

Ordinary Council Meeting

Notice of Meeting

14 March 2017

6.00pm

Council Chamber
Level 9
Council House
27 St Georges Terrace,
Perth WA 6000



City of Perth

Agenda

ORDER OF BUSINESS AND INDEX

- 1 Prayer
- 2 Declaration of Opening
- 3 Apologies
- 4 Question Time for the Public
- 5 Members on Leave of Absence and Application for Leave of Absence
- 6 Confirmation of minutes – **Ordinary Council – 14 February 2017**
- 7 Announcements by the Lord Mayor
- 8 Disclosure of Members' interests
- 9 Questions by Members of which due notice has been given
- 10 Correspondence
- 11 Petitions
- 12 Matters for which the meeting may be closed

In accordance with Section 5.23(2) of the *Local Government Act 1995*, the meeting will be required to be closed to the public prior to discussion of the following:

Item No.	Item Title	Reason
Confidential Item 13.16 & Attachment 13.16A	Appointment of External Member – Audit and Risk Committee	s5.23(2)(e)(iii)
Confidential Item 13.17 & Attachment 13.17A	2016 Compliance Audit Return	s5.23(2)(e)(iii)
Confidential Item 13.18 & Attachment 13.18A	Outstanding Internal Audit Recommendations – February 2017	s5.23(2)(a)

Item No.	Item Title	Reason
Confidential Item 13.19 & Attachment 13.19A	Outcome of the January 2017 Parking Promotion	s 5.23(2)(e)(ii)
Confidential Item 13.20 and Attachments 13.20A & B	CEO Probation Review	s5.23(2)(e)(iii)

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

Attachment No.	Item No. and Title	Reason
Confidential Attachments 13.5B - F	Item 13.5 - Commercial Events Sponsorship – Mellen Events – Piccadilly Theatre, Hay Street Mall, Perth	s5.23(2)(e)(iii)
Confidential Attachments 13.9A, B & C	Item 13.9 - Tender 074-16/17 - Office Cleaning and Lock Up Services	s 5.23(2)(e)(ii)
Confidential Attachment 13.10A & B	Item 13.10 - Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities	s 5.23(2)(e)(ii)
Confidential Attachments 13.11 A & B	Item 13.11 - Tender 043-16/17 – Provision of Engineering Consultancy Services and Associated Professional Services	s5.23(2)(e)(ii)
Confidential Attachment 13.12C	Item 13.12 - Tender 093-16/17 Mclean Lane Enhancement Project Including Prefabricated Art Work Installation	s5.23(2)(e)(ii)
Confidential Attachment 13.13B	Item 13.13 - Tender 087-16/17 Perth Town Hall Bin Enclosure	s5.23(2)(e)(ii)
Confidential Attachments 13.14C & D	Item 13.14 – Risk Management, and Crisis and Business Continuity Management Framework	s5.23(2)(e)(iii)
Confidential Attachment 13.15A	Item 13.15 – Internal Audit 2016/17 – Contract Payment Review	s5.23(2)(e)(iii)

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Reports

Planning Committee Reports

- 13.1 - 65, 76, 78 And 79-81 (Lots 2, 14, 15 And Y148) John Street and Adjacent Graham Farmer Freeway Road Reserve – Proposed Charles Street Bus Bridges Layover Area
- 13.2 - 93-101 (Lot 123) Milligan Street, Northbridge - Reconsideration of Conditions for Approved Telecommunications Tower and Associated Infrastructure ('Unlisted Use') for 'Vodafone'

13.3 - 379 (Lot 31) Wellington Street, Perth – Proposed Third Party Variable Content Wall Sign

13.4 - City of Perth Submission - Design WA

Marketing, Sponsorship and International Engagement Committee Reports

13.5 - Commercial Events Sponsorship – Mellen Events – Piccadilly Theatre, Hay Street Mall, Perth

Finance and Administration Committee Reports

13.6 - Payments from Municipal and Trust Funds – January 2017

13.7 - Financial Statements and Financial Activity Statement for the Period Ended 31 January 2017

13.8 - Budget Review 2016/17 – Forecast of the Operating and Capital Budget for the Year Ending 30 June 2017

13.9 - Tender 074-16/17 - Office Cleaning and Lock Up Services

13.10 - Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities

Works and Urban Development Committee Reports

13.11 - Tender 043-16/17 – Provision of Engineering Consultancy Services and Associated Professional Services

13.12 - Tender 093-16/17 Mclean Lane Enhancement Project Including Prefabricated Art Work Installation

13.13 - Tender 087-16/17 Perth Town Hall Bin Enclosure

Audit and Risk Committee Reports

13.14 - Risk Management, and Crisis and Business Continuity Management Framework

13.15 - Internal Audit 2016/17 – Contract Payment Review

Confidential 13.16 – Appointment of External Member – Audit and Risk Committee

Confidential 13.17 – 2016 Compliance Audit Return

Confidential 13.18 – Outstanding Internal Audit Recommendations – February 2017

Confidential Report - Other

Confidential 13.19 – Outcome of the January 2017 Parking Promotion

Confidential 13.20 – CEO Probation Review

Report Direct to Council

13.21 - Third Party Travel Contribution – Site Reference checks for the Mindarie Regional Council Tender Evaluation Panel

Motions of which Previous Notice has been given

14.1 - In accordance with Clause 4.12 of the City of Perth Standing Orders Local Law 2009 a notice of motion has been received for consideration by Council:

The following notice of motion was received from Cr Green on 8 March 2017.

That the City of Perth adopt a policy to make planning applications that are open for public comment, available to people via email.

Background:

“Presently applications at the City of Perth are only available by visiting the council office within office hours to view the planning applications. Applications cannot presently be copied and taken out of Council House.

This means people working full time in other areas, or who are based outside of Perth, or who are disabled, cannot get access to plans to make public comment.

The state legislation of Western Australia, The Planning and Development Regulations 2015, Section 64.5 says that the local government:

'may publish the application and the material accompanying it on the website of the local government.'

Other capital cities in Australia such as the City of Melbourne make the plans available online for viewing and download.

NSW legislation actually prescribes that the plans must be made available and copies must be made available.

At the City of Perth, we are presently lagging behind in this process and this something simple we can do to make the life easier for the public interacting with our organization.

In preparing this motion, I, Cr Green, spoke with a planning officer at the City of Melbourne who said that he thought this was a very good thing to pursue from an administrative point of view as they regularly get comments from the public saying how helpful it is and it also saves on council resources as an officer doesn't need to be tied up while the public views plans and also it means the comments received from the public are coming from a more informed point of view.

Given that the City of Perth has adopted an open government policy, that the Western Australian state legislation says we may do this, and that other capital cities around Australia already do this, I commend this motion to council for approval.”

Cr Jemma Green

References:

NSW:

(a) any person may inspect the development application and any accompanying information and make extracts from or copies of them

http://www.austlii.edu.au/au/legis/nsw/consol_reg/epaar2000480/s91.html

Western Australia, The Planning and Development Regulations 2015, Section 64.5 says that the local government

'may publish the application and the material accompanying it on the website of the local government.'

https://www.planning.wa.gov.au/dop_pub_pdf/LPS_Regulations_2015.pdf

The City of Melbourne also makes planning applications available online in downloadable format:

<http://www.melbourne.vic.gov.au/building-and-development/property-information/planning-building-registers/Pages/town-planning-permits-register.aspx>

15 Urgent Business

16 Closure



**ROBERT MIANICH
DIRECTOR CORPORATE SERVICES**

9 March 2017

This meeting is open to members of the public



City of Perth

Council Chambers Seating Layout



Manger Governance
Mark Ridgwell



The Right Honourable
the Lord Mayor
Ms Lisa-M. Scaffidi



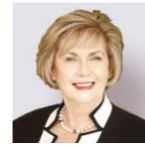
Chief
Executive Officer
Martin Mileham



Director Community and
Commercial Services
Rebecca Moore



Cr Judy McEvoy



Cr Janet Davidson
OAM JP



Personal Aide to
the Lord Mayor
Paul Anastas



Acting Director Planning
and Development
Erica Barrenger



Cr Reece Harley



Cr Jemma Green



Director Construction
and Maintenance
Paul Crosetta



Manager
Development Approvals
Margaret Smith



Cr Keith Yong



Cr Lily Chen



Director
Corporate Services
Robert Mianich



Acting Director Economic
Development and Activation
Annaliese Battista



Deputy Lord Mayor
Cr James Limnios



Cr Jim Adamos



Governance Electoral
Officer - Minutes
Cathryn Clayton

Public Gallery

INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

Welcome to this evening's Council meeting. This information is provided on matters which may affect members of the public. If you have any queries on procedural matters please contact a member of the City's staff in attendance tonight.

Question Time for the Public

- An opportunity is available at Council meetings for 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 before the meeting begins. Alternatively questions can be forwarded to the City of Perth prior to 3.00pm on the day of 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.

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 Council meeting prior to written advice on the resolution of the Council being received.

Any plans or documents contained in this agenda may be subject to copyright law provisions (*Copyright Act 1968, as amended*) and the express permission of the copyright owner(s) should be sought prior to their reproduction.

EMERGENCY GUIDE

Council House, 27 St Georges Terrace, Perth



The City of Perth values the health and safety of its employees, tenants, contractors and visitors. The guide is designed for all occupants to be aware of the emergency procedures in place to help make an evacuation of the building safe and easy.

BUILDING ALARMS

Alert Alarm and Evacuation Alarm.

ALERT ALARM

beep beep beep

All Wardens to respond.

Other staff and visitors should remain where they are.



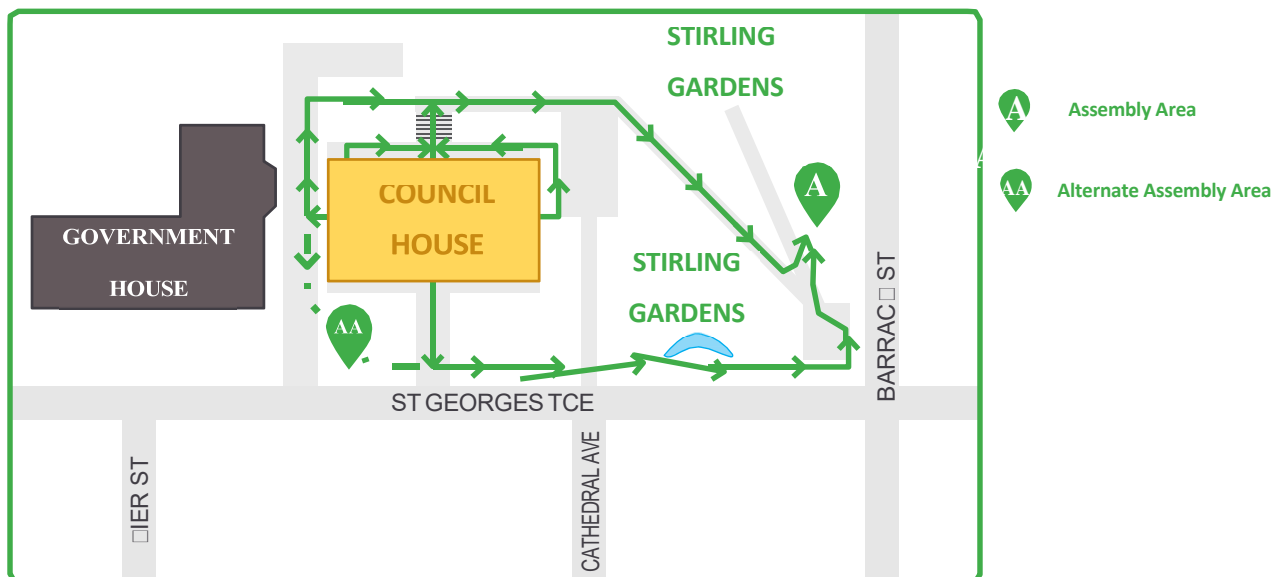
EVACUATION ALARM / PROCEDURES

whoop whoop whoop

On hearing the Evacuation Alarm or on being instructed to evacuate:

1. Move to the floor assembly area as directed by your Warden.
2. People with impaired mobility (those who cannot use the stairs unaided) should report to the Floor Warden who will arrange for their safe evacuation.
3. When instructed to evacuate leave by the emergency exits. **Do not use the lifts.**
4. Remain calm. Move quietly and calmly to the assembly area in **Stirling Gardens** as shown on the map below. Visitors must remain in the company of City of Perth staff members at all times.
5. After hours, evacuate by the nearest emergency exit. **Do not use the lifts.**

EVACUATION ASSEMBLY AREA



Agenda Item 13.1 **65, 76, 78 And 79-81 (Lots 2, 14, 15 And Y148) John Street and Adjacent Graham Farmer Freeway Road Reserve – Proposed Charles Street Bus Bridges Layover Area**

Recommendation:

That:

- 1. in accordance with the provisions of the City Planning Scheme No. 2 and the Metropolitan Region Scheme, the Council APPROVES BY AN ABSOLUTE MAJORITY the application for the Charles Street bus bridges layover area at 65, 76, 78 and 79-81 (Lots 2, 14, 15 and Y148) John Street and Adjacent Graham Farmer Freeway Road Reserve as indicated on the Metropolitan Region Scheme Form One dated 16 January 2017 and as shown on the plans received on 18 January 2017 subject to:***
 - 1.1 increased perimeter landscaping including reticulation and/or alternative fencing to appropriately screen the bus layover area from view being submitted for approval by the City prior to the commencement of construction works;***
 - 1.2 mature trees being incorporated into perimeter landscaping and non-trafficable internal areas to provide screening from above and reduce heat within the bus layover area, with a detailed landscaping plan being submitted for approval by the City prior to the commencement of construction works;***
 - 1.3 acoustic attenuation measures to minimise nuisance and impacts on adjoining properties being incorporated into the design of the bus layover area with an acoustic report and final details of attenuation being submitted for approval by the City prior to the commencement of construction works;***
 - 1.4 final details and plans of the design of the amenities building, demonstrating an improved external appearance and presentation to the street being submitted for approval by the City prior to the commencement of construction works;***
 - 1.5 final details of the location, orientation and intensity of lighting demonstrating appropriate levels of security for the bus layover area and minimising nuisance and impacts on adjoining properties, being submitted for approval by the City prior to the commencement of construction works;***

(Cont'd)

- 1.6 any changes to the operation of the bus layover area being subject to a separate approval with any upgrades required to the surrounding road network being the responsibility of the applicant;**
 - 1.7 an updated Transport Assessment including analysis and evidence and management plans for the use and operation of the bus layover area which confirms the proposed development will result in less empty buses operating through city streets to the City's satisfaction being submitted for approval by the City prior to the commencement of construction works;**
 - 1.8 the design of the adjacent James Street rotary access point from the road network to the bus layover area being finalised and approval to the City's satisfaction prior to the commencement of operation of the bus layover area;**
 - 1.9 redesign of the John Street cul-de-sac to accommodate the City's standard street sweeping vehicle including relevant modifications to the stormwater infrastructure, crossovers and parking/loading bays resulting from the redesign with final details being submitted for approval by the City prior to the commencement of construction works;**
 - 1.10 details of on-site stormwater disposal/management being to the City's specifications and submitted for approval by the City prior to the commencement of construction works; and**
 - 1.11 a construction management plan for the proposal being submitted for approval by the City prior to the commencement of construction works, detailing how it is proposed to manage:**
 - a) the delivery of materials and equipment to the site;**
 - b) the storage of materials and equipment on the site;**
 - c) the parking arrangements for the contractors and subcontractors; and**
 - d) other matters likely to impact on the surrounding properties.**
- 2. the applicant be advised of the following technical design matters which will need to be addressed to the City's satisfaction prior to the commencement of construction works:**
- 2.1 clarification in relation to asset ownership within the James Street and John Street road reserves including drainage infrastructure;**
 - 2.2 review of sight distances within James Street; and**
 - 2.3 detailed directional road signage layout to be provided.**

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	2017/5013
SUBURB/LOCATION:	65, 76, 78 and 79-81 John Street, Northbridge
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	27 February 2017
ATTACHMENT/S:	Attachment 13.1A – Location Plan
LANDOWNER:	Commissioner of Main Roads
APPLICANT:	Main Roads WA
ZONING:	(MRS Zone/Reserve) Central City Area and Primary Regional Roads (City Planning Scheme Precinct) Northbridge (P1) (City Planning Scheme Use Area) City Centre
APPROXIMATE COST:	\$400,000

Legislation / Strategic Plan / Policy:

Legislation

Planning and Development Act 2005
Planning and Development (Local Planning Scheme) Regulations 2015
 Metropolitan Region Scheme
 City Planning Scheme No. 2

Policy

Policy No and Name: 2.2 – Public Notification/Advertising Procedure
 4.1 – City Development Design Guidelines

Purpose and Background:

On 15 December 2015, Main Roads Western Australia (MRWA) and the Public Transport Authority (PTA) attended a briefing session with Councillors and City staff in relation to the State Government's Charles Street Bus Bridge Project. Subsequent to the briefing, Council at its meeting held **16 February 2016** considered implications related to City land and assets as a result of the project. It was noted that the Project involves the construction of a new bus link bridge and associated bus priority measures to enable buses from Perth's northern and north-western suburbs to avoid congested roads and four sets of traffic signals in Northbridge. Council ultimately resolved to approve funding for modifications and improvements to the City's transport network to accommodate the Project.

At the time of Council's consideration the scope and deliverables of the Project were as follows:

- a dedicated busway including an approximately 110 metre bus bridge over the Graham Farmer Freeway to connect Charles Street to the existing James Street bus bridge;

- a new Mitchell Freeway off-ramp onto Roe Street, to replace the existing Mitchell Freeway James Street off ramp, inclusive of a new signalised intersection on Roe Street;
- an additional east bound through lane on Roe Street at the Roe Street/Fitzgerald Street intersection;
- a new signalised roundabout/turnaround at the west end of James Street to replace the existing turnaround;
- a new 20 - 25 bay bus layover area with entrances via James Street and John Street;
- an additional right turn pocket on the Charles Street freeway exit ramp;
- approx. 500m of bus lanes on Charles Street;
- reconfiguration of Charles/Carr Street intersection to provide bus priority;
- a shared path on the southern side of Roe Street;
- minor intersection improvements to the Newcastle/Cleaver Street intersection to allow bus only access to Cleaver Street; and
- replacement of pump station at Hamilton Lake, inclusive of remote monitoring and control system and improved access.

Details:

The subject application proposes the development of a short-term bus parking facility referred to as a busy layover area in the above scope of works. The proposal specifically includes the:

- demolition of all buildings and structures located at 65 and 76 John Street, Northbridge;
- establishment of an at grade bus parking area approximately 7000m² in area constructed of sealed and drained bitumen to accommodate 40 bus parking/holding bays and five car parking bays;
- construction of an amenities building for staff associated with the layover area; and
- installation of perimeter open style 'palisade' fencing and landscaping on the northern and southern extents of the project area.

The applicant has provided the following explanation with regards to how the layover area is proposed to function:

- buses will enter the layover area, travel in an anticlockwise manner around the site before parking on a layover bay in a south facing position;
- most buses will enter via the James Street gate on the south side of the layover however up to 30 buses will enter from John Street gate each day with all buses exiting via the James Street Gate and none via John Street;
- five car parking bays are provided for Public Transport Authority (PTA) vehicles (or their contractors) use only, when attending to Transperth operational business within the layover area;
- speed will be restricted to 15 kilometres per hour;
- in accordance with Transperth policy, buses will only be allowed to idle for up to three minutes.

The applicant advises the operational benefits of the layover include:

- *'reduction in out-of-service trips by buses having to leave and then return to the Busport via already congested city streets;*

- *allows buses to dwell close to the Busport due to variations in bus arrival times compared to the bus schedule;*
- *less traffic in and out of the city and fewer kilometres travelled leading to lower carbon emissions;*
- *allows bus drivers to take necessary toilet and rest breaks between trips;*
- *allows for pre-staging of out-of-service buses in advance of their scheduled departure times; and*
- *allows additional operational flexibility for Special Event and Rail Replacement services.'*

It is noted that the proposal now consists of 41 parking bays in lieu of the 20-25 bays originally forming part of the Project which has resulted in a greater development footprint being required.

Compliance with Planning Scheme:

Land Use

The majority of the subject area is reserved for 'Primary Regional Roads' purposes under the Metropolitan Region Scheme (MRS) which is administered by the Western Australian Planning Commission (WAPC). Works within an MRS reserve ordinarily require determination by the WAPC upon the advice of affected authorities including local government. The WAPC however has delegated approval powers to the relevant local government for development on land which is within or abutting an MRS regional road reserve via Part 3 of the 'Instrument of Delegation Del 2011/02 Powers of Local Governments'. As such, Council is the determining authority in relation to the proposed works.

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

The proposed development does not readily fall within any of the Use Groups contained within CPS2. As such the proposal is required to be considered in the context of the current and future amenity of the locality, the Precinct Statement of Intent, and Clause 43(4) of CPS2. Specifically, Clause 46 of CPS2 outlines the process of determination of an application for an unlisted use as follows:

- "(1) Subject to subclause (2), the Council may refuse or approve an application which involves an unlisted use.*
- (2) The Council cannot grant planning approval for a development which involves an unlisted use unless -*
- (a) the advertising procedure set out in clause 41 has been followed; and*
 - (b) it is satisfied, by an absolute majority, that the proposed development is consistent with the matters listed in clause 43(4)."*

Development Requirements

The Northbridge Precinct (P1) does not contain any specific criteria or requirements in relation to development of public transport related infrastructure. However the City's City Development Design Guidelines Policy (4.1) prescribes the following with regards to at grade car parking areas, of which the proposal has similar characteristics, within the city:

"5.3.2(c) At-grade parking areas which are not enclosed should be screened from external views by landscaping and incorporate trees to provide shade, improve amenity and assist in visual screening from above. The car park should include appropriate lighting with no lighting directly spilling beyond the car park."

Comments:

Consultation

In accordance with clauses 41 and 46 of CPS2, the proposal was advertised to the owners of surrounding properties for a period of 14 days, closing on 9 February 2017. These included the owners at:

- 1, 3, 5, 13, 31, 59 and 61 Fitzgerald Street, Northbridge;
- 55-59, 60, 63, 65, 76, 78 and 79-81 John Street, Northbridge; and
- 269, 264-274, 275-287, 276, 280, 294 and 295 James Street, Northbridge.

Two submissions raising objections to the proposal were received during the advertising period. The comments received from the adjacent property owners and City Officers responses to the matters raised are outlined below:

Owners of 269 James Street

'The concern we have is the traffic build up on the James Street side of the traffic lights. Currently it is near impossible to enter the building when coming of the Graham Farmer exit due to the busses lining up in the bus lane during peak times. Our garage entrance obviously being on the James Street side.

There is currently a hatched out "Keep Clear" area in that bus lane but the drivers completely disregard this. But even if they did respect the "Keep Clear" section of their lane it doesn't actually span long enough that we can use it safely for our building.

We request clarification on whether the plan proposes the layover sites sole entry and exit point feed of James Street? And if so are there measures in place that will allow us to access our building safely with this increased flow of busses?'

Noted, John Street is also proposed as an entry point to the layover area however James Street will be the sole point of exit. The applicant has advised that the layover facility has been designed for buses to travel between the new city Busport and the Charles Street busway via the layover using purpose built roads and ramps which will ultimately lead to a reduction in the frequency of buses traveling along the section of James Street located in front of the subject building and driveway.

Owners of 60 John Street

'Our objections are based on the following-

- *Noise , Pollution and Loss of amenity -*
 - *Despite assurances from MRWA that they would install a 3 metre high acoustic panel and post system on our boundary, this has not included been in the plans lodged with the City Of Perth.*

Noted however the plans provided as part of the development application do show the proposed installation of a three metre high screen wall abutting properties on the north east boundary of the project area. It is noted that there are limited details in terms of its design and additional plans will be required prior to the commencement of construction in this regard.

- *They are proposing 30 buses per day will be using John Street and driving past our building and offices. We wish to express concern that this number will increase as the need for public transport increases.*

Supported, any approval for the facility will be based on the transport assessment and management measures included as part of the application. Any proposed intensification will be need to be considered by the City in terms of any potential impacts on the road network and surrounding properties.

- *We own a Heritage Listed building and we do not wish to see this deteriorate due the pollution this additional traffic will cause.*

Noted however the proposed increase in traffic is not anticipated to generate substantial increases in emissions which could pose additional risk to surrounding buildings. Projected vehicle movements are consistent with the type and function of road classification applicable to John Street.

- *We note on the plan that John Street is to be resurfaced. We have not been informed of this, what the surface may be or the potential impact on our staff and Sisters.*

Noted however any resurfacing works will need to adhere to the City's design and construction requirements and it is the City's expectation that any works be undertaken in a manner which minimises impacts on adjoining properties. This is consistent with all maintenance and upgrading works within City managed road reserves. Appropriate traffic and construction management plans will b required to be submitted to and approved by the City prior to works commencing onsite with appropriate complaint procedures in place.

- *Loss of Parking*

Five parking bays are to be removed. We note the loading bay is to be retained with a 'buses excepted' sign. We wish to express concern that this will become a pseudo bus parking bay. We also have concerns that the bus drivers will need to park their cars somewhere, and that John Street will suffer further congestion.

Noted, whilst an increase in vehicle movements is forecast for John Street, as outlined above this are not projected to exceed what is considered manageable levels for the role and function of John Street. The intent of the layover area is for buses already in operation with drivers already within buses and not starting or finishing shifts therefore an increase in street parking demand is not likely to occur as a result of the project.

- *Impact on our ingress and egress; and safety*

We have many elderly sisters of Mercy visiting this site. We wish to express concern for their safety. Our entrance is located close to the end of John Street. Clear access to our site is essential particularly if we wish to develop this site in the further. The state government has a caveat on our building dictating its use. This has ramifications for our master planning for this site.

Noted. The applicant has advised that *'the design and traffic analysis on John Street , as with the remainder of the project has been undertaken by appropriate road, structure and traffic management designers. The design has been verified by Main Roads and a third party certified design verification process to Australian Standards. The net effect of the site located at the Fitzgerald St end of John St is expected to be positive as approximately 1000 buses per day are to be removed from Fitzgerald St.'*

Should the operation of the facility result in adverse impacts in relation to the affected property, it is the City's expectation that the applicant undertakes the necessary steps to address and resolve the matters accordingly, in consultation with the City and affected parties.

- *Lack of Consultation and Timeliness of response*

We had one meeting with MRWA staff and two or three emails since then which have not resolved the issue or provided further clarification on the matters raised.

Noted. Whilst not directly related to the development application process or the City's separate advertising process, consultation is a key aspect of a project of this scale and the applicant is encouraged to liaise with affected landowners in an ongoing manner.

Transport Considerations

A Transport Assessment was submitted in support of the application. City Officers, having reviewed the Assessment, consider that it contains limited information and typically provides only high level qualitative analysis. As such it is difficult for City Officers to ascertain what impact the proposal will have on the existing transport network. The flow on effect being it will be difficult to undertake a meaningful review post construction, whether the facility is being used for its stated purpose.

One potential outcome of the proposal is that, despite any improvements or reductions in traffic congestion, the City will continue to have a role as a terminus for bus services. The City has developed a Transport Strategy that aims to discourage this use. In this regard the City has previously sought from the PTA a bus strategy specific for the city. It is understood that this is currently under development however it has not been finalised and any implications are unable to be considered as part of the subject application which is not ideal.

Whilst the proposal does not generally align with the City's Strategy, the City can support the proposal subject to appropriate evidence being provided which confirms it will result in less empty buses operating through city streets. As this information has not been provided, there is some risk that this type of facility will see increased volumes of empty buses, particularly through key areas of the CBD. It is therefore recommended that the above be included as a condition of any approval.

It is also noted that the facility is dependent on the separate approval of the design of the adjacent James Street rotary which is the access point from the road network to the bus layover area. The functionality of the layover will be severely compromised without the finalisation of the associated rotary infrastructure. It is therefore recommended that any approval be subject to the commencement of operation of the facility not occur until such time as the James Street rotary has been approved and constructed.

Land Use and Development Requirements

As outlined previously, there is no specific guidance within CPS2 or the MRS in relation to the appropriateness or design of the subject development. With regards to the proposed use, given the subject area is predominantly located within a MRS reserve for Primary Regional Roads, it is considered that the proposed use for public transport related purposes is generally consistent with the intent of the planning framework applicable to the site.

Within the city, at grade and open-air car parking areas are generally not supported given the negative impact they have on surrounding properties and streetscape. Such developments are recommended to be appropriately screened and landscaped in order to provide an acceptable level of amenity. In this regard, it is noted that only minimal landscaping with predominantly open style fencing is proposed as part of the development which is not considered to provide appropriate levels of screening and acoustic attenuation for the majority of surrounding properties. It is noted however that the design includes a three metre high screen wall on the north east boundary of the project area which will provide some benefit for adjoining properties in terms of acoustic attenuation. In addition the amenities building does not appear to be consistent with the design level of buildings required in the locality particularly given the lack of details included with regards to its design and external appearance.

It is therefore recommended that any approval incorporate conditions requiring further details and plans relating to:

- increased perimeter landscaping and/or alternative fencing to appropriately screen the parking area from view;
- tree planting to add to screening and reduce effects of heat loading;
- lighting and acoustic attenuation measures to minimise nuisance and impacts on adjoining properties; and
- additional details and plans of the design of the amenities building with its external appearance aligning with the requirements of CPS2,

to be submitted and approved by the City prior to the commencement of construction.

Technical Design Considerations

With regards to the technical design aspects of the facility and related works within the adjacent street network, City Officers have identified the following matters which require resolution prior to the commencement of construction:

- clarification in relation to asset ownership within the James Street and John Street road reserves including drainage infrastructure;
- redesign of the John Street culs-de-sac to accommodate the City's standard street sweeping vehicle including relevant modifications to the stormwater infrastructure, crossovers and parking/loading bays resulting from the redesign;
- sight distances within in James Street appear insufficient and require further review;
- directional road signage layout to be submitted; and
- stormwater drainage strategy report to be provided with appropriate drainage calculations and provision to retain stormwater.

It is recommended that appropriate conditions and advice relating to the above be included in any approval.

Conclusion

The ultimate aim of the proposed bus layover facility is to reduce 'out-of-service' trips by buses leaving and returning to the Busport via already congested city streets. This aim is supported however further analysis and evidence is required in order for the City to confirm the proposal will not be contrary to its Transport Strategy which discourages use of the City as a terminus for bus services. In addition, there are a number of design matters which have been identified and need to be addressed as outlined in this report. It is recommended that any approval be subject to the above requirements.



2017/5013 – 65, 76, 78 AND 79-81 (LOTS 2, 14, 15 AND Y148) JOHN STREET AND ADJACENT GRAHAM FARMER FREEWAY ROAD RESERVE, NORTHBRIDGE

Agenda Item 13.2 **93-101 (Lot 123) Milligan Street, Northbridge - Reconsideration of Conditions for Approved Telecommunications Tower and Associated Infrastructure ('Unlisted Use') for 'Vodafone'**

Recommendation:

That:

1. ***in accordance with Clause 77 of Schedule 2 – Deemed Provisions for Local Planning Schemes of the Planning and Development (Local Planning Scheme) Regulations 2015 and as detailed on the written request dated 13 February 2017, Council reconsiders its decision of 13 December 2016 relating to conditional approval for a telecommunications tower and associated infrastructure ('Unlisted Use') for 'Vodafone' at 93-101 (Lot 123) Milligan Street, Northbridge, and resolves to AMEND THE APPROVAL BY:***
 - 1.1 ***deleting Conditions 1 and 2; and***
 - 1.2 ***replacing Condition 3 with the following:***

“final details of the design, materials, colours and finishes of the telecommunications tower and screening element being submitted by the applicant to the City for approval prior to applying for a building permit”;
2. ***the applicant be advised that:***
 - 2.1 ***all other conditions, with the exception of conditions 1, 2 and 3, and requirements as detailed on the previous approval dated 20 December 2016 shall remain; and***
 - 2.2 ***they will be required to enter into an appropriate lease agreement with the City in relation to the use and development of the subject site and that this development approval should not be construed as approval to enter into a lease.***

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE: 2016/5405
 SUBURB/LOCATION: 93-101 Milligan Street, Northbridge
 REPORTING UNIT: Development Approvals
 RESPONSIBLE DIRECTORATE: Planning and Development
 DATE: 27 February 2017
 ATTACHMENT/S: Attachment 13.2A – Location Plan
 Attachment 13.2B – Amended Development Plans
 LANDOWNER: City of Perth Parking Fund
 APPLICANT: Planning Solutions Pty Ltd
 ZONING: (MRS Zone) Central City Area
 (City Planning Scheme Precinct) Northbridge (P1)
 (City Planning Scheme Use Area) City Centre
 APPROXIMATE COST: \$180,000

Legislation / Strategic Plan / Policy:

Legislation

Planning and Development Act 2005
Planning and Development (Local Planning Scheme)
Regulations 2015
 City Planning Scheme No. 2

Policy

Policy No and Name: State Planning Policy No. 5.2 – Telecommunications Infrastructure
 4.1 – City Development Design Guidelines

Purpose and Background:

At its meeting held **13 December 2016**, Council considered an application for the construction of a telecommunications tower and related infrastructure at the subject site and resolved to approve the development subject to:

- “1. *the approval being limited to a maximum period of 10 years from the date of the issue of approval, with the telecommunications structure and all associated servicing infrastructure being removed from the site and the site made good, at the applicant’s cost, to the satisfaction of the City within 28 days of removal or in the event of the site being redeveloped within the specified 10 year timeframe, any retention or adaptation of the telecommunications infrastructure within a future development being subject to a separate application;*
2. *the applicant entering into an appropriate lease agreement with the City in relation to the use of the subject site and agreeing to indemnify the City against any claims relating to adverse impacts from emissions from the telecommunications tower, with all arrangements being finalised to the City’s satisfaction prior to applying for a building permit including a condition that any retention or adaptation of the telecommunications infrastructure within a future development being undertaken at the applicant’s cost;*
3. *final details of the design and materials, colours and finishes of the development, including an alternative and appropriate method of screening which minimises the*

facility's visual impact, being submitted by the applicant to the City for approval prior to applying for a building permit;

4. *the relocation of the underground fibre cabling from its current proposed north/south alignment adjacent to the western boundary to an east/west alignment along the southern boundary to the satisfaction of the City; and*
5. *the existing trees and shrubs proposed to be removed as part of the installation being relocated and/or replaced to an appropriate alternative location within the site to the satisfaction of the City."*

Details:

The applicant has submitted a request to the City to remove Conditions 1 and 2 of the abovementioned approval in accordance with Clause 77 of Schedule 2 – Deemed provisions for local planning schemes of the Planning and Development (Local Planning Scheme) Regulations 2015. In addition, the applicant seeks confirmation that the requirements of Condition 3 have been satisfied by the revised plans submitted for approval in conjunction with the reconsideration request.

The removal of the conditions is based on the applicant's assertion that they are not considered to be planning related matters and can be more appropriately addressed in the future tenure and leasing arrangements to be negotiated with the City. With regards to Condition 1 it is the applicant's intention that matters of maximum lease period, potential site re-development within the lease period, and timetable for removal of facilities at the end of the lease period or earlier re-development of the site, be negotiated at that time.

In relation to Condition 2, the applicant has advised that Vodafone, as the future operator of the infrastructure, requests removal of the indemnity provision proposed, however is agreeable to a replacement clause being negotiated as part of lease arrangements, and provides the following suggested clause for consideration as part of any lease in due course:

"The Lessee must operate the Premises lawfully and in a safe manner in accordance with such standards as are adopted by the Australian Communications Media Authority from time to time concerning safe electronic emission levels from facilities of a nature of the Lessee's equipment. The Lessee will provide to the Lessor an electromagnetic emissions report following installation of the Lessor's equipment demonstrating compliance with all such standards."

In order to address the requirements of Condition 3, the applicant has submitted an alternative monopole design for the tower, with antennas mounted on a small circular headframe, with ground level infrastructure contained within a Colorbond fenced compound. This is in contrast to the original structure which included a triangular telecommunications structure containing six panel antennas mounted on a triangular head frame within a shrouded triangular façade.

In addition to the above, the applicant has also separately submitted an application for review to the State Administrative Tribunal (SAT). The request for review relates to the same conditions as outlined above. A mediation meeting between relevant parties has been scheduled by the SAT to be held on 27 March 2017. It is the applicant's preference in this case for the matter to be considered by Council and should the review be received favourably, the SAT application for review be vacated.

Comments:

Conditions 1 and 2, limiting the time frame for the approval to 10 years and requiring the applicant to enter into a lease with the City and to indemnify the City against any claims relating to adverse impacts from emissions from the telecommunications tower, were imposed on the approval in recognition of the site having a high level of strategic and economic importance for the City. It was considered that the installation of above and subsurface infrastructure would likely add encumbrances on the land and reduce its development potential if and when the City decided to either offer the site for sale or undertake a proposed development. For these reasons the conditions were imposed to limit the period of approval and require removal and/or adaptation of the infrastructure as part of any future development of the site. These factors are still relevant to the site and the proposed development however the future outcomes are not necessarily bound only by the development approval and relevant planning legislation.

It is noted that the conditions were included on the approval as negotiations with the City in relation to the leasing of the subject parcel of land had not commenced in detail and it was considered appropriate at the time to outline and protect the City's interests via the planning conditions in lieu of any separate lease arrangement. Similar to other developments on City owned and controlled land, matters relating to tenure and period of occupation are included as part of lease arrangements which are ultimately considered and determined by Council.

The SAT considers that it is an important consideration for a planning approval to offer confidence, certainty and continuity to the recipient of the approval. In this respect, a temporary approval represents a substantial uncertainty which will limit tenure and compromise commercial viability. Planning case law has established that time-limited consents are generally only appropriate where there is likely to be some change in the planning framework or in the character of a locality or where there are management issues that are appropriate to monitor after a certain period of time. It would therefore, be considered an onerous requirement to retain Condition 1 in this case.

SAT has also determined that it is not usual planning practice that an indemnity be included with a properly conditioned planning approval. In *Telstra Corporation Limited and Shire of Murray* [2009] WASAT 117, a case involving an application for a mobile phone tower, the Tribunal held that "... it is disingenuous to demand a guarantee of no adverse health impact when all the currently available expert material in this field suggests that the issue simply does not arise on the basis of present knowledge and research". Therefore, if Condition 2 was to be retained, incorporating the requirement for indemnity against any claims relating to adverse impacts from emissions from the telecommunications tower, it is likely that SAT would find in the applicant's favour and have this requirement removed.

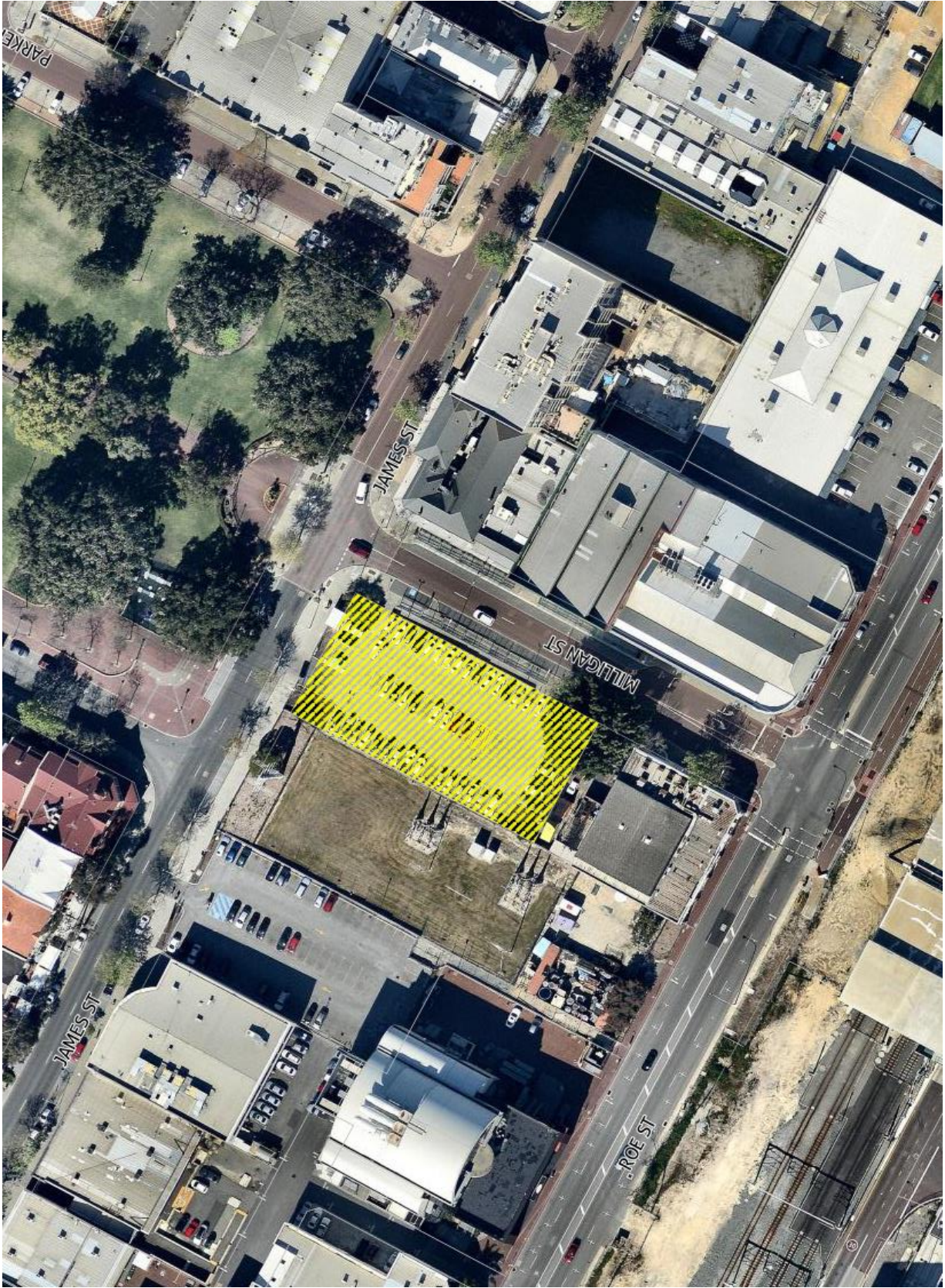
It is further noted that the applicant could not erect the approved telecommunications tower and related infrastructure without first entering into a lease with the City and as this is a requirement under other legislation, it need not be covered by a condition of development approval. It could, however, remain as an advice note to the applicant so that it is clear that the development approval does not constitute approval to enter into a lease.

It is therefore considered acceptable in this case that Conditions 1 and 2 be removed from the approval given the matters are more closely aligned to the property leasing process rather than the development approval phase. Support is also based on the likelihood of the SAT review process resulting in a similar outcome with additional costs both in legal representation and staff time being incurred by the City.

In relation to the revised plans that have been submitted to address the requirements of Condition 3, it is considered that the amended design does not represent an improvement on the original proposal. The amended design, whilst providing a more discrete alternative than the original proposal, is considered to align more closely to a standard suburban design response than what would be expected in an urban environment. In this regard, rather than provide its 'clearance' of Condition 3, it is recommended that Council amend the wording of the condition to provide greater clarity and certainty for the applicant with final details to be provided at the building permit stage.

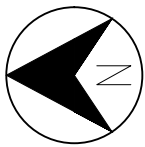
Conclusion

The City considers that the objectives and intent of the original conditions imposed on the approval of the telecommunications infrastructure will not be compromised should they be removed from the relevant development approval in accordance with the Applicant's request. Matters relating to future redevelopment of the site and indemnity against adverse impacts can be managed and the City's interests protected via any future leasing arrangements. On this basis it is recommended that the removal of Conditions 1 and 2 be supported and Condition 3 be reworded to provide greater clarity and certainty for the applicant.

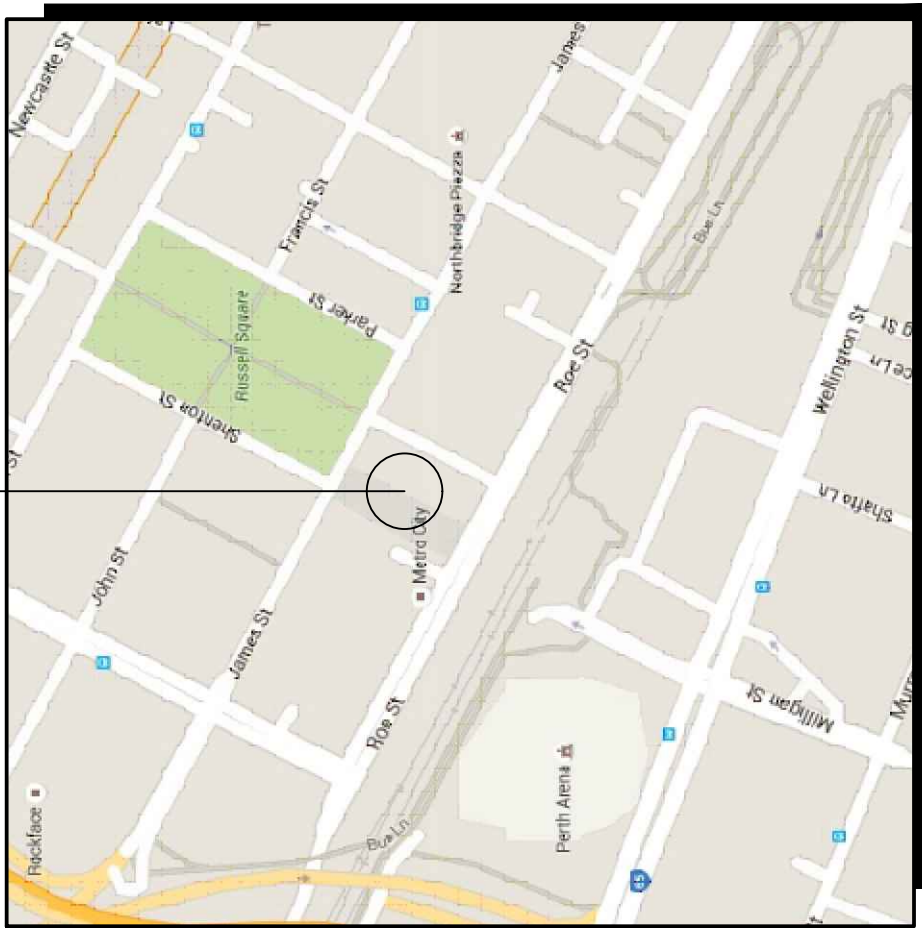


93-101 (LOTS 123) MILLIGAN STREET, NORTHBRIDGE

A3



VODAFONE SITE 640044

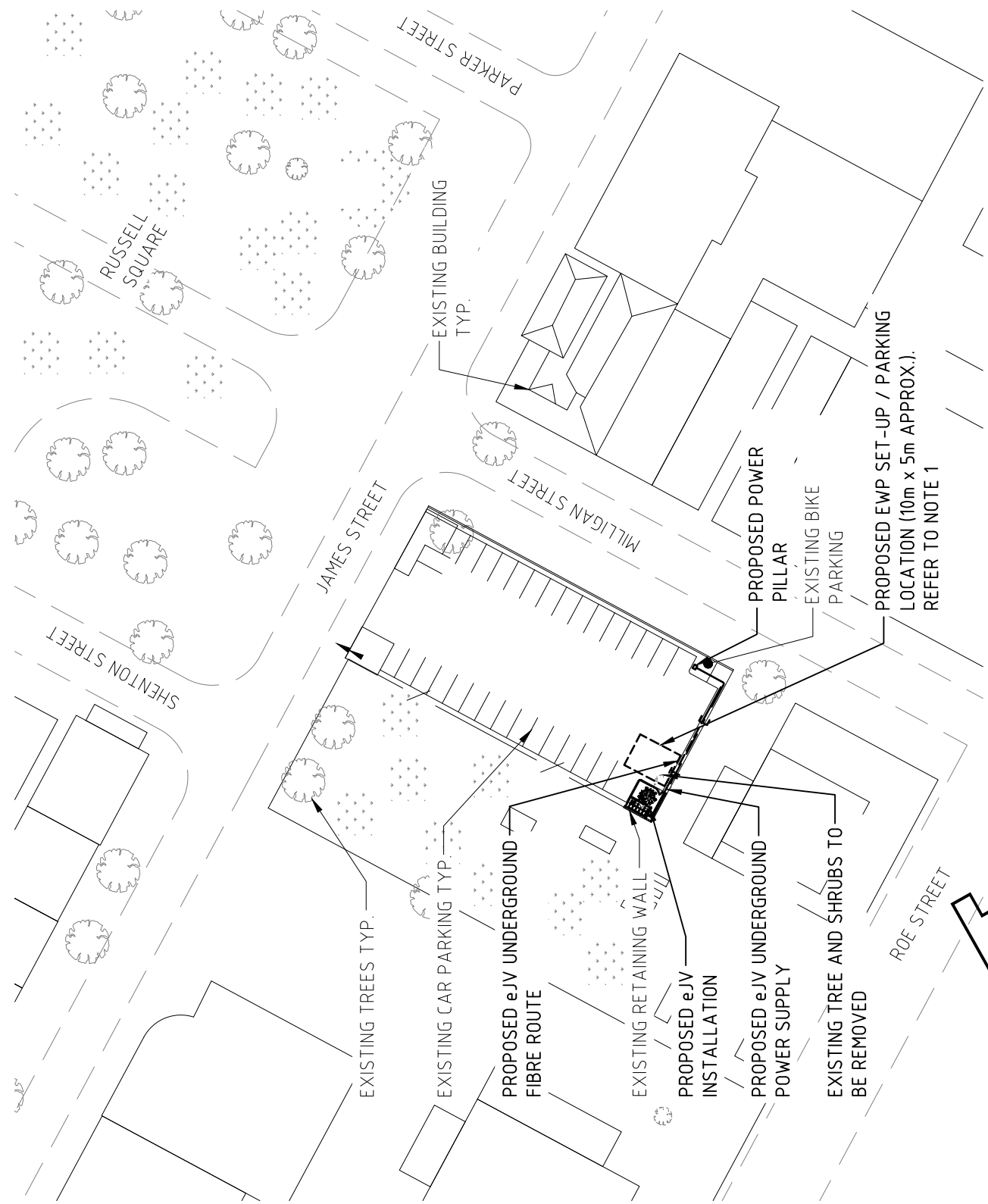


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SITE LOCALITY PLAN

NOT TO SCALE

RFNSA NUMBER: 6003011	
CARRIER	SITE NAME
OPTUS	NORTHBRIDGE CENTRAL -V
VODAFONE	NORTHBRIDGE CENTRAL
	SITE ID
	P8374
	640044



SITE ACCESS

SCALE 1:1000

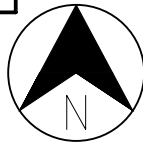
DRAFT

NOTES:

1. EWP/CRANE FOR CONSTRUCTION ONLY, CONSTRUCTION CONTRACTOR TO CONFIRM SUITABILITY OF NEW EWP SET-UP / PARKING LOCATION ON SITE PRIOR TO WORK COMMENCING.

