

## Finance and Administration Committee

Notice of Meeting  
7 March 2017  
4.00pm

Committee Room 1  
Ninth Floor  
Council House  
27 St Georges Terrace, Perth



### Agenda

#### ORDER OF BUSINESS AND INDEX

- 1 Declaration of Opening
- 2 Apologies and Members on Leave of Absence  
Cr Chen (LOA)
- 3 Question Time for the Public
- 4 Confirmation of minutes – 7 February 2017
- 5 Correspondence
- 6 Disclosure of Members' interests
- 7 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 8.8 and Attachment 8.8A	Outcome of the January 2017 Parking Promotion	s 5.23(2)(e)(ii)

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 attachment/s listed below, it is recommended that Council resolve to close the meeting to the public prior to discussion of the following:

Schedule No.	Item No. and Title	Reason
Confidential Attachment 8.6A, B & C	Item 8.6 - Tender 074-16/17 - Office Cleaning and Lock Up Services	s 5.23(2)(e)(ii)
Confidential Attachment 8.7A & B	Item 8.7 - Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities	s 5.23(2)(e)(ii)

- 8 Reports
  - 8.1 Investments and Investment Returns for Period ended 31 January 2017
  - 8.2 Payments from Municipal and Trust Funds – January 2017

- 8.3 Financial Statements and Financial Activity Statement for the Period Ended 31 January 2017
- 8.4 Budget Review 2016/17 – Forecast of the Operating and Capital Budget for the Year Ending 30 June 2017
- 8.5 City of Perth Art Collection – Art Acquisitions
- 8.6 Tender 074-16/17 - Office Cleaning and Lock Up Services
- 8.7 Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities
- 8.8 Outcome of the January 2017 Parking Promotion

9 Motions of which Previous Notice has been given

10 General Business

10.1 - Responses to General Business from a Previous Meeting

Nil

10.2 - New General Business

11 Items for consideration at a future meeting

The following items are currently being investigated and actioned by Officers. Information will be provided to Elected Members when available.

- Potential Financial Opportunities and Shared Service across local governments (raised at FA 04/10/16).
- Council Policy 1.9 – Public Relations Policy – Media Statements and Press Releases (raised at FA 04/10/16, updated FA 06/12/16).
- City of Perth Art collection (raised at FA 04/10/16, updated FA 06/12/16).

Outstanding Reports:

- Council Dining Room (raised FA30/09/14, updated FA 21/04/15, 23/08/16 & 06/12/16).
- Audit of commercial buildings that are vacant / in disrepair (raised at Council 30/08/16).
- Air and land rights available to City of Perth for potential creation of affordable housing (raised at Council 30/08/16, updated FA 06/12/16).
- Council Policy 10.6 – Elected Member Expense Reimbursements (raised at FA 04/10/16, updated 06/12/17).

12 Closure



**MARTIN MILEHAM**  
**CHIEF EXECUTIVE OFFICER**

2 MARCH 2017

**This meeting is open to members of the public**

Please convey apologies to Governance on 9461 3250  
or email [governance@cityofperth.wa.gov.au](mailto:governance@cityofperth.wa.gov.au)

## FINANCE AND ADMINISTRATION COMMITTEE

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

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

**Quorum:** Two

**Expiry:** October 2017

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

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

**NOTE:**

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

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

# INFORMATION FOR THE PUBLIC ATTENDING COMMITTEE MEETINGS

## Question Time for the Public

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

## Deputations

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

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

## Disclaimer

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

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.



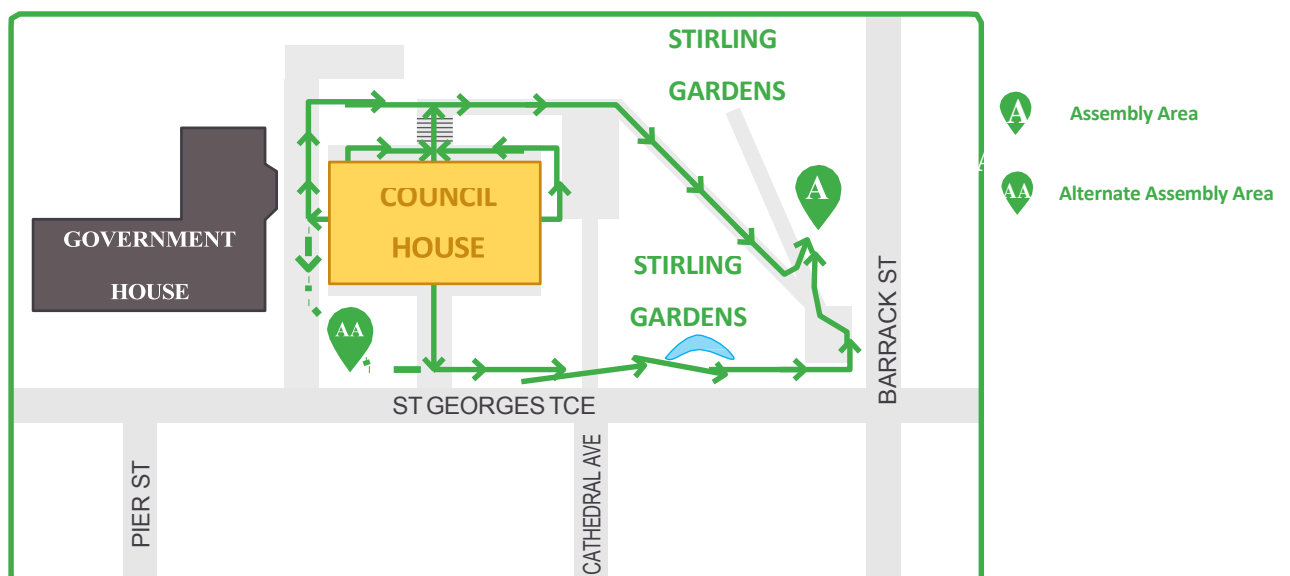
### EVACUATION ALARM / PROCEDURES

**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**      **Investments and Investment Returns for the Period Ended 31**  
**Item 8.1**      **January 2017**

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**Recommendation:**

***That the Finance and Administration Committee receives the report detailing investments and investment returns for the period ended 31 January 2017 as detailed in Attachment 8.1A of this report.***

FILE REFERENCE:	P1032980-9
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	16 February 2017
ATTACHMENT/S:	Attachment 8.1A – Investment Report for the period ended 31 January 2017, Short Term Investments and Institution Credit and Rating

**Legislation / Strategic Plan / Policy:**

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

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

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

**Financial Implications:**

Reported investment earnings (excluding interest on rates arrears) at \$334,820 after Trust Account adjustments, were \$21,339 below budget in January.

