



CITY of PERTH

Lord Mayor and Councillors,

NOTICE IS HEREBY GIVEN that the next meeting of the **Finance and Administration Committee** will be held in Committee Room 1, Ninth Floor, Council House, 27 St Georges Terrace, Perth on **Wednesday, 27 January 2016 at 4.00pm.**

Yours faithfully

MARTIN MILEHAM
ACTING CHIEF EXECUTIVE OFFICER

21 January 2016

Committee Members (appointed 22 October 2015):

Members:

Cr Davidson OAM JP (Presiding
Member)
Cr Chen
Cr Harley

1st Deputy:

Cr Green

2nd Deputy:

Cr Yong

Please convey apologies to Governance on 9461 3250
or email governance@cityofperth.wa.gov.au

FINANCE AND ADMINISTRATION COMMITTEE

Established: 17 May 2005 (Members appointed 22 October 2015)

| Members: | 1st Deputy: | 2nd Deputy: |
|---------------------------------------|-------------------------------|-------------------------------|
| Cr Davidson OAM JP (Presiding Member) | Cr Green | Cr Yong |
| Cr Chen | | |
| Cr Harley | | |

Quorum: Two
Expiry: October 2017

TERMS OF REFERENCE: [Adopted OCM 24/11/15]

1. To oversee and make recommendations to the Council on matters related to:
 - a. the financial management of the City including budgeting, payment of accounts, collection of debts, investment of funds and write-offs;
 - b. strategic and annual plans;
 - c. management of 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);
 - d. business opportunities and proposals, including those related to parking, having the potential to achieve new income or savings for the City, which may have been initiated by other Committees of the Council;
 - e. fees and charges levied by the City in accordance with Sections 6.16 or 6.32 of the Local Government Act 1995;
 - f. Elected Members, including protocols and procedures, benefits and allowances;
 - g. Council's policies, local laws and Register of Delegations;
 - h. the management and enforcement of permanent and temporary on-street parking proposals or restrictions and any associated fees or signage;
 - i. any other matters requiring a decision of the Council and not specifically defined in the Terms of Reference for any other Committee of the Council or where the substantive Committee is unable to be convened and a decision is necessary to fulfil operational requirements.

(Cont'd)

NOTE:

Delegated Authority 1.1.1 – Finance and Administration Committee provides authority for the Committee to:

1. Approve or decline requests for receptions of up to \$5,000 in value referred to the Committee by the Lord Mayor [FM Reg.12(1)(b)].
2. Purchase artworks worth over \$5,000 and the deaccession of artworks [FM Reg.12(1)(b) and s.3.58(2) and (3)].
3. Determine matters assigned by delegated authority to the Marketing, Sponsorship and International Engagement Committee and the Audit and Risk Committee, only where the respective Committee is unable to be convened and a decision is necessary to fulfil operational requirements.

This meeting is open to members of the public.

INFORMATION FOR THE PUBLIC ATTENDING COMMITTEE MEETINGS

Question Time for the Public

- An opportunity is available at all Committee meetings open to members of the public to ask a question about any issue relating to the City. This time is available only for asking questions and not for making statements. Complex questions requiring research should be submitted as early as possible in order to allow the City sufficient time to prepare a response.
- The Presiding Person may nominate a Member or officer to answer the question, and may also determine that any complex question requiring research be answered in writing. No debate or discussion is allowed to take place on any question or answer.
- To ask a question please write it on the white Question Sheet provided at the entrance to the Council Chamber and hand it to a staff member at least an hour before the meeting begins. Alternatively, questions can be forwarded to the City of Perth prior to the meeting, by:-
 - Letter: Addressed to GPO Box C120, Perth, 6839;
 - Email: governance@cityofperth.wa.gov.au.
- *Question Sheets are also available on the City's web site: www.perth.wa.gov.au.*

Deputations

A deputation wishing to be received by a Committee is to apply in writing to the CEO who will forward the written request to the Presiding Member. The Presiding Member may either approve the request or may instruct the CEO to refer the request to the Committee to decide whether or not to receive the deputation. If the Presiding Member approves the request, the CEO will invite the deputation to attend the meeting.

Please refer to the 'Deputation to Committee' form provided at the entrance to the Council Chamber for further information on the procedures for deputations. These forms are also available on the City's web site: www.perth.wa.gov.au.

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any Member or officer of the City during the course of any meeting is not intended to be and is not to be taken as notice of approval from the City. No action should be taken on any item discussed at a Committee meeting prior to written advice on the resolution of the Council being received.

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**FINANCE AND ADMINISTRATION COMMITTEE
27 JANUARY 2016**

ORDER OF BUSINESS

- 1. Declaration of Opening**
- 2. Apologies and Members on Leave of Absence**
- 3. Question Time for the Public**
- 4. Confirmation of Minutes – 8 December 2015**
- 5. Correspondence**
- 6. Disclosure of Members' Interests**
- 7. Matters for which the Meeting may be Closed**
Nil
- 8. Reports**
- 9. Motions of which Previous Notice has been Given**
- 10. General Business**
 - 10.1 Responses to General Business from a Previous Meeting**
Nil
 - 10.2 New General Business**
- 11. Items for Consideration at a Future Meeting**

Outstanding Reports:

 - Council Dining Room (raised FA30/09/14, updated 21/04/15)
 - Program for CCTV Cameras around the City (raised FA29/10/15)
- 12. Closure**

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ITEM NO: 1

PAYMENTS FROM MUNICIPAL AND TRUST FUNDS – NOVEMBER 2015

RECOMMENDATION: (APPROVAL)

That in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, the list of payments made under delegated authority for the month ended 30 November 2015, be received and recorded in the Minutes of the Council, the summary of which is as follows:

| FUND | PAID |
|-----------------------|-------------------------|
| Municipal Fund | \$ 15,173,066.03 |
| Trust Fund | \$ 12,552.29 |
| TOTAL: | \$ 15,185,618.32 |

BACKGROUND:

FILE REFERENCE: P1031101-21
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 30 November 2015
MAP / SCHEDULE: TRIM ref. 212224/15

LEGISLATION / STRATEGIC PLAN / POLICY:

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

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Community Outcome Capable and Responsive Organisation
A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

COMMENTS:

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

- \$1,422,418.31 to the Public Transport Authority of WA in relation to the disbursement of associated costs for the demolition of the Raine Square Bridge.
- \$969,131.37 to Doric Contractors Pty Ltd for the October 2015 progress claim in relation to the Perth City Library and Public Plaza project.

ITEM NO: 2

PAYMENTS FROM MUNICIPAL AND TRUST FUNDS – DECEMBER 2015

RECOMMENDATION: (APPROVAL)

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

| FUND | PAID |
|-----------------------|-------------------------|
| Municipal Fund | \$ 25,516,658.56 |
| Trust Fund | \$ 155,878.10 |
| TOTAL: | \$ 25,672,536.66 |

BACKGROUND:

FILE REFERENCE: P1031101-22
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 31 December 2015
MAP / SCHEDULE: TRIM ref. 514/16

LEGISLATION / STRATEGIC PLAN / POLICY:

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

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Community Outcome Capable and Responsive Organisation
A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

COMMENTS:

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

- \$7,164,456.21 to the Department of Fire and Emergency Services for the emergency service levy second quarter contribution for 2015/16.
- \$1,379,014.54 to the Western Australian Treasury Corporation for loan payments of \$541,200.68 for the Elder Street Carpark, \$560,574.81 for the Perth Convention and Exhibition Centre Carpark, \$32,774.82 for the Goderich Street Carpark and \$244,464.23 for the construction of the new Perth City Library and Public Plaza.
- There were three payroll and superannuation payments made within the month of December 2015.

ITEM NO: 3

INVESTMENTS AND INVESTMENT RETURNS FOR THE PERIOD ENDED 30 NOVEMBER 2015

RECOMMENDATION:

(INFORMATION)

That the Finance and Administration Committee receives the report detailing investments and investment returns for the period ended 30 November 2015, as detailed in Schedule 1.

KEY MESSAGE:

Total investment earnings amounted to \$354,899 in November 2015.

BACKGROUND:

FILE REFERENCE: P1031639-6
RESPONSIBLE UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 16 December 2015
MAP / SCHEDULE: Schedule 1 – Investment Report for the period ended 30 November 2015, Short Term Investments and Institutional Credit and Ratings.

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

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

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 6.14 of the *Local Government Act 1995*
Regulation 19C of the *Local Government (Financial Management) Regulations 1996*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Community Outcome Capable and Responsive Organisation
A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

Policy

Policy No and Name: 9.3 – Management of Investments

DETAILS:

| | Actual \$ | Budget \$ | Variation \$ |
|-------------------|----------------------|----------------------|-------------------------|
| Interest Earnings | 354,899 | 392,250 | (37,351) |

| | |
|----------------|-------|
| Average Rate | 2.77% |
| Benchmark Rate | 2.05% |
| RBA Cash Rate | 2.00% |

*Figures exclude rate arrears.

Call Accounts

| | |
|------------------------------------|----------------|
| Balance at 30 November 2015 | \$25.7 million |
| Interest Earned | \$47,172 |
| Rate for balances over \$2 million | 2.50% |

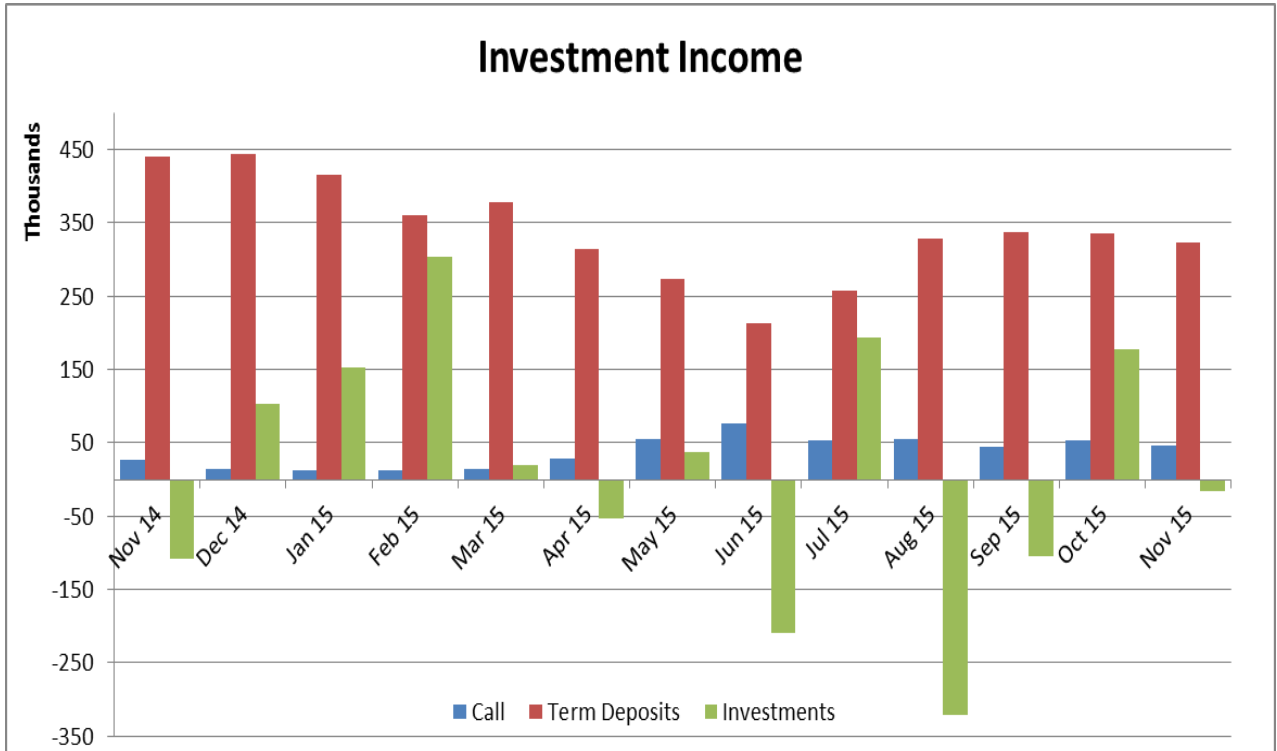
Term Deposits

| | |
|------------------------------------|-----------------|
| Balance at 30 November 2015 | \$132.3 million |
| Interest Earned | \$323,850 |
| Average Rate (Municipal funds) | 2.89% |
| Most Recent Rate (Municipal funds) | 3.00% |

Other Investments

| | Interest Earned \$ | Interest Rate % |
|------------------------------------|-----------------------------------|--------------------------------|
| Emerald Mortgage Backed Security | 11,085 | 3.10 |
| Colonial Share Index Balanced Fund | (27,207) | N/A |

The ASX 200 fell by about 1% in November and as a result the Colonial Share Index Balanced fund had a negative return for the month.



Spread of Investments

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

| Institution | Credit Rating | Percentage | Percentage Allowed |
|--------------------|---------------|------------|--------------------|
| ANZ | A1+ | 13% | 100% |
| Bankwest | A1+ | 14% | |
| NAB | A1+ | 15% | |
| AMP | A1 | 6% | |
| Suncorp Metway | A1 | 18% | |
| | | 66% | |
| Bank of Queensland | A2 | 31% | 60% |
| Barclays | NR | 1% | 10% |
| Colonial | NR | 2% | |
| | | 3% | |

FINANCIAL IMPLICATIONS:

Reported investment earnings (excluding interest on rates arrears) at \$354,899 after Trust Account adjustments, were \$37,351 below budget in November.

COMMENTS

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

SCHEDULE 1

| INVESTMENT REPORT | Market Value | Market Value | Cost & Impairment | % of | Interest Earned | Weighted Average Monthly | Interest Earned |
|---|----------------------|----------------------|----------------------|-------|------------------|--------------------------|--------------------|
| 30-Nov-15 | 31-Oct-15 | 30-Nov-15 | 30-Nov-15 | Class | Nov | Rate | YTD |
| Municipal | | | | | | | |
| Short term Direct Investments | | | | | | | |
| Call | \$14,451,878 | \$19,426,978 | \$19,426,978 | 12.1% | \$35,074 | 2.60% | \$175,510 |
| Term Deposits | \$73,500,000 | \$69,500,000 | \$69,500,000 | 43.3% | \$173,447 | 2.89% | \$735,583 |
| Short | \$87,951,878 | \$88,926,978 | \$88,926,978 | | \$208,521 | 2.84% | \$911,093 |
| Total Municipal - Cash Back Securities | \$87,951,878 | \$88,926,978 | \$88,926,978 | | \$208,521 | 2.84% | \$911,093 |
| Total Municipal Investments | \$87,951,878 | \$88,926,978 | \$88,926,978 | | \$208,521 | 2.84% | \$911,093 |
| Reserves | | | | | | | |
| Short term Direct Investments | | | | | | | |
| Call | \$3,891,812 | \$3,788,676 | \$3,788,676 | 2.4% | \$7,478 | 2.50% | \$54,405 |
| Term Deposits | \$58,000,000 | \$58,000,000 | \$58,000,000 | 36.1% | \$138,924 | 2.94% | \$785,003 |
| Total | \$61,891,812 | \$61,788,676 | \$61,788,676 | | \$146,401 | 2.92% | \$839,408 |
| Floating Rate Notes/ CLNs | | | | | | | |
| WPAC- Sub Debt -FRN | \$0 | \$0 | \$0 | 0.0% | \$0 | 0.00% | \$1,985 |
| Total | \$0 | \$0 | \$0 | | \$0 | 0.00% | \$1,985 |
| Medium term Direct Investments | | | | | | | |
| Barclays - Emerald -MBS | 2,480,039 | 2,457,117 | \$2,692,784 | 1.7% | \$11,085 | 3.10% | \$56,186 |
| Total | \$2,480,039 | \$2,457,117 | \$2,692,784 | | \$11,085 | 3.10% | \$56,186 |
| Total Reserve - Cash Back Securities | \$64,371,851 | \$64,245,793 | \$64,481,460 | | \$157,486 | 2.93% | \$897,578 |
| Balanced Funds | | | | | | | |
| Colonial Share Index | \$4,016,028 | \$3,988,909 | \$3,988,909 | 100% | -\$27,207 | -7.66% | -\$129,680 |
| Total | \$4,016,028 | \$3,988,909 | \$3,988,909 | | -\$27,207 | -7.66% | -\$129,680 |
| Total Reserve Investments | \$68,387,880 | \$68,234,702 | \$68,470,369 | | \$130,279 | -7.66% | \$767,898 |
| Trust | | | | | | | |
| Short term Direct Investments | | | | | | | |
| Call | \$2,260,713 | \$2,437,975 | \$2,437,975 | 1.5% | \$4,620 | 2.50% | \$22,633 |
| Term Deposits | \$4,801,420 | \$4,801,420 | \$4,801,420 | 3.0% | \$11,479 | 2.98% | \$61,230 |
| Total | \$7,062,133 | \$7,239,394 | \$7,239,394 | | \$16,099 | 2.84% | \$83,863 |
| Total Trust - Cash Back Securities | \$7,062,133 | \$7,239,394 | \$7,239,394 | | \$16,099 | 2.84% | \$83,863 |
| Total Investments-Cash Back Securities | \$159,385,862 | \$160,412,166 | \$160,647,833 | | \$382,106 | 2.88% | \$1,892,533 |
| Grand Total Investments | \$163,401,890 | \$164,401,074 | \$164,636,741 | | \$354,899 | 2.80% | \$1,762,854 |

| |
|--------------------|
| INVESTMENT RATES: |
| CASH RATE |
| 2.00% |
| BENCHMARK |
| 2.05% |
| AVERAGE excl.Trust |
| 2.77% |

CITY OF PERTH - SHORT TERM INVESTMENTS (Excluding Call) AS AT 30 NOVEMBER 2015

| <u>FUND</u> | <u>INSTITUTION</u> | <u>TYPE</u> | <u>AMOUNT</u> | <u>RATE</u> | <u>LODGED</u> | <u>MATURITY</u> | <u>TOTAL INTEREST</u> | |
|--------------------------|--------------------|---|--------------------------|-------------|---------------|-----------------|----------------------------------|--------------------------------------|
| | | | | | | | <u>Investment</u> <u>Days</u> | individual outstanding investment |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.85% | 3/08/2015 | 25/01/2016 | 175 | \$ 40,993.15 |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 31/07/2015 | 29/01/2016 | 182 | \$ 72,301.37 |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 4,000,000.00 | 2.90% | 12/11/2015 | 11/02/2016 | 91 | \$ 28,920.55 |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.85% | 14/09/2015 | 18/03/2016 | 186 | \$ 72,616.44 |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 3.00% | 26/11/2015 | 31/03/2016 | 126 | \$ 31,068.49 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 21/07/2015 | 31/12/2015 | 163 | \$ 64,753.42 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.85% | 6/08/2015 | 7/01/2016 | 154 | \$ 60,123.29 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 7/08/2015 | 11/02/2016 | 188 | \$ 74,684.93 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 10/08/2015 | 18/02/2016 | 192 | \$ 76,273.97 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 10/08/2015 | 29/02/2016 | 203 | \$ 80,643.84 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 3,500,000.00 | 2.90% | 20/08/2015 | 17/03/2016 | 210 | \$ 58,397.26 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.95% | 20/10/2015 | 29/04/2016 | 192 | \$ 77,589.04 |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 8,000,000.00 | 2.90% | 29/10/2015 | 6/05/2016 | 190 | \$ 120,767.12 |
| MUNICIPAL | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 4,000,000.00 | 2.92% | 31/07/2015 | 31/12/2015 | 153 | \$ 48,960.00 |
| MUNICIPAL | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 4,000,000.00 | 2.80% | 17/08/2015 | 29/01/2016 | 165 | \$ 50,630.14 |
| | | | \$ 69,500,000.00 | | | | | |
| RESERVES | AMP | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 3.10% | 8/07/2015 | 11/07/2016 | 369 | \$ 156,698.63 |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 1,000,000.00 | 2.95% | 9/07/2015 | 7/01/2016 | 182 | \$ 14,709.59 |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 1,000,000.00 | 2.95% | 16/07/2015 | 14/01/2016 | 182 | \$ 14,709.59 |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.95% | 5/11/2015 | 5/05/2016 | 182 | \$ 44,128.77 |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 3.00% | 19/11/2015 | 19/05/2016 | 182 | \$ 74,794.52 |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.98% | 10/07/2015 | 7/01/2016 | 181 | \$ 44,332.60 |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 2,000,000.00 | 2.95% | 23/07/2015 | 21/01/2016 | 182 | \$ 29,419.18 |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 2,500,000.00 | 2.93% | 31/07/2015 | 29/01/2016 | 182 | \$ 36,524.66 |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.92% | 13/08/2015 | 11/02/2016 | 182 | \$ 43,680.00 |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 7,000,000.00 | 2.85% | 31/08/2015 | 31/03/2016 | 213 | \$ 116,420.55 |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 7,000,000.00 | 2.95% | 4/06/2015 | 3/12/2015 | 182 | \$ 102,967.12 |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 2,000,000.00 | 3.00% | 11/06/2015 | 10/12/2015 | 182 | \$ 29,917.81 |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 3,500,000.00 | 2.91% | 10/09/2015 | 10/03/2016 | 182 | \$ 50,785.48 |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 7,000,000.00 | 2.95% | 30/09/2015 | 31/03/2016 | 183 | \$ 103,532.88 |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 6,000,000.00 | 2.85% | 30/10/2015 | 29/04/2016 | 182 | \$ 85,265.75 |
| | | | \$ 58,000,000.00 | | | | | |
| ROD EVANS TRUST | BWEST | Short Term Direct Investments TERM DEPOSITS | \$ 308,663.29 | 2.85% | 24/09/2015 | 18/12/2015 | 85 | \$ 2,048.59 |
| TRUST | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 2,000,000.00 | 3.00% | 26/11/2015 | 21/04/2016 | 147 | \$ 24,164.38 |
| TRUST | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 742,756.54 | 2.98% | 9/07/2015 | 7/01/2016 | 182 | \$ 11,036.75 |
| TRUST | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 1,750,000.00 | 3.00% | 24/09/2015 | 24/03/2016 | 182 | \$ 26,178.08 |
| | | | \$ 4,801,419.83 | | | | | |
| TOTAL investments | | | \$ 132,301,419.83 | | | | | |
| | | | | | | | \$ 1,970,037.95 | |

ITEM NO: 4

INVESTMENTS AND INVESTMENT RETURNS FOR THE PERIOD ENDED 31 DECEMBER 2015

RECOMMENDATION:

(INFORMATION)

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

KEY MESSAGE

Total investment earnings amounted to \$502,323 in December.

BACKGROUND:

FILE REFERENCE: P1031639-7
RESPONSIBLE UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 12 January 2016
MAP / SCHEDULE: Schedule 2 – Investment Report for the period ended 31 December, 2015 Short Term Investments and Institutional Credit and Ratings

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

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

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 6.14 of the *Local Government Act 1995*
Regulation 19C of the *Local Government (Financial Management) Regulations 1996*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Community Outcome Capable and Responsive Organisation
A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

Policy

Policy No and Name: 9.3 – Management of Investments

DETAILS:

| | Actual \$ | Budget \$ | Variation \$ |
|-------------------|----------------------|----------------------|-------------------------|
| Interest Earnings | 502,323 | 392,250 | 110,073 |

| | |
|----------------|-------|
| Average Rate | 3.93% |
| Benchmark Rate | 2.28% |
| RBA Cash Rate | 2.00% |

*Figures exclude rate arrears.

Call Accounts

| | |
|------------------------------------|----------------|
| Balance at 31 December 2015 | \$18.2 million |
| Interest Earned | \$57,838 |
| Rate for balances over \$2 million | 2.50% |

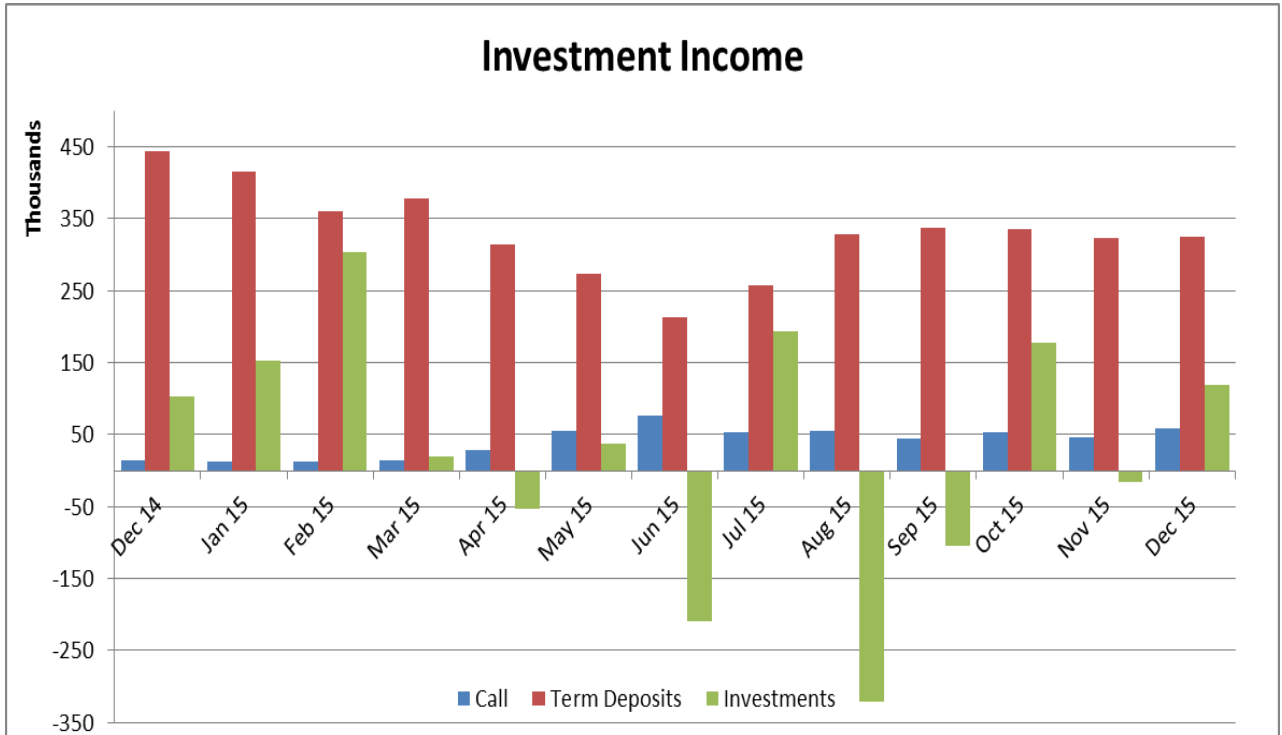
Term Deposits

| | |
|------------------------------------|-----------------|
| Balance at 31 December 2015 | \$125.9 million |
| Interest Earned | \$325,310 |
| Average Rate (Municipal funds) | 2.89% |
| Most Recent Rate (Municipal funds) | 3.05% |

Other Investments

| | Interest Earned \$ | Interest Rate % |
|------------------------------------|-----------------------------------|--------------------------------|
| Emerald Mortgage Backed Security | 10,878 | 3.09 |
| Colonial Share Index Balanced Fund | 108,297 | N/A |

The ASX 200 performed strongly in December increasing by 2.5%. As a result the Colonial Share Index Balanced fund had a positive return for the month.



Spread of Investments

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

| Institution | Credit Rating | Percentage | Percentage Allowed |
|--------------------|---------------|------------|--------------------|
| ANZ | A1+ | 9% | 100% |
| Bankwest | A1+ | 14% | |
| NAB | A1+ | 17% | |
| AMP | A1 | 7% | |
| Suncorp Metway | A1 | 19% | |
| | | 66% | |
| Bank of Queensland | A2 | 30% | 60% |
| Barclays | NR | 2% | 10% |
| Colonial | NR | 2% | |
| | | 4% | |

FINANCIAL IMPLICATIONS:

Reported investment earnings (excluding interest on rates arrears) at \$502,323 after Trust Account adjustments, were \$110,073 above budget in December.

COMMENTS

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

SCHEDULE 2

| INVESTMENT REPORT | Market Value | Market Value | Cost & Impairment | % of | Interest Earned | Weighted Average Monthly | Interest Earned |
|---|----------------------|----------------------|----------------------|-------|------------------|--------------------------|--------------------|
| 31-Dec-15 | 30-Nov-15 | 31-Dec-15 | 31-Dec-15 | Class | Dec | Rate | YTD |
| Municipal | | | | | | | |
| Short term Direct Investments | | | | | | | |
| Call | \$19,426,978 | \$12,735,310 | \$12,735,310 | 8.5% | \$44,296 | 2.58% | \$219,806 |
| Term Deposits | \$69,500,000 | \$65,500,000 | \$65,500,000 | 43.9% | \$168,979 | 2.89% | \$904,562 |
| Short | \$88,926,978 | \$78,235,310 | \$78,235,310 | | \$213,275 | 2.83% | \$1,124,368 |
| Total Municipal - Cash Back Securities | \$88,926,978 | \$78,235,310 | \$78,235,310 | | \$213,275 | 2.83% | \$1,124,368 |
| Total Municipal Investments | \$88,926,978 | \$78,235,310 | \$78,235,310 | | \$213,275 | 2.83% | \$1,124,368 |
| Reserves | | | | | | | |
| Short term Direct Investments | | | | | | | |
| Call | \$3,788,676 | \$3,071,769 | \$3,071,769 | 2.1% | \$7,952 | 2.50% | \$62,357 |
| Term Deposits | \$58,000,000 | \$58,000,000 | \$58,000,000 | 38.9% | \$144,254 | 2.95% | \$929,257 |
| Total | \$61,788,676 | \$61,071,769 | \$61,071,769 | | \$152,206 | 2.93% | \$991,613 |
| Floating Rate Notes/ CLNs | | | | | | | |
| WPAC- Sub Debt -FRN | \$0 | \$0 | \$0 | 0.0% | \$0 | 0.00% | \$1,985 |
| Total | \$0 | \$0 | \$0 | | \$0 | 0.00% | \$1,985 |
| Medium term Direct Investments | | | | | | | |
| Barclays - Emerald -MBS | 2,457,117 | 2,457,117 | \$2,692,784 | 1.8% | \$10,878 | 3.09% | \$67,063 |
| Total | \$2,457,117 | \$2,457,117 | \$2,692,784 | | \$10,878 | 3.09% | \$67,063 |
| Total Reserve - Cash Back Securities | \$64,245,793 | \$63,528,886 | \$63,764,553 | | \$163,084 | 2.94% | \$1,060,662 |
| Balanced Funds | | | | | | | |
| Colonial Share Index | \$3,988,909 | \$4,097,294 | \$4,097,294 | 100% | \$108,297 | 37.45% | -\$21,383 |
| Total | \$3,988,909 | \$4,097,294 | \$4,097,294 | | \$108,297 | 37.45% | -\$21,383 |
| Total Reserve Investments | \$68,234,702 | \$67,626,180 | \$67,861,847 | | \$271,380 | 37.45% | \$1,039,279 |
| Trust | | | | | | | |
| Short term Direct Investments | | | | | | | |
| Call | \$2,437,975 | \$2,412,363 | \$2,412,363 | 1.6% | \$5,590 | 2.50% | \$28,224 |
| Term Deposits | \$4,801,420 | \$4,803,468 | \$4,803,468 | 3.2% | \$12,077 | 2.99% | \$73,307 |
| Total | \$7,239,394 | \$7,215,832 | \$7,215,832 | | \$17,668 | 2.84% | \$101,531 |
| Total Trust - Cash Back Securities | \$7,239,394 | \$7,215,832 | \$7,215,832 | | \$17,668 | 2.84% | \$101,531 |
| Total Investments-Cash Back Securities | \$160,412,166 | \$148,980,028 | \$149,215,695 | | \$394,027 | 2.87% | \$2,286,560 |
| Grand Total Investments | \$164,401,074 | \$153,077,322 | \$153,312,989 | | \$502,323 | 3.88% | \$2,265,177 |

INVESTMENT RATES:

CASH RATE
2.00%

BENCHMARK
2.28%

AVERAGE excl.Trust
3.93%

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

| FUND | INSTITUTION | TYPE | AMOUNT | RATE | LODGED | MATURITY | Total Investment Days | TOTAL INTEREST individual outstanding investment | |
|--------------------------|--------------------|---|--------------------------|-------------|---------------|-----------------|------------------------------|---|------------------------|
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 31/07/2015 | 29/01/2016 | 182 | \$ 72,301.37 | |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.85% | 3/08/2015 | 25/01/2016 | 175 | \$ 40,993.15 | |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.85% | 14/09/2015 | 18/03/2016 | 186 | \$ 72,616.44 | |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 4,000,000.00 | 2.90% | 12/11/2015 | 11/02/2016 | 91 | \$ 28,920.55 | |
| MUNICIPAL | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 3.00% | 26/11/2015 | 31/03/2016 | 126 | \$ 31,068.49 | |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.85% | 6/08/2015 | 7/01/2016 | 154 | \$ 60,123.29 | |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 7/08/2015 | 11/02/2016 | 188 | \$ 74,684.93 | |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 10/08/2015 | 18/02/2016 | 192 | \$ 76,273.97 | |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.90% | 10/08/2015 | 29/02/2016 | 203 | \$ 80,643.84 | |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 3,500,000.00 | 2.90% | 20/08/2015 | 17/03/2016 | 210 | \$ 58,397.26 | |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 2.95% | 20/10/2015 | 29/04/2016 | 192 | \$ 77,589.04 | |
| MUNICIPAL | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 8,000,000.00 | 2.90% | 29/10/2015 | 6/05/2016 | 190 | \$ 120,767.12 | |
| MUNICIPAL | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 3.05% | 31/12/2015 | 14/04/2016 | 105 | \$ 43,869.86 | |
| MUNICIPAL | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 4,000,000.00 | 2.80% | 17/08/2015 | 29/01/2016 | 165 | \$ 50,630.14 | |
| | | | \$ 65,500,000.00 | | | | | | |
| RESERVES | AMP | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 3.10% | 8/07/2015 | 11/07/2016 | 369 | \$ 156,698.63 | |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 1,000,000.00 | 2.95% | 9/07/2015 | 7/01/2016 | 182 | \$ 14,709.59 | |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 1,000,000.00 | 2.95% | 16/07/2015 | 14/01/2016 | 182 | \$ 14,709.59 | |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.95% | 5/11/2015 | 5/05/2016 | 182 | \$ 44,128.77 | |
| RESERVES | BQLD | Short Term Direct Investments TERM DEPOSITS | \$ 5,000,000.00 | 3.00% | 19/11/2015 | 19/05/2016 | 182 | \$ 74,794.52 | |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.98% | 10/07/2015 | 7/01/2016 | 181 | \$ 44,332.60 | |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 2,000,000.00 | 2.95% | 23/07/2015 | 21/01/2016 | 182 | \$ 29,419.18 | |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 2,500,000.00 | 2.93% | 31/07/2015 | 29/01/2016 | 182 | \$ 36,524.66 | |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 3,000,000.00 | 2.92% | 13/08/2015 | 11/02/2016 | 182 | \$ 43,680.00 | |
| RESERVES | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 7,000,000.00 | 2.85% | 31/08/2015 | 31/03/2016 | 213 | \$ 116,420.55 | |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 3,500,000.00 | 2.91% | 10/09/2015 | 10/03/2016 | 182 | \$ 50,785.48 | |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 7,000,000.00 | 2.95% | 30/09/2015 | 31/03/2016 | 183 | \$ 103,532.88 | |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 6,000,000.00 | 2.85% | 30/10/2015 | 29/04/2016 | 182 | \$ 85,265.75 | |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 7,000,000.00 | 3.05% | 3/12/2015 | 2/06/2016 | 182 | \$ 106,457.53 | |
| RESERVES | SUNCORP | Short Term Direct Investments TERM DEPOSITS | \$ 2,000,000.00 | 3.00% | 10/12/2015 | 9/03/2016 | 90 | \$ 14,794.52 | |
| | | | \$ 58,000,000.00 | | | | | | |
| ROD EVANS | BWEST | Short Term Direct Investments TERM DEPOSITS | \$ 310,711.88 | 2.85% | 18/12/2015 | 19/05/2016 | 153 | \$ 3,711.94 | |
| TRUST | BANKWEST | Short Term Direct Investments TERM DEPOSITS | \$ 2,000,000.00 | 3.00% | 26/11/2015 | 21/04/2016 | 147 | \$ 24,164.38 | |
| TRUST | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 742,756.54 | 2.98% | 9/07/2015 | 7/01/2016 | 182 | \$ 11,036.75 | |
| TRUST | NAB | Short Term Direct Investments TERM DEPOSITS | \$ 1,750,000.00 | 3.00% | 24/09/2015 | 24/03/2016 | 182 | \$ 26,178.08 | |
| | | | \$ 4,803,468.42 | | | | | | |
| TOTAL investments | | | \$ 128,303,468.42 | | | | | | \$ 1,890,224.86 |

ITEM NO: 5

FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2015

RECOMMENDATION:

(APPROVAL)

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 30 November 2015 as detailed in Schedule 3.

