

MINUTES

FINANCE AND ADMINISTRATION COMMITTEE

27 JANUARY 2015

APPROVED FOR RELEASE



**ROBERT MIANICH
A/CHIEF EXECUTIVE OFFICER**



CITY of PERTH

MINUTES

**FINANCE AND ADMINISTRATION
COMMITTEE**

27 JANUARY 2015

**THESE MINUTES ARE HEREBY CERTIFIED AS
CONFIRMED**

**PRESIDING MEMBER'S
SIGNATURE**

J. E. Davidson.

DATE: *17 February 2015*

FINANCE AND ADMINISTRATION COMMITTEE

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CONFIRMATION DATE 17 FEBRUARY 2015
FINANCE AND ADMINISTRATION COMMITTEE
27 JANUARY 2015

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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, 27 January 2015**.

MEMBERS IN ATTENDANCE

Cr Davidson - Presiding Member
Cr Yong
Cr Butler

OFFICERS

Mr Stevenson - Chief Executive Officer - entered the meeting at 4.24pm
Mr Dunne - Director City Services
Mr Forster - Director City Infrastructure and Enterprises
Mr Mianich - Director Corporate Services
Mr Berry - Manager Financial Services
Mr Ridgwell - Manager Governance – entered the meeting at 4.02pm.
Mr Mulcahy - Senior Management Accountant – entered the meeting at 4.04pm
Mr White - Chief Accountant
Mr Clohesy - Senior Property Officer – entered the meeting at 4.04pm
Ms Honmon - Governance Officer

OBSERVERS

Cr Harley

GUESTS

1 member of the media.

FA1/15 DECLARATION OF OPENING

4.00pm The Presiding Member declared the meeting open.

FA2/15 APOLOGIES AND MEMBERS ON LEAVE OF ABSENCE

Nil

FA3/15 QUESTION TIME FOR THE PUBLIC

Nil

FA4/15 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 December 2014 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

FA5/15 CORRESPONDENCE

Nil

FA6/15 DISCLOSURE OF MEMBERS' INTERESTS

Member / Officer	Minute No.	Item Title.	Nature / Extent of Interest
Cr Davidson (TRIM reference 13814/15)	FA16/15	Annual Operating Subsidy 2013/14 – Perth Theatre Trust (Perth Concert Hall)	Impartiality Interest – Cr Davidson is a Board Member of the Perth Theatre Trust.
Cr Butler (TRIM reference 13813/15)	FA16/15	Annual Operating Subsidy 2013/14 – Perth Theatre Trust (Perth Concert Hall)	Impartiality Interest – Cr Butler is a Board Member of the Perth Theatre Trust.

**FA7/15 MATTERS FOR WHICH THE MEETING MAY BE
CLOSED**

The Presiding Member advised that in accordance with Section 5.23(2) of the *Local Government Act 1995*, should an Elected Member wish to discuss the content of the confidential schedules listed below, it is recommended that Committee resolve to close the meeting to the public prior to discussion of the following:

Schedule No.	Item No. and Title	Reason
Confidential Schedules No. 10 and 11	Item 12 (FA19/15) – Tender 121-13/14 – Supply and Product Support of Parking Meters	s.5.23(2)(e)(ii)

**FA8/15 PAYMENTS FROM MUNICIPAL AND TRUST FUNDS –
NOVEMBER 2014**

BACKGROUND:

FILE REFERENCE: P1030070-11
REPORTING OFFICER: Con White, Chief Accountant
RESPONSIBLE DIRECTOR: Robert Mianich, Director Corporate Services
DATE: 28 November 2014
MAP / SCHEDULE: TRIM ref. 328867/14

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*

**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 December 2014 included the following significant items:

- \$4,836,580.55 to Doric Contractors Pty Ltd for the October 2014 progress claim in relation to the Perth City Library and Public Plaza project;
- \$558,743.57 to Bos Surveying Pty Ltd for the provision of civil construction services for the two-way conversion of Mounts Bay Road.
- \$393,899.47 to Seven Network (Operations) Limited for 2014 Christmas Pageant Grant.

Moved by Cr Yong, seconded by Cr Butler

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 30 November 2014 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>\$ 17,456,033.75</i>
<i>Trust Fund</i>	<i>\$ 319,047.01</i>
<i>TOTAL:</i>	<i><u>\$ 17,775,080.76</u></i>

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

**FA9/15 PAYMENTS FROM MUNICIPAL AND TRUST FUNDS –
DECEMBER 2014**

BACKGROUND:

FILE REFERENCE: P1030070-12
REPORTING OFFICER: Con White, Chief Accountant
RESPONSIBLE DIRECTOR: Robert Mianich, Director Corporate Services
DATE: 2 January 2015
MAP / SCHEDULE: TRIM ref. 00182/15

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: 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 December 2014 included the following significant items:

- \$6,429,747.53 to the Department of Fire and Emergency Services for the emergency service levy second quarter contribution for 2014/15.
- \$1,868,669.73 to Doric Contractors Pty Ltd for the December 2014 progress claim in relation to the Perth City Library and Public Plaza project.
- \$821,941.65 to the Western Australian Treasury Corporation for loan payments of \$543,456.28 for the Elder Street Carpark, \$32,922.21 for the Goderich Street Carpark and \$245,563.16 for the construction of the new Perth City Library and Public Plaza.

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 December 2014, be received and recorded in the Minutes of the Council, the summary of which is as follows:

FUND	PAID
Municipal Fund	\$ 25,500,243.97
Trust Fund	\$ 306,802.25
TOTAL:	<u>\$25,807,046.22</u>

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

FA10/15 INVESTMENTS AND INVESTMENT RETURNS FOR THE PERIOD ENDED 30 NOVEMBER 2014

BACKGROUND:

FILE REFERENCE:	P1030634-6
REPORTING OFFICER:	Ian Berry, Manager Financial Services
RESPONSIBLE DIRECTOR:	Robert Mianich, Director Corporate Services
DATE:	5 December 2014
MAP / SCHEDULE:	Schedule 1 – Investment Report for the period ended 30 November 2014 and Short Term Investments

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 November 2014.

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

Policy

Policy No and Name: 9.3 – Management of Investments

DETAILS:

Investment earnings in November amounted to \$358,000. The average rate of earnings was 3.02% compared to the cash rate of 2.5% and the benchmark of 2.57%. The Colonial balanced fund reported negative earnings of \$132,000.

Call Accounts

Monies at call with the ANZ and Members Equity totalled \$5.4 million on 30 November 2014.

Term Deposits

All deposits are now earning in the range of 3.40% to 3.75%.

Term deposits comprise the bulk of the City's investments with \$147.5 million currently deposited. Rates have been trending lower and are related to the RBA cash rate of 2.5% which has remained unchanged for several months. The premium over this rate has been eroding and it is believed this will continue. The City attempts to get the best rate available from well known, regulated institutions particularly the Big Four banks, but opportunities are becoming more limited.

Floating Rate Notes (FRNs)

The remaining Westpac FRN continues to earn interest now at 4.12%.

Medium Term Investments

The market value of the Emerald mortgage backed security fell during the month by \$11,000.

Balanced Funds

The Colonial Share Index Fund declined in value by \$132,000 in November reversing most of the gain in October.

Spread of Investments

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

ANZ	8%
ING	18%
Bank of Queensland	17%
BankWest	6%
NAB	30%
Suncorp Metway	9%
Others	12%
	<u>100%</u>

FINANCIAL IMPLICATIONS:

Investment earnings at \$348,000 were \$109,000 below budget in November 2014. The earnings of the first five months are \$106,000 above budget.

COMMENTS

Total investment earnings amounted to \$358,000 in November 2014 after absorbing a negative return of \$132,000 from the balanced fund.

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 Yong, seconded by Cr Butler

That the Finance and Administration Committee receives the report detailing investments and investment returns for the period ended 30 November 2014, 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

FA11/15 INVESTMENTS AND INVESTMENT RETURNS FOR THE PERIOD ENDED 31 DECEMBER 2014

BACKGROUND:

FILE REFERENCE:	P1030634-7
REPORTING OFFICER:	Ian Berry, Manager Financial Services
RESPONSIBLE DIRECTOR:	Robert Mianich, Director Corporate Services
DATE:	12 January 2015
MAP / SCHEDULE:	Schedule 2 – Investment Report for the period ended 31 December 2014 and Short Term Investments

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 December 2014.

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: 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

DETAILS:

Investment earnings in December 2014 amounted to \$563,000. The average rate of earnings was 4.32% compared to the cash rate of 2.5% and the benchmark of 2.76%. The Colonial balanced fund reported positive earnings of \$80,000.

Call Accounts

Monies at call with the ANZ and Members Equity totalled \$2.5 million on 31 December 2014.

Term Deposits

All deposits are now earning in the range of 3.40% to 3.75%.

Term deposits comprise the bulk of the City's investments with \$140.8 million currently deposited. Rates have been trending lower and are related to the RBA cash rate of 2.5% which has remained unchanged for several months. The premium over this rate has been eroding and it is believed this will continue because of the implications of the Basle 3 agreement. The City attempts to get the best rate available from well known, regulated institutions particularly the Big Four banks, but opportunities are becoming more limited.

Floating Rate Notes (FRNs)

The remaining Westpac FRN continues to earn interest now at 4.12%.

Medium Term Investments

The market value of the Emerald mortgage backed security increased during the month by \$17,000.

Balanced Funds

The Colonial Share Index Fund increased in value by \$80,000 in December 2014.

Spread of Investments

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

ANZ	7%
ING	19%
Bank of Queensland	18%
BankWest	7%
NAB	31%
Suncorp Metway	6%
Others	12%
	<u>100%</u>

FINANCIAL IMPLICATIONS:

Reported investment earnings (excluding interest on rates arrears) at \$556,000, after Trust Account adjustments, were \$114,000 above budget in December 2014. The earnings of the first six months at \$2.8 million are \$220,000 above the adjusted budget.

COMMENTS

Total investment earnings amounted to \$563,000 in December 2014 with earnings of \$80,000 from the Colonial balanced fund.

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 December 2014, 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

**FA12/15 FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY
STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER
2014**

BACKGROUND:

FILE REFERENCE: P1014149-25
REPORTING OFFICER: William Mulcahy, Senior Management Accountant
RESPONSIBLE DIRECTOR: Robert Mianich, Director Corporate Services
DATE: 7 January 2015
MAP / SCHEDULE: Schedule 3 – Financial Statements and Financial Activity
Statement for the period ended 30 November 2014

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 6.4(1) and (2) of the *Local Government Act 1995*
Regulation 34(1) of the *Local Government (Financial
Management) Regulations 1996*

**Integrated Planning
and Reporting
Framework
Implications** **Strategic Community Plan**
Council Four Year Priorities: 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 five
months to 30 November 2014 with the revised budget approved by Council.

Moved by Cr Davidson, seconded by Cr Butler

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 30 November 2014 as detailed in Schedule 3.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

**FA13/15 FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY
STATEMENT FOR THE PERIOD ENDED 31 DECEMBER
2014**

BACKGROUND:

FILE REFERENCE:	P1014149-25
REPORTING OFFICER:	Ian Berry, Manager Financial Services
RESPONSIBLE DIRECTOR:	Robert Mianich, Director Corporate Services
DATE:	16 January 2015
MAP / SCHEDULE:	Schedule 4 – Financial Statements and Financial Activity Statement for the period ended 31 December, 2014

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>
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: 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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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 six months to 31 December 2014 with the revised budget approved by Council.

Moved by Cr Yong, seconded by Cr Butler

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 December 2014 as detailed in Schedule 4.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

FA14/15 REVIEW OF COUNCIL POLICY CP9.9 – OVERDUE RATES

BACKGROUND:

FILE REFERENCE: P1022727-11
REPORTING OFFICER: Amanda Bentley, Senior Rates Coordinator
RESPONSIBLE DIRECTOR: Robert Mianich, Director Corporate Services
DATE: 14 January 2015
MAP / SCHEDULE: Schedule 5 – Proposed Amended Policy CP9.9 – Overdue Rates

Policy CP9.9 – Overdue Rates has had some minor amendments to bring the terminology and processes for legal processes up to date.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 6.56 of *Local Government Act 1995*

Integrated Planning and Reporting Framework Implications **Corporate Business Plan 2013/14 to 2017/18**
Council Four Year Priorities: Capable and responsive organisation
S19 Improve the customer focus of the organisation

Organisational Development Plan:
G3 Strategic Financial Management – Critically revise relevant policies

Strategic Community Plan:
Capable and Responsive Organisation

Policy

Policy No and Name: CP9.9 – Overdue Rates

DETAILS:

The City has previously employed the services of a Debt Collection Agency to collect all outstanding and overdue rates and charges on its behalf.

The purpose of amending this policy is to reflect the following changes:

<ul style="list-style-type: none">• Council bringing the debt collection process 'in-house', as opposed to referring overdue debts to a Debt Collection Agency.
<ul style="list-style-type: none">• It also provides for changes to the terminology used for different legal processes in order to recover an outstanding rates debt.
<ul style="list-style-type: none">• Include the relevant sections of the <i>Local Government Act 1995</i> when referring to particular recovery actions that can be taken.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	52A21000-7212
BUDGET ITEM:	Rates Administration
BUDGET PAGE NUMBER:	11
BUDGETED AMOUNT:	\$2,000
AMOUNT SPENT TO DATE:	\$ 191
PROPOSED COST:	\$2,000
BALANCE:	\$1,809

All figures quoted in this report are exclusive of GST.

COMMENTS:

The City previously used the services of a debt collection agency for normal collections of overdue ratepayer debts. A review of rates administration procedures indicated that the introduction of 'in-house' recovery of debts has resulted in additional efficiencies both in terms of timing and collection processes. Importantly it also provides for more interaction between the ratepayers and staff, and therefore not involving third party agents.

Where rates or charges remain outstanding after their due date, and no election has been made to pay the amounts by instalments, legal action will be taken for their recovery. All legal costs associated with recovery action are added to the ratepayers account as permitted under the law, in addition to interest on unpaid rates.

Provision is made for ratepayers experiencing difficulties in paying their rate accounts to make alternative payment arrangements by contacting the Rates Department and submitting a written application. Payment arrangements attract a nominal administration fee and overdue interest charges on all outstanding amounts.

Failure to make a suitable arrangement will result in recovery action being taken as described in the Council Policy CP9.9 – Overdue Rates.

Outstanding rates, ESL and other charges are ultimately secured against the property and are, in most cases, recoverable on the sale of the property.

The motion was put and carried

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premises for the 12 month period from 1 July of the previous year up to and including, 30 June of the current year. The report is required to include details on each of the following Key Result Areas:

1. Variety of events hosted, detailing the category (WASO concerts, Musica Viva concerts, school graduation ceremonies, jazz concerts) and the number of events in each category.
2. Public attendance numbers for each category of event.
3. Gross revenue obtained and total expenditure incurred by the tenant from each area of business conducted on the premises.
4. Expenditure incurred by the tenant in maintaining the premises in accordance with the obligations under the lease.

At its meeting held on **20 February 2007**, Council endorsed a series of annual increases to the Perth Concert Hall operating subsidy to be paid by the City ending in 2010/11 with a subsidy of \$200,000 and thereafter to be increased by the movement in CPI.

The funds are conditional upon the subsidy being spent only on maintenance by the Lessee of the Perth Concert Hall and not to reduce the State Government financial contribution.

The Trust has confirmed in writing that the additional subsidy from the City would be used in future to increase their maintenance expenditure and not to decrease the support that they receive from the State Government.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications

Corporate Business Plan

Council Four Year Priorities: Capable and responsive organisation

S20 Meaningful and contemporary community engagement and communications

IP35 Enhance community engagement

DETAILS:

In its annual report for 2013/14 (refer to Schedule 8), the Trust advised that major performances held in the venue included:-

Key Result Areas 1 and 2 – Variety of Events Hosted and Public Attendances

Category	Number of Performances			Attendances		
	2011/12	2012/13	2013/14	2011/12	2012/13	2013/14
Classical Music	80	72	85	100,103	89,027	104,894
Rock, Pop, Jazz	28	27	27	33,331	35,341	31,619
Speech / Graduation nights	11	11	13	14,815	13,287	17,941
Schools Performances	10	4	10	9,950	4,738	12,754
Dance Schools	3	1	0	2,980	1,100	0
Ballet	2	4	6	1,450	4,492	4,312
Comedy / Music Comedy	1	2	5	1,020	2,160	7,372
Musicals	0	0	0	0	0	0
Opera	0	2	1	0	1,992	1,612
Drama (Plays)	0	1		0	455	
Conference / Meetings	0	0	0	0	0	0
Religious Meetings	0	0	1	0	0	1,200
Children's Performances	3	1	4	2,975	1,200	6,318
Variety of Other Events	6	7	6	1,100	5,279	6,395
Total	144	132	158	167,724	159,071	194,417

Key Result Area 3 – Gross Revenue

	2011/12	2012/13	2013/14
Venue and Equipment Hire	\$585,046	\$656,863	\$638,770
Other Revenue	\$30,477	\$27,922	\$67,758
Programs and Merchandise	\$18,505	\$13,253	\$22,017
Catering	\$1,438,589	\$1,466,240	\$1,653,587
Total Income	\$2,072,617	\$2,164,278	\$2,382,132

Key Result Area 4 – Maintenance Expenditure

	2011/12	2012/13	2013/14
Operational items	\$311,441	\$294,247	\$398,371
Capital Works (Excluding office equipment and furniture)	\$778,868	\$113,022	\$390,000
Total Expenditure	\$1,090,309	\$407,269	\$788,371

FINANCIAL IMPLICATIONS:

ACCOUNT NO:
BUDGET ITEM: Other Culture
BUDGET PAGE NUMBER: 11
BUDGETED AMOUNT: \$225,000.00
AMOUNT SPENT TO DATE: \$NIL
PROPOSED COST: \$220,747.70
BALANCE: \$ 4,252.30

The Perth Theatre Trust request for \$220,747.70 represents a 2.3% increase on the 2012/13 contribution compared to the CPI increase for the Financial Year ending June 2014 of 3%.

All figures quoted in this report are exclusive of GST.

COMMENTS:

It is recommended that authorisation be given to the Chief Executive Officer to release the subsidy of \$220,747.70 for 2013/14 to the Perth Theatre Trust as it has met the undertaking given in 2007 to expend funds on maintenance of the venue.

Moved by Cr Butler, seconded by Cr Yong

That Council authorises the Chief Executive Officer to release the 2013/14 operating subsidy of \$220,747.70 to the Perth Theatre Trust for the Perth Concert Hall.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

**FA17/15 REMOVAL OF THE WELLINGTON SQUARE TOILET
BLOCK AND CHANGE ROOMS TO DETER
ANTISOCIAL BEHAVIOUR**

BACKGROUND:

FILE REFERENCE:	P1030740
REPORTING OFFICER:	Garry Dunne, Director City Services
RESPONSIBLE DIRECTOR:	Gary Stevenson, Chief Executive Officer
DATE:	10 January 2015
MAP / SCHEDULE:	Schedule 9 – Wellington Square Toilet / Change Room Photos

Wellington Square has a long history as a meeting and gathering place for Aboriginal people. This pre dates European settlement when the area consisted of a chain of streams, swamps and lakes which were used as a source of food and water as well as a camping area by Aboriginal people.

A report to Council presented at its meeting held on **3 June 2014** detailed the antisocial behaviour that residents and businesses have been experiencing over the years surrounding Wellington Square.

Complaints of antisocial behaviour in Wellington Square are regular and increase significantly during the warmer months of the year. In recent years there has been an increase in the development of residential apartments in East Perth and the surrounds of Wellington Square. With the increase in residents living near Wellington Square there has been an increase of the number of complaints received.

The complaints cover a range of antisocial behaviours include drinking alcohol in Wellington Square, fighting, trespassing on private property, leaving bodily waste in public and on private property, noise complaints and general harassment of passers-by and residents in their own property, sleeping rough in the park and constant litter of food packaging and bedding that has been provided by charitable organisations.

The City has received two petitions and numerous complaints from residents about the antisocial behaviour they endure on a daily basis.

At its meeting held on **3 June 2014**, Council resolved a number of actions to address this issue as per the resolution detailed below:

“That Council:

- 1. continues its strong advocacy to the State Government requesting:
 - 1.1 a review into the current ‘Patient Assisted Travel Scheme1’ (PATs) to ensure that Aboriginal patients and their escorts are provided with culturally appropriate housing during their stays in Perth and that they are supported in using this housing;*
 - 1.2 that the State Government investigate funding the establishment of a night shelter to accommodate people who continue to sleep rough in the City and its parks;*
 - 1.3 an increase to funding for service providers who provide day care centres for the homeless so that they can extend the operating hours into the night as was done during Commonwealth Heads Of Government Meeting;**
- 2. considers undertaking a Master Planning exercise for Wellington Square to guide the future development of the park;*
- 3. installs gates to the right-of-way which is owned by the City and runs between Wellington Street and Bishops Row so it can be locked at night;*
- 4. investigate the merits of contracting a suitably qualified organisation which can provide culturally appropriate assistance to the Aboriginal people who are in need of assistance in and around Wellington Square and other City parks.*
- 5. continue to work with the State Government agencies and not-for-profit organisations to improve the current issues in Wellington Square and other parks in the City and adjoining local governments;*
- 6. work in an advocacy role with the Member for Perth, State Government and not-for-profit welfare agencies to address the ongoing issues and to improve the coordination and provision of services for the homeless in the City.”*

LEGISLATION / STRATEGIC PLAN / POLICY:

**Integrated Planning
and Reporting
Framework
Implications**

Strategic Community Plan
Council Four Year Priorities: Improve the diversity in housing stock
S10 Improve the diversity in housing.

Council Four Year Priorities: Further improve safety and security

S14 Further improve safety and security.

Council Four Year Priorities: Recognition of Aboriginal culture and strong relationships with the Indigenous community

S17 Recognition of Aboriginal Culture and strong relationships with the Aboriginal community.

DETAILS:

On 5 June 2014, the Lord Mayor wrote to the State Government and expressed the City's willingness to work with the State Government and not for profit organisations to address the ongoing issues and to improve the coordination and provision of services for the homeless in the City.

The State Member for Perth, Ms Eleni Evangel, has formed the Wellington Square Working Group and the City's representatives actively participate.

The State Member of Perth has acknowledged that whilst impacting on the City of Perth the responsibility for resolving the problems at Wellington Square rests with the State Government through its agencies such as Police, Health, Child Protection and Aboriginal Affairs.

In a press release on 6 June 2014, Ms Evangel stated that as the State Member for Perth she will be presenting the ideas from the Workshop Group to the relevant Ministers.

Patient Assisted Travel Scheme (PATS)

It has been acknowledged by the Working Group that there is a direct relationship with transients in Wellington Square and patients traveling to Royal Perth Hospital for kidney dialysis treatment on the Patient Assisted Travel Scheme. In a letter dated 14 October 2014 Ms Evangel notes that "in light of the health funding agreements in place, the overall consensus is that we now prioritise the 'one-on-one' management of patients via one key organisation, ensuring patients' safety, medical treatment, accommodation and travel home is better coordinated."