**Details:**

	<b>Actual</b>	<b>Budget</b>	<b>Variation</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest Earnings	334,820	356,159	(21,339)

Average Rate	2.57%
Benchmark Rate	1.86%
RBA Cash Rate	1.5%

\*Figures exclude interest on rate arrears.

**Call Accounts**

Balance at 31 January 2017	\$16.2 million
Interest Earned	\$24,236
Rate for balances over \$2 million	1.75%

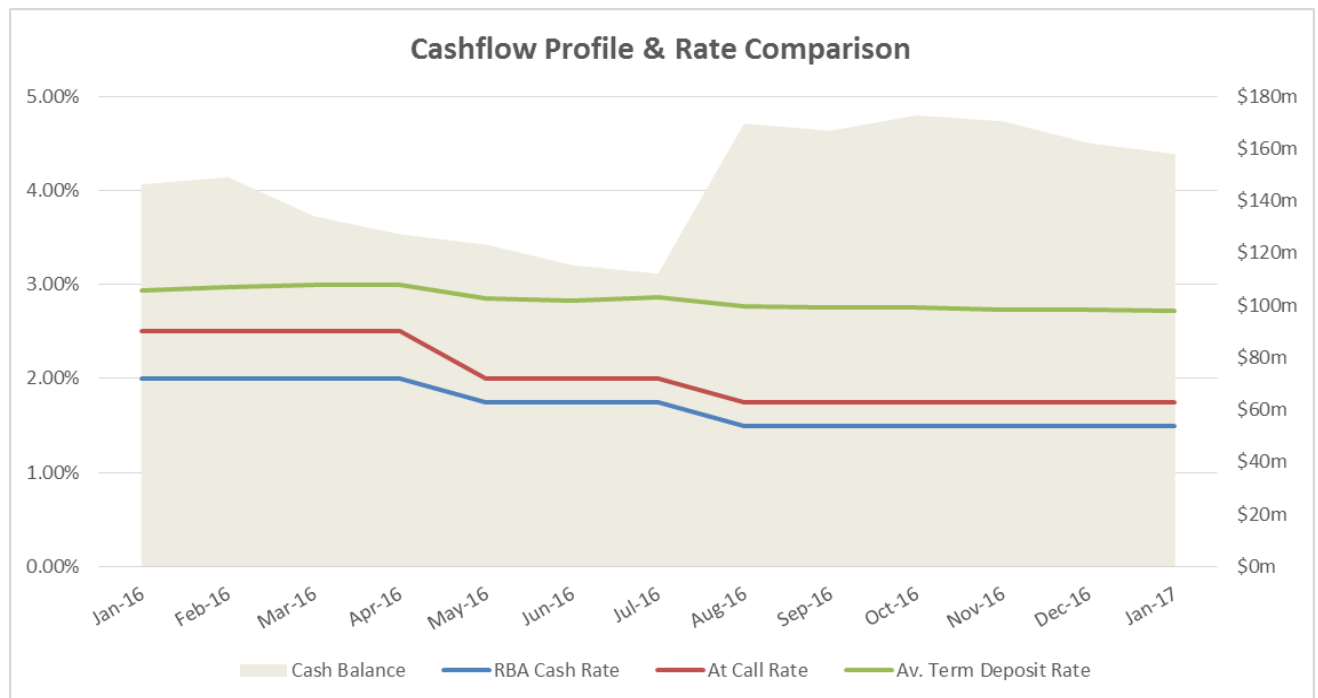
**Term Deposits**

Balance at 31 January 2017	\$141.6 million
Interest Earned	\$337,150
Average Rate (Municipal funds)	2.72%
Most Recent Rate (Municipal funds)	2.62%

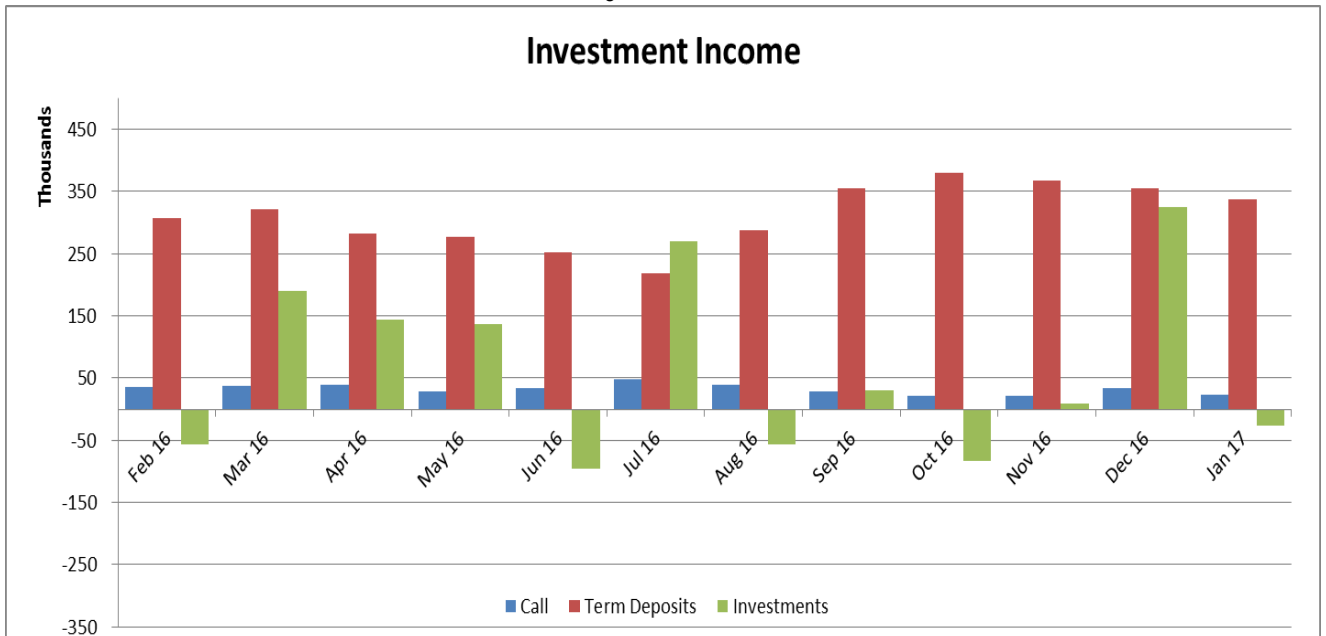
**Other Investments**

	Interest Earned \$	Interest Rate %
Emerald Mortgage Backed Security	9,762	2.65
Colonial Share Index Balanced Fund	(36,329)	N/A

The ASX 200 Index balanced fund fell slightly in January resulting in a negative return for the Colonial Share Index Fund.



