support the development of the discipline, inclusive of:

- **Asset Management Taskforce:** is chaired by the nominated Director and is a multi-disciplinary cross-functional group of staff representing key stakeholders within the City. The Taskforce reviews individual asset management plans and provides guidance in ensuring the implementation, monitoring, evaluation and review of Asset Management Policies and procedures is aligned to legislative reporting requirements;
- **Unit Managers:** are responsible for the implementation, communication and compliance of all Asset Management Policies, procedures and reporting requirements within their unit. They also ensure that asset management plans and asset registers for assets under their unit's custodianship are developed and maintained and provide operational, maintenance and capital works budget forecasts to inform the City's long term financial planning and funding strategies;
- **Asset Custodians:** are appointed by nature of their expertise in the whole of life-cycle management of respective assets and are responsible for the development and implementation of asset management plans. They are responsible for the submission of respective asset management plans from which asset performances reflected in the plans is used for statutory reporting requirements and long term budget forecasts are provided;
- **Asset Management Section:** provides leadership in ensuring that all City assets are managed in a manner that reflects the organisation's vision and community aspirations. They are responsible for the timely review of all Asset Management Policies, procedures and reporting requirements in addition to ensuring that all asset management plans for respective asset classes are developed by custodians and that they conform to corporate requirement. The Section facilitates the integration of the engineering, financial and information technology expertise and deliverables.

Aligned to the International Infrastructure Management Manual (2012) the City is maturing towards *lifecycle asset management* with the objective of looking at the lowest long term cost option, rather than short term savings when making decisions on asset management. The benefits of this approach as outlined in the IIMM (2012) are:

- Improve cost efficiency and reduce costs, by using decision making techniques that identify the lowest lifecycle cost maintenance and renewal decisions;
- Improve customer service satisfaction by better matching levels of service with what customers want and are willing to pay for;
- Have more transparency in decision making, allowing stronger governance and accountability; and
- Be more sustainable, by having long term plans that provide equitably funded services across generations.

Asset Management Policy

The City's Asset Management Policy 9.12 was adopted by Council on 29 January 2013 and has undergone minor revision which was adopted by Council in April 2015. The Policy statement is:

“The City of Perth will utilise Asset Management principles, practices and reporting in the whole life-cycle management of assets owned and controlled by the City, and endeavours to deliver services that meet the present needs of the community, without compromising the needs of future generations”.

The objectives of this policy are to:

- a. Provide the framework for adopting Asset Management into the City's decision making processes;
- b. Ensure that the City undertakes a total cost of ownership approach, as practicable, in the acquisition and management of the City's assets. This cost includes asset design, construction, operation, maintenance, renewal and disposal;
- c. Enhance transparency and accountability in the whole of life-cycle management of the City's assets through the development, approval and implementation of asset management plans;
- d. Ensure that community consultation, as necessary, is undertaken and the City endeavours to meet the community's current and future needs through the services delivered by the City;
- e. Complement and contribute to the City's Integrated Planning and Reporting requirements via the Strategic Community Plan 2029, Corporate Business Plan, Long Term Financial Plan, in addition to the City Planning Scheme;
- f. Ensure adherence to applicable laws, regulations and statutory requirements governing Asset Management reporting by the City and
- g. Articulate the City's commitment to continuous improvement and provision of resources to deliver asset management objectives.

Other policies which support asset management developed during the 2014/15 period (financial year) were the Contributed Assets Policy (Policy 9.15) and Disposal of Property Policy (Policy 9.14).

Asset Management Strategy

The City at present does not have a formal Asset Management Strategy as required under Integrated Planning and Reporting Requirements; with the overarching Corporate Asset Management Plan considered its current enabling strategy. With the maturity of asset management practices in particular planning and forecasting demands for renewal and replacement, an Asset Management Strategy will be created and formalised in the near future.

The City's asset management framework has been strengthened from the previous year through the introduction of new Policies and Procedures for Disposal of Property and Contributed Assets; the creation of four (4) new Plans; the review of seven (7) existing Plans and a review of Policy 9.12: Asset Management. Asset management maturity is evolving from core to intermediate as classified in the International Infrastructure Management Manual 2011; as custodians are becoming conscious of changing environments, social demand and economic growth which are informing decisions being made in relation to asset ownership and management.

Asset Management Hierarchy

The City's Asset Hierarchy was reviewed in 2014/15 enabling a greater alignment and contemporary structure to support reporting and revaluations. The Hierarchy is summarised in Table 1 below:

Table 1: Asset Management Classifications

Asset Class	Asset Sub Classes
Infrastructure - Roads	Road Primary, Road Ancillary
Infrastructure - Paths	Sidewalk
Infrastructure - Lights	Light Fixtures, Switchboard, Electric Cables & Conduits
Infrastructure - Parks & Landscape	Hard Landscape, Soft Landscape, Trees
Infrastructure - Riverbank	Hard Landscape, Soft Landscape
Infrastructure - Bridges & Civil Structures	Civil Structures, Bridges
Infrastructure - Street Furniture	External
Infrastructure - Drainage	Pits, Pipes, Other Structures
Infrastructure - City of Perth Parking	Open Air, Under Cover, On-street
Art	Public Works of Art, Works of Art, Memorabilia and Social History, Plaques, Other Art Assets
Information Technology	Fibre Optic Network, Compliance, Software, Hardware, Network, Facilities, Other
Fleet	Large Sedans, Small Sedans, Commercial Vehicles
Plant and equipment	Trucks, Specialised Plant, Parks Plant, Major equipment, Minor Equipment
Land	Air Rights, Vested Land, Freehold Land, Leasehold Land
Building	Freehold, Leasehold
Other assets	

Asset Management Plans

Individual Asset Management Plans are progressively being created for each asset class, with ten (10) having been created to date. A detailed Plan framework has been developed for use across the Asset Classes and each existing Plan is reviewed annually. The current status of Individual Plans is as outlined:

Table 2: Asset Management Plans

Plan	Existing Plan Reviewed 2014/15	New Plan Created 2014/15	To be Developed
Infrastructure - Roads	▲		
Infrastructure - Paths	▲		
Infrastructure - Lights	▲		
Infrastructure - Parks & Landscape	▲		
Infrastructure - Riverbank		▲	
Infrastructure - Bridges & Civil Structures			▲
Infrastructure - Street Furniture			▲
Infrastructure - Drainage		▲	
Infrastructure - City of Perth Parking	▲		
Art – Art and Heritage			▲
Other assets – New Library			▲
Other assets – History Centre			▲
Information Technology - Fibre Optic		▲	
Information Technology - Other			▲
Information Technology - Compliance			▲
Fleet	▲		
Plant and Equipment	▲		
Buildings			▲
Land			▲

Levels of Service

Both demand and customer expectations (time, quality and value for money) inform the basis of service delivery levels required from respective assets. Each Custodian in their Asset Management Plan should outline what service levels are implemented, identify any gaps in service delivery and identify how these gaps will be addressed and what funding is required.

Primarily Asset Custodians have been using data from complaints, feedback, identified risks, the City's Strategic Community Plan Vision 2029+ and industry benchmarks to determine levels of service. It is envisaged that a customer consultation and engagement strategy will be developed to gain targeted feedback on service expectations on the City's assets.

Each respective Asset Custodian will be required to identify specific service elements and preliminary service standards on which to seek community feedback. The outcome of the consultation will then reaffirm or seek change to those services standards already in place throughout the City. It may be that some service standards are too high and are not deemed to be required by the community¹; or in some cases service standards may be lacking and require improvement.

Services Provided

As the Capital City of Western Australia the City of Perth currently provides a vast array of services that influence and enhances the City's economy and vibrancy through the acquisition and management of various assets:

- Roads: road sweeping, maintenance and rehabilitation of 102 km road network;
- Footpaths: footpath sweeping, pavers lifted and re-laid, and replacement of approximately 470,000 m² of footpath and shared paths;
- Drainage: collection and disposal of stormwater through 107 km of drainage pipes, inlets and manholes;
- Parks: operations, maintenance and rehabilitation of 140 hectares of open parkland areas and reserve inclusive of 16 major parklands and a number of smaller parks;
- External Lights: maintenance, replacement and management of 3,056 external lights throughout the city streets and parks;
- Riverbank: joint management of 11.64km of river walls with the Swan River Trust;
- City of Perth Parking: management and operations of 18 open air and 15 under cover car parks as well as approximately 5,800 on-street parking bays that are currently owned and/or managed by the City of Perth;
- Fleet: management of 130 Council fleet vehicles that provide services to the community;
- Plant & Equipment: management of 64 heavy plant vehicles and 255 equipment pieces that are used to provide infrastructure maintenance throughout the city; and
- Public Art: preservation and maintenance of 457 works of art, 94 public works of art and 1,642 memorabilia and social history artefacts.

¹ Community includes City residents, business owners and operators, workers and visitors.

Evaluation of Process and Plans

To monitor how the City's asset management practices are maturing the following assessment continuum from the International Infrastructure Management Manual (2011) has been selected for use. The assessments reflected within Table 3 are a consensus of current practices and maturity of asset management within the City.

Table 3: Asset Management Practice Maturity (current)

	Minimum	Core	Intermediate	Advanced
AM Policy Development		▲		
Demand Forecasting	▲			
Levels of Service	▲			
Asset Register Development		▲		
Asset Condition Assessment	▲			
Risk Management		▲		
Decision Making		▲		
Operational Planning	▲			
Maintenance Planning	▲			
Capital Works Planning		▲		
Financial Management	▲			
AM Teams and Capability		▲		
AM Plans		▲		
Information Systems		▲		
Service Delivery Mechanisms	▲			
Quality Management	▲			
Improvement Planning	▲			

During the year a number of reflections have been collated as a base for future improvements across both asset management processes and planning at a strategic or corporate level. These are outlined in Section 7.6. Improvements at a tactical and operational level are contained within individual Asset Class Plans.

4. Asset Inventory

The City's assets are currently recorded on two asset register systems; Finance One and Hansen8. Finance One is the City's financial data carrier and Hansen8 the master asset register. The City is progressing toward having one asset management system in the future (Hansen8). Seven infrastructure asset classes currently reside in Hansen8 however efforts are being made to transfer the remaining asset classes from the historical database (Finance One) into Hansen8. Only one Asset Class – Art, has been approved by the Asset Management Taskforce to be held in a separate asset register. This is owing to its specialised nature and system requirements.

The Hansen asset register has the functionality to maintain engineering data (dimensions, coordinates, materials), hold asset valuations (initial cost, asset age, remaining life), run depreciation, facilitate revaluations and link assets to GIS Mapping. Straight line depreciation is assumed for all assets in Hansen8 which is run on a monthly basis enabling valuation activities (asset disposals, creation and modification) to be processed and posted to Finance One for higher level reporting. Asset Management are the custodians of Hansen8 and are responsible for ensuring that asset data integrity (completeness and confidence) is maintained throughout the organisation.

Asset hierarchies have been defined for all asset classes reported in individual asset management plans and are recorded at component level in Hansen8. Work is continuing to replicate and align structures across the differing database and systems.

