



City of Perth

# COUNCIL MINUTES

22 NOVEMBER 2016

THESE MINUTES ARE HEREBY CERTIFIED AS  
CONFIRMED

PRESIDING MEMBER'S

SIGNATURE



DATE: 13 Dec 2016

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Minutes of the **Ordinary Meeting** of the Council of the City of Perth held in the Council Chamber, Ninth Floor, Council House, 27 St Georges Terrace, Perth, on **Tuesday, 22 November 2016.**

**Presiding:** The Rt Hon Lord Mayor, Ms Lisa-M. Scaffidi

**Councillors Present:** Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**In Attendance:**

Robert Mianich	-	Acting Chief Executive Officer
Paul Crosetta	-	Director Construction and Maintenance
Rebecca Moore	-	Director Community and Commercial Services
Mark Ridgwell	-	Acting Director Corporate Services
Erica Barranger	-	Acting Director City Planning and Development
Annaliese Battista	-	Acting Director Economic Development and Activation
Margaret Smith	-	Manager Development Approvals
Stephanie Denton	-	Acting Manager Governance
Paul Anastas	-	Personal Aide to the Lord Mayor
Cathryn Clayton	-	Governance Electoral Officer

**Observers:**

Eight members of the public.  
Three members of the press.  
Three members of the staff.

**431/16 PRAYER**

The Lord Mayor took the Chair and the prayer was read by the Acting Chief Executive Officer.

**432/16 DECLARATION OF OPENING**

**6.01pm** Lord Mayor declared the meeting open.

**433/16 APOLOGIES**

Nil



**434/16 QUESTION TIME FOR THE PUBLIC**

Nil

**435/16 MEMBERS ON LEAVE OF ABSENCE AND APPLICATIONS  
FOR LEAVE OF ABSENCE**

Cr Adamos requested leave of absence for the period 24 to 27 November 2016, inclusive.

***Moved by Cr Limnios, seconded by Cr Yong***

***That the request for leave of absence from Cr Adamos for the period 24 to 27 November 2016 inclusive, be approved.***

***The motion was put and carried***

The votes were recorded as follows:

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**Against:** Nil

**436/16 CONFIRMATION OF MINUTES**

The minutes of the Ordinary Meeting of the Council held on 1 November 2016 were submitted for consideration.

***Moved by Cr Davidson, seconded by Cr Yong***

***That the minutes of the Ordinary Meeting of the Council held on 1 November 2016, be confirmed as a true and correct record.***

***The motion was put and carried***

The votes were recorded as follows:

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**Against:** Nil

**437/16 ANNOUNCEMENTS BY THE LORD MAYOR**

The Lord Mayor advised that a late Item titled "Annual Report and Audited Financial Statements for the Year Ended 30 June 2016" would be considered as Item 16 on the Agenda this evening. It was distributed to Elected Members under separate cover.

The Lord Mayor welcomed Deputy Mayor Lindsay Holland of City of Canning who was in attendance at the meeting.

**438/16 DISCLOSURE OF MEMBERS' INTERESTS**

The following Members disclosed an interest:

<b>Member Officer /</b>	<b>Minute No.</b>	<b>Item Title.</b>	<b>Nature / Extent of Interest</b>
Cr Limnios	446/16	5 (Lots 2 And 3 - Proposed) The Esplanade, Perth – 'In Principle' Proposal for a 25 Storey Hotel/Service Apartment Building and 50 Storey Residential Building	Nature - Direct Financial Interest – Cr Limnios has a potential Direct Financial Interest in the matter involving his private business dealings. Extent: Not provided
Cr Harley	447/16	39 and 39A (Lots 52 And 53) Mount Street, West Perth – Minor Amendment to the Lift Services of an Approved Residential Development Containing Two, Seven-Level Dwellings	Nature - Proximity Interest - Cr Harley rents an apartment that is across the road from the subject property. Extent: Minimal
Cr Limnios	449/16	Donation 2016/17 – Greek Orthodox Easter Celebration	Nature – Impartiality Interest – Cr Limnios is a Greek Orthodox, a parishioner of the Church and a member of the Hellenic Community of Western Australia Inc. Extent: Not provided

**439/16 QUESTIONS BY MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN**

Nil

**440/16 CORRESPONDENCE**

Nil

## **441/16 PETITIONS**

The Acting Chief Executive Officer advised that the following petition had been received:

A petition containing 36 signatures was received from Mr Charles Foti of PO Box 295, Tuart Hill WA 6939 in relation Lot 70 Haig Park Circle, East Perth. The petition protests strongly against the advertised guidelines, proposals and concepts for the redevelopment of Lot 70 Haig Park Circle, East Perth and the proposed lifting of the Restrictive Covenant placed on the property in 2002.

***Moved by Cr Davidson, seconded by Cr Adamos***

***That, in accordance with Clause 4.9(4) of the City of Perth Standing Orders Local Law 2009, the petition from Mr. Charles Foti relating to the objection of the advertised guidelines, proposals and concepts for Lot 70, Haig Park Circle, East Perth, be received.***

***The motion was put and carried***

The votes were recorded as follows:

**For:       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

## **442/16 MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

The Acting Chief Executive Officer advised that in accordance with Section 5.23(2) of the *Local Government Act 1995*, the meeting will be required to be closed to the public prior to discussion of the following:

<b>Item No.</b>	<b>Item Title</b>	<b>Reason</b>
Confidential   Item 457/16           and Confidential Schedule 20	Outstanding       Internal       Audit Recommendations – October 2016	s5.23(2)(a)

In addition, Schedules 15, 16, 17, 18 and 19 associated with Items 455/16 and 456/16 are CONFIDENTIAL in accordance with Sections 5.23(2)(f)(i) of the *Local Government Act 1995*.

Therefore, should a Member wish to discuss the content of Schedules relevant to these Items, it was recommended that Council resolve to close the meeting to members of the public before discussion of the Item to which the Schedule relates.

## **PLANNING COMMITTEE REPORTS**

### **443/16 43 (LOT 41) ARDEN STREET, EAST PERTH – PROPOSED ADDITIONS TO THE SECOND FLOOR AND NEW THIRD FLOOR TO THE EXISTING DWELLING**

#### **BACKGROUND:**

SUBURB/LOCATION:	43 Arden Street, East Perth
FILE REFERENCE:	2016/5308
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	28 October 2016
MAP / SCHEDULE:	Schedule 1 – Locality map, elevations and 3D drawings for proposed additions to 43 Arden Street and existing Arden Street and laneway street view depictions
LANDOWNER:	Silvertop Nominees Pty Ltd
APPLICANT:	Ionic Property Group Pty Ltd
ZONING:	(MRS Zone) Urban Zone (Local Planning Scheme No. 26 Precinct) EP2 – Constitution Street
APPROXIMATE COST:	\$75,428

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 15 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

#### **SITE HISTORY:**

The 204m<sup>2</sup> subject lot is located in the 'Constitution Street' Precinct of East Perth and is currently occupied by a three storey residence (ground plus two floor levels) which fronts onto Arden Street and backs onto a rear laneway, used for vehicle access and servicing and is overlooked by north facing habitable rooms and upper level balconies. The site is bound by residential development to the south, east and west and the foreshore and Victoria Gardens to the north-west.

**DETAILS:**

The proposal seeks approval for additions to the second floor and construction of a third floor to the existing three-storey residence.

Details of the proposed development are as follows:

<b>Ground Floor Level</b>	This level comprises a garage, store room, lobby, activity room, two bedrooms and a bathroom, laundry, sauna room and shower. (Existing)
<b>First Floor Level</b>	This level comprises a living, dining, kitchen, two bedrooms, walk-in-robe, two ensuites, a powder room and a terrace. (Existing)
<b>Second Floor Level</b>	This floor comprises a bedroom, an ensuite, a walk-in-robe and terrace. A living room, study and bathroom are proposed to be added as a part of the application.
<b>Third floor level (New)</b>	Games room, plant room, alfresco and stair case addition.

**LEGISLATION / POLICY:****Legislation**

*Planning and Development Act 2005*  
*City Planning Scheme No. 2 (CPS2)*  
*Local Planning Scheme No. 26 Clauses 1.1, 1.10 and 4.3*

**Policy**

Policy No and Name: Design of Residential Development (3.1)  
City Development Design Guidelines (4.1)  
Residential Design Policy (4.9)

**Consultation:**Neighbour Consultation:

The application was advertised to the adjoining landowners in the direct vicinity of the subject development due to the scale of the proposed development compared to the existing surrounding development. The plans were originally advertised to the owners of the neighbouring properties for 17 days, however the deadline was extended to 21 October 2016 following a collective request from neighbours for more time to submit comments. The consulted neighbours included 41, 42 and 45-47 Arden Street and 8, 10 and 12-14 Macey Street.

A formal submission in the form of a report was jointly submitted by 10 neighbours including six of the consulted neighbours (2, 4, 6, 8, 10, 12 and 14 Macey Street, 14 Vanguard Terrace and 41 and 42 Arden Street). Another individual submission was submitted by the owners of 6 Macey Street.

The following summary of objections and comments, classified under the appropriate headings, covers the issues that were raised.

*Absence of Specific Design Guidelines for the subject and neighbouring sites*

Concerns were raised over the anomaly presented by a lack of development standards for the subject site under the Scheme and Design Guidelines compared to the surrounding area with a request that this be addressed. It is noted that current residences had been built in line with the required building envelopes and that failure to amend the anomaly of these particular properties, currently not subject to building envelope constraints, would result in a precedent for similar developments occurring in the area.

*Neighbourhood Character*

Strong concern was raised for the proposal's potential to threaten the harmony of the Claisebrook Village area. The respondents believe that the scale of the proposed development does not respect the scale of current development along Arden Street as it projects 1-2 floors above the other houses on Arden Street and in the area in general.

The respondents further suggest the proposed plans misrepresent the true scale of the development. It is noted that the overall height will be 13.24 metres while the plans only show the height to the internal ceiling, noting that an entire fourth storey (third level) is being proposed as a part of the development.

*Neighbouring Amenity*

A number of concerns were raised by the neighbours in relation to overshadowing and access to natural light. It was identified that the proposed additional floors will increase the existing height at the rear (facing onto the laneway between Macey Street and Arden Street) from 6.257 metres to over 13 metres. This would reduce the amount of sunlight entering neighbouring residences on the southern side of the site and cast shadows into active habitable rooms including living, kitchen and meals rooms.

*Building Bulk*

The respondents have raised concerns that the proposed additions significantly add to the bulk of the existing residence which is visually detrimental to the access laneway and Arden Street streetscapes. They describe the addition as representing a 'square concrete box with a flat roof some 13 metres high' and conclude that the additions will exclude 'blue sky vistas' and create a claustrophobic, dark feeling in the laneway area due to the scale of the additions.

**COMPLIANCE WITH PLANNING SCHEME:**

**Development Requirements**

The subject site is located within the East Perth Precinct (P15) under City Planning Scheme No. 2 and is subject to Local Planning Scheme No. 26 (LPS26) being the East Perth Normalised Area. The subject property falls within the Constitution (EP2)

Precinct under LPS26. The Precinct is predominantly residential development, encouraging 'housing diversity that varies in type and form'.

The proposal's compliance with the LPS26 development requirements are summarised below:

There are no specific design guidelines for only six Arden Street Lots (being 33 to 47 – Lots 40 to 45 - Arden Street) and therefore no development standards are applicable to residential development on this site, apart from plot ratio and land use permissibility. These six properties in Arden Street are however developed to a similar bulk and scale to the adjoining areas which are typically ground plus a first and second level. The proposed second floor additions and new third floor level results in an overall maximum height of 13.25 metres and overall boundary height of 10.6 metres to the rear laneway. The proposal's compliance with the following development standards is summarised below:

#### Heights and Setbacks

The lots directly to the south of the subject site and south of the laneway (Lot 16-30) are bound by the requirements of Design Guidelines Section 2.21 East Perth Area 21 Constitution Hill North. These impose a height restriction on the subject lots of 12 metres (four storeys) projected at 45° for a point 6 metres (two storeys) above the finished ground level at the lot street and mews boundary frontages. This limits the height of development for those lots, at the front and rear boundary lines, to 6 metres or two stories.

The proposed second floor addition differs from this requirement by proposing a boundary height of 9.514 metres with a 1.2 metres glass parapet on top at the southern boundary line, adjoining the laneway. The overall height of the residence also varies the maximum overall height requirement (12 metres) by 1.25 metres.

#### Overshadowing and Privacy

The overshadowing diagrams that have been provided by the applicant demonstrate that for the majority of the year, the bulk of overshadowing falls directly onto the rear laneway between the hours of 10.00am and 2.00pm. However, the additional height will cast additional shadows which will impact on north facing windows to habitable rooms, balconies and private open space abutting the laneway between March and September and more specifically the dwellings located at 6 to 14 Macey Street.

#### **Legislation/Policy**

##### Local Planning Scheme No. 26 (Normalised Redevelopment Areas)

Local Planning Scheme No. 26 (LPS26) sets out the following objectives and principles as they are considered applicable to the subject development:

*“(a) deliver sustainable urban development within the Scheme Area, with outcomes such as compact growth, mixed land use, good design;*

- (a) *deliver vibrant and attractive urban environments which infuse the city with vitality, life and character.”*

The proposed development is not considered to be a good design solution impacting negatively on the aesthetic of the streetscape and the laneway. It does not contribute to improving the immediate environment impacting negatively on the laneway which is the northern aspect of the dwellings located on Macey Street with habitable spaces looking onto the laneway and providing some greenery to the laneway softening its service and access function.

### 3.1 Design of Residential Development

The following general design criteria apply to residential development within the City:

*“the design of the buildings should be sympathetic to existing building or buildings on site and those nearby;”*

The proposed additions do not complement the existing pattern of development in the area which consists of articulated frontages facing the rear laneway. Furthermore, the development will be at least one level higher than any adjoining development in Arden Street and will also exceed the maximum height limit of 12 metres, (generally applicable to pitched roofs) as applies to the majority of dwellings in the area.

### 4.1 City Development Design Guidelines

The following aspects of Policy 4.1 (City Development Design Guidelines) apply to the proposed development in the absence of site specific design guidelines:

- *“Scale and Massing: New developments should take into account the scale, massing and grain (i.e.; the proportions) of surrounding buildings.”*

The proposed addition to the second floor does not match the existing scale of development along the rear laneway as it proposes a nil setback third storey wall on the boundary. The remaining streetscape features a maximum two storeys to the boundary wall, with the second storey generally being articulated.

- *“Articulation: Buildings should be articulated to break up their perceived bulk, particularly with buildings occupying a large frontage site, to match the prevailing rhythm of buildings and architectural structure along the street.”*

The proposed additions add to the building bulk of the existing residences by increasing the height of the rear boundary wall from 6.257 metres to 9.514 metres. This three storey solid wall with articulation limited to 10 small windows does not complement the existing streetscape along the rear laneway.

- *Private Amenity: Buildings should be setback from side and rear lot boundaries to maximise sunlight penetration, natural light access, natural ventilation and internal privacy within buildings and to maximise outlook from buildings.*



The proposed additions reduce sunlight penetration and access to natural light to the rear properties compared to the existing development in the street. The overshadowing diagrams indicate that for most of the autumn and spring the bulk of overshadowing caused by the additions fall on the rear laneway, however, in winter the overshadowing will extend to the windows of habitable rooms as well as balconies and courtyards of some of the dwellings located south of the laneway.

Considering the bulk, height and scale of the existing houses surrounding 33 to 47 Arden Street, the proposed development at 43 Arden Street, by being modified to include a nil setback on the existing second level for the full width of the lot and with an additional level being added to the building, the proposed development is not considered to be sympathetic to the existing streetscape and neighbouring buildings. The proposed development will not complement the existing scale of development and will be out of place and have an adverse impact on the surrounding properties and neighbourhood. In addition it is considered that the form of the proposed development will make the dwelling appear bulky in comparison to adjacent dwellings.

The additional building height and width will be imposing on the existing laneway, reducing sunlight penetration to the laneway and also causing some overshadowing of windows and courtyards to the properties located directly south. Should this be approved and becoming a precedent for future development the cumulative shadow impact on the laneway will adversely impact on the laneway and the properties with a northern aspect looking down on the laneway. Currently these properties add some activity by using balconies and providing some greenery and providing informal surveillance and security. These positives will be impacted on should the laneway amenity be reduced by this development which is considered out of the current character. Although aspects of the development can be supported in a modified format (including extension of level two, however setback from the laneway), as a whole, it is considered that the development should not be supported and therefore is recommended for refusal.

## **Conclusion**

The proposed residential additions at the subject site are inconsistent with the existing development in the immediate area and the relevant planning policies and do not respond to the orderly and proper planning of the locality. In accordance with the reasons stated in the report above, it is recommended that the proposal be refused.

**PLANNING COMMITTEE RECOMMENDATION:**

***Moved by Cr Green, seconded by Cr McEvoy***

That:

1. in accordance with the provisions of the City Planning Scheme No. 2 and Local Planning Scheme No. 26, and the Metropolitan Region Scheme, Council recommends refusal of the application for additions to the second floor and construction of a new third floor on the existing dwelling at 43 (Lot 41) Arden Street, East Perth as indicated on the Metropolitan Region Scheme Form One dated 16 August 2016 and as shown on the plans received on 18 August 2016 for the following reasons:
  - 1.1 the proposal does not comply with the City Planning Scheme No. 2 Policy 3.1 – Design of Residential Development, given that the design of the additions is not sympathetic to the scale of the existing streetscape and neighbouring buildings and will have an adverse impact on the character and amenity of the locality;
  - 1.2 the proposed residential additions will not comply with City Planning Scheme No. 2 Policy 4.1 – City Development Design Guidelines given that:
    - (a) the proposed additions do not complement the existing scale of development in the area which features articulated frontages and maximum two storey boundary walls at the rear boundary;
    - (b) the proposed additions are not sufficiently articulated and are considered bulky in nature; and
    - (c) the proposed additions increase restricting sunlight penetration into the laneway to the rear, are further imposing on the amenity of the laneway and cause overshadowing of windows to habitable rooms and balconies to dwellings to the south in midwinter;
2. the design guidelines for East Perth Area 21 Constitution Hill North being revisited to include design guidelines for 33 to 47 Arden Street East Perth to guide the future development in this area.

***Procedural Motion to refer back to the Planning Committee***

***Moved by Cr Harley, seconded by the Lord Mayor***

***That Council refer consideration of the report titled “43 (Lot 41) Arden Street, East Perth – Proposed Additions to the Second Floor and New Third Floor to the Existing Dwelling”, back to the Planning Committee.***

***The motion was put and carried***

The votes were recorded as follows:

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, McEvoy and Yong

**Against:** Cr Limnios

**Reason:** Council requested that the report be referred back to the Planning Committee for further consideration in light of new information that had been provided to Elected Members at very short notice from the applicant in respect of the proposed development.

**444/16 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH – NEW EXHIBITION CENTRE AND ALTERATIONS TO THE STATE LISTED HERITAGE BUILDINGS AT THE WESTERN AUSTRALIAN MUSEUM**

**BACKGROUND:**

SUBURB/LOCATION:	5 (Lots 2 and 3) Francis Street, Perth
FILE REFERENCE:	2016/5363
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	31 October 2016
MAP / SCHEDULE:	Schedule 2 – A map and colour perspectives for 5 Francis Street
LANDOWNER:	State of Western Australia – Department of Culture and the Arts

At the Planning Committee meeting held on 15 November 2016 the Committee agreed to amend Parts 6 and 7 of the Officer recommendation as follows:

6. ~~further consideration be given to the activation of~~ the roof space of the new exhibition link building and Francis Street building be activated as museum display and outdoor entertainment areas;
7. all significant trees being retained and protected on site and within the road reserve, including during the construction phase, in accordance with AS4970-2009, with any trees proposed for removal within the road reserve on Beaufort Street or Francis Street requiring a separate application for ~~approval from consideration by~~ the City;

**Reason:** The Planning Committee considered it appropriate to outline the importance of the roof space activation and to ensure the retention of all significant trees on the site including within the road reserve.

The subject site is located within the Metropolitan Redevelopment Authority Area in the Culture Centre Project Area Precinct. The site is bounded by James Street pedestrian mall to the south, Beaufort Street to the east, Francis Street to the North and the Museum Street pedestrian mall to the west. The site contains four heritage buildings which are listed on the State Register of Heritage Places including the Old Perth Gaol Building, Hackett Hall, the Jubilee Building and the Beaufort Street Wing building.

**DETAILS:**

The Metropolitan Redevelopment Authority (MRA) has referred to the City for comment an application for the new museum project at the existing Western Australian Museum site including a new exhibition centre building and alterations to the existing heritage buildings. The application is a State Government initiated project together with Brookfield Multiplex and Hassell and Oma Architects to provide a world class museum and exhibition space. The key objectives of the new museum project are 'People First; Western Australia; Design Excellence; and an Activated Museum.'

The new museum will be designed around an outdoor civic space at the centre of the site called 'City Room' which together with the Old Perth Gaol museum cafe will form a central focal point for visitors to the museum. The design of the museum is based on horizontal and vertical narrative loops with linkages between the new exhibition centre building and the existing heritage buildings; Hackett Hall; the Jubilee Building and the Beaufort Street Wing.

More specifically the development of the new museum project will involve:

- the retention, restoration and activation of Hackett Hall, the Jubilee Building, the Old Goal and the Beaufort Street Wing to activate the buildings and provide pedestrian access through the buildings and around the site and to link in with the new buildings;
- a new building wrapping around Francis Street and Museum Street to provide exhibition spaces, function rooms and museum facilities;
- the integration of the new museum with the surrounding public spaces including James Street and Museum Street (subject to further discussions with the State Government and MRA);
- a sustainability outcome for the project based on a whole of life approach, which will significantly exceed the sustainability requirements of the MRA;
- the provision of services, delivery and waste management integrated with the adjoining State Library of Western Australia; and

- the development of an Energy and Thermal System to provide services to ultimately all of the buildings within the Perth Cultural Centre.

**LEGISLATION / POLICY:**

**Legislation** Sections 64 and 65 of the *Metropolitan Redevelopment Authority Act 2011*  
Central Perth Redevelopment Scheme No. 2

**Integrated Planning and Reporting Framework Implications** **Strategic Community Plan**  
Council Four Year Priorities: Community Outcome  
Perth as a capital city  
The City is recognised internationally as a city on the move and for its liveability, talented people and centres of excellence and business opportunities

**COMPLIANCE WITH PLANNING SCHEME:**

**Land Use**

The site is located within the Metropolitan Redevelopment Authority Area and is therefore subject to the provisions of the MRA's Central Perth Redevelopment Scheme No. 2 ('CPRS2'). More specifically the site is located within the Perth Cultural Centre Project Area of CPRS2 and Precinct 36 – James Street. The vision for the Perth Cultural Centre Project Area is to realise the potential of the State's principle cultural hub in the heart of the city centre. An exciting urban environment will be created, which is infused with creativity, culture and talent. It will provide visitors with a space that engages the senses and contributes to the uniqueness of the area by way of its function, aesthetics and design.

It is considered that the proposed redevelopment of the Western Australian Museum site to include a new exhibition centre and the alterations to the heritage buildings are consistent with the project areas vision and the statement of intent for the James Street Precinct. This includes the incorporation of heritage conservation and the adaptive reuse of the existing heritage buildings. The project will also provide enhanced cultural facilities which will contribute to the uniqueness and cultural identity of the area by way of its design.

The proposed ancillary land uses including the museum café located in the Old Perth Gaol building, the retail tenancy adjacent to the Francis Street foyer and the Hackett Hall function centre are supported. The revised proposal to enhance the level of pedestrian interest and activity on Francis Street with a new exhibition display area is also supported.

The tenancies which have been identified as 'Commercial Opportunities' along Francis Street and at the Jubilee Hall but without any indication of their intended use should provide for pedestrian interest and activity. Uses such as 'Dining and Entertainment', 'Retail', and 'Culture and Creative' should be encouraged to locate in these tenancies rather than offices or other similar uses with inactive frontages. It is

also recommended that further investigations take place to improve the utilisation of the roof space of the new exhibition link building and Francis Street building, including an outdoor exhibition space for the museum and outdoor entertainment areas.

### **Heritage and Design Interventions**

The applicant has advised that the new museum project aims to unite the heritage buildings through a holistic design that creates an exciting dialogue between contemporary architecture and the heritage buildings. The old and the new structures will form two holistic narrative circulation loops, one vertical and one horizontal, linking together the historic and new exhibition buildings. The narrative loops are conceived as storylines centred on Western Australian nature and culture from the past through to the present through to the future.

The museum project seeks to provide an appropriate design response in terms of integrating the existing heritage buildings with the new contemporary additions. The new building on Francis Street, for example, is designed of a similar scale to the adjacent Beaufort Street Wing building and to the Old Swan Barracks on the opposite side of Francis Street, increasing in height as it moves away from the heritage buildings towards the north-west corner of the site. This is considered an acceptable design response in terms of maintaining the character and appearance of the existing streetscape along Francis Street and respectfully integrating the new addition with the existing heritage building.

With respect to the level four and five addition, some concern has been raised regarding the design of the cantilevered section and its relationship to the existing heritage building below. The City's heritage team considers the cantilevered section over Hackett Hall to be particularly intrusive, with the preference for this portion of the building to be further setback from James Street, providing some visual relief to the building below.

The new level four and five volumes are however clearly separated from the heritage building below. Whilst a setback to this portion of the building may provide further visual separation between the old and the new, it will also significantly detract from the design and architectural intent of the new museum project in terms of delivering an exciting and iconic landmark building within the Cultural Centre Precinct. This bold architectural response is considered to be consistent with the MRA's intent for the Precinct in terms of creating an exciting urban environment which attracts creativity, culture and talent. The architectural response is considered to deliver the new museum project with a confident and grand gesture which reflects Perth's maturity and recognition as a world class City.

The replacement of the existing link building on James Street with a new first floor exhibition building between the Jubilee Building and Hackett Hall is generally supported. The new link building will open up views to the Old Perth Gaol building and create an important linkage through the site at the ground floor level. Further consideration should, however, be given to the forward projection of the link building from the building line of the adjacent Hackett Hall and into James Street which is

considered to detrimentally impact on the character and appearance of the streetscape, the adjacent heritage buildings and the grand gesture of the level four and five volume over Hackett Hall. It is considered that the forward projection of the first floor exhibition link building is not necessary in terms of identifying the main entrance into the museum and will not contribute to a significant amount of exhibition space. It is recommended that the design of this portion of the museum development be further reviewed to address the above.

Some concern has been raised regarding the creation of a new entrance from Beaufort Street through the Beaufort Street Wing building and its impact in terms of the removal of significant heritage fabric. It is noted that an entrance from Beaufort Street would create an important linkage through the site to an otherwise inactive frontage of over 100 metres along Beaufort Street. The City has also been involved in negotiations with other developers to create pedestrian linkages from the adjacent Stirling Precinct to Beaufort Street and this would be consistent with those objectives, particularly as the buildings in this location tend to turn their backs to pedestrians through inactive frontages. It is acknowledged that a new entrance which impacts on heritage fabric can be achieved in a sensitive manner. The level of detail provided in the elevation plans, however is considered insufficient to make a thorough assessment of this part of the proposal. It is recommended that further detailed plans of the entrance proposal be provided and that it be designed to sensitively relate to the existing architectural features of the building.

With respect to the interventions to the Old Perth Gaol and the heritage staircase within the Beaufort Street Wing building, it is noted that the applicant has submitted revised plans which propose to retain the brick western additions to the Gaol and the heritage stair. The retention of these elements should be supported.

### **Trees and Landscaping**

The proposed landscape concept plan is generally supported, noting that the landscape of the Old Perth Gaol courtyard garden has been revised to be more in keeping with the historic context of the building. It is also recommended that all trees be protected, including during the construction phase, however only those trees which are located within the road reserve along Francis Street and Beaufort Street are located within the City's jurisdiction. The two trees which are proposed for removal in the revised plans along Francis Street and Beaufort Street will require a separate application for approval from the City and the MRA should be advised of this. It is recommended that all significant trees within the MRA controlled site be retained where possible.

### **Vehicle Parking and Service Access**

A dual purpose pedestrian link and service loading bay will be provided at the ground floor level along Francis Street. It is proposed that this area will accommodate up to a 19 metre semi-trailer which will enable large exhibits to be transported to and from the site. This bay is only intended to be used infrequently, typically during major exhibition changes with normal operations providing pedestrian access to the museum from Francis Street. The existing State Library Carpark will continue to be

used to provide access for service vehicles, however due to clearance restrictions of 2 metres will be limited to small service vehicles.

There are no new commercial tenant car parking bays proposed as part of the new museum project. The museum staff will continue to use the existing tenant bays allocated within the State Library Carpark. This is consistent with the Perth Parking Policy and the ample availability of public transport and public car parking available in close proximity to the site.

### **Conclusion**

The new museum project will deliver an iconic development of a high standard of design excellence within the Perth Cultural Centre Precinct. The project will unite the existing heritage buildings through a holistic design and create an exciting dialogue between contemporary architecture and heritage.

It is recommended that further investigations take place to ensure the design of the new exhibition link building does not result in any adverse impacts to the streetscape the existing heritage buildings or the grand gesture of the levels four and five volumes over Hackett Hall. The land uses within the commercial tenancies should be limited to those which create interest and activity at the pedestrian level. The use of the roof space as museum display and entertaining space should also be further investigated. Further details should be provided regarding the Beaufort Street Wing entrance in terms of how it will be designed to sensitively relate to the architectural features of the heritage building.

Based on the above it is recommended that Council commend the applicant on the museum project's high standard of design excellence and advises the MRA that the proposal for the new exhibition centre and alterations to the heritage buildings are supported in principle subject to further investigation of the issues identified above and the protection of all significant trees where possible.

***Moved by Cr McEvoy, seconded by Cr Adamos***

***That the Metropolitan Redevelopment Authority be advised that Council commends the applicant on the high standard of design excellence of the new museum project and supports in principle the proposed new exhibition centre and alterations to the State listed heritage buildings at the Western Australian Museum site at 5 (Lots 2 and 3) Francis Street, Perth and recommends and advises of the following:***

- 1. the setback to the new first floor exhibition link building between the Jubilee Building and Hackett Hall being further reviewed as it is considered to unnecessarily project beyond the existing building line into James Street, detracting from the character and appearance of the streetscape, the setting of the heritage buildings and the grand gesture of the level four volume over Hackett Hall;***

***(Cont'd)***



- 2. *the further review and the submission of detailed elevation plans for the proposed new entrance through the Beaufort Street Wing building, demonstrating how the new entrance sensitively relates to the heritage building and its architectural features, noting the principle of a new entrance is supported along this otherwise inactive frontage of over 100 metres, providing a connection to and from the adjacent Stirling Precinct to the east;***
- 3. *the retention of the existing brick additions at the western end of the Old Perth Gaol building and the retention of the heritage staircase in the Beaufort Street Wing building as indicated in the revised plans dated 26 October 2016 is supported;***
- 4. *Council supports the redesign of the ground floor plane along Francis Street to improve its interface with the street including a new exhibition display area as indicated in the revised plans dated 26 October 2016;***
- 5. *Council suggests that the tenancies indicated as ‘commercial opportunities’ at the ground floor plane along Francis Street and at Jubilee Hall be occupied with uses that provide for street level interest and activity including ‘Dining and Entertainment’, ‘Culture and Creative’ and ‘Retail’ rather than offices or other similar uses with potentially inactive frontages;***
- 6. *the roof space of the new exhibition link building and Francis Street building be activated as museum display and outdoor entertainment areas;***
- 7. *all significant trees being retained and protected on site and within the road reserve, including during the construction phase, in accordance with AS4970-2009, with any trees proposed for removal within the road reserve on Beaufort Street or Francis Street requiring a separate application for consideration by the City;***
- 8. *an updated waste management plan for the museum being submitted to the City for approval prior to the occupation of the new building; and***
- 9. *a construction management plan for the proposal being submitted for approval prior to applying for a building permit, detailing how it is proposed to manage;***

**9.1 *the delivery of materials and equipment to the site:***

**(Cont'd)**

- 9.2    *the storage of materials and equipment on the site;***
- 9.3    *the parking arrangements for the contractors and subcontractors;***
- 9.4    *any dewatering of the site;***
- 9.5    *the protection of heritage buildings/fabric; and***
- 9.6    *other matters likely to impact on the surrounding properties.***

***The motion was put and carried***

**The votes were recorded as follows:**

**For:        The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

**445/16    45 (LOT 110) FRANCIS STREET, NORTHBRIDGE –  
REFURBISHMENT OF THE EXISTING BUILDING,  
INSTALLATION OF TWO GLASS CANOPIES AND  
RECONFIGURATION OF CAR PARKING**

**BACKGROUND:**

SUBURB/LOCATION:	45 Francis Street, Northbridge
FILE REFERENCE:	2016/5289
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	31 October 2016
MAP / SCHEDULE:	Schedule 3 – Map and coloured perspectives for 45 Francis Street, Northbridge
LANDOWNER:	Warrington 45 Francis Pty Ltd
APPLICANT:	Town Planning Group, Urban Design and Heritage
ZONING:	(MRS Zone) City Centre Area Zone (City Planning Scheme Precinct) Precinct 1 Northbridge (City Planning Scheme Use Area) City Centre
APPROXIMATE COST:	\$4.5 million

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 15 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

**SITE HISTORY:**

The 6,762m<sup>2</sup> subject site is located on the south-western corner of William Street and Francis Street in Northbridge. The site has a 128.16 metre frontage to Francis Street to the north and a 47.45 metre frontage to William Street to the west with a 4.24 metre frontage to the corner truncation at the intersection of Francis Street and William Street.

The site is currently occupied by a six storey (plus basement level) office building that currently houses the WA branch of the Australian Taxation Office, along with ground floor retail and restaurant tenancies at the Francis Street and William Street frontages.

The site currently has a total of 125 tenant car parking bays, licenced under the Perth Parking Policy across the basement and ground floor level, in addition to a number of loading/service bays. A single vehicle crossover to Francis Street provides access to five at-grade bays adjacent Francis Street and 98 basement bays. There are an additional 22 external at-grade bays located to the rear of the building accessed via a right of way from James Street.

The site also contains the former Loreto Bell Tower, which covers an air vent for the underground car parking area. The Bell Tower is constructed of brick in a Romanesque style and has an overall height of 20.2 metres. The Bell Tower originally stood in the grounds of the Loreto Convent in Claremont, where it was constructed in 1937. When the Convent was demolished, the Bell Tower was taken down and reconstructed in its present location when the office building was constructed.

The site is subject to an easement in benefit to 223 William Street over a portion of the site which provides access to the existing right of way to the rear of the site. The site also has an easement in benefit over the same lot for party wall purposes.

**DETAILS:**

The development proposes to refurbish the existing building to increase its aesthetic appeal, to enhance public and tenant access, and to upgrade the commercial tenancies.

The existing Loreto Tower is proposed to be demolished or removed, opening up the space on the corner, creating a new plaza, referred to by the applicant as "William Square". This space will be protected from the elements by a glass canopy at second floor level, eight metres above the plaza. A new glass canopy is proposed to extend over the footpath along William Street and a refurbished arcade along Francis Street to provide pedestrian shelter.

Public access to the main forecourt on Francis Street is proposed via the refurbished undercover walkway, bounded by refurbished commercial tenancies. The proposal seeks to install a glass roof eight metres above the forecourt complementing the William Street canopy. This will convert the forecourt into a habitable space for the public, the commercial tenancies patrons and office tenants alike, and will achieve a microclimate that improves its current thoroughfare function. Tables and chairs will be provided for public use to activate this currently underutilised space.

The forecourt will be secured afterhours by visually permeable gates to ensure that the new finishes and fixtures are not subjected to vandalism. During the day, these gates will fold away to enable full public access to the forecourt.

The heavily tinted glass and precast concrete panels of the first two levels of the existing building façade overlooking the forecourt will be replaced by contemporary clear floor to ceiling glazing to extend views to and from the internal spaces and the newly refurbished forecourt.

The plans show a projector television screen proposed to be located within the Francis Street forecourt area however the applicant has since advised that this screen is no longer proceeding. As such a condition should be imposed on any approval granted advising the screen does not form part of this approval and would be subject to a separate application.

The office foyer is proposed to be refurbished and activated by adjoining food and beverage tenancies. The existing lightwell that currently terminates at first floor level, will be extended to the lobby level to provide natural light into the ground level foyer with planting introduced at its base.

New two storey perforated aluminium façade screens are proposed along the William Street and Francis Street elevations to improve the building presentation on this prominent corner. These screens will provide solar protection for the office spaces behind, whilst maintaining views through, and passive surveillance of the street below. The screens will be illuminated at night.

One existing bin store within the William Street laneway is proposed to be removed, to better enable future pedestrian access to the existing laneway along the southern boundary of the site. The applicant has stated that the existing building is appropriately provided with bin stores, noting the existing areas being retained adjacent to the Francis Street crossover, and within the basement level.

The application also proposes to reconfigure the existing 125 commercial tenant car parking bays and three loading bays on the site to accommodate new services within the basement. Despite the deletion of one tenant car parking bay, it has been requested that the existing number of 125 tenant bays remains to allow for a degree of flexibility at the detailed design stage.

**LEGISLATION / POLICY:**

**Legislation**

*Planning and Development Act 2005* s. 162  
City Planning Scheme No. 2 (CPS2) Clauses 6, 26, 27, 40, 44, 45, 47 and 48 and the Northbridge Precinct Plan requirements.  
*Planning and Development (Local Planning Scheme) Regulations 2015* – Deemed Provisions for Local Planning Schemes Clauses 60, 66, 67, 68 and 74  
Metropolitan Region Scheme  
Perth Parking Policy 2014 (PPP)

**Policy**

Policy No and Name: City Development Design Guidelines (4.1)  
Building Heights and Setbacks (4.4)  
William Street Conservation Area Design Guidelines (6.9)

**COMPLIANCE WITH PLANNING SCHEME:**

**Land Use**

The subject site is located within the City Centre Use Area of the Northbridge Precinct (P1) of the City Planning Scheme No. 2 (CPS2). The Precinct will remain Perth's primary entertainment and night life area and will provide a variety of residential and visitor accommodation and commercial services. Mixed residential and commercial developments will be encouraged throughout the Precinct to strengthen its residential component as well as creating employment opportunities.

The applicant has proposed 'Dining', Retail' and 'Office' uses for the ground floor commercial tenancies. 'Retail – General', 'Retail - Local' and 'Dining' are Preferred uses ('P') and an 'Office' is a Contemplated ('C') use within the City Centre use area of the Northbridge Precinct (P1), for properties east of Russell Square. The office tenancy is located to the rear of the building and as such does not occupy the shop front at pedestrian level with more active uses and communal spaces provided instead. It is considered that the retail, dining and office uses are consistent with supporting a day and night time economy which is identified as a priority in the Northbridge Precinct.

**Development Requirements**

New developments in the Northbridge Precinct will continue to have regard to the scale and character of existing streets. Developments will have a nil street setback and be of a low scale along the street frontage with additional building height setback from all lot boundaries. In addition, the height of buildings must allow for adequate sun penetration into key pedestrian streets and public places. The Precinct will also be characterised by versatile building forms which will be easily adaptable to new uses and be able to accommodate a variety of interesting and informative signs. The facades will also add interest and vitality to the street, and be characterised by continuous shopfronts and traditional designs, incorporating verandahs, awnings and artwork.

The proposal has been assessed against the City Planning Scheme requirements and the proposal's compliance with the following development standards is summarised below:

<b>Development Standard</b>	<b>Proposed</b>	<b>Required / Permitted</b>
<b>Maximum Plot Ratio:</b>	3.31:1 (22,400m <sup>2</sup> )	Base Plot Ratio 4:1 (27,048m <sup>2</sup> )
<b>Maximum Street Building Height:</b>	13 metres	14 metres
<b>Maximum Building Height:</b>	28.5 metres	33 metres
<b>Setbacks:</b>		
<u>Francis Street:</u>		
- Lower Building Levels	Nil (screen projecting over boundary) to 12 metres	Nil up to 14 metres in height
- Upper Building Levels	3.5 - 11.9 metres (existing building)	5 metre setback up to 33 metres in height
<u>William Street:</u>		
- Lower Building Levels	Nil (screen projecting over boundary) to 17.6 metres	Nil up to 14 metres in height
- Upper Building Levels	8.2 to 16.6 metres (existing building)	5 metre setback up to 33 metres in height
<u>Side (West):</u>		
- Lower Building Levels	1.7 (no openings) to 3.2 metres (openings) (existing building)	Nil (no openings/balconies) 3 metres (with openings/balconies)
- Upper Building Levels	11.2 to 19.6 metres	3 metres
<u>Rear (South):</u>		
- Lower Building Levels	Nil (no openings), 3 to 11.5 metres (openings)	Nil (no openings/balconies) 3 metres (with openings/balconies)
- Upper Building Levels	3.1 to 11.5 metres	3 metres

Development Standard	Proposed (existing building)	Required / Permitted
<b>Car Parking:</b>  - Commercial	<b>125 commercial car bays</b> and 3 loading bays (existing)	68 bays (at grade access)
<b>Bicycle Parking:</b>  - Bicycle Bays	85 bays  170 female lockers and 10 showers, 176 male lockers and 11 showers	14 bays  Parking for 14 bicycles is provided, along with male and female lockers, showers and change room facilities

The proposed modifications to the building setbacks seeks to vary the requirements of the City's Building Heights and Setbacks Policy. Variations to the Building Heights and Setbacks Policy provisions applicable to the development can be granted by an absolute majority decision of Council, in accordance with clause 47(3) of the City Planning Scheme and provided Council is satisfied that:

*'47(3)(c)(i) if approval were to be granted, the development would be consistent with:*

- (A) the orderly and proper planning of the locality;*
- (B) the conservation of the amenities of the locality; and*
- (C) the statement of intent set out in the relevant precinct plan; and*

*(ii) the non-compliance would not have any undue adverse effect on:*

- (A) the occupiers or users of the development;*
- (B) the property in, or the inhabitants of, the locality; or*
- (C) the likely future development of the locality'.*

## Design Guidelines/Policy

### *William Street Conservation Area Design Guidelines*

The subject site (including the Loreto Bell Tower) is not subject to any statutory heritage listings; however the site is located within the William Street Conservation Area and is therefore subject to the William Street Conservation Area Design Guidelines. The Guidelines identify that the site (including the Loreto Bell Tower) have "no Cultural Heritage Significance" in the context of the William Street Conservation Area.

The policy does however outline that new development on lots where there are no heritage buildings should achieve design excellence and use quality materials

without compromising the heritage significance of the individual heritage buildings or the Conservation Area. The Built Form policies are intended to guide new works to ensure that new development maintains and enhances the cultural heritage significance of the Conservation Area.

The policy also outlines particular design that should be utilised within the Conservation Area including:

- Subtle architectural style using simple forms and limited material palette;
- Distinct architectural approach that enhances the existing character of the place; and
- Design principles that derive from the architectural language of the existing heritage fabric without imitation.

The policy requires that new materials, finishes and colours to non-heritage buildings and additions should enhance the character of the existing heritage fabric without visually dominating the streetscape or adjacent heritage buildings/heritage fabric.

#### *City Development Design Guidelines*

The City Development Design Guidelines state that buildings on prominent sites, such as corner sites, sites which terminate views and vistas, and sites which define and identify squares and public spaces, should accentuate the built character of an area. Corner elements of buildings (on corner sites) should be emphasised by greater scale or differing geometry relative to the remainder of the building or surrounding development. This could include chamfering, curving, additional height, different roof forms, verandahs, balconies or other design elements which accentuate building corners.

The application proposes to remove a prominent feature being the Loreto Bell Tower which currently defines and identifies the corner site. The application proposes to install an artwork or prominent free-standing sculptural element to replace the existing Tower, and which will act as an identifying feature and way-finding device for pedestrians as well as screening the car park vent. The applicant has stated that this will act as the identifier for the proposed 'William Square' and is consistent with the intent of the Guidelines for prominent (corner) sites.

#### **COMMENTS:**

##### **Consultation**

##### *Department of Transport*

The application was referred to the Department of Transport (DoT) as intended under clause 42 CPS2 as the development proposed to maintain the existing 125 commercial tenant car parking bays which is no longer compliant with the number of bays permitted for this site in the Perth Parking Management Area.



In its letter dated 23 August 2016, the DoT noted the proposal consists of cosmetic improvements and refurbishments and minor change of use which do not impact on the use of the parking. The demolition of the Tower is not considered to constitute redevelopment on the site and as such as confirmed by the DoT under the Perth Parking Policy the development is permitted to retain the existing number of commercial tenant parking bays on the site.

*City of Perth Design Advisory Committee*

At its meeting held on 25 August 2016, the City of Perth's Design Advisory Committee (DAC), having considered the development proposed including the Loreto Bell Tower advised that it:

- "1. considers that if the Loreto Bell Tower is to be removed the applicant should explore the possibility of relocating the tower to another appropriate site and that, in the absence of the tower, the corner treatment of the site needs to provide an improved outcome for the 'public plaza'. To this end, it is considered that the design of the corner treatment requires further resolution, including additional detail of the ground level facades and uses;*
- 2. acknowledges the attempts to reference local cultural influences in the design of the perforated aluminium screens, however, considers that further design development is required to more sympathetically reflect the grain and scale of the surrounding heritage fabric to achieve design excellence without compromising the heritage significance of the area, as required by the William Street Conservation Design Guidelines;*
- 3. requests an explanation of the rationale for the extent that the perforated aluminium screens encroach over both the William Street and Francis Street road reserves, including an investigation of the extent to which the screen to the William Street façade might impact on the views or vistas along William Street;*
- 4. suggests that the Francis Street façade design be further reviewed so that the untreated sections of the façade are similarly upgraded through the application of screens or similar complementary treatment to integrate the design of the key façade elements as viewed from Francis Street;*
- 5. requests additional detail of the design of the proposed retractable gates to the Francis Street forecourt space and asks that consideration be given to repositioning the gates to align with the existing shop fronts on either side of the forecourt to allow pedestrians to walk under the canopy cover when the gates are closed; and*
- 6. the applicant is encouraged to consider the potential for activation of the setback area currently used for bin storage to the south of the building with the potential to create a pedestrian link to the existing right-of-way to the south connecting to James Street."*

In response to the DAC's recommendation the applicant has modified the design and provided the justification in support of the revised application.

In response to item one the proponent has commenced discussions with a party who has expressed interest in obtaining the Loreto Bell Tower once removed from the subject site. The applicant has advised that they considered this process is best managed privately between the parties, and is not a relevant planning consideration for the determination of this development application.

The applicant has also reiterated that the Loreto Bell Tower has no heritage significance on the subject site, as noted by the City's William Street Conservation Area Design Guidelines which identify the subject site (specifically including the Tower) as having "no Cultural Heritage Significance in the context of the William Street Conservation Area." Furthermore, the applicant has provided a background as to how the Loreto Bell Tower came to be placed on the site with the Tower to emphasise the corner.

The removal of the Tower has been justified by the applicant by maintaining this corner emphasis, which has been achieved via the provision of an open and publically accessible forecourt, with a striking canopy structure. The proponent is cognisant of the need to select an appropriate tenant, and put in place an appropriate management strategy, to ensure the success of the proposed 'William Square' space as a public feature. Further details regarding the removal of the Tower are discussed later in this report.

In response to item two the applicant has provided revised plans proposing to simply the perforation patterning to the William Street façade, which are to be acceptable.

In response to item three the applicant has provided justification for the encroachment of the screens within the road reserve, which has been minimised to a maximum of 1.37 metres to William Street. The applicant has stated that this encroachment will not only contribute to the public realm by providing a visually striking architectural feature, but also enable discrete ongoing building maintenance to occur, through the effective screening of maintenance platforms for window cleaning.

The applicant has also acknowledged that the screen encroachments will be subject to separate approval from the Department of Lands, outside the scope of any development approval.

In response to item four the applicant has reviewed the Francis Street façade design such that patterning which references the screens is provided further along the building. Notwithstanding, it has been a conscious design decision to restrict the façade screen features to the corner only, so as to emphasise the corner.

In response to item five further details of the proposed aluminium security screen to the Francis Street forecourt have been submitted to the City, showing quality, perforated, and visually permeable material. This design will allow for visual surveillance to the street whilst also allowing for the plaza area to be secured when

not in operation. It is considered this outcome is an acceptable compromise however final details regarding the design of the security screen is to be provided to ensure the design intent is maintained. A condition requiring the final details of the security screen should be imposed on any approval granted.

In response to condition 6 the applicant has advised that the existing bin store area is not part of this current refurbishment scope of works, due to existing leasing arrangements. However the proponent will consider improvements to this area in the future and would engage with the City as part of any wider proposal to activate the existing right of way which connects to James Street.

### **Land Use**

The applicant has proposed 'Dining', 'Retail' and 'Office' uses for the ground floor commercial tenancies. It is considered the proposed land uses are appropriate for the area and however any office should not be permitted where the tenancy fronts the street at pedestrian level. It is considered a condition be imposed permitting the tenancies on the ground floor being used for 'Dining', 'Retail – General' and 'Retail – Local' with 'Office' uses only permitted where the tenancy does not front the street at pedestrian level.

### **Development Standards**

The proposed development is generally in accordance with the required setbacks with the exception of proposed screens which encroach over the boundary by 1.05 metres to Francis Street and 1.37 metres to William Street. Given the limited impact on the adjoining properties there is no requirement to advertise the variation to the adjoining landowners.

The proposed height of the encroachments from the screens above the street level will have little impact on the streetscape within the area and pedestrians will still have a clear line of sight southwards on William Street.

New awnings and a canopy is proposed to be provided on both William Street and Francis Street to provide pedestrian shelter around the site when the proposed internal plaza to Francis Street is closed in the evening. The new awnings and canopy will encroach into the road reserve up to 2.5 metres however these structures are considered to be 'prescribed encroachments' under the *Building Regulations 2012* and as such no approval for the encroachment is required.

### **Design Guidelines/Policy**

#### *William Street Conservation Area Design Guidelines*

No objection is raised to the removal of the Loreto Bell Tower as the structure is not listed on the City's Heritage List and has been relocated from Claremont and therefore there is no connection with the place or Heritage Area.

The applicant also seeks to install public art on the corner of William and Francis Streets to reinforce the corner and assist in way finding. No detail regarding this public art work has been provided at this stage however the artwork will require approval from the City. A condition imposing the details of this artwork to be submitted prior to installation should be imposed on any approval granted.

The Loreto Bell Tower does not hold any heritage value to the area and the revised design for the corner is considered to achieve a good outcome for accentuating the corner site but it does tell a story and has sentimental value to some. Whilst it is considered a good outcome for the Tower to potentially be relocated to a new site imposing a condition to this affect is considered onerous and not considered to be a reasonable planning condition. It is considered that an advice note should be provided on any determination stating the City would strongly encourage the applicant to pursue the relocation of the Tower.

The proposed screens to the eastern and northern facades of the building have been simplified to ensure they do not adversely impact the adjacent heritage buildings and the Conservation Area. It is considered a condition should be imposed on any approval granted requiring final details of the screens consistent with the approved plans being submitted prior to a building permit being submitted.

The policy requires that new materials, finishes and colours to non-heritage buildings and additions should enhance the character of the existing heritage fabric without visually dominating the streetscape or adjacent heritage buildings/ heritage fabric. The addition of the screens defines the lower building façade from the remainder of the building which complements the bulk, height and scale of those surrounding buildings.

#### *City Development Design Guidelines*

The City Development Design Guidelines require buildings on prominent sites, such as corner sites, sites which terminate views and vistas, and sites which define and identify squares and public spaces to accentuate the built character of an area. As the application proposes to remove the Loreto Bell Tower a new canopy is proposed to be installed to the corner of the William and Francis Street which will act as a defining feature. The canopy is proposed to be approximately eight metres above the plaza area below giving the corner additional emphasis and grandeur. An artwork or prominent free-standing sculptural element is proposed to replace the existing Tower, which will act as an identifying feature and way-finding device for pedestrians as well as screening the car park vent. The applicant has stated that this will act as the identifier for the proposed 'William Square' and is consistent with the intent of the Guidelines for prominent (corner) sites.

#### **Screen Encroachment in Road Reserve**

Advice from the Department of Lands (DoL) is that a structural easement pursuant to section 144 of the *Land Administration Act 1997* is required for the screens. The easement will provide protection and clarity as to who will be responsible for the encroached structure within the road reserve. The granting of the easement will be

subject to the approval from the City of Perth, as the management body responsible for the road reserve. A Crown subdivision will be undertaken to create a new Crown lot for the road reserve and for the easement to be registered against this title.

It should be noted that the proponent will be responsible for all costs associated with the grant of an easement. In addition to this it is recommended if the City supports the encroachment, public liability insurance should be required to be provided to ensure the City is protected against any claims that may result from the screens. The applicant should be advised of the above which may be included in any approval.

As the screens to the William and Francis Street are not considered to be 'prescribed encroachments' under the Building Regulations 2012 separate approval is required to be obtained from the City for the structures to encroach into the road reserve.

### **Conclusion**

The proposed redevelopment will facilitate the refurbishment of the existing building, pedestrian interest and activation at the ground floor level. The architectural sun screens are considered to be an acceptable outcome and further reduce the bulk of the existing building by 'breaking up' the façade.

In response to the concerns of the DAC the applicant has provided revised plans and elevations to improve the overall presentation and quality of the design.

The development generally complies with the requirements of the CPS2, with the proposed building height and setbacks and bicycle parking variations being supported in accordance with clause 47 of the CPS2. Other aspects of the development including materials/finishes can be conditioned to address Council's requirements.

Given the above, it is recommended that the proposed development be supported subject to relevant conditions.

*Moved by Cr McEvoy, seconded by Cr Adamos*

*That:*

- 1. in accordance with the provisions of City Planning Scheme No. 2 and the Metropolitan Region Scheme, Council approves the application for refurbishment of the existing building, installation of two glass canopies and reconfiguration of car parking at 45 (Lot 110) Francis Street, Northbridge as detailed on the Metropolitan Region Scheme Form One dated 29 July 2016 and as shown on the plans received on 21 October 2016 subject to:**

**1.1 final details of the:**

- a) design consistent with the plans received 21 October 2016 and a sample board of the high quality and durable materials, colours and finishes for the building being submitted by the applicant and approved by the City prior to applying for the relevant building permit;**
- b) proposed plaza security screen being submitted by the applicant and approved by the City prior to applying for the relevant building permit;**
- c) design and treatment of the public plaza, open space areas, soft and hard landscaping; reticulation, furniture and lighting, with a sample board of the materials, colours and finishes of the spaces being submitted by the applicant and approved by the City prior to applying for the relevant building permit and being installed prior to the occupation of the new tenancies on the plaza level and thereafter being maintained to a high standard; and**
- d) proposed artwork to the plaza being submitted by the applicant and approved by the City prior to applying for the relevant building permit and installed within 12 months of the completion of the development with the cost of the installation and ongoing maintenance of the proposed artwork being the responsibility of the applicant/owner of the property,**

**(Cont'd)**

- 1.2 any proposed external building plant, piping, ducting and air condensers being located so as to minimise any visual and noise impact on the adjacent developments and being screened from view of the street, including any such plant or services located within the vehicle entrance of the development, with details of the location and screening of such plant and services being submitted by the applicant and approved by the City prior to applying for a building permit;**
- 1.3 any new signage for the building being integrated into the design of the building and any signs which are not exempt from approval under the City's Signs Policy 4.6 requiring a separate application for approval;**
- 1.4 the projector television screen within the Francis Street forecourt not being part of this development approval;**
- 1.5 the dimensions of all modified car parking bays, loading bays, the vehicle entrance, aisle widths and circulation areas complying with the Australian Standard AS2890.1 with details being submitted to the City for approval prior to applying for a building permit;**
- 1.6 a Waste Management Plan, identifying a permanent storage and wash down facility for bins for both recyclables and general waste and including a waste disposal/collection strategy demonstrating how these facilities will be serviced by the City, being submitted by the applicant and approved by the City prior to applying for a building permit;**
- 1.7 the proposed awnings and canopy being a minimum of 600mm from the adjacent kerbline;**
- 1.8 the use of the ground floor commercial tenancies fronting the pedestrian level being restricted to 'Dining', 'Retail – General' or 'Retail – Local' land uses with any other proposed uses not listed above or external alterations to the tenancy requiring a separate application to the City for approval;**
- 1.9 the applicant/owner of the building exempting the City in writing from any liability resulting from claims due to the proposed screen encroachments, with the applicant/owner accepting all responsibility for any such claims with this being submitted to the City prior to applying for a building permit;**

**(Cont'd)**

- 1.10 a construction management plan for the proposal being submitted for approval by the City prior to applying for a building permit, detailing how it is proposed to manage:**
- a) the delivery of materials and equipment to the site;**
  - b) the storage of materials and equipment on the site;**
  - c) the parking arrangements for the contractors and subcontractors; and**
  - d) other matters likely to impact on the surrounding properties,**
- 2. the applicant is strongly encouraged to pursue the relocation of the Loreto Bell Tower as discussed with the City's Officers; and**
- 3. the applicant be advised that a BA20 "Notice and Request for Consent to Encroach or Adversely Affect" is required to be submitted and approved by the City prior to the submission of the relevant building permit.**

***The motion was put and carried***

**The votes were recorded as follows:**

**For: The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

**6.19pm** Cr Limnios previously disclosed a Direct Financial Interest in Item 446/16 (detailed at Item 438/16) and departed the meeting.



**446/16 5 (LOTS 2 AND 3 - PROPOSED) THE ESPLANADE, PERTH –  
‘IN PRINCIPLE’ PROPOSAL FOR A 25 STOREY  
HOTEL/SERVICED APARTMENT BUILDING AND 50  
STOREY RESIDENTIAL BUILDING**

**BACKGROUND:**

SUBURB/LOCATION:	Elizabeth Quay, Perth
FILE REFERENCE:	2016/5398
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	3 November 2016
MAP / SCHEDULE:	Schedule 4 – Location map and coloured perspectives for ‘Sites 2 and 3’
LANDOWNER:	Metropolitan Redevelopment Authority
APPLICANT:	CA & A Associates Pty Ltd
ZONING:	(MRS Zone) Redevelopment Scheme/Act Area (MRA Central Perth Redevelopment Scheme Precinct) Elizabeth Quay - Inlet (P39) (City Planning Scheme Use Area) N/A
APPROXIMATE COST:	Unknown

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 15 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

**SITE HISTORY:**

At its meeting held on **8 November 2011**, Council granted ‘in-principle’ approval for the acquisition of Lot 79 The Esplanade and Lots 901 and 302 Riverside Drive by the State Government for the Perth Waterfront Project.

Numerous subdivision and development applications have since been approved for the land assembly and construction of the public and private realms within ‘Elizabeth Quay’, with the most recent being:

Development Application 10 (DA10 Approving Authority: Metropolitan Redevelopment Authority): This development application relates to the 28 storey hotel and apartment buildings on Lots 9 and 10. DA10 is currently under construction.

Subdivision 3 – (SD3 Approving Authority; Western Australian Planning Commission): Consisting of 3 lots in the public realm to accommodate the three food and beverage kiosks (being those in the above DA6 and DA7 and also the proposed

DA9). This included a new road reserve (Riverside Lane) to provide access to one of the FBO lots. SD3 was approved by the Minister for Planning on 29 December 2015.

Site 2 has a total land area of 3060m<sup>2</sup>, whilst Site 3 is 3148m<sup>2</sup>. The proposed development includes a shared basement level that will continue under William Lane which centrally bounds the two Sites. The developer will seek the appropriate title arrangement via the subdivision/amalgamation process to allow this to occur. Site 2 is bound by William Lane to the north, Western Promenade to the east, William Street Landing to the south, and William Street to the west. Site 3 is bound by Station Park to the north, Western Promenade to the east, William Lane to the south, and William Street to the west.

#### **DETAILS:**

An 'in principle' development application for a new 25 storey hotel/serviced apartment building and a 50 storey residential building for 'Site 2' and 'Site 3' of the Elizabeth Quay Project Area has been referred to the City for preliminary comment by the Metropolitan Redevelopment Authority (MRA). Where an applicant considers it beneficial to obtain a preliminary position on a proposal prior to lodging a formal development application, an application for in-principle development approval may be lodged with the MRA.

The proposed development includes two common basement levels comprising of car parking and services, separate hotel/serviced apartment and residential podium elements (five storeys each) linked by a covered plaza, with separate hotel/serviced apartment (20 storeys) and residential (45 storeys) towers above.

A summary of the main features of the proposed development are as follows:

<b>Hotel/Serviced Apartments</b>	A total of 209 hotel rooms and 171 short stay serviced apartments will be provided at the tower levels of Site 3.
<b>Residential</b>	A total of 323 residential dwellings will be provided at the podium and tower levels of Site 2. The development will comprise of a mixture of dwelling types including 73 one-bedroom apartments, 208 two-bedroom apartments and 42 three-bedroom apartments.
<b>Other Uses</b>	A variety of retail, office, dining, gymnasium and shared amenity spaces are proposed for the ground and podium levels including covered plaza, laneway and alfresco spaces. In addition a sky deck and art gallery space is proposed within the roof levels of the residential tower.
<b>Vehicle Parking</b>	Approximately 375 car parking bays will be provided for the proposed development within two basement levels spanning the two sites.

With respect to the physical design of the proposal, the applicant advises that the design of the buildings is based on the following principles:

- *“provision of an east-west pedestrian link through the site, connecting through from William Street to the Western Promenade via a covered plaza area that will provide a high quality public space;*
- *a north-south covered laneway connecting the proposed covered plaza to Station Park to the north of Site 3 to ensure a high degree of permeability through the site;*
- *provision of a classic podium and tower typology that reconciles the scale of the building with the surrounding public realm. The podium and tower form provides for a reduced visual presence at the pedestrian level, as well as maximising sunlight penetration, ventilation and outlook between tower elements;*
- *design of the podium level to provide for a high degree of activity with the surrounding public realm, and is conceived as a light-weight, largely transparent structure activated by a range of retail/food and beverage tenancies at the ground floor level;*
- *activation of upper podium levels via the provision of a food and beverage outlet at the first floor level, a commercial health club at the second floor level, and commercial office tenancies and residential apartments throughout the upper podium levels;*
- *continuous pedestrian awnings provided for the full extent of the ground floor facades, providing weather protection throughout the year; and*
- *tower elements providing a unique and high quality contribution to the city skyline, exhibiting a contemporary aesthetic, with the hotel/serviced apartment building being a long rectilinear volume that orients east-west allowing views of Kings Park and the inlet, contrasted with the slender residential tower which will form an emblematic and defining structure for the western frame of the inlet.”*

**LEGISLATION / POLICY:**

**Legislation**

*Metropolitan Redevelopment Authority Act 2011  
Metropolitan Redevelopment Regulations 2011  
Metropolitan Redevelopment Authority's Central Perth  
Redevelopment Scheme*

**Policy**

*Metropolitan Redevelopment Authority's Elizabeth Quay  
Design Guidelines*

**COMPLIANCE WITH PLANNING SCHEME:**

**Land Use and Development Standards**

Under the provisions of the *Metropolitan Redevelopment Authority Act 2011*, the MRA is responsible for planning and development control within the Central Perth Redevelopment Area (CPRA). The Elizabeth Quay project area is subject to the provisions of the MRA's Central Perth Redevelopment Scheme (CPRS). The general land use intent of the CPRS is to create diverse mixed land use urban environments, including creating high quality spaces for people through an activated and interesting public realm. Commercial, Retail, Residential and Dining and Entertainment land uses are preferred uses within the Inlet Precinct, whilst Culture and Creative Industry and Community land uses are contemplated uses within the Precinct.