The above chart shows the City’s cash flow cycle reflecting the significant inflow of rates income in August. It also compares the average interest rates the City earns with the RBA cash rate.



### Spread of Investments

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

Institution	Credit Rating	Percentage	Percentage Allowed
ANZ	A1+	6%	100%
Bankwest	A1+	1%	
NAB	A1+	30%	
		37%	
AMP	A1	6%	100%
Suncorp Metway	A1	14%	
		20%	
		57%	
Bank of Queensland	A2	35%	60%
ING	A2	3%	
		38%	
Barclays	NR	2%	10%
Colonial	NR	3%	
		5%	

### Comments:

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



## ATTACHMENT 8.1A

<b>INVESTMENT REPORT</b>	Market Value	Market Value	Cost & Impairment	% of	Interest Earned	Weighted Average Monthly	Interest Earned
<b>31-Jan-17</b>	31-Dec-16	31-Jan-17	31-Jan-17	Class	Jan	Rate	YTD
<b>Municipal</b>							
<b>Short term Direct Investments</b>							
Call	\$11,926,442	\$12,880,673	\$12,880,673	8.0%	\$19,517	2.04%	\$181,732
Term Deposits	\$78,500,000	\$73,500,000	\$73,500,000	45.8%	\$179,703	2.72%	\$1,126,400
<b>Short</b>	<b>\$90,426,442</b>	<b>\$86,380,673</b>	<b>\$86,380,673</b>		<b>\$199,220</b>	<b>2.65%</b>	<b>\$1,308,132</b>
<b>Total Municipal - Cash Back Securities</b>	<b>\$90,426,442</b>	<b>\$86,380,673</b>	<b>\$86,380,673</b>		<b>\$199,220</b>	<b>2.65%</b>	<b>\$1,308,132</b>
<b>Total Municipal Investments</b>	<b>\$90,426,442</b>	<b>\$86,380,673</b>	<b>\$86,380,673</b>		<b>\$199,220</b>	<b>2.65%</b>	<b>\$1,308,132</b>
<b>Reserves</b>							
<b>Short term Direct Investments</b>							
Call	\$2,489,318	\$2,447,970	\$2,447,970	1.5%	\$3,515	1.75%	\$24,767
Term Deposits	\$62,000,000	\$62,000,000	\$62,000,000	38.6%	\$143,239	2.72%	\$1,075,517
<b>Total</b>	<b>\$64,489,318</b>	<b>\$64,447,970</b>	<b>\$64,447,970</b>		<b>\$146,754</b>	<b>2.70%</b>	<b>\$1,100,285</b>
<b>Floating Rate Notes/ CLNs</b>							
WPAC- Sub Debt -FRN	\$0	\$0	\$0	0.0%	\$0	0.00%	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>	<b>0.00%</b>	<b>\$0</b>
<b>Medium term Direct Investments</b>							
Barclays - Emerald -MBS	2,721,709	2,721,709	\$2,716,196	1.7%	\$9,762	2.65%	\$68,419
<b>Total</b>	<b>\$2,721,709</b>	<b>\$2,721,709</b>	<b>\$2,716,196</b>		<b>\$9,762</b>	<b>2.65%</b>	<b>\$68,419</b>
<b>Total Reserve - Cash Back Securities</b>	<b>\$67,211,027</b>	<b>\$67,169,679</b>	<b>\$67,164,166</b>		<b>\$156,517</b>	<b>2.69%</b>	<b>\$1,168,704</b>
<b>Balanced Funds</b>							
Colonial Share Index	\$4,575,099	\$4,538,862	\$4,538,862	100%	-\$36,329	-8.70%	\$400,127
<b>Total</b>	<b>\$4,575,099</b>	<b>\$4,538,862</b>	<b>\$4,538,862</b>		<b>-\$36,329</b>	<b>-8.70%</b>	<b>\$400,127</b>
<b>Total Reserve Investments</b>	<b>\$71,786,125</b>	<b>\$71,708,540</b>	<b>\$71,703,027</b>		<b>\$120,188</b>	<b>-8.70%</b>	<b>\$1,568,830</b>
<b>Trust</b>							
<b>Short term Direct Investments</b>							
Call	\$984,215	\$858,953	\$858,953	0.5%	\$1,204	1.82%	\$11,190
Term Deposits	\$6,088,249	\$6,088,249	\$6,088,249	3.8%	\$14,208	2.74%	\$100,277
<b>Total</b>	<b>\$7,072,463</b>	<b>\$6,947,202</b>	<b>\$6,947,202</b>		<b>\$15,412</b>	<b>2.67%</b>	<b>\$111,467</b>
<b>Total Trust - Cash Back Securities</b>	<b>\$7,072,463</b>	<b>\$6,947,202</b>	<b>\$6,947,202</b>		<b>\$15,412</b>	<b>2.67%</b>	<b>\$111,467</b>
<b>Total Investments-Cash Back Securities</b>	<b>\$164,709,933</b>	<b>\$160,497,554</b>	<b>\$160,492,041</b>		<b>\$371,149</b>	<b>2.67%</b>	<b>\$2,588,303</b>
<b>Grand Total Investments</b>	<b>\$169,285,031</b>	<b>\$165,036,415</b>	<b>\$165,030,902</b>		<b>\$334,820</b>	<b>2.59%</b>	<b>\$2,988,429</b>