Table 4: Asset Inventory (as of 17 March 2015)

Asset Class	Asset Sub-Class	Asset Type	Qty	Units
Infrastructure Roads	Road Primary	Road Seal	102	Km
		Road Pavement	95	
		Road Earthwork	94	
	Road Ancillary	Parking Bays	0.03	Sq km
		Median Islands	0.13	
		Roundabouts	0.003	
Infrastructure Drainage	Pits	Manhole	2619	No.
		Soak Well	18	
		Gully	2443	
		Footpath Gully	17	
		Overflow Pit	518	
		Side Entry Pit	354	
	Pipes	Main Line	104	Km
		Lateral Line	3	
	Other Structures	Bubble Up Pit	2	No.
		Concrete Apron	1	
		Gross Pollutant Trap	3	
		Spoon Drain	17	
		Trench Drain	0	
		Splitter Box	1	
		Open Channel	8	
		Catchments	11	
		Sub Catchments	45	
Infrastructure Paths	Sidewalk	Pedestrian footpath	0.41	Sq.km.
		Dual-use footpath	0.06	
		Kerbs	12	Km.
		Cross overs	1611	No.
		Kerbs	18	Km
		Cycle Path	0	
		Stairs	20	No.
		Footpath Pavement	0.005	Sq.km.
Infrastructure Riverbank	Hard Landscape	Rock Armour	2.6	Km
		Riverwall	5.1	
		Gabion	0.08	
	Soft Landscape	Vegetation	1.2	
		Bioengineering	0.7	
		Beach	0.8	
Infrastructure Bridges and Civil Structures	Jetty		2	No.
	Underpass		3	
	Overpass		12	
	Footbridge		5	
	Trafficable Bridge		1	

Infrastructure Parks & Landscape	Hard Landscape	Footpath	0.03	Sq km
		Dual Use Path	0	Km
		Stair	70	No.
		Kerb	1	Km
		Irrigation Assets	307	No.
		Park Furniture	2374	
		Retaining Wall	114	
		Lake	4	
		Gym Equipment	27	
		Playgrounds	8	
		Playground Equipment	75	
	Soft Landscape	Turf	102	No.
		Garden Bed	154	
	Trees	Street Tree	6730	No.
		Park Tree	1706	
Infrastructure Street Furniture	External (Excludes PALS street furniture)	Includes Bike racks, bins, bollards, drinking fountains, handrails, seats, signs, umbrellas, bus shelters etc	2678	No.
Infrastructure Lights	Light Fixtures	Street Lights	1565	No.
		Park Lights	846	
		Feature Lights	635	
		Traffic Light Poles	10	
	Switchboard	Switchboard in Street	70	
		Switchboard in Park	32	
Information Technology	Fibre Optic Network	Pits	326	No.
		Conduits	557	
		Fibre	31	Km
Buildings	Freehold or Leasehold	Civic	3	No.
		Community	12	
		Car Parks	13	
		Public Toilets	14	
		Sheds / Plant	9	
		Other	16	
Art	Works of Art		457	No.
	Public Works of Art		94	
	Memorabilia Objects		1642	
Information Technology	Compliance	CCTV cameras,	886	No.
		Network Video Recorders		
		Switcher Room Equipment		
		CCTV Surveillance Centre		
		Vehicle Detection Sensors		
		PDA's & PDA Printers		
		Two Way Radio Equipment		

Fleet	Large Sedans		23	No.
	Small Sedans		42	
	Commercial Vehicles	Medium Vans	12	
		Large Vans	9	
		Utility	3	
		Dual Cab	41	
		Trailers	12	
Plant and Equipment	Trucks	Various	25	No.
	Specialized Plant		18	
	Parks Plant		16	
	Major Equipment		5	
	Minor Equipment		255	

5. Asset Valuation

Asset revaluation is led internally by the Finance Unit with the use of both internal and external valuation expertise. The revaluation of assets is based on Current Replacement Cost (CRC) and Depreciated Replacement Cost (DRC) methodology; or Market Value and Depreciated Cash Flow where applicable; in compliance with *Local Government (Financial Management) Regulations 1996 Section 17A* and the IPR Framework requirements. The end of this financial year 30 June 2015 will see a significant milestone reached as all Asset Classes held by the City will have been valued / revalued to satisfy the Regulations.

The City will be developing a rolling Revaluation Plan to ensure all Asset Classes are revalued in accordance to legislated requirements:

“17A. Assets, valuation of for financial reports etc.

- (3) A local government must show in each financial report —*
 - (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and*
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government —*
 - (i) that are plant and equipment; and*
 - (ii) that are —*
 - (I) land and buildings; or*
 - (II) infrastructure; and*
 - (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.*
- (4) A local government must revalue all assets of the local government of the classes specified in column 1 of the Table to this subregulation —*
 - (a) by the day specified in column 2 of the Table; and*
 - (b) by the expiry of each 3 yearly interval after that day*

<i>Class of asset</i>	<i>Day</i>
<i>Plant and equipment</i>	<i>30 June 2016</i>
<i>Land, buildings and infrastructure for which the fair value was shown in the local government's annual financial report for the financial year ending on 30 June 2014</i>	<i>30 June 2017</i>
<i>All other classes of asset</i>	<i>30 June 2018</i>

Summary of Asset Class Valuations

The following table summarizes the current status of Asset Class valuations for both timing of valuation and total value. Given the progressive creation of Asset Management Plans through into 2015/16, the most recent valuation data pertaining to Land, Buildings, Art, Street Furniture and Bridges Asset Classes is presented in subsequent sections in detail for reference.

Based on the valuation data represented below over 15 Asset Classes, these City Assets (excluding Land Assets) have an estimated Current Replacement Cost of \$1,130 M and a Depreciated Replacement Cost of \$778 M.

Table 5: Asset Valuation Summary (as of June 2015)

Asset Class	Date of Valuation	Data Source	Current Replacement Cost (CRC) \$ M	Depreciated Replacement Cost (DRC) \$ M
Infrastructure – Roads*	May 2013	Hansen 8	\$332,891,007	\$216,975,656
Infrastructure – Paths*	May 2013	Hansen 8	\$125,547,690	\$64,551,641
Infrastructure – Lights*	May 2013	Hansen 8	\$32,682,168	\$15,339,996
Infrastructure - Parks & Landscape*	May 2013	Hansen 8	\$151,857,542	\$118,241,233
Infrastructure – Riverbank*	May 2013	Hansen 8	\$40,147,878	\$25,404,679
Infrastructure - Bridges & Civil Structures	March 2015	Hansen 8	\$16,174,000	\$10,477,253
Infrastructure - Street Furniture	March 2015	Hansen 8	\$4,486,675	\$2,658,710
Infrastructure – Drainage*	May 2013	Hansen 8	\$59,964,380	\$31,045,099
Infrastructure - City of Perth Parking (Open Air component)	June 2013	Finance One	\$29,832,058	\$9,751,659
Art	June 2015	Finance One	\$2,077,509	\$2,069,604
Agriculture**	N/A	Finance One	\$795,271	\$795,271
Computers**	May 2013	Finance One	\$9,440,811	\$807,418
Furniture and Fittings**	May 2013	Finance One	\$10,313,869	\$6,403,105
Information Technology - Fibre Optic	Interim March 2015	Register TBD	\$5,099,387	\$3,059,632
Fleet	June 2013	Finance One	\$3,791,638	\$3,005,826
Plant and Equipment	June 2013	Finance One	\$8,438,248	\$5,141,007
Buildings- All	March 2015	Finance One▲	\$297,147,224	\$272,763,933
Sub Total			\$1,130,687,355	\$778,491,722
Land - All	March 2015	Finance One▲▲	\$415,551,213	\$415,551,213
Total			\$1,546,238,568	\$1,204,042,935

Notes: *These Asset valuations were formally 'loaded' for revaluation purposes in March 2015.

** Asset Category located in Finance One

▲ External Valuation March 2015

▲▲ External Valuation March 2015 adjusted internally June 2015

1. Assets approved for Disposal from the MRA Elizabeth Quay Project remain within these valuations
2. Assets that may have been disposed of within the MRA Riverside Project Stages 1, 2 and 3 remain within these valuations.

Land Assets

In early 2015 an external Valuer was engaged by the City to undertake a revaluation of Land and Building Assets to reflect fair values for the assets covered within the scope provided. These valuations are still pending validation but have been authorised for inclusion in this Plan. The Land Asset Management Plan is due for completion during 2015/16 so the following data presented in Table 6 is an interim detailed overview of the revalued Asset Class:

Table 6: Land Asset Revaluation Summary (as of 3 June 2015)

Classification	Count	Fair Value
Land\Crown Land Grant Trust\Assets held for Redevelopment	1	\$10,490,846
Land\Crown Land Grant Trust\Community Facilities	1	\$3,307,260
Land\Crown Land Grant Trust\Recreation Facilities	1	\$228,580
Land\Land - Freehold\Administration/Depot	1	\$13,120,000
Land\Land - Freehold\Car Parking Facilities	18	\$303,792,500
Land\Land - Freehold\Community Amenities	5	\$4,398,550
Land\Land - Freehold\Recreation Facilities	15	\$29,138,835
Land\Land - Freehold\Road Reserve	93	\$39,257,450
Land\Land - Heritage Assets	4	\$935,000
Land\Land - Investment Properties	9	\$8,627,280
Land\Land Air Rights\Car Parking Facilities	1	\$1,758,832
Land\Land Air Rights\Community Amenities	1	\$496,080
TOTAL	150	\$415,551,213

Note: External Valuation March 2015 – Interim Values pending final confirmation following internal adjustment June 2015

Building Assets

As indicated above an external Valuer undertook the revaluation of the City's Building Assets in March 2015. The structure of the revaluation undertaken by asset type is not directly aligned to the City's asset management register so further internal work needs to be progressed in the coming period to map asset types / attributes with functional business activities and Units within the City. The Building Asset Management Plan is due for completion during 2015/16 so Table 7 is an interim detailed overview of the revaluation is provided:

Table 7: Building Asset Revaluation Summary (as of 8 April 2015)

Asset Type	Gross Value (CRC) \$	Fair Value (DRC) \$	Accumulated Depreciation \$	Depreciation Expense \$	Residual Value \$
Substructure	59,034,597	55,432,147	3,602,449	174,602	23,613,838
Superstructure	55,384,111	51,318,096	4,066,014	221,783	27,692,055
Floor coverings	5,549,755	3,085,679	2,464,076	322,747	323,940
Fitout & fittings	5,258,869	4,149,135	1,109,733	154,835	2,103,547
Roof	17,663,295	15,765,915	1,897,379	123,281	8,831,647
Mechanical	21,983,434	17,762,261	4,221,172	399,559	5,441,534
Fire	4,759,181	4,417,816	341,364	29,289	3,331,427
Transport	6,893,282	6,674,770	218,511	51,240	4,825,297
Electrical	18,287,149	14,757,236	3,529,912	188,494	5,486,144
Hydraulic	12,889,452	10,173,861	2,715,590	135,905	3,866,835
Security	1,103,557	886,473	217,083	51,499	331,067
Building(mv)	88,340,539	88,340,539	0	0	0
TOTAL	\$297,147,224	\$272,763,933	\$24,383,290	\$1,853,238	\$85,847,336

Note: External Valuation March 2015 – Interim Values pending validation by Finance but authorized for use within this Plan

Art Assets

All art assets have been audited and valued with the asset register due to be finalised in the 2014/15. There are approximately 1500 memorabilia objects, 90 Public Art Works, 436 Works of Art and 10,000+ History Centre Objects however not all have been reconciled financially due to the Collections Management Register being in the testing phase with an anticipated "go live" date early 2015/16. The Art Asset Management Plan is in progress and due for completion in 2015/16. As such the following data presented in Table 8 is an interim overview of a portion of the Asset Class:

Table 8: Art Asset Revaluation Summary (as of 8 April 2015)

Asset Type	Count	Initial Cost	Accumulated Depreciation ^	Written Down Value
Internal Art	436	\$1,683,887	\$0	\$1,683,887
Memorabilia *	7	\$21,681	\$7905	\$13,776
Public Art *	3	\$303,782	\$0	\$303,782
Memorabilia - History *	1	\$68,159	\$0	\$68,159
Total	447	\$2,077,509	\$7,905	\$2,069,604

Notes: * Not all Assets are financially recognised (see comments above).

^ Art Assets do not customarily depreciate. Reconciliation currently being undertaken for sub-classes such as Memorabilia.

Data Source: Finance One

Street Furniture Asset Class

Early in 2015 an external Valuation group were engaged by the City to undertake a revaluation of two Asset Classes: Street Furniture and Bridges. In the absence of an Individual Asset Management Plan for Street Furniture the numerous asset types have yet to be formally categorised and agreed upon. As such the revaluation was undertaken using 18 different asset types summarised in Table 9.

Table 9: Street Furniture Asset Revaluation Summary (as of 8 April 2015)

Asset Type	Count	Current Replacement Cost (CRC)	Written Down Value (DRC)	Total Accumulated Depreciation
18 Different Types	975	\$4,486,675	\$2,658,710	\$1,827,964
Total	2673*	\$4,486,675	\$2,658,710	\$1,827,964

Notes: * Only 975 assets of a total 2673 have a valuation record

External Valuation March 2015 – Interim Values pending validation by Finance but authorized for use within this Plan

Data Source: Hansen8

Bridge and Civil Structures Asset Class

As indicated above Griffin Valuation Advisory undertook the revaluation of the City's Bridge and Civil Structures Assets in March 2015. In the absence of an Individual Asset Management Plan for this Class the following revaluation overview is provided:

Table 10: Bridge and Civil Structures Asset Revaluation Summary (as of 8 April 2015)

Asset Type	Quantity	Current Replacement Cost (CRC)	Written Down Value (DRC)	Accumulated Depreciation	Annual Depreciation Expense
Underpass	3	\$2,120,000	\$1,359,919	\$760,080	\$29,955
Overpass	11	\$11,760,000	\$7,600,438	\$4,159,561	\$198,379
Footbridge	5	\$2,267,000	\$1,494,897	\$772,102	\$37,796
Trafficable bridge	1	\$27,000	\$21,998	\$5,001	\$520
TOTAL	20	\$16,174,000	\$10,477,253	\$5,696,744	\$266,650

Note: External Valuation March 2015 – Interim Values pending validation by Finance but authorized for use within this Plan

6. Life Cycle Management

Asset Performance

The asset management key performance indicators required for reporting under the IPR Framework are shown in Table 11 below. The Asset Consumption Ratio (ACR) has been calculated across the majority of Asset Classes (see Table 12) however the Asset Sustainability Ratio (ASR) cannot be accurately determined at present. The Asset Renewal Funding Ratio has been determined holistically for the organisations assets (see Figure 2). Increased robustness in 10 year capital budgeting in both forecasting and expenditure will enable fuller reporting to emerge and greater accuracy in key performance indicator reporting. In addition to achieving a full reconciliation between the City's financial management and asset management systems will be important in 2015/16 to structure both capital budget planning and expenditure, by way of 4 categories:

- New;
- Upgrade;
- Renewal (replacement); and
- Expansion.