The form and function of development within Elizabeth Quay is guided by the MRA's associated Elizabeth Quay Design Guidelines. The Guidelines aim to transform the relationship between the city and the river and enhance the identity of central Perth. The vision for Elizabeth Quay under the Guidelines is:

*"a highly interactive civic space, accessible to the whole region and within walking distance of all major facilities within central Perth."*

The specific statement of development intent for Sites 2 and 3 within the Guidelines are as follows:

**"Site 2**

*The ground floors of the development will incorporate highly activated food and beverage uses while the residential/hotel tower above will command significant views of the Inlet, the Swan River, Kings Park and the city.*

*The new building will be a landmark architectural design that responds to the prominent location of the site, the river context and provides highly activated interface with the public realm."*

**"Site 3**

*The ground floor level will provide significant food and beverage opportunities, particularly on the north-east corner of the site, where the adjacent Promenade and Station Park provide opportunities for alfresco dining.*

*The podium and tower above will command significant views of the inlet, the Swan River, Kings Park and the city while the building will be designed to appropriately terminate the view lines from Riverside Drive."*

The Central Perth Development Policies set out development approval requirements and performance standards for the development of land in the CPRA. The policies relevant to this development include Green Building Design, Sound and Vibration Attenuation, Providing Public Art, Signage, Affordable and Diverse Housing, Hosting Public Events and Adaptable Housing.

**COMMENTS:**

**Land Use**

The land uses proposed are generally in accordance with the preferred land uses stipulated in the CPRS and Design Guidelines. The exception being the proposed office located within the ground and podium levels of the hotel/serviced apartments building. Whilst 'Commercial' uses are preferred within the Precinct under the CPRS, the Design Guidelines include 'shop' and 'restaurant/café' as preferred uses within the podium for Sites 2 and 3. Given the level of ground and podium level activation proposed, it is considered that the inclusion of the office use will not detract from the safety and vibrancy of the development and the adjacent public realm.

While the above land uses are desirable in this location, it is noted that the potential for land use conflict exists, particularly between the residential apartments and hotel/serviced apartments and the various entertainment and hospitality uses. The design and management of the development will be critical to its success.

### **Building Height and Setbacks**

The proposed development includes a significant variation to the height controls contained within the Design Guidelines. In particular, 50 storeys is proposed for the residential tower (inclusive of a compliant five storey podium) in lieu of the prescribed maximum 25 storey total development height. The variation has been justified by the applicant based on the following:

- *“The proposed development is considered to be of an exemplary design quality that is worthy of the requested building height variation;*
- *The building height variation permits an appropriate expression of built form that enables the residential tower to provide a new landmark entry statement for the western frame of the Elizabeth Quay inlet, and will contribute to the provision of legibility markers in the city skyline;*
- *A significant portion of the tower on Site 2 at the very highest levels will be accessible to the public and will function as a notable new tourist attraction, and a cultural and iconic emblem for Perth;*
- *The proposed development has been specifically designed to enhance east-west visual permeability through the site, and to maintain minimum solar access levels to the Western Promenade; and*
- *The proposal will provide an architecturally designed building of the highest standard of presentation and design that will have a positive overall impact on the streetscape, skyline and the amenity of the locality, in line with the MRA's vision for the Elizabeth Quay project area.”*

Whilst the Design Guidelines are intended to allow for flexibility to avoid over-regulation of heights and setbacks, it is noted that variations should only be supported where ‘innovation and exemplary design quality can be demonstrated to have a positive impact on the project area and the city skyline as a whole’. Given the residential tower is effectively double the height prescribed by the Guidelines it is considered that significant justification by way of overshadowing analysis, wind assessment and overall design will need to be submitted with the formal development application.

It is considered that whilst the Guidelines allow for flexibility, the recommended building heights and envelopes were formulated based on a rigorous analysis of the site context and overall vision for Elizabeth Quay. The Guidelines which included Council's consideration of building heights, amongst other requirements, provides the anticipated bulk and scale of development and there is an inherent expectation that development will proceed generally in accordance with the prescribed requirements. While it is acknowledged that this preliminary design is the winner of an international design competition for Sites 2 and 3, judged by eminent architects, the degree to which the residential tower varies the height requirement requires additional detailed consideration.

It is noted that the combined podium and hotel/serviced apartment tower are compliant with respect to the maximum five storey podium and 25 storey tower height limits prescribed by the Guidelines.

The following table summarises the proposals compliance with the setback requirements of the Design Guidelines.

<b>Setbacks:</b>	<b>Proposed</b>	<b>Required</b>
<b>Podium (combined Sites 2 and 3):</b>		
North (Station Park)	<b>5 metres</b>	Nil
East (Promenade)	Nil – <b>3.8 metres</b>	Nil
South (Landing)	<b>2.85 metres</b>	Nil
West (William Street)	<b>4 metres</b>	Nil
<b>Residential Tower (Site 2):</b>		
North (to Hotel/Serviced Apartments Tower)	34.4 metres	N/A
East (Promenade)	<b>3.8 metres</b>	5 metres
South (Landing)	<b>2.85 metres</b>	5 metres
West (William Street)	<b>4 metres</b>	5 metres
<b>Hotel/Serviced Apartments Tower (Site 3):</b>		
North (Station Park)	5 metres	5 metres
East (Promenade)	21 metres	5 metres
South (to Hotel/Serviced Apartments Tower)	34.4 metres	N/A
West (William Street)	<b>4 metres</b>	5 metres

As outlined above the proposed development includes numerous variations with respect to the setback and siting requirements of the Design Guidelines. With regards to the podium, the applicant advises that the proposed development has been designed to provide a range of setbacks in order to provide visual interest and create a variety of spaces for pedestrian activation. Given the combined size of Sites 2 and 3, it is considered that the variations can be supported given mandating nil

setbacks to all boundaries would not meet the objectives of the Guidelines to provide for activated and interesting frontages.

With regards to setbacks of the towers, the applicant advises that the intent is to allow for the towers to be positioned to minimise the overshadowing impact on the Western Promenade in particular, allowing for the maintenance of solar access to the key public space. Whilst the intent is acknowledged and considered a desirable outcome, the impact of the reduced setbacks on the other frontages requires additional consideration, particularly in terms of the additional height being sought for the residential tower.

### **Building Design**

The preliminary application does not include final detailed plans or elevations and as such only a limited assessment of the aesthetic merits of the proposal has been undertaken. In this regard the proposal follows the general intent of the Design Guidelines for podium and tower style developments. The aim of which is to provide a human scale at the pedestrian level with slender, well separated tower elements above. The main variation to the Guidelines proposed by the combined nature of the development is removal of the east-west Williams Lane and replacement with a 35 metre wide covered plaza (measuring approximately 1,400m<sup>2</sup>) further south than the proposed lane. The modified layout, as justified by the applicant, aims to *“ensure a high degree of permeability through the site and responds to the layout of the surrounding public realm. The covered plaza and laneway have been designed to provide weather protection for pedestrians, whilst allowing natural light and ventilation to penetrate the proposed public areas”*.

Conceptually it is considered that the proposed variation has merit providing a weather protected event space to complement the public offerings within Elizabeth Quay. However, the benefits of providing a privately owned and maintained covered plaza over a public east-west laneway will need to be assessed in greater detail at the formal development application stage. The applicant should provide details to demonstrate to the City and MRA's satisfaction how the space will be managed to ensure that events at Elizabeth Quay are coordinated in addition to managing during and after hours in terms of access, safety and noise.

Given the height of the proposed residential tower, the applicant advises that the majority of the dwelling balconies will be provided in the form of enclosed 'winter gardens'. Whilst issues relating to wind and usability of traditional style open balconies in the development context are considered valid, the City recommends that appropriate design mechanisms be put in place to ensure the spaces remain as 'outdoor' as possible with minimal potential for conversion into habitable rooms.

### **Car Parking and Traffic Management**

The Design Guidelines require the provision of residential car parking at a maximum rate of 0.7 car parking bays per dwelling for residential development which equates to a maximum of 226 parking bays for the 323 dwellings proposed. Non-residential

parking is to be provided in accordance with the maximums prescribed by the Department of Transport's Perth Parking Policy.

Whilst the preliminary plans do not delineate between residential and non-residential car parking bays and the exact allocation is yet to be determined, the applicant will be seeking a variation to the 0.7 maximum bays for residences. The initial justification for the variation is in order for the development to meet current market trends and expectations for residential apartments. It is recommended that the MRA be advised of the City's preference for the prescribed maximums being adhered to in the final submission based on the increased traffic likely to be generated by other developments located adjacent to the site. In addition, the high accessibility of the site via alternative means of transport further justifies the recommended reduction in bays.

With regards to on-site car parking and servicing management, access to on-site car parking is proposed via a two-way crossover along William Street which is consistent with the Design Guidelines. In addition a one-way 'vehicle arrival' area is proposed via William Street adjacent to the proposed plaza area. The City has a general presumption against internal port-cochere driveways given their potential impact on the streetscape and conflict with pedestrians. However in this case, noting that vehicles cannot stop or park in William Street and the position adjacent to the covered plaza area, it may be supported subject to appropriate design and management measures being addressed and implemented.

It is noted that the final location of crossovers will require input and approval from Main Roads Western Australia given the proximity of traffic signals to the development site. City officers consider that the crossover locations will require further analysis and refinement given the existing traffic volumes on William Street, the location of existing traffic signals and pedestrian crossings. The locations as shown on the preliminary plans are likely to cause access conflicts and ultimately result in all exiting vehicles towards the freeway South/Mounts Bay Road onramps. As such there is a need to address integrated access on William Street and accessibility issues with respect to the median south of the Freeway North signals. Additionally there is a need to consider the impact of the generated traffic on the operation and functionality of the Freeway North traffic signals.

With regards to pedestrian access, the east/west connection as shown provides access to and from William Street south of the existing freeway north signals and may encourage pedestrians to cross William Street in this location across the freeway slip roads to access the Perth Convention and Exhibition Centre and Elizabeth Quay Train Station. It is considered that pedestrian access would be better located further north at the freeway north traffic signals where there is an existing pedestrian crossing.

The above matters related to traffic management, vehicular and pedestrian access will need to be addressed in an appropriate Transport Impact Assessment in support of the formal application.



## **Technical Reports**

In recognition of the subject location, scale of development proposed and potentially constrained nature of the sites, it is recommended that early consideration be given by the applicant in relation to wind impacts, noise generation (within the plaza) and amelioration (to the residential dwellings and hotel rooms/serviced apartments) and future construction management.

## **Conclusion**

The MRA should be acknowledged for conducting a design competition for one of the City's most prominent sites to achieve the MRA's objective of bringing world class architecture to Elizabeth Quay. Whilst the proposed development is generally consistent with the MRA's associated guiding documents, the fundamental issue of building height for the residential tower effectively being double the recommended limit requires further consideration. While it is considered that the project has considerable merit, it is recommended that the MRA be advised of the issues identified within this report, with the detailed design and management matters being addressed prior to the submission of a formal development application with the MRA.

***Moved by Cr McEvoy, seconded by Cr Adamos***

***That the Metropolitan Redevelopment Authority be advised that Council supports the 'in principle' the proposal for a 25 storey hotel/serviced apartment building and 50 storey residential building on future 'Site 2' and 'Site 3' within the Elizabeth Quay Project Area subject to the following considerations:***

- 1. the height and setbacks of the residential tower building being extensively reviewed to ensure they align with the objectives of the Elizabeth Quay Design Guidelines with additional analysis being undertaken with regards to the impacts of overshadowing and wind on the immediate locality;***
- 2. residential car parking and hotel/serviced car parking bays being reduced in accordance with the maximums prescribed by the Elizabeth Quay Design Guidelines and Perth Parking Policy, noting the increased traffic likely to be generated by other developments located adjacent to the site and the high accessibility of the site via alternative means of transport;***
- 3. the preparation and submission of a detailed management plan for the proposed plaza space addressing matters including (but not limited to) tenure, safety/security, lighting, noise, events/uses and need/nexus for the area;***

***(Cont'd)***

- 4. *all balconies being designed as predominantly transparent, naturally ventilated, non-habitable structures that cannot be fully enclosed, with no temporary or permanent window treatments or furnishings being permitted that could diminish the transparency of the balcony or obstruct views to and from the public domain; and***
- 5. *the preparation and submission of a draft/preliminary:***
  - 5.1 *construction management plan providing for early consideration of how the proposed development will be constructed noting the constrained nature of the sites;***
  - 5.2 *waste and servicing management plan noting the limited vehicular access to and from the site;***
  - 5.3 *acoustic report demonstrating proposed measures to mitigate noise impacts within and external to the development; and***
- 6. *the preparation and submission of a detailed transport impact assessment addressing all matters related to traffic management, vehicular and pedestrian access to and from the site.***

***The motion was put and carried***

**The votes were recorded as follows:**

**For:       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, McEvoy and Yong**

**Against: Nil**

**6.20pm** Cr Limnios returned the meeting. Cr Harley previously disclosed a Proximity Interest in Item 447/16 (detailed at Item 438/16) and departed the meeting.

**447/16 39 AND 39A (LOTS 52 AND 53) MOUNT STREET, WEST  
PERTH –MINOR AMENDMENT TO THE LIFT SERVICES OF  
AN APPROVED RESIDENTIAL DEVELOPMENT  
CONTAINING TWO, SEVEN-LEVEL DWELLINGS**

**BACKGROUND:**

SUBURB/LOCATION:	39 and 39A (Lots 52 and 53) Mount Street, West Perth
FILE REFERENCE:	2016/5383
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	28 October 2016
MAP / SCHEDULE:	Schedule 5 – Map and coloured perspectives for 39 and 39A Mount Street
LANDOWNER:	Huiqing Li
APPLICANT:	Baltinas Architects
ZONING:	(MRS Zone) Urban (City Planning Scheme Precinct) West Perth Precinct 10 (City Planning Scheme Use Area) Residential – R160
APPROXIMATE COST:	\$320,000

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 15 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

**SITE HISTORY:**

At its meeting held on **9 December 2014**, Council approved an application for two, seven-level residential dwellings including eight car parking bays at the subject site. As the site is located within a Metropolitan Region Scheme (MRS) clause 32 Area – Parliament House Outer Precinct, with a variation to the maximum height specified under this policy, the application was referred to the Western Australian Planning Commission (WAPC) for determination under the MRS. The WAPC subsequently approved the application on 19 January 2015.

On 7 April 2016 the City issued the building permit approval to commence works on site. The approved seven-level residential development is currently under construction.

**DETAILS:**

The application is seeking approval to modify the building's lift system. This will result in an additional lift overrun to each of the dwellings, extending 1 metre above the

approved roof level. The lift overruns will be located to the rear of the development and will incorporate solar roof panels above.

**LEGISLATION / POLICY:**

**Legislation**                      *Planning and Development Act 2005*  
City Planning Scheme No. 2

**Policy No and Name:**      Parliament House Precinct Policy 1983  
3.1 Design of Residential Development  
4.1 City Development Design Guidelines  
4.9 Residential Design Policy  
6.5 Mount Street Design Policy

**COMPLIANCE WITH PLANNING SCHEME:**

**Land Use**

The subject site is located in the Residential – R160 Use Area of the West Perth Precinct 10 under City Planning Scheme No. 2 (CPS2). The Statement of Intent for the Precinct notes it will be developed as a residential quarter accommodating a range of housing types along with support facilities and will also provide a secondary business area adjacent to the city centre.

The use of the building for residential purposes has not changed as part of the current application. A residential use is a preferred ('P') use in the Residential-R160 area of the West Perth Precinct.

**Development Requirements**

There are no changes to the approved development in terms of building setbacks, plot ratio or the general form and layout. A minor variation to the maximum height limit is sought as a result of a new lift system which will create a lift overrun above the approved roofline. The approved development had a maximum height of 19 metres or 38.86 metres AHD which complied with the City's Mount Street Design Policy but exceeded the height limits specified under the Parliament House Precinct Policy. The lift overrun will result in an increase in height of the building by 1 metre (total height of 20 metres or 39.86 metres AHD).

Variations to the height provisions applicable to the development can be granted by an absolute majority decision of Council, in accordance with clause 47 of the City Planning Scheme and provided Council is satisfied that:

*"47(3)(c)(i) if approval were to be granted, the development would be consistent with:*

- (A) the orderly and proper planning of the locality;*
- (B) the conservation of the amenities of the locality; and*
- (C) the statement of intent set out in the relevant precinct plan; and*

*(iii) the non-compliance would not have any undue adverse effect on:*

- (A) the occupiers or users of the development;*

- (B) the property in, or the inhabitants of, the locality; or*
- (C) the likely future development of the locality."*

**COMMENTS:**

**Consultation**

As the application proposes a variation to the maximum height limit specified under the CPS2 Mount Street Design Policy, the application was advertised for a period of 14 days expiring on 31 October 2016. No submissions were received during this period.

**Building Height**

The addition of a lift overrun will result in an increase in the height of this portion of the building from 19 metres to 20 metres which is a 1 metre variation to the maximum height limit specified in the Mount Street Design Policy. The lift overrun also results in a further variation to the Parliament House Precinct Policy which stipulates a maximum height of 34.46 metres on the Australian Height Datum (AHD), with the lifts being up to 5.4 metres above the maximum height requirement at 39.86 metres AHD. Due to the further variation to the Parliament House Precinct Policy the application has been referred to the Western Australian Planning Commission (WAPC) for determination under the Metropolitan Region Scheme, noting that the approved development already exceeds the maximum height limit prescribed under this policy by 4.4 metres.

The lift overrun for the two apartments will be located to the rear of the building with the remainder of the roof line remaining unchanged from the height of the substantive approval. Given its location to the rear of the building and being only a partial increase in the overall building height, it is considered there will be no adverse impact to the streetscape and no detrimental impact to the neighbouring properties in terms of local amenity.

The impact in terms of the clause 32 - Parliament House Precinct Policy will be determined by the WAPC however it is considered that the minor amendment to the lift system will not have any significant impact in terms of views to and from Parliament House.

Based on the above it is considered that the variation to the maximum height can be supported in accordance with clause 47 of CPS2 and the City's Mount Street Design Policy.

**Conclusion**

The proposed amended application for the installation of a new lift system and the associated lift overrun for the two residential apartments will result in a variation to maximum height specified under the Mount Street Design Policy and Parliament House Precinct Policy.

The location and extent of the height variation however is considered to be consistent with clause 47 of CPS2 and the Mount Street Design Policy and therefore can be supported.

Based on the above it is recommended that the amended application should be approved.

***Moved by Cr McEvoy, seconded by Cr Adamos***

***That:***

- 1. in accordance with the provisions of the City Planning Scheme No. 2, the Council APPROVES BY AN ABSOLUTE MAJORITY the application for a minor amendment to the lift services of an approved residential development containing two, seven-level dwellings at 39 and 39A (Lots 52 and 53) Mount Street, West Perth subject to any external plant on the roof being integrated into the design of the roof so as to minimise any visual and noise impact on the adjacent developments and being screened from view, with details of the location, design and screening of such plant and services being submitted by the applicant to the City for approval prior to applying for the relevant building permit; and***
- 2. the application be referred to the Western Australian Planning Commission for determination under the Metropolitan Region Scheme – clause 32 Area, for a further minor variation to the maximum building height prescribed under the Parliament House Precinct Policy.***

***The motion was put and carried by an absolute majority***

The votes were recorded as follows:

**For:**       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Limnios, McEvoy and Yong

**Against:** Nil

**6.21pm**   Cr Harley returned the meeting.

## **MARKETING, SPONSORSHIP AND INTERNATIONAL ENGAGEMENT COMMITTEE REPORTS**

### **448/16 CORPORATE SPONSORSHIP – UNEARTHED BUSINESS DEVELOPMENT EVENTS 2016-17**

#### **BACKGROUND:**

FILE REFERENCE:	P1027729
REPORTING UNIT:	Economic Development Unit
RESPONSIBLE DIRECTORATE:	Economic Development & Activation
DATE:	19 October 2016
MAP / SCHEDULE:	Schedule 6 – Target market of startups compared to top WA industries

The Committee recommendation to the Council for this report was resolved by the Marketing, Sponsorship and International Engagement Committee at its meeting held on 8 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

**The Marketing, Sponsorship and International Engagement Committee requested additional information in relation to the Sponsorship request be provided to Council prior to the Council Meeting to be held 22 November 2016. A Memo was distributed to the Elected Members with the additional information on 15 November 2016.**

Unearthed Solutions Pty Ltd, based in Perth, was established in 2014 to improve the efficiency and competitiveness of the resources sector by driving sustainable technology and innovation. Unearthed Solutions Pty Ltd is a for-profit organisation that receives funding support for its events from the resource and technology sectors as well as the government sector. The company hosts open innovation *Hackathon* events where resource companies host challenges supported by proprietary data, providing an environment where entrepreneurs and innovators can build prototype solutions that solve particular industry challenges. Unearthed also runs an Accelerator Program which invests in early-stage companies that will deliver efficiency gains in the resource sector.

*Hackathons* bring together software developers, designers and industry insiders to develop prototype solutions to real-world resources sector problems over the space

of a weekend. To date, these solutions have been adopted by resource companies such as BHP Billiton, Rio Tinto, Anglo American, Newcrest and Woodside.

Unearthed engages with these organisations and other key stakeholders and policy-makers that play a part in influencing the future of Australia's resources sector.

Unearthed also acts as a facilitator between new technologies and industry, and assists in providing opportunities to start-up businesses hoping to break into the resources sector. This has been identified as a key area of opportunity in the 2016 Start-up WA Ecosystem Report, as mining and resources comprise over 30 per cent of WA's Gross State Product (GSP), but has yet to attract significant numbers of tech companies to focus on the sector. (See Schedule 6)

The 2016 Start-Up WA report detailed that technology start-ups have increased by 235% over the last two years, playing an important role in alleviating vacancy rates in the city.

Unearthed's Directors all have significant experience in the resources and oil and gas industry, and have contributed to the growth in Perth's creative industries network through their contributions to initiatives such as Start-up Weekend, GovHack, West Tech Fest and Morning Start-up.

### **Summary of Event:**

The City has received a request for \$25,000 corporate sponsorship (excluding GST) from Unearthed Solutions Pty Ltd to support the following key activities in Perth during the 2016/17 financial year:

#### Unearthed Demo Day

First held in December 2015, the Demo Day celebrates and showcases the results of the previous years' worth of Unearthed challenges and the solutions that have been developed. The event includes keynote speakers, panel discussions and presentations from representatives of startup companies that are focused on the resources and energy sector.

The Demo Day will be held on 7 December 2016 at the Perth Town Hall and is a featured event within the 2016 West Tech Fest program.

#### Unearthed Hackathon Perth

The next scheduled Unearthed Perth *Hackathon* event is scheduled to be held in May 2017.

An Unearthed *Hackathon* is a 54 hour open-innovation event where software developers, engineers, designers, data scientists and entrepreneurs gather together to produce prototype solutions to challenges faced by global resources companies. Unlike other *Hackathon* events the City of Perth supports, Unearthed *Hackathons* are



specifically related to the mining and resources sector and have been well received from industry and participants previously.

In 2015, Uearthed hosted *Hackathon* events in Perth, Brisbane, Sydney, Adelaide and Melbourne. So far this year, Uearthed has held *Hackathons* around Australia as well as in Cape Town, South Africa, prior to Africa's largest mining conference, Mining Indaba and more recently in San Francisco prior to the MINExpo Conference.

### **Previous Sponsorship Provided**

The City has previously provided the following sponsorship amounts to Uearthed:

Year	Amount (ex GST)	Purpose
2014/15 <sup>1</sup>	\$10,000	2015 Uearthed Perth Hackathon
2015/16 <sup>1</sup>	\$5,000	2015 Uearthed Demo Day as part of the 2015 West tech Fest
<b>2015/16<sup>1</sup></b>	<b>\$5,000</b>	<b>2016 Uearthed Perth Hackathon</b>

The City's sponsorship funding will be used to support the development and execution of these two events, as well as any additional events that may be held within Perth over the 2016-17 financial year. The City will look to leverage its financial contribution by also providing promotional support for Uearthed events across the City's various communication channels.

The recommended increase in funding relates to an increase in the size and quality of the scheduled events, the increased ongoing recognition the City will receive for its support and recognises the strategic value the City places on its relationship with Uearthed and the work that they undertake.

### **LEGISLATION / STRATEGIC PLAN / POLICY:**

#### **Integrated Planning and Reporting Framework Implications**

#### **Corporate Business Plan**

Council Four Year Priorities: Perth as a Capital City  
S6 Maintain a strong profile for Perth as a city that is attractive for investment

#### **Policy**

Policy No and Name: 18.8 – Provision of Sponsorships and Donations

### **DETAILS:**

#### **Eligibility for Sponsorship:**

<b>Criterion</b>	<b>Satisfied</b>
Awards, presentations, acknowledgement for excellence in relevant professional fields	Yes
Support for the activities of organisations or individual which provide positive positioning for the City of Perth	Yes

<sup>1</sup> Information amended to reflect financial support based on financial year.

**Markets / audiences who will be exposed to sponsorship information:**

The following audiences will be exposed to the sponsorship information:

- entrepreneurs;
- university students;
- developers;
- creative industry networks;
- mining/oil/gas industry networks;
- local and national media; and
- current and potential City business owners/representatives.

The events will also be promoted across mainstream media outlets, innovation related publications and throughout the networks of the technology startup ecosystem.

**Promotion of City of Perth to Markets / audiences:**

The City of Perth will be promoted to key target markets as a supporter of innovation and knowledge intensive industries.

The City of Perth crest will be featured on all marketing and communications materials for local events, including event posters, name badges and sponsor presentation slides at local events.

The City of Perth will also be featured as a sponsor on the Uearthed website, with the City's crest displayed on the "Supporters" section of the website.

**Assessment of Application (Corporate):**

**1. The opportunity the sponsorship provides to enhance the image of the City of Perth.**

The City's continuing support for Uearthed will contribute to the City's reputation as a supporter of innovation and the emerging technology and start-up ecosystem.

The City will receive significant interstate and international exposure through promotion of the event in key markets.

Therefore, the City will be seen to support the innovation sector and events such as this which attract a broad demographic to engage with and participate in the tech start-up scene.

**2. The value of the increased good will from markets / audiences exposed to the sponsorship by the City of Perth.**

Knowledge intensive industries are recognised as integral to the development of a modern economy and sponsorship of this event will help to strengthen industry networks and attract innovative businesses to the city.

Sponsorship of this event will contribute to the growing recognition of Perth as a destination for pioneering the development of innovative technology as well as reinforce Perth's reputation as a global resources and energy hub. The proposed change in sponsorship model to cover activities over the course of the financial year will result in greater promotion and acknowledgement of the City and its role in supporting Uearthed.

The event also promotes and encourages young entrepreneurs in forming their own businesses, which is great outcome for the Western Australian economy as well as assisting in reducing office vacancy rates in the city.

**3. Contributes towards the achievement of one or more of the City's economic development objectives.**

- to position the city as a city of regional and international significance;
- to increase visitation to the city;
- to increase economic investment in the city; and
- to create a vibrant, energetic 24 hour city.

Uearthed events have gained a strong reputation amongst the tech start-up community around Australia and internationally. As such, the City's support for Uearthed events will assist in the City being recognised as a supporter of innovation, entrepreneurship and start-ups as well as enhancing Perth's growing reputation as a developing creative industries hub of global significance.

Both the Demo Day and the 2017 *Hackathon* event will feature global resources companies, whose global presence and marketing reach, as well as Uearthed's growing international presence, will contribute towards the international significance of this event.

Traveling guests from overseas and interstate will also increase the economic investment and visitation to the city.

**4. Benefits to be provided to the City.**

The benefits provided to the City are detailed in the recommendation section of this report.

**FINANCIAL IMPLICATIONS:**

ACCOUNT NO:	9379 3000 7901
BUDGET ITEM:	Recreation and Culture – Other Culture – Other Cultural Activities
BUDGET PAGE NUMBER:	85
	<b>BUDGET ITEM</b>
BUDGETED AMOUNT:	\$198,000
AMOUNT SPENT TO DATE:	\$ 66,000
PROPOSED COST:	\$ 25,000
BALANCE:	\$107,000

All figures quoted in this report are exclusive of GST.

**COMMENTS:**

The events organised by Uearthed closely align with the objectives and priorities identified by the City's Economic Development Strategy. The events will deliver positive outcomes for the City by demonstrating its firm commitment to supporting entrepreneurial activity within the technology and knowledge intensive industries in Perth which have the potential to have a positive impact the Western Australian economy.

Ongoing support for this initiative will contribute to strengthened industry networks and increased opportunities for collaboration and innovation, ultimately supporting the aim of attracting and supporting technology and knowledge intensive industries in the city and driving economic growth in Perth.

The events also capitalise on Western Australia's global reputation as a centre of excellence for Mineral Engineering Technical Services and innovation in the mining and resource sector.

Therefore, it is recommended that Council approve corporate sponsorship of \$25,000 (excluding GST) for Uearthed Solutions Pty Ltd to undertake their local activities over the 2016-17 financial year.

***Moved by Cr Chen, seconded by Cr Limnios***

***That Council:***

- 1. approves cash Corporate Sponsorship of \$25,000 (excluding GST) to Uearthed Solutions Pty Ltd to present a range of activities to support resource-based start-up businesses and initiatives in Perth over the 2016/17 financial year;***
- 2. notes that the event organisers will provide the following sponsorship benefits to the City of Perth:***

***(Cont'd)***

- 2.1 City of Perth branding to be included on all branding, marketing and communication materials relating to local Unearthed events;**
  - 2.2 City of Perth crest to be displayed on Unearthed website;**
  - 2.3 Opportunity to display two City of Perth banners at all local Unearthed events;**
  - 2.4 City of Perth Council representative to be invited to make the keynote address at the 2016 Demo Day to be held at the Perth Town Hall on Wednesday 7 December 2016;**
  - 2.5 City of Perth representative to be invited to deliver opening address at the 2017 Unearthed Hackathon;**
  - 2.6 Provision of event related content and material for future use by the City of Perth;**
- 3. a detailed acquittal report, including all media coverage obtained by 30 June 2017.**

***The motion was put and carried***

**The votes were recorded as follows:**

**For: The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

Cr Limnios previously disclosed an Impartiality Interest in Item 449/16 (detailed at Item 438/16).

**449/16 DONATION 2016/17 – GREEK ORTHODOX EASTER  
CELEBRATION**

**BACKGROUND:**

FILE REFERENCE: P1010627-33  
REPORTING UNIT: Business Support and Sponsorship  
RESPONSIBLE DIRECTORATE: Economic Development and Activation  
DATE: 18 October 2016  
MAP / SCHEDULE: N/A

At the Marketing, Sponsorship and International Engagement Committee meeting held on 8 November 2016 the Committee agreed to amend the recommendation as follows:

*That ~~Council~~ the Marketing, Sponsorship and International Engagement Committee approves a donation of \$10,000 (excluding GST) to the Hellenic Community of Western Australia Inc. to assist with costs associated with the Greek Orthodox Easter services to be conducted in Parker Street, Northbridge commencing 14 April 2017.*

**Reason:** The Marketing, Sponsorship and International Engagement Committee agreed that the report be presented to Council for determination after giving the Hellenic Community of Western Australia an opportunity to provide greater clarity in respect to the stated budget surplus.

**A Memo was distributed to the Elected Members with additional information in relation to the donation request on 22<sup>2</sup> November 2016.**

The Hellenic Community of Western Australia Inc. has applied to the City of Perth for financial assistance of \$15,000 to assist with costs associated with the annual Orthodox Easter services held at the Church of Saints Constantine and Helene in Parker Street, Northbridge. The costs incurred include charges for traffic management, road closures and security for the Resurrection and Procession Service, the largest Crucifixion service, held near Russell Square commencing Friday, 14 April 2017 to Sunday, 16 April 2017.

The City of Perth has assisted in meeting the costs associated with this significant event in the Orthodox Christian Calendar for a number of years with support as indicated:

2006/07	\$ 4,548
2007/08	\$ 3,300
2008/09	\$ 9,052
2009/10	\$16,320
2010/11	\$10,000

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<sup>2</sup> Administration error amended date changed from 16 to 22 November 2016.

2011/12	\$10,000
2012/13	\$12,000
2013/14	\$15,000
2014/15	\$17,000
2015/16	\$15,000
<b>2016/17 (requested)</b>	<b>\$15,000</b>
<b>(proposed)</b>	<b>\$10,000</b>

Cash support of \$10,000 is recommended for the event in 2017. This is a reduction of \$5,000 on the donation provided in 2016 and is recommended to more closely align with the cost of operating the event.

The Hellenic Community of Western Australia Inc. is comprised of three controlled entities: the Hellenic Community Benevolent Association, St Andrew's Greek Orthodox Grammar School and the Greek Orthodox School of Western Australia.

#### **LEGISLATION / STRATEGIC PLAN / POLICY:**

##### **Integrated Planning and Reporting Framework Implications**

##### **Corporate Business Plan**

Council Four Year Priorities: Capable and Responsive  
Organisation

S15 Reflect and celebrate the diversity of Perth  
S20 Meaningful and contemporary community  
engagement and communications

##### **Policy**

Policy No and Name: 18.8 – Provision of Sponsorship and Donations

#### **DETAILS:**

The Hellenic Community of Western Australia Inc., located at 20 Parker Street, Northbridge, is a not-for-profit organisation that has operated since 1921. The organisation relies mainly on volunteers to provide a range of services that include a play group, social event coordination, aged care, education and other charitable activities.

The Hellenic Community of Western Australia Inc. has provided the following aims and objectives:

- To promote the religious, moral and intellectual education and learning of the members of the community;
- To do and perform all acts, manners and things as are charitable and/or benevolent purposes having public benefit;
- To render assistance for the promotion of welfare and relief of persons of Greek origin and/or Greek Orthodox Faith in necessitous circumstances, whether such circumstances are caused by social or psychological problems, old age, poverty, illness, disease or otherwise; and

- To promote and maintain a closer friendship between the members of the Community and other Australians generally and for that purpose support any national, patriotic or community purpose.

The organisation states that City of Perth residents benefit from services provided by the Hellenic Community of Western Australia through:

1. The celebration of a significant religious event within their Council (estimated to be 15,000 Greek Orthodox in Perth);
2. The commercial trade from the influx of parishioner families who reside in other Council areas;
3. The event is observed by other persons in Northbridge as Eastern Orthodox and non-Orthodox Easters coincide every few years and serves to promote inter-faith awareness through the public display of an important religious ritual; and
4. Assists the community at large through the Homeless Connect Program collecting food and clothing for the disadvantaged as well as offering the community hall free of charge for the Homeless Connect Program.

The City of Perth is acknowledged each year in all media prepared by the community, including radio and print media. In addition, acknowledgements are made in each Annual Report.

**FINANCIAL IMPLICATIONS:**

ACCOUNT NO:	9374 0000 7901
BUDGET ITEM:	Recreation and Culture – Other Culture – Other Cultural Activities
BUDGET PAGE NUMBER:	11
	<b>BUDGET ITEM</b>
BUDGETED AMOUNT:	\$ 60,000
AMOUNT SPENT TO DATE:	\$ 0
PROPOSED COST:	\$ 10,000
BALANCE:	\$ 50,000

All figures quoted in this report are exclusive of GST.

Costs provided by the applicant for the 2017 celebrations have not yet been finalised. The event will have to alter its course slightly to make allowances for the redevelopment of Russell Square.

The 2016 costs are detailed below:

Traffic Management	\$ 4,900
Fencing	\$ 560
Security	\$ 3,500
Sound Equipment	\$ 1,237
Reserve Hire; Event	\$ 5,775



Parking	
Road Closure Advert	\$ 1,945
<b>TOTAL</b>	<b>\$17,917</b>

Other costs to be borne by the Hellenic Community for the 2016 Greek Easter celebrations amount to \$3,630 and include flowers, candle cups to collect wax, cleaning of Church, crowd barriers and additional electricity costs.

**COMMENTS:**

The City of Perth has met costs associated with supporting the Orthodox Christian Easter celebrations in Northbridge for many years and there is an expectation from the Hellenic Community that the City will continue to support this religious celebration regarded as a very significant event for the Greek Community.

A donation of \$10,000 is recommended for the event in 2017. This is a reduction of \$5,000 on the donation provided in 2016 and is recommended to more closely align with the cost of operating the event. It should be noted that the budget submitted for the event shows a surplus of \$5,190 with the requested \$15,000 sponsorship from the City.

The organisation has operated for 93 years during which time significant contributions have been made to the community at large by the Greek community.

***Moved by Cr Chen, seconded by Cr Limnios***

***That Council approves a donation of \$10,000 (excluding GST) to the Hellenic Community of Western Australia Inc. to assist with costs associated with the Greek Orthodox Easter services to be conducted in Parker Street, Northbridge commencing 14 April 2017.***

***The motion was put and carried***

**The votes were recorded as follows:**

**For:       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

**450/16 CORPORATE SPONSORSHIP – UNITED NATIONS YOUTH  
AUSTRALIA**

**BACKGROUND:**

FILE REFERENCE: P1033034  
REPORTING UNIT: Economic Development Unit  
RESPONSIBLE DIRECTORATE: Economic Development and Activation  
DATE: 5 October 2016  
MAP / SCHEDULE: N/A

The Committee recommendation to the Council for this report was resolved by the Marketing, Sponsorship and International Engagement Committee at its meeting held on 8 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

United Nations (UN) Youth Australia is a national youth-led Australian Public Company, registered with the Australian Charities and Not-for-Profits Commission. UN Youth is coordinated by young volunteers aged 15 to 24.

UN Youth Australia is dedicated to educating young people about international relations, providing an avenue for the expression of youth opinion and empowering young people to engage with society.

Through UN Youth Australia's eight divisions in each state and territory, the organisation provides a comprehensive annual program of events for secondary and tertiary students, focused on global affairs and world events. Approximately 3,500 students attend UN Youth Australia programs each year.

**Summary of Event:**

National Conference is UN Youth Australia's flagship event.

Now in its 56th year, National Conference 2017 will be hosted in Perth from Wednesday, 5 July 2017 to Tuesday, 11 July 2017.

Perth National Conference will bring together the most engaged young people selected from around Australia and the Asia Pacific, with delegates from all states and territories, as well as from New Zealand, United States, Japan and South Korea. Over 40 volunteer youth facilitators run the week's activities.

National Conference provides an opportunity for young leaders of tomorrow to network, develop their leadership and communication skills, and formulate policy proposals on issues of global significance.

The conference is designed to conceptually challenge some of Australia's 'brightest minds'. UN Youth Australia will develop its educational content in conjunction with a number of peak educational institutions, as well as bodies relating to innovation and technology.

In 2017, the conference theme will be '*The Innovation Revolution: Adapting to Change in the 21<sup>st</sup> Century*' and will challenge delegates with the question of how we can use new ideas and technological advancements to counter the pressing global issues of our generation.

Domestic and New Zealand delegates are selected through a competitive application process, conducted within each state and territory. UN Youth has affiliate organisations operating in each state and territory and New Zealand, with delegates not selected by schools. International delegations are organised directly through overseas schools, and selection is conducted internally within those schools.

Participating students pay a registration fee of \$900 to attend the National Conference. This fee includes all flights, catering, transport and accommodation. Students are part or full-funded by their school. Many receive additional sponsorship from local government and Members of Parliament.

Conference participants will be accommodated at Scotch College, Swanbourne, for the duration of the conference. Workshops, speaker sessions and other conference activities will be held at the University of Western Australia, Curtin University's St Georges Terrace Campus and Perth Town Hall. Formal debates will be held at Parliament House and Government House.

The organisers are currently planning sight-seeing excursions and social activities around the City of Perth, including:

- Workshops: To focus on the theme of technological change, innovation and new ideas;
- Speaker Sessions: To invite some of WA's most high-profile community members to present interesting arguments on a variety of topics;
- Advocacy Program: Running sessions designed to equip students with the skills to formulate their own action plans to solve some of the most pressing global issues of our time;
- Debates: Based on the procedures of Model UN Debating, delegates will represent individual countries and formally debate matters of global significance; and
- Themed excursions: to be held around the City of Perth including more speaker sessions and field trips.

**LEGISLATION / STRATEGIC PLAN / POLICY:****Integrated Planning  
and Reporting  
Framework  
Implications****Strategic Community Plan**

Council Four Year Priorities: Perth as a Capital City  
S6 Maintain a strong profile and reputation for Perth  
as a city that is attractive for investment  
S15 Reflect and celebrate diversity in Perth

**Policy**

Policy No and Name: 18.8 – Provision of Sponsorship and Donations

**Past Support**

The City has sponsored the National Conference on the two previous occasions the conference was held in Perth. Sponsorship amounts are listed in the table below.

<b>Financial Year</b>	<b>Sponsored Project</b>	<b>Cash Sponsorship</b>
2003/04	National Conference convened by UN Youth	\$5,000
2010/11	National Conference convened by UN Youth	\$12,000
<b><i>2016/17 requested</i></b>	<b><i>National Conference</i></b>	<b><i>\$15,000</i></b>
<b><i>2016/17 recommended</i></b>	<b><i>National Conference</i></b>	<b><i>\$15,000</i></b>

**DETAILS:****Eligibility for Sponsorship:**

<b>Criterion</b>	<b>Satisfied</b>
Awards, presentations, acknowledgement for excellence in relevant professional fields	Yes
Support for activities which award endeavour in community service	Yes
Events and activities held outside of the city of Perth which will increase awareness of, and goodwill for, the City of Perth	Yes
Support for the activities of organisations or individual which provide positive positioning for the City of Perth	Yes

**Markets/audiences who will be exposed to sponsorship information:**

National Conference 2017 will be attended by 143 delegates from around Australia, New Zealand, the United States, Japan and South Korea. Additionally, over 40 young people and tertiary aged students will attend the conference as volunteers. National Conference is considered a prestigious educational event and will be widely promoted through schools Australia-wide. Invited guests and speakers include Members of Parliament, university academics, philanthropists and other community leaders.

**Promotion of City of Perth to markets/audiences:**

The City of Perth's name and crest will appear on promotional material, distributed to conference delegates, in addition publications and audio-visual recognition. A representative of the City will also be invited to present the City of Perth Best Speaker Award at the National Conference Awards Ceremony.

The markets exposed to the sponsorship will primarily be secondary and tertiary educational institutions. However, high profile guests and speakers will ensure increased reach.

**Assessment of Application (Corporate):**

**1. The opportunity the sponsorship provides to enhance the image of the City of Perth.**

National Conference 2017 will be primarily staged within the City of Perth, with some satellite events occurring at University of Notre Dame and Curtin University. The conference will provide an opportunity for the City of Perth to showcase its facilities, state of the art function and conference centres and world class entertainment hubs.

By attracting a number of high profile community members, and interstate and international delegates, the event will help showcase Perth as a Capital City.

**2. The value of the increased goodwill from markets/audiences exposed to the sponsorship by the City of Perth.**

The theme for the National Conference 2017 will revolve around the "Innovation Revolution", which is a part of the Federal Government's new prominent economic revitalisation campaign. The conference will involve a collaborative effort from a variety of community groups to ensure the best educational outcomes. This will include groups such as Scitech, the University of Western Australia and other research and knowledge based institutions operating within the City of Perth.

Sponsorship of the National Conference 2017 strengthens the City of Perth's existing support for international engagement, the knowledge economy and technology. National Conference 2017 will also showcase Perth as a destination for international student education.

**3. Contributes towards the achievement of one or more of the City's economic objectives.**

- to position the city as a city of regional and international significance;
- to increase visitation to the city;
- to increase economic investment in the city; and
- to create a vibrant, energetic 24 hour city.

UN Youth Australia intends to attract a number of international delegations to National Conference 2017, particularly from Asian cities and including some of

Perth's Sister Cities (Nanjing, Taipei, Chengdu and Kagoshima). Past delegations for National Conferences have included delegates from Korea, Japan, New Zealand and the US. The conference provides a unique opportunity to promote cross-cultural and educational exchanges with international delegations to enhance the City of Perth's profile.

It is anticipated that a total of 143 delegates will attend the National Conference; approximately 96 delegates will attend from interstate in addition to 25 international delegates. National Conference is expected to create a total of approximately 883 visitor nights for City of Perth hotels and a direct economic impact of \$181,000.

Events of this nature are likely to request a Civic Function be hosted at Council House closer to the event.

#### **4. Benefits to be provided to the City of Perth.**

The benefits provided to the City of Perth are detailed in the recommendation section of this report.

#### **FINANCIAL IMPLICATIONS:**

Full funding for this initiative will be budgeted in the Business Support and Sponsorship 2017/18 Draft Budget.

All figures quoted in this report are exclusive of GST.

#### **COMMENTS:**

It is recommended that the Marketing, Sponsorship and International Engagement Committee approves sponsorship of the National Conference 2017.

The objective of the City's Policy 18.8 (Provision of Sponsorship and Donations) Corporate Sponsorship, is to exploit opportunities to enhance the corporate image of the City of Perth and generate goodwill from significant stakeholders.

Perth National Conference has broad appeal to students, families and communities across the Asia-Pacific. Sponsorship of the National Conference will positively profile the City to these stakeholders.

The project responds to the City's International Engagement Strategy. National Conference is an exciting opportunity for young leaders of tomorrow to network, develop their leadership and communication skills, and formulate their own policy proposals on issues of global significance, profiling the City of Perth as a city of international significance.

*Moved by Cr Chen, seconded by Cr Limnios*

*That Council:*

- 1. approves in-principle cash corporate sponsorship of \$15,000 (excluding GST) to United Nations Youth Australia to present the UN Youth Australia National Conference 2017 from Wednesday, 5 July 2017 to Tuesday, 11 July 2017;*
- 2. notes that the event organisers will provide the following sponsorship benefits to the City of Perth:*
  - 2.1 naming rights to a conference event including but not limited to an associated workshop, panel discussion, round table or committee;*
  - 2.2 naming rights to a UN Youth Australia National Conference 2017 award, the 'City of Perth Best Speaker Award';*
  - 2.3 inclusion of the City of Perth crest in all promotions and advertising relating to the conference;*
  - 2.4 display of City of Perth crest on conference screens;*
  - 2.5 sponsor profile on the UN Youth Australia website including active weblink;*
  - 2.6 opportunity for the City of Perth to provide marketing collateral at the conference;*
  - 2.7 verbal recognition of the City's support in official speeches;*
  - 2.8 an invitation for the Lord Mayor or City of Perth representative to present the opening speech;*
  - 2.9 provision of reports, data, images and video related to the conference;*
- 3. a detailed acquittal report, including all media coverage obtained, to be submitted to the City by 30 October 2017.*

*The motion was put and carried*

The votes were recorded as follows:

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**Against:** Nil

## **WORKS AND URBAN DEVELOPMENT COMMITTEE REPORTS**

### **451/16 PERTH CITY LINK - KING STREET LINK BETWEEN WELLINGTON STREET AND ROE STREET**

#### **BACKGROUND:**

FILE REFERENCE:	PO1029786
RESPONSIBLE DIRECTOR:	Planning and Development
RESPONSIBLE UNIT:	Transport Unit
DATE:	21 October 2016
MAP / SCHEDULE:	Schedule 7 – King Street Link Map Schedule 8 – Location Map

The Committee recommendation to the Council for this report was resolved by the Works and Urban Development Committee at its meeting held on 8 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

Under the Northbridge Link Agreement 2008, the Government of Western Australia through collaboration between the Metropolitan Redevelopment Authority (MRA), the Public Transport Authority and the City of Perth, launched the Master Plan for the Perth City Link project to reconnect the Central Business District with Northbridge.

The Perth City Link development site was an underutilised area of land that included at grade rail and bus infrastructure, car parks and the Perth Entertainment Centre in the centre of Perth.

The Perth City Link redevelopment project included sinking of the Fremantle railway line from the Horseshoe Bridge heading west as well as the undergrounding of the Wellington Street Bus Station which have now been completed. Also included within the Northbridge Link Agreement was the streetscape improvement on Wellington Street between Elder Street and the Horseshoe Bridge which is well underway.



The Roe Street Streetscape Enhancement works between Fitzgerald Street and William Street was put on hold and will commence in 2018. An information report was presented to Council in January 2016 outlining the delays.

It is acknowledged that these projects deliver a range of benefits for the community, including improved public safety, access and connectivity, increased residential, retail and commercial opportunities.

Perth City Link project area bounded by Wellington Street, the Horseshoe Bridge, Roe Street and Milligan Street will be public space with busy squares and piazzas, and relaxing natural spaces for residents, workers and visitors. This area will celebrate Western Australia's natural beauty and heritage through the materials used in the artworks, paving, landscaping and urban furniture.

Under the Link Implementation deeds for contributions and responsibilities, it was agreed between the City of Perth and the Metropolitan Redevelopment Authority that the City is responsible for funding and coordinating the upgrade to Wellington Street and Roe Street.

This report outlines the funding required for the traffic signalisation, sign and line marking requirements to connect Wellington Street with Roe Street through a new King Street Link road. It also provides an overview of the pedestrian, cycling, traffic movements and parking on Wellington Street and its intersections with Roe Street and the new King Street Link road.

#### **LEGISLATION / STRATEGIC PLAN / POLICY:**

##### **Integrated Planning and Reporting Framework Implications**

##### **Corporate Business Plan**

Council Four Year Priorities: Getting Around Perth

- |     |  |
|-----|--|
| S4  | Enhance accessibility in and around the City including parking.                                    |
| IP7 | Advocate and work in partnership with others to  |
| IP8 | provide safe and convenient ways to get around Perth, including cycling, light rail and CAT buses. |

#### **DETAILS:**

As part of the master plan for Wellington Street and Roe Street, the main objectives are:

- To raise the profile towards stimulating economic vitality in the area;
- Improve access and the general level of amenity for pedestrians and cyclists, balanced with the needs of traffic and transport; and
- Improve the aesthetics and ambience of the street for the increasing number of residents and workers anticipated in the area.

The master plan was developed based on the following key design principles:

- improvement of pedestrian safety and amenity;

- the provision of new street furniture, lighting and street tree planting consistent with City Centre urban design treatments;
- the retention of kerbside services;
- the provision of Universal Access, ensuring compliance with applicable standards to facilitate access by people with disabilities; and
- environmentally sensitive urban design.

#### King Street Link road between Wellington Street and Roe Street

The new King Street link road between Wellington Street and Roe Street will be a low speed local access two way road providing pedestrians, cyclists and motorists with an alternative route between Central Perth and Northbridge. This road will carry approximately 6,000 to 7,000 vehicles per day and is likely to reduce congestion on the other north/south roads between Wellington Street and Roe Street, the most significant being the Horseshoe Bridge. The posted speed is proposed at 40 km/hr.

The new King Street Link road has also been designed as an integrated cycle route which was part of the approved City of Perth Cycle Plan 2029 and will connect with the cycle path on Wellington Street's north side and the principle shared path on Roe Street's south side.

Four parking bays are proposed on the King Street Link road, these bays are centrally located within the Kings Square Precinct. Two five minute pick up and set down bays on the east side, and two five minute pick up and set down / charter (dual use) bays on the west side. The charter bay is to assist the tourism industry for peak period pick up and drop offs. As these bays are short stay, they are not subject to State Government Levy conditions.

The King Square precinct, named City Walk, will generate heavy pedestrian demand through the central core of the Perth City Link area between the Perth Arena, the bus port pedestrian entrance, the future Queens and Yagan Square and the train station. It is proposed that King Street Link road includes a new midblock controlled pedestrian crossing installed which will cater for all east/west pedestrian traffic through this busy precinct. The traffic signals will be integrated with new lighting, CCTV and signage onto new multi-function poles reducing street clutter.

#### Wellington Street / King Street – New traffic signal intersection

Wellington Street is classified as a 'District Distributor A' two lane east/west dual carriageway road separated by a central median. Wellington Street carries over 16,000 vehicles per day either through the city or from the Primary Distributor roads (Freeways). This section of Wellington Street currently has a posted speed limit 50 km/hr. The City will be looking to reduce this to 40 km/hr in early 2017 as part the extension to the current Central City 40 km/hr zone.

King Street south of Wellington Street is classified as a 40 km/hr northbound single carriageway local access road carrying approximately 2,500 vehicles per day.

Prior to the closure of the temporary Wellington Street Bus Port, Wellington Street / King Street used to be a signal controlled intersection. This intersection allowed for all traffic and pedestrian movements from King Street and the old surface bus port. During construction of the Wellington Street second bus port entrance to the new underground bus port, the traffic signals at Wellington Street / King Street intersection were decommissioned to improve efficiency on Wellington Street. King Street became 'left turn only' under 'give way' control.

A temporary midblock controlled pedestrian crossing was installed on Wellington Street between Telethon Ave and King Street to assist pedestrians crossing between the south side of Wellington Street and Perth City Link.

The new Wellington Street / King Street intersection will allow for all traffic movements except for the northbound through and right turn movements out of King Street. Northbound vehicle movements will be subject to 'left turn only' as it is today. Northbound cyclists and pedestrians will be permitted to cross Wellington Street on both sides at this intersection. This decision was made for the following reasons:

- Ensures maximum efficiency of east/westbound traffic movements on Wellington Street;
- Allows great efficiency gains when King Street northbound left turn is running. Additional traffic movements can run in conjunction, which are the southbound left turn movements out of the new King Street link and westbound right turn movements into the new King Street link;
- Providing the through movement into Perth City Link area will create a rat run within King Street between St Georges Terrace and Northbridge. In the PM peak the queue is predicted to block back across Murray Street; and
- The alignment between King Street and the new King Street Link is poor, meaning the traffic signal control for north and southbound traffic movements would have to operate separately, which significantly reduces efficiency at the intersection.

It should be acknowledged that the demand for right turn movements out of King Street northbound was always low. Traffic volumes prior to the traffic management showed that approximately 80% of traffic turned left and only 20% of traffic turns right. The City has received no complaints from the public since the right turn has been banned from King Street onto Wellington Street to facilitate road works.

The City has recently undertaken surveys to investigate introducing right turn movements from Murray Street westbound into Milligan Street. Initial discussions with Main Roads WA indicate that they would support a trial removal of the existing right turn ban subject to review. This will allow existing King Street users to use Milligan Street to access Wellington Street eastbound.

It is proposed that the traffic signals will be integrated with new lighting, CCTV and signage onto new multi-function poles reducing street clutter.

Roe Street / King Street / Lake Street – New traffic signalled intersection

Roe Street is classified as a 'District Distributor B' two way dual carriageway road with parking outside of clearway times. This effectively reduces Roe Street to a single lane carriageway within sections. Roe Street carries over 10,000 vehicles per day and has a posted speed limit 50 km/h. The City will be looking to reduce this to 40 km/hr in early 2017 as part the extension to the current Northbridge 40 km/hr zone.

Lake Street is classified as a local access road with a single lane in each direction carrying approximately 3,000 vehicles per day. The posted speed limit is 40 km/hr. The Lake Street southbound approach to Roe Street was changed to 'left turn only' when the temporary Roe Street bus station was in operation. The 'left turn only' has remained in place as the right turn demand is low and there is an alternative right turn under signal control at Milligan Street which is less than 250 metres away.

The construction of new Roe Street / King Street / Lake Street intersection will be undertaken in two stages as Roe Street is programmed for underground utility works and a full streetscape enhancement in 2017/18.

Stage One – Interim works

- Temporary realignment of kerbs to tie in new King Street Link road into the existing Roe Street kerb alignment;
- Temporary median islands and kerb build out on the north east corner;
- Right turn ban from Lake Street southbound - this traffic movement would require Lake Street to be widened as part of Stage Two;
- Traffic signal poles – Yellow traffic signal poles will be installed temporarily; and
- Multi-Function Poles will be installed on the New King Street northbound approach as these will be on the ultimate alignment.

Stage Two

- Full Roe Street Streetscape enhancement between Milligan St and William Street, which takes into consideration Lake Street interim, works in Stage One; and
- Providing leader lanes for the north/south cyclists on the King Street and Lake Street approaches.

**FINANCIAL IMPLICATIONS:**

Wellington Street / King Street – New traffic signal intersection

The cost to install the traffic signals, signs and lines at this intersection are estimated at \$300,000 and will be funded from CW1801 Wellington Street Stage 2B project this Financial Year. An additional \$300,000 would then have to be made available in Financial Year 2016/17 to complete the Wellington Street Streetscape Enhancement Project.

The cost to install the new mid-block controlled pedestrian crossing, signs and lines is estimated at \$180,000. This will be funded by the MRA. The City will fund the works through CW1801 Wellington Street Stage 2B project this Financial Year and be reimbursed by the MRA.

ACCOUNT NO:	CW1801
BUDGET ITEM:	Wellington Street – (Perth City Link Project) - Stage 2B
BUDGET PAGE NUMBER:	38
BUDGETED AMOUNT:	\$ 4,568,063.00
AMOUNT SPENT TO DATE:	\$ 2,642,861.70
PROPOSED COST:	\$ 480,000.00

All figures quoted in this report are exclusive of GST.

Note: \$480,000 needs to be made available in financial year 2017/18 budget in addition to allocated funds for Wellington Street Project CW1801.

Roe Street / King Street / Lake Street – New traffic signal intersection

ACCOUNT NO:	CW 0225
BUDGET ITEM:	Streetscape Enhancement - Roe St (Perth City Link)
BUDGET PAGE NUMBER:	38
BUDGETED AMOUNT:	\$ 50,000
AMOUNT SPENT TO DATE:	\$ 7,835
PROPOSED COST:	\$ 275,000
BALANCE:	\$ 317,165

The cost to install the traffic signals, signs and lines at this intersection are estimated at \$275,000 and will be funded from Capital works project Strengthen Pedestrian Connections from City to Pt Fraser – Heirisson Island. This project has been downgraded due to changes in the State's proposals regarding the Heirisson Island Pedestrian Bridge. Further work will be required in next financial year.

**COMMENTS:**

The introduction of a new north and southbound link between the Central City and Northbridge (Wellington Street to Roe Street) is a major milestone in the city's development by opening up a new road for all users and taking pressure off other local roads.

It is anticipated that the King Street Link road work will commence construction in early 2017 with traffic using this new link road by mid-2017. Sections of the new King Street Link may be opened earlier to provide access, however this would be under traffic management conditions. It should be noted that if the MRA experience delays in construction of the new King Street Link road, this could result in the City of Perth having to carry the majority of funds into next financial year 2017/18.

As part of the commissioning of the new traffic signalled intersection at Wellington Street / King Street, the existing temporary midblock controlled pedestrian crossing on Wellington Street between Telethon Avenue and King Street will be decommissioned on the same weekend.

Once the new King Street Link is operational the City will undertake further survey investigations at the Wellington Street / William Street intersection to see how we can improve efficiency for pedestrians at this intersection, especially during peak periods.

***Moved by Cr Limnios, seconded by Cr Chen***

***That Council:***

- 1. endorses the installation of traffic signals, signs and line markings at the intersections of:***
  - 1.1 Wellington Street / King Street intersection;***
  - 1.2 Roe Street / Lake Street / King Street intersection.***
- 2. endorses the installation of two five minute pick up and set down bays on the east side, and two five minute pick up and set down / charter (dual use) bays on the west side of the new King Street link road;***
- 3. APPROVES BY AN ABSOLUTE MAJORITY the unbudgeted expenditure of \$275,000 (excluding GST);***
- 4. notes that expenditure in Recommendation 3, can be accommodated from Capital Works project number CW 2084 - Strengthen Pedestrian Connections from City to Pt Fraser – Heirisson Island.***

***The motion was put and carried by an absolute majority***

**The votes were recorded as follows:**

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**Against:** Nil

**452/16 ROE STREET - PUBLIC TRANSPORT AUTHORITY RAIL  
REPLACEMENT STOP FOR PLANNED AND UNPLANNED  
EVENTS**

**BACKGROUND:**

FILE REFERENCE:	P1029786
REPORTING UNIT:	Transport Unit
RESPONSIBLE DIRECTOR:	Planning and Development
DATE:	31 October 2016
MAP / SCHEDULE:	Schedule 9 – Existing Roe Street on-street parking plan - Map
	Schedule 10 – Proposed Roe Street on-street parking plan - Map

The Committee recommendation to the Council for this report was resolved by the Works and Urban Development Committee at its meeting held on 8 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

The Public Transport Authority (PTA) currently operates rail and bus services from Perth Railway Station and the new Perth Bus Port. During general operation, the major pick up and drop off points for services are within these facilities.

In the event of an emergency (eg. fallen overhead wires or fire etc) on either the railway, at the railway station or at the bus port, the PTA is required to provide an alternative service, known as a rail replacement service. These services need to be provided from an alternative location in close proximity to the permanent facilities to simplify the safe management of passengers. Should the PTA not have a facility, passengers would be effectively stranded in Perth, creating major operational and reputational risks to the City.

While the primary need for this location is unplanned emergency services, there is also a need for planned replacement services to use this facility, particularly in the short term while the new Perth Bus Port is fully commissioned.

The City of Perth has been working with the PTA to find a safe and efficient bus stop location. The on-street parking area on the south side of Roe Street between Beaufort Street and William Street has been identified as the most suitable location with the added benefit that it is likely to minimise disruption to traffic and parking in the city. The City has also identified other service requirements for this area.

By providing this facility, the City will be helping to ensure that the impact of a closure is minimised, particularly given additional pressures on the road network will be expected. This report outlines a proposal that enables PTA to utilise the on-street parking bays quickly for planned and unplanned events.

**LEGISLATION / STRATEGIC PLAN / POLICY:**

**Integrated Planning  
and Reporting  
Framework  
Implications**

**Corporate Business Plan**

Council Four Year Priorities: Getting Around Perth

S4 Enhance accessibility in and around the City including parking.

IP7 Advocate and work in partnership with others to

IP8 provide safe and convenient ways to get around Perth, including cycling, light rail and CAT buses.

**DETAILS:**

Existing On-street Parking Bays - (Refer to Schedule 9)

There are ten, two hour general parking bays located on the south side of Roe Street between Beaufort Street and William Street. The parking bays operate from 8.00am - 4.15pm (Monday to Friday) with a PM Clearway between (4.15pm – 6.00pm), 8.00am – 6.00pm (Saturday) and 12.00pm – 6.00pm (Sunday). All other times are unrestricted.

There are three, on-street five minute pickup and set down bays located on the south side of Roe Street at the western end near the Citiplace car park exit. These bays are five minute pickup and set down bays at all times outside of the PM clearway times. These bays were installed to service the Child Care Centre and Perth Central Train Station.

An on-street survey undertaken in October 2016 identified that there is a requirement for a loading zone within this street block. Trucks were observed unloading within the no stopping area and on-street parking bays at the eastern end in order to service the upper concourse of Perth Central Train Station.

Proposed Changes to On-street Parking Bays – (Refer to Schedule 10)

It is proposed to reduce the number of two hour parking bays from ten to eight in order to facilitate a loading zone at the eastern end close to the Citiplace car park entrance. It has also been identified that a clearway is not required during the PM peak, therefore it is intended to increase the parking operational times from 8.00am - 4.15pm to 8.00am – 6.00pm (Monday to Friday).

It is proposed to relocate the three, five minute pickup and set down bays further east, which will still serve the same purpose as above and will also assist a quick change to unplanned bus operation changes when required.

It is proposed to install one, on-street loading zone at the eastern end which will operate 30 minute maximum stay, 8.00am – 6.00pm (Monday to Saturday).

Transperth – Planned and Unplanned Works

While it is intended for Transperth to use the Perth Busport as much as possible for train replacement services, there is only space to operate planned rail replacement



services from Perth Busport after 7.00pm on weekdays and at the weekend for up to two line closures. This is because train replacement services operate less frequently at these times and journeys can be scheduled in advance to ensure that the facility can handle the required movements.

Roe Street is seen as an interim solution for planned works, however it will be used more frequently for unplanned disruptions that occur. Transperth will develop an event management plan that outlines how parking and the Roe Street principle shared path users will be managed when replacement services are operating.

#### Planned Works

For planned works, the PTA would book all the on-street parking bays located on the south side of Roe Street between Beaufort Street and William Street through City of Perth Parking. These bays would be hooded and PTA personnel would manage the pick-up of passengers, queuing and management of shared path users. All of this will be outlined in the event traffic management plan.

#### Unplanned Works

For unplanned works, PTA would inform the City of Perth of an unplanned shut down and start to take over the on-street parking bays located on the south side of Roe Street between Beaufort Street and William Street. Approximately 40 metres of bus pick-up space would be available within 30 minutes of notification, with all other bays being available within two hours.

#### Infrastructure

A changeable lockable sign will be developed by PTA in accordance with Australian Standards which can be opened and closed by Transperth personnel to change the signage quickly from parking to bus zone. The sign design and installation requirements will be sent to the City of Perth for approval.

A hardstand and raised kerb area will also be developed to meet Disability Standards. This design will also be issued to the City of Perth for approval.

#### **FINANCIAL IMPLICATIONS:**

The revenue loss to the City of Perth as a result of removing two of the two hour parking bays.