**CITY OF PERTH - SHORT TERM INVESTMENTS ( Excluding Call) AS AT 31 JANUARY 2017**

FUND	INSTITUTION	TYPE	AMOUNT	RATE	LODGED	MATURITY	Total	TOTAL INTEREST	
							Investment	individual outstanding	
							Days	investment	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.80%	11/08/2016	16/02/2017	189	\$ 72,493.15	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.75%	29/08/2016	23/02/2017	178	\$ 40,232.88	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.80%	17/08/2016	23/02/2017	190	\$ 43,726.03	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	2.75%	31/08/2016	28/02/2017	181	\$ 34,092.47	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.78%	12/08/2016	28/02/2017	200	\$ 76,164.38	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	2.70%	8/09/2016	9/03/2017	182	\$ 13,463.01	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	2.70%	14/09/2016	16/03/2017	183	\$ 13,536.99	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 9,000,000.00	2.75%	25/08/2016	16/03/2017	203	\$ 137,650.68	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.75%	16/08/2016	16/03/2017	212	\$ 47,917.81	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.80%	17/08/2016	31/03/2017	226	\$ 86,684.93	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.70%	5/10/2016	6/04/2017	183	\$ 27,073.97	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.77%	13/10/2016	13/04/2017	182	\$ 41,436.16	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.70%	25/08/2016	28/04/2017	246	\$ 54,591.78	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.75%	15/12/2016	18/05/2017	154	\$ 34,808.22	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 3,500,000.00	2.64%	13/10/2016	13/04/2017	182	\$ 46,073.42	
MUNICIPAL	ING	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.64%	13/10/2016	13/04/2017	182	\$ 26,327.67	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.72%	30/11/2016	2/03/2017	92	\$ 13,711.78	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.66%	15/12/2016	16/03/2017	91	\$ 33,158.90	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.63%	12/01/2017	31/05/2017	139	\$ 20,031.23	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.62%	13/01/2017	15/06/2017	153	\$ 21,964.93	
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.62%	9/09/2016	9/02/2017	153	\$ 21,964.93	
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 4,500,000.00	2.65%	21/10/2016	20/04/2017	181	\$ 59,134.93	
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.50%	5/01/2017	31/05/2017	146	\$ 20,000.00	
			<b>\$ 73,500,000.00</b>						
RESERVES	AMP	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	3.00%	5/01/2017	6/07/2017	182	\$ 74,794.52	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.75%	16/08/2016	16/03/2017	212	\$ 31,945.21	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.80%	17/11/2016	18/05/2017	182	\$ 69,808.22	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	2.80%	15/12/2016	15/06/2017	182	\$ 13,961.64	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.80%	22/12/2016	22/06/2017	182	\$ 27,923.29	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.86%	29/07/2016	23/02/2017	209	\$ 81,882.19	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.70%	1/12/2016	2/03/2017	91	\$ 20,194.52	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	2.72%	24/11/2016	23/03/2017	119	\$ 22,169.86	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 4,500,000.00	2.64%	12/01/2017	22/06/2017	161	\$ 52,402.19	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 5,500,000.00	2.66%	5/01/2017	13/07/2017	189	\$ 75,755.34	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 4,000,000.00	2.65%	12/01/2017	27/07/2017	196	\$ 56,920.55	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 8,000,000.00	2.66%	5/01/2017	27/07/2017	203	\$ 118,351.78	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.61%	8/12/2016	9/03/2017	91	\$ 32,535.62	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 7,000,000.00	2.61%	8/12/2016	9/03/2017	91	\$ 45,549.86	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	2.65%	21/10/2016	20/04/2017	181	\$ 32,852.74	
			<b>\$ 62,000,000.00</b>						
ROD EVANS	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 319,101.03	2.70%	17/11/2016	16/02/2017	91	\$ 2,148.03	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.86%	28/07/2016	23/02/2017	210	\$ 32,909.59	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	2.72%	17/11/2016	20/04/2017	154	\$ 11,476.16	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.60%	19/01/2017	25/05/2017	126	\$ 17,950.68	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 769,147.83	2.63%	8/09/2016	8/06/2017	273	\$ 15,129.88	
			<b>\$ 6,088,248.86</b>						
TOTAL investments			<b>\$ 141,588,248.86</b>						<b>\$ 1,822,902.15</b>

31-Jan-17

**INSTITUTION CREDIT AND RATING**

INSTITUTION	AMOUNT	PERCENTAGE	CREDIT RATING	MAX AMOUNT
ANZ	9,394,874.34	6%	A1+	OK
AMP	10,180,155.28	6%	A1	OK
ING	5,500,000.00	3%	A2	OK
BOQLD	58,500,000.00	35%	A2	OK
BANKWEST	1,612,566.02	1%	A1+	OK
BARCLAYS	2,716,196.27	2%	NR	OK
C B A		0%	A1+	OK
BENDIGO		0%	A2	OK
MACQUARIE	-	0%	A1	OK
MEQUITY	-	0%	A2	OK
NAB	49,588,248.86	30%	A1+	OK
ST GEORGE		0%	A1+	OK
SUNCORP METWAY	23,000,000.00	14%	A1	OK
WESTPAC		0%	A1+	OK
COLONIAL	4,538,861.57	3%	NR	OK
<b>TOTAL</b>	<b>165,030,902.34</b>	<b>100%</b>		

**GLOBAL CREDIT EXPOSURE**

INSTITUTION	AMOUNT	PERCENTAGE	MAX ALLOWED
A1+, A1, AA	93,775,844.50	57%	100%
A2	64,000,000.00	39%	60%
A3 and Unrated	7,255,057.84	4%	10%
<b>TOTAL</b>	<b>165,030,902.34</b>	<b>100%</b>	

A1+	45%	<b>INDIVIDUAL ADI EXPOSURE ALLOWED</b>
A1	45%	
A2	40%	
A3	10%	
AAA	45%	
AA	45%	
Unrated	10%	

**Agenda      Payments from Municipal and Trust Funds – January 2017**  
**Item 8.2**

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**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:***

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

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:**

<b>Legislation</b>	Regulation 13(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
<b>Integrated Planning and Reporting Framework Implications</b>	<p><b>Strategic Community Plan</b></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 8.3**                      **Period Ended 31 January 2017**

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**Recommendation:**

***That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 January 2017 as detailed in Attachment 8.3A of this Report.***

FILE REFERENCE:	P1014149-25
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	16 February 2017
ATTACHMENT/S:	Attachment 8.3A – 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 *Local Government Act 1995*  
Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*

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

**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**

	<b>Budget 2016/17 \$</b>	<b>Budget YTD 31-Jan-17 \$</b>	<b>Actual YTD 31-Jan-17 \$</b>	<b>Variance YTD 31-Jan-17 \$</b>
<b>Proceeds from Operating Activities</b>				
<b>Operating Revenue</b>				
<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	-	-	-
	<b>115,448,219</b>	<b>69,827,795</b>	<b>67,799,977</b>	<b>(2,027,818)</b>
<b>Less: Operating Expenditure</b>				
<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)
	<b>197,946,258</b>	<b>116,847,863</b>	<b>109,274,182</b>	<b>7,573,681</b>
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
	<b>163,364,790</b>	<b>96,675,340</b>	<b>88,127,090</b>	<b>8,548,250</b>
<b>Net Surplus/(Deficit) from Operations</b>	<b>(47,916,571)</b>	<b>(26,847,546)</b>	<b>(20,327,113)</b>	<b>6,520,432</b>
<b>Investing Activities</b>				
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
	<b>(59,914,790)</b>	<b>(31,104,907)</b>	<b>(11,916,436)</b>	<b>19,188,471</b>
<b>Financing Activities</b>				
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)
	<b>804,106</b>	<b>11,436,941</b>	<b>12,764,348</b>	<b>1,327,407</b>
<b>Add: Opening Funds</b>	<b>27,795,809</b>	<b>27,795,809</b>	<b>21,028,299</b>	<b>(6,767,510)</b>
Net Surplus/(Deficit) before Rates	<b>(79,231,446)</b>	<b>(18,719,703)</b>	<b>1,549,098</b>	<b>20,268,800</b>
<b>Amount Sourced from Rates</b>	<b>86,914,114</b>	<b>86,540,361</b>	<b>88,044,064</b>	<b>1,503,703</b>
<b>Closing Funds</b>	<b>7,682,669</b>	<b>67,820,658</b>	<b>89,593,162</b>	<b>21,772,503</b>