Individual Asset Class Plans contain 10 Year Forecasts for Operational, Maintenance and Renewal Programs, however these are also building in maturity and accuracy as more holistic data is being captured across multiple functional areas within the organisation. These costs flow into Business Unit Plans and Budgets and inform the City's Corporate Budget Cycle and Plans.

Table 11: Asset Management IPR Framework Methodology (Key Performance Indicators)

Key Performance Indicator	Information	Standards
Asset Consumption Ratio (ACR)	This shows the written down current value of a local government's depreciable assets relative to their 'as new' value in up to date prices. The ratio highlights the aged condition of the local government's stock of physical assets.	Standard is not met if ratio data cannot be identified or ratio is less than 50%. Basic standard is met if ratio data can be identified and ratio is 50% or greater. Advanced standard is met if this ratio is between 60% and 75%.
Asset Sustainability Ratio (ASR)	This measures the extent to which assets managed by the local government are being replaced as they reach the end of their useful lives. (x<90% under Investing) (x>110% over investing)	Standard is not met if ratio data cannot be identified or ratio is less than 90%. Basic standard is met if ratio data can be calculated and ratio is 90% or greater. Advanced standard is met if this ratio is between 90% and 110%
Asset Renewal Funding Ratio	This indicates whether the local government has the financial capacity to fund asset renewal as required, and can continue to provide existing levels of services in future, without: - additional operating income; or - reductions in operating expenses; or - an increase in net financial liabilities above that currently projected.	Standard is not met if ratio data cannot be identified or ratio is less than 75% Basic standard is met if ratio data can be identified and ratio is between 75% and 95%. Advanced standard is met if this ratio is between 95% and 105% and the ASR falls within the range 90% to 110% and ACR falls within the range of 50% to 75%.

Asset Consumption Ratio (ACR) and Asset Sustainability Ratio (ASR)

Given the maturing of the City's Budgeting across renewal and upgrade capital expenditures the ASR for 2014/15 has not been able to be accurately determined, with estimates gained through deconstructing capital expenditure into the necessary categories. However the ACR has been calculated for those asset classes as depicted in Table 12.

Table 12: Asset Consumption and Asset Sustainability Ratios by Asset Class

Asset Class	Data Source Used	Asset Consumption Ratio (ACR)		Asset Sustainability Ratio (ASR)♣	
		2014/15	Standard Achieved	2013/14 Actual	Standard Achieved
Infrastructure – Roads	Hansen8	48%	Not Met	176%	Over Investing
Infrastructure - Paths	Hansen8	51%	Basic	130%	Over Investing
Infrastructure - Lights	Hansen8	47%	Not Met	12%	Under Investing
Infrastructure - Parks & Landscape	Hansen8	78%	Advanced	47%	Under Investing
Infrastructure - Riverbank	Hansen8	63%	Advanced	611%	Over Investing
Infrastructure - Bridges & Civil Structures ^	Hansen8	65%	Advanced	0%	Under Investing
Infrastructure - Street Furniture ^	Hansen8	59%	Basic	13%	Under Investing
Infrastructure - Drainage	Hansen8	52%	Basic	1268%	Over Investing
Infrastructure - City of Perth Parking	Hansen8	33%	Not Met	94%	Advanced
Art – Art and Heritage ^	Finance One	N/A		N/A	
Other Assets – New Library ^	Finance One	N/A		N/A	
Other Assets – History Centre ^	Finance One	N/A		N/A	
Information Technology - Fibre Optic	Interim*	60%	Advanced*	37%	Under Investing
Information Technology - Other ^	No Register	N/A			
Information Technology – Compliance ^	Finance One	N/A			
Fleet	Finance One	80%	Advanced	216%	Over Investing
Plant and Equipment	Finance One	61%	Advanced	143%	Over Investing
Buildings – Council House	Finance One▲	91%	Advanced	87%	Under Investing
Buildings – All ^	Finance One▲	71%	Advanced	37%	Under Investing
Land - All^	Finance One▲	N/A		N/A	
Average Ratio		61.36%	Advanced	101%	Advanced

Notes: ^ No Asset Management Plan

▲ External Valuation March 2015 – Interim Values pending validation by Finance but authorized for use in this Plan

♣ Data as of 31 March 2015 therefore unable to calculate for 2014/15.

* External Valuation is nearing completion (due 31 May 2015), therefore termed interim

The Average Asset Consumption Ratio (ACR) for 14 Asset Classes is 61.36% which is deemed an Advanced Standard however within these 15 Classes, 3 Classes have not met a Basic Standard for the ACR:

- Infrastructure Roads;
- Infrastructure Lights; and
- Infrastructure City of Perth Parking.

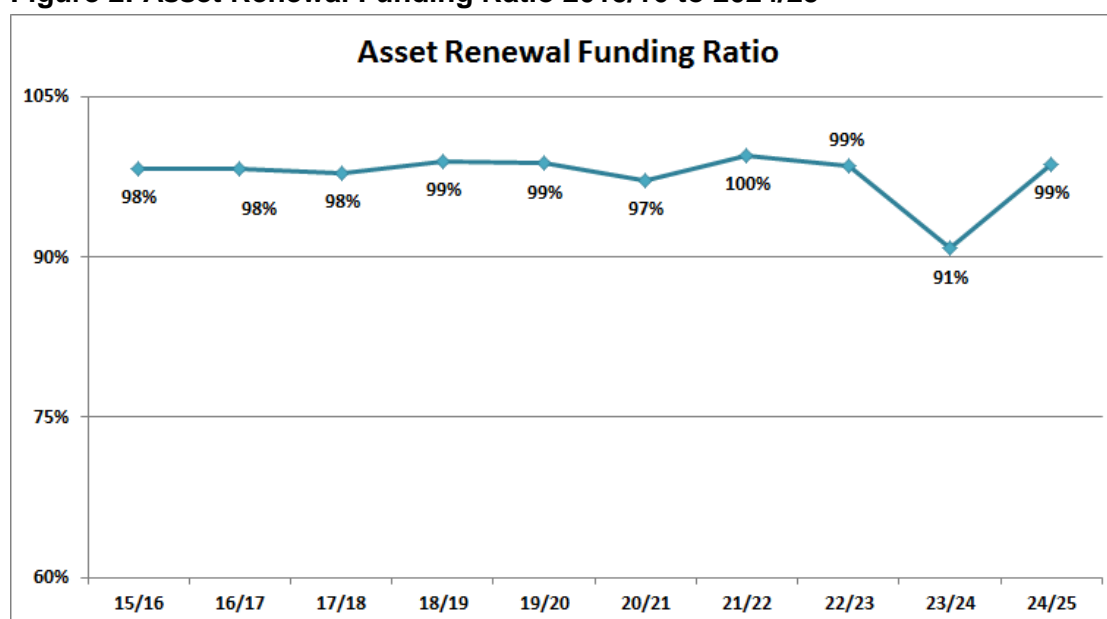
By way of comparison the 2013/2014 Corporate Plan reported an Average ACR for 9 Asset Classes of 56%, which was deemed as Basic Standard.

Asset Renewal Funding Ratio (ARFR)

The Asset Renewal Funding Ratio (ARFR) has been determined by using the current Corporate 10 Year Plan - Renewal & Upgrade Data² with forecasted data being a hybrid of the Corporate 10 Year Plan and individual Asset Management plans. In some instances these data sets were the same however there were some minor variances. The average ARFR over the 10 year period is 98%.

In general the forecast and budget does not vary considerably as there appears to be limited funding constraints placed on renewal and replacement programs at the present time. The *Advanced Standard* is met if this ratio is between 95% and 105% and it would therefore appear overall that the City is well placed and has the financial capacity to fund asset renewal as required, and as such continue to provide existing levels of services in the coming 10 year period. However as condition assessments are undertaken, coupled with transparency in demand forecasting and differentiation in capital expenditure then this position will change.

Figure 2: Asset Renewal Funding Ratio 2015/16 to 2024/25



Note: Planned expenditure taken from individual Asset Management Plans and the budgeted renewal and upgrade capital expenditure from the 10 year corporate capital expenditure plan as at 20-Feb-2015

² Draft Corporate Budget as of 20 February 2015.

Condition Rating

The City is progressing toward implementing structured condition assessments for each of the respective asset classes. The adopted advisory guidelines in Table 14 below are to be used across all Asset Classes and reported annually in each individual Asset Management Plan. Of the ten (10) Plans submitted in 2014/15 eight (8) have outlined progress toward undertaking condition assessments. It is essential that condition assessments are undertaken comprehensively as it allows for a better understanding to be gained on asset deterioration and failure modes, enabling any intervention or replacement planning to occur. The ongoing due diligence of these assessments will build greater transparency and robustness into maximising asset performance and forecasting asset budgeting needs; which feeds directly into Business Unit Plans and into the long term financial plan for the City.

Table 14: Asset Condition Rating Guidelines

Rating	Condition Description	Performance	Action Plan	Maintenance Classification
1	Asset that has been recently installed or re -conditioned back to as-new	Good Condition	Predictive Maintenance	Planned Maintenance
	Asset should not show any wear or fatigue characteristics			
	Asset is expected to function fully as designed and deliver service level fully as intended.			
2	An asset shows early stages of deterioration and wear	Minor Deterioration	Preventative Maintenance	
	There is no reduction in service level delivery of the asset			
3	Asset shows very obvious signs of deterioration	Fair Condition	Cyclic Maintenance	
	There will be some service delivery losses			
	Planned maintenance action will be required to restore asset service level delivery			
4	An asset is showing severe signs of deterioration	Poor Condition	Reactive Maintenance	Unplanned Maintenance
	Prompt actions have to be taken to avoid major service delivery failure			
5	Asset has failed and is no longer capable of delivering services as intended	Failed Asset	Breakdown Maintenance / Asset Renewal	
	In some cases, it will be a risk in leaving the asset in service			
	Urgent action will be required to replace or rehabilitate the asset.			
0	Unable to Inspect / Missed Inspection		Investigate	-
NA	Not Applicable		-	-
CNYA	Condition Not Yet Assessed		Inspection Plan	-

Data Source: Asset Management Advisory Standards

Risk Assessment

Individual Asset Management Plans address Risk Management by way of developing, monitoring and reporting on individual Risk Management Plans for respective asset classes as per the City's Risk Management Policy Framework. Please refer to individual Plans for details pertaining to identified risk and mitigations put in place to minimise them.

Age Profiling

Asset useful lives are defined and recorded in the respective asset register. The useful life of the asset is used to calculate the assets current age and remaining life. In the absence of condition rating data and/or other performance measures, remaining life is used as an indication of asset deterioration and possible need for intervention or further assessment. Remaining lives are reviewed annually and updated in the asset register.

The age profile of the major Asset Classes owned and managed by the City are indicated in Figure 3. The average useful life for the 15 asset classes, as presented in Figure 3, is 37 years and the remaining life is 23 years, i.e. 62%.