BACKGROUND:

FILE REFERENCE: P1014149-25
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 8 January 2016
MAP / SCHEDULE: Schedule 3 – Financial Statements and Financial Activity Statement for the period ended 30 November 2015

LEGISLATION / STRATEGIC PLAN / POLICY:

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

DETAILS:

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

FINANCIAL IMPLICATIONS:

There are no direct financial implications arising from this report.

COMMENTS:

The Financial Activity Statement commentary compares the actual results for the five months to 30 November 2015 with the revised budget approved by Council on 3 November 2015.

SCHEDULE 3
FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2015

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the five months to 30 November 2015 with the Revised Budget approved by Council on 3 November 2015.

Operating Revenue

- Fines and Costs are \$(207,000) below the revised budget at the end of the month, with the main contributor being parking fines under budget estimates by \$(187,000).
- Investment income achieved better than the revised forecasts by \$111,000 for the five months mainly due to the performance of the Colonial Share Index Fund which reflected the movement of the ASX 200 index for the month.
- Parking revenue fell \$(283,000) (of which \$232,000 is related to CPP and \$51,000 to Parking Services Unit) under the revised budget. The year to date unfavourable variance comprises of \$(148,000) for Undercover Car Parks, \$(99,000) for Kerbside Parking and \$(36,000) for Open Air Car Parks. Within Undercover Car Parks the main contributors were the Convention Centre Car Park \$(70,000) (due to fewer events than budgeted for) His Majesty's \$(51,000) and the Perth Concert Hall\$(47,000) offset by over budget parking revenue for Elder Street of\$42,000 (due to more events being held at Perth Arena than budgeted for). There are various factors influencing the lower than expected patronage figures, including roadworks in the City and the current economic climate.
- Other Revenue was \$208,000 above the revised budget which was a \$266,000 improvement from October, predominantly because of the above target Building Licence Fees of \$77,000 and an unbudgeted LGIS Scheme Dividend of \$143,000.

Operating Expenditure

- Employee costs were lower than estimated at the end of November by \$406,000. Various vacancies were the main contributor, Staff Recruitment Costs \$59,000 and Corporate Training \$43,000 added to the favourable variance. This positive variance was partly offset by lower than expected recovery from Capital projects \$(92,000), higher than anticipated spend on Overtime (\$46,000) and Casual Staff Salaries (\$49,000).
- Materials and Contracts were \$1,157,000 under the November revised budget due primarily to Infrastructure Contractors \$417,000, where the timing of works since the review has varied for Footpaths \$119,000 and the River Wall \$213,000. The balance of underspending occurred across a range of areas such as Property

**FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2015**

REPORT OF VARIANCES TO BUDGET

Maintenance \$294,000, Other Professional Fees \$119,000 and Prosecution Fees \$131,000. These were partly offset by Advertising Production Cost \$(82,000), Performers Fees \$(55,000) and Other Maintenance \$(101,000).

- Depreciation was \$(74,000) above the revised budget for Buildings \$(27,000) and Parks Infrastructure \$(24,000) with smaller variances elsewhere.
- Interest Expenses for the period was \$(83,000) above the revised budget mainly due to the estimate of the interest capitalised on the Perth City Library loan \$(21,000) and Elder Street Undercover Car Park \$(37,000) being higher than actual.
- Month on month the Loss on Disposal of Assets resulted in a favourable variance of \$482,000 for the year to date. The variance arose mainly due to the timing of infrastructure assets write-offs, which are dependent upon the progress of capital projects and final close-outs.
- Other Expenditure was \$334,000 under the revised budget, predominantly due to the timing of donations and sponsorships with the Marketing and Events Unit \$243,000 and the Community Arts Organisational Unit \$(185,000).

Investing Activities

- Capital expenditure was \$2.9 million under the revised forecasts. The program of project works has progressed slower than anticipated resulting in this substantial variance. Projects well progressed include the Perth City Library and Public Plaza, the Barrack Street 2-Way Conversion and Treasury Footpath projects and Mill Street - St Georges Terrace to Mounts Bay Road, plus East End Enhancement Hay Street (Barrack to Pier Street).
- Transfers to Reserves were relatively in line with revised budget expectations.

Financing Activities

- Transfers from Reserves will accelerate in the coming months in accordance with the budget program.
- Funding of carry forwards estimated in the budget is dependent upon the progress of the capital works program.
- Capital Grants and Contributions were \$(1.72) million behind the revised forecasts mainly due to slower than anticipated delivery of capital projects

**FINANCIAL ACTIVITY STATEMENT FOR THE FIVE MONTHS TO
30 NOVEMBER 2015**

REPORT OF VARIANCES TO BUDGET

Amounts sourced from Rates

- Rates revenue raised \$888,000 higher than the revised budget with the invoicing of interim rates above budget on a year to date basis.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 30 November 2015

| | Revised Budget 2015/16 \$ | Budget YTD 30-Nov-15 \$ | Actual YTD 30-Nov-15 \$ | Variance YTD 30-Nov-15 \$ |
|--|---------------------------------|-------------------------------|-------------------------------|---------------------------------|
| Proceeds from Operating Activities | | | | |
| Operating Revenue | | | | |
| <i>Nature of Income</i> | | | | |
| Parking Fees | 75,778,365 | 31,785,195 | 31,502,169 | (283,025) |
| Fines and Costs | 9,458,652 | 4,131,777 | 3,924,392 | (207,385) |
| Investment Income and Interest | 4,835,983 | 2,050,769 | 2,161,892 | 111,123 |
| Community Service Fees | 1,646,654 | 699,410 | 683,630 | (15,779) |
| Rubbish Collection | 7,638,983 | 7,555,259 | 7,545,873 | (9,386) |
| Rentals and Hire Charges | 5,208,233 | 2,141,887 | 2,134,355 | (7,532) |
| Recurrent Grants | 1,483,539 | 315,860 | 275,367 | (40,492) |
| Contributions, Donations and Reimbursements | 474,671 | 200,093 | 317,680 | 117,587 |
| Other Income | 4,862,690 | 2,406,036 | 2,614,164 | 208,127 |
| | 111,387,769 | 51,286,285 | 51,159,521 | (126,764) |
| Less: Operating Expenditure | | | | |
| <i>Nature of Expenditure</i> | | | | |
| Employee Costs | 69,385,571 | 27,055,220 | 26,648,737 | 406,483 |
| Materials and Contracts | 53,612,646 | 19,968,024 | 18,811,307 | 1,156,718 |
| Utilities | 3,258,341 | 1,281,494 | 1,240,140 | 41,355 |
| Insurance Expenditure | 1,104,572 | 473,668 | 493,864 | (20,196) |
| Depreciation and Amortisation | 30,002,334 | 12,597,795 | 12,672,104 | (74,309) |
| Interest Expenses | 1,156,345 | 497,341 | 580,673 | (83,333) |
| Expense Provisions | 962,345 | 402,986 | 402,972 | 13 |
| Loss on Disposal of Assets | 1,766,210 | 857,229 | 375,174 | 482,056 |
| Other Expenditure | 24,611,295 | 10,887,638 | 10,553,385 | 334,253 |
| | 185,859,660 | 74,021,395 | 71,778,356 | 2,243,040 |
| Add back Depreciation | (30,002,334) | (12,597,795) | (12,672,104) | 74,309 |
| (Loss) / Profit on Disposals | (1,766,210) | (857,229) | (375,174) | (482,056) |
| | 154,091,115 | 60,566,371 | 58,731,078 | 1,835,293 |
| Net Surplus/(Deficit) from Operations | (42,703,346) | (9,280,086) | (7,571,557) | 1,708,529 |
| Investing Activities | | | | |
| Capital Expenditure | (69,049,135) | (23,720,731) | (20,804,984) | 2,915,747 |
| Repayment of Borrowings | (6,441,707) | (2,572,293) | (2,572,293) | - |
| Transfers to Reserves | (28,095,017) | (2,355,363) | (1,735,213) | 620,150 |
| | (103,585,859) | (28,648,387) | (25,112,490) | 3,535,898 |
| Financing Activities | | | | |
| Transfer from Reserves | 30,752,812 | 12,890,905 | 21,696,659 | 8,805,754 |
| Carry Forwards | 21,681,358 | 7,448,285 | 6,253,889 | (1,194,396) |
| Proceeds from Disposal of Assets/Investments | 1,729,345 | 1,523,000 | 694,658 | (828,342) |
| Distribution from TPRC | 1,833,333 | - | - | - |
| Capital Grants | 7,757,850 | 2,185,600 | 461,737 | (1,723,863) |
| | 63,754,698 | 24,047,790 | 29,106,943 | 5,059,153 |
| Add: Opening Funds | 636,302 | 636,302 | 636,302 | - |
| Net Surplus/(Deficit) before Rates | (82,534,507) | (13,880,683) | (3,577,104) | 10,303,580 |
| Amount Sourced from Rates | 82,681,631 | 80,842,160 | 81,730,236 | 888,076 |
| Closing Funds | 783,426 | 67,597,778 | 78,789,434 | 11,191,656 |

| | | | | |
|------------------------------------|--------------------|--------------------|--------------------|------------------|
| Net Cash on Hand | | | | |
| Cash On Hand | 5,321,032 | 9,121,769 | 16,542,723 | 7,420,954 |
| Money Market Investments | 106,330,600 | 140,560,000 | 136,521,266 | (4,038,734) |
| Funds on Hand | 111,651,632 | 149,681,769 | 153,063,989 | 3,382,220 |
| Analysis of Funds on Hand | | | | |
| Reserves | 86,669,717 | 66,840,811 | 64,920,263 | (1,920,548) |
| Provisions | 11,525,004 | 12,317,337 | 11,100,305 | (1,217,032) |
| Carry forwards | - | 10,954,854 | 9,913,895 | (1,040,959) |
| Restricted Grants not yet utilised | 437,037 | 253,875 | 437,037 | 183,162 |
| General Funds | 13,019,874 | 59,314,893 | 66,692,489 | 7,377,597 |
| Funds on Hand | 111,651,632 | 149,681,769 | 153,063,989 | 3,382,220 |

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD

30-November-2015

| | 2015/16 Revised Budget | 2015/16 Budget YTD | 2015/16 Actual YTD | 2015/16 Variance |
|---|---------------------------|-----------------------|-----------------------|----------------------|
| | \$ | \$ | \$ | \$ |
| Current Assets | | | | |
| Cash and Cash Equivalents | 5,321,032 | 9,121,769 | 16,542,723 | 7,420,954 |
| Deposits and Prepayments | 1,783,674 | 13,057,727 | 12,878,835 | (178,892) |
| Money Market Investments - Municipal Funds | 19,660,883 | 73,719,189 | 71,601,003 | (2,118,186) |
| Money Market Investments - Restricted Funds | 86,669,717 | 66,840,811 | 64,920,263 | (1,920,548) |
| Trade and Other Receivables | 10,243,590 | 17,560,440 | 21,928,211 | 4,367,771 |
| Inventories | 2,865,990 | 4,913,126 | 1,134,729 | (3,778,397) |
| Total Current Assets | 126,544,886 | 185,213,062 | 189,005,764 | 3,792,702 |
| Current Liabilities | | | | |
| Trade and Other Payables | 27,342,738 | 38,203,261 | 33,155,199 | (5,048,062) |
| Employee Entitlements | 11,525,004 | 10,691,256 | 11,100,305 | 409,049 |
| Provisions | 224,001 | 1,626,080 | 603,526 | (1,022,554) |
| Borrowings | 6,771,075 | 6,376,142 | 6,570,642 | 194,500 |
| Total Current Liabilities | 45,862,818 | 56,896,739 | 51,429,672 | - 5,467,067 |
| Working Capital Position Brought Forward | \$ 80,682,068 | \$ 128,316,322 | \$ 137,576,092 | \$ 9,259,770 |
| Deduct Restricted Cash Holdings | (86,669,717) | (66,840,811) | (64,920,263) | 1,920,548 |
| Deduct Unspent Borrowings | - | (253,875) | - | - |
| Deduct Restricted Capital Grants | - | (253,875) | (437,037) | (183,162) |
| Add Current Borrowings | 6,771,075 | 6,376,142 | 6,570,642 | 194,499.91 |
| Current Funds Position Brought Forward | \$ 783,427 | \$ 67,597,778 | \$ 78,789,434 | \$ 11,191,656 |

EXPLANATORY NOTES – FINANCIAL ACTIVITY STATEMENT

BACKGROUND

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

PURPOSE

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

PRESENTATION

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

FORMAT

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



CITY of PERTH

CITY of PERTH

Financial Statements

For the 5 months ended 30 November 2015

**CITY OF PERTH
MUNICIPAL**

*Statement of Comprehensive Income for the 5 months ended 30 November 2015
(By Program)*

| | Note | Budget 2015/2016 | Revised Budget YTD | Actual YTD 30/11/2015 | YTD Variance | |
|--|------|---------------------|-----------------------|--------------------------|--------------|--------|
| | | \$ | \$ | \$ | \$ | % |
| OPERATING REVENUE | | | | | | |
| General Purpose Funding Rates | | 83,567,338 | 81,674,176 | 82,576,125 | 901,949 | 1.1% |
| General Purpose Funding Other | | 5,735,976 | 1,907,385 | 1,938,017 | 30,632 | 1.6% |
| Law, Order, Public Safety | | 46,225 | 10,757 | 4,151 | (6,606) | -61.4% |
| Health | | 864,920 | 669,581 | 712,292 | 42,711 | 6.4% |
| Education and Welfare | | 2,153,539 | 937,120 | 914,720 | (22,400) | -2.4% |
| Housing | | 656,190 | 343,690 | 347,195 | 3,505 | 1.0% |
| Community Amenities | | 10,294,628 | 8,773,135 | 8,693,119 | (80,016) | -0.9% |
| Recreation and Culture | | 1,859,860 | 417,429 | 558,581 | 141,152 | 33.8% |
| Transport | | 90,764,129 | 36,814,457 | 36,361,543 | (452,914) | -1.2% |
| Economic Services | | 1,093,247 | 295,765 | 370,857 | 75,092 | 25.4% |
| Other Property and Services | | 717,071 | 284,677 | 412,884 | 128,207 | 45.0% |
| Total Operating Income | | 197,753,123 | 132,128,443 | 132,889,755 | 761,312 | 0.6% |
| OPERATING EXPENDITURE | | | | | | |
| Governance | | 11,262,129 | 4,868,770 | 4,629,410 | 239,360 | 4.9% |
| General Purpose Funding | | 3,089,672 | 1,590,359 | 1,571,523 | 18,836 | 1.2% |
| Law, Order, Public Safety | | 3,868,851 | 1,459,466 | 1,515,126 | (55,660) | -3.8% |
| Health | | 1,884,897 | 1,193,213 | 1,051,085 | 142,128 | 11.9% |
| Education and Welfare | | 3,870,122 | 1,512,561 | 1,482,062 | 30,499 | 2.0% |
| Housing | | 563,144 | 256,710 | 238,372 | 18,338 | 7.1% |
| Community Amenities | | 28,558,870 | 10,873,453 | 10,741,413 | 132,040 | 1.2% |
| Recreation and Culture | | 32,248,092 | 12,392,224 | 11,573,820 | 818,404 | 6.6% |
| Transport | | 85,571,552 | 33,949,716 | 33,426,069 | 523,647 | 1.5% |
| Economic Services | | 9,744,103 | 3,718,148 | 3,689,800 | 28,348 | 0.8% |
| Other Property and Services | | 7,266,137 | 1,295,548 | 1,395,269 | (99,721) | -7.7% |
| Total Operating Expenditure | | 187,927,571 | 73,110,169 | 71,313,949 | 1,796,220 | 2.5% |
| NET FROM OPERATIONS | | 9,825,552 | 59,018,274 | 61,575,806 | 2,557,532 | 4.3% |
| GRANTS/CONTRIBUTIONS | | | | | | |
| For the Development of Assets | | | | | | |
| - General Purpose Funding | | 80,200 | 75,600 | 75,600 | - | 0.0% |
| - Recreation and Culture | | 3,207,250 | 1,790,000 | - | - | 0.0% |
| - Transport | | 3,555,000 | 320,000 | 386,137 | 66,137 | 20.7% |
| Total Grants/Contributions | | 6,842,450 | 2,185,600 | 461,737 | (1,723,863) | -78.9% |
| DISPOSAL/WRITE OFF OF ASSETS | | | | | | |
| Gain/(Loss) on Disposal of Assets | 2 | (1,558,253) | (857,229) | (375,190) | 482,039 | -56.2% |
| Change in net assets resulting from operations before significant items | | 15,109,749 | 60,346,645 | 61,662,353 | 1,315,708 | 2.2% |
| SIGNIFICANT ITEMS | | | | | | |
| Distribution from TPRC | | 1,833,333 | - | - | - | 0.0% |
| (Loss) on Disposal of Investments | | - | (3,655) | (3,655) | - | 0.0% |
| Change in net assets resulting from operations after significant items | | 16,943,082 | 60,342,990 | 61,658,698 | 1,315,708 | 2.2% |

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 5 months ended 30 November 2015

(By Nature)

| | Note | Budget 2015/2016 | Revised Budget YTD | Actual YTD 30/11/2015 | YTD Variance | |
|---|------|---------------------|-----------------------|--------------------------|--------------|--------|
| | | \$ | \$ | \$ | \$ | % |
| OPERATING REVENUE | | | | | | |
| Rates | | 82,692,367 | 80,842,160 | 81,730,236 | 888,076 | 1.1% |
| Grants and Contributions for Non Capital Purposes | | 1,508,499 | 315,860 | 275,367 | (40,493) | -12.8% |
| Donations and Reimbursements | | 452,347 | 200,093 | 317,680 | 117,587 | 58.8% |
| Fees and Charges | | 105,979,914 | 48,100,208 | 47,671,748 | (428,460) | -0.9% |
| Interest and Investment Income | | 5,157,319 | 2,050,769 | 2,161,892 | 111,123 | 5.4% |
| Other Revenue | | 1,962,676 | 619,353 | 732,833 | 113,480 | 18.3% |
| Total Revenue from Operating Activities | | 197,753,122 | 132,128,443 | 132,889,755 | 761,312 | 0.6% |
| OPERATING EXPENDITURE | | | | | | |
| Employee Costs | | 69,135,566 | 26,903,540 | 26,648,737 | 254,803 | 0.9% |
| Materials and Contracts | | 52,838,709 | 19,967,756 | 18,811,307 | 1,156,449 | 5.8% |
| Utilities | | 3,069,080 | 1,281,494 | 1,240,140 | 41,354 | 3.2% |
| Depreciation and Amortisation | | 34,211,101 | 12,597,795 | 12,672,104 | (74,309) | -0.6% |
| Interest | | 1,836,750 | 497,341 | 580,673 | (83,332) | -16.8% |
| Insurance | | 1,166,259 | 473,668 | 493,864 | (20,196) | -4.3% |
| Expenses Provision | | 962,345 | 402,986 | 402,971 | 15 | 0.0% |
| Other Expenses from Ordinary Activities | | 24,707,761 | 10,985,589 | 10,464,153 | 521,436 | 4.7% |
| Total Expenses from Ordinary Activities | | 187,927,571 | 73,110,169 | 71,313,949 | 1,796,220 | 2.5% |
| Change in Net Assets from Ordinary Activities before Capital Amounts | | 9,825,551 | 59,018,274 | 61,575,806 | 2,557,532 | 4.3% |
| GRANTS/CONTRIBUTIONS | | | | | | |
| Grants and Contributions- Capital | | 6,842,450 | 2,185,600 | 461,737 | (1,723,863) | -78.9% |
| NET OPERATING SURPLUS | | 16,668,002 | 61,203,874 | 62,037,543 | 833,669 | 1.4% |
| DISPOSAL/WRITE OFF OF ASSETS | 2 | (1,558,253) | (857,229) | (375,190) | 482,039 | -56.2% |
| SIGNIFICANT ITEMS | | | | | | |
| Distribution from TPRC | | 1,833,333 | - | - | - | 0.0% |
| (Loss) on Disposal of Investments | | - | (3,655) | (3,655) | - | 0.0% |
| <i>Change in net assets resulting from operations after capital amounts and significant items</i> | | 16,943,082 | 60,342,990 | 61,658,698 | 1,315,708 | 2.2% |

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 30 November 2015

| | Note | 30/11/2015 | 30/06/2015 |
|--------------------------------------|-------|------------------------|------------------------|
| CURRENT ASSETS | | \$ | \$ |
| Cash and Cash Equivalents | 11 | 16,542,723 | 21,164,777 |
| Deposits/Prepayments | 4 | 12,878,835 | 1,339,244 |
| Investments | 3, 11 | 136,521,266 | 91,045,389 |
| Trade and Other Receivables | 5 | 12,154,728 | 8,355,249 |
| Rates Receivable | 1 | 9,773,483 | 64,096 |
| Inventories | | 1,134,729 | 1,394,201 |
| TOTAL CURRENT ASSETS | | 189,005,764 | 123,362,956 |
| NON CURRENT ASSETS | | | |
| Investments | 3 | 6,657,256 | 7,110,313 |
| Trade and Other Receivables | 5 | 32,434 | 39,567 |
| Property, Plant and Equipment | 8 | 654,283,099 | 659,937,053 |
| Infrastructure | 8 | 475,413,444 | 480,607,504 |
| Capital Work in Progress | 8 | 87,724,198 | 69,215,093 |
| TOTAL NON CURRENT ASSETS | | 1,224,110,431 | 1,216,909,530 |
| TOTAL ASSETS | | 1,413,116,195 | 1,340,272,486 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 6 | 33,155,199 | 19,155,304 |
| Employee Benefits | 7 | 11,100,305 | 11,405,126 |
| Provisions | 7 | 603,526 | 703,725 |
| Loan Liability | 9 | 6,570,642 | 6,441,709 |
| TOTAL CURRENT LIABILITIES | | 51,429,672 | 37,705,864 |
| NON CURRENT LIABILITIES | | | |
| Employee Benefits | 7 | 1,891,737 | 1,891,737 |
| Provisions | 7 | 4,032,092 | 3,869,667 |
| Loan Liability | 9 | 33,625,776 | 36,327,002 |
| TOTAL NON CURRENT LIABILITIES | | 39,549,605 | 42,088,406 |
| TOTAL LIABILITIES | | 90,979,277 | 79,794,270 |
| NET ASSETS | | \$1,322,136,918 | \$1,260,478,216 |
| EQUITY | | | |
| Accumulated Surplus | | 693,728,767 | 612,108,619 |
| Asset Revaluation Reserve | 10 | 560,795,095 | 560,795,095 |
| Reserves | 10 | 67,613,056 | 87,574,502 |
| TOTAL EQUITY | | \$1,322,136,918 | \$1,260,478,216 |

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 5 months ended 30 November 2015

| | Accumulated Surplus | Asset Revaluation Reserve | Cash Backed Reserves | Total Equity |
|---|------------------------|---------------------------------|-------------------------|-------------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2014 | 587,289,902 | 372,942,447 | 85,605,577 | 1,045,837,926 |
| Change in net assets resulting from operations | 214,640,290 | - | - | 214,640,290 |
| Transfer to Cash Backed Reserves | (25,386,259) | - | 25,386,259 | - |
| Transfers to Asset Revaluation Reserve | (189,027,761) | 189,027,761 | - | - |
| Transfers from Asset Revaluation Reserve | 1,175,113 | (1,175,113) | - | - |
| Transfer from Cash Backed Reserves | 23,417,344 | - | (23,417,344) | - |
| Balance at 30 June 2015 | \$612,108,629 | \$560,795,095 | \$87,574,492 | \$1,260,478,216 |
| Balance at 1 July 2015 | \$ 612,108,629 | \$ 560,795,095 | \$ 87,574,492 | \$ 1,260,478,216 |
| Change in net assets resulting from operations | 61,658,698 | - | - | 61,658,698 |
| Transfer to Cash Backed Reserves | (1,735,213) | - | 1,735,213 | - |
| Transfers to Asset Revaluation Reserve | - | - | - | - |
| Transfers from Asset Revaluation Reserve | - | - | - | - |
| Transfer from Cash Backed Reserves | 21,696,659 | - | (21,696,659) | - |
| Balance at the end of the reporting period | \$693,728,772 | \$560,795,095 | \$67,613,047 | \$1,322,136,914 |

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 5 months ended 30 November 2015

| | Note | Budget 2015/2016 \$ | YTD Actual 30/11/2015 \$ | YTD Variation \$ | % |
|---|-----------|---------------------------|--------------------------------|---------------------|---------------|
| Cash Flows from Operating Activities | | | | | |
| Receipts | | | | | |
| Rates | | 82,681,333 | 69,262,297 | (13,419,036) | -16.2% |
| Fees and Charges | | 104,237,072 | 46,894,753 | (57,342,319) | -55.0% |
| Interest | | 5,009,468 | 1,764,032 | (3,245,436) | -64.8% |
| Other | | 5,485,536 | 937,582 | (4,547,954) | -82.9% |
| | | <u>197,413,411</u> | <u>118,858,664</u> | <u>(78,554,747)</u> | <u>-39.8%</u> |
| Payments | | | | | |
| Employee Costs | | (68,531,216) | (26,223,231) | 42,307,985 | 61.7% |
| Materials and Contracts | | (50,557,095) | (19,135,582) | 31,421,513 | 62.2% |
| Interest | | (1,686,749) | (523,043) | 1,163,706 | 69.0% |
| Other | | (24,363,418) | (12,434,577) | 11,928,841 | 49.0% |
| | | <u>(145,138,478)</u> | <u>(58,316,433)</u> | <u>86,822,045</u> | <u>59.8%</u> |
| Net Cash Flows from Operating Activities | 12 | 52,274,932 | 60,542,231 | 8,267,299 | -15.8% |
| Cash Flows from Investing Activities | | | | | |
| Receipts | | | | | |
| Distribution from TPRC | | 1,833,333 | - | (1,833,333) | -100.0% |
| Proceeds from Disposal of Assets | | 1,523,000 | 245,256 | (1,277,744) | -83.9% |
| Proceeds from Disposal of Investments(Non Current) | | - | 449,402 | 449,402 | 0.0% |
| Payments | | | | | |
| Purchase Land and Buildings | | (13,036,542) | - | 13,036,542 | -100.0% |
| Purchase Infrastructure Assets | | (37,840,203) | (438,644) | 37,401,559 | -98.8% |
| Purchase Plant and Mobile Equipment | | (3,347,436) | (909,282) | 2,438,154 | 72.8% |
| Purchase Office Furniture and Equipment | | (561,648) | (1,100,734) | (539,086) | 96.0% |
| Work in Progress | | - | (16,212,149) | (16,212,149) | 0.0% |
| | | <u>(54,785,829)</u> | <u>(18,660,809)</u> | <u>36,125,020</u> | <u>65.9%</u> |
| Net Cash Flows from Investing Activities | | (51,429,496) | (17,966,151) | 33,463,345 | 65.1% |
| Cash Flows from Financing Activities | | | | | |
| Repayment of Borrowings | | | | | |
| | | (6,441,707) | (2,572,293) | 3,869,414 | 60.1% |
| | | <u>(6,441,707)</u> | <u>(2,572,293)</u> | <u>3,869,414</u> | <u>60.1%</u> |
| Cash Flows from Government and Other Parties | | | | | |
| Receipts from Appropriations/Grants | | | | | |
| Recurrent | | 1,760,075 | 388,298 | (1,371,777) | -77.9% |
| Capital | | 6,842,450 | 461,737 | (6,380,713) | -93.3% |
| | | <u>8,602,525</u> | <u>850,035</u> | <u>(7,752,490)</u> | <u>-90.1%</u> |
| Net Increase (Decrease) in Cash Held | | 3,006,254 | 40,853,822 | 37,847,568 | 1259.0% |
| Cash at 1 July 2015 | | 107,033,620 | 112,210,166 | 5,176,546 | 4.8% |
| Cash at 30 November 2015 | 11 | <u>110,039,874</u> | <u>153,063,989</u> | <u>43,024,115</u> | <u>39.1%</u> |

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Notes to the Balance Sheet for the 5 months ended 30 November 2015