JOINT VENTURE NO: JP9457	
TITLE: SITE AND LOCALITY PLANS	
eJV PROJECT	
VODAFONE SITE 640044 NORTHBRIDGE CENTRAL 93 MILLIGAN STREET NORTHBRIDGE, WA 6003	
servicestream MOBILE COMMUNICATIONS 40 Hasler Road, Osborne Park WA 6017 T +61 8 9355 7500 IF +61 8 9355 5100 www.servicestream.com.au	
REVISION	REVISION DESCRIPTION
A	PRELIMINARY ISSUE (eJV PROJECT)
10/08/16	DATE
APPR	APPR
DESIGNED	DESIGNED
DRAWN	DRAWN
KD	KD
AG	AG
ST	ST
DRAWING STATUS: PRELIMINARY	
DRAWING No: 640044 - G1	
REV: A	

A3



DATUM POINT	GDA94 CO-ORDINATES		GROUND LEVEL
●	LATITUDE	-31.947408	A.H.D. RL. 12.60m EL 0.00m
	LONGITUDE	115.854228	

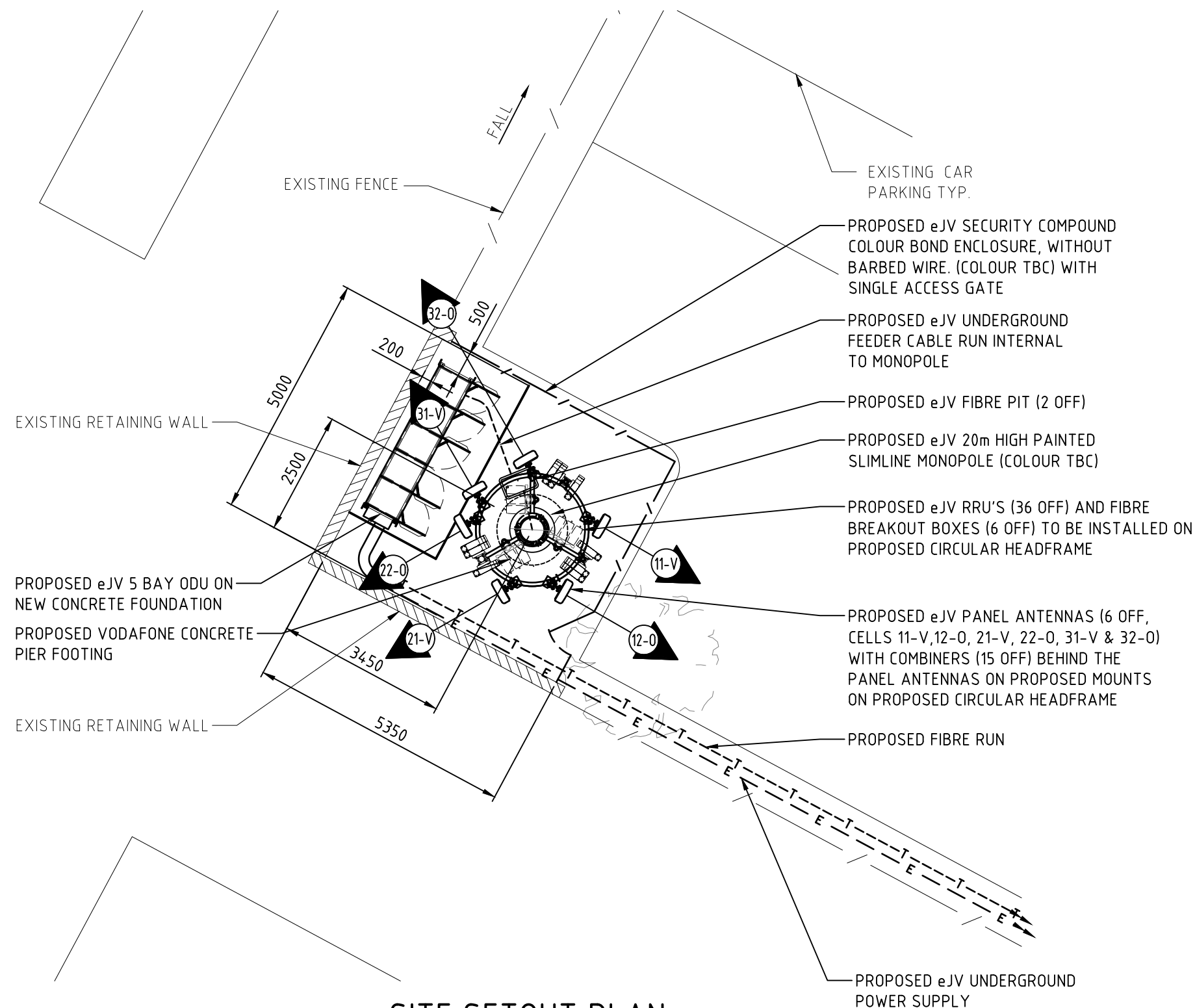
LEGEND:



- T-----T-----T----- UNDERGROUND POWER SUPPLY
- E-----E----- UNDERGROUND FIBRE ROUTE

NOTES:

1. ALL DIMENSIONS IN mm UNLESS STATED OTHERWISE.
2. FOR ANTENNA CONFIGURATION TABLES REFER DRAWING 640044-G4.



SITE SETOUT PLAN

SCALE 1:100

DRAFT

REV	DATE	REVISION DESCRIPTION	VENDOR	DRAWN	DESIGNED	APPROD
A	10.08.16	PRELIMINARY ISSUE (eJV PROJECT)	SSMC	KD	AG	ST

servicestream
MOBILE COMMUNICATIONS
40 Hasler Road, Osborne Park WA 6017
T +61 8 9355 7500 | F +61 8 9355 5100 | www.servicestream.com.au

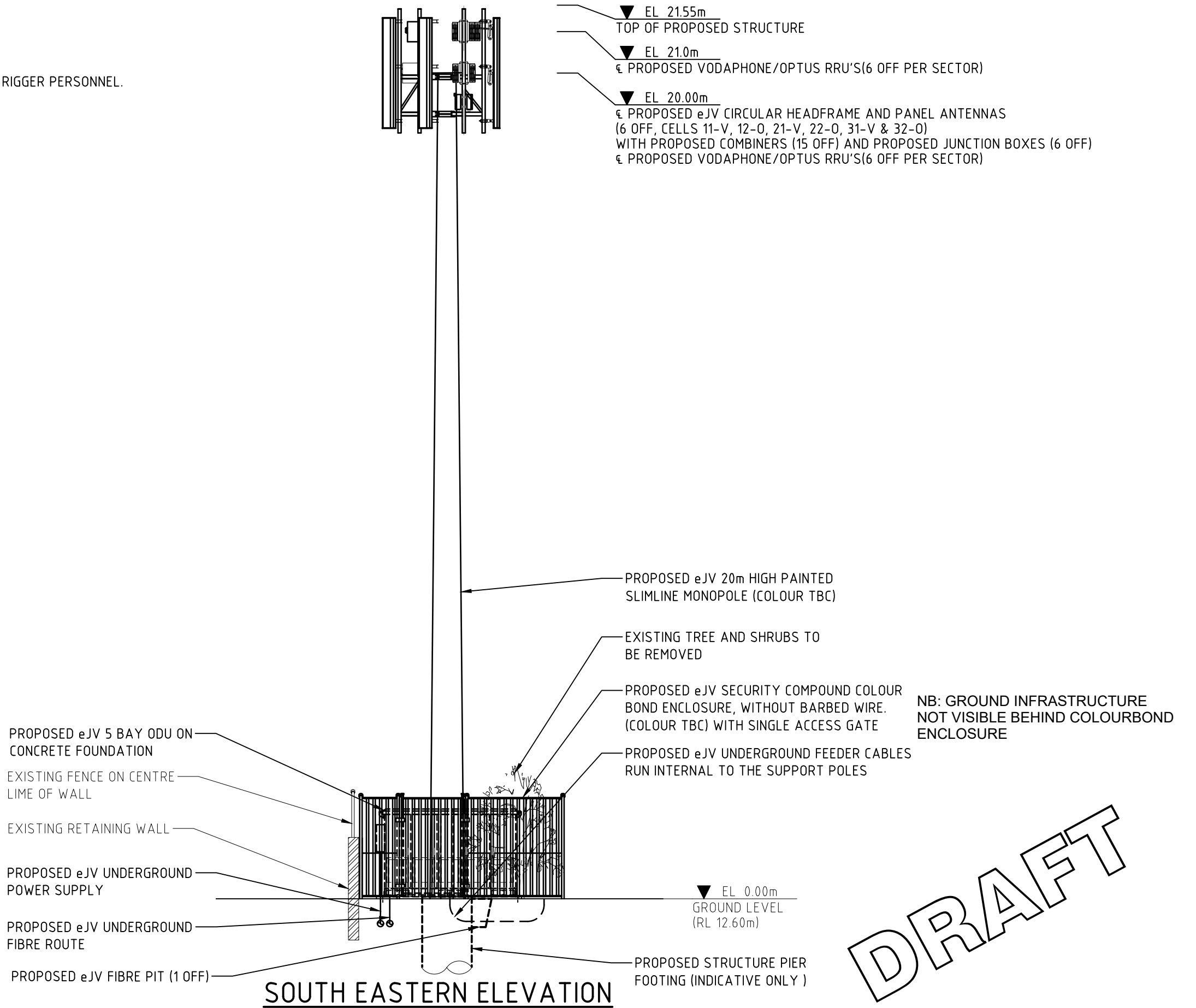
vodafone
VODAFONE SITE 640044
NORTHBRIDGE CENTRAL
93 MILLIGAN STREET
NORTHBRIDGE, WA 6003

eJV PROJECT

JOINT VENTURE NO:		JP9457
TITLE SITE SETOUT PLAN		
DRAWING STATUS	DRAWING No.	REV
PRELIMINARY	640044 - G2	A

NOTES:

1. ANTENNA ACCESS VIA NEW STRUCTURE EWP BY QUALIFIED RIGGER PERSONNEL.



DRAFT

A		10.08.16	PRELIMINARY ISSUE (eJV PROJECT)	SSMC	KD	AG	ST	 <p>40 Hasler Road, Osborne Park WA 6017 T +61 8 9355 7500 F +61 8 9355 5100 www.servicestream.com.au</p>	 <p>VODAFONE SITE 640044 NORTHBRIDGE CENTRAL 93 MILLIGAN STREET NORTHBRIDGE, WA 6003</p>	eJV PROJECT	JOINT VENTURE NO: JP9457	
REV		DATE	REVISION DESCRIPTION	VENDOR	DRAWN	DESIGNED	APPROD				TITLE: SITE ELEVATION	

Agenda Item 13.3 **379 (Lot 31) Wellington Street, Perth – Proposed Third Party Variable Content Wall Sign**

Recommendation:

*That, in accordance with the provisions of the City Planning Scheme No. 2 and the Metropolitan Region Scheme, Council **REFUSES** the application for the proposed third party variable content sign at 379 (Lot 31) Wellington Street, Perth as indicated on the Metropolitan Region Scheme Form One dated 8 November 2016 and as shown on the plans received on 21 December 2016 for the following reasons:*

- 1. the proposed sign does not comply with City Planning Scheme No. 2 Policy 4.6 Signs given that:**
 - 1.1 ‘variable content’ signs shall only be considered for approval where they face or are in a public space where the viewing area is designed and intended for pedestrians to linger for an extended period of time, oriented for viewing within the public space and not from adjacent streets;**
 - 1.2 the ‘variable content’ sign will detrimentally impact on local amenity, the streetscape and the adjacent Barrack Street Conservation Area;**
 - 1.3 the ‘variable content’ sign is considered to be inappropriately located as it is intended to be viewed by passing motorists and pedestrians entering an intersection, where it could create a safety hazard; and**
 - 1.4 the ‘variable content’ sign will result in increased visual clutter on the building and within the streetscape as a result of frequently changing imagery associated with the sign.**

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	2016/5553
SUBURB/LOCATION:	379 Wellington Street, Perth
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	27 February 2017
ATTACHMENT/S:	Attachment 13.3A – Location Plan Attachment 13.3B – Perspectives
LANDOWNER:	Central City Pty Ltd
APPLICANT:	Urbis Pty Ltd

ZONING: (MRS Zone) Central City Area
 (City Planning Scheme Precinct) Citiplace (P5)
 (City Planning Scheme Use Area) City Centre

APPROXIMATE COST: \$700,000

Legislation / Strategic Plan / Policy:

Legislation

Planning and Development Act 2005
Planning and Development (Local Planning Scheme)
Regulations 2015
 City Planning Scheme No. 2

Policy

Policy No and Name: 4.6 - Signs

Purpose and Background:

The subject site is located on the southern side of Wellington Street and is approximately 25 metres east of the Wellington Street and Barrack Street intersection. The site is currently occupied by the 'Akara Hotel' (formerly known as the Grand Central Backpackers).

At its meeting held **24 September 2002**, Council granted conditional approval for the erection of a structure to facilitate the display of large format banner signs on the western elevation of the existing building on the subject site. The approval was conditional on signs being installed for a maximum period of six months and any content changes requiring separate approval from the City.

In 2015, the subject sign was identified by the City as not complying with all of the conditions of approval. An application was subsequently submitted seeking to remove the conditions imposed on the original approval relating to the time limitations and changes to advertising content requiring approvals from the City. This was on the basis that the change of content and maintenance of the sign could be managed through the relevant guidelines and codes of conduct. This application was conditionally approved by Council at its meeting held **13 October 2015**.

The City recently issued on 23 February 2017 retrospective conditional approval for eight signs on the subject building including four awning fascia signs, two wall signs and two window signs for the 'Akara Hotel'. The approval included the requirement for an overall consolidation and reduction of the existing unauthorised signage to comply with the City's Signs Policy 4.6.

Related to the subject site and application, it is noted that at its meeting held **22 September 2015**, Council refused an application for a variable content above roof sign with third party advertising content at the adjacent property at 146-152 Barrack Street, Perth. That application is currently the subject of a review by the State Administrative Tribunal (SAT) however a decision is still pending.

Details:

The application proposes to convert the existing static large banner third party advertising sign into a digital format sign. The proposed sign is proposed to be of the same dimensions

and located in the same position as the existing static sign. The applicant advises intent of the conversion is to provide for additional visual interest and enhance the vibrancy of the area, consistent with that expected of a CBD environment.

The proposed sign comprises of the following key elements:

- digital screen measuring 5.3 metres (W) x 8.0 metres (H) totalling 42.4m² in area;
- illumination levels of 300cd/m² at night and 6,000 cd/m² during day;
- variable content with a proposed dwell time of not less than 25 seconds; and
- two support posts will be painted to match the wall of the existing building.

The applicant advises the future operator ('APN Outdoor') will manage the content of the sign through the following mechanisms:

- Advertising Standards Bureau (ASB);
- Australian Association of National Advertisers (AANA); and
- Outdoor Media Association (OMA).

This is based on the regulation of advertising content in Australia being managed by the ASB, who administers the AANA Code of Ethics and various other Codes. The AANA, together with the ASB, represent two halves of Australia's 'gold standard' system of self-regulation. The independent ASB adjudicates complaints under the codes. The operator will adhere to these guidelines and codes for advertising content and standards across all media.

The applicant suggests that the guidelines and codes of conduct provided by these national industry bodies are considered sufficient to manage the content of the sign and provide an appropriate avenue for addressing any potential complaints.

Compliance with Planning Scheme:

Development Requirements

The subject site is located within the City Centre Use Area of the Citiplace Precinct (P5) under the City Planning Scheme No. 2 (CPS2). The Precinct will be enhanced as the retail focus of the State providing a range of retail and related services more extensive than elsewhere in the metropolitan region. Building facades will incorporate interesting architectural elements thereby contributing to a lively, colourful and stimulating environment. The Statement of Intent for the Citiplace Precinct does not specify any development provisions for signage.

The CPS2 Signs Policy (4.6) sets out the requirements for the erection and management of signs on or adjacent to buildings within the city, providing guidelines for their acceptable design and location.

Under the Signs Policy the proposed sign falls within the following definitions:

Third Party Advertising Content means sign content that advertises businesses, products, goods or services not located or available at the premises where the sign content is displayed.

Variable Content means static sign content that changes automatically by electronic or programmable methods on a specified time cycle. Where displaying variable content, a small

sign is one that has a sign face with an area of 2m² or less and a large sign is one that has a sign face with an area of greater than 2m².

Wall Sign means a sign that is fixed flat or parallel to, or painted upon, the surface of a wall of a building (including a glass wall or a decorative or screen material fixed flat or parallel to the wall), but not to a roof top plant room setback from the main elevation of the building or to an architectural feature at the top of the building. It includes cabinets fixed to walls to display an advertisement."

The proposal's compliance with the Signs Policy is detailed in the following comments section.

Variations to the Signs Policy can be granted by an absolute majority decision of the Council, in accordance with Clause 47 of the City Planning Scheme and provided the Council is satisfied that:-

- '47(3)(c)(i) if approval were to be granted, the development would be consistent with:*
- (A) the orderly and proper planning of the locality;*
 - (B) the conservation of the amenities of the locality; and*
 - (C) the statement of intent set out in the relevant precinct plan; and*
- (ii) the non-compliance would not have any undue adverse effect on:*
- (A) the occupiers or users of the development;*
 - (B) the property in, or the inhabitants of, the locality; or*
 - (C) the likely future development of the locality.'*

Comments:

Signs Policy

As previously outlined, the existing large wall sign which contains static third party advertising content has a valid approval in place. Whilst the Policy has been revised since approval was granted for the existing sign, a review of the existing sign confirms it complies with the current general principles and provisions for signs and specific provisions for third party and wall signs prescribed by the Policy. As such the following assessment relates primarily to its proposed conversion to a digital variable content sign.

The Policy includes the following relevant provisions with regards to the assessment and approval of large variable content signs:

- '6.8 (c) Variable content on a large sign (>2m² sign face) shall only be considered for development approval:*
- i) facing or in a public space within the Entertainment Area, the Retail Core Area or The Terraces Area and where:*
 - A) the viewing area is designed and intended for pedestrians to linger for an extended period of time; and*
 - B) the sign is oriented for viewing within the public space and not from adjacent streets and can only be viewed by road users if:*
 - 1. it has content that is completely static without any motion, animation or special effects for the duration of its display;*
 - 2. it has a specified duration of display and a transition time between display that comply with standards specified by the*

- State Government transport authority or another authority considered appropriate by the local government;*
3. *each display comprises no more than 20% of its area as text and the text is large scale so that it can be easily and quickly read by road users; and*
 4. *it does not include any content that could be perceived to be providing public safety instructions to road users.*
- d) *Animated or variable content on a large sign facing or in a public space shall only be considered for development approval where the local government is satisfied that it:*
- i) *is compatible with the desired character of the public space;*
 - ii) *will enhance the visual quality of the public space; and*
 - iii) *will make a positive contribution to the public space and its activation, particularly at night.'*

The proposal is not considered to comply with the above criteria given that is located on the western elevation of the existing building which abuts a private property being 146-152 Barrack Street, Perth. Therefore it is not located within or facing a 'public space' which has been designed for pedestrians to linger for an extended period of time. The applicant contends however, that as the sign will be visible from the adjacent Wellington Street and Barrack Street road reserves, which are used by the public on an ongoing basis, the sign is compliant with respect to clause 6.8(c)(i)(A). This view is not supported by City Officers as the intent of this clause is for large format digital signs to be restricted to plazas, piazzas and gathering spaces of that nature and not standard street environments as specifically required under clause 6.8(c)(i)(B).

Whilst the sign could potentially be conditioned to comply with the requirements specified in subclauses 1. to 4. of clause 6.8(c)(i)(B), it is ultimately considered that as the sign is not oriented for viewing within a public space and is orientated to be viewed by users of the adjacent streets it does not comply with this clause. It is the applicant's view that whilst the sign does face the adjacent street environment, it faces a prominent intersection at Barrack Street and Wellington Street which has a high level of foot traffic and will be viewed by pedestrians waiting at the intersection or walking past. This justification is not supported by City Officers as the intent of the clause is to ensure this type of sign is appropriately located in or near public gathering spaces and not in an ad hoc manner adjacent to streets.

In accordance with the provisions of clause 6.8(d), approval of any large variable content sign is subject to Council being satisfied in regards to its potential to being compatible with, enhancing and making a positive contribution to a public space. Notwithstanding the proposed sign is not considered to be appropriately located within or adjacent to a public space in the first instance, it is City Officers view that it does not meet the criteria specified in the clause. In particular, it is difficult to speculate or quantify how the conversion of the existing sign to a digital format will improve its current contribution to the existing adjacent environment. In contrast, it is considered that modernising its current format may detract from its existing setting adjacent to Barack Street in particular, which is characterised by heritage buildings.

Based on the above it is considered that the variations proposed to the relevant Policy provisions should not be supported. Given the Policy has only recently been revised, it would also be contrary to orderly and proper planning to consider approving a format of sign which is non-compliant with respect to the siting requirements of the Policy. Approval of such

significant variations is also likely to compromise the future performance of the recently revised Policy and undermine Council's position when considering applications of a similar nature.

Being near the primary retail area of the city, the locality contains a large number and variety of signs that generally advertise the businesses or products and services on offer within the buildings in the locality. The Signs Policy recognises that consideration should be given to the number and type of signs in the locality so as to avoid visual clutter.

The site already contains static third party advertising and numerous other signs advertising the hotel. It is noted that there are two large existing third party advertising signs located within the railway reserve land on the north-eastern corner of Barrack Street and Wellington Street (not within the City's planning jurisdiction) and that a SAT decision is pending on an application to have another variable content third party advertising sign at 146-152 Barrack Street. It is considered that the proposed digital sign, visible from the intersection, would compete for the viewer's attention with frequently changing displays of multiple advertisements, adding to the perception of a proliferation of signage in the area. When too many signs compete for the viewer's attention, this excessive or confusing messaging is considered 'visual clutter' and it is a general objective of the Signs Policy to prevent visual clutter caused by the unnecessary proliferation of signs that can detract from the visual amenity of the city. For these reasons the sign should not be supported.

Traffic Impact

The applicant submitted a Traffic Assessment in support of the application noting the location of the proposed sign in the vicinity of the Wellington Street and Barrack Street intersection and its potential impact on vehicles and pedestrians. The report concludes that the proposed conversion of the existing static sign to a variable content sign will not pose a risk to motorists or pedestrians using Wellington Street or Barrack Street.

City Officers contend that there are potential risks associated with the proposed transition time of 25 seconds between displayed content on the sign. This is based on 25 seconds being a significant reduction compared with the 45 seconds transition period recommended by relevant Main Roads Western Australia guidelines. It is considered that the proposal has the potential to distract drivers at a critical time (high demand, decision making area) and will interfere with traffic control devices by distracting the focus of attentions of vehicle drivers from traffic signal aspects towards the sign. Of particular concern are the proposed frequency of sign transitions which are likely to occur during the traffic signals green phase thus representing a distraction for motorists.

It is noted that should the sign be considered for approval, there is scope for appropriate conditions to be imposed in regards to sign transitions and content to reduce any risks associated with the adjacent street environment. While limits on dwell and transition time and luminance levels would reduce the safety hazard created by the sign to some degree, this would reduce but not totally remove the risk.

Heritage

Council at its meeting held **22 November 2016** resolved to include the subject building in the CPS2 Heritage List in accordance with Part 3 Clause 8 of the *Planning and Development (Local Planning Scheme) Regulations 2015*. Council's resolution noted the requirement for consultation with the landowner with the matter to be determined at a future meeting. As

the proposed listing has not been referred back to Council for consideration as yet, the status of the listing is not considered to be 'seriously entertained' at this stage. Therefore the heritage related provisions of the Policy are not relevant to the assessment and determination of the proposed sign in this case.

It is however relevant that the site abuts the Barrack Street Conservation Area which has been declared under Clause 31 of CPS2. It is recognised that any new external works to buildings within or adjacent to the Conservation Area has the capacity to disrupt and detract from the integrity of the Conservation Area if not managed appropriately. In this regard, it is considered that a large scale digital sign displaying third party advertising would be detrimental to the preservation of the amenity of the Conservation Area and is not supported. In particular, changing the sign from its current static form has the potential to dominate a key entry to the Barrack Street Conservation Area and detract from its existing visual qualities. This is based on the sign being modernised whilst retaining its large scale which is inconsistent and incompatible with the adjacent Barrack Street streetscape which comprises a visually cohesive collection of buildings developed between the 1890's and the inter-war period.

General Principles

In consideration of scale, integration with architecture, rationalisation of signs contributing to visual clutter and inconsistency with the Signs Policy, the modification of the sign will adversely impact and further contribute negatively to the existing visual quality of the area. Particularly when considering the extensive signage already on the building and also existing signs on the nearby rail reserve (not within the City's jurisdiction) which comprises the area.

Community Expectations

In recent times it has become apparent that community expectations regarding certain signage, particularly variable content and animated signs, has shifted. This has been extensively considered and reflected in the revised Signs Policy which includes greater scope for these types of signs in appropriate locations than the previous version of the Policy. It is therefore imperative that due consideration be given to any variations to the current Policy noting it already provides for greater flexibility.

In this regard it is noted that at its meeting held on **22 September 2015**, Council refused an application for a digital above roof sign with third party advertising content at 146-152 Barrack Street, Perth (corner of Wellington Street) which is adjacent to the subject site. Whilst the proposal was for an above roof sign and the site is located within the Barrack Street Conservation Area, the application was considered to be inappropriate for similar reasons to those raised in relation to this current application. That application is currently the subject of a review by the State Administrative Tribunal however a decision is still pending.

Conclusion

The proposed conversion of the existing static wall sign does not meet the criteria for large 'variable content' signs applicable under the Policy. The modernisation of the sign is considered to be detrimental to the visual amenity and heritage character of the locality and will adversely impact on the amenity of the adjacent environment. It is therefore recommended that the application be refused for the reasons as outlined in the sections above.



2016/5553 – 379 (LOT 31) WELLINGTON STREET, PERTH



2016/5553 – 379 (LOT 31) WELLINGTON STREET, PERTH
(PERSPECTIVE SHOWING CONVERSION OF EXISTING SIGN TO INCLUDE VARIABLE CONTENT)



**2016/5553 – 379 (LOT 31) WELLINGTON STREET, PERTH
(VIEW OF CURRENT STATIC SIGN AND SURROUNDING STREETScape)**

Recommendation:

That Council endorses the submission to the Western Australian Planning Commission on the draft Design WA initiatives advising that:

- 1. it supports their intent to promote the importance of design quality of the built environment in the planning process across the state;*
- 2. it supports the introduction of State Planning Policy 7 – Design of the Built Environment subject to it being amended to:*
 - 2.1 apply to the development of all buildings including alterations and additions;*
 - 2.2 provide objectives which focus on the goal of delivering good design; and*
 - 2.3 refine the design principles as outlined in Attachment 13.4A,*
- 3. in relation to the Apartment Design Policy it:*
 - 3.1 seeks confirmation that it will apply to the areas of the City of Perth in the same way as the Residential Design Codes at present, or otherwise the Department of Planning works with the City to ensure any alternative approach has positive and practical applications for the city;*
 - 3.2 seeks clarification on how it will affect existing local planning policies and provisions, that apply varying built form controls responding to precinct planning and context;*
 - 3.3 considers that the proposed Primary Controls are not appropriate for high density and mixed use areas such as the city centre and should not be applied to these areas;*
 - 3.4 recommends that it be refined and modified to address the issues outlined in Attachment 13.4A; and*
 - 3.5 recommends that Clause 61(1)(b) of the Deemed Provisions be amended to ensure that development approval is required for internal building works that are not consistent with the requirements and standards of local planning schemes as in its current form it will compromise interior design measures as proposed within the Policy and applied through those schemes,*
- 4. it supports the introduction of state wide guidance on design review but seeks flexibility within this guidance for variations depending upon the nature and size of developments and Local Governments, noting that the City currently has a design review model in place that is efficient and effective;*

(Cont'd)

5. *it recommends that the Design Review Guide be modified to address the issues outlined Attachment 13.4A;*
6. *it supports in principle the introduction of policy/legislation to require designers of new buildings and additions or alterations over a certain threshold in the city to be qualified architects or have equivalent qualifications and industry based expertise as agreed in consultation with the Australian Institute of Architects to assist the delivery of the State Planning Policy 7 objectives; and*
7. *seeks the opportunity for its Officers to discuss the issues raised in this report and Attachment 13.4A with the Department of Planning prior to any of the initiatives being finalised and implemented.*

The Committee recommendation to the Council for this report was resolved by the Planning Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	P1023743
REPORTING UNIT:	City Planning
RESPONSIBLE DIRECTORATE:	Planning and Development
DATE:	24 February 2017
ATTACHMENT/S:	Attachment 13.4A – Issues Table Attachment 13.4B – R Coded Areas within the City of Perth

Legislation / Strategic Plan / Policy:

Legislation	<i>Part 3 - State Planning Policies of the Planning and Development Act 2005</i> <i>Planning and Development (Local Planning Schemes) Regulations 2015</i> City of Perth City Planning Scheme No. 2 Former City of Subiaco Town Planning Scheme No. 4
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Council Four Year Priorities: Major Strategic Investments and Living in Perth S1 Ensure that major developments effectively integrate into the city with minimal disruption and risk. S9 Promote and facilitate CBD living
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Policy	
Policy No and Name:	City of Perth City Planning Scheme No. 2 – 4.9 Residential Design Policy

Financial Implications:

The City's costs to date relate to Officer time to consider the Design WA initiatives. Further detail and clarification is required before the costs of implementation of the initiatives can be forecast.

Purpose and Background:

On 19 October 2016, the Western Australian Planning Commission (WAPC) released Stage One of the proposed Design WA initiatives for public comment. The intent of the initiatives is to provide mechanisms to improve the design quality of development across Western Australia (WA). The purpose of this report is to provide the Council with a summary of the Stage One initiatives and their implications for the City and to seek the Council's endorsement of the administration's submission to the WAPC.

Details:

The Design WA draft Stage One documents include:

- State Planning Policy 7 – Design of the Built Environment;
- Apartment Design Policy - to form Volume 2 of State Planning Policy - Residential Design Codes;
- Design Review Guide; and
- Design Skills Discussion Paper.

A State Planning Policy is a policy adopted by the WAPC to which all local governments must have due regard when preparing or amending local planning schemes and when making decisions on planning matters. The State Administrative Tribunal is also required to have due regard to these policies when determining appeals.

The Stage One Design WA documents are summarised as follows:

State Planning Policy 7 - Design of the Built Environment (SPP7): This is the lead policy that will establish the principles, processes and considerations that apply to the design of the built environment in WA. It is proposed to apply to structure planning, subdivision, major public works and development applications.

The objectives of the Policy are listed as:

1. *'A rigorous and consistent process for considering design quality within the planning, design development and construction industries.*
2. *Good design outcomes that meet government and community expectations through a coordinated strategy of design quality mechanisms:*
 - *Design Principles – Performance-based approach to policy*
 - *Design Review – Skilled evaluation expertise*
 - *Design Skills – Skilled design expertise.*
3. *Consistency across jurisdictions and provide an appropriate framework for local and regional settings/variations.*
4. *Timely and efficient assessment of applications for planning and development where this policy applies through a scalable design review process.'*

Ten design principles have been identified to guide the consistent design, review and decision making process for planning proposals. These principles will form a Schedule to SPP7 and are summarised as follows:

1. Context and Character - good design responds to and enhances the distinctive characteristics of a local area and contributes to a sense of place.
2. Landscape Quality - good design recognises that together landscape and buildings operate as an integrated sustainable system within a broader ecological context.
3. Built Form and Scale - good design provides massing and height appropriate to setting and successfully negotiates between existing built form and the intended future character of an area.
4. Functionality and Build Quality - good design meets the needs of users efficiently and effectively, balancing functional requirements to deliver optimum benefit and performing well over the life cycle.
5. Sustainability - good design optimises the sustainability of the built environment, delivering positive environmental, social and economic outcomes.
6. Amenity - good design optimises internal and external amenity for occupants, visitors and neighbours, contributing to living and working environments that are comfortable and productive.
7. Legibility - good design results in buildings and places that are legible, with clear connections and memorable elements to help people find their way around.
8. Safety - good design optimises safety and security, minimising the risk of personal harm and supporting safe behaviour and uses.
9. Community - good design responds to local community needs as well as the wider social context, providing buildings and spaces that support a diverse range of people and facilitate social interaction.
10. Aesthetics - good design is the product of a skilled, judicious design process that results in attractive and inviting buildings and places that engage the senses.

Apartment Design Policy (the Policy): This comprises planning and design standards for residential apartments and mixed-use developments to be applied across WA. It is intended to replace Part 6 of State Planning Policy - Residential Design Codes (R Codes) which currently deals with apartments (referred to as multiple dwellings). It will sit alongside SPP7 with the intent that further Policies will follow in the future to address the design of other development types.

The Policy is modelled on the NSW Apartment Design Guide with modifications to allow for WA circumstances. It proposes a performance based approach with design element provisions divided into intent, objectives, design criteria where applicable, and design guidance. The design elements are grouped into three key sections:

1. Primary Controls - corresponds to current R Code standards with some additional standards. They include building envelopes, plot ratio, building height, depth and separation, setbacks and optional development based incentives. They identify two streetscape character types, detached and attached, which are further divided into neighbourhood, medium density and higher density. The detached streetscape types will apply as the default setting, except in activity centres and mixed use areas where the attached streetscape type will apply. It is indicated that local governments are encouraged to undertake precinct planning to refine the controls.

2. Siting of the building - relates to the context, the interface to neighbours and the public domain and deals with the provision of open space and pedestrian and vehicle access. Whilst they modify the current provisions in the R Codes, they also include new initiatives such as tree retention and deep soil areas.
3. Designing of the building - deals with building form, layout, functionality, landscape design, environmental performance and residential amenity. New initiatives include natural ventilation, direct sunlight and daylight access, apartment layouts and mix, minimum ceiling heights, energy efficiency and water management and conservation.

Design Review Guide (the Guide): This provides a model for local governments to establish and operate design review panels, and to improve the consistency of design review processes already in operation across WA. It deals with timing of reviews, membership and appointment, remuneration, member induction, meeting procedures, design review modes and thresholds.

Design Skills Discussion Paper: This discussion paper seeks submissions on whether the State Government should introduce policy/legislation to require skilled design practitioners to design complex developments in order to improve the quality of design outcomes.

The paper provides three options as follows:

1. Threshold based regulation - where apartment and mixed-use developments above a certain threshold are required to be prepared or certified by a registered architect. The threshold could relate to development size or development cost.
2. Competency based standards - to be oriented to project types and applied equitably to architects and building designers. This would likely involve an industry association undertaking assessment against performance based requirements for design skills (i.e. an accreditation process).
3. No additional regulation - relying on the Apartment Design Policy and design review panels to improve design outcomes, applying design principles and design review to the development approval process.

Comments:

Design WA aims to promote the importance of design quality of the built environment in the planning process across the state and this is commended. The City has long promoted and facilitated a high standard of design quality within the local government area through the application of best practice principles and methods, an effective process of pre-application negotiations with the City's technical specialists and design review by the Design Advisory Committee. The Design WA initiatives, and in particular SPP7, will give the City greater power to ensure good design and promote design excellence.

Comments on the elements of the Design WA initiatives that are considered to be of major significance to the City are provided below. Detailed comments are also included in Attachment 13.4A

State Planning Policy 7

SPP7 will require building designers and developers to apply a consistent set of design principles to the built environment across WA. It will also provide decision makers, including the Council, with a clear and enforceable mandate to insist on good design when

determining development applications. However, the draft Policy requires modification to ensure its effectiveness as follows:

1. Whilst it is suggested that SPP7 will apply to the built environment and all levels of the planning hierarchy, Section 4 – Application of Policy, includes a list that only references residential and institutional development. The urban environment is mixed use by nature with a variety of interacting development types, including commercial, industrial, recreational and community development. To improve the quality of the urban environment, it is important that the principles of good design are applied comprehensively to all development types. Therefore it is recommended that the wording of Section 4 be revised to clarify the Policy’s application to the development of all new buildings including additions and alterations.

Section 4 indicates that the Policy will apply to public works, however it is not clear if this is only major public works. It is also not clear how this would be implemented given that public works are exempt from local planning scheme requirements to gain development approval. It is important that new buildings, including alterations and additions, proposed by public authorities are subject to the same design principles and review as the private sector given that their impact on the environment can be equally as significant or greater. Further clarification is therefore required on this aspect of SPP7.

2. The objectives focus on processes rather than goals and require review. They refer to a rigorous and consistent process, coordinated mechanisms, an appropriate framework and timely and efficient assessment of applications for planning and development with a scalable design review process.

The fundamental objective of the Policy should focus on ensuring new development delivers good design that makes a positive contribution to the urban environment, benefits the community and leaves a positive legacy for future generations, as referenced in Section 3 - Background. It is important that these goals are clearly articulated at a State level, to give good design appropriate weight in design development and decision making. The processes to achieve this should more appropriately be addressed under Section 6 - Measures.

3. The ten design principles intended to provide a consistent framework for the design process (i.e. context and character, landscape quality, built form and scale, functionality and build quality, sustainability, amenity, legibility, safety, community, and aesthetic) are comprehensive. However, the descriptions that accompany the principles require further refinement to adequately cover key issues. Specific details are provided in Attachment 13.4A and include:

- Built form and scale focuses on form and lacks detail in relation to scale;
- Sustainability should reference adaptability to changing uses and conditions and robust design to extend building life;
- Amenity should promote good design to enhance the health and well-being of building occupants; and
- Aesthetics have a critical interrelationship to all of the principles that should be emphasised.

Apartment Design Policy

The Apartment Design Policy is a positive step towards ensuring improved and more desirable levels of design and amenity in the increasing number of apartment developments in Perth and across the state. However, it is important to note that apartments have been the predominant form of residential development in the city centre for many years and a large number of the design criteria and guidance now proposed within the Policy are already being implemented by the City when assessing apartment developments.

Whilst the Policy is intended to apply to all multiple dwellings/apartment developments and residential components in mixed-use developments and activity centres, it is to be implemented as part of the R Codes, replacing the current Part 6 that deals with the design of multiple dwellings in areas coded R40 or greater. This would limit their application in the city as the R Codes only apply to limited areas as follows and as indicated on Attachment 13.4B:

- In the CPS2 Scheme Area they apply to residential development on land to which the Scheme or a Precinct Plan designates a density coding and these are the Terrace Road Design Policy Area, the Goderich Design Policy Area, the Mount Street Design Policy Area and Crawley.
- In the portion of the City of Subiaco Town Planning Scheme No. 4 (TPS4) Scheme Area now administered by the City of Perth they also only apply to land which has a coding applied to it on the Scheme map and comprises the majority of the University Precinct and the Hollywood Precinct.

This matter has been raised with the Department of Planning (DoP), who have suggested that an alternative, such as an additional Scheme provision, may be necessary to ensure its wider application to apartment development generally. Possible alternatives and their implications would need to be thoroughly considered by the City.

The Policy indicates that where an adopted local planning policy is in operation prior to the Policy's gazettal and is inconsistent with it, the latter will prevail. This has significant implications for the R Coded areas within the CPS2 and TPS4 Scheme areas. Major variations to the R Codes apply under CPS2, including to plot ratio, building height and setbacks. Under TPS4 fewer variations apply, but they include reduced building height in the University Precinct R80 areas. The implications would be greater again if the WAPC were to require the wider application of the Policy to apartment development generally within the city.

Whilst many elements of the Policy are supported, the suitability of many of the design criteria to the city centre built environment, particularly the primary controls, is questioned as follows.

Part 2 of the Policy comprises primary controls such as building envelopes, building heights, plot ratio, setbacks, building separation and building depth. These are generally separated into either detached or attached streetscape patterns of neighbourhood, medium or high density. The detached streetscape pattern is generally the default setting unless otherwise designated by the local government but it is not clear if this designation would require a Scheme Amendment and how this would be managed in the interim.

Difficulty arises in identifying two streetscape patterns that are representative of residential built form across the state. The CPS2 controls within the Terrace Road, Mount Street and

Goderich Design Policy Areas are each refined to relate to the unique desired character in these areas.

The specified limits on the primary controls would not be appropriate within the city centre, particularly in relation to heights and setbacks. They are designed for suburban and regional locations and may be generally appropriate in Crawley and the TPS4 Scheme Area but not the other R Coded areas in the city. This is illustrated in the following table which compares the CPS2 provisions applicable in the Terrace Road Design Policy Area to the Policy. If the Policy were to apply more broadly across the city, rather than only to the R Coded areas, the differences would be greater again.

	CPS2 – Terrace Road Design Policy	Higher Density Detached Streetscape Pattern	Higher Density Attached Streetscape Pattern
Maximum Plot Ratio	2.0:1.0	2.0:1.0	3.0:1.0
Maximum Building Height	14m at street (≈4 storeys) 52m overall (≈15 storeys)	5 storeys (≈8 metres)	6 storeys (≈21 metres)
Maximum Boundary Wall Height	NA	1 storey	4 storeys
Minimum Street Setbacks	Nil	4m	2m or nil where commercial
Minimum Side Setback	Nil within 10m of street , and then within a 75 degree angle measured from the property boundary but no less than 3m	3m (Note: building separation 9 to 18m and privacy view cones of 3 to 6m apply)	Nil (Note: building separation 9 to 18m and privacy view cones of 3 to 6m apply)
Minimum Rear Setback	Nil within 10m of street , and then within a 75 degree angle measured from the property boundary but no less than 3m	6m (Note: building separation 9 to 18m and privacy view cones of 3 to 6m apply)	Nil (Note: building separation 9 to 18m and privacy view cones of 3 to 6m apply)

The detail of a number of the controls also requires further consideration as detailed in Attachment 13.4A. In particular:

- Building envelopes are overly prescriptive and can restrict alternative design solutions that may equally meet Policy objectives. Given their site specific nature identifying them for all sites in the state where the R Codes apply is also likely to be unwieldy;
- The combination of building setbacks, building separation and visual privacy cones is considered unnecessarily complicated when these controls have overlapping

objectives. The standards should vary depending upon context with reduced levels of separation in city centre and high density areas; and

- Building depth provisions require further clarification and refinement.

Parts 3 and 4 of the Policy relate to the siting and detailed design of buildings. Much of the guidance within these sections would be appropriate within the city centre and the Crawley and TPS4 areas.

Some of the provisions for the detailed design of a building relate to internal design, such as natural ventilation and daylight, noise attenuation and apartment sizes and layouts. While the provisions may be met when development approval of the building is granted, Clause 61 of the Deemed Provisions allows for any internal works to be undertaken to buildings (other than those affected by heritage provisions) at a later stage without development approval. This clause potentially compromises good interior design delivered by the Policy, reducing the internal amenity for the existing or future occupants of the affected buildings. An amendment to the Deemed Provisions to overcome this is recommended and would be consistent with previous advice to the DoP.

There are a number of elements of Parts 3 and 4 that require refinement. Whilst these matters are detailed in Attachment 13.4A, of particular concern are the solar and daylight access provisions, the car parking requirements and the environmental design considerations as follows.

Solar and Daylight Access

The Policy includes design criteria to maximise direct solar access to apartments. In the southern areas of WA, including Perth, the living rooms and private open spaces of at least 70% of apartments in a building will be required to receive at least two hours of direct sunlight between 9am and 3pm in mid-winter. In communal open spaces 50% direct sunlight is required for a minimum of two hours at these times.

These requirements are not feasible in high density areas such as the city centre due to overshadowing from adjacent buildings. Tall buildings in high density areas often overshadow each other in the morning and afternoon regardless of setbacks. The requirements are also problematic where views are to the south, such as from the city centre to the river. Optimising daylight access to and outlook from habitable rooms is considered to be more critical. The Policy prescribes minimum window sizes that, along with appropriate building separation, appropriately address this.

While access to sunlight in winter is important, it should also be acknowledged that in Perth, for significant periods of the year, building design should aim to minimise direct sunlight access to apartments, particularly in the afternoon. The Bureau of Meteorology records show that the mean maximum temperature in the Perth metropolitan area in 2016 was greater than 20°C for eight out of 12 months with the highest maximum being 42.5°C. Design to address this and the trend towards hotter temperature generally should be given greater emphasis within the Policy.

The use of mid-winter as a benchmark for measuring sunlight access into public spaces is not appropriate as this is when shadows are at their longest and overcast days are most common (in Perth in June an average of 19 days are overcast). The CPS2 Building Heights and Setbacks Policy requires that development maintains moderate to high levels of sunlight

penetration between August and April, 10.00am to 2.00pm into key public spaces. This is considered a more appropriate benchmark.

Car Parking

As per the R Codes, the Policy divides car parking requirements across WA into two categories, Location A applying to developments located in an activity centre or close to public transport, and Location B applying to all others. In Location A, a minimum of 0.75 bays would be required per one bedroom dwelling and one bay per two bedroom dwelling or greater. Maximums would be double these figures. Under CPS2 in R Coded areas, car parking requirements are in accordance with the R Codes while in other areas requirements vary depending on proximity to the city centre. In the core of the city centre no minimum and a maximum of 1.5 spaces apply per dwelling.

The Policy requirements for Location A are generally considered to be too high and in particular, it is recommended that minimum car parking requirements be removed. 21% of households in the City of Perth do not own a car and there is a growing trend for developments in the city to include apartments without car parking allocation, reducing the cost of the apartments and thus improving affordability. It also has positive sustainability outcomes in terms of vehicles in the city and reduced parking infrastructure on site.

The specified visitor parking requirements do not vary depending upon location and are one bay per four dwellings up to 12 dwellings and one bay per eight dwellings above this. Further refinement is required to address the wide range of contexts across the state, from country towns through to metropolitan suburbs and the city centre. The specified numbers are not warranted in the city centre due to good access to public transport and public parking.

Based on 2011 dwelling sizes and resident population forecasts, the Policy's resident and visitor car parking requirements would result in a minimum of ≈11,700 and a maximum of ≈22,100 additional car parking spaces in the City of Perth by 2036. This equates conservatively to a minimum of 29 hectares and a maximum of 55 hectares of car parking bays. These numbers have major implications for construction costs, building form, housing affordability, traffic movement and the amenity of the city environment generally.

Environmental Design

Appropriately, the Policy introduces guidance on various elements of environmental design. However, the provisions in relation to energy and water efficiency require further consideration.

The National Construction Code tests the energy efficiency of building applications across Australia using the NatHERS rating tool. The Policy requires that targeted NatHERS ratings be disclosed at development application stage and that development comprising ten or more apartments or more than three storeys in height seeks to achieve a reduction in energy consumption of 25% using this tool. The Policy also requires that these developments seek a 40% reduction in Scheme water usage relative to Water Corporation published average per person figures.

While these measures are a positive step forward, they are not mandatory requirements and do not necessarily reflect best practice. In particular, the NatHERS tool rates thermal comfort rather than energy efficiency. Whilst some local governments have prescribed

minimum standards for energy efficiency within planning policy, it is considered preferable for the State Government to identify consistent mandatory standards for environmental design across WA. This would be similar to the approach in NSW where legislation mandates the use of the BASIX sustainability rating tool to measure both energy and water efficiency of buildings.

It is therefore recommended that best practice measures to deliver energy and water efficiency be further investigated for application on a consistent state wide basis.

Design Review Guide

The documentation suggests that the Guide is intended as a best practice model for the establishment and operation of design review panels. It recognises that different modes of design review are appropriate depending upon the range and scale of development types and the nature of the local government. It is important that this is reflected in any measures to make design review panels mandatory.

The Guide promotes design review twice prior to development application lodgement, at the concept design stage and when the design has further progressed, and a further review after lodgement. It also suggests that the Design Review Panel Chair or a delegate undertake a check at the building application stage. This process has significant time and cost implications for local governments and applicants which need to be carefully considered. Difficulties arise in the remuneration of costs from applicants for review at the pre-application stage, particularly when proposals do not proceed to lodgement. Requiring checks of building applications by the Design Review Panel Chair or a delegate may not be feasible given they are often otherwise employed and their availability is limited, whilst tight statutory building application timeframes need to be met.

The City has a design review model that differs significantly from that recommended. The City employs Officers who have significant technical expertise in design review, including a City Architect. These Officers operate a pre-application process that most building designers take advantage of and it is effective in significantly reducing design issues prior to development application lodgement. CPS2 also mandates the appointment of a Design Advisory Committee to advise on design matters and the awarding of bonus plot ratio. This Committee reviews development applications after lodgement and prior to their determination by the Council or the Local Development Assessment Panel.

This model of design review is efficient, timely, effective and well regarded by the industry. The pre-application process removes the need for involvement of the Design Advisory Committee prior to lodgement. Once lodged, applications are generally only presented to the Design Advisory Committee once, reducing time and expense for all parties. While this system works for the City, it is clear that it would not be appropriate for all local governments across the state. Any move to regulate the establishment of the design review processes should provide flexibility as indicated in the Guide, to allow for the variety of design and other technical expertise within local governments across the state.

The Guide should more clearly indicate that design review panels make recommendations only and do not have a decision making function. Design review can have a tendency to focus on the architectural merit of a development. Design review panel's recommendations need to be considered along with all relevant land use planning considerations identified under the Deemed Provisions and Local Planning Schemes. A positive recommendation by a design review panel should not be assumed to be development approval.

The Guide includes a Design Review Threshold Table that recommends the mode of design review best suited to a particular development type. It includes thresholds to apply to a proposed State Design Review Panel for projects of state significance and public works of state and regional significance. This table requires refinement to address all types of major development and to assure a consistent approach at both local and state government levels.

Further detailed issues are listed in Attachment 13.4A.

Design Skills Discussion Paper

The Discussion Paper identifies possible policy/legislation options to ensure that designers of development in WA have appropriate design skill expertise to deliver quality design outcomes. The City would support legislation to require designers of new buildings or major alterations or additions within the city to be qualified architects or have equivalent qualifications and industry based expertise.

The City is constantly assessing a range of multi storey residential and commercial developments of differing scales and complexities in a high density environment. A key priority is to ensure that these developments are of a high architectural and design quality appropriate to the capital city. While appropriate design policies and design reviews are important, the expertise of the designer is fundamental to delivery of high quality outcomes that reflect policy well. While requiring minimum qualifications would not guarantee this, it would provide an appropriate baseline.

The City would be keen to be involved in discussions on the development thresholds to which this would apply. How the industry-based expertise is determined would need to be determined in consultation with the relevant Industry Associations.

Conclusion

The intent of the Design WA initiatives to improve the design of development across Western Australia is strongly supported. In particular SPP7 will give provide greater direction to proponents on critical principles that must be addressed when undertaking development design and provide appropriate weight to these principles in the planning decision making and appeal processes. Notwithstanding this, there are a number of matters that require further clarification and refinement prior to implementation as detailed in this report.

Design WA – Issues Table

Abbreviations:

City – City of Perth, CPS2 – City of Perth City Planning Scheme No. 2, LG – Local Government

LPS – Local Planning Scheme, R Codes – Residential Design Codes

No.	Document	Issue	Recommendation
State Planning Policy			
1.	Application of Policy	<p>While the Policy indicates that it will apply to all development, the list provided on page 5 only references residential and institutional development. Given the mixed-use nature of the built environment, to be effective the Policy should apply to the development of all buildings, including alterations and additions.</p> <p>The Policy references ‘major public works’ and ‘public works’. It is important that this is clarified and works, particularly buildings, by public authorities are subject to the same design principles and review as private sector development given their impacts can be equally as significant or greater.</p> <p>Given that public works are exempt from planning approval under local planning schemes, a protocol for implementation of the SPP by public authorities needs to be established.</p>	<p>Extend list to include the development of all buildings including alterations and additions.</p> <p>Clarification required.</p> <p>Clarify protocol for application by public authorities.</p>
2.	Objectives	<p>The objectives focus on processes rather than goals. The fundamental objective of the Policy should focus on ensuring new development delivers good design which makes a positive contribution to the urban environment, benefits the community and leaves a positive legacy for future generations (i.e. similar to the wording in background).</p> <p>Clear articulation of the objectives of good design is critical to the</p>	Revise objectives.

		effectiveness of the SPP.	
3.	Schedule 1 - Design Principles	First Sentence - Ideally the number of design principles should be reduced to provide clarity and enhance usability. The reduced number of design principles could then have sub-headings.	Consider reducing the number of design principles.
4.	Context and Character	<p>Rather than just contributing to a sense of place, good design should 'positively' contribute.</p> <p>The requirement for the delivery of densities consistent with projected population growth should be simplified. Densities should be consistent with the local planning scheme and the intended character. These would reflect desired population growth.</p> <p>Climate change should be referenced when referring to the need to respond to the future character of an area.</p>	<p>Amend wording.</p> <p>Amend wording.</p> <p>Amend wording.</p>
5.	Landscape Quality	The requirement to balance consideration of environment factors with social, cultural and economic conditions is not appropriate. These factors do not need to compete, but rather can be symbiotic.	Amend wording.
6.	Built Form and Scale	Despite being included in the heading, scale is not dealt with in the detail. The scale of development in relation to surrounding development and intended character is important.	Add wording.
7.	Functionality and build quality	Projects should be resilient to the wear and tear expected from its intended use 'and from the environment'.	Amend wording.

8.	Sustainability	<p>This section should include reference to to adaptability to changing uses and conditions, re-use, and robustness of design to extend building life.</p> <p>Sustainable landscape and urban design should <i>'aim to protect and enhance important'</i> natural features and ecological processes rather than <i>'minimise negative impacts'</i> on them.</p>	<p>Add wording.</p> <p>Amend wording.</p>
9.	Amenity	<p>This section should include stronger emphasis on good design for health and well being. Consideration should be given to access to nature and green space, and biophilic design and WELL building principles generally.</p>	Amend wording.
10.	Legibility	<p>Reference to existing movement networks should be extended to include developing and proposed networks.</p>	Amend wording.
11.	Aesthetics	<p>Aesthetics has a critical interrelationship with all of the other principles and their achievement and this should be stated.</p> <p>The key elements of good architecture should be referenced – e.g. symmetry, proportion, rhythm, articulation, innovation and being fit for purpose.</p>	<p>Amend wording.</p> <p>Amend wording.</p>
Apartment Design Policy			
12.	Policy Objectives	<p>Use of 'encourage' in several objectives lacks certainty and is open to misuse.</p> <p>The objectives do not reference the need to achieve appropriate amenity for residents and neighbours.</p>	<p>Replace 'encourage' with 'ensure'.</p> <p>Add an objective that requires apartments and mixed use development to deliver a high level of</p>

		<p>The objectives do not adequately address the need for apartment designs to be sustainable. As part of this, designs should be responsive and adaptive to climate change.</p>	<p>amenity for the residents and neighbours.</p> <p>Give greater emphasis to sustainability in the objectives.</p>
13.	Images	<p>A number of the photos within the Policy document are poor examples of design and would not be encouraged or permitted in the City.</p>	<p>Review all photos and replace as necessary.</p>
14.	Application	<p>The Design Policy states that it applies to multiple dwelling/apartment developments and residential components in mixed-use developments and activity centres.</p> <p>Under the <i>Planning and Development (Local Planning Schemes) Regulations 2015</i>, the R-Codes apply to an area if the area has a coding.</p> <p>CPS2 states that the R Codes apply only to a residential development on land to which the Scheme or a Precinct Plan designates a density code. The portion City of Subiaco Town Planning Scheme No. 4 now administered by the City states that the R Codes apply to an area if the area has a coding number applied to it on the Scheme Map.</p> <p>Clarity is needed on mixed-use development to be assessed under the Apartment Policy. The majority of apartments within the city centre are part of mixed-use developments. The Policy does not indicate if, as per the R Codes, only certain sections apply to mixed-use</p>	<p>Confirm that the current application of the R Codes will apply to the city. Alternatively work with the City to find a method and level of application that will be appropriate and practical for the City.</p> <p>Clarify how the Apartment Guide will apply to mixed-use development.</p>

		<p>development in R Coded areas.</p> <p>Many elements of the Policy, such as primary controls, may not be relevant to mixed-use development state-wide or where the apartments may be only a minor use within the development. However ideally some of the internal design guidance would apply to all residential development within a mixed use development, e.g. apartment sizes, ventilation and day light access.</p>	
15.	Variations to Apartment Design Guide	<p>It is not clear how the Design Guide will affect existing local planning provisions and policy.</p> <p>It is indicated that local provisions may vary primary controls and design criteria with WAPC approval. The Policy also states that <i>'If a properly adopted local planning policy which came into effect prior to the gazettal of this policy is inconsistent with this policy, this policy prevails over the pre-existing local policy to the extent of inconsistency.'</i></p> <p>Major variations to the R Codes apply under CPS2, including to plot ratio, building height and setbacks. Under TPS4 fewer variations apply, but they include reduced building height in the University Precinct R80 areas. The implications would be greater again if the WAPC were to require the wider application of the Policy to apartment development generally within the city.</p>	<p>Clarification on this matter is required.</p> <p>It would not be appropriate as a general rule for existing local planning policies to be superceded or require further approval where they vary from the Policy and in particular primary controls. This has significant implications for the City.</p>
	<i>Primary Controls</i>		
16.	Streetscape Patterns	<p>Whilst the detached streetscape pattern is intended to generally be the default setting unless designated otherwise by a LG, it may</p>	<p>Clarification required.</p>

		<p>be inappropriate in many areas. It is not clear if this designation would require a Scheme Amendment and how this would be managed in the interim.</p> <p>Difficulty arises in identifying two streetscape patterns that are representative of residential built form across the state. The CPS2 controls within the Terrace Road, Mount Street and Goderich Design Policy Areas are each refined to relate to the unique desired character in these areas.</p>	
17.	Primary Controls Table	<p>The settings under the detached and attached primary controls would not be appropriate in large areas of the city centre given the higher intensity of development.</p> <p>The City already has recently reviewed plot ratio, building heights and setbacks in place across the city including in residential use areas. These settings are significantly different to those in the Table and are refined to relate to the unique desired character in the specific areas.</p> <p>The issues with variations to the Design Guide as raised under Item 15, are particularly relevant. It would not be appropriate for the Design Guide to supercede existing CPS2 planning provisions and policies that specify these types of controls.</p>	<p>The application of the settings within the table to the R Coded areas within the city requires further consideration as the settings are not appropriate.</p>
18.	Building Envelopes	<p>Building envelopes are not appropriate in the city. They are overly prescriptive and can restrict alternative design solutions that may equally meet Policy objectives.</p> <p>Given their site specific nature</p>	<p>The introduction of building envelopes is not supported.</p>

		By nature, building envelopes are site specific and implementing them over all R Coded sites across the state is also likely to be unwieldy.	
19.	Building Height	Using storeys rather than metres to measure building height can lead to uncertainty as what constitutes a storey can be open to interpretation and floor to ceiling heights can vary depending on use and quality of development.	Review methodology.
20.	Building Depth	Building depth is not defined. Fig2.7(b) suggests it is depth and width. Table 3 is lacking detail and the wording is unclear. The table only applies to one configuration and the prescribed depth is not specified as a maximum.	Provide definition and revise table to be user friendly and clear.
21.	Building Separation	<p>The combination of building separation distances, side and rear setbacks and visual privacy view cones is unnecessarily complicated. Building setbacks and separation address visual privacy.</p> <p>The identification of one set of default building separation distances to apply across the whole of WA is overly simplistic. Reduced levels of separation should be anticipated in the city centre and high density areas generally.</p> <p>Building separation requirements assume that existing development on adjoining sites will remain into the future and is appropriate.</p> <p>Increasing setback distances by 3m where a site borders a lower density zone is inappropriate and impractical on the many narrow lots in the city centre.</p>	<p>Review and reduce number of controls.</p> <p>Review building separation and provide variable standards depending upon context.</p> <p>Rather than specifying 3m, the setback should be closer to / reflect that applicable in the bordering lower density zone.</p>

22.	Side and Rear Setbacks	As indicated under Issue 21 the combination of building separation distances, side and rear setbacks and visual privacy view cones is unnecessarily complicated and often couldn't be achieved in the city.	Review and reduce number of controls.
23.	Incentive based development standards	CPS2 has incorporated bonus plot ratio incentives for many years. This experience has shown that the number of incentives adopted by a LG should be limited and targeted to be successful in achieving strategic objectives. Too many options dilute the benefits. Removing existing vehicular access from a major road should be required and not incentive based.	Provide additional guidance. Remove from list.
24.	Co-ordinating Local Policies - Utility Services -Water Sensitive Urban Design	Utility providers do not necessarily prioritise good design outcomes when determining minimum building service requirements. Many requirements are outdated and inflexible, and particularly problematic where nil street setbacks apply. Of primary concern is the percentage of frontages taken up by services. Apartment developments should adopt water sensitive urban design principles as part of the design process.	While LG can assist, there is a need for State Government to undertake a co-ordinated review of minimum building utility service requirements to ensure that they are sustainable and conducive to good design. Reference water sensitive urban design in the list of matters to be considered.
<i>Siting the Building</i>			
25.	Site Analysis	The site analysis legend should include existing vegetation, views and outlook.	Require further information.
26.	Orientation	Objective 3.2.1 proposes to optimise solar access within development. While access to sunlight in winter is important, it should also be acknowledged that in large areas of	Review and give increased emphasis to the need to minimise direct solar access in warm months/climates.