	<b>Revenue</b>	<b>Levy</b>	<b>Nett</b>
Maximum Utilisation	\$22,920	\$2000	\$20,920
Current Utilisation	\$3600	\$2000	\$1600

The PTA will fund all parking sign, civil, and operations for planned or unplanned events.

**COMMENTS:**

The new Perth Busport has 16 active stands and 25 layover stands. The Dynamic Stand Management System has been designed so that the Busport can handle projected future growth in bus movements over the next few years.

It is acknowledged that there has to be an area outside of the bus port which can be used for planned or unplanned bus services in order to get commuters home. Roe Street between Beaufort Street and William Street is seen as an ideal area centrally located to serve this purposes.

Effectively working with the PTA to provide a facility will minimise the public safety risk in an unknown situation, while also helping to facilitate movement of people in an abnormal road operation.

***Moved by Cr Limnios, seconded by Cr McEvoy***

***That Council:***

- 1. approves the use of the on-street parking bays located on the south side of Roe Street between Beaufort Street and William Street for planned and unplanned rail replacement services subject to;***
  - 1.1 an event traffic management plan being endorsed by the City of Perth which takes into consideration operational and pedestrian queue management and the safety of the principal shared path users on Roe Street;***
  - 1.2 City of Perth approval to use the proposed parking bays for all planned rail replacement services;***
- 2. authorises the Chief Executive Officer to negotiate appropriate fees and charges for the Public Transport Authority use of the City's assets.***

***The motion was put and carried***

The votes were recorded as follows:

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**Against:** Nil

## **AUDIT AND RISK COMMITTEE REPORTS**

### **453/16 RISK MANAGEMENT POLICY, APPETITE AND ASSESSMENT CRITERIA**

#### **BACKGROUND:**

FILE REFERENCE:	P1020410
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	10 October 2016
MAP / SCHEDULE:	Schedule 11 – Current Policy 19.1 – Enterprise Risk Management Policy Schedule 12 – Amended Policy 19.1 – Risk Management Policy Schedule 13 – Risk Appetite Statement Schedule 14 – Risk Assessment Criteria

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 31 October 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

#### **LEGISLATION / STRATEGIC PLAN / POLICY:**

<b>Legislation</b>	<i>Local Government Act 1995</i> Regulation 17 of the <i>Local Government (Audit) Regulations 1996</i>
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<b>Integrated Planning and Reporting Framework Implications</b>	<b>Strategic Community Plan</b> Council Four Year Priorities: Community Outcome 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: 19.1 – Enterprise Risk Management

#### **BACKGROUND**

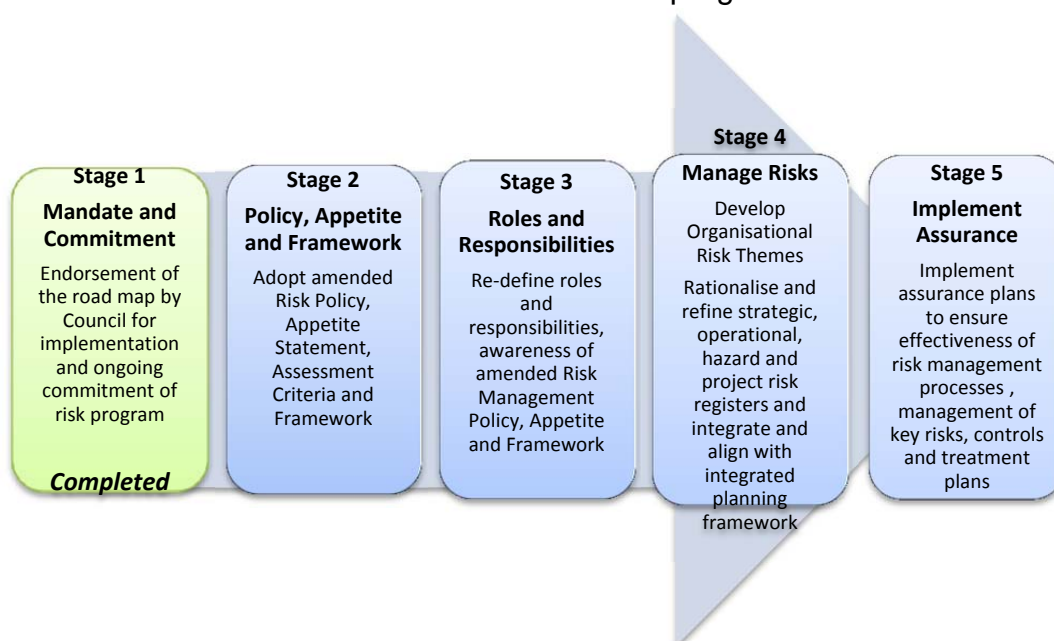
The City of Perth completed the Organisational Risk Management Maturity Assessment in July 2016, with the report containing the recommendations presented

to the Audit and Risk Committee on 8 August 2016 and subsequently reported to Council on **30 August 2016**.

The City is progressing in implementing the recommendations from the maturity assessment in line with the road map. This report provides an update on the milestones achieved in the last 2 months following the Council Meeting on the **30 August 2016**. The amended Risk Policy, Risk Appetite Statement and Risk Assessment Criteria are included in this report for Council endorsement.

## **DETAILS:**

The following table is a representation of the “road map” from the maturity assessment and outlines the next 12 months of the program.



In line with the road map, the below milestones have been achieved;

### **1. Stage 1 - Mandate and Commitment**

A briefing was conducted with the Executive Leadership Group (ELG) and Audit and Risk Committee on the findings, recommendations and road map. The road map was endorsed for implementation, with an agreement for updates to be provided to the Audit & Risk Committee every quarter on how the City was progressing in implementing the road map.

### **2. Stage 2 - Risk Management Policy**

The Enterprise Risk Management Policy has also been amended in line with the recommendations in the risk maturity report. The changes include;

- Removal of the word “Enterprise” in the policy title;

- Additional objective to outline the commitment to achieve best practice in line with the risk management standard - *AS/NZS ISO 31000 2009 Risk Management: Principles and Guidelines*;
- Definitions of Risk Management and AS/NZS ISO 31000:3009 added to the policy;
- Amendments to the policy statement to make it more concise and to also include Business Continuity Management;
- Addition of a "Scope" section for which this policy applies;
- The City's commitment has been added to the policy;
- Employee Obligations under the policy have been added;
- The Implementation of policy included; and
- Formatting of the policy in line with the City's new policy template.

The current Policy 19.1 – Enterprise Risk Management is detailed in Schedule 11 and the amended Policy 19.1 - Risk Management is detailed in Schedule 12 to be endorsed by Council.

### **3. Stage 2 - Risk Appetite Statement and Risk Assessment Criteria**

Facilitated workshops have been held with the Executive Leadership Group (ELG), to review the City's existing Risk Policy, Appetite Statement and Risk Assessment Criteria. The Risk Appetite Statement guides the City's decision making processes in regards to defining the acceptable level of risk the City is willing to take, as well as, the amount of risk which the City is prepared to be exposed to before necessary action is required.

The Risk Assessment Criteria defines the City's criteria for assessing risks in line with the Appetite set by ELG and will help guide decision making when it comes to management of risks. The existing Risk Assessment Criteria has been amended in line with the recommendations in the risk maturity report. The changes include:

- Changes to the format of the consequence table for ease of use;
- Changes to the people and financial categories within the consequence table to align with the Risk Appetite Statement;
- Changes to the service delivery / strategic objectives category within the consequence table to align with Business Continuity Planning provisions for service disruption times;
- Change the term "moderate" to "possible" in the likelihood table;
- Risk acceptance criteria included in line with maturity assessment recommendations this determines the frequency to which risks are reviewed, monitored and reported; and
- Included criteria for measuring existing controls' effectiveness.

The Risk Appetite Statement and amended Assessment Criteria are detailed within Schedules 13 and 14 respectively for endorsement by Council.

Once endorsed by Council the Risk Policy, Appetite and Criteria will be included in the Risk Management Framework currently undergoing a review in line with the recommendations of the risk maturity assessment.

The amended Risk Management Framework document will be presented to the next Audit & Risk Committee meeting and subsequently Council for final endorsement.

**FINANCIAL IMPLICATIONS:**

ACCOUNT NO:	75B21000-7230
BUDGET ITEM:	Risk Management
BUDGET PAGE NUMBER:	-
BUDGETED AMOUNT:	\$15,000
AMOUNT SPENT TO DATE:	-
PROPOSED COST:	\$1,920
BALANCE:	\$13,080

ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	\$1,920

All figures quoted in this report are exclusive of GST.

**COMMENTS:**

Following the endorsement of the Risk Policy, Appetite and Criteria, the City will undertake a complete review of all operational and strategic risks contained in the City's RMSS risk system. The review will focus on aligning the risk information and ratings with the endorsed Risk Appetite and Criteria.

A summary of this review will be provided to the Audit and Risk Committee once completed.

***Moved by Cr Davidson, seconded by Cr Adamos***

***That Council approves:***

- 1. the amended Policy 19.1 - Risk Management Policy detailed in Schedule 12;***
- 2. the City of Perth's Risk Appetite Statement detailed in Schedule 13; and***
- 3. the City of Perth's Risk Assessment Criteria detailed in Schedule 14.***

***The motion was put and carried***

The votes were recorded as follows:

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**Against:** Nil

## **454/16 RISK MANAGEMENT UPDATE – OCTOBER 2016**

### **BACKGROUND:**

FILE REFERENCE:	P1013822-3
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	10 October 2016
MAP / SCHEDULE:	N/A

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 31 October 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

### **LEGISLATION / STRATEGIC PLAN / POLICY:**

<b>Legislation</b>	<i>Local Government Act 1995</i> <i>Regulation 17 of the Local Government (Audit) Regulations 1996</i>
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<b>Integrated Planning and Reporting Framework Implications</b>	<b>Strategic Community Plan</b> Council Four Year Priorities: Community Outcome 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: 19.1 – Enterprise Risk Management

### **DETAILS:**

#### **Policy and Framework**

The City is committed to a culture of risk management, where risk is considered at three levels; strategic, operational and project. Operational and Strategic Risks are currently housed in the City's risk management system (RMSS) and are reviewed on an annual basis as part of the Business Planning Process. Project level risks are

managed by relevant staff in the delivery of the projects and where relevant, are documented within specific service areas.

The Enterprise Risk Management Policy 19.1 states the purpose of risk management being:

*“To protect the community, the City of Perth and its workers against foreseeable risks through developing a whole of enterprise culture of risk awareness, plans that reduce our risk exposure and systems that provide information to assist in informed decision making, maximising asset potential and enhancing community wellbeing.”*

Under the framework the Audit and Risk Committee has the responsibility for the systems and processes for risk management in line with the *Local Government (Audit) Regulations 1996*. The strategic and high level operational risks will be reported to the Audit and Risk Committee and Council on a quarterly basis.

## **RISK MANAGEMENT UPDATE**

### **Organisational Risk Maturity Assessment Update**

The Organisational Risk Management Maturity Assessment was completed by the consultant from LGIS (Local Government Insurance Scheme) and the City's Risk Management Coordinator with the findings and recommendations presented at the last Audit and Risk Committee held on 8 August 2016.

The recommendations indicated within the maturity assessment are currently being implemented throughout the organisation with the below milestones in the 'road map' having been completed:

- 1. Mandate and Commitment** – A briefing was conducted with the Executive Leadership Group (ELG) and Audit and Risk Committee on the findings, recommendations and road map. The road map was endorsed for implementation, with an agreement for updates to be provided to the Audit & Risk Committee every quarter on how the City was progressing in implementing the road map.
- 2. Policy, Risk Appetite and Assessment Criteria** - Facilitated workshops were held with ELG to review the City's existing Risk Management Policy, Risk Appetite Statement and Risk Assessment Criteria and as a result these documents have been presented to the Audit and Risk Committee for endorsement.

Once endorsed by Council the Risk Policy, Appetite and Criteria will be included in the Risk Management Framework currently undergoing a review in line with the recommendations of the maturity assessment. The amended Risk Management Framework document will be presented to the next Audit & Risk Committee and Council meeting for final endorsement.



***Business Continuity Management***

The City is progressing rolling out the Crisis Management and Business Continuity Framework, with the below milestones achieved;

- Inclusion of Crisis and Business Continuity Management within the Risk Management Policy;
- Finalisation of the City's Crisis Management Plan and associated procedures, with relevant staff briefed on the plans and their responsibilities;
- Formalisation of the City's Crisis Management Team (CMT) and the Critical Incident Control Team (CICT), with briefing and training conducted for both teams by the Risk Management Coordinator and the Manager Community Amenity & Safety;
- Commissioning of the IT Communications Room at Citiplace (the alternate location for Council House); and
- Completion of the Depot Business Continuity Plan.

Crisis Exercises will be conducted with both teams in the current financial year to test the effectiveness of the plans and familiarise relevant staff with their roles and responsibilities. Briefing sessions on the City's Crisis and Business Continuity Framework will be held with Directorates to further raise awareness and build resilience into the City's planning.

Ongoing Crisis Exercises and Training will be provided to relevant staff in line with the Business Continuity testing schedule.

***UPDATE ON HIGH AND EXTREME RISKS:***

Under the City's amended Risk Management Framework, the Audit and Risk Committee has the responsibility for the overseeing of the City's systems and processes for risk management in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*. The framework states that strategic and high level operational risks will be reported to the Audit and Risk Committee and Council on a quarterly basis.

22 Strategic Risks and 437 operational risks currently sit on the City's risk registers.

There is minimal change to the number of risks contained in the City's risk registers. However, as the City has amended the Risk Appetite and Risk Assessment Criteria used to assess risks, a process to review all the risks on the registers will be undertaken following the endorsement of both items.

All risks have been rated using the City's risk matrix and compiled on the City's Risk System RMSS. As at 7 October 2016, there are:

0 EXTREME risks  
4 HIGH risks  
286 MEDIUM risks  
169 LOW risks

Updates on the identified HIGH / EXTREME risks are detailed below with two high risks having been moved to a medium rating since the previous update.

**Risk Update: Shifting of costs from other sectors onto the City**

**Risk Owner:** Manager Finance

Risk ID	Risk Statement	Existing Controls	Risk Rating
78	Shifting of costs from other sectors onto the City resulting in financial impacts or affecting service delivery	Monitoring of government policy direction The City budgeting process takes into account forecasted increases in levies and taxes and in most instances will pass them on to ratepayers.	High

**Comment:** There are no significant changes to this risk. With the challenges of the current economic climate, the City continues to monitor the risk to ensure the impacts are minimised. The 2016/17 annual budget was adjusted in line with the changes to the parking levy, with a focus on limiting the impacts on the City's ratepayers.

The risk remains High on the City's financial planning agenda.

**Risk Update: Insufficient revenue generated from Elizabeth Quay (EQ) for servicing and maintenance.**

**Risk Owner:** Manager Finance

Risk ID	Risk Statement	Existing Controls	Risk Rating
83	Revenue generated from EQ (MRA contribution + Rates) insufficient to cover maintenance and servicing of EQ.	<ul style="list-style-type: none"><li>Agreement with Metropolitan Redevelopment Authority (MRA)</li><li>Monitoring of costs of servicing and maintaining EQ</li><li>Modelling of cash flows for the precinct (rates revenue + funding vs costs of serving and maintenance)</li></ul>	Medium

**Comment:** The negotiations with the MRA regarding the level of service provided by the City for the EQ precinct have been completed. The rates levied on the precinct are sufficient to cover the agreed service level; however the MRA has made a commitment to procure additional services from other service providers, to compliment the City's efforts in the precinct as required. The controls in place to mitigate this risk are considered adequate; hence the risk level has been reviewed to Medium for the remainder of the current financial year. The agreement with the MRA will be reviewed in the new financial year.

**Risk Update: Non-disclosures of gifts and travel by staff and Elected Members****Risk Owner:** Manager Governance

Risk ID	Risk Statement	Existing Controls	Risk Rating
1092	Non-disclosures of gifts and travel by staff and Elected Members leading to investigations or findings against the City resulting in reputational harm.	<ul style="list-style-type: none"><li>Enhanced Governance practices</li><li>Policies and Procedures around gifts and travel disclosures</li><li>Training and induction for new employees and Elected Members on gift and travel disclosures</li><li>Awareness raising sessions with staff and Elected Members</li><li>Monitoring of legislative amendments to the LG Act and regulations.</li><li>Accountability and Governance webpage on the City's Internet.</li></ul>	Medium

**Comment:** Given the City has introduced a number of transparency measures related to Gifts & Travel, with these measures being over and above the legislative provisions, this risk rating has been reviewed and amended from High to a rating of Medium.

The City has adequate controls in place to manage this risk, further mitigation measures also includes a review and update to the City of Perth Code of Conduct proposed to be presented to Council in late 2016.

The City will continually be looking for new opportunities to further enhance governance practices.

**Risk Update: Reduction in Parking revenue****Risk Owner:** Manager Commercial Parking

Risk ID	Risk Statement	Existing Controls	Risk Rating
108	Parking revenue decreases leading to revenue loss for the City	<ul style="list-style-type: none"><li>Market research done every 2 years</li><li>The Commercial Parking Unit is currently looking at other sources of alternate revenue streams (other LGs, State agencies and private sector)</li><li>Annual budgeting based on projected increases in parking levies.</li></ul>	High

Risk ID	Risk Statement	Existing Controls	Risk Rating
		<ul style="list-style-type: none"> <li>▪ Liaison with officials with regards to parking levies</li> </ul>	

**Comment:** The City operates in a competitive commercial parking industry in which it is required to be innovative, flexible and continuously improve to retain its competitiveness. The City's strategy is to engage in and improve alternate revenue streams and increase market share via customer experience.

The Commercial Parking Unit (CPP) has been focussing considerable effort in exploring alternate revenue streams, with the following having been undertaken:

- A recent presentation to the City of Vincent for the provision of parking management services, the City is awaiting response from Vincent as they consider their operating model.
- A Tender has been formulated, for the provision of parking management services at the City of Subiaco in which the City is currently awaiting an outcome.
- The City is renewing its current contract with the Town of Victoria Park for the provision of parking services for a further three years.
- The technical services and IT systems team within CPP Unit has also increased its technical capabilities by taking on additional parking machines that add to the City's current portfolio.

Other mitigation strategies to increase revenue and market share include a restructure for the Commercial Parking Unit, with a new focus on business development work streams and project management. As a result of the restructure a new position of Business Development Coordinator will be created. The focus of the new position is indicated as follows:

- Set up of increased revenue projects;
- Benchmarking within CPP unit; and
- Research provisions within the *Local Government Act 1995* for Major Trade Undertaking.

The recruitment for the Business Development Coordinator will commence in October.

There is no change to this risks rating or controls.

**Risk Update: Occurrence of a significant OSH incident**

**Risk Owner:** Manager Human Resources

Risk ID	Risk Statement	Existing Controls	Risk Rating
1123	Occurrence of a significant OSH incident	<ul style="list-style-type: none"> <li>▪ OSH induction training for new employees</li> <li>▪ OSH policies and procedures</li> <li>▪ OSH &amp; Risk Committee</li> </ul>	High

Risk ID	Risk Statement	Existing Controls	Risk Rating
		<ul style="list-style-type: none"> <li>▪ Directorate OSH &amp; Risk Group meetings</li> <li>▪ Workplace safety inspections systematically controlled on RMSS</li> <li>▪ Risk assessments on high risk work</li> <li>▪ Job Safety Analysis</li> <li>▪ Safe work statements</li> <li>▪ PPE procedures</li> </ul>	

**Comment:** The City continues to acknowledge the importance of health and safety throughout the organisation and to encourage a positive OSH culture. The City has now implemented the new OSH structure, with a collaborative approach between Human Resources and Construction and Maintenance directorate that will focus on identifying the organisations high risk areas and safety needs over the next three months.

An appropriately qualified Senior Safety Officer was successfully recruited and has begun developing an OSH Strategy that will set the direction for safety over the next 18 months. As part of this strategy the following activities will be conducted:

- A review of the City's Safety Management Systems (which includes OSH Policies, Procedures and Systems) to ensure it is compliant with legislation, demonstrates industry best practice and is practical and applicable to the relevant employee groups.
- An analysis of the City's OSH training needs and requirements which will be addressed and delivered through the City's Learning and Development Strategy.
- A gap analysis and audit of the whole organisation that will assist in measuring the City's current performance against the appropriate standards, to identify areas of improvement and where external accreditation may be required.

The City has started to see improvements through the reduction in Lost Time Injury (LTI) frequency and the recent attainment of 100 days LTI free. The City will continue to reduce the continuum of LTI frequency with the aim to maintain it at zero.

This risk will remain high, as the uncertainty of human behaviour is factored into the risk rating. This risk will continue to be monitored and reviewed as appropriate controls are implemented.

There is no change to this risks rating or controls.

**Risk Update: Inadequate Condition Rating of City Assets****Risk Owner:** Manager Properties

<b>Risk ID</b>	<b>Risk Statement</b>	<b>Existing Controls</b>	<b>Risk Rating</b>
1053	Inadequate Condition Rating of City Building Assets to enable appropriate asset renewal and maintenance.	<ul style="list-style-type: none"><li>▪ Adhoc inspections</li><li>▪ Property maintenance helpdesk system (Hansen)</li><li>▪ The City is currently engaging potential surveyors to undertake a portfolio wide condition assessment of building assets</li><li>▪ The Information Technology Unit is conducting a business analysis to obtain specifications for the procurement of a property management system</li><li>▪ Feedback from occupants of City buildings</li></ul>	High

**Comment:** The Tender for the comprehensive condition assessment on the City's properties portfolio has closed, and the assessment panel will finalise the decision on October 2016 to appoint.

The condition assessment will take approximately 6 months to complete. Once completed, the data from this assessment will allow the City to understand the potential back log maintenance liability and any under investment that has been occurring in the past. The City will then develop a strategy to address this issue which will likely require resources to undertake.

The aging infrastructure and structural issues around the Perth Concert Hall (PCH) and the Perth Convention and Exhibition Centre (PCEC) are still being managed by the City through the Properties Unit.

The City has a current agreement with the providers at PCH, in that no performances will be booked for the months of January and February, in both 2017 and 2018, to enable the City to undertake necessary maintenance and structural projects on the site within that time.

PCEC is still recognised as a High Risk with the ongoing subsidence which the City is exploring avenues to remedy.

There is no change to this risks rating or controls.

**Risk Profile**

The distribution of risk ratings for both strategic and operational risks throughout the organisation is shown in the following risk matrix and pie chart. The pie chart demonstrates the overall image of the City's risk categorised into Low, Medium, High

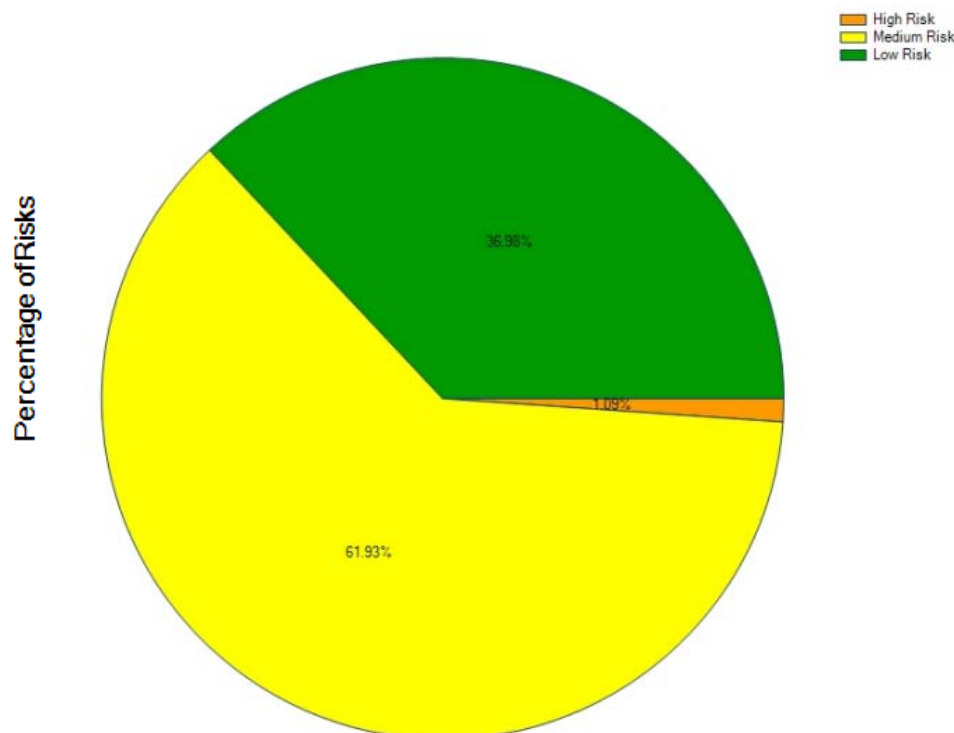
and Extreme risks. As indicated by the pie graph the City is proactively managing its risks with no risks rated as Extreme and 1.09% rated as High. Detailed information on each of the organisational risks including the risk causes, consequences and relevant risk actions are provided for in RMSS.

As a result of the request from the last Audit and Risk Committee meeting, the City compared its distribution of risk ratings with three other Councils within Western Australia.

Overall the City has a lower high risk percentage than the other Councils. This is likely to be as a result of the review to likelihood table and changes made to the probability descriptors to a percentage. However, this distribution is likely going to change in line with amended Risk Appetite as the City transitions through the road map and reviews all operational and strategic risks.

It is also noted that each Council has adopted their own risk policy, framework and appetite which is relative to each Councils' operating environment. So therefore this comparison provides limited value.

**Figure 1:** Distribution of risk ratings as at 7 October 2016



HIGH Risks – 1.09%  
MEDIUM Risks – 61.93%  
LOW Risks – 36.98%



Figure 2: Risk Matrix



## Residual Risk Matrix

		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood	Almost Certain	7 Risk(s)	M	H	E	E
	Likely	7 Risk(s)	23 Risk(s)	2 Risk(s)	E	E
	Moderate	15 Risk(s)	58 Risk(s)	46 Risk(s)	2 Risk(s)	E
	Unlikely	5 Risk(s)	57 Risk(s)	68 Risk(s)	25 Risk(s)	H
	Rare	9 Risk(s)	23 Risk(s)	60 Risk(s)	28 Risk(s)	24 Risk(s)

L	Low	Low level residual risks generally do not need to be treated, however they should be recorded in the risk register and reviewed periodically to determine if the level of risk has changed.
M	Medium	Medium level residual risks should be treated if it is practical and cost effective to do so.
H	High	All extreme and high rated residual risks are to be immediately treated (where practical to do so) and will be reported to the Risk Management Task Force with treatment solutions.
E	Extreme	All extreme and high rated residual risks are to be immediately treated (where practical to do so) and will be reported to the Risk Management Task Force with treatment solutions.

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**FINANCIAL IMPLICATIONS:**

Each risk identified may have its own financial implications which will be the subject of normal budget consideration.

The financial cost associated with testing the Business Continuity Plan's is included in the Governance Unit operational budget.

**COMMENTS:**

Following the completion of the organisational risk maturity assessment all the risks on both the strategic and operational risk registers will be reviewed and reported through both the Corporate OSH & Risk Committee and the Audit and Risk Committee as required.

All current High and Extreme risks will continue to be reported to this committee during this review process.

***Moved by Cr Davidson, seconded by Cr Adamos***

***That Council receives the report titled Risk Management Update – October 2016.***

***The motion was put and carried***

**The votes were recorded as follows:**

**For:       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

**455/16 INTERNAL AUDIT 2016/17 – PROJECT ASSURANCE  
REVIEW**

**BACKGROUND:**

FILE REFERENCE: P102969-8  
RESPONSIBLE UNIT: Internal Audit  
RESPONSIBLE DIRECTORATE: Corporate Services  
DATE: 28 September 2016  
MAP / SCHEDULE: Confidential Schedule 15 – Project Assurance Review  
(distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 31 October 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

The City of Perth Internal Audit Plan 2016/17 was approved by Council at its meeting held on **17 May 2016**.

As part of the City's 2016/17 Internal Audit Plan, a Project Assurance Review was carried out in August and September 2016. Confidential Schedule 15 details the findings of this review.

**LEGISLATION / STRATEGIC PLAN / POLICY:**

**Legislation** *Local Government (Audit) Amendment Regulations 2013*

**Integrated Planning and Reporting Framework Implications** **Corporate Business Plan**  
Council Four Year Priorities:  
**Capable and Responsive Organisation**  
S18 Strengthen the capacity of the 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: 19.1 – Enterprise Risk Management

**DETAILS:**

The findings of the review are detailed in the attached Confidential Schedule 15.

**FINANCIAL IMPLICATIONS:**

There are no financial implications related to this report.

*Moved by Cr Davidson, seconded by Cr Adamos*

*That Council approves the Project Assurance Review as part of the Internal Audit Plan 2016/17 as detailed in Confidential Schedule 15.*

*The motion was put and carried*

The votes were recorded as follows:

**For:** The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong

**Against:** Nil

## **456/16 BIENNIAL REVIEW OF SYSTEMS AND PROCEDURES 2016**

### **BACKGROUND:**

FILE REFERENCE:	P1013788-5
RESPONSIBLE UNIT:	Internal Audit
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	4 October 2016
MAP / SCHEDULE:	Confidential Schedule 16 – Review of systems and procedures in regards to risk management Confidential Schedule 17 – Review of systems and procedures in regards to internal control Confidential Schedule 18 – Review of systems and procedures in regards to legislative compliance Confidential Schedule 19 - Organisational Risk Management Maturity Assessment Report, July 2016. (distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 31 October 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

As required by regulation 17 of the *Local Government (Audit) Regulations 1996*, a review of the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance is to be undertaken at least once every two calendar years. Regulation 17 came into effect on 8 February 2013.

The first biennial review was required by the Department of Local Government and Communities to be completed by December 2014 and was presented to the Audit and Risk Committee during its October 2014 meeting.

This is the second biennial review undertaken.

**LEGISLATION / STRATEGIC PLAN / POLICY:**

**Legislation** Regulation 17 of the *Local Government (Audit) Amendment Regulations 2013*

**Integrated Planning and Reporting Framework Implications** **Corporate Business Plan**  
Corporate Business Plan  
**Capable and responsive organisation.**  
S18 Strengthen the capacity of the 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: 19.1 Enterprise Risk Management

**DETAILS:**

The structure of this review follows Appendix 3 of the Local Government Operational Guideline No. 9 "Audit in Local Government" (the Guideline) as issued by the Department of Local Government and Communities (the Department) in September 2013. This appendix contains issues that should be considered for inclusion in the biennial review. No further guidance on completion of the biennial review has been issued by the Department.

In addition, as suggested within the Guideline, reference was made to Section 7 of the Department's Western Australian Local Government Accounting Manual during the carrying out of this review.

Confidential Schedule 16 documents the results of a review of the systems and procedures relating to risk management. This review was carried out by the Governance Unit and refers to the report on the Organisational Risk Management Maturity Assessment undertaken in 2016 by Local Government Insurance Services (LGIS) (refer Confidential Schedule 19).

A review of the systems and procedures in regards to internal control and legislative compliance was performed by Internal Audit (refer to Confidential Schedules 17 and 18 respectively). Input on legislative compliance was supplied by the Governance Unit.

The overall conclusion from this biennial review is that the City has established appropriate and effective systems and procedures (in accordance with the above

mentioned guideline) in regards to risk management, internal control and legislative compliance.

Planned initiatives and opportunities to improve these systems and procedures are highlighted within the above mentioned schedules. Where applicable, Internal Audit will follow up on these planned initiatives and opportunities for improvement.

In terms of risk management, a number of recommendations as contained within the above mentioned maturity assessment report will be implemented through a road map of set milestones over an agreed period of time.

**FINANCIAL IMPLICATIONS:**

There are no financial implications related to this report.

**COMMENTS:**

As a result of following the structure within Appendix 3 of the Guideline, an extensive scan of systems and procedures in the areas of risk management, internal controls and legislative compliance has taken place.

Completion of this biennial review and presentation of results at the October 2016 Audit and Risk Committee (and Council following the Committee Meeting) enables the City to meet the above mentioned requirements of regulation 17 of the *Local Government (Audit) Regulations 1996*.

***Moved by Cr Davidson, seconded by Cr Adamos***

***The Council in accordance with Regulation 17 of the Local Government Act 1995 approves the review of the appropriateness and effectiveness of systems and procedures in relation to risk management, internal control and legislative compliance as per Confidential Schedules 16, 17, 18 and 19.***

***The motion was put and carried***

**The votes were recorded as follows:**

**For:       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

## **OTHER REPORTS**

### **457/16 OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS – OCTOBER 2016**

#### **BACKGROUND:**

FILE REFERENCE: P1029698  
RESPONSIBLE UNIT: Internal Audit  
RESPONSIBLE DIRECTORATE: Corporate Services  
DATE: 3 October 2016  
MAP / SCHEDULE: Confidential Schedule 20 – Outstanding  
Recommendations – October 2016  
(distributed to Elected Members under separate cover)

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 31 October 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

**In accordance with Section 5.23(2)(a) of the *Local Government Act 1995*, this item was confidential and was distributed to the Elected Members under separate cover.**

Confidential Item 457/16 is bound in Confidential Minute Book Volume 1 2016.

***Moved by Cr Davidson, seconded by Cr Adamos***

***That Council receives the report summarising the status of outstanding internal audit recommendations as at October 2016.***

***The motion was put and carried***

**The votes were recorded as follows:**

**For: The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

**458/16 ANNUAL REPORT AND AUDITED FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**BACKGROUND:**

FILE REFERENCE: P1003392-8  
REPORTING UNIT: Finance  
RESPONSIBLE DIRECTORATE: Corporate Services  
DATE: 15 November 2016  
MAP / SCHEDULE: Schedule 21 – Annual Report 2015/16  
Schedule 22 – Audit Management Letter

The Committee recommendation to the Council for this report was resolved by the Special Audit and Risk Committee at its meeting held on 22 November 2016.

**The Committee recommendation to the Council is the same as that recommended by the Officers.**

Section 5.54(1) of the *Local Government Act 1995* (Act) requires the Annual Report for the financial year ended 30 June 2016, be presented at the Annual General Meeting of the City of Perth scheduled to be held on Tuesday, 13 December 2016.

The auditing of the annual accounts have been delayed this year due to the requirement to tender for audit services and the increased scope of the audit. As a result, the Annual Report was not presented to the Audit & Risk Committee meeting of 31 October 2016. A Special Meeting of the Audit & Risk Committee has therefore been scheduled in order to present the report.

The Financial Statements for the year ended 30 June 2016 have been audited and signed off on 9 November 2016.

Section 5.53 (2) of the Act prescribes that the following information must be included in the Annual Report:

- “(a) a report from the Mayor or President;*
- (b) a report from the CEO;*
- (e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year;*
- (f) the financial report for the financial year.*
- (g) such information as may be prescribed in relation to the payments made to employees;*
- (h) the auditor’s report for the financial year;*
  - (ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993;*
  - (hb) details of entries made under section 5.121 during the financial year in the register of complaints, including -*
    - (i) the number of complaints recorded in the register of complaints;*

- (ii) *how the recorded complaints were dealt with;*
- (iii) *any other details that the regulations may require; and*
- (iv) *such other information as may be prescribed.”*

The information contained in Schedule 21 addresses all the details required for a Local Government's Annual Report.

**LEGISLATION / STRATEGIC PLAN / POLICY:**

**Legislation**

Section 6.4 of the *Local Government Act 1995*  
Regulation 36 of the *Local Government (Financial Management) Regulations 1996*  
Regulations 9 and 10 of the *Local Government (Audit) Regulations 1996*  
Principle 6 of the *State Records Principles and Standards 2002*

**Integrated Planning  
and Reporting**

**Corporate Business Plan**

Council Four Year Priorities: Capable and Responsive Organisation.

**DETAILS:**

The Financial Statements address all statutory financial requirements imposed on the City and comply with the Australian Accounting Standards.

The Annual Report is an important document through which the City communicates with its stakeholders, notes its achievement during the preceding financial year and sets out its vision for the future.

Additionally considerable information is provided including that required statutorily and the Annual Financial Statements. This will enable stakeholders to assess the financial health of the City.

The Financial Statements for the year ended 30 June 2016 have been audited and an unqualified report has been issued.

The net operating result prior to capital grants and contributions amounts to \$8.4 million. This compares with a budget of \$8.3 million. Capital grants amount to \$5.4 million. Significant items amounted to a total negative contribution of \$2.1 million.

**REVENUE**

- Rates collected are \$0.5 million above the original budget due to higher than forecast interim rates.
- Fees and charges are \$6.5 million below budget mainly due to a fall in parking revenue, but the fee income is in line with the prior year's figure.



**EXPENDITURE**

- Employee costs were \$1.3 million below budget due to vacant positions approved in the Workforce Plan.
- Materials and contracts are \$5.9 million below the original budget. Major savings emerged in property maintenance, consultancy, other professional fees, security, printing, tipping fees and assets not capitalised.
- Depreciation and amortisation is \$2.7 million under the original budget. Delays in the capitalisation of capital projects including the New Perth Library contributed to this variance.
- Capital grants were \$1.4 million below budget due to the timing of grants received.

**SIGNIFICANT ITEMS**

- Investment properties are valued each year which resulted in a loss of \$2.1 million which reflects the current property market.
- The City revalued its plant and equipment assets having no active markets to fair value, which was determined as depreciated replacement cost based on condition assessments. This revaluation will be conducted on a triennial basis in accordance with the *Local Government (Financial Management) Amended Regulations 1996*.
- \$1.1 million represents the City's share of profit on land sold by the Tamala Park Regional Council (TPRC).
- \$85,190 represents a write-back in the previous impairment taken in relation to the Barclay Emerald Mortgage Backed Securities.

**BALANCE SHEET**

- Net assets have increased by \$11.6 million over the year.
- Current assets decreased by \$0.6 million.
- Non-current assets have increased by \$2.2 million as a result of asset purchases.
- Investment property decreased by \$0.8 million as previously disclosed.
- Trade creditors decreased by \$3.5 million, a fall of 18%.
- Non-current loans fell by \$6.7 million due to principal repayments with no new loans drawn down.

- The total liability for employee benefits decreased marginally by \$0.4 million to \$12.8 million at 30 June 2016.
- The Accumulated Surplus increased by \$11.8 million due mainly to the net surplus from operations.
- The Asset Revaluation Reserve decreased by \$0.8 million due to the revaluation of plant and equipment and investment properties. Other reserves increased by \$0.6 million as a result of an increase in the Parking Levy Reserve used for the payment of the Parking Levy which was due in July 2016.

Cash Flow was negative \$1.9 million over the year. Operating activities generated \$35.5 million, capital expenditure was \$37.7 million net of disposal proceeds, \$6.4 million of loan principal was repaid and \$6.8 million of grants were received.

### **AUDIT ISSUES**

There were no significant issues recorded in the Grant Thornton's audit management letter (Refer to Schedule 22).

### **FINANCIAL IMPLICATIONS:**

This report and the financial statements demonstrate the strong financial position of the City at 30 June 2016.

### **COMMENTS:**

The City's financial position remains strong with the operating result for the year.

***Moved by Cr Davidson, seconded by Cr Adamos***

***That Council in accordance with Section 5.54(1) of the Local Government Act 1995 approves by AN ABSOLUTE MAJORITY the Annual Report, which is inclusive of the Audited Financial Statements for the year ended 30 June 2016, attached as Schedule 21.***

***The motion was put and carried by an absolute majority***

The votes were recorded as follows:

**For:       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley, Limnios, McEvoy and Yong**

**Against: Nil**

**459/16 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

The Acting Chief Executive Officer advised that in accordance with Clause 4.12 of the City of Perth Standing Orders Local Law 2009 a notice of motion was received for consideration by Council as follows:

**The following notice of motion was received from Deputy Lord Mayor Limnios.  
(TRIM 205193/16)**

**Background:**

This is the City's most challenging economic period in more than 15 years.

This downturn is hitting the City hard.

Vacancy rates have hit 20% heading towards 24% very fast, the State Government is moving 1500 key workers from the CBD to Fremantle.

The Council needs to act to ensure current City retailers, ratepayers and small business owners can survive and new ones can open up and flourish.

I am being advised that expensive parking and inconvenient parking are major concerns and if attended to will potentially assist in reducing the burden for traders.

Christmas shoppers of Western Australia have a wealth of choices in shopping centres with free parking and air-conditioning.

We owe it to all of these stakeholders to do whatever is within our power to assist them, to help them compete with the large shopping centres who are undergoing an approximate \$4 billion dollar renovation coupled with Free Parking.

Reported on Monday November the 14<sup>th</sup> in the West Australian "One in Four Stores Shut as Shoppers Stay Away". In this Exclusive report it clearly stated the inconvenience and cost of City Parking!

We need to make it relatively more attractive for people to choose Perth City as their destination of choice for Christmas Shopping.

I propose a motion that the City of Perth for the month of December provide Free Car parking on weekends (Saturday and Sunday) to assist and promote the City as the Christmas Shopping Destination.

***Moved by Cr Limnios, seconded by Cr Green***

1. That Council approve from 3 to 31 December 2016 the City of Perth Parking provide free parking (from 10am to 7pm) on Saturdays and Sundays to the following carparks;
  - His Majesty Carpark;
  - Citiplace Carpark;
  - State Library Carpark;
  - Pier Street Carpark;
  - Council House Carpark;
  - Terrace Road Carpark;
  - James Street Carpark;
  - Roe Street Carpark;
  - Aberdeen Street Carpark;
  - Cultural Centre Carpark;
  - Fire Station Carpark; and
  - The Garage Carpark.
2. That City of Perth Officers meet with representatives of the Public Transport Authority and consider a strong public transport incentive for future retail trading months with the costs to be funded from the Perth Parking Levy;
3. That a report be presented back to Council on the effectiveness of the free parking and public transport initiative.

**6.42pm** Cr McEvoy departed the meeting.

**6.43pm** Cr McEvoy returned to the meeting.

***Procedural Motion to refer back to the Finance and Administration Committee***

***Moved by the Lord Mayor, seconded by Cr Chen***

***That Council refer consideration of the notice of motion received from Deputy Lord Mayor Limnios to the Finance and Administration Committee for further consideration.***

***The motion was put and carried***

The votes were recorded as follows:

**For:**       The Lord Mayor, Crs Adamos, Chen, Davidson, Green, Harley,  
              McEvoy and Yong

**Against:** Cr Limnios

**460/16 URGENT BUSINESS**

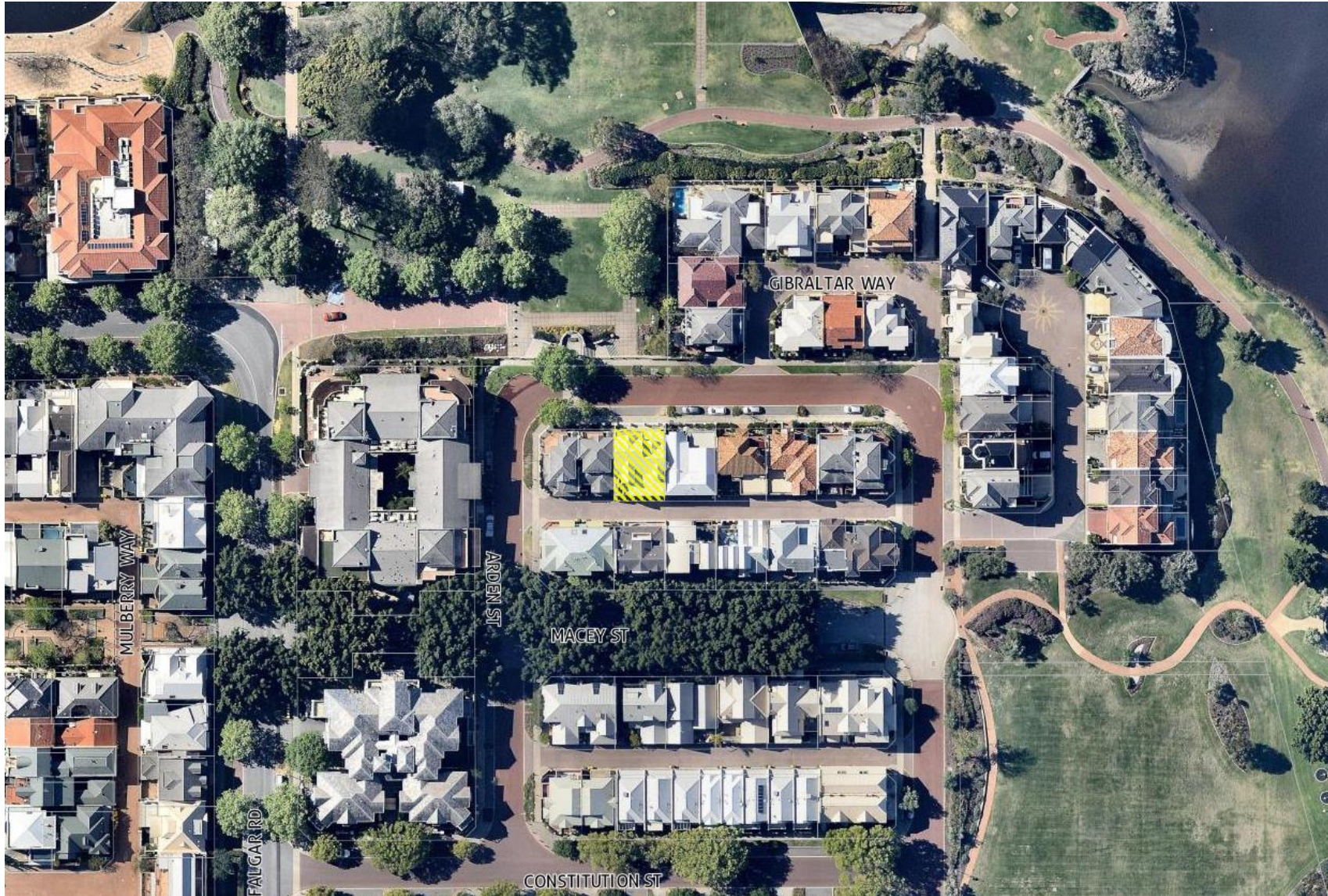
Nil

**461/16 CLOSE OF MEETING**

**6.53pm**   The Lord Mayor declared the meeting closed.

SCHEDULES  
FOR THE COUNCIL  
MEETING  
HELD ON  
22 NOVEMBER 2016





**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH**





**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH (LANEWAY FROM EAST)**





**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH (LANEWAY FROM WEST)**



**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH (ARDEN STREET NORTH-EAST)**

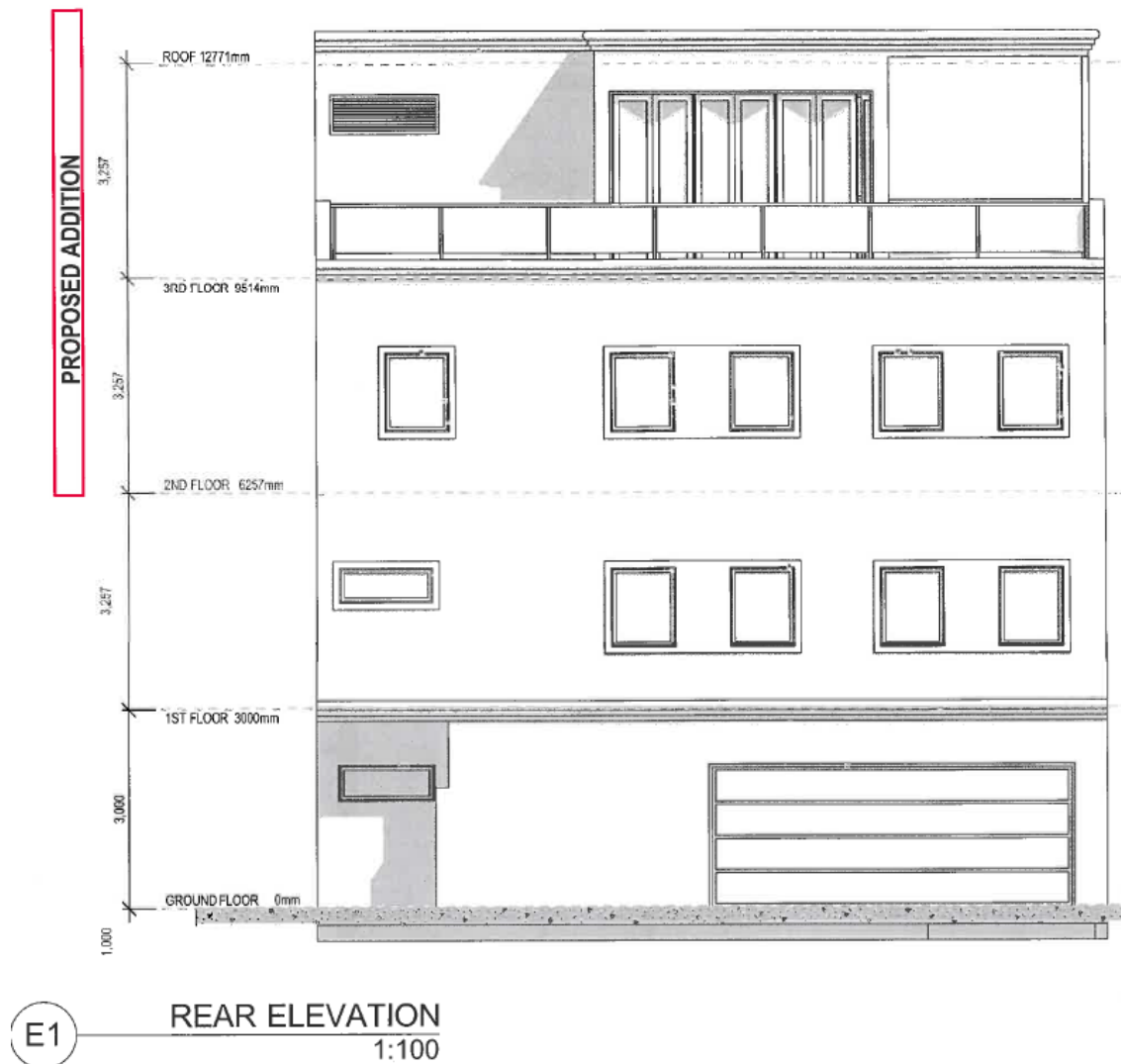




**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH (ARDEN STREET NORTH-WEST)**



**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH (LANEWAY 3D)**



**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH (LANEWAY ELEVATION)**



FRONT ELEVATION

**2016/5308 - 43 (LOT 41) ARDEN STREET, EAST PERTH (ARDEN STREET ELEVATION)**





**2016/5363 – 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH**





**2016/5363 – 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH**





**2016/5363 – 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH**



**2016/5363 – 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH**





**2016/5363 – 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH**



**2016/5363 – 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH**





**2016/5363 – 5 (LOTS 2 AND 3) FRANCIS STREET, PERTH**





**2016/5289 – 45 (LOT 110) FRANCIS STREET, NORTHBRIDGE**





**2016/5289 – 45 (LOT 110) FRANCIS STREET, NORTHBRIDGE**





**2016/5289 – 45 (LOT 110) FRANCIS STREET, NORTHBRIDGE**





**2016/5289 – 45 (LOT 110) FRANCIS STREET, NORTHBRIDGE**





**2016/5289 – 45 (LOT 110) FRANCIS STREET, NORTHBRIDGE**



2016/5289 – 45 (LOT 110) FRANCIS STREET, NORTHBRIDGE





**2016/5398: SITES 2 AND 3 ELIZABETH QUAY, PERTH**





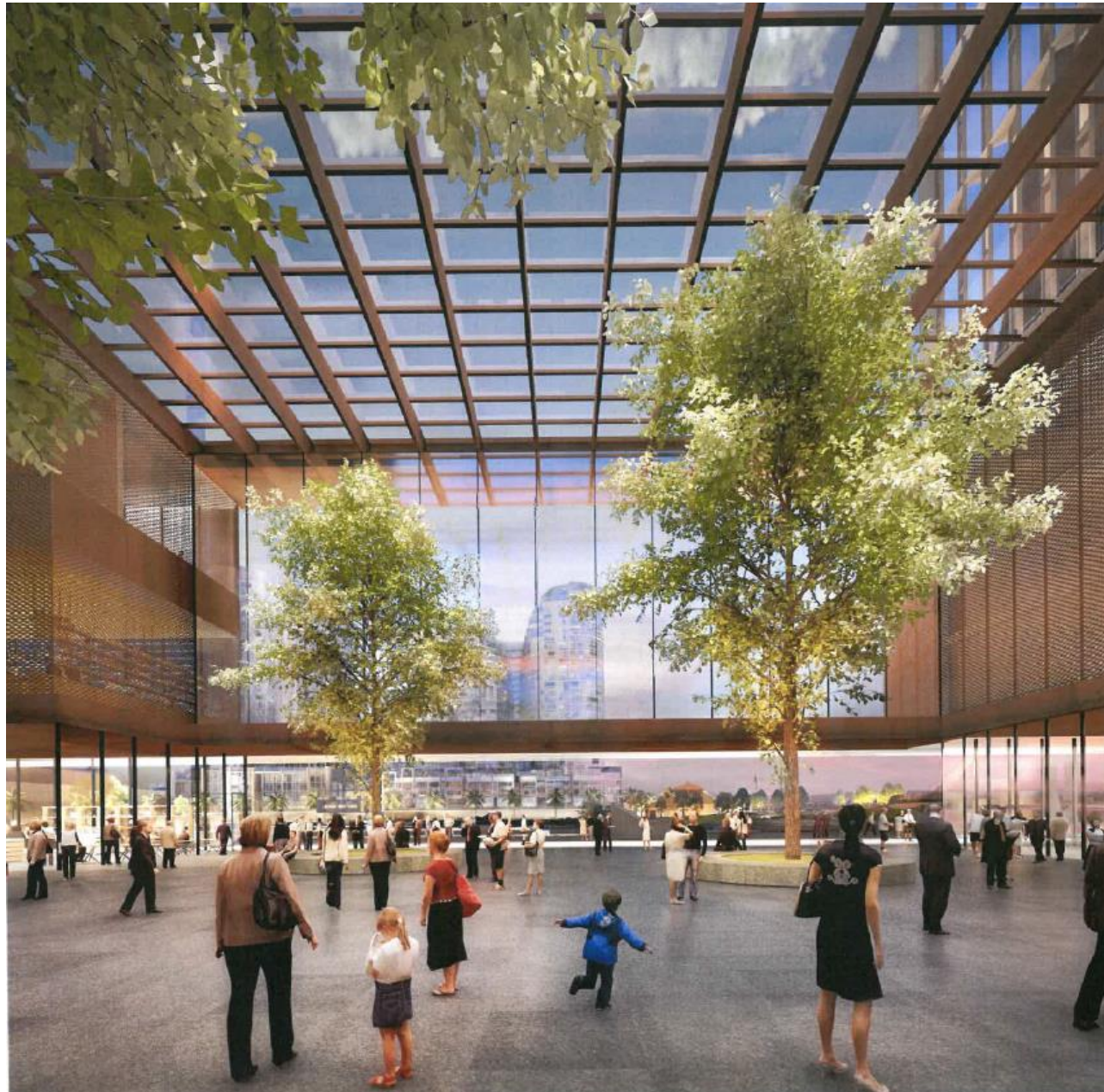
**2016/5398: SITES 2 AND 3 ELIZABETH QUAY, PERTH (PERSPECTIVES)**





**2016/5398: SITES 2 AND 3 ELIZABETH QUAY, PERTH (PERSPECTIVES)**





**2016/5398: SITES 2 AND 3 ELIZABETH QUAY, PERTH (PERSPECTIVES)**





**2016/5398: SITES 2 AND 3 ELIZABETH QUAY, PERTH (PERSPECTIVES)**





**2016/5383 – 39 AND 39A (LOTS 52 AND 53) MOUNT STREET, WEST PERTH**





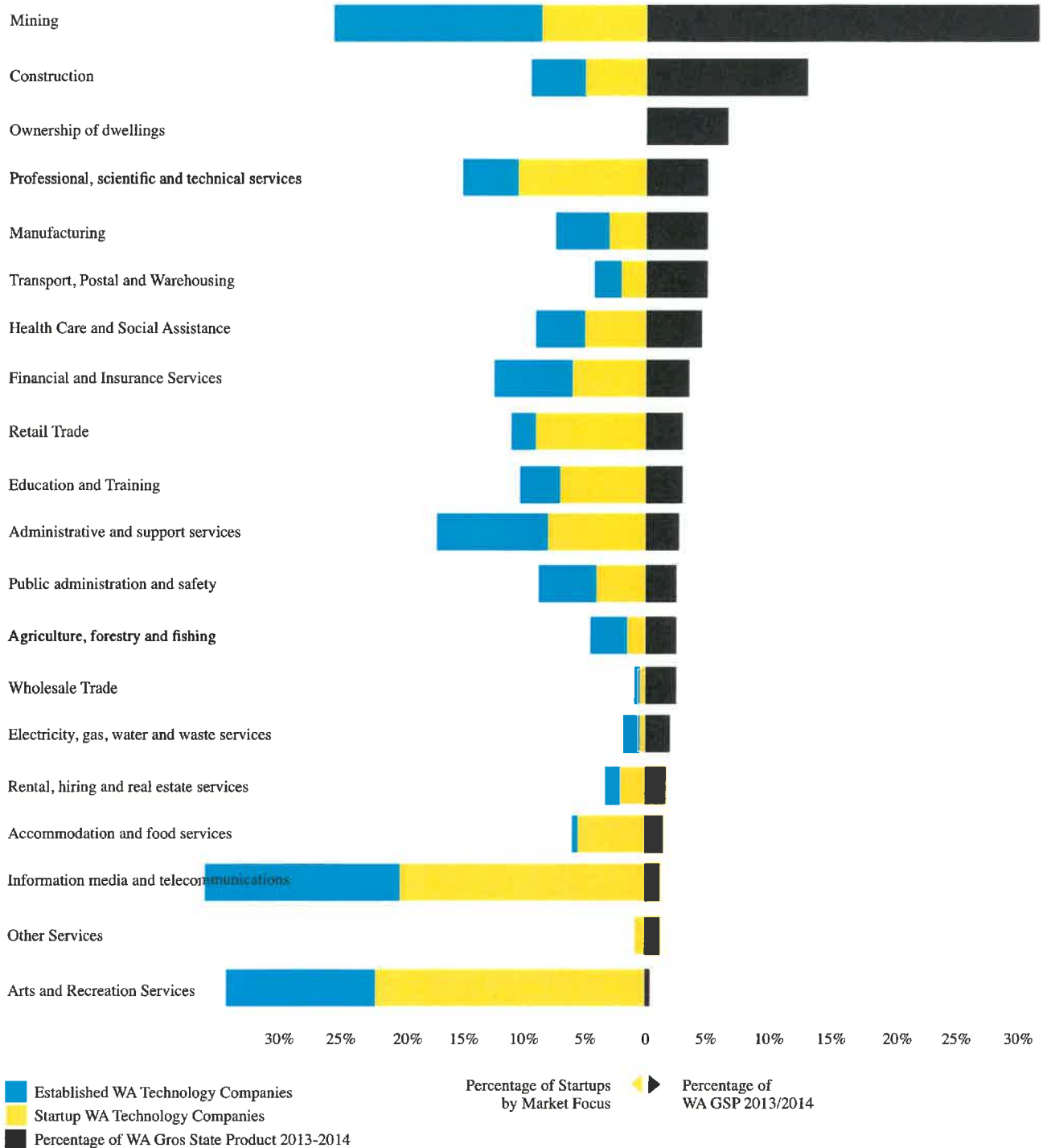
**2016/5383 – 39 AND 39A (LOTS 52 AND 53) MOUNT STREET, WEST PERTH**



**2016/5383 – 39 AND 39A (LOTS 52 AND 53) MOUNT STREET, WEST PERTH**

# MARKET FOCUS

## TARGET MARKET OF STARTUPS COMPARED TO TOP 20 WESTERN AUSTRALIAN INDUSTRIES





ROE ST / KING ST / LAKE ST SCHEDULE 7  
NEW TRAFFIC SIGNALLED INTERSECTION

LAKE STREET  
ROE STREET

NEW KING STREET

MALL / CITY WALK

CITY WALK  
BUS PORT  
PEDESTRIAN ENTRANCE

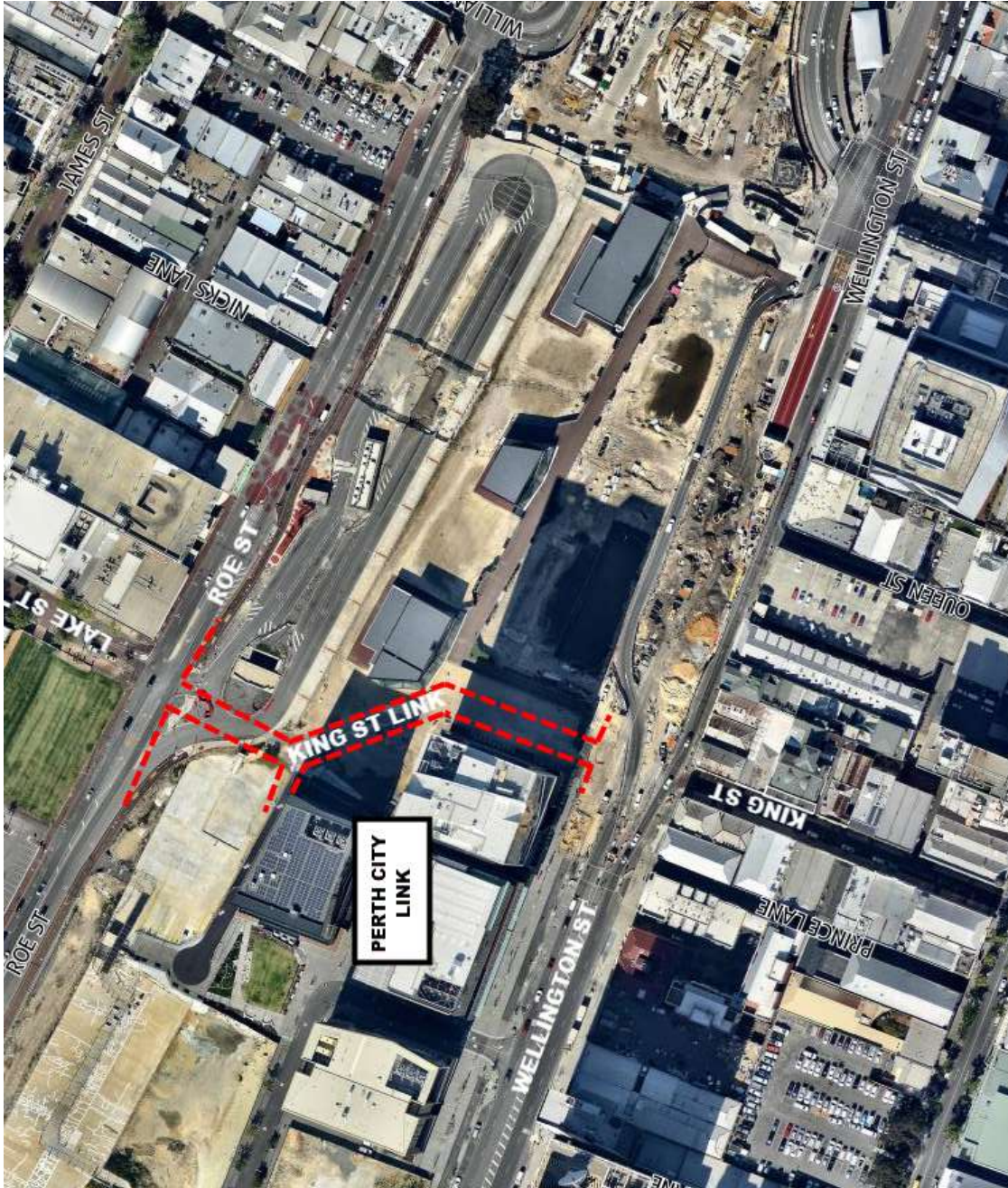
KING SQUARE  
NEW MID-BLOCK CONTROLLED  
PEDESTRIAN CROSSING

WELLINGTON ST / KING ST  
NEW TRAFFIC SIGNALLED  
INTERSECTION

WELLINGTON STREET

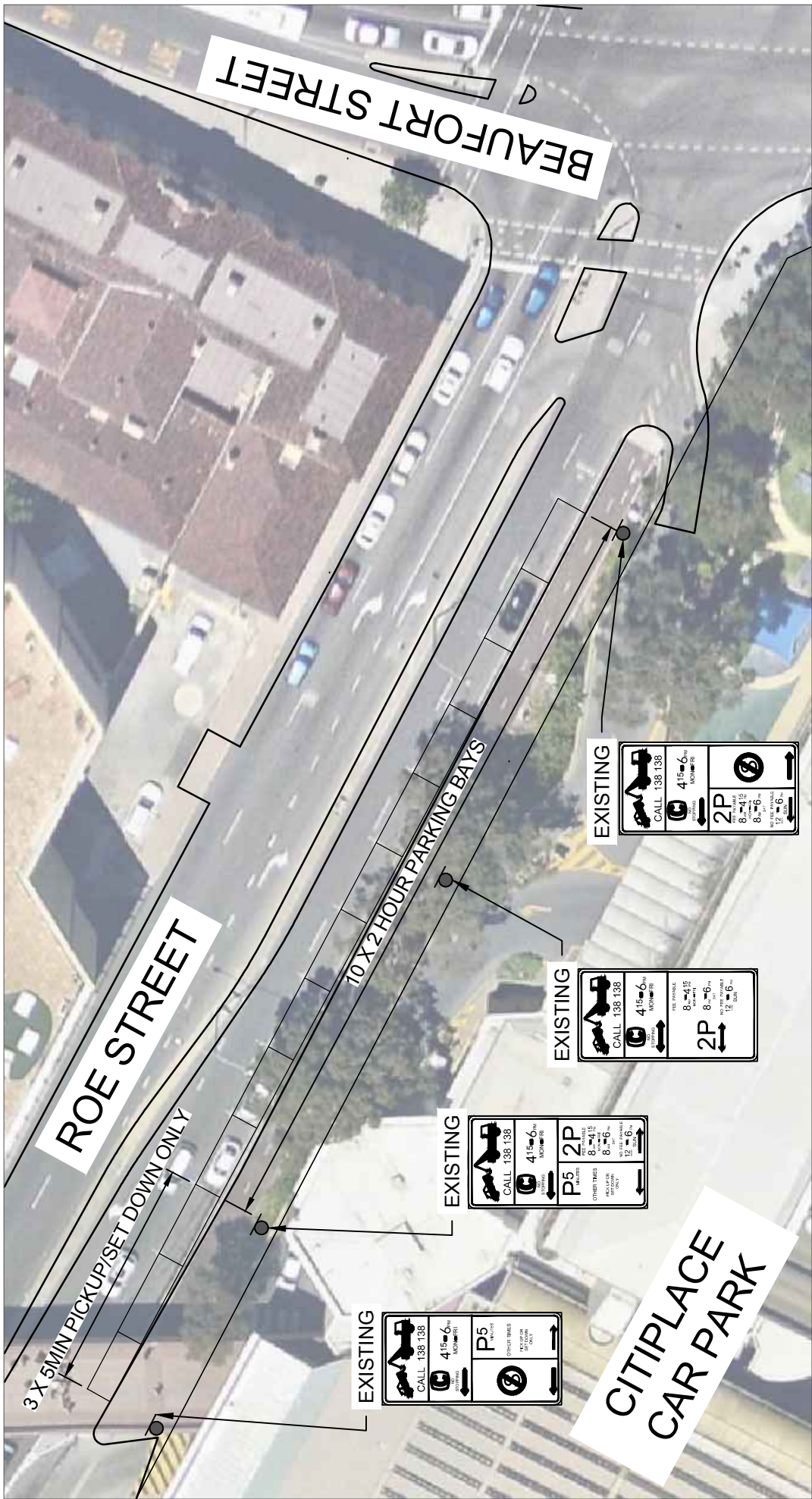
PERTH CITY LINK  
KING STREET LINK - MAP X





LOCATION MAP





**CITY OF PERTH**

COUNCIL HOUSE,  
27-29 ST. GEORGE'S TERRACE, PERTH.