In a letter from The Minister for Health, dated 8 August 2014, Dr Kim Hames states that "the Western Australian Government is giving a high priority to establish services including renal dialysis services, closer to where people live in regional WA." Dr Hames explains that in the Kimberley's the Government is constructing additional facilities which will provide treatment and care to an extra 44 patients a year in 2016/17. Additionally new facilities in the Pilbara will accommodate an extra 16 patients by September 2016.

Dr Hames notes that the 'impact of this investment will reduce the number of people traveling to Perth from remote areas for dialysis, and thereby reducing the number of people likely to be frequenting Wellington Square.'

Food Distribution

Wellington Square and the surrounding areas are often littered with bedding, leftover food and food containers distributed by not for profit organisations.

Residents and businesses have complained about the constant litter and the City's waste collection team confirms that there is an increase of litter during the busy summer months at Wellington Square.

The Member for Perth's office has confirmed that her office will be coordinating a meeting with a not for profit organisation and the City regarding the distribution of food around Wellington Square.

Restricting Access to the Right-of-Way (ROW)

At its meeting held on **3 June 2014**, Council endorsed the installation of gates between Wellington Street and Bishops Row so it can be locked of a night time.

The design, operation and funding of the gates is currently being arranged by Property Management Services.

Toilet Block and Change Rooms

In a letter dated 14 October 2014 from the State Member of Perth, Ms Evangel states that "it is important to note that the removal of the existing Wellington Square toilet block and its replacement with self- cleaning units at each end of the square was raised by workshop participants including Inspector Craig Parkin (WAPOL), representatives from the Department of Aboriginal Affairs, and Citizen Advocates at Wellington Square (CAWS) group representative, Mr Greg Johnson. This larger than average facility is viewed as a gathering place for park occupants and therefore a central source of problems" at Wellington Square.

Wellington Square residents have complained to the City in recent years of excrement left around their properties so the City trialled leaving the toilets open 24 hours a day 7 days a week.

Other business groups complained that leaving the toilets open encouraged the itinerants to stay on Wellington Square. The City decided to close the toilets at 8.00pm and reopen them at 7.00am daily.

In a letter dated 14 October 2014 from the State Member of Perth, Ms Evangel notes "the overnight closure of this toilet block recently implemented by the City is not viewed as a sufficient solution to the existing issues."

Demolition of the current toilet block and change rooms and the installation of Automated Public Toilets (APT)

The State Member of Perth, following the Workshop held on 19 September 2014, has requested that the City consider the removal of the existing toilet block and change rooms on Wellington Square and replace them with self-cleaning toilet units (APT) at both the northern and southern ends of the Square.

There are 3 organisations and the City of Perth Parks and Landscapes Unit that currently use the change rooms facilities located on Wellington Square. They have over time been given approval to occupy the rooms (there is no contractual obligations between the City and the organisations). The City officers have spoken with these organisations about the impact the removal of the toilet block / change rooms would have on them:

- The Rotary Club East Perth has advised that their allocated room is used to store equipment which they use for fundraising purposes. If the block was demolished it would have a serious impact on future fundraising.

Mr Penny from the Rotary Club East Perth informed the City that “if the toilet/change rooms were to be demolished it would seriously impact on the future of our fundraising events as there would be nowhere to store all our items. We would ask that the City of Perth seriously consider not demolishing the toilet/change rooms in Wellington Square” (TRIM reference 2121/15).

- The East Perth Cricket Club has been provided with access to two change rooms within the building. They use one as a change room and the other as a storage room for their practice nets, BBQ, fridge and chairs. If demolished the East Perth Cricket Club advise that it will have a significant impact on the Cricket Club they will have no shower or change room facilities for the players, no storage for their Cricket equipment, no shelter from the weather and no security for players bags and valuables during the cricket games.

The President of the East Perth Cricket Club, Sami Nayeem, says “Wellington Square has a strong history of use as sporting venue and it would be sad if these facilities were demolished”. (TRIM reference 5350/15).

- The East Perth Community Safety Group spokesperson, Jim Meneely, has advised that the East Perth Community Safety Group’s storage requirements are minimal and that they would have no concerns if the toilet block was demolished (TRIM reference 2116/15).
- The Manager of Parks and Landscapes confirms the loss of the storage shed on Wellington Square would not have a major impact on their operations and that the items stored can be accommodated elsewhere (TRIM reference 4095/15).

Master Plan for Wellington Square

In a letter dated 14 October 2014, Ms Evangel requested that the City consider “redesigning the Wellington Square Precinct including the option of removal of the existing toilet block and the installation of two self- cleaning toilet units”. Ms Evangel also suggests that the redesign of Wellington Square could “provide an opportunity to better recognise the cultural significance of the area for Aboriginal people through a community art project or similar initiative”.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CW0474
BUDGET ITEM:	7.07 Other Community Amenities APT Installations – City Wide
BUDGET PAGE NUMBER:	18
BUDGETED AMOUNT:	\$1,396,550
AMOUNT SPENT TO DATE:	\$ 182,742
PROPOSED COST:	\$ 260,440
BALANCE:	\$ 953,364
ANNUAL MAINTENANCE:	\$15,000 approx. Figure is based on existing unit costs covering cleaning/ graffiti/ general maintenance.

The toilet block / change room is listed on the City's asset register as having a zero value.

There are no financial implications from this report for the 2014/15 financial year but there will be implications if the report is adopted.

It is estimated that the total cost of the recommendation in 2015/16 would be in order of \$500,000 of which approximately half or \$260,440 is already included in the City's financial plans for providing APT's throughout the City.

The current budget for the toilet /change rooms is \$45,000 p.a. which covers opening and closing of the toilets/ cleaning/ graffiti and general maintenance. APT's current operation costs are about \$15,000 p.a. however, in this location maintenance costs may be higher than average, therefore it is most likely there would be a savings of between \$10,000 to \$30,000 per annum.

If the APT is not installed on Wellington Square in the financial year 2014/15 the budget amount will be carried forward to the next financial year 2015/16.

All figures quoted in this report are exclusive of GST.

COMMENTS:

Although the adjacent residents and the Police believe that the removal of the toilets / change room will improve the ongoing issues of itinerants congregating and associated anti-social behaviour there is no guarantee that such an outcome would be forthcoming.

This is a very large reserve and the removal of the toilets / change rooms may disperse some of the people from gathering on the Hill Street side of the reserve but again there would be no guarantee of this.

Whilst the building is probably about 60 years old it is built of brick and tile and is in reasonable sound condition, but is outdated and gets little use other than the public toilets and for storage purposes.

It comprises of male and female public toilets at either end of the building with a number of change rooms that contain showers, toilets and bench seating as well as a number of storage rooms.

It was built to a particular design used for most sporting grounds throughout the City of Perth in the 1950's and 1960's catering for active sports such as cricket and football with home and away team change rooms and separate umpire change rooms.

The public toilets are cleaned daily and opened in the morning at 7.00am and closed in the evening at 8.00pm.

A trial was undertaken to leave the toilets open 24/7 in an attempt to reduce incidence of people in the park using adjacent properties as toilets. During the trial there was no evidence that the use of the neighbouring properties for toilet purposes by people from the park reduced. Therefore the locking of the toilets at night was reintroduced in October 2014.

All the current users of the change room facilities have been contacted and if these rooms were removed then there would be some significant inconvenience to the East Perth Cricket Club and the Rotary Club East Perth.

There is no immediate replacement storage that could be offered to the Rotary Club East Perth but they may be able to obtain some inexpensive storage elsewhere as the location on Wellington Square is not essential to their club. However, the City's officers will liaise with Rotary Club East Perth to assist, where they can, to find suitable accommodation for their storage needs.

It is essential for East Perth Cricket Club, if they are to continue to grow, that suitable storage and some sort of club facilities are provided on the reserve for them.

The City does need to develop a Master Plan for Wellington Square to direct any future development and use of Wellington Square. This is a very large reserve and developing a plan for its future development will be a large and complex undertaking commencing with a needs assessment study and a significant level of community consultation given the varied stakeholders involved and the history and heritage of the reserve.

It is questionable exactly how beneficial the removal of the old toilets / change rooms, as requested by adjacent residents, the Police and the Member for Perth, will be in reducing the antisocial behaviour of people who are mainly aboriginal people from regional areas of the State who visit Perth for a range of reasons including medical treatment.

The existing old change room building could be demolished and replaced with APT's which would be self-cleaning and open 24 hours 7 days a week.

The cost of the APT's would be \$260,440 per unit (twin pan Exeloo Orbit 22, Tender 088-12/13) and there are funds in the budget for 2014/2015 for APT's. However, there are no funds currently available for demolition of the building or to construct a facility to support the East Perth Cricket Club that use the reserve for their cricket competition.

Should the Council agree to the removal of the existing toilet /change room facility then the outcome of this initiative should be monitored for an acceptable period of time before the commencement of a physical Master Plan for Wellington Square and environs.

4.24pm The Chief Executive Officer entered the meeting.

OFFICER RECOMMENDATION:

That Council:

1. supports the request for the demolition of the old toilets / change rooms on Wellington Square;
2. agrees in principle to include the proposed project for Wellington Square for consideration in the 2015/16 Budget to allow for:
 - 2.1 the demolition of the existing toilets / change rooms on Wellington Square;
 - 2.2 the provision of an automated public toilet unit on Wellington Square;

- 2.3 the construction of a small storage facility to meet the needs of the East Perth Cricket Club;
- 2.4 the commencement of initial community consultation and planning leading towards the creation of a plan to guide the future development of Wellington Square and environs.

Moved by Cr Davidson, Seconded by Cr Butler

That the Finance and Administration Committee defer consideration of the report titled “Removal of the Wellington Square Toilet Block and Change Rooms to Deter Antisocial Behaviour”, to enable further investigations to be carried out.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

Reason: The Finance and Administration Committee deferred this item pending further briefings to be held with the Local Member for Perth and State Government agencies.

**FA18/15 RECEPTION REQUEST – 30TH INTERNATIONAL
CONFERENCE OF ALZHEIMER’S DISEASE
INTERNATIONAL – 16 APRIL 2015**

BACKGROUND:

FILE REFERENCE:	P1009160-21
REPORTING OFFICER:	Lauren Beattie, Civic Services Officer
RESPONSIBLE DIRECTOR:	Garry Dunne, Director City Services
DATE:	16 December 2014
MAP / SCHEDULE:	Nil

Correspondence has been received by the Lord Mayor from Alzheimer’s Australia WA, requesting the City of Perth host a reception for the 30th International

Conference of Alzheimer's Disease International for a maximum of 50 guests on Wednesday, 15 April 2015.

The Lord Mayor has referred this request to the Finance and Administration Committee for consideration, as it does not fall into the "Civic, Major or Urgent" categories as provided in the City of Perth Policy 10.12 – Provision of Hospitality.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications	Corporate Business Plan 2013/14 to 2017/18 Council Four Year Priorities: Capable and Responsive Organisation S19 Improve the customer focus of the organisation IP34 Enhance customer service
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Policy

Policy No and Name: 10.12 – Provision of Hospitality

Policy 10.12 – Provision of Hospitality provides that:

"The Lord Mayor may approve functions that are civic, major and urgent functions, and this is to be decided at their discretion without first being referred to Council.

Those requests for receptions not approved by the Lord Mayor to be referred to the Finance and Administration Committee which will in turn recommend to the full Council, where the estimated cost of the reception exceeds \$5,000."

DETAILS:

A request has been received from Ms Debbie Oosthuizen, Executive Assistant to the Chief Executive Officer, Alzheimer's Australia WA, for the City of Perth to host a reception for the 30th International Conference of Alzheimer's Disease International.

As Australia's oldest and largest dementia organisation, Alzheimer's Australia WA is at the forefront of dementia care services, world class research and education and training programs.

Their specialised services including respite, counselling and social support are available to more than 29,600 people in Western Australia with dementia as well as their families and carers.

They also offer education, nationally recognised training and advisory services to people working in health and aged care and community education programs for the general public.

With two metropolitan and six regional offices, Alzheimer's Australia WA employs more than 200 specialist staff including:

- Physiotherapists;
- Social workers;
- Occupational therapists;
- Qualified counsellors;
- Educators; and
- Dementia specialist support workers.

Alzheimer's Australia WA was established in 1982 by a group of carers of people with dementia who saw the increasing need for a dementia-specific support organisation.

Alzheimer's Australia WA is committed to preventing dementia, while valuing and supporting people who live with it.

Alzheimer's Australia WA provides services to the people of the City of Perth as well as using the City of Perth facilities and venues for a variety of events and services.

Perth will play host to the 30th International Conference of Alzheimer's Disease International, in conjunction with the Alzheimer's Australia National Conference, at the Perth Convention and Exhibition Centre from 15 to 18 April 2015.

This three day global conference will attract delegates from over 40 countries and will be a significant event in the progression of our understanding of dementia and how we support people living with dementia. As West Australia's 2nd leading cause of death dementia is a critical issue for the WA community.

Hosting this global Alzheimer's disease International Alzheimer's Australia conference reception will bring recognition to the City of Perth as a global convention city and leader in social care.

The City of Perth has supported Alzheimer's Australia WA in numerous ways but has not hosted a reception. The most recent support was having the Lord Mayor launch Alzheimer's Awareness Month in September 2014 at the Art Gallery of WA.

There are currently no other Receptions scheduled for April 2015.

The proposed event details are:

Date:	Wednesday 15 April 2015
Time:	6.00pm – 7:30pm
Location:	Level 11 Reception Suite, Council House
Attendees:	Maximum of 50 attendees including Alzheimer's Disease International Board members, Alzheimer's Australia Board members including national President Graeme Samuel, Key note speakers from the

	scientific program, Alzheimer's Australia WA Chairman, CEO and organising committee
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FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CL 14B4 8000
BUDGET ITEM:	Governance – Governance – General – Civic Receptions
BUDGET PAGE NUMBER:	39
BUDGETED AMOUNT:	\$ 762,740.00
AMOUNT SPENT TO DATE:	\$ 145,639.00
PROPOSED COST:	\$ 2,612.80
BALANCE:	\$ 614,488.20

All figures quoted in this report are exclusive of GST.

Moved by Cr Butler, seconded by Cr Yong

That the Finance and Administration Committee approves the City of Perth hosting a reception for the 30th International Conference of Alzheimer's Disease International on Wednesday, 15 April 2015 for a maximum of 50 guests at a cost of \$2,612 (excluding GST).

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

**FA19/15 TENDER 121-13/14 – SUPPLY & PRODUCT SUPPORT
OF PARKING METERS**

BACKGROUND:

FILE REFERENCE: P1030509
REPORTING OFFICER: Tavengwa Madangure, Contracts Officer
RESPONSIBLE DIRECTOR: Douglas Forster, Director City Infrastructure & Enterprises
DATE: 13 January 2015
MAP / SCHEDULE: Confidential Schedule 10 – Schedule of Rates
Confidential Schedule 11 – Tender evaluation matrix

Tender 121-13/14 – Supply and Product Support of Parking Meters was advertised in the West Australian newspaper on Wednesday, 21 May 2014. Tenders closed at Thursday, 26 June 2014 with the following tender submissions received:

- Coalglow Pty Ltd (Coalglow).
- Global Integrated Solutions Ltd (GIS).
- Reino International Pty Ltd T/A Duncan Solutions (Reino).

The scope of the services is for the replacement of single head Duncan parking meters which have reached the end of their life span and are technologically obsolete. The parking meters are situated throughout the city and serve single and double bay parking spaces. The new parking meters are to cater for single and multi-bay parking spaces for vehicles and motorcycles. The capabilities of the parking meters shall include the following:

- Contactless pay wave, pay pass and Tap & Go functionalities.
- Multi – Payment options: coins, credit / debit cards and CPP parking card.
- Real-time – online reporting and diagnostics capabilities.
- Solar power.
- Paperless – no tickets required, enforcement undertaken at the meter.
- Pay by phone capabilities.
- Integration with ground sensors to improve enforcement efficiencies.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 3.57 of the *Local Government Act 1995*
Part 4 of the *Local Government (Functions and General)*
Regulations 1996

Integrated Planning and Reporting **Corporate Business Plan**
Council Four Year Priorities: Capable and Responsive

**Framework
Implications**

Organisation
S19 Improved organisational customer focus

Policy

Policy No and Name: 9.7 – Purchasing

DETAILS:

The tender evaluation comprised of a four stage process as follows:

1. Compliance assessment
2. Qualitative evaluation
3. Pricing evaluation & shortlisting
4. Field testing

Compliance Assessment:

All tender submissions were evaluated for compliance. The tender evaluation panel found that the submissions from GIS and Reino had met the compliance requirements for the tender. The submission from Coalglow however, failed to meet compliance requirements for the following reasons:

- Coalglow did not offer product support after the warranty period, and the warranty offered was for 1 year against the 2 years requested in the tender.
- Coalglow did not provide pricing for an EMV & PCI compliant parking meter.
- No past performance details and references were provided.
- A number of areas in the schedules were not completed or had the annotation 'TBC', and no details of insurance were provided.

The tender evaluation panel agreed that the tender submission by Coalglow lacked detail, was incomplete and should be excluded from further evaluation.

Qualitative Assessment against Selection Criteria:

The tenders were assessed against the following qualitative criteria:

- Organisational and Resource Capacity.
- Product Offer and Field Performance.
- Quality Assurance and Methodology.
- Product Support and Software Development.
- Past Performance and Referees.

The tender submissions from Reino and GIS were progressed for qualitative and pricing evaluation. The results of the qualitative criteria were however, subject to

revision after shortlisting and field testing. Both companies were able to demonstrate good organisational and resource capacity, and past performance in supplying and supporting parking equipment to other local governments in Australia. The tender evaluation panel found the offer by GIS had addressed the requirements of the City however; the meter offered was not yet developed, and could not be tested until January 2015.

The tender evaluation panel found the offer from Reino satisfactory and had met the selection criteria for the tender.

The offer from GIS was scored slightly higher than that of Reino on product offer as the design provided better aesthetics and size proposals. Other aspects of both tender submissions were found to be very similar.

Pricing Evaluation

A pricing comparison was undertaken before the tenderers could be shortlisted for field testing. It was found that the unit costs for the GIS parking meter were substantially higher for small batch orders than that of Reino, and GIS initial software costs made their parking meters exceedingly expensive and outside the City's budget.

Due to the unavailability of the GIS parking meter for field testing within the City's required timeframes and the higher pricing, the tender evaluation panel agreed not to progress further with the offer from GIS.

Reino's pricing was found to be competitive and was able to avail the offered parking meter for field testing at two weeks' notice. It was agreed to shortlist Reino's proposed meter for the field testing.

Field Testing

The field testing period occurred from 11 September 2014 to 26 November 2014. After the field testing, the panel was in agreement that Reino's proposed parking meter had met the specification requirements of the tender.

Concern as raised over some of the reporting features of the software that had been used with the trial meter. A presentation was made by Reino in which it made an undertaking to carry out the requested software improvements before the delivery of the parking meters. The tender evaluation panel considered that the commitment provided by Reino to make the suggested improvements before delivery to be satisfactory.

The tender evaluation panel concluded that Reino had demonstrated and met the qualitative and field testing selection criteria requirements of the tender and had offered a competitive price that represents best value for money for the City.

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	CW0576000
BUDGET ITEM:	Capital Item
BUDGET PAGE NUMBER:	21
BUDGETED AMOUNT:	\$461,250
AMOUNT SPENT TO DATE:	NIL
PROPOSED COST:	\$323,850
BALANCE:	\$137,400

ANNUAL MAINTENANCE:	\$ 12,000
ESTIMATED WHOLE OF LIFE COST:	\$450,000

All figures quoted in this report are exclusive of GST.

The budgeted amount of \$461,250 is based on existing requirements, the contract is for a five year period based on a schedule of rates and allows for purchasing of additional parking meters if the need arises and funds are available.

COMMENTS:

Based on the results of the qualitative selection criteria, pricing and field testing the panel found the tender submission from Reino International Pty Ltd to be the most advantageous for the City and recommends acceptance of its tender submission.

Moved by Cr Yong, seconded by Cr Butler

That Council accepts the most suitable tender, being that submitted by Reino International Pty Ltd, for the supply and product support of parking Meters (Tender 121-13/14) for a period of five years, in accordance with the Schedule of Rates detailed in Confidential Schedule 10 for the first year, and with each subsequent year subject to CPI increases.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Butler and Yong

Against: Nil

FA20/15 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

FA21/15 GENERAL BUSINESS

Responses to General Business from a Previous Meeting

Nil

New General Business

Nil

FA22/15 ITEMS FOR CONSIDERATION AT A FUTURE MEETING

Outstanding Items:

- Strategic Property Review (raised FB29/05/12, updated 03/12/13 and 29/07/14).
- Loading zones in the city (raised FB20/08/13).
- Upgrade of Forrest Chase Walkways (raised FA25/03/14).
- Council Dining Room (raised FA30/09/14).

FA23/15 CLOSE OF MEETING

4.40pm There being no further business the Presiding Member declared the meeting closed.