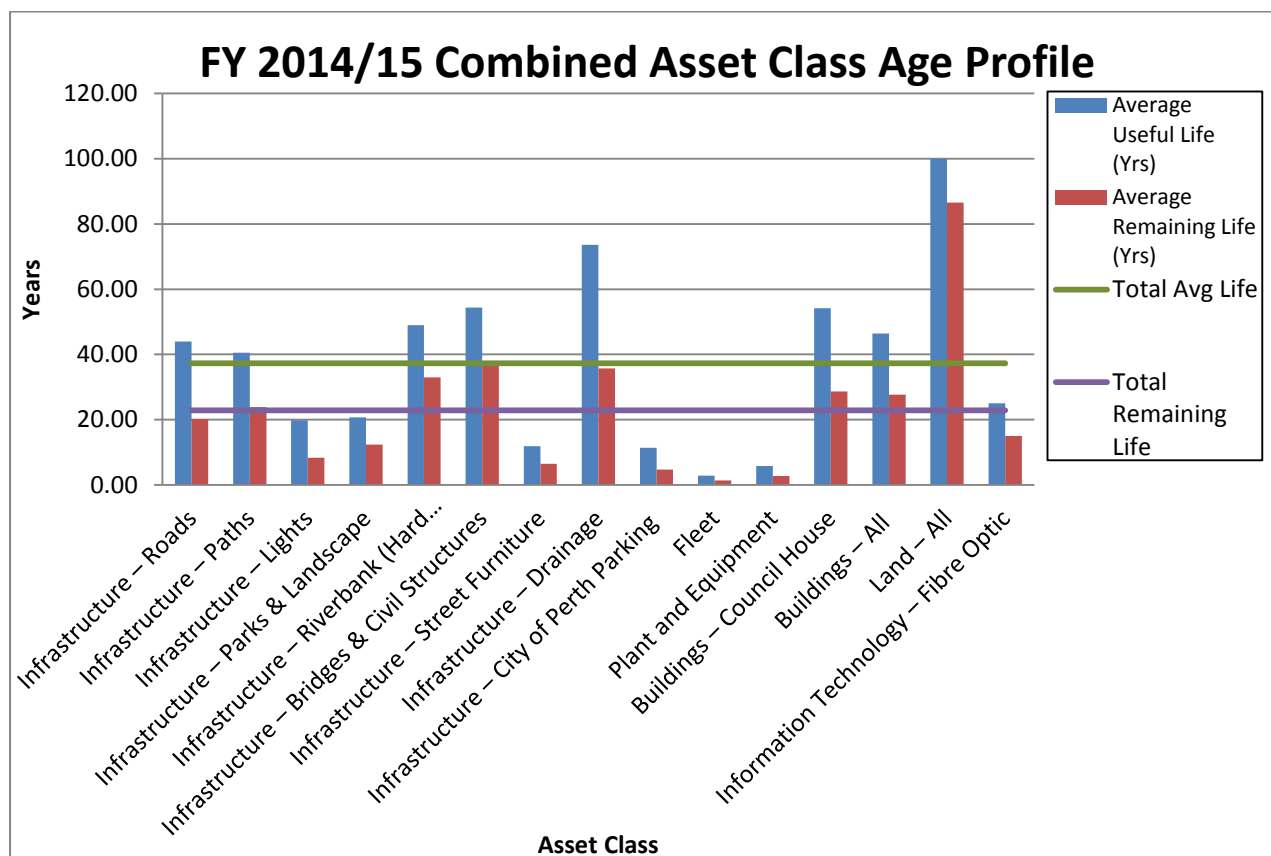


Figure 3: Combined Asset Class Age profile 2014/15

Note: Asset useful life and remaining life is also used to calculate straight line depreciation for infrastructure assets

Table 14 below outlines the Asset Age Profile for each available Asset Class for both Average Useful Life and Average Remaining Life.

Table 14: Individual Asset Class Age Profiles

Asset Class	Average Useful Life (Yrs)	Average Remaining Life (Yrs)
Infrastructure – Roads	44.00	20.20
Infrastructure – Paths	40.50	23.80
Infrastructure – Lights	19.80	8.30
Infrastructure – Parks & Landscape	20.70	12.40
Infrastructure – Riverbank (Hard Landscape)*	49.00	33.00
Infrastructure – Bridges & Civil Structures	54.40	37.20
Infrastructure – Street Furniture	11.90	6.50
Infrastructure – Drainage	73.60	35.70
Infrastructure – City of Perth Parking	11.40	4.70
Fleet	2.80	1.40
Plant and Equipment	5.80	2.70
Buildings – Council House	54.20	28.70
Buildings – All	46.40	27.70
Land – All	100.00	86.60
Information Technology – Fibre Optic	25.00	15.00
Art – Art and Heritage	N/A	
Other assets – New Library ^	N/A	
Other assets – History Centre^	N/A	
Information Technology – Other	N/A	
Information Technology – Compliance	N/A	

7. Future Demand

Each Individual Asset Class Plan details any challenges that lay ahead and how the future growth and development of the City, both as an organisation and the community and CBD at large, will impact individual assets. However this Plan outlines holistically at a corporate level the challenges of meeting future demand needs and opportunities.

Considerations and Challenges

With the introduction of increased transparency surrounding capital projects via the Gateways Accountability Framework, the proposed organisational restructure *The New City of Perth*, and greater robustness in budgeting, the ability for the City to manage its assets more effectively, is improving.

Simply a number of questions must be posed to enable a sustainable position to be established:

- How does the City meet the increasing demand for new and upgraded infrastructure?
- How does the City prolong the useful life of assets or renew existing infrastructure?
- How does the City fund the maintenance and operation of contributed assets? (eg MRA Projects and Capital City Act outcomes)
- How will the City pay for all of this?

Through collaboration and coordination across the City a sustainable position will be established for managing the assets over the longer term. Asset Custodians must develop renewal profiles for longer periods, at minimum 15-30 years, to ensure financial sustainability and allow for the City Long Term Financial Plan to be strengthened through effective asset management practices.

Future Opportunities and Strategies

Improvements or opportunities identified from a strategic or corporate perspective for consideration and implementation from 2015/16 are listed below, with tactical and operational level improvements residing within individual Asset Class Plans:

- Completion of all remaining Asset Management Plans;
- Creation of remaining Asset Class Registers;
- Development of an Asset Management Strategy;
- Improved forecasting for renewal and replacement of assets (ie demand forecasting);
- Greater transparency and accuracy of data within the 10 Year Capital Works Plan (ie budget and expenditure defined as new, upgrade; renewal (replacement); and expansion;
- Integration and consolidation of data by Asset Custodians to ensure corporate 'completeness' of their Asset Plan;
- Development of a rolling Revaluation Plan to ensure all Asset Classes are revalued in accordance to legislated requirements and aligned to internal corporate timeframes;
- Reconciliation to be attained between the General Ledger and asset management system;
- Development of a Data Migration Plan for asset registers to be consolidated into a single corporate asset register (ie Hansen8);
- Improved accuracy and integrity of data in asset registers, inclusive of revised system access rights;
- System enhancements for revalued assets and uploading different asset classes;
- Undertake community survey/s on service level expectations for all Asset Classes;
- Condition assessments to be undertaken across all necessary Asset Classes;
- Establish and verify Unit rates for all key asset components;
- Improve accuracy and details of whole of life cycle costs for assets;
- Establish and integrate environmental management factors into individual asset management plans and practices; and
- Aligned to the International Infrastructure Management Manual (2012) the City is maturing towards *lifecycle asset management* with the objective of looking at the lowest long term cost option rather than short term savings when making decisions on asset management; thus providing significant benefits for the organisation and community (See Section 3.0 for details).

8. Contacts

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CITY of PERTH



LONG TERM
FINANCIAL PLAN

2015-2025

2029
VISION

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1. Executive Summary

The City of Perth has prepared this Long Term Financial Plan (LTFP) to set priorities in accordance with financial resources and to measure and ensure the financial sustainability of the City and to ensure it is maintained.

In terms of financial sustainability the plan has objectives in ensuring:

- Strong cash flow capability
- A diverse revenue base with rate increases being kept to a reasonable level
- Ability to meet financial commitments
- Prudent management of debt.

The Plan is aligned to the core planning documents of the City's Integrated Planning & Reporting Framework – The Strategic Community Plan and Corporate Business Plan. The plan also shares information with the Corporate Asset Management Plan and Workforce Plan.

The City's Integrated Planning process continuing to mature and further work is required to fully integrate the component documents of the framework.

The plan informs the City's long term planning and relies on a range of economic and civic assumptions. The financial information in the plan is based on the best available information at the time of publication and will be subject to change.

Items of note from the LTFP include:

- Consistent growth in revenues from rates, parking and waste collection
- Control of operating expenses at levels that are consistent with a growing Capital City
- Initial reduction of the City's reserves followed by increases in reserves in the latter part of the plan
- Demonstration of financial sustainability of the City of Perth through positive cashflows and asset growth.

The plan excludes the impact of any council boundary changes as a result of the City of Perth Act, MRA projects including Elizabeth Quay, Perth City Link and Riverside and asset revaluations which cannot be accurately quantified at this time.

2. Background

Over the past ten years, Perth has had one of the most consistent rates of economic growth in Australia, with an average growth rate of approximately 4% per annum, well above the national average of 3.5%. Perth's growth is driven by a mixture of local and international firms operating in a diverse range of industries, supported by a stable political environment and a significant level of local demand. The large-scale capital works projects throughout the city and surrounding areas indicates Perth will change dramatically over the next ten years, better reflecting the growing global importance of the city.

2.1 Key Statistics

Key statistics relating to the City of Perth include:

Area	8.1 km²
Length of Roads	95 km
Areas of Parkland and Reserves	118 ha
Population (ABS ERP 2014)	20,762
Workforce Population (NIEIR 2014)	190,896
Office Space (Savills Research Apr 2013)	1,995,627m ²
Private Dwellings (CoP Rates Database)	11,700

2.2 City of Perth Strategic Priorities

As a result of community engagement undertaken in creating the City's Strategic Community Plan 'Vision 2029+' the following 'priorities' or 'themes' were identified. The Long Term Financial Plan forms part of the City's integrated planning and reporting framework is a key document in the delivery of the seven key strategic priorities.

Major Strategic Investments	Getting Around Perth	Perth as a Capital City
The planning and integration of major infrastructure and developments to maximise their net benefit and minimise risk and future costs to the City.	An effective pedestrian friendly movement system integrating transport modes to maintain a high level of accessibility to and within the City.	The City is recognised internationally as a city on the move and for its liveability, talented people, and centres of excellence and business opportunities.
Living in Perth	Perth at Night	Healthy and Active in Perth
The City is a place where a diverse range of people choose to live for a unique sustainable urban lifestyle and access to government and private services.	A City that has a vibrant night time economy that attracts new innovative businesses and events and where people and families feel safe.	A City with a well-integrated built and green natural environment in which people and families choose a lifestyle that enhances their physical and mental health and takes part in arts, cultural and local community events.

Capable and Responsive Organisation

A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and provide efficient and effective community centred services.

3. Integrated Planning and Reporting Framework

The below diagram depicts the components that make up the City of Perth's Integrated Planning and Reporting Framework (IPRF). It shows the interaction between the plans, the influence of the informing strategies and the strategic enablers, with emphasis given to a mutual informing relationship. The intent of the IPRF is to ensure the priorities and services provided by the City of Perth are aligned with our community needs and aspirations. The strategic enablers allow rigour to be applied to these, taking into account available resources to deliver the best possible results for the community.



The **Strategic Community Plan, Vision 2029+**, is our long term strategic direction that guides the remainder of the framework. It expresses the community's vision for the future together with the strategies that Council are intending to implement to address strategic community outcomes. This is a key document for Council to track and report on progress to the community.

This drives the City of Perth's **Corporate Business Plan**, which is the detailed implementation plan for services, key projects and capital investments over the next four years. The intention is that the implementation of this plan contributes towards the delivery of the community objectives over the longer term. It contains the same themes, community outcomes and strategies as the Strategic Community Plan, to ensure we deliver services in line with community aspirations.

The City's key strategic enablers show how we are equipped to deliver on the commitments made in this Corporate Business Plan. These key strategies are:

- **Long Term Financial Plan**

This ten year rolling plan assists the City to set priorities in accordance with its financial resources, through the use of key assumption based analysis. This allows the organisation to make decisions in a financially sustainable manner.

- **Workforce Plan**

The plan identifies the workforce requirements and strategies for current and future operations, ensuring the needs and limitations to support the delivery of the Corporate Business plan are met.

- **Corporate Asset Management Plan**

This plan provides guidance on service provision and whole of life cycle asset management to inform the City's financial sustainability and key service levels.

The **Annual Budget** is based on the projected costing of year one of the Corporate Business Plan, with opportunity to review during the mid-year budget review process. The budget creation process will be continually improved to strengthen the financial integration between the plans within the framework.

4. Financial Strategy

The City's financial strategy is influenced by factors including rapid growth in the residential population, growth of the City itself in terms of office and commercial space and transport accessibility.

Specific financial strategies which should be noted include:

4.1 Rates

The City of Perth derives approximately 40% of its revenue from parking fees, which helps to keep rate increases to a minimum and enables the setting of rates in the dollar below those of other Australian capital cities and the surrounding Perth metropolitan councils. Although rates are forecast to increase above the level of CPI in the Plan, they will remain at a reasonable level and bear favourable comparison with surrounding Perth metropolitan councils.

4.2 Parking Fees

The City of Perth operates both on street and off street parking facilities. Fees are maintained at a competitive level and are comparable with other operators in the City.

4.3 Debt Management

The City of Perth will borrow only to fund growth in the City's asset base and as a rule for major capital projects where debt can be used to fund up to 50% of the project value. The City's debt level is low as evidenced by the debt ratios in Section 8 of the plan. Going forward, the City will review financial strategy with a view to better utilising its strong balance sheet position.

4.4 Cashflow Management

The City aims to achieve positive cash flows by prudent financial management. This priority is aided by distributions from the Tamala Park investment and by using part debt funding for major capital projects.

4.5 Asset Management

It is the City's policy to maintain assets to the highest standards and adequately provide for ongoing maintenance and fund replacements and enhancements when warranted.

4.6 Investment

Investment management is undertaken in a manner that seeks to ensure the security of the investment portfolio. This includes managing credit and interest rate risk within identified parameters. The City also ensures sufficient liquidity to meet all reasonably anticipated cash flow requirements as and when they fall due without incurring significant costs due to the unanticipated sale of an investment.

5. Asset Management

Asset Management is a multi-field discipline that brings together engineering, financial and information technology expertise and functions, allowing an organisation to manage its physical assets in the most optimal manner in fulfilling service levels demands. Broadly, asset management involves the development and delivery of:

5.1 Asset Management Policy

The City's Asset Management Policy 9.12 was adopted by Council on 29 January 2013 and has undergone minor revision which was adopted by Council in April 2015. This is supported by the Contributed Assets Policy (Policy 9.15) and Disposal of Property Policy (Policy 9.14).