<b>Net Cash on Hand</b>				
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
<b>Funds on Hand</b>	<b>108,852,346</b>	<b>146,386,418</b>	<b>154,870,487</b>	<b>8,484,069</b>
<b>Analysis of Funds on Hand</b>				
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
<b>Funds on Hand</b>	<b>108,852,346</b>	<b>146,386,418</b>	<b>154,870,487</b>	<b>8,484,069</b>

## 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 \$
<b>Current Assets</b>				
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)
<b>Total Current Assets</b>	<b>114,292,614</b>	<b>166,450,732</b>	<b>181,083,604</b>	<b>14,632,872</b>
<b>Current Liabilities</b>				
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
<b>Total Current Liabilities</b>	<b>46,509,886</b>	<b>48,094,399</b>	<b>40,212,228</b>	<b>(7,882,171)</b>
<b>Working Capital Position Brought Forward</b>	<b>67,782,728</b>	<b>118,356,332</b>	<b>140,871,376</b>	<b>22,515,044</b>
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
<b>Current Funds Position Brought Forward</b>	<b>7,031,041</b>	<b>67,820,658</b>	<b>89,593,162</b>	<b>21,772,503</b>

# 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	
		\$	\$	\$	\$	%
<b>OPERATING REVENUE</b>						
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%
<b>OPERATING EXPENDITURE</b>						
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%
<b>NET FROM OPERATIONS</b>		3,200,047	40,275,474	48,389,283	8,113,809	20.1%
<b>GRANTS/CONTRIBUTIONS</b>						
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%
<b>DISPOSAL/WRITE OFF OF ASSETS</b>						
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%
<b>SIGNIFICANT ITEMS</b>						
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	
		\$	\$	\$	\$	%
<b>OPERATING REVENUE</b>						
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%
<b>OPERATING EXPENDITURE</b>						
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%
<b>GRANTS/CONTRIBUTIONS</b>						
Grants and Contributions- Capital		5,768,315	3,364,850	1,517,403	(1,847,447)	-54.9%
<b>NET OPERATING SURPLUS</b>						
		8,968,362	43,640,325	49,906,686	6,266,362	14.4%
<b>DISPOSAL/WRITE OFF OF ASSETS</b>						
	2	(1,437,448)	(838,511)	(1,662,986)	(824,475)	98.3%
<b>SIGNIFICANT ITEMS</b>						
Distribution from TPRC		1,000,000	-	-	-	0.0%
<b>Change in net assets resulting from operations after capital amounts and significant items</b>						
		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
<b>CURRENT ASSETS</b>			
		\$	\$
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
<b>NON CURRENT ASSETS</b>			
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
<b>TOTAL ASSETS</b>		1,392,365,320	1,341,888,934
<b>CURRENT LIABILITIES</b>			
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
<b>NON CURRENT LIABILITIES</b>			
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
<b>TOTAL LIABILITIES</b>		71,996,837	69,764,159
<b>NET ASSETS</b>		\$1,320,368,483	\$1,272,124,775
<b>EQUITY</b>			
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
<b>TOTAL EQUITY</b>		\$1,320,368,483	\$1,272,124,775



**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	
<b>Balance at 1 July 2015</b>	\$ 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	\$623,860,830	\$560,035,698	\$88,228,247	\$1,272,124,775	
<b>Balance at 1 July 2016</b>	\$ 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)	-	
<b>Balance at the end of the reporting period</b>	\$689,243,558	\$560,056,898	\$71,068,018	\$1,320,368,474	

**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	\$	%
<b>Cash Flows from Operating Activities</b>					
<b>Receipts</b>					
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%
<b>Payments</b>					
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%
<b>Cash Flows from Investing Activities</b>					
<b>Receipts</b>					
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%
<b>Payments</b>					
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%
<b>Cash Flows from Financing Activities</b>					
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%
<b>Cash Flows from Government and Other Parties</b>					
<b>Receipts from Appropriations/Grants</b>					
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%
<b>Cash at 1 July 2016</b>		117,479,382	110,313,099	(7,166,283)	-6.1%
<b>Cash at 31 January 2017</b>	11	108,852,347	154,870,487	46,018,140	42.3%

**MUNICIPAL**

**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	<b>\$5,272,605</b>	<b>\$3,940,240</b>

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

	Annual Budget	Actual YTD 31/01/2017
	\$	\$
<b>Land and Buildings</b>		
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold/written off	-	76,288
(Loss) on Disposal/Write Off	-	(76,288)
<b>Infrastructure</b>		
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)
<b>Plant and Mobile Equipment</b>		
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
<b>Gain/(Loss) on Disposal/Write off of Assets</b>	<b>(\$1,437,448)</b>	<b>(\$1,662,986)</b>

**3 Investments**

Current	31/01/2017	30/06/2016
<b>Short Term Cash Investments *</b>	\$	\$
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	<b>\$146,221,764</b>	<b>\$100,249,402</b>

\* 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
	<b>\$7,114,139</b>	<b>\$7,162,072</b>

**MUNICIPAL**

**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
	<b>\$9,624,387</b>	<b>\$1,246,983</b>

**5 Trade And Other Receivables**

	31/01/2017	30/06/2016
<b>Current</b>	<b>\$</b>	<b>\$</b>
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)
	<b>\$10,411,901</b>	<b>\$10,022,460</b>
<b>Non Current</b>		
Pensioners' Rates Deferred	50,690	32,434
	<b>\$50,690</b>	<b>\$32,434</b>

**6 Trade And Other Payables**

	31/01/2017	30/06/2016
<b>Current</b>	<b>\$</b>	<b>\$</b>
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
	<b>\$22,899,512</b>	<b>\$15,973,970</b>

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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
<b>Current</b>	<b>\$</b>	<b>\$</b>
<b>Leave Entitlements</b>		
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
	<b>\$10,407,606</b>	<b>\$11,051,588</b>
<b>Non Current</b>		
Annual Leave	629,989	629,989
Long Service Leave	1,132,108	1,132,108
	<b>\$1,762,097</b>	<b>\$1,762,097</b>