SCHEDULE 1

INVESTMENT REPORT	Market Value	Market Value	Cost & Impairment	% of	Interest Earned	Weighted Average Monthly	Interest Earned
30-Nov-14	31-Oct-14	30-Nov-14	30-Nov-14	Class	Nov	Rate	YTD
Municipal							
Short term Direct Investments							
Call	\$3,570,159	\$4,424,821	\$4,424,821	2.8%	\$25,720	3.00%	\$90,450
Term Deposits	\$81,500,000	\$77,000,000	\$77,000,000	48.6%	\$231,802	3.64%	\$943,221
Short	\$85,070,159	\$81,424,821	\$81,424,821		\$257,522	3.58%	\$1,033,671
Total Municipal - Cash Back Securities	\$85,070,159	\$81,424,821	\$81,424,821		\$257,522	3.58%	\$1,033,671
Total Municipal Investments	\$85,070,159	\$81,424,821	\$81,424,821		\$257,522	3.58%	\$1,033,671
Reserves							
Short term Direct Investments							
Call	\$577,942	\$636,728	\$636,728	0.4%	\$717	1.40%	\$8,703
Term Deposits	\$64,750,000	\$64,250,000	\$64,250,000	40.5%	\$189,825	3.66%	\$1,061,412
Total	\$65,327,942	\$64,886,728	\$64,886,728		\$190,542	3.65%	\$1,070,116
Floating Rate Notes/ CLNs							
WPAC- Sub Debt -FRN	3,023,610	3,020,850	\$3,003,655	1.9%	\$9,920	4.12%	\$54,040
Total	\$3,023,610	\$3,020,850	\$3,003,655		\$9,920	4.12%	\$54,040
Medium term Direct Investments							
Barclays - Emerald -MBS	2,816,610	2,805,667	\$2,675,582	1.7%	\$13,345	3.61%	\$64,074
Total	\$2,816,610	\$2,805,667	\$2,675,582		\$13,345	3.61%	\$64,074
Total Reserve - Cash Back Securities	\$71,168,162	\$70,713,245	\$70,565,966		\$213,806	3.67%	\$1,188,230
Balanced Funds							
Colonial Share Index	\$4,046,636	\$3,915,180	\$3,915,180	100%	-\$131,528	-32.90%	\$16,365
Total	\$4,046,636	\$3,915,180	\$3,915,180		-\$131,528	-32.90%	\$16,365
Total Reserve Investments	\$75,214,798	\$74,628,425	\$74,481,146		\$82,278	1.28%	\$1,204,594
Trust							
Short term Direct Investments							
Call	\$165,000	\$305,503	\$305,503	0.2%	\$370	1.40%	\$2,493
Term Deposits	\$6,472,975	\$6,272,975	\$6,272,975	4.0%	\$18,041	3.52%	\$92,603
Total	\$6,637,975	\$6,578,479	\$6,578,479		\$18,412	3.48%	\$95,096
Total Trust - Cash Back Securities	\$6,637,975	\$6,578,479	\$6,578,479		\$18,412	3.48%	\$95,096
Total Investments-Cash Back Securities	\$162,876,295	\$158,716,545	\$158,569,266		\$489,740	3.61%	\$2,316,997
Grand Total Investments	\$166,922,931	\$162,631,725	\$162,484,446		\$358,211	2.53%	\$2,333,361

INVESTMENT
RATES:

CASH RATE
2.50%

BENCHMARK
2.57%

AVERAGE excl.Trust
3.02%

CITY OF PERTH - SHORT TERM INVESTMENTS (Excluding Call) AS AT 30 NOVEMBER 2014

FUND	INSTITUTION	TYPE	AMOUNT	RATE	LODGED	MATURITY	Total Investment Days	TOTAL INTEREST individual outstanding investment
MUNICIPAL	AMP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.70%	7/08/2014	30/04/2015	266	\$ 53,928.77
MUNICIPAL	ANZ	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.49%	13/10/2014	14/04/2015	183	\$ 52,493.42
MUNICIPAL	ANZ	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.64%	18/09/2014	15/04/2015	209	\$ 52,106.85
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.40%	17/10/2014	22/01/2015	97	\$ 27,106.85
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	3.40%	28/10/2014	30/04/2015	184	\$ 85,698.63
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.50%	26/11/2014	28/05/2015	183	\$ 26,321.92
MUNICIPAL	BENDIGO	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.57%	15/08/2014	27/02/2015	196	\$ 57,511.23
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.45%	29/08/2014	30/01/2015	154	\$ 43,668.49
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.60%	22/07/2014	30/01/2015	192	\$ 56,810.96
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 6,000,000.00	3.60%	8/08/2014	29/05/2015	294	\$ 173,983.56
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.62%	30/06/2014	6/01/2015	190	\$ 37,687.67
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.55%	14/08/2014	20/02/2015	190	\$ 55,438.36
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.56%	21/08/2014	27/02/2015	190	\$ 37,063.01
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.55%	19/08/2014	23/03/2015	216	\$ 63,024.66
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.54%	14/08/2014	31/03/2015	229	\$ 66,629.59
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.55%	15/08/2014	22/04/2015	250	\$ 60,787.67
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	\$ 4,000,000.00	3.60%	9/07/2014	22/12/2014	166	\$ 65,490.41
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 4,000,000.00	3.61%	21/07/2014	23/03/2015	245	\$ 96,926.03
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.46%	14/11/2014	31/03/2015	137	\$ 25,973.70
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.52%	23/09/2014	30/04/2015	219	\$ 42,240.00
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	\$ 4,000,000.00	3.40%	5/08/2014	22/12/2014	139	\$ 51,791.78
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 4,000,000.00	3.45%	15/08/2014	31/12/2014	138	\$ 52,175.34
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.60%	24/11/2014	21/05/2015	178	\$ 35,112.33
			\$ 77,000,000.00					
RESERVES	AMP	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.70%	26/06/2014	23/12/2014	180	\$ 54,739.73
RESERVES	ANZ	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	3.64%	8/09/2014	7/03/2015	180	\$ 62,827.40
RESERVES	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	3.40%	6/11/2014	5/02/2015	91	\$ 8,476.71
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.50%	31/07/2014	4/12/2014	126	\$ 24,164.38
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,550,000.00	3.75%	10/03/2014	9/12/2014	274	\$ 71,784.25
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.70%	8/04/2014	8/01/2015	275	\$ 41,815.07
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.60%	14/08/2014	12/03/2015	210	\$ 51,780.82
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	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	3.54%	20/08/2014	20/02/2015	184	\$ 62,459.18
RESERVES	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.51%	8/10/2014	9/04/2015	183	\$ 35,196.16
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	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.60%	10/06/2014	8/12/2014	181	\$ 26,778.08
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.61%	22/05/2014	22/01/2015	245	\$ 48,463.01
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 6,000,000.00	3.60%	31/07/2014	9/02/2015	193	\$ 114,213.70
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.68%	23/04/2014	17/02/2015	300	\$ 90,739.73
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.60%	29/08/2014	27/02/2015	182	\$ 44,876.71
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,550,000.00	3.55%	10/09/2014	9/04/2015	211	\$ 31,808.97
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	3.70%	16/04/2014	16/04/2015	365	\$ 37,000.00
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,750,000.00	3.61%	4/09/2014	7/05/2015	245	\$ 66,636.64
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	\$ 3,900,000.00	3.51%	26/11/2014	31/07/2015	247	\$ 92,635.15
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.55%	10/10/2014	9/04/2015	181	\$ 35,208.22
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.60%	24/11/2014	21/05/2015	178	\$ 43,890.41
			\$ 64,250,000.00					
ROD EVANS	WPAC	Short Term Direct Investments TERM DEPOSITS	\$ 300,133.20	3.30%	28/10/2014	26/02/2015	121	\$ 3,283.37
TRUST	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.45%	13/11/2014	13/03/2015	120	\$ 22,684.93
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.45%	6/10/2014	8/01/2015	94	\$ 13,327.40
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 722,842.26	3.45%	25/09/2014	8/01/2015	105	\$ 7,173.96
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 500,000.00	3.45%	25/11/2014	26/02/2015	93	\$ 4,395.21
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,250,000.00	3.50%	25/09/2014	26/03/2015	182	\$ 21,815.07
			\$ 6,272,975.46					
TOTAL investments			\$ 147,522,975.46					
								\$ 3,065,370.98

SCHEDULE 2

INVESTMENT REPORT

31-Dec-14	Market Value 30-Nov-14	Market Value 31-Dec-14	Cost & Impairment 31-Dec-14	% of Class	Interest Earned Dec	Weighted Average Monthly Rate	Interest Earned YTD
Municipal							
Short term Direct Investments							
Call	\$4,424,821	\$1,740,252	\$1,740,252	1.2%	\$12,593	3.00%	\$103,043
Term Deposits	\$77,000,000	\$68,800,000	\$68,800,000	46.2%	\$229,486	3.79%	\$1,172,707
Short	\$81,424,821	\$70,540,252	\$70,540,252		\$242,079	3.75%	\$1,275,750
Total Municipal - Cash Back Securities	\$81,424,821	\$70,540,252	\$70,540,252		\$242,079	3.75%	\$1,275,750
Total Municipal Investments	\$81,424,821	\$70,540,252	\$70,540,252		\$242,079	3.75%	\$1,275,750
Reserves							
Short term Direct Investments							
Call	\$636,728	\$318,586	\$318,586	0.2%	\$690	1.40%	\$9,394
Term Deposits	\$64,250,000	\$65,750,000	\$65,750,000	44.1%	\$196,707	3.64%	\$1,258,119
Total	\$64,886,728	\$66,068,586	\$66,068,586		\$197,397	3.63%	\$1,267,513
Floating Rate Notes/ CLNs							
WPAC- Sub Debt -FRN	3,020,850	3,016,890	\$3,003,655	2.0%	\$10,250	4.12%	\$64,291
Total	\$3,020,850	\$3,016,890	\$3,003,655		\$10,250	4.12%	\$64,291
Medium term Direct Investments							
Barclays - Emerald -MBS	2,805,667	2,822,369	\$2,675,582	1.8%	\$13,888	3.62%	\$77,962
Total	\$2,805,667	\$2,822,369	\$2,675,582		\$13,888	3.62%	\$77,962
Total Reserve - Cash Back Securities	\$70,713,245	\$71,907,845	\$71,747,823		\$221,536	3.65%	\$1,409,765
Balanced Funds							
Colonial Share Index	\$3,915,180	\$3,995,631	\$3,995,631	100%	\$80,379	27.40%	\$96,743
Total	\$3,915,180	\$3,995,631	\$3,995,631		\$80,379	27.40%	\$96,743
Total Reserve Investments	\$74,628,425	\$75,903,476	\$75,743,455		\$301,914	4.78%	\$1,506,509
Trust							
Short term Direct Investments							
Call	\$305,503	\$385,214	\$385,214	0.3%	\$485	1.40%	\$2,978
Term Deposits	\$6,272,975	\$6,272,975	\$6,272,975	4.2%	\$18,279	3.51%	\$110,883
Total	\$6,578,479	\$6,658,190	\$6,658,190		\$18,765	3.46%	\$113,861
Total Trust - Cash Back Securities	\$6,578,479	\$6,658,190	\$6,658,190		\$18,765	3.46%	\$113,861
Total Investments-Cash Back Securities	\$158,716,545	\$149,106,286	\$148,946,264		\$482,379	3.69%	\$2,799,376
Grand Total Investments	\$162,631,725	\$153,101,917	\$152,941,896		\$562,758	4.26%	\$2,896,119

INVESTMENT
RATES:

CASH RATE
2.50%

BENCHMARK
2.76%

AVERAGE excl.Trust
4.32%

CITY OF PERTH - SHORT TERM INVESTMENTS (Excluding Call) AS AT 31 DECEMBER 2014

							Total Investment Days	TOTAL INTEREST individual outstanding investment		
FUND	INSTITUTION	TYPE	AMOUNT	RATE	LODGED	MATURITY				
MUNICIPAL	AMP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.70%	7/08/2014	30/04/2015	266	\$	53,928.77	
MUNICIPAL	ANZ	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.49%	13/10/2014	14/04/2015	183	\$	52,493.42	
MUNICIPAL	ANZ	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.64%	18/09/2014	15/04/2015	209	\$	52,106.85	
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.40%	17/10/2014	22/01/2015	97	\$	27,106.85	
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	3.40%	28/10/2014	30/04/2015	184	\$	85,698.63	
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.50%	26/11/2014	28/05/2015	183	\$	26,321.92	
MUNICIPAL	BENDIGO	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.57%	15/08/2014	27/02/2015	196	\$	57,511.23	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.45%	29/08/2014	30/01/2015	154	\$	43,668.49	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.60%	22/07/2014	30/01/2015	192	\$	56,810.96	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 6,000,000.00	3.60%	8/08/2014	29/05/2015	294	\$	173,983.56	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.62%	30/06/2014	6/01/2015	190	\$	37,687.67	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.55%	14/08/2014	20/02/2015	190	\$	55,438.36	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.56%	21/08/2014	27/02/2015	190	\$	37,063.01	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.55%	19/08/2014	23/03/2015	216	\$	63,024.66	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.54%	14/08/2014	31/03/2015	229	\$	66,629.59	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.55%	15/08/2014	22/04/2015	250	\$	60,787.67	
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	\$ 4,000,000.00	3.61%	21/07/2014	23/03/2015	245	\$	96,926.03	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.46%	14/11/2014	31/03/2015	137	\$	25,973.70	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.52%	23/09/2014	30/04/2015	219	\$	42,240.00	
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	\$ 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	3.60%	24/11/2014	21/05/2015	178	\$	35,112.33	
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.55%	16/12/2014	18/06/2015	184	\$	35,791.78	
			<u>\$ 68,800,000.00</u>							
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	ANZ	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	3.64%	8/09/2014	7/03/2015	180	\$	62,827.40	
RESERVES	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	3.40%	6/11/2014	5/02/2015	91	\$	8,476.71	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.70%	8/04/2014	8/01/2015	275	\$	41,815.07	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.60%	14/08/2014	12/03/2015	210	\$	51,780.82	
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	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	3.54%	20/08/2014	20/02/2015	184	\$	62,459.18	
RESERVES	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.51%	8/10/2014	9/04/2015	183	\$	35,196.16	
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	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.61%	22/05/2014	22/01/2015	245	\$	48,463.01	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 6,000,000.00	3.60%	31/07/2014	9/02/2015	193	\$	114,213.70	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.68%	23/04/2014	17/02/2015	300	\$	90,739.73	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.60%	29/08/2014	27/02/2015	182	\$	44,876.71	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,550,000.00	3.55%	10/09/2014	9/04/2015	211	\$	31,808.97	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	3.70%	16/04/2014	16/04/2015	365	\$	37,000.00	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,750,000.00	3.61%	4/09/2014	7/05/2015	245	\$	66,636.64	
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	\$ 3,900,000.00	3.51%	26/11/2014	31/07/2015	247	\$	92,635.15	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.55%	10/10/2014	9/04/2015	181	\$	35,208.22	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	3.60%	24/11/2014	21/05/2015	178	\$	43,890.41	
			<u>\$ 65,750,000.00</u>							
ROD EVANS	WPAC	Short Term Direct Investments TERM DEPOSITS	\$ 300,133.20	3.30%	28/10/2014	26/02/2015	121	\$	3,283.37	
TRUST	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	3.45%	13/11/2014	13/03/2015	120	\$	22,684.93	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	3.45%	6/10/2014	8/01/2015	94	\$	13,327.40	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 722,842.26	3.45%	25/09/2014	8/01/2015	105	\$	7,173.96	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 500,000.00	3.45%	25/11/2014	26/02/2015	93	\$	4,395.21	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,250,000.00	3.50%	25/09/2014	26/03/2015	182	\$	21,815.07	
			<u>\$ 6,272,975.46</u>							
TOTAL investments			\$ 140,822,975.46							\$ 2,974,462.62

**FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2014**

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the five months to 30 November 2014 compared to the revised budget approved by Council on 18 November 2014.

Operating Revenue

- Parking revenue is \$302,000 below the revised budget which reduced revenue by \$3.8 million on the original budget. The shortfall occurred in Undercover Car Parks with Elder Street (\$139,000), the Convention Centre (\$142,000), Pier Street (\$49,000) and Mayfair Street (\$44,000) being the main car parks experiencing shortfalls. Kerbside parking is \$67,000 above revised budget. Various actions including price reduction to meet competition from adjacent competitors is being initiated.
- Fines and costs are (\$169,000) below revised budget with the City experiencing lower traffic volumes during the holiday season and some disruption owing to construction projects.
- Investment income is \$121,000 higher than revised budget with high levels of cash invested. An adverse November result of (\$131,000) from the balanced fund partly offset previous positive returns. The overall average return for the period was 3.02%.
- Other income is \$670,000 above the revised budget mainly due to the timing of a Lotteries Commission grant of \$358,000 in respect of the Channel 7 Christmas Pageant offsetting sponsorship of the Pageant. Additionally a \$105,000 rebate on insurance and a timing difference on an anticipated FESA administration fee of \$100,000 contributed to the favourable variance.

Operating Expenditure

- Employee costs are \$335,000 below the revised budget with vacancies resulting from timing differences in the recruitment of staff.
- Materials and contracts are \$837,000 under the revised budget, which is spread through a range of activities. The principal area is property maintenance which is \$278,000, covering Council House, various car parks and other buildings. Other areas are contractor expenditure in Footpaths \$105,000, Road Reserves \$108,000, Hay Street Mall \$98,000 and smaller variances generally spread throughout the organisation.
- Utilities are \$71,000 below revised budget due to lower power costs \$82,000, partly caused by timing differences.

**FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2014**

REPORT OF VARIANCES TO BUDGET

- Depreciation is \$653,000 under the estimates mainly due to Roads and Kerbs \$448,000. Timing of additional depreciation is dependent upon bringing on revalued infrastructure and capitalisation of completed works.
- Expense provisions are \$145,000 above revised budget due to reclassification of some infrastructure projects recognised as operational rather than being capitalised as assets.

Investing Activities

- Capital expenditure is \$13.9 million less than anticipated but this variance will be reduced as projects underway accelerate as part of the timing process. A number of large projects are progressing including the City of Perth Library and Public Plaza, drainage at Kings Park and Mounts Bay Road, lighting in St Georges Terrace (William to King Streets) and Barrack Street 2-Way Conversion.
- Transfers to Reserves are running slightly below budget.

Financing Activities

- Transfers from Reserves are running below budget by \$9.3 million reflecting the lower level of capital expenditure.
- Funding from carry forwards is lower than the budget as a result of delays in the capital works programme.
- Proceeds from the disposal of assets are above budget due to the timing of disposals \$126,000.

Amounts sourced from Rates

- Rates revenue raised is running marginally higher than the revised budget.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 30 November 2014

	Revised Budget 2014/15	Budget YTD 30-Nov-14	Actual YTD 30-Nov-14	Variance YTD 30-Nov-14
	\$	\$	\$	\$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	74,755,597	32,130,575	31,828,783	(301,793)
Fines and Costs	9,617,112	4,072,603	3,903,914	(168,689)
Investment Income and Interest	5,271,058	2,511,009	2,632,058	121,049
Community Service Fees	1,495,502	648,900	600,521	(48,379)
Rubbish Collection	6,021,816	5,997,509	6,017,605	20,095
Rentals and Hire Charges	5,181,125	2,263,738	2,260,605	(3,133)
Recurrent Grants	2,310,946	522,280	498,857	(23,423)
Contributions, Donations and Reimbursements	549,849	230,576	181,208	(49,368)
Other Income	5,522,863	2,743,815	3,414,103	670,288
	110,725,869	51,121,005	51,337,654	216,649
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	64,406,792	25,548,675	25,213,162	335,513
Materials and Contracts	49,926,976	17,440,447	16,602,860	837,587
Utilities	3,064,779	1,292,834	1,221,412	71,422
Insurance Expenditure	1,166,965	494,825	498,534	(3,709)
Depreciation and Amortisation	31,227,307	12,276,228	11,623,297	652,930
Interest Expenses	1,680,797	658,157	672,253	(14,096)
Expense Provisions	992,713	411,672	556,802	(145,130)
Loss on Disposal of Assets	1,032,366	221,591	148,203	73,388
Other Expenditure	22,209,797	9,009,532	8,963,084	46,448
	175,708,492	67,353,960	65,499,607	1,854,353
Add back Depreciation	(31,227,307)	(12,276,228)	(11,623,297)	(652,930)
(Loss) / Profit on Disposals	(1,032,366)	(221,591)	(148,203)	(73,388)
	143,448,819	54,856,141	53,728,107	1,128,034
Net Surplus/(Deficit) from Operations	(32,722,950)	(3,735,136)	(2,390,453)	1,344,683
Investing Activities				
Capital Expenditure	(78,628,637)	(33,719,659)	(19,861,592)	13,858,067
Repayment of Borrowings	(6,128,375)	(2,449,886)	(2,449,886)	-
Transfers to Reserves	(22,147,677)	(1,856,764)	(1,307,964)	548,800
	(106,904,689)	(38,026,309)	(23,619,442)	14,406,868
Financing Activities				
Transfer from Reserves	27,955,363	16,718,275	7,401,240	(9,317,035)
Carry Forwards	15,038,420	8,451,235	5,604,325	(2,846,910)
Proceeds from Disposal of Assets/Investments	1,139,000	827,444	953,166	125,722
Distribution from TPRC	1,667,000	-	-	-
Capital Grants	2,057,337	542,194	532,194	(10,000)
	47,857,120	26,539,148	14,490,925	(12,048,223)
Net Surplus/(Deficit) before Rates	(91,770,519)	(15,222,297)	(11,518,969)	3,703,328
Add: Opening Funds	16,073,145	16,073,145	16,073,145	-
Less: Closing Funds	428,477	76,466,658	80,363,293	3,896,635
Amount Sourced from Rates	76,125,851	75,615,810	75,809,117	193,307

Net Cash on Hand				
Cash On Hand	3,347,108	1,952,480	1,679,977	(272,503)
Money Market Investments	96,209,472	140,126,772	146,221,984	6,095,212
Funds on Hand	99,556,580	142,079,252	147,901,961	5,822,709
Analysis of Funds on Hand				
Reserves	76,460,086	63,716,738	61,910,593	(1,806,145)
Provisions	11,525,004	10,465,284	10,725,012	259,728
Carry forwards	-	11,672,622	10,563,459	(1,109,163)
Restricted Grants not yet utilised	437,037	482,500	437,037	(45,463)
General Funds	11,134,453	55,742,108	64,265,860	8,523,752
Funds on Hand	99,556,580	142,079,252	147,901,961	5,822,709

CURRENT POSITION AS AT THE END OF THE PERIOD

30-November-2014

	2014/15 Revised Budget	2014/15 Budget YTD	2014/15 Actual YTD	2014/15 Variance
	\$	\$	\$	\$
Current Assets				
Cash and Cash Equivalents	3,347,108	1,952,479.67	1,679,977	(272,503)
Deposits and Prepayments	1,527,289	11,517,490	11,124,654	(392,836)
Money Market Investments - Municipal Funds	19,749,386	76,410,034	84,311,391	7,901,357
Money Market Investments - Restricted Funds	76,460,086	63,716,738	61,910,593	(1,806,145)
Trade and Other Receivables	12,403,590	20,366,652	21,442,473	1,075,821
Inventories	2,845,342	2,437,468	2,929,642	492,174
Total Current Assets	116,332,801	176,400,862	183,398,730	6,997,868
Current Liabilities				
Trade and Other Payables	27,476,715	24,059,453	29,724,798	5,665,345
Employee Entitlements	11,525,004	10,241,283	10,725,012	483,729
Provisions	224,001	224,001	237,997	13,996
Borrowings	6,441,707	6,250,781	6,250,781	-
Total Current Liabilities	45,667,427	40,775,518	46,938,588	6,163,070
Working Capital Position Brought Forward	\$ 70,665,374	\$ 135,625,344	\$ 136,460,142	\$ 834,798
Deduct Restricted Cash Holdings	(76,460,086)	(63,716,738)	(61,910,593)	1,806,145
Deduct Unspent Borrowings	(218,519)	(1,210,229)	-	1,210,229
Deduct Restricted Capital Grants	-	(482,500)	(437,037)	45,463
Add Current Borrowings	6,441,707	6,250,781	6,250,781	-
Current Funds Position Brought Forward	\$ 428,477	\$ 76,466,658	\$ 80,363,293	\$ 3,896,635

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 Report

For the 5 months ended 30 November 2014

**CITY OF PERTH
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**Statement of Comprehensive Income for the 5 months ended 30 November 2014
(By Program)**