DESIGNED  
---

TRAFFIC ENG.  
A.Lee

DATE  
31/10/2016

PROJECT ENG.  
---

SCALE  
1:500

SENIOR ENG.  
M.Groves

CO-ORD SYS.  
MGA 50 / AHD

DRAWING STATUS  
---

ISSUED FOR INFORMATION

RKS FILE No. ----

CAD REF: 16811-ROE-BEAUFFORT\_WLIAM-TU\_X.dwg

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PROACTIONAsigns\Ro

A4



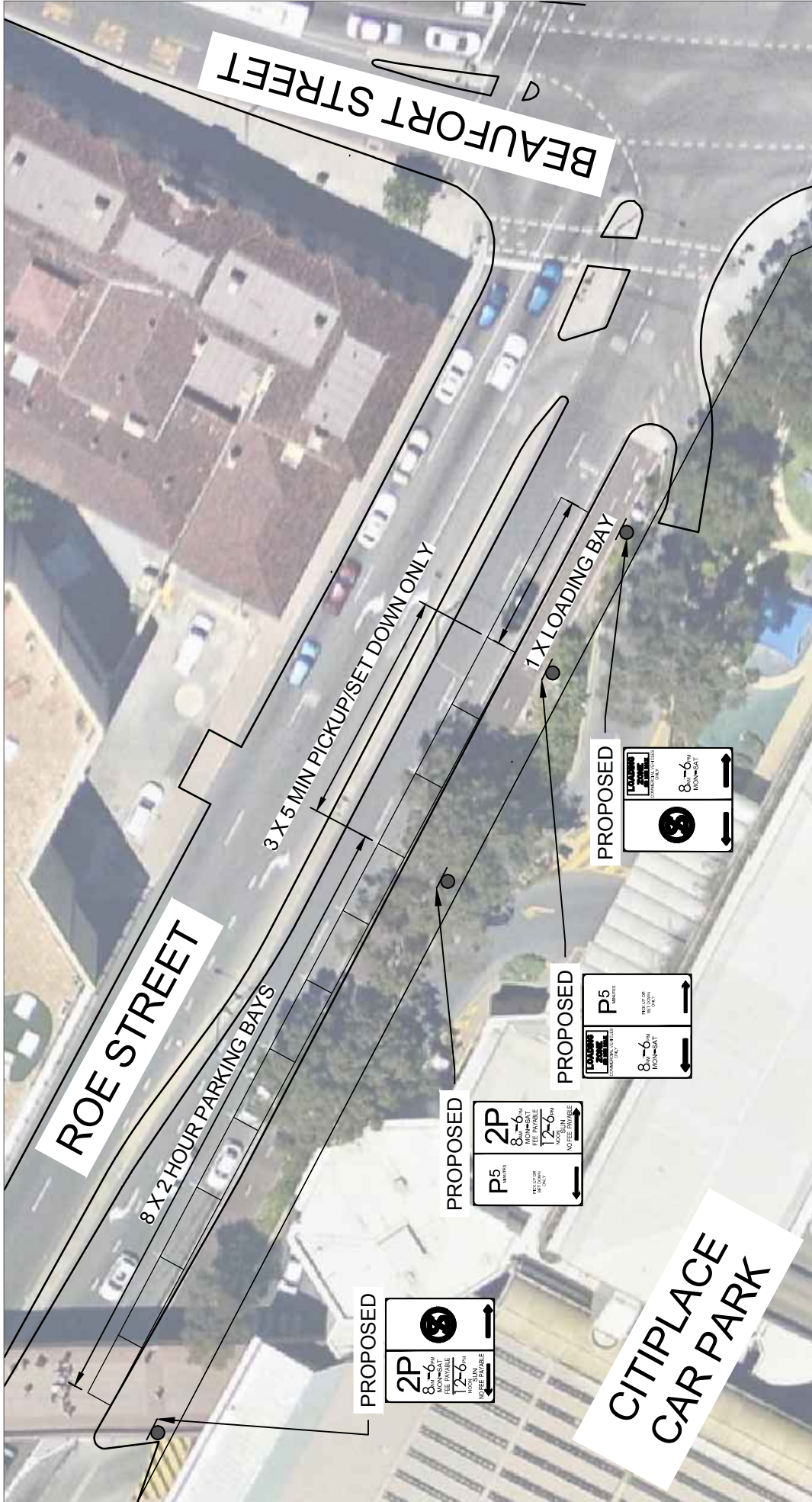
**ROE STREET**  
**EXISTING ON-STREET PARKING**  
**PARKING PLAN**  
**MAP X**


DWG SET No. **16811**

DISPLN **C - LM - 01**

SHEET No. **00**

REV. **00**





**CITY OF PERTH**  
COUNCIL HOUSE,  
27-29 ST. GEORGE'S TERRACE, PERTH.

**ROE STREET**  
**PROPOSED ON-STREET PARKING**  
**PARKING PLAN**  
**MAP XX**

DESIGNED: ---

TRAFFIC ENG. A.Lee

PROJECT ENG. A.Lee

SENIOR ENG. M.Groves

DRAWING STATUS

DRAWN: A.Lee

DATE: 31/10/2016

SCALE: 1:500

CO-ORD SYS. MGA 50 / AHD

ISSUED FOR INFORMATION

DISPLN: C - LM - 01

DWG TYPE: C - LM - 01

DWG SET No. 16811

RKS FILE No. ---

SHEET No. 01

REV. 00

CAD REF: 16811-ROE-BEAUFORT\_WLIAM-TU\_XX.dwg

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**POLICY NO: 19.1****ENTERPRISE RISK MANAGEMENT**

---

**ORIGIN/AUTHORITY**

Council meeting - 4 June 2013 (278/13)  
(Previous Policy 19.1 revoked 4 June 2013)

**FILE NO.**

75522/04

---

**OBJECTIVE**

To protect the community, the City of Perth and its workers against foreseeable risks through developing a whole of enterprise culture of risk awareness, plans that reduce our risk exposure and systems that provide information to assist in informed decision making, maximising asset potential and enhancing community wellbeing.

**POLICY STATEMENT**

Council is committed to:

1. Enterprise risk management utilising the principles and practices outlined in the Australia / New Zealand and International Risk Management Standard AS/NZS ISO 31000:2009.
2. Developing and maintaining appropriate documentation to guide the implementation of enterprise risk management throughout the organisation.
3. Promoting a culture within the City of Perth of awareness and active management of risks.
4. Providing regular education to its staff in risk management practices.
5. Using generally accepted best practice for managing its risks.
6. Regular assessment of its risk exposure and development of plans to manage the level of risk to within stated risk criteria.
7. Prioritisation of risks so that resources can be devoted to managing high priority risks.
8. Regular monitoring of risk management plans to ensure the Council's risk management objectives are achieved.
9. Provision of information and reports to decision makers so that they are able to make informed decisions.

**POLICY NO: 19.1**

10. Requiring all staff and other stakeholders including contractors and suppliers to assume responsibility and accountability for managing risks within their own areas and expertise.
  11. Developing systems that continually improve the ability to manage risks and reduce exposure.
  12. Utilising enterprise risk management to facilitate the realisation of business opportunities.
  13. These principles will be implemented in the City's Operations through the Enterprise Risk Management Framework, as adopted by Council.
- 

**Amendments/Review:**

## CP [19.1] Risk Management

### POLICY OBJECTIVE

1. To protect the community, the City of Perth and its workers against foreseeable risks through developing a whole of organisation culture of risk awareness, plans that reduce our risk exposure and systems that provide information to assist in informed decision making, maximising asset potential and enhancing wellbeing.
2. To achieve best practice in risk management by implementing a culturally effective and efficient risk management program which has been developed in accordance with Standards Australia AS/NZS ISO 31000 2009 *Risk Management: Principles and Guidelines*.

### POLICY STATEMENT

The City of Perth will develop and maintain a risk management program to ensure that sound risk management practices and procedures are fully integrated into its strategic and operational processes and day to day business practices.

The City will also develop and maintain a Business Continuity Management Program to reduce the impact of disruptions to services and to ensure that business objectives can continue to be met for the benefit and protection of the City's:

- ratepayers, residents, customers, clients and other stakeholders;
- employees and community volunteers;
- natural and built environment;
- quality of service delivery;
- assets and intellectual property;
- contractual and statutory obligations;
- image and reputation

#### 1. SCOPE

This policy applies to all staff, suppliers and contractors.

##### 1.1 Definitions

**Risk Management** : is the identification, assessment, and prioritisation of risks (defined in ISO 31000 as the effect of uncertainty on objectives, whether positive or negative) followed by coordinated and economical application of resources to minimise, monitor, and control the probability and/or impact of unfortunate events or to maximise the realisation of opportunities. Risks can come from uncertainty in service delivery, threats from project failures (at any phase in design, development, production, or sustainment life-cycles), legal

## CP [19.1] [Risk Management]

liabilities, hazard risk, accidents, natural causes and disasters as well as deliberate attack, or events of uncertain or unpredictable root-cause.

**AS/NZS ISO 31000:** is the Australian/New Zealand standard developed by Standards Australia as *AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines* which addresses the entire management system that supports the design, implementation, maintenance and improvement of risk management processes.

### 1.2 The City is committed to:

- Utilising the principles and guidelines outlined in the standard
- Promoting a culture within the City of awareness and active management of risks
- Providing regular education to its staff in risk management practices
- Implementation of these principles in the City's operations through the Risk Management Framework, as adopted by Council.

### 1.3 Employee obligations

- Risk management will be a core responsibility for all staff and will be incorporated into the employees' key performance indicators.
- Risk management is a continuous process demanding awareness and a proactive attitude from each of the City's employees and outsourced service providers.

### 1.4 Implementation

Implementation commences with risk identification, followed by risk evaluation and the development of cost-effective and practical management measures within the framework of the City's Risk Management Framework developed and maintained by the City's Governance Unit.

Document Control Box									
Document Responsibilities:									
Custodian:		Risk Management Coordinator			Custodian Unit:		Governance		
Decision Maker:		Council							
Compliance Requirements:									
Legislation:		Local Government (Audit) Regulations 1996							
Industry:		n/a							
Organisational:		n/a							
Document Management:									
Risk Rating:			Review Frequency:			Next Due:			TRIM Ref: [AP####]
Version #	Decision Reference:			Synopsis:					
1.	Council Meeting (278/13)			Previously Enterprise Risk Management Policy					
2.									
3.									

# City of Perth Risk Appetite Statement

## Introduction

The City of Perth provides a diverse range of services across a variety of workplaces, in a Capital City location, which presents opportunities, threats and uncertainties that may have a positive or negative impact on the organisations deliverables and the community. The City seeks to manage these risks in accordance with its Risk Management Policy and Framework.

To guide the City's decision making its risk appetite will be defined using terms describing acceptable tolerances such as None (no appetite); Low; Moderate; High. The defined risk appetite is the amount of risk to which the City is prepared to be exposed to before it judges action to be necessary.

The following sections describe the City's risk appetite over the main areas of consequence:

## People

The safety of employees, contractors and the public is an explicit priority for the City. Safe working practices are continually being improved and refined and there is no appetite for employees not following due process where their or others safety may be at risk. Due to the scale, nature (24 hr operations), locations and diversity of City deliverables, it is realistic to acknowledge that minor injuries may occur from time to time, however the City has a low tolerance for these. Where injuries or near misses occur legislative requirements and the endorsed City's safety management system are to be followed.

The City seeks opportunities to develop a multi-skilled workforce that includes employees increasing their skills and knowledge as well as encouraging initiative and enthusiasm. Whilst these are considered positive aspects, the City has no appetite for employees performing duties for which they are not suitably qualified or trained or acting outside of their delegated authority. Where legislative requirements allow and/or formal qualifications and training are not required to perform certain duties, the City has a moderate tolerance but appropriate supervision and oversight of activities and outcomes must be in place.

The City has a low appetite for implementing practices and procedures that may result in large scale dissatisfaction within the workforce. The City will, within established guidelines and practices, consult with its workforce but does have a moderate tolerance for change that impacts its workforce when focused on delivering appropriate, effective and efficient outcomes.

## Financial

There is a low appetite for activities that threaten the long term financial stability of the City. It is recognised however that sustainability will require investigation into enhancing and/or diversifying income streams so there is a moderate tolerance for discrete activities or projects that may provide additional income streams or enhances economic diversity. Opportunities of this nature may require external stakeholder support and are expected to be subject to due diligence and appropriate controls implemented.

The City's investment policy stipulates a very low appetite for risks in investments, which is imposed by legislation. There is no appetite for being illiquid with the focus on maintaining liquidity within imposed statutory financial ratios.

Effective management of projects is important to the City and consequently there is a low appetite for project cost or time overruns exceeding a 10% variation. Acknowledging a historical legacy, multiple external stakeholders and 'Capital City' complexities a moderate tolerance towards project cost and time overruns exists but appropriate reporting and escalation are to occur and lessons learnt from these are to be reviewed to prevent reoccurrence.



## Strategic Objectives / Service Delivery

The City has no appetite for unplanned service disruptions to critical and core services, including contracted services, as defined by the City's business continuity management process. In reality there exists a low tolerance for disruption to core services which are to be addressed within recovery time objectives established in the City's business continuity plans. There is a low appetite for disruption to other supplementary services which may be relaxed to a moderate tolerance recognising that resources may need to be directed to continuity of critical and core services.

To support service delivery across all City deliverables there is a very low appetite for Information Technology systems failures, data loss or security breaches.

The City wishes to encourage innovation and to position itself as a leading 'Capital City' and therefore has a high appetite for considering and implementing service level enhancements and efficiencies when aligned with all other aspects of this risk appetite statement.

Due to their high level nature, internal and external change and relevance to day to day services the City currently has a moderate appetite to risks that may result in strategic objectives not being achieved.

## Environmental

The City has no appetite for not fulfilling its obligations to the built and natural environment including management of contaminated sites, sensitive or high profile sites, waste services or the City's preparation, planning, response and recovery to hazards. The City recognises the multiple stakeholders and responsibilities involved in fulfilling the obligations and needs to accept a very low tolerance to those environmental risks.

## Reputational

The City has a low appetite for reputational risks that may result in substantiated complaints from the community and/or key stakeholders. It is recognised the City has a diverse community and stakeholder needs and expectations and therefore accepts a moderate tolerance for complaints.

The City has a low appetite for sustained and substantiated negative media coverage.

The City has no appetite for the provision of inaccurate qualified advice or unethical actions, and a low tolerance for errors in unqualified advice or the provision of information.

## Legal and Regulatory / Ethical

The City has obligations both mandated and recommended through numerous statutory and regulatory requirements and the City has no appetite for non-compliance, breaches of legislation or regulatory requirements or non-reporting of breaches and non-compliance to appropriate authorities. There is recognition that the City must accept a very low tolerance for some non-compliance due to competing or changing requirements or minor breaches from time to time.

The City does have a moderate appetite to lead challenges to out of date, restrictive and unnecessarily risk averse legislation and requirements.

The City has no appetite or any tolerance for theft, fraud or misconduct by Elected Members and/or Officers.

## Risk Appetite Summary

		NONE	LOW	MODERATE	HIGH
People	Not following safe work practices				
	Minor injuries				
	Performing duties where not suitably qualified / delegated				
	Multiskilling / development opportunities				
	Implementing workforce change				
Financial	Long term stability				
	Additional income streams				
	Liquidity				
	Investments				
	Project cost / time overruns >10%				
Strategic Objectives / Service Delivery	Critical and core services disruption				
	Supplementary services disruption				
	IT systems failures, data loss or breaches				
	Service level efficiencies and enhancements				
	Strategic objectives not achieved				
Environmental	Not fulfilling natural environment obligations				
	Not fulfilling built environment obligations				
Reputational	Substantiated complaints from community and key stakeholders				
	Sustained and substantiated negative media coverage				
	Incorrect qualified / professional advice				
	Incorrect unqualified provision of information				
	Unethical actions				
Legal and Regulatory / Ethical	Non-compliance, breaches of legislation				
	Non-reporting of breaches / non-compliance				
	Lead change in regulatory environment				
	Theft, fraud or misconduct				

	None
	Tolerable
	Appetite

## Risk Assessment Criteria

## MEASURES OF CONSEQUENCE

Measures of Consequence						
Rating	People	Financial	Service Delivery / Strategic Objectives	Legal and Regulatory / Ethical	Reputation and External Stakeholders	Environmental
Insignificant	Incident only, no medical treatment required	<100K recurrent reduction in Council budget<\$500K one off loss <b>(<u>&lt;5% overrun of project budget</u>)</b>	<u>Key services</u> disrupted for less than 1 day <b>for up to half a day</b> , usual scheduled interruptions. Negligible impact on objectives	Minor breach of contractual or statutory obligations with request to comply. One off minor legal matters. Minor opportunistic incident involving a single person	Insignificant public comment or local media coverage.	Transient impact on environment, no long term effect or short term negative impact on urban design, or loss of sense of place for part of area.
Minor	Minor injuries treated by first aid, routine industrial issues	\$100K-\$1M recurrent reduction in Council budget \$500K-\$2M one off loss <b>(<u>5-10% overrun of project budget</u>)</b>	<u>Key services</u> disrupted for 1 to 2 days <b>a full day</b> . Isolated customer complaints. Isolated service standard failure. Minor setbacks that are easily remedied.	Minor breach of contractual or statutory obligations with request to comply. The City sued or fined or otherwise liable for up to \$50K. Opportunistic incident involving several people.	Heightened concerns from a narrow group of residents, one off negative metro media coverage.	Short term effects on environment, no long term effect or short term negative impact on urban design, or loss of sense of place for part of area.
Moderate	Serious injury requiring medical treatment, staff turnover slightly higher than 20%, one off industrial issues	\$1M-\$2.5M recurrent reduction in Council budget \$2M-10M one off loss <b>(<u>10-15% overrun of project budget</u>)</b>	<u>Key services</u> disrupted for between 2 and 20 days <b>up to 2 days</b> . Higher than normal level of one off customer complaints. One off service standard failure affecting multiple people. Some of the organisation's objectives cannot be met.	Breach of contractual or statutory obligations resulting in investigation, ongoing legal issues not easily addressed. The City sued or fined or otherwise liable for between \$50K and \$250K. Planned unethical action by one or more staff.	Concerns from cross section of public, ongoing negative metro media coverage.	Medium term effects on environment, long term recovery or long term negative impact on urban design, or loss of sense of place for part of area.
Major	Life threatening injury or multiple serious injuries requiring hospitalisation, <b>fatality</b> , staff turnover well above 20%, ongoing industrial action	\$2.5M - \$10M recurrent reduction in Council budget \$10M - \$25M one off loss <b>(<u>15-20% overrun of project budget</u>)</b>	<u>Key services</u> disrupted for between 20 and 60 days <b>2 and 5 days</b> . High level of customer complaints over sustained period. Repeated service standard failure or one that affects multiple people. Some important objectives of the organisation cannot be met.	Major breach of contractual or statutory obligations resulting in significant legal action. The city sued or fined or otherwise liable for between \$205K and \$1M. Major one off fraud or corruption by a senior person.	Significant outcry from public, significant negative state level media coverage.	Major environmental impact, long term negative impact on urban design, or loss of sense of place for the whole area.
Catastrophic	<b>Multiple Fatalities</b> , <b>Fatality</b> , sustained and serious industrial action, loss of multiple staff at once	>\$10M recurrent reduction in Council budget >\$25M one off loss <b>(<u>20-25% overrun of project budget</u>)</b>	<u>Key services</u> disrupted for over 60 days <b>5 days</b> . Systemic customer complaints or serious complaints relating to more than one programmed area over a sustained period. Most of the organisation's objectives cannot be met.	Serious breach of contractual or statutory obligations resulting in significant prosecution and fines. The city sued or fined or otherwise liable for more than \$1M. Systemic fraud and corruption, major external investigation with adverse findings.	Significant and widespread public outcry, sustained negative national media coverage.	Irreversible environmental harm or permanent negative impact on urban design.

## MEASURES OF LIKELIHOOD

Code	Likelihood	Qualitative descriptor	Probability of occurrence
A	Almost certain	Is expected to occur in most circumstances	Greater than 95%
B	Likely	Will probably occur in most circumstances	66% to 95%
C	<u>Possible</u> moderate	Might occur at some time	36% to 65%
D	Unlikely	Could occur at some time	5% to 35%
E	Rare	May occur only in exceptional circumstances	less than 5%

## RISK EVALUATION MATRIX

Likelihood		Consequence				
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
A	Almost certain	Medium	Medium	High	Extreme	Extreme
B	Likely	Medium	Medium	High	Extreme	Extreme
C	<u>Possible</u> moderate	Low	Medium	Medium	High	Extreme
D	Unlikely	Low	Low	Medium	Medium	High
E	Rare	Low	Low	Low	Medium	Medium

## RISK ACCEPTANCE CRITERIA

RISK RANK	LEVEL OF RISK	DESCRIPTION	CRITERIA FOR RISK ACCEPTANCE	RESPONSIBILITY
EXTREME	17 - 25	Urgent Attention Required	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to monthly continuous monitoring Quarterly reports will be provided to Council on all Extreme Risks.	CEO
HIGH	10 – 16	Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to quarterly monitoring Quarterly reports will be provided to Council on all High Risks.	Director / CEO
MEDIUM	5 – 9	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Business Manager / Director
LOW	1 – 4	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Business Manager

## MEASURE OF EXISTING CONTROLS

Rating	Foreseeable	Description
Effective	Doing more than what is reasonable under the circumstances	<ol style="list-style-type: none"> <li>Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation</li> <li>Subject to continuous monitoring and regular testing</li> </ol>
Adequate	Doing what is reasonable under the circumstances	<ol style="list-style-type: none"> <li>Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation</li> <li>Subject to continuous monitoring and regular testing</li> </ol>
Inadequate	Not doing some or all things reasonable under the circumstances	<ol style="list-style-type: none"> <li>Existing controls do not provide confidence that they meet current legislated, regulatory and compliance requirements, and may not be aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation</li> <li>Controls not operating as intended and have not been reviewed or tested</li> </ol>



Council Meeting

22 November 2016

Confidential Schedule 15

(Minute 455/16 refers)

Distributed to Elected Members under separate cover

Bound in Confidential Minute Book

Volume 1 2016

Council Meeting

22 November 2016

Confidential Schedules 16, 17, 18 and 19

(Minute 456/16 refers)

Distributed to Elected Members under separate cover

Bound in Confidential Minute Book

Volume 1 2016

Council Meeting

22 November 2016

Confidential Schedule 20

(Minute 457/16 refers)

Distributed to Elected Members under separate cover

Bound in Confidential Minute Book

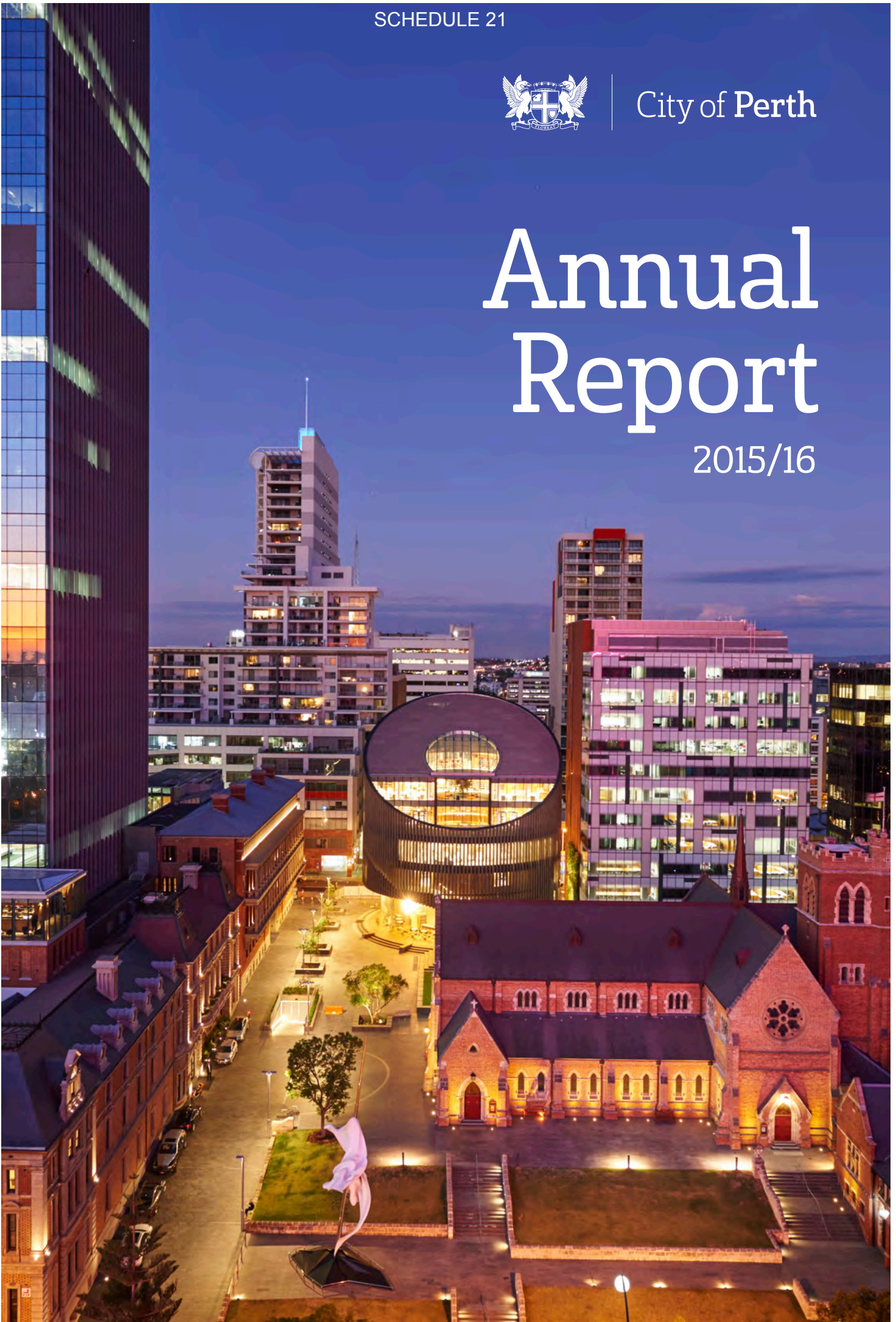
Volume 1 2016



City of Perth

# Annual Report

2015/16





## VISION STATEMENT

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





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*Wherever possible the City of Perth prints with environmentally certified print suppliers, on environmentally friendly and recyclable paper stocks. This year, the Annual and Financial Report has been designed for digital viewing, and therefore limited print copies were produced. Printed copies can be borrowed, or viewed, at the City Library on request.*

# OUR ANNUAL REPORT

## REPORTING

The *Local Government Act 1995* requires local governments to produce an Annual Report by 31 December each year. The City of Perth reports to our community and stakeholders in a number of ways, and goes beyond statutory requirements by producing a dynamic report.

Our Annual Report focuses on the financial and operational performance of the City of Perth in 2015/16, documenting our performance against the 2015/16 Budget, and our progress in line with our Strategic Community Plan, Vision 2029+.

Adopted in June 2013, Vision 2029+ outlines the City's long-term strategic direction and expresses our community's vision for the future, together with strategies to deliver community outcomes.

Vision 2029+ is guided by the following themes:

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

The City's Annual Report includes a snapshot of our performance, and an overview of our outlook for the future. It includes our plans to ensure the sustainability of our organisation, our City, and the community we serve.

It also provides our people with information about how well we have performed over the year and how all our efforts have contributed to achieving our vision.

The City's Annual Report is produced in-house and is reviewed by the Chief Executive Officer to ensure its accuracy.

Our financial statements have been certified by an independent auditor.

Our Annual Report can be downloaded through our website as we only produce a limited number of hard copies.

## Thank You

Thank you for taking the time to read our 2015/16 Annual Report.

We hope you find this information useful and gain valuable insight into the City's achievements for the 2015/16 financial year.

## Contact Us

If you have any enquiries, please contact us on 9461 3333.

If you are representing the media, please contact our media team on 9461 3425.

## Acknowledgement

The City of Perth acknowledges the Noongar people as the traditional custodians of this land.

This document is available in other formats on request.

## OUR STATISTICS

<b>Western Australia (WA) Area</b>	2,525,500km <sup>2</sup>
<b>City of Perth Area</b>	8.10km <sup>2</sup>
<b>WA Estimated Residential Population</b>	2.61 million, ABS, March 2016
<b>Greater Perth Estimated Residential Population</b>	2.04 million, ABS, June 2016
<b>Forecast Residential Population</b>	23,065, ID Forecast, June 2016
<b>Median Resident Age</b>	31 years, ABS, August 2011
<b>Residents Born Overseas</b>	53%, ABS, August 2011
<b>Residents Who Speak Non-English at Home</b>	33%, ABS, August 2011
<b>Daily Workforce Population</b>	134,459, ABS, 2011
<b>Number of Households</b>	10,350, ABS, August 2011
<b>Average Household Size</b>	1.83 persons, ABS, August 2011
<b>Predominant Household Types</b>	One person – 33%, Couples without children – 26%, ABS, August 2011
<b>Daytime Population</b>	205,750, City of Perth Daytime Population Study, April 2015
<b>Tertiary Student Population</b>	58,000, City of Perth Daytime Population Study, April 2015
<b>Total Private Dwellings</b>	10,975, ABS, August 2011
<b>Dwelling Tenure</b>	Private rental – 56%, Owner occupied – 29%, ABS, August 2011
<b>Total Floorspace</b>	1,999,831m <sup>2</sup> , Department of Planning Land Use and Employment Survey, 2015
<b>Total Office Floorspace in Perth CBD</b>	1,768,137m <sup>2</sup> , Property Council of Australia, August 2016
<b>Total Office Floorspace in West Perth</b>	425,555m <sup>2</sup> , Property Council of Australia, August 2016
<b>Top 3 Land Uses by Floorspace</b>	Office/Business – 31%, Residential – 17%, Health/Welfare/Community – 16%, Department of Planning Land Use and Employment Survey, 2015
<b>Gross Regional Product</b>	\$41.8 billion or 26% of Greater Perth, REMPLAN, 2015
<b>Economic Output</b>	\$80.1 billion, REMPLAN, 2015
<b>Top 3 Industry Sectors by Economic Output</b>	Mining – 40.6%, Professional, Scientific & Technical Services – 11.9%, Financial & Insurance Services – 11.4%, REMPLAN, 2015
<b>Top 3 Industry Sectors by Employment</b>	Professional, Scientific & Technical Services – 21.3%, Public Administration & Safety – 13.7%, Health Care & Social Assistance – 11.15%, REMPLAN, 2015
<b>Registered Businesses</b>	14,000 or 5,500 providing employment, ABS 2016
<b>Total Length of Roads</b>	95km
<b>Total Area of Parkland and Reserves</b>	188ha
<b>Number of Parkland Areas and Reserves</b>	26
<b>River Frontage</b>	11.25km
<b>Largest Building (by floor area)</b>	Brookfield Place, 75,000m <sup>2</sup> of office space
<b>Tallest Building</b>	Central Park, 261.7 metres (51 floors)
<b>Sister Cities</b>	Kagoshima, Japan (1974), Houston, Texas, USA (1984), Rhodes, Greece (1984), Megisti, Greece (1984), San Diego, California, USA (1987), Vasto, Italy (1989), Nanjing, China (1998), Taipei, Taiwan (1999)
<b>Charters of Mutual Friendship</b>	Grenoble, France (inactive 1985), Perth, Scotland (2006), Seocho City, Seoul Metropolitan Government, Republic of Korea (2008), Chengdu City, China (2012)
<b>Council Composition</b>	Lord Mayor and 8 Elected Members
<b>Annual Revenue Budget (including capital grants)</b>	\$196.7 million (2015/16)

# OUR CITY



## The State Capital

Perth is Western Australia's vibrant and rapidly growing Capital City. Located on the Indian Ocean Rim within the Asia Pacific region, Perth is one of the world's fastest growing and developing economic zones.

Perth is also one of Australia's fastest growing local government areas and ranks consistently among the Top 10 most liveable cities in the world, as surveyed by The Economist Intelligence Unit.

Most of Western Australia's 2.61 million people live in the greater metropolitan area, of which Perth is the nucleus.

The City is a centre for government, commerce, culture, education, sports, recreation, shopping and entertainment.

It is set along the beautiful Swan River and a large proportion of the City's 8.1km<sup>2</sup> area is public open space.

Perth has a Mediterranean climate and enjoys more hours of sunshine than any other Capital City in the country.

## The City of Perth

The City of Perth is a dynamic statutory entity constituted under the *Local Government Act 1995* to provide

services and facilities to a broad range of City stakeholders including residents, commercial and retail business, workers, and local, national and international visitors.

With approximately 700 people working at the City located across Council House, our depot, parks and gardens, community centres, Library, Surveillance Centre, car parks, and the Northbridge Piazza, our workforce is diverse and multi-skilled.

The City of Perth has origins from 1829 when the Swan River Colony was established by the British Government. The City was named after Perth in Scotland.

For thousands of years prior, the area had been an important meeting place for the Indigenous Noongar people who have lived in the south-west region of Western Australia for more than 35,000 years.

Perth formally attained 'city' status in 1856 when it was declared a Bishop's See by Queen Victoria. The first meeting of the Perth City Council was held on 10 December 1858. It was not until the Centenary of Foundation in 1929 that the position of Mayor was elevated to Lord Mayor.

The Council has met at a number of locations over the years, moving to its current home, Council House, in 1963.

In 1994, the sprawling local government area was split into four separate authorities with the creation of the Towns of Vincent, Victoria Park and Cambridge. The City of Perth remained as the Capital City of Western Australia.

In February 2015, the State Government announced that plans to halve the number of metropolitan councils in WA through amalgamation would not proceed. However, it would continue with expanded boundaries for the City of Perth and the development of Capital City Legislation.

In May 2015, a Bill was introduced in State Parliament to establish the *City of Perth Act 2016* to recognise Perth as the Capital City of Western Australia, and to establish Perth City Council as the State's pre-eminent local government authority. This came into effect on 1 July 2016.

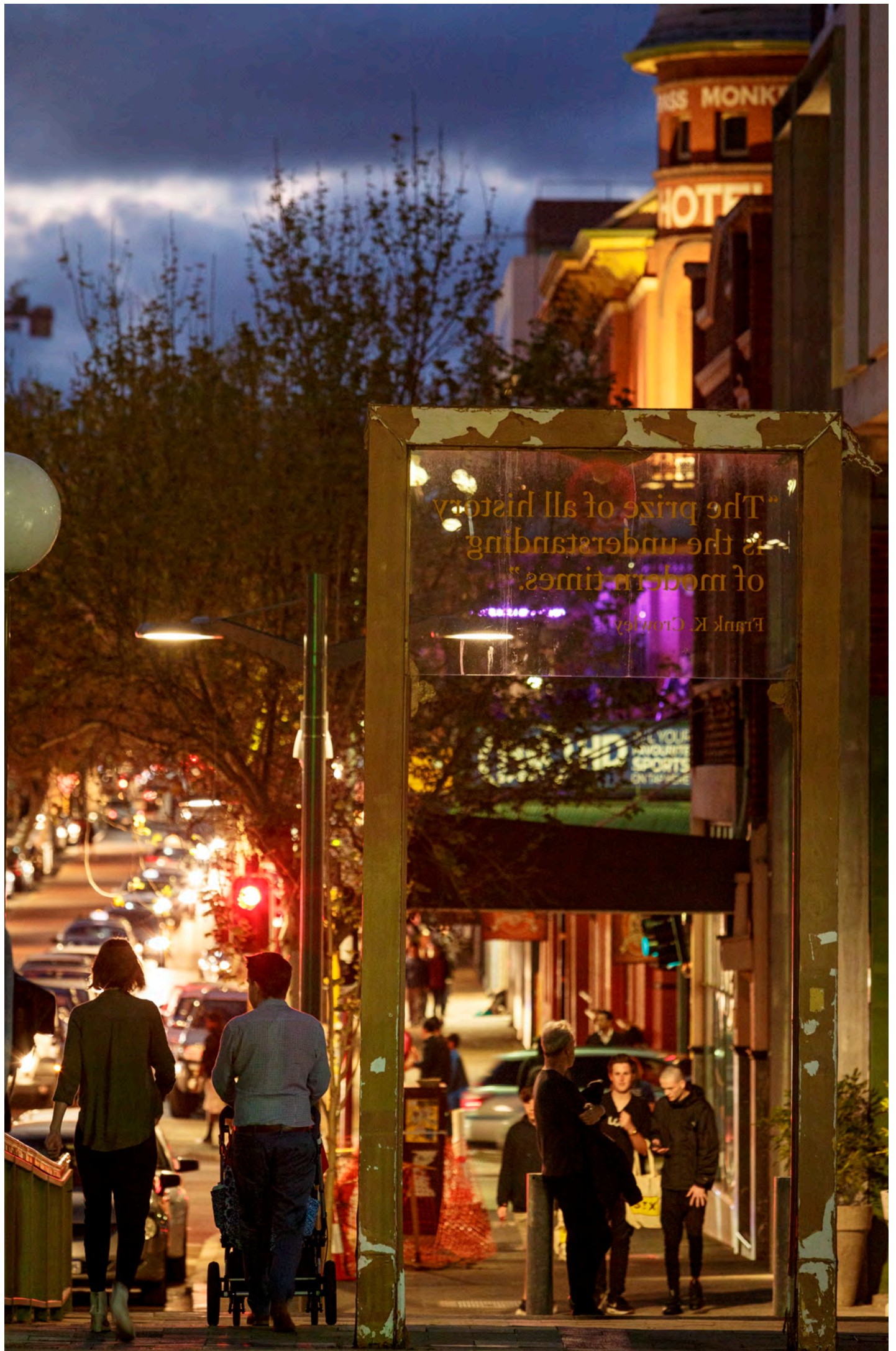
## City Crest

The City of Perth crest features the red cross of Saint George on a white background. Two black swans support a crown in copper, gilt and bronze, set on granite from London's old Waterloo Bridge. The bottom of the crest reads "Floreat" which means to flourish or prosper in Latin, and is fitting for Perth as a dynamic and vibrant City.













## LORD MAYOR'S MESSAGE

With a vast array of new and developing precincts continuing to emerge, Perth is beginning to reap the rewards of an unprecedented period of growth in recent years.

Despite a challenging economic climate, Perth consistently ranks highly as a dynamic and attractive City, scoring in the top ten liveable cities in the world for the 12<sup>th</sup> consecutive year.

The face of our Capital City has matured in recent years – particularly in the past 12 months – with the opening of Elizabeth Quay, the City of Perth Library and Cathedral Square precinct and the refinement of Perth's hospitality, retail and arts sectors.

A Metropolitan Redevelopment Authority project built on land contributed by the City of Perth, Elizabeth Quay symbolises what can be achieved through a collaborative process and it sends a strong message to developers that Perth is not only open for business but attractive to investors.

The City worked closely alongside the State Government on this large-scale development and we continue to look forward to the delivery and handover of exciting new projects such as Perth City Link and Waterbank.

These developments provide stellar opportunities for local and international investors, driving further economic growth, job creation and stimulating commerce in all industries.

As the first major civic construction project in 40 years, the City of Perth Library and Public Plaza is a key element in the revitalisation of the historic Cathedral Square.

Part of the renaissance of the east end of Perth, the stunning architectural design of the Library has created a genuine sense of place, offering opportunities for vibrant community interaction as well as quiet, reflective spaces.

The contemporary aesthetics are complemented by the heritage façade of the revitalised State Buildings and the modern Mirvac tower, a collaborative project in which the City has played a key role, breathing new life into this urban neighbourhood.

In February 2016, the passing of the landmark *City of Perth Act* by the Western Australian Parliament signalled a new beginning in the State's history, with Perth confirmed as a leading performer on the world stage.

The *Act* will provide greater opportunity for collaboration with the State Government on key issues to ensure Perth continues to grow, building a stronger future for our Capital City.

Through the establishment of the City of Perth Committee, the City of Perth and the State Government can oversee the needs of key business and economic drivers, promoting Perth on an international platform for the ultimate benefit of Western Australia.

Perth's growing international profile as a highly liveable City and economic leader in regard to its robust resources sector, agriculture, forestry, fishing, construction, education, and medical and scientific research is attracting significant attention from other global cities.

Sharing similar time zones with key markets in Asia, Perth is able to take full advantage of our location and connect with many emerging economies across the Indian Ocean Rim, allowing us to capitalise on growing industries and trade opportunities.

The City of Perth's vision for economic development is to enhance Perth's status as a connected and informed Capital City with a unique identity and an economy that is diverse, resilient and adaptable.

It is our priority as a Capital City to develop a more robust platform for economic growth and we will endeavour to ensure Perth remains a major destination of choice as we continue to diversify our City economy and deliver a strong, vital future for the community.

**The Right Honourable the Lord Mayor**  
LISA-M SCAFFIDI

1 July 2016



## CEO'S MESSAGE

Throughout the 2015/16 financial year, the City of Perth accomplished significant achievements, the most notable of which was the passing of the landmark City of Perth Bill.

On 25 February 2016, the Bill became an Act, recognising the City of Perth as a Capital City Council and acknowledging our central role in tourism, business and economic development.

From 1 July 2016, leading educational and medical institutions such as University of Western Australia, QEII Medical Centre, Perth Children's Hospital, the iconic Kings Park and the Royal Perth Yacht Club were incorporated into the City of Perth boundary.

We also welcomed 1,508 new ratepayers formerly from the City of Subiaco and the City of Nedlands.

The *Act* brings Perth into line with major Australian capital cities and provides structure to enhance:

- Our relationship with the State Government and its agencies, to plan and manage the City.
- Our capacity to undertake Capital City civic duties (particularly in relation to visits by foreign dignitaries and trade missions).
- International city-to-city relationships and benefits to City stakeholders.
- Our capability to meet the needs of a growing City with an expanding role in the Asia region.

- Arrangements for partnerships with State and Federal governments and the private sector to meet Perth's future needs.

The Act will unlock opportunities for the development of new industry sectors and the City will be proactive in engaging with key stakeholders and industry to leverage these opportunities to the benefit of Perth and the greater Western Australian economy.

In 2016, the City of Perth initiated a number of transparency measures in an on-going effort to lead the sector in governance.

The City introduced the following measures:

- Discontinuing the practice of accepting bulk ticket and hospitality packages as part of sponsorship arrangements.
- Publishing online Travel and Gift Registers for Elected Members and staff with Delegated Authority.
- Facilitating the preparation of reports by Elected Members and Officers for all conferences and speaking engagements attended in an official capacity.
- Uploading audio recordings of Council Meetings to the City's website the day after the meeting.
- An online travel register, updated monthly.
- That travel paid for by a third party is approved at Council.
- A register of interests for Elected Members and staff.

The City of Perth continues to address a challenging economic and leasing climate with a range of initiatives and incentives, not just in direct contributions and planning bonuses, but in activation, innovation and built development.

The City upgraded Barrack Street after completing a major undertaking of converting the formerly northbound street to two-way traffic in November 2015.

Our two-way conversion projects align with the City's Strategic Community Plan, Vision 2029+ to prioritise pedestrians in the City and confirms our commitment to improve accessibility, with a strong focus on thoroughfares to new and developing precincts.

The project was completed to accommodate increased traffic ahead of the January opening of the State Government's centrepiece, Elizabeth Quay. The completion of this major tourism attraction has demonstrated an excellent partnership between the City and the State Government.

The past year has seen the delivery of \$42 million in major capital works projects, with a focus on the highly anticipated new City of Perth Library, which opened in March 2016.

Our \$60 million, purpose-built Library was the first civic building to be constructed since the Perth Concert Hall in 1973 and it soon received national and international acclaim for its design excellence.



The new City Library covers 3,500 square metres and showcases a range of modern features over seven levels, including collections, reading rooms, AV multi-function rooms, a master staircase and contemporary spaces for interaction and reflection.

In 2015/16, significant work was undertaken for a \$3.1 million upgrade to the Supreme Court Gardens, funded by the State Government to upgrade park memorials, create a meandering pathway, formal garden entrances, upgrades to lighting, drainage and irrigation systems and a refurbished public toilet facility.

This year also saw Perth become the only City in the world to host the International Conference and Exhibition on Liquefied Natural Gas a second time, bringing 5,000 participants from more than 65 countries and delivering an economic return of \$45 million to our Capital City.

Looking forward, the City's Strategic Community Plan, Vision 2029+ continues to inform City policies and activities as we strive for the highest level of service delivery for our ratepayers, residents and visitors into the future.



**Chief Executive Officer**

MARTIN MILEHAM

3 October 2016





## OUR ELECTED MEMBERS



**Lisa Scaffidi**

LORD MAYOR

Ms Scaffidi was elected to the City of Perth as a Councillor in July 2000 and as Lord Mayor in October 2007. Ms Scaffidi is in her third term as Lord Mayor and is a City resident.

Working in a full-time capacity as the Lord Mayor, Ms Scaffidi is focused on Perth's growth, yet is keen to deliver good vitality, maintain amenity and to improve the liveability of the Capital City.

Ms Scaffidi is active in the area of economic development, and works with the creative sectors to enhance the City's diversity.

As Lord Mayor, Ms Scaffidi is a member of various external committees and boards including the Central Perth Planning Committee and the Taxi Council of Western Australia.

Ms Scaffidi chairs the Lord Mayor's Distress Relief Fund and is also Patron of the Perth Public Art Foundation. Additionally, Ms Scaffidi is also Patron for a number of other Western Australian charities and is the Perth Fashion Festival Ambassador.

Ms Scaffidi represents the City of Perth on the Council of Capital City Lord Mayors and is a Past President of the World Energy Cities Partnership, a group of 21 cities around the world whose economy is largely based on the oil and gas industry.



**James Limnios**

DEPUTY LORD MAYOR

Councillor James Limnios was elected to Council in October 2009. He is Chair of the Council's Works and Urban Development Committee and is a member of the Marketing, Sponsorship and International Engagement Committee. During 2012/13 he was also a member of Council's General Purposes Committee and Parking Committee.

Councillor Limnios is the Council's delegate to the Local Chambers Perth City Executive Committee, Perth SafeCity Working Group and the Metropolitan Regional Road Group. He is also Chair of the Perth Liquor Accord (Perth Liquor Accord Sub Committee) and a member of the Rotary Club of Perth.

Councillor Limnios won a WA Business News "40under40" award in 2004 as one of Western Australia's top 40 entrepreneurs under the age of 40. Councillor Limnios was the Chief Executive Officer of Limnios Property Group, a family owned and managed, City-based business specialising in property.

Councillor Limnios is now the Director of Limnios & Johns, a Project and Development Management Business. In 2006, Councillor Limnios completed an Executive Masters of Business Administration through the University of Western Australia and has a Diploma in Property and Real Estate.



**Jim Adamos**

COUNCILLOR

Councillor Jim Adamos was elected to Council in October 2011 and is a member of the Council's Planning Committee.

Councillor Adamos represents the City of Perth on the Perth Theatre Trust, Perth Public Art Foundation, the Local Development Assessment Panel and is also a Councillor of Tamala Park Regional Council. Councillor Adamos serves on the WA State Committee of White Ribbon Australia and is also a member of the Australian Institute of Company Directors.

Councillor Adamos holds a Bachelor of Business Degree with a major in Accounting, and his focus is management consulting and business improvement strategies for various organisations.

A father of two young children, Councillor Adamos is a long-time resident of the City. He brings to Council an interest in culture and the arts, sustainability, community safety and security and is keen to encourage further business investment in the City.





## Lily Chen

COUNCILLOR

Councillor Lily Chen was elected to the City of Perth Council in 2011 and is chair of the Council's Marketing, Sponsorship and International Engagement Committee, and a member of the Finance and Administration Committee. Councillor Chen represents the Council on the Perth Convention Bureau and Heirisson Island Sculpture Park Committee.

Councillor Chen's interests have been in promoting the City of Perth and WA as a tourism and investment destination. Councillor Chen has also been involved in facilitating business deals between local businesses and overseas investors, and assisting stakeholders to resolve problems in her capacity as a Councillor and as a legal practitioner.

Councillor Chen is also interested in promoting renewable energy and green coverage in City developments. She believes that local governments should work with the State Government hand in hand to resolve transport and parking issues.



## Janet Davidson, OAM JP

COUNCILLOR

Janet Davidson has been a Councillor at the City of Perth since 1998 and held the office of Deputy Lord Mayor from 2011 to 2013, and in 2009. During 2015/16, Councillor Davidson continued to chair the City of Perth's Finance and Administration Committee, and is a member of the Audit and Risk Committee.

Councillor Davidson is a member of Tamala Park Regional Council, Perth Local Chambers, Perth Theatre Trust, Library Board of WA (past Chairman) and the Australia Day Council of WA.

She is a State Councillor on the WA Local Government Association (WALGA) and is the Chairperson for the Central Metropolitan Zone. Councillor Davidson held the position of National Vice-President of ALGWA (Australian Local Government Women's Association) for seven years (2004-2011) and remains the WA delegate to the National Board. Councillor Davidson is also President of ALGWA WA.

Councillor Davidson's background is in education, training and quality assurance/human resource management. She is currently the Executive Officer to the WA Regional Office of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists.

With a Masters Degree in Management from the University of Western Australia and a GAICD (Graduate of the Australian Institute of Company Directors), Councillor Davidson is also a trained teacher and a Justice of the Peace. She is a member of the Australian Institute of Management and the Australian Institute of Company Directors.



## Jemma Green

COUNCILLOR

Councillor Jemma Green was elected as a Councillor in October 2015.

Born and raised in Perth, Jemma is a passionate and vocal advocate for making our City a more lively and liveable place for everyone. She is committed to the City becoming more economically diverse and is a member of the Audit and Risk Committee.

Having owned a City apartment since 2007, Jemma has long advocated the need to make living and working in Perth an attractive option for people from all walks of life.

With a Masters Degree in Sustainability from Cambridge University, Jemma has a wealth of knowledge and practical experience gained from working across the world in her chosen career. She also holds a Bachelor of Commerce in Finance from Murdoch University.

Jemma's career has taken her around the world, working for J.P. Morgan's Global Environmental and Social Risk Management Office, which she helped establish. She has a strong track record in ethical and socially responsible development with a particular interest in sustainable finance.

Jemma is a Research Fellow and PhD candidate at Curtin University, where her focus is on sustainable cities, disruptive innovation and solar storage. She is also a member of the advisory board of Carbon Tracker, and cofounder and chair of blockchain energy company Power Ledger.

## OUR ELECTED MEMBERS

CONTINUED



**Reece Harley**

COUNCILLOR

Reece Harley was elected to Council in October 2013 and is a resident of West Perth.

Reece serves as a member of the Council's Finance and Administration Committee, and serves as Deputy on the Audit and Risk Committee, and Works and Urban Development Committee. He is a Director of Heritage Perth.

Prior to his election to Council, Reece ran weekly history walking tours of the City, sharing his knowledge of and passion for Perth. He is committed to making the City a more walkable, well-designed, economically successful, environmentally sustainable and safer place for everyone to enjoy.

While studying for his Bachelor Degree in Communications at Murdoch University, Reece worked at the University of Western Australia in the Office of Governance Services. He is also involved in a number of community organisations including the Rotary Club of Crawley, the White Ribbon Foundation, and is Chair and Founder of the Museum of Perth.



**Judy McEvoy**

COUNCILLOR

Councillor Judy McEvoy was first elected to the Council of the City of Perth in 1997 and has been re-elected each four years since. Councillor McEvoy is a long term member of the Council's Planning Committee (now Chairperson) and the Works and Urban Development Committee, which she feels is very important for the presentation of the City.

Councillor McEvoy was a business owner/operator in Perth for more than 30 years, and was involved with Council in the major upgrade of King Street in the 1990s prior to running for Council. Councillor McEvoy has been a residential owner occupier in West Perth since selling her business in the City in 2004.



**Keith Yong**

COUNCILLOR

Councillor Keith Yong was elected to Council in October 2013 and appointed as a member of the Finance and Administration Committee. In 2015, he was appointed as a member of the Planning Committee, and Marketing, Sponsorship and International Engagement Committee.

Councillor Yong is also a Council delegate to the East Perth Community Safety Group, StudyPerth Board Member, Chamber of Commerce and Industry - WA Tourism Committee, City of Perth and Kings Park & Botanic Gardens Local Emergency Management Committee (LEMC), Western Australia Local Government Association (WALGA) Central Metropolitan Zone and Perth Safe City Working Group, which works with the community to reduce crime and improve the quality and security of life for the people of Perth.

He promotes a safer and cleaner City, and the Council's continuing efforts to make the City a more dynamic, vibrant, connected and sustainable place to live. He believes this can be achieved by encouraging business and leisure, promoting local and foreign ventures, investment and encouraging education, domestic and international tourism to the City.

Councillor Yong is a lawyer and senior associate in a law firm in the City. He is the President of the Hakka Association of Western Australia, legal consultant to various Asian community associations, and is actively involved in voluntary and charitable organisations. He is a strong advocate for a safer and business-friendly community in the City.

# ELECTED MEMBERS MEETING ATTENDANCE

Committee	Members	Ordinary Meetings Held	Number of Ordinary Meetings Attended	Special Meetings Held	Number of Special Meetings Attended
<i>Marketing, Sponsorship and International Relations</i>	Cr Yong	13	10	N/A	N/A
	Cr Chen	13	12	N/A	N/A
	Cr Limnios	13	10	N/A	N/A
<i>Works and Urban Development</i>	Lord Mayor Scaffidi	12	10	N/A	N/A
	Cr Limnios	12	8	N/A	N/A
	Cr McEvoy	12	12	N/A	N/A
<i>Finance and Administration</i>	Cr Butler*	15	5	1	N/A
	Cr Davidson	15	14	1	1
	Cr Yong*	15	5	1	N/A
	Cr Chen**	15	8	1	1
	Cr Harley**	15	8	1	1
<i>Planning</i>	Cr Butler*	14	5	N/A	N/A
	Cr McEvoy	14	14	N/A	N/A
	Cr Harley*	14	4	N/A	N/A
	Cr Adamos**	14	8	N/A	N/A
	Cr Yong**	14	7	N/A	N/A
<i>Audit and Risk</i>	Lord Mayor Scaffidi	3	3	N/A	N/A
	Cr Davidson	3	3	N/A	N/A
	Cr Green**	3	3	N/A	N/A
	Cr Harley*	3	N/A	N/A	N/A
	Mr Linden	3	3	N/A	N/A
<i>CEO Performance Review</i>	Lord Mayor Scaffidi	0	0	1	1
	Cr Butler*	0	0	1	N/A
	Cr Davidson	0	0	1	1
	Cr Limnios**	0	0	1	1
<i>Design Advisory</i>	Ciemitis	13	10	N/A	N/A
	Karotkin	13	6	N/A	N/A
	Mackay	13	9	N/A	N/A
	Kerr	13	7	N/A	N/A
	Sharp	13	8	N/A	N/A
	State Govt. Architect/Nominee	13	10	N/A	N/A
	Director Planning and Development	13	7	N/A	N/A
<i>Council</i>	Lord Mayor Scaffidi	16	16	4	4
	Cr Adamos	16	15	4	4
	Cr Butler*	16	5	4	1
	Cr Chen	16	15	4	3
	Cr Davidson	16	15	4	3
	Cr Green**	16	10	4	3
	Cr Harley	16	15	4	4
	Cr Limnios	16	14	4	3
	Cr McEvoy	16	16	4	4
	Cr Yong	16	15	4	4

\*term concluded in October 2015

\*\*term commenced October 2015

# OUR COMMITTEES

In accordance with the *Local Government Act 1995* (the *Act*), Council has established a number of Committees to support the operations of Council. With the exception of the Design Advisory Committee, the membership of all of the Committees comprises a number of Elected Members as determined and appointed by Council. The following information provides a brief description of the role of each of these Committees during the 2015/16 financial year.

## Finance and Administration Committee

This Committee oversees and makes recommendations to Council on the following matters:

- The financial management of the City, including budgeting, payment of accounts, the collection of debts, investment of funds, write-offs and setting of fees and charges.
- The City's Strategic Community Plan, Corporate Business Plan and strategic enabling documents.
- Local government property, including issues relating to the City's civic buildings (Council House, Perth Town Hall, Perth Concert Hall and the City of Perth Library).
- Business opportunities and proposals, including those related to parking.
- Elected Members, including protocols and procedures, benefits and allowances.
- Council Policies, Local Laws and the Register of Delegations.
- Management and enforcement of on-street parking.
- Any other matters that require a decision of Council and are not specifically defined in the Terms of Reference.

The Finance and Administration Committee is open to the public to attend.

## Audit and Risk Committee

This Committee, which includes an external independent member, provides guidance and assistance in regards to:

- Risk management.
- Internal controls.
- Legislative compliance.
- Internal and external audit planning and reporting.

The Audit and Risk Committee is open to the public to attend.

## Planning Committee

This Committee oversees and makes recommendations to Council on the following matters:

- Development, building, demolition, subdivision or amalgamation.
- City planning scheme and planning policies.
- Identification of long term planning opportunities and major projects (e.g. Elizabeth Quay, Perth City Link and Waterbank).
- Strategic town planning initiatives, economic development and heritage matters.
- Transport and traffic network planning issues.
- Environmental improvement strategies, including noise management.
- Liquor licensing and land administration issues.
- Legislation and compliance in relation to land use planning.

The Planning Committee is open to the public to attend.




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### Marketing, Sponsorship and International Relations Committee

This Committee oversees and makes recommendations to Council on the following matters:

- Marketing of the City, including marketing of the City's car parks.
- Initiatives to promote Perth as a tourist and investment destination.
- Events held in Forrest Place, Hay and Murray Street Malls and other Council reserves and parks.
- International relations, Sister City relationships, US Naval visits, World Energy City Partnerships and other City partnerships.
- Christmas decorations strategy, Australia Day celebrations, street busking and the use of the City's banner and flag sites.

The Marketing, Sponsorship and International Engagement Committee is open to the public.

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### Works and Urban Development Committee

This Committee oversees and makes recommendations to Council on the following matters:

- Works required to construct, upgrade or maintain streets, footpaths, thoroughfares and other public places, including streetscape upgrades, landscaping initiatives and direction signage and graffiti.
- Design, construction and upgrading of parks, reserves, recreational and civic amenities, facilities and Council owned buildings.
- Implementation of the lighting strategy and waste management.

The Works and Urban Development Committee is not open to the public.

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### CEO Performance Committee

This Committee undertakes the following:

- Establishes annual performance objectives of the Chief Executive Officer (CEO).
- Annual performance review of the CEO.
- Reports the outcome of the review to Council.

The CEO Performance Review Committee is not open to the public.

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### Design Advisory Committee

The Design Advisory Committee provides independent technical advice and recommendations to Council in respect to applications requesting a Plot Ratio Bonus in the City as well as advising on design issues on other applications referred to it for consideration.

The Committee membership comprises of:

- Two architects selected from a panel of five nominations presented by the Australian Institute of Architects.
- Two town planners selected from a panel of four nominations from the Planning Institute of Australia.
- One landscape architect selected from a panel of two nominations presented by the Landscape Architects Institute of Australia.
- One State Government architect or their nominee.
- The City of Perth's Director Planning and Development.

The Design Advisory Committee is not open to the public.



# OUR GOVERNANCE

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## Council Structure

The Council at the City of Perth consists of a popularly elected Lord Mayor and eight Councillors (collectively known as Elected Members), each elected for a term of four years.

The local government elections are held every two years with half the Elected Member positions being contested at each election. The next local government election will be conducted in October 2017.

For more information on elections, visit the West Australian Electoral Commission (WAEC) [www.elections.wa.gov.au](http://www.elections.wa.gov.au)

Council's role is to provide for good governance and management of the local government district, set the strategic direction and make responsible and well-informed decisions that focus on serving the needs and interests of both the local and State community.

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## Register of Complaints

Section 5.121 of the *Local Government Act 1995* requires a local government to maintain a register of complaints that result in an action under Section 5.110(6)(b) or (c).

There were no complaints reported to the Local Government Standards Panel during 2015/16 financial year.

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## Council and Committee Meetings

The Council, being the decision-making body for the City of Perth, meets on the third Tuesday in a continuous three week cycle. Council Meetings are open for the public to attend and ask questions during Public Question Time.

Agendas for Council and Committees, that are open to public, are available on the City's website for inspection prior to the meeting. Minutes of all Council and Committee Meetings are also available to the public: <http://www.perth.wa.gov.au/council/council-and-committee-meetings/meetings-calendar>

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## Decision-Making Process

Reports to the Council and its Committees are the formal method by which the administration provides advice to Elected Members. Committees consider matters relevant to their role and subsequently make recommendations to Council. Where a Committee has been provided Delegated Authority to make decisions on behalf of the Council, the Committee can make determinations without the matter being referred to the Council.