**Provisions**

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

**8 Property, Plant and Equipment and Work in Progress**

	31/01/2017	30/06/2016
	<b>\$</b>	<b>\$</b>
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	<b>\$1,204,116,887</b>	<b>\$1,211,904,848</b>

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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
	<b>\$1,689,812,729</b>	<b>\$14,477,381</b>	<b>(495,047)</b>	<b>(6,270,599)</b>		<b>\$1,697,524,464</b>

**9 Loan Liability**

	31/01/2017	30/06/2016
<b>Current</b>	\$	\$
Loans - Western Australian Treasury Corporation	6,395,490	6,772,073
<b>Non Current</b>		
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
	<b>\$648,263,942</b>	<b>\$2,200,347</b>	<b>(\$19,339,377)</b>	<b>\$631,124,912</b>

\* 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
	<b>\$154,870,487</b>	<b>\$110,313,099</b>

**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		
<b>Add Back</b>		
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	-
<b>Deduct</b>		
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	<b>\$59,339,040</b>	<b>\$30,870,815</b>

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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
<b>1 Current Ratio</b>		
<u>Current Assets</u> minus <u>Restricted Assets</u>		
<u>Current Liabilities</u> minus <u>Liabilities</u> associated with Restricted Assets	2.80	1.09
<b>2 Debt Ratio</b>		
<u>Total Liabilities</u>		
Total Assets	5.17%	5.20%
<b>3 Debt Service Ratio</b>		
<u>Debt Service Cost</u>		
Available Operating Revenue	3.52%	4.44%
<b>4 Rate Coverage Ratio</b>		
<u>Net Rate Revenue</u>		
Operating Revenue	57.13%	43.96%
<b>5 Outstanding Rates Ratio</b>		
<u>Rates Outstanding</u>		
Rates Collectable	5.91%	0.23%
<b>6 Untied Cash to Unpaid Creditors Ratio</b>		
<u>Untied Cash</u>		
Unpaid Trade Creditors	24.42	2.34
<b>7 Gross Debt to Revenue Ratio</b>		
<u>Gross Debt</u>		
Total Revenue	20.49%	18.99%
<b>8 Gross Debt to Economically Realisable Assets Ratio</b>		
<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 8.4**                      **Budget for the Year Ending 30 June 2017**

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**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 8.4A, 8.4B, 8.4C, 8.4D and 8.4E 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 8.4C;***

**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.***

FILE REFERENCE: P1031135  
 REPORTING UNIT: Finance  
 RESPONSIBLE DIRECTORATE: Corporate Services  
 DATE: 27 February 2017  
 ATTACHMENT/S: Attachment 8.4A - Operating Statement by Nature and Type  
 Attachment 8.4B - Operating Statement by Directorate and Unit 2016/17  
 Attachment 8.4C – Capital Works Projects  
 Attachment 8.4D – Revised Rate Setting Statement  
 Attachment 8.4E – Revised Current Position

## **Legislation / Strategic Plan / Policy:**

**Legislation** Section 6.8 of the *Local Government Act 1995*  
Regulation 33A of the *Local Government (Financial Management) Regulations 1996*

**Integrated Planning and Strategic Community Plan**  
**Reporting Framework** Council Four Year Priorities: Capable and Responsive Organisation  
**Implications** 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 8.4C provides details regarding the projects contained within the following categories:

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

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

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

### 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.

# CITY of PERTH

## DRAFT OPERATING BUDGET 2016/17 REVIEW by NATURE and TYPE

	Full year 2016/17		
	Revised Budget (\$)	Proposed Budget (\$)	Budget Adjustment Fav/(UnFav) (\$)
<b>Operating Revenue</b>			
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	-
<b>Total Operating Revenue</b>	<b>202,362,333</b>	<b>196,066,501</b>	<b>(6,295,832)</b>
<b>Operating Expenditure</b>			
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
<b>Total Operating Expenditure</b>	<b>196,946,258</b>	<b>193,561,420</b>	<b>3,384,838</b>
<b>Change in Net Assets resulting from Operations - Gain/(Reduction)</b>	<b>5,416,075</b>	<b>2,505,081</b>	<b>(2,910,994)</b>
<b>Non Operating - Financing Activities</b>			
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			
	\$	\$	\$	\$	\$	%	
<b>REVENUE</b>							
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	\$ -		
<b>Total</b>	<b>\$ 148,519,087</b>	<b>\$ 147,764,232</b>	<b>\$ 202,362,333</b>	<b>\$ 196,066,501</b>	<b>-\$ 6,295,832</b>	<b>-3%</b>	
<b>EXPENDITURE</b> <small>by Directorate &amp; Unit</small>							
<b>CEO</b>							
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
<b>Total</b>	<b>\$ 1,209,958</b>	<b>\$ 1,110,441</b>	<b>\$ 2,336,365</b>	<b>\$ 3,265,210</b>	<b>-\$ 928,845</b>	<b>-40%</b>	
<b>Corporate Services Directorate</b>							
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	-5%	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%	
<b>Total</b>	<b>\$ 9,036,742</b>	<b>\$ 9,041,357</b>	<b>\$ 17,716,860</b>	<b>\$ 19,737,879</b>	<b>-\$ 2,021,019</b>	<b>-11%</b>	
<b>Community and Commercial Services Directorate</b>							
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
<b>Total</b>	<b>\$ 29,962,289</b>	<b>\$ 28,427,974</b>	<b>\$ 59,954,304</b>	<b>\$ 58,655,117</b>	<b>\$ 1,299,187</b>	<b>2%</b>	
<b>Construction and Maintenance Directorate</b>							
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)
<b>Total</b>	<b>\$ 23,486,892</b>	<b>\$ 19,491,531</b>	<b>\$ 46,917,640</b>	<b>\$ 42,116,667</b>	<b>\$ 4,800,973</b>	<b>10%</b>	

# 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			
	\$	\$	\$	\$	\$	%	
<b>Planning and Development Directorate</b>							
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
<b>Total</b>	<b>\$ 8,192,652</b>	<b>\$ 6,846,421</b>	<b>\$ 15,840,302</b>	<b>\$ 15,446,575</b>	<b>\$ 393,727</b>	<b>2%</b>	
<b>Economic Development and Activation Directorate</b>							
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
<b>Total</b>	<b>\$ 12,014,152</b>	<b>\$ 10,773,754</b>	<b>\$ 23,356,819</b>	<b>\$ 22,668,724</b>	<b>\$ 688,094</b>	<b>3%</b>	