1 Rates Receivable

| | Actual YTD 30/11/2015 | 2014/15 YTD 30/11/2014 |
|--|--------------------------|---------------------------|
| | \$ | \$ |
| Outstanding Amount at 30 June 2015 | 64,096 | 52,088 |
| Rates Levied for the Year | 81,743,885 | 75,946,175 |
| Late Payment Penalties | 88,070 | 62,993 |
| Ex Gratia Rates | 17,464 | 10,283 |
| Rates Administration Fee | 277,135 | 275,786 |
| Rates Instalment Interest | 341,261 | 317,472 |
| Back Rates | (31,112) | (147,341) |
| Bins Levy | 139,071 | 57,236 |
| | 82,639,870 | 76,574,692 |
| Amount Received during the Period | 72,866,387 | 67,460,858 |
| Outstanding Amount at 30 November 2015 | \$9,773,483 | \$9,113,834 |

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

| | Annual Budget | Actual YTD 30/11/2015 |
|--|----------------------|--------------------------|
| Infrastructure | | |
| Proceeds on Disposal | - | - |
| Less: Carrying amount of assets written off | 1,721,201 | 374,374 |
| (Loss) on Write Off | (1,721,201) | (374,374) |
| Plant and Mobile Equipment | | |
| Proceeds on Disposal | 1,523,000 | 244,602 |
| Less: Carrying amount of assets sold/written off | 1,360,052 | 231,103 |
| Profit/(Loss) on Disposal/Write Off | 162,948 | 13,499 |
| Furniture and Equipment | | |
| Proceeds on Disposal | - | 654 |
| Less: Carrying amount of assets sold /written off | - | - |
| Profit on Disposal/Write Off | - | 654 |
| Gain/(Loss) on Disposal/Write off of Assets | (\$1,558,253) | (\$375,190) |

3 Investments

| Current | 30/11/2015 | 30/06/2015 |
|--------------------------------------|----------------------|---------------------|
| Short Term Cash Investments * | \$ | \$ |
| Call Funds | 5,032,357 | 23,629 |
| Bank/Term Deposits | 127,500,000 | 83,900,000 |
| Managed Funds | 3,988,909 | 4,118,105 |
| Floating Rate Notes (FRN) | - | 3,003,655 |
| Total Current Investments | \$136,521,266 | \$91,045,389 |

* Short Term Cash Investments as stated in Note 11.

| Non Current Investments | 30/11/2015 | 30/06/2015 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Mortgage Backed Securities (MBS) | 2,692,784 | 2,766,406 |
| | 2,692,784 | 2,766,406 |
| Equity in Local Government House | 10,000 | 10,000 |
| Equity in Mindarie Regional Council | 398,074 | 398,074 |
| Equity in Tamala Park Regional Council | 3,556,398 | 3,935,833 |
| | \$6,657,256 | \$7,110,313 |

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Notes to the Balance Sheet for the 5 months ended 30 November 2015

4 Deposits/Prepayments

| | 30/11/2015 | 30/06/2015 |
|----------------------------------|---------------------|--------------------|
| | \$ | \$ |
| Prepaid Insurance | 1,391,821 | - |
| Prepaid Parking Bay Licence Fees | 9,962,574 | 91,560 |
| Other | 1,524,440 | 1,247,684 |
| | \$12,878,835 | \$1,339,244 |

5 Trade And Other Receivables

| | 30/11/2015 | 30/06/2015 |
|---|---------------------|--------------------|
| Current | \$ | \$ |
| Emergency Services Levy (ESL) | 2,986,879 | 63,463 |
| Accrued Interest and Investment Income | 998,157 | 600,296 |
| Accrued Income | 1,885,684 | 1,251,900 |
| Modified Penalties/Fines and Costs | 7,484,973 | 7,156,124 |
| Debtors - General | | |
| Australian Taxation Office - GST Refundable | 375,171 | 479,963 |
| Works and Services | 58,635 | 156,225 |
| Other Debtors | 1,560,484 | 1,701,472 |
| | 15,349,983 | 11,409,443 |
| Less: Provision for Doubtful Debts | (3,195,255) | (3,054,194) |
| | \$12,154,728 | \$8,355,249 |
| Non Current | | |
| Pensioners' Rates Deferred | 32,434 | 39,567 |
| | \$32,434 | \$39,567 |

6 Trade And Other Payables

| | 30/11/2015 | 30/06/2015 |
|---|---------------------|---------------------|
| Current | \$ | \$ |
| Trade Creditors | 4,174,021 | 13,260,443 |
| Emergency Services Levy | 17,114,828 | - |
| Interest Payable on Loans | 298,645 | 241,015 |
| Accrued Expenses - Operating | 5,866,473 | 2,617,565 |
| Accrued Expenses - Capital | 2,657,284 | 360,328 |
| Advances Received for Recoverable Works | 64,647 | 77,424 |
| Income Received / Raised in Advance | 703,803 | 871,600 |
| Other Creditors | 2,275,498 | 1,726,929 |
| | \$33,155,199 | \$19,155,304 |

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Notes to the Balance Sheet for the 5 months ended 30 November 2015

7 Employee Benefits

| | 30/11/2015 | 30/06/2015 |
|---|---------------------|---------------------|
| Current | \$ | \$ |
| Leave Entitlements | | |
| Annual Leave | 4,676,015 | 4,795,260 |
| Self Funded Leave | 243,174 | 270,891 |
| Long Service Leave | 6,043,600 | 6,189,337 |
| Recognition of Employees- Presentations | 137,516 | 149,638 |
| | \$11,100,305 | \$11,405,126 |
| Non Current | | |
| Annual Leave | 838,090 | 838,090 |
| Long Service Leave | 1,053,647 | 1,053,647 |
| | \$1,891,737 | \$1,891,737 |

Provisions

| | 30/11/2015 | 30/06/2015 |
|--|--------------------|--------------------|
| Current | \$ | \$ |
| Workers Compensation | 603,526 | 703,725 |
| | \$603,526 | \$703,725 |
| Non Current | | |
| Provision for Equipment Replacement PCEC | 4,032,092 | 3,869,667 |
| | \$4,032,092 | \$3,869,667 |

8 Property, Plant and Equipment and Work in Progress

| | 30/11/2015 | 30/06/2015 |
|---|------------------------|------------------------|
| | \$ | \$ |
| Land and Air Rights - at cost/fair value | 380,366,193 | 380,366,194 |
| Less: Accumulated Depreciation | (2,806,300) | (2,570,139) |
| | 377,559,893 | 377,796,055 |
| Buildings/Freehold - at fair value | 380,100,248 | 379,893,679 |
| Less: Accumulated Depreciation | (149,400,020) | (146,015,858) |
| | 230,700,228 | 233,877,821 |
| Improvements - at fair value | 8,010,840 | 8,010,841 |
| Less: Accumulated Depreciation | (4,680,741) | (4,564,395) |
| | 3,330,099 | 3,446,446 |
| Infrastructure Assets - at cost/fair value | 741,912,284 | 741,999,706 |
| Less: Accumulated Depreciation | (266,498,840) | (261,392,201) |
| | 475,413,444 | 480,607,505 |
| Plant and Mobile Equipment - at cost/fair value | 45,888,991 | 45,505,811 |
| Less: Accumulated Depreciation | (26,958,383) | (25,351,476) |
| | 18,930,608 | 20,154,335 |
| Office Furniture and Equipment - at cost/fair value | 36,634,010 | 36,740,437 |
| Less: Accumulated Depreciation | (13,667,010) | (12,873,309) |
| | 22,967,000 | 23,867,128 |
| Agricultural - at cost | 795,271 | 795,271 |
| Less: Accumulated Depreciation | - | - |
| | 795,271 | 795,271 |
| Property, Plant and Equipment | 1,129,696,543 | 1,140,544,561 |
| Work in Progress - at cost | 87,724,198 | 69,215,093 |
| | 87,724,198 | 69,215,093 |
| Total Property, Plant and Equipment and Work in Progress | \$1,217,420,741 | \$1,209,759,650 |

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Notes to the Balance Sheet for the 5 months ended 30 November 2015

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

| | Balance 30/06/2015 | Acquisitions Actual YTD 30/11/2015 | Transfers Actual YTD 30/11/2015 | Disposals/ Write off/ Actual YTD 30/11/2015 | Revaluation Actual YTD 30/11/2015 | Balance 30/11/2015 |
|--------------------------------|------------------------|--|---------------------------------------|--|---|------------------------|
| | \$ | \$ | \$ | \$ | | \$ |
| Land and Air Rights | 380,366,194 | - | - | - | - | 380,366,194 |
| Buildings | 379,893,679 | - | 245,870 | (39,300) | - | 380,100,249 |
| Improvements | 8,010,841 | - | - | - | - | 8,010,841 |
| Infrastructure Assets | 741,999,706 | 438,644 | 831,233 | (1,357,298) | - | 741,912,285 |
| Plant and Mobile Equipment | 45,505,811 | 909,282 | 19,507 | (545,609) | - | 45,888,991 |
| Office Furniture and Equipment | 36,740,437 | 1,100,734 | (1,100,734) | (106,427) | - | 36,634,010 |
| Agricultural | 795,271 | - | - | - | - | 795,271 |
| Work in Progress | 69,215,093 | 18,509,105 | - | - | - | 87,724,198 |
| | \$1,662,527,032 | \$20,957,765 | (4,124) | (\$2,048,634) | - | \$1,681,432,039 |

9 Loan Liability

| | 30/11/2015 | 30/06/2015 |
|---|------------|------------|
| Current | \$ | \$ |
| Loans - Western Australian Treasury Corporation | 6,570,642 | 6,441,709 |
| Non Current | | |
| Loans - Western Australian Treasury Corporation | 33,625,776 | 36,327,002 |

10 Reserve Funds

| Purpose of Reserve Fund | Balance 30/06/2015 | Transfer from Accumulated Surplus | Transfer to Accumulated Surplus | Balance 30/11/2015 |
|---|-----------------------|---|---------------------------------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| Refuse Disposal and Treatment | 2,843,524 | 36,416 | - | 2,879,940 |
| Concert Hall - Refurbishment and Maint. | 4,826,518 | 53,189 | (10,730) | 4,868,977 |
| Asset Enhancement | 29,008,935 | 292,823 | (4,499,527) | 24,802,231 |
| Street Furniture Replacement | 540,334 | 5,968 | - | 546,302 |
| Parking Levy | 17,132,501 | 1,325 | (17,012,592) | 121,234 |
| Art Acquisition | 315,397 | 3,184 | - | 318,581 |
| Heritage Incentive | 587,371 | 9,676 | - | 597,047 |
| Parking Facilities Development | 23,952,738 | 263,704 | (173,810) | 24,042,632 |
| Employee Entitlements | 1,053,647 | 855,578 | - | 1,909,225 |
| David Jones Bridge | 277,223 | 3,068 | - | 280,291 |
| Bonus Plot Ratio | 595,996 | 6,584 | - | 602,580 |
| PCEC Fixed Plant Replacement | 3,869,667 | 170,181 | - | 4,039,848 |
| Enterprise and Initiative | 2,570,651 | 33,517 | - | 2,604,168 |
| | 87,574,502 | 1,735,213 | (21,696,659) | 67,613,056 |
| * Asset Revaluation | 560,795,095 | - | - | 560,795,095 |
| | \$648,369,597 | \$1,735,213 | (\$21,696,659) | \$628,408,151 |

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

MUNICIPAL

Notes to the Balance Sheet for the 5 months ended 30 November 2015

11 Cash Reconciliation

| | 30/11/2015 | 30/06/2015 |
|-----------------------------|----------------------|----------------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 16,542,723 | 21,164,777 |
| Short Term Cash Investments | 136,521,266 | 91,045,389 |
| | \$153,063,989 | \$112,210,166 |

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

| | 30/11/2015 | 30/06/2015 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Change in Net Assets Resulting from Operations | 61,662,353 | 18,136,854 |
| Adjustment for items not involving the movement of Funds: | | |
| Depreciation | 12,672,104 | 29,115,795 |
| Doubtful Debts | 141,061 | 267,593 |
| (Gain)/Loss on Disposal/Write off/Contribution of Assets | 375,190 | 2,584,345 |
| | 74,854,832 | 50,104,587 |
| Revenues Provided By : | | |
| Government Grants | (850,035) | (4,039,166) |
| Contribution from Other Parties | - | (15,000) |
| | (850,035) | (4,054,166) |
| Change in Operating Assets and Liabilities | | |
| Add Back | | |
| Decrease in Inventories | 259,472 | 713,171 |
| Decrease in Deposits and Prepayments | - | 81,566 |
| Decrease in Accrued Interest and Dividend Income | - | 749,725 |
| Decrease in Debtors | - | 1,650,216 |
| Decrease in Deferred Debtors | 7,133 | 4,638 |
| Increase in Income Received /Raised in Advance | - | 21,429 |
| Increase in Accrued Interest Payable | 57,630 | - |
| Increase in Accrued Expenses | 3,248,908 | - |
| Increase in Provisions | - | 1,084,280 |
| Increase in Trade and Other Payables | 8,576,973 | - |
| Deduct | | |
| Decrease in Trade and Other Payables | - | (836,489) |
| Decrease in Income Received /Raised in Advance | (180,574) | - |
| Decrease in Accrued Interest Payable | - | (43,792) |
| Decrease in Provisions | (242,595) | - |
| Decrease in Accrued Expenses | - | (201,269) |
| Increase in Trade and Other Receivables | (12,618,283) | - |
| Increase in Prepayments | (11,539,591) | - |
| Increase in Accrued Income | (633,784) | (420,854) |
| Increase in Accrued Interest and Investment Income | (397,860) | - |
| | (13,462,571) | 2,802,621 |
| Net Cash Provided by Operating Activities | \$60,542,229 | \$48,853,042 |

MUNICIPAL

Notes to the Balance Sheet for the 5 months ended 30 November 2015

13 Ratios

| | 30/11/2015 | 30/06/2015 |
|---|------------|------------|
| 1 Current Ratio | | |
| <u>Current Assets</u> minus Restricted Assets | | |
| Current Liabilities minus Liabilities associated with Restricted Assets | 2.41 | 1.02 |
| 2 Debt Ratio | | |
| <u>Total Liabilities</u> | | |
| Total Assets | 6.44% | 5.95% |
| 3 Debt Service Ratio | | |
| <u>Debt Service Cost</u> | | |
| Available Operating Revenue | 2.57% | 4.48% |
| 4 Rate Coverage Ratio | | |
| <u>Net Rate Revenue</u> | | |
| Operating Revenue | 62.14% | 40.92% |
| 5 Outstanding Rates Ratio | | |
| <u>Rates Outstanding</u> | | |
| Rates Collectable | 11.83% | 0.08% |
| 6 Untied Cash to Unpaid Creditors Ratio | | |
| <u>Untied Cash</u> | | |
| Unpaid Trade Creditors | 21.09 | 2.07 |
| 7 Gross Debt to Revenue Ratio | | |
| <u>Gross Debt</u> | | |
| Total Revenue | 30.25% | 22.93% |
| 8 Gross Debt to Economically Realisable Assets Ratio | | |
| <u>Gross Debt</u> | | |
| Economically Realisable Assets | 4.29% | 4.98% |

Restricted Assets includes reserve funds and tied contributions not utilised at 30.11.2015

CITY OF PERTH

FAS GRAPHS

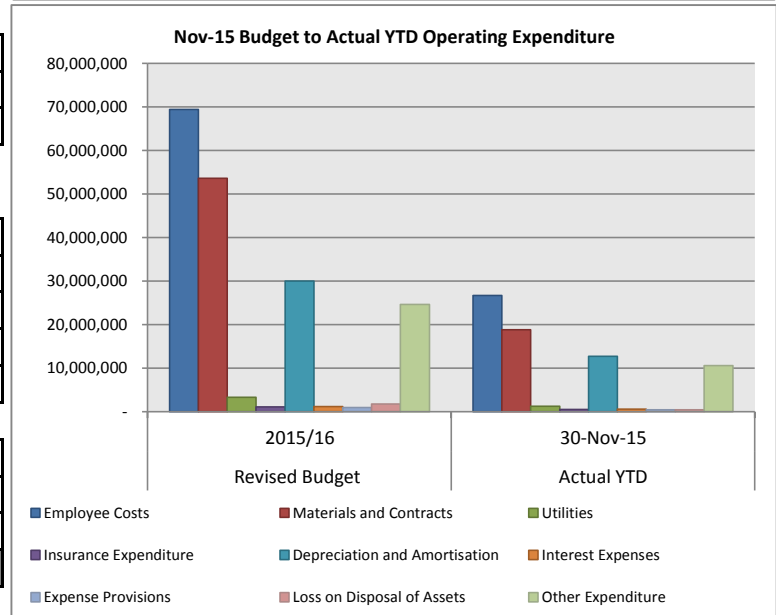
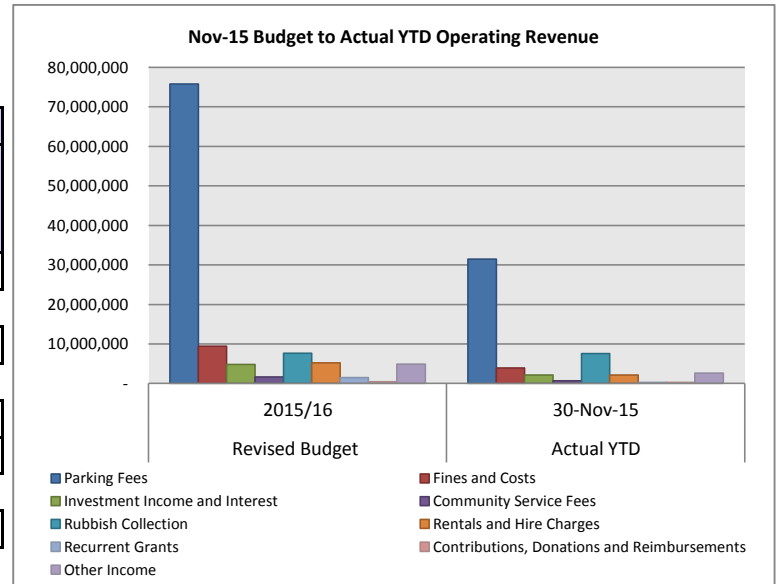
Nov-15

CONTENTS

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|----------------|---|-------------|
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| 2 | Cash | 4 |
| 3 | Summary Operating Statement | 5 |
| 4 | Summary Statement of Financial Position | 6 |
| 5 | Ratio Analysis | 7 |

Financial Activity Statement

| Proceeds from Operating Activities | Annual | Year To Date Nov-15 | | |
|--|-------------------------------|---------------------|---------------|-----------------|
| | Revised Budget 2015/16 \$000s | Budget YTD \$000s | Actual \$000s | Variance \$000s |
| Operating Revenue | 111,388 | 51,286 | 51,160 | -126 |
| Less: Operating Expenditure | 185,860 | 74,021 | 71,778 | 2,243 |
| Add back Depreciation | -30,002 | -12,598 | -12,672 | 74 |
| (Loss)/Profit on Disposals | -1,766 | -857 | -375 | -482 |
| Net Surplus/(Deficit) from Operations | -42,703 | -9,280 | -7,572 | 1,709 |
| Investing Activities | | | | |
| Capital Expenditure | -69,049 | -36,122 | -19,917 | 16,205 |
| Repayment of Borrowings | -6,442 | -2,572 | -2,572 | 0 |
| Transfers to Reserves | -28,095 | -2,355 | -1,735 | 620 |
| Financing Activities | | | | |
| Transfers from Reserves | 30,753 | 12,891 | 21,697 | 8,806 |
| Carry Forwards | 21,681 | 11,342 | 6,254 | -5,088 |
| Proceeds from Disposal of Assets | 1,729 | 1,523 | 695 | -828 |
| Distribution from TPRC | 1,833 | 0 | 0 | 0 |
| Capital Grants | 7,758 | 6,842 | 462 | -6,380 |
| Net Surplus/(Deficit) before Rates | -82,535 | -17,731 | -2,689 | 15,042 |
| Add: Opening Funds | 636 | 636 | 636 | 0 |
| Less: Closing Funds | 783 | 65,598 | 78,789 | 13,192 |
| Amount Sourced from Rates | 82,682 | 82,692 | 80,842 | -1,850 |

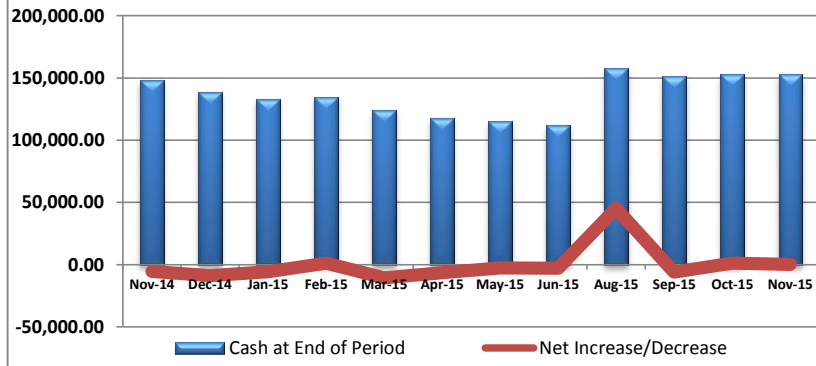


Cash

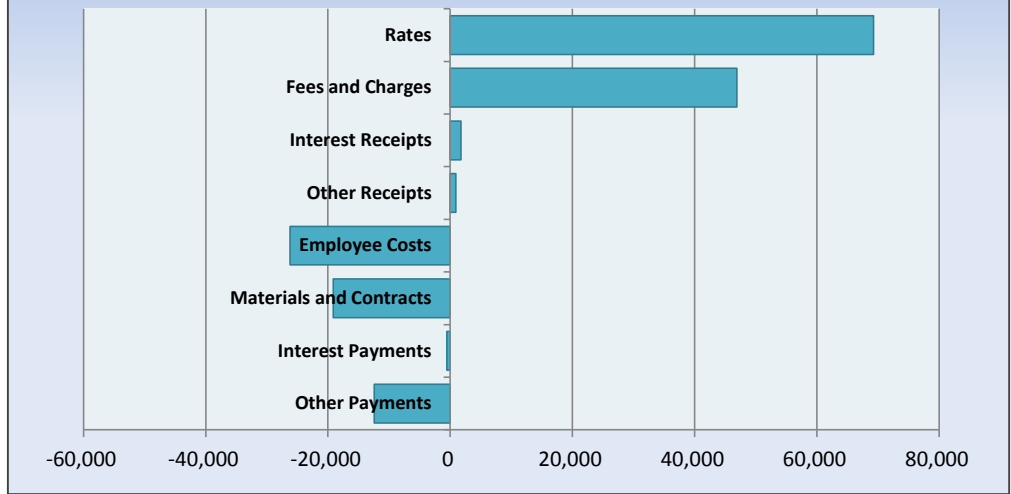
SUMMARY CASH FLOW STATEMENT

| | Budget \$'000s 2015/2016 | YTD Actual \$'000s Nov-15 |
|---|-----------------------------|---------------------------------|
| Receipts from Customers | 197,413 | 118,859 |
| Payments to Suppliers and Creditors | -145,138 | -58,316 |
| Net Cash Inflow/Outflow from Operating Activities | 52,275 | 60,543 |
| Net Cash Inflow/Outflow from Investing Activities | -51,429 | -17,966 |
| Net Cash Inflow/Outflow from Financing Activities | -6,442 | -2,572 |
| Cash Flows from Government and Other Parties | 8,603 | 850 |
| Cash at 1 July 2015 | 107,034 | 112,210 |
| Net Increase (Decrease) in Cash Held | 3,006 | 40,854 |
| Cash at 30 November 2015 | 110,040 | 153,064 |

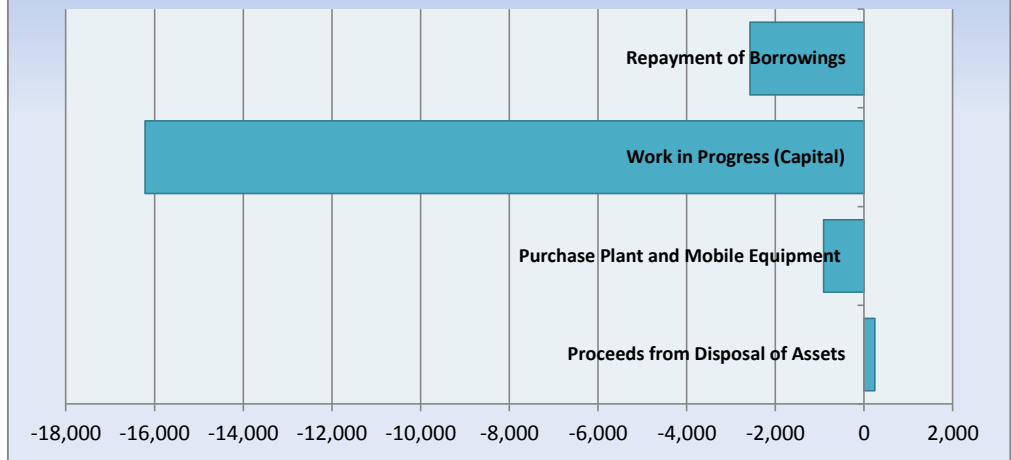
Monthly Cash Movements to Nov-15 \$'000s



Cash Flows from Operating Activities \$'000s



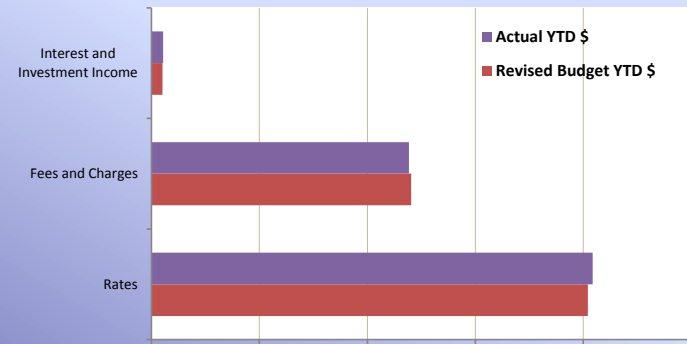
Cash Flows from Investing Activities \$'000s



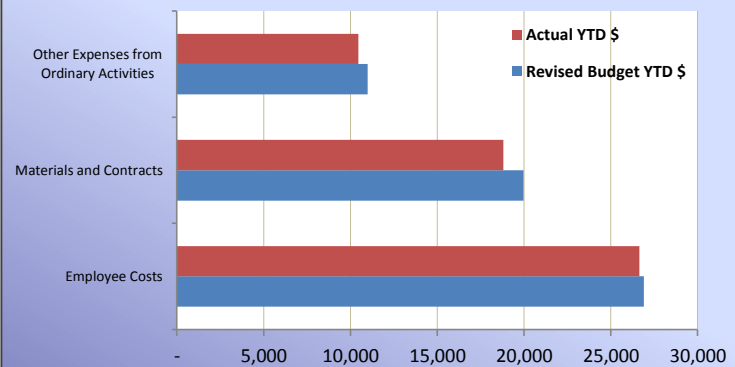
Summary Operating Statement

| | 2015/2016 | Year To Date | | |
|---|-----------------------|-----------------------|---------------|-----------------|
| | Original Budget \$000 | Revised Budget \$000s | Actual \$000s | Variance \$000s |
| Operating Revenue | 197,753 | 132,128 | 132,890 | 762 |
| less Operating Expenses | -151,880 | -60,016 | -58,061 | 1,955 |
| Earnings before Interest and Depreciation (EBID) | 45,873 | 72,112 | 74,829 | 2,717 |
| less Interest Expense | -1,837 | -497 | -581 | -83 |
| less Depreciation | -34,211 | -12,598 | -12,672 | -74 |
| Operating Surplus/(Deficit) | 9,825 | 59,017 | 61,576 | 2,559 |
| Grants and Contributions- Capital | 6,842 | 2,186 | 462 | -1,724 |
| NET OPERATING SURPLUS | 16,667 | 61,203 | 62,038 | 835 |
| DISPOSAL/WRITE OFF OF ASSETS | -1,558 | -857 | -375 | 482 |
| Distribution from TPRC | 1,833 | 0 | 0 | 0 |
| (Loss) on Disposal of Investments | 0 | -4 | -4 | 0 |
| Change in net assets resulting from operations after capital amounts and significant items | 16,943 | 60,343 | 61,659 | 1,316 |

Operating Revenue YTD Nov-15 \$'000s



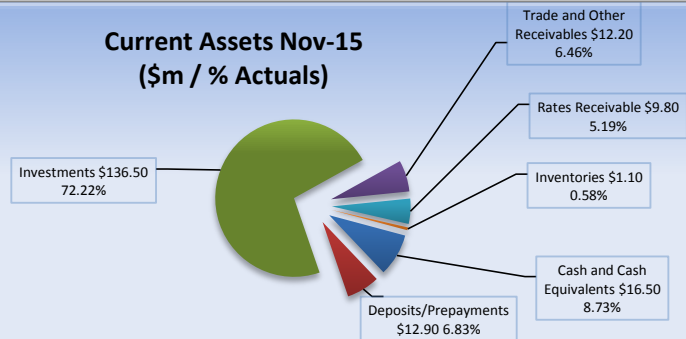
Operating Expenditure YTD Nov-15 \$'000s



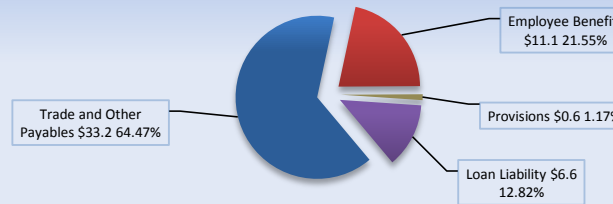
Summary Statement of Financial Position

| | 30-Nov-15 | 30-Jun-15 |
|-------------------------------|------------------|------------------|
| | Actual \$000s | Actual \$000s |
| Total Current Assets | 189,006 | 123,363 |
| Total Non Current Assets | 1,224,110 | 1,216,910 |
| TOTAL ASSETS | 1,413,116 | 1,340,273 |
| Total Current Liabilities | 51,430 | 37,706 |
| Total Non Current Liabilities | 39,550 | 42,088 |
| TOTAL LIABILITIES | 90,980 | 79,794 |
| NET ASSETS | 1,322,137 | 1,260,478 |
| COMMUNITY EQUITY | | |
| Accumulated Surplus | 693,729 | 612,109 |
| Asset Revaluation Reserve | 560,795 | 560,795 |
| Reserves (Cash Backed) | 67,613 | 87,575 |
| TOTAL EQUITY | 1,322,137 | 1,260,478 |

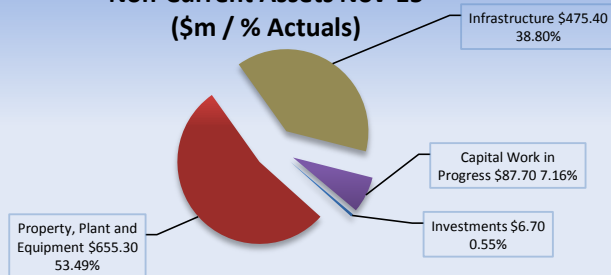
Current Assets Nov-15
(\$m / % Actuals)



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



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

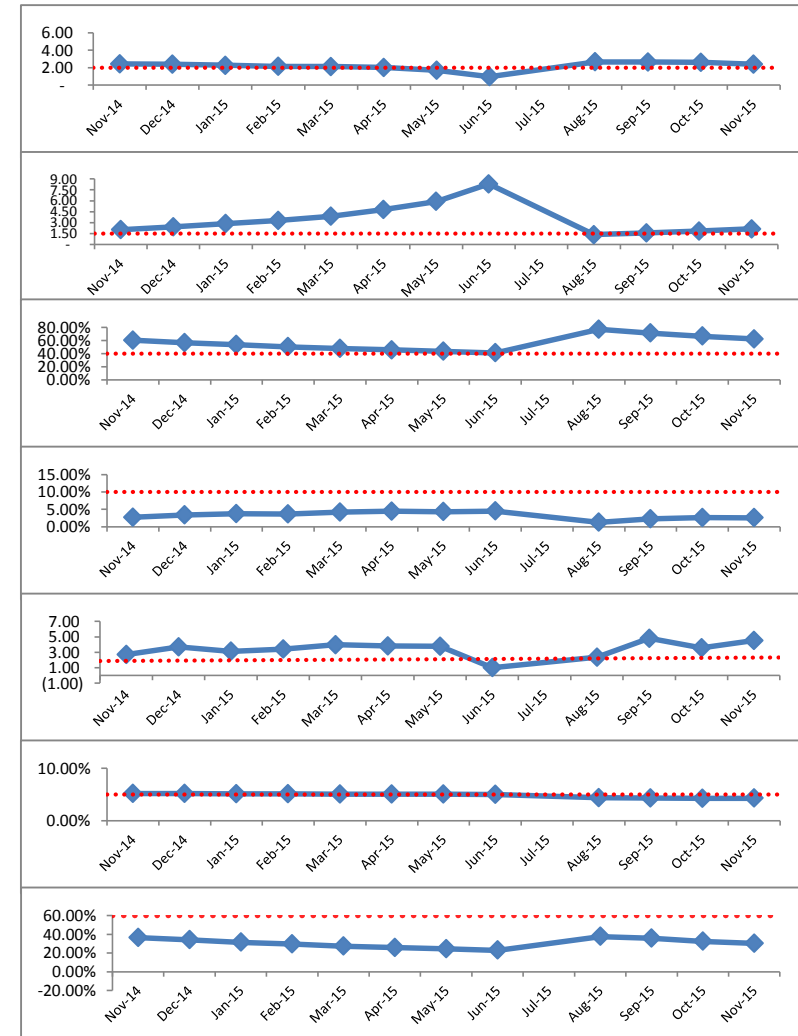


Non-Current Liabilities Nov-15
(\$m / % Actuals)



Ratio Analysis

| | Nov-15 |
|---|---------------|
| Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets) | 2.41 |
| Ability to generate working capital to meet our commitments | |
| Target is greater than 2.00 | |
| Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD) | 2.14 |
| Ability to fund capital and exceptional expenditure | |
| Target is greater than 1.5 | |
| Rate Coverage Ratio (Net Rate Revenue/Operating Revenue) | 62.14% |
| Ability to reduce rates to ratepayers | |
| Target is less than 40.00% - The percentage will diminish as the bulk of the rates are raised in July | |
| Debt Service Ratio (Interest and principal repayments/Available Operating Revenue) | 2.57% |
| Ability to service loans including principal and interest | |
| Target is less than 10.0% | |
| Cash Capacity in Months (Cash < 90 days invest / (Cash Operating Costs divided by 5 months) | 4.52 |
| Ability to manage cashflow | |
| Target is greater than 2.0 months | |
| Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets) | 4.29% |
| Ability to retire debt from readily realisable assets | |
| Target is greater than 5.0% | |
| Gross Debt to Revenue Ratio (Gross Debt / Total Revenue) | 30.25% |
| Ability to service debt out of total revenue | |
| Target is less than 60.0% | |



ITEM NO: 6

FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

RECOMMENDATION:

(APPROVAL)

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 December 2015 as detailed in Schedule 4.