	<i>Note</i>	Budget 2014/2015	Revised Budget YTD	Actual YTD 30/11/2014	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
Governance		-	51	51	-	0.0%
General Purpose Funding Rates		77,090,912	76,284,436	76,592,121	307,685	0.4%
General Purpose Funding Other		5,698,125	2,594,468	2,687,784	93,316	3.6%
Law, Order, Public Safety		43,850	20,211	20,107	(104)	-0.5%
Health		794,500	845,121	833,550	(11,571)	-1.4%
Education and Welfare		2,004,694	903,939	821,087	(82,852)	-9.2%
Housing		599,130	264,233	292,798	28,565	10.8%
Community Amenities		8,834,955	7,384,983	7,511,679	126,696	1.7%
Recreation and Culture		2,020,166	409,307	737,617	328,310	80.2%
Transport		90,391,399	36,979,604	36,511,553	(468,051)	-1.3%
Economic Services		1,271,410	510,965	488,021	(22,944)	-4.5%
Other Property and Services		1,688,879	539,497	650,403	110,906	20.6%
Total Operating Income		190,438,021	126,736,815	127,146,771	409,956	0.3%
OPERATING EXPENDITURE						
Governance		10,146,717	3,936,420	3,595,610	340,810	8.7%
General Purpose Funding		2,780,601	1,226,880	1,175,303	51,577	4.2%
Law, Order, Public Safety		3,754,876	1,499,655	1,517,328	(17,673)	-1.2%
Health		2,079,830	819,111	735,293	83,818	10.2%
Education and Welfare		3,485,384	1,442,995	1,444,339	(1,344)	-0.1%
Housing		586,705	240,697	235,938	4,759	2.0%
Community Amenities		27,934,599	11,276,414	10,413,962	862,452	7.6%
Recreation and Culture		32,733,027	11,707,062	11,499,841	207,221	1.8%
Transport		78,645,533	31,229,609	30,120,268	1,109,341	3.6%
Economic Services		10,502,529	4,077,848	4,201,398	(123,550)	-3.0%
Other Property and Services		4,508,297	(324,322)	412,123	(736,445)	227.1%
Total Operating Expenditure		177,158,097	67,132,369	65,351,403	1,780,966	2.7%
NET FROM OPERATIONS		13,279,924	59,604,446	61,795,368	2,190,922	3.7%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		76,885	80,200	80,200	-	0.0%
- Recreation and Culture		60,000	32,535	22,535	(10,000)	-30.7%
- Transport		1,684,010	429,459	429,460	1	0.0%
Total Grants/Contributions		1,820,895	542,194	532,195	(9,999)	-1.8%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,032,366)	(221,591)	(148,203)	73,388	-33.1%
Change in net assets resulting from operations before significant items		14,068,453	59,925,049	62,179,360	2,254,311	3.8%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,667,000	-	-	-	0.0%
Change in net assets resulting from operations after significant items		15,735,453	59,925,049	62,179,360	2,254,311	3.8%

**CITY OF PERTH
MUNICIPAL**

***Statement of Comprehensive Income for the 5 months ended 30 November 2014
(By Nature)***

	<i>Note</i>	Budget 2014/2015	Revised Budget YTD	Actual YTD 30/11/2014	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
Rates		76,236,923	75,615,810	75,809,117	193,307	0.3%
Grants and Contributions for Non Capital Purposes		1,857,558	522,280	498,857	(23,423)	-4.5%
Donations and Reimbursements		518,722	230,576	181,208	(49,368)	-21.4%
Fees and Charges		104,440,404	47,235,577	46,873,263	(362,314)	-0.8%
Interest and Investment Income		5,487,586	2,511,009	2,632,058	121,049	4.8%
Other Revenue		1,896,827	621,563	1,152,269	530,706	85.4%
Total Revenue from Operating Activities		190,438,021	126,736,815	127,146,771	409,956	0.3%
OPERATING EXPENDITURE						
Employee Costs		64,501,116	25,548,675	25,213,162	335,513	1.3%
Materials and Contracts		49,484,905	17,440,447	16,602,860	837,587	4.8%
Utilities		2,995,573	1,292,834	1,221,412	71,422	5.5%
Depreciation and Amortisation		34,536,990	12,276,228	11,623,295	652,933	5.3%
Interest		1,640,018	658,157	672,252	(14,095)	-2.1%
Insurance		1,179,533	494,825	498,534	(3,709)	-0.7%
Expenses Provision		992,713	411,672	556,804	(145,132)	-35.3%
Other Expenses from Ordinary Activities		21,827,249	9,009,532	8,963,084	46,448	0.5%
Total Expenses from Ordinary Activities		177,158,097	67,132,369	65,351,403	1,780,966	2.7%
Change in Net Assets from Ordinary Activities before Capital Amounts		13,279,924	59,604,446	61,795,368	2,190,922	3.7%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		1,820,895	542,194	532,195	(9,999)	-1.8%
NET OPERATING SURPLUS		15,100,819	60,146,640	62,327,563	2,180,923	3.6%
DISPOSAL/WRITE OFF OF ASSETS	2	(1,032,366)	(221,591)	(148,203)	73,388	-33.1%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,667,000	-	-	-	0.0%
<i>Change in net assets resulting from operations after capital amounts and significant items</i>		15,735,453	59,925,049	62,179,360	2,254,311	3.8%

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 30 November 2014

	Note	30/11/2014	30/06/2014
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	11	1,679,977	4,464,366
Deposits/Prepayments	4	11,124,654	1,420,810
Investments	3, 11	146,221,984	103,131,912
Trade and Other Receivables	5	12,328,639	10,613,937
Rates Receivable	1	9,113,834	52,088
Inventories		2,929,642	2,107,372
TOTAL CURRENT ASSETS		183,398,730	121,790,485
NON CURRENT ASSETS			
Investments	3	9,571,004	9,660,340
Trade and Other Receivables	5	33,808	44,205
Property, Plant and Equipment	8	644,026,766	650,724,102
Infrastructure	8	300,620,808	305,154,277
Capital Work in Progress	8	63,321,710	45,032,351
TOTAL NON CURRENT ASSETS		1,017,574,096	1,010,615,275
TOTAL ASSETS		1,200,972,826	1,132,405,760
CURRENT LIABILITIES			
Trade and Other Payables	6	29,724,798	20,884,773
Employee Benefits	7	10,725,012	10,712,176
Provisions	7	237,997	287,225
Loan Liability	9	6,250,781	6,128,375
TOTAL CURRENT LIABILITIES		46,938,588	38,012,549
NON CURRENT LIABILITIES			
Employee Benefits	7	2,178,257	2,306,727
Provisions	7	3,642,272	3,479,847
Loan Liability	9	40,196,419	42,768,711
TOTAL NON CURRENT LIABILITIES		46,016,948	48,555,285
TOTAL LIABILITIES		92,955,536	86,567,834
NET ASSETS		\$1,108,017,290	\$1,045,837,926
EQUITY			
Accumulated Surplus		660,754,268	587,289,902
Asset Revaluation Reserve	10	372,942,447	372,942,447
Reserves	10	74,320,575	85,605,577
TOTAL EQUITY		\$1,108,017,290	\$1,045,837,926

**CITY OF PERTH
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Statement of Changes in Equity for the 5 months ended 30 November 2014

	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	<u>\$587,289,902</u>	<u>\$372,942,447</u>	<u>\$85,605,577</u>	<u>\$1,045,837,926</u>
	\$	\$	\$	\$
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	62,179,360	-	-	62,179,360
Transfer to Cash Backed Reserves	(1,307,964)	-	1,307,964	-
Transfers to Asset Revaluation Reserve	-	-	-	-
Transfers from Asset Revaluation Reserve	-	-	-	-
Transfer from Cash Backed Reserves	12,592,966	-	(12,592,966)	-
Balance at the end of the reporting period	<u>\$660,754,262</u>	<u>\$372,942,447</u>	<u>\$74,320,575</u>	<u>\$1,108,017,286</u>

**CITY OF PERTH
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Statement of Cash Flows for the 5 months ended 30 November 2014

	Note	Budget 2014/2015	YTD Actual 30/11/2014	YTD Variation	
		\$	\$	\$	%
Cash Flows from Operating Activities					
Receipts					
Rates		76,080,929	63,905,417	(12,175,512)	-16.0%
Fees and Charges		101,023,509	47,960,666	(53,062,843)	-52.5%
Interest		5,436,794	2,517,495	(2,919,299)	-53.7%
Other		5,353,848	1,230,230	(4,123,618)	-77.0%
		187,895,081	115,613,808	(72,281,273)	-38.5%
Payments					
Employee Costs		(64,749,961)	(25,342,149)	39,407,812	60.9%
Materials and Contracts		(49,537,107)	(19,559,012)	29,978,095	60.5%
Interest		(1,600,976)	(640,860)	960,116	60.0%
Other		(21,913,648)	(10,918,434)	10,995,214	50.2%
		(137,801,692)	(56,460,455)	81,341,237	59.0%
Net Cash Flows from Operating Activities	12	50,093,388	59,153,353	9,059,965	-18.1%
Cash Flows from Investing Activities					
Receipts					
Distribution from TPRC		1,667,000	-	(1,667,000)	-100.0%
Proceeds from Disposal of Assets		1,139,000	863,830	(275,170)	-24.2%
Proceeds from Disposal of Investments(Non Current)		-	89,336	89,336	0.0%
Payments					
Purchase Land and Buildings		(23,156,250)	-	23,156,250	-100.0%
Purchase Infrastructure Assets		(38,694,561)	-	38,694,561	-100.0%
Purchase Plant and Mobile Equipment		(4,353,760)	(861,684)	3,492,076	80.2%
Purchase Office Furniture and Equipment		(767,801)	-	767,801	-100.0%
Work in Progress		-	(17,623,566)	(17,623,566)	0.0%
		(66,972,372)	(18,485,250)	48,487,122	72.4%
Net Cash Flows from Investing Activities		(64,166,372)	(17,532,084)	46,634,288	72.7%
Cash Flows from Financing Activities					
					0.0%
Proceeds from Borrowings		1,032,988	-	(1,032,988)	-100.0%
Repayment of Borrowings		(6,128,375)	(2,449,886)	3,678,489	60.0%
		(5,095,387)	(2,449,886)	2,645,501	51.9%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		1,857,558	602,104	(1,255,454)	-67.6%
Capital		1,820,895	532,195	(1,288,700)	-70.8%
		3,678,453	1,134,299	(2,544,154)	-69.2%
Net Increase (Decrease) in Cash Held		(15,489,918)	40,305,682	55,795,600	-360.2%
Cash at 1 July 2014		113,706,928	107,596,278	(6,110,650)	-5.4%
Cash at 30 November 2014	11	98,217,010	147,901,961	49,684,951	50.6%

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Notes to the Balance Sheet for the 5 months ended 30 November 2014

1 Rates Receivable

	Actual YTD 30/11/2014	2013/14 YTD 30/11/2013
	\$	\$
Outstanding Amount at 30 June 2014	52,088	24,530
Rates Levied for the Year	75,946,175	71,007,549
Late Payment Penalties	62,993	58,520
Ex Gratia Rates	10,283	13,125
Rates Administration Fee	275,786	252,951
Rates Instalment Interest	317,472	297,142
Back Rates	(147,341)	1,311
Bins Levy	57,236	22,351
	76,574,692	71,677,479
Amount Received during the Period	67,460,858	63,933,760
Outstanding Amount at 30 November 2014	\$9,113,834	\$7,743,719

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

	Annual Budget	Actual YTD 30/11/2014
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,157,145	5,077
(Loss) on Write Off	(1,157,145)	(5,077)
Plant and Mobile Equipment		
Proceeds on Disposal	1,139,000	863,830
Less: Carrying amount of assets sold/written off	1,014,221	1,004,011
Profit/Loss on Disposal/Write Off	124,779	(140,181)
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)	(\$148,203)

3 Investments

Current	30/11/2014	30/06/2014
Short Term Cash Investments *	\$	\$
Call Funds	1,056,804	1,043,523
Bank/Term Deposits	141,250,000	98,190,000
Balanced Funds	3,915,180	3,898,389
Total Current Investments	\$146,221,984	\$103,131,912

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	30/11/2014	30/06/2014
	\$	\$
Floating Rate Note (FRN)	3,003,655	3,003,655
Mortgage Backed Securities (MBS)	2,675,582	2,764,918
	5,679,237	5,768,573
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	377,011	377,011
Equity in Tamala Park Regional Council	3,504,756	3,504,756
	\$9,571,004	\$9,660,340

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Notes to the Balance Sheet for the 5 months ended 30 November 2014

4 Deposits/Prepayments

	30/11/2014	30/06/2014
	\$	\$
Prepaid Insurance	1,448,319	-
Prepaid Parking Bay Licence Fees	8,200,872	91,560
Other	1,475,463	1,329,250
	\$11,124,654	\$1,420,810

5 Trade And Other Receivables

	30/11/2014	30/06/2014
Current	\$	\$
Emergency Services Levy (ESL)	2,956,254	32,858
Accrued Interest and Investment Income	1,464,585	1,350,021
Accrued Income	1,525,722	831,046
Modified Penalties/Fines and Costs	6,940,907	6,600,487
Debtors - General		
Australian Taxation Office - GST Refundable	423,967	479,963
Works and Services	168,248	156,225
Other Debtors	1,800,366	3,949,938
	15,280,049	13,400,538
Less: Provision for Doubtful Debts	(2,951,410)	(2,786,601)
	\$12,328,639	\$10,613,937
Non Current		
Pensioners' Rates Deferred	33,808	44,205
	\$33,808	\$44,205

6 Trade And Other Payables

	30/11/2014	30/06/2014
Current	\$	\$
Trade Creditors	5,027,989	13,831,285
Emergency Services Levy	15,104,022	-
Interest Payable on Loans	316,199	284,807
Accrued Expenses - Operating	4,774,546	2,818,834
Accrued Expenses - Capital	2,397,281	1,029,676
Advances Received for Recoverable Works	113,036	72,116
Income Received / Raised in Advance	652,580	855,479
Other Creditors	1,339,145	1,992,576
	\$29,724,798	\$20,884,773

MUNICIPAL

Notes to the Balance Sheet for the 5 months ended 30 November 2014

7 Employee Benefits

	30/11/2014	30/06/2014
Current	\$	\$
Leave Entitlements		
Annual Leave	4,274,550	4,397,244
Self Funded Leave	322,467	307,440
Long Service Leave	5,980,666	5,855,705
Recognition of Employees- Presentations	147,329	151,787
	\$10,725,012	\$10,712,176
Non Current		
Annual Leave	1,085,822	1,214,292
Long Service Leave	1,092,435	1,092,435
	\$2,178,257	\$2,306,727

Provisions

	30/11/2014	30/06/2014
Current	\$	\$
Workers Compensation	237,997	287,225
	\$237,997	\$287,225
Non Current		
Provision for Equipment Replacement PCEC	3,642,272	3,479,847
	\$3,642,272	\$3,479,847

8 Property, Plant and Equipment and Work in Progress

	30/11/2014	30/06/2014
	\$	\$
Land and Air Rights - at cost/fair value	381,707,244	381,707,245
Less: Accumulated Depreciation	(2,242,014)	(2,005,206)
	379,465,230	379,702,039
Buildings/Freehold - at fair value	375,163,269	375,188,177
Less: Accumulated Depreciation	(141,442,999)	(138,059,884)
	233,720,270	237,128,293
Improvements - at fair value	7,837,188	7,837,189
Less: Accumulated Depreciation	(4,211,946)	(4,102,509)
	3,625,242	3,734,680
Infrastructure Assets - at cost/fair value	415,256,054	414,735,710
Less: Accumulated Depreciation	(114,635,246)	(109,581,432)
	300,620,808	305,154,278
Plant and Mobile Equipment - at cost/fair value	41,900,807	44,379,151
Less: Accumulated Depreciation	(25,221,117)	(25,496,556)
	16,679,690	18,882,595
Office Furniture and Equipment - at cost/fair value	21,675,805	22,007,987
Less: Accumulated Depreciation	(11,733,978)	(11,325,996)
	9,941,827	10,681,991
Agricultural - at cost	594,507	594,507
Less: Accumulated Depreciation	-	-
	594,507	594,507
Property, Plant and Equipment	944,647,574	955,878,383
Work in Progress - at cost	63,321,710	45,032,351
	63,321,710	45,032,351
Total Property, Plant and Equipment and Work in Progress	\$1,007,969,284	\$1,000,910,730

MUNICIPAL

Notes to the Balance Sheet for the 5 months ended 30 November 2014

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

	Balance 30/06/2014	Acquisitions Actual YTD 30/11/2014	Transfers Actual YTD 30/11/2014	Disposals/ Write off/ Actual YTD 30/11/2014	Balance 30/11/2014
	\$	\$	\$	\$	\$
Land and Air Rights	381,707,245	-	-	-	381,707,245
Buildings	375,188,177	-	11,647	(36,554)	375,163,270
Improvements	7,837,189	-	-	-	7,837,189
Infrastructure Assets	414,735,710	-	531,192	(10,847)	415,256,055
Plant and Mobile Equipment	44,379,151	861,684	-	(3,340,028)	41,900,807
Office Furniture and Equipment	22,007,987	-	-	(332,182)	21,675,805
Agricultural	594,507	-	-	-	594,507
Work in Progress	45,032,351	18,991,171	(701,812)	-	63,321,710
	\$1,291,482,317	\$19,852,857	(158,973)	(\$3,719,611)	\$1,307,456,588

9 Loan Liability

	30/11/2014	30/06/2014
Current	\$	\$
Loans - Western Australian Treasury Corporation	6,250,781	6,128,375
Non Current		
Loans - Western Australian Treasury Corporation	40,196,419	42,768,711

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2014	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 30/11/2014
	\$	\$	\$	\$
Refuse Disposal and Treatment	4,755,639	74,747	-	4,830,386
Concert Hall - Refurbishment and Maint.	4,640,442	72,396	-	4,712,838
Asset Enhancement	30,427,044	454,159	(1,219,165)	29,662,038
Community Recreation Centres/Facilities	337,663	5,268	-	342,931
Street Furniture Replacement	476,186	7,430	-	483,616
Parking Levy	11,099,114	58,977	(11,053,947)	104,144
Art Acquisition	257,642	3,867	(1,636)	259,873
Heritage Incentive	1,113,339	17,452	-	1,130,791
Parking Facilities Development	26,316,681	409,088	(318,218)	26,407,551
Employee Entitlements	1,028,800	16,050	-	1,044,850
David Jones Bridge	260,014	4,057	-	264,071
Bonus Plot Ratio	573,018	8,940	-	581,958
PCEC Fixed Plant Replacement	3,479,847	162,425	-	3,642,272
Enterprise and Initiative	840,154	13,108	-	853,256
	85,605,583	1,307,964	(12,592,966)	74,320,575
* Asset Revaluation	372,942,447	-	-	372,942,447
	\$458,548,030	\$1,307,964	(\$12,592,966)	\$447,263,022

* 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

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Notes to the Balance Sheet for the 5 months ended 30 November 2014

11 Cash Reconciliation

	30/11/2014	30/06/2014
	\$	\$
Cash and Cash Equivalents	1,679,977	4,464,366
Short Term Cash Investments	146,221,984	103,131,912
	\$147,901,961	\$107,596,278

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

	30/11/2014	30/06/2014
	\$	\$
Change in Net Assets Resulting from Operations	62,179,360	29,354,176
Adjustment for items not involving the movement of Funds:		
Depreciation	11,623,295	22,543,017
Doubtful Debts	164,809	36,912
Non Capitalised Work in Progress	158,973	125,694
(Gain)/Loss on Disposal/Write off/Contribution of Assets	148,203	1,561,090
Profit on Disposal of Investments	-	170,926
	74,274,640	53,791,815
Revenues Provided By :		
Government Grants	(1,134,299)	(4,606,455)
Contribution from Other Parties	-	(22,000)
	(1,134,299)	(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	-	-
Decrease in Debtors	-	-
Decrease in Deferred Debtors	10,397	1,955
Decrease in Accrued Income	-	165,623
Increase in Income Received /Raised in Advance	-	699,823
Increase in Accrued Interest Payable	31,392	256,798
Increase in Accrued Expenses	1,955,712	-
Increase in Provisions	-	478,533
Increase in Trade and Other Payables	5,647,295	-
Deduct		
Decrease in Trade and Other Payables	-	(467,888)
Decrease in Income Received /Raised in Advance	(161,979)	-
Decrease in Provisions	(2,437)	-
Increase in Inventories	(822,270)	(330,519)
Increase in Trade and Other Receivables	(10,132,018)	(59,028)
Increase in Prepayments	(9,703,844)	-
Increase in Accrued Income	(694,676)	-
Increase in Accrued Interest and Investment Income	(114,563)	(344,877)
	(13,986,991)	544,355
Net Cash Provided by Operating Activities	\$59,153,353	\$49,707,715

MUNICIPAL

Notes to the Balance Sheet for the 5 months ended 30 November 2014

13 Ratios

	30/11/2014	30/06/2014
1 Current Ratio		
<u>Current Assets minus Restricted Assets</u>		
Current Liabilities minus Liabilities associated with Restricted Assets	2.44	0.83
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	7.74%	7.64%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	2.69%	5.04%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	60.24%	40.71%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	11.90%	0.07%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	15.76	1.29
7 Operating Surplus Ratio		
<u>Operating Revenue Minus Operating Expense</u>		
Own Source Operating Revenue	36.53%	10.82%
8 Own Source Revenue Coverage Ratio		
<u>Own Source Operating Revenue</u>		
Operating Expense	5.16%	5.91%

Restricted Assets includes reserve funds and tied contributions not utilised at 30.11.2014