		<p>WA, including Zones 4 and 5, minimising solar access for large parts of the year is a greater priority. The Bureau of Meteorology records show that the mean maximum temperature in the Perth metropolitan area in 2016 was greater than 20 degC for 8 out of 12 months with the highest maximum being 42.5 degC.</p> <p>Whilst Objective 3.2.1 requires buildings to face the street, it is important that tall buildings are four sided.</p> <p>The guidance does not reference properties that orientate to enjoy significant views or outlooks to the south.</p> <p>Objective 3.2.2 Minimising overshadowing of neighbouring properties as specified, and in particular living rooms, private open spaces and communal open spaces is difficult to achieve in the city centre because of the density and height of development. Tall buildings often overshadow each other in the morning and afternoon regardless of setbacks.</p>	<p>Review wording to consider all elevations of tall buildings.</p> <p>Add wording to acknowledge orientation to address views.</p> <p>Review wording to recognise high density areas.</p>
27.	Existing Tree Retention	<p>3.3.2 DC1 allows for existing trees identified for retention to be retained, or replacement or offset cost paid to LG. For significant large/mature trees, retention should be a priority unless tree health is an issue.</p>	<p>Review wording of DC1 to prioritise retention of significant trees.</p>
28.	Deep Soil Areas	<p>Objective 3.4.1 Whilst reference to the positive outcomes of rainwater infiltration, passive irrigation and biodiversity is made in the intent, they are not referenced in the objectives or design criteria.</p>	<p>Address in objective and design criteria.</p>

		<p>Appropriate design and location of planting on structures is critical to ensure there long term success. (e.g. orientation, light access, wind conditions).</p>	<p>Address in design guidance.</p>
29.	Communal Open Space	<p>Intent In addition to the functions listed, public open space has a drainage and stormwater management function.</p> <p>Objective 3.5.1 DC1 should encourage provisions for developments with up to 10 dwellings rather than not require.</p> <p>DC2 The direct sunlight requirements for communal open space are not appropriate or feasible in the city centre.</p> <p>Mid winter is not an appropriate benchmark as this is when the space is least likely to be used, the shadows are at their longest and in June an average of 19 days are overcast.</p> <p>In high density area where there are multiple tall buildings it is not a feasible requirement.</p>	<p>Add wording.</p> <p>Amend wording</p> <p>Amend criteria. Moderate to high levels of sunlight penetration between August and April, 10am to 2pm is considered to be a more appropriate benchmark.</p>
30.	Visual Privacy	<p>As indicated under Issue No. 21, the combination of building separation distances, side and rear setbacks and visual privacy view cones is unnecessarily complicated.</p> <p>Objective 3.6.1, DC1 Visual privacy cones are overly complicated and are not warranted or practical in the city centre due to the density of development and the small size of many lots. Reduced levels of privacy should be anticipated in high density city centre areas.</p>	<p>Review and reduce number of controls.</p> <p>Remove these requirements.</p>

		Increasing setback distances by 3m where a site borders a lower density zone is inappropriate and impractical.	Rather than specifying 3m the setback should be closer to/reflect that applicable in the lower density zone.
31.	Public Domain Interface	<p>Objective 3.7.1 Design Guidance- Direct entry to apartments from the street in the city centre is often not desirable for safety and amenity reasons. In high density mixed-use areas, the CPS2 does not permit residential uses to front the street at street level.</p> <p>Objective 3.7.1 and 3.7.2 Design Guidance- Protrusion of car parking above ground level within street setbacks should be discouraged. Similarly, the location of car park vents within streets setbacks or venting to the street should not be permitted.</p>	<p>Review wording.</p> <p>Review wording.</p>
32.	Pedestrian Access and Entries	<p>Objective 3.8.1 Design Guidance – While the need to consult early with relevant authorities regarding fire and service access these authorities do not necessarily prioritise good design outcomes. Firefighting and service access such as gas, electricity and water meters requires careful consideration in the design of the street façade and this should be done in consultation with the LG.</p> <p>Access should cater should for furniture delivery/removal.</p> <p>Objective 3.8.3 The provision of pedestrian links on large sites is not always desirable. It can inappropriately reduce pedestrian numbers on the street and conflict with CPTED principles.</p>	<p>Reword to consult early with ‘Local Government and’ relevant service authorities.</p> <p>As indicated under Issue 24, there is a need for State Government to undertake a co-ordinated review of minimum building utility service requirements to ensure that there is consideration of good design.</p> <p>Add design guidance.</p> <p>Clarify objective. Provide pedestrian links where there is a strategic need, required link to achieve walkability, etc and it will not lead to an inappropriate reduction in</p>

			pedestrian numbers on the street.
33.	Vehicle Access	<p>Objective 3.9.1 Design Guidance Doors or gates at car park entries are often visually permeable. Where this is the case the visible interior should also reflect the façade design and building services should be concealed.</p> <p>Inset gates to allow space for a waiting car are not always a good outcome for the streetscape or pedestrian safety and may conflict with CPTED principles.</p> <p>Minimising excavation is a cost issue rather than a design issue. Excavation is encouraged in the city centre to accommodate basement car parking.</p>	<p>Review wording.</p> <p>Review wording.</p> <p>Review wording.</p>
34.	Car and bicycle parking	<p>Objective 3.10.1 DC1 The car parking ratios in table 3.10.1 – Location A are not appropriate in the city. They are generally considered to be too high and in particular it is recommended that minimum car parking requirements be removed. 21% of households in the City of Perth do not own a car and there is a growing trend for developments in the city to include apartments without car parking allocation, reducing the cost of the apartments and thus improving affordability. It also has positive sustainability outcomes in terms of vehicles in the city and reduced parking infrastructure on site.</p> <p>The prescribed visitor car parking requirements are not warranted in the city centre due to good access to public transport and public parking.</p>	<p>Review table.</p> <p>Review wording.</p>

		<p>Based on 2011 dwelling sizes and ID forecasts, the Policy's resident and visitor car parking requirements would result in a minimum of ≈11,700 and a maximum of ≈22,100 additional car parking spaces in the City of Perth by 2036. This equates conservatively to a minimum of 29 hectares and a maximum of 55 hectares of car parking bays. These numbers have major implications for construction costs, building form, housing affordability, traffic movement and the amenity of the city environment generally.</p> <p>DC2 Australian Standards AS2890.1 are not always appropriate as they don't allow for smaller cars.</p> <p>Objective 3.10.2 DC1 The requirement of 0.5 bicycle parking spaces per dwelling is too low.</p> <p>The City is currently reviewing CPS2 bicycle parking provisions and considers that a minimum of 1 bicycle parking space per apartment and 1 bicycle space per 10 apartments is more consistent with requirements in city centres in other states and generally more appropriate.</p> <p>DC2 Motorcycle and scooter parking should not directly relate to car parking numbers. The use of motorcycles and scooters should reduce the demand for car parking.</p> <p>Objective 3.10.4 Design Guidance Excavation to accommodate basement car parking is encouraged in the city centre as above ground parking can lead to significant amenity problems. Guidance to avoid underground parking in high</p>	<p>Review wording.</p> <p>Increase requirement to at least a minimum of 1 bicycle parking space per apartment and 1 bicycle space per 10 apartments. The exception would be where an apartment's store is of an appropriate size and dimension to accommodate a bicycle.</p> <p>Review requirement. Motorcycle and scooter parking should relate to apartment numbers.</p> <p>Review wording.</p>
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		<p>water table locations is cost based rather than design based.</p> <p>Objective 3.10.6 Design Guidance. Above ground parking should generally not front the street as it reduces the potential for passive surveillance and reduces the amenity of the streetscape. Ideally above ground car parking should be located to the rear of the site and/or sleeved with active uses. Screening is not an appropriate solution as it provides minimal passive surveillance of the street and is not effective at night.</p> <p>Rather than reducing the impact of open car parking decks on adjacent apartments with shade structures or landscaping, in the City car parking should not be visible from the public realm or adjacent properties.</p>	<p>Review wording.</p> <p>Review wording.</p>
<i>Designing the Building</i>			
35.	Solar and Daylight Access	<p>Intent and Objective 4.1.1</p> <p>As indicated under Issue 26 in large areas of WA, including Zones 5 that covers Perth, building design should minimise direct sunlight access to apartments at certain parts of the year.</p> <p>Designing to minimise direct afternoon sun can be particularly difficult and should be addressed.</p> <p>As indicated under Issue 29 mid-winter is not an appropriate benchmark for measuring sunlight access into public spaces in Perth, as this is when shadows are at their longest and overcast days are most common (in Perth in June an average of 19 days are overcast).</p> <p>Objective 4.1.1 DC1</p> <p>A requirement for 70% of</p>	<p>Review and emphasise the need to minimise solar access in warm months/climates.</p> <p>Review measure. In Perth moderate to high levels of sunlight penetration between August and April, 10am to 2pm is a more appropriate benchmark.</p> <p>Review wording.</p>

		apartments in a building to receive 2 hours of direct sunlight in mid-winter is not feasible in high density areas such as the city centre due the overshadowing from adjacent buildings.	
36.	Natural Ventilation	<p>Objective 4.2.3 DC1 The provisions are overly prescriptive, particularly in high density areas and on constrained sites. Alternative design solutions should be considered.</p> <p>In the upper levels of tall buildings wind mitigation measures need to be incorporated into design.</p>	<p>Simplify provisions.</p> <p>Add guidance.</p>
37.	Apartment Sizes and Layouts	<p>Under Clause 61 of the Deemed Provisions, internal works that do not materially affect the external appearance of a building do not require development approval. The exception to this is where works are to a heritage building or a building in a heritage area.</p> <p>As a result, while apartment sizes and layouts may comply with the Policy when constructed, these sizes and layouts could be altered without development approval later. This applies to other internal design considerations contained within the Policy and undermines its intent.</p> <p>Objective 4.4.3 A number of the apartment layouts depicted are not good examples and would not be encouraged within the city.</p> <p>Design Guidance - Avoiding direct access from living areas to bedrooms, bathrooms and laundries is often not achievable and not warranted in an apartment. It is also not reflected in some examples</p>	<p>Review the Deemed Provisions to correct the conflict and ensure good design outcomes are maintained over the life of a development.</p> <p>Review examples.</p> <p>Remove guidance.</p>

		provided.	
38.	Storage	<p>Objective 4.7.1 DC1 and Design Guidance. Requiring only 50% of prescribed storage areas to be separate from the apartment is a significant change from the current situation where 100% of the storage area is separate. This provides space to accommodate bulky objects more appropriate in a shed than an apartment.</p> <p>Allowing storage areas to be divided to will create inefficient and impractical spaces.</p> <p>Objective 4.7.2 Design Guidance Anecdotal evidence indicates the use of cages for storage creates security issues for residents.</p> <p>In developments where large numbers of stores are located together, design should address safety for residents and avoid entrapment areas.</p>	<p>Revise guidance.</p> <p>Remove relevant wording.</p> <p>Add guidance.</p>
39.	Noise and Pollution	<p>Intent In the city centre and mixed-use areas designing to address noise emitting land uses such as entertainment uses, is an increasing challenge.</p> <p>The City is currently preparing a noise planning policy to provide clear and consistent noise attenuation requirements for the development of residential, special residential and entertainment uses.</p> <p>In particular current noise regulations focus on A- weighted noise frequencies and do not have sufficient regard to low frequency C-weighted noise commonly</p>	<p>Add wording and give greater consideration to measures to address noise emitting land uses.</p>

		generated by entertainment uses. This will be addressed in the policy.	
40.	Ground Floor Apartments	Objective 4.11.1 Design Guidance As indicated under Issue 32 direct entry to apartments from the street in the city centre is often not desirable. Under the CPS2, in high activity city centre areas apartments are not permitted to front the street at ground floor level.	Review wording.
41.	Facades	Objective 4.12.1 Design Guidance The use of public artwork or treatments as a solution for blank walls is not good design. Large sections of blank wall should be avoided and where they are provided they should make sense as part of the overall design and form of the building with appropriate detailing.	Remove wording.
42.	Roof Design	Objective 4.13.1 Design Guidance to break down the massing of roofs to avoid bulk is not necessarily good design. Strong roof elements with bulk can create good design depending upon context. Encourage roof design to allow for rainwater harvesting for toilets, landscape reticulation and to accommodate renewable energy installations (e.g. wind turbines, solar PV's and solar hot water).	Revise wording. Add wording.
43.	Landscape Design	Intent The use of landscape to mitigate bulk and scale should not be necessary if good design is implemented. Rather landscaping is important to create better and healthier spaces and to assist in creating micro-climates, biodiversity and habitat.	Remove wording.

		Green roofs and walls need to be well located and designed to ensure their sustainability.	Expand wording.
44.	Planting on Structures	Objective 4.15.1 Appropriate design and location of planting on structures is critical to ensure their long term success. (e.g. orientation, light access, wind conditions). Planting on structures also needs to be well located to benefit residents and the public.	Review wording and expand guidance.
45.	Universal Design	Objective 4.16.1 The rationale for the 20% benchmark of apartments required to meet the essential design features checklist is not clear. The cost implications need to be considered.	Provide rationale.
46.	Adaptive Reuse	Objective 4.17.1 This objective is overly prescriptive as there are numerous design solutions for additions to buildings. Objective 4.17.2 Design guidance should encourage re-use of building materials where appropriate.	Review wording.
47.	Mixed Use	Intent If the Design Guide applies to all mixed-use development incorporating one or more apartments, more guidance is required around the design of the commercial element. Objective 4.18.2 Design Guidance Separate lifts should be encouraged in smaller mixed-use developments and mandated in larger mixed-use	Clarify and provide greater guidance. Add guidance.

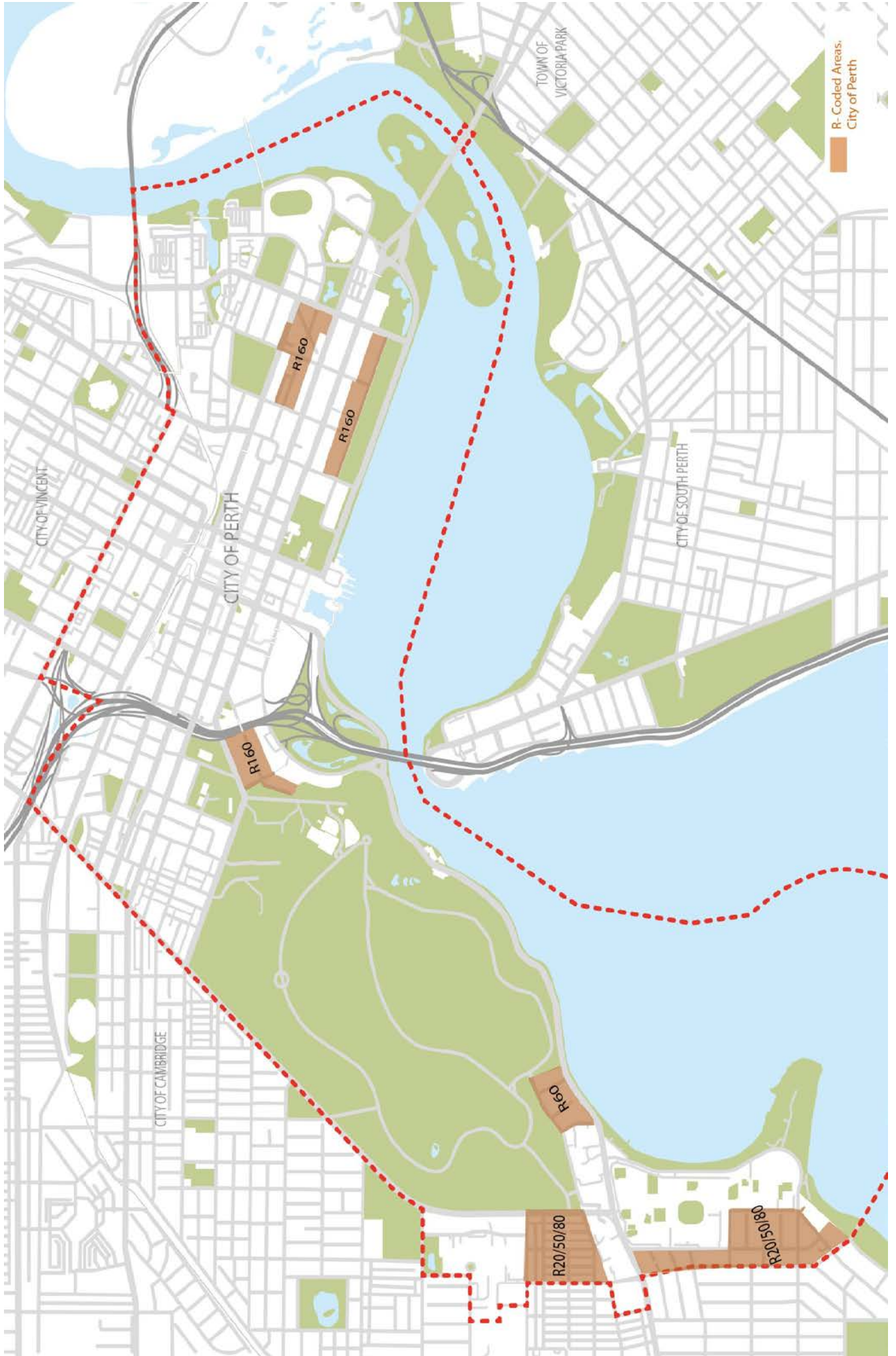
		developments.	
48.	Awnings	4.19.1 Design Guidance should address the appearance of awnings from above and the need for this to be neat and non-reflective.	Add guidance.
49.	Energy Efficiency	<p>Objective 4.20.1 and 4.20.2 NatHERS measures thermal comfort rather than energy efficiency. Thorough investigation is required to determine the most appropriate and practical rating tool to measure the latter along with water efficiency, and ensure optimal outcomes into the future.</p> <p>The NSW Government has legislated the use of BASIX as a measure of sustainability. BASIX measures both water and greenhouse gas reduction. It is one of a number of tools that warrant consideration.</p> <p>Flexibility is required if tools are to be specified to allow for improvements in technology and best practice over time.</p> <p>Objective 4.20.2 The use of higher performance glazing should be required in medium to large scale developments unless its exclusion can be appropriately justified in the Sustainability Report.</p>	<p>Investigate alternative best practice tools for measuring the energy and water efficiency and the general sustainability of developments and apply require minimum standards on a consistent statewide basis.</p> <p>Amend wording.</p>
50.	Water Management and Conservation a	<p>Refer to Issue 49 above.</p> <p>Objective 4.2.1 Design Guidance Demonstration of sustainability commitments would need to be completed prior to the lodgement of the building permit application. Issuing of a building permit application cannot be delayed on the basis of a condition of development approval.</p>	<p>Refer to Issue 49 above.</p> <p>Amend wording.</p>

51.	Waste Management	<p>Intent The intent and overall section should incorporate design measures to minimise waste generation and encourage re-use and recycling.</p> <p>Objective 4.22.1 Design Guidance The need to demonstrate the practical accommodation of proposed bin numbers in the streetscape suggests that their location adjoining a street is appropriate. The City generally does not permit bin stores or collection points to adjoin the street frontage.</p> <p>Right of ways where available and accessible should be the first option for access for waste collection.</p> <p>Objective 4.22.2 Design Guidance Chute systems are preferable to waste and recycling cupboards.</p>	<p>Review section to address design that facilitates sustainable waste management.</p> <p>Amend guidance.</p> <p>Add guidance that prioritises alternative access.</p> <p>Amend wording.</p>
Design Review Guide			
52.	Application	<p>The documentation suggests that the Guide is intended as a best practice model for the establishment and operation of design review panels.</p> <p>The recommended design review process twice before lodgement and checks at building application stage has significant time and cost implications for LGs and applicants that need to be carefully considered. Difficulties arise in the remuneration of costs from applicants for review at the pre-application stage, particularly when proposals do not proceed to lodgement. Availability of Design Review Panel members may cause delays. This is especially problematic and building application stage when tight</p>	<p>Review the cost and time implications of pre lodgement and building application review.</p> <p>Any measures to regulate the establishment of design review panels should incorporate appropriate flexibility to allow for the varying size and nature of LGs and level of technical expertise available to LGs across the state.</p>

		<p>statutory timeframes apply.</p> <p>The City's Statutory Planners and Architect operate a pre-application process for applicants and ongoing design advice during the assessment and processing of applications. The CPS2 also mandates the appointment of a Design Advisory Committee to advise on design matters and the awarding of bonus plot ratio. This Committee reviews development applications after lodgement and prior to them being determined by the Council or the Local Development Assessment Panel.</p> <p>This model of design review is efficient, timely, effective and well regarded by the industry. Applications are generally only presented to the Design Advisory Committee once, reducing time and expense for all parties.</p>	
53.	Role	<p>The Guide should more clearly indicate that design review panels make recommendations only and do not have a decision making function.</p> <p>Design review panel's recommendations need to be considered along with all relevant land use planning consideration identified under the Deemed Provisions and Local Planning Schemes. Design review has a tendency to focus on the architectural merit of a development. A positive recommendation by a design review panel should not be assumed to be development approval.</p>	Review wording.
54.	Timing	Design review by a panel at concept design stage is not appropriate for the City. As indicated above, the	Review at concept design stage not appropriate for City.

		City has a pre-application process and relevant planning and architectural expertise in place that work well.	
55.	Funding and Remuneration	<p>Design review may have significant financial implications for LGs, depending upon its implementation, and changes to planning fees and charges should reflect this.</p> <p>Difficulties arise in the recovery of costs from a proponent for review at the pre-application stage.</p>	Thoroughly assess the financial implications of the implementation of design review panels for LG.
56.	Design review thresholds –	<p>The Design Review Threshold Table requires further refinement.</p> <p>Design review should be required for all types of major development rather than focussing on apartment development.</p> <p>State Government projects and public works of both state and regional significance should be subject to a design review process rather than just the former.</p> <p>Definitions should accompany the table.</p>	Revise Design Review Threshold Table.

R-Coded Areas in the City of Perth



Agenda **Commercial Events Sponsorship – Mellen Events – Piccadilly**
Item 13.5 **Theatre, Hay Street Mall, Perth**

Recommendation:

That the Marketing, Sponsorship and International Engagement Committee refuses the application of Commercial Events Sponsorship – Mellen Events – Piccadilly Theatre, Hay Street Mall, Perth.

At the Marketing, Sponsorship and International Engagement Committee meeting held on 28 February 2017 the Committee resolved to adopt an alternative recommendation as follows:

“That the Marketing, Sponsorship and International Engagement Committee refuses the application of Commercial Events Sponsorship – Mellen Events – Piccadilly Theatre, Hay Street Mall, Perth.”

Reason: Due to insufficient information regarding the financial viability of both the developer and the operator.

Original Officer Recommendation:

That Council:

1. approves cash Events Sponsorship of \$170,000 annually, over a period of 10 years, commencing in the 2018/19 financial year, for Mellen Events, within the Piccadilly Theatre at 700 – 704 Hay Street Mall, Perth;
2. notes that Mellen Events will provide the following sponsorship benefits to the City of Perth:
 - 2.1 inclusion of the City of Perth crest on the Mellen Events web site or specific web site(s) associated with the venue and registration page including a link to the City of Perth website;
 - 2.2 acknowledgement of the City of Perth in all Mellen Events promotions, advertising and ticketing pertaining to the Piccadilly Theatre;
 - 2.3 all event space signage at the site including “sponsored by the City of Perth” and the City of Perth crest in a prominent location;
 - 2.4 a welcome from the Lord Mayor in promotional or booking material for the Piccadilly Theatre;
 - 2.5 a speaking opportunity for the Lord Mayor (or nominated representative) at the opening of the Piccadilly Theatre;

- 2.6 dedicated social media promotion of City of Perth events taking place in conjunction with Mellen Events; and
- 2.7 the space being made available to the City of Perth, free of cost, for up to four events a year, subject to prior agreement with Mellen Events;
3. notes that an annual acquittal report, including itemised and annualised details of events; attendance; timing; and promotional spend for events held in the Piccadilly Theatre, measured against the targets contained within Mellen Events Sponsorship Application – Economic Development dated 16 January 2017, will be presented annually to Council;
4. notes that if Mellen Events:
- 4.1 fails to provide the agreed events, marketing spend and activities;
- 4.2 breaches its lease;
- 4.3 becomes insolvent; or
- 4.4 abandons the space;
- then the funding would cease to be payable, or varied accordingly to the terms of the sponsorship agreement to the satisfaction of Council;
5. authorises the Chief Executive Officer to negotiate and authorise a legal agreement between the City of Perth, Mellen Events and the owners of the Piccadilly 700-704 Hay Street Mall, Perth (if applicable), based on the above terms addressing: Events sponsorship benefits; KPIs; payments; and contingencies to the satisfaction of the CEO.

FILE REFERENCE: P1010627-23
 REPORTING UNIT: Economic Development
 RESPONSIBLE DIRECTORATE: Economic Development and Activation
 DATE: 23 January 2017
 ATTACHMENT/S: Attachment 13.5A – Officer Assessment and Details
 Confidential Attachment 13.5B - Economic and Financial Analysis of Request Sponsorship
 Confidential Attachment 13.5C - Ticket Subsidy Comparison
 Confidential Attachment 13.5D – Initial Legal Advice 13 June 2016 and Subsequent Legal Advice 17 February 2017
 Confidential Attachment 13.5E – Proponents, Venues and Locations
 Confidential Attachment 13.5F – Additional Financial Information

(Confidential Attachments distributed under separate cover to Elected Members)

This item was deferred by the Marketing, Sponsorship and International Engagement Committee at its meeting held on 31 January 2017 as follows:

“That the Marketing, Sponsorship and International Engagement Committee defer consideration of the report titled Commercial Events Sponsorship – Mellen Events, Piccadilly Theatre, Hay Street Mall, Perth, to the next Marketing, Sponsorship and International Engagement Committee (scheduled to be held on Tuesday, 28 February 2017) to allow for the provision of additional information as follows:

1. *Legal Advice obtained by Officers regarding the sponsorship proposal;*
2. *Other potential proponents;*
3. *Other potential venues / locations; and*
4. *Financial information (budget).”*

As requested by the Committee, the additional information has been provided as Attachments:

- A – C, F Financial details for the proposal providing annual: staff, production, rent / rates, overheads and marketing costs.
- D - Legal Advice from Jackson McDonald dated 17 February 2017, which supports the overall approach to the proposed sponsorship and the use of the annual event sponsorship category.
- E - Details of the various entities that have engaged the City seeking assistance and guidance in locating a new entertainment venue, particularly around the central Malls.

Legislation / Strategic Plan / Policy:

Legislation

Local Government Act 1995
Commercial Tenancy (Retail Shops) Agreements Act 1985
Disability Discrimination Act 1992
Premises Standard 2012
Building Code of Australia 2016

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Perth as a Capital City, and Perth At Night

S5 Increase place activation and use of under-utilised space.

S7 Collaborate with the private sector to leverage City enhancements.

S13 Development of a health night time economy

Policy

Policy No and Name: 18.13- Sponsorship

Financial Implications:

All figures quoted in this report are exclusive of GST.

There is no budgeted amount for this specific project in the 2016/17 or 2017/18 financial years. Given the stage of the project and the lead in time to receive and implement statutory approvals for the works, it is proposed that the sponsorship commence from the 2018/19 financial year budget (\$170,000 annually – subject to performance).

This proposal and consideration of similar opportunities has informed the City's recent review of grants and sponsorships.

Purpose and Background:

This report discusses a 10 year Commercial Events Sponsorship proposal for Mellen Events to occupy the Piccadilly Theatre

Details:

Officer assessment of this commercial events sponsorship application is detailed in Attachment 13.5A.

Adherence to Council Policy 18.13 – Sponsorship

The subject sponsorship is one outcome arising from several years of City investigations in respect to the best options and framework which was the subject of an Elected Member briefing session held on 20 October 2016.

Council, at its meeting held on **13 December 2016**, adopted a new Council Policy 18.13 Sponsorship, replacing 18.8 – Provision of Sponsorship and Donations.

The new policy has introduced a maximum three year term. Given the sponsorship benefits will only be recouped over a longer term as justified in Confidential Attachment 13.5B, a 10 year term is proposed to ensure the City can maximise the partnerships benefits for the community and in particular the local economy in and around the malls as consistent with the City's Corporate Business Plan.

Comments:

This proposal provides a once in a decade opportunity to revitalise an area of the city that has a strong need for diversity and improvements which can drive significant economic, social, cultural and community benefits for City of Perth ratepayers, local business, residents and visitors. Unique opportunities require special consideration.

The City has an opportunity to deliver a sponsorship that enhances the image of and goodwill towards the City of Perth, both in the amenities offered within an international city and responsive to the City's on-going economic development and business support objectives noted in the Strategic Community Plan.

This will build extended economic hours of activity, night time and creative industry capacity and create momentum concurrently with the recently announced Cinema at Raine Square and Rechabites Hall in Northbridge.

The City is demonstrating leadership and sustained action on these matters, decisively and responsively to market considerations and opportunities.

The recommended draft sponsorship model is fiscally responsible and positive over the life cycle of the project as outlined in Confidential Attachment 13.5B and matches or outperforms most other events sponsorships by virtue of the indirect investment 'building capacity' back into the City and its bricks and mortar assets.

Marketing, Sponsorship & International Engagement Committee

Sponsorship Type:	Commercial Event - Annual
Project Name:	Mellen Events Piccadilly Activation
Location of Project:	700 - 704 Hay Street Mall, Perth
Applicant (including business type):	Mellen Events
Cash Amount Requested (excl GST):	\$170,000 Annually for 10 years
In-Kind Amount Requested (excl GST):	NA
Total Amount Recommended (excl GST):	\$170,000 Annually for 10 years
Total Budget of Project:	\$3,500,000 fit out \$25,605,000 marketing \$19,240,000 operational
Date of Project Commencement:	2018/19 Financial Year
Date of Project Completion:	2027/28 Financial Year
Expected Attendance:	892,500
Cost of Ticket to Event/Project:	NA
Previous Acquittal TRIM reference:	NA
REMPPLAN Direct Benefit:	\$213,802,500

Background

Increased activation, use of under-utilised space and collaborating with the private sector to leverage enhancements are core business functions of the City's Economic Development Unit (EDU); pursuant to the Strategic Community Plan Vision 2029, the Corporate Business Plan and the City's revised Organisational Structure.

In 2012 the City partnered with the private sector to activate the Moana Chambers (618 Hay Street Mall) upper floor with a café, gallery and co working space, by underwriting the initial 12 months of the lease and providing a bond.

Changes to the building legislation in 2012 had a significant detrimental impact to the adaptation feasibility of upper floor spaces and basements, particularly in respect to the costs associated with disabled access. This formed an additional barrier to upper floor activation beyond the long standing financial constraint under the Commercial Tenancy (Retail Shops) Agreements Act 1985, in respect to equitable apportionment of 'outgoing expenses'.

Over 24 months of collaboration with the private sector and landowners has delivered an opportunity for the City to bring a performance / event venue back to the Malls area. Support is sought for corporate sponsorship, to kick start the City's efforts in activating and revitalising the Hay Street Mall, pursuant to the concept outlined in the Elected Members City of Perth Scene Setting Strategy Session - Workshop Outcomes document (December 2015).

Council was provided a briefing on the progress of these activities for the Hay Street Mall Activation Plan on 20 October 2016, including marquee projects regarding upper floor activation in the malls. This sponsorship proposal forms one aspect of broad range of actions being drafted under the Hay Street Mall Activation Plan due for Council consideration FY 2016/17.

This is a significant opportunity to start the 18 hour economy in the Hay Street Mall which will enhance the economic opportunities for businesses within the area whilst meeting the City's activation targets and strategies to transform an underused precinct of the city. The proposal will also form a catalyst for investment and change of use opportunities within the Malls.

Proponent and Purpose

The proponent, Brad Mellen of Mellen Events is listed as No. 41 in the Australian Music Industry Directorate Power 50. He has consistently delivered major domestic and international artists and events in Perth and is acknowledged by the industry as a principal contact in Perth. Brad also collaborates with Rod Denman, who had a key role in the reinvigorated Astor theatre in Mt Lawley.

Based on the operational costs and rent responsive to the Piccadilly (owners) capital outlay for the fit out, a sponsorship request of \$170,000 annually for a 10 year period has been submitted for consideration. The total amount requested over a 10 year sponsorship agreement would be \$1,700,000 to deliver a projected 1275 events.

This approach to funding has been refined to be linear over the 10 years to avoid front loading of the sponsorship funds as discussions with all stakeholders indicate a linear (flat) annual sponsorship figure provides more certainty for all parties, less risk for the City and simplifies the contingencies regarding the owner's obligations for the space.

The proposed space is the former Piccadilly Theatre, which has been vacant for several years. The proponent has prepared a draft architectural scheme and projected fit out costs of approximately \$3,000,000 to \$3,500,000. Initially the venue will require 25 staff at opening and the following projected patronage:

- Year 1 - 75 shows at average attendance of 700 = 52,500 people
- Year 2 - 100 shows at average attendance of 700 = 70,000 people
- Year 3 - 120 shows at average attendance of 700 = 84,000 people
- Year 4 onward - 140 shows at average attendance of 700 = 98,000 people.

A full summary of the impact of the requested sponsorship over the 10 year term to the City's finances and the broader economic benefit to Perth is included under Confidential Attachment 13.5B and summarised below.

Options for Partnership

The *City of Perth Scene Setting Strategy Session - Workshop Outcomes (Dec 2015)* sought immediate and on-going improvements in activating the malls. It is proposed that the City demonstrate leadership in partnering with the private sector (both the proponents and owners) to deliver a performance / event venue. Three options were considered:

- underwrite the lease of the space for a specified period providing a bond, as per Moana Chambers activation at 618 Hay Street Mall, Perth; or
- provide a rates rebate, land use or special area incentive pursuant to Section 6 of the *Local Government Act 1995*; or
- a direct corporate sponsorship of the space itself, with the relevant sponsorship benefits typically afforded to the City, and key performance indicators at various stages of the life of the sponsorship.

A detailed investigation and discussion on the aforementioned options has occurred and indicated significant administrative, legislative and timing challenges associated with underwriting leases or the provision of rates incentives.

Accordingly, a direct event sponsorship is proposed to maximise the public benefit and exposure for the City's efforts, commencing the reactivation process of the adjacent Malls and providing a performance / event venue back in the malls / CBD.

Legal Advice

The City's legal advice has been updated (17 February 2017) responsive to Committee's resolution and is included in Confidential Attachment 13.5D.

This supersedes the original legal advice provided in response to another site being considered at that time under the old policy framework (Amended by Council December 2016).

The advice supports the use of the City's Sponsorship framework in light of the City's regulatory and legislative responsibilities and limitations.

The recommendation section of this report incorporates the contingencies summarised in the legal advice.

Sponsorship Benefits

The subject sponsorship will be considered as a corporate sponsorship which enhances the image of the City of Perth, particularly the malls, with attractions and activities consistent with expectations for an international city; amenities appealing to residents, visitors, workers and tourists and in developing an 18 hour economy.

The creation of an entertainment option in close proximity to growing creative and knowledge professionals within the City will reduce economic and activation leakage to alternative destinations outside of the City.

Direct Media

Projections for advertising of the space and events therein are provided under Confidential Attachment 13.5B. The 10 year marketing spend for 1275 events is projected at \$25,605,500 or an average of \$20,000 per event. Discussions with the City's marketing provider, Market Force, predict an approximated three per cent return (visibility) in terms of the City branding and sponsorship. The measurable benefit for the City of the direct media (including opening) references and branding will therefore be \$768,150 over the 10 year sponsorship term. It is important to note this benefit does not include general media commentary / press regarding the project which is likely to be significant.

Indirect Media

It is anticipated that the sponsorship will generate significant positive media upon delivery of the venue and on-going benefits continuing for the duration of the sponsorship. There is a methodology available for the City to monitor, quantify and report on the indirect benefits of media associated with the space and its events. This includes identifying the geographic location, reference material, media type (press article, television reference, social media tweets) etc.

By way of example, in 2013, the program curators for Federation Square in Melbourne programmed a Nelson Mandela memorial day commemorating his life. The indirect (unsolicited) media activity generated was monitored to establish its economic value (or benefit) on that single program and at that location, which achieved:-

- (i) 362 TV, radio, print and online news references to the value of \$323,500; and
- (ii) 72 national / international twitter and face book references valued at \$71,098.

Should it be deemed necessary, Council could opt to monitor and quantify this activity over chosen periods including the opening period of the venue; however it is not recommended in this report given the additional cost and resourcing burden to the operators of the facility.

Rates Return

Discussions with Landgate and the City's Rates and Finance representatives indicate that, based on the layout of the subject tenancy and the cost of the initial capital injection, rates are projected at \$22,500 a year for the space. Considering the current economic climate, the projected returns for GRV (reviewed triennially) shown in Attachment 13.5B, assumes no growth in the life of the

sponsorship (three GRV reviews are due 2017, 2020 and 2023). Therefore, the proposal would generate a rates return to the City of approximately \$225,000 over a 10 year sponsorship term.

Car Parking Revenue

There is no current methodology to apply ‘event’ based parking demand, on City car parks, above ‘normal’ usage.

City of Perth Parking (CPP) in proximity to the Hay Street Mall is charged at \$3.90 per hour. Even if only 10% of total visitation is captured by CPP parking facilities (of 892,500 visitors) this will generate \$1,044,225 in revenue for the City over 10 years (for an average 3 hour stay).

This patronage is anticipated to assist the City’s continued provision of convenient, low-cost and easily-accessible facilities suited to the needs of users. Anecdotally CPP has advised that up to 40% of patrons come to major events by car, to both CPP and non-CPP facilities. Thereby, value capture is likely to be much greater than conservatively estimated at 10% above. Furthermore, this capture does not account for further revenue for patrons staying longer to frequent restaurants, shopping or other entertainment venues.

Sum of Direct Benefits

This collaboration will therefore provide significant goodwill towards the City of Perth, in addition to the direct media. The proposal would generate 892,500 new ‘destination’ visitors to the Malls over the 10 years.

As outlined in Confidential Attachment 13.5B and noted above, the total direct benefit to the City’s finances over the life of sponsorship is projected at \$993,150 (rates and direct media) and close to \$2,000,000 when including the additional conservative estimates on car parking value capture (Refer Table 1 below).

The proposed sponsorship of 1275 events would therefore be \$1333 per event or \$1.90 per ticket. When considering direct financial return to the City (\$993,150), the cost of the City’s sponsorship reduces to \$554 per event or \$0.79 per person attending.

When including the additional (conservative) car parking revenue capture of 10%, the effect of the corporate sponsorship is a positive return to the City’s finances over the life of the agreement of approximately \$337,375.

<i>COST BENEFIT, EVENT AND TICKET SUBSIDY SUMMARY</i>			
<i>COST / BENEFIT MEASURE</i>	<i>SUM</i>	<i>REQUESTED PER TICKET SUBSIDY MINUS BENEFITS</i>	<i>PER EVENT COP SPONSORSHIP COST</i>
<i>Base Request</i>	<i>-\$1,700,000</i>	<i>\$1.90</i>	<i>\$1333</i>

<i>Including COP Rates and Marketing Benefit</i>	<i>+\$993,150</i>	<i>\$0.79</i>	<i>\$554</i>
<i>Including CPP Benefit (conservative 10% capture)</i>	<i>+\$1,044,225</i>	<i>-\$0.33</i>	<i>-\$229.06</i>
10 YEAR BUDGET IMPACT	+\$337,375	NA	NA

Table 1: Sum of proposed benefit, subsidies and per event costs

The recommended sponsorship of \$170,000 annually out performs most events in terms of a per ticket subsidy comparison for recent events held in the Malls area as shown in Confidential Attachment 13.5C, as well as other events the City sponsors in other locations. The approach demonstrates the benefit of the City collaborating with the private sector to ‘build in’ event capacity to the city, which can significantly outperform temporary events / infrastructure on a per ticket subsidy basis.

REMPPLAN Analysis

Remplan is an economic impact model developed by Latrobe University and used by the State and Federal government for economic modelling of the impact of various proposals on a locality.

A summary of the yearly economic output (direct and indirect benefits) for the initial works, domestic tourism for events and staffing is included in Confidential Attachment 13.5B. In this regard, the total benefits achieved over the life of the requested sponsorship are:

REMPPLAN ECONOMIC MODELLING TOOL – EVENT SPACE				
PROJECT 10 YEAR TOTALS	TOTAL CONSTRUCTION BENEFIT	TOTAL DOMESTIC TOURISM BENEFIT 1275 EVENTS	TOTAL PROJECT EMPLOYMENT BENEFIT	TOTAL PROJECT ECONOMIC OUTPUT
	<i>\$5,506,000</i>	<i>\$95,497,500</i>	<i>\$112,799,000</i>	<i>\$213,802,500</i>

Table 2: Remplan Economic Tool – Impact of Event Space

It is important to remember that the economic modelling benefits will not be exclusive to the municipality, but is likely to be largely absorbed within the Perth Metropolitan Region. In this regard, the City must remain competitive in providing experiences competing with the metropolitan

regional district centres to reinforce its role as a competitive international Capital City as recently gazetted under the Act.

REMPPLAN Context

In terms of the Remplan total economic output, based on the recommended sponsorship below, the proposal outperforms or is comparable with most other major events, delivering \$125.34 of economic output for every \$1 in invested City sponsorship.

However, when considered in light of the total sponsorship pool attracted by all these events (from City of Perth and other sponsoring agencies) and the total economic output, Mellen Events provides an significantly improved economic efficiency with output of between 3.5 to 27 times other major events such as: Christmas Pageant; Perth Heritage Days; PIAF; WASO – Symphony in the City; Fringe World; Awesome and WA Opera.

This reinforces the advantage of partnering with the private sector to deliver built form outcomes and embedded economic activity (rather than intermittent events). The supplementary ‘built capital’ investment comes from the building owner and tenant including: building upgrades, fit outs and maintenance costs which significantly contribute to the amenity of the City overall on a year-round basis. This is of particular importance for a site of such historical significance in a strategic location within the Hay Street Mall.

Impact on Malls

Temporary interventions via event sponsorship in public spaces can only go so far as they are intermittent. Embedded economic activity is a recommended element to improved activation. When delivered by the private sector such activations are directly market dependent and responsive to the desired consumer spectrum and a longer term focus of the investment. The City can leverage the programmed capital spend in the Hay Street Mall in 2018/19 by engaging with the private sector as noted in the City’s Corporate Plan (and as recently implemented in the Improvement Program - Barrack Street).

The changes required to strengthen the evening economy and diversifying uses and activation in the malls will be evident over time, but need to be sparked.

A national review of similar scaled entertainment (mixed performance) facilities revealed an average of 10.8 ‘specific’ events programed for the March 2016 period. Based on an averaged capacity, this could attract up to 13,835 new ‘destination’ visits for a single venue, over a single month.

The proponent’s projections are 10.6 events a month on average over the life of the sponsorship, with the resulting visitation for events of approximately 7420 per month.

Contextually, an additional 7500 people in the Hay Street and Murray Street Malls per month arriving and departing for an event (typically between 9 – 10 pm) would increase base pedestrian numbers (foot fall) in the Malls by 120% at that time (with one single event activation effort). This does not account for other destination use options that will arise in the surrounding tenancies.

The proposal will be both a driver and a complementary outcome to the activities and interventions to come within the Malls.

A particular benefit of a built form outcome, over a temporary event, is the ability of this facility to attract growing patronage as a permanent fixture and not be responsive to seasonal factors. This would be very attractive and helpful to local traders for year round business continuity (staffing etc) with the development of other evening facilities such as the Raine Square cinemas.

The proposal will also assist in addressing concerns regarding antisocial behaviour in the Malls in the evening, with increased foot fall, corresponding passive surveillance and the perception of safety that results.

Finally, the site's strategic location, central to the Malls, includes: links to both Murray and Hay Streets; and provides an activated night time mid-block connection to pedestrians approaching the Underground Station from the south eastern quarter. This will reinforce the ground floor arcade retail offering extending into later evening hours.

Monitoring and KPI's

Performance measures are proposed twofold: firstly, to monitor the impact and economic benefit of the proposal; and secondly to set key performance indicators at specified intervals to evaluate the performance, sum and longevity of the sponsorship:-

- Short term improvements to the malls can be monitored (new visitors, repeat visitors, dwell times, origin, destination and navigation paths) via the adapted Wifi infrastructure currently subject to trial;
- Other metrics can include crime statistics, land use / tenancy changes, feedback from existing stakeholders and media; and
- Key performance indicators will be reviewed annually, via the agreement requiring the submission of: an event log; patronage; marketing spend and total staff numbers.

Base line data for monitoring broader improvement to the malls has been gathered as part of the Hay Street Mall Activation Plan currently being prepared. These will be reported on annually over a three year monitoring program.

Recommended Sponsorship Arrangement

The sponsorship proposed is anticipated to generate 892,500 new 'destination' visitors to the Malls over the 10 years.

Deducting the sponsorship requested figure of \$1,700,000 from the City's direct rates and sponsorship (media) benefits, the projected 1275 events would cost the City of Perth \$554 per event. Where considering the conservatively projected CPP parking capture of 10% of total numbers, the proposed corporate sponsorship has a positive impact (return) on the City's overall revenue at \$337,375 (over 10 years – excluding growth in rates, marketing costs or parking fees).

A 10 year commitment is important to incentivise the significant initial capital commitment in the space. Creating a space of this scale and purpose, compliant with the Building Code of Australia for public performances, is unique to the Malls, and will reverse a near half century decline of such upper floor spaces.

This sponsorship agreement provides annual reporting targets to ensure satisfactory performance, while guaranteeing the delivery of a performance space in the City, annual delivery of events and the resulting activation of the Malls. This arrangement will drive innovation and commitment to the space and ensures the delivery of the City benefits.

Assessment of application against Guidelines

The Event Sponsorship Guidelines are an informing document for assessment of Event Proposals under the City's Policy 18.3 Sponsorship, adopted by Council in **13 December 2016**. The proposal forms a Commercial Events Sponsorship as defined in the Events Guidelines.

The proposal is consistent with the City's *Strategic Community Plan*, with a particular focus on the following themes:-

- Perth as a Capital City; and
- Perth at Night.

Objectives

The proposal is consistent with the objectives of Event Sponsorship as addressed in the report above:

- Celebrate, develop and engage with the City's community;
- Activate city precincts;
- Strengthen international business and cultural connections;
- Encourage investment in the city;
- Encourage visitation and economic impact both immediate and ongoing; and
- Attract the City's identified target markets into the city: families; baby boomers; city workers/young professionals.

Annual Commercial Event Prerequisites

As addressed in the above report, the proposal is consistent with the following prerequisites identified in the Guidelines to qualify for an Annual Commercial Event:

- is a large scale event with a history within the city;
- has helped position Perth on the national stage;
- demonstrated that the majority of the city of Perth funding is directed towards engaging city activation;
- activation should be accessible and drive significant visitation to the city;
- proactively presents opportunities to maximise visitor spend within the city driving commercial benefits to traders;
- proposes leveraging opportunities between the organisation and events to City of Perth programs or initiatives;
- is able to deliver on negotiated commercial sponsorship benefits;
- has a proven track record of attracting a large audience (at least 20,000) into the central city and the surrounds for events; and

- has a proven track record in attracting significant mainstream media coverage.

The guidelines suggest events should not be reliant on City funding. These prerequisites are generally focused on temporary events and activations of public reserves / streets and not in buildings with longevity in investment and outcomes (10 years). As noted in the report above, the City investment in built form can reverse a near 50 year trend of decline in upper floor activation. The City's funding will address a long standing feasibility gap that has been significantly holding back the economic development of the city, in addition to the legislative and financial challenges applicable to upper floors under the following legislation:

- *Commercial Tenancy (Retail Shops) Agreements Act 1985;*
- *Disability Discrimination Act 1992;*
- *Premises Standard 2012; and*
- *Building Code of Australia 2016.*

Assessment Criteria

The proposal performs well against the assessment criteria as follows:

Public outcome in the City of Perth: - events will be accessible to a broad demographic and encourage visitation from targeted markets.

Economic Impact: - assist local traders; City of Perth Parking; Perth's reputation for investment; and provides high visitation numbers.

Sustainability: - safe events; achievable budgets; proven delivery; and demonstrated funding sources.

Healthy and Active City: - complements and does not clash with the City's events offerings; environmentally sustainable and increases place activation and use of under utilised space.

CONFIDENTIAL ATTACHMENTS 13.5B – 13.5F
ITEM 13.5 – COMMERCIAL EVENTS SPONSORSHIP – MELLEN
EVENTS – PICCADILLY THEATRE, HAY STREET MALL, PERTH

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda Payments from Municipal and Trust Funds – January 2017
Item 13.6

Recommendation:

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 JANUARY 2017, be received and recorded in the Minutes of the Council, the summary of which is as follows:

FUND	PAID
Municipal Fund	\$ 14,510,159.59
Trust Fund	\$ 115,049.48
TOTAL:	<u><u>\$ 14,625,209.07</u></u>

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	P1033586-10
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	1 February 2017
ATTACHMENT/S:	A detailed list of payments made under delegated authority for the month ended 31 January 2017 can be accessed by Elected Members via the Elected Members Portal. Members of the public can access the list of payments on request.

Legislation / Strategic Plan / Policy:

Legislation	Regulation 13(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	<p>Strategic Community Plan</p> <p>Council Four Year Priorities: Community Outcome Capable and Responsive Organisation</p> <p>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.</p>

Comments:

Payments for the month of January 2017 included the following significant items:

- \$835,277.25 to the Western Australian Treasury Corporation for a loan payment of \$711,834.69 for the City of Perth Library and Public Plaza Project and \$123,442.56 for the half yearly Government Guarantee Fee payable for all City of Perth loans;
- \$334,797.68 to Civcon Civil and Project Management Pty Ltd for payments of \$171,025.51 for civil works relating to the Harvest Terrace shared path construction and \$163,772.17 for the Parliament Place road reconstruction; and
- \$314,355.58 to Schindler Lifts Pty Ltd for the November 2016 claim relating to the upgrade of the Council House elevators and associated maintenance call outs.

Agenda **Financial Statements and Financial Activity Statement for the**
Item 13.7 **Period Ended 31 January 2017**

Recommendation:

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 January 2017 as detailed in Attachment 13.7A of this Report.

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	P1014149-25
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	16 February 2017
ATTACHMENT/S:	Attachment 13.7A – Financial Statements and Financial Activity Statement for the period ended 31 January 2017

Legislation / Strategic Plan / Policy:

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

There are no direct financial implications arising from this report.

Details:

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

Comments:

The Financial Activity Statement commentary compares the actual results for the seven months to 31 January 2017 with the original budget approved by Council on **28 June 2016** and budget adjustments adopted by Council on **30 August 2016** and **1 November 2016**.

**FINANCIAL ACTIVITY STATEMENT FOR THE SEVEN MONTHS TO
31 JANUARY 2017**

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the seven months to 31 January 2017 to the adopted 2016/17 Budget and budget adjustments adopted by Council on 30 August 2016 and 1 November 2016.

Operating Revenue

- Parking revenue year to date was \$42.5 million, which was \$(1,568,000) below budget. The unfavorable variance to budget has been gradually diminishing from 8.2% in July to 3.6% in January 2017.
- The variance consisted of \$(2,303,000) for Undercover Car Parks, partly offset by positive variances of \$141,000 for Open Air Car Parks, and \$541,000 for Kerbside Parking and \$53,000 for Events Parking.
- The unfavourable variances for Undercover Car Parks were mainly due to year on year patronage lower than expected: His Majesty's \$(404,000), Alexander Library \$(288,000) and Convention Centre Carpark \$(292,000).
- Fines and Costs were lower than budget by \$(781,000) due to less than expected revenue generated from parking fines.
- Investment Income and Interest were \$377,000 or 12.2% above budget, mainly due to the performance of the Colonial Share Index Balance Fund.
- Rubbish collection yielded 3.2% or \$(276,000) less than expected compared to the revised budget. It is expected that as the year progresses the actual results will align closer to the revised budget.
- Recurrent Grants were above budget by \$417,000 predominantly due to an accrual for the Lotterywest grant for Skyworks. This is a timing variance only.

Operating Expenditure

- Employee costs ended the month \$1,152,000 or 2.5% below budget mainly due to the timing of recruitment, with a number of positions vacant which had been approved in the 2016/17 Workforce Plan.
- Materials and Contracts were \$7,616,000 below budget. It is expected that the budget review currently being undertaken will reduce this budget for the year in light of savings achieved for the year to date.
- The main areas of underspend were: Consultancy \$1,315,000, Infrastructure Maintenance \$1,066,000 (mainly for River Wall \$480,000 and footpaths \$292,000) and Property Maintenance \$774,000 (mainly for Council House \$432,000 and Pedestrian Walkways \$80,000) and

**FINANCIAL ACTIVITY STATEMENT FOR THE SEVEN MONTHS TO
31 JANUARY 2017**

REPORT OF VARIANCES TO BUDGET

Advertising \$449,000. Various smaller variances were spread throughout the City's accounts.

- Utilities were below budget by \$311,000 predominantly due to lower than expected spend on power.
- Depreciation was \$(150,000) over budget, a variance of 0.8%.
- Loss on disposal of assets was \$(824,000) above budget. As part of the capitalisation process of new assets, relevant obsolete assets were written off. The finalisation of the year end process resulted in a loss of \$899,000 for infrastructure assets during September. This is expected to be a timing variance.
- Other Expenditure was \$(478,000) above budget. During December \$(458,000) was processed as part of the capital works close out process for costs that were identified as operating expenditure rather than capital costs.

Investing Activities

- Capital Grants were \$(1,847,000) below budget mainly due to slower than anticipated delivery of capital projects.
- Capital expenditure was \$21.0 million below the revised budget. At the end of January capital spent was \$14.1 million, being 21.1% of the revised budget spent to date. The program of project works has progressed slower than anticipated resulting in this significant variance. The actual capital expenditure does not however reflect committed expenditure on projects which have commenced. Reprioritisation of some projects and adjustments to the total value of the program will be considered as part of the budget review to commence in January 2017.
- Capital expenditure for the month of January totalled \$2.7 million which included the following:
 - CCTV Network replacement \$398,000
 - Council House lift upgrade - equipment and controls \$378,000
 - Harvest Terrace cycle infrastructure \$173,000
 - Various Footpath projects \$180,000

**FINANCIAL ACTIVITY STATEMENT FOR THE SEVEN MONTHS TO
31 JANUARY 2017**

REPORT OF VARIANCES TO BUDGET

Financing Activities

- Transfers to Reserves were \$6.7 million below budget. Utilisation of reserve funds was lower than expected, this being a timing variance.
- Transfers from Reserves were below budget by \$(5.3 million). This is due to slower than anticipated progress on capital expenditure.