BACKGROUND:

FILE REFERENCE: P1014149-25
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 13 January 2016
MAP / SCHEDULE: Schedule 4 – Financial Statements and Financial Activity Statement for the period ended 31 December 2015

LEGISLATION / STRATEGIC PLAN / POLICY:

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

DETAILS:

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

FINANCIAL IMPLICATIONS:

There are no direct financial implications arising from this report.

COMMENTS:

The Financial Activity Statement commentary compares the actual results for the six months to 31 December 2015 with the revised budget approved by Council on 3 November 2015.

SCHEDULE 4
FINANCIAL ACTIVITY STATEMENT FOR THE SIX MONTHS TO
31 DECEMBER 2015

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the six months to 31 December 2015 compared to the revised budget approved by Council on 3 November 2015.

Operating Revenue

- Investment income achieved better than the revised forecasts by \$207,000 for the six months. A good result was achieved by the Colonial Share Index Fund with a positive contribution of \$166,000 in October and \$108,000 in December, after the recent recovery of the ASX 200 index that outweighed the lower returns offered on other fixed term investments. The overall average return for the period was 3.88%.
- Rubbish collection yielded \$(87,000) less than anticipated compared to the revised budget.
- Recurrent Grants was \$(109,000) below the revised budget as a result of timing of receipts. During December \$9,000 was received from the Federal Government and \$6,000 from the State Government.
- Parking revenue was overall \$(340,000) (of which \$312,000 relates to CPP and \$28,000 to Parking Services Unit) below the revised budget. The variance consisted of \$(139,000) for Undercover Car Parks, \$(33,000) for Open Air Car Parks and \$(168,000) for Kerbside Parking. Within Undercover Car Parks the main contributors were the Convention Centre Car Park \$(87,000) (due to fewer events than budgeted for), His Majesty's \$(65,000) and Concert Hall \$(69,000), offset by more than expected parking revenue for Elder Street of \$105,000 (due to more events being held at Perth Arena than budgeted for). There are various factors influencing the lower than expected patronage figures, including roadworks in the City and the current economic climate.
- Contributions, Donations and Reimbursements ended the six month period on \$140,000 above budget. Main Roads contributed \$72,000 for the Narrows and \$11,000 for the Causeway during December.
- The favourable variance for Other Income increased by \$46,000 in December resulting in \$254,000 above target on a year to date basis. The main contributors for the variance were Building Licence Fees \$100,000, Food Premises Inspection Fees \$17,000 and \$62,000 for the Environmental and Public Health Unit.

Operating Expenditure

- Employee costs were lower than estimated at the end of the month by \$452,000. The main reason for this favourable variance was due to timing differences in the recruitment of staff. Additionally, lower than expected Staff Recruitment Costs \$93,000 and Corporate Training \$59,000 added to the variance, being partly offset by higher

FINANCIAL ACTIVITY STATEMENT FOR THE SIX MONTHS TO 31 DECEMBER 2015

REPORT OF VARIANCES TO BUDGET

than anticipated spend on Overtime (\$37,000) and Casual Staff Salaries (\$75,000).

- A \$1,349,000 increase in the favourable variance for the month resulted in Materials and Contracts ending December \$2,506,000 above target on a year to date basis. The favourable variance included Infrastructure Maintenance lower than the target by \$636,000, mainly consisting of the River Wall \$351,000, Footpaths \$139,000 and Drainage \$54,000. Property Maintenance was also lower than budget by \$499,000, covering Council House \$149,000, various car parks \$176,000 and a number of other buildings. Other accounts that added to the variance were Consultancy \$303,000, Other Professional fees \$244,000 and smaller variances spread throughout the organisation.
- Utilities was \$60,000 below the revised budget with lower than expected power costs of \$26,000 and Water Rates consumption of \$34,000.
- Depreciation was \$(128,000) over the estimate with Buildings \$(41,000), Computers \$(26,000) and Infrastructure \$(26,000) being the main reasons to this variance.
- Interest expense was \$(85,000) over the revised budget. Mainly due to the actual interest on Elder Street Undercover Car Park \$(36,000), Perth City Library loan \$(22,000) and Convention Centre Car Park \$(23,000) being higher than expected.
- Loss on disposal of assets was \$(505,000) below budget due to slower than anticipated capital expenditure. The loss on disposal generally occurs on the close out of capital projects as assets being renewed or replaced are written off.
- Other Expenditure was \$281,000 below the revised budget at the end of December. This was mainly due to the budget timing for the Arts, Culture and Heritage Unit which was established as part of the recent City of Perth restructure but is not yet fully activated.

Investing Activities

- Capital expenditure was \$4.1 million less than anticipated. With half of the financial year complete only 35% of the annual capital works budget has been spent. This variance is expected to reduce as a number of large projects are nearing completion in the coming months including the 2-Way Barrack Street \$1.1 million, City of Perth Library \$7.2 million and Treasury Footpath \$1.9 million spent to date.
- Transfers to Reserves are running marginally slower than the revised budget.

**FINANCIAL ACTIVITY STATEMENT FOR THE SIX MONTHS TO
31 DECEMBER 2015**

REPORT OF VARIANCES TO BUDGET

Financing Activities

- Transfers from Reserves are below the expected level in the revised budget by \$6.8 million, which is in line with timing of capital expenditure.
- Funding from carry forwards expected in the revised budget is dependent on the progress of the capital works program and as a result was \$(3.4 million) below budget.
- Proceeds from the disposal of assets or investments realised \$(762,000) less funds than anticipated in the revised budget.

Amounts sourced from Rates

- Rates revenue raised was running relatively close to the revised budget and the variance of \$729,000 was less than 1% of the revised budget.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 December 2015

| | Revised Budget 2015/16 \$ | Budget YTD 31-Dec-15 \$ | Actual YTD 31-Dec-15 \$ | Variance YTD 31-Dec-15 \$ |
|--|---------------------------------|-------------------------------|-------------------------------|---------------------------------|
| Proceeds from Operating Activities | | | | |
| Operating Revenue | | | | |
| <i>Nature of Income</i> | | | | |
| Parking Fees | 75,778,365 | 37,748,388 | 37,408,175 | (340,214) |
| Fines and Costs | 9,458,652 | 4,720,384 | 4,666,443 | (53,941) |
| Investment Income and Interest | 4,835,983 | 2,458,055 | 2,665,081 | 207,027 |
| Community Service Fees | 1,646,654 | 804,250 | 834,759 | 30,509 |
| Rubbish Collection | 7,638,983 | 7,567,220 | 7,479,841 | (87,379) |
| Rentals and Hire Charges | 5,208,233 | 2,598,167 | 2,569,019 | (29,149) |
| Recurrent Grants | 1,483,539 | 399,662 | 290,330 | (109,332) |
| Contributions, Donations and Reimbursements | 474,671 | 235,647 | 376,021 | 140,374 |
| Other Income | 4,862,690 | 2,719,929 | 2,974,401 | 254,473 |
| | 111,387,769 | 59,251,702 | 59,264,070 | 12,368 |
| Less: Operating Expenditure | | | | |
| <i>Nature of Expenditure</i> | | | | |
| Employee Costs | 69,255,186 | 32,851,148 | 32,399,539 | 451,609 |
| Materials and Contracts | 53,613,031 | 25,407,306 | 22,900,930 | 2,506,376 |
| Utilities | 3,258,341 | 1,553,314 | 1,493,097 | 60,217 |
| Insurance Expenditure | 1,104,572 | 565,782 | 592,448 | (26,666) |
| Depreciation and Amortisation | 30,002,334 | 15,129,435 | 15,257,655 | (128,220) |
| Interest Expenses | 1,156,345 | 578,330 | 663,418 | (85,088) |
| Expense Provisions | 962,345 | 482,894 | 480,301 | 2,593 |
| Loss on Disposal of Assets | 1,766,210 | 987,084 | 482,526 | 504,558 |
| Other Expenditure | 24,741,295 | 13,009,063 | 12,728,342 | 280,721 |
| | 185,859,659 | 90,564,356 | 86,998,255 | 3,566,101 |
| Add back Depreciation | (30,002,334) | (15,129,435) | (15,257,655) | 128,220 |
| (Loss) / Profit on Disposals | (1,766,210) | (987,084) | (482,526) | (504,558) |
| | 154,091,115 | 74,447,837 | 71,258,074 | 3,189,763 |
| Net Surplus/(Deficit) from Operations | (42,703,346) | (15,196,135) | (11,994,004) | 3,202,131 |
| Investing Activities | | | | |
| Capital Expenditure | (69,049,135) | (28,460,727) | (24,378,024) | 4,082,703 |
| Repayment of Borrowings | (6,441,707) | (3,626,545) | (3,626,545) | - |
| Transfers to Reserves | (28,095,017) | (2,832,593) | (2,015,781) | 816,812 |
| | (103,585,859) | (34,919,866) | (30,020,350) | 4,899,516 |
| Financing Activities | | | | |
| Transfer from Reserves | 30,752,812 | 15,502,787 | 22,315,381 | 6,812,594 |
| Carry Forwards | 21,681,358 | 8,936,639 | 7,654,675 | (1,281,965) |
| Proceeds from Disposal of Assets/Investments | 1,729,345 | 1,523,000 | 761,408 | (761,592) |
| Distribution from TPRC | 1,833,333 | - | - | - |
| Capital Grants | 7,757,850 | 2,285,600 | 461,737 | (1,823,863) |
| | 63,754,698 | 28,248,027 | 31,193,201 | 2,945,174 |
| Add: Opening Funds | 636,302 | 636,302 | 636,302 | - |
| Net Surplus/(Deficit) before Rates | (82,534,507) | (21,867,974) | (10,821,154) | 11,046,820 |
| Amount Sourced from Rates | 82,681,631 | 81,084,069 | 81,813,245 | 729,176 |
| Closing Funds | 783,426 | 59,852,397 | 71,628,393 | 11,775,997 |

| | | | | |
|------------------------------------|--------------------|--------------------|--------------------|------------------|
| Net Cash on Hand | | | | |
| Cash On Hand | 5,321,032 | 9,674,604 | 9,974,078 | 299,474 |
| Money Market Investments | 106,330,600 | 133,560,000 | 132,640,819 | (919,181) |
| Funds on Hand | 111,651,632 | 143,234,604 | 142,614,897 | (619,707) |
| Analysis of Funds on Hand | | | | |
| Reserves | 86,669,717 | 65,029,653 | 64,582,109 | (447,544) |
| Provisions | 11,525,004 | 12,810,048 | 11,118,458 | (1,691,590) |
| Carry forwards | - | 9,406,986 | 8,513,109 | (893,876) |
| Restricted Grants not yet utilised | 437,037 | 253,875 | 437,037 | 183,162 |
| General Funds | 13,019,874 | 55,734,042 | 57,964,184 | 2,230,142 |
| Funds on Hand | 111,651,632 | 143,234,604 | 142,614,897 | (619,707) |

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD

31-December-2015

| | 2015/16 Revised Budget | 2015/16 Budget YTD | 2015/16 Actual YTD | 2015/16 Variance |
|---|---------------------------|-----------------------|-----------------------|----------------------|
| | \$ | \$ | \$ | \$ |
| Current Assets | | | | |
| Cash and Cash Equivalents | 5,321,032 | 9,674,604 | 9,974,078 | 299,474 |
| Deposits and Prepayments | 1,783,674 | 11,314,976 | 11,167,684 | (147,292) |
| Money Market Investments - Municipal Funds | 19,660,883 | 68,530,347 | 68,058,710 | (471,637) |
| Money Market Investments - Restricted Funds | 86,669,717 | 65,029,653 | 64,582,109 | (447,544) |
| Trade and Other Receivables | 10,243,590 | 10,482,700 | 16,815,129 | 6,332,429 |
| Inventories | 2,865,990 | 3,377,104 | 1,176,365 | (2,200,739) |
| Total Current Assets | 126,544,886 | 168,409,384 | 171,774,075 | 3,364,691 |
| Current Liabilities | | | | |
| Trade and Other Payables | 27,342,738 | 30,463,412 | 23,404,552 | (7,058,860) |
| Employee Entitlements | 11,525,004 | 11,183,967 | 11,118,458 | (65,509) |
| Provisions | 224,001 | 1,626,080 | 603,526 | (1,022,554) |
| Borrowings | 6,771,075 | 4,943,619 | 5,516,390 | 572,771 |
| Total Current Liabilities | 45,862,818 | 48,217,078 | 40,642,926 | - 7,574,152 |
| Working Capital Position Brought Forward | \$ 80,682,068 | \$ 120,192,306 | \$ 131,131,149 | \$ 10,938,843 |
| Deduct Restricted Cash Holdings | (86,669,717) | (65,029,653) | (64,582,109) | 447,544 |
| Deduct Unspent Borrowings | - | (253,875) | - | - |
| Deduct Restricted Capital Grants | - | (253,875) | (437,037) | (183,162) |
| Add Current Borrowings | 6,771,075 | 4,943,619 | 5,516,390 | 572,771.08 |
| Current Funds Position Brought Forward | \$ 783,427 | \$ 59,852,397 | \$ 71,628,393 | \$ 11,775,997 |

EXPLANATORY NOTES – FINANCIAL ACTIVITY STATEMENT

BACKGROUND

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

PURPOSE

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

PRESENTATION

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

FORMAT

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



CITY of PERTH

CITY of PERTH

Financial Statements

For the 6 months ended 31 December 2015

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 6 months ended 31 December 2015

(By Program)

| | <i>Note</i> | Budget 2015/2016 | Revised Budget YTD | Actual YTD 31/12/2015 | YTD Variance | |
|--|-------------|---------------------|-----------------------|--------------------------|--------------|--------|
| OPERATING REVENUE | | \$ | \$ | \$ | \$ | % |
| General Purpose Funding Rates | | 83,567,338 | 81,936,864 | 82,670,329 | 733,465 | 0.9% |
| General Purpose Funding Other | | 5,735,976 | 2,374,497 | 2,440,011 | 65,514 | 2.8% |
| Law, Order, Public Safety | | 46,225 | 14,176 | 6,869 | (7,307) | -51.5% |
| Health | | 864,920 | 709,964 | 758,917 | 48,953 | 6.9% |
| Education and Welfare | | 2,153,539 | 1,089,505 | 1,114,430 | 24,925 | 2.3% |
| Housing | | 656,190 | 406,966 | 389,907 | (17,059) | -4.2% |
| Community Amenities | | 10,294,628 | 9,033,668 | 8,896,036 | (137,632) | -1.5% |
| Recreation and Culture | | 1,859,860 | 543,197 | 668,955 | 125,758 | 23.2% |
| Transport | | 90,764,129 | 43,540,531 | 43,186,510 | (354,021) | -0.8% |
| Economic Services | | 1,093,247 | 343,769 | 487,087 | 143,318 | 41.7% |
| Other Property and Services | | 717,071 | 342,361 | 457,991 | 115,630 | 33.8% |
| Total Operating Income | | 197,753,123 | 140,335,769 | 141,077,313 | 741,544 | 0.5% |
| OPERATING EXPENDITURE | | | | | | |
| Governance | | 11,262,129 | 6,005,385 | 5,628,005 | 377,380 | 6.3% |
| General Purpose Funding | | 3,089,672 | 1,878,843 | 1,877,295 | 1,548 | 0.1% |
| Law, Order, Public Safety | | 3,868,851 | 1,726,628 | 1,843,022 | (116,394) | -6.7% |
| Health | | 1,884,897 | 1,434,205 | 1,276,440 | 157,765 | 11.0% |
| Education and Welfare | | 3,870,122 | 1,842,422 | 1,780,077 | 62,345 | 3.4% |
| Housing | | 563,144 | 306,536 | 278,632 | 27,904 | 9.1% |
| Community Amenities | | 28,558,870 | 13,629,900 | 13,167,198 | 462,702 | 3.4% |
| Recreation and Culture | | 32,248,092 | 15,237,313 | 14,201,598 | 1,035,715 | 6.8% |
| Transport | | 85,571,552 | 40,745,262 | 39,760,322 | 984,940 | 2.4% |
| Economic Services | | 9,744,103 | 5,136,582 | 4,865,166 | 271,416 | 5.3% |
| Other Property and Services | | 7,266,137 | 1,452,511 | 1,714,056 | (261,545) | -18.0% |
| Total Operating Expenditure | | 187,927,571 | 89,395,587 | 86,391,811 | 3,003,776 | 3.4% |
| NET FROM OPERATIONS | | 9,825,552 | 50,940,182 | 54,685,502 | 3,745,320 | 7.4% |
| GRANTS/CONTRIBUTIONS | | | | | | |
| For the Development of Assets | | | | | | |
| - General Purpose Funding | | 80,200 | 75,600 | 75,600 | - | 0.0% |
| - Recreation and Culture | | 3,207,250 | 1,790,000 | - | - | 0.0% |
| - Transport | | 3,555,000 | 420,000 | 386,137 | (33,863) | -8.1% |
| Total Grants/Contributions | | 6,842,450 | 2,285,600 | 461,737 | (1,823,863) | -79.8% |
| DISPOSAL/WRITE OFF OF ASSETS | | | | | | |
| Gain/(Loss) on Disposal of Assets | 2 | (1,558,253) | (987,083) | (482,526) | 504,557 | -51.1% |
| <i>Change in net assets resulting from operations before significant items</i> | | 15,109,749 | 52,238,699 | 54,664,713 | 2,426,014 | 4.6% |
| SIGNIFICANT ITEMS | | | | | | |
| Distribution from TPRC | | 1,833,333 | - | - | - | 0.0% |
| (Loss) on Disposal of Investments | | - | (3,655) | (3,655) | - | 0.0% |
| <i>Change in net assets resulting from operations after significant items</i> | | 16,943,082 | 52,235,044 | 54,661,058 | 2,426,014 | 4.6% |

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 6 months ended 31 December 2015

(By Nature)

| | <i>Note</i> | Budget 2015/2016 | Revised Budget YTD | Actual YTD 31/12/2015 | YTD Variance | |
|---|-------------|---------------------|-----------------------|--------------------------|--------------|--------|
| | | \$ | \$ | \$ | \$ | % |
| OPERATING REVENUE | | | | | | |
| Rates | | 82,692,367 | 81,084,069 | 81,813,245 | 729,176 | 0.9% |
| Grants and Contributions for Non Capital Purposes | | 1,508,499 | 399,662 | 290,330 | (109,332) | -27.4% |
| Donations and Reimbursements | | 452,347 | 235,647 | 376,021 | 140,374 | 59.6% |
| Fees and Charges | | 105,979,915 | 55,415,824 | 55,063,422 | (352,402) | -0.6% |
| Interest and Investment Income | | 5,157,319 | 2,458,055 | 2,665,081 | 207,026 | 8.4% |
| Other Revenue | | 1,962,676 | 742,512 | 869,215 | 126,703 | 17.1% |
| Total Revenue from Operating Activities | | 197,753,123 | 140,335,769 | 141,077,313 | 741,544 | 0.5% |
| OPERATING EXPENDITURE | | | | | | |
| Employee Costs | | 69,135,566 | 32,731,515 | 32,399,539 | 331,976 | 1.0% |
| Materials and Contracts | | 52,838,709 | 25,407,306 | 22,900,930 | 2,506,376 | 9.9% |
| Utilities | | 3,069,080 | 1,553,314 | 1,493,097 | 60,217 | 3.9% |
| Depreciation and Amortisation | | 34,211,101 | 15,129,435 | 15,257,652 | (128,217) | -0.8% |
| Interest | | 1,836,750 | 578,330 | 663,418 | (85,088) | -14.7% |
| Insurance | | 1,166,259 | 565,782 | 592,448 | (26,666) | -4.7% |
| Expenses Provision | | 962,345 | 482,894 | 480,300 | 2,594 | 0.5% |
| Other Expenses from Ordinary Activities | | 24,707,761 | 12,947,011 | 12,604,427 | 342,584 | 2.6% |
| Total Expenses from Ordinary Activities | | 187,927,571 | 89,395,587 | 86,391,811 | 3,003,776 | 3.4% |
| Change in Net Assets from Ordinary Activities before Capital Amounts | | 9,825,552 | 50,940,182 | 54,685,502 | 3,745,320 | 7.4% |
| GRANTS/CONTRIBUTIONS | | | | | | |
| Grants and Contributions- Capital | | 6,842,450 | 2,285,600 | 461,737 | (1,823,863) | -79.8% |
| NET OPERATING SURPLUS | | 16,668,002 | 53,225,782 | 55,147,239 | 1,921,457 | 3.6% |
| DISPOSAL/WRITE OFF OF ASSETS | 2 | (1,558,253) | (987,083) | (482,526) | 504,557 | -51.1% |
| SIGNIFICANT ITEMS | | | | | | |
| Distribution from TPRC | | 1,833,333 | - | - | - | 0.0% |
| (Loss) on Disposal of Investments | | - | (3,655) | (3,655) | - | 0.0% |
| <i>Change in net assets resulting from operations after capital amounts and significant items</i> | | 16,943,082 | 52,235,044 | 54,661,058 | 2,426,014 | 4.6% |

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 December 2015

| | Note | 31/12/2015 | 30/06/2015 |
|--------------------------------------|-------|------------------------|------------------------|
| CURRENT ASSETS | | | |
| | | \$ | \$ |
| Cash and Cash Equivalents | 11 | 9,974,078 | 21,164,777 |
| Deposits/Prepayments | 4 | 11,167,684 | 1,339,244 |
| Investments | 3, 11 | 132,640,819 | 91,045,389 |
| Trade and Other Receivables | 5 | 10,557,358 | 8,355,249 |
| Rates Receivable | 1 | 6,257,771 | 64,096 |
| Inventories | | 1,176,365 | 1,394,201 |
| TOTAL CURRENT ASSETS | | 171,774,075 | 123,362,956 |
| NON CURRENT ASSETS | | | |
| Investments | 3 | 6,630,223 | 7,110,313 |
| Trade and Other Receivables | 5 | 32,434 | 39,567 |
| Property, Plant and Equipment | 8 | 653,494,569 | 659,937,053 |
| Infrastructure | 8 | 474,086,045 | 480,607,504 |
| Capital Work in Progress | 8 | 89,346,948 | 69,215,093 |
| TOTAL NON CURRENT ASSETS | | 1,223,590,219 | 1,216,909,530 |
| TOTAL ASSETS | | 1,395,364,294 | 1,340,272,486 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 6 | 23,404,552 | 19,155,304 |
| Employee Benefits | 7 | 11,118,458 | 11,405,126 |
| Provisions | 7 | 603,526 | 703,725 |
| Loan Liability | 9 | 5,516,390 | 6,441,709 |
| TOTAL CURRENT LIABILITIES | | 40,642,926 | 37,705,864 |
| NON CURRENT LIABILITIES | | | |
| Employee Benefits | 7 | 1,891,737 | 1,891,737 |
| Provisions | 7 | 4,064,577 | 3,869,667 |
| Loan Liability | 9 | 33,625,776 | 36,327,002 |
| TOTAL NON CURRENT LIABILITIES | | 39,582,090 | 42,088,406 |
| TOTAL LIABILITIES | | 80,225,016 | 79,794,270 |
| NET ASSETS | | \$1,315,139,278 | \$1,260,478,216 |
| EQUITY | | | |
| Accumulated Surplus | | 687,069,281 | 612,108,619 |
| Asset Revaluation Reserve | 10 | 560,795,095 | 560,795,095 |
| Reserves | 10 | 67,274,902 | 87,574,502 |
| TOTAL EQUITY | | \$1,315,139,278 | \$1,260,478,216 |

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 6 months ended 31 December 2015

| | Accumulated Surplus | Asset Revaluation Reserve | Cash Backed Reserves | Total Equity |
|---|------------------------|---------------------------------|-------------------------|------------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2014 | 587,289,902 | 372,942,447 | 85,605,577 | 1,045,837,926 |
| Change in net assets resulting from operations | 214,640,290 | | | 214,640,290 |
| Transfer to Cash Backed Reserves | (25,386,259) | | 25,386,259 | |
| Transfers to Asset Revaluation Reserve | (189,027,761) | 189,027,761 | | - |
| Transfers from Asset Revaluation Reserve | 1,175,113 | (1,175,113) | | - |
| Transfer from Cash Backed Reserves | 23,417,344 | | (23,417,344) | |
| Balance at 30 June 2015 | <u>\$612,108,629</u> | <u>\$560,795,095</u> | <u>\$87,574,492</u> | <u>\$1,260,478,216</u> |
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2015 | 612,108,629 | 560,795,095 | 87,574,492 | 1,260,478,216 |
| Change in net assets resulting from operations | 54,661,058 | | | 54,661,058 |
| Transfer to Cash Backed Reserves | (2,015,781) | - | 2,015,781 | |
| Transfers to Asset Revaluation Reserve | | | | |
| Transfers from Asset Revaluation Reserve | | | | |
| Transfer from Cash Backed Reserves | 22,315,381 | - | (22,315,381) | - |
| Balance at the end of the reporting period | <u>\$687,069,286</u> | <u>\$560,795,095</u> | <u>\$67,274,893</u> | <u>\$1,315,139,274</u> |

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 6 months ended 31 December 2015

| | Note | Budget 2015/2016 | YTD Actual 31/12/2015 | YTD Variation | |
|---|------|---------------------|--------------------------|---------------|---------|
| | | \$ | \$ | \$ | % |
| Cash Flows from Operating Activities | | | | | |
| Receipts | | | | | |
| Rates | | 82,681,333 | 73,894,586 | (8,786,747) | -10.6% |
| Fees and Charges | | 104,237,072 | 55,053,643 | (49,183,429) | -47.2% |
| Interest | | 5,009,468 | 2,176,531 | (2,832,937) | -56.6% |
| Other | | 5,485,536 | 1,108,651 | (4,376,885) | -79.8% |
| | | 197,413,411 | 132,233,411 | (65,180,000) | -33.0% |
| Payments | | | | | |
| Employee Costs | | (68,531,216) | (32,878,370) | 35,652,846 | 52.0% |
| Materials and Contracts | | (50,557,095) | (29,069,202) | 21,487,893 | 42.5% |
| Interest | | (1,686,749) | (785,327) | 901,422 | 53.4% |
| Other | | (24,363,418) | (14,865,217) | 9,498,201 | 39.0% |
| | | (145,138,478) | (77,598,116) | 67,540,362 | 46.5% |
| Net Cash Flows from Operating Activities | 12 | 52,274,932 | 54,635,295 | 2,360,363 | -4.5% |
| Cash Flows from Investing Activities | | | | | |
| Receipts | | | | | |
| Distribution from TPRC | | 1,833,333 | - | (1,833,333) | -100.0% |
| Proceeds from Disposal of Assets | | 1,523,000 | 284,973 | (1,238,027) | -81.3% |
| Proceeds from Disposal of Investments(Non Current) | | - | 476,435 | 476,435 | 0.0% |
| Payments | | | | | |
| Purchase Land and Buildings | | (13,036,542) | - | 13,036,542 | -100.0% |
| Purchase Infrastructure Assets | | (37,840,203) | (438,644) | 37,401,559 | -98.8% |
| Purchase Plant and Mobile Equipment | | (3,347,436) | (1,080,811) | 2,266,625 | 67.7% |
| Purchase Office Furniture and Equipment | | (561,648) | (7,919) | 553,729 | -98.6% |
| Work in Progress | | - | (20,726,706) | (20,726,706) | 0.0% |
| | | (54,785,829) | (22,254,080) | 32,531,749 | 59.4% |
| Net Cash Flows from Investing Activities | | (51,429,496) | (21,492,672) | 29,936,824 | 58.2% |
| Cash Flows from Financing Activities | | | | | |
| Repayment of Borrowings | | (6,441,707) | (3,626,545) | 2,815,162 | 43.7% |
| | | (6,441,707) | (3,626,545) | 2,815,162 | 43.7% |
| Cash Flows from Government and Other Parties | | | | | |
| Receipts from Appropriations/Grants | | | | | |
| Recurrent | | 1,760,075 | 426,915 | (1,333,160) | -75.7% |
| Capital | | 6,842,450 | 461,737 | (6,380,713) | -93.3% |
| | | 8,602,525 | 888,652 | (7,713,873) | -89.7% |
| Net Increase (Decrease) in Cash Held | | 3,006,254 | 30,404,730 | 27,398,476 | 911.4% |
| Cash at 1 July 2015 | | 107,033,620 | 112,210,166 | 5,176,546 | 4.8% |
| Cash at 31 December 2015 | 11 | 110,039,874 | 142,614,897 | 32,575,023 | 29.6% |

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2015

1 Rates Receivable

| | Actual YTD 31/12/2015 | 2014/15 YTD 31/12/2014 |
|--|--------------------------|---------------------------|
| Outstanding Amount at 30 June 2015 | \$ 64,096 | \$ 52,088 |
| Rates Levied for the Year | 81,826,893 | 75,883,208 |
| Late Payment Penalties | 93,909 | 70,595 |
| Ex Gratia Rates | 17,464 | 10,283 |
| Rates Administration Fee | 280,411 | 280,254 |
| Rates Instalment Interest | 341,842 | 317,472 |
| Back Rates | (31,112) | (147,341) |
| Bins Levy | 108,139 | 22,511 |
| Amount Received during the Period | 82,701,642 | 76,489,070 |
| Outstanding Amount at 31 December 2015 | \$6,257,771 | \$5,398,087 |

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

| | Annual Budget | Actual YTD 31/12/2015 |
|--|----------------------|--------------------------|
| Infrastructure | | |
| Proceeds on Disposal | - | - |
| Less: Carrying amount of assets written off | 1,721,201 | 471,046 |
| (Loss) on Write Off | (1,721,201) | (471,046) |
| Plant and Mobile Equipment | | |
| Proceeds on Disposal | 1,523,000 | 284,301 |
| Less: Carrying amount of assets sold/written off | 1,360,052 | 280,805 |
| Profit/(Loss) on Disposal/Write Off | 162,948 | 3,496 |
| Furniture and Equipment | | |
| Proceeds on Disposal | - | 672 |
| Less: Carrying amount of assets sold /written off | - | 679 |
| Profit on Disposal/Write Off | - | (7) |
| Gain/(Loss) on Disposal/Write off of Assets | (\$1,558,253) | (\$482,526) |