CITY OF PERTH

FAS GRAPHS

Nov-14

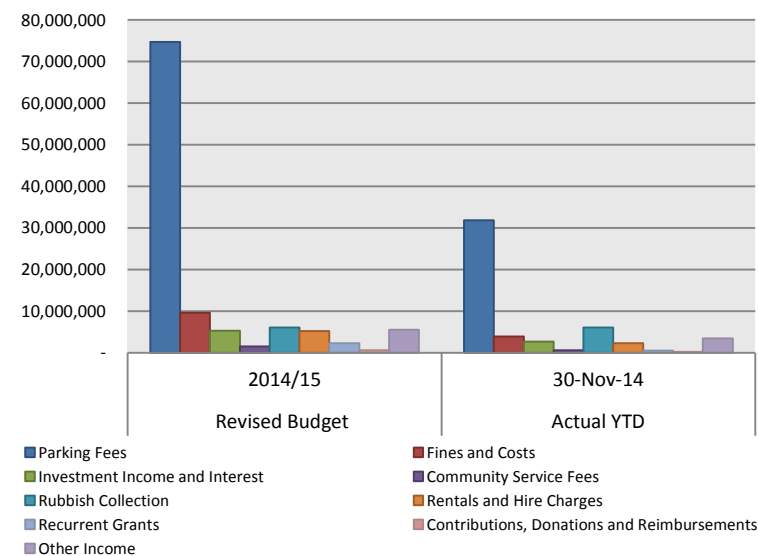
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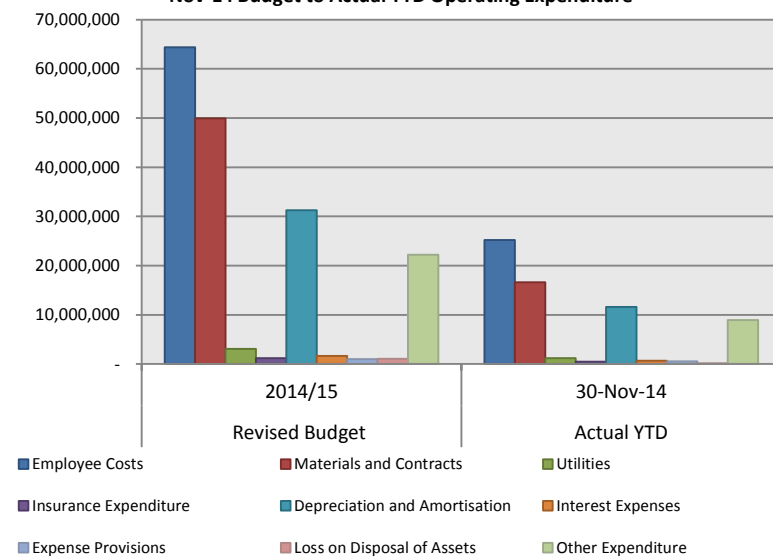
Financial Activity Statement

	Annual	Year To Date Nov-14		
Proceeds from Operating Activities	Revised Budget 2014/15 \$000s	Budget YTD \$000s	Actual \$000s	Variance \$000s
Operating Revenue	110,726	51,121	51,338	217
Less: Operating Expenditure	175,708	67,354	65,500	1,854
Add back Depreciation	-31,227	-12,276	-11,623	-653
(Loss)/Profit on Disposals	-1,032	-222	-148	-74
Net Surplus/(Deficit) from Operations	-32,723	-3,735	-2,391	1,344
Investing Activities				
Capital Expenditure	-78,629	-33,720	-19,862	13,858
Repayment of Borrowings	-6,128	-2,450	-2,450	0
Transfers to Reserves	-22,148	-1,857	-1,308	549
Financing Activities				
Transfers from Reserves	27,955	16,718	7,401	-9,317
Carry Forwards	15,038	8,451	5,604	-2,847
Proceeds from Disposal of Assets	1,139	827	953	126
Distribution from TPRC	1,667	0	0	0
Capital Grants	2,057	542	532	-10
Net Surplus/(Deficit) before Rates	-91,772	-15,224	-11,521	3,703
Add: Opening Funds	16,073	16,073	16,073	0
Less: Closing Funds	428	76,467	80,363	3,897
Amount Sourced from Rates	76,127	75,618	75,811	193

Nov-14 Budget to Actual YTD Operating Revenue



Nov-14 Budget to Actual YTD Operating Expenditure

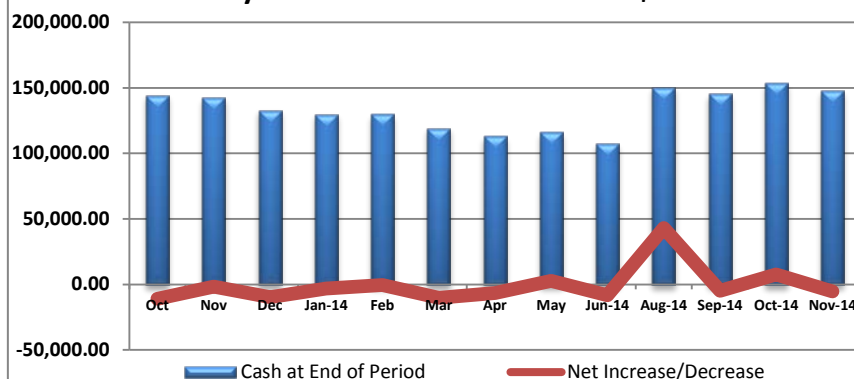


Cash

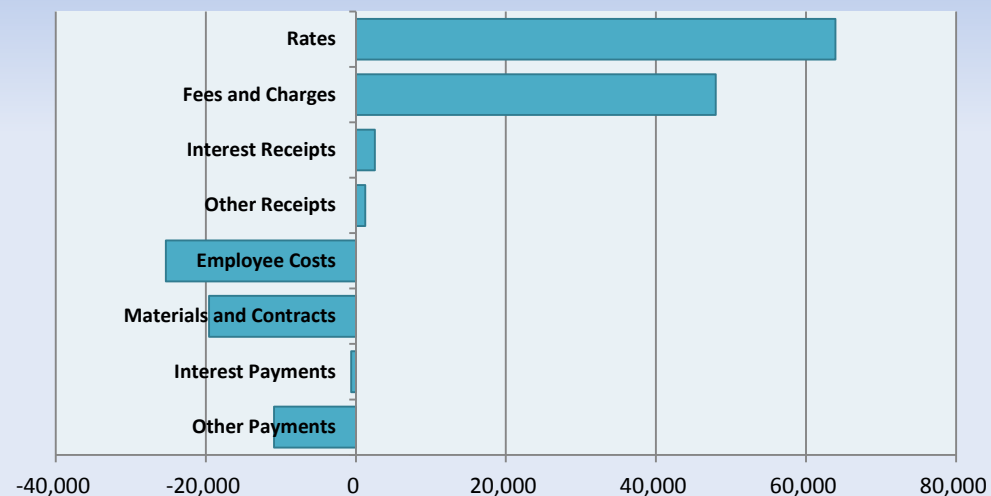
SUMMARY CASH FLOW STATEMENT

	Budget \$'000s 2014/2015	YTD Actual \$'000s Nov-14
Receipts from Customers	187,895	115,614
Payments to Suppliers and Creditors	-137,802	-56,460
Net Cash Inflow/Outflow from Operating Activities	50,093	59,154
Net Cash Inflow/Outflow from Investing Activities	-64,166	-17,532
Net Cash Inflow/Outflow from Financing Activities	-5,095	-2,450
Cash Flows from Government and Other Parties	3,678	1,134
Cash at 1 July 2014	113,707	107,596
Net Increase (Decrease) in Cash Held	-15,490	40,306
Cash at 30 November 2014	98,217	147,902

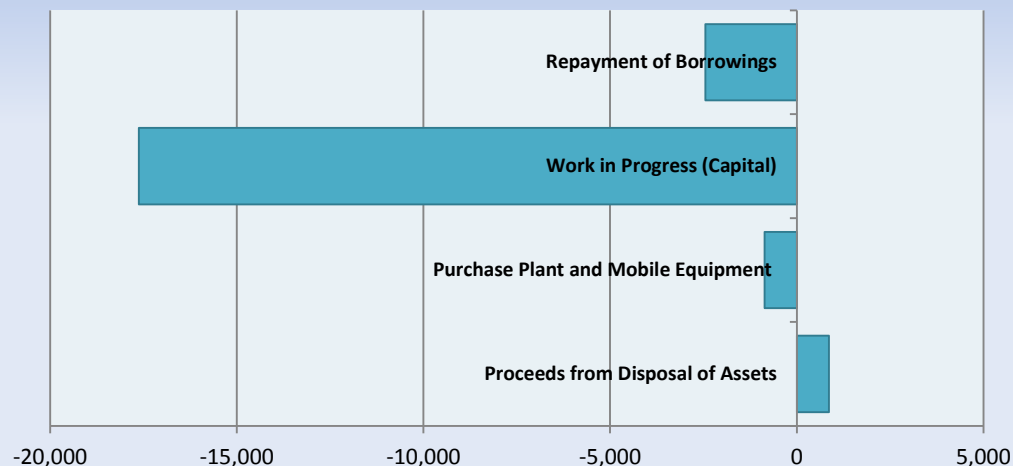
Monthly Cash Movements to Nov-14 \$'000s



Cash Flows from Operating Activities \$'000s



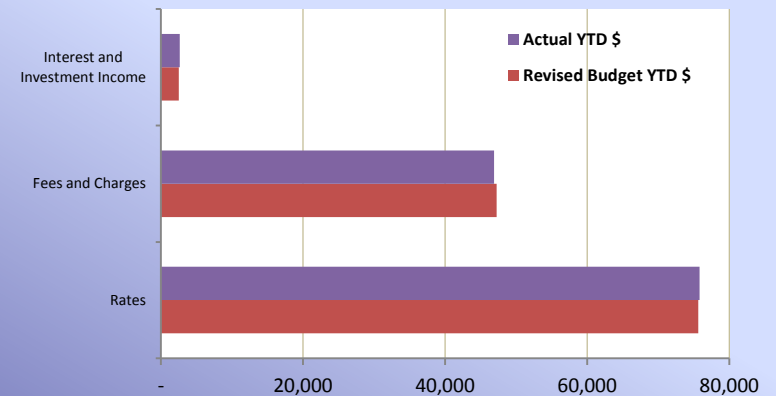
Cash Flows from Investing Activities \$'000s



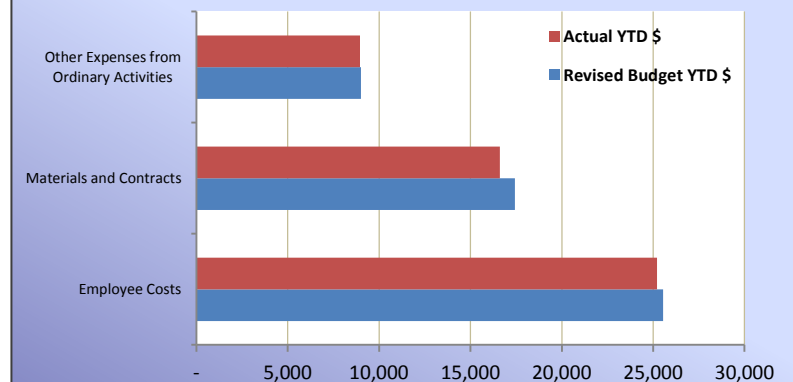
Summary Operating Statement

	2014/2015	Year To Date		
	Original Budget \$000	Revised Budget \$000s	Actual \$000s	Variance \$000s
Operating Revenue	190,438	126,737	127,147	410
less Operating Expenses	-140,982	-54,199	-53,056	1,143
Earnings before Interest and Depreciation (EBID)	49,456	72,538	74,091	1,553
less Interest Expense	-1,640	-658	-672	-14
less Depreciation	-34,537	-12,276	-11,623	653
Operating Surplus/(Deficit)	13,279	59,604	61,796	2,192
Grants and Contributions- Capital	1,821	542	532	-10
NET OPERATING SURPLUS	15,100	60,146	62,328	2,182
DISPOSAL/WRITE OFF OF ASSETS	-1,032	-222	-148	74
Distribution from TPRC	1,667	0	0	0
Change in net assets resulting from operations after capital amounts and significant items	15,735	59,924	62,180	2,256

Operating Revenue YTD Nov-14 \$'000s



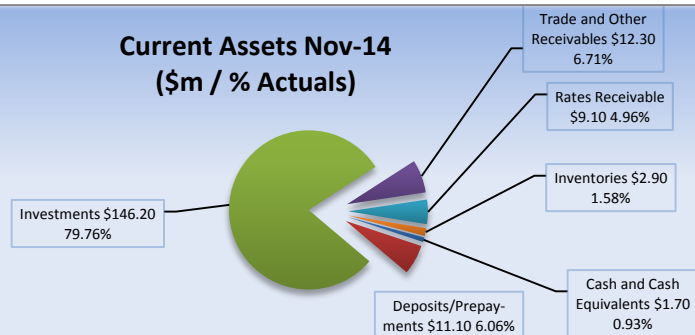
Operating Expenditure YTD Nov-14 \$'000s



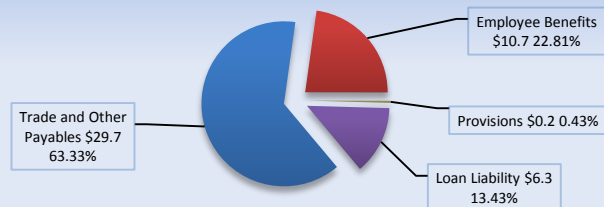
Summary Statement of Financial Position

	30-Nov-14	30-Jun-14
	Actual \$000s	Actual \$000s
Total Current Assets	183,399	121,790
Total Non Current Assets	1,017,574	1,010,615
TOTAL ASSETS	1,200,973	1,132,405
Total Current Liabilities	46,939	38,013
Total Non Current Liabilities	46,017	48,555
TOTAL LIABILITIES	92,956	86,568
NET ASSETS	1,108,017	1,045,838
COMMUNITY EQUITY		
Accumulated Surplus	660,754	587,290
Asset Revaluation Reserve	372,942	372,942
Reserves (Cash Backed)	74,321	85,606
TOTAL EQUITY	1,108,017	1,045,838

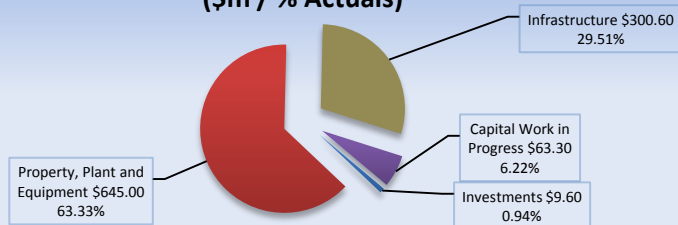
Current Assets Nov-14
(\$m / % Actuals)



Current Liabilities Nov-14
(\$m / % Actuals)



Non-Current Assets Nov-14
(\$m / % Actuals)

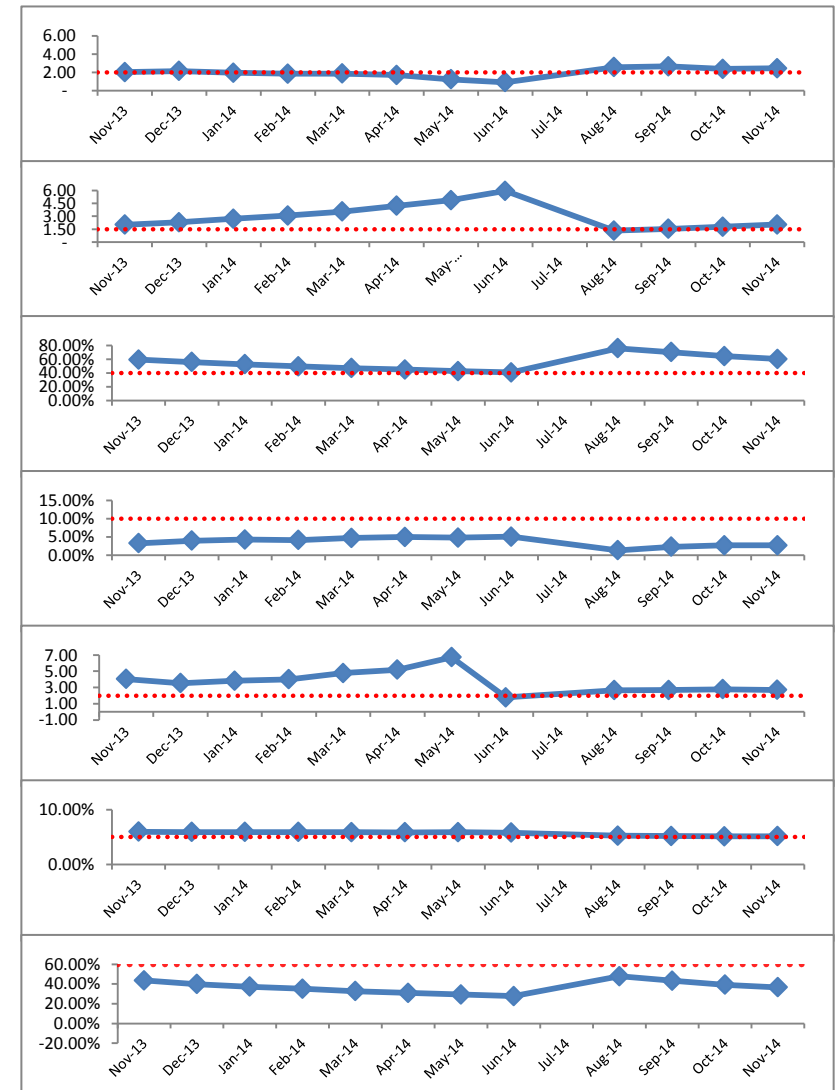


Non-Current Liabilities Nov-14
(\$m / % Actuals)



Ratio Analysis

	Nov-14
Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets)	2.44
Ability to generate working capital to meet our commitments	
Target is greater than 2.00	
Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD)	2.04
Ability to fund capital and exceptional expenditure	
Target is greater than 1.5	
Rate Coverage Ratio (Net Rate Revenue/Operating Revenue)	60.24%
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)	2.69%
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 5 months)	2.71
Ability to manage cashflow	
Target is greater than 2.0 months	
Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets)	5.16%
Ability to retire debt from readily realisable assets	
Target is greater than 5.0%	
Gross Debt to Revenue Ratio (Gross Debt / Total Revenue)	36.53%
Ability to service debt out of total revenue	
Target is less than 60.0%	



FINANCIAL ACTIVITY STATEMENT FOR THE SIX MONTHS TO 31 DECEMBER 2014

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the six months to 31 December 2014 compared to the revised budget approved by Council on 18 November 2014.

Operating Revenue

- Parking revenue is overall \$708,000 below the revised budget, which was reduced by \$3.8 million from the original budget. The shortfall occurred in undercover car parks (\$624,000) with Elder Street (\$261,000), the Convention Centre (\$168,000), Pier Street (\$98,000) and Mayfair Street (\$56,000) being the main car parks experiencing shortfalls. Also Open Air car parks (\$76,000) fell short of the revised budget, mainly Queens Gardens (\$75,000) and Kerbside parking (\$215,000). Compliance revenue from Work Zone fees is \$210,000 above budget owing to the construction activity within the City. Various actions including price reduction to meet competition from adjacent competitors are being initiated.
- Investment income is \$239,000 above the revised budget with high levels of cash invested and a good return from Balance Funds in December of \$80,000. The overall average return for the period was 4.32%.
- Rental and Hire Charges are \$73,000 above budget for the period arising from Banners \$22,000, Affordable Housing \$48,000 and Reserve Hire \$40,000, partly offset by smaller variances across a range of activities.
- Recurrent Grants are (\$142,000) below the revised budget as a result of timing of receipts of Main Roads Department Blackspot grants (\$108,000).
- Other income is \$803,000 above the revised budget following an earlier than expected payment from the Lotteries Commission of a \$358,000 grant in respect of the Channel 7 Christmas Pageant and offsetting sponsorship of the Pageant. Additionally Planning Fees are \$184,000 higher, Rates Administration \$98,000, an insurance rebate \$105,000 was received and a timing difference on an anticipated FESA administration fee of \$100,000 contributed to the favourable variance.

Operating Expenditure

- Employee costs are \$587,000 below the revised budget due to vacancies resulting in timing differences in the recruitment of staff.
- Materials and contracts are \$2.2 million under the revised budget, which is spread through a range of activities. The principal area is

**FINANCIAL ACTIVITY STATEMENT FOR THE SIX MONTHS TO
31 DECEMBER 2014**

REPORT OF VARIANCES TO BUDGET

property maintenance which is \$404,000 lower, covering Council House, various car parks and a number of other buildings. Other areas include contractor expenditure in the Hay Street Mall \$196,000, Footpaths \$177,000, Road Reserves \$183,000, Consultancy \$185,000, Security Services \$162,000, Drainage \$110,000 and smaller variances spread generally throughout the organisation.

- Utilities are \$126,000 below revised budget mainly due to lower power costs \$99,000.
- Depreciation is \$955,000 under the budget including Roads and Kerbs \$665,000, Buildings \$110,000 and Computers \$150,000. Timing of additional depreciation is dependent upon capitalisation of completed works and asset purchases, plus bringing on revalued infrastructure.
- Expense provisions are (\$151,000) above the revised budget due to reclassification of some infrastructure projects recognised as operational rather than being capitalised as assets.
- Loss on disposal of assets lagged behind expected write-offs which normally occur upon close outs of completed works.

Investing Activities

- Capital expenditure is \$20.8 million less than anticipated but this variance will be reduced as projects underway accelerate as part of the timing process. A number of large projects are nearing completion or being progressed, including the City of Perth Library and Public Plaza, drainage at Kings Park and Mounts Bay Road, lighting in St Georges Terrace (William to King Streets) and Barrack Street 2-Way Conversion.
- Transfers to Reserves are running marginally ahead of the revised budget.

Financing Activities

- Transfers from Reserves are below the expected level in the revised budget by (\$8.6 million), which is in line with timing of capital expenditure.
- Funding from carry forwards expected in the revised budget is also dependant on the progress of the capital works program.
- Proceeds from the disposal of assets realised \$115,000 more funds than anticipated in the revised budget.