# 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%	
<b>Total</b>	<b>\$ 16,572,010</b>	<b>\$ 16,700,475</b>	<b>\$ 33,144,020</b>	<b>\$ 33,049,701</b>	<b>\$ 94,319</b>	<b>0%</b>	
<b>TOTAL EXPENDITURE</b>	<b>\$ 100,474,694</b>	<b>\$ 92,391,952</b>	<b>\$ 199,266,310</b>	<b>\$ 194,939,875</b>	<b>\$ 4,326,435</b>	<b>2%</b>	
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%	
<b>NET OPERATING INCOME/(EXPENDITURE)</b>	<b>\$ 48,787,750</b>	<b>\$ 54,427,503</b>	<b>\$ 5,416,075</b>	<b>\$ 2,505,081</b>	<b>\$ 2,910,994</b>	<b>54%</b>	

## CITY OF PERTH

## Capital Works Projects - Budget Review 2016/17

Unit	Account Number	Project Name	Current Budget	Forecast Total	Variance Budget to Forecast	Comments
<b>NEW CAPITAL PROJECTS REQUIRING FUNDS</b>						
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 MRA
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
<b>Sub Total New projects</b>			<b>0</b>	<b>1,695,231</b>	<b>(1,695,231)</b>	
<b>ONGOING PROJECTS WITH SURPLUS FUNDS</b>						
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	15,847	1,585	Project completed / will be completed under-budget
CAS	1765	CCTV Network Expansion to New Locations	17,544	15,926	1,618	Project completed / will be completed under-budget
ACH	1838	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	Mclver 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 - Plaistowe 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**

<b>Unit</b>	<b>Account Number</b>	<b>Project Name</b>	<b>Current Budget</b>	<b>Forecast Total</b>	<b>Variance Budget to Forecast</b>	<b>Comments</b>
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	500,000	469,388	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 - Plaistowe 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 Tce	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 Duress 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	Citiplace 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 & Pier 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	2029	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
SPM	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**

<i>Unit</i>	<i>Account Number</i>	<i>Project Name</i>	<i>Current Budget</i>	<i>Forecast Total</i>	<i>Variance Budget to Forecast</i>	<i>Comments</i>
SPM	1905	Victoria Avenue - Riverside Dr to Victoria Sq - Both Sides	143,680	31,178	112,502	Project completed / will be completed under-budget
CPP	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
CPP	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
<b>Sub Total surplus funds</b>			<b>22,284,949</b>	<b>8,853,616</b>	<b>13,431,333</b>	

**CITY OF PERTH**

**Capital Works Projects - Budget Review 2016/17**

<i>Unit</i>	<i>Account Number</i>	<i>Project Name</i>	<i>Current Budget</i>	<i>Forecast Total</i>	<i>Variance Budget to Forecast</i>	<i>Comments</i>
<b>ONGOING PROJECTS REQUIRING ADDITIONAL FUNDS</b>						
<i>Unit</i>	<i>Account Number</i>	<i>Project Name</i>	<i>Current Budget</i>	<i>Forecast Total</i>	<i>Variance Budget to Forecast</i>	<i>Comments</i>
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
CON	1962	Riverside Drive Footpath	185,000	288,000	(103,000)	Project will not now be staged due to site constraints therefore full amount required now
PSU	1846	Parking Two Way Radios	76,200	153,400	(77,200)	Project scope change
CPP	2139	Upgrade of Cale ticket machines	40,000	106,000	(66,000)	Project completed / will be completed over-budget
PPM	1622	City Station Concourse Replace Air Conditioning	616,942	679,436	(62,494)	Additional costs incurred for heating duct removal
PLE	0430	Plant Replacement Program	39,000	91,000	(52,000)	Replacement of LS752 required to be brought forward from 2017/18
PPM	1668	Switchboard Upgrade - Citiplace Car Park	20,000	65,783	(45,783)	Forecast amended to reflect actuals - project completed over-budget
CON	1971	Trafalgar Bridge Lighting	349,068	394,423	(45,355)	Project completed / will be completed over-budget due to project management costs not originally factored in
PSU	1969	Parking Equipment and Systems -PDA 'S	125,546	170,000	(44,454)	Project scope change
SPM	1800	Minor Civil Works And Accessibility Improvements	46,623	86,623	(40,000)	Additional funds required for Pram ramp audit not originally budgeted for
DAI	2119	Intranet Redevelopment	40,000	80,000	(40,000)	Additional funds endorsed by ELG as part of pitch week
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)	Project completed / will be completed over-budget
FIN	2003	Procure to Pay	85,000	115,890	(30,890)	Additional funds required to progress next stage of project
PSU	1970	Parking Equipment and Systems -Vehicle Detection Sensors	899,300	928,375	(29,075)	Project scope change, includes reallocation from CPP- CW2105 and CW2112
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 Tce - 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 Commercials 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**

<i>Unit</i>	<i>Account Number</i>	<i>Project Name</i>	<i>Current Budget</i>	<i>Forecast Total</i>	<i>Variance Budget to Forecast</i>	<i>Comments</i>
SPM	1893	Bennett St - Hay St to Adelaide tce - 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
<b>Sub Total Additional funds</b>			<b>8,663,475</b>	<b>10,664,588</b>	<b>(2,001,113)</b>	
<b>PROJECTS TO BE RE-BUDGETED</b>						
<i>Unit</i>	<i>Account Number</i>	<i>Project Name</i>	<i>Current Budget</i>	<i>Forecast Total</i>	<i>Variance Budget to Forecast</i>	
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
<b>Sub Total Re-Budgeted</b>			<b>5,550,989</b>	<b>163,501</b>	<b>5,387,488</b>	
<b>Total</b>			<b>56,033,628</b>	<b>40,911,152</b>	<b>15,122,476</b>	
<b>PROJECTS THAT REMAINED UNCHANGED</b>			10,929,477	10,929,477	0	
<b>CAPITAL WORKS TOTAL</b>			<b>66,963,105</b>	<b>51,840,629</b>	<b>15,122,476</b>	