3 Investments

| Current | 31/12/2015 | 30/06/2015 |
|--------------------------------------|----------------------|---------------------|
| Short Term Cash Investments * | \$ | \$ |
| Call Funds | 5,043,525 | 23,629 |
| Bank/Term Deposits | 123,500,000 | 83,900,000 |
| Managed Funds | 4,097,294 | 4,118,105 |
| Floating Rate Notes (FRN) | - | 3,003,655 |
| Total Current Investments | \$132,640,819 | \$91,045,389 |

* Short Term Cash Investments as stated in Note 11.

| Non Current Investments | 31/12/2015 | 30/06/2015 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Mortgage Backed Securities (MBS) | 2,692,784 | 2,766,406 |
| | 2,692,784 | 2,766,406 |
| Equity in Local Government House | 10,000 | 10,000 |
| Equity in Mindarie Regional Council | 398,074 | 398,074 |
| Equity in Tamala Park Regional Council | 3,529,365 | 3,935,833 |
| | \$6,630,223 | \$7,110,313 |

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2015

4 Deposits/Prepayments

| | 31/12/2015 | 30/06/2015 |
|----------------------------------|---------------------|--------------------|
| | \$ | \$ |
| Prepaid Insurance | 1,192,990 | - |
| Prepaid Parking Bay Licence Fees | 8,536,327 | 91,560 |
| Other | 1,438,367 | 1,247,684 |
| | \$11,167,684 | \$1,339,244 |

5 Trade And Other Receivables

| | 31/12/2015 | 30/06/2015 |
|---|---------------------|--------------------|
| Current | \$ | \$ |
| Emergency Services Levy (ESL) | 1,922,379 | 63,463 |
| Accrued Interest and Investment Income | 1,088,847 | 600,296 |
| Accrued Income | 1,107,694 | 1,251,900 |
| Modified Penalties/Fines and Costs | 7,589,258 | 7,156,124 |
| Debtors - General | | |
| Australian Taxation Office - GST Refundable | 160,284 | 479,963 |
| Works and Services | 66,015 | 156,225 |
| Other Debtors | 1,705,412 | 1,701,472 |
| | 13,639,889 | 11,409,443 |
| Less: Provision for Doubtful Debts | (3,082,531) | (3,054,194) |
| | \$10,557,358 | \$8,355,249 |
| Non Current | | |
| Pensioners' Rates Deferred | 32,434 | 39,567 |
| | \$32,434 | \$39,567 |

6 Trade And Other Payables

| | 31/12/2015 | 30/06/2015 |
|---|---------------------|---------------------|
| Current | \$ | \$ |
| Trade Creditors | 3,917,050 | 13,260,443 |
| Emergency Services Levy | 9,950,372 | - |
| Interest Payable on Loans | 119,106 | 241,015 |
| Accrued Expenses - Operating | 4,766,020 | 2,617,565 |
| Accrued Expenses - Capital | 1,409,454 | 360,328 |
| Advances Received for Recoverable Works | 46,932 | 77,424 |
| Income Received / Raised in Advance | 739,503 | 871,600 |
| Other Creditors | 2,456,115 | 1,726,929 |
| | \$23,404,552 | \$19,155,304 |

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2015

7 Employee Benefits

| | 31/12/2015 | 30/06/2015 |
|---|---------------------|---------------------|
| Current | \$ | \$ |
| Leave Entitlements | | |
| Annual Leave | 4,646,721 | 4,795,260 |
| Self Funded Leave | 243,273 | 270,891 |
| Long Service Leave | 6,094,033 | 6,189,337 |
| Recognition of Employees- Presentations | 134,431 | 149,638 |
| | \$11,118,458 | \$11,405,126 |
| Non Current | | |
| Annual Leave | 838,090 | 838,090 |
| Long Service Leave | 1,053,647 | 1,053,647 |
| | \$1,891,737 | \$1,891,737 |

Provisions

| | 31/12/2015 | 30/06/2015 |
|--|--------------------|--------------------|
| Current | \$ | \$ |
| Workers Compensation | 603,526 | 703,725 |
| | \$603,526 | \$703,725 |
| Non Current | | |
| Provision for Equipment Replacement PCEC | 4,064,577 | 3,869,667 |
| | \$4,064,577 | \$3,869,667 |

8 Property, Plant and Equipment and Work in Progress

| | 31/12/2015 | 30/06/2015 |
|---|------------------------|------------------------|
| | \$ | \$ |
| Land and Air Rights - at cost/fair value | 380,366,193 | 380,366,194 |
| Less: Accumulated Depreciation | (2,854,149) | (2,570,139) |
| | 377,512,044 | 377,796,055 |
| Buildings/Freehold - at fair value | 380,100,248 | 379,893,679 |
| Less: Accumulated Depreciation | (150,090,280) | (146,015,858) |
| | 230,009,968 | 233,877,821 |
| Improvements - at fair value | 8,010,840 | 8,010,841 |
| Less: Accumulated Depreciation | (4,704,314) | (4,564,395) |
| | 3,306,526 | 3,446,446 |
| Infrastructure Assets - at cost/fair value | 741,447,284 | 741,999,706 |
| Less: Accumulated Depreciation | (267,361,239) | (261,392,201) |
| | 474,086,045 | 480,607,505 |
| Plant and Mobile Equipment - at cost/fair value | 45,985,884 | 45,505,811 |
| Less: Accumulated Depreciation | (27,282,936) | (25,351,476) |
| | 18,702,948 | 20,154,335 |
| Office Furniture and Equipment - at cost/fair value | 37,022,629 | 36,740,437 |
| Less: Accumulated Depreciation | (13,854,817) | (12,873,309) |
| | 23,167,812 | 23,867,128 |
| Agricultural - at cost | 795,271 | 795,271 |
| Less: Accumulated Depreciation | - | - |
| | 795,271 | 795,271 |
| Property, Plant and Equipment | 1,127,580,614 | 1,140,544,561 |
| Work in Progress - at cost | 89,346,948 | 69,215,093 |
| | 89,346,948 | 69,215,093 |
| Total Property, Plant and Equipment and Work in Progress | \$1,216,927,562 | \$1,209,759,650 |

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2015

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

| | Balance 30/06/2015 | Acquisitions Actual YTD 31/12/2015 | Transfers Actual YTD 31/12/2015 | Disposals/ Write off/ Actual YTD 31/12/2015 | Revaluation Actual YTD 31/12/2015 | Balance 31/12/2015 |
|--------------------------------|------------------------|--|---------------------------------------|--|---|------------------------|
| | \$ | \$ | \$ | \$ | | \$ |
| Land and Air Rights | 380,366,194 | - | - | - | - | 380,366,194 |
| Buildings | 379,893,679 | - | 245,870 | (39,300) | - | 380,100,249 |
| Improvements | 8,010,841 | - | - | - | - | 8,010,841 |
| Infrastructure Assets | 741,999,706 | 438,644 | 831,233 | (1,822,298) | - | 741,447,285 |
| Plant and Mobile Equipment | 45,505,811 | 1,080,811 | 52,440 | (653,178) | - | 45,985,884 |
| Office Furniture and Equipment | 36,740,437 | 7,919 | 404,291 | (130,018) | - | 37,022,629 |
| Agricultural | 795,271 | - | - | - | - | 795,271 |
| Work in Progress | 69,215,093 | 21,775,832 | (1,643,977) | - | - | 89,346,948 |
| | \$1,662,527,032 | \$23,303,206 | (110,143) | (\$2,644,794) | | \$1,683,075,301 |

9 Loan Liability

| | 31/12/2015 | 30/06/2015 |
|---|--------------|--------------|
| Current | | |
| Loans - Western Australian Treasury Corporation | \$ 5,516,390 | \$ 6,441,709 |
| Non Current | | |
| Loans - Western Australian Treasury Corporation | 33,625,776 | 36,327,002 |

10 Reserve Funds

| Purpose of Reserve Fund | Balance 30/06/2015 | Transfer from Accumulated Surplus | Transfer to Accumulated Surplus | Balance 31/12/2015 |
|---|-----------------------|---|---------------------------------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| Refuse Disposal and Treatment | 2,843,524 | 48,120 | - | 2,891,644 |
| Concert Hall - Refurbishment and Maint. | 4,826,518 | 72,881 | (33,998) | 4,865,401 |
| Asset Enhancement | 29,008,935 | 391,881 | (4,926,326) | 24,474,490 |
| Street Furniture Replacement | 540,334 | 8,188 | - | 548,522 |
| Parking Levy | 17,132,501 | 1,818 | (17,012,592) | 121,727 |
| Art Acquisition | 315,397 | 4,455 | (5,900) | 313,952 |
| Heritage Incentive | 587,371 | 12,102 | - | 599,473 |
| Parking Facilities Development | 23,952,738 | 360,749 | (336,565) | 23,976,922 |
| Employee Entitlements | 1,053,647 | 863,337 | - | 1,916,984 |
| David Jones Bridge | 277,223 | 4,207 | - | 281,430 |
| Bonus Plot Ratio | 595,996 | 9,033 | - | 605,029 |
| PCEC Fixed Plant Replacement | 3,869,667 | 194,910 | - | 4,064,577 |
| Enterprise and Initiative | 2,570,651 | 44,100 | - | 2,614,751 |
| | 87,574,502 | 2,015,781 | (22,315,381) | 67,274,902 |
| * Asset Revaluation | 560,795,095 | - | - | 560,795,095 |
| | \$648,369,597 | \$2,015,781 | (\$22,315,381) | \$628,069,997 |

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

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2015

11 Cash Reconciliation

| | 31/12/2015 | 30/06/2015 |
|-----------------------------|----------------------|----------------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 9,974,078 | 21,164,777 |
| Short Term Cash Investments | 132,640,819 | 91,045,389 |
| | \$142,614,897 | \$112,210,166 |

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

| | 31/12/2015 | 30/06/2015 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Change in Net Assets Resulting from Operations | 54,664,713 | 18,136,854 |
| Adjustment for items not involving the movement of Funds: | | |
| Depreciation | 15,257,652 | 29,115,795 |
| Doubtful Debts | 28,337 | 267,593 |
| (Gain)/Loss on Disposal/Write off/Contribution of Assets | 482,526 | 2,584,345 |
| | 70,543,371 | 50,104,587 |
| Revenues Provided By : | | |
| Government Grants | (838,762) | (4,039,166) |
| Contribution from Other Parties | (49,890) | (15,000) |
| | (888,652) | (4,054,166) |
| Change in Operating Assets and Liabilities | | |
| Add Back | | |
| Decrease in Inventories | 217,836 | 713,171 |
| Decrease in Deposits and Prepayments | - | 81,566 |
| Decrease in Accrued Interest and Dividend Income | - | 749,725 |
| Decrease in Debtors | - | 1,650,216 |
| Decrease in Deferred Debtors | 7,133 | 4,638 |
| Decrease in Accrued Income | 144,206 | - |
| Increase in Income Received /Raised in Advance | - | 21,429 |
| Increase in Accrued Expenses | 2,148,455 | - |
| Increase in Provisions | - | 1,084,280 |
| Increase in Trade and Other Payables | 1,336,165 | - |
| Deduct | | |
| Decrease in Trade and Other Payables | - | (836,489) |
| Decrease in Income Received /Raised in Advance | (162,589) | - |
| Decrease in Accrued Interest Payable | (121,909) | (43,792) |
| Decrease in Provisions | (191,957) | - |
| Decrease in Accrued Expenses | - | (201,269) |
| Increase in Trade and Other Receivables | (8,079,777) | - |
| Increase in Prepayments | (9,828,440) | - |
| Increase in Accrued Income | - | (420,854) |
| Increase in Accrued Interest and Investment Income | (488,550) | - |
| | (15,019,427) | 2,802,621 |
| Net Cash Provided by Operating Activities | \$54,635,295 | \$48,853,042 |

MUNICIPAL

Notes to the Balance Sheet for the 6 months ended 31 December 2015

13 Ratios

| | 31/12/2015 | 30/06/2015 |
|--|------------|------------|
| 1 Current Ratio | | |
| <u>Current Assets minus Restricted Assets</u> | | |
| Current Liabilities minus Liabilities associated with Restricted Assets | 2.64 | 1.02 |
| 2 Debt Ratio | | |
| <u>Total Liabilities</u> | | |
| Total Assets | 5.75% | 5.95% |
| 3 Debt Service Ratio | | |
| <u>Debt Service Cost</u> | | |
| Available Operating Revenue | 3.28% | 4.48% |
| 4 Rate Coverage Ratio | | |
| <u>Net Rate Revenue</u> | | |
| Operating Revenue | 58.60% | 40.92% |
| 5 Outstanding Rates Ratio | | |
| <u>Rates Outstanding</u> | | |
| Rates Collectable | 7.57% | 0.08% |
| 6 Untied Cash to Unpaid Creditors Ratio | | |
| <u>Untied Cash</u> | | |
| Unpaid Trade Creditors | 19.89 | 2.07 |
| 7 Gross Debt to Revenue Ratio | | |
| <u>Gross Debt</u> | | |
| Total Revenue | 27.75% | 22.93% |
| 8 Gross Debt to Economically Realisable Assets Ratio | | |
| <u>Gross Debt</u> | | |
| Economically Realisable Assets | 4.25% | 4.98% |

Restricted Assets includes reserve funds and tied contributions not utilised at 31.12.2015

CITY OF PERTH

FAS GRAPHS

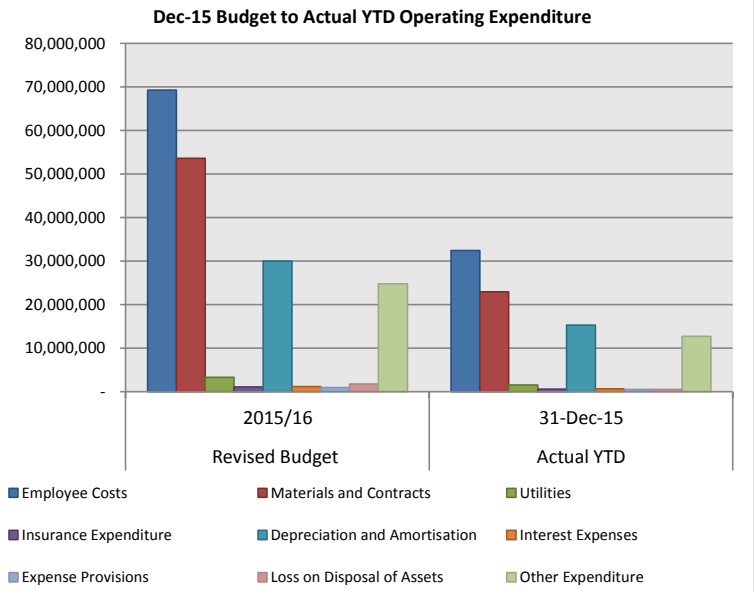
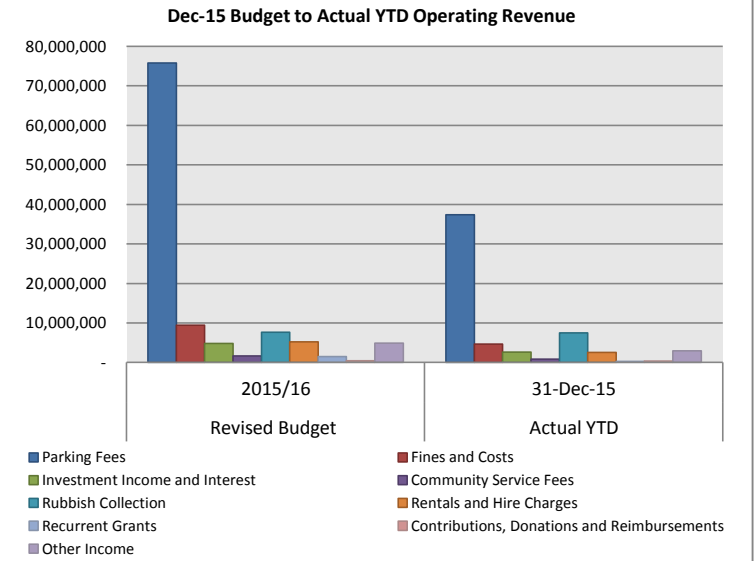
Dec-15

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| 3 | Summary Operating Statement | 5 |
| 4 | Summary Statement of Financial Position | 6 |
| 5 | Ratio Analysis | 7 |

Financial Activity Statement

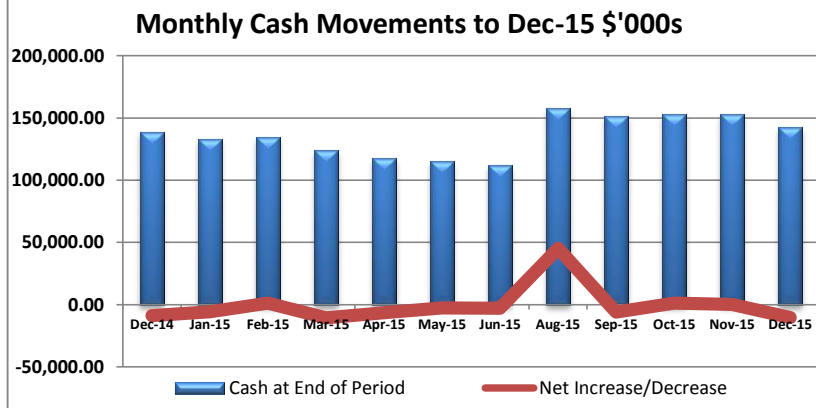
| | Annual | Year To Date Dec-15 | | |
|--|-------------------------------|---------------------|----------------|-----------------|
| | Revised Budget 2015/16 \$000s | Budget YTD \$000s | Actual \$000s | Variance \$000s |
| Proceeds from Operating Activities | | | | |
| Operating Revenue | 111,388 | 59,252 | 59,264 | 12 |
| Less: Operating Expenditure | | | | |
| Less: Operating Expenditure | 185,860 | 90,564 | 86,998 | 3,566 |
| Add back Depreciation | | | | |
| Add back Depreciation | -30,002 | -15,129 | -15,258 | 129 |
| (Loss)/Profit on Disposals | | | | |
| (Loss)/Profit on Disposals | -1,766 | -987 | -483 | -504 |
| Net Surplus/(Deficit) from Operations | -42,703 | -15,196 | -11,994 | 3,202 |
| Investing Activities | | | | |
| Capital Expenditure | -69,049 | -35,103 | -24,378 | 10,725 |
| Repayment of Borrowings | -6,442 | -3,627 | -3,627 | 0 |
| Transfers to Reserves | -28,095 | -2,833 | -2,016 | 817 |
| Financing Activities | | | | |
| Transfers from Reserves | 30,753 | 15,503 | 22,315 | 6,812 |
| Carry Forwards | 21,681 | 11,022 | 7,655 | -3,367 |
| Proceeds from Disposal of Assets | 1,729 | 1,523 | 761 | -762 |
| Distribution from TPRC | 1,833 | 0 | 0 | 0 |
| Capital Grants | 7,758 | 6,842 | 462 | -6,380 |
| Net Surplus/(Deficit) before Rates | -82,535 | -21,868 | -10,821 | 11,047 |
| Add: Opening Funds | 636 | 636 | 636 | 0 |
| Less: Closing Funds | 783 | 59,852 | 71,628 | 11,776 |
| Amount Sourced from Rates | 82,682 | 81,084 | 81,813 | 729 |



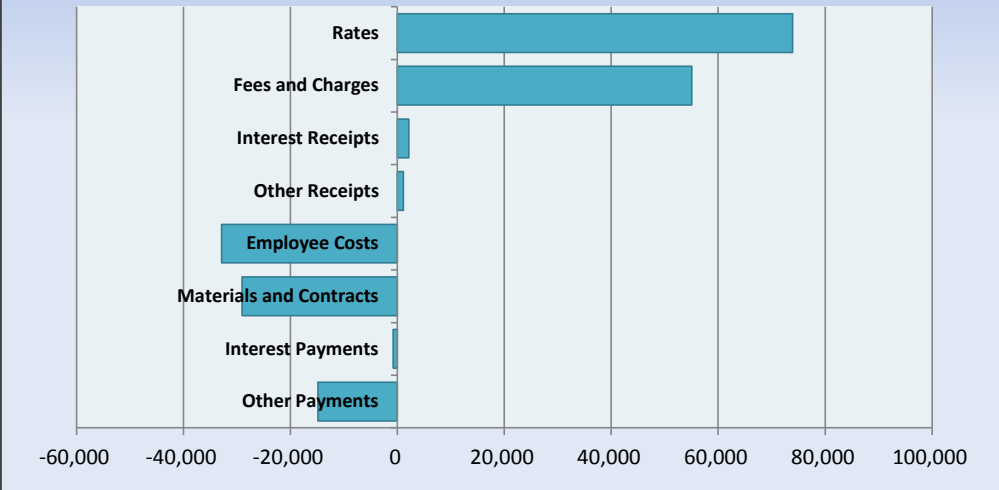
Cash

SUMMARY CASH FLOW STATEMENT

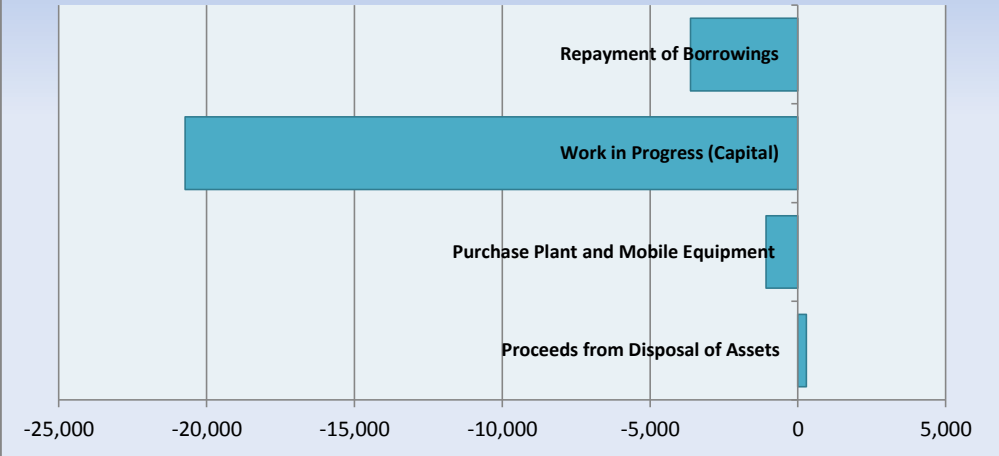
| | Budget \$'000s 2015/2016 | YTD Actual \$'000s Dec-15 |
|---|-----------------------------|---------------------------------|
| Receipts from Customers | 197,413 | 132,233 |
| Payments to Suppliers and Creditors | -145,138 | -77,598 |
| Net Cash Inflow/Outflow from Operating Activities | 52,275 | 54,635 |
| Net Cash Inflow/Outflow from Investing Activities | -51,429 | -21,493 |
| Net Cash Inflow/Outflow from Financing Activities | -6,442 | -3,627 |
| Cash Flows from Government and Other Parties | 8,603 | 889 |
| Cash at 1 July 2015 | 107,034 | 112,210 |
| Net Increase (Decrease) in Cash Held | 3,006 | 30,405 |
| Cash at 31 December 2015 | 110,040 | 142,615 |



Cash Flows from Operating Activities \$'000s

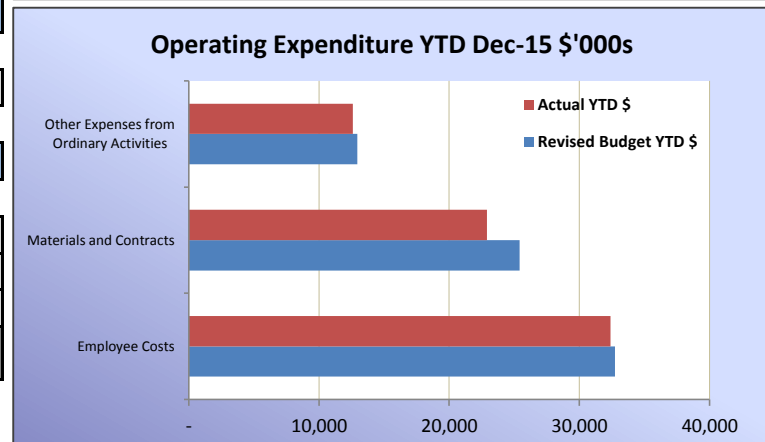
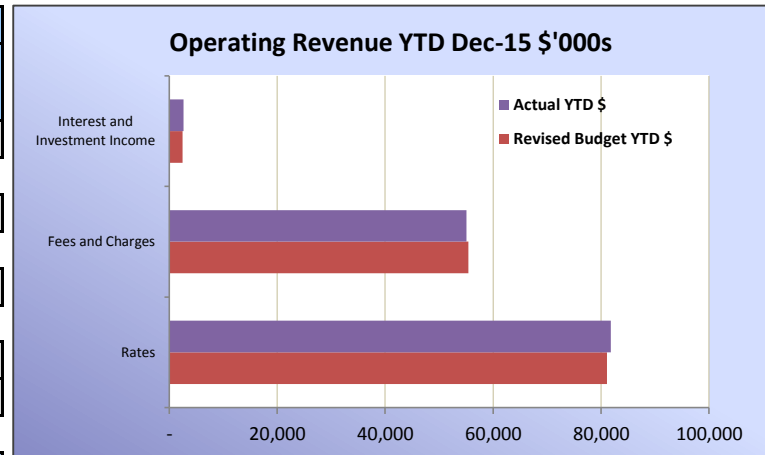


Cash Flows from Investing Activities \$'000s



Summary Operating Statement

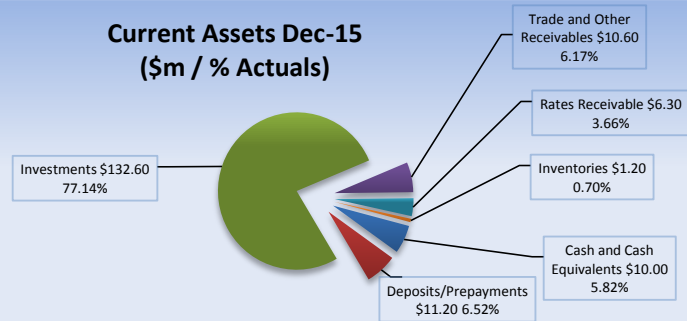
| | 2015/2016 | Year To Date | | |
|--|-----------------------|-----------------------|---------------|-----------------|
| | Original Budget \$000 | Revised Budget \$000s | Actual \$000s | Variance \$000s |
| Operating Revenue | 197,753 | 140,336 | 141,077 | 741 |
| less Operating Expenses | -151,880 | -73,688 | -70,470 | 3,218 |
| Earnings before Interest and Depreciation (EBID) | 45,873 | 66,648 | 70,607 | 3,959 |
| less Interest Expense | -1,837 | -578 | -663 | -85 |
| less Depreciation | -34,211 | -15,129 | -15,258 | -128 |
| Operating Surplus/(Deficit) | 9,825 | 50,941 | 54,686 | 3,745 |
| Grants and Contributions- Capital | 6,842 | 2,286 | 462 | -1,824 |
| NET OPERATING SURPLUS | 16,667 | 53,227 | 55,148 | 1,921 |
| DISPOSAL/WRITE OFF OF ASSETS | -1,558 | -987 | -483 | 504 |
| Distribution from TPRC | 1,833 | 0 | 0 | 0 |
| (Loss) on Disposal of Investments | 0 | -4 | -4 | 0 |
| Change in net assets resulting from operations after capital amounts and significant items | 16,943 | 52,235 | 54,661 | 2,426 |



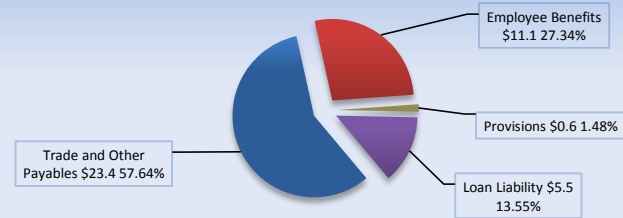
Summary Statement of Financial Position

| | 31-Dec-15 | 30-Jun-15 |
|-------------------------------|------------------|------------------|
| | Actual \$000s | Actual \$000s |
| Total Current Assets | 171,774 | 123,363 |
| Total Non Current Assets | 1,223,590 | 1,216,910 |
| TOTAL ASSETS | 1,395,364 | 1,340,273 |
| Total Current Liabilities | 40,643 | 37,706 |
| Total Non Current Liabilities | 39,582 | 42,088 |
| TOTAL LIABILITIES | 80,225 | 79,794 |
| NET ASSETS | 1,315,139 | 1,260,478 |
| COMMUNITY EQUITY | | |
| Accumulated Surplus | 687,069 | 612,109 |
| Asset Revaluation Reserve | 560,795 | 560,795 |
| Reserves (Cash Backed) | 67,275 | 87,575 |
| TOTAL EQUITY | 1,315,139 | 1,260,478 |

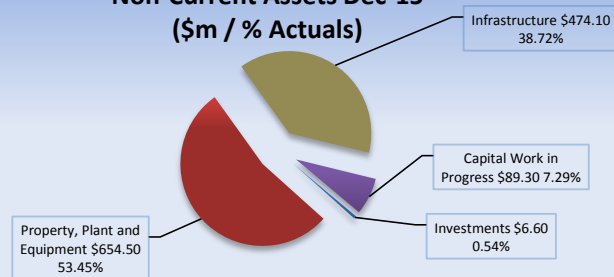
Current Assets Dec-15
(\$m / % Actuals)



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



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

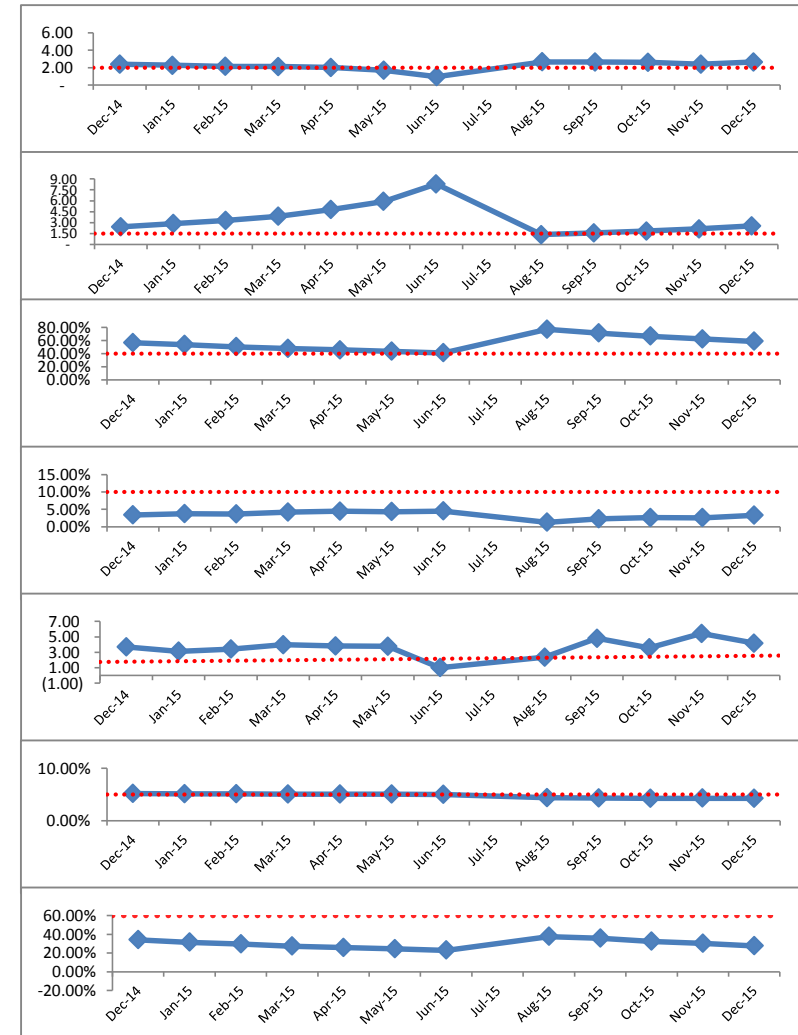


Non-Current Liabilities Dec-15
(\$m / % Actuals)



Ratio Analysis

| | Dec-15 |
|---|---------------|
| Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets) | 2.64 |
| Ability to generate working capital to meet our commitments | |
| Target is greater than 2.00 | |
| Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD) | 2.56 |
| Ability to fund capital and exceptional expenditure | |
| Target is greater than 1.5 | |
| Rate Coverage Ratio (Net Rate Revenue/Operating Revenue) | 58.60% |
| Ability to reduce rates to ratepayers | |
| Target is less than 40.00% - The percentage will diminish as the bulk of the rates are raised in July | |
| Debt Service Ratio (Interest and principal repayments/Available Operating Revenue) | 3.28% |
| Ability to service loans including principal and interest | |
| Target is less than 10.0% | |
| Cash Capacity in Months (Cash < 90 days invest / (Cash Operating Costs divided by 6 months) | 4.18 |
| Ability to manage cashflow | |
| Target is greater than 2.0 months | |
| Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets) | 4.25% |
| Ability to retire debt from readily realisable assets | |
| Target is greater than 5.0% | |
| Gross Debt to Revenue Ratio (Gross Debt / Total Revenue) | 27.75% |
| Ability to service debt out of total revenue | |
| Target is less than 60.0% | |



ITEM NO: 7

ADOPTION OF THE CITY OF PERTH'S ENTERPRISE PERFORMANCE POLICY

RECOMMENDATION: (APPROVAL)

That Council approves the City of Perth's Enterprise Performance Policy as detailed in Schedule 5.