Amounts sourced from Rates

- Rates revenue raised was \$1.5 million above the revised budget. A report was presented to Council on 1 November to adjust the 2016/17 budget for major income and expenditure resulting from the impact of the City of Perth Act. Rates issued to former Nedlands and Subiaco residents resulted in a \$1.8 million adjustment to the 2016/17 original budget.
- Furthermore, as part of the 2016/17 budget process estimates were made of the anticipated interim rates and the related revenue collection phased throughout the financial year. Some of those properties realised earlier than expected which accounted for the majority of the \$1.5 million variance.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 January 2017

	Budget 2016/17 \$	Budget YTD 31-Jan-17 \$	Actual YTD 31-Jan-17 \$	Variance YTD 31-Jan-17 \$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	76,973,664	44,035,012	42,466,645	(1,568,368)
Fines and Costs	10,610,604	5,847,337	5,066,236	(781,100)
Investment Income and Interest	4,672,819	3,083,274	3,460,671	377,397
Community Service Fees	1,577,941	912,707	828,575	(84,132)
Rubbish Collection	8,581,163	8,551,396	8,275,397	(275,999)
Rentals and Hire Charges	5,251,214	3,097,441	3,016,135	(81,305)
Recurrent Grants	1,514,031	765,967	1,182,999	417,031
Contributions, Donations and Reimbursements	585,576	352,003	291,268	(60,734)
Other Income	4,681,208	3,182,658	3,212,050	29,392
Distribution from TPRC	1,000,000	-	-	-
	115,448,219	69,827,795	67,799,977	(2,027,818)
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	77,744,705	45,425,326	44,273,784	1,151,542
Materials and Contracts	53,157,971	32,418,905	24,803,026	7,615,880
Utilities	3,596,588	2,076,971	1,766,117	310,854
Insurance Expenditure	1,197,885	698,215	634,417	63,799
Depreciation and Amortisation	33,144,020	19,334,012	19,484,108	(150,096)
Interest Expenses	1,562,208	944,593	1,085,746	(141,153)
Expense Provisions	998,010	563,806	538,566	25,240
Loss on Disposal of Assets	1,437,448	838,511	1,662,985	(824,473)
Other Expenditure	25,107,422	14,547,524	15,025,435	(477,911)
	197,946,258	116,847,863	109,274,182	7,573,681
Add back Depreciation	(33,144,020)	(19,334,012)	(19,484,108)	150,096
(Loss) / Profit on Disposals	(1,437,448)	(838,511)	(1,662,985)	824,473
	163,364,790	96,675,340	88,127,090	8,548,250
Net Surplus/(Deficit) from Operations	(47,916,571)	(26,847,546)	(20,327,113)	6,520,432
Investing Activities				
Capital Grants	5,768,315	3,364,850	1,517,403	(1,847,447)
Capital Expenditure	(66,963,105)	(35,118,524)	(14,104,975)	21,013,549
Proceeds from Disposal of Assets/Investments	1,280,000	648,767	671,136	22,369
	(59,914,790)	(31,104,907)	(11,916,436)	19,188,471
Financing Activities				
Repayment of Borrowings	(6,111,896)	(4,395,882)	(4,395,882)	-
Transfers to Reserves	(27,749,200)	(8,783,907)	(2,123,964)	6,659,943
Transfer from Reserves	34,665,203	24,616,730	19,284,194	(5,332,536)
	804,106	11,436,941	12,764,348	1,327,407
Add: Opening Funds	27,795,809	27,795,809	21,028,299	(6,767,510)
Net Surplus/(Deficit) before Rates	(79,231,446)	(18,719,703)	1,549,098	20,268,800
Amount Sourced from Rates	86,914,114	86,540,361	88,044,064	1,503,703
Closing Funds	7,682,669	67,820,658	89,593,162	21,772,503

Net Cash on Hand				
Cash On Hand	5,928,176	4,809,329	8,648,723	3,839,394
Money Market Investments	102,924,170	141,577,089	146,221,764	4,644,675
Funds on Hand	108,852,346	146,386,418	154,870,487	8,484,069
Analysis of Funds on Hand				
Reserves	79,211,467	69,052,196	68,351,822	(700,374)
Provisions	12,379,102	12,154,653	10,407,606	(1,747,047)
General Funds	17,261,777	65,450,081	76,381,571	10,931,489
Funds on Hand	108,852,346	146,386,418	154,870,487	8,484,069

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD 31 JANUARY 2017

	2016/17 Budget \$	2016/17 Budget YTD \$	2016/17 Actual YTD \$	2016/17 Variance \$
Current Assets				
Cash and Cash Equivalents	5,928,176	4,809,329	8,648,723	3,839,394
Deposits and Prepayments	446,730	5,640,118	9,624,387	3,984,269
Money Market Investments - Municipal Funds	23,712,703	72,524,893	77,869,942	5,345,049
Money Market Investments - Restricted Funds	79,211,467	69,052,196	68,351,822	(700,374)
Trade and Other Receivables	4,020,574	13,230,486	15,684,506	2,454,020
Inventories	972,964	1,193,709	904,224	(289,485)
Total Current Assets	114,292,614	166,450,732	181,083,604	14,632,872
Current Liabilities				
Trade and Other Payables	26,646,668	29,544,256	22,899,512	(6,644,744)
Employee Entitlements	12,379,102	11,850,520	10,407,606	(1,442,914)
Provisions	400,750	304,133	509,620	205,487
Borrowings	7,083,366	6,395,490	6,395,490	0
Total Current Liabilities	46,509,886	48,094,399	40,212,228	(7,882,171)
Working Capital Position Brought Forward	67,782,728	118,356,332	140,871,376	22,515,044
Deduct Restricted Cash Holdings	(79,211,467)	(69,052,196)	(68,351,822)	700,374
Deduct Restricted Cash - Non-current leave	11,376,413	11,850,520	10,407,606	(1,442,914)
Deduct Restricted Capital Grants	-	270,512	270,512	0
Add Current Borrowings	7,083,366	6,395,490	6,395,490	0
Current Funds Position Brought Forward	7,031,041	67,820,658	89,593,162	21,772,503

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 7 months ended 31 January 2017

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 7 months ended 31 January 2017

(By Program)

	Note	Budget 2016/2017	Revised Budget YTD	Actual YTD 31/01/2017	YTD Variance	
		\$	\$	\$	\$	%
OPERATING REVENUE						
General Purpose Funding Rates		86,075,041	87,455,957	89,037,106	1,581,149	1.8%
General Purpose Funding Other		5,038,022	3,229,667	3,423,532	193,865	6.0%
Law, Order, Public Safety		23,178	13,575	29,285	15,710	115.7%
Health		780,345	727,374	856,431	129,057	17.7%
Education and Welfare		2,105,728	1,279,435	1,144,701	(134,734)	-10.5%
Housing		781,872	456,092	509,429	53,337	11.7%
Community Amenities		10,789,799	10,144,929	9,801,741	(343,188)	-3.4%
Recreation and Culture		1,732,910	716,587	1,200,758	484,171	67.6%
Transport		90,120,021	51,358,516	48,973,031	(2,385,485)	-4.6%
Economic Services		831,710	517,082	485,498	(31,584)	-6.1%
Other Property and Services		803,852	468,944	382,532	(86,412)	-18.4%
Total Operating Income		199,082,478	156,368,158	155,844,044	(524,114)	-0.3%
OPERATING EXPENDITURE						
Governance		10,394,320	6,813,077	6,308,218	504,859	7.4%
General Purpose Funding		6,128,645	3,650,761	1,955,672	1,695,089	46.4%
Law, Order, Public Safety		3,758,622	2,231,769	2,285,985	(54,216)	-2.4%
Health		4,603,806	2,724,707	1,721,271	1,003,436	36.8%
Education and Welfare		3,688,491	2,147,389	2,069,854	77,535	3.6%
Housing		554,156	323,122	338,555	(15,433)	-4.8%
Community Amenities		30,384,835	17,898,999	16,016,914	1,882,085	10.5%
Recreation and Culture		35,350,738	21,301,405	19,779,038	1,522,367	7.1%
Transport		85,682,324	50,163,275	44,210,001	5,953,274	11.9%
Economic Services		10,316,035	5,893,724	6,660,689	(766,965)	-13.0%
Other Property and Services		5,020,459	2,944,458	6,108,564	(3,164,106)	-107.5%
Total Operating Expenditure		195,882,431	116,092,684	107,454,761	8,637,923	7.4%
NET FROM OPERATIONS		3,200,047	40,275,474	48,389,283	8,113,809	20.1%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		-	-	96,780	96,780	0.0%
- Law, Order, Public Safety		240,150	140,088	40,000	(100,088)	-71.4%
- Recreation and Culture		2,693,400	1,571,150	510,581	(1,060,569)	-67.5%
- Transport		2,834,765	1,653,613	870,042	(783,571)	-47.4%
Total Grants/Contributions		5,768,315	3,364,850	1,517,403	(1,847,447)	-54.9%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,437,448)	(838,511)	(1,662,986)	(824,475)	98.3%
<i>Change in net assets resulting from operations before significant items</i>		7,530,914	42,801,813	48,243,700	5,441,887	12.7%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,000,000	-	-	-	0.0%
<i>Change in net assets resulting from operations after significant items</i>		8,530,914	42,801,813	48,243,700	5,441,887	12.7%

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 7 months ended 31 January 2017

(By Nature)

	<i>Note</i>	Budget 2016/2017	Revised Budget YTD	Actual YTD 31/01/2017	YTD Variance	
		\$	\$	\$	\$	%
OPERATING REVENUE						
Rates		85,143,608	86,540,361	88,044,064	1,503,703	1.7%
Grants and Contributions for Non Capital Purposes		1,514,031	765,967	1,182,999	417,032	54.4%
Donations and Reimbursements		585,576	352,003	291,268	(60,735)	-17.3%
Fees and Charges		105,213,130	64,690,133	61,945,283	(2,744,850)	-4.2%
Interest and Investment Income		4,672,819	3,083,274	3,460,671	377,397	12.2%
Other Revenue		1,953,314	936,421	919,759	(16,662)	-1.8%
Total Revenue from Operating Activities		199,082,478	156,368,158	155,844,044	(524,114)	-0.3%
OPERATING EXPENDITURE						
Employee Costs		77,205,335	45,425,326	44,250,004	1,175,322	2.6%
Materials and Contracts		53,092,963	32,418,905	24,803,026	7,615,879	23.5%
Utilities		3,596,588	2,076,971	1,766,117	310,854	15.0%
Depreciation and Amortisation		33,144,020	19,334,012	19,484,106	(150,094)	-0.8%
Interest		1,562,208	944,593	1,085,746	(141,153)	-14.9%
Insurance		1,197,885	698,215	634,417	63,798	9.1%
Expenses Provision		998,010	563,806	538,563	25,243	4.5%
Other Expenses from Ordinary Activities		25,085,422	14,630,856	14,892,782	(261,926)	-1.8%
Total Expenses from Ordinary Activities		195,882,431	116,092,684	107,454,761	8,637,923	7.4%
Change in Net Assets from Ordinary Activities before Capital Amounts		3,200,047	40,275,474	48,389,283	8,113,809	20.1%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		5,768,315	3,364,850	1,517,403	(1,847,447)	-54.9%
NET OPERATING SURPLUS						
		8,968,362	43,640,325	49,906,686	6,266,362	14.4%
DISPOSAL/WRITE OFF OF ASSETS						
	2	(1,437,448)	(838,511)	(1,662,986)	(824,475)	98.3%
SIGNIFICANT ITEMS						
Distribution from TPRC		1,000,000	-	-	-	0.0%
<i>Change in net assets resulting from operations after capital amounts and significant items</i>		8,530,914	42,801,813	48,243,700	5,441,886	12.7%

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 January 2017

	Note	31/01/2017	30/06/2016
CURRENT ASSETS			
		\$	\$
Cash and Cash Equivalents	11	8,648,723	10,063,697
Deposits/Prepayments	4	9,624,387	1,246,983
Investments	3, 11	146,221,764	100,249,402
Trade and Other Receivables	5	10,411,901	10,022,460
Rates Receivable	1	5,272,605	190,815
Inventories		904,224	1,016,223
TOTAL CURRENT ASSETS		181,083,604	122,789,580
NON CURRENT ASSETS			
Investments	3	7,114,139	7,162,072
Trade and Other Receivables	5	50,690	32,434
Property, Plant and Equipment	8	686,794,216	694,573,987
Infrastructure	8	480,917,739	485,179,495
Capital Work in Progress	8	36,404,932	32,151,366
TOTAL NON CURRENT ASSETS		1,211,281,716	1,219,099,354
TOTAL ASSETS		1,392,365,320	1,341,888,934
CURRENT LIABILITIES			
Trade and Other Payables	6	22,899,512	15,973,970
Employee Benefits	7	10,407,606	11,051,588
Provisions	7	509,620	390,015
Loan Liability	9	6,395,490	6,772,073
TOTAL CURRENT LIABILITIES		40,212,228	34,187,646
NON CURRENT LIABILITIES			
Employee Benefits	7	1,762,097	1,762,097
Provisions	7	4,486,882	4,259,487
Loan Liability	9	25,535,630	29,554,929
TOTAL NON CURRENT LIABILITIES		31,784,609	35,576,513
TOTAL LIABILITIES		71,996,837	69,764,159
NET ASSETS		<u>\$1,320,368,483</u>	<u>\$1,272,124,775</u>
EQUITY			
Accumulated Surplus		689,243,558	623,860,830
Asset Revaluation Reserve	10	560,056,898	560,035,698
Reserves	10	71,068,027	88,228,247
TOTAL EQUITY		<u>\$1,320,368,483</u>	<u>\$1,272,124,775</u>

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 7 months ended 31 January 2017

	Accumulated Surplus	Asset Revaluation Reserve	Cash Backed Reserves	Total Equity
	\$	\$	\$	\$
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	11,646,560	-	-	11,646,560
Transfer to Cash Backed Reserves	(24,631,265)	-	24,631,265	-
Transfers to Asset Revaluation Reserve	(3,047,888)	3,047,888	-	-
Transfers from Asset Revaluation Reserve	3,807,285	(3,807,285)	-	-
Transfer from Cash Backed Reserves	23,977,510	-	(23,977,510)	-
Balance at 30 June 2016	<u>\$623,860,830</u>	<u>\$560,035,698</u>	<u>\$88,228,247</u>	<u>\$1,272,124,775</u>
Balance at 1 July 2016	623,860,830	560,035,698	88,228,247	1,272,124,775
Change in net assets resulting from operations	48,243,700	-	-	48,243,700
Transfer to Cash Backed Reserves	(2,123,965)	-	2,123,965	-
Transfers to Asset Revaluation Reserve	(76,383)	76,383	-	-
Transfers from Asset Revaluation Reserve	55,183	(55,183)	-	-
Transfer from Cash Backed Reserves	19,284,194	-	(19,284,194)	-
Balance at the end of the reporting period	<u>\$689,243,558</u>	<u>\$560,056,898</u>	<u>\$71,068,018</u>	<u>\$1,320,368,474</u>

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 7 months ended 31 January 2017

	Note	Budget	YTD Actual	YTD Variation	
		2016/2017	31/01/2017	\$	%
Cash Flows from Operating Activities					
Receipts					
Rates		85,150,558	81,410,815	(3,739,743)	-4.4%
Fees and Charges		110,473,787	63,515,957	(46,957,830)	-42.5%
Interest		4,672,819	2,938,492	(1,734,327)	-37.1%
Other		2,000,854	1,132,241	(868,613)	-43.4%
		202,298,018	148,997,505	(53,300,513)	-26.3%
Payments					
Employee Costs		(76,246,522)	(44,506,358)	31,740,164	41.6%
Materials and Contracts		(45,634,268)	(26,860,382)	18,773,886	41.1%
Interest		(1,546,536)	(1,182,291)	364,245	23.6%
Other		(31,117,629)	(17,109,433)	14,008,196	45.0%
		(154,544,955)	(89,658,464)	64,886,491	42.0%
Net Cash Flows from Operating Activities	12	47,753,063	59,339,041	11,585,979	-24.3%
Cash Flows from Investing Activities					
Receipts					
Distribution from TPRC		1,000,000	-	(1,000,000)	-100.0%
Proceeds from Disposal of Assets		1,280,000	623,203	(656,797)	-51.3%
Proceeds from Disposal of Investments(Non Current)		-	47,933	47,933	0.0%
Payments					
Purchase Land and Buildings		(14,005,532)	-	14,005,532	-100.0%
Purchase Infrastructure Assets		(29,412,097)	(241,899)	29,170,198	-99.2%
Purchase Plant and Mobile Equipment		(17,160,028)	(1,435,770)	15,724,258	91.6%
Purchase Office Furniture and Equipment		(2,153,478)	(60,893)	2,092,585	-97.2%
Work in Progress		-	(12,097,537)	(12,097,537)	0.0%
		(62,731,135)	(13,836,099)	48,895,036	77.9%
Net Cash Flows from Investing Activities		(60,451,135)	(13,164,963)	47,286,172	78.2%
Cash Flows from Financing Activities					
Repayment of Borrowings		(6,111,896)	(4,395,882)	1,716,014	28.1%
		(6,111,896)	(4,395,882)	1,716,014	28.1%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		4,414,618	1,261,785	(3,152,833)	-71.4%
Capital		5,768,315	1,517,403	(4,250,912)	-73.7%
		10,182,933	2,779,188	(7,403,745)	-72.7%
Net Increase (Decrease) in Cash Held		(8,627,035)	44,557,384	53,184,420	-616.5%
Cash at 1 July 2016		117,479,382	110,313,099	(7,166,283)	-6.1%
Cash at 31 January 2017	11	108,852,347	154,870,487	46,018,140	42.3%

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Notes to the Balance Sheet for the 7 months ended 31 January 2017

1 Rates Receivable

	Actual YTD 31/01/2017	2015/16 YTD 31/01/2016
	\$	\$
Outstanding Amount at 30 June 2016	190,816	64,096
Rates Levied for the Year	87,965,104	81,770,515
Late Payment Penalties	137,654	94,875
Ex Gratia Rates	17,741	17,464
Rates Administration Fee	320,133	283,060
Rates Instalment Interest	367,778	341,842
Back Rates	61,219	(47,327)
Bins Levy	118,198	93,898
	89,178,643	82,618,423
Amount Received during the Period	83,906,038	78,678,183
Outstanding Amount at 31 January 2017	\$5,272,605	\$3,940,240

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

	Annual Budget	Actual YTD 31/01/2017
	\$	\$
Land and Buildings		
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold/written off	-	76,288
(Loss) on Disposal/Write Off	-	(76,288)
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,640,250	1,623,451
(Loss) on Write Off	(1,640,250)	(1,623,451)
Plant and Mobile Equipment		
Proceeds on Disposal	1,280,000	623,203
Less: Carrying amount of assets sold/written off	1,077,198	586,450
Profit on Disposal/Write Off	202,802	36,753
Gain/(Loss) on Disposal/Write off of Assets	(\$1,437,448)	(\$1,662,986)

3 Investments

Current	31/01/2017	30/06/2016
Short Term Cash Investments *	\$	\$
Call Funds	6,182,902	12,111,382
Bank/Term Deposits	135,500,000	84,000,000
Managed Funds	4,538,862	4,138,020
Total Current Investments	\$146,221,764	\$100,249,402

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	31/01/2017	30/06/2016
	\$	\$
Mortgage Backed Securities (MBS)	2,716,196	2,743,759
	2,716,196	2,743,759
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	420,412	420,412
Equity in Tamala Park Regional Council	3,967,531	3,987,901
	\$7,114,139	\$7,162,072

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Notes to the Balance Sheet for the 7 months ended 31 January 2017

4 Deposits/Prepayments

	31/01/2017	30/06/2016
	\$	\$
Prepaid Insurance	1,027,348	-
Prepaid Parking Bay Licence Fees	7,127,638	-
Other	1,469,401	1,246,983
	\$9,624,387	\$1,246,983

5 Trade And Other Receivables

	31/01/2017	30/06/2016
Current	\$	\$
Emergency Services Levy (ESL)	1,671,627	36,912
Accrued Interest and Investment Income	1,058,848	536,669
Accrued Income	1,651,748	1,445,677
Modified Penalties/Fines and Costs	7,880,554	7,468,902
Debtors - General		
Australian Taxation Office - GST Refundable	-	177,492
Works and Services	43,869	35,731
Other Debtors	1,624,302	3,744,857
	13,930,948	13,446,240
Less: Provision for Doubtful Debts	(3,519,047)	(3,423,780)
	\$10,411,901	\$10,022,460
Non Current		
Pensioners' Rates Deferred	50,690	32,434
	\$50,690	\$32,434

6 Trade And Other Payables

	31/01/2017	30/06/2016
Current	\$	\$
Trade Creditors	3,542,803	10,591,073
Emergency Services Levy	10,653,241	-
Interest Payable on Loans	103,303	199,848
Accrued Expenses - Operating	4,603,528	2,293,106
Accrued Expenses - Capital	652,119	10,837
Advances Received for Recoverable Works	61,735	40,635
Income Received / Raised in Advance	860,379	1,008,030
Australian Taxation Office - GST Payable	11,056	-
Other Creditors	2,411,348	1,830,441
	\$22,899,512	\$15,973,970

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Notes to the Balance Sheet for the 7 months ended 31 January 2017

7 Employee Benefits

	31/01/2017	30/06/2016
Current	\$	\$
Leave Entitlements		
Annual Leave	4,052,128	4,454,492
Self Funded Leave	189,430	238,785
Long Service Leave	6,040,253	6,222,059
Recognition of Employees- Presentations	125,795	136,252
	\$10,407,606	\$11,051,588
Non Current		
Annual Leave	629,989	629,989
Long Service Leave	1,132,108	1,132,108
	\$1,762,097	\$1,762,097

Provisions

	31/01/2017	30/06/2016
Current	\$	\$
Workers Compensation	509,620	390,015
	\$509,620	\$390,015
Non Current		
Provision for Equipment Replacement PCEC	4,486,882	4,259,487
	\$4,486,882	\$4,259,487

8 Property, Plant and Equipment and Work in Progress

	31/01/2017	30/06/2016
	\$	\$
Land and Air Rights - at cost/fair value	380,133,677	380,133,678
Less: Accumulated Depreciation	(3,467,840)	(3,135,072)
	376,665,837	376,998,606
Buildings - at fair value	379,845,052	378,864,743
Less: Accumulated Depreciation	(158,666,403)	(154,004,183)
	221,178,649	224,860,560
Improvements - at fair value	52,659,660	52,659,661
Less: Accumulated Depreciation	(6,845,310)	(5,565,355)
	45,814,350	47,094,306
Infrastructure Assets - at cost/fair value	757,235,651	755,794,940
Less: Accumulated Depreciation	(276,317,912)	(270,615,444)
	480,917,739	485,179,496
Plant and Mobile Equipment - at cost/fair value	47,744,259	47,541,666
Less: Accumulated Depreciation	(31,246,879)	(29,432,643)
	16,497,380	18,109,023
Office Furniture and Equipment - at cost/fair value	42,705,958	41,871,404
Less: Accumulated Depreciation	(16,863,229)	(15,155,180)
	25,842,729	26,716,224
Agricultural - at cost	795,271	795,271
Less: Accumulated Depreciation	-	-
	795,271	795,271
Property, Plant and Equipment	1,167,711,955	1,179,753,486
Work in Progress - at cost	36,404,932	32,151,366
	36,404,932	32,151,366
Total Property, Plant and Equipment and Work in Progress	\$1,204,116,887	\$1,211,904,848

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Notes to the Balance Sheet for the 7 months ended 31 January 2017

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

	Balance 30/06/2016	Acquisitions Actual YTD 31/01/2017	Transfers Actual YTD 31/01/2017	Disposals/ Write off/ Actual YTD 31/01/2017	Revaluation Actual YTD 31/01/2017	Balance 31/01/2017
	\$	\$	\$	\$		\$
Land and Air Rights	380,133,678	-	-	-	-	380,133,678
Buildings	378,864,743	-	1,171,310	(191,000)	-	379,845,053
Improvements	52,659,661	-	-	-	-	52,659,661
Infrastructure Assets	755,794,940	241,899	5,897,441	(4,698,628)	-	757,235,652
Plant and Mobile Equipment	47,541,666	1,435,770	147,794	(1,380,971)	-	47,744,259
Office Furniture and Equipment	41,871,404	60,893	773,661	-	-	42,705,958
Agricultural	795,271	-	-	-	-	795,271
Work in Progress	32,151,366	12,738,819	(8,485,253)	-	-	36,404,932
	\$1,689,812,729	\$14,477,381	(495,047)	(6,270,599)		\$1,697,524,464

9 Loan Liability

	31/01/2017	30/06/2016
Current	\$	\$
Loans - Western Australian Treasury Corporation	6,395,490	6,772,073
Non Current		
Loans - Western Australian Treasury Corporation	25,535,630	29,554,929

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2016	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 31/01/2017
	\$	\$	\$	\$
Refuse Disposal and Treatment	2,935,851	65,846	-	3,001,697
Concert Hall - Refurbishment and Maint.	4,835,978	104,778	(328,631)	4,612,125
Asset Enhancement	26,232,133	571,855	(897,519)	25,906,469
Street Furniture Replacement	371,375	10,602	(9,534)	372,443
Parking Levy	18,160,738	19,583	(17,278,906)	901,415
Art Acquisition	374,845	8,207	-	383,052
Heritage Incentive	618,109	13,585	-	631,694
Parking Facilities Development	23,671,273	515,828	(769,604)	23,417,497
Employee Entitlements	1,762,097	39,939	-	1,802,036
David Jones Bridge	292,381	6,416	-	298,797
Bonus Plot Ratio	613,783	13,558	-	627,341
PCEC Fixed Plant Replacement	4,244,225	242,657	-	4,486,882
Enterprise and Initiative	3,915,439	506,691	-	4,422,130
Public Art	200,017	4,419	-	204,436
	88,228,244	2,123,964	(19,284,194)	71,068,014
* Asset Revaluation	560,035,698	76,383	(55,183)	560,056,898
	\$648,263,942	\$2,200,347	(\$19,339,377)	\$631,124,912

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

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Notes to the Balance Sheet for the 7 months ended 31 January 2017

11 Cash Reconciliation

	31/01/2017	30/06/2016
	\$	\$
Cash and Cash Equivalents	8,648,723	10,063,697
Short Term Cash Investments	146,221,764	100,249,402
	\$154,870,487	\$110,313,099

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

	31/01/2017	30/06/2016
	\$	\$
Change in Net Assets Resulting from Operations	48,243,700	13,793,738
Adjustment for items not involving the movement of Funds:		
Depreciation	19,484,106	31,545,687
Doubtful Debts	95,267	369,586
Non Capitalised Work in Progress	495,047	(4,620,525)
(Gain)/Loss on Disposal/Write off/Contribution of Assets	1,662,986	1,569,290
	69,981,106	42,657,776
Revenues Provided By :		
Government Grants	(2,779,188)	(6,812,016)
Contribution from Other Parties	-	(49,890)
	(2,779,188)	(6,861,906)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Inventories	111,999	377,978
Decrease in Deposits and Prepayments	-	92,261
Decrease in Accrued Interest and Dividend Income	-	63,628
Decrease in Deferred Debtors	-	7,133
Decrease in Accrued Income	-	-
Increase in Income Received /Raised in Advance	-	99,641
Increase in Accrued Interest Payable	-	-
Increase in Accrued Expenses	2,310,422	-
Increase in Provisions	-	-
Increase in Trade and Other Payables	4,196,934	-
Deduct		
Decrease in Trade and Other Payables	-	(2,565,858)
Decrease in Income Received /Raised in Advance	(126,551)	-
Decrease in Accrued Interest Payable	(96,545)	(41,167)
Increases in Deferred Debtors	(18,256)	-
Decrease in Provisions	(296,982)	(407,068)
Decrease in Accrued Expenses	-	(324,459)
Increase in Trade and Other Receivables	(4,838,248)	(2,033,367)
Increase in Prepayments	(8,377,404)	-
Increase in Accrued Income	(206,071)	(193,777)
Increase in Accrued Interest and Investment Income	(522,179)	-
	(7,862,881)	(4,925,055)
Net Cash Provided by Operating Activities	\$59,339,040	\$30,870,815

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Notes to the Balance Sheet for the 7 months ended 31 January 2017

13 Ratios

	31/01/2017	30/06/2016
1 Current Ratio		
<u>Current Assets minus Restricted Assets</u>		
<u>Current Liabilities minus Liabilities</u> associated with Restricted Assets	2.80	1.09
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	5.17%	5.20%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	3.52%	4.44%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	57.13%	43.96%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	5.91%	0.23%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	24.42	2.34
7 Gross Debt to Revenue Ratio		
<u>Gross Debt</u>		
Total Revenue	20.49%	18.99%
8 Gross Debt to Economically Realisable Assets Ratio		
<u>Gross Debt</u>		
Economically Realisable Assets	3.50%	4.24%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.01.2017

Agenda **Budget Review 2016/17 – Forecast of the Operating and Capital**
Item 13.8 **Budget for the Year Ending 30 June 2017**

Recommendation:

That Council:

- 1. *in accordance with Regulation 33A(3) of the Local Government (Financial Management) Regulations 1996 (as amended) approves BY AN ABSOLUTE MAJORITY:***
 - 1.1 *the Budget Review 2016/17 as detailed in Attachment 13.8A, 13.8B, 13.8C, 13.8D and 13.8E noting the reduction in net result from operations of \$2,910,994;***
 - 1.2 *net capital expenditure reduction of \$15,122,476 as listed in Attachment 13.8C;***
 - 1.3 *the increase in transfers to reserves of \$200,000 related to an allocation to the Public Art Reserve; and***
 - 1.4 *the decrease in transfers from reserves of \$6,806,386 related to reductions in the capital works program;***
- 2. *notes that:***
 - 2.1 *the net reduction of \$15,122,476 on capital projects; reduced funding required from reserves of \$6,806,386; capital grants of \$1,558,113; contributions of \$2,064,291 and Municipal funds of \$4,693,687 required; and***
 - 2.2 *the closing funds position in accordance with the revised Budget has been reduced by (\$4,720,706) to \$2,777,559 and this will be carried in the Accumulated Surplus.***

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	P1032338
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	27 February 2017
ATTACHMENT/S:	Attachment 13.8A - Operating Statement by Nature and Type Attachment 13.8B - Operating Statement by Directorate and Unit 2016/17 Attachment 13.8C – Capital Works Projects Attachment 13.8D – Revised Rate Setting Statement Attachment 13.8E – Revised Current Position

Legislation / Strategic Plan / Policy:

Legislation	Section 6.8 of the <i>Local Government Act 1995</i> Regulation 33A of the <i>Local Government (Financial Management) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the capacity of the organisation
Policy	
Policy No and Name:	9.6 – Budget Variations

Purpose and Background:

The City has conducted a budget review to forecast its results to the end of the financial year and to approve changes to the budget emerging from the review. The review is based on the actual results to 31 December 2016.

This review, completed by the Finance Unit, was signed off by the relevant Managers and Directors who are accountable and have taken responsibility for the forecasts.

The budget has the following objectives:

- To project the results to 30 June 2017;
- To identify surplus resources;
- To redeploy resources to new projects and projects that generates scope increments; and
- To allocate surplus funds to reserves where they are identified.

Details:

The net operating results for the City will fall by (\$2.9 million) to \$2.5 million. Operating revenue is projected to fall by (\$6.3 million) to \$196.1 million and operating expenditure reduced by \$3.4 million to \$193.6 million. Capital Grants and Subsidies are expected to reduce by (\$3.7 million). This is mainly due to a reduction in contributions income for the Perth Concert Hall as a result of the timing of capital works.

Revenue by Nature and Type

- Rates are forecast to end the year \$1,028,000 higher than anticipated. This is mainly due to interim rates earned to date have been higher than forecast due to completion of a number of significant buildings earlier than originally anticipated.
- Total predicted revenue from Parking fees have been reduced by (\$5,262,000); due to slower economic conditions and the ongoing construction activity in the City. Off Street parking revenue has been reduced by (\$5,732,000) partly offset by higher than expected revenue for kerbside parking and events parking.
- Fines and costs have been adjusted down by (\$1,809,000) mainly due to fewer projected parking fines.
- Community service fees have been reduced by (\$121,000), mainly due to the decreased demand for casual day care services.
- Investment income has been adjusted upwards by \$246,000; due to the current performance of the Colonial Share Index fund.
- Other revenue is forecast to fall by (\$177,000) mainly due to a reduction in license fees requests within the Health and Activities Approval Unit.

Operating Expenditure (by Nature and Type)

- Employee costs remain in line with the revised budget. Year to date employee costs savings have been achieved; however costs associated with the continued implementation of the New City of Perth structure have been accounted for over the remainder of the financial year.
- Materials and contracts were \$3,143,000 less than previously forecast with major reductions in infrastructure maintenance \$829,000, Property maintenance \$592,000, system software maintenance \$587,000 and high pressure cleaning maintenance \$395,000. These savings were partly offset by higher than previously expected consultancy of \$937,000, external contract labour of \$343,000 and other professional fees \$313,000.
- Utilities are lower by \$265,000 in the climate for rising power costs.
- Depreciation and amortisation is \$94,000 or 0.3% lower than budget.
- Interest expenses are (\$162,000) higher than the revised budget with a variance in the loan for the new Perth City Library.
- Loss on disposal of assets is expected to be \$(495,000) above budget. As part of the capitalisation process of new assets, relevant obsolete assets were written off. The finalisation of the year end process resulted in a loss of \$899,000 for infrastructure assets realised during the year.

- Other expenditure has decreased by \$483,000 or 1.9% mainly due to a reduction in donations and sponsorships. It should be noted that the revised budget of \$24.6 million includes \$17.4 million in parking bay levy charged by the State Government.

Non-Operating Financing Activities

- Capital expenditure has been reduced by \$15.1 million. The program of project works has progressed slower than anticipated; reprioritisation of some projects and adjustments to the total value of the program brings the total capital expenditure to be delivered by 30 June 2017 to \$51.8 million.
- Capital Grants and contributions have decreased by (\$3.7 million) primarily as a result of the delay in work on the Perth Concert Hall. The City will not be in a position to invoice the State Government for a contribution to the works in this financial year.
- Transfers from Reserves have been reduced by \$6.8 million due to the reductions in the capital expenditure program for the year.
- Transfers to Reserves have been increased by \$200,000 for an allocation to the Public Art reserve.

Operating Expenditure (by Directorate and Unit)

In this breakdown the accompanying schedule includes a comments column which briefly explains the reason for increases and decreases.

Capital Expenditure

- The capital budget has reduced by a net \$15,122,476.
- Attachment 13.8C provides details regarding the projects contained within the following categories:

Description	Budget \$000's	Forecast \$000's	Variance \$000's
New Capital projects requiring funding	0	1,695	(1,695)
Ongoing projects with surplus funds	22,285	8,854	13,431
Ongoing projects requiring additional funds	8,663	10,664	(2,001)
Projects to be re-budgeted	5,551	163	5,388
TOTAL	36,499	21,376	15,122

- The funding impact of the change arising from the review is:

Funding source	Amount \$000's
Municipal Funds	(4,694)
Capital Contributions	(2,064)
Capital Grants	(1,558)
Reserve funds	(6,806)
TOTAL	(15,122)

Revised Rate Setting Budget Statement

This statement details the impact on the closing funds of the changes above. There is a net decrease of (\$4,720,706) in closing funds. These have arisen from the savings in operating expenditure of \$3,785,567 (excluding depreciation and disposals of assets) and a decrease in revenue, other than rates, of (\$7,323,577) resulting in an operating deficit of \$3,538,010 (excluding the change in depreciation). The amount sourced from rates has increased by \$1,027,744. Additionally there are changes to capital and funding activities. Transfers to and from reserves reflect changes to capital spending.

Financial Implications:

The budget review has changed the overall financial position of the City. The closing funds position for the City is expected to be \$2.8 million on 30 June 2017.

Comments:

The City remains in a strong financial position, amidst the current difficult economic climate.

ATTACHMENT 13.8A

CITY of PERTH			
DRAFT OPERATING BUDGET 2016/17 REVIEW by NATURE and TYPE			
	Full year 2016/17		
Operating Revenue	Revised Budget	Proposed Budget	Budget Adjustment Fav/(UnFav)
	(\$)	(\$)	(\$)
6100 - Rates	86,914,114	87,941,859	1,027,745
6540 - Parking Fees	76,973,664	71,712,089	(5,261,576)
6550 - Fines & Costs	10,610,604	8,801,152	(1,809,452)
6600 - Interest Earned	4,672,819	4,918,455	245,637
6560 - Community Service Fees	1,577,941	1,456,742	(121,199)
6510 - Rubbish Collection Fees	8,581,163	8,302,124	(279,038)
6520 - Rental & Hire Charges	5,251,214	5,179,527	(71,687)
6220 - Recurrent Grants	1,514,031	1,779,681	265,650
6300 - Contributions & Donations	585,576	470,294	(115,282)
6900 - Other Revenue	4,681,208	4,504,578	(176,630)
Distribution from TPRC	1,000,000	1,000,000	-
Total Operating Revenue	202,362,333	196,066,501	(6,295,832)
Operating Expenditure			
Employee Costs	77,744,705	77,744,705	0
7200 - Material Costs	53,157,971	50,014,941	3,143,031
7300 - Utilities	3,596,588	3,332,014	264,574
7400 - Insurance Expenditure	1,197,885	1,199,316	(1,431)
7510 - Amortisation	33,144,020	33,049,701	94,319
7600 - Interest Expense	1,562,208	1,724,106	(161,898)
7700 - Loss on Disposal of Assets	437,448	932,495	(495,047)
7800 - Expense Provisions	998,010	939,820	58,190
7900 - Other Expenditure	25,107,422	24,624,320	483,101
Total Operating Expenditure	196,946,258	193,561,420	3,384,838
Change in Net Assets resulting from Operations - Gain/(Reduction)	5,416,075	2,505,081	(2,910,994)
Non Operating - Financing Activities			
6210 - Grants & Subsidies	5,768,315	2,096,862	(3,671,453)

CITY of PERTH

BUDGET 2016/17 REVIEW by Directorate and Unit

	Year to Date Dec 2016		Full Year		Variance Forecast to Revised Budget \$	Variance Forecast to Revised Budget %	Comments
	Revised Budget	Actual	Revised Budget	Proposed Budget			
	\$	\$	\$	\$			
REVENUE							
Rates	\$ 86,478,694	\$ 87,926,439	\$ 86,914,114	\$ 87,941,859	\$ 1,027,745	1%	Interims received earlier than anticipated
Parking Fees	\$ 38,393,165	\$ 36,951,157	\$ 76,973,664	\$ 71,712,089	\$ 5,261,576	-7%	Due to slower economic conditions and ongoing construction activity in the City
Fines & Costs	\$ 4,956,168	\$ 4,352,651	\$ 10,610,604	\$ 8,801,152	\$ 1,809,452	-17%	Mainly due to less parking fines
Interest Earned	\$ 2,719,341	\$ 3,079,734	\$ 4,672,819	\$ 4,918,455	\$ 245,637	5%	Performance of Colonial Share Index Balance Fund
Community Service Fees	\$ 810,252	\$ 743,459	\$ 1,577,941	\$ 1,456,742	\$ 121,199	-8%	
Rubbish Collection Fees	\$ 8,546,468	\$ 8,267,430	\$ 8,581,163	\$ 8,302,124	\$ 279,038	-3%	
Rentals and Hire Charges	\$ 2,663,785	\$ 2,610,230	\$ 5,251,214	\$ 5,179,527	\$ 71,687	-1%	
Recurrent Grants	\$ 759,359	\$ 671,675	\$ 1,514,031	\$ 1,779,681	\$ 265,650	18%	Increase in Affordable housing grant
Contributions & Donations	\$ 305,288	\$ 241,067	\$ 585,576	\$ 470,294	\$ 115,282	-20%	Decrease in Parks area
Other Revenue	\$ 2,886,567	\$ 2,920,390	\$ 4,681,208	\$ 4,504,578	\$ 176,630	-4%	
Distribution from TPRC	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -		
Total	\$ 148,519,087	\$ 147,764,232	\$ 202,362,333	\$ 196,066,501	\$ 6,295,832	-3%	
EXPENDITURE by Directorate & Unit							
CEO							
Executive Support	\$ 1,209,958	\$ 1,110,441	\$ 2,336,365	\$ 3,265,210	\$ 928,845	-40%	Organisational capacity and compliance assessment \$500k. Transfer Corporate Strategic Planning from other units \$395k
Total	\$ 1,209,958	\$ 1,110,441	\$ 2,336,365	\$ 3,265,210	\$ 928,845	-40%	
Corporate Services Directorate							
Director of Corporate Services	\$ 309,106	\$ 286,361	\$ 619,071	\$ 618,657	\$ 414	0%	

CITY of PERTH

BUDGET 2016/17 REVIEW by Directorate and Unit

	Year to Date Dec 2016		Full Year		Variance Forecast to Revised Budget	Variance Forecast to Revised Budget	Comments
	Revised Budget	Actual	Revised Budget	Proposed Budget			
Governance	\$ 901,200	\$ 941,293	\$ 1,692,324	\$ 1,775,018	\$ 82,694	%	Increase employee costs \$45k and material costs \$47k
Finance	\$ 1,941,853	\$ 1,975,912	\$ 3,773,550	\$ 4,513,552	\$ 740,002	-20%	City wide provision for remaining redundancy payments
Human Resources	\$ 1,160,201	\$ 1,484,814	\$ 2,268,304	\$ 2,837,947	\$ 569,643	-25%	Increase employee costs \$351k and material costs \$219k
Data and Information	\$ 1,440,063	\$ 1,280,810	\$ 2,867,702	\$ 3,307,077	\$ 439,375	-15%	Increase in employee costs \$116k and material costs \$319k
Information Technology	\$ 2,958,961	\$ 2,798,712	\$ 5,845,389	\$ 6,085,085	\$ 239,696	-4%	Increase in employee costs \$644k partly offset with decrease in material costs \$402k (mainly for system software maintenance)
Asset Management	\$ 325,357	\$ 273,454	\$ 650,519	\$ 600,543	\$ 49,976	8%	
Total	\$ 9,036,742	\$ 9,041,357	\$ 17,716,860	\$ 19,737,879	\$ 2,021,019	-11%	
Community and Commercial Services Directorate							
Director of Community and Commercial Services	\$ 346,447	\$ 467,774	\$ 663,664	\$ 910,802	\$ 247,138	-37%	Increase in employee costs due to new positions as approved in the Workforce Plan
Customer Service	\$ 436,171	\$ 403,576	\$ 864,404	\$ 1,006,860	\$ 142,456	-16%	Increase in employee costs \$98k (mainly for Program Manager) and material costs \$44k (mainly for contract labour)
Community Services	\$ 3,187,318	\$ 3,370,259	\$ 6,260,453	\$ 6,082,997	\$ 177,456	3%	Decrease in employee costs mainly for casual staff salaries
Parking Services	\$ 4,018,044	\$ 3,599,447	\$ 8,276,795	\$ 7,718,146	\$ 558,649	7%	Decrease in employee costs \$266k and material costs \$210k (mainly for Vehicle Detection Sensors & System)
Library	\$ 2,645,834	\$ 2,395,890	\$ 5,265,700	\$ 4,778,012	\$ 487,687	9%	Decrease in employee costs \$353k (mainly for casual staff salaries) and material costs \$187k (mainly for security services)

CITY of PERTH

BUDGET 2016/17 REVIEW by Directorate and Unit

	Year to Date Dec 2016		Full Year		Variance Forecast to Revised Budget	Variance Forecast to Revised Budget	Comments
	Revised Budget	Actual	Revised Budget	Proposed Budget			
Community Amenity and Safety	\$ 1,752,778	\$ 2,002,006	\$ 3,608,889	\$ 4,326,888	\$ 717,999	% -20%	Increase in employee costs \$634k to cover additional areas as per City of Perth Act and additional positions as per Workforce Plan
Commercial Parking	\$ 17,575,698	\$ 16,189,022	\$ 35,014,399	\$ 33,831,412	\$ 1,182,987	3%	Decrease in material costs \$891k mainly for coin collection fees \$336k and security services \$200k
Total	\$ 29,962,289	\$ 28,427,974	\$ 59,954,304	\$ 58,655,117	\$ 1,299,187	2%	
Construction and Maintenance Directorate							
Director of Construction and Maintenance	\$ 461,731	\$ 447,395	\$ 923,179	\$ 853,267	\$ 69,912	8%	
Parks	\$ 4,253,382	\$ 3,737,043	\$ 8,504,369	\$ 8,300,004	\$ 204,365	2%	Decrease in employee costs \$195k
Street Presentation and Maintenance	\$ 6,009,960	\$ 4,461,664	\$ 11,835,727	\$ 9,647,485	\$ 2,188,242	18%	Decrease in employee costs \$670k and material costs \$1.5m mainly for maintenance on River wall \$751k
Construction	\$ 587,424	\$ 473,352	\$ 1,180,901	\$ 1,086,565	\$ 94,336	8%	Decrease in employee costs \$102k
Waste and Cleansing	\$ 5,166,892	\$ 4,615,282	\$ 10,331,303	\$ 9,614,592	\$ 716,711	7%	Decrease in employee costs \$478k and material costs \$236k (mainly for high pressure cleaning)
Properties	\$ 5,270,519	\$ 4,076,038	\$ 10,668,788	\$ 9,519,853	\$ 1,148,935	11%	Decrease in employee costs \$264k and material costs \$1,040k (mainly for property maintenance \$547k and contractors \$541k)
Plant and Equipment	\$ 1,736,983	\$ 1,680,267	\$ 3,473,373	\$ 3,094,411	\$ 378,962	11%	Decrease in employee costs \$215k and material costs \$133k (mainly for fuel and lubricants)
Total	\$ 23,486,892	\$ 19,491,531	\$ 46,917,640	\$ 42,116,667	\$ 4,800,973	10%	

CITY of PERTH

BUDGET 2016/17 REVIEW by Directorate and Unit

	Year to Date Dec 2016		Full Year		Variance Forecast to Revised Budget	Variance Forecast to Revised Budget	Comments
	Revised Budget	Actual	Revised Budget	Proposed Budget			
Planning and Development Directorate							
Director of Planning and Development	\$ 415,243	\$ 390,512	\$ 831,096	\$ 912,786	\$ 81,691	-10%	
City Planning	\$ 1,274,794	\$ 1,034,926	\$ 2,210,920	\$ 1,813,021	\$ 397,900	18%	Decrease in material costs \$360k mainly for consultancy
Development Approvals	\$ 1,212,686	\$ 1,115,072	\$ 2,379,414	\$ 2,474,545	\$ 95,131	-4%	
Coordination and Design	\$ 1,948,676	\$ 1,558,377	\$ 3,863,945	\$ 3,378,120	\$ 485,826	13%	Decrease in employee costs \$484k
Transport	\$ 1,095,375	\$ 722,543	\$ 2,243,289	\$ 2,013,851	\$ 229,438	10%	Decrease in employee costs \$122k and material costs \$99k (mainly for other professional fees)
Environment and Public Health	\$ 1,686,133	\$ 1,464,020	\$ 3,213,841	\$ 1,473,413	\$ 1,740,427	54%	Unit ceases as part of restructure, portions moved to the below two units
Health and Activity Approvals	\$ 559,744	\$ 560,970	\$ 1,097,797	\$ 2,453,653	\$ 1,355,855	-124%	New costs as part of restructure
Sustainability	\$ -	\$ -	\$ -	\$ 927,186	\$ 927,186	-	New unit as part of restructure
Total	\$ 8,192,652	\$ 6,846,421	\$ 15,840,302	\$ 15,446,575	\$ 393,727	2%	
Economic Development and Activation Directorate							
Director of Economic Development and Activation	\$ 254,573	\$ 181,537	\$ 531,306	\$ 527,155	\$ 4,151	1%	
Economic Development	\$ 1,355,911	\$ 820,472	\$ 2,610,203	\$ 2,573,970	\$ 36,233	1%	
Arts, Culture and Heritage	\$ 1,534,386	\$ 1,170,176	\$ 3,023,329	\$ 2,923,382	\$ 99,946	3%	Decrease in material costs \$239k (mainly for consultancy \$50k and other professional fees \$50k) partly offset with increase in employee costs \$123k
Business Support and Sponsorship	\$ 2,823,795	\$ 2,719,575	\$ 5,184,353	\$ 4,898,444	\$ 285,910	6%	Decrease in donations and sponsorships \$420k partly offset with increase in employee costs \$185k
Marketing and Events	\$ 6,045,487	\$ 5,881,994	\$ 12,007,628	\$ 11,745,773	\$ 261,854	2%	Decrease in material costs \$147k mainly in advertising
Total	\$ 12,014,152	\$ 10,773,754	\$ 23,356,819	\$ 22,668,724	\$ 688,094	3%	

CITY of PERTH

BUDGET 2016/17 REVIEW by Directorate and Unit

	Year to Date Dec 2016		Full Year		Variance Forecast to Revised Budget	Variance Forecast to Revised Budget	Comments
	Revised Budget	Actual	Revised Budget	Proposed Budget			
	\$	\$	\$	\$	\$	%	
Depreciation	\$ 16,572,010	\$ 16,700,475	\$ 33,144,020	\$ 33,049,701	\$ 94,319	0%	
Total	\$ 16,572,010	\$ 16,700,475	\$ 33,144,020	\$ 33,049,701	\$ 94,319	0%	
TOTAL EXPENDITURE	\$ 100,474,994	\$ 92,391,952	\$ 199,266,310	\$ 194,939,875	\$ 4,326,435	2%	
Employee costs capitalised	-\$ 1,378,748	-\$ 953,280	-\$ 2,757,500	-\$ 2,310,950	-\$ 446,550	16%	Inline with reduced capital works program
(Gain) / Loss on Disposal of Assets	\$ 635,391	\$ 1,898,056	\$ 437,448	\$ 932,495	-\$ 495,047	-113%	
NET OPERATING INCOME/(EXPENDITURE)	\$ 48,787,750	\$ 54,427,503	\$ 5,416,075	\$ 2,505,081	\$ 2,910,994	54%	

CITY OF PERTH

Capital Works Projects - Budget Review 2016/17

Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	Comments
NEW CAPITAL PROJECTS REQUIRING FUNDS						
PKS	NEW 1	Ozone Reserve Treatment Plant	0	500,000	(500,000)	Project Brought Forward from 17/18 due to major breakdown
DAI	NEW 2	Feasibility for Core Systems Review outcomes	0	250,000	(250,000)	
DAI	NEW 3	Data Warehouse/BI Platform	0	178,056	(178,056)	Endorsed by ELG as part of pitch week
TU	NEW 4	East Perth Walkability Enhancement Plan	0	150,000	(150,000)	
LBS	NEW 5	Additional CCTV cameras and associated changes	0	110,000	(110,000)	New request from reallocation of funds available in CW1864
ACH	NEW 6	Winter Arts Festival - Lighting	0	140,000	(140,000)	New request from reallocation of funds available in CW2052
PKS	NEW 7	Replace Point Fraser Boardwalk	0	100,000	(100,000)	
PPM	NEW 8	Depot Solar Energy Feasibility Study	0	63,000	(63,000)	Project Brought Forward from 17/18
PLE	NEW 9	Supply and install heavy vehicle hoists to workshop	0	60,000	(60,000)	Endorsed by ELG as part of pitch week
TU	NEW 10	Esplanade Intersections	0	50,000	(50,000)	Project to be funded by MIRA
TU	NEW 11	Traffic Counter Purchase for Lord Street	0	40,000	(40,000)	
PKS	NEW 12	Southern Cross Fountain Pump Replacement	0	29,175	(29,175)	New request from reallocation of funds available in CW2019
EPH	NEW 13	Minor IT Assets	0	15,000	(15,000)	
CDU	NEW 14	Cycle Shelters at Public Transport Interchanges	0	10,000	(10,000)	New request from reallocation of funds available in CW1978 and CW1979
	Sub Total New projects		0	1,695,231	(1,695,231)	
ONGOING PROJECTS WITH SURPLUS FUNDS						
Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	
SPM	1947	Plain Street - Adelaide Tce to Hay St	9,000	8,905	95	Project completed / will be completed under-budget
CAS	1994	Sea Containers	6,000	5,851	149	Project completed / will be completed under-budget
IT	1695	Public Wifi Network	27,821	27,240	581	Project completed / will be completed under-budget
PPM	1675	Lift Motor Room Economy Cycle System - Council House	61,500	60,010	1,490	Project completed / will be completed under-budget
CAS	0463	CCTV Replacement Equipment - Various Locations	17,432	15,926	1,506	Project completed / will be completed under-budget
CAS	1785	CCTV Network Expansion to New Locations	17,544	15,926	1,618	Project completed / will be completed under-budget
ACH	1638	Lighthouse - Create New Council House Lighting Design	15,000	9,055	5,945	Project completed / will be completed under-budget
PLE	0372	Fleet and Plant Replacement - Other Community Amenities	39,000	31,734	7,266	Project completed / will be completed under-budget
CPP	2098	Airconditioner - Control Room & Equipment Room Various Car P	9,000	0	9,000	Project completed in Operating Budget
CDU	1978	McIver Cycle Shelters	10,000	0	10,000	Request to be combined with CW1979 and \$10k reallocated to New 16
CDU	1979	Esplanade Cycle Shelters	10,000	0	10,000	Request to be combined with CW1978 and \$10k reallocated to New 16
SPM	1907	Adelaide Terrace (WB) - Burt Way to Hill St	79,750	67,764	11,986	Project completed / will be completed under-budget
FIN	1958	H8 Advanced Asset Valuation Module	43,038	31,033	12,005	Project completed / will be completed under-budget
PLE	0373	Fleet and Plant Replacement - Unclassified Fleet Replacement	254,000	241,322	12,678	Project completed / will be completed under-budget
PKS	2018	Foreshore Erosion Control - Mardalup Park	50,000	36,887	13,113	Project completed / will be completed under-budget
SPM	2071	Sutherland Street - Plaisiowe Mews to Freeway On-ramp	84,800	71,020	13,780	Project completed / will be completed under-budget
SPM	2046	Wellington Street (EB) - Sutherland St to Gordon St	57,000	42,174	14,826	Project completed / will be completed under-budget

CITY OF PERTH

Capital Works Projects - Budget Review 2016/17

Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	Comments
PLE	0146	Fleet and Plant Replacement - Other Law, Order and Public	174,000	158,490	15,510	Project completed / will be completed under-budget
PLE	0152	Fleet and Plant Replacement - Streets, Roads Plant Replacement	579,500	561,025	18,475	Project completed / will be completed under-budget
PLE	0352	Fleet and Plant Replacement Tourism	42,500	22,785	19,715	Project completed / will be completed under-budget
CON	2129	Forrest Place Signage	50,000	28,570	21,430	Project completed / will be completed under-budget
SPM	2040	Mounts Bay Road (OB) - Freeway Off-ramp to Bus Stop	148,750	124,309	24,441	Project completed / will be completed under-budget
CPP	2103	Automatic Car Park Floors Shutdown Equipment	25,000	0	25,000	Project not going ahead
PKS	2017	Refurbishment of Narrows pump station	80,000	54,134	25,866	Project completed / will be completed under-budget
SPM	2057	Horatio Street - Both - Waterloo Cres to Nelson Cres	120,327	94,326	26,001	Project completed / will be completed under-budget
PPM	2020	Council House Access Card Upgrade	250,000	223,601	26,399	Project completed / will be completed under-budget
SPM	2060	Kerb - Riverside Drive - West Bound - Both - Carpark Entry t	27,720	0	27,720	Project completed / will be completed under-budget
CON	1798	Beaufort Street - Pedestrian Crossing	226,632	198,798	27,834	Project completed / will be completed under-budget
CPP	2108	Licence Plate Recognition Cameras	30,000	0	30,000	Project not going ahead
PPM	2027	Asbestos Remedial Works Various Properties	600,000	489,388	30,612	Project completed / will be completed under-budget
SPM	2062	Kerb - Walker Ave - Both - KPR to Ord St	117,900	86,329	31,571	Project completed / will be completed under-budget
SPM	2066	Norbert Street - Both - Royal St to Wittenoom St	141,816	109,999	31,817	Project completed / will be completed under-budget
SPM	2059	Kerb - Plaisiowe Mews - Both - Railway St to Sutherland St	34,000	0	34,000	Project completed / will be completed under-budget
SPM	1652	Litter Bin Enclosures	100,000	65,257	34,743	Project completed / will be completed under-budget
PKS	2019	Belvedere Promenade	61,170	24,242	36,928	\$29k of available funds to be reallocated to New request 12
PPM	1558	Wellington St Car Park Retaining Wall and Drainage Upgrade	50,000	11,953	38,047	Project completed / will be completed under-budget
CPP	2095	Uplift of Island and Kerbing Plain Street	70,000	31,041	38,959	Project completed / will be completed under-budget
CPP	1821	Event Ticket Management Systems	40,000	0	40,000	Project not going ahead
PPM	2026	Refurbish Murray St Frontage & Parking Control Booth	80,000	40,000	40,000	Budget to be aligned with forecast
CPP	2101	Upgrade Of Internet, Intranet And Mobile App	40,000	0	40,000	Project not going ahead
SPM	2043	Murray Street - Havelock St to Harvest Toe	190,950	147,417	43,533	Project completed / will be completed under-budget
TU	2136	Aberdeen St Cycle Plan Implementation	65,000	15,000	50,000	Budget to be reduced to forecast at this stage
LBS	2004	Library Dures Safety System Project	100,000	48,294	51,706	Project completed / will be completed under-budget
SPM	2058	Kerb - Hale St - Both - Nelson Cres to Waterloo Cres	52,400	0	52,400	Project not going ahead
PPM	1872	Cliplace Rest Centre - Toilet & Shower Refurbishment	211,305	156,957	54,348	Project completed / will be completed under-budget
SPM	2074	Mounts Bay Road - North - St Georges College to Winthrop Ave	98,120	40,646	57,474	Project completed / will be completed under-budget
SPM	2054	Replacing End Of Useful Life Lighting	200,000	140,000	60,000	Scope change
SPM	2073	Stirling & Pler Street - Newcastle St to Aberdeen St	150,000	78,346	71,654	Project completed / will be completed under-budget
SPM	2072	Waterloo Crescent - North - Horatio St to Bronte St	144,445	70,371	74,074	Project completed / will be completed under-budget
SPM	2042	Murray Street - Thomas St to Outram St	74,910	0	74,910	Project not going ahead
SPM	2037	James Street (EB) - Freeway Off-ramp to Fitzgerald St	77,805	0	77,805	Project not going ahead
PPM	2025	Jacobs Ladder Structural Repairs	80,000	0	80,000	Not required - project completed in 15/16
SPM	2041	Murray Street - Outram St to Colin St	83,325	0	83,325	Project not going ahead
CPP	1828	OSH and Visitor Access Management Systems Trial	90,000	0	90,000	Project not going ahead
CPP	2106	CPAMS - Stock and Job Management System- Stage 2	96,000	0	96,000	Project not going ahead - No planning to proceed to Stage 2
SPM	1891	Adelaide Terrace - Bennett St to Hill St - Both Sides	100,000	34	99,966	Project completed / will be completed under-budget
CPP	2105	Bay Sensor Systems	100,000	0	100,000	Request reallocation of funds to PSU - CW1970
CPP	2112	On Street Real Time Information for Acrod Parking	100,000	0	100,000	Request reallocation of funds to PSU - CW1970
PPM	2052	Christmas Decorations	250,000	149,985	100,015	Request re-allocation of available funds to New request 6
PPM	0125	New Perth City Library	500,000	390,202	109,798	Remaining works will be completed under budget
LBS	1864	Library Website Upgrade	110,000	0	110,000	Request re-allocation of available funds to New request 5