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## Accountability and Governance

The City of Perth is committed to being a leader in the areas of transparency, disclosure and public accountability. In line with this commitment, the Council endorsed an 'Accountability and Governance' page on the City of Perth's website that displays a range of information of public interest including the following:

- City of Perth's Gift and Travel Contributions, Declaration Interests and Interstate and International Travel Registers.
- Statement of Business Ethics to provide guidance on the City's ethical standards and expectations that all employees, Elected Members, Committee members, contractors, and goods and service suppliers must adhere to.
- Public Interest Disclosure forms and information in line with the *Public Interest Disclosure Act 2003*.
- Information on Elected Member sitting fees, allowances and meeting attendances.
- City of Perth senior staff salary information.
- The City's Code of Conduct, which is designed to assist Elected Members, Committee members and employees in maintaining the highest standards of conduct and behaviour.

The City of Perth is continually looking for new opportunities to adopt best practice in the area of good governance.

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## Compliance and Legal

Each year, local governments must complete a Compliance Audit Return for the Department of Local Government and Communities. The Audit Return provides prompts in relation to the local government's statutory obligations in a number of areas such as tenders, meetings, disclosure of financial interests and financial management.

Matters identified as non-compliant were reported to the Audit and Risk Committee and subsequently to Council at its meeting held on 15 March 2016.

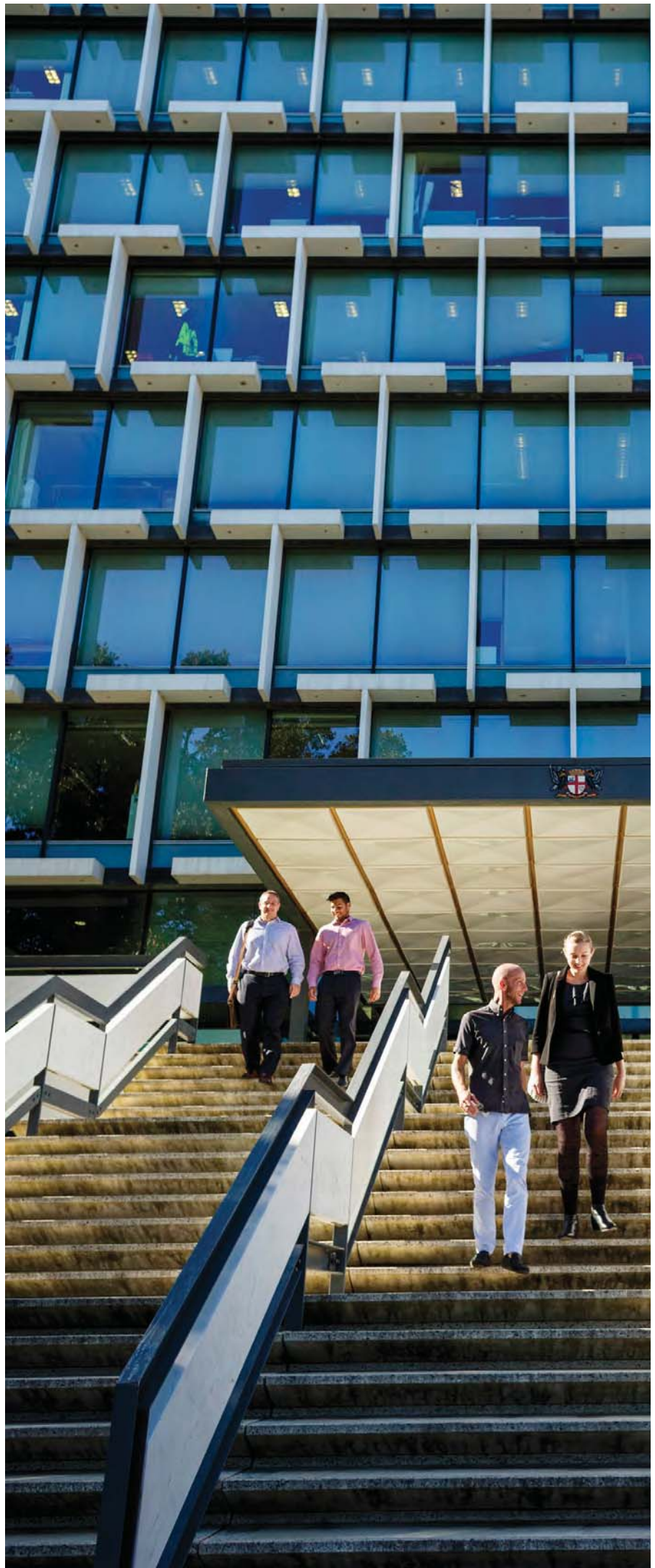
The annual Audit Return provides the City with the opportunity to review practices and implement improvements that contribute to the long-term capacity of the City to operate in accordance with *Local Government Act 1995* requirements.

Sections 5.18 and 5.46<sup>1</sup> of the *Local Government Act 1995* requires that the City's Delegations of Authority Register be reviewed annually. A report on the review of the Council's statutory delegations was considered by the Council at its meeting held on 28 June 2016.

The City continues to review its Local Laws to ensure that it remains a capable, flexible and sustainable organisation. In 2015/16 the City reviewed and repealed the Signs Local Law 2007 and Fencing Local Law 2005, and reviewed and amended its City's Thoroughfares and Public Places Local Law 2007.

The City also endorsed a new Fencing Local Law 2015. Reviews are currently underway for a new Thoroughfares and Public Places Local Law, and Parking Local Law.

<sup>1</sup> - Administration error amended - now includes reference to s 5.46 of the Local Government Act 1995







## OUR PEOPLE

Our people are innovative and creative, trusted and respected. We strive for excellence in everything we do. With approximately 700 people working at the City located across Council House, our depot, parks and gardens, community centres, Library, Surveillance Centre, car parks, and the Northbridge Piazza, our workforce is diverse and multi-skilled. We are one team, working together towards our shared vision, which is outlined in our Strategic Community Plan, Vision 2029+.

### Our Values

#### TRUST AND RESPECT

*At the City of Perth we are honest, we keep our promises, we respect others, we are fair, and we support each other and appreciate each other's contributions. We recognise that we are all different, and we share information and communicate openly.*

#### STRIVE FOR EXCELLENCE

*At the City of Perth we do our best, we are enthusiastic, we are outcome-focused, we take ownership through accountability and responsibility. We are proud of our City and the work we do.*

#### BE CREATIVE

*At the City of Perth we look for new ways, we think laterally, we seek opportunities, we are flexible and adaptable, and we are receptive to ideas and feedback.*

The City strives to be a workplace which understands what our employees value.

We support professional development, and the personal endeavours of our people, by offering a range of staff amenities and benefits.

With a large number of projects under way in a variety of fields, we offer a diverse selection of career paths to suit many types of skills.

Our people help to shape the City of Perth, the heart of WA, in a rewarding and exceptional working environment.

### Our Executive



ACTING DIRECTOR  
OF PLANNING &  
DEVELOPMENT

**Erica Barrenger**



DIRECTOR OF  
CORPORATE SERVICES

**Robert Mianich**



ACTING DIRECTOR  
OF ECONOMIC  
DEVELOPMENT & ACTIVATION

**Annaliese Battista**



DIRECTOR OF COMMUNITY  
& COMMERCIAL SERVICES

**Rebecca Moore**



DIRECTOR OF CONSTRUCTION  
& MAINTENANCE

**Paul Crosetta**







# OUR ADMINISTRATION

## Corporate Services

Director: Robert Mianich

### INTERNAL AUDIT

To provide an effective internal audit function, enhance risk management and identify process improvement opportunities within the City.

### GOVERNANCE

Governance effectively manages the Council's governance responsibilities to ensure legislative compliance. They are responsible for risk management, business continuity, corporate planning and performance, as well as electoral and legal matters.

### HUMAN RESOURCES

Human Resources is responsible for supporting the City in making informed decisions about the management and development of its organisational capabilities (people, structures and processes). They provide practical and effective services to enable Units to meet their goals.

### FINANCE

Finance is responsible for the effective management of the City's financial performance and resources. They provide accurate, timely and meaningful financial information which is used for decision-making and to meet the City's statutory financial obligations.

### INFORMATION TECHNOLOGY

Information Technology provides necessary hardware and software. They are responsible for maximising the value of IT services, driving improvements across an experienced service delivery function, and maintaining excellent customer service standards.

### DATA AND INFORMATION

Data and Information provides solutions and access to information that enable enhanced decision-making and generate additional value for the City. Partnering with the business to provide strategic, analytical, and technical direction, this Unit ensures accurate and relevant data is accessible to all users to drive performance and achieve goals.

### ASSET MANAGEMENT

Asset Management is responsible for delivering the City's integrated Corporate Asset Management Plan; a key component of the Integrated Planning and Reporting Framework. The Unit is responsible for developing asset management strategies and operational practices to effectively manage the City's \$1.4 billion asset portfolio.

## Planning and Development

Acting Director: Erica Barranger

### STRATEGIC PLANNING

Strategic Planning is responsible for the long-term planning of the City. The Unit ensures growth achieves liveable and sustainable outcomes for the community. They develop strategies and plans, focusing on the needs of the community, strategic environmental issues, and contemporary development management.

### COORDINATION AND DESIGN

Coordination and Design is responsible for the design, coordination and delivery of projects and programs within the City's public realm. They are responsible for the City's Urban Design Strategy and work closely with the State Government and Metropolitan Redevelopment Authority to develop our identity and create the best for the City overall.

### TRANSPORT

Transport provides innovative direction and advice on a range of traffic and transport issues. In addition to setting the strategic direction for the City's transport, this Unit is also responsible for delivering transport solutions on a range of matters including network management, transport modelling and active transport plans.

### ENVIRONMENT AND PUBLIC HEALTH

Environment and Public Health is responsible for the management and safety of the public realm through the inspection and auditing of community and commercial venues. They are the City's custodians of sustainability, with an integrated approach encompassing a multi-disciplinary team of professionals committed to managing health risks to the community.

### DEVELOPMENT APPROVALS

Development Approvals is responsible for administering the statutory obligations of local government in terms of town planning and building matters. They manage all development approvals, and play a strategic role in the development of the City's landscape as well as the image the City is working to portray.

### ACTIVITY APPROVALS

Activity Approvals is responsible for all event applications within the City. They regulate the impacts of activities that occur in our public places in an integrated manner. Their functions include event approvals, event compliance, obstruction approvals and mall entry approvals.

## Community and Commercial Services

Director: Rebecca Moore

### CUSTOMER SERVICE

Customer Service is responsible for providing a central point for all customer enquiries. The Unit provides advice and information on the City's operations, processes and events. They work with all Units to ensure that the community is provided with relevant information.

### PARKING SERVICES

Parking Services provide street patrolling services, and manage infringement processing and events parking. They are also responsible for ensuring traffic continues to move, and that buildings and offices can be accessed by the necessary services when required.

### COMMERCIAL PARKING

The Commercial Parking Unit operates under the business name City of Perth Parking (CPP) and is leading provider of parking services. They are responsible for the operation and management of 34 car parks, totalling 10,892 bays. They are also responsible for machine maintenance and the financial management of 6,000 on-street bays.

### LIBRARY

The City's Library provides a range of services to the community from their new and award-winning building in the centre of the City. Services include the loaning of books, access to a range of data and information, computer, internet and Wi-Fi access, photocopying and printing, as well as providing a calm and peaceful environment for visitors to relax in.

## COMMUNITY, AMENITY AND SAFETY

Community Amenity and Safety works closely with key stakeholders to make the City safe and secure while maintaining a lifestyle at the highest possible level. The Unit is made up of the key functions of the Surveillance Centre, Ranger Services, Community Development and Support, Public Safety and Disaster Management.

### COMMUNITY SERVICES

Community Services provides diverse community, customer and cultural services that contribute to the wellbeing of City residents, visitors and workers. They also manage several City facilities including Citiplace Childcare Centre, Citiplace Community Centre, Citiplace Rest Centre and Public Amenities, Perth Town Hall and Rod Evans Community Centre.

## Construction and Maintenance

Director: Paul Crosetta

### CONSTRUCTION

Construction is responsible for the City's construction project activities. The Unit delivers projects and essential building services to provide infrastructure that contributes to the growth and development of the City.

### STREET PRESENTATION AND MAINTENANCE

Street Presentation and Maintenance is responsible for the preservation and rehabilitation of the City's physical assets including roads, stormwater facilities, pedestrian pavements and access ways. The Unit provides cost-effective and customer-focused services for the City.

## WASTE AND CLEANSING

Waste and Cleansing provides essential street cleaning, waste collection and waste disposal services. They actively promote responsible waste minimisation, re-use and recycling.

The Unit champions good sanitation and are committed to sustainable environmental management of waste. The Unit is commercially sustainable.

### PARKS

Parks is responsible for the horticultural presentation of the City, managing 140 hectares of open parkland including reserves, boutique gardens, streetscapes, and pocket parks. They create horticultural displays to compliment major events in the City, and ensure a level of service and quality commensurate with Perth as a City for people and the Capital City.

### PROPERTIES

Properties is responsible for the management, maintenance and development of the City's portfolio of property assets. They provide expert advice on effective property management and ensure that the City's assets are managed to the highest safety and maintenance standards.

### PLANT AND EQUIPMENT

Plant and Equipment is responsible for the management and technical maintenance of the City's owned plant, fleet and equipment. The Unit is responsible for depot operations, purchasing and stores, fleet procurement, fleet maintenance, electrical engineering, mechanical engineering, street lighting and Christmas decorations.

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## Economic Development and Activation

Acting Director: Annaliese Battista

### ECONOMIC DEVELOPMENT

Economic Development is responsible for the planning, review and implementation of the City's Economic Development Strategy. This strategy is designed to guide the economic development of the City, and provide support to all stakeholders to progress the goals of the City's Strategic Community Plan Vision 2029+.

### MARKETING AND COMMUNICATIONS

Marketing and Communications is responsible for promoting the City through developing, implementing and managing the City's destination marketing, City events and civic events to position Perth as a Capital City. They are responsible for the City of Perth's Community Engagement Strategy, Corporate Image and Communication Strategies.

### ARTS, CULTURE AND HERITAGE

Arts, Culture and Heritage is responsible for developing, implementing, advocating for and managing the City's comprehensive and integrated arts, culture and heritage projects. They facilitate and promote the arts, cultural and heritage focus of the City, supporting community health, cohesion and activity within the City's jurisdiction for the benefit of the community.

## BUSINESS SUPPORT AND SPONSORSHIP

Business Support and Sponsorship is responsible for developing, implementing and managing the City's Business Support Strategy to position Perth as a Capital City, and to deploy a precinct and place management approach for the City. The Unit is responsible for developing and managing business information and support programs.

### INTERNATIONAL ENGAGEMENT

International Engagement is responsible for developing, implementing and managing the City's International Engagement strategy to position Perth as a Capital City and a regional hub for trade, investment and international engagement.

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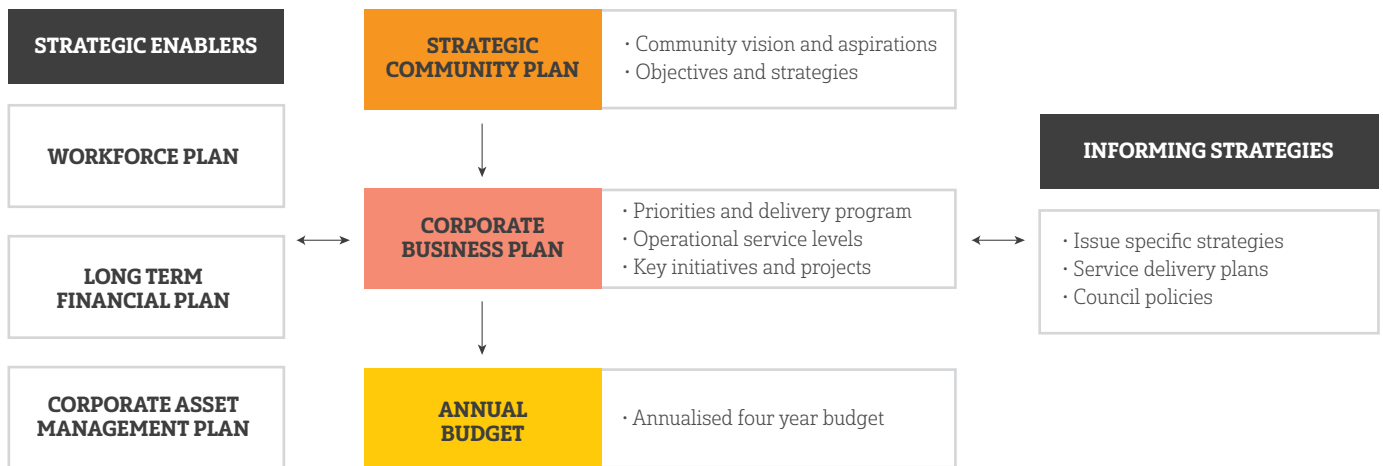
## Executive Support

Executive Support provides administrative support to the Lord Mayor, Councillors and Chief Executive Officer to perform their statutory roles, and to build and maintain relationships with Federal, State and other Local Governments.

# OUR PLAN

## INTEGRATED PLANNING AND REPORTING FRAMEWORK

The City of Perth's Integrated Planning and Reporting Framework establishes the interaction between the City's various strategic documents with emphasis given to a mutual informing relationship to the framework, which works to ensure that priorities and services provided by the City are aligned with community needs and aspirations.



### Strategic Community Plan, Vision 2029+

The Strategic Community Plan, Vision 2029+, is the City's long-term strategic direction that expresses our community's vision for the future, together with strategies to deliver community outcomes.

Vision 2029+ drives the City's Corporate Business Plan, which is a detailed implementation plan for services, key projects and capital investments over the next four years.

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

These key strategies are:

#### LONG-TERM FINANCIAL PLAN

This plan allows for appropriate decision-making with emphasis on financial sustainability.

#### WORKFORCE PLAN

This plan identifies the workforce requirements needed for current and future operations.

#### CORPORATE ASSET MANAGEMENT-PLAN

This plan provides guidance on service provision to inform the City's financial and key service needs.

The Annual Budget is then created based on the projected costing of year one in the Corporate Business Plan, with opportunity to review during the mid-year budget review processes.

The implementation of this framework ensures the City continuously works towards delivering the best outcomes for the community.

## OUR PLAN - DELIVERING VISION 2029+

Extensive community engagement was conducted to develop the City's Strategic Community Plan, Vision 2029+, which was adopted in June 2013. A variety of methodologies were used to gather information from the community to ensure the creation of the City's strategic direction reflected their views. This provided the basis for our strategic vision.

### Strategic Vision

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

To help deliver our strategic vision, the below themes were identified to guide the City:

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

The following initiatives were identified in our Corporate Business Plan as opportunities to activate the strategic community inspired themes. Over the course of the year, these initiatives have been progressed, with reporting provided to Council for monitoring purposes. Below is an overview on the annual status of each initiative.

### Corporate Business Plan's Key Initiatives

The monitoring and reporting of the Corporate Business Plan's key initiatives will continue on a quarterly basis to the Elected Members to ensure the organisation continues to work towards meeting the community's aspirations.

### MAJOR STRATEGIC INVESTMENTS

NO.	PROJECT/INITIATIVE	STATUS
<b>S1</b>	<b>Ensure that major developments effectively integrate into the City with minimal disruption and risk.</b>	
1.1	Strategic Review of the City's Planning approach (Local Planning Strategy)	On Target
1.2	Establish site specific agreements and manage transition of Elizabeth Quay Precinct	On Target
1.3	Establish site specific agreements and manage transition of Perth City Link Precinct	Yet to commence
1.4	Establish site specific agreements and manage transition of Waterbank/Riverside Precinct	Completed
1.5	Establish site specific agreements and manage transition of connection points in the Stadium Precinct	On Target
<b>S2</b>	<b>Optimise the commercial and community outcomes within the property portfolio</b>	
2.1	Develop a Strategy for the management of City of Perth Property that addresses opportunities for growth, de-accession/accession and ownership needs	On Target
	Develop Implementation Plan for the Strategic Community Infrastructure Study 2031	Completed



## GETTING AROUND PERTH

NO.	PROJECT/INITIATIVE	STATUS
<b>S3</b>	<b><i>Proactive planning for an integrated transport system, including light rail, that meets community needs and makes the sustainable choice the easy choice</i></b>	
3.1	Develop an Integrated Transport Strategy	Behind Schedule
<b>S4</b>	<b><i>Enhanced accessibility in and around the City including parking</i></b>	
4.1	Develop Business Plan for future car park development	Yet to commence
4.2	Deliver Two-Way Street Program	On Target
4.3	Implement City of Perth Cycle Plan	On Target

## PERTH AS A CAPITAL CITY

NO.	PROJECT/INITIATIVE	STATUS
<b>S5</b>	<b><i>Review and explore opportunities for adaptability associated with occupancy rates</i></b>	
5.1	Develop a precinct and place management approach for the City	On Target
5.2	Contribute to and facilitate the activation and use of vacant private and public space.	Yet to commence
<b>S6</b>	<b><i>Maintain a strong profile and reputation for Perth as a city that is attractive for investment</i></b>	
6.1	Develop an Economic Development Strategy	On Target
6.2	Undertake a review of the City's Tourism Framework	On Target
6.3	Drive the development of a 2029 initiative for the 200th year of City of Perth	Behind Schedule
6.4	Drive and manage the Capital City Committee	On Target
6.5	Implement the International Engagement Strategy	On Target
<b>S7</b>	<b><i>Collaborate with private sector to leverage city enhancements</i></b>	
7.1	Review City of Perth Public Wi-Fi Strategy	Yet to commence
7.2	Review Destination Perth Marketing Strategy	On Target
7.3	Develop a Strategy for Implementing Smarter Cities Report Initiatives	Behind Schedule
7.4	Establish business information and support program	Yet to commence
<b>S8</b>	<b><i>Contribute to a strong service culture and an attitude of gratitude in the private sector</i></b>	
8.1	Develop a City Achievement and Service Promotion Strategy	Yet to commence

## LIVING IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
<b>S9</b>	<b><i>Promote and facilitate CBD living</i></b>	
9.1	Review and manage the interface between the growing residential population and the City of Perth	On Target
9.2	Review the City's approach to Conservation of Heritage Places	On Target
9.3	Develop Noise Management Strategy	On Target
9.4	Develop a system to gather and respond to information collected assisting the enhancement of the presentation of the City	On Target
9.5	Promote the new City of Perth Library with emphasis on utilising its state of the art facilities	Completed
<b>S10</b>	<b><i>Improve the diversity in housing stock</i></b>	
10.1	Develop an affordable housing choice	Yet to commence
<b>S11</b>	<b><i>Increase community awareness of environmentally sustainable ways of living</i></b>	
11.1	Implement Energy Resilient City Plan	Behind Schedule
11.2	Develop the Environmental Strategy and Implementation Plan	On Target
11.3	Develop Foreshore Preservation Plan	Completed
<b>S12</b>	<b><i>Provide facilities to cater for the growth of the residential community</i></b>	
12.1	Develop East Perth infrastructure and land use plan	Yet to commence
12.2	Implement the Waste Strategy, with a view to consider longer term future treatment options	On Target

## PERTH AT NIGHT

NO.	PROJECT/INITIATIVE	STATUS
<b>S13</b>	<b><i>Development of a healthy night time economy</i></b>	
13.1	Develop a Night Time Economy Strategy	On Target
13.2	Develop a laneways and key public realm strategy	On Target
<b>S14</b>	<b><i>Further improve safety and security</i></b>	
14.1	Review and implement the Community Safety and Crime Prevention Plan	Yet to commence
14.2	Identify and commit to key stakeholders with a focus on communication relationship building, to address social issues	Behind Schedule

## HEALTHY AND ACTIVE IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
<b>S15</b>	<b><i>Reflect and celebrate the diversity of Perth</i></b>	
15.1	Undertake full review of Grants, Donations Sponsorships and Event Funding Policies	Behind Schedule
15.2	Develop Arts and Cultural Development Strategy	Behind Schedule
15.3	Develop Public Art Strategy and implementation Plan	On Target
15.4	Develop a Community Development Strategy	Yet to commence
<b>S16</b>	<b><i>Increase accessibility to green networks in the city</i></b>	
16.1	Finalise the development of the Urban Forest Strategy	Behind Schedule
<b>S17</b>	<b><i>Recognition of Aboriginal culture and strong relationships with the Indigenous community</i></b>	
17.1	Develop Reconciliation Action Plan	Yet to commence

## OUR PLAN

CONTINUED

### CAPABLE AND RESPONSIVE ORGANISATION

NO.	PROJECT/INITIATIVE	STATUS
<b>S18</b>	<b><i>Strengthen the capacity of the organisation</i></b>	
18.1	Implement Organisational Structure Reform	Behind Schedule
18.2	Greater emphasis on the Diversification of Revenue for Sustainability Management	On Target
18.3	Develop Enterprise Performance Model	Behind Schedule
18.4	Develop Continuous Improvement Strategy	Behind Schedule
<b>S19</b>	<b><i>Improve the customer focus of the organisation</i></b>	
19.1	Review and Update the City of Perth Emergency Management Plan	Behind Schedule
19.2	Implement Organisational Project Management Framework (including Gateways)	On Target
19.3	Develop a Customer Service Strategy and Contact Centre	Yet to commence
19.4	Conduct a review of the Strategic Community Plan	On Target
19.5	Deliver Online Customer Service systems (including Approvals)	Yet to commence
<b>S20</b>	<b><i>Meaningful and contemporary community engagement and communications</i></b>	
20.1	Develop Community Engagement Capability	On Target
20.2	Develop a Information and Communications Infrastructure Strategy	Yet to commence
20.3	Develop a Information and Communications Data Strategy	Yet to commence
20.4	Develop a plan to engage with new communities in response to transition of boundary adjustments	On Target
20.5	Develop Social Media Usage Framework	On Target

## OUR AWARDS

### Penny Lane Apartments

The City's affordable rent apartments, Penny Lane in East Perth, were recognised in the Australasian Housing Institute Awards for Professional Excellence in Housing.

In August 2015, the apartments won the Award for 'Excellence in Social Housing - WA Division' and in October, they were Highly Commended in the National Division.

The Institute recognised the City's unique partnership with Access Housing on the project, citing it as a great example of local government

### City of Perth Library

The City of Perth Library and neighbouring State Buildings triumphed at the WA Architecture Awards, receiving the award's highest honour – the George Temple Pool Award.

Designed by acclaimed architect Kerry Hill, our state-of-the-art Library and the historic State Buildings – the latter designed jointly with Palassis Architects – have become the first projects in the awards' history to jointly receive this award.

### Twilight Hawkers Market

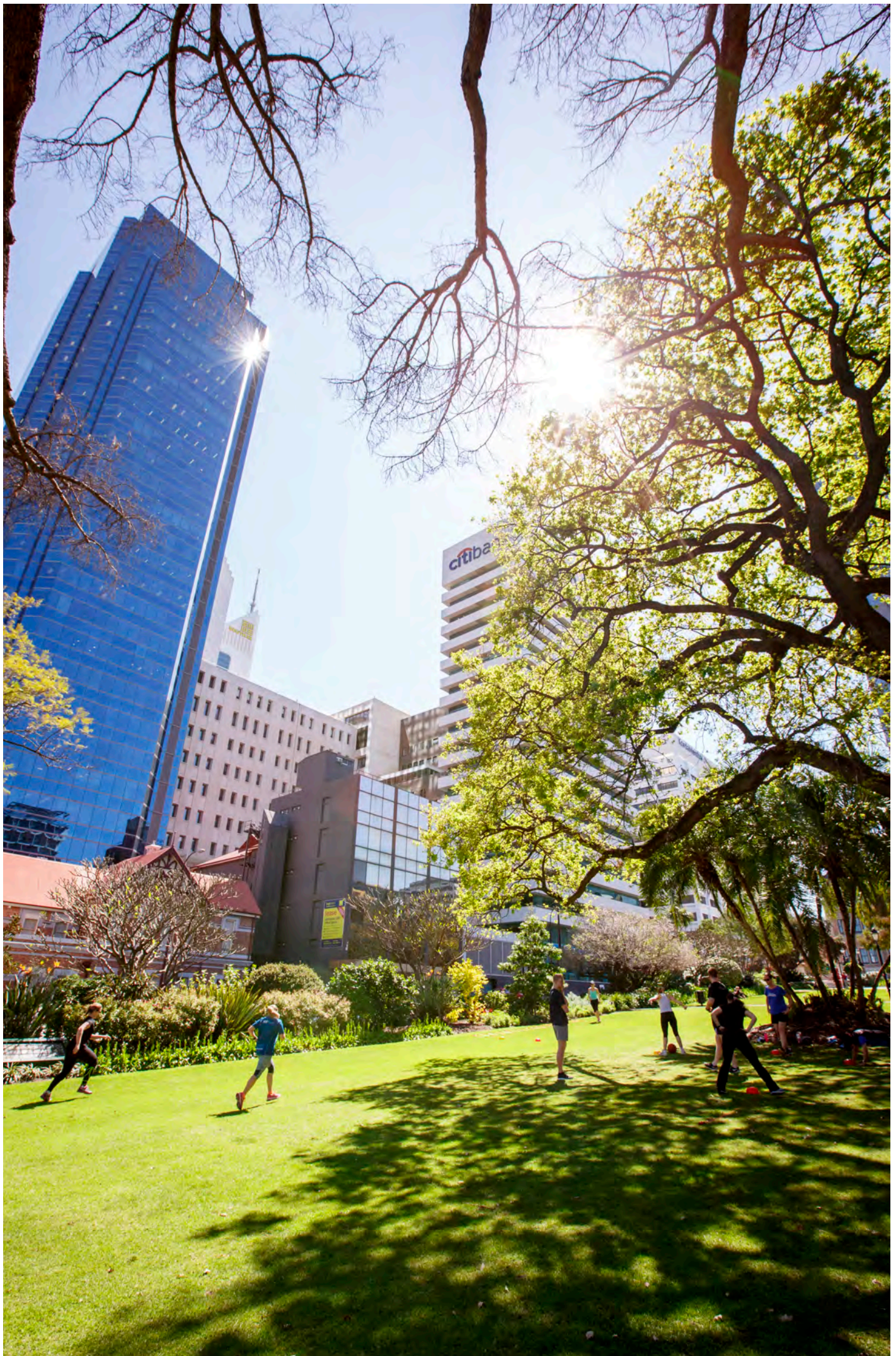
In November 2015, the Twilight Hawkers Market was recognised at the Perth Airport Western Australian Tourism Awards, receiving a silver medal in the Major Festivals and Events category.

The Markets have become a popular attraction. They attract new visitors to the City on a Friday and extend the stay of others. In 2015/16, the Markets attracted over 260,000 people.

The Twilight Hawkers Market generates spend in other areas of the City, with new visitors spending on average \$83 at City retailers.

The Markets also generate positive perceptions of Perth, with 79 per cent of attendees satisfied or very satisfied.





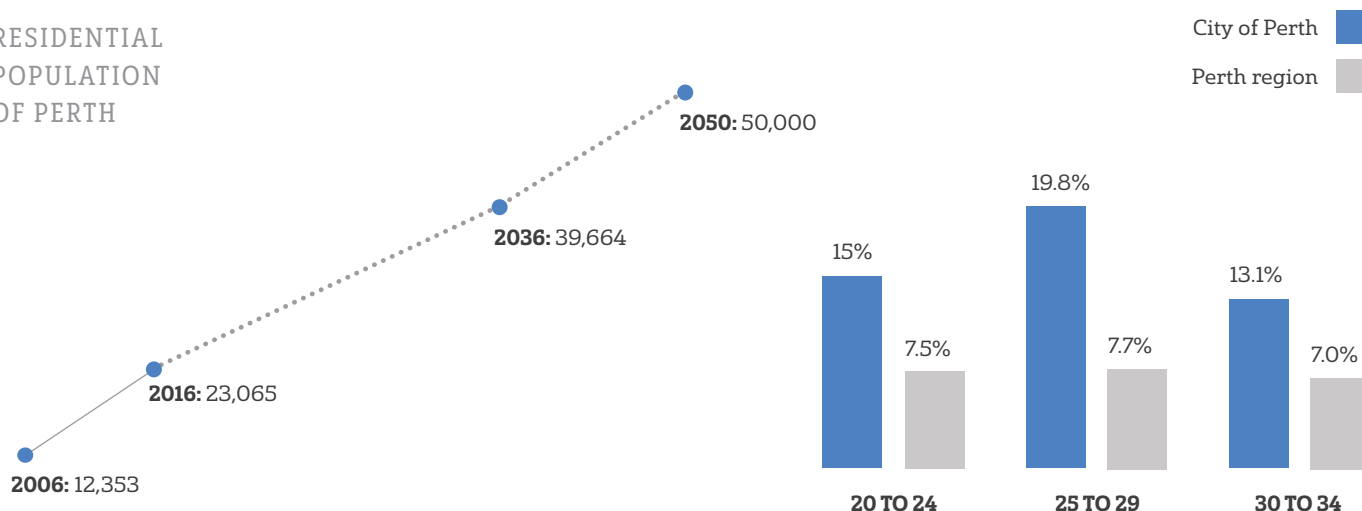






# OUR COMMUNITY

## RESIDENTIAL POPULATION OF PERTH



### Our Residents

The residential population of Perth has grown significantly from 12,353 persons in 2006 to a forecast population of 23,065 in June 2016.

This represents a 174.3 per cent increase in our residential population over the last five years.

This trend is expected to continue, with Perth likely to achieve a residential population of 39,664 persons by 2036. The growth forecasted and recent analysis and draft housing targets set by the Department of Planning, point towards a potential residential population of 50,000 by 2050.

The City of Perth includes the suburbs of Crawley (part), East Perth (part), Northbridge, Perth and West Perth (part). As of 1 July 2016 areas of Crawley and Nedlands, as well as UWA and the QEII Medical Centre, were included within the City's boundaries.

The major growth area has been Perth Central which has seen a 146 per cent increase in residents from 2,125 in 2006 to an estimated resident population of 5,226 in 2015.

Similarly the southern part of East Perth centred around Hay Street and Adelaide Terrace has seen a 106 per cent increase in residents from 2,895 in 2006 to an estimated residential population of 5,962 in 2015.

### Our Households

Major population growth has been in households consisting of couples and lone persons, with the predominant age profile of residents being people aged between 20 and 34.

These groups have a significantly higher representation when compared to the Perth Region average as follows:

Age	City of Perth	Perth Region
20 to 24	15%	7.5%
25 to 29	19.8%	7.7%
30 to 34	13.1%	7.0%

This age profile extends into the types of dwellings in the City of Perth, with 94.3 per cent of dwellings considered to be medium to high density, and the highest proportion being two bedroom apartments followed by one bedroom and then three bedroom apartments.

A smaller but growing number of households containing children is evident, with these households now making up 7 per cent of all households in the City. Nonetheless, as a percentage of the population families with children are significantly lower in the City than the Perth Region average.

Population forecasts indicate that by 2036 there will be over 1,000 children under the age of 4 living in the City of Perth. Those aged over 60 are predicted to grow from 2,799 in 2011 to 5,676 in 2036.

### Our Workforce

The number of people working in our City has grown 13.6 per cent between 2006 and 2011, reaching a total of 134,459 workers.

In 2015/16 the top three industries for the City of Perth workforce were:

- Professional, Scientific and Technical Services (28,713 people or 21.35 per cent).
- Public Administration and Safety (18,466 people or 13.73 per cent).
- Health Care and Social Assistance (14,992 people or 11.15 per cent).

## OUR MAJOR PROJECTS

Some of the most exciting metropolitan projects in the State's history have been delivered, transforming the City.



Construction of our new City of Perth Library at 567-579 Hay Street created much interest with its unique design features. Opening to the public in March 2016, the Library includes meeting rooms, gallery space, a History Centre, and a café.

The Library forms part of the Cathedral Square precinct, which contains the historic State Buildings, Perth Town Hall, St George's Cathedral, the State Administrative Tribunal building and the David Malcolm Justice Centre.



The Perth City Link project progressed with works being carried out on the new underground Perth Busport facility. Tenants moved into Kings Square, and Doric Contractors were appointed for the construction of Yagan Square.

Yagan Square is due to open in 2017 and is set to become an iconic destination in Perth. It will be uniquely Western Australian, with a permanent food market, native gardens, play areas, cafes, restaurants and Aboriginal art.



On the foreshore, progress was evident with Elizabeth Quay opening to the public on 29 January 2016. Elizabeth Quay has attracted a significant number of visitors, and the opening of several food and beverage outlets was a key milestone in the continued growth and development of the precinct.

Over in East Perth the Riverside Waterbank Project has progressed. Within this project there is a substantial public open space that is currently in design and in consultation with the City. This space will be an asset to the City upon completion.

Elizabeth Quay, Perth City Link and the Riverside Waterbank project are all projects undertaken by the Metropolitan Redevelopment Authority on behalf of the State Government, in close consultation with the City of Perth.

In addition to these projects there has been steady development within the City. Some examples include construction commencing at the former FESA building site for a mixed-use development, and demolition at the former Greater Union site to accommodate the construction of a 21 level mixed-use development.

Construction has also commenced on the podium building, public plaza and 30-level office tower which will be the new home of Woodside Petroleum at the former Emu Brewery site. The site will ultimately consist of two additional towers being a 35 level tower including 120 hotel rooms and 200 apartments and a 41 level residential building including 68 apartments.





# FINANCIAL HIGHLIGHTS

## OPERATING REVENUE

from ordinary activities

2014/15

2015/16



	2014/15	2015/16	
●	53.3%	52.0%	Fees and Charges
●	40.4%	43.5%	Rates
●	3.0%	2.5%	Investment Income
●	1.8%	0.8%	Grants and Contributions
●	1.1%	0.9%	Other Revenues
●	0.3%	0.3%	Donations and Reimbursements
●	0.1%	0.0%	Gain from Disposal of Assets

## OPERATING EXPENDITURE

from ordinary activities

2014/15

2015/16



	2014/15	2015/16	
●	37.9%	37.0%	Employee Costs
●	26.3%	25.6%	Material, Contractors and Suppliers
●	17.1%	17.3%	Depreciation and Amortisation
●	13.0%	15.2%	Other Expenses
●	1.8%	1.8%	Utilities
●	0.9%	0.9%	Interest
●	1.6%	0.9%	Loss on Disposal of Assets
●	0.7%	0.6%	Insurance
●	0.7%	0.7%	Expense Provision

### Income

- Our operating revenue amounted to \$191.4 million in 2015/16, an increase of 2.5 per cent on last year.
- The City raised \$83.2 million in rates, an increase of 10.2 per cent from the previous year. This was due to growth in the rates base from new completions, and an increase in the rate per dollar to cover CPI and to fund programmed capital works.
- We collected \$73.2 million in parking fees through the City's parking business. High office vacancy rates impacted patronage to the City's carparks, as a result revenue decreased by \$0.1 million in 2015/16.
- The lower interest rate environment impacted our investment income which decreased by \$0.8 million to \$4.7 million.

### Significant Items

- The revaluation of Plant and Equipment Assets and Investment Properties resulted in losses of \$1.3 million and \$2.1 million respectively.
- The City's share of the profit on the sale of land being developed by the Tamala Park Regional Council was \$1.1 million.

### Expenses

- Our operating expenditure amounted to \$183 million, representing a 7.4 per cent increase on last year.
- The increase in our operating expenditure was predominantly due to Employee Costs (increase of \$3.3 million), Materials, Contracts and Suppliers (increase of \$2.1 million), Depreciation and Amortisation (increase of \$2.4 million) and a \$2.7 million increase in the State Parking Levy which is shown in Other Expenses.

### Funding Capital Expenditure

- \$40.2 million was expended in cash on capital expenditure during the year.
- No borrowings were made to fund capital expenditure during the year, and there were no unused loan facilities at year end.
- Capital grants and contributions amounted to \$5.4 million, a \$3.7 million increase on the prior year.
- \$9.9 million was drawn down from reserves to fund capital expenditure.







## OUR BUSINESS

We recognise the important contribution business makes to our City, so we provide a range of promotional activities, incentives and advocacy to support a range of local businesses.

### LNG 18 Conference and Exhibition

The 18<sup>th</sup> International Conference & Exhibition on Liquefied Natural Gas (LNG18) was held in Perth in April 2016. Perth is the only City to ever hold this conference twice.

LNG18 was the largest conference that Perth has ever hosted and attracted global heads from major corporations such as Chevron, Royal Dutch Shell, Inpex, ConocoPhillips, Woodside and other companies in the industry's production and supply chain.

Recognising LNG18's importance, the City invested considerable time, resources and in-kind support into the conference, from the initial bid in 2009 through to the conclusion of the successful event in 2016.

The event attracted over 8,000 participants, including 2,000 trade delegates and an additional 6,000 visitors to the exhibition. It generated an estimated \$50 million in delegate expenditure to the local economy.

### International Scope

The City received a large number of international business enquiries and provided support to international companies with investment interests in Perth. The City supported several international industry conferences and events including the Australian Oil and Gas (AOG) Conference, the Italian Chamber of Commerce and Industry's Momentum Business Forum and the 5<sup>th</sup> International Association for Energy Economics Asian Conference.

The City conducted economic and investment briefings for international business delegations and dignitaries from China, Hong Kong, India, Indonesia and Malaysia, providing information on the economic growth of Perth and investment opportunities within the City.

We also hosted delegations and visits from our sister cities including the Vice Mayor of Chengdu, a business delegation from Vasto, and a Houston Airport delegation promoting a new flight route from Perth to Houston.

Additionally, as part of our annual education exchange programs, the City welcomed visiting students from Kagoshima, Chengdu, Nanjing and Seocho to Perth, hosting courtesy calls for the visiting students at Council House.

### International Education

In recognition of the growing economic importance of international education, the City entered into a three-year funding agreement with StudyPerth to assist with their ongoing work promoting Perth as a destination of choice for international education and to assist in attracting international students to study in Perth.

The City also helped promote Perth as an ideal destination for international students by hosting delegations of international education agents from source markets such as Vietnam, Africa and Japan.

### Business Networking and Information Sessions

The City's Business Support and Networking Series encouraged business connections, collaboration and opportunities. In 2015/16, the City hosted a business support session with keynote speakers from Google and Yelp to inform and educate local businesses on effective online marketing strategies.

The City also collaborated with Tourism Council WA in an effort to lift customer service standards and help tourism businesses with social media. A customer service workshop, marketing with strategy workshop and a series of social media workshops were conducted with City businesses benefitting from a 50 per cent subsidy provided by the City.

Fifteen editions of the Northbridge Business Trader were disseminated in 2015/16. The trader is an e-newsletter designed to share precinct relevant information with Northbridge business owners and operators.

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## Perth Tourism Industry Exchange

In March 2016, the City held the second inaugural Perth Tourism Industry Exchange, an event for the tourism sector to exchange information, hear from industry relevant keynote speakers, network amongst peers and experience operators' products in an expo environment.

Moving the event to the Perth Arena allowed for an increased number of attendees and exhibitors, while a new interactive social media initiative was incorporated into the event to drive conversations and increase interaction between attendees and exhibitors.

The event also included the first Perth Tourism Industry Exchange Awards which were designed to recognise the contribution of concierges, front of house staff, visitor information staff and volunteers.

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## Supporting Innovation

The City recognises the growing importance of promoting innovation and supporting the development of new jobs and industries. In 2015/16, the City continued to encourage the development and growth of the local innovation and entrepreneurial sector, supporting a range of initiatives and programs such as Startup Weekend and the Founder Institute.

In addition to these programs, the City expanded its support of the sector by sponsoring the RIIT Unearthed hackathon program. Unearthed helps to develop prototype solution to problems in the mining and resources sector. The City also sponsored the 2015 OzApp Awards/West Tech Fest, which celebrates local innovation and technology entrepreneurs.

The City provided funding towards the development of the 2015 Startup WA report about the local innovation system, dedicated a section of the City's corporate website to promoting the various co-working spaces within the City, and sponsored a breakfast information session and masterclass organised by the WA Angel Investors.

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## Business Grants

In 2015/16, the City awarded a total of 17 business grants to local businesses, with a combined value of \$99,837 comprising of Matched Funding and Small Business Grants.

### MATCHED FUNDING GRANTS

In the 2015/16 funding round, Matched Funding Business Grants were awarded to eight projects with a total funding allocation of \$84,272. These grants contributed to private sector investment in City-based projects with an estimated value of more than \$1 million.

### SMALL BUSINESS GRANTS

A total of nine Small Business Grants were claimed, representing a financial contribution of \$15,565 to assist local small businesses.







# OUR VIBRANCY AND VITALITY

We continue to support events and activities that add to our City's appeal, and which support our local businesses.

## Twilight Hawkers Market

Our Twilight Hawkers Market returned to Forrest Place during the warmer months, running from October to April, with a longer duration, from 4.30pm to 9.30pm. The Friday market has proven extremely successful, offering international cuisine and attracting evening crowds to the CBD with approximately 260,000 enjoying the 2015/16 season. The market was recognised by the industry in November 2015 and awarded Silver in the WA Tourism Awards for the Major Events and Festivals category.

## Sunday Markets

The City held Sunday markets under the banner of Perth Home Grown from March to December in the Murray Street Mall. The popular markets featured fresh, organic, and local produce including farm-fresh fruit, vegetables, free range eggs, honey, and nuts. The market also offered quality crafted homewares, art and jewellery.

## Perth Wildcats Championship Presentation

We hosted a public celebration in Forrest Place for the Perth Wildcats, who became NBL Champions in 2015/16 at the Perth Arena. The event was to congratulate the team with the Lord Mayor speaking on behalf of the City, and to provide the public with an opportunity to celebrate with and meet the team.

## Festival of Christmas

Our Festival of Christmas was launched in mid-November with Turning on the Christmas Lights, and continued through to the end of December with more than 20 free events to entice shoppers into our City. Events included the popular Christmas Nativity held over three nights and a new event, Christmas Place.

## School Holidays

Each school holidays in July and October, we present a free event in Forrest Place to entertain thousands of families that come into the City. In 2015/16, we presented Perth City Snow Slide and Perth City Paper Pilots.

## Skyworks 2016

Our City of Perth Australia Day Skyworks again attracted approximately 300,000 people to the Swan River foreshore for a truly spectacular pyrotechnic display. We organised a large range of Australia Day family events and entertainment from 3.00pm, culminating in the 32<sup>nd</sup> annual Skyworks display.

## Eat Drink Perth

Perth's biggest food festival, Eat Drink Perth, was more than a month-long celebration of Perth's unique food and wine scene running from 16 March until 23 April 2016. Now in its 12<sup>th</sup> year, more than 90 of the City's culinary establishments showcased their offerings with masterclasses, markets, long table dinners, dessert degustations, food trucks, walking tours, pop-ups, progressive dinners and much more.

## Innovation Month

Our Northbridge Piazza was the venue for Innovation Month in April. The event featured seminars, demonstrations, performances, art installations, films and workshops, all in the name of forward thinking.

## Winter Arts Festival

The City of Perth Winter Arts Festival was a three-month program of over 130 arts and entertainment events from June to August 2015. The festival spans the genres of theatre, music, comedy, cabaret, dance, film, literature, family and visual arts, and showcases the talent and creativity of over 60 participating arts organisations and artists. It also highlights Perth's food and beverage scene, putting the spotlight on offerings from the City's restaurants, cafes and small bars.



## Arts and Cultural Sponsorship

In 2015/16, 44 organisations/ independent artists were supported through this program, consisting of 12 partner organisations and 32 artists/ organisations supported through the Rounds and Fast Response programs.

The City partnered with some of the State's flagship cultural organisations to present annual cultural events including Symphony in The City, Opera in the Park, Perth International Arts Festival, Awesome Festival and Fringe World.

The City supported individual artists, arts organisations and community groups to present a broad range of one-off arts projects within a range of indoor and outdoor venues, both temporary and permanent, representing the following art forms:

- Theatre
- Ballet
- Opera
- Classical Music
- Contemporary Music
- Jazz Music
- Aboriginal Theatre
- Visual Arts
- Photography
- Digital Game development
- Public Art
- Film
- Contemporary Dance

Approximately 1,665,948 people attended more than 800 arts and cultural activities supported through this program.

## Corporate Sponsorship

The City supported various events and conferences that align with our strategic economic priorities including:

- Industry sector growth and development.
- Promoting Perth as an ideal business and investment destination.
- Economic diversification.
- Increasing City vibrancy and vitality, including the development of a genuine 18-hour economy.
- Capitalising on Perth's geographic advantage of being Australia's only Indian Ocean Capital City.
- Promoting local expertise and successfully leveraging the City's international relationships for beneficial economic outcomes.

In addition to supporting traditional industry sectors such as resources and energy, tourism and property development, the City has also expanded its support for emerging sectors such as international education, and innovation and knowledge based industries.

## Event Sponsorship

The City supported 40 unique events under the Event Sponsorship program in 2015/16, including five Major Partnership sponsorships. The program continues to be oversubscribed with more than double the available funding requested annually.

In 2015/16, the City supported several new events including the Italian Food and Wine Festival and the Bonjour Perth Festival, as well as a suite of key annual events such as the Telstra Perth Fashion Festival, the Christmas Pageant and the HBF Run for a Reason.

The program encompasses the following types of events:

- sporting events
- community and cultural festivals
- community fundraising events
- partner events with national and international profiles.

## Northbridge Piazza

Our Northbridge Piazza continued to be a hive of activity during the year, with regular film screenings and other entertainment on offer.

These included:

- **Piazzarama:** Series of monthly, free, family activities from September to May.
- **Sunday Sounds:** Regular Sunday afternoon sessions featuring live bands and musicians in two seasons, during Spring and Autumn.
- **Free Flicks for Kids:** Specially chosen films on Saturday afternoons.
- **Date Night:** Wednesday Date Night presents a finely-tuned selection of romantic feature films and crowd favourites.
- **Festive Flicks:** Christmas film season in December.

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## Event Approvals

In 2015/16, we continued to attract major events to our foreshore, and approved 254 events on the City's roads and reserves including the Symphony in the City (20,000 people), Oktoberfest (10,000 people), Bonjour Perth (15,000 people), and HBF Run for a Reason (32,000 people).

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## Public Art Strategy

The City of Perth's Public Art Strategy was adopted by Council last financial year. This informing Strategy articulates our vision for public art, and outlines strategic objectives across three focus areas: Enduring Art; Art Interventions; and Public Art Development.

Our Public Art Strategy provides us with a firm foundation on which to develop a City-wide approach to public art, with buy-in from across the organisation, and from the full range of external stakeholders engaged in delivering public art in Perth.

It is a decisive step towards nurturing a world class collection, and in delivering inspiring, and engaging, public art, for the benefit of present and future stakeholders in Western Australia's Capital City.









# OUR ENVIRONMENTAL SUSTAINABILITY

We are committed to pursuing policies that contribute to a sustainable City and to leading by example.

## Strategic Environmental Framework

In March 2016, Council adopted a 15-year Environment Strategy renewing our commitment to creating a sustainable City for the future. The Strategy was developed to enable the City to achieve excellence in environmental management through working for and with the community.

## Environmental Sustainability and Health

### MONITORING AND REPORTING

The Environment Strategy outlines a number of targets for 2030 against which the City will measure its progress. The targets are both community and operational (corporate) in focus. They will be measured at appropriate intervals and reviewed every four years to ensure the City remains ambitious in its pursuit of being a leading Council in environmental sustainability.

An Environment Snapshot, the second of such reports, was released in December 2015 to share the City's progress on environmental initiatives with the community.

### COMMUNITY EDUCATION

The Wild Life Show was held during the school holidays at the Perth Town Hall from 28 June until 20 July 2016. The event attracted 12,600 visitors and celebrated the Wild Life Shows of the 1950s and 1960s. The event featured a flora and fauna exhibition, children's workshops, and a native petting zoo.

In March 2016, the City opened its new Library which has several sustainable design features that reduce its environmental impact. These include maximising thermal efficiency, innovative high efficiency façade design, maximising thermal comfort, energy efficiency and natural daylight performance, and high efficiency water and light fittings and fixtures.

Additionally, more than 80 per cent of construction and demolition waste was recycled.

### SUSTAINABLE TRANSPORT

The City released a draft Transport Strategy for community consultation in April 2016. The Strategy's vision is to articulate the City's long term aspirations for transport, and highlight how the City will progress towards that future. The final Strategy is scheduled to go to Council for approval in late 2016.

### LOCAL FLORA AND FAUNA

The Department of Parks and Wildlife (DPAW) recently confirmed that the saltmarsh at Heirisson Island meets the criteria for the threatened ecological community (TEC) of a 'subtropical and temperate coastal saltmarsh,' which is listed as vulnerable under the *Environment Protection and Biodiversity Conservation Act 1999*.

If this status is formalised, it will be added to the Western Australian list of TECs and will be afforded specific protection and subjected to management implications.

### POINT FRASER STORMWATER TREATMENT WETLAND

The City has come to the end of a 12-month monitoring period for the gabion sedge trial at a site on the eastern side of Point Fraser. The City is now waiting on the final report which will indicate the most successful species of sedge and method of planting out. The report will also provide guidance as to future plantings across the site.

The City is also concluding Part 1 of the Point Fraser dye tracer study, which tracked the flow of water through the wetland, measured hydraulic efficiency and produced a dispersion profile. A remediation design was then implemented and shown to improve wetland hydraulic performance. Part 2 of the dye tracer study will evaluate catchment connectivity in Winter 2017.



## Climate Response

### CARBON DISCLOSURE PROJECT

The Carbon Disclosure Project is an international program that partners with businesses and cities to measure their carbon footprint. It provides a platform for climate change mitigation and adaptation, reporting and benchmarking. The City has reported twice to the Carbon Disclosure Project, once privately in June 2015 and then publicly in April 2016.

### WALGA'S DECLARATION ON CLIMATE CHANGE

In September 2015, the City became a signatory to the WA Local Government Association's Declaration on Climate Change. This declaration is a voluntary opportunity for local governments to demonstrate their political commitment to locally appropriate climate change management, and to participate in a sector wide leadership approach.

### COMPACT OF MAYORS

In September 2015, the City of Perth became a signatory to the Compact of Mayors and is currently completing its first year requirements. The Compact of Mayors is a global coalition of Mayors and city officials committing to reduce local greenhouse gas emissions, enhance resilience to climate change and track their progress publicly. First year requirements include the development of a community wide greenhouse gas inventory and the identification of local climate hazards.

### URBAN FOREST PLAN

The City released a draft Urban Forest Plan for community consultation in June 2016. The Plan's vision includes optimising canopy cover, and protecting and promoting its sustainable growth, as well as health and resilience in the face of continued urbanisation and climate change challenges.

## Energy Resilience

### CITYSWITCH GREEN OFFICE PROGRAM

The City's commitment to the CitySwitch Green Office Program continues to grow with 63 signatories now participating in the City of Perth and 81 across Western Australia.

In March 2016, CitySwitch expanded into office waste and recycling, adding to its energy efficiency and carbon emissions focus. It was also announced that nationally CitySwitch surpassed three million square metres of office space participation.

### CITY OF PERTH CAR PARKS (CPP)

Electric vehicle charging facilities are available at 12 City of Perth car parks, three of which have dedicated electric vehicle charging bays: Elder St, Pier St and Convention Centre. These facilities have 15 amp outlets and are suitable for most Australian electric vehicles and, besides the parking fee, charging is free.

## A Waterwise City

### WATERWISE COUNCIL PROGRAM

The City of Perth was the first metropolitan Waterwise Council in WA, joining the program in 2009. The program focuses on operational and behavioural water efficiency and conservation. It is jointly coordinated by the Water Corporation and the Department of Water.

In 2015/16, scheme water consumption:

- Decreased by 21 per cent from City owned and managed assets, equating to total water savings of 18,846kL.
- Decreased by 21 per cent in the community, equating to a total water savings of 1,113,778kL.

The City was successful in receiving a Waterwise Council grant for 2016/17 to support an investigation into alternative water sources for irrigation within the City.

### WATERWISE OFFICE PROGRAM

In 2015, a review was undertaken to compare water use by the commercial office sector using a 2012 baseline. The review identified that the industry has made significant improvement in water consumption with an average improvement of 0.17kL/m<sup>2</sup>/annum.

This improvement in performance benchmarks equates to savings of 166,000kL/annum or the equivalent of 66 Olympic sized swimming pools (estimated volume of 2,500kL/swimming pool).

In total, Waterwise Office Program participants save approximately \$315,000 per year in avoided water and wastewater charges, not including savings achieved through reduced energy requirements to heat and pump water.







## OUR SERVICES

We are committed to providing high quality services to residents, visitors and other City stakeholders.

### Digital Services

The average number of unique monthly visitors to the [www.visitperthcity.com](http://www.visitperthcity.com) website increased from 77,097 to 91,421 in 2015/16.

The *Perth City* social media channels also experienced growth with Facebook followers increasing by 35 per cent from 57,470 to 77,474, and Twitter followers increasing by 81 per cent from 17,715 to 32,096.

As of 30 June 2016, there were 33,400 Instagram followers and 828 Pinterest followers recorded for *Perth City*.

Across the same time, our City of Perth (@CityofPerth) channels had 14,300 followers on Instagram, 52,225 on Facebook, and 55,329 on Twitter.

### Volunteer Hosts

The iCity Visitor Information service provides a highly sought after volunteering opportunity. Recent recruits include students, City workers, semi-retired and retired individuals. The volunteers are a mix of local City and metropolitan residents, as well as international students and visitors.

The City has 82 trained and active iCity volunteers, collectively contributing over 800 hours per month. In 2015/16, 175,000 people were assisted on topics relating to way finding, tourism attractions, arts and cultural events, shopping and services.

### Homeless Guide

The City's listing of homeless services in the inner-city directory continues to be a popular resource for ratepayers and service providers operating within the City and the wider Perth area. It is a one-stop-shop to help people find a variety of services and assistance. Its contents include emergency contacts and the location of support services and outreach assistance in times of need.

### Homeless Connect

The City of Perth partners with Volunteering WA to deliver Homeless Connect Perth. More than 1,500 homeless and disadvantaged people attended our Homeless Connect event and were able to engage with a wide range of government and non-government service providers in the delivery of housing, legal, medical, dental, employment, and other support.

### Community Centre

Our Citiplace Community Centre provides services to meet the needs of people aged 55 and over, and people with disabilities. We provide meals and refreshments, podiatry, hairdressing, computer training, social, and leisure activities. In 2015/16 an estimated 180,000 to 200,000 services were provided to people who visited the centre.

### Rod Evans Community Centre

Located at 160 Hay Street, at the eastern end of the City, the Rod Evans Centre offers a range of services, including centre-based and delivered meals, social and exercise opportunities, podiatry, hairdressing, and support for City residents. In 2015/16, 1,838 services were provided on average each month.

### Rest Centre

The Citiplace Rest Centre, located near the Perth Station concourse, continues to provide a valuable service to the community with 24-hour accessibility on Friday and Saturday nights. Services provided include lockers, showers, and stroller hire. In 2015/16, 212,397 people visited our facility.

### Child Care Centre

In 2015/16, our Citiplace Child Care Centre provided long-term day care for 268 children (260 families) and occasional care for 95 children (90 families).

### Town Hall

Our Perth Town Hall handled 289 bookings in 2015/16. These included weddings, corporate and civic functions, exhibitions, and the Holly Wood Tuesday Morning Show, a regular free concert.



## Drainage Works

In 2015/16, the following storm water pipes were relined. This was completed to improve the structural integrity of existing pipes, ensuring that storm water is effectively discharged.

- Thomas Street between Rheola Street and Kings Park Road
- Rheola Street between Thomas Street and Walker Avenue
- Nelson Crescent between Plain Street and Hale Street
- Plain Street between Nelson Crescent and Hay Street

## Graffiti Removal

More than 4,800 instances of graffiti were recorded in the City's graffiti management system in 2015/16. The vast majority of these were treated and removed successfully. All recorded instances of graffiti are photographed and reported weekly to the Western Australian Police Service through their online portal. Graffiti can be reported to the State Graffiti Hotline: 1800 442 255.

## Library

The new City of Perth Library was opened to the public on 1 March 2016. The new facility has been eagerly anticipated, as reflected by the 323 per cent rise in memberships from 2,296 in 2014/15 to 9,711 in 2015/16. The Library also welcomed 254,793 visitors to the building, a growth of 77 per cent.

Programs such as Storytime have doubled their attendance, with more than 6,000 children and their carers enjoying 99 sessions. The busiest Rhymetime sessions attracted about 80 babies and their parents. Attendance at other special events has grown from 577 to 1,710.

Loan transactions have held steady with only a slight decrease. On average, between 25 – 33 per cent of the collection is out on loan at any time. The use of digital resources has reflected the increased interest in the Library and our collections. Loans of ebooks grew by around 56 per cent for Overdrive and 94 per cent for Axis 360. Use of online audio books supplied by BorrowBox has increased by 635 per cent with a similar increase in Beamafilm. Transparent Languages has enjoyed an 86 per cent rise in usage. The number of Library staff required to provide a seven day a week service with extended opening hours has increased by 60 per cent.

## History Centre

The move to the City's new Library building has seen an increase in the use of the History Centre Collection with members of the community requesting access to the material.

The digitising of our History Centre's photograph collection continued during the year. The Centre also held workshops for two primary school classes visiting the City to learn about the history of Perth, and helped with their essays. An introductory tour of the History Centre was provided to Local History Groups and TAFE students. The Land Titles and Treasury Buildings oral history project was completed with a total of 43 interviews.







# OUR BUILT ENVIRONMENT

We strive for excellence in providing facilities and streetscapes that enhance our City's appearance and functionality.



## Barrack Street Enhancement

An enhancement of Barrack Street between St George's Terrace and Wellington Street, including a two-way traffic conversion, to revive the historically important precinct was completed in November 2015.

## Museum Street Enhancement

Prioritising pedestrians and place activation, the City completed the enhancement of Museum Street, between Aberdeen Street and Francis Street in April 2016. The next stage of works will be an interactive public artwork which will explore the journey of learning. This significant piece will be installed in April 2017.

## Supreme Court Gardens Enhancement

The upgrade of Supreme Court Gardens was completed in July 2016. The enhancement was built around the original design intent of providing a robust place for public recreation and events within our City.

## Minor Urban Interventions Program

We have continued to introduce Minor Urban Interventions around the City, this time focusing on the West Perth town centre. Given the high vacancy rates that West Perth is currently experiencing, the City has a focus on engaging with this area and its stakeholders to deliver new outcomes.