**FINANCIAL ACTIVITY STATEMENT FOR THE SIX MONTHS TO
31 DECEMBER 2014**

REPORT OF VARIANCES TO BUDGET

Amounts sourced from Rates

- Rates revenue raised is running close to revised budget.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 December 2014

	Revised Budget 2014/15 \$	Budget YTD 31-Dec-14 \$	Actual YTD 31-Dec-14 \$	Variance YTD 31-Dec-14 \$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	74,755,597	38,355,296	37,647,120	(708,176)
Fines and Costs	9,617,112	4,623,450	4,582,494	(40,956)
Investment Income and Interest	5,271,058	2,959,730	3,198,443	238,713
Community Service Fees	1,495,502	762,956	750,286	(12,670)
Rubbish Collection	6,021,816	6,000,982	6,010,174	9,192
Rentals and Hire Charges	5,181,125	2,684,874	2,758,240	73,367
Recurrent Grants	2,310,946	645,541	503,460	(142,081)
Contributions, Donations and Reimbursements	549,849	235,726	226,108	(9,618)
Other Income	5,522,863	3,070,504	3,873,651	803,148
	110,725,869	59,339,058	59,549,977	210,919
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	64,406,792	31,195,956	30,608,860	587,096
Materials and Contracts	49,926,976	22,779,802	20,615,343	2,164,459
Utilities	3,064,779	1,582,211	1,456,586	125,625
Insurance Expenditure	1,166,965	591,887	598,323	(6,436)
Depreciation and Amortisation	31,227,307	14,921,669	13,966,351	955,318
Interest Expenses	1,680,797	787,050	792,751	(5,701)
Expense Provisions	992,713	479,420	631,116	(151,696)
Loss on Disposal of Assets	1,032,366	337,416	146,597	190,819
Other Expenditure	22,209,797	11,255,707	11,230,255	25,452
	175,708,492	83,931,117	80,046,182	3,884,935
Add back Depreciation	(31,227,307)	(14,921,669)	(13,966,351)	(955,318)
(Loss) / Profit on Disposals	(1,032,366)	(337,416)	(146,597)	(190,819)
	143,448,819	68,672,032	65,933,234	2,738,798
Net Surplus/(Deficit) from Operations	(32,722,950)	(9,332,974)	(6,383,257)	2,949,717
Investing Activities				
Capital Expenditure	(78,628,637)	(48,666,928)	(27,852,510)	20,814,418
Repayment of Borrowings	(6,128,375)	(3,445,548)	(3,445,548)	-
Transfers to Reserves	(22,147,677)	(2,232,971)	(2,790,465)	(557,494)
	(106,904,689)	(54,345,447)	(34,088,523)	20,256,924
Financing Activities				
Transfer from Reserves	27,955,363	14,531,589	5,833,903	(8,697,686)
Carry Forwards	15,038,420	12,310,032	9,332,659	(2,977,373)
Proceeds from Disposal of Assets/Investments	1,139,000	924,181	1,039,720	115,539
Distribution from TPRC	1,667,000	1,667,000	1,667,000	-
Capital Grants	2,057,337	542,194	744,523	202,329
	47,857,120	29,974,995	18,617,805	(11,357,190)
Net Surplus/(Deficit) before Rates	(91,770,519)	(33,703,426)	(21,853,975)	11,849,451
Add: Opening Funds	16,073,145	16,073,145	16,073,145	-
Less: Closing Funds	428,477	58,070,528	69,965,320	11,894,792
Amount Sourced from Rates	76,125,851	75,700,810	75,746,150	45,340

Net Cash on Hand				
Cash On Hand	3,347,108	594,628	(566,242)	(1,160,870)
Money Market Investments	96,209,472	129,755,099	139,605,042	9,849,944
Funds on Hand	99,556,580	130,349,727	138,310,248	7,960,521
Analysis of Funds on Hand				
Reserves	76,460,086	57,345,065	62,699,452	5,354,388
Provisions	11,525,004	12,756,696	10,812,171	(1,944,525)
Carry forwards	-	7,552,813	6,835,125	(717,688)
Restricted Grants not yet utilised	437,037	482,500	437,037	(45,463)
General Funds	11,134,453	52,212,653	57,526,463	5,313,810
Funds on Hand	99,556,580	130,349,727	138,310,248	7,960,521

CURRENT POSITION AS AT THE END OF THE PERIOD

31-December-2014

	2014/15 Revised Budget	2014/15 Budget YTD	2014/15 Actual YTD	2014/15 Variance
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	3,347,108	594,628	162,310	(432,318)
Deposits and Prepayments	1,527,289	8,717,490	9,646,256	928,766
Money Market Investments - Municipal Funds	19,749,386	72,410,034	76,905,590	4,495,556
Money Market Investments - Restricted Funds	76,460,086	57,345,065	62,699,452	5,354,388
Trade and Other Receivables	12,403,590	13,833,371	15,921,907	2,088,536
Inventories	2,845,342	2,037,468	3,003,998	966,530
Total Current Assets	116,332,801	154,938,056	168,339,513	13,401,457
Current Liabilities				
Bank Overdraft			728,552	728,552
Trade and Other Payables	27,476,715	25,073,038	23,497,284	(1,575,754)
Employee Entitlements	11,525,004	12,532,695	10,812,171	(1,720,524)
Provisions	224,001	224,001	199,697	(24,304)
Borrowings	6,441,707	5,855,175	5,855,175	-
Total Current Liabilities	45,667,427	43,684,909	41,092,879	- 2,592,030
Working Capital Position Brought Forward	\$ 70,665,374	\$ 111,253,147	\$ 127,246,634	\$ 15,993,487
Deduct Restricted Cash Holdings	(76,460,086)	(57,345,065)	(62,699,452)	(5,354,388)
Deduct Unspent Borrowings	(218,519)	(1,210,229)	-	1,210,229
Deduct Restricted Capital Grants	-	(482,500)	(437,037)	45,463
Add Current Borrowings	6,441,707	5,855,175	5,855,175	-
Current Funds Position Brought Forward	\$ 428,477	\$ 58,070,528	\$ 69,965,320	\$ 11,894,792

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 6 months ended 31 December 2014

**CITY OF PERTH
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**Statement of Comprehensive Income for the 6 months ended 31 December 2014
(By Program)**

	<i>Note</i>	Budget 2014/2015	Revised Budget YTD	Actual YTD 31/12/2014	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
Governance		-	51	383	332	651.0%
General Purpose Funding Rates		77,090,912	76,390,278	76,542,962	152,684	0.2%
General Purpose Funding Other		5,698,125	3,058,178	3,257,827	199,649	6.5%
Law, Order, Public Safety		43,850	23,683	22,074	(1,609)	-6.8%
Health		794,500	847,202	855,230	8,028	0.9%
Education and Welfare		2,004,694	1,051,382	1,012,739	(38,643)	-3.7%
Housing		599,130	314,160	362,272	48,112	15.3%
Community Amenities		8,834,955	7,621,751	7,862,496	240,745	3.2%
Recreation and Culture		2,020,166	443,961	845,970	402,009	90.6%
Transport		90,391,399	44,039,783	43,192,161	(847,622)	-1.9%
Economic Services		1,271,410	600,784	583,079	(17,705)	-2.9%
Other Property and Services		1,688,879	648,655	758,932	110,277	17.0%
Total Operating Income		190,438,021	135,039,868	135,296,125	256,257	0.2%
OPERATING EXPENDITURE						
Governance		10,146,717	4,897,315	4,383,488	513,827	10.5%
General Purpose Funding		2,780,601	1,472,467	1,403,219	69,248	4.7%
Law, Order, Public Safety		3,754,876	1,856,806	1,826,387	30,419	1.6%
Health		2,079,830	1,046,065	896,253	149,812	14.3%
Education and Welfare		3,485,384	1,748,825	1,733,170	15,655	0.9%
Housing		586,705	303,540	277,885	25,655	8.5%
Community Amenities		27,934,599	13,869,570	12,627,706	1,241,864	9.0%
Recreation and Culture		32,733,027	15,103,391	14,705,151	398,240	2.6%
Transport		78,645,533	37,954,950	35,872,314	2,082,636	5.5%
Economic Services		10,502,529	5,321,193	5,417,884	(96,691)	-1.8%
Other Property and Services		4,508,297	(10,418)	756,125	(766,543)	7357.9%
Total Operating Expenditure		177,158,097	83,563,703	79,899,582	3,664,121	4.4%
NET FROM OPERATIONS		13,279,924	51,476,165	55,396,543	3,920,378	7.6%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		76,885	80,200	80,200	-	0.0%
- Recreation and Culture		60,000	32,535	22,535	(10,000)	-30.7%
- Transport		1,684,010	429,459	641,788	212,329	49.4%
Total Grants/Contributions		1,820,895	542,194	744,523	202,329	37.3%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,032,366)	(337,416)	(146,597)	190,819	-56.6%
Change in net assets resulting from operations before significant items		14,068,453	51,680,943	55,994,469	4,313,526	8.3%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,667,000	-	-	-	0.0%
Change in net assets resulting from operations after significant items		15,735,453	51,680,943	55,994,469	4,313,526	8.3%

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 6 months ended 31 December 2014

(By Nature)

	<i>Note</i>	Budget 2014/2015	Revised Budget YTD	Actual YTD 31/12/2014	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
Rates		76,236,923	75,700,810	75,746,150	45,340	0.1%
Grants and Contributions for Non Capital Purposes		1,857,558	645,541	503,460	(142,081)	-22.0%
Donations and Reimbursements		518,722	235,726	226,108	(9,618)	-4.1%
Fees and Charges		104,440,404	54,749,833	54,333,488	(416,345)	-0.8%
Interest and Investment Income		5,487,586	2,959,730	3,198,443	238,713	8.1%
Other Revenue		1,896,827	748,228	1,288,477	540,249	72.2%
Total Revenue from Operating Activities		190,438,021	135,039,868	135,296,125	256,257	0.2%
OPERATING EXPENDITURE						
Employee Costs		64,501,116	31,195,956	30,608,860	587,096	1.9%
Materials and Contracts		49,484,905	22,779,802	20,615,343	2,164,459	9.5%
Utilities		2,995,573	1,582,211	1,456,586	125,625	7.9%
Depreciation and Amortisation		34,536,990	14,921,669	13,966,348	955,321	6.4%
Interest		1,640,018	787,050	792,751	(5,701)	-0.7%
Insurance		1,179,533	591,887	598,323	(6,436)	-1.1%
Expenses Provision		992,713	479,420	631,116	(151,696)	-31.6%
Other Expenses from Ordinary Activities		21,827,249	11,225,707	11,230,255	(4,548)	0.0%
Total Expenses from Ordinary Activities		177,158,097	83,563,703	79,899,582	3,664,121	4.4%
Change in Net Assets from Ordinary Activities before Capital Amounts		13,279,924	51,476,165	55,396,543	3,920,378	7.6%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		1,820,895	542,194	744,523	202,329	37.3%
NET OPERATING SURPLUS		15,100,819	52,018,359	56,141,066	4,122,707	7.9%
DISPOSAL/WRITE OFF OF ASSETS	2	(1,032,366)	(337,416)	(146,597)	190,819	-56.6%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,667,000	-	-	-	0.0%
<i>Change in net assets resulting from operations after capital amounts and significant items</i>		15,735,453	51,680,943	55,994,469	4,313,526	8.3%

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 December 2014

	Note	31/12/2014	30/06/2014
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	11	162,310	4,464,366
Deposits/Prepayments	4	9,646,256	1,420,810
Investments	3, 11	139,605,042	103,131,912
Trade and Other Receivables	5	10,523,820	10,613,937
Rates Receivable	1	5,398,087	52,088
Inventories		3,003,998	2,107,372
TOTAL CURRENT ASSETS		168,339,513	121,790,485
NON CURRENT ASSETS			
Investments	3	8,404,337	9,660,340
Trade and Other Receivables	5	34,211	44,205
Property, Plant and Equipment	8	643,467,804	650,724,102
Infrastructure	8	300,334,669	305,154,277
Capital Work in Progress	8	67,794,121	45,032,351
TOTAL NON CURRENT ASSETS		1,020,035,142	1,010,615,275
TOTAL ASSETS		1,188,374,655	1,132,405,760
CURRENT LIABILITIES			
Bank Overdraft	11	728,552	-
Trade and Other Payables	6	23,497,284	20,884,773
Employee Benefits	7	10,812,171	10,712,176
Provisions	7	199,697	287,225
Loan Liability	9	5,855,175	6,128,375
TOTAL CURRENT LIABILITIES		41,092,879	38,012,549
NON CURRENT LIABILITIES			
Employee Benefits	7	2,178,257	2,306,727
Provisions	7	3,674,757	3,479,847
Loan Liability	9	39,596,363	42,768,711
TOTAL NON CURRENT LIABILITIES		45,449,377	48,555,285
TOTAL LIABILITIES		86,542,256	86,567,834
NET ASSETS		\$1,101,832,399	\$1,045,837,926
EQUITY			
Accumulated Surplus		653,780,518	587,289,902
Asset Revaluation Reserve	10	372,942,447	372,942,447
Reserves	10	75,109,434	85,605,577
TOTAL EQUITY		\$1,101,832,399	\$1,045,837,926

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 6 months ended 31 December 2014

	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	55,994,469	-	-	55,994,469
Transfer to Cash Backed Reserves	(2,790,465)	-	2,790,465	-
Transfers to Asset Revaluation Reserve	-	-	-	-
Transfers from Asset Revaluation Reserve	-	-	-	-
Transfer from Cash Backed Reserves	13,286,608	-	(13,286,608)	-
Balance at the end of the reporting period	\$653,780,512	\$372,942,447	\$75,109,434	\$1,101,832,395

**CITY OF PERTH
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Statement of Cash Flows for the 6 months ended 31 December 2014

	Note	Budget 2014/2015	YTD Actual 31/12/2014	YTD Variation	
		\$	\$	\$	%
Cash Flows from Operating Activities					
Receipts					
Rates		76,080,929	68,674,009	(7,406,920)	-9.7%
Fees and Charges		101,023,509	56,348,845	(44,674,664)	-44.2%
Interest		5,436,794	2,966,589	(2,470,205)	-45.4%
Other		5,353,848	1,371,316	(3,982,532)	-74.4%
		187,895,081	129,360,759	(58,534,322)	-31.2%
Payments					
Employee Costs		(64,749,961)	(31,570,563)	33,179,398	51.2%
Materials and Contracts		(49,537,107)	(28,242,277)	21,294,830	43.0%
Interest		(1,600,976)	(962,632)	638,344	39.9%
Other		(21,913,648)	(13,562,395)	8,351,253	38.1%
		(137,801,692)	(74,337,867)	63,463,825	46.1%
Net Cash Flows from Operating Activities	12	50,093,388	55,022,892	4,929,504	-9.8%
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	950,384	(188,616)	-16.6%
Proceeds from Disposal of Investments(Non Current)		-	89,336	89,336	0.0%
Payments					
Purchase Land and Buildings		(23,156,250)	-	23,156,250	-100.0%
Purchase Infrastructure Assets		(38,694,561)	-	38,694,561	-100.0%
Purchase Plant and Mobile Equipment		(4,353,760)	(1,696,378)	2,657,382	61.0%
Purchase Office Furniture and Equipment		(767,801)	-	767,801	-100.0%
Work in Progress		-	(22,036,084)	(22,036,084)	0.0%
		(66,972,372)	(23,732,462)	43,239,910	64.6%
Net Cash Flows from Investing Activities		(64,166,372)	(21,526,075)	42,640,297	66.5%
Cash Flows from Financing Activities					
Proceeds from Borrowings		1,032,988	-	(1,032,988)	-100.0%
Repayment of Borrowings		(6,128,375)	(3,445,548)	2,682,827	43.8%
		(5,095,387)	(3,445,548)	1,649,839	32.4%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		1,857,558	646,729	(1,210,829)	-65.2%
Capital		1,820,895	744,523	(1,076,372)	-59.1%
		3,678,453	1,391,252	(2,287,201)	-62.2%
Net Increase (Decrease) in Cash Held		(15,489,918)	31,442,521	46,932,439	-303.0%
Cash at 1 July 2014		113,706,928	107,596,278	(6,110,650)	-5.4%
Cash at 31 December 2014	11	98,217,010	139,038,800	40,821,790	41.6%

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Notes to the Balance Sheet for the 6 months ended 31 December 2014

1 Rates Receivable

	Actual YTD 31/12/2014	2013/14 YTD 31/12/2013
	\$	\$
Outstanding Amount at 30 June 2014	52,088	24,530
Rates Levied for the Year	75,883,208	71,164,704
Late Payment Penalties	70,595	69,750
Ex Gratia Rates	10,283	13,125
Rates Administration Fee	280,254	258,581
Rates Instalment Interest	317,472	297,142
Back Rates	(147,341)	1,311
Bins Levy	22,511	3,692
	76,489,070	71,832,835
Amount Received during the Period	71,090,983	66,914,836
Outstanding Amount at 31 December 2014	\$5,398,087	\$4,917,999

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

	Annual Budget	Actual YTD 31/12/2014
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,157,145	5,077
(Loss) on Write Off	(1,157,145)	(5,077)
Plant and Mobile Equipment		
Proceeds on Disposal	1,139,000	950,384
Less: Carrying amount of assets sold/written off	1,014,221	1,088,959
Profit/Loss on Disposal/Write Off	124,779	(138,575)
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)	(\$146,597)

3 Investments

Current	31/12/2014	30/06/2014
Short Term Cash Investments *	\$	\$
Call Funds	1,059,410	1,043,523
Bank/Term Deposits	134,550,000	98,190,000
Balanced Funds	3,995,632	3,898,389
Total Current Investments	\$139,605,042	\$103,131,912

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	31/12/2014	30/06/2014
	\$	\$
Floating Rate Note (FRN)	3,003,655	3,003,655
Mortgage Backed Securities (MBS)	2,675,582	2,764,918
	5,679,237	5,768,573
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	377,011	377,011
Equity in Tamala Park Regional Council	2,338,089	3,504,756
	\$8,404,337	\$9,660,340

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Notes to the Balance Sheet for the 6 months ended 31 December 2014

4 Deposits/Prepayments

	31/12/2014	30/06/2014
	\$	\$
Prepaid Insurance	1,241,416	-
Prepaid Parking Bay Licence Fees	7,029,319	91,560
Other	1,375,521	1,329,250
	\$9,646,256	\$1,420,810

5 Trade And Other Receivables

	31/12/2014	30/06/2014
Current	\$	\$
Emergency Services Levy (ESL)	1,805,314	32,858
Accrued Interest and Investment Income	1,581,876	1,350,021
Accrued Income	880,950	831,046
Modified Penalties/Fines and Costs	6,764,027	6,600,487
Debtors - General		
Australian Taxation Office - GST Refundable	337,798	479,963
Works and Services	165,692	156,225
Other Debtors	1,817,514	3,949,938
	13,353,171	13,400,538
Less: Provision for Doubtful Debts	(2,829,351)	(2,786,601)
	\$10,523,820	\$10,613,937
Non Current		
Pensioners' Rates Deferred	34,211	44,205
	\$34,211	\$44,205

6 Trade And Other Payables

	31/12/2014	30/06/2014
Current	\$	\$
Trade Creditors	4,952,194	13,831,285
Emergency Services Levy	8,673,998	-
Interest Payable on Loans	114,926	284,807
Accrued Expenses - Operating	3,721,442	2,818,834
Accrued Expenses - Capital	3,205,380	1,029,676
Advances Received for Recoverable Works	110,079	72,116
Income Received / Raised in Advance	794,834	855,479
Other Creditors	1,924,431	1,992,576
	\$23,497,284	\$20,884,773

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2014

7 Employee Benefits

	31/12/2014	30/06/2014
Current	\$	\$
Leave Entitlements		
Annual Leave	4,301,733	4,397,244
Self Funded Leave	321,114	307,440
Long Service Leave	6,041,995	5,855,705
Recognition of Employees- Presentations	147,329	151,787
	\$10,812,171	\$10,712,176
Non Current		
Annual Leave	1,085,822	1,214,292
Long Service Leave	1,092,435	1,092,435
	\$2,178,257	\$2,306,727

Provisions

	31/12/2014	30/06/2014
Current	\$	\$
Workers Compensation	199,697	287,225
	\$199,697	\$287,225
Non Current		
Provision for Equipment Replacement PCEC	3,674,757	3,479,847
	\$3,674,757	\$3,479,847

8 Property, Plant and Equipment and Work in Progress

	31/12/2014	30/06/2014
	\$	\$
Land and Air Rights - at cost/fair value	381,707,244	381,707,245
Less: Accumulated Depreciation	(2,289,994)	(2,005,206)
	379,417,250	379,702,039
Buildings/Freehold - at fair value	375,163,269	375,188,177
Less: Accumulated Depreciation	(142,134,640)	(138,059,884)
	233,028,629	237,128,293
Improvements - at fair value	7,837,188	7,837,189
Less: Accumulated Depreciation	(4,234,120)	(4,102,509)
	3,603,068	3,734,680
Infrastructure Assets - at cost/fair value	416,004,260	414,735,710
Less: Accumulated Depreciation	(115,669,591)	(109,581,432)
	300,334,669	305,154,278
Plant and Mobile Equipment - at cost/fair value	42,573,800	44,379,151
Less: Accumulated Depreciation	(25,549,811)	(25,496,556)
	17,023,989	18,882,595
Office Furniture and Equipment - at cost/fair value	21,675,805	22,007,987
Less: Accumulated Depreciation	(11,875,444)	(11,325,996)
	9,800,361	10,681,991
Agricultural - at cost	594,507	594,507
Less: Accumulated Depreciation	-	-
	594,507	594,507
Property, Plant and Equipment	943,802,473	955,878,383
Work in Progress - at cost	67,794,121	45,032,351
	67,794,121	45,032,351
Total Property, Plant and Equipment and Work in Progress	\$1,011,596,594	\$1,000,910,730

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2014

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

	Balance 30/06/2014	Acquisitions Actual YTD 31/12/2014	Transfers Actual YTD 31/12/2014	Disposals/ Write off/ Actual YTD 31/12/2014	Balance 31/12/2014
	\$	\$	\$	\$	\$
Land and Air Rights	381,707,245	-	-	-	381,707,245
Buildings	375,188,177	-	11,647	(36,554)	375,163,270
Improvements	7,837,189	-	-	-	7,837,189
Infrastructure Assets	414,735,710	-	1,279,398	(10,847)	416,004,261
Plant and Mobile Equipment	44,379,151	1,696,378	-	(3,501,729)	42,573,800
Office Furniture and Equipment	22,007,987	-	-	(332,182)	21,675,805
Agricultural	594,507	-	-	-	594,507
Work in Progress	45,032,351	24,211,788	(1,450,018)	-	67,794,121
	\$1,291,482,317	\$25,908,168	(158,973)	(\$3,881,312)	\$1,313,350,198

9 Loan Liability

	31/12/2014	30/06/2014
Current	\$	\$
Loans - Western Australian Treasury Corporation	5,855,175	6,128,375
Non Current		
Loans - Western Australian Treasury Corporation	39,596,363	42,768,711

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2014	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 31/12/2014
	\$	\$	\$	\$
Refuse Disposal and Treatment	4,755,639	92,494	(373,910)	4,474,223
Concert Hall - Refurbishment and Maint.	4,640,442	91,164	-	4,731,606
Asset Enhancement	30,427,044	572,141	(1,254,734)	29,744,451
Community Recreation Centres/Facilities	337,663	6,634	-	344,297
Street Furniture Replacement	476,186	9,356	-	485,542
Parking Levy	11,099,114	59,392	(11,053,947)	104,559
Art Acquisition	257,642	4,898	(2,545)	259,995
Heritage Incentive	1,113,339	21,955	-	1,135,294
Parking Facilities Development	26,316,681	513,124	(601,472)	26,228,333
Employee Entitlements	1,028,800	20,211	-	1,049,011
David Jones Bridge	260,014	5,109	-	265,123
Bonus Plot Ratio	573,018	11,258	-	584,276
PCEC Fixed Plant Replacement	3,479,847	194,910	-	3,674,757
Enterprise and Initiative	840,154	1,187,819	-	2,027,967
	85,605,583	2,790,465	(13,286,608)	75,109,434
* Asset Revaluation	372,942,447	-	-	372,942,447
	\$458,548,030	\$2,790,465	(\$13,286,608)	\$448,051,881

* 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 6 months ended 31 December 2014

11 Cash Reconciliation

	31/12/2014	30/06/2014
	\$	\$
Cash and Cash Equivalents	162,310	4,464,366
Short Term Cash Investments	139,605,042	103,131,912
Bank Overdraft	(728,552)	-
	\$139,038,800	\$107,596,278

Bank Overdraft

As at the 31/12/2014 the general ledger bank accounts are shown to be in overdraft. The actual physical bank accounts on the respective date were not overdrawn. The reason for the different positions is that cheques have been drawn on the bank accounts and reflected within the general ledger on the day, but remain unrepresented at the bank on the reporting day.