CITY OF PERTH

Capital Works Projects - Budget Review 2016/17

Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	Comments
SPM	1905	Victoria Avenue - Riverside Dr to Victoria Sq - Both Sides	143,680	31,178	112,502	Project completed / will be completed under-budget
GPP	1829	Parking Card Management System	119,500	0	119,500	Project not going ahead
TU	0179	Cycle Plan Implementation	295,000	175,000	120,000	Budget to be aligned to forecast at this stage
CDU	1957	Streetscape Cliff Street	121,773	0	121,773	Project not going ahead
CPP	2100	Media Communication	200,000	77,421	122,580	Balance of funds not required
PPM	1883	Pier St Car Park Roof Refurbishment & Drainage Improvements	250,000	113,356	136,644	Project scope change resulting in reduced costs
CDU	1980	Streetscape Enhancement - Forecourt To Concert Hall	300,000	150,000	150,000	Budget to be aligned to forecast at this stage
PPM	0528	Council House Upgrade Driveway and Associated Drainage	760,558	604,823	155,735	Reduced specification resulting in lower costs
CAS	1999	CCTV Portable Towers	158,113	0	158,113	Grant application unsuccessful. Project incorporated with CW1611
TU	2075	East Perth cycle routes	225,000	55,000	170,000	Budget to be aligned to forecast at this stage
CPP	2089	Terrace Road Car Park Equipment Shelter	175,000	0	175,000	Project not going ahead at this stage
CDU	1985	Hay Street Mall Revitalisation	300,000	100,000	200,000	Budget to be aligned to forecast at this stage
GPP	2111	On Street Parking Meters	200,000	0	200,000	Project not going ahead
TU	2084	Strengthen Ped Connection From City To Point Fraser	225,000	0	225,000	Project not going ahead
CPP	2109	Off Street Machines	240,000	0	240,000	Project not going ahead - cash dispenser replacement not compatible with existing systems
PPM	0594	St Georges Public Plaza Project	700,000	452,583	247,417	Budget to be aligned with forecast to cover outstanding issues
CPP	1812	Lift Upgrade or Refurbishment Various Car Parks 2015-16	250,000	0	250,000	Project not currently feasible
PPM	2032	Forrest Place Water Ingress Remedial Works	250,000	0	250,000	Project able to be undertaken in Operating Budget
CDU	1983	Perth Concert Hall Refurbishment	300,000	1,869	298,131	Work to be undertaken as part of CW1980
CON	1956	Harvest Terrace Cycle Infrastructure	700,000	394,259	305,741	Project completed / will be completed under-budget
SPM	2035	Aberdeen Street - Pier St To Lord St	500,000	159,386	340,614	
SPM	2033	Custom Street Furniture Replacement Program	500,000	100,000	400,000	Tender timing will lead to reduction in amount to be spent in 2016/17
PKS	2015	Narrows Interchange - Flagpole Erosion Control	950,000	539,819	410,181	Cost savings. Prices quoted much lower than anticipated
SPM	2034	River Wall - Claisebrook Cove - Boat Section	500,000	0	500,000	Works not required to go ahead in this financial year
SPM	2055	James Street - Pier St To Stirling St	750,000	144,435	605,565	
PPM	1873	Perth Concert Hall - Fire Audit Works	1,170,287	500,355	669,932	Project completed / will be completed under-budget
PPM	1671	Fire Equipment Upgrades- Various Locations	966,578	132,052	834,526	State Library fire equipment upgrade no longer in scope
CON	2002	Parliament Plc - Harvest Tce - Havelock St	1,900,000	915,216	984,784	Project completed / will be completed under-budget
PPM	1880	Langley Park Toilet and Changing Room Refurbishment	1,080,000	598	1,079,402	Project not going ahead at this stage. Dependent on the Pump Station lease outcome
TU	2083	Parallel Walks and Other Pedestrian improvement	1,400,000	0	1,400,000	Project not going ahead - grant funds not available from DOT in 2016/17
Sub Total surplus funds			22,284,949	8,853,616	13,431,333	

CITY OF PERTH

Capital Works Projects - Budget Review 2016/17

Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	Comments
ONGOING PROJECTS REQUIRING ADDITIONAL FUNDS						
Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	
CAS	1844	CCTV Network Expansion to New Locations	99,000	810,106	(711,106)	Project scope changed to incorporate East Perth Stadium impact
CAS	1611	CCTV Network Replacements	630,000	990,000	(360,000)	Project scope expanded for replacement of deteriorating assets
PLE	0153	Fleet and Plant Replacement - Sanitation - Household Refuse	2,185,500	2,299,047	(113,547)	Project completed / will be completed over-budget Project will not now be staged due to site constraints therefore full amount required now
CON	1962	Riverside Drive Footpath	185,000	288,000	(103,000)	Project scope change
PSU	1846	Parking Two Way Radios	76,200	153,400	(77,200)	Project completed / will be completed over-budget
CPP	2139	Upgrade of Cale ticket machines	40,000	106,000	(66,000)	Additional costs incurred for heating duct removal
PPM	1622	City Station Concourse Replace Air Conditioning	616,942	679,436	(62,494)	Replacement of LS752 required to be brought forward from 2017/18
PLE	0430	Plant Replacement Program	39,000	91,000	(52,000)	Forecast amended to reflect actuals - project completed over-
PPM	1668	Switchboard Upgrade - Citipace Car Park	20,000	65,783	(45,783)	Project completed / will be completed over-budget due to project management costs not originally factored in
CON	1971	Tratolgar Bridge Lighting	349,068	394,423	(45,355)	Project scope change
PSU	1969	Parking Equipment and Systems - PDA 'S	125,546	170,000	(44,454)	Additional funds required for Pram ramp audit not originally budgeted for
SPM	1800	Minor Civil Works And Accessibility Improvements	46,623	86,623	(40,000)	Additional funds endorsed by ELG as part of pitch week
DAI	2119	Intranet Redevelopment	40,000	80,000	(40,000)	Project completed / will be completed over-budget
PLE	0157	Fleet and Plant Replacement - Town Planning	99,000	135,786	(36,786)	Project completed / will be completed over-budget
IT	1697	Servers, Storage and Business Continuity	1,068,810	1,104,140	(35,330)	Additional funds required to progress next stage of project
FIN	2003	Procure to Pay	85,000	115,890	(30,890)	Project scope change, includes reallocation from CPP- CW2105 and CW2112
PSU	1970	Parking Equipment and Systems - Vehicle Detection Sensors	899,300	928,375	(29,075)	Project completed / will be completed over-budget
PLE	0264	Fleet and Plant Replacement - Parking Facilities	255,000	270,362	(15,362)	Project completed / will be completed over-budget
CAS	1845	CCTV Replacement Various Locations -Camera Installs	66,150	79,227	(13,077)	Project completed / will be completed over-budget
SPM	2049	Wellington Street (WB) - Pier St to Barrack St	157,320	167,459	(10,139)	Project completed / will be completed over-budget
PKS	2135	Harold boas gardens Bore Pump	0	8,083	(8,083)	Project completed / will be completed over-budget
SPM	1739	St Georges Tee - Mill St to William St	0	7,919	(7,919)	Project completed / will be completed over-budget
CDU	1965	Streetscape Enhancement - Thomas Street Median	133,716	141,441	(7,725)	Project completed / will be completed over-budget
CPP	2090	Cultural Centre Car Park Gate Automation	62,000	68,490	(6,490)	Project completed / will be completed over-budget
SPM	2050	Winthrop Avenue / Aberdare Road - Intersection	42,750	48,380	(5,630)	Project completed / will be completed over-budget
IT	0376	Payment Card Industry Data Security Standard Review And Update	209,521	214,810	(5,289)	Project completed / will be completed over-budget
SPM	2036	East Parade (SB) - Bridge Abutment to Kensington St	92,910	98,000	(5,090)	Project completed / will be completed over-budget
CON	1796	Roe St Shared path	0	4,707	(4,707)	Project completed / will be completed over-budget
SPM	1850	Lighting New	50,000	54,415	(4,415)	Project completed / will be completed over-budget
PLE	0150	Fleet and Plant Commercial Replacement Other Recreation	679,000	683,104	(4,104)	Project completed / will be completed over-budget
SPM	2134	Ord Street Pram Ramps	180,377	184,456	(4,079)	Project completed / will be completed over-budget
PPM	1650	Resurface Hardstand area - Depot	0	3,620	(3,620)	Project completed / will be completed over-budget

CITY OF PERTH

Capital Works Projects - Budget Review 2016/17

Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	Comments
SPM	1893	Bennett St - Hay St to Adelaide Ice - East side	0	833	(833)	Project completed / will be completed over-budget
SPM	1973	Drainage - 355 Newcastle Street	0	551	(551)	Project completed / will be completed over-budget
SPM	1954	Kerbing Wellington St - Plain St to Bennett St	0	500	(500)	Project completed / will be completed over-budget
PLE	0296	Mobile Hardware - Depot	47,742	48,000	(258)	Project completed / will be completed over-budget
CDU	1987	3D Model IT equipment	7,000	7,147	(147)	Project completed / will be completed over-budget
PLE	1923	Lubricant Management System- Depot	50,000	50,042	(42)	Project completed / will be completed over-budget
PKS	2087	New Park Furniture General - Staged Upgrade Program	25,000	25,035	(35)	Project completed / will be completed over-budget
		Sub Total Additional funds	8,663,475	10,664,568	(2,001,113)	
PROJECTS TO BE RE-BUDGETED						
Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	
PKS	2009	Murray Thelma Reserve - Upgrade Irrigation System	15,000	0	15,000	Survey works to be undertaken in 2017/18
PKS	2141	Removal and replacement of existing park Furniture	250,000	0	250,000	Project to commence in 2017/18 once permit obtained
TU	1637	2-Way Murray St- Elder St to Thomas St	451,875	101,875	350,000	Adjust budget to match forecast in 2016/17, balance to be rebudgeted
LBS	2005	Library Exhibition display cabinet	50,000	0	50,000	
LBS	2006	Library Additional Audio Visual Components	80,000	0	80,000	
CPP	2094	Supporting works for Pay on Foot or LPR	150,000	0	150,000	Project to commence in 2017/18
CPP	2102	Automate Open Air Car Parks	800,000	0	800,000	Project to commence in 2017/18
CPP	2091	Lighting Upgrade Various Car Parks 2016-17	954,200	0	954,200	Project to commence in 2017/18
PPM	1874	Perth Concert Hall -Electrical Works	702,532	15,000	687,532	Major works to take place in Dec 17 / Jan 18
PPM	1876	Perth Concert Hall -Mechanical Services works	2,097,382	46,626	2,050,756	Major works to take place in Dec 17 / Jan 18
		Sub Total Re-Budgeted	5,550,989	163,501	5,387,488	
		Total	56,033,628	40,911,152	15,122,476	
PROJECTS THAT REMAINED UNCHANGED						
			10,929,477	10,929,477	0	
CAPITAL WORKS TOTAL			66,963,105	51,840,629	15,122,476	

ATTACHMENT 13.8D

CITY OF PERTH

REVISED RATE SETTING STATEMENT for the year ending 30 June 2017

	Actual YTD 31-Dec-16	Revised Budget 2016/17	Proposed Budget 2016/17	Revised Budget Variance
	\$	\$	\$	\$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	36,951,157	76,973,664	71,712,089	(5,261,576)
Fines and Costs	4,352,651	10,610,604	8,801,152	(1,809,452)
Investment Income and Interest	3,079,734	4,672,819	4,918,455	245,637
Community Service Fees	743,459	1,577,941	1,456,742	(121,199)
Rubbish Collection	8,267,430	8,581,163	8,302,124	(279,038)
Rentals and Hire Charges	2,610,230	5,251,214	5,179,527	(71,687)
Recurrent Grants	671,675	1,514,031	1,779,681	265,650
Contributions, Donations and Reimbursements	241,067	585,576	470,294	(115,282)
Other Income	2,920,390	4,681,208	4,504,578	(176,630)
Distribution from TPRC	0	1,000,000	1,000,000	0
	59,837,793	115,448,219	108,124,642	(7,323,577)
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	38,456,819	77,744,705	77,744,705	0
Materials and Contracts	20,512,195	53,157,971	50,014,941	3,143,031
Utilities	1,491,597	3,596,588	3,332,014	264,574
Insurance Expenditure	535,056	1,197,885	1,199,316	(1,431)
Depreciation and Amortisation	16,700,475	33,144,020	33,049,701	94,319
Interest Expenses	973,287	1,562,208	1,724,106	(161,898)
Loss on Disposal of Assets	1,898,056	437,448	932,495	(495,047)
Expense Provisions	463,002	998,010	939,820	58,190
Other Expenditure	12,891,752	25,107,422	24,624,320	483,101
	93,922,240	196,946,258	193,561,420	3,384,838
Add back Depreciation	(16,700,475)	(33,144,020)	(33,049,701)	(94,319)
(Loss) / Profit on Disposals	(1,898,056)	(437,448)	(932,495)	495,047
	75,323,709	163,364,790	159,579,224	3,785,566
Net Surplus/(Deficit) from Operations	(15,485,916)	(47,916,571)	(51,454,581)	(3,538,011)
Investing Activities				
Capital Expenditure	(11,382,166)	(66,963,105)	(51,840,629)	15,122,476
Repayment of Borrowings	(3,817,600)	(6,111,896)	(6,111,896)	0
Transfers to Reserves	(1,982,529)	(27,749,200)	(27,949,200)	(200,000)
	(17,182,295)	(100,824,202)	(85,901,726)	14,922,476
Financing Activities				
Transfer from Reserves	18,916,277	34,323,351	27,516,966	(6,806,386)
Proceeds from Disposal of Assets/Investments	813,892	1,437,449	1,437,449	0
Capital Grants	1,140,393	5,768,315	2,096,862	(3,671,453)
	20,870,562	41,529,115	31,051,276	(10,477,839)
Add: Opening Funds	21,140,731	27,795,809	21,140,731	(6,655,078)
Net Surplus/(Deficit) before Rates	9,343,083	(79,415,849)	(85,164,300)	(5,748,451)
Amount Sourced from Rates	87,926,439	86,914,114	87,941,859	1,027,745
Closing Funds	97,269,522	7,498,265	2,777,559	(4,720,706)

Net Cash on Hand				
Cash On Hand	6,665,453	5,928,176	5,879,024	(49,152)
Money Market Investments	151,246,767	102,924,170	110,065,722	7,141,551
Funds on Hand	157,912,220	108,852,346	115,944,746	7,092,400
Analysis of Funds on Hand				
Reserves	68,578,304	79,211,467	86,217,852	7,006,385
Provisions	11,371,957	12,779,852	12,762,970	(16,882)
Restricted Grants not yet utilised		270,512	270,512	0
General Funds	77,961,959	16,590,515	16,693,411	102,896
Funds on Hand	157,912,220	108,852,346	115,944,746	7,092,400

CITY OF PERTH

REVISED CURRENT POSITION for the year ending 30 June 2017

	Actual YTD 31-Dec-16 \$	Revised Budget \$	Proposed Budget \$	Revised Budget Variance \$
Current Assets				
Cash and Cash Equivalents	\$6,665,453	\$5,928,176	\$5,879,024	(\$49,152)
Deposits and Prepayments	\$11,343,451	\$446,730	\$310,521	(\$136,209)
Money Market Investments - Municipal Funds	\$82,668,463	\$23,712,703	\$23,847,869	\$135,166
Money Market Investments - Restricted Funds	\$68,578,304	\$79,211,467	\$86,217,852	\$7,006,385
Trade and Other Receivables	\$18,153,875	\$4,020,574	\$3,313,909	(\$706,665)
Inventories	\$988,506	\$972,964	\$972,511	(\$453)
Total Current Assets	\$188,398,052	\$114,292,614	\$120,541,686	\$6,249,072
Current Liabilities				
Trade and Other Payables	\$22,206,746	\$26,449,955	\$30,430,230	\$3,980,275
Employee Entitlements	\$10,757,965	\$12,379,102	\$12,379,102	\$0
Provisions	\$613,992	\$400,750	\$383,868	(\$16,882)
Borrowings	\$5,985,764	\$7,083,366	\$7,083,366	\$0
Total Current Liabilities	\$39,564,467	\$46,313,173	\$50,276,567	\$3,963,394
Working Capital Position Brought Forward	\$148,833,585	\$67,979,441	\$70,265,120	\$2,285,679
Deduct Restricted Cash Holdings	(\$68,578,304)	(\$79,211,467)	(\$86,217,852)	(\$7,006,385)
Deduct Restricted Cash - Non-current leave	\$10,757,965	\$11,376,413	\$11,376,413	\$0
Deduct Restricted Capital Grants	\$270,512	\$270,512	\$270,512	\$0
Add Current Borrowings	\$5,985,764	\$7,083,366	\$7,083,366	\$0
Current Funds Position Brought Forward	\$97,269,522	\$7,498,265	\$2,777,558	(\$4,720,707)

Agenda **Tender 074-16/17 - Office Cleaning and Lock Up Services**
Item 13.9

Recommendation:

That Council accepts the most suitable tender, being that submitted by Iconic Property Services (Tender 074-16/17 Office Cleaning and Lock Up Services), to provide:

- 1. cleaning services at various properties owned by the City; and*
- 2. cleaning and lock up services to public toilets at various city locations,*

for a period of three years, with the option to extend for a further two years in accordance with the Schedule of Rates in Confidential Attachment 13.9C and subject to annual CPI indexation.

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	P1032338
REPORTING UNIT:	Properties
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	31 January 2017
ATTACHMENT/S:	Confidential Attachment 13.9A – Evaluation Matrix Confidential Attachment 13.9B – Pricing Evaluation Matrix Confidential Attachment 13.9C – Schedule of Rates (Confidential Attachments distributed under separate cover to Elected Members)

Legislation / Strategic Plan / Policy:

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

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Council Four Year Priorities: Capable and Responsive Organisation
S18 Strengthen the capacity of the organisation

Policy
Policy No and Name: 9.7 – Purchasing

Financial Implications:

Various operational expenditure accounts hold sufficient budget to cover the cost for each facility. The value of the contract, based on approximation of scheduled works, consumables and reactive, emergency works is: \$1,564,860.00 per annum

All figures quoted in this report are exclusive of GST.

Purpose and Background:

The ongoing maintenance and cleaning of Council properties is undertaken by service providers on contract. Over time this has resulted in numerous separate cleaning contracts for different buildings, causing higher than necessary administration levels across several companies, and duplication of administration and management effort.

Furthermore, service delivery levels are not consistent across existing contracts, causing confusion and performance management issues.

To maximise the economy of scale opportunities, and to standardise the quality of cleaning services, these contracts have been consolidated into one.

Tender 074-16/17 – Office Cleaning and Lock Up Services was advertised in the West Australian on Saturday, 26 November 2016.

Details:

26 sets of Tender documents were collected or downloaded during the Tender period and a mandatory site briefing was conducted on 30 November 2016.

The Tender closed at 2:00pm on Wednesday, 22 December 2016 and 10 submissions were received as follows:

- Alpha Corp Property Services;
- CCM Cleaning Services;
- CMC Property Services;
- GJK Facility Services;
- GWC Total Management;
- Iconic Property Services;
- Mission Impossible Cleaning;
- Multiclean WA;
- OCE Corp Cleaning; and
- DMC Cleaning.

All Tenderers attended the mandatory site briefing.

Evaluation

Tenders were evaluated against the following criteria:

- Tenderer's relevant knowledge and experience;
- Quality management and customer service ability, OSH;

- Methodology and appreciation of the requirement of works;
- Tenderer's current resources; and
- Tendered prices and the cost of the total package of the benefits.

The tender evaluation matrix and pricing evaluation matrix are attached – Confidential Attachments 13.9A and 13.9B.

The following Tenders were considered non-compliant:

- CCM Cleaning Services – Omitted consumables, no QA system, Criterion four not addressed and non-compliant pricing;
- CMC Property Services – Consumables quantities not given, Northbridge arcade not addressed, Criterion four not addressed; and
- GJK Facility Services - Northbridge arcade not addressed, Criterion four not addressed.

Tenderer's relevant knowledge and experience

Tender submissions were evaluated based on details provided regarding:

- Similar contracts undertaken in the past five years, particularly those that include the same type of assets as this Tender;
- Relevant specific staff experience in performing the required tasks including any qualifications;
- Equipment, materials and infrastructure to be used in undertaking the Scope of Works; and
- Contingency plan for how the works will be undertaken if the Contractor is unable to provide the service, e.g. holidays or sickness.

Four of the Tenderers, Iconic Property Services, Mission Impossible Cleaning, Multiclean WA and OCE Corporate Cleaning, met the requirements of this criterion without deficiency. Iconic Property Services and OCE Corporate Cleaning scored equal highest in this criterion.

Quality Management and Customer Service ability, OSH

Tender submissions were evaluated based on details provided regarding:

- Details and evidence of Tenderer current quality assurance or management system;
- Tenderer capability to manage customer satisfaction / complaints during the contract term;
- Tenderer capability to manage, develop and improve contracts KPI, including responsiveness, quality and customer satisfaction; and
- Tenderer innovative capability to deliver cost-saving, better quality and continuous improvement of the cleaning services to the City.

Alpha Corp Property Services, GMC Property Services, Iconic Property Services, Mission Impossible Cleaning and OCE Corporate Cleaning met the requirements of this criterion without deficiency, with Iconic Property Services scoring highest.

Methodology and Appreciation of the requirement of works

Tender submissions were evaluated based on details provided regarding:

- Knowledge of the facility subject to the Scope of Works;
- Provide schedule of cleaning (daily/weekly) for each facility, Site and/or Public Toilet;
- Provide roster indicating the number of staff proposed to undertake the works;
- Staff experience in the area;
- Understanding of the facility subject to the Scope of Works;
- How the Tenderer intends to manage the City's cleaning requirements;
- How the Tenderer intends to manage and record safe work practices and procedures prior to commencing a task (Permit to Work, Job Safety Analysis, and Take 5 etc);
- How the Tenderer will maintain the cleaning records and what systems the Tenderer will have in place to manage these records; and
- The innovative solutions the Tenderer intends to use when providing this service and how these innovations will benefit the City.

Two of the Tenderers, GWC Total Management and DMC Cleaning did not provide a satisfactory response to this criterion. The remaining Tenderers all addressed the requirement without deficiency with Alpha Corp Property Services, CMC Property Services, Multiclean WA and OCE Corporate Cleaning all scoring joint highest, and Iconic Property Services and Mission Impossible Cleaning joint second highest.

Tenderer's resources (Manpower, key personnel, other contracts) and similar work

Tender submissions were evaluated based on the following details:

- Capability and resources that will be used to deliver the objectives of the contract;
- Current commitments and the ability to fulfil the requirements of large contracts;
- Personnel and other HR management skills; and
- Contracts administrations and management skills; how the Tenderer intends to deliver the objective of the contract, manage personnel time, cost and quality during this project.

Iconic Property Services, Multiclean WA and OCE Corporate Cleaning met the requirements of this criterion without deficiency, with Iconic Property Services scoring highest in this category.

Tendered Prices and the cost of the total package of the benefits

Tender submissions were evaluated based on a matrix of cost to clean per site, cost of a day cleaner for three sites, consumables, costs for toilet lock-up and other relevant costs.

The lowest pricing structure was submitted by DMC cleaning. The second and third best pricing structures were submitted by Multiclean WA and Iconic Property Services respectively.

Evaluation Matrix

The three highest scoring Tenderers were (in order from highest score to lowest):

1. Iconic Property Services;
2. Multiclean WA; and
3. OCE Corporate Cleaning

Following the qualitative and quantitative assessments a financial capability assessment and an occupational safety and health assessment were conducted on the highest scored Tenderer to ensure the full compliance of the highest shortlisted Tenderer with the City's OSH requirement and to mitigate any financial risks. Due to the high level of risk associated with the length of the contract term and the financial magnitude of the contract, a Standard Financial and Performance Assessment (Procurement) report was undertaken for the leading tenderer - Iconic Property Services Pty Ltd. The shortlisted Tenderer received a satisfactory OSH and Financial evaluation rating.

Comments:

Iconic Property Services currently provide the City with cleaning services under contract at several locations. They provided a well detailed Tender submission demonstrating a clear understanding of the City's business and the works involved for both office and toilets cleaning. They scored highest on the evaluation matrix and their tendered rates provide good value for money for the City of Perth. It is therefore recommended that the Tender submitted by Iconic Property Services for Tender 074-16/17 Office Cleaning and Lock Up Services be accepted for a period of three years with the option to extend for a further two years in accordance with the schedule of rates detailed in Confidential Attachment 13.9A – Pricing Evaluation Matrix.

CONFIDENTIAL ATTACHMENTS 13.9A, B & C
ITEM 13.9 – TENDER 074-16/17 - OFFICE CLEANING AND LOCK UP
SERVICES

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda Item 13.10 **Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities**

Recommendation:

That Council accepts the most suitable tender, being that submitted by Prosegur Australia Pty Ltd for Counting and Banking of Monies from Car Park Facilities (Tender 095-16/17), for a period of three years with an option to extend for a further period of two years, as per the schedule of rates detailed in Confidential Attachment 13.10B including CPI increases.

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 7 March 2017.

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

FILE REFERENCE:	P1033619
REPORTING UNIT:	Commercial Parking
RESPONSIBLE DIRECTORATE:	Community & Commercial Services
DATE:	21 February 2017
ATTACHMENT/S:	Confidential Attachment 13.10A – Tender Evaluation Matrix Confidential Attachment 13.10B – Comparative Pricing Analysis (Confidential Attachments distributed under separate cover to Elected Members)

Legislation / Strategic Plan / Policy:

Legislation	Section 3.57 of the <i>Local Government Act 1995</i> of Part 4 of the <i>Local Government (Functions and General) Regulation 1996</i>
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Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Capable and Responsive Organisation

S19 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:	9.7 – Purchasing Policy
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Financial Implications:

ACCOUNT NO:	CL09B13000-7229
BUDGET ITEM:	Coin Collection
BUDGETED AMOUNT:	\$159,931
AMOUNT SPENT TO DATE:	\$ 84,450
PROPOSED COST:	\$138,635
BALANCE REMAINING:	\$ 75,481
ANNUAL MAINTENANCE:	n/a
ESTIMATED WHOLE OF LIFE COST:	n/a

All figures quoted in this report are exclusive of GST.

Purpose and Background:

The City manages off-street parking facilities and on street parking bays located within the City of Perth CBD and surrounding areas. Cash is collected from payment machines and parking meters and delivered to a cash counting and banking contractor by a separate contractor responsible for cash collections.

A new contract is required for the counting and banking of the monies. The main requirement of the contract is that delivered cash is counted and banked within 24 hours of receiving and no later than 3.00pm the following working day into the City's bank account. The counting and banking contractor is also required to provide change in requested denominations on a weekly basis.

The current counting and banking contract expires at the end of the first-quarter of 2017. The request for Tender sought for submissions from suitably qualified contractors for the provision of counting and banking services for a period of three years with an option to extend for a further two years.

Tender - 95 16/17 Counting and Banking of Monies from Car Park Facilities was advertised in The West Australian on Wednesday, 18 January 2017. At the close of the Tender at 2.00pm Tuesday, 2 February 2017, submissions were received from the following:

- Linfox Armaguard Pty Ltd;
- Newcrest Security & Investigation Pty Ltd;
- Prosegur Australia Pty Ltd; and
- Southern Cross Protection Pty Ltd.

Details:

The tender submissions were first evaluated on the qualitative selection criteria prior to consideration of the price offers. Tenderers were required to address each of the following selection criteria which were specified in the request for tender:

- Organisational and Resource Capacity;
- Track record and details of relevant experience in providing similar services;
- Methodology; and
- Quality Assurance.

Linfox Armaguard

The panel found the submission from Linfox Armaguard to be a fair offer. Linfox Armaguard demonstrated a good track record and provided good details of methodology on carrying out the work. However, information provided on Organisation and Resources Capacity was found to be limited and did not fully address the criteria. The tender evaluation panel (Panel) also found no supporting evidence on the quality assurance criteria.

Newcrest Security and Investigation Pty Ltd

Newcrest's submission was found to be a fair offer. The response to the Organisational and Resource Capacity criteria had limited details on resources for counting and processing of cash. There was insufficient evidence for recent experience in provision of cash counting and banking services. However, Newcrest provided good details of cash processing and reporting and were scored high on the methodology criterion. It also provided good details on quality assurance procedures but failed to provide supporting evidence.

Prosegur Australia Pty Ltd

Prosegur provided good details on organisational and resource capacity including details of its local branch. The submission demonstrated a good track record in providing similar services including a good portfolio of similar clients. Prosegur did not however, provide full details for all the information that was required for this criterion. The panel found details on methodology for cash counting and provision of change to be clear and well detailed, demonstrating a clear understanding of the scope of work. Prosegur's response to the quality assurance criteria made reference to its internal global quality management program and documented policies, but the Panel found the details and evidence to support the quality assurance procedures inadequate.

Southern Cross Protection Pty Ltd

Southern Cross Protection submitted a good offer overall. It provided good details on organisational capacity including details of cash counting resources. The submission demonstrated good experience in the provision of similar services. It provided a detailed outline of the cash processing procedures and reporting. The panel found the response on quality assurance adequate; it included evidence to support processes that are in place.

The results of the qualitative evaluation were ranked based on the overall aggregate weighted scores as per the Qualitative Selection Criteria Evaluation Matrix (Confidential Attachment 13.10A).

Tenderer	Rank
Southern Cross Protection Pty Ltd	1
Prosegur Australia Pty Ltd	2
Newcrest Security & Investigation Pty Ltd	3
Linfox Armaguard Pty Ltd	4

The submissions from Southern Cross Protection and Prosegur were ranked the highest followed by Newcrest Security and Linfox Armaguard in the respective order. The panel found the submissions from Prosegur and Southern Cross to have satisfied the requirements of the overall qualitative criteria for the Tender. It was however, agreed to assess the pricing submissions from all the Tenderers.

Pricing Evaluation

A pricing comparison was made for the total annual value of the contract (See Confidential Attachment 13.10B – Comparative Pricing Analysis). The pricing was ranked as per the Comparative Pricing Analysis and the results lowest to highest were as follows:

Tender Price Ranking

Tenderer	Rank
Linfox Armaguard Pty Ltd	1
Prosegur Australia Pty Ltd	2
Southern Cross Protection Pty Ltd	3
Newcrest Security & Investigation Pty Ltd	4

Linfox Armaguard submitted the lowest pricing structure followed by Prosegur, Southern Cross and Newcrest Security respectively. It was however, noted that Linfox Armaguard included departures which provided for variation of their pricing outside the Consumer Price Index (CPI) price variation provision that had been specified in the Tender. Whilst Linfox Armaguard provided the lowest tender price for the contract, the panel found the requested contract amendments were unfair on other Tenderers who provided their offers on a fixed price basis with CPI adjustments. The departures also meant that the City would carry the risk of unbudgeted price increases that may arise during the course of the contract. The panel noted that Linfox Armaguard had also not fully satisfied the qualitative selection criteria and agreed to exclude it from further consideration. The panel also agreed to exclude Newcrest as its pricing was found to be exceedingly high and significantly above the City's budget for the services.

A comparison of the pricing from Southern Cross and Prosegur showed a significant difference in price due to the coin disposal fee of 1% that Southern Cross had proposed to charge on the contract. This made their offer uncompetitive compared to the offer from Prosegur which equated to an estimated total annual fee of \$138,635. The panel agreed that the pricing from Prosegur to be a fair offer and within the City's budget. Prosegur had also demonstrated that it had the capacity and capability to satisfactory deliver the services as requested in the Tender, and its offer provided value for money for the City.

Comments:

Based on a combination of qualitative factors and pricing to ascertain the best value for money, it is recommended that Prosegur Australia Pty Ltd be awarded the tender Counting and Banking of Monies from Car Park Facilities (Tender 095-16/17), for a period of three years with an option to extend for a further period of two years, as per the schedule of rates detailed in Confidential Attachment 13.10B including CPI increases.

**CONFIDENTIAL ATTACHMENTS 13.10A & B
ITEM 13.10 – TENDER 095-16/17 COUNTING AND BANKING OF
MONIES FROM CAR PARK FACILITIES**

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda **Tender 043-16/17 – Provision of Engineering Consultancy**
Item 13.11 **Services and Associated Professional Services**

Recommendation:

That Council;

- 1. accepts the following tenders to form a panel of pre-qualified suppliers in various disciplines, for the provision of various engineering consultancy services and associated professional services (Tender No 043-16/17) commencing from 15 March 2017 for a period of three years with an option to extend for two years, based on the tendered rates in the attached as Confidential Attachment 13.11A and subject to annual CPI Increases:***

Civil Engineering

- 1.1 Parsons Brinckerhoff Australia Pty Ltd;***
- 1.2 GHD Pty Ltd;***
- 1.3 BG & E Pty Ltd;***

Environmental Engineering

- 1.4 GHD Pty Ltd;***
- 1.5 SMEC Australia Pty Ltd;***
- 1.6 360 Environmental Pty Ltd;***

Fire Engineering

- 1.7 Arup Pty Ltd;***
- 1.8 GHD Pty Ltd;***
- 1.9 Parsons Brinckerhoff Australia Pty Ltd;***

Geotechnical Engineering

- 1.10 Douglas Partners Pty Ltd;***
- 1.11 Aurecon Australasia Pty Ltd;***
- 1.12 CMW Geosciences Pty Ltd;***

Hydraulic Engineering

- 1.13 Arup Pty Ltd;***
- 1.14 Cardno Pty Ltd;***
- 1.15 Wood & Grieve Engineers Limited;***

Lift Engineering

- 1.16 Parsons Brinckerhoff Australia Pty Ltd;***
- 1.17 NDY Management Pty Ltd;***
- 1.18 Wood & Grieve Engineers Limited;***

(Cont'd)

Lighting & Electrical Engineering

- 1.19 Engineering Technology Consultants Pty Ltd;**
- 1.20 Sage Consulting Engineers Pty Ltd;**
- 1.21 LVX Installation & Maintenance Pty Ltd;**

Marine Engineering

- 1.22 MP Rogers & Associates Pty Ltd;**
- 1.23 GHD Pty Ltd;**
- 1.24 SMEC Australia Pty Ltd;**

Mechanical Engineering

- 1.25 Arup Pty Ltd;**
- 1.26 GHD Pty Ltd;**
- 1.27 Parsons Brinckerhoff Australia Pty Ltd;**

Structural Engineering

- 1.28 BG & E Pty Ltd;**
- 1.29 Wood & Grieve Engineers Limited;**
- 1.30 McDowell Affleck Pty Ltd;**

Project Management Services

- 1.31 Setu Infratech Pty Ltd;**
- 1.32 Savills Project Management Pty Ltd;**
- 1.33 Project Directors Australia Pty Ltd;**

Quantity Surveying

- 1.34 Ralph & Beattie Bosworth Pty Ltd;**
- 1.35 Rider Levett Bucknall WA Pty Ltd;**
- 1.36 McGarry Associates Pty Ltd;**

Asbestos Consultant

- 1.37 Western Environmental Pty Ltd;**
- 1.38 Cardno Pty Ltd;**
- 1.39 360 Environmental Pty Ltd;**

Universal Access Consultant

- 1.40 Elite Compliance Pty Ltd;**
- 1.41 SMEC Australia Pty Ltd;**
- 1.42 KPMG Australian Services Pty Ltd;**

Landscape Architectural and Urban Services

- 1.43 Place Laboratory Pty Ltd;**
- 1.44 Blackwell & Associates Pty Ltd;**
- 1.45 Cardno Pty Ltd;**

Architectural Services**1.46 MPS Architects;****1.47 Hames Sharley (WA) Pty Ltd; and****1.48 Cox Howlett & Bailey Woodland.**

- 2. notes that the engagement of a panel member for specific projects will be in accordance with City of Perth Policies and Procedures;**
- 3. notes that expenditure in part 1 above, be charged to various budget items as part of specific projects and programmes on an 'as needs' basis.**

The Committee recommendation to the Council for this report was resolved by the Works and Urban Development Committee at its meeting held on 28 February 2017.

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

FILE REFERENCE:	P1033200-2
REPORTING UNIT:	Construction
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	23 February 2017
ATTACHMENT/S:	Confidential Attachment 13.11A – Schedule of Rates Confidential Attachment 13.11B – Tender Assessment Matrix (Confidential Attachments distributed under separate cover to Elected Members)

Legislation / Strategic Plan / Policy:

Legislation	<i>Local Government (Functions & General Regulations) 1996</i> Part 4-Tenders for Providing Goods and Services
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: S9 Promote and facilitate CBD living
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Policy

Policy No and Name:	9.7-Purchasing
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Financial Implications:

Engineering Consultancy Services and Professional Services will be requested on a project-by-project basis and funded by each specific operating or Capital Works project.

Purpose and Background:

On 7 September 2016 suitably qualified companies were invited to submit tenders to form a panel of pre-qualified suppliers for the provision of engineering consultancy and associated

professional services. The tender is based on a schedule of rates for various operating requirements and capital works. Tendering for these services will ensure future projects are adequately resourced in a timely manner.

The current engineering consultancy contract expired on September 2016. In the interim the City has sought three quotes in accordance with legislation before awarding consultancy works. This remains an alternative option to use of the panel for the procurement of consultancy services.

Details:

At the close of tender on 29 September 2016 a total of 78 submissions were received across the following disciplines:

Discipline	Number
Civil Engineering	23
Environmental Engineering	10
Fire Engineering	14
Geotechnical Engineering	15
Hydraulic Engineering	17
Lift Engineering	4
Lighting and Electrical Engineering	21
Marine Engineering	10
Mechanical Engineering	12
Structural Engineering	22
Traffic & Transportation Engineering	14
Project Management Services	18
Quantity Surveying	5
Asbestos Consultant	8
Universal Access Consultant	3
BCA Compliance Consultant	5
Safety in Design Auditors (CPTED)	2
Landscape Architectural and Urban Services	11
Architectural Services	10
TOTAL	224

Qualitative Criteria

The submitted tenders were assessed by the Tender Assessment Panel against the following qualitative criteria:

- Relevant experience of Company and Personnel;
- Company profile including Quality Management System;
- Tenderer's Resources; and
- Submitted Rates.

Particular emphasis was placed on past performance of short listed companies and relevant experience to ensure companies had the level of skills and knowledge required to undertake City projects.

Qualitative Ranking

The quality of the submissions varied substantially. Submissions which scored the highest against the criteria were then ranked. Given the volume of the submissions only those within the top three are shown below:

Civil Engineering:

Tenderer
Parsons Brinckerhoff Australia Pty Ltd
GHD Pty Ltd
BG& E Pty Ltd

Environmental Engineering:

Tenderer
GHD Pty Ltd
SMEC Australia Pty Ltd
360 Environmental Pty Ltd

Fire Engineering

Tenderer
Arup Pty Ltd
GHD Pty Ltd
Parsons Brinckerhoff Australia Pty Ltd

Geotechnical | Engineering:

Tenderer
Douglas Partners Pty Ltd
Aurecon Australasia Pty Ltd
CMW Geosciences Pty Ltd

Hydraulic Engineering:

Tenderer
Arup Pty Ltd
Cardno Pty Ltd
Wood &Grieve Engineers Limited

Lift Engineering:

Tenderer
Parsons Brinckerhoff Australia Pty Ltd
NDY Management Pty Ltd
Wood & Grieve Engineers Limited

Lighting and Electrical Engineering:

Tenderer
Engineering Technology Consultants Pty Ltd
Sage Consulting Engineers Pty Ltd
LVX Installation & Maintenance Pty Ltd

Marine Engineering:

Tenderer
MP Rogers & Associate Pty Ltd
GHD Pty Ltd
SMEC Australia Pty Ltd

Mechanical Engineering:

Tenderer
Arup Pty Ltd
GHD Pty Ltd
Parsons Brinckerhoff Australia Pty Ltd

Structural Engineering:

Tenderer
BG & E Pty Ltd
Wood & Grieve Engineers Limited
McDowell Affleck Pty Ltd

Project Management Services:

Tenderer
Setu Infratech Pty Ltd
Savills Project Management Pty Ltd
Project Directors Australia Pty Ltd

Quantity Surveying:

Tenderer
Ralph & Beattie Bosworth Pty Ltd
Rider Levett Bucknall WA Pty Ltd
Mc Garry Associates Pty Ltd

Asbestos Consultant:

Tenderer
Western Environmental Pty Ltd
Cardno Pty Ltd
360 Environmental Pty Ltd

Universal Access Audit

Tenderer
Elite Compliance Pty Ltd
SMEC Australia Pty Ltd
KPMG Australian Services Pty Ltd

Landscape Architectural and Urban Services:

Tenderer
Place Laboratory Pty Ltd
Blackwell & Associates Pty Ltd
Cardno Pty Ltd

Architectural Services:

Tenderer
MPS Architects
Hames Sharley (WA) Pty Ltd
Cox Howlett & Bailey Woodland

The above ranked tenderers in each discipline are therefore recommended to form the panel for the provision of engineering consultancy services.

Minimum requirements for Panel arrangement:

Council Policy 9.7 – Purchasing requires a minimum of three panel members in each discipline to enable creation of the panel.

It is proposed to reject tenders for the above two disciplines.

- Play Ground Safety Auditor; and
- Safety in Design Auditors (CPTED).

As fewer than three submissions were received.

A number of panels were adjudged to not meet the City's requirements and it is therefore not recommended to appoint any tenderers to these panels:

- Building Compliance Audit;
- Transport Audit;
- Transport Engineering;
- Transport Modelling; and
- Transport Planning.

Panel Operation

For each individual project, a Contract is to be established between the City and the successful consultant through a request for quotation. The City reserves the right not to

accept the lowest prices against each quotation. The successful Consultant will be engaged under AS 4122-2010 (General Conditions of Contract for Consultants) unless otherwise specified in the request for Quotation. The AS 4122 Conditions of Contract provides a Clause where the City retains appropriate control of Intellectual Property created under the commission as required.

The panel arrangement does have the following limitations:

- The value of each project engagement commissioned under this arrangement will generally be limited to a maximum fee value of \$ 500,000 excluding GST;
- The duration of any project consultancy under this arrangement will not exceed 12 months from the date of the engagement; and
- It should be noted that the above ranking does not provide any guarantee that panel members will be contacted in a specific order when future consultancy services are being sought for specific projects.

Comments:

Value for Money Assessment

Civil Engineering

Parsons Brinckerhoff Australia Pty Ltd

Parsons Brinckerhoff Australia Pty Ltd provided a thorough submission addressing all the selection criteria. The organisation has demonstrated its capability to undertake complex Civil design projects.

It has major clients such as Clough Engineering, Main Roads Western Australia, Department of Housing, Public Transport Authority, Department of Transport.

The company currently has experienced engineers and technicians based in Perth.

The organisation's Quality Management System is certified to ISO 9001:2008. It has also attained certification in ISO 14001, AS 4801 and OHSAS 18001

The submitted rates are reasonable with no mark up for relevant material costs.

Parsons Brinckerhoff Australia Pty Ltd is ranked number one in the qualitative selection criteria.

GHD Pty Ltd

GHD Pty Ltd addressed all the criteria adequately. The company has recently completed projects for various local authorities' civil engineering projects. The organisation has demonstrated vast experience in undertaking projects for Main Roads Western Australia, Department of Transport, Landcorp etc. It has sufficient qualified and experienced personnel for civil consultancy.

Their Quality Management System is certified to ISO 9001:2008.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

GHD Pty Ltd is ranked number two in the qualitative selection criteria.

BG&E Pty Ltd

BG&E provided a submission addressing all the selection criteria. The company has successfully completed a number of major projects within the City that illustrated its capability in design within complex environment. BG&E Pty Limited has adequate experienced staff to handle City's works.

The organisation's Quality Management System is certified to ISO 9001:2008.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

BG&E Pty Limited is ranked number three in the qualitative selection criteria.

Environmental Engineering

GHD Pty Ltd

GHD Pty Ltd's submission addressed all the selection criteria. They have completed numerous environmental projects for local authority and the statutory agencies.

GHD Pty Ltd currently has skilled and experience staff based in Perth.

Their Quality Management System is certified to ISO 9001:1994. The submitted rates are reasonable with a nil mark up for relevant material costs.

GHD is ranked number one in the qualitative selection criteria.

SMEC Australia Pty Ltd

SMEC provided a submission addressing all the selection criteria.

They have completed large environmental projects for local authorities and statutory agencies.

They have experience in stakeholder management.

Their Quality Management System is certified to ISO 9001:2008. In addition, their Environmental, Occupational Health and Safety management plan are also certified.

The submitted rates are reasonable with a 2.5% mark up for relevant material costs.

SMEC is ranked number two in the qualitative selection criteria.

360 Environmental Pty Ltd

The 360 Environmental Pty Ltd submission addressed all the criteria adequately. They have completed a number of environmental projects for local authorities and other agencies.

360 Environmental Pty Ltd currently has skilled and experience staff based in Perth.

Their Quality Management System is certified to ISO 9001:2001. The submitted rates are 360 Environmental Pty Ltd is ranked No. 3 in the qualitative selection criteria.

The submitted rates are reasonable with a 15% mark up for relevant material costs.

360 Environmental Pty Ltd is ranked number three in the qualitative selection criteria.

Fire Engineering

Arup Pty Ltd

Arup Pty Ltd provided a submission that comprehensively addressed all the selection criteria. They are multi-disciplined consulting engineers and associated professionals operating in Perth. They have undertaken projects of all types and sizes from feasibility studies to contract administration and post construction services and have demonstrated their experience in undertaking works in the public realm.

The support resources personnel also hold suitable qualifications and professional associations.

Arup Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and has a platinum certificate from Worksafe WA for health and safety.

The submitted rates are reasonable with no mark up for relevant material costs.

Arup Pty Ltd is ranked number one in the qualitative selection criteria.

GHD Pty Ltd

GHD Pty Ltd provided a submission that addressed all the selection criteria. They are a global company with a local team of multi-disciplined professionals. They have demonstrated their experience in undertaking fire consultancy services for various government and local government entities including the City of Perth.

GHD Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and submitted reasonable rates with no mark up for relevant material costs.

GHD Pty Ltd is ranked number two in the qualitative selection criteria.

Parsons Brinckerhoff Australia Pty Ltd

Parsons Brinckerhoff Australia Pty Ltd provided a submission that addressed all the selection criteria. They are a global company with a local team of over 150 multi-disciplined technical experts and strategic advisors.

They have demonstrated their experience in undertaking fire consultancy services for projects of various scales and complexities, and within the Perth CBD.

Parsons Brinckerhoff Australia maintains a certified Quality Management System to ISO 9001:2008 and submitted reasonable rates with no mark up for relevant material costs.

Parsons Brinckerhoff Australia Pty Ltd is ranked number three in the qualitative selection criteria.

Geotechnical Engineering

Douglas Partners Pty Ltd

Douglas Partners Pty Ltd provided a thorough submission addressing all the selection criteria. They have demonstrated the ability to perform different tasks within the geotechnical discipline including stakeholder engagement.

Their Quality Management System is certified to ISO 9001:2008. The submitted rates are reasonable with a 10% mark up for relevant material costs.

Douglas Partners Pty Ltd is ranked number one in the qualitative selection criteria.

Aurecon Australasia Pty Ltd

Aurecon Australasia Pty Ltd addressed all the criteria adequately. They have completed geotechnical projects for building, pavements and marine structures as well as demonstrated experience in stakeholder engagement.

Their Quality Management System is certified to ISO 9001:2008. The submitted rates are reasonable even with a 12.5% mark up for relevant material costs.

Aurecon Australasia Pty Ltd is ranked number two in the qualitative selection criteria.

CMW Geosciences Pty Ltd

CMW Geosciences Pty Ltd provided a submission addressing many geotechnical projects that have been undertaken by the company including stakeholder engagements.

Their Quality Management System is certified to ISO 9001:2008. The submitted rates are reasonable with a 5% mark up for relevant material costs.

CMW Geosciences Pty Ltd is ranked number three in the qualitative selection criteria.

Hydraulic Engineering

Arup Pty Ltd

Arup Pty Ltd provided a thorough submission addressing all the selection criteria. They have completed numerous local shopping centres for private developers. In addition, they have undertaken several restoration works to public facilities for government organisations and refurbishment works for private entities. Arup's Quality Management System is certified to ISO 9001:2008. It has also attained certification in ISO 14001, AS 4801 and OHSAS 18001.

The submitted rates are reasonable with no mark up for relevant material costs.

Arup Pty Ltd is ranked number one in the qualitative selection criteria.

Cardno Pty Ltd

Cardno Pty Ltd addressed all the criteria adequately. They have completed projects in water sensitive urban design, drainage network assessment using 1D/2D hydraulic modelling and infrastructure capacity assessment. They are currently delivering integrated, holistic water management strategies for local councils and private developers. Cardno Pty Ltd is based in Perth and has sufficient qualified and experienced personnel for hydraulic consultancy.

Their Quality Management System is certified to ISO 9001:2008.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

Cardno Pty Ltd is ranked number two in the qualitative selection criteria.

Wood and Grieve Engineers Limited

Wood and Grieve Engineers Limited provided a submission addressing all the selection criteria. The majority of Wood and Grieve's Engineers experience is gained through completing Metropolitan Redevelopment Authority's projects. Their Quality Management System is certified to ISO 9001:2008.

The submitted rates are on the high side with a 10% mark up for relevant material costs.

Wood and Grieve Engineers Ltd is ranked number three in the qualitative selection criteria.

Lift Engineering

Parsons Brinckerhoff Australia Pty Ltd

Parsons Brinckerhoff Australia Pty Ltd provided a submission that addressed all the selection criteria. They are a global company with a local team of over 150 multi-disciplined technical experts and strategic advisors.

They have demonstrated their experience in undertaking lift engineering services for projects of various scales and complexities, and within the Perth CBD.

Parsons Brinckerhoff Australia Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and submitted reasonable rates with no mark up for relevant material costs. Parsons Brinckerhoff Australia Pty Ltd is ranked number one in the qualitative selection criteria.

NDY Management Pty Ltd

NDY Management Pty Ltd provided a submission that addressed all the selection criteria. They are an employee owned Australian business with offices throughout Australia, New Zealand, Canada, United Arab Emirates and the United Kingdom. They have over 50 years' experience in providing consulting engineering services in Western Australia.

NDY Management Pty Ltd have demonstrated their experience in undertaking lift engineering services for projects of various scales and complexities, in private and public sectors and within the Perth CBD.

NDY Management Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and submitted rates with a 10% mark up for relevant material costs.

NDY Management Pty Ltd is ranked number two in the qualitative selection criteria.

Wood & Grieve Engineers Limited

Wood & Grieve Engineers Limited provided a submission that addressed all the selection criteria. They are an award-winning company based in Australia and serving a global market place. They have over 50 years' experience in providing consulting engineering services in Western Australia.

Wood & Grieve Engineers Limited have demonstrated their experience in undertaking lift engineering services for projects of various scales and complexities, in private and public sectors and within the Perth CBD.

Wood & Grieve Engineers Limited maintains a certified Quality Management System to ISO 9001:2008 and submitted rates with a 10% mark up for relevant material costs.

Wood & Grieve Engineers Limited is ranked number three in the qualitative selection criteria.

Lighting and Electrical Engineering

Engineering Technology Consultants Pty Ltd (ETC)

ETC provided a submission that comprehensively addressed all the selection criteria. They are a small team of electrical engineers that have been operating since 1976, the company has a long and stable history providing service to both Government and Private Sectors with experience in working with the City of Perth and in delivering similar works from other local government projects. .

They have demonstrated experience in electrical and lighting projects of various scale and complexity, that range from road and street lighting to buildings and electrical infrastructure including CCTV Security/surveillance and multimedia services.

ETC maintains a certified Quality Management System to ISO 9001:

The submitted rates are reasonable with a 7.5% mark up for relevant material costs.

ETC is ranked number one in the qualitative selection criteria.

Sage Consulting Engineer Pty Ltd.

Sage Consulting Engineers Pty Ltd provided a submission that addressed all the selection criteria. They have demonstrated their experience in undertaking various projects involving auditing, planning, design, documentation and superintendence of local government lighting and electrical engineering projects.

The proposed project team comprises of qualified electrical engineer, electricians and suitable qualification for lighting designs with extensive experience in street lighting designs of varying complexity.

Sage Consulting Engineers Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and submitted reasonable rates with no mark up for relevant material costs.

Sage Consulting Engineers Pty Ltd is ranked number two in the qualitative selection criteria.

LVX Installation & Maintenance Pty Ltd

LVX Installation & Maintenance Pty Ltd provided a submission that addressed all the selection criteria. They are a small business with 12 core team members. LVX has a pool of qualified, formally accredited sub-consultants, (“LVX engineering Solutions Partners”) that are drawn upon as required to complete electrical infrastructure projects as required.

They have demonstrated their experience in undertaking electrical and lighting engineering services for projects of various scales and complexities that are relative to local government projects.

LVX Installation & Maintenance Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and submitted rates with a 15% mark up for relevant material costs.

LVX Installation & Maintenance Pty Ltd is ranked number three in the qualitative selection criteria.

Marine Engineering

MP Rogers & Associates Pty Ltd

MP Rogers & Associates Pty Ltd provided a thorough submission addressing all the selection criteria. They have completed numerous river wall projects along the Swan River for local councils in the metropolitan area as well as Main Roads WA and Department of Parks and Wildlife. In addition to marine works, they have also completed studies and modelling of the Swan River. MP Rogers & Associates Pty Ltd is currently the consultant for the repairs of the river walls at Mardalup Park for the City of Perth.

MP Rogers & Associates Pty Ltd currently has 12 highly skilled and experience coastal engineers based in Perth. The four Principal Engineers have more than 10 years’ experience in marine engineering.

Their Quality Management System is certified to ISO 9001:1994. The submitted rates are reasonable with a 10% mark up for relevant material costs.

MP Rogers & Associates Pty Ltd is ranked number one in the qualitative selection criteria.

GHD Pty Ltd

GHD Pty Ltd addressed all the criteria adequately. They have completed a few projects along the Swan River for local councils and Department of Transport. GHD Pty Ltd is based in Perth and has proposed 10 personnel for the marine consultancy.

Their Quality Management System is certified to ISO 9001:2001. The submitted rates are reasonable with a no mark up for relevant material costs.

GHD Pty Ltd is ranked number two in the qualitative selection criteria.

SMEC Australia Pty Ltd

SMEC Australia Pty Ltd provided a submission addressing all the selection criteria. The majority of SMEC's experience is in ports and jetties in regional areas with no evidence of any projects in the Swan River. The lead marine engineer has more than 10 years of experience supported by five marine engineers.

Their Quality Management System is certified to ISO 9001:2008. In addition, their Environmental, Occupational Health and Safety management plan are also certified.

The submitted rates are reasonable with a 2.5% mark up for relevant material costs.

SMEC Australia Pty Ltd is ranked number three in the qualitative selection criteria.

Mechanical Engineering

Arup Pty Ltd

Arup Pty Ltd provided a submission that comprehensively addressed all the selection criteria. They are multi-disciplined consulting engineers and associated professionals operating in Perth. They have demonstrated experience in mechanical projects of various scale and complexity, and ranging from City buildings to airports to health campuses.

The project director and panel contact is degree qualified and has 14 years' experience working on a variety of projects from large scale commercial office design to large infrastructure projects. The resources personnel hold degree qualifications in mechanical engineering and have suitable mechanical project experience.

Arup Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and has a platinum certificate from Worksafe WA for health and safety.

The submitted rates are reasonable with no mark up for relevant material costs.

Arup Pty Ltd is ranked number one in the qualitative selection criteria.

GHD Pty Ltd

GHD Pty Ltd provided a submission that addressed all the selection criteria. They are a global company with a local team of multi-disciplined professionals. They have demonstrated their experience in undertaking fire consultancy services for various government and local government entities including the City of Perth.

GHD Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and submitted reasonable rates with no mark up for relevant material costs.

GHD Pty Ltd is ranked number two in the qualitative selection criteria.

Parsons Brinckerhoff Australia Pty Ltd

Parsons Brinckerhoff Australia Pty Ltd provided a submission that addressed all the selection criteria. They are a global company with a local team of over 150 multi-disciplined technical experts and strategic advisors.

They have demonstrated their experience in undertaking mechanical engineering services for projects of various scales and complexities and within the Perth CBD.

Parsons Brinckerhoff Australia Pty Ltd maintains a certified Quality Management System to ISO 9001:2008 and submitted reasonable rates with no mark up for relevant material costs.

Parsons Brinckerhoff Australia Pty Ltd is ranked number three in the qualitative selection criteria.

Structural Engineering

BG&E Pty Ltd

BG&E Pty Ltd provided a submission addressing all the selection criteria. The company has successfully completed a number of major projects within the City that illustrated its capability in structural design within complex environment. Its clients include Leighton Properties Pty Ltd, Broad Civil, Metropolitan Redevelopment Authority and Crown Perth which have sizeable projects complicated in nature. It has adequate experienced staff to handle current and future works.