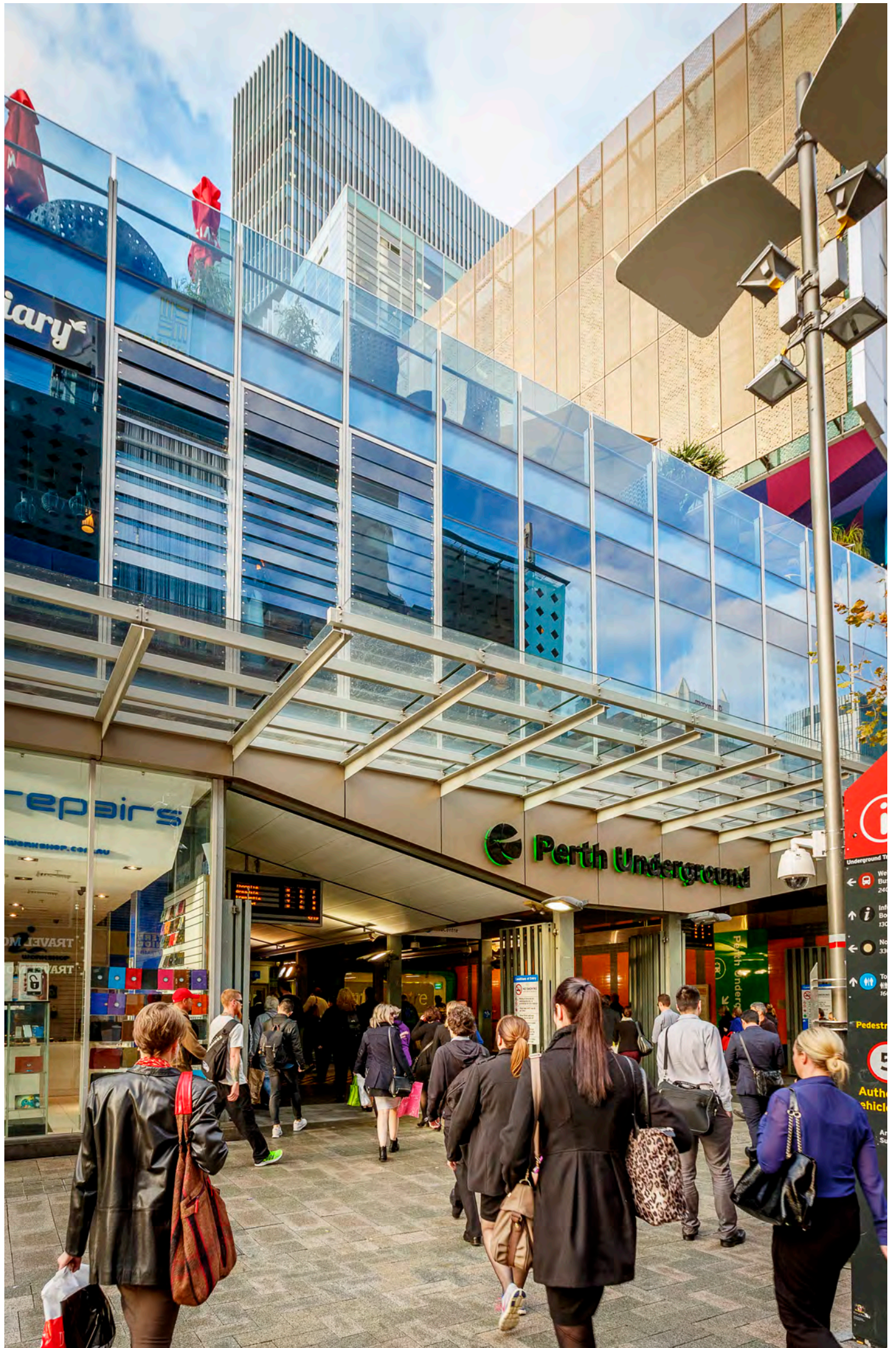
## Lighting Strategy Implementation Plan – Projects

The Lighting Strategy Implementation Plan identified a number of key projects to enhance and support the City's night time economy which will be rolled out before June 2017.

## Urban Forest Plan

The City's Urban Forest Plan is an important strategic action plan for the protection, management and expansion of the urban forest. It recognises the urban forest as a critical element of infrastructure for its ongoing contribution to City liveability, community health and well-being, and climate resilience. The final plan was adopted in September 2016.







# OUR TRANSPORT

We plan, design and manage the City's streets and transport networks. We work closely with State Government Agencies to ensure that movement to, from, and within the City, is efficient and sustainable.

## Improving Transport Safety

In 2015/16, we improved pedestrian priority and safety in the City by implementing a signalised pedestrian crossing on Beaufort Street at James Street near the Cultural Centre, as well as zebra crossings on Railway Street by City West station, and on Francis Street by Central TAFE.

## Improving Connectivity

We continued to design and develop our Two Way street program which is intended to improve safety and connectivity on our streets. With this in mind, the Barrack Street and Hay Street (Barrack Street to Pier Street) Two Way schemes were constructed. Design for the Murray Street Two Way (Thomas Street to Elder Street) scheme progressed.

## Facilitating Active Travel

A footfall analytics trial commenced in the Hay and Murray Street malls. This trial collected movement information to form a better understanding of how people move around and use City spaces.

The Barrack Street Two Way scheme incorporated on road cycle lanes, cycle head start boxes, low level cycle lanterns, and cycle lane separators providing an important north-south cycle route in the City.

Shared paths on Railway Street and Market Street were built providing increased connectivity and capacity for cyclists in West Perth. A shared path on Harvest Terrace was also completed and further stages have been designed for a link between Kings Park Road and Murray Street.

## Future Transport Needs

Progress has been made with the development of our Transport Strategy following successful public consultation. The City has also been looking at existing and future requirements on our streets with kerbside parking and loading requirements. We have also been in discussion with third parties regarding initiatives for car sharing and for autonomous vehicles.



# OUR HEALTH AND SAFETY

Safety and a sense of security is our priority, as is a clean and healthy environment.

## Smoke-free Malls

Our City of Perth Rangers issued 12 fines, and on average cautioned 10-12 people each day for smoking in our malls. Anecdotal evidence suggests smoking is becoming less common in the malls since bans were implemented in 2013.

## Food Sampling

As part of our routine food monitoring and sampling, 89 samples were collected and 18 were found non-compliant (20 per cent) when assessed against the requirements of the Australia - New Zealand Food Standards Code. Issues included labelling, undeclared allergens, mould in food and non-compliant nutritional information.

## Health Inspections

We have 945 registered food businesses in the City, and in 2015/16, 3,319 inspections/assessments were conducted (compared with 3,379 in 2014/15). A total of 31 Food Act Improvement Notices and four Food Act Infringements were issued. One business was prosecuted due to a public building overcrowding matter.

## Noise Incidents

We received 367 registered noise complaints in 2015/16 (compared to 332 noise complaints for 2014/15), including 114 for construction noise, 69 for amplified music, 80 other types of noise, 57 concert/event noise, 23 air-conditioning, 16 commercial works, and eight about noisy alarms.

## Community Safety

The City continued to engage with stakeholders and agencies to ensure community safety objectives were met and coordinated by many and not a few. Consultation is ongoing with the Metropolitan Redevelopment Authority (MRA) and developers regarding planning and design for safety in the new areas of the City, including Elizabeth Quay and Perth City Link.

The City also supported crime prevention through environmental design principles which will assist in the management of these areas in the future. Our initiatives included lighting, CCTV and way-finding in well activated areas.

We also developed operational strategies with regard to CCTV and graffiti, and reviewed data and trends on alcohol impacts in Perth. An extensive review of Emergency Management arrangements was conducted and strong partnerships with agencies of the Local Emergency Management Committee were fostered.

## Surveillance Operations

2016 marks 25 years of CCTV in Perth. Our 24 hour surveillance operation has undergone significant change since its inception, and the last year has seen rapid change and growth. New areas and assets such as Elizabeth Quay, Kings Square, Perth City Link and the City of Perth Library have expanded our coverage and network of CCTV cameras to more than 300.

In 2015/16, the City established a strong network of large CCTV providers through the CCTV Collective. Stage two of the migration of our CCTV system to a digital platform is well underway, demonstrating the City's commitment to sustaining a strong and efficient system designed to enhance community safety. The CCTV Code of Practice has also been updated.

Our Surveillance Centre is committed to exploring new technology, and 2015/16 has seen a trial of licence plate recognition, a public address system in Forrest Chase, mobile static surveillance cameras and a project is underway to deliver three mobile CCTV towers.




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## Rangers and Security

City Rangers are focused on providing a highly visible, prompt and reliable service while carrying out patrols of public spaces including parks and reserves, and City streets and footpaths.

Our Rangers liaise with buskers, builders, contractors, ratepayers and the general public. They deal with a myriad of issues such as nuisance or barking dogs, complaints related to buskers, obstruction complaints, illegal camping complaints and litter complaints.

The City's Rangers are also actively involved in responding to emergencies and major events held in the City such as the Christmas Pageant, Pride Parade and SkyWorks. Rangers also provide security at Civic functions.

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## Toilets

We are aiming to increase the number of public toilets in the City. New accessible public toilets have been installed in Northbridge and the Urilift trial is underway. Strategic Planning are currently preparing a Toilet Strategy which will aim to identify toilets available for public use and areas where additional facilities would be beneficial.

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## Risk Management

In 2015/16, the City undertook an exercise to benchmark our risk management practices and framework against other Capital Cities in Australia. This exercise was done in partnership with our insurer Local Government Insurance Scheme (LGIS), with a report containing the findings and recommendations tabled at the Audit and Risk Committee.

The *City of Perth Act* passed on 1 July 2016, bestowed Capital City status onto the City of Perth. The recommendations were therefore intended to drive our risk and safety practices beyond organisational and compliance requirements, and towards WA Local Government leading practice and Capital City best practice.

In 2016/17 the City will be focused on implementing the recommendations to achieve this outcome and continuously improve our practices.



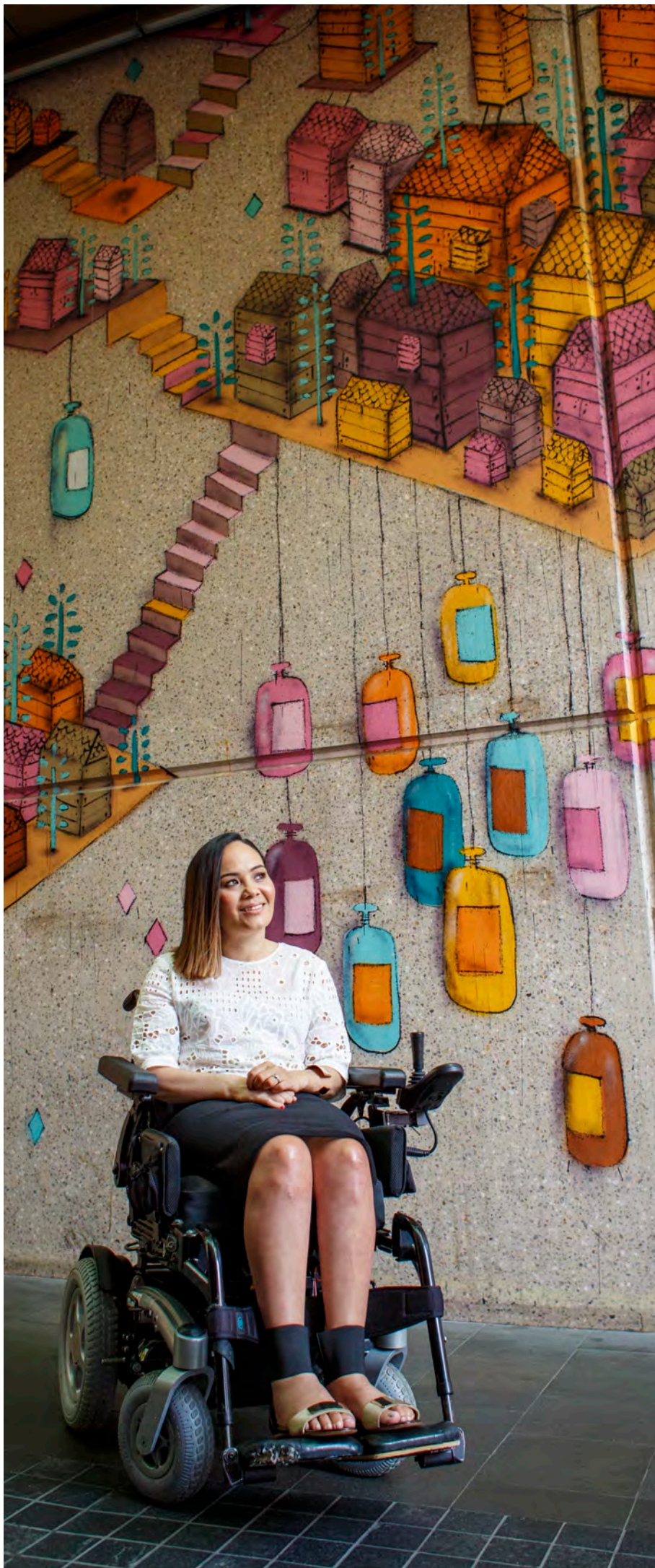
# DISABILITY ACCESS AND INCLUSION

The City of Perth is committed to ensuring the City is welcoming and is inclusive for all people by supporting outcomes that improve access and participation for all citizens and visitors.

The City's Disability Access and Inclusion Plan (DAIP) 2011 - 2015 has been reviewed. A new DAIP was presented to Council for endorsement in July 2016 before it was lodged with the Disability Services Commission, as per statutory requirements.

It is the fifth plan the City has implemented under the *Disability Services Act 1993*. The DAIP is reviewed annually, with regular progress reports provided to the Disability Services Commission.

Throughout 2015/16, the City continued to improve access, information, and awareness of the needs of people with disability and their families. This resulted in greater participation and involvement in services and programs, as well as access to facilities, information and events.



# RECORD KEEPING STATEMENT

The City is committed to the reliable and systematic management of government records in accordance with legislative requirements and best practice standards.

## Record Keeping Plan

The City's Record Keeping Plan RKP2009049 expired in December 2014. An extension of time to submit an updated Record Keeping Plan was sought from the State Records Office of WA due to the City's decision to significantly review its organisational structure and an upcoming boundary change. An updated Plan is to be submitted by June 2017.

## Record Keeping Systems

Corporate record keeping procedures were reviewed in 2015/16. The Administrative Policy on Record Keeping is currently under review as at June 2016, and the latest version will be included the updated Plan.

Work has continued with reviewing the record keeping capabilities of the City's land management system (Pathway). Findings from that review have led to further systems integration with the City's record keeping system (TRIM), with some record keeping aspects still to be addressed. Findings and changes implemented will be incorporated into the Plan when updated.

## Training and Awareness Raising

The City continues to provide the following training to staff:

- Record Keeping Inductions – focusing on record keeping processes at the City.
- Record Keeping Awareness Training (RAT) – focusing on obligations under the *State Records Act 2000*.
- Record Keeping Systems Training – focusing on how to use TRIM to manage records.

The City continues to raise recordkeeping awareness by:

- Holding record keeping forums.
- Broadcasting record keeping tips.
- Providing content for the staff internal newsletter on good record keeping practices.

Improvements in record keeping practices continue to be experienced with the provision of one-to-one training with staff. Assessment of the training program reflected that the duration, content and support materials met the users' needs.

## Future Plans

The City will be looking to improve its record keeping practices by focusing on in-place records management, and pairing a document management system to the record keeping system.

This report has been published in accordance with the requirements of the *State Records Act 2000*.



## OUR DONATIONS AND SPONSORSHIPS

Donations	\$	Cultural Sponsorship	\$
White Ribbon Forum	\$1,908	Black Swan State Theatre Company	\$50,000
Mercedes College	\$3,000	NAIDOC Perth	\$35,000
Historical Society - Women's Auxiliary	\$510	AWESOME Arts	\$100,000
John Hughes Big Walk 2015	\$180	Artrinsic Inc	\$41,000
Special Needs Children's Christmas Party	\$350	WAM	\$40,000
Lifeline WA Lights for Lifeline	\$2,000	West Australian Ballet	\$50,000
Javelin Sailing Association	\$2,000	West Australian Opera	\$165,000
Women's Council for DV Silent March	\$1,952	Perth Institute for Contemporary Arts	\$27,400
Reconciliation WA – Run for Reconciliation	\$1,500	Blue Room Theatre	\$62,531
Hellenic Community of WA	\$15,000	West Australian Symphony Orchestra	\$195,000
JDRF Walk Cure	\$682	Perth International Arts Festival	\$365,000
Unitingcare West Christmas Party	\$2,000	Artrage Inc	\$75,000
Organisation of African Communities	\$1,517	Revelation Film Festival	\$11,000
Mission Australia Lunch in the Park	\$3,456	Youth Affairs Council of WA	\$3,000
City of Perth Band	\$11,080	St Georges Cathedral Foundation for the Arts	\$5,000
RSL WA ANZAC Day	\$67,868	Let's Make Games Inc	\$7,500
North American Veteran's Unit	\$650	WA Poets Inc	\$5,128
Hellenic Women's Association	\$1,500	Yirra Yaakin Theatre Company	\$12,150
Spirit of the Streets Choir	\$2,000	Nulsen Disability Services	\$8,000
Aust Society for Medical Research	\$1,500	Co3	\$10,000
Lions Cancer Institute	\$2,000	Australiasian Photographic Assoc.	\$4,000
John Hughes Big Walk 2016	\$189	Cinema and Cultura Latino Americana Inc	\$1,500
Mothers Day Classic	\$10,000	S. Finch	\$2,000
Royal Historical Society	\$500	F. Maydwell	\$2,000
TOTAL	\$133,342	J. Tolonen	\$1,000
		T. Pearn	\$1,000
		SymbioticA	\$2,000
		Centre for Stories	\$1,940
		Czech and Slovak Assoc.	\$2,000
		Arts Radio Ltd	\$2,000
		Disco Cantito	\$1,995
		Musica Viva	\$6,000
		Ausdance	\$9,500
		WA Youth Theatre Co	\$8,000
		Perth Jazz Society	\$2,000
		Uniting Church in the City	\$8,000
		E. Humphreys	\$5,500
		N. Aldum	\$9,860
		R. Thomas	\$6,000
		Barking Gecko Theatre Company	\$15,000
		I. Motherway	\$10,000
		Perth Centre for Photography	\$19,668
		Arts Source	\$827
		TOTAL	\$1,389,499

Event Sponsorship and Partnership	\$	Corporate Sponsorship	\$
Quit Targa West	\$50,000	Affordable Housing	\$15,000
Open House Perth	\$45,000	Momentum Business Forum 2016	\$5,000
Swan Festival of Lights	\$30,000	Annual Friends Of Kastellorizo Student Exchange Program 2016	\$5,000
Perth Science Festival	\$30,000	2016 WA Industry & Export Awards	\$5,000
Miss Universe WA 2016 Registration Day	\$20,000	In The Zone Event Series 2016	\$20,000
Santos Great Bike Ride	\$21,000	neXTek 2016 Conference	\$8,000
Perth Italian Wine and Food Festival	\$3,032	2015 West Tech Fest	\$29,000
Perth Zombie Walk	\$5,000	We Connect The Dots Hackathon	\$1,000
The Swisse Color Run	\$25,000	5th International Association For Energy Economics Asian Conference	\$10,000
Chevron City to Surf for Activ	\$35,000	2016 Business News 40under40 Awards	\$20,000
Perth Ramble 2015	\$5,000	Startup Weekend Perth 2016	\$10,000
Bonjour Perth	\$2,000	Unearthed Hackathon Perth 2016	\$5,000
WALGA Banners in the Terrace	\$4,597	Picture Yourself In Kagoshima 2015	\$11,000
2015 Buddha's Birthday and Multicultural Festival	\$39,000	International Student Of The Year Award	\$1,500
Japan Festival	\$8,400	Film-Com Down Under 2016	\$15,000
HBF Run for a Reason	\$26,500	Founder Institute Perth – 2016 Semester	\$15,000
Food Truck Rumble	\$10,000	TedxPerth Conference 2015	\$20,000
Young Butchers Picnic	\$20,000	2015 Perth Airport Wa Tourism Awards/Gala Dinner	\$20,000
Streetside	\$30,000	Chinese New Year Dragon Lantern Lighting Event And Associated 'Dragon In Perth' Documentary Filming	\$3,000
Songkran Festival Perth 2015	\$11,760	Forum Advocating Cultural And Eco-Tourism Events Program	\$5,000
Claisebrook Carnivale and Duck Derby	\$20,000	Australian CleanTech	\$2,500
Sanitarium Weet-Bix Kids TRYathlon	\$12,660	AHA 2015 Accommodation Hotels Industry Awards	\$5,700
Tee Ball State Championships	\$5,000	City Of Perth 2016 International Student Festival	\$10,000
Perth International Jazz Festival	\$20,000	Get Into Resources	\$1,600
International Squash Challenge	\$5,000	Australasian Oil And Gas Conference (AOG) 2016	\$55,000
City of Perth Triathlon	\$5,000	WA Angel Investors	\$9,900
ASICS Bridges Fun Run	\$6,750		
Hopman Cup	\$100,000		
Channel Seven Christmas Pageant	\$72,000		
Pride	\$45,000		
IGA Carols	\$36,015		
Brookfield Winter Lights	\$20,000		
Telstra Perth Fashion Festival and WAFAs	\$313,000		
Perth Chinese New Year Fair 2016	\$60,000		
The Art of Street Food	\$2,000		
<b>TOTAL</b>	<b>\$1,143,714</b>	<b>TOTAL</b>	<b>\$308,200</b>

## PERFORMANCE INDICATORS

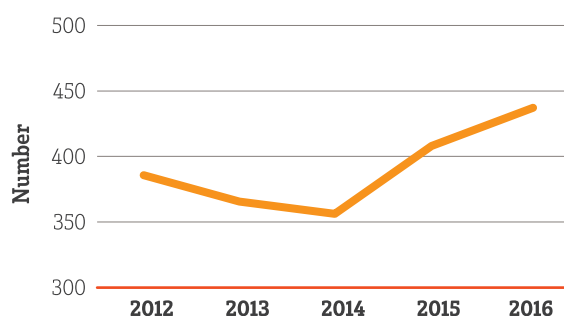
For 2015/16, our performance indicators are presented to reflect our progress towards the outcomes listed in the City of Perth's Strategic Community Plan, Vision 2029+ and Four Year Strategic Plan.

### ECONOMY AND CITY VIBRANCY OUTCOMES

- A sustainable business and tourism destination recognised for distinctive qualities (including its liveability, river setting and cleanliness) and its indigenous history, heritage and people.
- A globally-connected City playing a key role in the Indian Ocean Rim and the Pacific Rim, with a diverse and resilient economy with a spirit of innovation.
- Increased City vibrancy while maintaining our high ranking as a liveable City.

### Number of Planning Applications

2015/16: 437

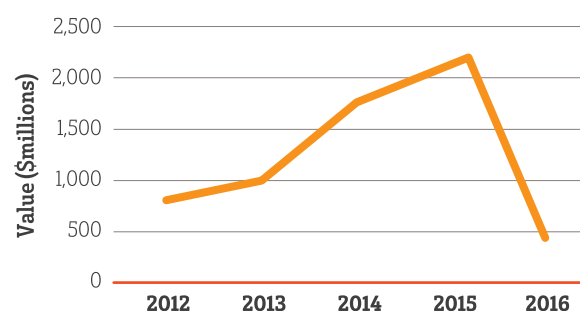


#### COMMENTARY

Despite a softening in the demand for new office space and residential apartments in the City, the number of applications received has seen an upward trend for the second year in a row.

### Value of Planning Applications

2015/16: \$420.7 million

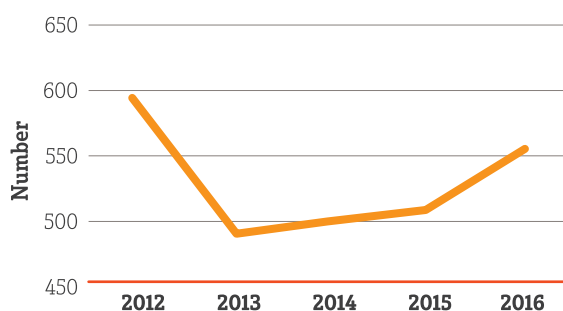


#### COMMENTARY

These are the lowest values recorded since 1999. The fall in the value of planning applications is a reflection of the significant reduction in major projects being proposed. There were only nine applications determined with a value over \$20 million.

## Number of Building Licences

2015/16: 552

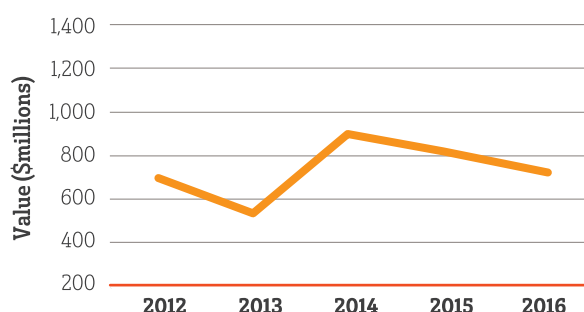


### COMMENTARY

The number of building permits issued this year is elevated from previous year's figures, boosted by office fit-outs and refurbishments.

## Value of Building Licences

2015/16: \$714.9 million

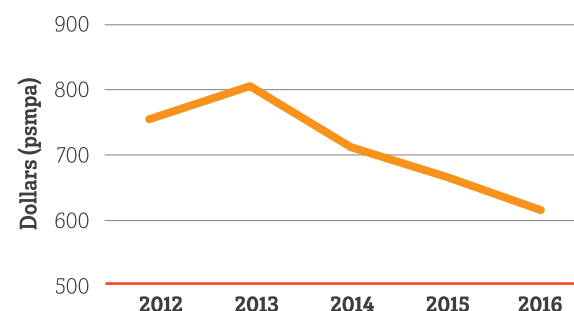


### COMMENTARY

Despite an increased number of applications, the values are reduced for the third year in a row. This is a reflection of smaller developments and refurbishments occurring in place of major construction projects.

## Average Office Rent

2015/16: \$612

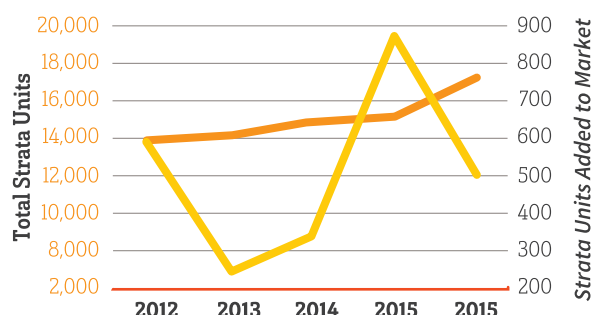


### COMMENTARY

With a 20 year high vacancy rate of 21.8 per cent, the Perth CBD has the highest CBD office market vacancy rate in Australia. However, there continues to be good leasing enquiry. Savills Australia has recorded Premium Grade net face rents (as at July 2016) of \$600-\$725 per square meter, whilst A Grade rents range from \$475-\$650, and B Grade rents range from \$250-\$400. Following the completion of seven projects during 2015 (circa 128,000m<sup>2</sup>), the total office stock within the CBD stands at 1,768,137m<sup>2</sup>, with only one major office building still under construction in the CBD - Capital Square.

## Residential Strata Units

2015/16: 505



### COMMENTARY

The number of approved residential strata lots within the City continued to grow, with a significant number of new dwellings entering the market as developments were completed.

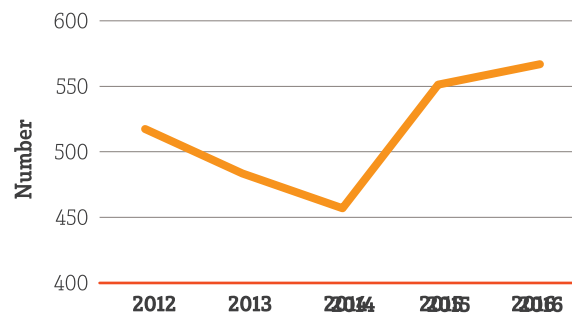


## COMMUNITY OUTCOMES

- The services and facilities needed by the community are planned for and provided by the City of Perth, other government and non-government organisations or the community itself.
- The physical and mental health of the community is enhanced through the City's role as regulator and service provider.
- A diverse and fair community that caters-equally for people's needs.
- Appreciation and support for the culture-and heritage value of the City.
- The City is a safe place for residents, workers and visitors.

## Urban Environment Complaints

2015/16: 567

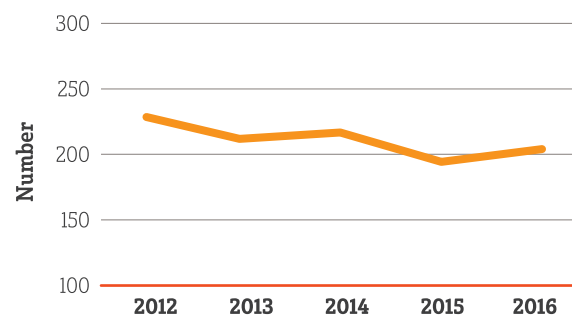


### COMMENTARY

We received a total of 567 customer requests (complaints). The top three complaint types were approximately 65 per cent (367 complaints) for noise complaints, 13 per cent (79 complaints) for food complaints and 7 per cent (43 complaints) were health nuisance (rubbish, bins, laneways etc) complaints.

## Events Approved

2015/16: 205



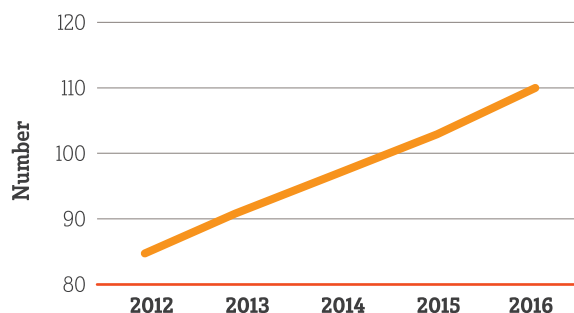
### COMMENTARY

Over the past four years the number of event approvals has consistently been around 200. The activation of the City's new public spaces has seen a variety of events being conducted in new spaces all around the City.

The opening of Elizabeth Quay in January 2016 provided opportunities for more events spaces in the City. Whilst Elizabeth Quay is under the authority of the Metropolitan Redevelopment Authority (MRA), the City collaborates closely with MRA on the location of key events.

## Events Sponsored by the City

2015/16: 110 events and 800+ activities



### COMMENTARY

We continued our important sponsorship of events throughout the year, ensuring a lively and enjoyable City for the people of Perth. This year 44 organisations/ independent artists were supported through our arts and culture program. Approximately 1,665,948 people attended more than 800 arts and cultural activities supported through this program.

## Corporate Sponsorship

### COMMENTARY

The City supported various events and conferences that align with our strategic economic priorities. In addition to supporting traditional industry sectors such as resources and energy, tourism and property development, the City has also expanded its support for emerging sectors such as international education, and innovation and knowledge based industries.

## Event Sponsorship

### COMMENTARY

The City supported 40 unique events under the Event Sponsorship program in 2015/16, including five Major Partnership sponsorships. The City also supported several new events including the Italian Food and Wine Festival and the Bonjour Perth Festival, as well as a suite of key annual events such as the Telstra Perth Fashion Festival, the Christmas Pageant and the HBF Run for a Reason.

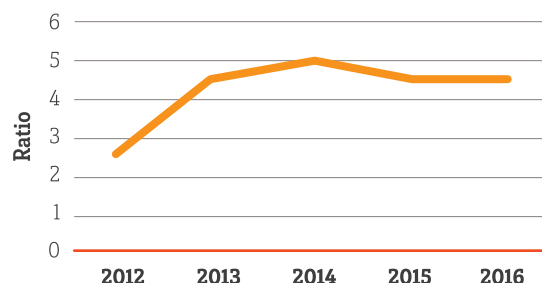


## CAPABLE AND RESPONSIVE ORGANISATION OUTCOMES

- A high standard of governance is maintained and is seen to be maintained by Elected Members and staff who understand their obligations and make decisions accordingly.
- A capable and motivated workforce to deliver the City's services into the future.
- The tax regime required to fund City programs is kept to a minimum.
- A diverse revenue base with new sources of revenue.
- The utilisation of assets to produce revenue is maximised.
- Technological innovation and systems support the efficient delivery of service.
- Capital expenditure initiatives can be adequately funded.

## Debt Service Ratio

2015/16: 4.5 per cent

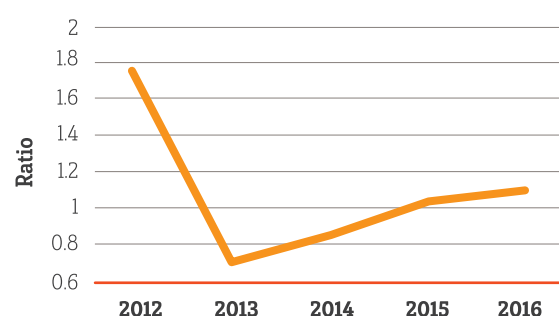


## COMMENTARY

The Debt Service Ratio measures our ability to service debt (principal and interest) from available operating revenue – the lower the ratio, the greater the ability of the City to service the debt. The Debt Service Ratio increased marginally from 2014/15. There were increases in capital and decreases in interest repayments made in 2015/16 due to borrowings reducing and available operating income increasing by \$4.8 million during the year.

## Current Ratio

2015/16: 1.08

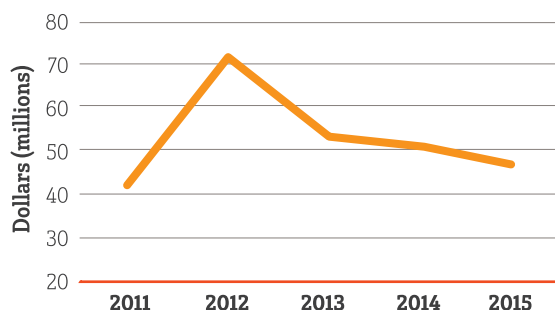


## COMMENTARY

The current ratio is an indication of our short-term debt obligations – the higher the ratio, the greater the liquidity. The current ratio is equal to current assets, minus restricted assets, divided by current liabilities minus liabilities associated with restricted assets. The increase in the ratio is mainly due to a decrease in current liabilities of \$3.5 million during the year.

## Capital Expenditure

2015/16: \$46.4 million

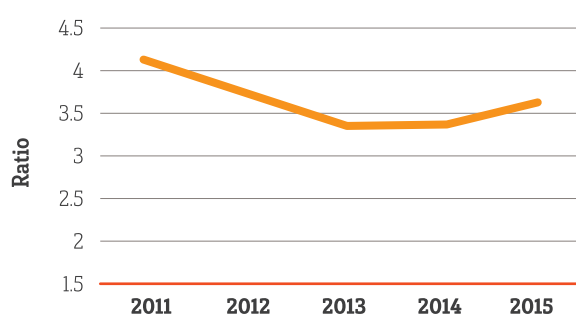


### COMMENTARY

Capital expenditure decreased by \$4.4 million from 2014/15 expenditure of \$50.8 million. The main items of expenditure were \$10.1 million for the development of our new City of Perth Library and the Plaza at Cathedral Square, \$3.5 million for the upgrade to Supreme Court Gardens, \$2.6 million for the revitalisation of Museum Street, and \$2.2 million for our plant replacement program.

## Liquidity Ratio

2015/16: 3.64



### COMMENTARY

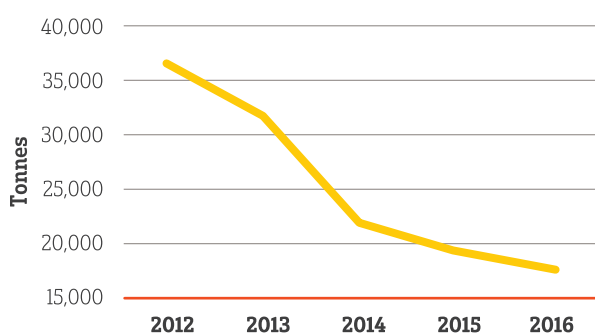
The liquidity ratio shows our liquid assets in relationship to our liquid liabilities. There has been an increase in the liquidity ratio this financial year, due mainly to a decrease in trade and other payables of \$3.5 million.

## ENVIRONMENT OUTCOMES

- The City is a model of how a liveable urban environment can coexist with its natural environment and contribute to global sustainability.

## Waste:

2015/16: 17,591 tonnes

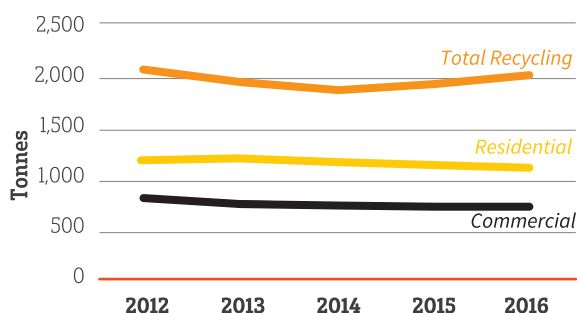


### COMMENTARY

Construction and demolition waste was 4,605 tonne, down by 25.74 per cent from 2014/15. General waste was 12,986 tonne, down by 2 per cent from 2014/15. The volume was reduced due to lower building occupancy in the City.

## Recycling

2015/16: 2 014 tonnes



### COMMENTARY

Residential recycling was 1,272 tonnes, up 6 per cent from 2014/15. Commercial recycling was 742 tonne, down 1 per cent from 2014/15. The volume was reduced due to lower building occupancy.

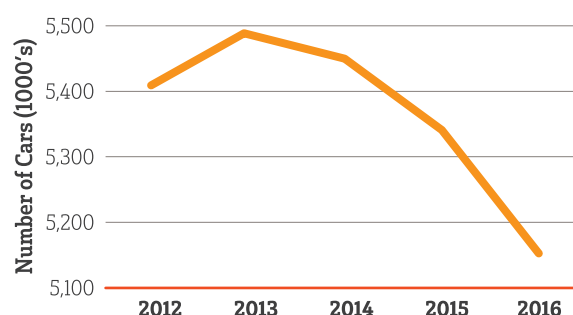


## URBAN OUTCOMES

- A City achieving high-quality design in all projects and improving the urban and built environment to a standard comparable to the best cities in the world but unique to Perth.
- Agreement with the State Government on an overarching framework to guide the development of the City, including the river and foreshore, to achieve our long-term vision to maintain an open foreshore with nodes of development to bring people to the river.
- The City is known for a diverse range of quality public spaces that attract people to the Capital City to work, live and play. Vibrant public spaces ensure Perth is a safe and enticing destination offering a 'point of difference' from suburban experiences.
- Public places will be accessible and welcoming to all people, and provide a range of opportunities to meet and contribute to the cultural heart of Western Australia.

## Use of City of Perth Car Parks

2015/16: 5145

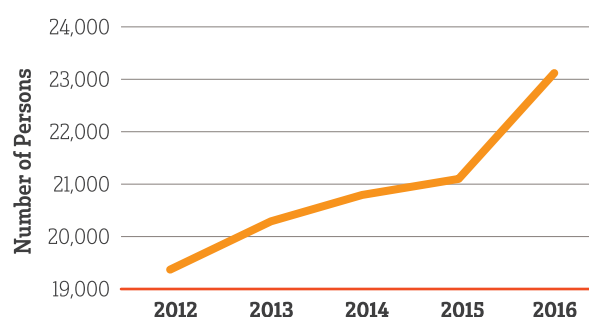


### COMMENTARY:

On street patronage for 2015/16 was 3,537,434. This is a reduction of 320,628 from the previous year (8.31 per cent). This is a large variance and is due to works and construction in the City, and downturn in the economy. Off street patronage for 2015/16 was 5,141,781. This is a reduction of 187,765 from the previous year (3.52 per cent). Reasons for this include the downturn in the economy, decreases in commercial rental occupancy and planned/unplanned maintenance and works in car parks. Long term parking permits as at 30/6/16 were 858. This is a reduction of 300 (25.90 per cent). This is due to unemployment and economic downturn. Parking provided for 1,288 event days. This is an increase of 97 event days (8.14 per cent).

## City Population

2015/16: 23,065



### COMMENTARY:

At June 2016 the forecast residential population of the City was 23,065. Over the last five years, our residential population has grown by 17.43 per cent.





City of **Perth**

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ABN 83 780 118 628

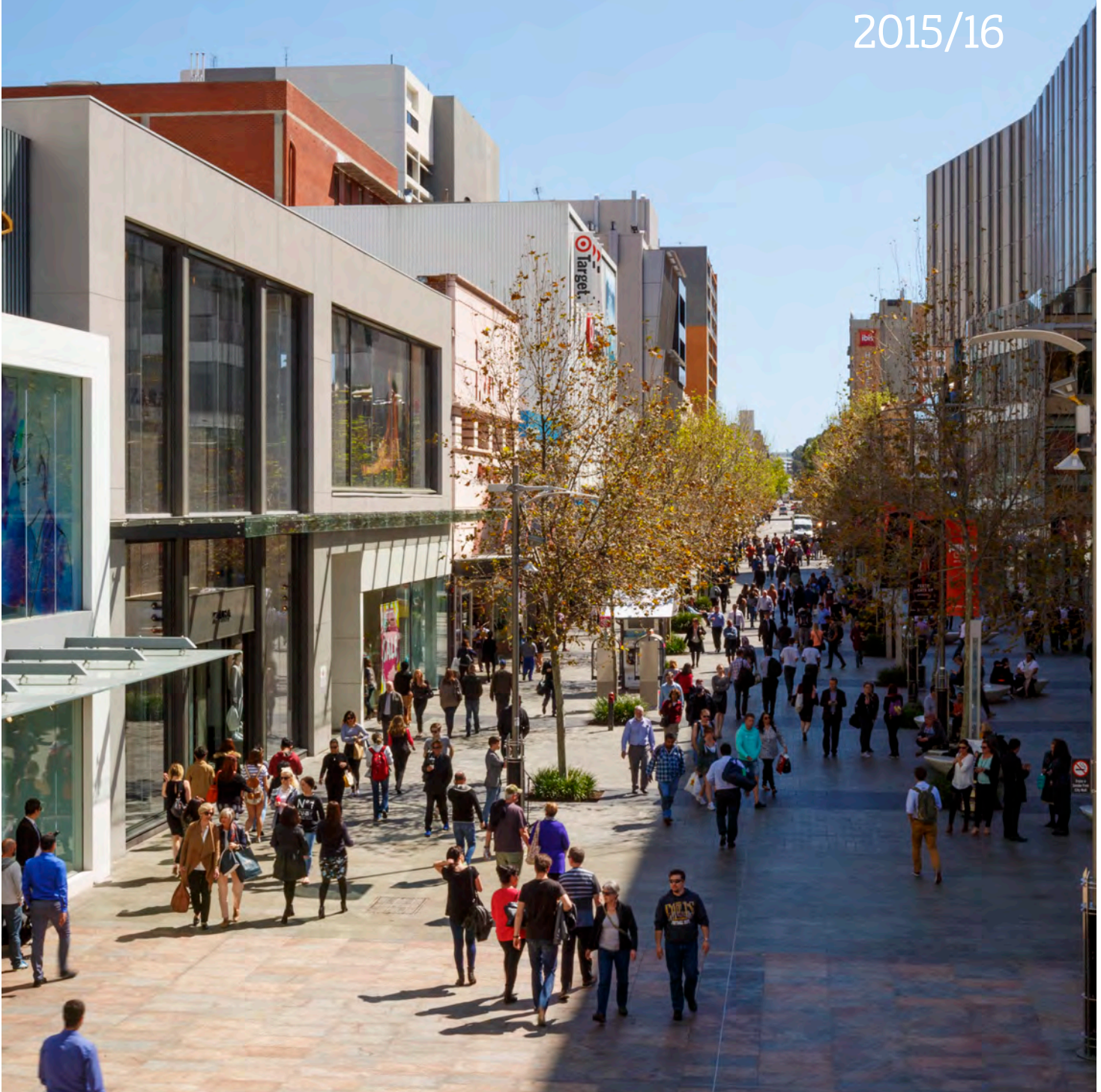




City of Perth

# Financial Statements

2015/16







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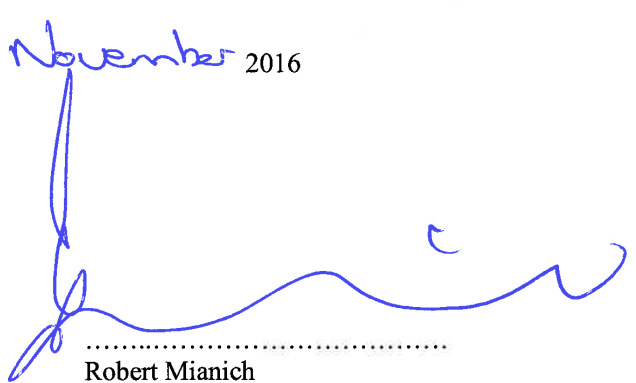
# STATEMENT BY RESPONSIBLE EMPLOYEE

## CITY OF PERTH

### STATEMENT BY RESPONSIBLE EMPLOYEE

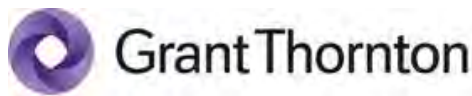
The attached financial report of the City of Perth being the annual financial report and supporting notes and other information for the financial year ended 30 June 2016 are, in my opinion, properly drawn up to present fairly the financial position of the City of Perth at 30 June 2016 and the results of the operation for the financial year then ended in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 9th day of November 2016



.....  
Robert Mianich  
Acting Chief Executive Officer

# INDEPENDENT AUDITOR'S REPORT



## INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE CITY OF PERTH

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### Report on the Financial Report

We have audited the accompanying financial report of the City of Perth (the "City"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income by nature or type, the statement of comprehensive income by program, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by responsible employee.

### Council responsibility for the financial report

The Council of the City of Perth is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's responsibility

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

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

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# FINANCIAL STATEMENTS



We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Perth's financial position and of their performance.

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

## **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

## **Auditor's opinion on the financial report**

In our opinion, the financial report of the City of Perth:

- (i) presents fairly of the City of Perth's financial position as at 30 June 2016 and of its performance and cash flows for the financial year ended 30 June 2016;
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

## **Statutory Compliance**

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they apply to financial statements.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants

A handwritten signature in black ink that appears to read "P. Warr".

P W Warr  
Partner – Audit & Assurance

Perth, 9 November 2016

**CITY OF PERTH**

**Statement of Comprehensive Income**  
for the year ended 30 June 2016

	<b>Note</b>	<b>Budget 2015/16 \$</b>	<b>Year Ended 30/06/2016 \$</b>	<b>Year Ended 30/06/2015 \$</b>
<b>OPERATING REVENUE</b>				
Governance		-	405	1,061
General Purpose Funding		89,303,313	88,799,780	82,822,282
Law, Order, Public Safety		46,225	28,850	63,320
Health		864,920	916,475	961,193
Education and Welfare		2,153,539	2,057,629	1,964,627
Housing		656,190	1,257,328	1,540,870
Community Amenities		10,294,628	10,158,745	9,239,686
Recreation and Culture		1,859,860	1,724,517	2,296,400
Transport		90,764,129	84,463,827	84,999,330
Economic Services		1,093,247	1,032,072	1,316,362
Other Property and Services		717,071	828,541	1,277,688
		<u>197,753,122</u>	<u>191,268,169</u>	<u>186,482,819</u>
<b>OPERATING EXPENDITURE</b>				
Governance		(11,262,129)	(11,587,805)	(9,647,600)
General Purpose Funding		(3,089,672)	(3,884,158)	(2,558,175)
Law, Order, Public Safety		(3,868,851)	(3,794,754)	(3,981,196)
Health		(1,884,897)	(2,684,543)	(1,866,350)
Education and Welfare		(3,870,122)	(3,594,175)	(3,623,704)
Housing		(563,144)	(634,180)	(723,440)
Community Amenities		(28,558,870)	(27,945,962)	(27,285,377)
Recreation and Culture		(32,248,093)	(30,622,629)	(30,343,130)
Transport		(85,571,553)	(80,542,289)	(75,125,556)
Economic Services		(9,744,103)	(9,285,326)	(9,920,934)
Other Property and Services		(7,266,137)	(6,772,412)	(2,450,275)
		<u>(187,927,571)</u>	<u>(181,348,233)</u>	<u>(167,525,737)</u>
<b>Operating Results from Continuing Operations</b>		<u>9,825,551</u>	<u>9,919,936</u>	<u>18,957,082</u>
<b>GRANTS/CONTRIBUTIONS</b>				
<b>For the Development of Assets</b>				
General Purpose Funding		80,200	75,600	80,200
Law, Order, Public Safety		-	-	(56,624)
Community Amenities		-	-	15,000
Recreation and Culture		3,207,250	2,726,087	24,333
Transport		3,555,000	2,641,405	1,701,223
		<u>6,842,450</u>	<u>5,443,092</u>	<u>1,764,132</u>
<b>Disposal/Write Off/Contribution of Assets</b>				
Gain/(Loss) on Disposal of Assets	<b>10</b>	(1,558,253)	(1,569,290)	(2,584,351)
<i>Change in net assets resulting from operations before Significant Items</i>				
		<u>15,109,748</u>	<u>13,793,738</u>	<u>18,136,863</u>
				(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### Statement of Comprehensive Income for the year ended 30 June 2016 (...continued)

	Note	Budget 2015/16 \$	Year Ended 30/06/2016 \$	Year Ended 30/06/2015 \$
<b>Significant Items</b>				
Changes on Revaluation of Plant and Equipment	15	-	(1,265,679)	-
Revaluation of Investment Properties	16(a)	-	(2,100,600)	1,820,350
Initial Recognition of Assets - Infrastructure		-	-	21,824
Initial Recognition of Assets – Artworks	26(c)	-	-	5,365,341
Disposal of Development Land at Tamala Park	26(d)	-	1,137,566	2,585,991
Impairment of Investments	26(b)	-	85,190	150,004
Distribution from TPRC		1,833,333	-	-
Profit on Disposal of Investments		-	(3,655)	-
Contribution to Elizabeth Quay	26(e)	-	-	(2,361,679)
		1,833,333	(2,147,178)	7,581,831
<b>Net Result</b>				
		16,943,081	11,646,560	25,718,694
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Infrastructure	15	-	-	184,311,650
Changes on Revaluation of Artworks	15	-	-	4,609,946
<b>Total Other Comprehensive Income</b>		-	-	188,921,596
<b>Total Comprehensive Income</b>		16,943,081	11,646,560	214,640,290

The Statement of Comprehensive Income should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82

**CITY OF PERTH**  
**Statement of Comprehensive Income (Classification by Nature)**  
for the year ended 30 June 2016

		<b>Budget 2015/16</b>	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenues From Ordinary Activities</b>				
Rates	<b>3(b)</b>	82,692,367	83,185,009	75,465,369
Grants and Contributions for Non-Capital Purposes		1,508,499	1,591,766	3,412,959
Donations and Reimbursements		452,347	633,923	440,154
Fees and Charges	<b>7(c)</b>	105,979,914	99,492,236	99,533,164
Investment Income	<b>7(d)</b>	5,157,319	4,721,559	5,561,702
Other Revenues		1,962,676	1,643,675	2,069,471
Gain from Disposal of Assets	<b>10</b>	208,549	74,738	212,114
<b>Total Revenue from Ordinary Activities</b>		<b>197,961,671</b>	<b>191,342,906</b>	<b>186,694,933</b>
<b>Expenses From Ordinary Activities</b>				
Employee Costs		(69,135,566)	(67,777,965)	(64,524,948)
Materials, Contracts and Suppliers		(52,838,709)	(46,858,159)	(44,745,399)
Utilities		(3,069,080)	(3,257,122)	(3,105,828)
Depreciation and Amortisation	<b>7(b)</b>	(34,211,101)	(31,545,687)	(29,115,795)
Interest		(1,836,750)	(1,684,433)	(1,531,216)
Insurance		(1,166,259)	(1,181,682)	(1,224,032)
Expense Provision		(962,345)	(1,224,237)	(1,100,815)
Other Expenses from Ordinary Activities	<b>8(a)</b>	(24,707,761)	(27,818,947)	(22,177,704)
Loss on Disposal/Write off of Assets	<b>10</b>	(1,766,802)	(1,644,028)	(2,796,465)
<b>Total Expenses from Ordinary Activities</b>		<b>(189,694,373)</b>	<b>(182,992,260)</b>	<b>(170,322,202)</b>
<b>Operating Results from Continuing Operations</b>		<b>8,267,298</b>	<b>8,350,646</b>	<b>16,372,731</b>
Grants and Contributions - Capital		6,842,450	5,443,092	1,764,132
Revaluation of Investment Properties	<b>16(a)</b>	-	(2,100,600)	1,820,350
Changes on Revaluation of Plant and Equipment	<b>15</b>	-	(1,265,679)	-
Initial Recognition of Assets – Infrastructure		-	-	21,824
Initial Recognition of Assets - Artworks	<b>26(c)</b>	-	-	5,365,341
Disposal of Development Land at Tamala Park	<b>26(d)</b>	-	1,137,566	2,585,991
Impairment of Investments	<b>26(b)</b>	-	85,190	150,004
Distribution from TPRC		1,833,333	-	-
Profit on Disposal of Investments		-	(3,655)	-
Contribution to Elizabeth Quay	<b>26(e)</b>	-	-	(2,361,679)
		<b>1,833,333</b>	<b>(2,147,178)</b>	<b>196,503,427</b>
<b>Net Result</b>		<b>16,943,081</b>	<b>11,646,560</b>	<b>25,718,694</b>
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Infrastructure	<b>15</b>	-	-	184,311,650
Changes on Revaluation of Artworks	<b>15</b>	-	-	4,609,946
<b>Total Other Comprehensive income</b>		<b>-</b>	<b>-</b>	<b>188,921,596</b>
<b>Total Comprehensive Income</b>		<b>16,943,081</b>	<b>11,646,560</b>	<b>214,640,290</b>



# FINANCIAL STATEMENTS

## CITY OF PERTH

*The Statement of Comprehensive Income by Nature should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82*

### Statement of Financial Position as at 30 June 2016

	Note	30/06/2016	30/06/2015
		\$	\$
<b>Current Assets</b>			
Cash and Cash Equivalents	19	10,063,697	21,164,777
Investments	12,19	100,249,402	91,045,389
Trade and Other Receivables	11	11,460,259	9,758,589
Inventories	13	1,016,223	1,394,201
Total Current Assets		122,789,581	123,362,956
<b>Non-Current Assets</b>			
Investments	12	7,162,072	7,110,313
Trade and Other Receivables	11	32,434	39,567
Property, Plant and Equipment	15	1,193,313,849	1,190,393,051
Investment Property	16(a)	18,590,999	19,366,599
Total Non-Current Assets		1,219,099,354	1,216,909,530
<b>Total Assets</b>		1,341,888,935	1,340,272,486
<b>Current Liabilities</b>			
Trade and Other Payables	14(a)	16,363,985	19,859,029
Financial Liabilities	17,22	6,772,073	6,441,709
Employee Benefits	14(b)	11,051,588	11,405,126
Total Current Liabilities		34,187,646	37,705,864
<b>Non-Current Liabilities</b>			
Financial Liabilities	17,22	29,554,929	36,327,002
Employee Benefits	14(b)	1,762,097	1,891,737
Provisions	14(c)	4,259,487	3,869,667
Total Non-Current Liabilities		35,576,513	42,088,406
<b>Total Liabilities</b>		69,764,159	79,794,270
<b>Net Assets</b>		1,272,124,776	1,260,478,216
<b>Equity</b>			
Accumulated Surplus		623,860,831	612,108,629
Asset Revaluation Reserve	18	560,035,698	560,795,095
Other Reserves	18	88,228,247	87,574,492
<b>Total Equity</b>		1,272,124,776	1,260,478,216

*The Statement of Financial Position should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82*

## CITY OF PERTH

### Statement of Changes in Equity for the year ended 30 June 2016

	Note	Accumulated Surplus \$	Asset Revaluation Reserve \$	Cash Backed Reserves \$	Total Equity \$
<b>Balance at 1 July 2014</b>		587,289,902	372,942,447	85,605,577	1,045,837,926
Net Results		25,718,694	-	-	25,718,694
Other Comprehensive Income		188,921,596	-	-	188,921,596
Transfers to Cash Backed Reserves		(25,386,259)	-	25,386,259	-
Transfers to Asset Revaluation Reserves		(189,027,761)	189,027,761	-	-
Transfers from Asset Revaluation Reserves		1,175,113	(1,175,113)	-	-
Transfers from Cash Backed Reserves		23,417,344	-	(23,417,344)	-
<b>Balance at 30 June 2015</b>	18	<b>612,108,629</b>	<b>560,795,095</b>	<b>87,574,492</b>	<b>1,260,478,216</b>
<b>Balance at 1 July 2015</b>		612,108,629	560,795,095	87,574,492	1,260,478,216
Net Results		11,646,560	-	-	11,646,560
Other Comprehensive Income		-	-	-	-
Transfers to Cash Backed Reserves		(24,631,265)	-	24,631,265	-
Transfers to Asset Revaluation Reserves		(3,047,888)	3,047,888	-	-
Transfers from Asset Revaluation Reserves		3,807,285	(3,807,285)	-	-
Transfers from Cash Backed Reserves		23,977,510	-	(23,977,510)	-
<b>Balance at 30 June 2016</b>	18	<b>623,860,831</b>	<b>560,035,698</b>	<b>88,228,247</b>	<b>1,272,124,776</b>

# FINANCIAL STATEMENTS

## CITY OF PERTH

The Statement of Changes in Equity should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82

### Statement of Cash Flows for the year ended 30 June 2016

	Note	30/06/2016 \$	30/06/2015 \$
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Rates		83,127,320	75,422,543
Fees and Charges		97,523,691	101,230,844
Interest and Investment Income		4,785,187	6,311,427
Other		2,256,773	3,211,683
<b>Total Receipts</b>		<b>187,692,971</b>	<b>186,176,497</b>
<b>Payments</b>			
Employee Costs		(68,261,143)	(64,246,988)
Materials, Contracts and Suppliers		(49,122,720)	(44,282,898)
Interest and Financing Costs		(1,725,600)	(1,575,008)
Other		(33,092,168)	(27,218,559)
<b>Total Payments</b>		<b>(152,201,631)</b>	<b>(137,323,453)</b>
<b>Net Cash Inflow from Operating Activities</b>	20	<b>35,491,340</b>	<b>48,853,044</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Proceeds from Disposal of Assets		1,054,963	1,568,519
Contributions from Other Parties		49,890	15,000
Proceeds from Disposal of Investments (Non-Current)		1,364,454	5,769,636
<b>Total Receipts</b>		<b>2,469,307</b>	<b>7,353,155</b>
<b>Payments</b>			
Purchase of Land and Buildings		(8,914,811)	(1,620,519)
Purchase of Infrastructure Assets		(11,853,722)	(7,248,204)
Purchase of Plant and Mobile Equipment		(3,291,055)	(5,762,981)
Purchase of Office Furniture and Equipment		(2,402,905)	(636,637)
Work in Progress		(13,743,191)	(34,213,698)
Purchase of Investments (Non-Current)		(22,337)	(21,063)
<b>Total Payments</b>		<b>(40,228,021)</b>	<b>(49,503,102)</b>
<b>Net Cash Outflow from Investing Activities</b>		<b>(37,758,714)</b>	<b>(42,149,947)</b>
<b>Cash Flows from Financing Activities</b>			
<b>Payments</b>			
Repayment of Borrowings		(6,441,709)	(6,128,375)
<b>Total Payments</b>		<b>(6,441,709)</b>	<b>(6,128,375)</b>
<b>Net Cash Outflow from Financing Activities</b>		<b>(6,441,709)</b>	<b>(6,128,375)</b>

(continued...)

## CITY OF PERTH

### *Statement of Cash Flows for the year ended 30 June 2016 (...continued)*

	<b>30/06/2016</b>	<b>30/06/2015</b>
<b>Cash Flows from Government</b>		
<b>Receipts from Appropriations/Grants/Contributions</b>	<b>\$</b>	<b>\$</b>
Recurrent	1,418,814	2,290,034
Capital	5,393,202	1,749,132
<b>Total Receipts</b>	<b>6,812,016</b>	<b>4,039,166</b>
<b>Net Cash Outflow from Appropriations/Grants/Contributions</b>	<b>6,812,016</b>	<b>4,039,166</b>
<b>Net Increase/(Decrease) in Cash Held</b>	<b>(1,897,067)</b>	<b>4,613,888</b>
<b>Cash at 1 July 2015</b>	<b>112,210,166</b>	<b>107,596,278</b>
<b>Cash at 30 June 2016</b>	<b>19 110,313,099</b>	<b>112,210,166</b>

*The Statement of Cash Flows should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82*



# FINANCIAL STATEMENTS

## CITY OF PERTH

### Rate Setting Statement for the year ended 30 June 2016

	Budget 2015/16	Actual 2015/16	Actual 2014/15
	\$	\$	\$
<b>Proceeds from Operating Activities</b>			
<b>Operating Revenue</b>			
<i>Nature of Income</i>			
Parking Fees	78,153,380	73,218,814	73,302,963
Fines and Costs	10,443,348	8,928,308	9,253,979
Investment Income and Interest	5,157,319	4,721,559	5,561,702
Community Service Fees	1,677,044	1,498,061	1,416,853
Rubbish Collection Fees	7,158,186	7,457,048	6,079,979
Rental and Hire Charges	5,100,956	5,127,908	5,468,734
Recurrent Grants and Contributions	1,508,499	1,591,766	3,412,959
Donations and Reimbursements	452,347	633,923	440,141
Other Income	5,409,678	4,905,772	6,080,140
Gain from Disposal of Assets	208,549	74,738	212,114
	<b>115,269,306</b>	<b>108,157,897</b>	<b>111,229,564</b>
<b>Less: Operating Expenditure</b>			
<i>Nature of Expenditure</i>			
Employee Costs	(69,135,566)	(67,777,965)	(64,524,948)
Materials and Contracts	(52,838,709)	(46,858,159)	(44,745,399)
Utilities	(3,069,080)	(3,257,122)	(3,105,828)
Depreciation and Amortisation	(34,211,101)	(31,545,687)	(29,115,795)
Interest Expenses	(1,836,750)	(1,684,433)	(1,531,216)
Insurance Expenditure	(1,166,259)	(1,181,682)	(1,224,032)
Expense Provisions	(962,345)	(1,224,237)	(1,100,815)
Other Expenditure	(24,707,761)	(27,818,947)	(22,177,704)
Loss on Disposal / Write-Off of Assets	(1,766,802)	(1,644,028)	(2,796,465)
	<b>(189,694,373)</b>	<b>(182,992,260)</b>	<b>(170,322,202)</b>
<b>Non-Cash Adjustments</b>			
Depreciation of Non-Current Assets	34,211,101	31,545,687	29,115,795
Loss on Disposal of Assets	1,558,253	1,569,290	2,584,351
Movement in Accounts Receivables and Accrued Income	-	(1,686,144)	3,046,055
Movement in Employee Entitlements	-	(483,178)	277,960
Movement in Accounts Payables and Accruals	-	(3,238,911)	(1,312,969)
Movement in PCEC Provision	-	389,820	389,820
Impairment of Investments	-	85,190	150,004
Non-Capitalised WIP Written-Off	-	4,620,525	-
	<b>35,769,354</b>	<b>32,802,279</b>	<b>34,251,016</b>
<b>Net Surplus / (Deficit) from Operations</b>	<b>(38,655,713)</b>	<b>(42,032,084)</b>	<b>(24,841,622)</b>
<b>Investing Activities</b>			
Capital Expenditure	(59,612,596)	(40,205,684)	(49,482,039)
Repayment of Borrowings	(6,411,707)	(6,441,709)	(6,128,375)
Purchase of Investment (Non-Current)	-	(22,337)	(21,063)
Transfers to Reserves	(28,095,017)	(24,631,265)	(25,386,259)
	<b>(94,119,320)</b>	<b>(71,300,995)</b>	<b>(81,017,736)</b>

(continued...)

## CITY OF PERTH

### *Rate Setting Statement for the year ended 30 June 2016 (...continued)*

	Budget 2015/16	Actual 2015/16	Actual 2014/15
	\$	\$	\$
<b>Financing Activities</b>			
Transfer from Reserves	31,752,812	23,977,510	23,417,340
Carry Forwards	13,979,765	-	-
Contributions from Other Parties	-	49,890	15,000
Proceeds from Disposal of Assets	1,523,000	1,054,963	1,568,519
Distribution from Tamala Park Regional Council	1,833,333	1,249,999	2,617,464
Proceeds on Sale of Investments (Non-current)	-	1,364,454	3,152,172
Capital Grants and Contributions	6,842,450	5,393,202	1,749,131
	<b>55,931,360</b>	<b>33,090,018</b>	<b>32,519,626</b>
<b>Net Surplus / (Deficit) before Rates</b>	<b>(76,843,673)</b>	<b>(80,243,061)</b>	<b>(73,339,731)</b>
Add: Opening Funds	1,093,643	18,198,783	16,073,145
Net Surplus / (Deficit) before Rates	(75,750,030)	(62,044,278)	(57,266,586)
Amount Sourced from Rates	82,692,368	83,185,009	75,465,369
<b>Balance of Closing Funds</b>	<b>6,942,338</b>	<b>* 21,140,731</b>	<b>18,198,783</b>

\*The balance of closing funds figure of \$21,140,731 at 30 June 2016 includes amounts set aside of \$17,138,048 as adjusted carried forward capital commitments for the 2016/17 budget year.

The calculation of the closing funds at 30 June 2016 differs from the estimated figure in the Rate Setting Statement adopted in the Annual Budget 2016/17. In accordance with Regulation 33A, reports detailing additional capital commitments carried forward are to be approved by Council.