However there is a right of set off between all the bank accounts of the City and with this set off, the City was not in overdraft on 31 December 2014

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

	31/12/2014	30/06/2014
	\$	\$
Change in Net Assets Resulting from Operations	55,994,469	29,354,176
Adjustment for items not involving the movement of Funds:		
Depreciation	13,966,348	22,543,017
Doubtful Debts	42,750	36,912
Non Capitalised Work in Progress	158,973	125,694
(Gain)/Loss on Disposal/Write off/Contribution of Assets	146,597	1,561,090
Profit on Disposal of Investments	-	170,926
	70,309,137	53,791,815
Revenues Provided By :		
Government Grants	(1,391,252)	(4,606,455)
Contribution from Other Parties	-	(22,000)
	(1,391,252)	(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 Deferred Debtors	9,994	1,955
Decrease in Accrued Income	-	165,623
Increase in Income Received /Raised in Advance	-	699,823
Increase in Accrued Interest Payable	-	256,798
Increase in Accrued Expenses	902,608	-
Increase in Provisions	78,907	478,533
Deduct		
Decrease in Trade and Other Payables	(273,238)	(467,888)
Decrease in Income Received /Raised in Advance	(22,682)	-
Decrease in Accrued Interest Payable	(169,881)	-
Increase in Inventories	(896,626)	(330,519)
Increase in Trade and Other Receivables	(5,016,874)	(59,028)
Increase in Prepayments	(8,225,446)	-
Increase in Accrued Income	(49,904)	-
Increase in Accrued Interest and Investment Income	(231,854)	(344,877)
	(13,894,996)	544,355
Net Cash Provided by Operating Activities	\$55,022,892	\$49,707,715

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2014

13 Ratios

	31/12/2014	30/06/2014
1 Current Ratio		
<u>Current Assets</u> minus <u>Restricted Assets</u>		
Current Liabilities minus Liabilities associated with Restricted Assets	2.41	0.83
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	7.28%	7.64%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	3.40%	5.04%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	56.57%	40.71%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	7.06%	0.07%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	14.06	1.29
7 Operating Surplus Ratio		
<u>Operating Revenue Minus Operating Expense</u>		
Own Source Operating Revenue	34.13%	10.82%
8 Own Source Revenue Coverage Ratio		
<u>Own Source Operating Revenue</u>		
Operating Expense	5.20%	5.91%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.12.2014

CITY OF PERTH

FAS GRAPHS

Dec-14

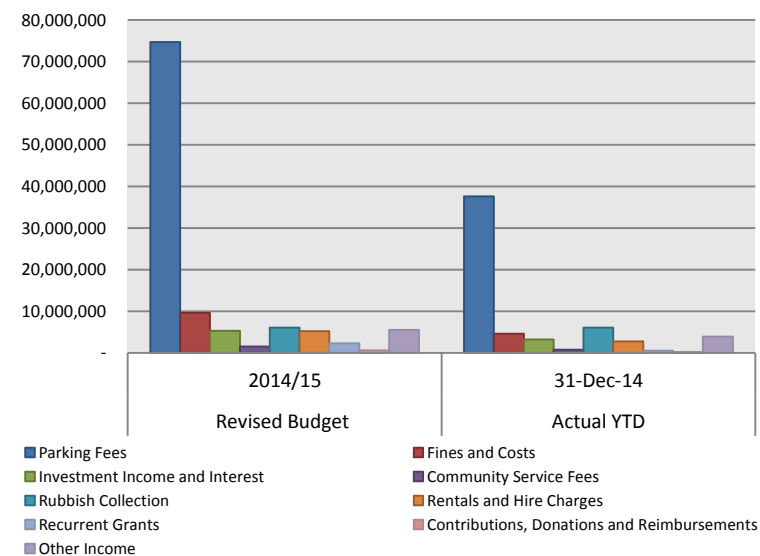
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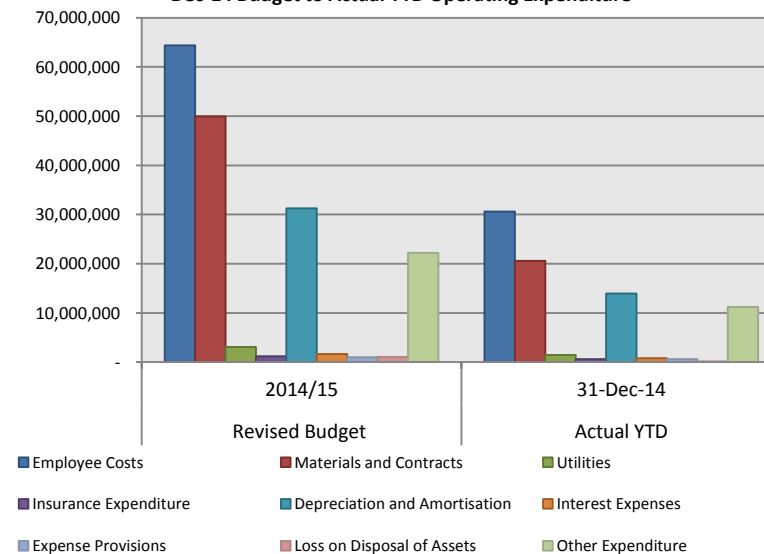
Financial Activity Statement

	Annual	Year To Date Dec-14		
Proceeds from Operating Activities	Revised Budget 2014/15 \$000s	Budget YTD \$000s	Actual \$000s	Variance \$000s
Operating Revenue	110,726	59,339	59,550	211
Less: Operating Expenditure	175,708	83,931	80,046	3,885
Add back Depreciation	-31,227	-14,922	-13,966	-956
(Loss)/Profit on Disposals	-1,032	-337	-147	-190
Net Surplus/(Deficit) from Operations	-32,723	-9,333	-6,383	2,950
Investing Activities				
Capital Expenditure	-78,629	-48,667	-27,853	20,814
Repayment of Borrowings	-6,128	-3,446	-3,446	0
Transfers to Reserves	-22,148	-2,233	-2,790	-557
Financing Activities				
Transfers from Reserves	27,955	14,532	5,834	-8,698
Carry Forwards	15,038	12,310	9,333	-2,977
Proceeds from Disposal of Assets	1,139	924	1,040	116
Distribution from TPRC	1,667	1,667	1,667	0
Capital Grants	2,057	542	745	203
Net Surplus/(Deficit) before Rates	-91,772	-33,704	-21,853	11,851
Add: Opening Funds	16,073	16,073	16,073	0
Less: Closing Funds	428	58,071	69,965	11,895
Amount Sourced from Rates	76,126	75,701	75,746	45

Dec-14 Budget to Actual YTD Operating Revenue



Dec-14 Budget to Actual YTD Operating Expenditure

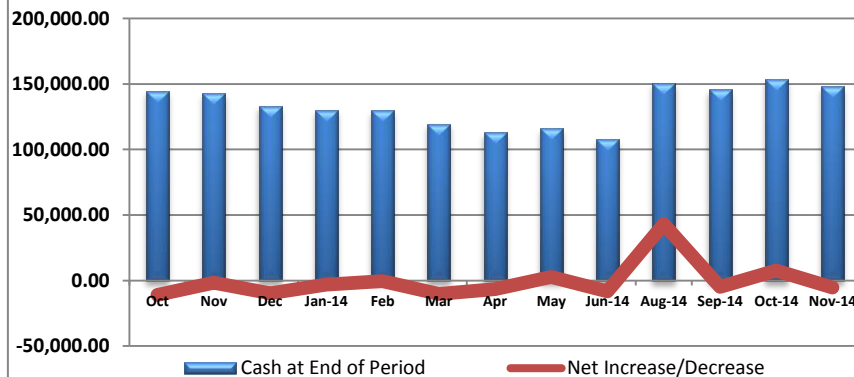


Cash

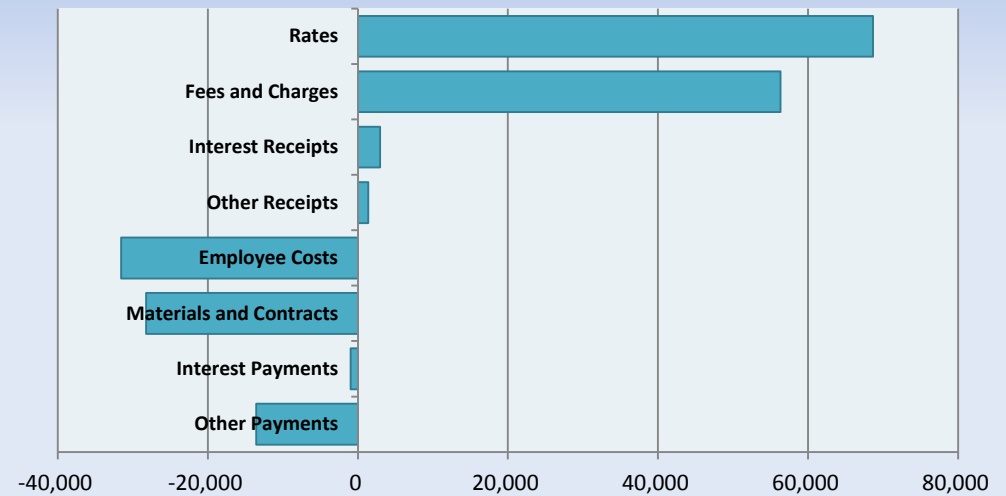
SUMMARY CASH FLOW STATEMENT

	Budget \$'000s 2014/2015	YTD Actual \$'000s Dec-14
Receipts from Customers	187,895	129,361
Payments to Suppliers and Creditors	-137,802	-74,338
Net Cash Inflow/Outflow from Operating Activities	50,093	55,023
Net Cash Inflow/Outflow from Investing Activities	-64,166	-21,526
Net Cash Inflow/Outflow from Financing Activities	-5,095	-3,446
Cash Flows from Government and Other Parties	3,678	1,391
Cash at 1 July 2014	113,707	107,596
Net Increase (Decrease) in Cash Held	-15,490	31,442
Cash at 31 December 2014	98,217	139,038

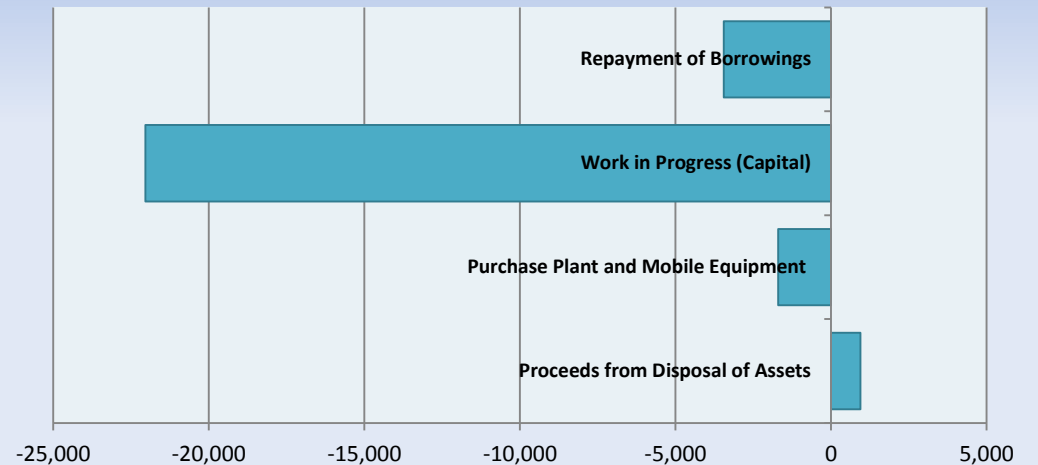
Monthly Cash Movements to Dec-14 \$'000s



Cash Flows from Operating Activities \$'000s



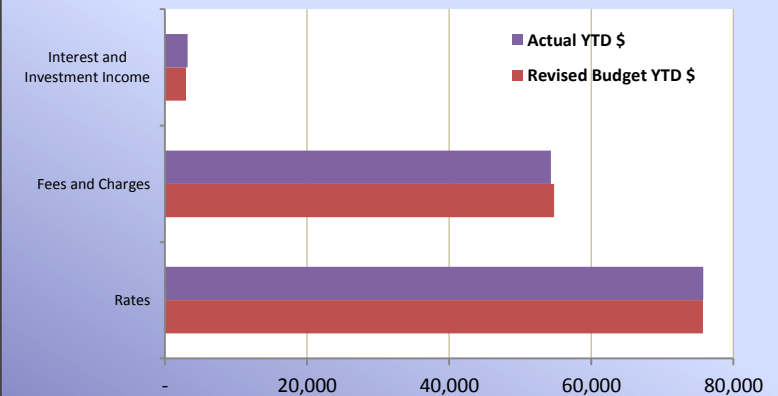
Cash Flows from Investing Activities \$'000s



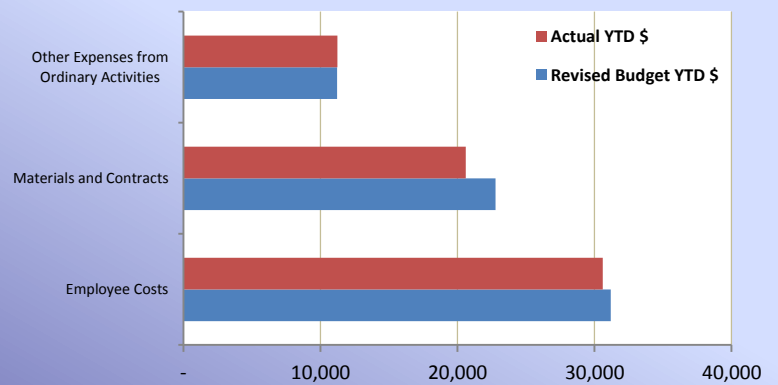
Summary Operating Statement

	2014/2015	Year To Date		
	Original Budget \$000	Revised Budget \$000s	Actual \$000s	Variance \$000s
Operating Revenue	190,438	135,040	135,296	256
less Operating Expenses	-140,982	-67,855	-65,140	2,715
Earnings before Interest and Depreciation (EBID)	49,456	67,185	70,156	2,971
less Interest Expense	-1,640	-787	-793	-6
less Depreciation	-34,537	-14,922	-13,966	956
Operating Surplus/(Deficit)	13,279	51,476	55,397	3,921
Grants and Contributions- Capital	1,821	542	745	203
NET OPERATING SURPLUS	15,100	52,018	56,142	4,124
DISPOSAL/WRITE OFF OF ASSETS	-1,032	-337	-147	190
Distribution from TPRC	1,667	0	0	0
Change in net assets resulting from operations after capital amounts and significant items	15,735	51,681	55,995	4,314

Operating Revenue YTD Dec-14 \$'000s



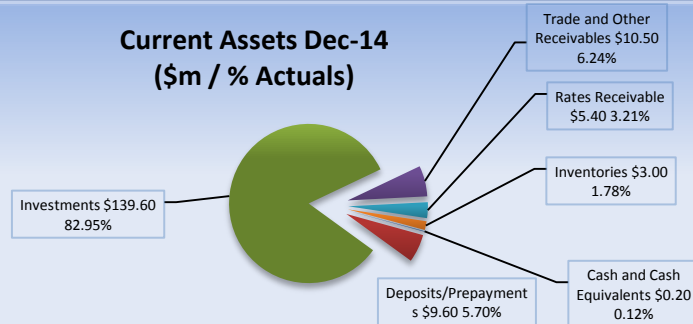
Operating Expenditure YTD Dec-14 \$'000s



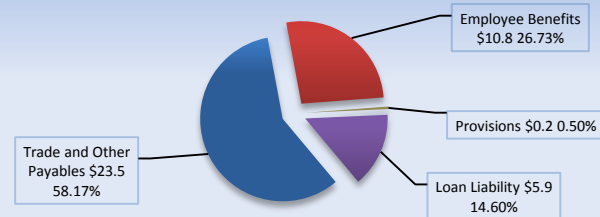
Summary Statement of Financial Position

	31-Dec-14	30-Jun-14
	Actual \$000s	Actual \$000s
Total Current Assets	168,340	121,790
Total Non Current Assets	1,020,035	1,010,615
TOTAL ASSETS	1,188,375	1,132,405
Total Current Liabilities	41,093	38,013
Total Non Current Liabilities	45,449	48,555
TOTAL LIABILITIES	86,542	86,568
NET ASSETS	1,101,832	1,045,838
COMMUNITY EQUITY		
Accumulated Surplus	653,781	587,290
Asset Revaluation Reserve	372,942	372,942
Reserves (Cash Backed)	75,109	85,606
TOTAL EQUITY	1,101,832	1,045,838

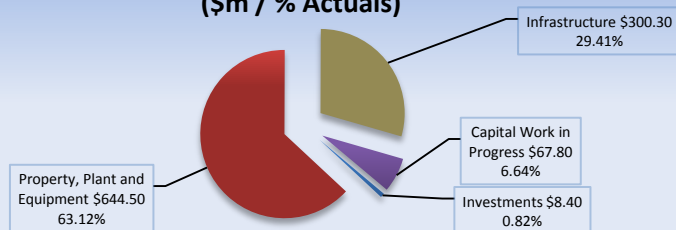
Current Assets Dec-14
(\$m / % Actuals)



Current Liabilities Dec-14
(\$m / % Actuals)



Non-Current Assets Dec-14
(\$m / % Actuals)

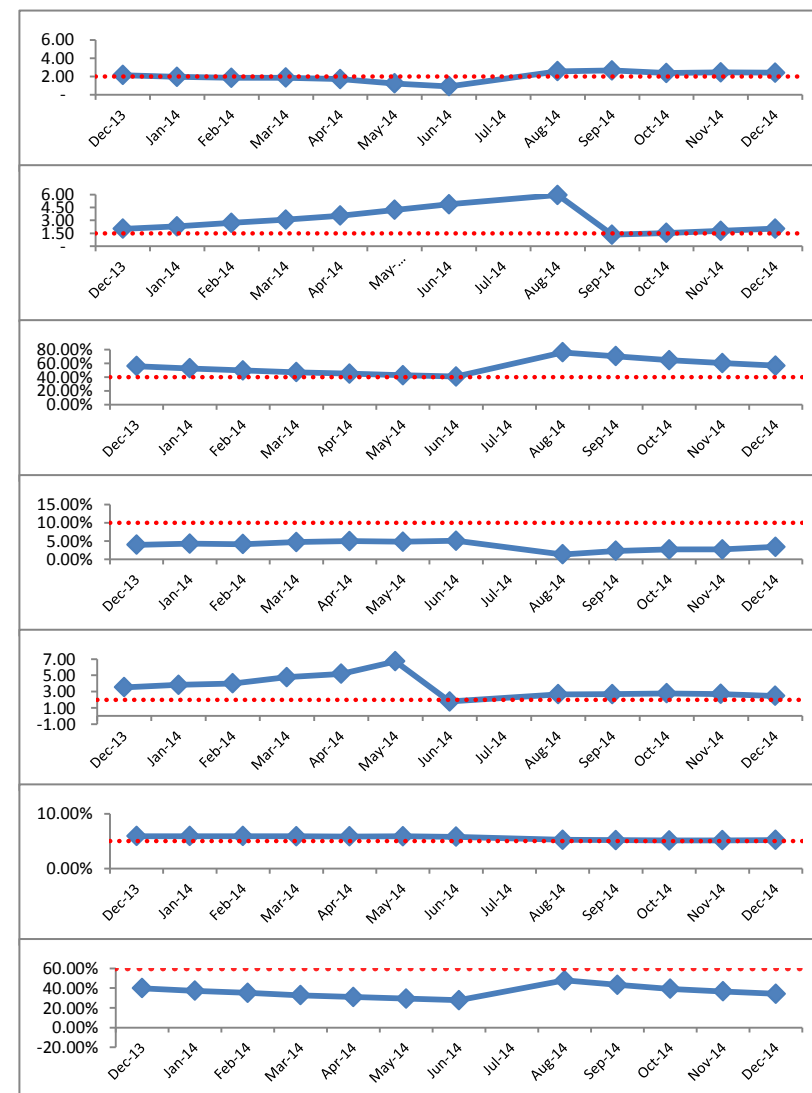


Non-Current Liabilities Dec-14
(\$m / % Actuals)



Ratio Analysis

	Dec-14
Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets)	2.41
Ability to generate working capital to meet our commitments	
Target is greater than 2.00	
Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD)	2.41
Ability to fund capital and exceptional expenditure	
Target is greater than 1.5	
Rate Coverage Ratio (Net Rate Revenue/Operating Revenue)	56.57%
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)	3.40%
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 6 months)	2.46
Ability to manage cashflow	
Target is greater than 2.0 months	
Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets)	5.20%
Ability to retire debt from readily realisable assets	
Target is greater than 5.0%	
Gross Debt to Revenue Ratio (Gross Debt / Total Revenue)	34.13%
Ability to service debt out of total revenue	
Target is less than 60.0%	



CP 9.9 Overdue Rates Policy

POLICY OBJECTIVE

To have a consistent approach to rates recovery and debt collection whilst maintaining a quality customer service.

POLICY STATEMENT

1. Any rates payments due to the City of Perth that have not been received by the due date shall be recovered in accordance with this policy.
2. The City may, at the request of a ratepayer, approve special payment arrangements other than the options offered on the rate notice subject to the following:-
 - a) The ratepayer will be eligible for an arrangement if their rates outstanding are for the current year only.
 - b) Special arrangements will be for regular instalments with the debt to be finalised prior to the date on which the rates are generated for the next financial year.
 - c) The arrangement shall not be repeated for more than three consecutive years unless authorised by the Chief Executive Officer, Director Corporate Services or Manager Financial Services in exceptional circumstances. Where a ratepayer has received a maximum three year arrangement, and providing the ratepayer has met all the conditions of that arrangement, the ratepayer will be advised prior to the third year's rates that it is the last year of the arrangement after which any entitlements to any further arrangement ceases.
3. Amounts outstanding after the due date for payment will be followed up within 30 days of the due date with a Final Notice.
4. The sequence of actions taken against defaulting ratepayers who have been referred for recovery action will be as follows:-
 - a) Letter of demand (7 day letter).
 - b) Call campaign – contact is made by telephone (where possible) or email in order to seek payment or a special arrangement. Special payment

CP 9.9 Overdue Rates Policy

arrangements are subject to approval by the City. If this action is unsuccessful, the matter is then referred for legal action to commence.

5. Issuing of Court proceedings in accordance with Section 6.56 of the *Local Government Act 1995*. Processes to enforce judgment are as follows:-
 - a) Proceed with issuing of a General Procedure Claim.
 - b) Obtain a Default Judgment.
 - c) Obtain a Property (Seizure and Sale) Order (PSSO).
 - d) Appropriate earnings through an Earnings Appropriation Order.
6. Other courses of action that may be taken include:-
 - a) Section 6.60 Notice – divert rental payments due to the lessor to the City.
 - b) Section 6.64(3) - Lodge a Caveat on the property so the property cannot be settled until the debt is paid in full.
 - c) Take possession of the land under Section 6.64 of the *Local Government Act 1995*. In this instance, the City may rent or dispose of the property if rates remain unpaid for at least three years. A resolution of Council is required before proceeding with this course of action.
 - d) Query with Mortgager details of the loan where applicable, to determine if it is a condition of the loan for the rates and taxes to be kept current with a view to having the mortgagee enforce the relevant clause of the mortgage concerning the punctual payment of proper related rates & taxes.