5.2 Asset Management Strategy

The City at present does not have a formal Asset Management Strategy as required under Integrated Planning and Reporting Requirements; with the overarching Corporate Asset Management Plan considered its current enabling strategy. With the maturity of asset management practices in particular planning and forecasting demands for renewal and replacement, an Asset Management Strategy will be created and formalised in the near future.

5.3 Asset Management Plans

Individual Asset Management Plans are progressively being created for each asset class, with ten (10) having been created to date. A detailed Plan framework has been developed for use across the Asset Classes and each existing Plan is reviewed annually. Information from the individual asset management plans are integrated into the Long Term Financial Plan. The current status of Individual Plans is as outlined:

Completed Plans

- Infrastructure - Roads
- Infrastructure - Paths
- Infrastructure - Lights
- Infrastructure - Parks & Landscape
- Infrastructure - Riverbank
- Infrastructure - Drainage
- Information Technology - Fibre Optic
- Fleet
- Plant & Equipment
- Infrastructure - City of Perth Parking

To Be Developed

- Infrastructure - Bridges & Civil Structures
- Infrastructure - Street Furniture
- Art – Art and Heritage
- Other assets – New Library
- Other assets – History Centre
- Information Technology - Other
- Information Technology - Compliance
- Buildings
- Land

6. Workforce Planning

The City of Perth Workforce Plan is based on both a traditional approach to workforce planning, identifying the numbers of positions required to deliver services, with a human capital approach where positions are differentiated and segmented based on a risk assessment. Based on this analysis, the Workforce Plan is developed. The Workforce Plan tracks the growth of the City's personnel and is used as a basis for employee expenses in the LTFP.

7. Assumptions

The LTFP takes the 2015/16 Budget as a base and various assumptions to forecast the following years of the plan. The assumptions used include the following economic measures:

	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Inflation (CPI)	2.00%	2.25%	2.25%	2.25%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest-Cash Rate	2.00%	2.00%	2.50%	2.75%	3.00%	3.25%	3.25%	3.25%	3.50%	3.50%
Wages Growth	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Rates Increase above CPI	2.00%	1.50%	0.50%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%

In addition the following should be noted:

7.1 Rates

The City of Perth has undergone significant growth over recent years. Until recently, increases in rates have been restricted to CPI which has resulted in the City of Perth's rate in the dollar being lower than its peer capital cities and surrounding metropolitan councils. The Council's strategy since 2013/14 is to increase rates above the level of CPI to fund the maintenance and development of the City's asset base, while still maintaining rates at a reasonable level and below those of the surrounding metropolitan councils.

The City has a rates differential policy, charging a different rate in the dollar for each of the defined rate payer classes. The approved rate increase for 2015/16 resulted in a proportionally higher increase for the residential and office rate payer classes to address increased service costs for these sectors.

7.2 Parking Fees

Since its inception in 2002, the State Government Parking Levy has increased significantly. The Council's practice is to pass on the cost of the levy to the consumer which results in increases in parking fees consistently above the level of CPI. The LTFP assumes occupancy in existing car parks will be consistent across the duration of the plan. Growth in car parking patronage will come from two new parking facilities that have been included in the plan.

7.3 Waste Fees

Waste fees have in the past been subsidised by the City of Perth, as the full cost of the service was not passed on to the ratepayer. The rates charged are below those charged by other capital cities and the surrounding metropolitan councils. The Council's strategy is to progressively increase waste fees over time to a level where ratepayers are paying for the full cost of the service.

7.4 Compliance Income (Parking Fines)

Approximately 5% of City's revenue is from parking fines. The objective of compliance officers is primarily traffic management and it should be noted that although standard parking fines were increased in the 2015/16 budget, prior to this they had remained the same for many years. Revenue has been increased by CPI only over the life of the plan.

7.5 Employee Costs

Employee costs include direct salaries and wage costs and indirect costs including recruitment and training. Direct employee costs have been inflated by the wages growth factor and also reflect an increase in head count. This is most apparent in the first year of the plan where the headcount increases are due to the staffing requirements of the new library and the impact on employee numbers from the City of Perth restructure. Indirect employee costs have been inflated by CPI.

7.6 Materials and Costs

Materials and costs have been extrapolated to include CPI, growth including the impact of new facilities and the increasing maintenance demand from a growing asset base.

7.7 Utilities

Utilities have been extrapolated at 5% to reflect the impact of CPI and the growth in demand from new facilities.

7.8 Insurances

Insurances have been projected at a 5% annual increase which should cover asset valuation increases (the City does not insure infrastructure) and changes in the insurance market.

7.9 Interest

Interest has been calculated from information available on existing loans, all of which are on fixed rates of interest. A new loan for the construction of a new car park has been factored in. The lower interest trend reflects full repayment of some of the larger loans (Perth Convention and Exhibition Centre and Elder Street) and the ten year term of the Library loans.

7.10 Expense Provisions

Expense provisions consist of increases in employee provisions commensurate with EBA increases. The consumption of stationery plant at the Perth Convention and Exhibition Centre (PCEC) leasehold car park is also reflected in this account.

7.11 Other Expenses

Other expenses consist mainly of levies paid to the government and donations and sponsorships. Projections include CPI, growth and the impact of the efficiency dividend.

7.12 Depreciation

Depreciation is extrapolated on the basis of growth and CPI. As revaluation of infrastructure is completed and contributed assets from the Metropolitan Redevelopment Authority (MRA) are taken on board it is anticipated further adjustments will be required.

7.13 Tamala Park

The Tamala Park income arises from distributions from the Tamala Park Regional Council which is developing and selling land at Catalina of which the City has a one twelfth interest. This has been recognised on a cash basis. The cash received is appropriated to the Enterprise and Initiative Reserve.

7.14 Capital Expenditure

The first 4 years of the Long Term Financial Plan includes Capital Expenditure sourced from the City's Capital Works database. Later years of the plan are based on a program view with allowances for significant Capital Works projects. The capital expenditure figures in the plan will include projects at the concept phase which have not been through the Council's approval process. The Capital Works Plan is based on the best information available at the time of publication and therefore the timing and financial information related to projects may be subject to change. The Capital Works Plan will be subject to stringent review and adoption of the Long Term Financial Plan does not constitute a commitment or agreement to any of the projects or proposals that are referenced in the plan.

The Capital Works Plan includes a mix of programs of work, both major and minor capital projects as detailed below:

Programs of Work

- Roads
- Drainage
- Footpaths
- Building Maintenance & Improvements
- Automatic Public Toilet (APT) Installations
- Parks & Landscaping
- IT Hardware & Software
- Parking Equipment & Systems
- Public Art
- Community Infrastructure
- Fleet Purchases
- Lighting
- Plant & Equipment
- Streetscapes

Major Projects

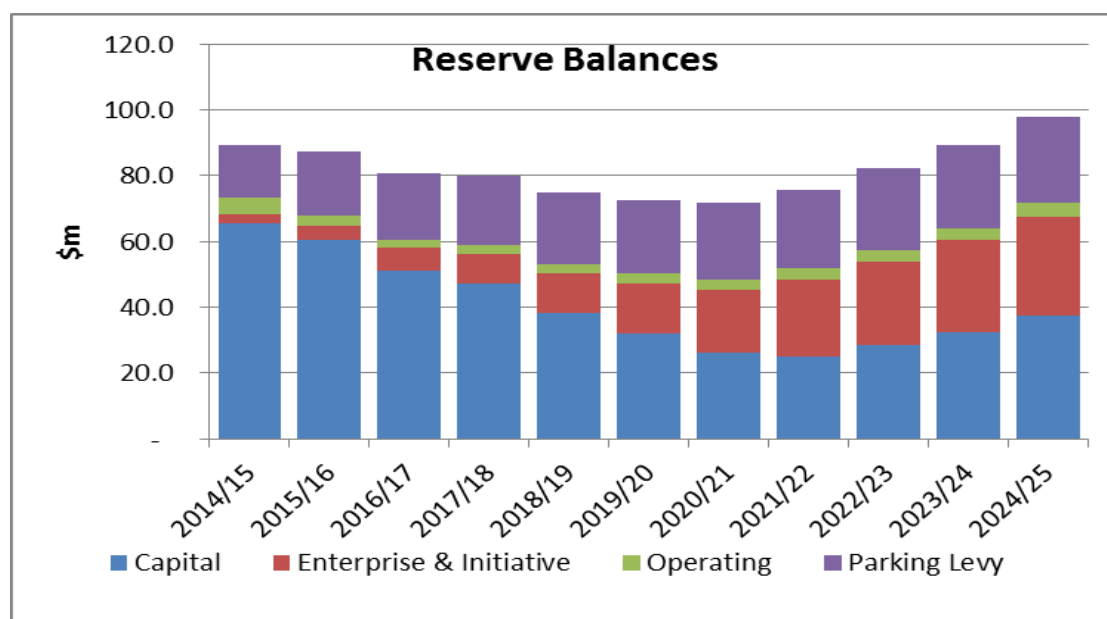
- City of Perth Library
- Concert Hall
- Forrest Place
- New Car Parks

7.15 Working Capital

Surplus cash is invested in interest bearing deposits as it is generated. Rates and other debtors are managed actively. Creditors are paid on commercial thirty day terms. Because the City owes more in terms of creditors and provisions, than corresponding debtors and prepayments, working capital is generally cash positive.

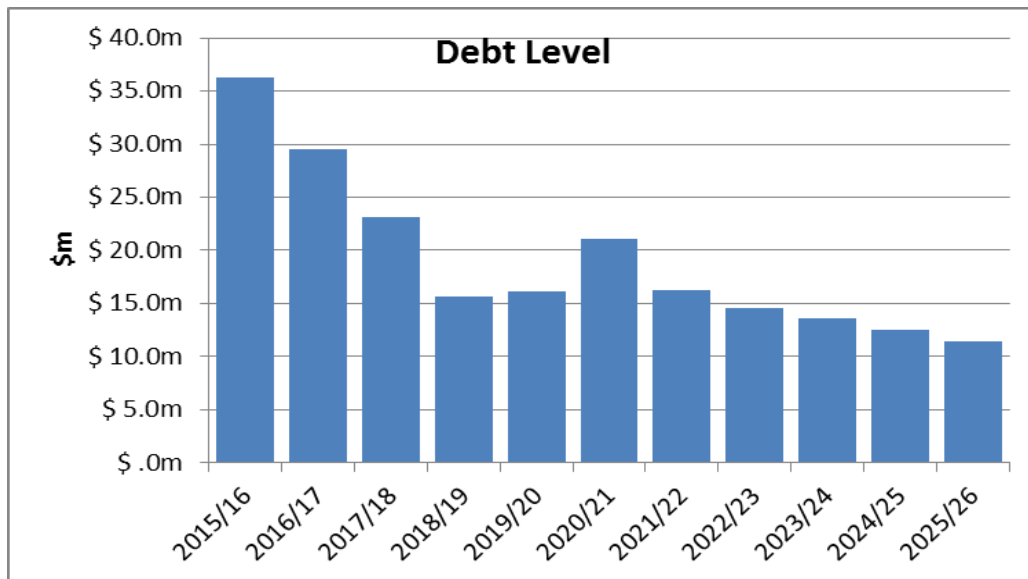
7.16 Reserves

Reserves at the City are primarily utilised to set aside money for larger projects and to smooth out the funding of large capital expenditure commitments. The principal reserves for funding capital are the Asset Enhancement and the Parking Facilities Development reserves. The Enterprise and Initiative reserve is funded from the City's share of distributions from the Catalina Estate land development. The purpose of the reserve is to fund strategic projects to introduce and improve efficiencies. The City also transfers money to the Parking Levy reserve each June for payment of the following financial years State Government parking levy.



7.17 Debt Management

The City has for a number of years borrowed to fund capital projects. In recent years the City only borrowed for projects with a business emphasis that generates income to repay loans. Loans are currently sourced from the Western Australian Treasury Corporation (WATC). The City enjoys competitive rates as Local Government obtains borrowings at essentially State Government rates plus a fee to cover administration and guarantee costs.



7.18 City of Perth Organisational Restructure

On 30 April 2015, the City of Perth announced an organisational restructure which would incorporate an additional Directorate. The costs associated with the restructure have been included in the plan and will be funded from operating income and reserves

7.19 Exclusions from the Long Term Plan

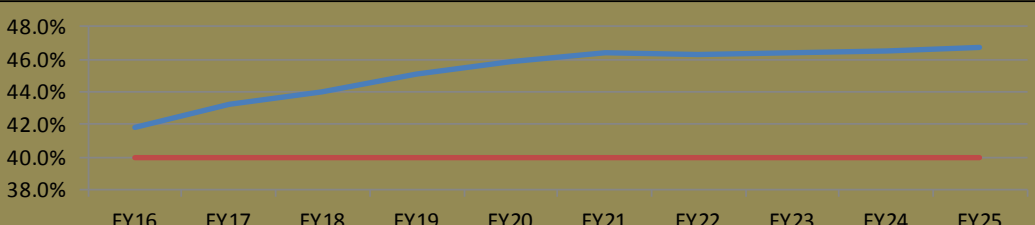
The plan excludes the following:

- The impact of MRA projects Elizabeth Quay, Perth City Link and Riverside. The estimated financial impact of these projects on the City has been included as an Appendix II to this document.
- The impact of the Council boundary changes proposed in the City of Perth Act has not been reflected in the Plan.
- No adjustments have been made in the plan for the revaluation of assets.