The organisation's Quality Management System is certified to ISO 9001:2008.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

BG&E Pty Ltd is ranked number one in the qualitative selection criteria.

Wood & Grieve Engineers Limited

Wood & Grieve Engineers Limited provided a thorough submission addressing all the selection criteria. The company has successfully completed a few structural designs for the City of Perth.

The company currently has experienced structural engineers based in Perth. The Principal Engineers have wide experience in structural engineering design.

The organisation's Quality Management System is certified to ISO 9001:2008. It has also attained certification in ISO 14001, AS 4801 and OHSAS 18001.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

Wood & Grieve Engineers Limited is ranked number two in the qualitative selection criteria.

McDowell Affleck Pty Ltd

McDowell Affleck Pty Ltd addressed all the criteria adequately. The company has recently completed infrastructural structural projects for various local authorities and other state agencies including Structural audits.

They have sufficient qualified and experienced personnel for Structural engineering consultancy.

Their Quality Management System is certified to ISO 9001:2008.

The submitted rates are reasonable with no mark up for relevant material costs.

McDowell Affleck Pty Ltd is ranked number three in the qualitative selection criteria.

Project Management Services

Setu Infratech Pty Ltd

Setu Infratech Pty Ltd provided a submission addressing all the selection criteria. The company has successfully completed a number of projects that illustrated its capability in project planning, interface management and coordination, safety planning and risk management within complex environment. Its clients include Curtin University and the City of Perth and Elizabeth Quay which have sizeable projects complicated in nature. It has adequate experienced staff to handle current and future works.

The organisation's Quality Management System is certified to ISO 9001:2008.

The submitted rates are reasonable with a 15% mark up for relevant material costs.

Setu Infratech Pty Ltd is ranked number one in the qualitative selection criteria.

Savills Project Management Pty Ltd

Savills Project Management Pty Ltd provided a thorough submission addressing all the selection criteria. The company has successfully completed a few projects within the City of Perth Precinct.

The company currently has experienced project managers based in Perth.

The organisation's Quality Management System is certified to ISO 9001:2008. It has also attained certification in ISO 14001, AS 4801 and OHSAS 18001

The submitted rates are reasonable with a 10% mark up for relevant material costs.

Savills Project Management Pty Ltd is ranked number two in the qualitative selection criteria.

Project Directors Australia Pty Ltd

Project Directors Australia Pty Ltd addressed all the criteria adequately. The company has recently project managed structural infrastructure projects for state agencies, university and hospital.

They have sufficient qualified and experienced personnel for Project Management.

Their Quality Management System is certified to ISO 9001:2008.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

Project Directors Australia Pty Ltd is ranked number three in the qualitative selection criteria.

Quantity Surveying

Ralph & Beattie Bosworth Pty Ltd

Ralph & Beattie Bosworth Pty Ltd addressed all the criteria adequately. They have completed numerous Civil Infrastructure projects for local authority and the state agencies.

Ralph & Beattie Bosworth Pty Ltd currently has skilled and experience staff based in Perth.

Their Quality Management System is certified to ISO 9001:1994. The submitted rates are reasonable with no mark up for relevant material costs.

Ralph & Beattie Bosworth Pty Ltd is ranked one in the Quantity Surveying panel.

Rider Levett Bucknall WA Pty Ltd

Rider Levett Bucknall WA Pty Ltd addressed all the criteria adequately. They have completed a few projects for local authorities and other agencies.

Rider Levett Bucknall WA Pty Ltd currently has skilled and experience staff based in Perth. Their Quality Management System is certified to ISO 9001:2001. The submitted rates are reasonable with no mark up for relevant material costs.

Rider Levett Bucknall WA Pty Ltd is ranked number two in the in the Quantity Surveying panel and very close to Ralph & Beattie Bosworth Pty Ltd.

McGarry Associates Pty Ltd (MGA)

MGA provided a submission addressing all the selection criteria.

Their Quality Management System is certified to ISO 9001:2008. In addition, their Environmental, Occupational Health and Safety management plan is also certified.

The submitted rates are reasonable with no mark up for relevant material costs.

MGA is ranked number three in the Quantity Surveying panel.

Asbestos Consultant

Western Environmental Pty Ltd

Western Environmental Pty Ltd provided a comprehensive submission that addressed all the selection criteria. The company is a specialist environmental consultancy based in Western Australia. They have demonstrated experience in contamination assessment and asbestos remediation works throughout the state.

The allocated resource personnel are also degree qualified professionals.

Western Environmental Pty Ltd maintains an internal Quality Management System.

The submitted rates are the most reasonable with a 7.5% mark up for relevant material costs.

Western Environmental Pty Ltd is ranked number one in the quantity surveying panel.

Cardno Pty Ltd

Cardno Pty Ltd provided a submission that addressed all the selection criteria. The company is a multidisciplinary consulting group based in West Perth. They have demonstrated experience in contaminated sites assessment and management works throughout the state. The environmental engineer and panel contact for the asbestos consultancy is degree qualified and has suitable asbestos certification. The support resources personnel also hold suitable qualifications and certification.

Cardno Pty Ltd operates a Quality Management System that complies with the requirements of ISO 9001:2008.

The submitted rates are the most reasonable with a 10% mark up for relevant material costs. Cardno Pty Ltd is ranked number two in the qualitative selection criteria.

360 Environmental Pty Ltd

360 Environmental Pty Ltd provided a submission that addressed all the selection criteria. The locally-owned company specialises in environmental consulting and consists of a team of over 40 scientists, engineers and technical specialists. They have demonstrated experience in contaminated sites assessment and management works throughout the state.

The resources personnel also hold suitable qualifications and certification.

360 Environmental Pty Ltd maintains an internal Quality Management System.

The submitted rates are reasonable with a 15% mark up for relevant material costs.

360 Environmental Pty Ltd is ranked number three in the qualitative selection criteria.

Universal Access Consultant

Elite Compliance Pty Ltd

Elite Compliance Pty Ltd's submission addressed all the selection criteria. They have completed numerous Universal Access audits for civil infrastructure projects & buildings for local authorities and statutory agencies.

Elite Compliance Pty Ltd currently has skilled and experience staff based in Perth.

Their Quality Management System is certified to ISO 9001:1994.

Elite Compliance Pty Ltd ranked number one in the qualitative selection criteria.

The submitted rates are reasonable with a 5% mark up for relevant material costs.

SMEC Australia Pty Ltd

SMEC Australia Pty Ltd provided a submission addressing all the selection criteria.

Their Quality Management System is certified to ISO 9001:2008. In addition, their Environmental, Occupational Health and Safety management plan are also certified.

The submitted rates are reasonable with a 2.5% mark up for relevant material costs.

KPMG Australian Services Pty Ltd

KPMG Australian Services Pty Ltd addressed all the criteria adequately. They have completed a number of access audits for buildings and other civil projects for local authorities and other agencies.

KPMG Australian Services Pty Ltd currently has skilled and experience staff based in Perth. Their Quality Management System is certified to ISO 9001:2001.

The submitted rates are reasonable with an 8% mark up for relevant material costs.

Landscape Architectural and Urban Services

Place Laboratory Pty Ltd

Place Laboratory Pty Ltd provided a thorough submission addressing all the selection criteria. They have completed numerous projects within the City of Perth including in Kings Square, Yagan Square and the Perth Cultural Centre. They have extensive experience working for MRA, Local and State Government. They have experience working with the City of Perth on a few small scale projects.

Place Laboratory Pty Ltd has a custom made Quality Assurance System.

The submitted rates are very reasonable with no mark up for relevant material costs.

Place Laboratory Pty Ltd is ranked number one in the qualitative selection criteria.

Blackwell & Associates Pty Ltd

Blackwell & Associates Pty Ltd addressed all the criteria adequately. While they mainly have suburban experience they have a very broad range of skills which would be relevant to City projects. They are a medium sized design practice that is well resourced.

Blackwell & Associates Pty Ltd uses a process that is planned and developed to meet the requirements of AS/NZS 9001 & ISO 9004.

The submitted rates are reasonable with a 10% mark up for relevant material costs. Blackwell & Associates Pty Ltd is ranked number two in the qualitative selection criteria.

Cardno Pty Ltd

Cardno Pty Ltd provided a submission addressing all the selection criteria. Cardno Pty Ltd has extensive experience working on Local Government projects. They are a small sized design practice that is well resourced by a larger multi-disciplinary team.

They have a third party accreditation system which meets the ISO 9001:2008.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

Cardno Pty Ltd is ranked number three in the qualitative selection criteria.

Architectural Services

MPS Architects

MPS Architects provided a submission that comprehensively addressed the selection criteria. They are a small to medium architectural practice, with ISO 9001:2000 quality systems accreditation. The principal and nominated panel contact is a registered architect and has over 33 years' experience as an architect. Additionally, the support resources nominated possess relevant qualifications in their area of expertise.

MPS Architects have undertaken a diverse range of projects in the local government, corporate and private realm including architectural design, documenting and contract administration.

MPS Architects provided the best schedule of rates and is ranked number one in the qualitative selection criteria and no mark up for relevant material costs.

Hames Sharley (WA) Pty Ltd

The Hames Sharley (WA) Pty Ltd submission provided a satisfactory address of the selection criteria.

They are a national architectural practice with a fully accredited and integrated management system that is to ISO certification. Hames Sharley (WA) Pty Ltd has extensive experience in providing a diverse range of services such as urban design, landscape architecture, planning, interior design and architecture. In addition to this, they have received various national and state awards for their work.

The submitted rates are reasonable with a 10% mark up for relevant material costs.

Hames Sharley (WA) Pty Ltd is ranked number two in the qualitative selection criteria.

Cox Howlett & Bailey Woodland

Cox Howlett & Bailey Woodland provided a comprehensive submission that addressed all the selection criteria.

The practice is the Perth-based studio of the national Cox Architecture company, offering the primary services of architecture, planning, urban design and interior design. Their submission detailed their extensive experience in all fields of architecture, including projects in the public realm, civic buildings and infrastructure.

Their Quality Management System is certified to ISO 9001:2008 and they have won many national awards for design excellence.

The nominated panel contact and current Director is a registered architect whose expertise is in the design, documentation and contract administration of complex public and commercial buildings.

The submitted rates are reasonable with a no mark up for relevant material costs.

Cox Howlett & Bailey Woodland is ranked number three in the qualitative selection criteria.

**CONFIDENTIAL ATTACHMENT 13.11A & B
ITEM 13.11 – TENDER 043-16/17 – PROVISION OF ENGINEERING
CONSULTANCY SERVICES AND ASSOCIATED PROFESSIONAL
SERVICES**

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Recommendation:

That Council accepts the most suitable tender, being that submitted by CQ & JM DOWSING PL ATF The Dowsing Family Trust T/As Dowsing Group, for the Mclean Lane Enhancement Project Including Prefabricated Art Work Installation (Tender 093-16/17) at a lump sum price of \$702,490.08 (excluding GST).

The Committee recommendation to the Council for this report was resolved by the Works and Urban Development Committee at its meeting held on 28 February 2017.

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

FILE REFERENCE:	P1036188
REPORTING UNIT:	Construction
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	17 February 2017
ATTACHMENT/S:	Attachment 13.12A – Artist’s Impression of Laneway Attachment 13.12B – Quantity Surveyor Estimate Confidential Attachment 13.12C –Tender Evaluation Matrix (Confidential Attachments distributed under separate cover to Elected Members)

Legislation / Strategic Plan / Policy:

Legislation	Part 4 of the <i>Local Government (Functions & General Regulations) 1996</i> – Part 4 – Tenders for Providing Goods and Services
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Perth as a Capital City S6 Maintain a Strong City Profile that Attracts Investment
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Policy	
Policy No and Name:	9.7 – Purchasing Policy

Financial Implications:

ACCOUNT NO:	CW1966
BUDGET ITEM:	Page 38 – Coordination and Design
BUDGETED AMOUNT:	\$ 1,196,500.00
AMOUNT SPENT TO DATE:	\$ 163,774.70
PRINCIPAL SUPPLIED	\$ 203,622.88
PROPOSED COST:	\$ 702,490.08
BALANCE REMAINING:	\$ 126,612.34
ANNUAL MAINTENANCE:	
ESTIMATED WHOLE OF LIFE COST (Net Present Value):	\$ 1,513,945.00

All figures quoted in this report are exclusive of GST.

Purpose and Background:

McLean Lane is to be upgraded as part of the City Of Perth's Laneways Upgrade Program to create inviting public spaces and promote small business development.

This tender consists of upgrades to road surfacing and stormwater drainage together with preparation for wall artwork and installation of prefabricated artwork lighting.

This project will activate the ground floor of adjacent buildings, and enhance the aesthetic outlook of the laneway to stimulate the night-time economy and increase private investment within the eastern precinct of the city.

Separable Portion One consists of the main upgrade works to the laneway. Wall artwork will then be completed under a separate tender. Separable Portion Two of this contract will then install the pre-fabricated lighting artwork. This has been fabricated under a separate tender of \$100,000 value. Attachment 13.12A is an Artist's Impression of the laneway following activation works.

Details:**Contract Arrangements and Technical Requirements**

This construction contract will be delivered under a lump sum arrangement and completed in separable portions across two financial years. This is to allow the Art, Culture and Heritage (ACH) Business Unit laneway access to complete the art works on the Pier Street Carpark Building under a different commission between the two separable portions.

Separable Portion One (2016/2017)

- road reconstruction including the installation of cobble pavers;
- upgrade to existing drainage systems; and
- preparation for artwork installation.

Separable Portion Two (2017/2018)

- installation of pre-fabricated art work; and
- installation of new lighting.

The pre-fabricated art work will be provided by the City of Perth as a Principal Supplied Item and Separable Portion two must be completed no later than 31 July 2017.

Summary of Submitted Tenders

Offer submissions from the following four contractors have been received through the City of Perth's Electronic Tender system at 2pm on 14 February 2017:

- BCL GROUP (\$539,735.51)
- CIVCON CIVIL AND PROJECT MANAGEMENT (\$778,809.21)
- CQ & JM DOWSING PL ATF The Dowsing Family Trust T/As Dowsing Group (\$702,490.08)
- PETER FARMER DESIGN TEAMS (Non-Conforming Submission)

All prices exclude GST.

Selection Criteria

Offers have been assessed against the following selection criteria:

- SC1: Management and Personnel;
- SC2: Project Appreciation and Methodology;
- SC3: Relevant Experience;
- SC4: Ability to Meet the City's Timeframe;
- SC5: Quality Control Procedures; and
- SC6: Tendered Price.

Evaluation of Performance Based Criteria (SC1 to SC5)

CQ & JM DOWSING PL ATF The Dowsing Family Trust T/As Dowsing Group

The submission demonstrates an overall understanding of the project. The proponents have demonstrated extensive experience but have made a number of minor errors in their submission, such as detailing incorrect anchor pull out test locations.

No Inspection and test plans have been provided for quality assurance in electrical works. The rates for certain schedule items within the offer price are significantly higher when compared to the pre-tender estimate.

The attached program has demonstrated the ability to complete the works well ahead of schedule and at the same time making provision for ACH building works. There are some concerns with multiple concurrent running projects by the company in the same duration as the laneway enhancement works. However, this can be managed through effective contract management to minimise the risks to the City.

CIVCON CIVIL AND PROJECT MANAGEMENT

The submission demonstrates high competency in working within the public realm and effectively managing the expectations of various stakeholders. Civcon has limited experience in structural works but significant expertise in road construction projects.

Information relating to the anchor pull out test has not been mentioned within the documents. Quality management systems for non-civil deliverables have not been provided.

The Program has accommodated the works by ACH and demonstrates the ability to complete the project on time.

BCL GROUP

The submission has demonstrated limited understanding of the project. Incorrect and non-project related information has been provided with deficiencies in methodologies. The program provided does not indicate the work breakdown structure associated with the two separable portions.

Photos provided illustrate good workmanship and attention to detail. Inaccurate information has been provided for projects previously completed for the City of Perth.

PETER FARMER DESIGN TEAMS

The proponent has submitted an incorrect tender that did not address this tender brief and has been removed from the assessment process. (TRIM 31872/17)

Evaluation of Tendered Price (SC6)

A quantity surveyor pre-tender cost estimate valued the construction contract at \$694,038.0 as outlined in Attachment 13.12B.

Tendered prices received have been benchmarked against this pre-tender estimate and reflected in the attached Qualitative Selection Criteria Evaluation Matrix.

Combined Assessment Ranking (SC1 to SC6)

The table in Confidential Attachment 13.12C details the relative scores of all submissions when both performance and price based criteria were taken into consideration.

Comments:

Value for Money Assessment

The submission provided by Dowsing scores the highest when the price component is taken into consideration together with the other five qualitative selection criteria.

The team has the required experience to effectively deliver the desired project outcomes. This is complemented by a clearly documented work methodology that completes the project significantly ahead of schedule. There were some minor deficiencies in the submission, but these can be managed through proper contract management procedures.

All other submissions have either not demonstrated sufficient experience or a poorer understanding of the project.

In conclusion, **CQ & JM DOWSING PL ATF The Dowsing Family Trust T/As Dowsing Group** was evaluated as being the preferred tenderer with the ability to complete the works by 18 July 2017 which is 13 days in advanced of the required completion date

It is therefore recommended to accept the lump sum tender price of **\$702,490.08** including contingency and provisional sum (excluding GST) submitted by **CQ & JM DOWSING PL ATF The Dowsing Family Trust T/As Dowsing Group**.



Artist's Impression following Laneway Activation

ATTACHMENT 13.12B

UNIT: CONSTRUCTION

Project Close Out Schedule

MCLEAN LANE ENHANCEMENT

Item	Description	Unit	Qty	Rate	Amount
A 0 0	Project Management & Preliminaries				
A 0 1	Contractors Preliminaries including but not limited to supervision, programming of the works, setting out, site facilities, traffic management, occupational health & safety, waste disposal, dust control, etc. (20%)	Item	1	115,600.00	\$115,600.00
A 0 2	Allowance for dust protection to levels 1 - 3 of Pier Street Car Park for the duration of the works	Item	1	5,000.00	\$5,000.00
A 0 3	Allow for the protection of existing services and assets to remain for the duration of the works	Item	1	10,000.00	\$10,000.00
A 0 4	Contingency (15%)	item	1	75,400.00	\$75,400.00
1 0 0	Street Furniture				
1 2 0	INSTALLATION OF NEW ASSETS				
1 2 1	Supply and install "McLean Lane" sign comprising 6mm mild steel plate letters 1000 high	Item	1	25,000.00	\$25,000.00
2 0 0	Kerb Construction				
2 2 0	INSTALLATION OF NEW ASSETS				
2 2 1	270 x 150 kerb to match existing	m	23	35.00	\$805.00
3 0 0	Road Construction				
3 1 0	DEMOLITION OF EXISTING ASSETS				
3 1 1	Remove redundant pavement including seal and dispose off site	m2	487	15.00	\$7,305.00
3 1 2	Remove 150 thick asphalt hump and dispose off site	Item	1	150.00	\$150.00
3 1 3	Take up existing granite cobbles beneath existing paving, clean and store for re-use (PROVISIONAL QUANTITY)	m2	25	27.50	\$687.50
3 1 4	Extra for removing surplus cobbles to City of Perth Store (PROVISIONAL QUANTITY)	m2	10	20.00	\$200.00
3 1 5	Remove concrete of varying thicknesses from beneath existing paving and dispose off site	m2	21	15.00	\$315.00
3 1 6	Remove 300 wide x 150 thick concrete edging and dispose off dite	m	15	15.00	\$225.00
3 1 7	Saw cut existing pavement to make neat edge for new asphalt pavement	m	8	7.50	\$60.00
3 1 8	Saw cut existing concrete to make neat edge for new asphalt pavement	m	51	7.50	\$382.50
3 1 9	Remove existing Pier street car park stairs S-DM-01 and dispose off site including but not limited to cutting back sheet piles, removal of steel handrails, cut down reinforced concrete wall, cutting down stairs, protection of exposed reinforcement, removal of existing door & frame, and core drilling all as shown on drawing S-DM-01	Item	1	5,000.00	\$5,000.00
3 1 10	Infill Pier Street Car Park door including but not limited to concrete, formwork, reinforcement, reinforcing dowels, hydrophilic strip, repairing spalled concrete, and plate brackets all as detailed on drawing S-GL-01	Item	1	5,600.00	\$5,600.00
3 1 11	Tank walls below finished ground levels using bitumen treatment	Item	1	250.00	\$250.00
3 1 12	Backfill existing stair with imported clean sand fill compacted in layers as shown on drawing S-GL-01	m3	10	50.00	\$500.00
3 1 13	Cement stabilised backfill as shown on drawing S-GL-01	m3	2	345.00	\$690.00
3 2 0	INSTALLATION OF NEW ASSETS				
	Earthworks				
3 2 1	Box out for new pavement average depth 300mm and dispose off site commencing at ground levels after removal of existing pavements etc.	m3	155	150.00	\$23,250.00
3 2 2	Subgrade preparation	m2	515	2.50	\$1,287.50
	Pavements				
3 2 3	200 thick compacted limestone subbase	m2	515	22.50	\$11,587.50
3 2 4	200 thick compacted limestone basecourse	m2	441	22.50	\$9,922.50
	Bituminous Surfacing				
3 2 5	2 coat primerseal	m2	441	4.50	\$1,984.50
	Asphalt Wearing Course				
3 2 6	Tack coat	m2	441	1.50	\$661.50
3 2 7	2 x 25mm layers DGA with C320 binder and 7mm aggregate	m2	441	44.50	\$19,624.50
	Segmental Paving				
3 2 8	Remove from store and lay salvaged granite cobbles on and including 40mm mortar bed in 500 wide drainage channel	m2	60	65.00	\$3,900.00
3 2 9	Extra for collecting cobbles from City of Perth store (PROVISIONAL QUANTITY)	m2	35	30.00	\$1,050.00
4 0 0	Drainage Pipe Work				
4 1 0	DEMOLITION OF EXISTING ASSETS				
4 1 1	Remove existing 150 dia. Clay pipe and backfill trench with clean sand fill (PROVISIONAL QUANTITY)	m	10	100.00	\$1,000.00
4 1 2	Remove existing in ground downpipe connections at base of downpipes	No	3	100.00	\$300.00
4 2 0	INSTALLATION OF NEW ASSETS				
4 2 1	150 dia. class SN8 PVC pipe in trench not exceeding 1.5m deep including sand bedding	m	60	97.50	\$5,850.00
4 2 2	225 dia. Class 2 concrete pipe in trench not exceeding 1.5m deep including sand bedding	m	49	165.00	\$8,085.00
4 2 3	300 dia. Class 2 concrete pipe in trench not exceeding 1.5m deep including sand bedding	m	26	185.00	\$4,810.00
	Cap end of 150 PVC pipe	No	1	15.00	\$15.00

Item	Description	Unit	Qty	Rate	Amount
5 0 0	Drainage Structures				
5 1 0	DEMOLITION OF EXISTING ASSETS				
5 1 1	Remove existing gully and dispose off site	No.	1	750.00	\$750.00
5 1 2	Adjust level of existing drainage structures to suit new levels	No.	2	250.00	\$500.00
5 1 3	Break into drainage structure or pipe and build in 150 dia. Pipe	No.	14	150.00	\$2,100.00
5 1 4	Break into drainage structure or pipe and build in 225 dia. Pipe	No.	9	150.00	\$1,350.00
5 1 5	Break into drainage structure or pipe and build in 300 dia. Pipe	No.	4	150.00	\$600.00
5 2 0	INSTALLATION OF NEW ASSETS				
5 2 1	New non-standard gully pit as detail 22 on drawing D-DT-01	No	3	2,250.00	\$6,750.00
5 2 2	New standard manhole as detail 24 on drawing D-DT-01	No	1	2,500.00	\$2,500.00
5 2 3	Downpipe connection type 1 with inspection access point complete with Gatic 225 dia flushing point and class D ductile iron lid	No	8	250.00	\$2,000.00
5 2 4	Downpipe connection type 2 with inspection access point complete with Gatic 225 dia flushing point and class D ductile iron lid	No	3	230.00	\$690.00
6 0 0	Hydraulic Services				
6 1 0	DEMOLITION OF EXISTING ASSETS				
	Drainage Services				
6 1 1	Remove concrete for new tap drain and vents and reinstate on completion	No	2	50.00	\$100.00
	Water Services				
6 1 2	Saw cut and remove reinforced concrete surface finish for service pipe not exceeding 100 dia. In trench and reinstate on completion	m	8	65.00	\$520.00
	Existing Pits				
6 1 3	Adjust level of existing sewer pit lid to suite new levels (P1, P2 & P4)	No	3	250.00	\$750.00
6 1 4	Replace existing sewer pit lid with new ACO class D concrete infil lid (P3)	No	1	1,250.00	\$1,250.00
6 1 5	Replace existing sewer pit lid with new class D solid top lid and adjust to suite new levels (P6, P7 & P9)	No	3	1,250.00	\$3,750.00
6 1 6	Adjust level of existing unknown service pit lid to suite new levels (P10)	No	1	250.00	\$250.00
6 1 7	Reinstate concrete surround to sewer pit (P5)	No	1	500.00	\$500.00
6 2 0	INSTALLATION OF NEW ASSETS				
	Drainage Services				
6 2 1	100 dia. HDPE pipe and fittings in trench not exceeding 1000 deep	m	70	165.00	\$11,550.00
6 2 2	100 dia. UPVC vent pipe and fittings in trench not exceeding 1000 deep	m	5	135.00	\$675.00
6 2 3	65 dia. UPVC vent pipe and fittings in trench not exceeding 1000 deep	m	2	95.00	\$190.00
6 2 4	50 dia. UPVC vent pipe and fittings in trench not exceeding 1000 deep	m	2	90.00	\$180.00
6 2 5	100 dia. UPVC vent pipe and fittings fixed to building surface	m	7	100.00	\$700.00
6 2 6	50 dia. UPVC vent pipe and fittings fixed to building surface	m	14	50.00	\$700.00
6 2 7	100 vent cowl	No	1	45.00	\$45.00
6 2 8	50 vent cowl	No	2	35.00	\$70.00
6 2 9	Clean out point with Gatic class D infil 305 x 305 gas tight bolt down cover & frame all as detailed	No	3	225.00	\$675.00
6 2 10	Grated gully with ACO PEP22 box with bolt down hinged galvanised cover all as detailed	No	2	500.00	\$1,000.00
6 2 11	Inspection shaft rising shaft with Gatic class D infil 305 x 305 gas tight bolt down cover & frame all as detailed	No	1	350.00	\$350.00
6 2 12	Industrial Waste sampling point with removable grate all as detailed	No	1	250.00	\$250.00
6 2 13	Galvin 540L precast concrete grease arrester with 100mm raised access cover all as detailed	No	1	6,000.00	\$6,000.00
					\$0.00
	Water Services				\$0.00
6 2 14	Locate existing cold water service pipe , cut into and connect new 20mm dia. Copper pipe	No	2	300.00	\$600.00
6 2 15	Multi jet water meter	No	2	1,500.00	\$3,000.00
6 2 16	20 dia. Type B copper pipe and fittings in trench not exceeding 1000 deep	m	9	55.00	\$495.00
6 2 17	20 dia. Type B copper pipe and fittings fixed to building surfaces	m	21	40.00	\$840.00
6 2 18	20 dia. Isolation valve	No	2	50.00	\$100.00
6 2 19	20 dia. RPZD with 100 x 50 tundish	No	1	500.00	\$500.00
6 2 20	Anti vandal hose tap with removable handle	No	2	75.00	\$150.00
7 0 0	Lighting				
7 1 0	DEMOLITION OF EXISTING ASSETS				
7 1 1	Remove existing wall mounted luminair and deliver to Coty of PerthElectrical store	No	12	250.00	\$3,000.00
7 1 2	Remove existing laneway lighting conduit & cabling, decommission circuit, controls and redundant equipment and dispose off site	Item	1	2,500.00	\$2,500.00
7 1 3	Take up existing segmental paved surface finish for groupe of three service pipes not exceeding 100 dia. In trench and reinstate on completion	m	10	65.00	\$650.00
7 1 4	Adjust level of existing pit to suite new levels (P11)	No	1	150.00	\$150.00
7 2 0	INSTALLATION OF NEW ASSETS				
7 2 1	Install illuminated dear head	No	3	4,180.00	\$12,540.00
7 2 2	Install neon word art panel	No	1	5,900.00	\$5,900.00
7 2 3	Install aluminium lamp shades on catenary wire	No	33	275.00	\$9,075.00
7 2 4	Modify existing City of Perth Murry Street Distribution board as detailed and as specified	Item	1	2,650.00	\$2,650.00
7 2 5	Modify existing City of Perth Carpark switchboard board as detailed and as specified	Item	1	500.00	\$500.00
7 2 6	Supply and install new McLeane lane distribution board as detailed and as specified	Item	1	5,500.00	\$5,500.00
7 2 7	Luminaire type 1	No	9	3,125.00	\$28,125.00
7 2 8	Luminaire type 2	No	6	2,560.00	\$15,360.00
7 2 9	Luminaire type 3 mounted to catenary wire	No	33	860.00	\$28,380.00

Item			Description	Unit	Qty	Rate	Amount
7	2	10	Luminaire type 4 (per dear head)	No	3	4,150.00	\$12,450.00
7	2	11	Emergency exit signs including power supply and conduit	No	4	750.00	\$3,000.00
7	2	12	Alter existing emergency exit sign as detailed on drawing E-L2-01	No	1	250.00	\$250.00
7	2	13	Stainless steel catenary wire system complete with anchors fixed to buildings as detailed on drawing S-DT-01	m	70	375.00	\$26,250.00
7	2	14	Test anchor pull out test (PROVISIONAL QUANTITY)	Mo	8	1,500.00	\$12,000.00
7	2	15	10 Amp heavy duty IP56 switched socket outlet	No	2	150.00	\$300.00
7	2	16	15 Amp heavy duty IP56 switched socket outlet with captive screw mounted in S/S enclosure (msd. Sep.)	No	2	205.00	\$410.00
7	2	17	32 Amp heavy duty IP56 switched socket outlet with captive screw mounted in S/S enclosure (msd. Sep.)	No	2	650.00	\$1,300.00
7	2	18	20 amp single phase power supply to neon word art panel	Item	1	2,500.00	\$2,500.00
7	2	19	Type 3 lighting control	No	5	2,350.00	\$11,750.00
7	2	20	Luminaire type type 4 lighting controls	No	1	2,750.00	\$2,750.00
7	2	21	Stainless steel weatherproof power outlet enclosure	No	2	500.00	\$1,000.00
7	2	22	32 dia. HD power conduit in trench	m	4	35.00	\$140.00
7	2	23	50 dia. HD power conduit in trench	m	390	40.00	\$15,600.00
7	2	24	50 dia. communications conduit in trench	m	252	40.00	\$10,080.00
7	2	25	32 dia. HD power conduit fixed to building surfaces	m	200	35.00	\$7,000.00
7	2	26	Cap end of 50 dia. Communication conduit	No	4	25.00	\$100.00
7	2	27	ACO type 45 power pit (500 x 500) with class D solid lid	No	3	750.00	\$2,250.00
7	2	28	ACO type 45 comms pit (500 x 500) with class D solid lid	No	3	750.00	\$2,250.00
7	2	29	Galvanised steel conduit fixed to building surfaces	m	250	130.00	\$32,500.00
7	2	30	1x2c + E 2.5 mm2 Cu PVC/PVC cable in conduit	m	600	25.00	\$15,000.00
7	2	31	1x2c + E 6 mm2 Cu PVC/PVC cable in conduit	m	260	27.50	\$7,150.00
7	2	32	1x2c + E 10 mm2 Cu PVC/PVC cable in conduit	m	150	35.00	\$5,250.00
7	2	33	1x4c + E 10 mm2 Cu PVC/PVC cable in conduit	m	160	40.00	\$6,400.00
7	2	34	Repointing mortar as required to strengthen brickwork for catenary wire anchors (PROVISIONAL QUANTITY)	m2	3	200.00	\$600.00
7	2	35	Allow for testing and commissioning on completion	Item	1	2,500.00	\$2,500.00
			Total Estimated Costs				\$694,038.00

CONFIDENTIAL ATTACHMENT 13.12C
ITEM 13.12 – TENDER 093-16/17 MCLEAN LANE ENHANCEMENT
PROJECT INCLUDING PREFABRICATED ART WORK INSTALLATION

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda **Tender 087-16/17 Perth Town Hall Bin Enclosure**
Item 13.13

Recommendation:

That Council:

- 1. accepts the most suitable tender, being that submitted by M Construction (WA) Pty Ltd, for the Perth Town Hall Bin Enclosure (Tender no. 087-16/17) at a lump sum price of \$64,647.83 (excluding GST);***
- 2. notes that the expenditure in part 1 above will be charged to the account number CW 1882;***
- 3. notes that the allocated budget is insufficient, additional funds of \$28,000 (exc. GST) are necessary to undertake the works as per attached architectural plans Attachment 13.13A;***
- 4. approves that additional expenditure for the part 3 above be transferred from account CW 2002 Roads & Movement – Parliament Place – Harvest Terrace – Havelock Street identified as having surplus funds; and***
- 5. notes that the construction is anticipated to commence in early May 2017.***

The Committee recommendation to the Council for this report was resolved by the Works and Urban Development Committee at its meeting held on 28 February 2017.

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

FILE REFERENCE:	P1033602
REPORTING UNIT:	Construction
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	17/02/2017
ATTACHMENT/S:	Attachment 13.13A – Architectural Plans Confidential Attachment 13.13B – Tender Evaluation Matrix (Confidential Attachments distributed under separate cover to Elected Members)

Legislation / Strategic Plan / Policy:

Legislation	Part 4 - Tenders for Providing Goods and Services of the <i>Local Government (Functions & General Regulations) 1996</i>
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Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Perth as Capital City

S6 Maintain a Strong City Profile that Attracts Investment

Policy

Policy No and Name: 9.7 – Purchasing Policy

Financial Implications:

ACCOUNT NO:	CW 1882
BUDGET ITEM:	New Bin Store – Town Hall
BUDGETED AMOUNT:	\$ 65,000.00
AMOUNT SPENT TO DATE:	\$ 11,673.12
PROPOSED COST:	\$ 28,000.00
BALANCE REMAINING:	\$ 52,417.88
ANNUAL MAINTENANCE:	\$ 5,000.00
ESTIMATED WHOLE OF LIFE COST:	\$ 86,960.00

All figures quoted in this report are exclusive of GST.

Purpose and Background:

Perth Town Hall requires a bin storage that can house nine no. 240l mobile garbage bins (MGB) within its building footprint. There is an existing plywood panel bin enclosure at the easternmost bay of the southern colonnade. However this was installed as a temporary structure and does not meet the capacity requirements of the new storage demand.

Properties have identified a suitable location for upgraded storage facilities by modifying the existing plant room situated on westernmost bay of the southern colonnade.

The modification works require three colonnade archways to be in-filled with materials approved by the State Heritage Office; it will be visually similar to the existing archway whilst providing a functional bin store.

Details:

Detailed design was completed by Now Then Architects, with detail documentation including the Heritage Impact Assessment Report. The objective of the design is to maintain existing façade features by enclosing three archways to create the new bin storage. The modification works include:

- new in-filled three archways with stud frame, lined and painted;
- alteration of existing plant room staircase;
- new ventilation fan and associated electrical works;
- new door, metal louvre and associated works and
- removal of existing plywood enclosure.



Figure 1: Existing plywood Store



Figure 2: Existing Plant Room Stairwell



Figure 3 Proposed Infill Panels

Communications

Consultation has been undertaken with the Community Services Unit to ensure that the proposals and construction timing is acceptable from an operational viewpoint.

A detailed communications plan will be developed together with the Perth Town Hall Coordinator. This will include any planned events and will be implemented following Council approval of the works.

The proposal has also been reviewed and approved by the Heritage Council.

Contract Arrangements

The works will be delivered under a lump sum contract arrangement.

Working hours will be Monday to Saturday, 7.00am and 7.00pm. Construction is anticipated to commence on 1 May 2017 and the preferred contractor is currently indicating 08 June 2017 as the completion date.

Summary of Submitted Tenders

Four lump sum offers were received on 31 January 2017 through the City of Perth's electronic tender website from the following contractors:

- Macfield Construction Pty Ltd (\$64,854.35 exc. GST);
- M Construction (WA) Pty Ltd (\$64,647.83 exc. GST);
- LKS Construction (WA) Pty Ltd (\$99,850.00 exc. GST) and
- Access Without Barriers (\$39,100.00 exc. GST);

Tender Assessment and Evaluation Summary

The submissions received were assessed against the following six criteria:

SC1: Management and Personnel;
 SC2: Project Appreciation and Methodology;
 SC3: Relevant Experience;
 SC4: Ability To Meet City's Timeframe;
 SC5: Quality Control Procedures and
 SC6: Tendered Price.

A Confidential Tender Assessment Matrix (Confidential Attachment 13.13B) is attached. An evaluation summary against the non-priced based selection criteria has been provided below:

Macfield Construction Pty Ltd

The proponent did not include a Construction Management Plan, Traffic Management Plan, Communication Plan or Works Programme in the submission. Construction duration and material procurement requirements were not detailed. The entity has only provided an overview statement of the methodology and stated that more detailed project methodology and programme would be provided if awarded the project. This did not provide sufficient information for assessment purposes.

M Construction (WA) Pty Ltd

Employees allocated for this tender have extensive experience in heritage building works. The entity submitted details of three past heritage projects, demonstrating their proven abilities.

The entity's proposed methodology identified problems for the plant room access and provided a feasible solution. The work programme submitted identified that the works would be completed one week ahead of the tender requirement.

The price submitted is the second lowest and demonstrates the best value for money as well as the best understanding of the project requirements.

The Project team nominated for the tender consists of staffs with a broad range of engineering experience including in heritage projects. The entity has submitted documents demonstrating their understanding of the tender requirements and included details of the company management system to be employed for the project.

The submission is good but the tendered price is the highest and therefore does not represent the best value for the project.

Access Without Barriers

The entity has not submitted any past projects demonstrating their experience in delivering heritage works. A methodology was not included in the submission to demonstrate their ability to deliver the project.

The entity has omitted the existing bin removal works in their submission.

Combined Qualitative and Priced Based Assessment Ranking

The table in Confidential Attachment 13.13B details the relative scores of the four submissions when both the qualitative and price based criteria were taken into consideration.

Project Budget

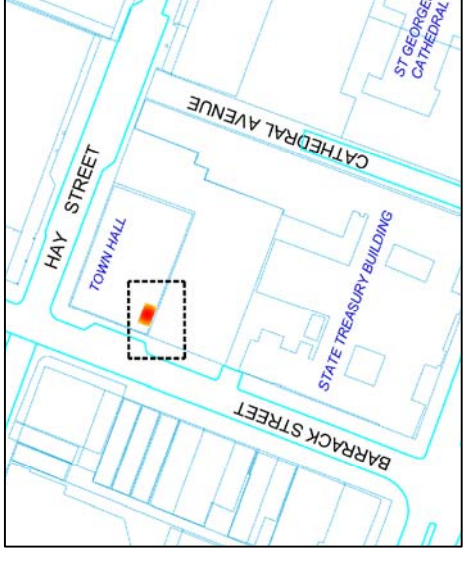
The approved budget for Perth Town Hall CW1882 was \$65,000.00. The tendered price by Macfield Construction Pty Ltd is \$64,854.35 (excluding GST).

The original approved budget was \$65,000. A design was tendered and the prices returned were significantly over budget. A redesign was therefore completed to meet the original budget intent. The current tender process has returned prices in line with the budget intent. The Budget balance is \$52,417.88 after deducting the amount spent to date (January 2017) and future commitments.

There is a budget shortfall of \$28,000. This is mainly attributable to the costs accruing from the unsuccessful design and tendering iteration. The additional funds are proposed to be sourced from CW 2002, Parliament Place Road Reconstruction where surplus of saving is available.

Comments:

M Construction has been evaluated as the preferred tenderer with the ability to complete the project within the required timeframe. The tendered price is also the best value among the submissions received.

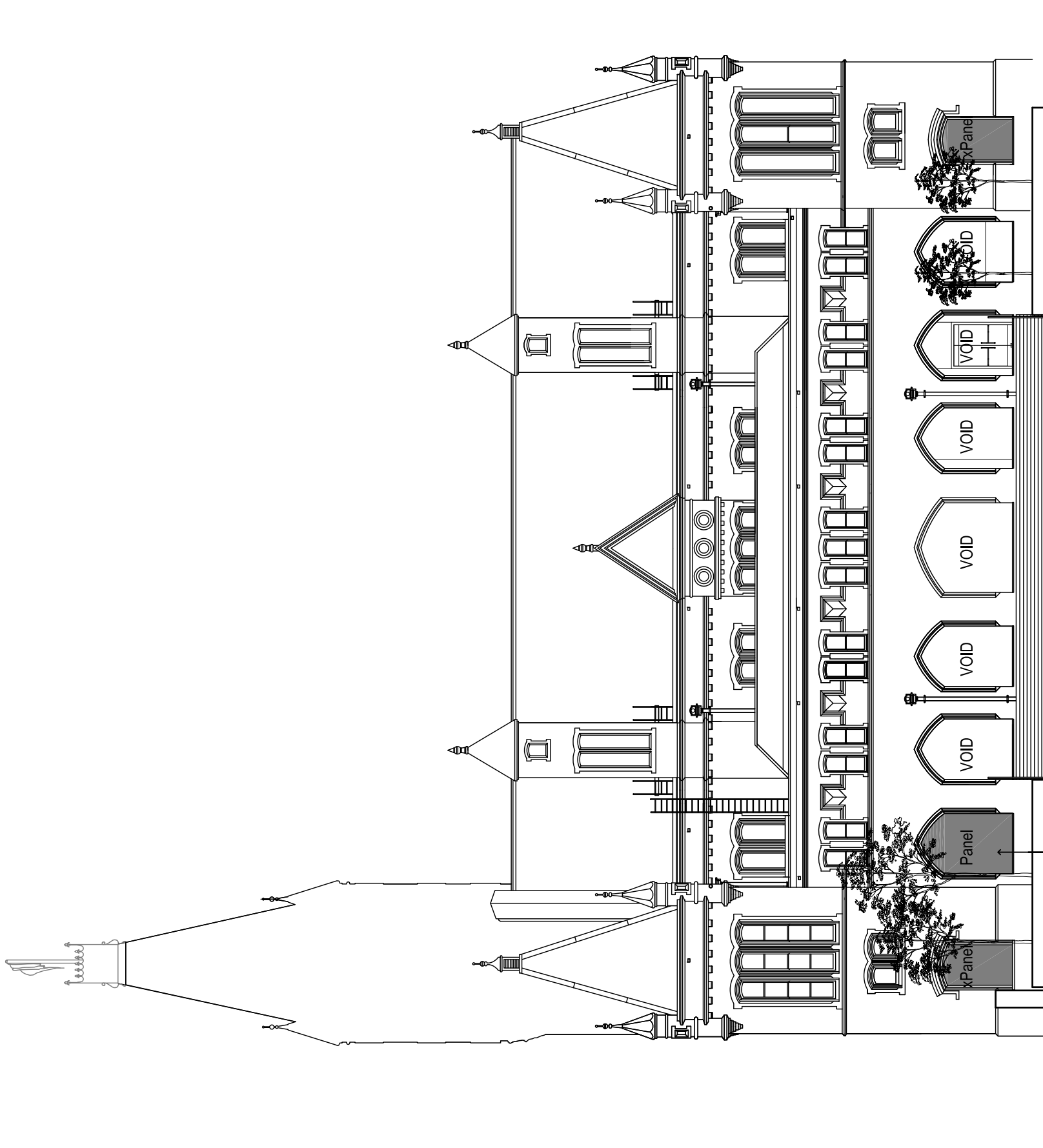


General Notes

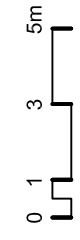
1. The Town Hall is on State Register of Heritage Places. Take care to undertake works as documented and protect significant fabric.
2. All work new unless noted as existing.
3. Drawings are not based on survey, levels are nominal based on information provided by City.
4. All dimensions should be checked on site to confirm quantities prior to quoting.

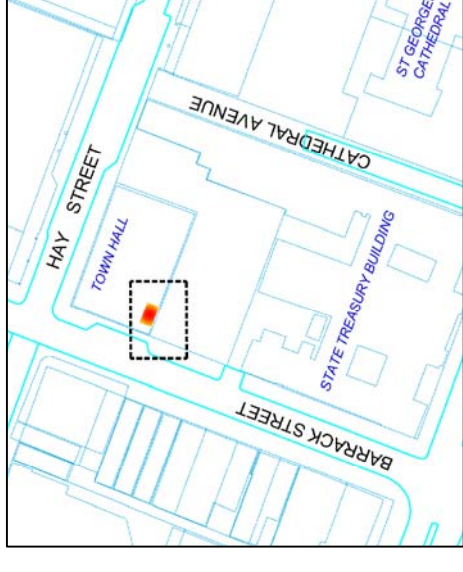
Abbreviations & Symbols

x, ex Existing
 CFC Compressed Fibre Cement



CFC panel with finishing bead all round. Paint to match adjacent xpanel.



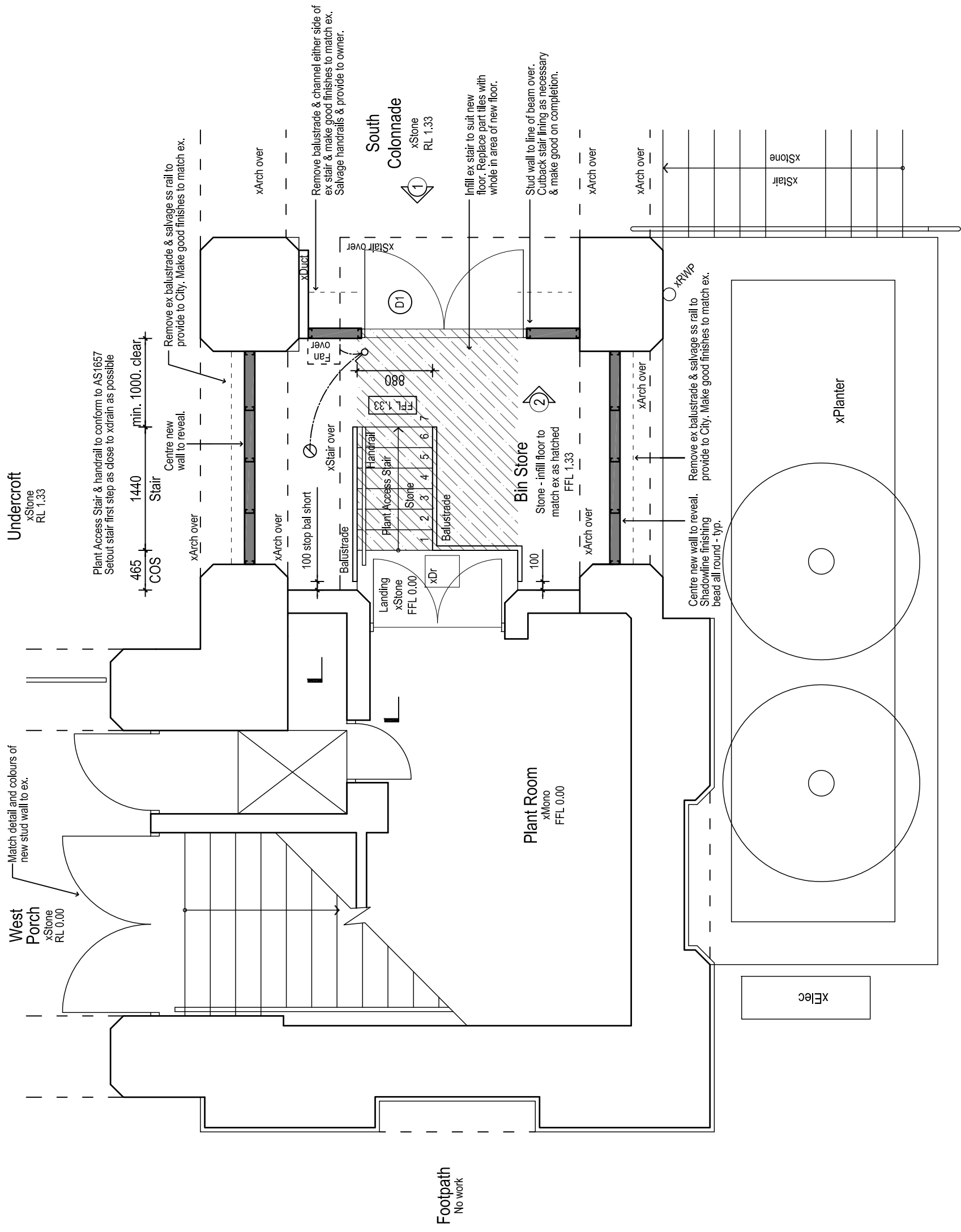
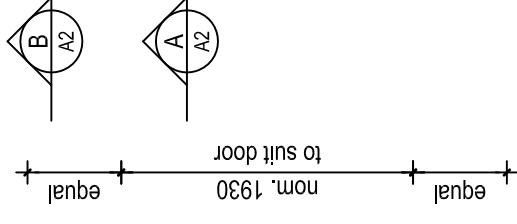


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Abbreviations & Symbols

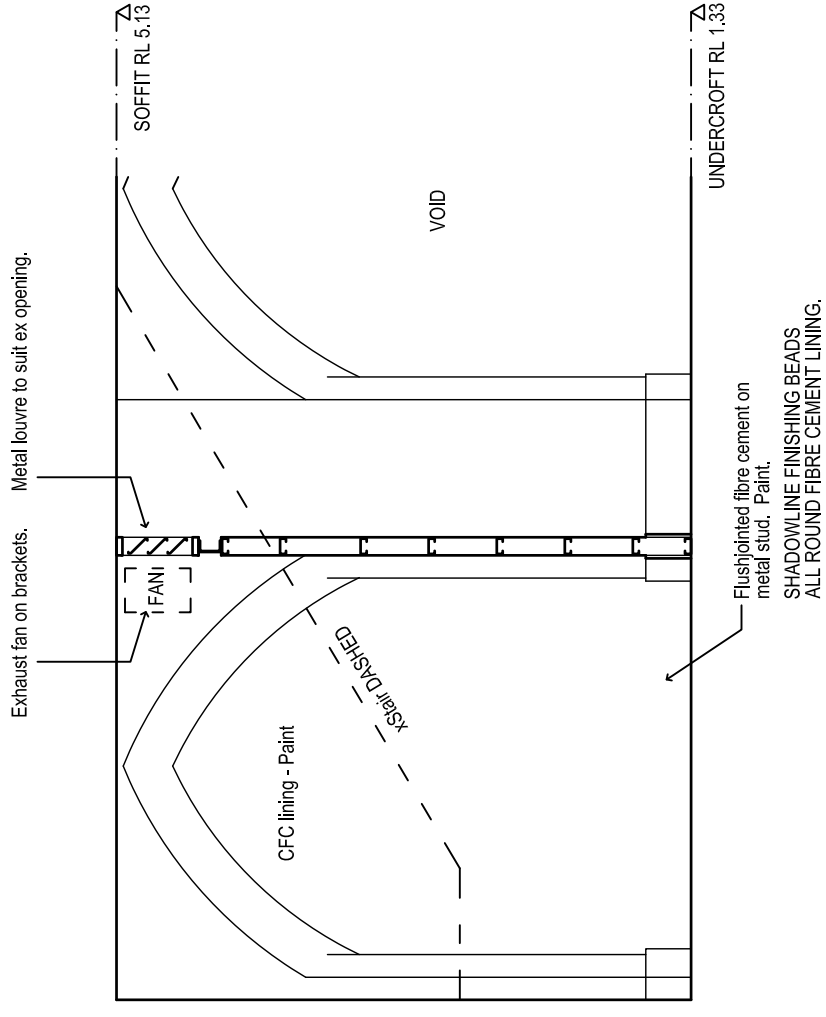
x, ex	Existing
Bal	Balustrade
CFC	Compressed Fibre Cement
Dr	Drain
FFL	Finished Floor Level
RL	Relative Level
RWP	Rainwater pipe
Typ	Typical
- - -	Item to be removed as noted
-	Item over
▬	Stud wall - shadowline bead all round lining
⊙	Exist light
⊕	Switch
▨	Infill floor to match ex & suit new levels



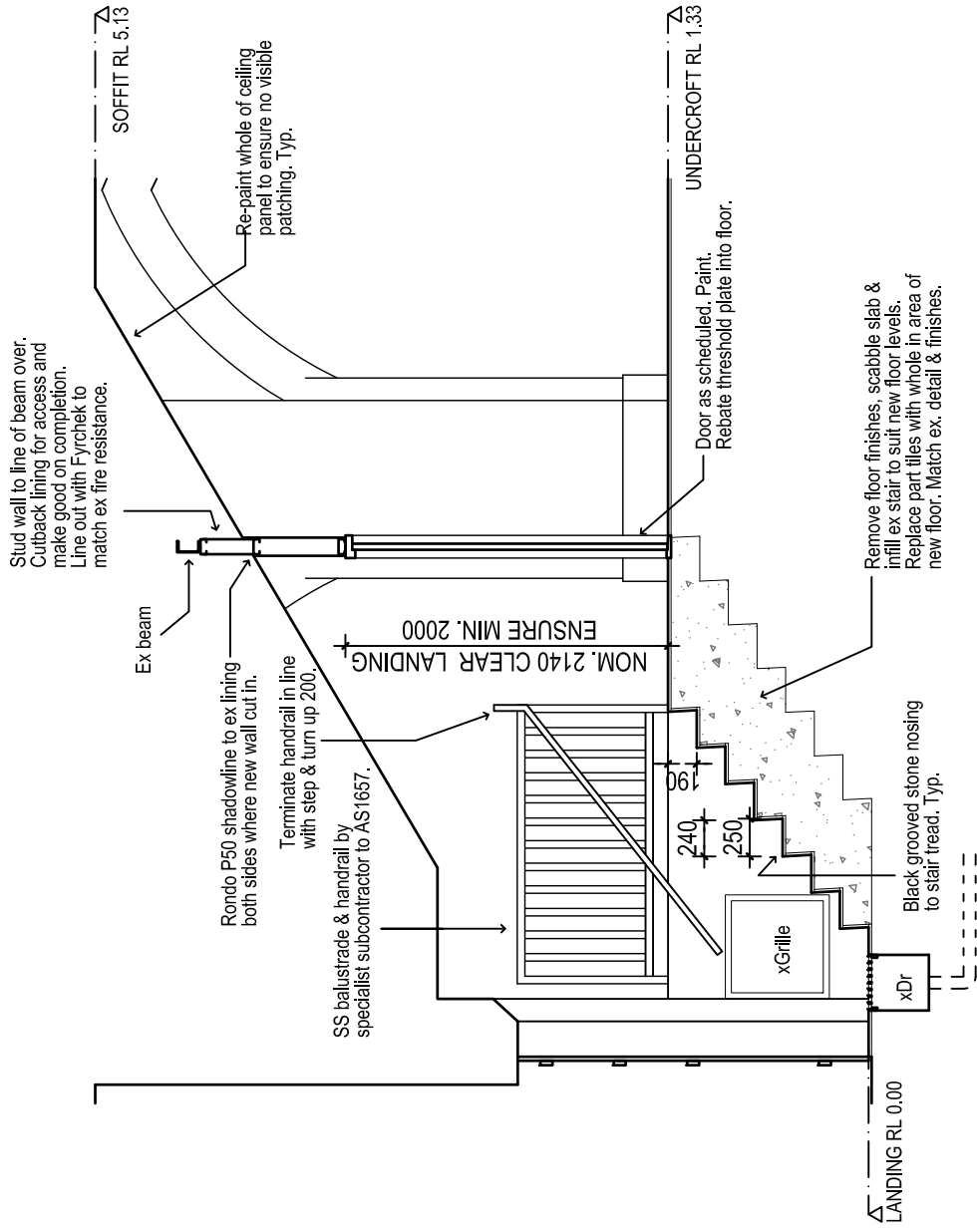
South Court
xStone Paver
RL 0.00

Abbreviations

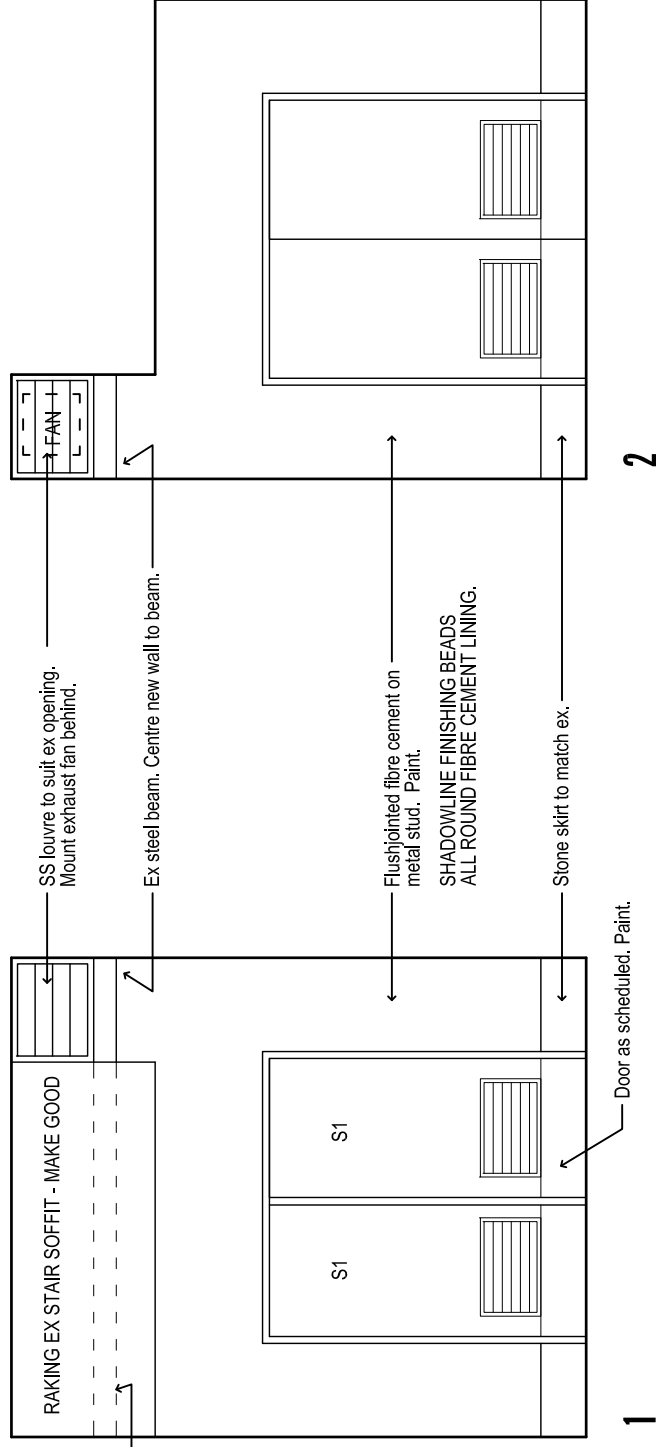
x, ex	Existing
COS	Confirm on Site
Dr	Drain
Nom	Nominal
RL	Relative Level
Sx	Sign as scheduled
Typ	Typical
---	Item beyond



Section BB



Section AA



Door & Window Schedule		Signage Schedule	
REFERENCE	DESCRIPTION	REFERENCE	DESCRIPTION
F.F.L		S1	SS individual letter type sign
		Grade 316, mirror polish	Grade 316, mirror polish
		Dowel and epoxied	Dowel and epoxied
		100mm x 2.0 thk or equivalent	100mm x 2.0 thk or equivalent
		To installer's recommendations	To installer's recommendations
		Arial or approved equivalent	Arial or approved equivalent
		BIN STORE AND THROUGH TO SITE MAIN SWITCHBOARD	BIN STORE AND THROUGH TO SITE MAIN SWITCHBOARD
Electrical Fixture Schedule			
REFERENCE	DESCRIPTION	REFERENCE	DESCRIPTION
D1	Aluminium framed solid double door.	Fan	Fan
	Nom. 40mm aluminium. Powdercoat. Submit supplier and product name to approval prior to ordering.	Wall mounted exhaust fan	Wall mounted exhaust fan
	40mm solid core , Duracote Tempered Hardboard skin for painting standard.	Fantech or approved equal	Fantech or approved equal
	AS1428.1 compliant ss lever handle. Lock keyed alike to City system. Threshold plate. Weather seals all round. Door closer. Provide hardware schedule to approval.	SQ Series - Square Plate Adjustable Pitch Axial Fans or approved equal	SQ Series - Square Plate Adjustable Pitch Axial Fans or approved equal
		Powdercoat AS2700 N14 White	Powdercoat AS2700 N14 White
		Contractor to design and size motor to suit room volume & supplier's recommendations	Contractor to design and size motor to suit room volume & supplier's recommendations
		Single phase	Single phase

Schedule Notes

- All doors viewed from hinged side.
- Check all dimensions on site prior commencing any work.
- Refer to specification for hardware schedule, threshold & door seal details & glazing specifications.
- Unless indicated otherwise, all door handles to be 1050 AFFL.
- Check handing of doors on plans and elevations prior to manufacture of doors and windows. Where discrepancies occur advise superintendent before commencement of work.
- Provide schedule to approval prior to ordering.