Document Control Box										
Document Responsibilities:										
Custodian:		Senior Rates Coordinator			Custodian Unit:		Finance			
Decision Maker:		Policy approved by Council								
Compliance Requirements:										
Legislation:		Section 6.56 of the <i>Local Government Act 1995</i>								
Industry:										
Organisational:										
Document Management:										
Risk Rating:		Minor	Review Frequency:		Triennial	Next Due:			TRIM Ref: P1022727	
Version #	Decision Reference:			Synopsis:						
1.	OCM – 08/11/2011									
2.										
3.										

CITY of PERTH Council Policy Manual

CP9.13 Not Rateable Properties (Rate Exemptions) and Partial Rate Exemptions

POLICY OBJECTIVE

To:

1. establish a consistent approach to determine whether land is not rateable under Section 6.26 of the *Local Government Act 1995*.
 2. determine the eligibility of a partial rate exemption to property where it is evidenced that a portion of the land is used for a not rateable purpose.
-

POLICY STATEMENT

1. Principles for Determining Applications for Not Rateable Status

Except as provided in Section 6.26 of the *Local Government Act 1995*, all land within a district is rateable land.

Land categorised as exempt under a sub-section of Section 6.26, with the exception of sub-sections (2)(a)–(c), will require submission of an application for Not Rateable Status with supporting evidence to be assessed in accordance with this policy. The supporting evidence must demonstrate that the land is not rateable land under Section 6.26(2). Land will be treated as rateable land until sufficient evidence has been provided to establish otherwise.

When application is made for Not Rateable Status under Section 6.26(g) - land used exclusively for charitable purposes - the application will be determined with consideration of the following:

- a. The land use must be for public benefit, where the benefit is available to members of the public generally or a particular section of the public and;
- b. The land use must be exclusively for charitable purposes, such as the relief of the disadvantaged, advancement of education, religious purposes or other purposes beneficial to the community at large and;
- c. The purpose of the use must not be to produce an income (irrespective of whether the income is to be used for a charitable purpose).

1.1 Relevance of Land Use

When making a determination as to whether Section 6.26(2) applies in any particular case, careful consideration will be given to any commercial use of the land in question. If the land use is of the same nature as other land that is rateable land or the use is commercial

CP 9.13 Rate Exemptions

in nature (for example, where a profit is being derived as the normal activity of a business), then it will be rateable land and Section 6.26(2) will not apply.

For a determination to be made that land is used exclusively for charitable purposes, the actual use of the land must be considered. Land will not be considered to be used exclusively for charitable purposes merely because it is owned or occupied by a charitable body.

In determining applications for Not Rateable Status where only a portion of the land is used for charitable purposes, consideration will be given as to whether or not the use of the land is ancillary to its primary use of charitable purposes. For example, where the primary use of the land is for a charitable purpose and an ancillary use of a portion of the land produces income which is subsidiary to the primary use, the land use will still be considered exclusively for charitable purposes and will therefore be eligible for Not Rateable Status.

Conversely, where the land is used for the purpose of deriving a profit, even if the proceeds are used to support charitable purposes, the use of the land will not be considered exclusively for charitable purposes and will therefore be considered rateable.

The applicant must provide sufficient information about the use of the land to demonstrate that the purpose for which the property is used is for a public or other benevolent community benefit and available to members of the public generally, or a sufficient section of the public.

In making the determinations of Not Rateable Status for land used exclusively for charitable purposes, consideration will be given to decisions made by other authorities and relevant case law.

2. Principles for Determining Applications for Partial Rate Exemption when only a portion of the land is used for a not rateable purpose

The City may apply a Partial Rate Exemption to a rateable property where it is evidenced that a portion of the land is used exclusively for a not rateable purpose as defined under Section 6.26 of the *Local Government Act 1995*. In this case and at the determination of the City, only the portion of land that is not used exclusively for a not rateable purpose and is a material part of the property will be rated.

Where sufficient evidence is provided that only a portion of a property is used for a rateable purpose and the remainder of the property is used for a not rateable purpose as classified under Section 6.26, then a proportionate assessment of rates will be levied for the portion of land used for the rateable purpose. For example, an educational institution making one of its buildings available to the general public for accommodation at a commercial rent, is subject to the payment of rates for that building. A religious organisation utilising a hall for general public use or community hire is subject to the payment of rates on that facility.

CP 9.13 Rate Exemptions

Whether the portion of the property used for the rateable purpose will be subject to rates will be determined by the materiality of the frequency of the rateable use and the actual use of the land as evidenced by information supplied with the application. The following will apply:

- a. Where the materiality of the frequency of the rateable use does not exceed 10% of the total land use, that portion of the land will be eligible for Not Rateable Status and a Partial Rate Exemption may be applied to the property.
- b. Where the materiality of the frequency of the rateable use exceeds 10% of the total land use but the income earned is less than 10% of the total income derived from that property, that portion of the land will be eligible for Not Rateable Status and a Partial Rate Exemption may be applied to the property.
- c. Where a portion of rateable land is leased to a charitable organisation that uses the land for a charitable purpose, then the portion of the land subject to that lease will be eligible for Not Rateable Status and a Partial Rate Exemption may be applied to the property. For example; where 30% of the property is leased to be used for a charitable purpose, then 30% of that land will not be rateable and the remainder of the land will be rateable.
- d. Where a clearly defined part of otherwise not rateable land is used for a rateable purpose, the portion of the property used for a rateable purpose will be rated and the remainder of the property will be eligible for Not Rateable Status and a Partial Rate Exemption may be applied to the property. For example; commercial business leases being part of a property otherwise used for charitable purposes.

In any case where a portion of a rateable property is exempt or vice versa, any common area will be apportioned on a pro rata basis for rating purposes.

2.1 Relevance of the Materiality of the Burden of Rates

The Materiality of the Burden of Rates will be used during the assessment of applications for Partial Rate Exemption. The quantum of rates in terms of the organisation's total turnover derived from the property is a determining factor as to whether or not the rate burden is considered to be material.

If the level of income derived from commercial activities is material in relation to total income from the property then a partial exemption will not be granted. Section 15 (a) of the Australian Accounting Standard for Materiality states; "an amount which is equal to or greater than 10 per cent of the appropriate base amount may be presumed to be material unless there is evidence or convincing argument to the contrary". This standard is to be used in assisting to determine whether or not a property may be eligible for Partial Rate Exemption upon review of the organisations audited financial statements. The analysis of

CP 9.13 Rate Exemptions

the financial data must be for the property to which the application applies and not the organisation as a whole.

3. Applications for Not Rateable Status or Partial Rate Exemption

Applications are to be made on the form provided by the City and contain a declaration as to the accuracy of the information contained therein. The City may seek any additional information deemed necessary to evidence the application as to the nature and extent of the purposes for which the land is used.

Applications will be reviewed and determined in accordance with Section 6.26(2) of the *Local Government Act 1995*, general rating practices applied by local governments and any other criteria contained in this policy.

Where it is considered that an applicant does not qualify for Not Rateable Status or Partial Rate Exemption, the application will be refused and the applicant provided with written advice of the grounds for refusal.

Where a determination of Not Rateable Status or Partial Rate Exemption is granted, the amendment to the rate record indicating Not Rateable Status or Partial Rate Exemption will take effect from the date the application was received and will be applicable to the current rating period.

4. Review of Determinations

A determination of Not Rateable Status or Partial Rate Exemption may apply for a maximum of three-years only where:

- 4.1 the purpose for which the land is used is considered to be on a continuous basis, and;
- 4.2 the applicant has provided evidence of a legal right to occupy that land for the period of the determination and;
- 4.3 the land use continues to meet the qualifying criteria.

A determination of Not Rateable Status or Partial Rate Exemption is to be reviewed on a triennial or annual basis (whichever is considered applicable) for continued eligibility. The applicant is required to advise the City within one month of any change occurring to either their operations and / or the use of the land or the portion of the land, where it no longer complies with the conditions of Not Rateable Status. In any case, all determinations will be subject to ongoing review to ensure that the land use continues to meet the qualifying criteria. The City may review the Not Rateable Status of land or request additional information from an applicant at any time during the term of Not Rateable Status where it is considered that the circumstances of the land use may have changed.

A new application form is required to be submitted to the City for each review.

CITY of PERTH Council Policy Manual

CP 9.13 Rate Exemptions

5. Rates Exemption Register

The City will maintain a register of determinations made in accordance with this Policy. The Register will record details of the organisation, the property and the purpose for which the land is used; the determination made and review dates and the equivalent amount of the rates levy amount. These details will be communicated to the applicant. The register will also be used to facilitate the initiation of the review processes as appropriate.

6. Definitions

City means the City of Perth Administration.

Document Control Box										
Document Responsibilities:										
Custodian:		Senior Rates Coordinator			Custodian Unit:		Finance			
Decision Maker:		Policy approved by Council								
Compliance Requirements:										
Legislation:		Sections 6.26 of the Local Government Act 1995 (WA)								
Industry:		n/a								
Organisational:		n/a								
Document Management:										
Risk Rating:		High	Review Frequency:		Biennial	Next Due:		2015	TRIM Ref: [AP####]	
Version #	Decision Reference:			Synopsis:						
1.	OCM 18/02/2014 (69/14)			New Policy adopted.						
2.	OCM			.						
3.										

1. Statutory Delegations – Local Government Act 1995
- 1.2 Delegations to the CEO

1.2.27 Rate Exemptions		
Function Delegated:	Authority to determine applications for Not Rateable Status and Partial Rate Exemptions that accord with the Local Government Act 1995 and Council Policy CP 9.13 – Not Rateable Properties (Rate Exemptions) and Partial Rate Exemptions	
Statutory Power Delegated:	Local Government Act 1995 Section 6.26 - Rateable land.	
Power Originally Assigned to:	Local Government	
Statutory Power of Delegation:	Local Government Act 1995 Section 5.44. Delegation by local government	
Power Delegated to:	Chief Executive Officer	
Council’s Conditions on Delegation:	The exempt properties are to be reviewed on a triennial or in some cases an annual basis for continued eligibility	
Statutory Power to Sub-delegate:	Local Government Act 1995: Section 5.44 CEO may delegate some powers and duties to other employees	
Compliance Links:	Local Government Act 1995 City of Perth Council Policy CP 9.13 - Rate Exemptions	
CEO’s Sub-delegation to:	Director Corporate Services Manager Finance Senior Management Accountant	
CEO’s Conditions on Sub-delegation:	<p>Sub-delegation may only be used where there are no risk implications or political sensitivities evident.</p> <p>The Manager Finance and Senior Management Accountant may only determine Rate Exemption renewals where the renewal application does not vary materially from the previous approval and the annual value of the exemption is less than \$10,000.</p> <p>The Director Corporate Services may only determine Rate Exemption applications and renewals with variations where the annual value of the exemption is less than \$25,000.</p>	
Record Keeping Practices:	Director Corporate Services Manager Finance Senior Management Accountant	
Version Control		
Version	Decision Reference	Date Delegated
1	New Delegation	OCM 18/02/14
2	CEO Sub-Delegation	TRIM 80283/14
2	Annual Review	24/06/14 270/14 CEO Trim 234521/14



Government of **Western Australia**
Department of **Culture and the Arts**



File Ref: 11/125

INV R1006548

24 November 2014

Mr Gary Dunne
Director, Service Units
City of Perth
GPO Box C120
PERTH WA 6839

Dear Mr Dunne

PERTH CONCERT HALL OPERATIONAL ANNUAL REPORT 2013 - 2014

Under the terms of the lease agreement between Perth Theatre Trust and the City of Perth, an operational report on the Perth Concert Hall is to be submitted to the City of Perth on an annual basis.

Please find enclosed a copy of the Perth Concert Hall Report for 2013 – 2014.

Also enclosed is an invoice for \$220,747.70, which is for the PTT annual operating subsidy 2014/15.

Please contact me on 6552 7552 if you have any queries.

Yours sincerely

Rudi Gracias
A/General Manager
Perth Theatre Trust



PERTH CONCERT HALL

Perth Concert Hall

Annual Report 2013-2014

Prepared for the City of Perth

By the Perth Theatre Trust

PROFILE OF ACTIVITIES

During the year the management succeeded in raising the overall number of days used throughout the venue which continued the increase from the previous year. The improving economy both nationally and internationally has assisted in this process.

There was a continued focus on the classical music genre as the venue is without doubt the best of its type in Australia for classical music performance given its exceptional acoustics which are second to none in the southern hemisphere, and certainly within Australia. The international standing of the venue continued to grow particularly with the presentation of the Royal Concertgebouw Orchestra of Amsterdam in November.

In addition to the many classical music performances held throughout the year, the venue nevertheless has been focused also on a highly diverse range of performances and events, and the staff worked to specifically target the venue to the broadest possible audience demographics and interests. To this end the range of non-classical music performances ranged from rock and roll through to comedy and world music.

Overall the Venue was in operation for 294 days including 170 performances which were attended by 199,789 patrons which is a significant increase on the previous year.

Two major activities dominated the year:

Air-conditioning Chiller Replacement:

- The two chillers in the venue's air-conditioning plant that have been breaking down had proven highly unreliable for many years. Through the cooperative relationship between the venue, City of Perth and the Perth Theatre Trust, agreement was reached for the shared 50/50 funding for the replacement of the chillers. The project was managed by the City of Perth in coordination with the venue management.

Two energy efficient state of the art chillers were installed through the first half of the year and became operational in August. The installation was completed ahead of scheduled and slightly under budget with no interruption to operations and the concerts and events being held within the venue. The installation has been highly successful.

In association to the air-conditioning system, the Building Management System (BMS) was also upgraded which was made possible with the modest residual funds that remained from the chiller installation works. This has been a most successful outcome as the BMS upgrade has provided a far more efficient use of the air-conditioning system overall.

40th Anniversary

The most important events for the year 2013 were those of the 40th Anniversary celebrations for the opening of the venue on January 26th 1973. Throughout the first half of 2013/14 a series of events by major hirers were nominated to be included in the anniversary brochure and celebrations. Encompassing a broad range of genres, the suite of performances highlighted the diversity of use and the important place in the cultural landscape and community Perth Concert Hall occupies; and how this is still ongoing and developing since its opening.

Performance Highlights

The Perth Concert Hall events for the year once again show how diverse the venue has become over the previous 40 years, and how important this is to the cultural life of the State and particularly Perth audiences.

The Perth Concert Hall continues to be the venue of choice for many promoters and hirers.

Particular highlights and activities of note over the 2013/14 year included:

- The headline event for the 40th Anniversary year in the presentation of the Royal Concertgebouw Orchestra of Amsterdam. The Orchestra is considered to be the finest in the world in line with the reputation of the likes of the Berlin Philharmonic Orchestra. Once again the Royal Concertgebouw Orchestra embarked on its premier tour of Australia with their historic first performances being held on the stage of the Perth Concert Hall.
- Australian Chamber Orchestra featured as part of the Perth Concert Hall 40th Anniversary celebrations and presented a number of performances throughout the year.
- Musica Viva celebrated its 40th anniversary of association with the venue with numerous presentations of great chamber music ensembles most outstanding of which was that of the Academy of Ancient Music.
- The Perth International Arts Festival presented an exceptional performance by the acclaimed Academy of St Martin in the Field.
- Nigel Kennedy in a highly contemporary blues/folk and classical performance

Throughout the year just some of the acclaimed contemporary international artists who performed on the main stage included:

Rock & Pop

- Rock guitar legends; Steve Vai (July) and Jeff Beck (April)
- Neil Finn,
- Hugh Laurie and his blues band
- Joan Baez
- Don McLean
- Air Supply
- Petula Clark

Comedy

- Jimmy Carr, bought the house down in 2 sold out performances
- Billy Bragg
- Anh Do

World Artists and Other performers included:

- Paco Pena
- Ute Lemper
- Isabella Rossellini's Green Porno
- Kevin McCloud – Grand Designs

Performance Statistics

Main Auditorium	Total performances 2013-2014	Total attendance 2013-2014	% Capacity	Total performances 2012-2013	Total attendance 2012-2013	% Capacity
Ballet/Dance	6	4,312	42%	2	1,282	37%
Children's / Youth Performances	4	6,318	91%	3	4,094	79%
Classical Music	85	104,894	71%	71	86,091	70%
Comedy	5	7,372	85%	9	12,387	80%
Rock/Pop/Folk/Jazz	27	31,619	68%	19	22,960	70%
Conferences/Meetings	0	0	0%	0	0	0%
Dance Schools	0	0	0%	4	4,064	59%
Theatre	1	723	42%	0	0	0%
Musical Theatre	0	0	0%	0	0	0%
Opera	1	1,612	93%	2	968	28%
Other	6	6,395	62%	2	3,322	96%
Religious Meetings	1	1,200	69%	0	0	0%
Schools' Performances	10	12,754	74%	5	5,288	61%
Education/Academic/ Graduation	13	17,941	80%	11	16,023	84%
Total Events/Performances	159	195,140	71%	128	156,479	71%

Wardle Room	2013-2014 Usage	2013-2014 Attendances
Performance	7	1,949
Other	0	0

2012-2013 Usage	2012-2013 Attendances
20	5,622
1	79

Galleries and Other Spaces	2013-2014 Usage	2013-2014 Attendances
Performance	3	700
Other	1	2,000

2012-2013 Usage	2012-2013 Attendances
24	2,000
5	760

F&B Non-Show Related	2013-2014 Usage	2013-2014 Attendances
PCH	67	5,436

2012-2013 Usage	2012-2013 Attendances
74	6,667

Venue Assets and Infrastructure

Key Area Result 3 – Gross Revenues

	2011-2012	2012-2013	2013-2014
Venue & Equipment Hire	\$656,863	\$577,072	\$638,770
Other Revenue	\$27,922	\$30,594	\$67,758
Programs & Merchandise	\$13,253	\$12,111	\$22,017
Catering	\$1,466,240	\$1,234,862	\$1,653,587
Total Income	\$2,164,278	\$1,854,639	\$2,382,132

Key Area Result 4 – Maintenance Expenditure

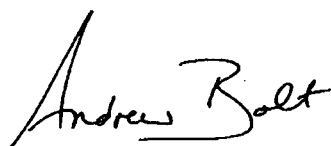
	2011-2012	2012-2013	2013-2014
Operational items	\$294,247	\$402,797	\$398,371
Capital Works (excluding office equipment and furniture).	\$113,022	Nil	\$390,000
Total Expenditure	\$407,269	\$402,797	\$398,371

Revenues and Expenditures for 2012-2013

Perth Concert Hall Revenue & Expenditure Report for City of Perth

		Actual				
Compiled by AEG Ogden (Perth)		2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
Revenue						
Revenue reported as per AEG Ogden (Perth) P&L		\$831,222	\$905,272	\$979,758	\$902,349	\$1,089,021
Less City of Perth Contribution		\$175,000	\$200,000	\$206,000	\$210,532	\$215,154
Less Food & Beverage Revenues (Net)		\$45,754	\$105,030	-\$1,379	\$44,501	\$89,031
Add Expense Recoveries		\$1,280,486	\$1,445,075	\$1,367,428	\$1,312,118	\$1,723,313
Hiring Revenues		\$1,982,462	\$2,255,377	\$2,139,807	\$2,048,436	\$2,511,811
Expenditure						
Expenditure reported as per AEG Ogden (Perth) P&L		\$1,208,212	\$1,464,653	\$1,396,654	\$1,628,522	\$1,456,874
Add Expense Recoveries		\$1,280,486	\$1,445,075	\$1,367,428	\$1,312,118	\$1,723,313
Admin Overheads Apportioned @ 35%		\$475,283	\$540,397	\$548,318	\$861,440	\$676,632
Total Expenditure	\$2,961,195	\$2,963,981	\$3,450,125	\$3,312,400	\$3,802,080	\$3,802,080
Operating Cost		-\$981,519	-\$1,194,748	-\$1,172,593	-\$1,753,644	-\$1,345,008
City of Perth Contribution towards Operating Costs		\$175,000	\$200,000	\$206,000	\$210,532	\$215,154
State Government Contribution		-\$806,519	-\$994,748	-\$966,593	-\$1,543,112	-\$1,129,854

Perth Concert Hall Food & Beverage Revenues (Net)				
	2010-2011	2011-2012	2012-2013	2013-2014
Gross F&B Revenue	\$1,438,589	\$1,372,362	\$1,234,862	\$1,653,587
Gross Cost of Goods Sold	\$342,927	\$370,327	\$309,066	\$417,924
Gross F&B Expenditure	\$990,632	\$1,003,413	\$881,296	\$1,146,632
Food and Beverage Revenues (Net)	\$105,030	-\$1,378	\$44,500	\$89,031



Andrew Bolt
General Manager
Perth Concert Hall



A/General Manager
Perth Theatre Trust

Wellington Square Toilet / Change Rooms Photos



Wellington Square toilet /change rooms

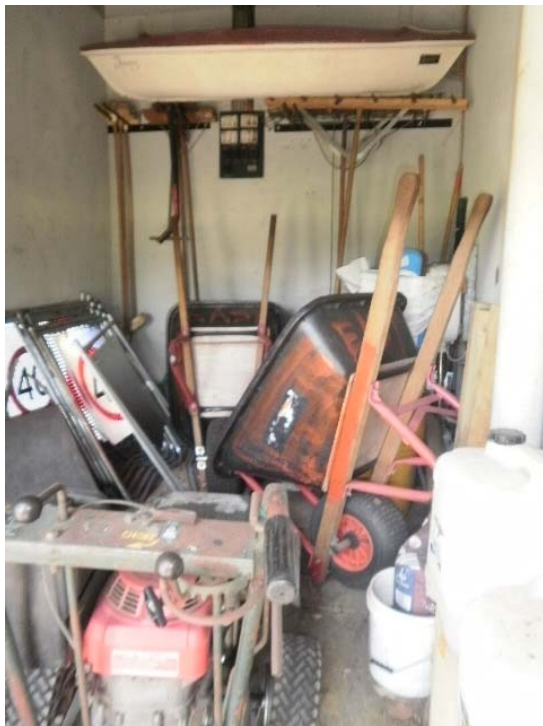


Change room bench seats

Wellington Square Toilet / Change Rooms Photos



Mens toilets block (northern end)



PALS storage shed.

Wellington Square Toilet / Change Rooms Photos



Change room used for storage



Change room used for storage

Finance & Administration Committee
Confidential Schedules 10 and 11
(Minute FA19/15 refers)

Distributed to Elected Members under separate cover

Bound in Consolidated Committee
Confidential Minute Book
Volume 1 2015