8. Financial Indicators

The following financial measures have been used in the development of the Long Term Financial Plan to monitor and assess performance over the planning period.

Ratio	Current Ratio	Target	>=1.00
Calculation	<div>Current Assets minus Restricted Current Assets</div> <div>Current Liabilities minus those associated with Current Restricted Assets</div>		
Performance	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div><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Ratio	Rate Coverage Ratio																								
Calculation	$\frac{\text{Net Rate Revenue}}{\text{Operating Revenue}}$		Target <40%																						
Performance	 <table><caption>Rate Coverage Ratio Data</caption><thead><tr><th>Fiscal Year</th><th>Ratio (%)</th></tr></thead><tbody><tr><td>FY16</td><td>41.5</td></tr><tr><td>FY17</td><td>43.0</td></tr><tr><td>FY18</td><td>44.0</td></tr><tr><td>FY19</td><td>45.0</td></tr><tr><td>FY20</td><td>46.0</td></tr><tr><td>FY21</td><td>46.5</td></tr><tr><td>FY22</td><td>46.2</td></tr><tr><td>FY23</td><td>46.2</td></tr><tr><td>FY24</td><td>46.2</td></tr><tr><td>FY25</td><td>46.0</td></tr></tbody></table>			Fiscal Year	Ratio (%)	FY16	41.5	FY17	43.0	FY18	44.0	FY19	45.0	FY20	46.0	FY21	46.5	FY22	46.2	FY23	46.2	FY24	46.2	FY25	46.0
Fiscal Year	Ratio (%)																								
FY16	41.5																								
FY17	43.0																								
FY18	44.0																								
FY19	45.0																								
FY20	46.0																								
FY21	46.5																								
FY22	46.2																								
FY23	46.2																								
FY24	46.2																								
FY25	46.0																								
Comment	Target not met The ratio indicates an increasing reliance on Rates as a revenue source																								

Ratio	Debt Ratio																						
Calculation	<div><div>Total Liabilities</div><div>Total Assets</div></div>	Target	<10%																				
Performance	<div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div><div><div></div><div></div></div></div> <table><tr><th>FY16</th><th>FY17</th><th>FY18</th><th>FY19</th><th>FY20</th><th>FY21</th><th>FY22</th><th>FY23</th><th>FY24</th><th>FY25</th></tr><tr><td>5.5%</td><td>5.0%</td><td>4.5%</td><td>4.0%</td><td>4.2%</td><td>4.5%</td><td>4.2%</td><td>4.2%</td><td>4.2%</td><td>4.2%</td></tr></table>			FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	5.5%	5.0%	4.5%	4.0%	4.2%	4.5%	4.2%	4.2%	4.2%	4.2%
FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25														
5.5%	5.0%	4.5%	4.0%	4.2%	4.5%	4.2%	4.2%	4.2%	4.2%														
Comment	Target met The City is well within the target ratio for the duration of the plan																						

Ratio	Debt Service Cover Ratio		Target	>2																						
Calculation	Operating Surplus before Interest & Depreciation																									
	Interest and Principal Repayments																									
Performance	<div><div>50.00</div><div>40.00</div><div>30.00</div><div>20.00</div><div>10.00</div><div>-</div></div> <div><div>FY16</div><div>FY17</div><div>FY18</div><div>FY19</div><div>FY20</div><div>FY21</div><div>FY22</div><div>FY23</div><div>FY24</div><div>FY25</div></div> <table><caption>Debt Service Cover Ratio Data</caption><thead><tr><th>Fiscal Year</th><th>Ratio</th></tr></thead><tbody><tr><td>FY16</td><td>5.0</td></tr><tr><td>FY17</td><td>6.0</td></tr><tr><td>FY18</td><td>7.0</td></tr><tr><td>FY19</td><td>8.0</td></tr><tr><td>FY20</td><td>9.0</td></tr><tr><td>FY21</td><td>10.0</td></tr><tr><td>FY22</td><td>12.0</td></tr><tr><td>FY23</td><td>25.0</td></tr><tr><td>FY24</td><td>45.0</td></tr><tr><td>FY25</td><td>45.0</td></tr></tbody></table>				Fiscal Year	Ratio	FY16	5.0	FY17	6.0	FY18	7.0	FY19	8.0	FY20	9.0	FY21	10.0	FY22	12.0	FY23	25.0	FY24	45.0	FY25	45.0
Fiscal Year	Ratio																									
FY16	5.0																									
FY17	6.0																									
FY18	7.0																									
FY19	8.0																									
FY20	9.0																									
FY21	10.0																									
FY22	12.0																									
FY23	25.0																									
FY24	45.0																									
FY25	45.0																									
Comment	Target met The City is running significantly above the target in all years due to the low levels of debt																									

Ratio	Gross Debt to Revenue Ratio	Target	<40%																						
Calculation	$\frac{\text{Gross Debt}}{\text{Total Revenue}}$																								
Performance	<div><div></div><table><caption>Gross Debt to Revenue Ratio Data</caption><thead><tr><th>Fiscal Year</th><th>Ratio</th></tr></thead><tbody><tr><td>FY16</td><td>20.0%</td></tr><tr><td>FY17</td><td>15.0%</td></tr><tr><td>FY18</td><td>12.0%</td></tr><tr><td>FY19</td><td>10.0%</td></tr><tr><td>FY20</td><td>10.0%</td></tr><tr><td>FY21</td><td>10.0%</td></tr><tr><td>FY22</td><td>8.0%</td></tr><tr><td>FY23</td><td>8.0%</td></tr><tr><td>FY24</td><td>8.0%</td></tr><tr><td>FY25</td><td>8.0%</td></tr></tbody></table></div>			Fiscal Year	Ratio	FY16	20.0%	FY17	15.0%	FY18	12.0%	FY19	10.0%	FY20	10.0%	FY21	10.0%	FY22	8.0%	FY23	8.0%	FY24	8.0%	FY25	8.0%
Fiscal Year	Ratio																								
FY16	20.0%																								
FY17	15.0%																								
FY18	12.0%																								
FY19	10.0%																								
FY20	10.0%																								
FY21	10.0%																								
FY22	8.0%																								
FY23	8.0%																								
FY24	8.0%																								
FY25	8.0%																								
Comment	Target met The City is running significantly below the target in all years due to the low levels of debt																								

Ratio	Operating Surplus Ratio	Target Advanced	>1% >15%
Calculation	$\frac{\text{Operating Revenue minus Operating Expense}}{\text{Own Source Operating Revenue}}$		
Performance	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div><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Ratio	Own Source Revenue Coverage Ratio	Target Advanced	>40% >90%																																	
Calculation	$\frac{\text{Own Source Operating Revenue}}{\text{Operating Expense}}$																																			
Performance	<div><div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div></div> <table><thead><tr><th></th><th>FY16</th><th>FY17</th><th>FY18</th><th>FY19</th><th>FY20</th><th>FY21</th><th>FY22</th><th>FY23</th><th>FY24</th><th>FY25</th></tr></thead><tbody><tr><td>Actual</td><td>105.0%</td><td>105.0%</td><td>105.0%</td><td>105.0%</td><td>105.0%</td><td>105.0%</td><td>105.0%</td><td>105.0%</td><td>105.0%</td><td>105.0%</td></tr><tr><td>Target</td><td>40.0%</td><td>40.0%</td><td>40.0%</td><td>40.0%</td><td>40.0%</td><td>40.0%</td><td>40.0%</td><td>40.0%</td><td>40.0%</td><td>40.0%</td></tr></tbody></table>				FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Actual	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	Target	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25																										
Actual	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%	105.0%																										
Target	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%																										
Comment	Advanced Target met Demonstrates that the City is not reliant on grants and other external income																																			

Ratio	Asset Renewal Funding Ratio	Target	>75%																						
Calculation	$\frac{\text{NPV of Planned Capital Renewals over 10 years}}{\text{NPV of Required Capital Expenditure over 10 years}}$																								
Performance	<table><caption>Asset Renewal Funding Ratio Data (Estimated)</caption><thead><tr><th>Fiscal Year</th><th>Ratio (%)</th></tr></thead><tbody><tr><td>FY16</td><td>100</td></tr><tr><td>FY17</td><td>100</td></tr><tr><td>FY18</td><td>100</td></tr><tr><td>FY19</td><td>100</td></tr><tr><td>FY20</td><td>100</td></tr><tr><td>FY21</td><td>100</td></tr><tr><td>FY22</td><td>100</td></tr><tr><td>FY23</td><td>100</td></tr><tr><td>FY24</td><td>100</td></tr><tr><td>FY25</td><td>100</td></tr></tbody></table>			Fiscal Year	Ratio (%)	FY16	100	FY17	100	FY18	100	FY19	100	FY20	100	FY21	100	FY22	100	FY23	100	FY24	100	FY25	100
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FY24	100																								
FY25	100																								
Comment	Target met Demonstrates that the City is adequately funding the renewal of its asset base																								

Ratio	Asset Consumption Ratio	Target	>50%
Calculation	$\frac{\text{Depreciated Replacement Cost of Depreciable Assets}}{\text{Current Replacement Cost of Depreciable Assets}}$		
Performance	Target met Information is only available for the 2014/15 financial year and the City is not able to forecast the ratio remaining years of the plan	Actual 2014/15	61%
Comment	The ratio is currently within the required parameters		

Ratio	Asset Sustainability Ratio	Target	>90%
Calculation	$\frac{\text{Capital Renewal and Replacement Expenditure}}{\text{Depreciation}}$		
Performance	Target met Information is only available for the 2013/14 financial year and the City is not able to forecast the ratio remaining years of the plan	Actual 2013/14	101%
Comment	The ratio is currently within the required parameters		

9. Risks

There are three major risk factors which will influence the LTFP:

9.1 Economic Assumptions

Forecasting of long term economic predictions is notoriously problematic. For the purpose of the LTFP, it has been assumed that interest rates will remain low but increasing over the life of the plan and that inflation will remain relatively consistent.

9.2 Civic Factors

MRA Projects

The Metropolitan Redevelopment Authority (MRA) is engaged in the construction of three major projects within the City: Elizabeth Quay, Perth City Link and Riverside. During the life of these projects the MRA will be progressively transferring some newly constructed public realm assets to the City. Details of the transfers are being developed and subject to future agreements.

Elizabeth Quay

The Elizabeth Quay development will be progressively built and create a vibrant development on 10 hectares of river-front land. The concept plans incorporate commercial, retail and cultural attractions which are set around a 2.7 hectare inlet.

As part of the MRA Place Activation Strategy it is proposed that the MRA may retain ownership of a number of public realm areas and assets for up to 10 years (November 2025). Accordingly in fulfilling its role the MRA will be responsible for activation, presentation, maintenance and public services in the precinct. MRA will sell and oversee development of nine private lots over an extended period of time.

A two-tiered funding approach to the development is being advocated as follows:

- Current and future rate income will be levied by the City to fund 'normal' levels of services provided by the City;
- MRA will explore alternative avenues of funding for any extraordinary or additional services required for the precinct as well as place management functions and associated costs.

The scope of future agreements under negotiation include the timing of transfer and periods of asset ownership; maintenance versus servicing responsibilities and respective funding requirements; asset renewal and replacement programs; regulatory and compliance regimes and responsibilities and operational jurisdictions, such as events approvals. A very high standard of presentation is expected by the MRA within the precinct, with the possible requirement for additional funding as set out above.

City Link and Riverside Projects

The Perth City Link project is currently under development and the handover of infrastructure assets will commence in July 2015. Details of the total assets to be handed over, the timing of handover and the level and scope of services to be provided by the City for the maintenance and servicing of the assets is not at a sufficient level of maturity for inclusion in the plan. The timing of the Riverside Project is unclear and may fall outside the scope of this plan and so has also been excluded.

The impact of the MRA projects are excluded from the Long Term Financial Plan figures although the projected financial impact of the Elizabeth Quay project has been included in Appendix II. The projection utilises the best information available at the time of publishing and the source of such information is detailed in the Appendix.

Council Boundaries

The City of Perth Act proposes changes to Council boundaries which would see Kings Park and parts of Nedlands incorporated into the City of Perth.