BACKGROUND:

FILE REFERENCE: P1029564
REPORTING UNIT: Governance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 5 January 2016
MAP / SCHEDULE: Schedule 5 – Enterprise Performance Policy

LEGISLATION / STRATEGIC PLAN / POLICY:

| | |
|---|--|
| Legislation | Section 5.56 of the <i>Local Government Act 1995</i> |
| Integrated Planning and Reporting Framework Implications | Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the capacity of the organisation. |

DETAIL:

With continued need for organisational transparency and delivery against strategic objectives, the City of Perth must have a consistent approach to the evaluation of initiatives, programs, projects and activities. The proposed Enterprise Performance Policy sets the intended performance expectations for the organisation to deliver against.

The need for an Enterprise Performance Policy developed from the input of Elected Members through the Strategy Sessions conducted in December 2015. Key elements of the policy have been identified, throughout the strategy sessions. These elements, such as customer expectation and the delivery of an outcome focussed approach, have been elevated to provide clear guidance for the organisation. This should see a focus on ensuring that the organisation delivers against its plan(s), with clear alignment to customer expectations and strategic priorities.

Enterprise performance is being monitored in many Local Governments throughout Australia, as well as overseas. In the development of the proposed City of Perth Enterprise Performance Policy, a review of existing approaches was conducted with elements considered and introduced where it was considered appropriate. In preparing the policy an analysis was undertaken of industry best practice in numerous Local Governments across Australia and Internationally.

The proposed Enterprise Performance Policy was drafted and consultation taken place across the organisation with key stakeholders, with appropriate modifications made where necessary. At its meeting held 23 November 2015, the Executive Leadership Group showed support for the proposed Enterprise Performance Policy and agreed to seek approval from Council for its adoption.

The Policy outlines the below guiding principles to effectively work towards the appropriate monitoring, reporting and delivery against City of Perth strategic objectives. These principles are:

Customer Expectation

Focus on the management of customer expectations, ensuring that there is a clear understanding of what our customers' needs are to then strive towards attaining the desired outcome.

Promoting a High Performance Culture

Ensure that the organisation aligns and cascades the organisational commitments into business plans and individual work plans. Clear measures of performance and accountabilities will be evident and continuously reported against.

Transparent and Accountable

Ensure that timely periodical reporting, in an open and transparent manner, occurs on the progress made by the organisation on initiatives and key performance targets.

Alignment to Strategic Framework

Ensure that strategies, plans and policies contain clear measures of performance to enable reporting on progress. These should complement the overarching strategic direction indicated by the City of Perth's Strategic Community Plan.

Outcome Focused

Ensure that clear measures of performance are related to addressing strategic outcomes for the benefit of the City of Perth's community.

Monitoring the Benefits of Delivery

Ensure that clear measures are in place to determine the benefit of delivering identified initiatives. These measures should address how effective our actions are contributing towards the needs of the community.

Utilising Useful Data

Ensure that the organisation is capturing, storing and utilising data that is beneficial to monitoring and supporting the delivery of identified benefits, needs and initiatives. Capturing data for data's sake will be avoided, in the context of delivering identified commitments.

It is intended that the proposed Enterprise Performance Policy supports the recently adopted organisational structure realignment by providing an approach to evaluate the organisation's impact against newly aligned services, strategic projects and organisational initiatives.

FINANCIAL IMPLICATIONS:

There are no financial implications surrounding the approval of the City of Perth Enterprise Performance Policy.

COMMENTS:

It is intended that the proposed Enterprise Performance Policy will help shape effective organisational wide monitoring and delivery against strategic imperatives. The next body of work will be developing an Enterprise Performance Framework that provides the structure and clarity of implementing the policy intent. Process change and improvement will be conducted through the implementation phase of the 'framework' to achieve efficient reporting processes with an emphasis on reducing duplication and effort for the organisation.

CP[#] Enterprise Performance Policy

POLICY OBJECTIVE

Give guidance to the planning, implementing, reviewing, evaluating and reporting on the effectiveness of initiatives, programmes, projects and activities that align with the strategic direction of the organisation.

POLICY STATEMENT

The City of Perth is committed to the effective monitoring and delivery of initiatives in achieving the vision identified within the Strategic Community Plan. The guiding principles of Enterprise Performance at the City are as follows:

1 Customer Expectation

Focus on the management of customer expectations, ensuring that there is a clear understanding of what our customers' needs are to then strive towards attaining the desired outcome.

2 Promoting a high performance culture

Ensure that the organisation aligns and cascades the organisational commitments into business plans and individual work plans. Clear measures of performance and accountabilities will be evident and continuously reported against.

3 Transparent and accountable

Ensure that timely periodical reporting, in an open and transparent manner, occurs on the progress made by the organisation on initiatives and key performance targets.

4 Alignment to strategic framework

Ensure that strategies, plans and policies contain clear measures of performance to enable reporting on progress. These should complement the overarching strategic direction indicated by the City's Strategic Community Plan.

5 Outcome focused

Ensure that clear measures of performance are related to addressing strategic outcomes for the benefit of the City of Perth's community.

6 Monitoring the benefits of delivery

Ensure that clear measures are in place to determine the benefit of delivering identified initiatives. These measures should address how effective our actions are contributing towards the needs of the community.

CP[#] Enterprise Performance Policy

7 Utilising useful data

Ensure that the organisation is capturing, storing and utilising data that is beneficial to monitoring and supporting the delivery of identified benefits, needs and initiatives. Capturing data for data's sake will be avoided, in the context of delivering identified commitments.

APPLICATION

This Policy applies to all City of Perth employees (full-time, part-time, temporary and casual) and consultants or contractors engaged by or associated with the City, who are working on any project/initiative that:

- Requires formal evaluation on progress achieved, as agreed by Manager/Director.
- Is included as an output in the Corporate Business Plan
- Is included as an output in the Capital Program of Works
- Is included as an output in any Implementation/Action Plan Endorsed by ELG and/or Council.

COMMITMENT

The City of Perth is committed to:

- Developing, implementing and continually improving the performance culture of the organisation.
- Improving organisational effectiveness and performance.
- Enhancing overall accountability to key stakeholders, including the community.
- Aligning delivery outcomes to meet the aspirational needs of the community.
- Identifying, monitoring and analysing the City's key lead and lag indicators, to assist in continuously improving the organisations service delivery.

| Document Control Box | | | | | | | |
|-----------------------------------|----------------------------|--------------------------|------------------|------------------------|------------|------------------|----------|
| Document Responsibilities: | | | | | | | |
| Custodian: | Manager Governance | | | Custodian Unit: | Governance | | |
| Decision Maker: | Council | | | | | | |
| Compliance Requirements: | | | | | | | |
| Legislation: | | | | | | | |
| Industry: | | | | | | | |
| Organisational: | | | | | | | |
| Document Management: | | | | | | | |
| Risk Rating: | Moderate | Review Frequency: | Biennial | Next Due: | 2018 | TRIM Ref: | [AP####] |
| Version # | Decision Reference: | | Synopsis: | | | | |
| 1. | ELG | | | | | | |
| 2. | ELG | | | | | | |
| 3. | | | | | | | |

ITEM NO: 8

PROPOSED VACATION OF THE GASWORKS BUILDING TO FACILITATE RE-ROOFING WORKS – 337 WELLINGTON STREET, PERTH

RECOMMENDATION: (APPROVAL)

That Council agrees to provide Chris Huzzard Photography Studio, CTV/WTV and Free Range Incorporated six months notice to vacate the Gasworks building, 337 Wellington Street, Perth.

BACKGROUND:

FILE REFERENCE: P1031319
REPORTING UNIT: Properties
RESPONSIBLE DIRECTORATE: Construction and Maintenance
DATE: 14 January 2016
MAP / SCHEDULE: N/A

LEGISLATION / STRATEGIC PLAN / POLICY:

| | |
|---|---|
| Legislation | Section 3.58 of the <i>Local Government Act 1995</i> |
| Integrated Planning and Reporting Framework Implications | Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S20 Meaningful and contemporary community engagement and communications |

DETAILS:

Background of the Site

The Gasworks building is located at 337 Wellington Street, Perth. It was purchased by the City of Perth for \$3.1 million dollars in 1991 for the planned extension of Pier Street Car Park. However demand for car parking diminished during the early 1990s and it was deemed unviable to create additional parking bays at that time. Approval was given to various arts and performance groups to utilise the space rent free during the 1990s as a temporary use.

Various studies have been undertaken over the past ten years regarding the Gasworks and surrounding land (Pier Street Car Park and The Garage) including considering a mixed use development, activation of the precinct, considering sale of both the Gasworks and the Garage, considering a multi-storey car park for the site, or undertaking a renovation of the Gasworks for use as an art space. No decision has been made for future plans for the Gasworks building. Various studies, add that an upgrade was proposed for the laneway. The Laneway Strategy – “Forgotten Spaces, Revitalising Perth’s Laneways” was adopted in 2008. The recent proposed redevelopment of 100 Murray Street includes activation directly on to Gasworks Lane, triggering a renewed focus on the laneway.

Tenants

The Gasworks is currently utilised by a number of tenants and users including:

CTV/WTV: Council resolved to enter into a three year lease arrangement on 22 April 2003 on the proviso that it would revert to a “month to month” basis after expiration. Over the past twelve years there have been a number of requests for variations and extensions to the leasing arrangements however due to the uncertainty of the future of the building, and the derelict state of parts of the building, these requests have been short term (twelve months) or refused. The occupation is currently on a “six monthly” basis on a “peppercorn” rent, however six months’ notice is required to be given by either party to vacate the building.

Chris Huzzard Photography Studio: It was found that Chris Huzzard Photography was sub-leasing a portion of the Gasworks Building called the “Padlock” building from CTV in 2008, however, it is unknown when they took up residence there as the City of Perth was not privy to the occupation details for some time. In August 2012, a six month licence over the three floors and mezzanine level they were occupying was signed, after which the licence would revert to “month to month” basis with six months’ notice to vacate by either party. The rent on commencement was \$2,000 per month to be reviewed annually and increased in line with CPI. As the rent was never formally requested and Mr Huzzard never paid, it was identified in 2013 that rent was owed to the City of Perth. Mr Huzzard has since been on a repayment plan to repay the lost rent from 2012 and continues to pay a monthly rental fee on the premises. An outstanding amount of \$38,822 is still to be paid. Six months’ notice is required to be given by either party to vacate the building.

Free Range Incorporated: A small group of freelance artists moved into the shop at the Wellington Street front of the building, which had been vacated by a florist in January 2009. They proceeded to make improvements on the premises and were offered an informal “Licence to Occupy” on a month to month basis from October 2009. The permitted use of this licence was for the purposes of art gallery only with no prescriptive rights of any kind. The occupation is on a “peppercorn” rental basis. There was no condition regarding notice to vacate included in the licence. To this day, the space is utilised by freelance artists to showcase their work and regular exhibitions are held in the gallery. There is no notice period stipulated for vacation of the premises.

Volunteering WA: Volunteering WA first approached the City of Perth for a licence to occupy space in the warehouse from September to Christmas 2010 for their “Homeless Connect” program. They have been granted this licence each year for only these months of the year, at no cost to them, ever since. There is nothing formal in the arrangement and there is no requirement or condition requiring the City of Perth to provide notice to vacate the premises.

Volunteering WA was storing some items in the Gasworks building in June/July of 2015 when asbestos was identified in the building. The items that could be salvaged were decontaminated and moved to a temporary location at His Majesty’s car park, and then to their current location in Belmont, all at the City of Perth’s cost. They currently have no occupation of the Gasworks building.

Asbestos

Asbestos fibres were identified within the Gasworks warehouse in 2010. Items within the warehouse space were contaminated and disposed of. The following works were undertaken in 2010 to manage the asbestos:

- accumulated dust was removed; and
- building interior, switchroom, downpipes, eastern façade, corrugated cement roof, gable, gutters and electrical cupboard were all encapsulated (painted).

Encapsulating asbestos is a short to medium term solution as the encapsulation is only effective while the structure is in good condition.

The City of Perth engaged QED Environmental Services (QED) in early 2015 to undertake building inspections of the City’s assets to determine the location of any known or presumed asbestos containing material, and provide a risk assessment for each location.

While inspecting the Gasworks building, QED noticed that water was leaking in to the warehouse space. Knowing that the roof of the Gasworks is made of asbestos, the leaking indicated that the roof had degraded to a point where it was allowing water to penetrate, meaning that the encapsulation would have failed.

QED notified the City of Perth that they suspected that asbestos fibres were entering the warehouse with the water leakage from the roof. The main warehouse area and the mezzanine area of the Gasworks were closed immediately and the tenants were notified that they were not to enter these areas until test results could confirm this. Surface testing undertaken by QED confirmed that asbestos fibres were within the space, and on the items being stored there. The items within the warehouse were cleaned of asbestos and returned to the tenants. The tenants have been advised that no access will be permitted until further notice.

On 1 July 2015, Properties Unit wrote to the Chief Executive Officer requesting direction regarding managing the asbestos issue at the Gasworks building.

Five options were presented:

- a. Demolition of the Gasworks at a cost of \$100,000 (the City of Perth's planning policies require a development application to be approved for redevelopment prior to the demolition occurring);
- b. Roof replacement at a cost of \$140,000 excluding asbestos decontamination;
- c. Encapsulation of the roof, gutters and downpipes at a cost of \$70,000 with an expected lifespan of three to five years;
- d. Remove the tenants and leave the building vacant; or
- e. Remove the tenants and offer the building for sale to an external party.

Properties recommended that the roof, gutters and downpipes be replaced, and that a town planning process commences to develop a redevelopment plan for the site, with the aim of demolishing the building within the next five to ten years.

The Chief Executive Officer supported this recommendation.

GHD was appointed in August 2015 to develop plans to replace the asbestos roof, gutters, downpipes and ceiling insulation from the Gasworks building, and oversee the works, at a cost of \$28,115 plus GST.

These plans have been developed and are ready for submission to the City for Development Approval.

The estimated construction costs are approximately \$140,000, excluding the costs of the asbestos decontamination.

During the plan development GHD advised that the design of the roof ventilation is dependent upon floor use. If the use of the building is not changing (i.e. the warehouse area will continue to be used only for storage) then a simple ridge vent ventilation system can be installed. This is what has been allowed for in the design.

If the use of the building is to change, then a more extensive type of ventilation system will be required and new plans will need to be developed. The cost of construction may also be increased.

The roof replacement is expected to take approximately twelve weeks, assuming favourable weather conditions.

In order for the roof replacement to occur the building must be vacant. The City of Perth intends to vacate the building in the following manner:

- Volunteering WA/Homeless Connect – already vacated
- Chris Huzzard – six months' notice
- WTV – six months' notice
- Free Range – six months' notice (to remain consistent with the other tenants)

The City of Perth currently has two units which may be suitable as alternative locations for the tenants. The unit located at Northbridge known as the CnR Cafe site could be repurposed as an arts space. It is envisaged that this would be administered by the Arts team and this concept is supported by them.

There is a potential the WTV and Chris Huzzard could occupy 18 Stirling Street. This however has not been assessed by them in terms of suitability and would almost certainly require significant investment by the City of Perth as the building is in a state of disrepair as has been previously reported. Any intended disposition of property would also be subject to a further report to Council.

Due to the requirement to give six months' notice prior to vacate for Chris Huzzard and WTV, the City of Perth intends to do this imminently so that the roof can be replaced in Spring of 2016.

The City of Perth may then undertake an expression of interest process to lease the three spaces (currently occupied by Chris Huzzard, WTV and Free Range). The warehouse area will continue to be used for storage purposes.

To support the redevelopment of 100 Murray Street and their proposal to activate the laneway, a concept plan to upgrade Gasworks Lane will be presented to Council at a future meeting.

FINANCIAL IMPLICATIONS:

There are no financial implications arising from this report.

ITEM NO: 9

FORREST CHASE WALKWAYS REDEVELOPMENT AND ONGOING MANAGEMENT ARRANGEMENTS BETWEEN ISPT PTY LTD AND THE CITY OF PERTH

RECOMMENDATION: (APPROVAL)

That Council:

- 1. receives the information update on the progress and current status of the redevelopment of the Forrest Place Walkways project;***
- 2. approves the advertising of disposal of property to ISPT Pty Ltd under Section 3.58 of the Local Government Act 1995 for leases over Café Pods 1 and 2 under the terms and conditions detailed in Schedules 6 and 7; and***
- 3. notes that in the event that no submissions are received, in accordance with Delegation 1.10 – Disposing of Property, the Acting Chief Executive Officer has the authority to finalise the disposition without further consideration by Council.***

BACKGROUND:

FILE REFERENCE: P1022162-3
REPORTING UNIT: Properties
RESPONSIBLE DIRECTORATE: Construction and Maintenance
DATE: 12 January 2016
MAP / SCHEDULE Schedule 6 – Lease Terms for Café Pods 1 and 2
Schedule 7 – Location Plan for Café Pods 1 and 2

At its meeting held on **7 October 2014**, Council:

- 1. endorsed the negotiated project scope and project investment level of \$8.2 million (excluding GST) as presented by the Chief Executive Officer subject to the following:***
 - 1.1. the final concept and plans being in accordance with the agreed scope and the total value of the works being independently assessed by Quantity Surveyors appointed by the City;***

- 1.2. *the plans obtaining the necessary statutory approvals;*
 - 1.3. *the proposal meeting all the requirements of the Forrest Place and City Station Development Act 1985 and supporting documents;*
 - 1.4. *the Council adopting a Business Plan for this major land transaction in accordance of the provisions Section 3.59(3) of the Local Government Act 1995 following consideration of any comment received;*
 - 1.5. *the terms for the payment of the City's contributions of \$8.2 million being agreed by the parties;*
 - 1.6. *a revised budget being adopted for contributions during 2014/15;*
 - 1.7. *each party reserving the right to terminate any agreement following reassessment of the project scope, design and project investment level at the following stages;*
 - a. *after final statutory development approval;*
 - b. *after construction procurement has yielded detailed actual project costs;*
 - 1.8. *Council approving a lease to ISPT Super Property following consideration of any comments received in accordance with Section 3.58 of the Local Government Act 1995;*
2. *authorised the Chief Executive Officer to undertake the following:*
- 2.1. *submit a conditional written proposal to ISPT Super Property in accordance with this resolution;*
 - 2.2. *prepare a Business Plan and publish a notice of intention to conduct a major land transaction in accordance with Section 3.59(3) of the Local Government Act 1995;*
 - 2.3. *negotiate the final terms of an agreement including details of project scope and design, timing and quantum of payments, procurement methodology, construction management, risk management and dispute resolution;*
 - 2.4. *negotiate the lease agreements for land proposed to be occupied and developed by ISPT Super Property;*
 - 2.5. *publish notice of intended lease in accordance with Section 3.58 of the Local Government Act 1995;*
 - 2.6. *negotiate amendments to the Forrest Place and City Station Development Agreement with relevant parties;*

3. *acknowledged that demolition of a large percentage of the existing walkway structure will necessitate an accounting write down of the asset value which will require Council approval;*
4. *noted that the Chief Executive Officer will continue to liaise with the Lord Mayor and the Presiding Member of the Finance and Administration Committee and present further reports to Council prior to execution of binding contractual agreements; and*
5. *approved that this report remain confidential until the project is considered by the ISPT Board (anticipated to be 21 October 2014) and thereafter the Chief Executive Officer is authorised to re-classify the report as no longer being confidential.*

A Business Plan as required under Section 3.59 of the *Local Government Act 1995* was prepared and advertised. Closing date for submissions was 24 December 2014 and no submissions were received.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation

Section 3.58 of the *Local Government Act 1995*
Forrest Place and City Station Development Plan
Agreement 1986

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Capable and Responsive
Organisation

- S1 Ensure that major developments effectively integrate into the City with minimal disruption and risk.
- S4 Enhanced accessibility in and around the City including parking.

DETAILS:

At its meeting held on **9 June 2015**, Council authorised the Chief Executive Officer to undertake negotiations for a number of agreements.

The documents that have been negotiated are:

- a) Agreement for Lease and Licence of the Forrest Complex and Walkways;
- b) Murray Street, Forrest Place and Wellington Street Lease;
- c) Murray Street, Forrest Place and Wellington Street inner column premises lease;
- d) Café Pod areas 1 and 2 leases;
- e) Signage rights licence;
- f) Display screen licence;
- g) Deed covenant – Restrictions on future dealings with Bocelli Café premises;

- h) Confidentiality deed;
- i) Works access and licence deed – walkways and works area; and
- j) Development Management Agreement.

These documents have been circulated to the Lord Mayor, Elected Members and the Chief Executive Officer for comment and questions.

Items b), c), e) and f) are exempt from Section 3.58 of the *Local Government Act 1995* on the basis that they are being disposed of to the owner of adjoining land and the disposition would not be of significant benefit to anyone other than the owner of the adjoining land.

Item d), leases over Café Pod areas 1 and 2 are subject to Section 3.58 of the *Local Government Act 1995* and as such must be advertised.

Other Matters relating to the proposed redevelopment are:

Forrest Place and City Station Development Plan Agreement 1986

1. Extension of the Minimum Period in the Agreement

The Agreement requires the City of Perth (the City) to obtain agreement to the Walkway Works from all parties under the Agreement.

The Agreement has time triggers which meant that the City would need to provide 10 years prior notice of the Walkway Works to all parties, as a clause relating to a 25 year Minimum Term had passed.

All parties to the Agreement agreed to amend the minimum period to 35 years to overcome this impediment.

The Minister for Planning has agreed to the extension to the minimum period subject to consolidation of the Agreement to remove clauses no longer relevant and the change to the minimum period.

2. Consolidation to changes to the Agreement

The City is currently undertaking a review of all proposed changes to the Agreement. Draft documents will be prepared in January 2016 for circulation to all parties.

Once agreement is reached by all parties, final documents and written agreement will be forwarded to the Minister for Planning for agreement and tabling in Parliament.

This work is now in progress and it is anticipated to be completed between September to October 2016.

3. Agreement to the Walkway Works

Clause 13(2) of the Agreement requires all parties to agree to the Walkway Works.

The City has written to all parties, seeking agreement and ISPT and the City have briefed all parties on the project.

It is anticipated that all parties will provide written agreement by January 2016.

FINANCIAL IMPLICATIONS:

A capital contribution of \$8.2 million has been agreed by the City. Work is expected to commence in September 2016 and completion date is estimated in March 2018.

The initial payment of \$700,000 will be paid from Council's 2015/16 Budget with the balance of \$7,500,000 being paid in the 2016/17 financial year. These amounts have been provided for in the Council's Budget.

All figures quoted in this report are exclusive of GST.

COMMENTS:

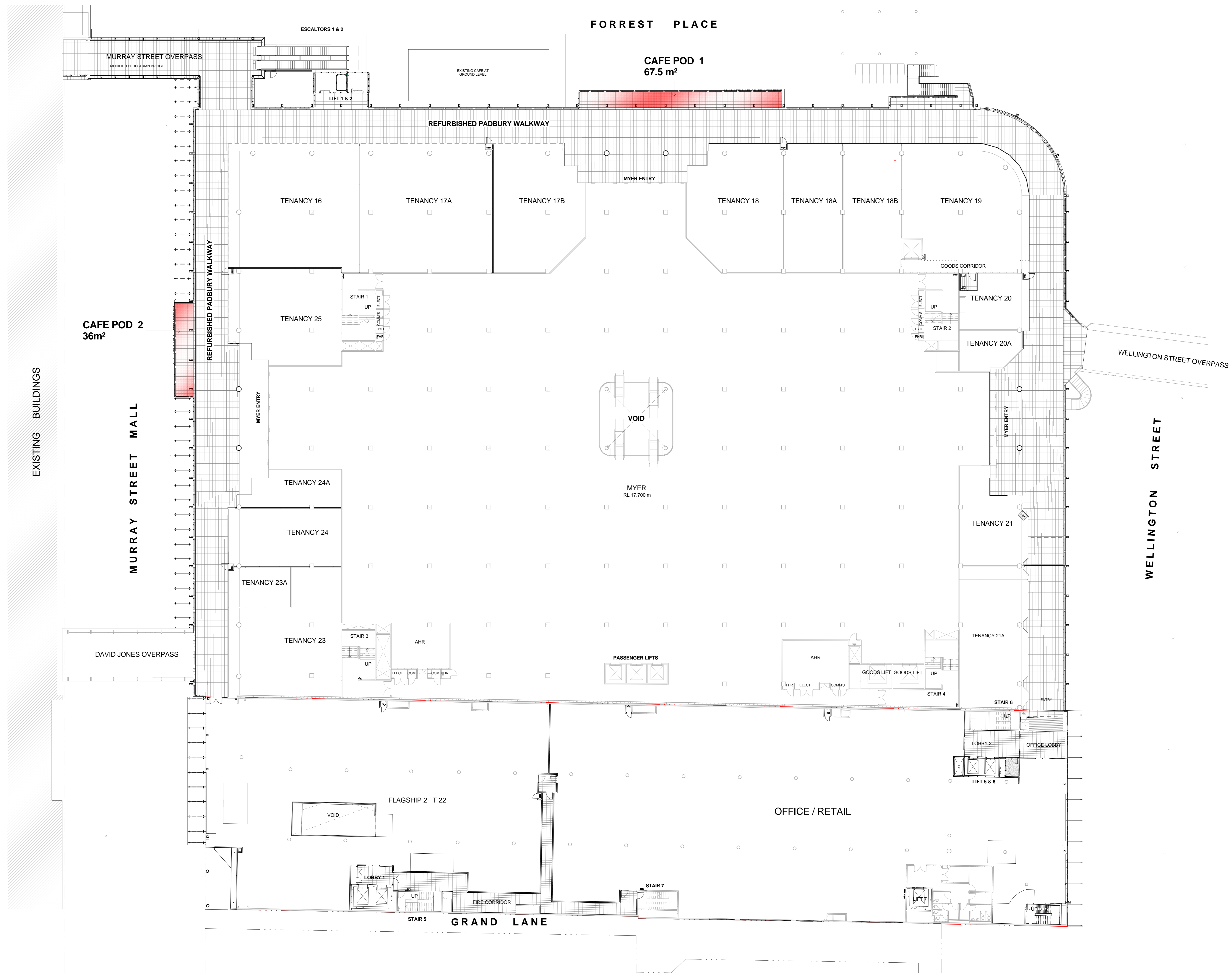
It is recommended that Council accepts the report regarding the current status of the proposed redevelopment and that it authorises the Acting Chief Executive Office to advertise the disposal of the property for Café Pod Leases under Section 3.58 of the *Local Government Act 1995*.

SCHEDULE 6

**Proposed Lease Terms and Conditions
Café Pods 1 and 2 – ISPT Forrest Chase Redevelopment**

| | |
|-----------------|---|
| Lessor | City of Perth |
| Lessee | ISPT Pty Ltd |
| Premises | Café Pods 1 and 2 on upper level walkway of Forrest Chase |
| Permitted Use | Café / Kiosk |
| Commencement | TBA |
| Term | 21 Years |
| Option | Nil |
| Rent | \$1.00 per annum |
| Percentage Rent | N/A |
| Outgoings | Nil |
| Payment Date | As demanded |
| Reviews | N/A |
| Insurance | Public Liability not less than \$20,000,000 |
| Costs | Each party to bear their own legal costs |

SCHEDULE 7



PROPOSED LEVEL 1 OVERALL
1:200

SCHEDULE 7

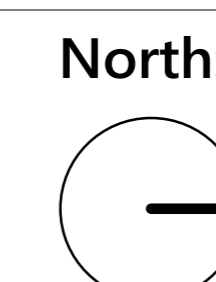
I:\CPS\Admin Services\Committees\4. Finance and Admin\AS160120 - Reports\10 Sch - Forrest Place Proposed Cafe Pods Location.pdf



CAFE POD AREAS
FORREST CHASE REDEVELOPMENT

Status: **PRELIMINARY**
Path:

Scale: 1:200 @ A0
0 24
© Hames Sharley



Project Number: 42469
Drawing Number: SK105
Revision:
Date:



ITEM NO: 10

ADOPTION – CITY OF PERTH FENCING LOCAL LAW 2015

RECOMMENDATION: (APPROVAL)

That Council:

- 1. notes that one submission was received in response to the public notice period for the proposed City of Perth Fencing Local Law 2015, detailed within this report titled “Adoption – City of Perth Fencing Local Law 2015”;***
- 2. notes the comments received from the Department of Local Government and Communities in response to the public notice period as detailed within this report titled “Adoption – City of Perth Fencing Local Law 2015”;***
- 3. in accordance with Section 3.12(4) of the Local Government Act 1995, BY AN ABSOLUTE MAJORITY makes the City of Perth Fencing Local Law 2015 as detailed in Schedule 8; and***
- 4. in accordance with Section 3.12(6) of the Local Government Act 1995, gives local public notice of the City of Perth Fencing Local Law 2015.***

BACKGROUND:

FILE REFERENCE: P1015922-2
REPORTING UNIT: Governance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 21 December 2015
MAP / SCHEDULE: Schedule 8 – Proposed City of Perth Fencing Local Law incorporating minor amendments
Schedule 9 – Proposed City of Perth Fencing Local Law 2015

At its meeting held on **21 June 2005**, Council resolved to make the *City of Perth Fencing Local Law 2005*.

At its meeting held on **29 January 2008**, Council resolved to make the *City of Perth Amendment Local Law 2007* to amend various clauses in a number of the City of Perth's existing local laws including the *City of Perth Fencing Local Law 2005*. The

subsequent amendments, together with the originally made local law, constitute the Principal Local Law. The majority of the modified penalties within the Principal Local Law had remained unchanged since 2005.

Given the significant number of drafting changes required within the Principal Local Law affecting its application and interpretation, in accordance with Section 3.12 of the *Local Government Act 1995*, Council at its meeting held on **21 July 2015** resolved to repeal the *City of Perth Fencing Local Law 2005* and, in accordance with Section 3.12(3) of the *Local Government Act 1995*, give state-wide public notice of its intention to make the proposed City of Perth Fencing Local Law 2015.

The state-wide public notice was published in The West Australian on Friday, 31 July 2015, seeking public submissions on the proposed local law. At close of the public submission period on Friday, 18 September 2015 no public submissions had been received. The Department of Local Government and Communities (DLGC) did however provide feedback and proposed a change to Clause 6.1 Offences and Penalties in the proposed local law.

Given this change was in relation to penalties and likely to be considered by Parliament's Joint Standing Committee on Delegated Legislation as a "significantly different" change to the proposed Local Law that was originally advertised, in accordance with Section 3.13 of the *Local Government Act 1995*, the City of Perth was required to recommence the local law making procedure by re-issuing state-wide public notice of its intention to make the newly proposed City of Perth Fencing Local Law 2015.

This state-wide public notice was published in The West Australian on Wednesday, 21 October 2015, and displayed on the City of Perth's notice boards and the City of Perth website, seeking public submissions on the newly proposed Local Law. A copy of the public notice and the proposed Local Law were also provided to the Minister for Local Government, the Minister for Planning and the Minister for Commerce.

In accordance with Section 3.12(4) of the *Local Government Act 1995*, after the last day for submissions, Council is required to consider any submissions received and may resolve by an absolute majority to make the local law or to make a local law that is not significantly different from the proposed local law.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Sections 3.12, 3.13 and 3.16 of the *Local Government Act 1995*
City of Perth Fencing Local Law 2005

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
 Council Four Year Priorities: Capable and Responsive Organisation
 A capable, flexible and sustainable organisation with a strong effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

DETAILS:

At the close of the public notice period on Wednesday, 9 December 2015, one submission was received from Mr Murray Hill. This submission, received Wednesday, 2 December 2015, is detailed in the table below together with the City's response.

This submission relates to the use of barbed wire fencing and has identified a minor inconsistency with Schedule 3 Clause (e) and Clause 2.11 in the proposed local law.

In response to the submission, the City of Perth is proposing to remove the redundant clause (e) in Schedule 3 to provide further clarity with regards to barbed wire fencing and the requirement of prior approval. This change is not considered to be significant as it does not affect the increase of any penalties and has removed potential ambiguity between the two clauses.