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

This Financial Report is a general purpose financial report that consists of a statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, rate setting statement and notes accompanying these financial statements.

The general purpose Financial Report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations, the Local Government Act 1995, and the Local Government (Financial Management) Regulations 1996.

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the presentation of these financial statements are:

(a) *The Local Government Reporting Entity*

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

In the process of reporting on the City as a single unit, all transactions and balances between those funds have been eliminated.

*Trust and other Deposits*

Funds held in the trust account are on behalf of outside parties. The Council performs only a custodial role in respect of these monies, because they cannot be used for Council purposes, and therefore they are not brought to account in the financial statements, but are disclosed in Note 27.

Amounts received as tender deposits and retention amounts controlled by the Council are included in the amount disclosed as “other creditors” within current liabilities until they are refunded or forfeited.

(b) *Basis of Preparation*

The Financial Report has been prepared on the going concern basis and historical costs, except where otherwise stated, and accrual accounting principles. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes to comparatives.

Under Australian Accounting Standards there are requirements that apply specifically to Government and not-for-profit entities. The City has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the City has elected to apply options and exemptions within the Australian Accounting Standards that are applicable to not-for-profit entities.

*(continued...)*

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)**

- (c) Depreciation and Amortisation  
All fixed assets and leasehold interest with the exception of Freehold Land, Air Rights, Investment Properties, Artwork, Agricultural and Work in Progress are systematically depreciated and amortised over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets. Depreciation is based on a straight line basis taking cognisance of the residual value of the asset, whilst amortisation rates are set to amortise the cost of the leasehold interest over the life of the lease. Depreciation rates and residual values are reviewed each year.

Major Depreciation and Amortisation periods used are listed below and are consistent with the prior year unless otherwise stated:

Asset Categories	Life Expectancy Years	Residual Values
<u>Land</u>		
Leasehold Interest	99 years	Nil
<u>Buildings</u>		
Buildings (including leasehold interest)	10 to 100 years	Nil
Stationary Plant in Buildings	15 years	Nil
<u>Improvements</u>		
Leasehold Improvements	Term of Lease	Nil
Ground Level Improvements	5 to 50 years	Nil
<u>Infrastructure Assets</u>		
Roads - Pavement	40 to 80 years	Nil
- Seal	25 years	Nil
Footpaths - Footpaths	20 to 50 years	Nil
- Kerbs	20 to 80 years	Nil
Street Lighting	10 to 30 years	Nil
Drainage	80 years	Nil
Reticulation	5 to 30 years	Nil
Overpasses and Underpasses	45 to 80 years	Nil

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued) (c) Depreciation and Amortisation (...continued)

Asset Categories	Life Expectancy Years	Residual Values
<u><i>Plant and Mobile Equipment</i></u>		
Major Plant and Equipment	3 to 10 years	10 to 40%
Sedans and Utilities	2 to 3 years	50 to 65%
Pumps and Bores	15 years	Nil
Minor Plant and Equipment	2 to 7 years	5% to Nil
Specialised Parking Equipment	7 to 15 years	Nil
<u><i>Office Furniture/Equipment</i></u>		
Furniture and Equipment	10 to 15 years	Nil
Computer Equipment and Software	3 to 5 years	Nil

Assets are depreciated from the date of acquisition, or in respect of assets being constructed from the time an asset is completed and held ready for use.

Following a review of the residual values of plant and mobile equipment, changes in the residual values for sedans and utilities from a range of 50% to 70% to a range of 50% to 65% took place during the reporting period.

#### (d) Valuation of Assets and Asset Management

Council's assets are revalued to fair value in accordance with directions given by the Department of Local Government. Fair value estimations are determined in accordance with the policy stated in paragraph (q) of Note 1 – Statement of Significant Accounting Policies.

At balance date, the following classes of property, plant and equipment were stated at their fair value:

- Land (external valuation)
- Buildings (external valuation)
- Improvements (external valuation)
- Infrastructure (internal valuation)
- Plant and Mobile Equipment (internal valuation)
- Office Furniture and Equipment including Art, Memorabilia and History Collections (internal and external valuations)

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)**

**(d) Valuation of Assets and Asset Management (...continued)**

Full revaluations are undertaken for all assets shown at fair value on a minimum 3 year cycle.

Additionally a program introducing Asset Management disciplines to the City has been implemented. This included the initial recognition of additional and the completion of the revaluation of all Property, Plant and Equipment assets of the City to fair value as advised by the Department of Local Government.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in the Statement of Comprehensive Income. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Statement of Comprehensive Income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the City and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**(e) Employee Entitlements**

**(i) Wages and Salaries**

A liability for wages and salaries is recognised and is stated as the amount unpaid at balance date calculated at current rates of pay.

**(ii) Annual Leave**

Employee entitlements to annual leave are recognised as leave not taken at balance date calculated at current rates of pay plus related on-costs in accordance with Australian Accounting Standard AASB119 – Employee Benefits.

The expected amount to be paid to employees within the next twelve months (set at 6 weeks) is recognised as a current liability in the Statement of Financial Position. Amounts exceeding 6 weeks accrual is recognised and measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

*(continued...)*

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

##### (iii) Long Service Leave

Employee entitlements for long service leave are accrued on a pro-rata basis from the date of commencement in accordance with Australian Accounting Standard AASB119 – Employee Benefits. Such liability is recognised and measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Estimated future outflows are discounted using average Commonwealth Government Bond rates that match as closely as possible estimated future cash outflows. The expected amount to be paid to employees within the next twelve months is recognised as a current liability in the Statement of Financial Position.

##### (iv) Self-funded Leave

Employee benefits to self-funded leave are recognised as leave not taken at balance date calculated at current rates of pay.

##### (v) Superannuation

The superannuation expense for the period is the amount of contribution the City of Perth made to the superannuation funds which provide benefits to its employees. Details of these arrangements are set out in Note 21.

##### (f) Receivables and Payables

Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Receivables are generally settled within 30 days.

Trade creditors and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity. The amounts are unsecured and are usually settled on 30 day terms.

##### (g) Provision of Doubtful Debts

The collectability of debts is assessed at financial position date and specific provision is made for any doubtful accounts. All known bad debts are written off in the year in which they are recognised as such.

No provision is made for rate debtors where the debts are collectable against the property.

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

*STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)*

*(h) Investments*

All current investments are recorded at cost except for balanced funds which are marked to market and therefore valued at market value on 30 June 2016, to more appropriately relate the value of securities to current conditions. Realised and unrealised gains and losses arising from changes in the market value of these assets are included in the Statement of Comprehensive Income as they arise.

Structured investments, comprising of mortgage backed securities are valued at cost. Impairment charges or reduction in impairment charges against cost are taken reducing or increasing their cost base where appropriate and necessary. It is the organisation's intention to hold structured investments to maturity.

Other non-current investments are valued at cost.

*(i) Leases*

Operating leases are included in operating expenditures in accordance with lease arrangements.

The City has no obligations under finance leases at financial position date.

*(j) Revenue Recognition*

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the City and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured and the timing of commencement of control depends upon the arrangement that exists between the grantor and the City.

*(ii) Rendering of Services*

Where a contract has been completed, all related revenue is recognised when the City controls a right to be compensated for the services provided. Where a contract has not been completed revenue is recognised only to the extent of cost incurred. Contracts generally arise as a result of requests for work to be carried out at a property-owner's expense or from compulsory works carried out by the City pursuant to legislation.

*(iii) Sale of Assets*

Revenue is recognised when control of the assets has passed to the buyer.

*(continued...)*



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(iv) *Fines*

Revenue is recognised when the City controls a right to receive consideration for the enforcement of legislation and Council local laws.

(v) *Rents, Interest and Distributions*

Revenue is recognised when the City has attained control of a right to receive consideration for the provision of, or investment in, assets.

(k) *Inventories and Work in Progress*

Inventories and work in progress are valued at the lower of cost and net realisable value.

(l) *Rounding*

Amounts shown in the Financial Statements have been rounded to the nearest dollar. This may result in minor variations between schedules.

(m) *Acquisition of Assets*

The cost method of accounting is used for the initial acquisition of assets. Cost is determined as the fair value of assets given as consideration plus costs incidental to the acquisition, including architects fees, engineering design fees, and all other costs incurred. Assets acquired at no cost, or for nominal consideration are initially recognised at their fair values as at the date of acquisition.

(n) *Non-Current Assets Constructed by the City*

The cost of non-current assets constructed by the City includes the cost of materials, direct labour, and an appropriate proportion of fixed and variable overheads. Unallocated additions to non-current assets are brought to account as works in progress and are not depreciated until completed or installed for use.

(o) *Vested Land and Crown Land held in Trust*

Land Vested in the City is recognised at a nominal value of one dollar for record purposes only. Crown Land held in Trust is recognised at fair value.

(p) *Land Under Roads*

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

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

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)**

**(q) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of non-current assets is determined as follows:

- Land and Buildings are determined by a professionally qualified external valuer.
  - from market-based evidence by appraisal, or;
  - where there is no market-based evidence because of the specialised nature of the land or building and it is rarely sold, an estimate using a depreciated replacement cost approach.
- Improvements are determined by a professionally qualified external valuer using depreciated current replacement cost approach.
- Infrastructure is determined internally using depreciated replacement cost approach after appraisal of their condition.
- Mobile plant and equipment are determined internally from market-based evidence after appraisal of their condition.
- Plant and equipment are determined as approximated by depreciated historical cost.
- Artwork is both determined by professionally qualified external valuers from market based evidence by appraisal and current replacement cost, and internally by current replacement cost.
- Office furniture and equipment are determined as approximated by depreciated historical cost.

**(r) Materiality**

Assets (with the exception of land and art and memorabilia) with an economic life which is determined to be longer than one year are only capitalised where the cost of acquisition/construction exceeds the materiality threshold established by Council. Council's current capitalisation policy is to expense any purchases considered to be of a capital nature that are less than \$5,000 and in the case of IT software, less than \$50,000.

**(s) Taxation**

The City is exempt from payment of income tax, capital gains tax and payroll tax. Payments for fringe benefits tax and goods and services tax are made in accordance with the relevant legislation.

*(continued...)*

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(t) *Goods and Services Tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense to which it relates. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

(u) *Financial Instruments*

The City of Perth invests in a variety of interest bearing securities. The City does not directly enter into any derivative contracts to offset risk to the interest or foreign exchange rates. Additionally, to the best of its knowledge, there are no embedded derivatives in the funds or securities that the City holds that may impact materially on investment earnings. Except for structured investments, investments are marked to market. Exposure to interest and credit risk as at reporting date is as detailed in Note 29.

*Recognition*

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

*Financial Assets at Fair Value through Statement of Comprehensive Income*

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in any active market and are stated at amortised cost using the effective interest rate method.

*Available-for-Sale Financial Assets*

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value of these assets are recorded in the Statement of Comprehensive Income.

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)**

*Financial Liabilities*

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(v) *Impairment of Assets*

The recoverable amount of an asset is determined at the higher of net selling price and value in use.

Certain of the City's operations are conducted with a partially commercial orientation and it is necessary to test for impairment of assets on a discounted cash flow basis for each of these units. The impact of this standard (AASB139: Financial Instruments: Recognition and Measurement) may lead to some volatility in operating earnings. There was no material impact for the reporting period.

(w) *Statement of Comprehensive Income*

An additional statement of comprehensive income in nature and type format has been prepared and included to ensure the City complies with both the Local Government Act 1995 and the Australian Accounting Standards.

(x) *Investment Property*

Investment property is held to generate long-term rental yields. All tenant leases are on an arms-length basis apart from two short term tenancies that are on peppercorn rentals as they are deemed to be of benefit to the community.

Investment property is carried at fair value, being market value assuming the highest and best use permitted by the relevant land use planning provisions or existing public use whichever is the greater.

The most recent revaluation of investment properties at 30 June 2016 was carried out by Landgate – Property and Valuation Services through Mr Stephen Fern, AAPI Certified Practicing Valuer, Specialist Valuer. Changes to fair value are recorded in the Statement of Comprehensive Income. Investment properties are not depreciated.

(y) *Accounting Standards not yet effective*

The following Australian Accounting Standards which have been issued or amended and which are applicable to the City but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

- *AASB 9 Financial Instruments*

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

*(continued...)*



## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

##### (y) *Accounting Standards not yet effective (...continued)*

The effective date is for annual reporting periods beginning on or after 1 January 2018.

The City is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the City's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

- *AASB 1057 Application of Australian Accounting Standards*  
In May 2015, the AASB decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.

- *AASB 14 Regulatory Deferral Accounts*  
AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of its regulatory deferral account balances. This exemption is not available to entities who already apply Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the City.

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

*1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)*  
*(y) Accounting Standards not yet effective (...continued)*

- *AASB 15 Revenue from Contracts with Customers*  
AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue related Interpretations. In summary, AASB 15:
  - establishes a new revenue recognition model;
  - changes the basis for deciding whether revenue is to be recognised over time at a point in time;
  - provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and
  - expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there is not expected to be any material impact on the transactions and balances recognised in the financial statements.

- *AASB 16 Leases*

*The new AASB 16:*

- replaces AASB 117 Leases and some lease related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117;
- requires new and different disclosures about leases.

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

##### (y) *Accounting Standards not yet effective (...continued)*

- *AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*

This amendment impacts on the use of AASB 11 when acquiring an interest in a joint operation.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to AASB 116 prohibit the use of a revenue based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

- *AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

*1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)*

*(y) Accounting Standards not yet effective (...continued)*

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*  
The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

- *AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*  
AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

The effective date is for annual reporting periods beginning on or after 1 January 2017.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

*(z) New and revised standards that are effective for these financial statements*

A number of new and revised standards are effective for the current reporting period however, there was no need to change accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards is presented below.

*AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*

These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB.

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### *1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)*

##### *(z) New and revised standards which are effective for these financial statements (...continued)*

Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.

#### *AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*

The amendments to AASB 11 Joint Arrangements state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should:

- apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not re-measured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

#### *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to AASB 116 prohibit the use of a revenue based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

*1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)*

*(z) New and revised standards which are effective for these financial statements (...continued)*

The amendments to AASB 138 present a rebuttable presumption that a revenue based amortisation method for intangible assets is inappropriate. The rebuttable presumption can be overcome (i.e., a revenue based amortisation method might be appropriate) only in two (2) limited circumstances:

- the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

*AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements. The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information;
- clarify that AASB 101's specified line items in the statement(s) of comprehensive income and the statement of financial position can be disaggregated;
- add requirements for how an entity should present subtotals in the statement(s) of comprehensive income and the statement of financial position;
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order;
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy.

*(continued...)*

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

##### (z) *New and revised standards which are effective for these financial statements (...continued)*

###### *AASB 1057 Application of Australian Accounting Standards*

In May 2015, the AASB decided to revise the Australian Accounting Standards that incorporate IFRSs to minimise Australian specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs removes the application paragraphs from each Australian Accounting Standard.

##### (z1) *Critical accounting judgements and key sources of estimation uncertainty*

In application of the City's accounting policies, the City is required to make judgements, estimates and assumptions about the carrying values of certain assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of revision and future periods if the revision affects both current and future periods.

##### (z2) *Functional Currency*

The presentation currency of the City of Perth is the Australian dollar.  
The functional currency is also the Australian dollar.

##### (z3) *Significant Estimates and Uncertainties*

The City of Perth at balance date utilised independent investment advisors CPG Research and Advisory Pty Ltd in assessing on a monthly basis the market value of interest bearing securities.

The advisors model valuations which are derived from a number of factors including information obtained from the arrangers of individual securities and ratings agencies, reviews of the components of the relevant securities and also movements in applicable credit spreads.

##### (z4) *Provisions*

Provisions are recognised when the City has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

*1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)*  
*(z4) Provisions (...continued)*

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 2. COMPONENT FUNCTIONS / ACTIVITIES

The Statement of Comprehensive Income is presented in a program format using the following classifications:

##### *GOVERNANCE*

Members of Council, civic receptions and functions, public relations, electoral and other issues relating to the task of assisting Councillors and the ratepayers which do not concern specific Council services.

##### *GENERAL PURPOSE FUNDING*

General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, Emergency Services Levy commission, back rates, general purpose grants, untied road grants, interest on deferred rates, investment returns, discounts received, interest on long term borrowings.

##### *LAW, ORDER, PUBLIC SAFETY*

Fire prevention, including the Emergency Services Levy, clearing for fire hazards, animal control, by-law control, public security, civil emergency services, park rangers, neighbourhood watch.

##### *HEALTH*

Maternal and infant health, preventive services including, immunisation, food control, health inspections, pest control, other health.

##### *EDUCATION AND WELFARE*

Child care centres, aged and disabled, senior citizen's centres, welfare administration, donations to welfare organisations, other welfare, education services.

##### *HOUSING*

Affordable Rental Housing.

##### *COMMUNITY AMENITIES*

Rubbish collections, recycling, refuse site operation, litter control, public litter bins, abandoned vehicles, pollution control, town planning control/studies, Citiplace administration, pedestrian malls, Forrest Place, street seats, memorials, bus shelters, rest centres, public conveniences.

##### *RECREATION AND CULTURE*

Public halls, civic centre, parks, sports grounds, community recreation programs, cycleways, library, community arts program, concert hall, donations to cultural institutions, parades and festivals, Christmas decorations, event and corporate sponsorship, Skyworks.

##### *TRANSPORT*

Roads, footpaths, rights of way, drainage, road verges, median strips, overpasses, underpasses, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities.

(continued....)

## **CITY OF PERTH**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

#### **2. COMPONENT FUNCTIONS / ACTIVITIES (...continued)**

##### ***ECONOMIC SERVICES***

Tourism and promotions, Perth Convention Bureau subsidies, building control, undergrounding of power, retail marketing, economic development support.

##### ***OTHER PROPERTY AND SERVICES***

Public works overheads, plant/vehicle operations, sundry and other outlays that cannot be assigned to one of the preceding programs.

#### **3. RATING INFORMATION**

##### **(a) Gross Rental Values**

Landgate Valuation Services provides the City with Gross Rental Values (GRV) for the purpose of rating. For the vast majority of properties values were supplied on 1 July 2014, effective for three years from that date.

##### **(b) Differential General Rates**

The City of Perth imposed differential general rates under Section 6.33 of the Local Government Act 1995 on all rateable land within the City according to the predominant purpose for which the land is held or used, as determined by the City. If the predominant land use forming the basis for the imposition of the differential rate changed during the 2015/16 financial year, the City was not required to amend the assessment of rates payable on that land on account of that change, but has chosen to do so.

The rates were set at differential levels that provided as was practically possible a fair and equitable distribution of the rate burden to each category of land having regards to its demands on the City's services.

The City has previously rationalised its rates differential categories with Hotel, Retail and Commercial ratepayer classes consolidated as the Commercial category. This followed a review of costs attributable to each class and took into account the triennial revaluation of gross rental values pertaining to each category conducted by Landgate Valuation Services in 2011.

None of the differential general rates was more than twice the lowest differential general rate, as proposed in the 2015/16 Annual Budget.

(continued ....)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 3. RATING INFORMATION (...continued) (b) Differential General Rates (...continued)

Differential General Rates details are as follows:

<b>Total General Rates Revenue</b>	<b>Budget 2015/16</b>	<b>Actual 30 June 2016</b>	<b>Actual 30 June 2015</b>
	\$	\$	\$
Commercial	20,336,675	20,664,159	20,668,232
Office	43,172,115	43,015,700	39,968,881
Residential	13,919,310	13,894,847	12,478,304
Vacant Land	1,261,120	1,234,450	1,215,340
<b>Total</b>	<b>78,689,220</b>	<b>78,809,156</b>	<b>74,330,757</b>

<b>General Rates Information</b>	<b>No. of Properties</b>	<b>Rate in the dollar</b>	<b>Gross Rental Values</b>
			\$
Commercial	1,893	5.0032	415,340,387
Office	2,168	2.9079	1,482,070,886
Residential	10,783	4.4107	316,440,790
Vacant Land	79	5.8157	21,202,800
<b>Total</b>	<b>14,923</b>		<b>2,235,054,863</b>

<b>Total General Rates Revenue from</b>	<b>Budget 2015/16</b>	<b>Actual 30 June 2016</b>	<b>Actual 30 June 2015</b>
	\$	\$	\$
General Rates	79,711,512	79,867,068	75,209,747
Interim Rates	3,130,855	3,387,797	652,940
Back rates	(150,000)	(69,855)	(397,319)
<b>Total</b>	<b>82,692,367</b>	<b>83,185,010</b>	<b>75,465,368</b>

The basis, objects and reasons for the imposition of each differential general rate are as follows:-

#### *Commercial (Includes Hotel and Retail categories)*

This classification includes a variety of land uses including transportation services, communication services, wholesalers, warehouses, laboratories, auto sales and services, entertainment services including restaurants and nightclubs, sporting facilities, banking/ATM's, laundromats, bakeries, medical laboratories, commercial educational facilities, hotels, serviced apartments, boarding, lodging accommodation, retail sales and services. The general rate for this sector of 5.0032 cents in the dollar of GRV was considered reasonable, given the general nature of this classification compared to other specifically identified sectors.

(continued ....)

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 3. RATING INFORMATION (...continued) (b) *Differential General Rates (...continued)*

##### *Office*

The majority of properties within the City are used for office accommodation. The GRV of the office sector represents the largest percentage of the total rateable values.

The rate of 2.9079 cents in the dollar of GRV is seen as a fair rate of contribution by the office sector towards a reasonable level and standard of infrastructure provided by the City for the benefit of that sector.

##### *Residential*

The Residential classification covers properties that are used for single and multi-dwellings.

The residential rate of 4.4107 cents in the dollar of GRV was set at a low level to support the City of Perth's aim of encouraging living in the City. The City of Perth recognises that the benefits of increased residential population will flow to all other sectors within the district and believe a comparatively lower residential rate serves as an incentive to attract people to live in the City.

##### *Vacant Lands*

The rate of 5.8157 cents per dollar of GRV applies to all unimproved land within the district. The higher rate is imposed to discourage holdings of undeveloped land within the City, which reduce the amenity of the area. The higher rate encourages early development. There has been a decrease in the number of vacant properties, being 81 in 2015/16 as compared to 83 in 2014/15.

#### (c) Minimum Rate

The City imposed one general minimum rate of \$685. Recognising that the majority of properties on the minimum rate are residential properties, the minimum rate was maintained at a relatively low level to support the City's strategy of encouraging living in the City.

Minimum rate details are as follows:

<b>Minimum Rate Revenue</b>	<b>Budget 2015/16 \$</b>	<b>Actual 30 June 2016 \$</b>	<b>Actual 30 June 2015 \$</b>
Commercial	374,010	411,000	255,060
Office	130,150	130,835	124,260
Residential	516,762	514,707	498,362
Vacant Land	1,370	1,370	1,308
<b>Total</b>	<b>1,022,292</b>	<b>1,057,912</b>	<b>878,990</b>

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 3. RATING INFORMATION (...continued) (c) Minimum Rate (....continued)

Minimum Rates Information	No. of Properties	Minimum Payment	Gross Rental Values
		\$	\$
Commercial	604	685	6,510,238
Office	199	685	3,643,710
Residential	870	685	11,414,918
Vacant Land	2	685	2,850
<b>Total</b>	<b>1,675</b>		<b>21,571,716</b>

#### (d) Emergency Services Levy

The State Government introduced an Emergency Services Levy (ESL) which, from 1 July 2003, is collected by Local Governments on behalf of the Department of Fire and Emergency Services of Western Australia.

The City falls under the Career Fire and Rescue Services boundary, ESL Category 1. The Levy is based on the Property GRV's and appears as a separate charge on the Rate Notices. The applicable ESL Rates for the financial year were:

ESL Category	ESL Rate (cents per \$GRV)	Minimum and Maximum Charges by Property Use			
		Residential and Vacant Land		Commercial, Industrial and Other	
		Minimum	Maximum	Minimum	Maximum
<b>1</b>	<b>0.0123</b>	<b>\$68</b>	<b>\$360</b>	<b>\$68</b>	<b>\$204,000</b>

The interest rate imposed by the Emergency Services Legislation on ESL charges that remained unpaid after the due date was 11% pa applicable from the due date for payment.

#### (e) Options for Payment of Rates

The City operated an instalment option plan where the payment of rates could be made under one of the following options:

(i) by a single payment due 35 days from the date of issue of the rates notice and payable on 7 August 2015.

(ii) by two equal or nearly equal instalments payable on the following dates:

First instalment	on 7 August 2015
Second instalment	on 9 October 2015

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

3. RATING INFORMATION (...continued)  
(e) *Options for Payment of Rates (...continued)*

(iii) by four equal or nearly equal instalments payable on the following dates:

First instalment	on 7 August 2015
Second instalment	on 9 October 2015
Third instalment	on 11 December 2015
Fourth instalment	on 12 February 2016

The first instalment was due within 35 days from the date of issue of the rate notice and comprised of any arrears, waste management charge, one quarter of current rates and ESL, plus an administration charge and instalment interest. The second, third and fourth instalments comprised of one quarter of current rates and ESL, plus an administration charge and instalment interest.

(f) Rates Instalments, Interest and Charges

The City imposed an additional charge for the payment of rates and ESL by instalments as follows:

The rate of interest charged on instalment payments was 5.5% p.a. and was only applied if either the two or the four instalments option was selected.

The administration charge on both instalment options was \$45.00.

An administration fee of \$45.00 was charged on all arrangements made for payment outside the normal terms.

The total revenue raised from the imposition of the instalment interest and charges was \$645,062 (30 June 2015 - \$619,131). The original budget estimate was \$650,943 (30 June 2015 - \$604,083).

(g) Rates Early Payment Incentive Scheme

The ANZ Bank Group Limited sponsored an early rate payment incentive scheme under which ratepayers who paid their rates and ESL in full within 35 days from the date of issue of the rate notice (payment received by 7 August 2015) were entered into a draw to win a prize as follows:

A cheque for \$1,500 in the name of the winner.

This incentive scheme excluded pensioners rates deferred under the provision of the Rates and Charges (Rebates and Deferments) Act 1992. The selection method involved a computer program that selected from all assessments eligible to be in the draw. The draw was conducted in the presence of several senior officers.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 3. RATING INFORMATION (...continued) (g) *Rates Early Payment Incentive Scheme (...continued)*

The City of Perth incurred no cost in the operation of the early rate payment incentive scheme.

#### (h) Inner City Residential Rate Concession

The City of Perth operates an inner city residential rate concession scheme, under which purchasers of newly developed residential properties will qualify for three years rate concession up to \$2,000 per annum per rateable property. This is effective from the beginning of the financial year following the year in which the property was completed and purchased. The scheme applies to any type of single or multiple residential accommodation newly constructed.

The rate concession only applies to inner city developments within the area bounded by Victoria Avenue in the east, the freeway in the west, the river in the south and the railway to the north.

The rate concession is available by application from qualified first purchasers and is transferable to the next purchasers to the extent that it remains available to the original purchasers of newly developed residential properties.

In the case of a mixed development, the rate concession only applies to purchasers of the residential portion of the development.

The inner city residential rate concession was introduced to promote living in the city and encourage people to relocate and reside in the specified inner city area.

The scheme was modified to expire on 30 June 2010 but was applicable to all building applications received up to that date. The scheme was withdrawn when the existing concessions expired in 2015/16.

Revenue foregone arising from inner city residential rate concession was \$58,756 (30 June 2015 - \$144,885). The original budget estimate was \$58,969 (30 June 2015 - \$120,311).

#### (i) Heritage Rate Concession Scheme

The Concession assists owners of heritage places to continue the active use of those places and facilitate their ongoing maintenance to ensure long term conservation. The annual concession on general rates only will be equivalent to 10% of the general rates for the property, to a maximum of \$20,000 per annum with the minimum concession being equal to the minimum rate payment \$685 (\$654 for 2014/15).

In accordance with the Heritage Rate Concession Policy 9.2 (26 June 2012):

- The concession will apply until 30 June 2017 and does not apply to applications approved prior to 26 June 2012;
- Applications must be received within 60 days from the date of the issue of the current rate.

(continued...)

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 3. RATING INFORMATION (...continued)

##### (i) *Heritage Rate Concession Scheme (...continued)*

- The property must be included in the City Planning Scheme Heritage Register list, be a contributory place within a Heritage area designated under the deemed provisions or on the Metropolitan Redevelopment Authority heritage inventory;
- Applicants must provide evidence of a current pest control contract and full building insurance for each eligible year and must sign the City's Maintenance Agreement;
- The owner must not be bound to a Heritage Agreement for the property and there must not be an outstanding debt to the City on the property;
- For strata units in complexes where heritage floor space comprises less than 50% of the total development floor space, economic justification must be provided to demonstrate the strata fees are high, due to cost of maintaining heritage fabric.

The City undertakes external building condition inspections to monitor compliance with the Maintenance Agreement, and may cancel the concession if not being suitably maintained and if supporting documents are not received.

Revenue foregone arising from Heritage Rate Relief Scheme was \$227,285 (30 June 2015 - \$232,333). The original Budget estimate was \$230,000 (30 June 2015 - \$260,000).

##### (j) Concessions

In accordance with the provisions of the Rates and Charges (Rebates and Deferments) Act 1992, concessions were offered to eligible persons to allow them to either defer their rates or receive a percentage of rebate on their rates. This is provided they register within the specified period and pay the balance of the rates within the year in which they are assessed. To be eligible for a concession, a ratepayer is required to be an "eligible person" in terms of the Act and to be the registered owner of the property at 1 July of the rating year. Eligible persons are also entitled to a concessional rate for a standard waste management charge.

##### (k) Exemption

In terms of S6.26(k) of the Local Government Act 1995, the Minister exercised his discretion in favour of the West Australian Cricket Association (WACA) in respect of rates raised of \$152,176 in 2015/16 (2014/15 - \$154,299) by granting an exemption from rates for the year for their cricket ground at Nelson Crescent, East Perth.

#### 4. LATE PAYMENT INTEREST

The interest rate imposed by the City on rates ESL and service charges that remained unpaid after its due date was 11% p.a. applied from the due date for payment.

The amount of revenue raised from the imposition of late payment interest on unpaid rates ESL and service charges was \$112,886 (30 June 2015 - \$84,321). The original budget estimate was \$85,822 (30 June 2015 - \$107,829).



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 5. BAD DEBTS

The total amount of bad debts written off during the financial year was \$663,957 (30 June 2015 \$619,490) of which \$635,548 related to parking fines and costs deemed uncollectable for a number of years (30 June 2015 - \$604,568). The original budget estimate was \$572,525 (30 June 2015 - \$602,893).

#### 6. ELECTED MEMBERS FEES, EXPENSES AND ALLOWANCES

Fees, expenses and allowances paid to elected members in accordance with the provisions of the Local Government Act 1995 are as follows:

	<b>Budget</b>	<b>Year Ended</b>	<b>Year Ended</b>
	<b>2015/16</b>	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Annual Attendance Fees	302,357	293,550	293,550
Local Government Allowance	172,396	167,375	167,375
Reimbursement of Expenses	120,240	68,440	83,081
	<b>594,993</b>	<b>529,365</b>	<b>544,006</b>

Elected Members fees and allowances are determined by the Salaries and Allowances Tribunal and reviewed annually.

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**7. STATUTORY INFORMATION**

**(a) Assets Classified by Program**

	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>\$</b>	<b>\$</b>
Governance	119,179,397	119,608,939
General Purpose Funding	902,932	1,049,522
Law, Order, Public Safety	2,471,875	2,428,617
Health	250,692	190,423
Education and Welfare	3,128,913	3,254,375
Housing	430,821	571,293
Community Amenities	62,996,422	63,742,885
Recreation and Culture	254,711,668	244,982,595
Transport	858,531,667	860,516,496
Economic Services	4,815,979	5,391,297
Other Property and Services	34,468,569	38,536,044
	<b>1,341,888,935</b>	<b>1,340,272,486</b>

**(b) Depreciation and Amortisation**

Depreciation and amortisation expense for the financial year was charged in respect of:

	<b>Budget 2015/16</b>	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Depreciation and Amortisation by Classification</b>			
Leasehold Land	750,773	564,933	564,933
Buildings	7,019,850	8,045,699	7,982,378
Improvements	320,087	1,025,291	461,886
Infrastructure Assets	19,593,818	14,659,444	12,897,090
Plant and Mobile Equipment	4,454,960	4,599,154	4,991,528
Office Furniture and Equipment	2,071,613	2,651,166	2,217,980
	<b>34,211,101</b>	<b>31,545,687</b>	<b>29,115,795</b>

	<b>Budget 2015/16</b>	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Depreciation and Amortisation by Program</b>			
Governance	9,497	7,171	14,312
Law, Order, Public Safety	99,170	83,218	83,621
Health	970	6,160	11,872
Education and Welfare	167,093	168,142	176,957
Housing	97,359	375,316	366,367
Community Amenities	3,020,825	2,270,698	2,433,672
Recreation and Culture	4,553,051	5,877,111	4,910,152
Transport	22,307,388	18,394,101	17,177,050
Economic Services	261	144	408
Other Property and Services	3,955,486	4,363,626	3,941,384
	<b>34,211,100</b>	<b>31,545,687</b>	<b>29,115,795</b>

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 7. STATUTORY INFORMATION (...continued)

##### (c) Fees and Charges

	Budget	Year Ended	Year Ended
Fees and Charges by Program	2015/16	30/06/2016	30/06/2015
	\$	\$	\$
General Purpose Funding	365,668	375,257	354,709
Law, Order, Public Safety	45,325	28,743	39,035
Health	843,720	843,717	915,691
Education and Welfare	1,654,095	1,489,463	1,398,760
Housing	656,190	788,744	762,440
Community Amenities	10,126,934	10,026,961	9,081,824
Recreation and Culture	590,145	623,118	516,984
Transport	90,139,092	83,859,298	84,193,164
Economic Services	1,060,247	997,984	1,282,797
Other Property and Services	498,498	458,951	987,760
	<b>105,979,914</b>	<b>99,492,236</b>	<b>99,533,164</b>

##### (d) Interest and Investment Income

	Budget	Year Ended	Year Ended
Reserves	2015/16	30/06/2016	30/06/2015
	\$	\$	\$
Refuse Disposal and Treatment	51,317	95,150	170,447
Concert Hall Refurbishment and Maintenance	143,522	146,592	178,024
Asset Enhancement	775,709	737,134	1,101,641
Community Recreation Centres/Facilities	-	-	7,640
Street Furniture Replacement	16,243	16,660	18,247
Art Acquisition	7,146	9,336	9,637
Heritage Incentive	28,799	21,360	42,795
Parking Facilities Development	617,984	720,224	987,141
David Jones Bridge	7,587	8,555	9,972
Bonus Plot Ratio Contribution	17,909	18,377	21,984
Employee Entitlements	33,635	54,852	39,467
PCEC Car Park Fixed Plant Replacement	135,000	123,829	138,142
Parking Levy	87,230	17,338	52,908
Enterprise and Initiative	104,980	98,553	57,680
	<b>2,027,061</b>	<b>2,067,960</b>	<b>2,835,725</b>
<b>General Purpose Funds</b>	<b>3,130,258</b>	<b>2,653,599</b>	<b>2,725,977</b>
	<b>5,157,319</b>	<b>4,721,559</b>	<b>5,561,702</b>

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**8. (a) Other Expenses from Ordinary Activities**

	<b>Budget 2015/16</b>	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	\$	\$	\$
Emergency Services Levy	430,488	500,248	430,848
Donation and Sponsorships	5,280,055	4,459,749	4,929,365
Parking Bays Licence Fees	17,136,853	16,778,173	14,018,838
Non Capitalised Work in Progress	-	4,620,525	1,014,539
Other	1,860,365	1,460,254	1,784,114
	<b>24,707,761</b>	<b>27,818,949</b>	<b>22,177,704</b>

**(b) Auditors Remuneration**

	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	\$	\$
Statutory Audit	47,000	25,000
Other Services	Nil	6,000
	<b>47,000</b>	<b>31,000</b>

**9. CONDITIONS OVER GRANTS/CONTRIBUTIONS**

- (a) Grants/Contributions which were recognised as revenue during the current financial year and which were obtained on the condition that they be expended in a specific manner but had yet to be applied in that manner as at financial position date were:

	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	\$	\$
Grants/Contributions for Capital Works	270,512	39,730
Grants/Contributions for Other Purposes	Nil	8,361
	<b>270,512</b>	<b>48,091</b>

- (b) Grants/Contributions which were recognised as revenue in a previous financial year and were expended in the current financial year in the manner specified by the grant/contribution were:

	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	\$	\$
Grants/Contributions for Capital Works	113,889	201,422
Grants/Contributions for Other Purposes	8,361	161,456
	<b>122,250</b>	<b>362,878</b>



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 10. GAIN / (LOSS) ON DISPOSAL/WRITE OFF/CONTRIBUTION OF ASSETS

##### (a) Gain/(Loss) on Disposal/Write Off/Contribution of Assets by Type

	Budget 2015/16 \$	Year Ended 30/06/2016 \$	Year Ended 30/06/2015 \$
<b>Land and Buildings</b>			
Proceeds on Disposal	-	-	-
Less: Carrying amount of assets sold/written off	-	( 33,244)	(374,000)
Gain(Loss) on Disposal /Write off	-	(33,244)	(374,000)
Gain on Disposal	-	-	-
(Loss) on Disposal/Write off	-	(33,244)	(374,000)
Gain(Loss) on Disposal /Write off	-	(33,244)	(374,000)
<b>Infrastructure</b>			
Proceeds on Disposal	-	-	-
Less: Carrying amount of assets sold/written off	(1,721,201)	(1,493,417)	(2,077,691)
(Loss) on Disposal /Write off	(1,721,201)	(1,493,417)	(2,077,691)
<b>Plant and Equipment</b>			
Proceeds on Disposal	1,523,000	1,047,304	1,562,375
Less: Carrying amount of assets sold/written off	(1,360,052)	(1,062,948)	(1,688,233)
Gain(Loss) on Disposal /Write off	162,948	(15,644)	(125,858)
Gain on Disposal	208,549	67,079	206,283
(Loss) on Disposal/Write off	(45,601)	(82,723)	(332,141)
Gain(Loss) on Disposal /Write off	162,948	(15,644)	(125,858)
<b>Office Furniture and Equipment</b>			
Proceeds on Disposal	-	7,659	6,144
Less: Carrying amount of assets sold/written off	-	(34,644)	(12,946)
(Loss) on Disposal /Write off	-	(26,985)	(6,802)
Gain on Disposal	-	7,659	5,831
(Loss) on Disposal/Write off	-	(34,644)	(12,633)
(Loss) on Disposal /Write off	-	(26,985)	(6,802)
<b>(Loss) on Disposal /Write off</b>	<b>(1,558,253)</b>	<b>(1,569,290)</b>	<b>(2,584,351)</b>
Gain on Disposal	208,549	74,738	212,114
(Loss) on Disposal/Write Off	(1,766,802)	(1,644,028)	(2,796,465)
<b>(Loss) on Disposal /Write Off /Contribution of Assets</b>	<b>(1,558,253)</b>	<b>(1,569,290)</b>	<b>(2,584,351)</b>

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**10. GAIN / (LOSS) ON DISPOSAL/WRITE OFF/CONTRIBUTION OF ASSETS (...continued)**

**Gain (Loss) on Disposal /Write Off/Contribution of Assets by Program**

	<b>Budget Gain/(Loss) on Disposal</b>	<b>Proceeds on Disposals</b>	<b>Carrying Amount</b>	<b>Gain/(Loss) on Disposals/ Write Offs</b>
	\$	\$	\$	\$
Governance	9,371	34,532	27,629	6,903
Law, Order Public Safety	7,500	15,214	13,000	2,214
Health	6,903	99,940	102,041	(2,101)
Education and Welfare	-	-	2,968	(2,968)
Community Amenities	29,498	117,438	115,644	1,794
Recreation and Culture	22,727	89,328	387,291	(297,963)
Transport	(1,658,231)	337,992	1,627,820	(1,289,828)
Economic Services	6,983	142,917	141,608	1,309
Other Property and Services	16,996	217,602	206,252	11,350
	(1,558,253)	1,054,963	2,624,253	(1,569,290)

**11. TRADE AND OTHER RECEIVABLES**

<b>Current</b>	<b>30/06/2016</b>	<b>30/06/2015</b>
	\$	\$
Rates	174,129	82,756
Bins Levy	16,686	(18,660)
Emergency Services Levy (ESL)	36,912	63,463
Accrued Interest and Investment Income	536,669	600,297
Accrued Income	1,445,677	1,251,900
Modified Penalties/Fines and Costs	7,468,902	7,156,124
Deposits and Prepayments	1,246,983	1,339,244
Other	3,958,081	2,337,659
	14,884,039	12,812,783
<b>Less: Provisions for Doubtful Debts</b>	(3,423,780)	(3,054,194)
	11,460,259	9,758,589

**Non Current**

Pensioners' Rates Deferred #	32,434	39,567
	32,434	39,567

**# Pensioners' Rates Deferred**

The amounts shown relate to rates deferred by pensioners in accordance with the Rates and Charges (Rebates and Deferment Act) 1992.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 11. TRADE AND OTHER RECEIVABLES (...continued)

All of the City's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of \$834,416 (2015: \$710,995) has been recorded accordingly within other expenses. The impaired trade receivables are mostly related to parking fines and costs outstanding for a considerable period of time and from customers in the business-to-business market that are experiencing financial difficulties.

The movement in the allowance for credit losses can be reconciled as follows:

Reconciliation of allowance credit losses	30/06/2016	30/06/2015
	\$	\$
Balance 1 July 2015	3,054,194	2,786,601
Amounts written off (uncollectable)	(663,957)	(619,490)
Impairment loss	834,416	710,995
Amounts recovered	199,127	176,088
<b>Balance at 30 June 2016</b>	<b>3,423,780</b>	<b>3,054,194</b>

#### 12. INVESTMENTS

Investments are made in accordance with the Western Australia Trustee Act 1962 (as amended) and the Local Government (Financial Management) Regulations 1996 as amended. All investments are recorded at cost, less impairment where necessary except for Balanced Funds, which are marked to market.

The City amended its investment policy to adopt the new restrictions as imposed by amendments to the Local Government (Financial Management) Regulations, gazetted on 19 April 2012 and which included type and term of investments a local government may invest in.

	30/06/2016	30/06/2015
Current	\$	\$
Call Funds *	12,111,382	23,629
Bank Term Deposits *	84,000,000	83,900,000
Balanced Funds *	4,138,020	4,118,105
Structured Investments		
Floating Rate Notes (FRN)*	-	3,003,655
	<b>100,249,402</b>	<b>91,045,389</b>
<b>Non-Current</b>		
Structured Investments		
Mortgage Backed Securities (MBS)	2,743,759	2,766,406
	<b>2,743,759</b>	<b>2,766,406</b>

(continued...)

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 12. INVESTMENTS (...continued)

	30/06/2016	30/06/2015
Equity in Local Government House #	10,000	10,000
Equity in Mindarie Regional Council ±	420,412	398,074
Equity Tamala Park Regional Council ≥	3,987,901	3,935,833
	7,162,072	7,110,313
<b>Total Investments</b>	<b>107,411,474</b>	<b>98,155,702</b>

\* Short Term Cash Investments as stated in Note 19.

# The Western Australian Local Government Association as Trustee for the Local Government House Trust, entered into a Joint Venture arrangement with Qube Railway Parade Pty Ltd in which the Local Government House Trust holds a 60% interest. The Joint Venture arrangement was for the purchase and construction of land and building at 168-170 Railway Parade, West Leederville. The construction of the building was completed on 28 January 2014.

± The City holds a minority interest of one twelfth of the equity in the Mindarie Regional Council (MRC).

≥ The City of Perth's original share of Members Equity contributed to the Tamala Park Regional Council (TPRC) as equity investment was \$1,351,787. TPRC has subdivided, developed, and sold during the reporting period 137 lots of land at the Tamala Park project marketed as 'Catalina' (stages 6B, 10, 11, 12, 13A, 13B, 14, 15, 18A and McAllister).

The change of \$52,068 (30 June 2015: \$431,077) in the City's contributed equity in TPRC during the reporting period represents the net difference in the City's share of land development expenses and the proceeds of sale of member land relative to the 137 lots developed and sold and the receipt of dividends and rates equivalent distribution payments during the year.

The following restrictions have been imposed by regulations or other external requirements:

Investments	30/06/2016	30/06/2015
	\$	\$
Cash Backed Reserves (Note 18)	88,228,257	87,574,492
Unspent Grants/Contributions	270,512	122,250
	88,498,769	87,696,742
Unrestricted	18,912,705	10,458,960
	<b>107,411,474</b>	<b>98,155,702</b>

\* For the definition of cash in this context, structured interest bearing investments which are readily convertible when reserves are scheduled to be expended, are regarded as cash.



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 13. INVENTORIES

	30/06/2016	30/06/2015
	\$	\$
Stores, Raw Materials, Fuel and Sundry Stock Items	421,701	632,733
Parking Equipment, Spare Parts, Signs and Tickets	413,317	527,801
Work in Progress	181,205	233,667
	<b>1,016,223</b>	<b>1,394,201</b>

#### 14. TRADE AND OTHER PAYABLES, EMPLOYEE BENEFITS AND PROVISIONS

##### (a) Trade and Other Payables

Current	30/06/2016	30/06/2015
	\$	\$
Trade Creditors	10,591,073	13,260,443
Income Raised/Received in Advance	1,048,665	949,024
Accrued Interest	199,848	241,015
Accrued Expenses	2,303,943	2,977,893
Other	2,220,456	2,430,654
	<b>16,363,985</b>	<b>19,859,029</b>

##### (b) Employee Benefits

Current		
Leave Entitlements	\$	\$
Annual Leave	4,454,492	4,795,260
Long Service Leave	6,222,059	6,189,337
Self Funded Leave	238,785	270,891
Recognition of Employees - Presentation	136,252	149,638
	<b>11,051,588</b>	<b>11,405,126</b>
Non-current		
Leave Entitlements	\$	\$
Annual Leave	629,989	838,090
Long Service Leave	1,132,108	1,053,647
	<b>1,762,097</b>	<b>1,891,737</b>

##### (c) Provisions

	\$	\$
Non-Current		
Provision for Fixed Plant Replacement PCEC Car Park	4,259,487	3,869,667
	<b>4,259,487</b>	<b>3,869,667</b>

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016

14. TRADE AND OTHER PAYABLES, EMPLOYEE BENEFITS AND PROVISIONS (...continued)

(d) Recognition of Movements

	30/06/2016	30/06/2015
<b>Annual Leave</b>	\$	\$
Balance as at 1 July 2015	5,633,350	5,611,536
Additional Provisions	4,515,244	4,401,762
Amounts Utilised	(5,064,113)	(4,379,948)
<b>Balance as at 30 June 2016</b>	<b>5,084,481</b>	<b>5,633,350</b>
<b>Long Service Leave</b>		
Balance as at 1 July 2015	7,242,984	6,948,140
Additional provisions	1,227,065	1,133,387
Amounts Utilised	(1,115,882)	(838,543)
<b>Balance as at 30 June 2016</b>	<b>7,354,167</b>	<b>7,242,984</b>
<b>Self-funded Leave</b>		
Balance as at 1 July 2015	270,891	307,440
Additional Provisions	223,910	223,355
Amounts Utilised	(256,016)	(259,904)
<b>Balance as at 30 June 2016</b>	<b>238,785</b>	<b>270,891</b>
<b>Recognition of Employees - Presentation</b>		
Balance as at 1 July 2015	149,638	151,787
Additional provisions	13,728	11,333
Amounts Utilised	(27,114)	(13,482)
<b>Balance as at 30 June 2016</b>	<b>136,252</b>	<b>149,638</b>
<b>Provision for Fixed Plant Replacement PCEC Car Park</b>		
Balance as at 1 July 2015	3,869,667	3,479,847
Additional provisions	389,820	389,820
Amounts Utilised	-	-
<b>Balance as at 30 June 2016</b>	<b>4,259,487</b>	<b>3,869,667</b>

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 15. PROPERTY, PLANT AND EQUIPMENT

Acquisition of assets in 2015/16 are capitalised in accordance with the Australian Accounting Standards. Assets are to be depreciated in accordance with the method detailed in Note 1(c).

	30/06/2016	30/06/2015
	\$	\$
<b>Land</b> - at fair value	302,780,018	304,112,018
<b>Air Rights</b> - at cost	2,049,920	2,049,920
<b>Land held for Redevelopment</b> - at fair value	12,058,966	12,288,982
<b>Heritage Land</b> - at fair value	850,000	850,000
<b>Leasehold Land</b> - at cost/fair value	53,193,773	53,193,773
<b>Less: Accumulated Depreciation</b>	(3,135,072)	(2,570,139)
	50,058,701	50,623,634
<b>Buildings</b> - at fair value	266,412,536	265,380,555
<b>Less: Accumulated Depreciation</b>	(108,525,225)	(102,148,571)
	157,887,311	163,231,984
<b>Leasehold Buildings</b> - at cost/fair value	8,515,000	8,515,000
<b>Less: Accumulated Depreciation</b>	(581,010)	(495,008)
	7,933,990	8,019,992
<b>Heritage Buildings</b> - at fair value	88,955,207	88,921,124
<b>Less: Accumulated Depreciation</b>	(39,305,948)	(37,790,380)
	49,649,259	51,130,744
<b>Improvements</b> - at cost/fair value	52,659,660	8,010,840
<b>Less: Accumulated Depreciation</b>	(5,565,355)	(4,564,395)
	47,094,305	3,446,445
<b>Infrastructure Assets</b> - at cost/fair value	755,794,939	741,999,705
<b>Less: Accumulated Depreciation</b>	(270,615,444)	(261,392,201)
	485,179,495	480,607,504
<b>Plant and Mobile Equipment</b> - at cost/fair value	47,541,666	45,505,811
<b>Less: Accumulated Depreciation</b>	(29,432,643)	(25,351,476)
	18,109,023	20,154,335
<b>Office Furniture and Equipment</b> - at cost/fair value	41,871,404	36,740,437
<b>Less: Accumulated Depreciation</b>	(15,155,180)	(12,873,309)
	26,716,224	23,867,128

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**15. PROPERTY, PLANT AND EQUIPMENT (...continued)**

	30/06/2016	30/06/2015
	\$	\$
<b>Agricultural - at cost</b>	795,271	795,271
<b>Work in Progress- at cost</b>	32,151,366	69,215,093
<b>Total Property, Plant and Equipment</b>	<b>1,193,313,849</b>	<b>1,190,393,050</b>

**Cost/Fair Value Movement – Property, Plant and Equipment**

	Cost/Fair Value 30/06/2015	Additions 30/06/2016	Disposals 30/06/2016	Transfers 30/06/2016	Revaluation 30/06/2016	Cost/Fair Value 30/06/2016
	\$	\$	\$	\$	\$	\$
Land	304,112,018	-	(6,999)	(1,325,001)	-	302,780,018
Air Rights	2,049,920	-	-	-	-	2,049,920
Land held for Redevelopment	12,288,982	1,883,571	(1,887,098)	-	(226,489)	12,058,966
Heritage Land	850,000	-	-	-	-	850,000
Leasehold Land	53,193,773	-	-	-	-	53,193,773
Buildings	265,380,555	178,764	(78,749)	931,966	-	266,412,536
Leasehold Buildings	8,515,000	-	-	-	-	8,515,000
Heritage Buildings	88,921,124	34,083	-	-	-	88,955,207
Improvements	8,010,840	8,701,964	(39,300)	35,986,156	-	52,659,660
Infrastructure Assets	741,999,705	11,853,722	(6,764,835)	8,706,347	-	755,794,939
Plant and Mobile Equipment	45,505,811	3,291,055	(2,846,614)	1,591,414	-	47,541,666
Office Furniture and Equipment	36,740,437	2,402,905	(403,939)	3,132,001	-	41,871,404
Agricultural	795,271	-	-	-	-	795,271
Work in Progress	69,215,093	13,393,700	-	(50,457,427)	-	32,151,366
	<b>1,637,578,529</b>	<b>41,739,764</b>	<b>(12,027,534)</b>	<b>(1,434,544)</b>	<b>(226,489)</b>	<b>1,665,629,726</b>

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 15. PROPERTY, PLANT AND EQUIPMENT (...continued)

#### Accumulated Depreciation Movements – Property, Plant and Equipment

	Accumulated Depreciation 30/06/2015	Depreciation 30/06/2016	Accumulated Depreciation on Disposals 30/06/2016	Transfers 30/06/2016	Revaluation 30/06/2016	Accumulated Depreciation 30/06/2016
	\$	\$	\$	\$	\$	\$
Leasehold Land	2,570,139	564,933	-	-	-	3,135,072
Buildings	102,148,571	6,444,129	(67,475)	-	-	108,525,225
Leasehold Buildings	495,008	86,002	-	-	-	581,010
Heritage Buildings	37,790,380	1,515,568	-	-	-	39,305,948
Improvements	4,564,395	1,025,291	(24,331)	-	-	5,565,355
Infrastructure Assets	261,392,201	14,659,444	(5,271,418)	164,783	-	270,615,444
Plant and Mobile Equipment	25,351,476	4,599,154	(1,783,666)	-	1,265,679	29,432,643
Office Furniture and Equipment	12,873,309	2,651,166	(369,295)	-	-	15,155,180
	<b>447,185,479</b>	<b>31,545,687</b>	<b>(7,516,184)</b>	<b>164,783</b>	<b>1,265,679</b>	<b>472,315,877</b>

#### Revaluation of Plant and Equipment

The City revalued during the reporting period, its plant and equipment to fair value in accordance with the directions given by the Department of Local Government under the Local Government (Financial Management) Amendment Regulation 1996. Plant and Equipment as a class was revalued as three separate sub classes – Ticket Machines, CCTV's and other plant and equipment, fair value was determined as approximated by depreciated historical cost (Net Book Value) as there is no active market for these assets, and the City utilises these asset types until they reach the end of their useful life and are scrapped. Mobile plant and equipment was revalued internally by the Fleet Management Unit and fair value was based on market-based evidence by appraisal. The revaluation deficit of \$1,265,679 established reflects the market-based evidence at the reporting date with large deficits recorded against some major plant assets. It is anticipated that there will be recoveries of these deficits over time as the City normally achieves the residual values set, when the assets are sold.

#### Revaluation of Artworks (for comparative purposes only)

All of the City's Public Works of Art were revalued during the previous reporting period.

The City's Public Works of Art include memorials and monuments, artworks in the public realm and plaques. All Public Works of Art were revalued during the previous reporting period and were valued at fair value based on current replacement cost. Values were considered based on the original artist commission price plus installation costs. This is the industry standard for valuing public works of art.

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**15. PROPERTY, PLANT AND EQUIPMENT (...continued)**

***Revaluation of Artworks (for comparative purposes only)(...continued)***

The City's Public Works of Art were revalued at \$6,797,488 and the revaluation surplus of \$4,609,946 was reflected in the Statement of Comprehensive Income. The revaluations of public works of arts and plaques were completed by professional experts within the City's Community Services Unit. Dr Robyn Taylor, a professional valuer and historian for art, architecture and heritage, completed the revaluations for memorials and monuments. The City has not acquired any public works of art from Dr Taylor, therefore she remains impartial.

**Revaluation of Infrastructure (for comparative purposes only)**

The City revalued during the previous reporting period, its infrastructure to fair value in accordance with the staged implementation required by the Department of Local Government under the Local Government (Financial Management) Amendment Regulation 1996. Infrastructure as an asset class was revalued as separate sub classes including roads, footpaths, drainage, street and park infrastructure including lighting, furniture, landscape, irrigation, trees, features, structures and traffic control devices.

Fair value was determined as depreciated replacement cost as there is no active market for these assets, and the City has the capacity to utilise these asset types until they reach the end of their useful life and are replaced. All sub-classes of infrastructure were either revalued internally by the Asset Management Unit or externally by Griffin Valuation Advisory and fair value was based on the current replacement cost to replace the asset adjusted for depreciation based on condition assessments. The revaluation surplus of \$184,311,650 established reflected the condition based evidence at the previous reporting date with deficits recorded against four sub-classes of assets more than offset by surpluses recorded against the remaining fifteen sub-classes. The overall surplus recorded reflected the net surplus of the infrastructure asset class as a whole.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 15. PROPERTY, PLANT AND EQUIPMENT (...continued)

#### Revaluation of Infrastructure (for comparative purposes only) (...continued)

#### SUMMARY OF INFRASTRUCTURE REVALUATION

Asset Sub Class	Revaluation		Total 30/06/2015	Valuation Source
	Surplus	(Deficit)		
	\$	\$	\$	
Roads	159,082,459		159,082,459	Internal
Drainage	4,122,160		4,122,160	Internal
Street:				
Footpaths		(6,428,770)	(6,428,770)	Internal
Lighting		(2,020,061)	(2,020,061)	Internal
Furniture		(728,078)	(728,078)	Internal
Landscape	3,858,735		3,858,735	Internal
Irrigation	27,645		27,645	Internal
Trees	885		885	Internal
Features	4,928,658		4,928,658	Internal
Structures	2,320,735		2,320,735	Internal/External
Traffic Control Devices	119,944		119,944	Internal
Parks:				
Footpaths		(409,029)	(409,029)	Internal
Lighting	217,472		217,472	Internal
Furniture	195,380		195,380	Internal
Landscape	11,108,413		11,108,413	Internal
Irrigation	30,129		30,129	Internal
Trees	922		922	Internal
Features	7,075,241		7,075,241	Internal
Structures	808,810		808,810	Internal/External
	<b>193,897,588</b>	<b>(9,585,938)</b>	<b>184,311,650</b>	

#### 16. INVESTMENT PROPERTY

(a) Acquisition of assets in 2015/16 are capitalised in accordance with the Australian Accounting Standards.

	30/06/2016	30/06/2015
	\$	\$
Land - at fair value	9,201,000	7,871,500
Buildings - at fair value	9,389,999	11,495,099
<b>Total Investment Property</b>	<b>18,590,999</b>	<b>19,366,599</b>

#### Fair Value Movement – Investment Property

	Cost/ Fair Value 30/06/2015	Transfers 30/06/2016	Revaluation Actual YTD 30/06/2016	Cost/ Fair Value 30/06/2016
	\$	\$	\$	\$
Land	7,871,500	1,325,001	4,500	9,201,001
Buildings	17,076,999	-	(2,095,000)	14,981,999
	<b>24,948,499</b>	<b>1,325,001</b>	<b>(2,090,500)</b>	<b>24,183,000</b>

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**16. INVESTMENT PROPERTY (...continued)**

**Investment Assets – Accumulated Depreciation**

	<b>Accumulated Depreciation 30/06/2015</b>	<b>Transfers 30/06/2016</b>	<b>Revaluation 30/06/2016</b>	<b>Accumulated Depreciation 30/06/2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Land	-	-	-	-
Buildings	5,581,900	-	10,100	5,592,000
	5,581,900	-	10,100	5,592,000
<b>TOTAL</b>	<b>19,366,599</b>	<b>1,325,001</b>	<b>(2,100,600)</b>	<b>18,591,000</b>

**Valuation of Investment Property**

The valuation basis of investment property is fair value based either on the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, or based on the continuation of its use, regardless of whether that represents the highest and best use of the asset.

The most recent revaluation of investment properties at 30 June 2016 was determined by Landgate – Property and Valuation Services, through Mr Stephen Fern, AAIP Certified Practicing Valuer, Specialist Valuer, and resulted in the aggregated fair value of the investment property assets being stated at that date as \$18,591,000.

The revaluation deficit attributable to property classified as Investment Property of \$2,100,600 was debited directly to the Statement of Comprehensive Income (30 June 2015 – Surplus \$1,820,350).

There was no change in the valuation method used in the valuation of Investment Properties during the reporting period.

(b) Amounts Recognised in Income Statement for Investment Properties.

	<b>Year Ended 30/06/2016</b>	<b>Year Ended 30/06/2015</b>
	<b>\$</b>	<b>\$</b>
Property Rental	1,697,574	1,692,559
Operating Expenses for Rental Generating Properties	477,791	570,109

Investment properties are leased out on operating leases. Rental income amounts to \$1,697,574 (2015: \$1,692,559) included within revenue. Direct operating expenses of \$477,791 (2015: \$570,109) were reported within other expenses, of which \$Nil (2015: \$12,608) was incurred on vacant properties that did not generate rental income.

The lease contracts are all non-cancellable for the term of each lease except for one which is subject to cancellation with six months' notice by either party. Future minimum lease rentals are as follows:

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 16. INVESTMENT PROPERTY (...continued)

	Minimum Lease Income Due			
	Within 1 year	2 to 5 years	After 5 years	Total
	\$	\$	\$	\$
30 June 2016	1,520,598	2,548,143	2,758,073	6,826,814
30 June 2015	1,514,300	4,374,900	2,320,600	8,209,800

#### 17. FINANCIAL LIABILITIES

Current	30/06/2016	30/06/2015
	\$	\$
Western Australian Treasury Corporation	6,772,074	6,441,709
	<u>6,772,074</u>	<u>6,441,709</u>
<b>Non Current</b>		
Western Australian Treasury Corporation	29,554,928	36,327,002
	<u>29,554,928</u>	<u>36,327,002</u>
<b>Total Financial Liabilities</b>	<b>36,327,002</b>	<b>42,768,711</b>

Loan Debentures issued by the City of Perth are secured over the general funds of the City.

The City developed a site for a new City of Perth Library and Public Plaza which was completed and opened in March 2016. Settlement on the purchase of the leasehold interest in land at 567/579 Hay Street, Perth, occurred in July 2012. Demolition of the existing building and construction of the new library commenced during 2012/13.

A loan of \$8,014,407 was raised by the City from the Western Australian Treasury Corporation on 21 June 2012 to partially fund the City of Perth Library Project including the purchase of the leasehold interest in the land at 567/579 Hay Street. The loan is for a period of 10 years commencing June 2012.

The City borrowed a further amount of \$23,788,520 from the Western Australian Treasury Corporation (WATC) to partially fund the construction of the City of Perth Library project.

The amount was drawn down on 31 July 2012 to take advantage of the prevailing low interest rates and was borrowed for a period of ten years. None of the loan funds raised were unutilised at 30 June 2016 (30 June 2015: \$Nil).

Interest of \$471,766 on loan funds raised for the City of Perth Library project, was capitalised during the reporting period (30 June 2015: \$704,880). The capitalisation rate used to determine the amount of costs eligible for capitalisation was:

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

*17. FINANCIAL LIABILITIES (...continued)*

100% of Loan 167, as all the borrowings raised, was in respect of the capital project itself.

The interest capitalised of \$471,766 (30 June 2015: \$704,880) was offset by interest earned and capitalised to the project of \$Nil (30 June 2015: \$68,579) as there were no unutilised portion of loan funds raised during the reporting period. The net amount of interest capitalised as a result of this offset was \$471,766 (30 June 2015: \$636,301).

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 18. RESERVES

As at 30 June 2016 the City of Perth maintained reserves for various purposes relating to the provision of facilities and amenities throughout the City of Perth.

Purpose of Reserve Fund	Note	Opening Balance 01/07/2015 \$	Amounts Appropriated year ended 30/06/2016 \$	Amounts Utilised year ended 30/06/2016 \$	Closing Balance 30/06/2016 \$
Refuse Disposal and Treatment	(a)	2,843,523	95,150	(2,821)	2,935,852
Concert Hall Refurbishment and Maintenance	(b)	4,826,517	146,592	(137,130)	4,835,979
Asset Enhancement	(c)	29,008,931	4,982,635	(7,759,433)	26,232,133
Street Furniture Replacement	(d)	540,334	61,660	(230,619)	371,375
Art Acquisition	(e)	315,396	69,336	(9,887)	374,845
Heritage Incentive	(f)	587,370	231,132	(200,393)	618,109
Parking Facilities Development	(g)	23,952,736	1,273,686	(1,555,149)	23,671,273
David Jones Bridge	(h)	277,224	15,439	(281)	292,382
Bonus Plot Ratio Contribution	(i)	595,995	18,377	(590)	613,782
Employee Entitlements	(j)	1,053,647	710,271	(1,821)	1,762,097
PCEC Car Park - Fixed Plant Replacement	(k)	3,869,667	378,649	(4,091)	4,244,225
Parking Levy	(l)	17,132,501	15,099,576	(14,071,338)	18,160,739
Enterprise and Initiative	(m)	2,570,651	1,348,552	(3,764)	3,915,439
Public Art	(n)	-	200,210	(193)	200,017
		87,574,492	24,631,265	(23,977,510)	88,228,247
Asset Revaluation*		560,795,095	3,047,888	(3,807,285)	560,035,698
		<b>648,369,587</b>	<b>27,679,153</b>	<b>(27,784,795)</b>	<b>648,263,945</b>

Components of Cash Reserves	30/06/2016 \$	30/06/2015 \$
Current	85,484,488	84,808,086
Non-Current	2,743,759	2,766,406
Total	88,228,247	87,574,492

\* 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.