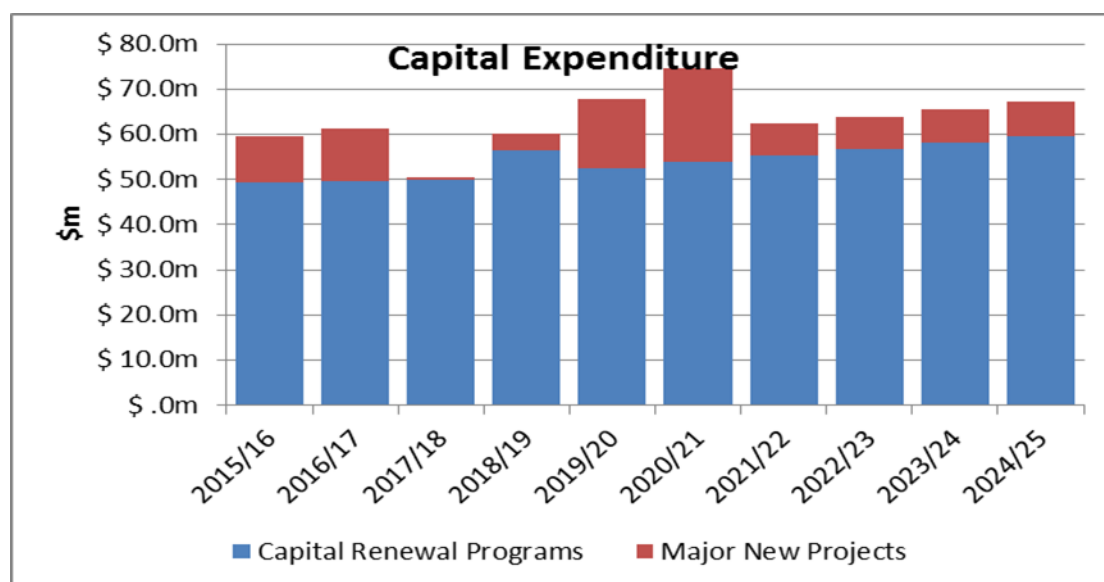
Two major precincts (the University of Western Australia and the QEII Medical Centre) included in the area proposed to be incorporated are rates exempt. The impact of the proposed boundary changes has not been included in the Long Term Financial Plan but will have a financial impact on the City if implemented. If approved, the boundary changes would take effect from 1 July 2016.

Parking Levy

The State Government imposed a parking levy on all parking bays in the city. The cost of this levy has been increased by over 20% in 2014/15 and will increase by the same amount in 2015/16. The City has no control over the increase in the levy. Continual increases above the level of CPI could have an impact on patronage of the City's car parks which could result in reduced parking revenue.

9.3 Capital Expenditure

The City's capital expenditure program forms a significant part of the LTFP. The timing of expenditure is difficult to predict particularly in the later years of the plan. Delays in capital expenditure can also affect other areas of the plan including financing and maintenance costs. The capital expenditure figures included in the plan are a best estimate based on information available at the time of publication.



10. Long Term Financial Outlook

The Long Term Financial Plan schedules included in the appendices indicate that the City of Perth achieves financial sustainability while delivering services to its ratepayers. The plan shows:

- Consistent operating surpluses increasing year on year
- Initial cash deficits due to the funding of capital works returning to surplus in 2019/20
- An increase in the City's asset base of \$210m over the 10 year period (excluding the impact of revaluations or the contribution of assets).

Capital expenditure has been forecast in detail for the first 4 years of the plan. The remaining 6 years have been based on the known costs of the City's asset refurbishment and renewal program; with an allowance for significant capital projects which is approximately 15% of total capital spend. At this stage, no individual significant projects have reached a stage of development at which they can be identified in the Long Term Financial Plan. The allowance for significant projects included in the plan is a base case scenario and if suitable projects were identified the City has the capacity to invest above the levels indicated in the plan.

The City will generally fund 50% of the cost of significant projects through debt. The 10 year plan however shows the use of debt only for identified significant projects. As a result, debt levels are low and debt accounts for only 20% of significant projects funding.

11. Contacts

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Appendix: Supporting Statements and Schedules

I. Forecast Financial Statements 2015/16 – 2024/25

City of Perth Long Term Financial Plan 2015/16 - 2024/25 Statement of Comprehensive Income by Nature and Type											
	2014/15 \$'000	2015/16 \$'000	2016/17 \$'000	2017/18 \$'000	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	2022/23 \$'000	2023/24 \$'000	2024/25 \$'000
REVENUES FROM ORDINARY ACTIVITIES											
Rates	75,825	82,693	90,170	96,501	104,358	111,776	118,801	124,953	131,338	137,966	144,842
Grants and Subsidies	1,917	1,592	1,628	1,665	1,702	1,745	1,789	1,833	1,879	1,926	1,974
Contributions, Donations and Reimbursements	455	369	377	385	394	404	414	424	435	446	457
Fees and Charges	98,980	105,977	110,417	114,221	118,018	122,307	126,780	134,373	139,563	145,055	150,708
Interest Earned	5,862	5,157	3,952	4,481	4,853	5,455	6,111	6,387	7,260	8,650	9,885
Other Revenue	2,403	1,965	2,009	2,054	2,101	2,153	2,207	2,262	2,319	2,377	2,436
TOTAL REVENUE FROM ORDINARY ACTIVITIES	185,442	197,753	208,553	219,308	231,426	243,840	256,101	270,232	282,794	296,419	310,303
EXPENSES FROM ORDINARY ACTIVITIES											
Employee costs	62,885	69,135	73,254	76,779	80,474	84,553	88,838	93,589	98,329	103,310	108,544
Materials and Contracts	46,849	52,839	56,009	59,370	62,932	66,708	70,711	75,155	79,970	85,084	90,515
Utilities (gas,electricity,water)	3,051	3,069	3,222	3,384	3,553	3,730	3,917	4,190	4,480	4,787	5,112
Insurance Expenditure	1,182	1,166	1,192	1,219	1,246	1,278	1,310	1,367	1,427	1,490	1,555
Depreciation of Non-Current Assets	30,017	34,211	35,922	37,718	39,604	41,584	43,663	45,846	48,138	50,545	53,072
Interest Expenses	1,528	1,837	1,463	1,244	961	1,093	1,200	895	712	569	528
Expense Provisions	975	962	984	1,006	1,028	1,054	1,080	1,107	1,135	1,164	1,193
Other Expenditure	22,230	24,708	25,039	25,602	26,830	27,501	28,188	29,732	30,432	31,196	31,977
TOTAL EXPENDITURE FROM ORDINARY ACTIVITIES	168,717	187,927	197,085	206,321	216,629	227,501	238,907	251,882	264,624	278,145	292,496
SUB TOTAL	16,725	9,826	11,468	12,987	14,797	16,339	17,195	18,350	18,171	18,274	17,806
GRANTS AND CONTRIBUTIONS											
Grants and Subsidies	1,930	6,842	9,772	2,973	3,065	3,039	3,115	3,193	3,273	3,355	3,439
NET OPERATING SURPLUS	18,655	16,668	21,241	15,959	17,862	19,379	20,310	21,543	21,444	21,629	21,245
DISPOSAL / WRITE-OFF OF ASSETS											
Loss on Disposal of Assets	(850)	(1,558)	(2,541)	(2,598)	(2,657)	(2,723)	(2,791)	(2,861)	(2,932)	(3,006)	(3,081)
SIGNIFICANT ITEMS											
Distribution from TPRC	1,667	1,833	2,333	1,500	3,083	2,750	3,083	3,583	1,000	1,250	1,167
Asset contribution to Elizabeth Quay	(2,410)										
Revaluation of Infrastructure Assets	184,312										
CHANGE IN NET ASSETS FROM ORDINARY ACTIVITIES AFTER SIGNIFICANT ITEMS - GAIN / (REDUCTION)	201,374	16,943	21,033	14,861	18,289	19,405	20,602	22,265	19,511	19,873	19,331

Projected Balance Sheet for Period 2015/16 - 2024/25

	Base Year 2014/15	Budget 2015/16	Budget 2016/17	Budget 2017/18	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS											
Current Assets											
Cash & Cash Equivalents	5,156	5,557	5,244	5,210	4,957	4,815	4,778	5,020	5,375	5,780	6,259
Investments	101,877	105,586	99,634	98,997	94,186	91,488	90,779	95,385	102,124	109,821	118,924
Receivables	15,656	16,042	16,870	17,742	18,658	19,625	20,643	21,714	22,839	24,020	25,258
Inventories	3,200	3,264	3,337	3,413	3,489	3,577	3,666	3,758	3,852	3,948	4,047
Total Current Assets	125,889	130,449	125,085	125,362	121,290	119,504	119,866	125,877	134,190	143,569	154,488
Non Current Assets											
Receivables	44	45	46	47	48	49	50	52	53	54	56
Infrastructure, Property, Plant & Equipment	1,188,544	1,200,864	1,222,440	1,232,212	1,248,761	1,271,889	1,298,525	1,311,669	1,322,970	1,334,350	1,343,727
Investments	8,430	4,213	4,307	4,404	4,503	4,616	4,731	4,850	4,971	5,095	5,223
Total Non Current Assets	1,197,018	1,205,122	1,226,793	1,236,663	1,253,313	1,276,554	1,303,307	1,316,570	1,327,994	1,339,500	1,349,005
TOTAL ASSETS	1,322,907	1,335,571	1,351,879	1,362,025	1,374,603	1,396,059	1,423,172	1,442,447	1,462,184	1,483,069	1,503,493
Current Liabilities											
Payables	15,808	17,629	19,283	20,589	21,917	22,992	24,159	25,456	26,860	28,372	29,992
Borrowings	6,442	6,772	6,423	7,449	7,292	5,134	4,778	1,681	1,015	1,056	1,099
Provisions	11,045	11,266	11,519	11,779	12,044	12,345	12,653	12,970	13,294	13,626	13,967
Total Current Liabilities	33,295	35,666	37,226	39,816	41,252	40,471	41,590	40,106	41,169	43,054	45,058
Non Current Liabilities											
Borrowings	36,327	29,555	23,132	15,683	8,391	11,058	16,280	14,599	13,584	12,528	11,429
Provisions	6,073	6,194	6,334	6,476	6,622	6,788	6,957	7,131	7,310	7,492	7,680
Total Non Current Liabilities	42,400	35,750	29,466	22,160	15,014	17,845	23,237	21,730	20,894	20,020	19,109
TOTAL LIABILITIES	75,695	71,416	66,691	61,976	56,266	58,316	64,828	61,837	62,063	63,074	64,166
NET ASSETS	1,247,212	1,264,155	1,285,187	1,300,049	1,318,337	1,337,743	1,358,345	1,380,610	1,400,121	1,419,995	1,439,326
Equity											
Retained Earnings	600,699	619,499	647,379	662,940	686,331	708,081	729,209	747,539	760,694	773,296	784,337
Revaluation Reserve	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254
Other Reserves	89,259	87,401	80,554	79,854	74,752	72,408	71,882	75,817	82,173	89,445	97,736
TOTAL EQUITY	1,247,212	1,264,155	1,285,187	1,300,049	1,318,337	1,337,743	1,358,345	1,380,610	1,400,121	1,419,995	1,439,326