Abbreviations

x, ex	Existing
COS	Confirm on site
FFL	Finished Floor Level
SS	Stainless steel (Grade 316 uno) or approved equal finish
Sx	Sign (x refers to number)
UNO	Unless Noted Otherwise

CONFIDENTIAL ATTACHMENT 13.13B
ITEM 13.13 – TENDER 087-16/17 PERTH TOWN HALL BIN
ENCLOSURE

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Recommendation:

That Council:

- 1. *approves the amended Risk Management Framework detailed in Attachment 13.14B;***
- 2. *approves the Crisis and Business Continuity Management Framework detailed in Confidential Attachment 13.14C; and***
- 3. *notes the update on High and Extreme Risks detailed in Confidential Attachment 13.14D.***

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 27 February 2017.

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

FILE REFERENCE:	P1013822-3
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	9 February 2017
ATTACHMENT/S:	Attachment 13.14A – Current Enterprise Risk Management Framework Attachment 13.14B – Amended Risk Management Framework Confidential Attachment 13.14C – Crisis and Business Continuity Management Framework Confidential Attachment 13.14D – Update on High and Extreme Risks (Confidential Attachments distributed to Elected Members under separate cover)

Legislation / Strategic Plan / Policy:

Legislation	<i>Local Government Act 1995</i> <i>Regulation 17 of the Local Government (Audit) Regulations 1996</i>
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Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Council Four Year Priorities: Capable and Responsive Organisation

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

Policy

Policy No and Name: 19.1 – Enterprise Risk Management

Financial Implications:

ACCOUNT NO:	75B21000-7230
BUDGET ITEM:	Risk Management
BUDGETED AMOUNT:	\$5,000
AMOUNT SPENT TO DATE:	\$0
PROPOSED COST:	\$2,400
BALANCE REMAINING:	\$2,600
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	\$5,000

All figures quoted in this report are exclusive of GST.

Purpose and Background:

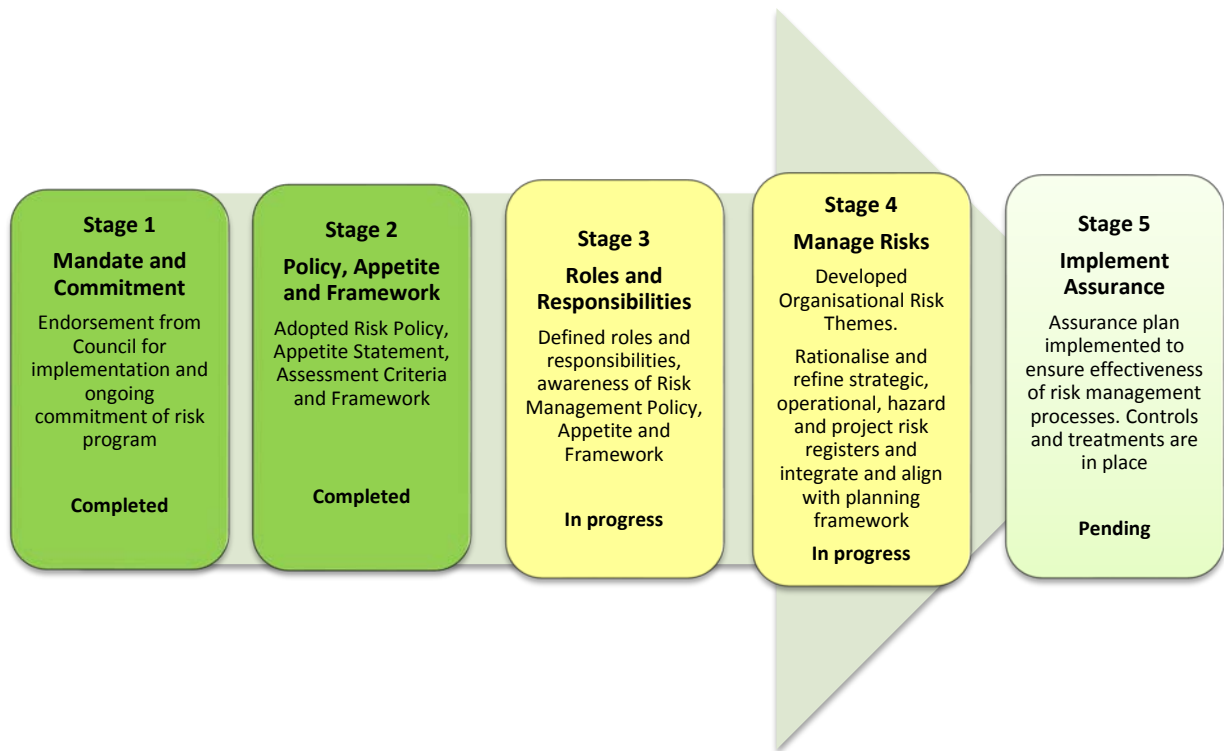
The City of Perth is progressing in implementing the recommendations from the maturity assessment in line with the road map. This report provides an update on the milestones achieved in the last three months following the Council meeting held on **22 November 2016**.

The amended Risk Management and Crisis and Business Continuity Framework documents are included in this report for endorsement by Council.

Details:

RISK MANAGEMENT UPDATE

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



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

1. Stage 1 – Mandate and Commitment (Complete)

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

2. Stage 2 (partial) – Risk Management Policy (Complete)

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

- Removal of the word “Enterprise” in the policy title;
- Additional objective to outline the commitment to achieve best practice in line with the risk management standard - *AS/NZS ISO 31000 2009 Risk Management: Principles and Guidelines*;
- Inclusion of Business Continuity Management in the policy; and
- Formatting of the policy in line with the City’s new policy template.

The amended Council Policy 19.1 was endorsed by Council at its meeting held on **22 November 2016**.

3. Stage 2 (partial) – Risk Appetite Statement and Risk Assessment Criteria (Complete)

Facilitated workshops have been held with the ELG to review the City’s existing Risk Policy, Appetite and Risk Assessment Criteria. The Risk Appetite Statement guides the City’s

decision making processes in regards to defining the acceptable level of risk the City is willing to take, as well as, the amount of risk which the City is prepared to be exposed to before necessary action is required.

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

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

The Risk Appetite Statement and amended Assessment Criteria was endorsed by Council at its meeting held on **22 November 2016**.

As reported to the Audit and Risk Committee in October 2016, the Risk Policy, Appetite and Criteria have been included in the amended Risk Management Framework, in line with the recommendations of the risk maturity assessment.

4. Stage 3 – Risk Management Framework, including roles and responsibilities

The Enterprise Risk Management Framework has been amended in line with the recommendations in the risk maturity report. The changes include:

- Removal of the work 'enterprise' from the title;
- Inclusion of the reviewed Risk Management Policy 19.1, Risk Appetite and Assessment Tables;
- Incorporation of the Three Lines of Defence Governance Model;
- Further aligning of risk management framework and practices with organisational context and objectives, being the Integrated Planning and Reporting Framework;
- Recognition of other existing City policies, standards and frameworks that address organisational risks, these include Governance, Asset Management, Finance, Human Resources, Occupational Safety and Health, Finance and Procurement Frameworks.
- Review and customisation of roles and responsibilities within the risk management framework;
- Confirmation of Director Corporate Services as the Executive Sponsor for Risk Management;
- Clarification of the reporting and escalation of strategic, operational, hazards and project risks; and

- Provision of ongoing risk management training and awareness.

The amended Risk Management Framework is included in this report as Attachment 13.14B for endorsement by the Audit and Risk Committee and Council.

5. Stage 4 – Manage Risks

Operational Risks

Operational risk reviews for the City's 30 business units have commenced. The risk reviews are being done against the operational deliverables outlined in the unit business plans for the 2017/18 financial year. The reviews align with the changes to the policy, framework and are within the scope of the new risk appetite.

The reviewed operational risks will be reported through the City's Corporate OSH and Risk Management, and the Audit and Risk Committee once this process is complete. The risks will then be subject to monitoring and reporting in line with the risk acceptance criteria on an ongoing basis.

Strategic Risk

Currently the City is reviewing the Strategic Community Plan using philosophies from Open Government and Deliberative Democracy Approaches. A strategic risk analysis will be conducted to feed into this process. This will be done in three parts as follows:

- Post community feedback following the community engagement process;
- During the development of community aspirations, goals and performance measures; and
- Upon finalisation of the Strategic Community Plan.

It is anticipated this analysis will commence in early May 2017, with the outcomes of this process will be reported through the Audit and Risk Committee. Once finalised, the strategic risks will also be subject to monitoring and reporting in line with the risk acceptance criteria.

6. Stage 5 – Implement Risk Assurance

Risk assurance activities are included the City's Internal Audit Plan. A validation of critical and major risk mitigation strategies is planned to take place in June 2017. The reviewed risk registers will be included as part of this validation, with the outcomes reported through to the Audit and Risk Committee by the Internal Auditor.

Recommendations from the risk maturity assessment report which relate to risk assurance have been incorporated into the Risk Management Framework.

CRISIS AND BUSINESS CONTINUITY MANAGEMENT UPDATE

The City's Crisis Management and Business Continuity Framework document has been finalised and is included in this report for endorsement (refer to Confidential Attachment 13.14C).

The framework provides the process by which the City mitigates business disruption risks and affirms the City's commitment to ensuring the continuity of priority services to rate payers, the community and other stakeholders.

The framework has been developed to ensure it meets the below objectives:

- Safeguard the safety of employees, contractors and visitors during a disruptive event;
- Establishes and formalises a structured process that will enable the City to manage and respond to any anticipated or unanticipated incidents as effectively and efficiently as possible, to minimise impacts of service disruptions on rate payers, the community and other stakeholders; and
- Ensures the City complies with the Local Government Operational Guideline No. 09 (2013).

Work is ongoing to embed the City's Crisis and Business Continuity plans and procedures with the below initiatives planned for the remainder of the current financial year;

- Crisis Exercises to be conducted with both the Crisis Management Team and the Critical Incident Control Team, to test the effectiveness of the plans and familiarise relevant staff with their roles and responsibilities;
- Briefing sessions on the City's Crisis and Business Continuity Framework will be held with relevant staff to further raise awareness and build resilience into the City's crisis and business continuity planning; and
- Testing of Citiplace as the alternate location for Council House.

UPDATE ON HIGH AND EXTREME RISKS

The update on high and extreme risks is provided in Confidential Attachment 13.14D of this report.

Comments:

A summary of the review of operational risks will be provided to the Audit and Risk Committee once completed. The outcomes of the crisis exercises will also be reported through the Audit and Risk Committee at its next meeting.



CITY *of* PERTH

**Enterprise Risk Management
Framework**

November 2015 Revision

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1. CEO Message/Foreward

Risk influences all of us everyday, especially at work. As an organisation providing a diverse range of services across a variety of workplaces there are many opportunities, threats and uncertainties and these may have negative or positive impacts on the organisations operations and the community's interests.

In order to serve, lead and grow in our organisation and in our community, the consideration of risks, their consequences and mitigation must be a natural part our processes, planning and decision making.

Risk management is the responsibility of us all and I am sure that the Council Policy 19.1 Enterprise Risk Management and this Framework will provide the direction to assist you to play your part.

Gary Stevenson PSM
Chief Executive Officer

2. Introduction

The purpose of Council Policy 19.1 and this framework is to assist in maintaining the direction and impetus currently in place and to ensure that enterprise risk management is considered and included in the business and operations of City of Perth.

Risk is defined as “*the effect of uncertainty on objectives*”. It is measured in terms of consequences and likelihood.” (AS/NZS ISO 31000:2009). Risk is usually construed to be negative (i.e. adverse), but it can provide opportunities for an organisation as well.

Risk is inherent in the functions and activities of the City and its service providers. As the consequences of an adverse event may include an inability to meet community and customer requirements, financial loss, organisational or political embarrassment, operational disruption, legal problems, and so forth, it is important that management policies, procedures and practices are in place to minimise exposure to risk.

Risk can be detrimental or beneficial. The opportunity to understate risk to move forward is always there, however, this can prove to be a costly way forward. Before any decision is made to accept a risk it needs to be carefully considered and the consequences weighed against the benefits.

Enterprise risk management involves adopting and applying a systematic process to identify, analyse, evaluate, treat and monitor risk so that it is reduced and maintained within acceptable levels.

The objectives of enterprise risk management in the City of Perth are as follows:-

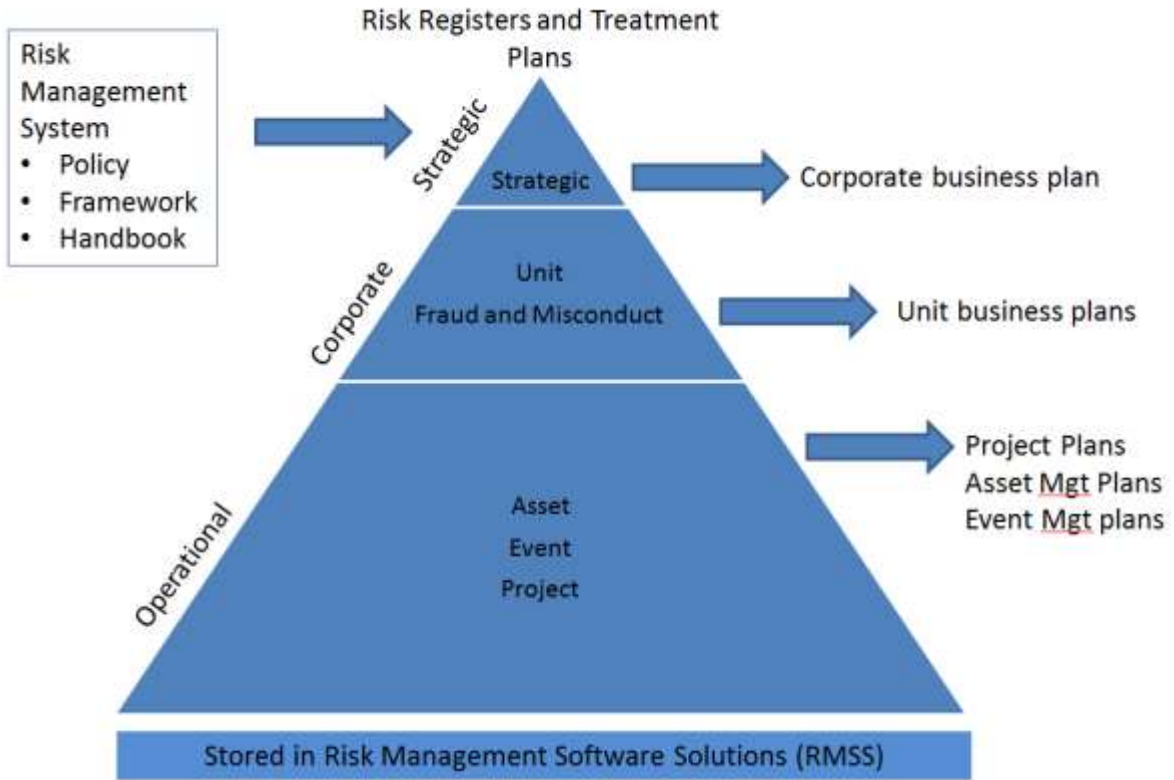
- To ensure that the organisation has identified risk threats and opportunities, and has taken steps to categorise and properly manage these risks.
- To ensure that the corporate and business planning processes include a focus on areas where enterprise risk management is needed.
- To maintain a process which will formally identify risks and provide a platform by which such risks and their respective control measures are monitored and mitigated according to need.
- Allow the realisation of opportunity through the proper management of risk.

This framework adheres to the principles as defined in:

- AS/NZS ISO 31000:2009. Risk Management – Principles & Guidelines.
- Council Policy 19.1 Enterprise Risk Management.

The culture of an organisation is a “key” factor in establishing the success or failure of any risk management program. The right balance between risk taking and risk aversion needs to be carefully established and clearly communicated.

The following diagram illustrates how the various risk management components fit together and linkages with other plans within the organisation



3. Mandate and commitment

It is recognised that whilst risk is inherent in all its activities, the management of risk is good business practice, creates value, is integral to sound corporate governance and in some instances, a legal requirement. In particular, effective risk management will lead to better decision-making and planning as well as enhanced identification of opportunities and threats and is an integral element of sound strategic business management.

Further commitment to implementing the State Government's requirements for risk management strategies are to be included in the planning and activities the City undertakes as a requirement under the integrated planning and reporting framework. This particularly applies in relation to long-term financial planning and asset management.

3.1 Council Policy 19.1 Enterprise Risk Management

The City of Perth adopted the Enterprise Risk Management Policy 4 June 2013. It is aligned with the principles and practices outlined in the Australia / New Zealand and International Risk Management Standard AS/NZS ISO 31000:2009.

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

Council Policy 19.1 Enterprise Risk Management is contained in the City's Council Policy Manual and can be viewed through the City's website and intranet portals.

4. Context and background

4.1 *What is enterprise risk management*

- Enterprise risk management is the management of risk not only in conventional hazard categories such as workplace health and safety, IT and finance, but in the full spectrum of operations including project and service delivery.
- Enterprise risk management is the structured approach of aligning strategy, processes, people, technology and knowledge with the purpose of evaluating and managing risk. Enterprise wide means the removal of traditional functional, structural or cultural barriers.
- Enterprise risk management is an organisation wide approach, rather than the traditional approach of departmental silos. It is based on and supportive of organisational strategy that is focused on new ways to manage risks of highest priority.
- The moving away from a fragmented approach to risk management to the adoption of enterprise risk management involves an organisation wide shift in thinking about risk as something always adverse, to an occurrence that may present opportunities that are likely to have positive consequences.
- To be successful the principles of enterprise risk management must be embedded in the culture of the organisation by an integrated approach in the methodology employed and the acceptance of ownership of risk by all.

Enterprise risk management must be seen as a business tool and an integral part of good “Corporate Governance” and fundamental planning processes. It sits within an overarching governance program. This is a three tier approach that provides a systematic and documented management process.

- Governance establishes accountability and responsibility in relation to risk approval.
- Risk management is a tool used to ensure governance principles are applied in a manner that supports achievement of organisational objectives.
- Business continuity is the process in place, if a significant risk event occurs that results in a disruption to normal business, to ensure that service delivery continues and returns to normal within a short period of time.

The three processes are interlinked with each requiring effective management to ensure the most effective delivery of the governance principles.

4.2 What will enterprise risk management provide?

4.2.1 Ensuring the realisation of corporate objectives

Corporate Objectives will be achieved by:-

- Integrating the various risk control measures currently used into one holistic view of what the City is doing to minimise its risk exposures. This single view will show priorities and any gaps that need to be addressed;
- Implementing a visible, formalised and consistent process for managing the organisation's exposures to risk, thereby supporting continuous improvement in programs and providing an assurance of more effective outcomes;
- Incorporating identified risk management solutions into planning and administrative processes resulting in more structured, accountable and effective business planning and project management;
- Building on existing risk management strategies such as administrative, engineering, contractual, safety and quality management controls; and
- Requiring all stakeholders [management in particular] to think about risk in their own day to day work programs, as well as contractor and project management, and in forward planning activities.

4.2.2 Providing financial safeguards

Presenting to Insurers a professional approach to risk with the objective of less claims all of which results in a saving in uninsured losses and insurance premiums.

4.2.3 Risk mitigation strategies

It is proposed that the organisation's risk mitigation strategies will continue to include administrative, contractual, technical, safety and management controls as a part of business and program activities. These will include but not be limited to:-

- Policy, procedure manuals and guidelines;
- Clearly defined management accountabilities including specific KPI's and appraisals;
- Appropriate delegations and authorisations in place;
- Reconciliations of data;
- Detailed tender specifications, evaluations and selection of tenderers;
- Supply chain risk evaluation and implementation of appropriate control measures;
- Detailed standards, engineering checks, tests, maintenance check lists and quality assurance generally;

- High level reporting, review and analysis, including Risk Management Task Force scrutiny;
- Oversight and supervision of contractors to the City and lessees of City owned property and facilities;
- Training and development;
- Safety for employees, contractors and the public;
- Physical controls, such as security systems and fire protection measures;
- Contractual arrangements which include indemnities, insurances and the like;
- Detailed budget papers (with special emphasis on the rationale behind maintenance budgets);
- The application and integration of risk into the management of the City's assets;
- Consideration of risk management issues for all submissions to the Council and management appropriate to the level of risk involved in the subject matter by way of a section within reports;
- Business continuity planning;
- Contingency planning;
- Internal audit;
- Fraud prevention & control programs;
- Risk & liability audits of currently imposed control measures.

4.2.4 Corporate governance

To maximise benefits it is imperative that enterprise risk management is applied to appropriate City of Perth activities, including those delivered by external service providers and project contractors. This will help to:-

- Ensure that the quality and reliability of services and other program outputs are of a high standard;
- Ensure services meet requirements and are delivered within cost and on schedule;
- Protect employees, property, information and all other assets; and
- Comply with all legal requirements relative to areas of risk.

5. Framework

The City of Perth's enterprise risk management framework is a set of components that provides the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management of both its day-to-day operations and strategic direction.

The City is committed to maintaining an effective, efficient and tailored risk management framework that includes:

- the Council Policy and this framework document;
- a risk management handbook specifying the approach, the management components and resources to be applied to the management of risk; and
- a risk register recording key information about identified risks, including risk levels and controls and actions required.

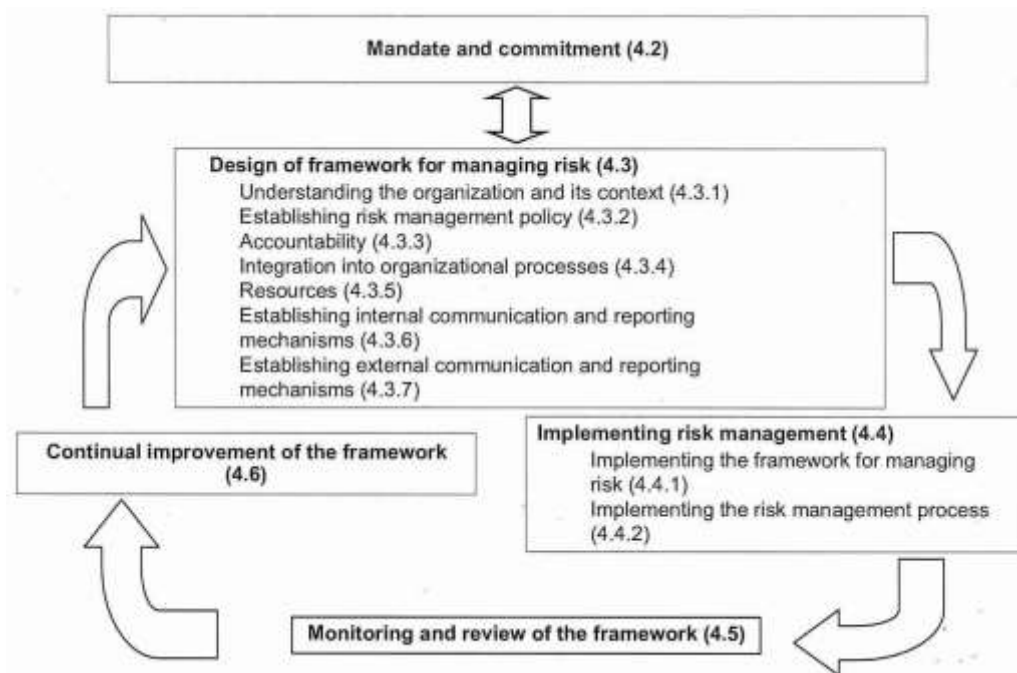
The framework supports:

- a formal, structured approach to risk management that is appropriate to the City's activities and operating environment; and
- a risk management approach consistent with the principles of the Australian/New Zealand and International Risk Management Standard, AS/NZS ISO 31000:2009.

This framework is not intended to prescribe a management system, but rather to assist the organisation to integrate risk management into its overall management system.

The unwavering commitment of management is imperative if the application of the risk management principles embodied in AS/NZS ISO 31000:2009 and this framework are to be embraced by the organisation at large. The framework, like all risk management initiatives, must be constantly reviewed to remain relevant in changing times.

The process of developing and maintaining the framework is clearly discernible in the following diagram extracted from *AS/NZS ISO 31000:2009*.



5.1 Responsibilities for managing risk

Council is ultimately responsible for adopting and committing to the Policy and this risk management framework. Specifically the Council's risk management responsibilities comprise:

- reviewing and approving the Council Policy and the Enterprise Risk Management Framework;
- considering risk management issues in reports to the Council;
- providing feedback on risk management issues raised by the Executive Leadership Group.

Audit Committee This is a committee of the Council who has responsibility for the systems and processes for risk management in line with the Local Government (Audit) Regulations 1996.

The **Chief Executive Officer** is responsible for leading the development of an enterprise risk management culture across the organisation and ensuring that Council Policy 19.1 Enterprise Risk Management and the Enterprise Risk Management Framework and handbook are being effectively implemented and utilised. Specific responsibilities include:

- where appropriate reporting known risks, emerging risks or major incidents to the Audit and Risk Committee in a timely manner;
- ultimately determining if levels of residual risk are acceptable;
- ensuring that risk management activities are aligned to the Council's strategy and objectives;

- ensuring sufficient funds are available to support effective and efficient management of risks;
- ensuring that the risk management program is resourced appropriately.

The **Risk Management Task Force** is responsible for establishing and reviewing the framework for identifying, monitoring and managing business risks. The task force's specific responsibilities include:

- developing and promoting risk management as a core activity of the City;
- coordinating risk management across the organisation including implementation, review and communication of the Enterprise Risk Management Framework and handbook;
- monitoring compliance with the Enterprise Risk Management Framework through regular reporting and auditing;
- reviewing the risk management register to ensure that enterprise level risks are being adequately identified, assessed, managed and where appropriate retired;
- overseeing development, implementation and review of the corporate risk management plan and corporate business continuity plan.

The **Risk Management Coordinator** is responsible for the day to day coordination of the risk management program for the City of Perth. Specific responsibilities include:

- developing and promoting risk management as a core activity of the City;
- coordinating risk management across the organisation including implementation, review and communication of Council Policy 19.1 Enterprise Risk Management and the Enterprise Risk Management Framework and handbook;
- providing reports to the Risk Management Task Force;
- providing risk management advice to managers and staff at all levels, including on identification, assessment, treatment and control of risks;
- coordinating the analysis and evaluation of identified risks across the organisation;
- coordinating the use and maintenance of the City's risk register;
- arranging training and information relating to risk management for staff.

Directors are responsible for ensuring that Council Policy 19.1 Enterprise Risk Management and Enterprise Risk Management Framework and handbook are being effectively implemented within their areas of responsibility. Specific responsibilities include:

- ensuring that the risk management processes in the Enterprise Risk Management Framework and handbook are followed;

- ensuring that managers are effectively managing and reviewing the risks in their areas of responsibility;
- ensuring the directorates risks are recorded and regularly updated in the City's risk register;
- ensuring that risks outside the responsibility/capability of the directorate are escalated to the Risk Management Task Force.

Managers at all levels, are the risk owners and are required to create an environment where the management of risk is accepted as the personal responsibility of all staff, volunteers and contractors. Managers are accountable for the implementation and maintenance of sound risk management processes and structures within their area of responsibility in conformity with Council Policy 19.1 Enterprise Risk Management and the Enterprise Risk Management Framework and handbook. Specific responsibilities include:

- identifying and managing or escalating as appropriate the risks to the business objectives for which the manager is responsible;
- ensuring that the risks associated with their area of responsibility are recorded within the risk register and that the top priority risks are then reported within the annual unit business plans;
- ensuring that their assigned risks are managed, monitored and reviewed in accordance with the processes set out within the Enterprise Risk Management Framework and handbook;
- ensuring that treatment plans and actions are completed effectively, in a timely manner, and, where necessary, are included in the business unit plans;
- ensuring that all reporting requirements are met;
- Reporting immediately the actual or likely occurrence of any material risks.

All **staff** are required to act at all times in a manner which does not place at risk the health and safety of themselves or any other person in the workplace. Staff are responsible and accountable for taking practical steps to minimise the organisation's exposure to risk in so far as is reasonably practicable within their area of activity and responsibility. In particular staff should:

- Contribute to risk management activities, including identification of risks and controls;
- Report all emerging risks, issues and incidents to their manager or other appropriate officer;
- Follow the City's policies and procedures.

5.2 Corporate risk attitude

Risk attitude is the amount and type of risk that an organisation is prepared to pursue, retain or take. It is expressed in the form of a risk attitude statement which covers a number of critical risk categories.

Throughout this document reference is made to the acceptance of risk where the acceptance thereof is necessary to realise opportunities considered beneficial to the organisation.

To be risk adverse can stifle progress and stagnation can result, on the other hand, to recklessly take on avoidable risk can result in irreparable harm to the organisation.

When realising opportunity involves the need for the voluntary assumption of significant levels of risk the following principles need to be considered:-

- The potential benefits must clearly outweigh the assumption of the risks involved.
- A balance needs to be established and all the risks freely accepted need to be identified and treated to minimise the likelihood of harm to the organisation.
- Irrespective of the perceived benefits, the integrity of the City's enterprise risk management risk management context must not be compromised.
- The principles contained in the City's risk attitude statement are to be carefully considered and applied in all instances.

5.2.1 Risk attitude statement

The following risk attitude statement is not designed to be a definitive list and/or totally descriptive in its definitions.

It is intended to provide a broad outline upon which managers can base risk acceptance decisions i.e. what is justifiable, what is not and what is integral to the organisational risk ethic.

City of Perth provides a large and diverse range of services to a rapidly growing population. In order to provide these services the City must accept and take some level of risk. The City therefore has some appetite for risks which need to be taken in order to:

- improve efficiency, reduce costs and/or generate additional sources of income;
- develop and maintain the City of Perth's assets; and
- maintain and, where necessary, improve levels of service to the community

While the level of risk that is acceptable will be assessed and determined on a case by case basis, as a public authority, the City has a natural and in some cases statutory predisposition to a conservative attitude to risk. In particular the City has little or no tolerance for risks which bring a moderate or higher likelihood of any of the following events or circumstances occurring:

- a significant negative impact on the City of Perth's long term financial sustainability;
- a major breach of legislative requirements and/or significant successful litigation against the City of Perth;
- compromised safety and welfare of staff, contractors and/or members of the community;
- significant and irreparable damage to the environment;

- major disruption to the delivery of key City of Perth services;
- widespread and sustained damage to the City's reputation;
- significant adverse impact on the City's ability to recruit and retain staff.

The following is a guide on the treatment and reporting required for the different levels of risk. The determination as to whether a risk is to be treated or not lies with the relevant Director.

- All extreme and high rated residual risks are to be reported to the Risk Management Task Force and treated, unless it is not practical to do so.
- Medium level residual risks should be treated if it is practical and cost effective to do so.
- Low level residual risks generally do not need to be treated, however they should be recorded in the risk register and reviewed periodically to determine if the level of risk has changed.

6. Risk management process

6.1 Hierarchical approach

Risk assessment comprises a hierarchical process to apply at the levels as illustrated below.

STRATEGIC	<u>High-level issues</u> that affect the sustainability of the organisation or its ability to deliver on its <u>corporate objectives</u>
OPERATIONAL	<u>Medium-level issues</u> that affect the delivery of services from units that have <u>corporate implications</u>
PROJECT	Issues that affect the <u>outcome of a project</u>

At corporate strategic and operational level

The City will establish a corporate risk register comprising the strategic and operational risk registers. Identification of strategic and operational risks is primarily focused on the achievement of the desired outcomes of the organisation.

Strategic level

Strategic risks will be identified through analysis of the corporate business plan and what can impede the organisation from delivering on corporate objectives.

Operational level

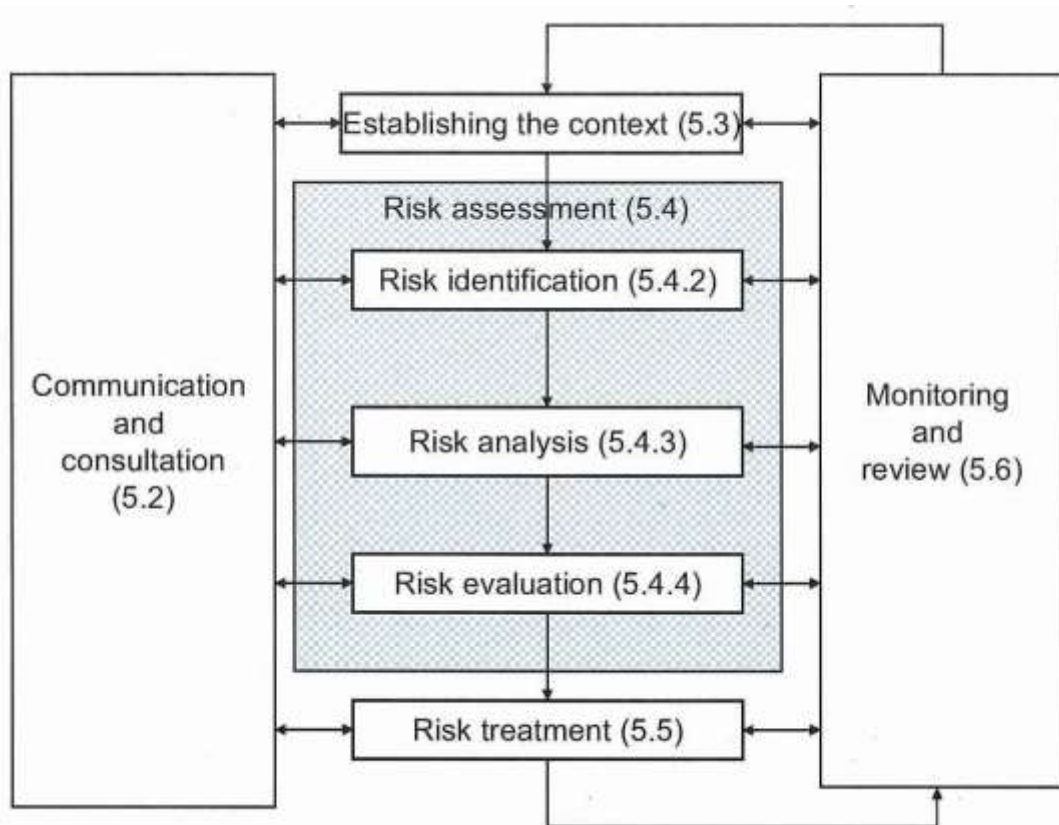
Operational risks will be identified through analysis of the risks facing middle management in delivering the corporate business plan and any other planning instruments (corporate strategies, audit plans, asset management plans etc.) effectively.

Project level

The desired deliverables from the project risk management process is a risk register plan for the project. The risk register documents the identification, analysis, and assessment of risks as well as the existing risk controls and future actions required.

6.2 Process elements

The elements of the risk management process are outlined in the following diagram extracted from *AS/NZS ISO 31000:2009*. The numbers within the diagram refer to sections of the standard. A brief description of each of the processes follows along with pertinent tables. For a detailed “how to guide” please refer to the handbook on the Risk Management Task Force page of the intranet.



6.2.1 Establishing the context

The context of risk management within the City of Perth is described within this framework document. When preparing a risk assessment the first step is to develop an understanding of the objectives for the area being assessed and of what internal or external factors may adversely affect or create benefits to the objectives.

6.2.2 Risk identification

The aim of risk identification is to develop as comprehensive as possible a list of possible events or circumstances that may occur and have an impact on the objectives of the City (for strategic risks), on the objectives of the unit (for operational risks) or on the objectives of the project (for project risks).

6.2.3 Risk analysis

Once risks have been identified they need to be analysed. This involves consideration of the causes and sources of risk, their positive and negative consequences and the likelihood that those consequences can occur.

6.2.3.1 Likelihood

The likelihood is the probability or frequency of an event or set of circumstances occurring. The likelihood table below provides guidance on the likelihood ratings used by the organisation in assessing risks. Note that the likelihood table is the same for strategic, operational and project risks. When determining the likelihood it should be evidence based. That is, how often has it happened in the past? Where statistics are not known then the qualitative description can be used.

Code	Likelihood	Qualitative descriptor	Probability of occurrence
A	Almost certain	Is expected to occur in most circumstances	Greater than 95%
B	Likely	Will probably occur in most circumstances	66% to 95%
C	Moderate	Might occur at some time	36% to 65%
D	Unlikely	Could occur at some time	5% to 35%
E	Rare	May occur only in exceptional circumstances	less than 5%

Some examples of likelihood follow:

1. If there are 10,000 widgets produced a year and 10 are defective this is 0.1% and therefore rare
2. If we produce 100 agendas a year and there are errors in 10 of the agendas then this is 10% and therefore the likelihood is unlikely
3. If we have 700 staff and in a year we have 200 staff injuries then this is 29% and therefore the likelihood is unlikely

6.2.3.2 Consequence

The consequence analyses the effect or impact of the risk event. The consequence table on the following page provides guidance on the severity rating of a risk should it occur. It is not practical to give the risk different consequences and therefore the highest rating made against the criteria should be used. Strategic and operational risks use the consequence table on the following page (page 17) and for project risks use the table on page 18.

Financial				Strategic and Operational Risk Consequences
Strategic	Operational	Activity	Consequence	Description
>\$10M recurrent reduction in Council budget >\$25M one off loss	>30% recurrent reduction in directorate budget	>30% recurrent reduction in unit budget	Catastrophic	<p>Legal and regulatory: Serious breach of contractual or statutory obligations resulting in significant prosecution and fines. The City sued or fined or otherwise liable for more than \$1M.</p> <p>People: Fatality, sustained and serious industrial action, loss of multiple key staff at once.</p> <p>Service delivery: Key services disrupted for over 60 days. Systemic customer complaints or serious complaints relating to more than one programmed area over a sustained period.</p> <p>Environmental: Irreversible environmental harm or permanent negative impact on urban design.</p> <p>Strategic: Most of the organisation's objectives cannot be met.</p> <p>Ethical: Systemic fraud and corruption, major external investigation with adverse findings.</p> <p>Reputation: Significant and widespread public outcry, sustained negative national media coverage.</p>
\$2.5M - \$10M recurrent reduction in Council budget \$10M - \$25M one off loss	20% - 30% reduction in directorate budget	20% - 30% recurrent reduction in unit budget	Major	<p>Legal and regulatory: Major breach of contractual or statutory obligations resulting in significant legal action. The City sued or fined or otherwise liable for between \$250K and \$1M.</p> <p>People: Life threatening injury or multiple serious injuries requiring hospitalisation, staff turnover well above 20%, ongoing industrial action.</p> <p>Service delivery: Key services disrupted for between 20 and 60 days. High level of customer complaints over sustained period. Repeated service standard failure or one that affects multiple people.</p> <p>Environmental: Major environmental impact, long term recovery or long term negative impact on urban design, or loss of sense of place for whole of area.</p> <p>Strategic: Some important objectives of the organisation cannot be met.</p> <p>Ethical: Major one off fraud or corruption by a senior person.</p> <p>Reputation: Significant outcry from public, significant negative state level media coverage.</p>
\$1M - \$2.5M recurrent reduction in Council budget \$2M - \$10M one off loss	10% - 20% recurrent reduction in directorate budget	10% - 20% recurrent reduction in unit budget	Moderate	<p>Legal and regulatory: Breach of contractual or statutory obligations resulting in investigation, ongoing legal issues not easily addressed. The City sued or fined or otherwise liable for between \$50K and \$250K.</p> <p>People: Serious injury requiring medical treatment, staff turnover slightly higher than 20%, one off industrial issues.</p> <p>Service delivery: Key services disrupted for between 2 and 20 days. Higher than normal level of one off customer complaints. One off service standard failure affecting multiple people.</p> <p>Environmental: medium term effects on environment, long term recovery or long term negative impact on urban design, or loss of sense of place for part of area.</p> <p>Strategic: Some of the organisation's objectives cannot be met.</p> <p>Ethical: Planned unethical action by one or more staff.</p> <p>Reputation: Concerns from cross section of public, ongoing negative metro media coverage.</p>
\$100K - \$1M recurrent reduction in Council budget \$500K - \$2M one off loss	5% - 10% recurrent reduction in directorate budget	5% - 10% recurrent reduction in unit budget	Minor	<p>Legal and regulatory: Minor breach of contractual or statutory obligations with request to comply. The City sued or fined or otherwise liable for up to \$50K</p> <p>People: Minor injuries treated by first aid, routine industrial issues.</p> <p>Service delivery: Key services disrupted for 1 to 2 days. Isolated customer complaints. Isolated service standard failure.</p> <p>Environmental: short term effects on environment, no long term effect or short term negative impact on urban design, or loss of sense of place for part of area.</p> <p>Strategic: Minor setbacks that are easily remedied.</p> <p>Ethical: Opportunistic incident involving several people.</p> <p>Reputation: Heightened concerns from a narrow group of residents, one off negative metro media coverage.</p>
<\$100K recurrent reduction in Council budget <\$500K one off loss	<5% recurrent reduction in directorate budget	<5% recurrent reduction in unit budget	Insignificant	<p>Legal and regulatory: Minor breach of contractual or statutory obligations with request to comply. One off minor legal matters.</p> <p>People: incident only, no medical treatment required.</p> <p>Service delivery: Key services disrupted for less than 1 day, usual scheduled interruptions.</p> <p>Environmental: Transient impact on environment, no long term effect or short term negative impact on urban design, or loss of sense of place for part of area.</p> <p>Strategic: Negligible impact on objectives.</p> <p>Ethical: Minor opportunistic incident involving a single person.</p> <p>Reputation: Insignificant public comment or local media coverage.</p>

		Project Risk Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Risk Category	Legal and regulatory	Potential breach managed at a local level	Potential breach with letter from authority requesting action	Potential breach with legal rebuke/abatement notice/restrictions	Potential for an individual prosecution	Potential for high profile prosecutions with custodial sentence
	Business Impact	Minimal impact to existing services	Moderate impact to existing services	Major impact to existing services	An existing service cannot be delivered	An existing significant service cannot be delivered
	People	Incident only, no medical treatment required	Minor injuries treated by first aid	Serious injury requiring medical treatment, OR 0 to 9 days Lost Time Injury	Life threatening injury or multiple serious injuries requiring hospitalisation, OR 10 or more days Lost Time Injury	Fatality, OR Injured person unable to be reintroduced to the workplace
	Project delivery	Potential for schedule overrun with insignificant impact on City services	Potential for schedule overrun with impact on City services	Potential for major schedule overrun with impact on city services and financial impact on project contingency	Potential for major schedule overrun with impact on city services and requiring a budget adjustment	Project unable to be completed.
	Environmental	Transient impact on environment	Short term effects on environment	Medium term effects on environment	Major environmental impact	Irreversible environmental harm
	Strategic	Negligible impact on project objectives.	Minor setbacks that are easily remedied.	Some of the project's objectives cannot be met.	Some important objectives of the project cannot be met or objectives of the City are impacted	Most of the project's objectives cannot be met or important City objectives cannot be met
	Ethical	Negligible impact on organisation, dealt with through disciplinary process	State agency investigation into incident	State agency investigation into incident and sanction	State agency investigation into incident and sanction, staff member dismissed	State agency investigation into incident and sanction, staff member dismissed and convicted of a crime.
	Reputation	Insignificant public/stakeholder comment or local media coverage	Heightened concerns from a narrow group of residents/stakeholders, one off negative metro media coverage	Concerns from cross section of public/stakeholders, ongoing negative metro media coverage	Significant outcry from public/stakeholders, significant negative state level media coverage	Significant and widespread public/stakeholder outcry, sustained negative national media coverage
	Financial	Potential for minor financial impact on contingency (less than 50% of contingency used)	Potential for major financial impact on contingency (more than 50% of contingency used)	Potential for financial impact requiring minor budget adjustment	Potential for financial impact requiring major budget adjustment	Potential for major financial impact resulting in the project being unable to be completed

6.2.4 Risk evaluation

Evaluation takes the initial analysis and reviews it against existing controls already in place to manage the risk. The residual risk is the overall risk after existing controls are taken into account. The level of residual risk is determined by combining the likelihood and consequence ratings. The outcomes of the evaluation stage are an assessment of the residual level of risk and the acceptability or otherwise of the risk. In evaluating the risks, a decision must be made as to whether the risk is acceptable or unacceptable. If there is no intent to treat a particular risk then it is deemed to be acceptable.

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

6.2.5 Risk treatment

Risk treatment (also known as mitigation), consists of determining what further, if anything, will be done in response to the identified, analysed and evaluated risks. Risk treatment can look to reduce either the likelihood of the event occurring or the consequence if the event does occur. When considering the treatment, resource implications and timing for the implementation of any such actions need to also be considered.

The following is a guide to follow in determining the acceptability or otherwise of assessed risks. It should be read in conjunction with the risk attitude statement in section 2 of this document.

- All extreme and high rated residual risks are to be reported to the Risk Management Task Force and treated, unless it is not practical to do so.
- Medium level residual risks should be treated if it is practical and cost effective to do so.
- Low level residual risks generally do not need to be treated, however they should be recorded in the risk register and reviewed periodically to determine if the level of risk has changed.

The determination as to whether a risk is to be treated or not lies with the relevant director.

6.2.6 Communication and consultation

Communication and consultation with internal and external stakeholders should take place at all stages of the risk management process and therefore the creation and adoption of appropriate methodologies to achieve this is imperative.

6.2.7 Monitoring and reporting of risk

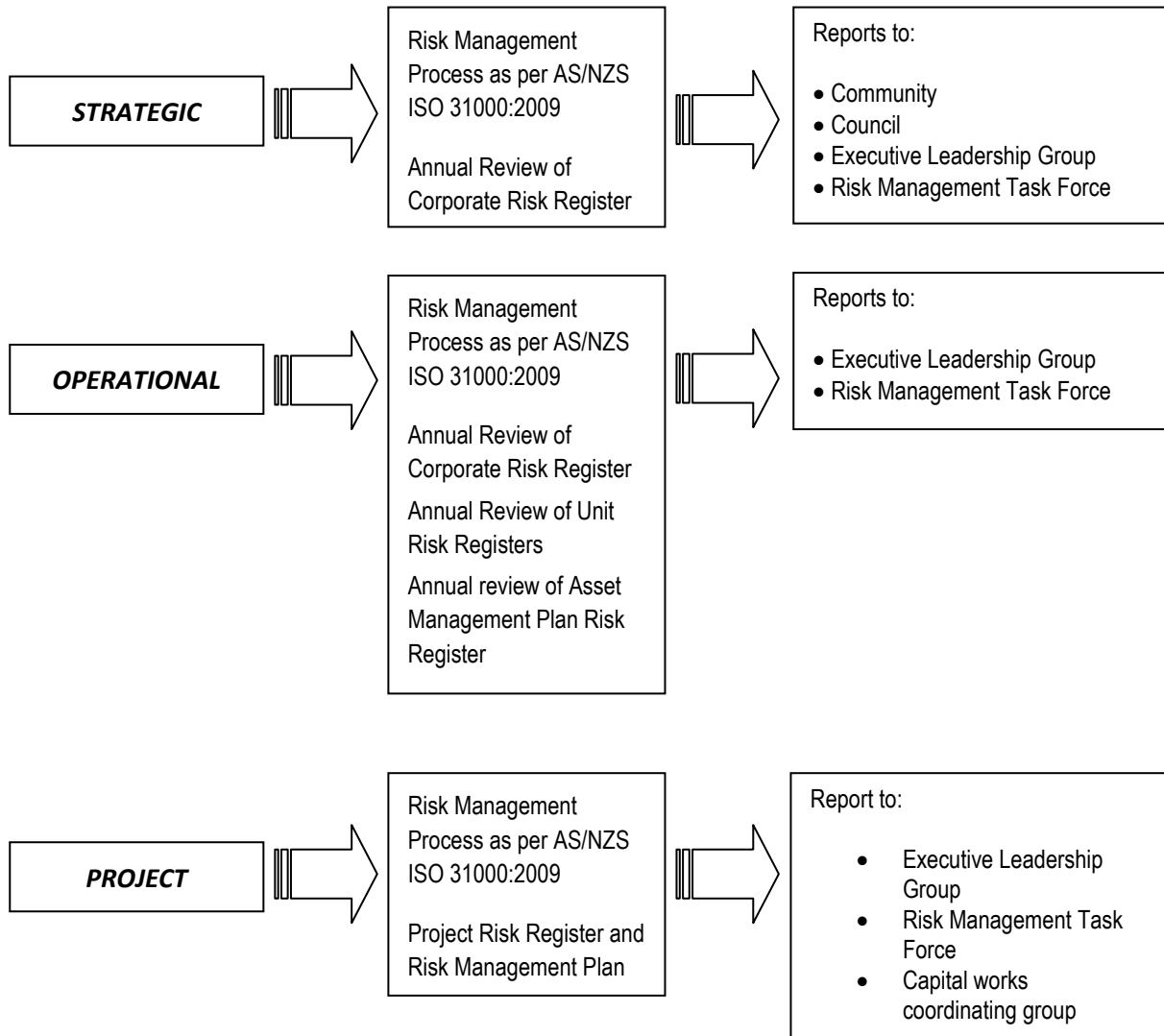
The end result of enterprise risk management is to provide the City's leadership with a regular snapshot of the risk profile of the organisation including the individual status of all major risks and risk mitigation measures across the organisation to enable informed decision making. The figure on the following page summarises reporting requirements.

Managers are responsible for monitoring and reporting on the scope and effectiveness of their risk management of their business activities, including the timeliness and effectiveness of the treatment of risks for which they are responsible.

Each business unit will include risk management as an integral part of doing business, the tracking of which will be included in business plans.

The Risk Management Task Force is responsible for continually monitoring the City's risk profile and the risk management program to ensure that all material risks, particularly enterprise-level risks are being adequately identified, assessed and managed.

The City of Perth's annual report is to include a summary of the achievements and main activities in risk management during the reported year.



6.2.8 Reviews

The risk registers will be formally reviewed and updated annually as a part of the corporate planning process, although more regular reviews and updates by service unit, contract and program managers are encouraged in accordance with any significant changes to activities or appointments.

It is anticipated that these formal reviews will be concurrent with, and part of, business and budget planning processes because of the complementary nature of the two processes.

These formal annual reviews will include:

- A summary ranking of risks by overall rating level to identify all “extreme” and “high” level risks across the organisation as a whole to ensure that all are accounted for in the City’s broader planning and reviewing processes of its services.
- Extreme and high level risks are reviewed and control measures reassessed in accordance with statutory requirements with the view to eliminating or reducing the risk.

- A statement of the City's performance over the previous twelve months showing the reduction in risk and the improvements made in risk controls shall be presented to the Executive Leadership Group.

7 Implementation

7.1 Approach

This document presents the key elements for the City's enterprise risk management in terms of an overarching framework.

Risk management commences with an understanding and awareness of risks. Assessment, analysis and treatment of risks ensure a documented approach and methodology. Monitoring and review demonstrates the ongoing management of risk. It is this phase that is fundamental to the ongoing success and implementation of enterprise risk management into normal business processes.

The Risk Management Task Force has implemented an integrated team approach to the management of risk to ensure that there is a coordinated approach to risk mitigation across the organisation.

The City will achieve risk management requirements by:

- Using the Risk Management process in (AS/NZS ISO 31000:2009) for assessment of the following functions within the City of Perth:
 - Strategic
 - Operational; and
 - Project.
- Documenting risks in a risk register which is open to review and updating, and provides a record should staff change. Risk information will be filtered to focus on risk exposures that are significant and relevant to providing assurance.
- Including risk management into all unit business plans (business plans to identify high and extreme risks and mitigation measures to be put in place) and used to support capital and operational budget submissions.
- Incorporating risk management into the various performance management instruments both corporate and individual with varying degrees of accountability according to management responsibility.
- Developing a contract management system that ensures risks are addressed at all stages of the contract processes.
- Requiring a documented risk analysis and management plan from contractors for service-critical projects.
- Monitoring and reviewing risk in external services and where appropriate, providing direction to contractors' risk management processes.