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**18. RESERVES (...continued)**

**Reserve Account Budget Information**

	Opening Balance	Amounts Appropriated year ended	Amounts Utilised year ended	Closing Balance
	1/07/2015	30/06/2016	30/06/2016	30/06/2016
Purpose of Reserve Fund	\$	\$	\$	\$
Refuse Disposal and Treatment	2,304,883	51,317	(1,890,433)	465,767
Concert Hall Refurbishment and Maintenance	4,793,718	1,043,522	(1,795,000)	4,042,240
Asset Enhancement	31,273,047	5,775,709	(9,258,839)	27,789,917
Street Furniture Replacement	542,443	61,243	(270,000)	333,686
Art Acquisition	268,716	67,146	(60,000)	275,862
Heritage Incentive	1,162,291	428,799	(400,000)	1,191,090
Parking Facilities Development	23,323,841	2,817,984	(3,984,660)	22,157,165
David Jones Bridge	273,444	49,587	(40,000)	283,031
Bonus Plot Ratio Contribution	598,168	17,909	-	616,077
Employee Entitlements	1,124,904	84,200	-	1,209,104
PCEC Car Park Plant Replacement	3,869,667	389,820	-	4,259,487
Parking Levy	17,136,853	15,169,468	(14,053,880)	18,252,441
Enterprise and Initiative	2,586,788	1,938,313	-	4,525,101
Public Art	-	200,000	-	200,000
	<b>89,258,763</b>	<b>28,095,017</b>	<b>(31,752,812)</b>	<b>85,600,968</b>

**Note:** The opening balance at 1 July 2015 reflects the reserve balances at the time of drafting the Budget and before adjusting entries were processed in finalising the financial statements for the year ended 30 June 2015.

**(a) REFUSE DISPOSAL AND TREATMENT RESERVE**

The purpose of this reserve is to allow for the development, construction and purchase of facilities and plant for the treatment, transportation and disposal of non-industrial refuse. It may also be utilised to assist with the phasing in of significant increases in standard rubbish service charges anticipated to occur when recycling processes are extended.

The City anticipates utilising the funds in this reserve within three years.

**(b) CONCERT HALL REFURBISHMENT AND MAINTENANCE RESERVE**

This reserve, originally set up in 1972, provides for the future maintenance of the Perth Concert Hall, and the replacement of its existing plant, furniture and carpets. The reserve also accommodates provision for the design and construction of the new WASO facility.

The City anticipates utilising the funds in this reserve within five to ten years.

**(c) ASSET ENHANCEMENT RESERVE**

This reserve was established in 1998 to fund future capital expenditure for the replacement and enhancement of City assets and smooth the impact of the capital costs in any one rating year.

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 18. RESERVES (...continued)

##### (c) Asset Enhancement Reserve (...continued)

The purpose and title of this reserve was changed from 1 July 2003 to allow for the use of these reserve funds in future financial years for the enhancement, replacement, refurbishment and purchase of new assets or project works of the City.

Additional to this purpose is that project works funded from this reserve may not necessarily belong to the City, but may be carried out for the ultimate benefit of the City.

The funds in this reserve will be utilised at the discretion of Council within ten years.

##### (d) STREET FURNITURE REPLACEMENT RESERVE

This reserve was established in 1999 from proceeds received from the sale of a street furniture contract negotiated by the City with Adshel. Funds held are designated to be used for the purchase and improvement of the City's street furniture, including water features.

All but \$1 million of this reserve was consolidated into the Asset Enhancement Reserve during the year ended 30 June 2007.

The remaining funds in this reserve will be utilised at the discretion of the City over an expected period of three years.

##### (e) ART ACQUISITION RESERVE

This reserve was established in 1999 to fund future additions to the art collection of the City. The reserve is funded from the proceeds of sale of artworks and the transfer of the unexpended annual allocation for art acquisitions.

The City anticipates utilising the funds in this reserve within five years.

##### (f) HERITAGE INCENTIVE RESERVE

This reserve was established in 2000 to fund heritage incentives to benefit properties on the City of Perth's heritage register.

The City anticipates utilising the funds in this reserve within two years.

##### (g) PARKING FACILITIES DEVELOPMENT RESERVE

This reserve was established to enable parking facilities to be developed within the City, and parking equipment to be purchased.

The City anticipates utilising the funds in this reserve over an expected period of ten years.

##### (h) DAVID JONES BRIDGE RESERVE

This reserve was established in 2003 to fund major repairs, renovations or replacement of the pedestrian bridge over the Murray Street Mall between David Jones and Forrest Chase.

The allocations to this reserve are the unexpended maintenance contribution from the owner of the David Jones site, at the end of each financial year.

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

*18. RESERVES (...continued)*

*(h) David Jones Bridge Reserve (...continued)*

The City anticipates utilising the funds in this reserve within five to ten years.

**(i) BONUS PLOT RATIO CONTRIBUTION RESERVE**

This reserve was established in 2005 to hold contributions in respect of Bonus Plot Ratio entitlements, pending expenditure on relevant streetscape improvements and/or public art.

The City anticipates utilising the funds in this reserve within five years.

**(j) EMPLOYEE ENTITLEMENTS RESERVE**

This reserve was established in 2013 to fund the non-current portion of employee entitlements for Long Service Leave. During the reporting period, the purpose of this reserve was changed to also include the non-current portion for annual leave entitlements. This reserve will vary from year to year but is likely to increase over time.

The City anticipates utilising these funds within ten years.

**(k) PERTH CONVENTION EXHIBITION CENTRE CAR PARK – FIXED PLANT REPLACEMENT RESERVE**

This reserve was established in 2013 to provide for the future replacement of existing fixed plant not owned by the City, but which the City consumes and is obliged to replace when required at the Perth Convention Exhibition Centre car park.

The City anticipates utilising the funds in this reserve within five to ten years.

**(l) PARKING LEVY RESERVE**

This reserve was established in 2013 to set aside funds to meet the State Government's parking levy liability.

The City anticipates utilising the funds in this reserve within one year.

**(m) ENTERPRISE AND INITIATIVE RESERVE**

This reserve was established in April 2014. The reserve is funded from distributions from the Tamala Park Regional Council in respect of land lots developed and sold and marketed as 'Catalina Estate', Clarkson. The purpose of the reserve is to fund strategic projects to introduce and improve efficiencies and effectiveness in the City.

The City anticipates utilising the funds in the reserve within five to ten years.

**(n) PUBLIC ART RESERVE**

The Public Art Reserve was established during the reporting period to provide sufficient financial capacity to deliver new commissions of enduring public art identified in the City's draft Public Art Strategy and any associated strategic plans developed for public art.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 18. RESERVES (...continued)

##### (n) Public Art Reserve (...continued)

Note: The Reserve will be funded through an annual capital budget allocation from the City of Perth. It is also proposed that the City of Perth adopts a percent for art schemes, as proposed in the draft Public Art Strategy. This source of funding is intended to augment or eventually replace the annual allocation to the Reserve. Monetary donations, gifts or bequests given to the City for public art may also be added to the reserve.

The City anticipates utilising the funds in the reserve within three years.

#### 19. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows the City of Perth considers cash to include cash on hand and in banks and investments net of outstanding bank overdrafts and non cash investments. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:-

	30/06/2016	30/06/2015
	\$	\$
Cash at Bank and on Hand	10,063,697	21,164,777
Short Term Cash Investments	100,249,402	91,045,389
	<u>110,313,099</u>	<u>112,210,166</u>

#### 20. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2016

	30/06/2016	30/06/2015
	\$	\$
Change in Net Assets Resulting from Operations	13,793,738	18,136,863
Adjustment for items not involving the movement of Funds:		
Depreciation and Amortisation	31,545,687	29,115,795
Doubtful Debts	369,586	267,593
Loss/(Gain) on Disposal of Assets	1,569,290	2,584,351
	<u>47,278,301</u>	<u>50,104,602</u>
Revenues Provided By :		
Government Grants	(6,812,016)	(4,039,166)
Contribution from Other Parties	(49,890)	(15,000)
	<u>(6,861,906)</u>	<u>(4,054,166)</u>
Change in Operating Assets and Liabilities		
<b>Add Back</b>		
Decrease in Deposits and Prepayments	92,261	81,566
Decrease in Inventories	377,978	713,171
Decrease in Accrued Interest and Investment Income	63,628	749,725
		(continued...)

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 20. **RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2016 (...continued)**

Decrease in Trade and Other Receivables	-	1,650,216
Decrease in Deferred Debtors	7,133	4,638
Increase in Income and Investment Income Received/Raised in Advance	99,641	21,429
Increase in Provisions	-	667,780
<b>Deduct</b>		
Decrease in Trade and Other Payables	(2,879,568)	(420,002)
Decrease in Accrued Interest and Expenses	(365,626)	(245,061)
Increase in Trade and Other Receivables	(2,033,367)	-
Decrease in Provisions	(93,358)	-
Increase in Accrued Income	(193,777)	(420,854)
	(4,925,055)	2,802,608
<b>Net Cash Provided by Operating Activities</b>	<b>35,491,340</b>	<b>48,853,044</b>

#### 21. **SUPERANNUATION**

The City of Perth complies with the minimum obligations under federal law and contributes in respect of its employees to one of the following superannuation plans:

##### (a) **W.A. Local Government Superannuation Plan (W.A. Super)**

###### **Accumulation Members**

The City contributes in respect of certain of its employees to an accumulated benefit superannuation fund established in respect of all Local Governments in the State. In accordance with statutory requirements, the City contributes to the W.A. Local Government Superannuation Plan (WALGSP) amounts nominated by the Council. As such, assets are accumulated in the WALGSP to meet members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

##### (b) **City of Perth Superannuation Plan (CPSP)**

###### **Defined Benefit Members**

The City contributes in respect of certain of its employees to a defined benefit superannuation fund established for the employees of the City of Perth and known as the City of Perth Superannuation Plan (CPSP). In accordance with statutory requirements, the City contributes to the plan amounts determined by the plan actuary. As such, assets are accumulated in the plan to meet the members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

The plan has a number of different participating employers contributing to the defined benefit section of the plan and as such is accounted for as a defined contribution plan.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 21. SUPERANNUATION (...continued) (b) City of Perth Superannuation Plan (CPSP) (...continued)

The defined benefit section of the plan was closed to the admission of new members from 1 July 2009.

On 31 March 2016, plan assets relating to defined benefit members were transferred from AustralianSuper to Equip Super Pty Ltd.

An Actuarial investigation of the Plan as at 30 June 2015 was completed by the Heron Partnership in March 2016. It was agreed that it would be appropriate to reduce employer contributions for defined benefit members to the Superannuation Guarantee (SG) Rate (currently 9.5%) from 1 April 2016 until at least the completion of the next actuarial investigation with an effective date of 30 June 2018 (due no later than 31 December 2018).

#### Accumulation Members

The City contributes in respect of certain of its employees to an accumulated benefit superannuation fund for the employees of the City of Perth and known as the City of Perth Superannuation Plan (CPSP). In accordance with statutory requirements, the City contributes to the CPSP amounts nominated by the Council. As such, assets are accumulated in the CPSP to meet members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

Effective 1 July 2009, the City of Perth Superannuation Fund was subsumed into an industry fund AustralianSuper, operated by the trustee AustralianSuper Pty Ltd.

Due to changes in legislation impacting on superannuation, AustralianSuper has moved accumulated members into a new fund called My Super. This fund is part of AustralianSuper. The change was implemented for both legislative reasons and to take advantage of lower member fees.

Total Superannuation contributions paid by the City during the reporting period was \$7,199,924 (30 June 2015: \$6,745,225).

#### 22. LOAN FACILITIES

Loan Facilities	30/06/2016	30/06/2015
	\$	\$
Current	6,772,074	6,441,709
Non Current	29,554,928	36,327,002
<b>Total Loan Facilities in use at Reporting Date</b>	<b>36,327,002</b>	<b>42,768,711</b>
Unused Loan Facilities at Reporting Date	Nil	Nil



**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**23. EMPLOYEE REMUNERATION**

The number of employees, whose salary (excluding termination payments) exceeded \$100,000 during the financial year, is shown below in their relevant income bands:

<b>Income Range</b>	<b>No. in 2016</b>	<b>No. in 2015</b>
\$100,000 - \$109,999	41	33
\$110,000 - \$119,999	12	18
\$120,000 - \$129,999	20	8
\$130,000 - \$139,999	3	1
\$140,000 - \$149,999	5	9
\$150,000 - \$159,999	2	-
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	-
\$200,000 - \$209,999	1	4
\$210,000 - \$219,999	1	-
\$260,000 - 269,999	1	-
\$320,000 - \$329,999	-	1
	<b>90</b>	<b>74</b>

The City's current organisational structure includes a large number of Level 8 Officers which account for the significant number of employees earning more than \$100,000 per annum.

**24. COMMITMENTS AND CONTINGENT LIABILITIES**

- (a) As at 30 June 2016 a commitment existed in respect of interest payable on loan debentures over the life of the loans.

	<b>30/06/2016</b>	<b>30/06/2015</b>
	<b>\$</b>	<b>\$</b>
Interest Payable	4,679,881	6,602,472

- (b) Lease Rental Commitments

Future operating lease rentals of property not provided for in the financial statements and payable:

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 24. COMMITMENTS AND CONTINGENT LIABILITIES (...continued)

Lease Rental Commitments	30/06/2016	30/06/2015
	\$	\$
Not later than 1 year	1,516,603	1,482,889
Later than 1 year but not later than 2 years	1,470,408	1,437,835
Later than 2 years but not later than 5 years	4,272,639	4,313,505
Later than 5 years	59,236,048	60,582,373
	<b>66,495,698</b>	<b>67,816,602</b>

A substantial amount of the lease rental commitments relates to commitments for variable outgoings in relation to the City's 99 year leasehold interest in the Loading Dock at 100 St Georges Terrace.

At reporting date the City of Perth had no obligations under finance leases.

#### (c) Commitments for Capital Expenditure

Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:

	30/06/2016	30/06/2015
	\$	\$
Buildings	2,219,566	3,595,629
Infrastructure Assets	612,041	2,257,290
Plant and Mobile Equipment	1,206,997	132,488
Office Furniture and Equipment	382,602	60,836
	<b>4,421,206</b>	<b>6,046,243</b>

#### (d) Commitment – Deed of Guarantee

In line with other equity holders in the Mindarie Regional Council (MRC) the City of Perth has guaranteed, proportionate to its equity share (one twelfth), the obligations of MRC to the contractor building and operating the Neerabup Resource Recovery Facility.

Such guarantee can be called upon in the event of a *default* event during the contractors operation of the facility. The share of the liability that could be generated by the exercise of the guarantee is estimated at an amount between \$7.21 million diminishing to \$1.5 million depending on the time of any such *default* event.

#### (e) Contingent Liability – Investment in Tamala Park Regional Council (TPRC).

The City of Perth, along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. As at 30 June 2016 there is an increase in the value of the City's equity share of its investment as a consequence of the development and sale of land by TPRC reduced by the distributions made by the TPRC to the participating members during the reporting period.

(continued...)

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**24. COMMITMENTS AND CONTINGENT LIABILITIES (...continued)**

**(e) Contingent Liability – Investment in Tamala Park Regional Council (TPRC) (...continued)**

Due to the availability of draft financial statements for Tamala Park Regional Council when the City of Perth's Financial Report was compiled, the City was able to reliably determine the value of its investment as at 30 June 2016.

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 25. FINANCIAL INFORMATION BY RATIO

	2013/14	2014/15	2015/16
(a) <b>Current Ratio</b>			
<u>Current Assets minus Restricted Assets</u> <sup>1</sup>			
<u>Current Liabilities minus Liabilities</u> <sup>2</sup>			
associated with Restricted Assets	0.83:1	1.02:1	1.08:1
(b) <b>Asset Consumption Ratio</b>			
<u>Depreciated Replacement Cost of Assets</u>			
<u>Current Replacement Cost of</u>			
<u>Depreciable Assets</u> <sup>3</sup>	56.00%	61.00%	57.00%
(c) <b>Asset Renewal Funding Ratio</b>			
<u>Net Present Value of Planned Capital</u>			
<u>Renewals over 10 years</u> <sup>4</sup>	145.00%	100.00%	100.00%
<u>Net Present Value of Required Capital</u>			
<u>Expenditure over 10 Years</u> <sup>5</sup>			
(d) <b>Asset Sustainability Ratio</b>			
<u>Capital Renewal and Replacement</u>			
<u>Expenditure</u> <sup>6</sup>	46.00%	50.00%	95.00%
Depreciation Expense			
(e) <b>Debt Service Cover Ratio</b>			
<u>Annual Operating Surplus before Interest</u>			
<u>and Depreciation</u>	5.11:1	5.62:1	4.84:1
Principal and Interest			
(f) <b>Operating Surplus Ratio</b>			
<u>Operating Revenue</u> <sup>7</sup> Minus Operating			
<u>Expense</u> <sup>8</sup>	10.82%	8.94%	4.40%
Own Source Operating Revenue			
(g) <b>Own Source Revenue Coverage Ratio</b>			
<u>Own Source Operating Revenue</u> <sup>9</sup>	1.11:1	1.08:1	1.04:1
<u>Operating Expense</u> <sup>8</sup>			

<sup>1</sup> Restricted Assets include reserve funds (current) and tied grants/contributions not utilised at year end.

<sup>2</sup> Liabilities associated with Restricted Assets means the lesser value of a current liability or the cash component of Restricted Assets held to fund that liability.

<sup>3</sup> Current replacement cost of Depreciated Assets means the cost of replacing assets at current prices.

<sup>4</sup> Planned capital renewals means capital renewal and replacement expenditure as estimated in the long term financial plan.

<sup>5</sup> Required capital expenditure means capital renewal and replacement expenditure as estimated in the Long Term Financial Plan.

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**25. FINANCIAL INFORMATION BY RATIO (...continued)**

- <sup>6</sup> Capital renewal and replacement expenditure means expenditure to renew or replace existing assets.
- <sup>7</sup> Operating revenue means that revenue that is operating revenue for the purpose of the Australian Accounting Standards (AAS) excluding Grants and Contributions for the development and acquisition of assets and other comprehensive income.
- <sup>8</sup> Operating expenses means the expense that is operating expense for the purpose of the AAS including net interest expense and depreciation.
- <sup>9</sup> Own source operating revenue means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

Financial information ratios reported upon with the exception of the current ratio, are as legislated under the Local Government (Financial Management) Regulations 1996. Comparative figures for the two previous years are also provided.

**26. SIGNIFICANT ITEMS**

The following items are of such a size, nature or incidence that its disclosure is relevant in explaining the City's financial performance for the reporting period.

**(a) Fixed Assets Write Off**

During the reporting period fixed assets to the value of \$6,201,879 were written off and comprised the following.

- (i) **Non Capitalised Work in Progress**  
This relates to costs incurred on capital projects in prior years, but now expensed, as the projects did not proceed to completion, were not closed out, or the cost of individual assets when established were under the capitalisation threshold of \$5,000 each. Amount expensed \$4,620,525 (30 June 2015 - \$1,014,539).
- (ii) **Obsolete and Extinguished Assets**  
This relates to assets deemed obsolete or is no longer in use at the reporting date. The value of these assets written off was \$1,581,354 (30 June 2015: \$2,697,674) of which \$1,493,417 (30 June 2015: \$2,077,691) relates to infrastructure assets.

**(b) Impairment of Investments**

The impairment charge was reduced by \$85,190 at 30 June 2016 (30 June 2015: \$150,004) following an increase in the market value of three tranches of mortgage backed securities. The mortgage backed securities continue to suffer from liquidity risk resulting in their market value at 30 June 2016 being \$2,743,759 as compared to an original cost, after redemption of a portion of the security, of \$4,368,589.

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 26. SIGNIFICANT ITEMS (...continued)

The City's investment advisors CPG Advisory Services utilises market data from Barclays Bank DCO to complete the impaired valuations of the mortgage backed securities held by the City.

#### (c) Initial Recognition of Assets – Works of Art (including the Memorabilia and History Collections) (for comparative purposes only)

The City during the previous reporting period completed a further reconciliation of its Works of Art Asset Register. It was established that a number of public art, the memorabilia and the History Centre collections were not reflected in the Art Asset Register. All the assets concerned were acquired by the City in previous years either by way of purchase or were contributed to the City. These assets were initially recognised at a fair value of \$5,365,341 during the previous reporting period, a value established through both external and internal valuations.

#### (d) Disposal of Development Land at Tamala Park

Tamala Park Regional Council (TPRC) has on behalf of its equity holders, subdivided developed and sold during the financial year, 137 lots of land at the Tamala Park project marketed as 'Catalina' (Stages 6B, 10, 11, 12, 13A, 13B, 14, 15, 18A and McAllister). The amount of \$1,137,566 represents the City's profit on the 137 lots developed and sold during the reporting period (30 June 2015: 215 lots \$2,585,991). The City is a one twelfth equity holder in the TPRC.

#### (e) Elizabeth Quay

The Elizabeth Quay development opened in January 2016. The development incorporates commercial, retail and cultural attractions which are set around a 2.7 hectare inlet. The Metropolitan Redevelopment Authority (MRA) will retain ownership of a number of public realm areas and assets for up to 10 years. The MRA is responsible for activation, presentation, maintenance and public services in the precinct. MRA will sell and oversee development of nine private lots over an extended period of time. A two tiered funding approach to the development is being negotiated as follows:

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

The City's forecasts indicate that it will take a number of years for the revenue generated from ratepayers to cover the cost of servicing the precinct. This forecast is based on the latest development schedule provided by the MRA. If the development of the proposed residential and office buildings is delayed, then this period of deficit for the City will be extended. (continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**26. SIGNIFICANT ITEMS (...continued)**

**(f) Infrastructure Road Reserve Assets – Elizabeth Quay and Perth City Link**

Certain infrastructure road reserve assets for Elizabeth Quay and Perth City Link have been automatically vested in the City during the reporting period. The City has not brought to book said assets as there is a lack of specific detail as to their quantity and value. The City is endeavouring at the reporting date to establish the requested and required details with MRA. The value of these assets when established is not expected to be material relative to the City's total assets.

**(g) City of Perth Act**

The passing of the City of Perth Bill by the W.A. Parliament on 25 February 2016 signals a new beginning in the State's history.

From 1 July 2016, the City of Perth Act will bring the City of Perth in line with other Australian capital cities, recognise its capital city status and acknowledges its central role in tourism, business and economic development. It will provide the necessary structure and legislation to ensure Local and State Government work together on vitally important issues.

Under the legislation, the boundaries of the City of Perth will include the University of Western Australia, Kings Park, Queen Elizabeth II Medical Centre, the Perth Children's Hospital and the transfer of 1,508 ratepayers from the Cities of Subiaco and Nedlands. This will result in changes to revenue, expenditure and assets (not at present quantifiable) held by the City.

**27. TRUST FUNDS**

**Trust Fund Information**

	<b>Opening Balance 1/07/2015</b>	<b>Receipts year ended 30/06/2016</b>	<b>Payments year ended 30/06/2016</b>	<b>Closing Balance 30/06/2016</b>
<b>Purpose for which Money Received</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Footpath Deposits	3,935,940	1,204,740	1,444,857	3,695,823
Unclaimed Monies	1,207,989	71,796	-	1,279,785
Other	2,151,644	231,280	-	2,382,924
	<b>7,295,573</b>	<b>1,507,816</b>	<b>1,444,857</b>	<b>7,358,532</b>

The above monies are not recognised in the financial statements as the City performs only a custodial role. These funds cannot be used by the City and are shown here for information only.

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 28. FINANCIAL INSTRUMENTS

##### (a) Terms, Conditions and Accounting Policies

The reporting entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability recognised at the financial position date are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
<b>(i) Financial Assets</b>			
Cash at Bank	19	Cash at Bank is carried at the principal amount. Interest is recognised in the Statement of Comprehensive Income when earned.	Interest is earned at the Bank's benchmark rate depending on the balance in the account.
Trade and Other Receivables	11	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Receivables are on 14 to 30 day terms, depending on receivable type.
Short-term Deposits	12	Short-term deposits are stated at cost. Interest is recognised in the Statement of Comprehensive Income when earned.	Short-term deposits have an average maturity of 154 days and effective interest rates of 2.91% to 3.03% (2015: 3.34% to 4.00%)
Managed and Balanced Funds	12	Managed and Balanced Funds are marked to market. Interest and Investment earnings are reinvested in the funds and recognised in the Statement of Comprehensive Income when earned.	Holdings in managed funds are redeemable on 72 hours notice.
Mortgaged Backed Securities	12	The value of these Interest Bearing Securities is stated at cost or impaired value. Interest is recognised in the Statement of Comprehensive Income when earned.	Maturities are greater than 5 years. It is the City's intention to dispose of these securities when the most prudent and advantageous opportunity arises.

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**28. FINANCIAL INSTRUMENTS (...continued)**

**(ii) Financial Liabilities**

Bank Loans	17,22	The bank loans are carried at the principal amount. Interest is charged as an expense as it accrues.	The bank loans are repayable quarterly or on maturity with the final instalment due in August 2022. Interest is charged at a fixed rate. Details of the security over bank loans are set out in Note 17. Details of the loans are set out in the Loan Liability Schedule in Note 30.
Trade and Other Payables	14	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity.	Trade Liabilities are normally settled on 30 day terms.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 28. FINANCIAL INSTRUMENTS (...continued)

##### (b) Interest Rate Risk

The reporting entity's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities recognised at the financial position date are as follows:

Financial Instruments	Floating Interest Rate		Fixed Interest Rate Maturing in						Non-Interest Bearing		Total Carrying Amount as per the Statement of Financial Position		Weighted Average Effective Interest Rate	
	2016	2015	Over 1 to 5 years		More than 5 years		2016	2015	2016	2015	2016	2015	2016	2015
			\$	\$	\$	\$								
Financial Assets														
Cash and Cash Equivalent	9,881,137	21,016,119	-	-	-	-	-	-	182,560	148,658	10,063,697	21,164,777	2.52	2.19
Trade and Other Receivables	-	-	-	-	-	-	-	-	10,245,710	8,458,912	10,245,710	8,458,912	N/A	N/A
Short-term Deposits	-	-	83,923,629	-	-	-	-	-	-	-	96,111,382	83,923,629	3.27	4.05
Managed Funds	4,138,020	4,118,105	-	-	-	-	-	-	-	-	4,138,020	4,118,105		
Interest Bearing Securities	2,743,759	5,768,573	-	-	-	-	-	-	-	-	2,743,759	5,768,573		
Unlisted Shares/Equity	-	-	-	-	-	-	-	-	4,418,313	4,343,907	4,418,313	4,343,907	N/A	N/A
<b>Total Financial Assets</b>	<b>16,762,916</b>	<b>30,902,797</b>	<b>83,923,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,846,583</b>	<b>12,951,477</b>	<b>127,720,881</b>	<b>127,777,903</b>		
Financial Liabilities														
Bank Loans	-	-	-	14,583,480	8,330,228	21,743,522	-	-	-	-	36,327,002	42,768,711	3.18	4.40
Trade and Other Payables	-	-	-	-	-	-	-	-	15,315,320	18,910,005	15,315,320	18,910,005	N/A	N/A
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,583,480</b>	<b>8,330,228</b>	<b>21,743,522</b>	<b>15,315,320</b>	<b>18,910,005</b>	<b>15,315,320</b>	<b>18,910,005</b>	<b>51,642,322</b>	<b>61,678,716</b>		

N/A – not applicable for non-interest bearing financial instruments.

(continued...)



**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

**28. FINANCIAL INSTRUMENTS (...continued)**

**(c) Net Fair Values**

The aggregate net fair values of financial assets and financial liabilities recognised at the financial position date are as follows:

	Total Carrying Amount as per the Statement of Financial Position		Aggregate Net Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and Cash Equivalents	10,063,697	21,164,777	10,063,697	21,164,777
Trade and Other Receivables	10,245,710	8,458,912	10,245,710	8,458,912
Short-term Deposits	96,111,382	83,923,629	96,111,382	83,923,629
Managed Funds	4,138,020	4,118,105	4,138,020	4,118,105
Interest Bearing Securities	2,743,759	5,768,573	2,743,759	5,768,573
Unlisted Shares/Equity	4,418,313	4,343,907	4,566,470	4,503,502
<b>Total Financial Assets</b>	<b>127,720,881</b>	<b>127,777,903</b>	<b>127,869,038</b>	<b>127,937,498</b>
<b>Financial Liabilities</b>	\$	\$	\$	\$
Bank Loans	36,327,002	42,768,711	36,327,002	42,768,711
Trade and Other Payables	15,315,320	18,910,005	15,315,320	18,910,005
<b>Total Financial Liabilities</b>	<b>51,642,322</b>	<b>61,678,716</b>	<b>51,642,322</b>	<b>61,678,716</b>

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

**Recognised Financial Instruments:**

**(i) Cash, Short-term Deposits**

The carrying amount approximates fair value because of their relative short to medium term to maturity.

**(ii) Managed Funds**

The carrying amount of these investments approximates fair value because they have been marked to market.

**(iii) Interest Bearing Securities**

The carrying amount of these investments is at cost or impaired value due to the policy of holding these investments to maturity, recognising any impairment when it is warranted.

(continued...)

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 28. *FINANCIAL INSTRUMENTS (...continued)*

##### (c) **Net Fair Values (...continued)**

###### (iv) ***Trade and Other Receivables and Payables***

The carrying amount approximates fair value.

###### (v) ***Borrowings***

The carrying amount approximates fair value because the loans were each secured at a fixed rate of interest over the term of the loans.

##### (d) **Credit Risk Exposure**

The reporting entity's maximum exposure to credit risk at financial position date in relation to each class of recognised financial assets are the carrying amount of those assets as indicated in the Statement of Financial Position.

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**29. LOAN LIABILITY SCHEDULE FOR THE YEAR ENDED 30 JUNE 2016**

Loan No.	Particulars	Term (Yrs)	Date of Issue	Original Principal \$	Rate of Interest %	Lender	Mode of Payment	Month & Year of Maturity	Amount of Principal Outstanding 30/06/15		Principal		Interest		Amount of Principal Outstanding	
									\$	\$	Budget 30/06/16	Actual 30/06/16	Budget 30/06/16	Actual 30/06/16	Budget 30/06/16	Actual 30/06/16
165	RECREATION & CULTURE Civic Library	10	June 2012	8,011,407	4.02	W.A.T.C.	4	June 2022	5,940,426	750,267	750,268	750,268	232,042	265,967	5,190,159	5,190,158
167	Civic Library	10	July 2012	23,788,520	3.63	W.A.T.C.	4	Aug 2022	18,078,621	2,221,091	2,221,092	2,221,092	570,092	727,193	15,857,530	15,857,529
160	TRANSPORT Perth Convention Exhibition Centre	15	July 2004	29,180,000	6.15	W.A.T.C.	4	July 2019	8,330,228	1,770,299	1,770,298	1,770,298	429,005	498,458	6,559,929	6,559,930
164	Elder Street Car Park	10	Sept 2020	16,000,000	6.26	W.A.T.C.	4	Sept 2020	9,623,015	1,599,463	1,599,464	1,599,464	574,504	628,409	8,023,552	8,023,551
166	Goderich St Car Park	10	June 2012	1,074,073	4.02	W.A.T.C.	4	June 2022	796,421	100,587	100,587	100,587	31,107	35,658	695,834	695,834
<b>TOTAL LOANS</b>									42,768,711	6,441,707	6,441,709	6,441,709	1,836,750	2,155,685	36,327,004	36,327,002

**Loan Interest Capitalised**

Loan 167 Civic Library

- Loan interest capitalised is the net of the amount of interest payable on the loans during the construction phase offset against interest earned on unutilised loan funds up to the time the asset is made available for use.

**DETAILS OF LENDERS**

W.A.T.C.  
# Loan Debentures issued by the City are secured over the general funds of the City

Western Australian Treasury Corporation

# FINANCIAL STATEMENTS

## CITY OF PERTH

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

#### 30. FAIR VALUE MEASUREMENTS

The City measures the following asset and liability classes at fair value on a recurring basis:

- Property, Plant and Equipment
- Financial Assets and Liabilities

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition or measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a “level” in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**(1) The following table present all assets and liabilities that have been measured and recognised at fair values:**

		Fair Value Measurement Using:			Total
30/06/2016	Date of Latest Valuation	Level 1 Quoted Prices in Active Markets	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>Property, Plant and Equipment</b>		\$	\$	\$	\$
- Land	30/06/2011	-	367,797,605	-	367,797,605
- Buildings	30/06/2011	-	-	262,564,865	262,564,865
- Infrastructure	30/06/2015	-	-	485,179,495	485,179,495
- Plant and Equipment	30/06/2016	-	18,109,023	-	18,109,023
- Furniture and Equipment	30/06/2015	-	-	26,716,224	26,716,224
<b>Total Property, Plant and Equipment</b>		-	385,906,628	774,460,584	1,160,367,212

		Fair Value Measurement Using:			Total
30/06/2015	Date of Latest Valuation	Level 1 Quoted Prices in Active Markets	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
<b>Property, Plant and Equipment</b>		\$	\$	\$	\$
- Land	30/06/2011	-	369,924,554	-	369,924,554
- Buildings	30/06/2011	-	-	225,829,165	225,829,165
- Infrastructure	30/06/2015	-	-	480,607,504	480,607,504
- Plant and Equipment	30/06/2013	-	20,154,335	-	20,154,335
- Furniture and Equipment	30/06/2015	-	-	23,867,128	23,867,128
<b>Total Property, Plant and Equipment</b>		-	390,078,889	730,303,797	1,120,382,686

The City is committed to the further revaluation of Land and Buildings in 2016/17 in accordance with the Local Government (Financial Management) Regulations 1996 – Reg 17A.

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

*30. FAIR VALUES MEASUREMENTS (...continued)*

**(2) Transfers between Level 1 and Level 2 Fair Value Hierarchies**

During the year, there were no transfers between Level 1 and Level 2 fair value hierarchies for recurring fair value measurements.

**(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values**

When the City is unable to derive fair valuations using quoted market prices of identical assets (ie. Level 1 inputs), the City instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The fair valuation techniques the City has employed while utilising Level 2 and Level 3 inputs are as follows:

**Property, Plant and Equipment**  
**Land**

The City's land was valued by independent valuers. Except in the circumstances of any assets being held for sale (valued in accordance with *AASB 5 Assets Held for Sale*) or in accordance with specific accounting standards (such as Investment Properties) the balance of the portfolio is valued in accordance with *AASB 116 Property Plant and Equipment* at fair value.

Depending upon the unique circumstances of each lot, land has been valued using a range of approaches. Where there is an active market the 'market approach' has been adopted. If its value is primarily dependent on its income generating capability the income approach was used. For other types of land the 'cost approach' was adopted.

Details of each approach are detailed below.

Level 2 Valuation Inputs

**Market (Direct Comparison)** – This has been applied to land held in freehold title and has been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

**Cost (Direct Comparison)** – The valuation of some restricted or otherwise non-saleable land has been valued using the cost approach. This approach was used where, assuming the City needed to purchase the land or acquire additional land from an adjoining neighbour, the value of that land could be determined based on known zoning and town planning restrictions. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

(continued...)



# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 30. FAIR VALUES MEASUREMENTS (...continued)

##### (3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)

##### Level 3 Valuation Inputs

**Cost (Hypothetical Analysis)** – These were determining the cost approach. However the determination of the replacement cost involved detailed analysis of a hypothetical highest alternative land use. Typically this included estimating the number of potential residential or commercial lots that could be developed on the site. These are observable based on existing relevant planning rules and have been classified as Level 2. The third input is the developer's interest which effectively is the rate of return the developer requires based on the existing market conditions. This requires the valuers to exercise professional judgement and accordingly has been classified as level 3.

**Cost (Complex Analysis)** – These relate to land which is unique and requires consideration of a range of alternative uses that could be used to maximise the value. Typically these include sites which would enable sub-division into lots with different zonings and uses. They require the extensive exercise of professional judgement and require determination of a range of assumptions.

##### **Buildings**

The City's buildings were valued by independent valuers. The valuation of building, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and fire fighting equipment, and general lighting).

Excluded from this report are all items of plant, machinery, equipment, cranes, tools, furniture or chattels.

##### Level 3 Valuation Inputs

**Cost (Depreciated)** – These buildings were valued using the cost approach using professionally qualified Registered Valuers.

Under this approach, the cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. The Valuer determined a value based on the inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.

(continued...)

**CITY OF PERTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2016**

*30. FAIR VALUES MEASUREMENTS (...continued)*

*(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)*

**Plant and Equipment**

The City's plant and equipment was valued by Management as at 30 June 2016. Subsequent to the 2016 revaluation the assets are reviewed to ensure that the carry amount does not vary significantly from that determination using fair value at the reporting date.

Valuations were undertaken utilising in-house professional staff, referencing market conditions, and the availability of sales evidence.

Level 2 valuation inputs have been applied having regard to the condition and the useful life of the asset class.

**Furniture and Equipment**

It was deemed by Management that no material variance exists between the fair value of furniture and equipment using Level 3 inputs and the carrying cost of this class. It is considered that the value disclosed is fairly stated.

**Infrastructure**

All the City's infrastructure has been valued at fair value utilising in-house professional Asset Management staff and an independent valuer.

All of the City's infrastructure assets were valued using a depreciated cost valuation technique. This method used assets current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect potential of the asset as established then adjusted to take into account the expired service potential of the asset.

The current replacement cost was measured by referencing the lowest cost at which the asset could be obtained in the normal course of business.

The total cost values have been calculated using unit cost rate based on current tender and general market rates.

(continued...)

# FINANCIAL STATEMENTS

## CITY OF PERTH

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

#### 30. FAIR VALUES MEASUREMENTS (...continued)

##### (3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)

Level 2 and Level 3 valuation inputs have been applied to all infrastructure asset classes. Level 2 inputs being construction cost and current condition and Level 3 inputs being residual values and remaining useful life assessments.

The above techniques and inputs were utilised for all the following classes:

- Roads
- Drainage
- Landscape
- Lights
- Footpaths and Kerbs
- River Walls
- Other Infrastructure

##### (4) Highest and best use

All of City's non-financial assets are considered to being utilised for their highest and best use.

**CITY OF PERTH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**CITY OF PERTH  
FIVE YEAR STATISTICAL HISTORY  
All dollar figures are in A\$000's**

<b>Year Ended 30 June</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Rates</b>					
Rateable Properties	16,598	16,389	15,750	15,345	15,256
Rates Revenue	\$83,185	\$75,465	\$71,122	\$67,226	\$60,747
Increase in Rate Revenue	10.23%	6.10%	5.80%	10.70%	3.86%
Rate Revenue as a % of Total Revenue	43.49%	40.47%	40.26%	39.72%	38.36%
<b>Financial</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates Revenue	83,185	75,465	71,122	67,226	60,747
Parking Fees	73,219	73,303	70,136	66,504	62,825
Other Fees and Charges	26,273	26,230	25,216	24,028	23,339
Investment Income	4,722	5,562	6,331	8,037	7,767
Other Revenue	3,869	5,923	3,867	3,444	3,687
<b>Total Revenue</b>	<b>191,268</b>	<b>186,483</b>	<b>176,672</b>	<b>169,239</b>	<b>158,365</b>
<b>Total Operating Expenditure</b>	<b>181,348</b>	<b>167,525</b>	<b>151,299</b>	<b>141,167</b>	<b>138,880</b>
Capital Grants and Contributions	5,443	1,764	2,955	2,843	1,550
Gain/(Loss) on Disposal/Write Off/Contribution of Assets	(1,569)	(2,584)	(6,474)	(1,561)	(1,659)
<b>Operating Surplus</b>	<b>13,794</b>	<b>18,137</b>	<b>21,854</b>	<b>29,354</b>	<b>19,376</b>
<b>Capital Expenditure</b>	<b>41,740</b>	<b>50,770</b>	<b>52,826</b>	<b>70,895</b>	<b>43,266</b>
<b>Borrowings</b>	<b>36,327</b>	<b>42,769</b>	<b>48,897</b>	<b>55,259</b>	<b>36,308</b>
<b>Reserves – Cash Backed</b>	<b>88,228</b>	<b>87,574</b>	<b>85,606</b>	<b>90,493</b>	<b>73,535</b>
<b>Revaluation Reserves</b>	<b>560,036</b>	<b>560,795</b>	<b>372,942</b>	<b>377,710</b>	<b>375,509</b>
<b>Net Assets</b>	<b>1,272,125</b>	<b>1,260,478</b>	<b>1,045,838</b>	<b>936,566</b>	<b>906,925</b>
<b>Human Resources</b>					
Employee Costs (including costs capitalised)	\$69,579	\$66,631	\$60,573	\$56,258	\$53,380
Number of Employees (including fulltime, part-time and casuals)	743	720	696	680	668
<b>City Development</b>					
Building Licences Issued	552	509	500	491	593
Value of Building Licences Issued	\$715,000	\$827,200	\$924,600	\$533,400	\$706,504
Planning Applications Issued	437	407	357	366	385
Value of Planning Applications Issued	\$420,670	\$2,206,700	\$1,774,300	\$1,012,400	\$828,603
<b>Refuse</b>					
Total Waste to Landfill (tonnes)	13,074	13,344	21,964	31,413	36,055
Recycling Tonnage	1,879	1,938	1,909	1,959	2,079
<b>General</b>					
Forecast Residential Population	23,065	21,092	20,762	20,282	19,366
Approved Residential Strata Lots added to Market for the Year	505	882	338	242	454



City of **Perth**

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ABN 83 780 118 628



# *City of Perth*

## Audit Findings Report

To the Audit Committee for the year ended 30 June 2016

SCHEDULE 22





# Grant Thornton

An instinct for growth™

Members of the Audit Committee  
City of Perth  
Council House  
27 St Georges Terrace  
PERTH WA 6000

31 October 2016

Dear Committee Members,

## **REPORT TO THE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2016**

Please find attached our Report to the Audit Committee for the year ended 30 June 2016.

We have completed our audit and issued an unqualified audit report.

We take this opportunity to extend our appreciation to the finance team for their assistance and cooperation during the course of the audit.

This report has been prepared for the Audit Committee of the City of Perth only. It should not be quoted or referred to, in whole or in part, without our prior written consent. No warranty is given to, and no liability will be accepted from, any party other than the City of Perth. This report should be read in conjunction with our audit engagement letter and any other formal correspondence addressed to the Audit Committee regarding this year's audit.

We strive for a high level of client satisfaction, and our business is built around the relationships we maintain with our clients. We want to hear feedback from our clients, both positive and negative, to ensure the services we provide exceed expectations.

If you receive our Client Voice Engagement Survey, we would greatly appreciate if you would please take the time to provide your feedback.

We trust that you find this report informative and we appreciate the opportunity to be of service to you. If you have any queries or wish to discuss any issues further, please do not hesitate to contact either Lorenzo or me.

Yours faithfully  
GRANT THORNTON AUDIT PTY LTD

P W Warr  
Partner

Grant Thornton Audit Pty Ltd ACN 130 913 594  
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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# Your Grant Thornton audit team:

## Key contacts



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RESEARCH + CONSULTING  
**FINALIST**

# Key areas of audit focus – summary page

Focus area	Risk*	Management judgement	Material adjustment	Control recommendation	Control deficiency classification	Pending matters
Property, Plant, Equipment & Infrastructure	Yes	Yes	No	No	-	No
Investment Properties	Yes	Yes	No	No	-	No
Operating Expenses	Yes	No	No	No	-	No
Accounts Payable	Yes	No	No	No	-	No
Other Revenues	Yes	No	No	No	-	No
Journal Entries	Yes	Yes	No	No	-	No

\* Risk refers to Significant Risk or Other Risk (per ASA 315).

## Audit materiality

Basis	Normal range	Account value \$000	Materiality - 2016 \$000	Materiality - (prior year) \$000
Total Expenses	1-3%	182,992	3,660	3,406

### Legend



#### Material weakness

Critical area that represents relatively high risk i.e. a control gap that may result in material misstatements and has a likelihood of occurrence that is not remote. Action should be taken immediately.



#### Significant deficiency

Important matter that represents medium risk ie a control gap that may result in material misstatements but has a remote likelihood of occurrence.



#### Deficiency

Housekeeping or administrative matter that represents relatively low risk i.e. a control gap that is assessed to result in inconsequential misstatements.

# Key areas of audit focus

Account description	Type	2016 \$000	2015 \$000	Risk	Management judgement
Property, Plant, Equipment & Infrastructure	Asset	1,193	1,190	Yes	Yes
Investment Properties	Asset	18,591	19,367	Yes	Yes

## Details of risk

Property, Plant and Equipment transactions and balances are considered a risk due to the judgement applied in determining capitalisation, appropriate useful economic lives and depreciation rates and whether an impairment ought to be applied to carrying values. The valuation of Investment Properties is considered to be a risk due to the significance of the revaluation that occurred during the period. Additionally, plant & equipment has been revalued internally during the period and has been identified as an audit risk area.

## Audit procedures performed

- The fixed asset register was verified against trial balance reported amounts.
- Audit procedures were undertaken to assess the appropriateness of the useful lives of capital assets, the accuracy of depreciation charges and possible impairment.
- We performed substantive testing on property plant and equipment and investment properties additions, disposals and write-offs. These transactions were assessed to ensure asset treatment was in line with the City's policies and procedures and tested for accuracy to supporting documentation.
- We undertook a review of the appropriateness of management's assumptions regarding the plant & equipment revaluation process. We selected a sample of revalued assets for testing and vouched to supporting valuation documents. We checked the accounting for revaluation adjustments to ensure compliance to accounting standards.

- We reviewed the revaluation performed on investment properties by Landgate and Colliers International and ensured the treatment in the financial statements was appropriate.

## Conclusions

There are no deficiencies noted in our testing of property, plant, equipment & infrastructure and investment properties.

## Control deficiencies

**Prior year:** no deficiencies noted.

**Current year:** no deficiencies noted.



# Key areas of audit focus

Account description	Type	2016 \$000	2015 \$000	Risk	Management judgement
Operating Expenses	Expense	182,992	170,322	Yes	No
Trade & Other Payables	Liability	16,364	19,859	Yes	No

## Details of risk

Operating expenses are material amounts, and accruals represent an area of management judgement that may increase the likelihood of errors due to the complexity of the supporting calculations. As a result payables related to core activities understated or not recorded in the correct period has been identified as an audit risk area.

## Audit procedures performed

- We selected a sample of expense transactions to agree to supplier invoice to determine if the expense amount was appropriate and that invoice approval and dual signature payments controls were in place.
- We performed a search for unrecorded liabilities by scanning payments made and invoices received post year end to ensure they were recorded in the correct period.
- Disbursement cut off was reviewed by obtaining the last cheque issued at period end and first cheque issued in the new period. Further, there were discussions with Management and staff in relation to how unprocessed invoices were treated.
- We performed analytical procedures over operating expenses, comparing expenditure to both the prior year and our expectations through minute reviews and discussions with Management.
- A review of period end accrual balances was conducted to ensure that accrual balances were not materially understated.

- W reviewed the trade creditor account to determine if any positive debtor amounts required reclassification to prepayments.

## Conclusions

There are no material deficiencies noted in our testing of operating expenses and trade & other payables.

## Control deficiencies

**Prior year:** no deficiencies noted.

**Current year:** Grant Thornton identified positive creditors that required reclassification into the City's prepaid expenses account, of \$227K.

# Key areas of audit focus

Account description	Type	2016 \$000	2015 \$000	Risk	Management judgement
Other Revenues	Revenue	191,342	186,694	Yes	No

## Details of risk

Revenue relates to the following:

- Rates
- Operating Grants, Subsidies and Contributions
- Fees and Charges
- Interest Earnings
- Other Operating Revenue

Each of the main streams of revenue has a different recognition criteria and this increases the complexity of accounting and the likelihood of errors.

## Audit procedures performed

- We performed analytical procedures on rate revenue recognised to identify significant variances from expectations and obtained explanations and corroboration from Management where appropriate.
- We performed a recalculation of interest revenue received on the basis of average interest rate at year-end and investment balances held as agreed to third party confirmation letters.
- We performed substantive testing around the year-end revenue to ensure that revenue

was recognised in the appropriate accounting period.

- We sampled operating grants, subsidies and contributions and fees and charges to ensure that revenue was recognised was valid. We agreed amounts recorded to receipts on the bank statement.

## Conclusions

There are no material deficiencies noted in our testing of other income.

## Control deficiencies

Prior year: no material deficiencies noted.

Current year: no material deficiencies noted.

# Key areas of audit focus

Focus Area	Risk	Key Audit Matter	Management judgement	Material Adjustment	Control Recommendation	Pending Matters
Journal Entries	Yes	Yes	No	No	No	No

## Details of risk

The journal entries posting system is an integral part of ensuring that City of Perth's data is accurate and free from accounting misstatement. In addition, due to requirements surrounding ASA 240, we believe that management override of controls to be a significant risk.

In addition, we believe the journal entries process is a key audit matter, due to the high volume of transactions that occur.

## Audit procedures performed

- Performed a completeness test of the journal entries, ensuring that the general ledger movement corresponded to the movements per the trial balance.
- Performed specific tests to identify journal entries posted with no descriptions
- Performed specific tests to entries made into accounts that had high journal activity during the period.
- Performed specific tests to identify round journal entries within certain accounts
- Performed specific tests to identify extremely large journal entries posted.

## Conclusions

There are no material deficiencies noted in our testing of journal entries processed during

the period.



## Control deficiencies

Prior year: no material deficiencies noted.

Current year: no material deficiencies noted.

# Current year recommendations

The following recommendations have been made which identified potential control weakness for consideration but also identified opportunities for future efficiencies and strengthening of controls.

Control deficiency classification	Observation and implication	Recommendation	Management response
	<b>Trade Creditors</b> Grant Thornton identified several positive balances in the creditors control account. These amounts are required to be reclassified into the prepaid expenses account .	We recommend that the creditors control account is reviewed at each reporting period to ensure debit balances are reclassified to correct accounts for financial reporting..	
	<b>Employee Leave Completeness</b> Grant Thornton identified that four employees were excluded from the annual leave schedule at period end. Grant Thornton also identified that three employees were incorrectly listed on the long service leave schedule at period end.	We recommend that a completeness review be performed at year end to ensure that eligible employees are included in the leave provision schedules.	

## Other prior year recommendations

No prior period control deficiencies or recommendations were identified.



# Fraud risk

## Scope of audit services regarding fraud

In accordance with Auditing Standard ASA 240, our required objectives with regards to fraud are:

- to identify and assess the risks of **material misstatement** of the financial report due to fraud;
- to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- to respond appropriately to fraud or suspected fraud identified during the audit.

## Responsibility of the management

Management are required to consider the risk of fraud within the company, and are responsible for maintaining a system of internal control to prevent, or detect material misstatements to the financial statements arising from instances of fraud.

## Detailed fraud detection services?

Grant Thornton's Forensic Consulting division specialise in providing fraud detection services, and can efficiently perform this value-add service. This testing is designed to detect fraud of values far lower than audit materiality.

## What have we done in our audit to address the risk of fraud?

- Considered conditions present that increase the risk of fraud;
- Conducted planning discussions with management regarding the risk or existence of fraud, policies and procedures in place to prevent and detect fraud;
- Planned the nature and extent of our audit tests having regard to the risk of fraud;
- Reviewed accounting estimates for management bias;
- Evaluated the business rationale for unusual transactions;
- Maintained professional scepticism throughout the audit;
- Reviewed the appropriateness of journal entries and year-end accounting adjustments;
- Evaluated if any identified audit misstatements are indicative of fraud; and
- Incorporated unpredictable audit procedures into our audit plan and testing.

## Conclusion

Management confirmed that to the best of its knowledge and belief there have been no instances of fraud during the period, and our procedures did not uncover any matters to report.

# Communication of audit matters with those charged with governance

In accordance with Auditing Standards, we are required to communicate a number of matters with those charged with governance which is covered by our audit planning report, within this audit findings report, and in the table below.

Matters for Grant Thornton to consider	Description*	Exceptions
<b>Irregularities and illegal acts</b>	We have not become aware of any material irregularities or illegal acts.	No
<b>Non-compliance with laws and regulations</b>	We have not become aware of any material non-compliance with laws and regulations.	No
<b>Access to books and records, and conduct of audit</b>	We have been presented with all the necessary books and records and explanations requested of management.	No
<b>Appropriateness of accounting policies</b>	We have not detected any material deficiencies in the accounting policies disclosed.	No

Matters for Grant Thornton to consider	Description*	Exceptions
<b>Material uncertainties and going concern</b>	We have not detected any material deficiencies in management's assessment of the going concern assumption.	No
<b>Disagreements with management</b>	We have had no material disagreements with management.	No
<b>Independence of auditor</b>	National internal independence checks are performed annually.	No
<b>Expected modifications / exceptions to the audit report</b>	No exceptions.	No

\* Reference to "material" implies the exception would cause the financial report to be materially misstated.

## Schedule of uncorrected misstatements

No	Description	Asset \$000		Liability \$000		Equity \$000		Net Profit \$000	
		DR	CR	DR	CR	DR	CR	DR	CR
1	Adjustment to transfer the positive creditors to the prepayments account.	227	-	-	227	-	-	-	-
<b>Total</b>		<b>227</b>	<b>-</b>	<b>-</b>	<b>227</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

We have discussed with management the above uncorrected misstatements, and are satisfied that both individually and in aggregate, they are not material to the financial report as a whole.

### Disclosure deficiencies

No material disclosure deficiencies were noted in our audit of the financial statements.

# ASIC focus areas for 30 June 2016

ASIC announced on 2 June 2016 its focus areas for 30 June 2016 financial reports of listed entities and other entities of public interest with many stakeholders.

'Directors and auditors should continue to focus on values of assets and accounting policy choices. We continue to see companies use unrealistic assumptions in testing the value of assets or that have applied inappropriate approaches in areas such as revenue recognition', ASIC Commissioner John Price.

## Accounting estimates

- **Impairment testing and asset values**, with focus on the recoverability of assets such as goodwill, other intangibles, and PP&E.

## Accounting policy choices

- **Off-balance sheet arrangements**, especially in relation to joint arrangements and disclosure relating to structured entities.
- **Revenue recognition**, ensuring that it is reflective of the substance of the transaction.
- **Expensing of costs** that should not be included in asset values, and only including items in other comprehensive income where permitted.
- **Tax accounting**

## Key disclosures

- Such as assumptions supporting **accounting estimates and judgments**, ensuring these are specific and reflective of uncertainty.
- **The impact of new reporting requirements** e.g. revenue recognition, financial instruments and leases.

[Click here to view TA Alert 2016-09 'ASIC focus areas for 30 June 2016 financial reports'](#)

# Not-for-profit industry activity

## Quantifying outcomes and your contribution to society

For benefit organisations are constantly questioned on the contribution they have made and the impact they have had on society. The difficulty faced by the sector though is that the initiatives performed often don't provide immediate outcomes that are clearly measureable and consequently, the long term benefits are missed or ignored.

## What we're doing

Grant Thornton are joining with the Curtin University's Not-for-profit Initiative in conducting research over the next three (3) years to assist NFPs identify, measure and assure outcomes.

The research will enable us to produce practical tools that can be used to identify outcomes to be measured, the basis of measurement and the assurance that the outcome was achieved. It will also influence policy development in relation to how an outcomes based funding model should be implemented and shape the framework for NFP engagement with government.

## Why is this important?

The NFP industry is undergoing transformation and is subject to a range of challenges across fundraising, governance, risk management and more. One of those significant changes is the move by governments to fund on the basis of outcomes achieved rather than simply the level of service provided (outputs).

For further information refer to:

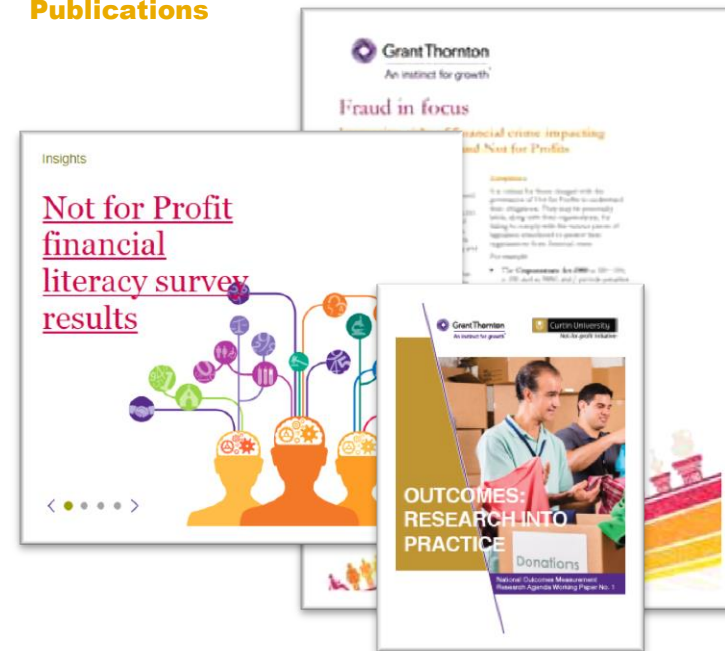
<http://www.grantthornton.com.au/insights/reports/building-capacity-in-not-for-profits/>

## Accounting updates

During the year the Australian Accounting Standards Board (AASB) has released two (2) Exposure Drafts specific to the not-for-profit sector. Further information can be found in the links below:

- [ED 260 Income recognition changes – Not for Profits](#)
- [ED 270 Reporting Service Performance Information – Not for Profits](#)

## Publications





# Developments in financial reporting

Contained within Note 1 of the financial statements are new accounting standards that may impact on the company in future reporting periods.

Below is an update on the status of accounting standards which are proposed to be subject to major changes:

Standard	Applicable from annual periods	Links for further information
<b>AASB 15 Revenue from Contracts with Customers</b>	Commencing 1 January 2018	<a href="#">TA Alert 2014-04 IFRS Newsletter (June 2014) – Special Edition on Revenue</a>
<b>AASB 9 Financial Instruments (2014)</b>	Commencing 1 January 2018	<a href="#">TA Alert 2009-22</a> , <a href="#">TA Alert 2010-49</a> , <a href="#">TA Alert 2013-13</a> , <a href="#">TA Alert 2014-09</a>
<b>AASB 16 Leases</b>	Commencing 1 January 2019	<a href="#">TA Alert 2016-01</a>

## Technical Accounting (TA) Alerts and other technical resources

We understand the task of keeping up with changes can be daunting, particularly given the length of some of the new standards; to assist you with this we publish TA Alerts on our website: [www.grantthornton.com.au](http://www.grantthornton.com.au).

TA Alerts also cover some contentious/difficult accounting concepts which the technical teams of both Grant Thornton International and Grant Thornton Australia have received a number of queries requiring guidance or clarification; [available on our website here](#).

In addition, there are a range of other IFRS/technical resources available on our website, including:

- [Impairment of Assets - A guide to applying IAS 36 in practice](#)
- [Under control? A Practical guide to applying IFRS 10 consolidated Financial Statements](#)
- [Navigating the accounting for business combinations: Applying IFRS 3 in practice](#)
- [Deferred tax: A Chief Financial Officer's guide to avoiding the pitfalls](#)
- [AASB 107: Statement of Cash Flows – A guide to avoiding common pitfalls and application issues](#)
- [AASB 132: Financial Instruments Presentation – Liability or equity?](#)
- [Intangible Assets in a Business Combination – Identifying and Valuing Intangibles under IFRS/AASB 3: Business Combinations](#)
- [Example financial statements](#)

Grant Thornton also has dedicated technical resources/National Audit Support division which can either be contacted via your audit contact or directly on [nationalaudit.support@au.gt.com](mailto:nationalaudit.support@au.gt.com).

## Alert for subsidiaries of a "Significant Global Entity"

- SGE is a global group with annual global income > AUD \$1b
- Legislation passed royal assent 3 December 2015
- Effective for years beginning on or after 1 July 2016
- Requirement for General Purpose Financial Reports
- Many uncertainties remain, industry awaiting clarification from ATO

# Income of not-for-profit entities

In April 2015, the AASB released ED 260 *Income of Not-for-Profit Entities* which contains AASB's proposals for replacing AASB 1004 *Contributions* and providing application guidance to not-for-profit (NFP) entities in applying the principles in AASB 15 *Revenue from Contracts with Customers*.

The Exposure Draft was open for comment until 14 August 2015. AASB's re-deliberation are expected to be completed by the end of August 2016. It is anticipated that a final draft of the standards will be published on AASB website during August/September, with the final standard out by the end of 2016. It is likely that the final standard will be effective from 1 January 2018.

Below is a brief summary of the ED proposals:

## Objective

The AASB's primary objective in replacing AASB 1004 has been to replace that Standard's income recognition requirements, in particular to:

- remove the reciprocal / non-reciprocal distinction, which is considered to be arbitrary and confusing in practice; and
- address concerns that AASB 1004 requires premature recognition of income when a transfer is classified as 'non-reciprocal' but gives rise to performance obligations to transfer specified goods or services to other parties (which should be recognised as a liability).

The other objective of ED 260 is to provide NFP application guidance for AASB 15 that clarifies:

- which transactions of NFP entities would fall within AASB 15; and
- how to interpret some terminology in AASB 15 in a NFP context.

## Structure of ED 260

### Income of NFP entities (in private or public sectors)

#### Some donations, grants and appropriations, and taxes, fines etc. [AASB 10XX]

Income recognised when entity obtains  
**control** of asset promised or given

#### Contracts with customers [amendments to AASB 15]

Revenue recognised when (or as) entity  
satisfies a **performance obligation**

Under ED 260 proposals, NFPs will be allowed to defer income from grants and donations until the related services are delivered, provided the conditions attached regarding delivery of goods or services are 'enforceable' and 'sufficiently specific'. This is regardless of whether the ultimate beneficiary is the grantor or a third party. However, some types of transfers to NFP entities will continue to be recognised as income immediately, including donations and grants where there is discretion about how the donation or grant is to be used.

## Fair value measurement of non-financial assets

Presently, the initial carrying amount of a non-financial asset would differ from the consideration paid or payable for acquiring the asset only if the consideration was nil or of a nominal amount, in which case the asset would initially be measured at fair value.

ED 260 proposes broadening the 'fair value on initial recognition' principle, to cover all acquisitions of non-financial assets where the vendor or lessor intended to make a donation. Accordingly, a lessee's finance lease asset involving a lessor's donation will now be measured at fair value.

# About Grant Thornton Australia

## Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms.

These firms help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice. Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions.

Grant Thornton Australia has more than 1,200 people working in offices in Adelaide, Brisbane, Cairns, Melbourne, Perth and Sydney. We combine service breadth, depth of expertise and industry insight with an approachable “client first” mindset and a broad commercial perspective.

More than 42,000 Grant Thornton people, across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work. Through this membership, we access global resources and methodologies that enable us to deliver consistently high quality outcomes for owners and key executives in our clients.



**1,200+**

PEOPLE NATIONALLY

**\$224.6m**

TURNOVER

**\$4.6BN**

WORLDWIDE REVENUE  
2015 (USD)

**6**

OFFICES

**42,000+**

PEOPLE GLOBALLY

**130+**

COUNTRIES

### Our services to dynamic businesses

#### Audit & assurance

#### Private advisory

Private wealth

Family office services

Superannuation

Business advisory services

#### Tax

#### Financial advisory

Forensic consulting

Corporate finance

Restructuring advisory

#### Growth advisory

Asia practice

Leadership, talent & culture

Technology advisory & solutions

Business risk services

Performance improvement

#### National specialist tax

Indirect tax

Transfer pricing

Remuneration taxes

#### Public sector advisory

### Industry specialisations

Automotive Dealerships

Energy & Resources

Financial Services

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Health & Aged Care

Life Sciences

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Not-for-Profit

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Public Sector

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