Projected Cash Flow for Period 2015/16 - 2024/25

	Base Year 2014/15 \$'000	Budget 2015/16 \$'000	Budget 2016/17 \$'000	Budget 2017/18 \$'000	Budget 2018/19 \$'000	Budget 2019/20 \$'000	Budget 2020/21 \$'000	Budget 2021/22 \$'000	Budget 2022/23 \$'000	Budget 2023/24 \$'000	Budget 2024/25 \$'000
Cashflow from Operating Activities											
Receipts:											
Rates & Annual Charges	170,833	179,272	190,568	200,452	211,850	223,293	234,494	247,934	259,198	270,996	283,198
Investment Revenue & Interest	5,317	5,157	3,952	4,481	4,853	5,455	6,111	6,387	7,260	8,650	9,885
Other Receipts - Operating	5,768	11,172	11,424	11,681	11,944	12,242	12,548	12,862	13,183	13,513	13,851
Payments:											
Employee Benefits & On-costs	(62,558)	(68,964)	(73,078)	(76,600)	(80,291)	(84,364)	(88,645)	(93,391)	(98,127)	(103,102)	(108,331)
Materials & Contracts	(55,275)	(52,388)	(55,749)	(59,243)	(62,835)	(66,628)	(70,566)	(74,932)	(79,669)	(84,708)	(90,065)
Borrowing Costs	(1,628)	(1,837)	(1,463)	(1,244)	(961)	(1,093)	(1,200)	(895)	(712)	(569)	(528)
Other Payments Operating	(26,454)	(28,708)	(29,218)	(30,211)	(31,611)	(32,756)	(33,666)	(35,522)	(36,574)	(37,708)	(38,880)
Net Cash Provided (or Used) in Operating Activities	36,003	43,705	46,435	49,317	52,949	56,149	59,076	62,443	64,560	67,072	69,130
Cash flows from Investing Activities											
Receipts:											
Sale of Investments	1,667	6,133	2,333	1,500	3,083	2,750	3,083	3,583	1,000	1,250	1,167
Sale of Infrastructure, Property, Plant & Equipment	1,648	1,523	1,368	1,399	1,430	1,466	1,503	1,540	1,579	1,618	1,659
Payments:											
Purchase of Infrastructure, Property, Plant & Equipment	(37,016)	(49,612)	(61,406)	(51,486)	(60,240)	(68,901)	(74,592)	(63,391)	(63,951)	(66,549)	(67,188)
Net Cash Provided (or Used) in Investing Activities	(33,701)	(41,956)	(57,705)	(48,587)	(55,727)	(64,685)	(70,007)	(58,268)	(61,372)	(63,681)	(64,363)
Cash flows from Financing Activities											
Receipts:											
Proceeds from Loans	-	-	-	-	-	7,800	10,000	-	-	-	-
Payments:											
Repayment of Loans	(6,128)	(6,442)	(6,772)	(6,423)	(7,449)	(7,292)	(5,134)	(4,778)	(1,681)	(1,015)	(1,056)
Net Cash Provided (or Used) in Financing Activities	(6,128)	(6,442)	(6,772)	(6,423)	(7,449)	508	4,866	(4,778)	(1,681)	(1,015)	(1,056)
Cashflows from Government											
Receipts from Appropriation/Grants											
Recurrent Appropriations/Grants	1,333	1,961	2,005	2,050	2,096	2,149	2,202	2,258	2,314	2,372	2,431
Capital Appropriations/Grants	1,930	6,842	9,772	2,973	3,065	3,039	3,115	3,193	3,273	3,355	3,439
Net Cash from Government	3,263	8,803	11,778	5,023	5,162	5,188	5,318	5,451	5,587	5,727	5,870
Net Increase/(Decrease) in Cash & Cash Equivalents	(563)	4,110	(6,265)	(670)	(5,065)	(2,840)	(746)	4,848	7,094	8,102	9,582
Cash at 1 July	107,596	107,033	111,143	104,878	104,207	99,143	96,303	95,557	100,405	107,499	115,601
Cash at 30 June	107,033	111,143	104,878	104,207	99,143	96,303	95,557	100,405	107,499	115,601	125,183

City of Perth Long Term Financial Plan 2015/16 - 2024/25

Statement of Changes in Equity

	Base Year 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY											
RETAINED SURPLUS											
Balance at 1 July	587,001	600,410	619,211	647,090	662,651	686,043	707,792	728,920	747,251	760,406	773,007
Transfer from / to Reserve	(3,653)	1,858	6,847	700	5,103	2,344	525	(3,934)	(6,356)	(7,272)	(8,291)
Net Result	17,062	16,943	21,033	14,861	18,289	19,405	20,602	22,265	19,511	19,873	19,331
Balance at 30 June	600,410	619,211	647,090	662,651	686,043	707,792	728,920	747,251	760,406	773,007	784,047
CASH BACKED RESERVES											
Balance at 1 July	85,606	89,259	87,401	80,554	79,854	74,752	72,407	71,882	75,816	82,173	89,444
Transfer from / to Reserve	3,653	(1,858)	(6,847)	(700)	(5,103)	(2,344)	(525)	3,934	6,356	7,272	8,291
Balance at 30 June	89,259	87,401	80,554	79,854	74,752	72,407	71,882	75,816	82,173	89,444	97,736
ASSET REVALUATION RESERVE											
Balance at 1 July	372,942	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254
Total Other Comprehensive Income	184,312	-	-	-	-	-	-	-	-	-	-
Balance at 30 June	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254	557,254
Total Equity	1,246,923	1,263,866	1,284,898	1,299,760	1,318,048	1,337,454	1,358,056	1,380,321	1,399,832	1,419,706	1,439,037

City of Perth Long Term Financial Plan 2015/16 - 2024/25
Rate Setting Statement

	Base Year 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Proceeds from Operating Activities											
Operating Revenues	109,617	115,060	118,383	122,807	127,068	132,064	137,301	145,280	151,456	158,453	165,460
Operating Expenses	(169,567)	(189,485)	(199,626)	(208,919)	(219,285)	(230,224)	(241,698)	(254,743)	(267,556)	(281,150)	(295,577)
	(59,950)	(74,425)	(81,243)	(86,112)	(92,218)	(98,160)	(104,397)	(109,464)	(116,100)	(122,697)	(130,117)
Non Cash Items											
Loss on Disposal of Fixed Assets	850	1,558	2,541	2,598	2,657	2,723	2,791	2,861	2,932	3,006	3,081
Depreciation on Assets	30,017	34,211	35,922	37,718	39,604	41,584	43,663	45,846	48,138	50,545	53,072
	30,867	35,769	38,463	40,316	42,260	44,307	46,454	48,707	51,071	53,551	56,153
Net Deficit from Operations	(29,083)	(38,656)	(42,780)	(45,796)	(49,957)	(53,853)	(57,943)	(60,757)	(65,029)	(69,146)	(73,964)
Investing Activities											
Capital Expenditure	(57,155)	(49,612)	(61,406)	(51,486)	(60,240)	(68,901)	(74,592)	(63,391)	(63,951)	(66,549)	(67,188)
Repayment of Borrowings	(6,128)	(6,442)	(6,772)	(6,423)	(7,449)	(7,292)	(5,134)	(4,778)	(1,681)	(1,015)	(1,056)
Transfers to Reserves	(25,873)	(31,895)	(47,168)	(40,286)	(45,835)	(43,336)	(45,968)	(59,041)	(42,215)	(57,650)	(56,353)
	(89,156)	(87,949)	(115,346)	(98,195)	(113,524)	(119,529)	(125,694)	(127,210)	(107,847)	(125,214)	(124,598)
Financing Activities											
Transfer from Reserves	22,220	33,753	54,014	40,985	50,938	45,680	46,494	55,107	35,859	50,378	48,062
Proceeds from Disposal of Assets	1,648	1,523	1,368	1,399	1,430	1,466	1,503	1,540	1,579	1,618	1,659
Capital Grants and Contributions	1,930	6,842	9,772	2,973	3,065	3,039	3,115	3,193	3,273	3,355	3,439
Proceeds from Borrowings	-	-	-	-	-	7,800	10,000	-	-	-	-
Proceeds from TPRC	1,667	1,833	2,333	1,500	3,083	2,750	3,083	3,583	1,000	1,250	1,167
	27,465	43,951	67,488	46,857	58,517	60,736	64,195	63,424	41,711	56,601	54,327
Net Deficit before Rates	(90,774)	(82,654)	(90,638)	(97,134)	(104,965)	(112,646)	(119,443)	(124,543)	(131,165)	(137,759)	(144,235)
Add Opening Funds	16,073	1,124									
Net Deficit before Rates	(74,701)	(81,531)	(90,638)	(97,134)	(104,965)	(112,646)	(119,443)	(124,543)	(131,165)	(137,759)	(144,235)
Rate Levies	75,825	82,693	90,170	96,501	104,358	111,776	118,801	124,953	131,338	137,966	144,842
Surplus/(Deficit) from Rates	1,124	1,162	(468)	(633)	(607)	(870)	(642)	410	173	206	608

City of Perth Long Term Financial Plan 2015/16 - 2024/25

Cash Reserves

2013/14 \$'000	Base Year 2014/15	Budget 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
CAPACITY BUILDING & SPECIFIC RESERVES											
Opening Balance	85,606	89,259	87,401	80,554	79,854	74,752	72,407	71,882	75,816	82,173	89,444
Transfer to Reserve	25,873	31,895	47,168	40,286	45,835	43,336	45,968	59,041	42,215	57,650	56,353
Transfer from Reserve	(22,220)	(33,753)	(54,014)	(40,985)	(50,938)	(45,680)	(46,494)	(55,107)	(35,859)	(50,378)	(48,062)
Balance 30 June	89,259	87,401	80,554	79,854	74,752	72,407	71,882	75,816	82,173	89,444	97,736
TOTAL RESERVES											
Opening Balance	85,606	89,259	87,401	80,554	79,854	74,752	72,407	71,882	75,816	82,173	89,444
Transfer to Reserve	25,873	31,895	47,168	40,286	45,835	43,336	45,968	59,041	42,215	57,650	56,353
Transfer from Reserve	(22,220)	(33,753)	(54,014)	(40,985)	(50,938)	(45,680)	(46,494)	(55,107)	(35,859)	(50,378)	(48,062)
Balance 30 June	89,259	87,401	80,554	79,854	74,752	72,407	71,882	75,816	82,173	89,444	97,736

II. Scenario Model: MRA Projects

The City will over the next ten years, take over public infrastructure during and after projects driven by the MRA. Detailed conceptual costing and phasing of handover are still being finalised by the authority and its contractors, as such estimates have been made utilising all available information by the City. No financial projections have been included for the Riverside project as the information currently available is not sufficient to make projections at a level of accuracy for inclusion in the LTFP.

Current estimates for the Perth City Link project indicates that MRA will handover assets of approximately \$5m and that rates income will increase to approximately \$3m per annum over the duration of the plan. The cost of servicing the asset cannot be quantified at this time as until the scope of services has been finalised with the MRA. For this reason a schedule showing the financial impact of the City Link project has been excluded.

A schedule showing the impact on the City's Financial Statements of the Elizabeth Quay Project is attached and when reviewing the schedule the following should be noted:

Rates Projections

Rate projections have been calculated based on the estimated Gross Rateable Value (GRV) provided by Landgate. Completion dates of buildings have been estimated by the MRA but construction timing is dependent on market and economic conditions.

Contributions

This represents the estimated completed costs of infrastructure on the projects. A schedule of assets to be handed over and the indicative timing of the handover is still under negotiation with the MRA. Therefore an estimate of the value of the assets has been calculated by the City, based on current internal valuation models.

Street Presentation, Cleaning & Waste Disposal, Maintenance & Servicing

These costs have been prepared by the City based on a standard service level for similar high traffic areas of the city.

Depreciation

Depreciation has been formulated according to estimated useful life of these assets to be handed over.

METROPOLITAN REDEVELOPMENT AUTHORITY - ELIZABETH QUAY PROJECT

IMPACT ON FINANCIAL STATEMENTS

(in real terms, no escalation)

COMPREHENSIVE INCOME STATEMENT

Income

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	TOTAL
Rates revenue	251,100	251,100	251,100	680,077	2,446,080	3,481,940	3,983,770	4,939,940	4,939,940	5,533,940	26,758,987
Contributions	23,834,390	-	-	-	-	-	-	-	-	-	23,834,390
Cash Deficit Funding - MRA Contribution	1,271,180	2,074,461	2,518,500	2,332,602	479,146						8,675,888
	25,356,670	2,325,561	2,769,600	3,012,679	2,925,225	3,481,940	3,983,770	4,939,940	4,939,940	5,533,940	59,269,265

Expense

Cleaning & Waste Disposal	1,325,626	1,988,438	1,988,438	1,988,438	1,988,438	1,988,438	1,988,438	1,988,438	1,988,438	1,988,438	19,221,570
Maintenance & Servicing	196,655	337,123	781,162	1,024,241	936,787	1,035,223	954,674	1,053,646	975,929	1,075,471	6,319,509
Depreciation	352,764	529,147	529,147	529,147	522,480	519,147	519,147	519,147	519,147	519,147	5,058,417
	1,875,045	2,854,707	3,298,747	3,541,825	3,447,705	3,542,807	3,462,259	3,561,231	3,483,514	3,583,056	30,599,497

Total Impact on Surplus/(Deficit)

	23,481,626	(529,147)	(529,147)	(529,147)	(522,480)	(60,867)	521,511	1,378,709	1,456,426	1,950,884	26,618,369
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BALANCE SHEET MOVEMENT

Assets

Cash and Investments	(40,000)	0	0	0	0	458,279	1,040,658	1,897,856	1,975,572	2,470,031	7,802,396
Plant & Equipment	40,000										40,000
Plant & Equipment - Depreciation	(6,667)	(10,000)	(10,000)	(10,000)	(3,333)						(40,000)
Infrastructure	23,834,390										23,834,390
Infrastructure - Depreciation	(346,098)	(519,147)	(519,147)	(519,147)	(519,147)	(519,147)	(519,147)	(519,147)	(519,147)	(519,147)	(5,018,417)
	23,481,626	(529,147)	(529,147)	(529,147)	(522,480)	(60,867)	521,511	1,378,709	1,456,426	1,950,884	26,618,369

Equity

Surplus/(Deficit) - Cash	(40,000)	0	0	0	0	458,279	1,040,658	1,897,856	1,975,572	2,470,031	7,802,396
Surplus/(Deficit) - Non Cash	23,521,626	(529,147)	(529,147)	(529,147)	(522,480)	(519,147)	(519,147)	(519,147)	(519,147)	(519,147)	18,815,973
	23,481,626	(529,147)	(529,147)	(529,147)	(522,480)	(60,867)	521,511	1,378,709	1,456,426	1,950,884	26,618,369