Public Submission and City Response:

| Public Submission | Officer Response |
|---|--|
| <p><i>"Is Division 3, 2.11 (2) consistent with Schedule 3 "a Galvanised or PVC fence and gate (e)" with regard to a dividing fence? If the barbed wire is to be angled who determines which neighbour loses the land use below the angled barbed wire?</i></p> <p><i>If the dividing fence separates land of different heights, one being retained by a wall what is the base for the 2,000 mm and 2,400 mm height measurements? The lower property or the higher? For example if it is the lower property and the retaining wall is 1 m high the</i></p> | <p>It could be interpreted that there is an inconsistency between the 2 provisions. Even though Schedule 3 (e) makes mention of 3 strands of barbed wire any request for the installation of barbed wire would require a separate application in accordance with 2.1 (6) and Division 3, 2.11 of the Local Law.</p> <p>As there is the potential for confusion between the two provisions, the City of Perth proposes to remove the redundant clause (e) in Schedule 3 so that it is clear that any use of barbed wire will require a separate approval.</p> <p>In relation to the angled barbed wire, the</p> |

| Public Submission | Officer Response |
|--|--|
| <p><i>dividing fence has an effective height of only 1400 mm.”</i></p> | <p>barbed wire must always be contained within the land on which the fence is to be erected, and not extend across the lot boundary to be in accordance with 2.11 (3) of the Local Law.</p> <p>It is the intention of the local law to always keep barbed wire or any other jagged projections well above head height at a minimum of 2000mm above any ground level. The City would make this a condition of any approval for the installation of barbed wire.</p> |

The Department of Local Government and Communities (DLGC), on behalf of the Minister for Local Government, also provided comments on the advertised local law on Tuesday, 1 December 2015. The majority of the DLGC comments relate to minor adjustments to the drafting to ensure alignment with current legislative practices and standards. The DLGC comments, together with the Officer responses, are detailed in the table below.

| Clause | DLGC Comments | Officer Response |
|---|--|--|
| Clause 1.6 | In the definition for authorised person delete the words “City of Perth” and replace with “local government”. | Noted and amended to read “local government”. |
| Clause 2.5 – Maintenance of Fences | This clause provides that “an owner or any person undertaking work on a lot on which a fence is erected shall maintain the fence in good condition” This clause potentially places an obligation on any person undertaking any work on a lot to maintain the fence, even when the work they conducted has no connection to the fence itself. It is suggested that the city review this clause to ensure it reflects the City’s intentions. | Noted, the City has considered this advice and agreed to amend the clause to remove the obligatory reference to any person undertaking work on a lot to provide further clarity. |
| Schedule 1 – Items 3 and 4 | Item numbers 3 and 4 are listed as separate penalties; however a member of the public will need to breach both subclauses 2.3(a) and 2.3(b) at the same time in order to commit an offence. For this reason, it is suggested that items 3 and 4 are merged. | Noted and amended to merge the two penalties together. |

| Clause | DLGC Comments | Officer Response |
|--------------------------------------|--|--|
| Schedule 2 – Timber Fence (c) | <p>It appears that subclause (c) contains a second sentence which is numbered as paragraph (d).</p> <p>It is suggested the first subclause (d) is entered into a separate line, and the subsequent subclauses are formatted accordingly.</p> | Noted and amended in the proposed Local Law. |
| Schedule 2 – Timber Fence (e) | Replace “1 800mm with “1,800mm” in order to maintain consistent formatting | Noted and amended in the proposed Local Law. |

The proposed Local Law, as originally advertised, along with the above listed amendments noted by the public submission and the DLGC are indicated in Schedule 8 as follows:

- Deleted text has a ~~strikethrough~~.
- New inserted text are in *italics* and is underlined.

FINANCIAL IMPLICATIONS:

There are no financial implications as a result of this report.

COMMENTS:

Risk Management

As with all local laws, it is noted that this Local Law will be subject to consideration by the State Government Joint Standing Committee on Delegated Legislation (JSCDL).

Conclusion

The amendments incorporated as a result of the public submission and the DLGC comments mainly relate to drafting standards and minor amendments. It is considered that these do not constitute substantial changes to the originally advertised Local Law.

It is therefore recommended that Council resolve to make the City of Perth Fencing Local Law 2015 as detailed in Schedule 9 and gives local public notice of the City of Perth Fencing Local Law 2015.

The Local Law will come into effect fourteen days after it is published in the *Western Australian Government Gazette*.

SCHEDULE 8

Local Government Act 1995

CITY OF PERTH

FENCING LOCAL LAW 2015

Under the powers conferred by the *Local Government Act 1995*, and under all other powers enabling it, the Council of the City of Perth resolved on (Insert Council Meeting Date) to make the following local law.

PART 1 – PRELIMINARY

1.1 Citation

This local law may be cited as the *City of Perth Fencing Local Law 2015*.

1.2 Commencement

This local law comes into operation 14 days after the date of its publication in the *Government Gazette*.

1.3 Purpose and Effect

- (1) The purpose of this local law is to prescribe a sufficient fence and the standard for the construction of fences throughout the district of the City of Perth.
- (2) The effect of this local law is to establish the requirements for fencing within the district of the City of Perth.

1.4 Application

This local law applies throughout the district of the local government.

1.5 Repeal

The *City of Perth Fencing Local Law 2005* as published in the *Government Gazette* on 14 July 2005, and as amended on 29 February 2008, is repealed.

1.6 Definitions

In this local law unless the context requires otherwise—

“**Applicant**” means a person who makes an application for approval under this local law;

“**AS or AS/NZS**” means an Australian or Australian/New Zealand Standard as published by Standards Australia as amended from time to time;

“authorised person” means a person appointed by the **local government City of Perth** under section 9.10 of the *Local Government Act 1995* to perform any of the functions of an authorised person under this local law;

“barbed wire fence” means a wire or strand of wires having small pieces of sharply pointed wire twisted around it at short intervals;

“boundary fence” means a fence, other than a dividing fence, that separates private land from land that is local government property of a thoroughfare;

“Building Code” means the latest edition of the Building Code of Australia published from time to time by or on behalf of, the Australian Building Codes Board, as amended from time to time, but not including any explanatory information published with that Code;

“building permit” has the meaning given to it in the *Building Act 2011*;

“Building Surveyor” means a Building Surveyor of the local government;

“CEO” means the Chief Executive Officer of the local government;

“Council” means the Council of the local government;

“dangerous” in relation to any fence means, with the exception of electrified, barbed and razor wire fences as separately specified under this local law—

- (a) a fence containing exposed broken glass, asbestos fibre or any other potentially harmful projection or material; or
- (b) a fence which is likely to collapse or fall, or part of which is likely to collapse or fall, from any cause;

“district” means the district of the local government;

“district planning scheme” means a local planning scheme of the local government made under the *Planning and Development Act 2005*;

“dividing fence” has the meaning given to it by the *Dividing Fences Act 1961*;

“electrified fence” means a fence carrying or designed to carry an electric charge;

“fence” means any structure, not including a retaining wall, used or functioning as a barrier, irrespective of where it is located and includes any gate;

“front boundary” means the boundary line between a lot and the thoroughfare upon which that lot abuts, or in the case of a lot abutting on more than one thoroughfare, the boundary line between the lot and the primary thoroughfare;

“front fence” means a fence erected on the front boundary of a lot or on a line

adjacent to the front boundary;

“front setback area” means the area between the building line of a lot and the front boundary of that lot;

“height” in relation to a fence means the vertical distance between—

- (a) the top of the fence at any point; and
- (b) the ground level or, where the ground levels on each side of the fence are not the same, the higher ground level, immediately below that point;

“local government” means the local government of the City of Perth;

“local government property” means anything except a thoroughfare—

- (a) which belongs to the local government;
- (b) of which the local government is the management body under the *Land Administration Act 1997*; or
- (c) which is an “otherwise unvested facility” under section 3.53 of the *Local Government Act 1995*;

“lot” has the meaning given to it and for the purposes of the *Planning and Development Act 2005*;

“Non-Residential Lot” means any lot situated in the district that is not defined as a residential lot under this local law;

“notice of breach” means a notice referred to in clause 5.1 of this local law;

“occupier” has the meaning given to it in the *Local Government Act 1995*;

“owner” has the meaning given to it in the *Local Government Act 1995*;

“person” means any person, company, employer and includes an owner, occupier and licensee;

“razor wire fence” means a coiled strong wire with pieces of sharp cutting edges set across it at closes intervals;

“Residential Lot” means a lot where a residential use—

- (a) is or may be permitted under the district planning scheme; and
- (b) is or will be the predominant use of the lot;

“retaining wall” means any structure which prevents the movement of soil or retains soil or structures in order to allow ground levels of different elevations to exist adjacent to one another;

“Schedule” means a Schedule to this local law;

“sufficient fence” means a fence described in clause 2.1 of this local law, but

does not include a retaining wall;

“**thoroughfare**” has the meaning given to it by the *Local Government Act 1995*, but does not include a private thoroughfare which is not under the management or control of the local government.

1.7 Relationship with other laws

- (1) In the event of any inconsistency between the provisions of a district planning scheme and the provisions of this local law, the provisions of the district planning scheme are to prevail.
- (2) Nothing in this local law affects the need for compliance, in respect of a fence, with—
 - (a) any relevant provisions of a district planning scheme; and
 - (b) any relevant provisions that apply if a building permit is required for that fence under the *Building Act 2011* or *Building Regulations 2012*.

1.8 Licence fees and charges

All licence fees and charges applicable under this local law shall be determined by the Council from time to time in accordance with section 6.16 of the *Local Government Act 1995*.

PART 2 – FENCES

Division 1 – Sufficient Fences

2.1 Sufficient fences

- (1) A person shall not erect a dividing fence or a boundary fence that is not a sufficient fence, unless otherwise approved or required by the local government.
- (2) Subject to subclause (3) and (4), a sufficient fence—
 - (a) on a Residential Lot is a dividing fence or a boundary fence constructed and maintained in accordance with the specifications and requirements of Schedule 2;
 - (b) on a Non-Residential Lot is a dividing fence or a boundary fence constructed and maintained in accordance with the specifications and requirements of Schedule 3;
- (3) An application must be made to the local government for grant of consent to any variation to the specifications in Schedules 2 and 3.
- (4) Unless an authorised person determines otherwise, a sufficient fence on a boundary between lots other than those specified in subclause (2) is a dividing fence constructed in accordance with the specifications and requirements of Schedule 2 or Schedule 3, whichever is appropriate.
- (5) Notwithstanding any other provision in this local law, a dividing fence or boundary fence constructed of masonry, stone or concrete shall be a sufficient fence only if it is designed by a professional engineer and constructed in accordance with that design where—
 - (a) it is greater than 750 millimetres in height; or
 - (b) the Building Surveyor so requires.
- (6) Notwithstanding any other provision in this local law, a dividing fence or boundary fence shall not exceed 1,800 millimetres height unless the approval of the local government has been obtained for such a fence.

Division 2 – General

2.2 Fences within front setback areas

- (1) A person shall not, without the written consent of the Building Surveyor, erect a free-standing fence greater than 1,200 millimetres in height, within the front setback area of a Residential Lot within the district.

- (2) The Building Surveyor may approve the erection of a fence of a height greater than 1,200 millimetres in the front setback area of a Residential Lot only if the fence on each side of the driveway into the lot across the front boundary is to be angled into the lot for a distance of not less than 1,500 millimetres along the frontage to a distance of not less than 1,500 millimetres from the frontage in order to provide appropriate splayed lines of vision for a motorist using the driveway for access to a thoroughfare.
- (3) The provision of subclause (2) shall not apply to a fence—
- (a) of open construction that does not obscure the lines of vision of a motorist using the driveway for access to a thoroughfare; or
 - (b) that does not adjoin a footpath.

2.3 Gates in fences

A person shall not erect a gate in a fence which does not—

- (a) open into the lot; or
- (b) open by sliding parallel and on the inside of the fence, which it forms part of, when closed.

without first obtaining the written approval of the local government.

2.4 Depositing fencing material on public place

A person shall not deposit or permit the deposit of any materials whatsoever used in the construction or maintenance of any fence, on any thoroughfare, public place or local government property unless the approval of the local government has been obtained.

2.5 Maintenance of fences

An owner of a lot ~~or any person undertaking work on a lot~~ which a fence is erected shall maintain the fence in good condition so as to prevent it from becoming dangerous, dilapidated, or unsightly to the amenity of the locality.

2.6 Fences across rights-of-ways, public access ways or thoroughfares

A person must not, without the approval of the local government, erect or maintain a fence or obstruction of a temporary or permanent nature across any right-of-way, public access way or thoroughfare so as to impede or prevent use of those facilities in the manner for which they are intended and constructed.

2.7 Fences and Sightlines

Unless otherwise approved by the local government—

- (a) front fences or boundary fences that are adjacent to a vehicle access point or a thoroughfare shall be truncated with the minimum dimension of the truncation being 2,000 millimetres or the fence reduced in height to no more than 750 millimetres, unless—
 - (i) the fence is an open fence that does not obscure the lines of vision of a motorist using the vehicle access point or thoroughfare; or
 - (ii) there is a distance of 3,500 millimetres between the fence and a carriageway or footpath.
- (b) where a dividing fence is closer than 2,000 millimetres from a vehicle access point and connects to a thoroughfare, the dividing fence shall be reduced to 750 millimetres in height for the first 2,000 millimetres from the thoroughfare back into the lot.
- (c) a corner Lot without the standard street corner truncation, with a front fence height that exceeds 750 millimetres in height of solid material is not permitted within the 6,000 millimetres by 6,000 millimetres corner sightline area.
- (d) where two right of ways or laneways intersect, a 3,000 millimetres by 3,000 millimetres sightline is required so that a fence height that exceeds 750mm in height of solid material is not permitted.

2.8 Dividing Fences

- (1) Notwithstanding the provisions of clause 2.1, an authorised person may approve the erection or repair of a dividing fence which is not a sufficient fence where all of the owners of the lots to be separated by the dividing fence make an application for approval for that purpose.
- (2) In determining whether to grant approval under subclause (1), an authorised person may consider, in addition to any other matter they are authorised to consider, where the erection or retention of the fence would have an adverse effect on—
 - (a) the safe or convenient use of any land;
 - (b) the safety or convenience of any person; or
 - (c) the visual amenity of the locality.

Division 3 – Fencing Materials

2.9 Fencing Designs

Where required by an authorised person, fencing designs are to be certified by a professional engineer as being suitable for wind loadings found in Region D Category 2 areas in accordance with the current edition of AS/NZS 1170.0:2002 Structural design actions – General principles.

2.10 Pre-used fencing materials

- (1) Notwithstanding clause 2.1, a person shall not construct a fence on a Residential Lot or a Non-Residential Lot from pre-used materials without the approval of the local government.
- (2) Where the local government approves the use of pre-used materials in the construction of a fence under subclause (1), that approval shall be conditional on the applicant painting or treating the pre-used material as directed by the Building Surveyor.

2.11 Barbed wire fences and spiked or jagged materials

- (1) An owner or occupier of a Residential Lot or a Non-Residential Lot shall not erect, affix or allow to remain on any fence on such a lot any barbed wire or other material with spiked or jagged projections, unless the prior written approval of the local government has been obtained.
- (2) Any fence bounding a lot that has barbed wire or other materials with spiked or jagged projections affixed to it may only be approved if the wire or other materials are carried on posts at an angle of 45 degrees, with the bottom row being a minimum of 2,000 millimetres from the ground level.
- (3) If the posts which carry the barbed wire or other materials referred to in subclause (2) are angled towards the outside of the lot bounded by the fence, the face of the fence must be set back from the lot boundary a sufficient distance to ensure that the angled posts, barbed wire or other materials do not encroach on adjoining land.
- (4) An owner or occupier of a lot shall not erect, affix or allow to remain as part of any fence or wall, whether internal or external, on that lot any broken glass.

2.12 Electrified and razor wire fences

- (1) An owner or occupier of a lot shall not—
 - (a) construct or use an electrified fence on that lot without obtaining the approval of the local government in the form prescribed in Schedule 4; or
 - (b) construct a fence wholly or partly of razor wire on that lot without obtaining the approval of the local government in the form prescribed in Schedule 5.

- (2) The local government shall not approve an application for the purpose of subclause (1)(a)—
 - (a) in respect of a lot which is or which abuts a Residential Lot;
 - (b) unless the fence will comply with “AS/NZS 3016:2002 Electrical installations – Electricity security fences”; and
 - (c) unless provision is made so as to enable the fence to be rendered inoperable during the hours of business operations, if any, on the lot where it is erected.
- (3) The local government shall not approve an application for the purpose of subclause (1)(b)—
 - (a) if the fence is within 3,000 millimetres of the boundary of the lot; or
 - (b) where any razor wire used in the construction of the fence is less than 2,000 millimetres or more than 2,400 millimetres above the ground level.
- (4) An application for approval for the purpose of subclauses (1)(a) or (1)(b) shall be made by the owner of the lot on which the fence is or is to be erected, or by the occupier of the lot with the written consent of the owner.

2.13 Prohibited fencing materials

In constructing a fence a person must not use—

- (a) broken glass or any other potentially harmful projections or material;
- (b) asbestos fibre;
- (b) material that is likely to collapse or fall, or part of which is likely to collapse or fall, from any cause; and
- (d) pre-used materials unless the material is painted or treated to the satisfaction of an authorised person.

2.14 Building Code

- (1) Subject to subclauses (2) and (3), a fence shall be constructed in accordance with the relevant provisions of the Building Code.
- (2) Where there is inconsistency between the standards or requirements of this local law and those specified in the Building Code, the standards and requirements of the Building Code shall prevail.
- (3) Subclause (1) shall not apply to an existing fence, except where the existing fence is demolished, pulled down or removed and re-erected, or in some

substantial way structurally altered or amended, in which case subclause (1) shall apply to the re-erection, alteration or amendment.

PART 3 – APPROVALS

3.1 Application for approval

- (1) Where a person is required to obtain the approval of the local government under this local law, that person shall apply for approval in accordance with subclause (2).
- (2) An application for approval under this local law shall—
 - (a) be in the form determined by the local government;
 - (b) be signed by the applicant and the owner of the lot;
 - (c) provide the information required by the form; and
 - (d) be forwarded to the local government together with any fee imposed and determined by the local government under and in accordance with section 6.19 of the *Local Government Act 1995*.
- (3) An authorised person may require an applicant to provide additional information reasonably related to an application before an application is considered for approval.
- (4) An authorised person may refuse to consider an application for approval which is not in accordance with subclauses (2) and (3).

3.2 Decision on application for approval

- (1) The local government may—
 - (a) approve an application for approval unconditionally or subject to any conditions; or
 - (b) refuse to approve an application for approval.
- (2) If the local government approves an application for approval, it is to issue to the applicant an approval in the form determined by the local government.
- (3) If the local government refuses to approve an application for approval, it is to give written notice of that refusal to the applicant.
- (4) Where a clause of this local law refers to conditions which may be imposed on an approval or which are to be taken to be imposed on an approval, the clause does not limit the power of the local government to impose other conditions on the approval under subclause (1)(a).

3.3 Compliance with approval

Where an application for approval has been approved, the applicant and the owner or occupier of the lot to which the approval relates, shall comply with the terms and any conditions of that approval.

3.4 Duration of approval

Unless otherwise stated in the form of approval, an approval granted under this local law—

- (a) runs with the lot to which it relates;
- (b) may be relied upon by any subsequent occupier or owner of the lot; and
- (c) may be enforced by the local government against a subsequent occupier or owner of the lot.

PART 4 – MISCELLANEOUS

4.1 False or misleading statement

A person shall not make a false or misleading statement in connection with any application, requirement or request under this local law.

PART 5 – NOTICES OF BREACH

5.1 Notices of breach

- (1) Where a breach of any provision of this local law has occurred in relation to a fence on a lot, an authorised person may give a notice in writing to the owner of that lot.
- (2) A notice of breach shall—
 - (a) specify the provision of this local law which has been breached;
 - (b) specify the particulars of the breach; and
 - (c) state that the owner is required to remedy the breach within the time specified in the notice.
- (3) Should an owner fail to comply with a notice of breach, the local government may, by its employees, agents or contractors enter upon the lot to which the notice relates and remedy the breach, and may recover the expenses of so doing from the owner of the lot in a court of competent jurisdiction.

- (4) The provisions of this clause are subject to section 3.25 and item 12 of Division 1 of Schedule 3.1 of the *Local Government Act 1995* and any entry on to land will be in accordance with Part 3, Division 3 of that Act.

PART 6 – OFFENCES

6.1 Offences and penalties

- (1) A person who fails to comply with a notice of breach commits an offence.
- (2) A person who commits an offence under this local law is liable, on conviction, to a penalty not exceeding \$5000, and if the offence is of a continuing nature, to an additional penalty not exceeding \$500 for each day or part of a day which the offence has continued.

6.2 Modified penalties

- (1) An offence against any provision of this local law is a prescribed offence for the purposes of section 9.16(1) of the *Local Government Act 1995*.
- (2) The amount appearing in the final column of Schedule 1, directly opposite a prescribed offence in that Schedule, is the modified penalty for that prescribed offence.
- (3) For the purpose of guidance only, before giving an infringement notice to a person in respect of the commission of a prescribed offence, an authorised person should be satisfied that—
- (a) commission of the prescribed offence is a relatively minor matter; and
 - (b) only straightforward issues of law and fact are involved in determining whether the prescribed offence was committed, and the facts in issue are readily ascertainable.

6.3 Form of notices

For the purposes of this local law—

- (a) the form of the infringement notice referred to in sections 9.16 and 9.17 of the *Local Government Act 1995* is to be in the form of Form 2 of Schedule 1 of the *Local Government (Functions and General) Regulations 1996*; and
- (b) the form of the withdrawal of infringement notice referred to in section 9.20 of the *Local Government Act 1995* is to be in the form of Form 3 in Schedule 1 of the *Local Government (Functions and General) Regulations 1996*.

PART 7 – OBJECTIONS AND REVIEW

7.1 Objections and review

When the local government makes a decision under clause 3.2, the provision of Part 9 Division 1 of the *Local Government Act 1995*, and regulation 33 of the *Local Government (Functions and General) Regulations 1996*, apply to that decision.

SCHEDULE 1

OFFENCES AND MODIFIED PENALTIES

[Clause 6.2(2)]

| Item No. | Clause No. | Modified penalties \$ |
|------------------|-------------------|-----------------------|
| 1 | 2.1(1) | 250 |
| 2 | 2.2(1) | 250 |
| 3 | 2.3(a) <i>(b)</i> | 200 |
| 4 | 2.3(b) | 200 |
| 5 4 | 2.4 | 250 |
| 6 5 | 2.5 | 250 |
| 7 6 | 2.6 | 250 |
| 8 7 | 2.10(1) | 250 |
| 9 8 | 2.11(1) | 250 |
| 10 9 | 2.11(4) | 250 |
| 11 10 | 2.12(1) | 250 |
| 12 11 | 3.3 | 250 |
| 13 12 | 6.1(1) | 250 |

SCHEDULE 2

SPECIFICATIONS FOR A SUFFICIENT FENCE ON OR ABUTTING A LOT DEVELOPED FOR RESIDENTIAL USES

[Clause 2.1(2)(a)]

Each of the identified categories in this Schedule is a sufficient fence on a Residential Lot and the fence design being certified by a professional engineer.

Timber fence

- (a) corner posts to be 125mm x 125mm x 2,400mm and intermediate posts to be 125mm x 75mm x 2,400mm spaced at 2,400mm centres;
- (b) corner posts to be strutted two ways with 100mm x 50mm x 450mm sole plates and 75mm x 50mm struts;
- (c) intermediate posts to be doubled yankee strutted with 150mm x 25mm x 450mm struts;
- (d) all posts to have tops with a 60mm weather cut and to be sunk at least 600mm into the ground;
- (d e) rails to be 75mm x 50mm with each rail spanning 2 bays of fencing double railed or bolted to each post with joints staggered;
- (e f) the fence to be covered with 75mm x 20mm sawn pickets, 1,800mm in height placed 75mm apart and affixed securely to each rail; and
- (f g) the height of the fence to be 1,800mm except with respect to the front set back area for which there is no minimum height but which is subject to clause 2.2.

Corrugated fence

A fence constructed of corrugated fibre reinforced pressed cement or steel sheeting constructed to manufacturer's specifications or which satisfies the following specifications—

- (a) a minimum in-ground length of 25 per cent of the total length of the sheet, but in any case shall have a minimum in-ground depth of 600mm;
- (b) the total height and depth of the fence to consist of a single continuous fibre reinforced cement or steel sheet;
- (c) the sheets to be lapped and capped with extruded "snap-fit" type capping in accordance with the manufacturers written instructions; and
- (d) the height of the fence to be 1,800mm except with respect to the front set back area for which there is no minimum height but which is subject to clause 2.2.

Brick, stone or concrete fence

A fence constructed of brick, stone or concrete, which satisfies the following requirements and specifications—

- (a) a site classification is to be provided by a professional engineer and the footing is to be designed in accordance with AS 2870-2011 Residential slabs and footings as amended;

- (b) footings of minimum 225mm x 150mm concrete 15MPa or 300mm x 175mm brick laid in cement mortar;
- (c) fences to be offset a minimum of 200mm at maximum 3,000mm centres or 225mm x 100mm engaged piers to be provided at maximum 3,000mm centres;
- (d) expansion joints in accordance with the manufacturer's written instructions; and
- (e) the height of the fence to be 1,800mm except with respect to the front set back area for which there is no minimum height but which is subject to clause 2.2.

Composite fence

A composite fence which satisfies the following specifications for the brick construction—

- (1) (a) brick piers of minimum 345mm x 345mm at 1,800mm centres bonded to a minimum height base wall of 514mm;
- (b) each pier shall be reinforced with one R10 galvanised starting rod 1 500mm high with a 250mm horizontal leg bedded into a 500mm x 200mm concrete footing and set 65mm above the base of the footing. The top of the footing shall be 1 course (85mm) below ground level;
- (c) the minimum ultimate strength of brickwork shall be 20MPa. Mortar shall be a mix of 1 part cement, 1 part lime and 6 parts sand;
- (d) the ground under the footings is to be compacted to 6 blows per 300mm and checked with a standard falling weight penetrometer; and
- (e) control joints in brickwork shall be provided with double piers at a maximum of 6,000mm centres;

or

- (2) (a) brick piers of a minimum 345mm x 345mm x 2,700mm centres bonded to the base wall; and
 - (b) each pier shall be reinforced with two R10 galvanised starting rods as previously specified.
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SCHEDULE 3
SPECIFICATIONS FOR A SUFFICIENT FENCE ON OR ABUTTING A LOT
DEVELOPED FOR NON-RESIDENTIAL USES

[Clause 2.1(2)(b)]

Each of the identified categories in this Schedule, with minimum and maximum specifications where stated, is a sufficient fence on a Non-Residential Lot and the fence design being certified by a professional engineer.

Galvanised or PVC fence and gate

A fence constructed of galvanised or PVC coated non-rail link mesh, chain mesh or steel mesh which satisfies the following specifications—

- (a) corner posts to be minimum 50mm nominal bore x 3.5mm and with footings of a 225mm diameter x 900mm;
- (b) intermediate posts to be minimum 37mm nominal bore x 3.15mm at maximum 3,500mm centres and with footings of a 225mm diameter x 600mm;
- (c) struts to be minimum 30mm nominal bore x 3.15mm fitted at each gate and 2 at each corner post and with footings 225mm x 600mm;
- (d) cables to be affixed to the top, centre and bottom of all posts and to consist of 2 or more 3.15mm wires twisted together or single 4mm wire;
- ~~(e) non rail link, chain or steel mesh is to be to a height of 2,000mm on top of which are to be 3 strands of barbed wire carrying the fence to a height of 2,400mm in accordance with the requirements and standards of the local planning schemes; and~~
- ~~(f)~~ (e) galvanised link mesh wire to be 2,000mm in height and constructed of 50mm mesh 2.5mm galvanised iron wire and to be strained, neatly secured and laced to the posts and affixed to cables. Vehicle entry gates shall provide an opening of not less than 3.6m and shall be constructed of 25mm tubular framework with 1 horizontal and 1 vertical stay constructed of 20mm piping and shall be covered with 50mm x 2.5mm galvanised link mesh strained to framework. Gates shall be fixed with a drop bolt and locking attachment.

Other fences

- (a) a fence of cement sheet or steel sheeting constructed to the minimum specifications referred to in Schedule 2;
 - (b) a fence constructed of aluminium sheeting when supported on posts and rails provided that it is used behind a building line and is of a minimum height of 1,800mm but no greater than 2,400mm; or
 - (c) a fence of timber, brick, stone or concrete constructed to the minimum specifications referred to in Schedule 2.
-

SCHEDULE 4
ELECTRIFIED FENCE PERMIT

[Clause 2.12(1)(a)]

This is to certify that:

[Name] of [Address]

is permitted, subject to the conditions set out below, to have and use an electrified fence on:

[Address]

from _____ 20 _____ and until this permit is transferred or cancelled.

Approved By:

Name: _____

Position _____

Date: ____/____/____

Conditions of Permit—

The holder of the permit must—

- (b) display the permit in a prominent position on the land or premises on which the electrified fence has been erected;
- (c) upon the request of a Building Surveyor produce to him or her the permit;
- (d) within 14 days of a change in the ownership or occupation of the land or premises in respect of which the permit has been granted, notify the CEO in writing of the details of that change or those changes;
- (e) obtain the written consent of the local government prior to the commencement of any alteration, addition or other work relating to or affecting the electrified fence; and
- (f) comply with AS/NZS 3016:2002 Electrical installations – Electric security fences.

Transfer by Endorsement

This permit is transferred to [Name] of [Address]

from and including the date of this endorsement.

Approved By:

Name: _____

Position _____

Date: ____/____/____

**SCHEDULE 5
RAZOR WIRE FENCE PERMIT**

[Clause 2.12(1)(b)]

This is to certify that

[Name] of [Address]

Is permitted, subject to the conditions set out below, to have a fence constructed wholly or partially of razor wire on:

[Address]

From _____ 20__ and until this permit is transferred or cancelled.

Approved By:

Name: _____

Position _____

Date: ____ / ____ / ____

Conditions of Permit—

- (a) display the permit in a prominent position on the land or premises on which the fence has been erected;
- (b) upon the request of a Building Surveyor produce to him or her the permit;
- (c) within 14 days of a change in the ownership or occupation of the land or premises in respect of which the permit has been granted, notify the CEO in writing of the details of that change or those changes; and
- (d) obtain the written consent of the local government prior to the commencement of any alteration, addition or other work relating to or affecting the fence.

Transfer by Endorsement

This permit is transferred to [Name] of [Address]

[Name] of [Address]

from and including the date of this endorsement.

Approved By

Name: _____

Position _____

Date: ____ / ____ / ____

SCHEDULE 9

Local Government Act 1995

CITY OF PERTH

FENCING LOCAL LAW 2015

Under the powers conferred by the *Local Government Act 1995*, and under all other powers enabling it, the Council of the City of Perth resolved on (Insert Council Meeting Date) to make the following local law.

PART 1 – PRELIMINARY

1.1 Citation

This local law may be cited as the *City of Perth Fencing Local Law 2015*.

1.2 Commencement

This local law comes into operation 14 days after the date of its publication in the *Government Gazette*.

1.3 Purpose and Effect

- (1) The purpose of this local law is to prescribe a sufficient fence and the standard for the construction of fences throughout the district of the City of Perth.
- (2) The effect of this local law is to establish the requirements for fencing within the district of the City of Perth.

1.4 Application

This local law applies throughout the district of the local government.

1.5 Repeal

The *City of Perth Fencing Local Law 2005* as published in the *Government Gazette* on 14 July 2005, and as amended on 29 February 2008, is repealed.