- Incorporating risk management strategies, particularly action plans arising from the risk registers, into the City's broader business and corporate planning processes, and if necessary budget processes.
- Reviewing and updating of the risk registers to account for changes in risks and related issues, as a minimum on an annual basis.
- Providing risk management training for managers and staff.
- Providing a safe work environment for its employees and contractors by being active in the pursuit of occupational health and safety initiatives.
- Providing a safe street environment for members of the public.
- Where risks are such that they have a potentially high financial impact on the organisation, insurance cover is arranged to transfer some financial risk to the insurer. Insurance is maintained for, including but not limited to, public and products liability, professional indemnity, property, personal accident, fidelity guarantee and motor vehicles.
- Managing risks through properly developed and documented management systems.
- Regularly reviewing and testing of business continuity plans (BCP).

7.2 Cost implications

The development of the City's enterprise risk management systems and processes will be budgeted by the Governance Unit. This includes the maintenance of the electronic risk management software system (RMSS).

Other costs associated with the management of risk are carried across the organisation. As enterprise risk management is an essential element of managing the City these costs cannot be separated from costs of running the organisation.

As enterprise risk management inevitably results in the improved allocation of productive resources, time spent in identifying and reducing or eliminating risk more than recovers the costs associated with its implementation. It is from this perspective that it could be held that a quality enterprise risk management program is not only cost neutral to the organisation but ultimately will result in substantial savings.

7.3 Timeframes

Program	Frequency
Review of Council Policy 19.1 Enterprise Risk Management, Enterprise Risk Management Framework, handbook and supporting documentation.	Ongoing with a major review every three (3) years or with any changes in standards and legislation.
Reporting: <ol style="list-style-type: none"> 1. Risk Management Task Force 2. Executive Leadership Group 3. Audit Committee and Council 	<ol style="list-style-type: none"> 1. At each meeting 2. Three monthly 3. Six monthly
Training: <ol style="list-style-type: none"> 1. Staff induction risk management introductory sessions. 2. Risk training workshops (Manager orientated). 	Completed as required.
Review of corporate (strategic and operational) and business unit (activity and project) risk registers.	Annually (or more frequently in response to material changes in circumstances)
Assist managers research and complete complex risk assessments as required.	Ongoing
Perform an audit function of risk treatments.	Ongoing
Continual development and implementation of enterprise risk management strategies.	Ongoing
Placement of insurances.	Annually
Ongoing maintenance of insurance program.	Ongoing
Handling of insurance and third party claims.	Ongoing
Business continuity plan: <ol style="list-style-type: none"> 1. Maintenance 2. Formal scenario testing. 	<ol style="list-style-type: none"> 1. Ongoing 2. Annually

7.4 Risk assessment handbook – a step by step guide

An adjunct to this Enterprise Risk Management Framework is the City of Perth Risk Assessment Handbook. It has been created to more fully explain the risk assessment process and to facilitate the identification and rating of the City's risks.

The Risk Assessment Handbook is a living document and will be updated from time to time to reflect current risk management practices and procedures.

Changes to the handbook may be authorised by the Corporate Services Director in consultation with the Risk Management Task Force as and when required.

It is proposed to review and amend the handbook following any amendments to this Enterprise Risk Management Framework document.



City of Perth

RISK MANAGEMENT FRAMEWORK

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1 Introduction

CEO's Message

The City of Perth vision for risk management is for all decision makers to be fully informed of risks, and that risks are effectively managed in the achievement of the City's Strategic and Operational objectives. Risk management benefits the City, rate payers and stakeholders by enabling new ideas to be explored and potential risks to be managed to minimise unacceptable impacts.

The City is committed to continuing to improve our operational efficiency and find innovative ways of delivering our services to residents, ratepayers, businesses and visitors without compromising service quality or elevating risks above a level that the City is willing to accept.

Risk management plays a critical role in helping us understand the impacts and manage the risks associated with these priorities. It helps us determine an appropriate control environment and balance strategies to address risk so that we are using our resources efficiently and effectively. It involves making decisions and establishing governance systems that embed and support effective risk processes, as well as building an organisational culture that supports alertness, openness and responsiveness to change.

The City's Risk Management Framework sets out the key principles that guide how risk management is embedded at all levels — among them, customer service, development approvals, events, government and commercial partnerships and service to our rate payers of, and visitors to the City of Perth. The Framework outlines how the City will ensure that risk is managed effectively and appropriately.

We must be committed to continue to improve governance arrangements through strong leadership, responsible and ethical decision making, management and accountability, and performance improvement.

With the recent 'Capital City' status bestowed on the City, our aim is to position the City at 'capital city' best practice for risk management. We have a duty to carry out our activities according to statutes, and to do so with the objectives of our ratepayers, businesses, State and Federal Government, visitors and all stakeholders in mind.

I ask you to put into practice the systematic process of risk management to ensure that we continue to effectively and safely deliver outcomes for the City of Perth Community.



Martin Mileham
CHIEF EXECUTIVE OFFICER

1.1 City of Perth - Risk Management Framework

The City of Perth Risk Management Framework effectively integrates the process for managing risk into the City's overall governance and management practices, strategy, planning and reporting processes, policies and procedures and values and culture.

The Framework consists of, and is supported by, the following resources:

Council Policy 19.1 – Risk Management – The Policy formalises the City's commitment to develop and maintain a risk management program to ensure that sound risk management practices and procedures are fully integrated into its strategic and operational processes and day to day business practices.

Risk Management Framework Document– This document is designed to be read in conjunction with the Policy and to guide, direct and assist City of Perth employees and contractors to better understand the principles of risk management and to adopt consistent processes for managing risks.

Risk Management Safety System (RMSS) – An online system used for capturing, recording and reporting all Occupational Health and Safety (OSH) and Risk information relating to the City.

Monitoring – To be done on a regular and as needed basis, to enable the City to confirm that risk management is relevant, effective, sustained and facilitates the achievement of its objectives.

Reporting – The City is required to report to the Audit & Risk Committee and Council on the progress of the City's risk program, including the adequacy of the City's risk management systems and practices. Formal risk reporting occurs via quarterly reports on high and extreme risks, inclusive of the status of other risk management strategies such as business continuity and crisis management.

1.2 Framework objectives

The key **objectives** of the Risk Management Framework are to:

- Support successful achievement of the City's Strategic Plan, Corporate Business Plan, Long Term Financial Plan, Asset Management plans, Workforce Plan, Unit Business Plans and related plans ,strategies and objectives;
- Embed a commitment to Capital City best practice for risk management throughout the City's operations;
- Detail the process for escalating and reporting risks;
- Establish the roles and responsibilities for managing risk;
- Document accountability for the management and reporting of risks; and
- Support consistent risk management practices aligned to the Australian/New Zealand and International Risk Management Standard - AS/NZS ISO 31000:2009.

2 Mandate and Commitment

The Council endorsed and adopted a Risk Management Policy and Appetite Statement at its meeting held 22 November 2016. The Council Policy 19.1 - Risk Management is contained in the City's Policy Manual and is available through the City's website and intranet portal. An extract of the Policy and Appetite is provided below:

2.1 Council Policy 19.1 - Risk Management

POLICY OBJECTIVE

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

POLICY STATEMENT

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

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

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

1. SCOPE

This policy applies to all staff, suppliers and contractors.

1.1 Definitions

Risk Management: is the identification, assessment, and prioritisation of risks (defined in ISO 31000 as the effect of uncertainty on objectives, whether positive or negative) followed by coordinated and economical application of resources to minimise, monitor, and control

the probability and/or impact of unfortunate events or to maximise the realisation of opportunities. Risks can come from uncertainty in service delivery, threats from project failures (at any phase in design, development, production, or sustainment life-cycles), legal liabilities, hazard risk, accidents, natural causes and disasters as well as deliberate attack, or events of uncertain or unpredictable root-cause.

AS/NZS ISO 31000: is the Australian/New Zealand standard developed by Standards Australia as AS/NZS ISO 31000:2009 Risk Management Principles and Guidelines which addresses the entire management system that supports the design, implementation, maintenance and improvement of risk management processes.

1.2 The City is committed to:

- Utilising the principles and guidelines outlined in the Standard;
- Promoting a culture within the City of awareness and active management of risks;
- Providing regular education to its staff in risk management practices; and
- Implementation of these principles in the City's operations through the Risk Management Framework, as adopted by Council.

1.3 Employee obligations

- Risk management will be a core responsibility for all staff and will be incorporated into the employees' key performance indicators.
- Risk management is a continuous process demanding awareness and a proactive attitude from each of the City's employees and outsourced service providers.

1.4 Implementation

Implementation commences with risk identification, followed by risk evaluation and the development of cost-effective and practical management measures within the framework of the City's Risk Management Framework developed and maintained by the City's Governance Unit.

2.2 City of Perth Risk Appetite Statement

Introduction

The City of Perth provides a diverse range of services across a variety of workplaces, in a Capital City location, which presents opportunities, threats and uncertainties that may have a positive or negative impact on the organisations deliverables and the community. The City seeks to manage these risks in accordance with its Risk Management Policy and Framework.

To guide the City's decision making the risk appetite is defined using terms describing acceptable tolerances such as **None** (no appetite); **Low**; **Moderate**; **High**. The defined risk appetite is the amount of risk to which the City is prepared to accept in pursuit of its objectives and before action is deemed necessary to reduce the risk.

The following sections describe the City's risk appetite over the main areas of consequence:

People

The safety of employees, contractors and the public is an explicit priority for the City. Safe working practices are continually being improved and refined and there is **no appetite** for employees not following due process where their or others safety may be at risk. Due to the scale, nature (24 hr operations), locations and diversity of City deliverables, it is realistic to acknowledge that minor injuries may occur from time to time, **however the City has a low tolerance for these as the aim is to have Lost Time Injuries (LTI's) at zero. However, the City has no tolerance for work practices that result in major injuries or fatality.** Where injuries or near misses occur legislative requirements and the endorsed City's safety management system are to be followed.

The City seeks opportunities to develop a multi-skilled workforce that includes employees increasing their skills and knowledge as well as encouraging initiative and enthusiasm. Whilst these are considered positive aspects, the City has **no appetite** for employees performing duties for which they are not suitably qualified or trained or acting outside of their delegated authority. Where legislative requirements allow and/or formal qualifications and training are not required to perform certain duties, the City has a **moderate tolerance** but appropriate supervision and oversight of activities and outcomes must be in place.

The City has a **low appetite** for implementing practices and procedures that may result in large scale dissatisfaction within the workforce. The City will, within established guidelines and practices, consult with its workforce but does have a **moderate tolerance** for change that impacts its workforce when focused on delivering appropriate, effective and efficient outcomes.

Financial

There is a **low appetite** for activities that threaten the long term financial stability of the City. It is recognised however that sustainability will require investigation into enhancing and/or diversifying income streams so there is a **moderate tolerance** for discrete activities or projects that may provide additional income streams or enhances economic diversity. Opportunities of this nature may require external stakeholder support and are expected to be subject to due diligence and appropriate controls implemented.

The City's investment policy stipulates a very **low appetite** for risks in investments, which is imposed by legislation. There is **no appetite** for being illiquid with the focus on maintaining liquidity within imposed statutory financial ratios.

Effective management of projects is important to the City and consequently there is a **low appetite** for project cost or time overruns exceeding a 10% variation. Acknowledging a historical legacy, multiple external stakeholders and 'Capital City' complexities a **moderate tolerance** towards project cost and time overruns exists but appropriate reporting and escalation are to occur and lessons learnt from these are to be reviewed to prevent reoccurrence.

Strategic Objectives / Service Delivery

The City has **no appetite** for unplanned service disruptions to critical and core services, including contracted services, as defined by the City's business continuity management process. In reality there exists a **low tolerance** for disruption to core services which are to be addressed within recovery time objectives established in the City's business continuity plans. There is a **low appetite** for disruption to other supplementary services which may be relaxed to a **moderate tolerance** recognising that resources may need to be directed to the continuity of critical and core services.

To support service delivery across all City deliverables there is a very **low appetite** for Information Technology systems failures, data loss or security breaches.

The City wishes to encourage innovation and to position itself as a leading 'Capital City' and therefore has a **high appetite** for considering and implementing service level enhancements and efficiencies when aligned with all other aspects of this risk appetite statement.

Due to their high level nature, internal and external change and relevance to day to day services the City currently has a moderate appetite to risks that may result in strategic objectives not being achieved.

Environmental

The City has no appetite for not fulfilling its obligations to the built and natural environment including management of contaminated sites, sensitive or high profile sites, waste services or the City's preparation, planning, response and recovery to hazards. The City recognises the multiple stakeholders and responsibilities involved in fulfilling the obligations and needs to accept a very low tolerance to those environmental risks.

Reputational

The City has a low appetite for reputational risks that may result in substantiated complaints from the community and/or key stakeholders. It is recognised the City has a diverse community and stakeholder needs and expectations and therefore accepts a moderate tolerance for complaints.

The City has a low appetite for sustained and substantiated negative media coverage. The City has no appetite for the provision of inaccurate qualified advice or unethical actions, and a low tolerance for errors in unqualified advice or the provision of information.

Legal and Regulatory / Ethical

The City has obligations both mandated and recommended through numerous statutory and regulatory requirements and the City has no appetite for non-compliance, breaches of legislation or regulatory requirements or non-reporting of breaches and non-compliance to appropriate authorities. There is recognition that the City must accept a very low tolerance for some non-compliance due to competing or changing requirements or minor breaches from time to time.

The City does have a moderate appetite to lead challenges to out of date, restrictive and unnecessarily risk averse legislation and requirements.

The City has no appetite or any tolerance for theft, fraud or misconduct by Elected Members and/or Officers.

2.3 Risk Appetite Summary

		NONE	LOW	MODERATE	HIGH
People	Not following safe work practices				
	Minor injuries				
	Major Injuries / Fatality				
	Performing duties where not suitably qualified / delegated				
	Multiskilling / development opportunities				
	Implementing workforce change				
Financial	Long term stability				
	Additional income streams				
	Liquidity				
	Investments				
	Project cost / time overruns >10%				
Strategic Objectives / Service Delivery	Critical and core services disruption				
	Supplementary services disruption				
	IT systems failures, data loss or breaches				
	Service level efficiencies and enhancements				
	Strategic objectives not achieved				
Environmental	Not fulfilling natural environment obligations				
	Not fulfilling built environment obligations				
Reputational	Substantiated complaints from community and key stakeholders				
	Sustained and substantiated negative media coverage				
	Incorrect qualified / professional advice				
	Incorrect unqualified provision of information				
	Unethical actions				
Legal and Regulatory / Ethical	Non-compliance, breaches of legislation				
	Non-reporting of breaches / non-compliance				
	Lead change in regulatory environment				
	Theft, fraud or misconduct				

	None
	Tolerable
	Appetite

3. Governance Structure

3.1 Principles underpinning the framework

The Three Lines of Defence Assurance Model

The City's utilises the "Three Lines of Defence" assurance model as the foundation for its governance approach to risk management. This Model ensures the roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. The Three Lines of Defence are described below:

First Line – All the City's Business Units are considered "First Line". Within the scope of operations, all operational areas and management are responsible for ensuring risks are managed in accordance with the Council Policy 19.1 – Risk Management, the Risk Management Framework and prescribed legislation and guidelines, as well as other related policies, procedures and work instructions;

Second Line – The Governance Unit is considered as the primary "Second Line", through the implementation and management of the City's Risk Management Framework, whilst also providing support to the First Line, including producing a transparent oversight of risk management and reporting on risk information. The Risk Management Coordinator oversees the implementation of the Framework; and

Third Line – Internal and External Audit that provides independent assurance on the effectiveness of risk management activities and oversight of the efficacy of the First and Second Lines of Defence. The scope of which is determined by the CEO, the Audit & Risk Committee and Council.

Internal Audit – The City's Internal Auditor reports on the adequacy and effectiveness of control processes and procedures through the City's Internal Audit Plan.

External Audit – An External Auditor/s appointed by Council on recommendations of the Audit & Risk Committee to report independently to the Audit & Risk Committee on the City's financial statements.

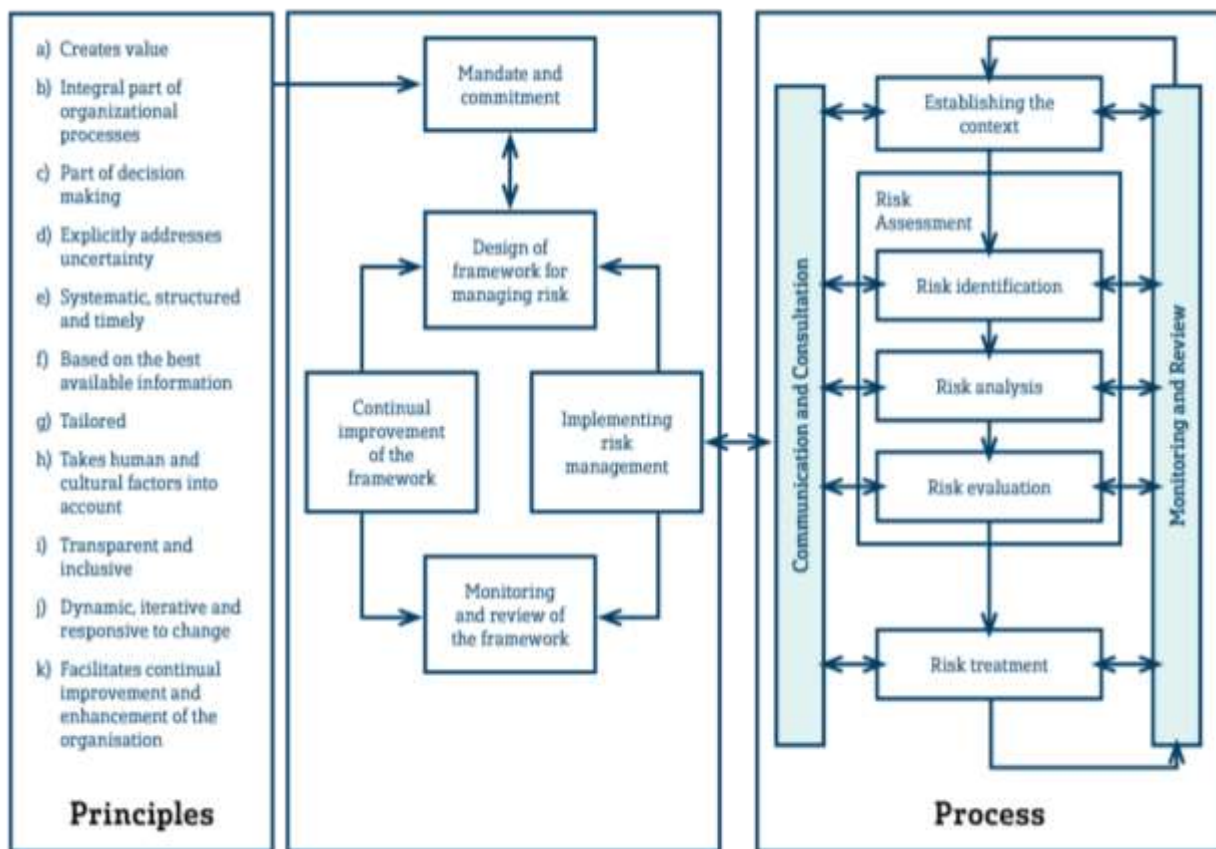
The Risk Management Framework has been developed and will be implemented in line with this Governance Model.

3.2 Risk Management Standard

The City’s Risk Management Framework is aligned to AS/NZS 31000:2009 Risk Management - Principles and Guidelines (the Standard).

The City’s approach to risk management is driven by the set of principles and guidelines within the Standard, which guide how risk is managed effectively and efficiently at all levels. This is summarised in Figure 1 below:

Figure 1: Risk Management Process (Source AS/NZS 31000:2009)



3.3 Governance and Accountabilities of Risk Management

This includes mechanisms that ensure accountability and authority for the management of risk (identifying, assessing, treating, monitoring and reviewing of risks); implementation, maintenance and continuous improvement of the City’s Risk Management Framework; and providing risk management assurance.

Council – Establishes and maintains the Audit & Risk Committee in accordance with Section 5.8 of the *Local Government Act 1995*.

Audit & Risk Committee – In accordance with Regulation 16 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee provides guidance and assistance to the local government regarding:

- a) the matters to be audited;
- b) the scope of audits;
- c) financial, risk and compliance management functions as prescribed in the *Local Government Act 1995*; and
- d) other matters specified within the Committees Terms of Reference.

Executive Leadership Group – Sets and reviews the strategic direction, priorities and performance objectives of the City.

Corporate OSH & Risk Management Committee – Assists in leading and driving Occupational Safety and Health and Risk Management throughout the City.

3.4 Roles and Responsibilities

Council

- Endorse and adopt a Risk Management Policy and Framework that complies with the Standard;
- Appoint External Auditors to report on the City's financial statements annually;
- Establishes and maintains the Audit & Risk Committee according to the *Local Government Act 1995*.
- Appoint and resource the Audit & Risk Committee;
- Provide adequate budgetary provisions for the financing of risk management including approved risk mitigation activities; and
- Approve and endorse the City's Risk Appetite Statement to guide risk management decision making throughout the City.

Audit & Risk Committee

The role of the Audit and Risk Committee is to oversee that the City carries out its responsibilities for accountable financial management, good corporate governance, fostering an ethical environment and maintains a system of internal control and risk management. They have been constituted to monitor and report on the systems and activities of Council in ensuring:

- Compliance with applicable legislation and regulations;
- Effective monitoring and control of all identified strategic and operational risks;
- Effective and efficient internal and external audit functions;
- Adequacy of the City's risk management systems and practices; and
- The effectiveness of appropriate Crisis Management, Business Continuity and Disaster Recovery planning.

Chief Executive Officer

- Provide leadership and champion a strong risk management culture by embedding risk management and maintaining organisational risk focus across the City at strategic, operational and project management levels;
- Responsible for raising awareness and leading the culture of managing risk across the organisation;
- Accountable for the effective implementation and maintenance of risk management policies and processes across the organisation; and
- Responsible for ensuring strategic risks are regularly reviewed and reported to the Audit & Risk Committee as required.

Director Corporate Services

- Executive Sponsor for Risk Management;
- Provide leadership, organisational awareness and engagement of risk management; and
- Ensure the appropriate allocation of resources for risk management activities.

Corporate OSH & Risk Management Committee

- Promote and champion a strong risk management culture by embedding risk management and maintaining organisational risk focus across the City at strategic, operational and project management levels;
- Monitor and review the Risk Management Policy, Framework and associated policies and standards relevant in managing potential risk exposure to the City, every 2 calendar years;
- Endorse and raise awareness of the City's Risk Appetite;
- Monitor and review the risk information and including evaluative criteria which is used within the City of Perth;
- Ensure that risk information is considered and integrated into corporate and business planning processes;
- Review the effectiveness of the City's Crisis Management, Business Continuity and Disaster Recovery planning.

Directorate OSH & Risk Groups

- Promote and drive the implementation of risk management culture at directorate level;
- Responsible for reviewing incidents and risk factors directly associated to workplace practices and environmental exposures within specific directorates; and
- Resolution of OSH and Risk Management matters at directorate level.

Managers

Accountable for implementing risk management practices within their area of responsibility. This includes ensuring that risks are identified, managed, reviewed, reported and updated regularly including:

- Ensuring that assets and operations, together with liability risks to the community are appropriately managed; and
- Raising awareness and leading the culture of managing risk responsibly across the organisation by ensuring that risk management policies, procedures, standards, guidelines and treatment plans are implemented in everyday business practices.

Team Leaders, Supervisor and Coordinators

Responsible for raising awareness and leading the culture of managing risk within their respective teams. This is to be achieved with the implementation of risk management policies, procedures, standards, guidelines and treatment plans.

Risk Management Coordinator

- Responsible for overseeing the development, facilitation and implementation of the City's Risk Management Policy and Framework;
- Work with the City's business units to assist with the implementation of the Risk Management Policy and Framework.
- Provision of advice, consultancy and recommendations on risk management to the organisation;
- Regular monitoring and review of risks, including reporting, within the City's approved governance framework, to the Corporate OSH & Risk and Audit & Risk Committees;
- Develop and oversee the City's Crisis Management and Business Continuity Planning, including providing support and training to relevant staff.
- Administer the City's Risk Management Safety System (RMSS), including system training and maintenance; and
- Facilitate education, communication and training programs for relevant staff, on Risk Management, Crisis Management and Business Continuity.

Internal Auditor

The Internal Auditor is to provide assurance on the effectiveness of risk management in the following areas of focus:

- Risk management processes;
- Evaluation of risks;
- Management of key risks; and
- Reporting on key risks.

All Staff

All staff are responsible for applying risk management practices in their business activities. This involves:

- Undertaking activities in accordance with policies, procedures and work instructions;
- Identifying, analysing, evaluating, treating and reporting risks within their respective areas of work; and
- Maintaining awareness of current and potential risks that relate to areas of responsibility.

4 City of Perth Risk Management Approach

4.1 Integrated Planning

The City’s Integrated Planning and Reporting Framework (IPRF), as the primary source of guidance for the organisation, provides context to which the risk management process operates. The IPRF is designed to strengthen the linkages between community aspirations, financial capacity and practical service delivery.

The City’s risk management approach is embedded into this planning process and assists in the delivery of community needs in a sustainable manner.

This planning process operates on a cyclical basis and provides opportunities to undertake analysis of emerging, known or unknown risks that may impact on the purpose and objectives of the City.

The diagram below depicts the components that make up the City’s Integrated Planning and Reporting Framework;

Figure 2: City of Perth Integrated Planning & Reporting Framework



The City is required to perform a biennial review of the IPRF elements. The review is designed to test and ratify the City's strategic direction, based on community needs. This provides the mandate to ensure the City's risk approach is also reviewed, in line with the legislative requirements of risk management.

4.2 Legislation and Compliance

Risk Management in Local Government is guided by Regulation 17, of the *Local Government (Audit) Regulations 1996* (the Regulations). It requires the Chief Executive Officer (CEO) to undertake a review which assesses the appropriateness and effectiveness of the City's systems and procedures in relation to:

- risk management;
- internal controls; and
- legislative compliance.

The review may relate to any or all of the matters referred to in sub-regulation (1)(a), (b) and (c) of the Regulations, but each of those matters is to be the subject of a review at least once every two calendar years. The CEO is to report to the Audit & Risk Committee, and Council, the results of that review.

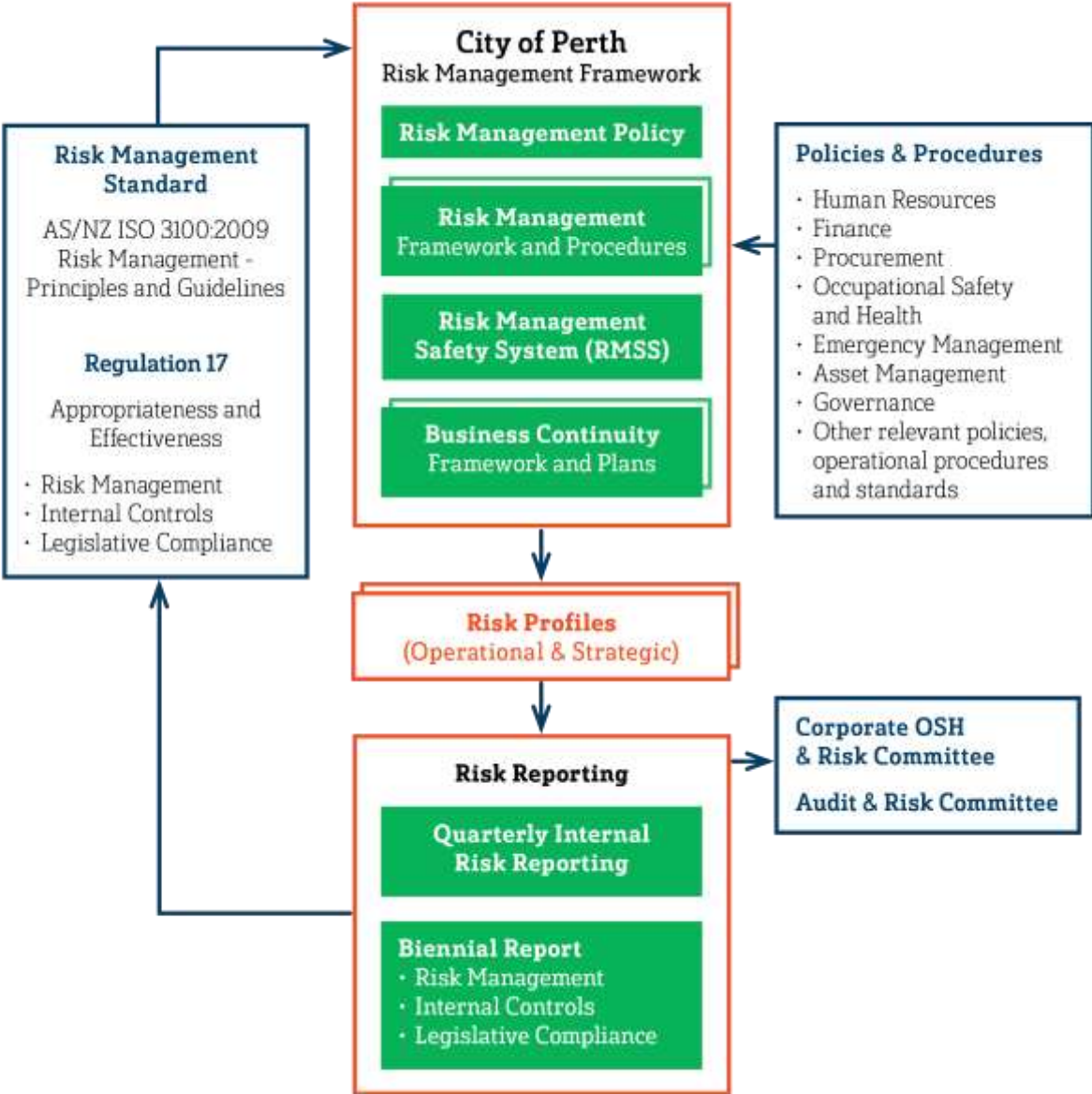
The City will also conduct a risk management maturity assessment every two years to ensure the appropriateness and effectiveness of its systems and procedures, with the results of this assessment being included in the review.

4.3 Framework Review Cycles

In line with the IPRF and Regulation 17, the City’s Risk Management Framework, including the policy, will be reviewed every two calendar years. The results of this review will be reported to the Corporate OSH & Risk Committee and to Council, through the Audit & Risk Committee.

The City’s Risk Management Framework is depicted below:

Figure 3: City of Perth Risk Management Framework



5. Establishing the Risk Management Context

To ensure adequate alignment and consistency of risk management practices throughout the City, the below provides the context for which risks are defined, identified and managed.

Plans	Risk Definitions	Accountability
<p>Strategic Community Plan The Strategic Community Plan articulates the long term strategic direction and guides the City's planning process. It outlines the communities' aspirations and vision as well as identifying the strategies that the City is intending to implement to achieve its objectives.</p>	<p>Strategic Risks</p> <ul style="list-style-type: none"> ▪ Identified through analysis of both the Strategic Community Plan and Corporate Business Plan and what can impede the organisation from delivering on strategic objectives as well as reviewing past performance and risks to determine future challenges and new priorities. ▪ Risks usually identified from the external environment, that affect the decisions made around organisational priorities, resource allocation, tolerance and acceptance of risk. 	<p>Executive Leadership Group</p>
<p>Business Unit Operational Plans Annual plans that identify the Unit's key accountabilities in implementing the City's strategic plan, key strategies and targets. Plans are developed through a process of environmental scanning and reviewing past performance and risks to determine upcoming challenges and new priorities</p>	<p>Operational Risks</p> <p>Risks or opportunities that may affect achieving the objectives of the Business Unit outcomes of performance, identified through Business Unit Plans, Specific Purpose Plans, programs of change, or hazard assessments. These risks usually result from inadequate or failed internal processes, people and systems.</p> <p>Safety risks can cause harm or adverse effects (to individuals as health effects or to the City as property or equipment losses).</p>	<p>Business Unit Managers</p>
<p>Program Plans Plans for implementing business strategies, policies and initiatives, or large-scale change, to achieve a desired outcome and benefits of strategic importance.</p>		<p>Program Lead</p>
<p>Safety Management System The City's systematic approach to managing safety, including organisational structures, accountabilities, policies and procedures.</p>		<p>All Staff</p>

Plans	Risk Definitions	Accountability
<p>Project Plans Formal, approved documents used to guide both project execution and project control.</p>	<p>Project Risks Events or set of circumstances that, should they occur, will have an effect on the achievement of one or more project objectives.</p>	Project Staff
<p>Local Emergency Management Plans Series of plans that identify hazards, risks and their mitigation, response to and recovery from emergency events. Detailed plans for response and recovery are linked to the District & State Emergency Management Plans.</p>	<p>Emergency Management Hazards/Risks & Public Hazards Risks and hazards which:</p> <ul style="list-style-type: none"> • Would pose a threat to life, property or the environment. • Would require a large scale emergency response. • Would require support / action from the City. • Would require Recovery strategies to be adopted to return the community to normal. 	Community Safety & Amenity Unit with support from other units and external agencies

5.1 Risk Management Process

The City's risk management process is designed to ensure that risk management decisions are based on a robust approach, assessments are conducted in a structured and consistent manner, and common language is used and understood throughout the organisation. In line with the Standard, the elements of the City's risk management process are outlined in Figure 1, a brief description of each of the processes is articulated in the below table:

Process Step	Description	Purpose
<p>Communication and Consultation</p>	<p>Involving stakeholders (internal and external) and information sharing throughout the risk management process, across the City.</p>	<ul style="list-style-type: none"> • Context is appropriately defined; • Staff that are involved throughout the risk process understand the basis for decisions and actions required; and • Lessons learnt are shared and transferred to those who can benefit from them.

Process Step		Description	Purpose
Establish Context (explained further in section 5.1)		Understanding the City's objectives and defining the external and internal environment within which the City operates.	<ul style="list-style-type: none"> Understand the critical success factors influencing the ability to achieve objectives; and Determine boundaries within which the Risk Management Framework operates using the City's Risk Assessment & Acceptance Criteria (Appendix 1).
Risk Identification	Risk Assessment	Identifying risks, its sources, causes and potential consequences.	<ul style="list-style-type: none"> Refer to the City's Risk Assessment & Acceptance Criteria to ensure risks are assessed in a consistent manner; and Generate a comprehensive list of threats and opportunities based on the critical success factors that might enhance, prevent, degrade, accelerate or delay the achievement of set objectives.
Risk Analysis		Comprehending the nature of the risk and determining the level of risk exposure (likelihood and consequence).	<ul style="list-style-type: none"> Provide an understanding of the residual risk (level of risk exposure with adequate controls in place); Utilise the City's Measures of Existing Controls, in assessing the effectiveness of risk controls; Determine relevant consequence categories to rate the residual risk; and Using the risk matrix, combine the consequence and likelihood ratings to determine the level of risk.
Risk Evaluation		Comparing the risk analysis with the risk criteria to determine whether the risk is acceptable or tolerable.	<ul style="list-style-type: none"> Determine whether the controlled risk aligns with the City's risk appetite; Determine if controlled risks need further treatment; and Identify priority order in which these risks should be treated.
Risk Treatment		<ul style="list-style-type: none"> Selecting one or more options for treating the risk. Reassessing the level of risks with controls and treatments in place (residual risk). 	<ul style="list-style-type: none"> Identify treatments for risks that fall outside the City's risk appetite; Provide an understanding of the residual risk (level of risk with controls and treatments in place); and Identify priority order in which individual risks should be treated, monitored and reviewed in line with the City's risk assessment & acceptance criteria.
Monitoring and Review		<ul style="list-style-type: none"> Determining whether the risk profile has changed and whether new risks have emerged. Checking control effectiveness and progress of the treatment plans. 	<ul style="list-style-type: none"> Identifying emerging risks; Provide feedback on control effectiveness; Identify whether any further treatment is required; Provide a basis to reassess risk priorities; Capture lessons learnt from event failures, near - misses and success; and Monitor risk controls and actions through the City's Risk management Software (RMSS).

5.2 Risk Treatment

For risks which fall outside of the City's risk appetite, determine treatment options that may improve existing controls and/or reduce consequence/likelihood to an acceptable level.

Risk treatments may involve actions such as avoid, share, transfer or reduce the risk. The treatment selection and implementation may be based on:

- Cost versus benefit;
- Ease of implementation; and
- Alignment to organisational values and objectives.

5.3 Monitoring & Review

The City will review all Risk Profiles in line with the Risk Assessment & Acceptance Criteria or if triggered by one of the following:

- changes to context;
- a treatment is implemented; and
- an incident occurs or due to audit/regulator findings.

The Risk Management Coordinator will monitor the status of risk treatment implementation and report on progress, if required.

The Corporate OSH & Risk Committee will monitor significant risks and treatment implementation as part of their normal agenda item with specific attention to be given to risks that meet any of the following criteria:

- Risks with a Level of Risk of High or Extreme;
- Risks with an Inadequate Existing Control Rating;
- Risks with a Consequence Rating of Catastrophic; and
- Risks with a Likelihood Rating of Almost Certain.

5.4 Risk Tools

The risk register enables staff to document, manage, monitor, review and update strategic, operational, hazard or project risk information. Risk register reporting allows the City to monitor and review risks in alignment with the Strategic Community Plan, Corporate Business Plan, Business Unit Plans, programs and other cascading plans.

Information from the risk management process is to be recorded, reported and monitored using the City's various risk register templates. The City has two ways to record risks as depicted below:

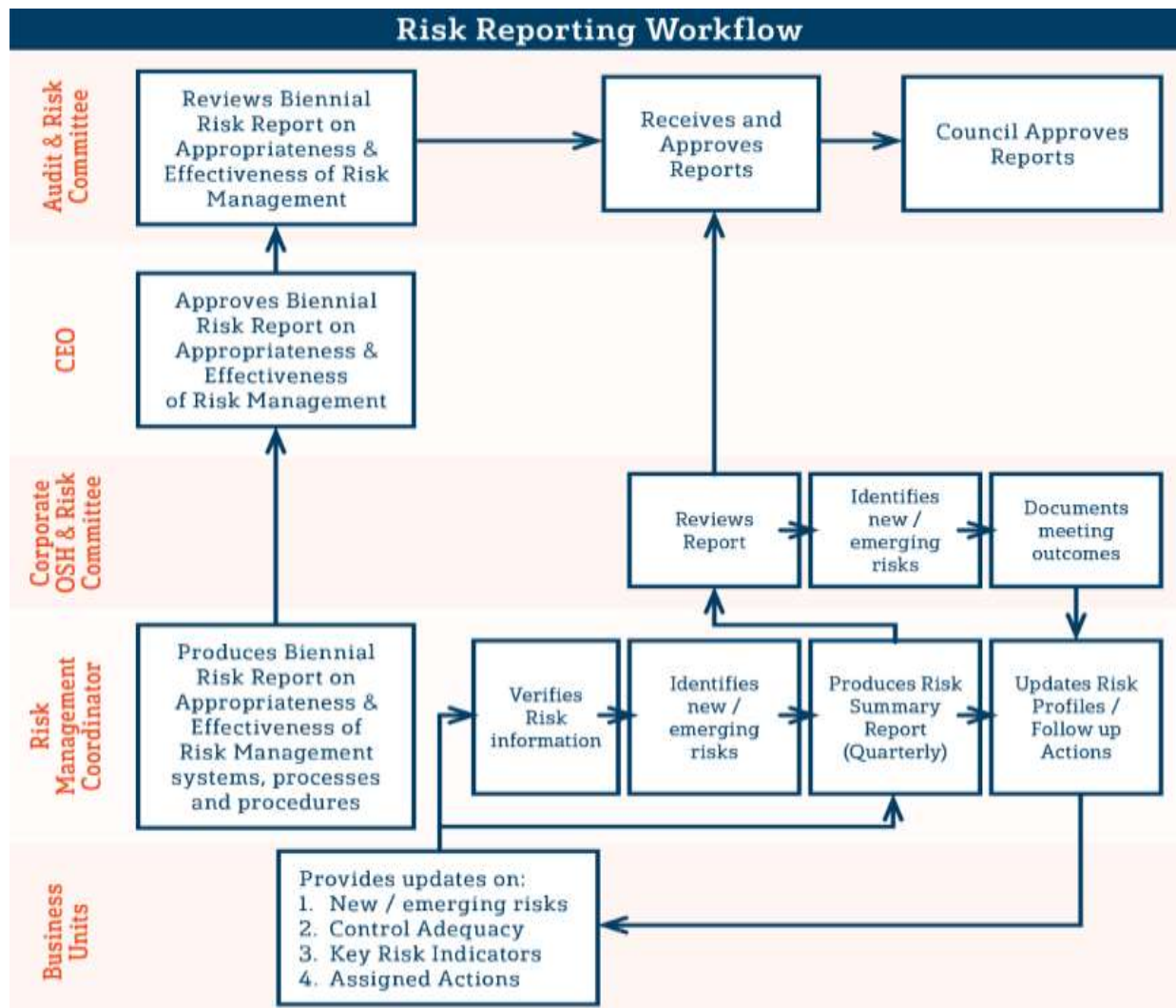
RMSS risk register – An online risk management tool, to assist the City in recording, monitoring and reporting operational and strategic risk information.

Offline risk registers – These are various risk register templates (Appendix 2) used for projects, programs, events and hazard assessments. This information is not kept within the RMSS system.

5.5 Risk Reporting

The following diagram provides a high level view of the City’s risk reporting process in line with the City’s Risk Assessment and Acceptance Criteria (Appendix 1):

Figure 4: City of Perth Risk Reporting Workflow



Each Business Unit is responsible for ensuring:

- They continually provide updates in relation to new, emerging operational risks, control effectiveness and key risk indicator performance on the City's RMSS system; and
- Operational Risks reported to the Corporate OSH & Risk Committee are reflective of the current risk and control environment.

The Risk Management Coordinator is responsible for:

- Ensuring all Operational and Strategic Risks are formally reviewed and updated in line with the City's Risk Acceptance Criteria, and as required when there has been a material restructure, change in risk ownership or change in the external environment; and
- Quarterly Risk Reporting to both the Corporate OSH & Risk Committees – report contains an overview of the Risk Profiles for the City.

6 Training and Education

The City has clarified roles, responsibilities, accountabilities and delegations at all levels. The City's Risk Management Framework is to be embedded through a number of communication, training and support systems, including:

6.1 Training

To ensure that adequate risk management competency levels are achieved and maintained, the City provides regular training courses in the risk management process and its application in the City.

Specific risk management training sessions will be held on an annual basis, aimed at providing an overview of the Risk Management Framework. The training will be provided by the Risk Management Coordinator. Additional ad-hoc training will be provided as required.

This training is designed to increase the knowledge and awareness of staff and management in a number of risk management topics including:

- risk management principles and process;
- fraud and misconduct awareness;
- environmental management;
- events management; and
- Business Continuity and Crisis Management.

Instruments providing training on appropriate controls include job descriptions, inductions, policies, procedures, terms of reference, performance planning and review programs, contracts and delegations.

6.2 Communication of responsibilities and Accountabilities

Risk management responsibilities, accountabilities and authorities are set out in:

- The Risk Management Policy and Framework document;
- Positions descriptions;
- Delegations and authorisations;
- the City’s intranet;
- Project documentation;
- Performance planning and review documentation; and
- Risk registers.

7 Risk Management Assurance

The City’s Risk Management Assurance activities are conducted to assess and monitor the appropriateness and effectiveness of:

1. Risk Management Framework;
2. Management of Risks;
3. Controls Assurance; and
4. Internal and External Audit Program.

7.1 Risk Management Framework

Appropriateness	Effectiveness
Activity	Activity
<ul style="list-style-type: none"> • Risk Management Framework in place, endorsed and subject to review; • Risk Management Framework owner defined and has ownership of the framework; • Risk Management Framework aligns to relevant standards and legislation; • Defined risk appetite / tolerance; and • Staff awareness of Risk Management Framework; and their respective roles as defined in the framework. 	<ul style="list-style-type: none"> • Risk Management Framework considered and linked to other risk related functions i.e. procurement, contract management, human resources, business continuity; • Relevant risks identified; • Risk Management Framework roles and responsibilities are undertaken; • Planning and decision making consider the City’s risk appetite / tolerance; • Reporting of risk information aligns with Risk Management Framework; and • Risk based discussions occurring within key management and staff meetings.

7.2 Management of Risks

Appropriateness	Effectiveness
Activity	Activity
<ul style="list-style-type: none"> • Risks documented within relevant risk registers; • Risk owners assigned to risks; • Risk acceptance decision made within risk appetite / tolerance; • Unacceptable risks have documented risk treatment plans / options; and • Risks subject to regular review, as required. 	<ul style="list-style-type: none"> • Identification and monitoring of key lead and lag indicators i.e: <ul style="list-style-type: none"> • Safety and Security Risks: <ul style="list-style-type: none"> - Staff Engagement Levels (Lead); and - Lost Time Injuries (Lag), • Business and Community Disruption Risk Theme: <ul style="list-style-type: none"> - Business Continuity Plan Validation (Lead); and - Number of >1 day Disruption Incidents (Lag), • Implementation of risk treatment plans.

7.3 Controls Assurance

Appropriateness	Effectiveness
Activity	Activity
<ul style="list-style-type: none"> • Control owners assigned; • Layered approach to risk controls: <ul style="list-style-type: none"> - Organisational e.g. policies and procedures; - Process e.g. checklists and operating procedures; and - Technological e.g. systems, • Controls designed to be: <ul style="list-style-type: none"> - Preventative, detective and/or recovery; - Complete; - Accurate; - Timely; and - Minimise opportunities for fraud / theft. • Controls rated as Effective, Adequate or Inadequate; • Control effectiveness considered within risk acceptance decision; and • Alignment with audit and assurance programs / activities. 	<ul style="list-style-type: none"> • Identification and monitoring of key lead and lag indications (as per Management of Risks); • Monitoring of control design and operation through: <ul style="list-style-type: none"> - Re-perform – Re-complete the activity; - Inspect – Review outcomes to objectives; - Observe – Oversee the activity being performed; and - Inquire – Ask specific questions, • For individual controls consideration of: <ul style="list-style-type: none"> - Is the control relevant; - Is the control documented; - Is the control in use; - Is the control up to date; and - Is the control effective.

CONFIDENTIAL ATTACHMENTS 13.14 C & D
ITEM 13.14 – RISK MANAGEMENT, AND CRISIS AND BUSINESS
CONTINUITY MANAGEMENT FRAMEWORK

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda **Internal Audit 2016/17 – Contract Payment Review**
Item 13.15

Recommendation:

That Council approves the Contract Payment Review as part of the Internal Audit Plan 2016/17 as detailed in Confidential Attachment 13.15A.

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 27 February 2017.

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

FILE REFERENCE:	P102969-8
REPORTING UNIT:	Corporate Services Office
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	2 February 2017
ATTACHMENT/S:	Confidential Attachment 13.15A – Contract Payment Review January 2017 and Sample Testing (Confidential Attachment distributed to Elected Members under separate cover)

Legislation / Strategic Plan / Policy:

Legislation *Local Government (Audit) Amendment Regulations 2013*

Integrated Planning and Reporting Framework Implications **Corporate Business Plan / Strategic Community Plan**
 Council Four Year Priorities: Capable and Responsive Organisation
 S18 Strengthen the capacity of the organisation.
 A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

Policy
 Policy No and Name: 19.1 – Enterprise Risk Management

Financial Implications:

There are no financial implications related to this report.

Purpose and Background:

This review seeks Council approval of the Contract Payment Review completed in accordance with the City of Perth Internal Audit Plan 2016/17.

Details:

The findings of the review are detailed in the attached Confidential Attachment 13.15A.

CONFIDENTIAL ATTACHMENT 13.15A
ITEM 13.15 – INTERNAL AUDIT 2016/17 – CONTRACT PAYMENT
REVIEW

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Confidential **Appointment of External Member – Audit and Risk Committee**
Agenda
Item 13.16

Recommendation:

The Council approves the appointment of Mr Rob Maurich as the external member to the Audit and Risk Committee.

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 27 February 2017.

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

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

FILE REFERENCE:	P1028787-3
REPORTING UNIT:	Corporate Services Office
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	19 January 2017
ATTACHMENT/S:	Confidential Attachment 13.16A – Mr Rob Maurich – Cover Letter and Resume (Confidential Attachments distributed under separate cover to Elected Members)

CONFIDENTIAL ATTACHMENT 13.16A
ITEM 13.16 – APPOINTMENT OF EXTERNAL MEMBER – AUDIT AND
RISK COMMITTEE

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

**Confidential 2016 Compliance Audit Return
Agenda
Item 13.17**

Recommendation:

That Council adopts the completed 2016 Compliance Audit Return as detailed in Confidential Attachment 13.17A for certification by the Lord Mayor and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 27 February 2017.

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

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

FILE REFERENCE:	P1013788-5
REPORTING UNIT:	Corporate Services Office
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	03 February 2017
ATTACHMENT/S:	Confidential Attachment 13.17A – Completed 2016 Compliance Audit Return (Confidential Attachment distributed under separate cover to Elected Members)

CONFIDENTIAL ATTACHMENT 13.17A
ITEM 13.17 – 2016 COMPLIANCE AUDIT RETURN

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Confidential **Outstanding Internal Audit Recommendations – February 2017**
Agenda
Item 13.18

Recommendation:

That Council receives the report summarising the status of outstanding internal audit recommendations as at February 2017.

The Committee recommendation to the Council for this report was resolved by the Audit and Risk Committee at its meeting held on 27 February 2017.

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

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

FILE REFERENCE:	P102969-8
REPORTING UNIT:	Corporate Services Office
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	2 February 2017
ATTACHMENT/S:	Confidential Attachment 13.18A – Outstanding Recommendations – February 2017 (Confidential Attachment distributed to Elected Members under separate cover)

CONFIDENTIAL ATTACHMENT 13.18A
ITEM 13.18 – OUTSTANDING INTERNAL AUDIT
RECOMMENDATIONS – FEBRUARY 2017

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

**Confidential Outcome of the January 2017 Parking Promotion
Agenda Item
13.19**

Recommendation:

That Council notes the outcome of the City of Perth Parking Promotion conducted in January 2017.

The Committee recommendation to the Council for this report was resolved by the Finance and Administration Committee at its meeting held on 7 March 2017.

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

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

FILE REFERENCE:	P1018589-3
REPORTING UNIT:	Commercial Parking
RESPONSIBLE DIRECTORATE:	Community and Commercial Services
DATE:	21 February 2017
ATTACHMENT/S:	Confidential Attachment 13.19A – Parking Promotion January 2017 Total Costs (Confidential Attachments distributed under separate cover to Elected Members)

CONFIDENTIAL ATTACHMENT 13.19A
ITEM 13.19 – OUTCOME OF THE JANUARY 2017 PARKING
PROMOTION

FOR THE COUNCIL MEETING

14 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda **CEO Probation Review**
Item 13.20

Recommendation:

That Council approves the satisfactory conclusion of the review period of six months for Martin Mileham, Chief Executive Officer.

At the CEO Performance Review Committee meeting held on 8 March 2017 the Committee resolved to adopt an alternative recommendation as follows:

“That Council approves the satisfactory conclusion of the review period of six months for Martin Mileham, Chief Executive Officer.”

Original Officer Recommendation:

That the CEO Performance Review Committee considers the completion of the probationary period of the Chief Executive Officer.

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

FILE REFERENCE:	P1032898
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	3 March 2017
ATTACHMENT/S:	Confidential Attachment 13.20A – CEO Employment Contract Confidential Attachment 13.20B – CEO KPI Measurements (Confidential Attachments distributed under separate cover to Elected Members)

CONFIDENTIAL ATTACHMENTS 13.20A & B
ITEM 13.20 – CEO PROBATION REVIEW

FOR THE COUNCIL MEETING

14 MARCH 2017

TO BE DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE
COVER ON FRIDAY 10TH MARCH 2017

The total value of the MRC's financial contribution for the City of Perth representative is estimated to be \$6,000.

Purpose and Background:

At **1 November 2016** Council Meeting a report was tabled by Nathan Ahern, Manager Waste and Cleansing seeking Council approval to "Endorse the City of Perth (CoP) to be a participant of the Eastern Metropolitan Regional Council (EMRC) tender for the provision of Energy from Waste (EfW) services, however the City of Perth does not commit any volumes of waste". The approval was granted.

The EMRC invited the MRC and member Councils to join the tender to maximise economies of scale.

The tender closed on 18 January 2017 and each Regional Council established TEP to review and assess each Regional council's options.

The MRC TEP has been meeting weekly since the start of February 2017. The intent is to complete the tender evaluation and provide the MRC with a recommendation in April 2017. This recommendation will then be provided to member councils.

The EfW solution is based on the Hyder Report commissioned by the MRC (Endorsed by the MRC and CoP) into future options. The Tamala Park landfill has only eight years of capacity remaining. The Neerabup Resource Recovery Facility is at full capacity receiving 100,000 tonnes per annum and a solution for the remaining 150,000 to 200,000 tonnes of landfill waste is required.

In accordance with the Waste Authority's 2020 goal of diverting 65% of waste from landfill (This is a City of Perth Environment Strategy goal) and the Hyder Report, an EfW facility will complement the current avoid, reduce, reuse and recycle initiatives to reach the goal.

Part of the tender evaluation is to visit existing tenderers EfW reference sites. There is no reference site in Australia and submitted sites are in the UK and Belgium.

The commercial sensitivity of the tendered information and the projects financial size has required all TEP members to sign confidentiality agreements. The City of Perth Governance Unit reviewed the confidential agreement issued to Nathan Ahern and approved it's signing.

Transparency & Accountability:

At the Ordinary Meeting of Council held on **17 May 2016**, Council resolved to establish a number of initiatives, including that no travel paid by a third party is to be undertaken without the approval of Council.

Additionally the information will be placed on the City of Perth Travel Register which is located on the Accountability and Governance section of the City of Perth Website.

Details:

The MRC TEP is made up of officers from the City of Joondalup, Wanneroo, Stirling, Perth, Town of Victoria Park and MRC. The MRC's Director of Corporate Services chairs the panel.

The EfW reference sites submitted by tenderers will be visited over a 7 to 10 day period. Two representatives from the Mindarie Regional Council and up to 5 member Council representatives will form the overseas delegation. Additional meetings with stakeholders comprising of suppliers, local shires and communities is planned.

The exact itinerary will be finalised in accordance with probity requirements.

Comments:

Western Australia is the first state in Australia to have EfW approvals granted by the Environmental Authorities.

EfW solutions form one part of the waste handling techniques needed to reduce waste to landfill.

Over the past two years the Waste and Cleansing unit has increased waste collection services from three to 18 for Residential and Commercial clients. This has lifted the City's waste to landfill diversion from 12% in November 2014 to 25% in January 2017.

Reducing waste to landfill also reduces the City's payment of waste levies to the State Government which currently sits at \$60 per tonne and is committed to rise to \$70 by 2018/19.

The City of Perth Waste Strategy recognizes (Priority 17) the need for the City to review the arrangements with the MRC and identify alternative, cost effective solutions to landfilling waste.

It is recommended that Council notes the third party contribution to travel to enable the Officer to complete his role as a member of the Mindarie Regional Council Tender Evaluation Panel and continue to develop waste solution alternatives for the City.

**Policy No: CP 04****TRIM Reference: D/13/397**

Policy Title: Employee Arrangements when attending an Overseas/Interstate/Intrastate Conference

Policy Statement:

To determine the expenses and arrangements for employees attending Overseas, Interstate or Intrastate conferences.

Policy Procedure:

1. Conference attendance, including any dinners and functions that form part of the conference program, will be pre-purchased by the MRC.
2. Economy Class airfares and accommodation will be provided and pre-purchased by the MRC.
3. An allowance of \$75 per day (payable from one day prior to the commencement of the conference and up to the final day of the conference or any tours organised as part of the conference) will be issued as a cash advance prior to the conference. Any expenses incurred over and above the allowance issued will only be reimbursed on the production of receipts and at the discretion of the Director Corporate Services.
4. Taxi Vouchers will be provided for Overseas/Interstate Conferences to cover travel to and from the airport, conference venue and hotel.

Notes:

1. Any variation to the above procedures will require approval of the Chief Executive Officer or the Chairperson, if the variation results from the Chief Executive Officer attending a conference.
2. Conference attendance will be subject to the availability of funds in the Budget or by approval of Council.

Legislation	
Responsible Officer	Chief Executive Officer
Council Meeting Date	20/08/2015
Review History	27/10/2005, 22/04/2010, 05/09/2013, 04/09/2014, 20/08/2015
Next Review Date	31/08/2016
Delegation to the Chief Executive Officer	Nil