1.6 Definitions

In this local law unless the context requires otherwise—

“Applicant” means a person who makes an application for approval under this local law;

“AS or AS/NZS” means an Australian or Australian/New Zealand Standard as published by Standards Australia as amended from time to time;

“authorised person” means a person appointed by the local government under section 9.10 of the *Local Government Act 1995* to perform any of the functions of an authorised person under this local law;

“barbed wire fence” means a wire or strand of wires having small pieces of sharply pointed wire twisted around it at short intervals;

“boundary fence” means a fence, other than a dividing fence, that separates private land from land that is local government property or a thoroughfare;

“Building Code” means the latest edition of the Building Code of Australia published from time to time by or on behalf of, the Australian Building Codes Board, as amended from time to time, but not including any explanatory information published with that Code;

“building permit” has the meaning given to it in the *Building Act 2011*;

“Building Surveyor” means a Building Surveyor of the local government;

“CEO” means the Chief Executive Officer of the local government;

“Council” means the Council of the local government;

“dangerous” in relation to any fence means, with the exception of electrified, barbed and razor wire fences as separately specified under this local law—

- (a) a fence containing exposed broken glass, asbestos fibre or any other potentially harmful projection or material; or
- (b) a fence which is likely to collapse or fall, or part of which is likely to collapse or fall, from any cause;

“district” means the district of the local government;

“district planning scheme” means a local planning scheme of the local government made under the *Planning and Development Act 2005*;

“dividing fence” has the meaning given to it by the *Dividing Fences Act 1961*;

“electrified fence” means a fence carrying or designed to carry an electric charge;

“fence” means any structure, not including a retaining wall, used or functioning as a barrier, irrespective of where it is located and includes any gate;

“front boundary” means the boundary line between a lot and the thoroughfare upon which that lot abuts, or in the case of a lot abutting on more than one thoroughfare, the boundary line between the lot and the primary thoroughfare;

“front fence” means a fence erected on the front boundary of a lot or on a line

adjacent to the front boundary;

“front setback area” means the area between the building line of a lot and the front boundary of that lot;

“height” in relation to a fence means the vertical distance between—

- (a) the top of the fence at any point; and
- (b) the ground level or, where the ground levels on each side of the fence are not the same, the higher ground level, immediately below that point;

“local government” means the local government of the City of Perth;

“local government property” means anything except a thoroughfare—

- (a) which belongs to the local government;
- (b) of which the local government is the management body under the *Land Administration Act 1997*; or
- (c) which is an “otherwise unvested facility” under section 3.53 of the *Local Government Act 1995*;

“lot” has the meaning given to it and for the purposes of the *Planning and Development Act 2005*;

“Non-Residential Lot” means any lot situated in the district that is not defined as a residential lot under this local law;

“notice of breach” means a notice referred to in clause 5.1 of this local law;

“occupier” has the meaning given to it in the *Local Government Act 1995*;

“owner” has the meaning given to it in the *Local Government Act 1995*;

“person” means any person, company, employer and includes an owner, occupier and licensee;

“razor wire fence” means a coiled strong wire with pieces of sharp cutting edges set across it at close intervals;

“Residential Lot” means a lot where a residential use—

- (a) is or may be permitted under the district planning scheme; and
- (b) is or will be the predominant use of the lot;

“retaining wall” means any structure which prevents the movement of soil or retains soil or structures in order to allow ground levels of different elevations to exist adjacent to one another;

“Schedule” means a Schedule to this local law;

“sufficient fence” means a fence described in clause 2.1 of this local law, but does not include a retaining wall;

“thoroughfare” has the meaning given to it by the *Local Government Act 1995*, but does not include a private thoroughfare which is not under the management or control of the local government.

1.7 Relationship with other laws

- (1) In the event of any inconsistency between the provisions of a district planning scheme and the provisions of this local law, the provisions of the district planning scheme are to prevail.
- (2) Nothing in this local law affects the need for compliance, in respect of a fence, with—
 - (a) any relevant provisions of a district planning scheme; and
 - (b) any relevant provisions that apply if a building permit is required for that fence under the *Building Act 2011* or *Building Regulations 2012*.

1.8 Licence fees and charges

All licence fees and charges applicable under this local law shall be determined by the Council from time to time in accordance with section 6.16 of the *Local Government Act 1995*.

PART 2 – FENCES

Division 1 – Sufficient Fences

2.1 Sufficient fences

- (1) A person shall not erect a dividing fence or a boundary fence that is not a sufficient fence, unless otherwise approved or required by the local government.
- (2) Subject to subclause (3) and (4), a sufficient fence—
 - (a) on a Residential Lot is a dividing fence or a boundary fence constructed and maintained in accordance with the specifications and requirements of Schedule 2;
 - (b) on a Non-Residential Lot is a dividing fence or a boundary fence constructed and maintained in accordance with the specifications and requirements of Schedule 3;
- (3) An application must be made to the local government for grant of consent to any variation to the specifications in Schedules 2 and 3.
- (4) Unless an authorised person determines otherwise, a sufficient fence on a boundary between lots other than those specified in subclause (2) is a dividing fence constructed in accordance with the specifications and requirements of Schedule 2 or Schedule 3, whichever is appropriate.
- (5) Notwithstanding any other provision in this local law, a dividing fence or boundary fence constructed of masonry, stone or concrete shall be a sufficient fence only if it is designed by a professional engineer and constructed in accordance with that design where—
 - (a) it is greater than 750 millimetres in height; or
 - (b) the Building Surveyor so requires.
- (6) Notwithstanding any other provision in this local law, a dividing fence or boundary fence shall not exceed 1,800 millimetres height unless the approval of the local government has been obtained for such a fence.

Division 2 – General

2.2 Fences within front setback areas

- (1) A person shall not, without the written consent of the Building Surveyor, erect a free-standing fence greater than 1,200 millimetres in height, within the front setback area of a Residential Lot within the district.

- (2) The Building Surveyor may approve the erection of a fence of a height greater than 1,200 millimetres in the front setback area of a Residential Lot only if the fence on each side of the driveway into the lot across the front boundary is to be angled into the lot for a distance of not less than 1,500 millimetres along the frontage to a distance of not less than 1,500 millimetres from the frontage in order to provide appropriate splayed lines of vision for a motorist using the driveway for access to a thoroughfare.
- (3) The provision of subclause (2) shall not apply to a fence—
- (a) of open construction that does not obscure the lines of vision of a motorist using the driveway for access to a thoroughfare; or
 - (b) that does not adjoin a footpath.

2.3 Gates in fences

A person shall not erect a gate in a fence which does not—

- (a) open into the lot; or
- (b) open by sliding parallel and on the inside of the fence, which it forms part of, when closed.

without first obtaining the written approval of the local government.

2.4 Depositing fencing material on public place

A person shall not deposit or permit the deposit of any materials whatsoever used in the construction or maintenance of any fence, on any thoroughfare, public place or local government property unless the approval of the local government has been obtained.

2.5 Maintenance of fences

An owner of a lot on which a fence is erected shall maintain the fence in good condition so as to prevent it from becoming dangerous, dilapidated, or unsightly to the amenity of the locality.

2.6 Fences across rights-of-ways, public access ways or thoroughfares

A person must not, without the approval of the local government, erect or maintain a fence or obstruction of a temporary or permanent nature across any right-of-way, public access way or thoroughfare so as to impede or prevent use of those facilities in the manner for which they are intended and constructed.

2.7 Fences and Sightlines

Unless otherwise approved by the local government—

- (a) front fences or boundary fences that are adjacent to a vehicle access point or a thoroughfare shall be truncated with the minimum dimension of the truncation being 2,000 millimetres or the fence reduced in height to no more than 750 millimetres, unless—
 - (i) the fence is an open fence that does not obscure the lines of vision of a motorist using the vehicle access point or thoroughfare; or
 - (ii) there is a distance of 3,500 millimetres between the fence and a carriageway or footpath.
- (b) where a dividing fence is closer than 2,000 millimetres from a vehicle access point and connects to a thoroughfare, the dividing fence shall be reduced to 750 millimetres in height for the first 2,000 millimetres from the thoroughfare back into the lot.
- (c) a corner Lot without the standard street corner truncation, with a front fence height that exceeds 750 millimetres in height of solid material is not permitted within the 6,000 millimetres by 6,000 millimetres corner sightline area.
- (d) where two right of ways or laneways intersect, a 3,000 millimetres by 3,000 millimetres sightline is required so that a fence height that exceeds 750mm in height of solid material is not permitted.

2.8 Dividing Fences

- (1) Notwithstanding the provisions of clause 2.1, an authorised person may approve the erection or repair of a dividing fence which is not a sufficient fence where all of the owners of the lots to be separated by the dividing fence make an application for approval for that purpose.
- (2) In determining whether to grant approval under subclause (1), an authorised person may consider, in addition to any other matter they are authorised to consider, where the erection or retention of the fence would have an adverse effect on—
 - (a) the safe or convenient use of any land;
 - (b) the safety or convenience of any person; or
 - (c) the visual amenity of the locality.

Division 3 – Fencing Materials

2.9 Fencing Designs

Where required by an authorised person, fencing designs are to be certified by a professional engineer as being suitable for wind loadings found in Region D Category 2 areas in accordance with the current edition of AS/NZS 1170.0:2002 Structural design actions – General principles.

2.10 Pre-used fencing materials

- (1) Notwithstanding clause 2.1, a person shall not construct a fence on a Residential Lot or a Non-Residential Lot from pre-used materials without the approval of the local government.
- (2) Where the local government approves the use of pre-used materials in the construction of a fence under subclause (1), that approval shall be conditional on the applicant painting or treating the pre-used material as directed by the Building Surveyor.

2.11 Barbed wire fences and spiked or jagged materials

- (1) An owner or occupier of a Residential Lot or a Non-Residential Lot shall not erect, affix or allow to remain on any fence on such a lot any barbed wire or other material with spiked or jagged projections, unless the prior written approval of the local government has been obtained.
- (2) Any fence bounding a lot that has barbed wire or other materials with spiked or jagged projections affixed to it may only be approved if the wire or other materials are carried on posts at an angle of 45 degrees, with the bottom row being a minimum of 2,000 millimetres from the ground level.
- (3) If the posts which carry the barbed wire or other materials referred to in subclause (2) are angled towards the outside of the lot bounded by the fence, the face of the fence must be set back from the lot boundary a sufficient distance to ensure that the angled posts, barbed wire or other materials do not encroach on adjoining land.
- (4) An owner or occupier of a lot shall not erect, affix or allow to remain as part of any fence or wall, whether internal or external, on that lot any broken glass.

2.12 Electrified and razor wire fences

- (1) An owner or occupier of a lot shall not—
 - (a) construct or use an electrified fence on that lot without obtaining the approval of the local government in the form prescribed in Schedule 4; or
 - (b) construct a fence wholly or partly of razor wire on that lot without obtaining the approval of the local government in the form prescribed in Schedule 5.

- (2) The local government shall not approve an application for the purpose of subclause (1)(a)—
 - (a) in respect of a lot which is or which abuts a Residential Lot;
 - (b) unless the fence will comply with “AS/NZS 3016:2002 Electrical installations – Electricity security fences”; and
 - (c) unless provision is made so as to enable the fence to be rendered inoperable during the hours of business operations, if any, on the lot where it is erected.
- (3) The local government shall not approve an application for the purpose of subclause (1)(b)—
 - (a) if the fence is within 3,000 millimetres of the boundary of the lot; or
 - (b) where any razor wire used in the construction of the fence is less than 2,000 millimetres or more than 2,400 millimetres above the ground level.
- (4) An application for approval for the purpose of subclauses (1)(a) or (1)(b) shall be made by the owner of the lot on which the fence is or is to be erected, or by the occupier of the lot with the written consent of the owner.

2.13 Prohibited fencing materials

In constructing a fence a person must not use—

- (a) broken glass or any other potentially harmful projections or material;
- (b) asbestos fibre;
- (b) material that is likely to collapse or fall, or part of which is likely to collapse or fall, from any cause; and
- (d) pre-used materials unless the material is painted or treated to the satisfaction of an authorised person.

2.14 Building Code

- (1) Subject to subclauses (2) and (3), a fence shall be constructed in accordance with the relevant provisions of the Building Code.
- (2) Where there is inconsistency between the standards or requirements of this local law and those specified in the Building Code, the standards and requirements of the Building Code shall prevail.
- (3) Subclause (1) shall not apply to an existing fence, except where the existing fence is demolished, pulled down or removed and re-erected, or in some

substantial way structurally altered or amended, in which case subclause (1) shall apply to the re-erection, alteration or amendment.

PART 3 – APPROVALS

3.1 Application for approval

- (1) Where a person is required to obtain the approval of the local government under this local law, that person shall apply for approval in accordance with subclause (2).
- (2) An application for approval under this local law shall—
 - (a) be in the form determined by the local government;
 - (b) be signed by the applicant and the owner of the lot;
 - (c) provide the information required by the form; and
 - (d) be forwarded to the local government together with any fee imposed and determined by the local government under and in accordance with section 6.19 of the *Local Government Act 1995*.
- (3) An authorised person may require an applicant to provide additional information reasonably related to an application before an application is considered for approval.
- (4) An authorised person may refuse to consider an application for approval which is not in accordance with subclauses (2) and (3).

3.2 Decision on application for approval

- (1) The local government may—
 - (a) approve an application for approval unconditionally or subject to any conditions; or
 - (b) refuse to approve an application for approval.
- (2) If the local government approves an application for approval, it is to issue to the applicant an approval in the form determined by the local government.
- (3) If the local government refuses to approve an application for approval, it is to give written notice of that refusal to the applicant.
- (4) Where a clause of this local law refers to conditions which may be imposed on an approval or which are to be taken to be imposed on an approval, the clause does not limit the power of the local government to impose other conditions on the approval under subclause (1)(a).

3.3 Compliance with approval

Where an application for approval has been approved, the applicant and the owner or occupier of the lot to which the approval relates, shall comply with the terms and any conditions of that approval.

3.4 Duration of approval

Unless otherwise stated in the form of approval, an approval granted under this local law—

- (a) runs with the lot to which it relates;
- (b) may be relied upon by any subsequent occupier or owner of the lot; and
- (c) may be enforced by the local government against a subsequent occupier or owner of the lot.

PART 4 – MISCELLANEOUS

4.1 False or misleading statement

A person shall not make a false or misleading statement in connection with any application, requirement or request under this local law.

PART 5 – NOTICES OF BREACH

5.1 Notices of breach

- (1) Where a breach of any provision of this local law has occurred in relation to a fence on a lot, an authorised person may give a notice in writing to the owner of that lot.
- (2) A notice of breach shall—
 - (a) specify the provision of this local law which has been breached;
 - (b) specify the particulars of the breach; and
 - (c) state that the owner is required to remedy the breach within the time specified in the notice.
- (3) Should an owner fail to comply with a notice of breach, the local government may, by its employees, agents or contractors enter upon the lot to which the notice relates and remedy the breach, and may recover the expenses of so doing from the owner of the lot in a court of competent jurisdiction.

- (4) The provisions of this clause are subject to section 3.25 and item 12 of Division 1 of Schedule 3.1 of the *Local Government Act 1995* and any entry on to land will be in accordance with Part 3, Division 3 of that Act.

PART 6 – OFFENCES

6.1 Offences and penalties

- (1) A person who fails to comply with a notice of breach commits an offence.
- (2) A person who commits an offence under this local law is liable, on conviction, to a penalty not exceeding \$5000, and if the offence is of a continuing nature, to an additional penalty not exceeding \$500 for each day or part of a day which the offence has continued.

6.2 Modified penalties

- (1) An offence against any provision of this local law is a prescribed offence for the purposes of section 9.16(1) of the *Local Government Act 1995*.
- (2) The amount appearing in the final column of Schedule 1, directly opposite a prescribed offence in that Schedule, is the modified penalty for that prescribed offence.
- (3) For the purpose of guidance only, before giving an infringement notice to a person in respect of the commission of a prescribed offence, an authorised person should be satisfied that—
- (a) commission of the prescribed offence is a relatively minor matter; and
 - (b) only straightforward issues of law and fact are involved in determining whether the prescribed offence was committed, and the facts in issue are readily ascertainable.

6.3 Form of notices

For the purposes of this local law—

- (a) the form of the infringement notice referred to in sections 9.16 and 9.17 of the *Local Government Act 1995* is to be in the form of Form 2 of Schedule 1 of the *Local Government (Functions and General) Regulations 1996*; and
- (b) the form of the withdrawal of infringement notice referred to in section 9.20 of the *Local Government Act 1995* is to be in the form of Form 3 in Schedule 1 of the *Local Government (Functions and General) Regulations 1996*.

PART 7 – OBJECTIONS AND REVIEW

7.1 Objections and review

When the local government makes a decision under clause 3.2, the provision of Part 9 Division 1 of the *Local Government Act 1995*, and regulation 33 of the *Local Government (Functions and General) Regulations 1996*, apply to that decision.

SCHEDULE 1

OFFENCES AND MODIFIED PENALTIES

[Clause 6.2(2)]

| Item No. | Clause No. | Modified penalties \$ |
|-----------------|-------------------|------------------------------|
| 1 | 2.1(1) | 250 |
| 2 | 2.2(1) | 250 |
| 3 | 2.3(a)(b) | 200 |
| 4 | 2.4 | 250 |
| 5 | 2.5 | 250 |
| 6 | 2.6 | 250 |
| 7 | 2.10(1) | 250 |
| 8 | 2.11(1) | 250 |
| 9 | 2.11(4) | 250 |
| 10 | 2.12(1) | 250 |
| 11 | 3.3 | 250 |
| 12 | 6.1(1) | 250 |

SCHEDULE 2

SPECIFICATIONS FOR A SUFFICIENT FENCE ON OR ABUTTING A LOT DEVELOPED FOR RESIDENTIAL USES

[Clause 2.1(2)(a)]

Each of the identified categories in this Schedule is a sufficient fence on a Residential Lot and the fence design being certified by a professional engineer.

Timber fence

- (a) corner posts to be 125mm x 125mm x 2,400mm and intermediate posts to be 125mm x 75mm x 2,400mm spaced at 2,400mm centres;
- (b) corner posts to be strutted two ways with 100mm x 50mm x 450mm sole plates and 75mm x 50mm struts;
- (c) intermediate posts to be doubled yankee strutted with 150mm x 25mm x 450mm struts;
- (d) all posts to have tops with a 60mm weather cut and to be sunk at least 600mm into the ground;
- (e) rails to be 75mm x 50mm with each rail spanning 2 bays of fencing double railed or bolted to each post with joints staggered;
- (f) the fence to be covered with 75mm x 20mm sawn pickets, 1,800mm in height placed 75mm apart and affixed securely to each rail; and
- (g) the height of the fence to be 1,800mm except with respect to the front set back area for which there is no minimum height but which is subject to clause 2.2.

Corrugated fence

A fence constructed of corrugated fibre reinforced pressed cement or steel sheeting constructed to manufacturer's specifications or which satisfies the following specifications—

- (a) a minimum in-ground length of 25 per cent of the total length of the sheet, but in any case shall have a minimum in-ground depth of 600mm;
- (b) the total height and depth of the fence to consist of a single continuous fibre reinforced cement or steel sheet;
- (c) the sheets to be lapped and capped with extruded "snap-fit" type capping in accordance with the manufacturers written instructions; and
- (d) the height of the fence to be 1,800mm except with respect to the front set back area for which there is no minimum height but which is subject to clause 2.2.

Brick, stone or concrete fence

A fence constructed of brick, stone or concrete, which satisfies the following requirements and specifications—

- (a) a site classification is to be provided by a professional engineer and the footing is to be designed in accordance with AS 2870-2011 Residential slabs and footings as amended;

- (b) footings of minimum 225mm x 150mm concrete 15MPa or 300mm x 175mm brick laid in cement mortar;
- (c) fences to be offset a minimum of 200mm at maximum 3,000mm centres or 225mm x 100mm engaged piers to be provided at maximum 3,000mm centres;
- (d) expansion joints in accordance with the manufacturer's written instructions; and
- (e) the height of the fence to be 1,800mm except with respect to the front set back area for which there is no minimum height but which is subject to clause 2.2.

Composite fence

A composite fence which satisfies the following specifications for the brick construction—

- (1) (a) brick piers of minimum 345mm x 345mm at 1,800mm centres bonded to a minimum height base wall of 514mm;
- (b) each pier shall be reinforced with one R10 galvanised starting rod 1 500mm high with a 250mm horizontal leg bedded into a 500mm x 200mm concrete footing and set 65mm above the base of the footing. The top of the footing shall be 1 course (85mm) below ground level;
- (c) the minimum ultimate strength of brickwork shall be 20MPa. Mortar shall be a mix of 1 part cement, 1 part lime and 6 parts sand;
- (d) the ground under the footings is to be compacted to 6 blows per 300mm and checked with a standard falling weight penetrometer; and
- (e) control joints in brickwork shall be provided with double piers at a maximum of 6,000mm centres;

or

- (2) (a) brick piers of a minimum 345mm x 345mm x 2,700mm centres bonded to the base wall; and
 - (b) each pier shall be reinforced with two R10 galvanised starting rods as previously specified.
-

SCHEDULE 3
SPECIFICATIONS FOR A SUFFICIENT FENCE ON OR ABUTTING A LOT
DEVELOPED FOR NON-RESIDENTIAL USES

[Clause 2.1(2)(b)]

Each of the identified categories in this Schedule, with minimum and maximum specifications where stated, is a sufficient fence on a Non-Residential Lot and the fence design being certified by a professional engineer.

Galvanised or PVC fence and gate

A fence constructed of galvanised or PVC coated non-rail link mesh, chain mesh or steel mesh which satisfies the following specifications—

- (a) corner posts to be minimum 50mm nominal bore x 3.5mm and with footings of a 225mm diameter x 900mm;
- (b) intermediate posts to be minimum 37mm nominal bore x 3.15mm at maximum 3,500mm centres and with footings of a 225mm diameter x 600mm;
- (c) struts to be minimum 30mm nominal bore x 3.15mm fitted at each gate and 2 at each corner post and with footings 225mm x 600mm;
- (d) cables to be affixed to the top, centre and bottom of all posts and to consist of 2 or more 3.15mm wires twisted together or single 4mm wire;
- (e) galvanised link mesh wire to be 2,000mm in height and constructed of 50mm mesh 2.5mm galvanised iron wire and to be strained, neatly secured and laced to the posts and affixed to cables. Vehicle entry gates shall provide an opening of not less than 3.6m and shall be constructed of 25mm tubular framework with 1 horizontal and 1 vertical stay constructed of 20mm piping and shall be covered with 50mm x 2.5mm galvanised link mesh strained to framework. Gates shall be fixed with a drop bolt and locking attachment.

Other fences

- (a) a fence of cement sheet or steel sheeting constructed to the minimum specifications referred to in Schedule 2;
 - (b) a fence constructed of aluminium sheeting when supported on posts and rails provided that it is used behind a building line and is of a minimum height of 1,800mm but no greater than 2,400mm; or
 - (c) a fence of timber, brick, stone or concrete constructed to the minimum specifications referred to in Schedule 2.
-

SCHEDULE 4
ELECTRIFIED FENCE PERMIT

[Clause 2.12(1)(a)]

This is to certify that:

[Name] of [Address]

is permitted, subject to the conditions set out below, to have and use an electrified fence on:

[Address]

from _____ 20 _____ and until this permit is transferred or cancelled.

Approved By:

Name: _____

Position _____

Date: ____/____/____

Conditions of Permit—

The holder of the permit must—

- (b) display the permit in a prominent position on the land or premises on which the electrified fence has been erected;
- (c) upon the request of a Building Surveyor produce to him or her the permit;
- (d) within 14 days of a change in the ownership or occupation of the land or premises in respect of which the permit has been granted, notify the CEO in writing of the details of that change or those changes;
- (e) obtain the written consent of the local government prior to the commencement of any alteration, addition or other work relating to or affecting the electrified fence; and
- (f) comply with AS/NZS 3016:2002 Electrical installations – Electric security fences.

Transfer by Endorsement

This permit is transferred to [Name] of [Address]

from and including the date of this endorsement.

Approved By:

Name: _____

Position _____

Date: ____/____/____

**SCHEDULE 5
RAZOR WIRE FENCE PERMIT**

[Clause 2.12(1)(b)]

This is to certify that

[Name] of [Address]

Is permitted, subject to the conditions set out below, to have a fence constructed wholly or partially of razor wire on:

[Address]

From _____ 20__ and until this permit is transferred or cancelled.

Approved By:

Name: _____

Position _____

Date: ____ / ____ / ____

Conditions of Permit—

- (a) display the permit in a prominent position on the land or premises on which the fence has been erected;
- (b) upon the request of a Building Surveyor produce to him or her the permit;
- (c) within 14 days of a change in the ownership or occupation of the land or premises in respect of which the permit has been granted, notify the CEO in writing of the details of that change or those changes; and
- (d) obtain the written consent of the local government prior to the commencement of any alteration, addition or other work relating to or affecting the fence.

Transfer by Endorsement

This permit is transferred to [Name] of [Address]

[Name] of [Address]

from and including the date of this endorsement.

Approved By

Name: _____

Position _____

Date: ____ / ____ / ____

ITEM NO: 11

DONATION TO THE LORD MAYOR'S DISTRESS RELIEF FUND – WAROONA AND DISTRICT FIRES APPEAL

RECOMMENDATION: (APPROVAL)

That Council:

- 1. donates \$20,000 to the Lord Mayor's Distress Relief Fund for the Waroona and District Fires Appeal; and**
- 2. agrees to provide in kind support by waiving car parking fees for the "We Care South West Bushfire Relief Concert" event being held at Gloucester Park on Sunday, 7 February 2016.**

BACKGROUND:

FILE REFERENCE: P1032296
REPORTING UNIT: Executive Support
RESPONSIBLE DIRECTORATE: Chief Executive Office
DATE: 13 January 2016
MAP / SCHEDULE: N/A

The Lord Mayor's Distress Relief Fund (Fund) was established in 1961 to provide relief of personal hardship and distress arising from natural disasters occurring within Western Australia. The perpetual Fund is a registered charitable body and has approval of the Australian Taxation Office for tax deductibility of contributions.

Over the years the Fund has assisted with relief appeals for many natural disasters, including the:

- Toodyay Fires in 2009;
- Gascoyne and Mid-West Floods in 2010;
- Margaret River Fires in 2011
- Perth Hills Fires in 2011;
- Parkerville Fires in 2014; and
- Esperance Fires in 2015.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Capable and Responsive Organisation

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

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

DETAILS:

Monetary Donation

The Lord Mayor's Distress Relief Fund has been activated to raise and coordinate donations to support the victims of the fires in the Waroona district area in January 2016.

The State Government has donated \$1 million to the Waroona and District Fires Appeal. It is recommended that the City of Perth donates \$20,000 to the Appeal.

We Care South West Bushfire Relief Concert (Waving of Car parking Fees – Queens Park Gardens)

Western Australia's Events Industry Association has united with some of Australia's leading musicians to raise funds for those affected by recent bushfires which devastated the South West in early January.

The We Care South West Bushfire Relief Concert is a family friendly event being held at Gloucester Park from 2pm to 10pm on Sunday, 7 February 2016.

All proceeds will be donated to the Lord Mayor's Distress Relief Fund. The City of Perth has been requested to allow for free parking for concert patrons on the evening of the event.

It is proposed to waive all income sourced at Queens Park Gardens Car Park during this event. As there are no major events scheduled for the WACA this car park will not be significantly utilised during this period of time, therefore revenue loss will be minimal.

FINANCIAL IMPLICATIONS:

| | |
|-----------------------|--|
| ACCOUNT NO: | CL 42B 21000 |
| BUDGET ITEM: | Other Property and Services – Administration – General Administration (ESU) |
| BUDGET PAGE NUMBER: | 12 |
| BUDGETED AMOUNT: | \$1,789,153 |
| AMOUNT SPENT TO DATE: | \$ 894,125 |
| PROPOSED COST: | \$ 20,000 |
| BALANCE: | \$ 875,028 |

All figures quoted in this report are exclusive of GST.

COMMENTS:

The City of Perth has previously donated to appeals established by the Lord Mayor's Distress Relief Fund. It is considered appropriate for the City of Perth to donate to the current Waroona and District Fires Appeal.

The costs of administering the Lord Mayor's Distress Relief Fund are wholly absorbed by the City of Perth, meaning that 100 percent of all funds raised go directly to those in need.

ITEM NO: 12

DONATION – GREAT COCKY COUNT 2016–2017

RECOMMENDATION: (APPROVAL)

That Council:

- 1. approves cash donation of \$5,000 (excluding GST) to BirdLife WA to coordinate and deliver the Great Cocky Count in 2016 and 2017;***
- 2. notes that BirdLife WA are able to provide the following information and advice to the City of Perth in return:***
 - 2.1 data from the surveys which will assist the City of Perth to identify areas important to Carnaby's conservation;***
 - 2.2 the ability to monitor the success of conservation initiatives;***
 - 2.3 advice on how to create a native bird friendly city;***
 - 2.4 advice and support for monitoring of native bird populations in the City of Perth;***
 - 2.5 community workshops on how to make backyards attractive to native birds;***
- 3. notes that the City of Perth's contribution would be promoted through the following channels:***
 - 3.1 appear as a partner on the BirdLife WA website;***
 - 3.2 promotion to the community via social media and through community workshops throughout the metropolitan area;***
 - 3.3 promotion as a partner in the 2016 and 2017 Great Cocky Count reports.***

BACKGROUND:

FILE REFERENCE: P1010627-30
REPORTING UNIT: Parks
RESPONSIBLE DIRECTORATE: Construction and Maintenance
DATE: 29 December 2015
MAP / SCHEDULE: N/A

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation *Environmental Protection and Biodiversity Conservation Act 1999 (Cth)*
Wildlife Conservation Act 1950 (WA)

Integrated Planning and Reporting Framework Implications **Corporate Business Plan**
Council Four Year Priorities: Capable and Responsive Organisation
S20 Meaningful and contemporary community engagement and communications
20.1 Develop Community Engagement Capability

Strategic Community Plan
Council Four Year Priorities: Community Outcome Living in Perth
S11 Increase community awareness of environmentally sustainable ways of living

Policy

Policy No and Name: 8.0 – Environment Policy
 18.8 – Provision of Sponsorship and Donations

DETAILS:

BirdLife WA is the state branch of BirdLife Australia; an independent, not for profit voluntary organisation focused on bird conservation. One of the projects that BirdLife WA delivers is the Great Cocky Count – an annual citizen science survey for two of the three threatened black-cockatoos in the southwest of Western Australia.

This survey provides invaluable information on roost sites for Carnaby's black cockatoo and forest redtailed black cockatoo. Both species are endemic to southwestern WA and are listed as threatened under State and Commonwealth legislation.

In previous years, the Great Cocky Count was supported by Perth Region NRM, through funding from the Australian Government's National Landcare Program, with additional support from the Peel-Harvey Catchment Council. This year, Natural Resource Management (NRM) funding decisions for community grants focused more on holistic on-ground conservation projects, rather than targeted research and

monitoring to inform and evaluate conservation action. As a result, BirdLife WA has not been successful in securing funding to run this community driven citizen science project in 2016 or beyond.

BirdLife is therefore approaching all the local governments in the area of Carnaby's distribution to seek contributions to fund the Great Cocky Count in 2016 and 2017. A contribution of \$5,000 per local government would provide BirdLife WA with the funds to facilitate the employment of a project officer to manage the project, which involves around 800 community volunteers. To date, other Councils within the metropolitan area which have indicated support include City of Nedlands, City of Subiaco, City of Canning, City of Melville and Shire of Kalamunda; in addition to the Department of Parks and Wildlife, WA Museum, and various non-government organisations, NRM associations and Catchment Councils. Various levels of support have been offered, including donations and in-kind support.

The City of Perth Local Government Area is located within the wider distribution of the listed endangered black cockatoo species, the key threat to which is habitat loss. The City of Perth (the City) has recently supported a local school student install nesting boxes for black cockatoos and other species at Heirisson Island; and has been successful in securing a grant from the Federal Government framed around habitat creation for Carnaby's black cockatoo at Heirisson Island. It would therefore be consistent with the City's commitments to date, and help support objectives outlined in the newly adopted Environment Policy.

The three black-cockatoos of the Perth Region, Carnaby's (*Calyptorhynchus latirostris*), Baudin's (*C.baudinii*), and Forest Red-tailed (*C. banksii naso*), are listed as threatened under the *Environmental Protection and Biodiversity Conservation Act 1999*, making their protection a legal obligation. More importantly, their appeal to the Western Australian public and indeed internationally as a flagship indicator of WA's environmental health and beauty makes protecting the birds and their habitat a priority. This project is important because it uses science to channel the considerable public concern for the species into much-needed and effective on-ground conservation action.

FINANCIAL IMPLICATIONS:

| | |
|-----------------------|-----------------------------|
| ACCOUNT NO: | CL64A92000-7248 |
| BUDGET ITEM: | Parks, Gardens and Reserves |
| BUDGET PAGE NUMBER: | 10 |
| BUDGETED AMOUNT: | \$8,400 |
| AMOUNT SPENT TO DATE: | \$3,278 |
| PROPOSED COST: | \$5,000 |
| BALANCE: | \$ 122 |

All figures quoted in this report are exclusive of GST.

COMMENTS:

It is recommended that Council approves a donation of \$5,000 (excluding GST) to BirdLife WA to contribute towards the annual Great Cocky Count in 2016 and 2017.