## 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
	\$	\$	\$	\$
<b>Proceeds from Operating Activities</b>				
<b>Operating Revenue</b>				
<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
	<b>59,837,793</b>	<b>115,448,219</b>	<b>108,124,642</b>	<b>(7,323,577)</b>
<b>Less: Operating Expenditure</b>				
<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
	<b>93,922,240</b>	<b>196,946,258</b>	<b>193,561,420</b>	<b>3,384,838</b>
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
	<b>75,323,709</b>	<b>163,364,790</b>	<b>159,579,224</b>	<b>3,785,566</b>
<b>Net Surplus/(Deficit) from Operations</b>	<b>(15,485,916)</b>	<b>(47,916,571)</b>	<b>(51,454,581)</b>	<b>(3,538,011)</b>
<b>Investing Activities</b>				
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)
	<b>(17,182,295)</b>	<b>(100,824,202)</b>	<b>(85,901,726)</b>	<b>14,922,476</b>
<b>Financing Activities</b>				
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)
	<b>20,870,562</b>	<b>41,529,115</b>	<b>31,051,276</b>	<b>(10,477,839)</b>
<b>Add: Opening Funds</b>	<b>21,140,731</b>	<b>27,795,809</b>	<b>21,140,731</b>	<b>(6,655,078)</b>
<b>Net Surplus/(Deficit) before Rates</b>	<b>9,343,083</b>	<b>(79,415,849)</b>	<b>(85,164,300)</b>	<b>(5,748,451)</b>
<b>Amount Sourced from Rates</b>	<b>87,926,439</b>	<b>86,914,114</b>	<b>87,941,859</b>	<b>1,027,745</b>
<b>Closing Funds</b>	<b>97,269,522</b>	<b>7,498,265</b>	<b>2,777,559</b>	<b>(4,720,706)</b>
<b>Net Cash on Hand</b>				
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
<b>Funds on Hand</b>	<b>157,912,220</b>	<b>108,852,346</b>	<b>115,944,746</b>	<b>7,092,400</b>
<b>Analysis of Funds on Hand</b>				
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
<b>Funds on Hand</b>	<b>157,912,220</b>	<b>108,852,346</b>	<b>115,944,746</b>	<b>7,092,400</b>

## 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 \$
<b>Current Assets</b>				
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)
<b>Total Current Assets</b>	<b>\$188,398,052</b>	<b>\$114,292,614</b>	<b>\$120,541,686</b>	<b>\$6,249,072</b>
<b>Current Liabilities</b>				
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
<b>Total Current Liabilities</b>	<b>\$39,564,467</b>	<b>\$46,313,173</b>	<b>\$50,276,567</b>	<b>\$3,963,394</b>
<b>Working Capital Position Brought Forward</b>	<b>\$148,833,585</b>	<b>\$67,979,441</b>	<b>\$70,265,120</b>	<b>\$2,285,679</b>
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
<b>Current Funds Position Brought Forward</b>	<b>\$97,269,522</b>	<b>\$7,498,265</b>	<b>\$2,777,558</b>	<b>(\$4,720,707)</b>

**Agenda**      **City of Perth Art Collection – Art Acquisitions**  
**Item 8.5**

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**Recommendation:**

*That the Finance and Administration Committee;*

- 1.    *approve the purchase of the work of art ‘YL15 (Eagle)’ from The Yilgarn Lacunae series by Gregory Pryor;***
- 2.    *approve the purchase of the selected works on paper (1 – 11) by Laurel and Brett Nannup; and***
- 3.    *approve the purchase of the ‘flora obscura’ series of photographic prints by Eva Fernandez.***

FILE REFERENCE:	P1017849-2
REPORTING UNIT:	Arts, Culture and Heritage
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
DATE:	27 February 2017
ATTACHMENT/S:	Attachment 8.5A – YL15 (Eagle) by Gregory Pryor Attachment 8.5B – Selected works by Laurel and Brett Nannup Attachment 8.5C – Flora Obscura Series by Eva Fernandez

**Legislation / Strategic Plan / Policy:**

<b>Integrated Reporting Implications</b>	<b>Planning and Framework</b>	<b>Corporate Business Plan</b>
		Council Four Year Priorities: Healthy and Active in Perth S15      Reflect and celebrate the diversity of Perth 15.2      Develop Arts and Cultural Development Strategy

**Policy**

Policy No and Name:	18.1 – Arts and Culture 18.2 – Collections Management
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**Financial Implications:**

ACCOUNT NO:	CW0396
BUDGET ITEM:	
BUDGETED AMOUNT:	\$60,000
AMOUNT SPENT TO DATE:	\$680
PROPOSED COST:	\$21,850
BALANCE REMAINING:	\$37,470
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

## **Purpose and Background:**

An opportunity has arisen for the City of Perth to purchase a number of important artworks by artists Gregory Pryor and Eva Fernandez and Noongar artists Laurel and Brett Nannup.

These recommendations are the culmination of targeted research over time and in context across the industry. The suitability of these artworks has been considered particularly in relation to Council Policy 18.2 Cultural Collections, which states that *“Through the strategic management of its Cultural Collections the City will ensure that the Collection’s future value and ongoing significance for Perth, Western Australia and the wider community is maintained”*.

## **Details:**

Information on the artists, the recommended artworks, their essential reporting considerations and acquisition criteria have been outlined in detail in Attachment 8.5A, 8.5B and 8.5C attached to this report. The recommended artworks are as follows:

Artist: Gregory Pryor

Title: YL15 (Eagle) from his recent body of work The Yilgarn Lacunae (Attachment 8.5A)

Medium: oil on linen

Dimensions: 60 x 80.4cm

Price: \$10,000

Artist/s: Laurel Nannup and Brett Nannup

Title: Selected works on paper # 1 – 11 (Attachment 8.5B)

Medium: linoprint on paper, etching on paper

Dimensions: variable

Price: \$7,800 (total for eleven works)

Artist: Eva Fernandez

Title: flora obscura 1 – 9 (Attachment 8.5C)

Medium: digital print on archival hahnemuhle fine art paper

Dimensions: 56 x 56cm each (9 works in total)

Price: \$4,050 (each work \$450)

## **Comments:**

These acquisitions have been recommended in line with the objective of Council Policy – 18.1 Arts and Culture which states that *“For Perth, as the State’s Capital City, to be recognised for its leadership in showcasing the City’s vitality, innovation and cultural diversity, through its distinctive Western Australian cultural expression”*.

These artworks represent a sound cultural and financial investment and will enable the City’s art collection to grow and develop in reputation and in its capabilities to engage the broader community in meaningful experiences.



*YL15 (Eagle)* 2016 by Gregory Pryor from *The Yilgarn Lacunae* series; \$10,000

### **Artwork details**

*The Yilgarn Lacunae* was presented at Art Taipei in November 2016 by Turner Galleries and the project formed part of their Artist in Residence Program. The City of Perth supported the project via the loan of a significant work from the art collection – Gregory Pryor’s 2011 commission *Perth* – and sponsorship to enable its display in the Australian Office in Taipei. The project allowed the City of Perth to strengthen its ties with the sister city of Taipei and foster mutually beneficial cultural relationships in the region.

*The Yilgarn Lacunae* series depicts the complexity and richness of the West Australian landscape in a selection of intimate studies and iconic bush vistas. Pryor’s work acknowledges the damage wrought upon the land by human activity and explores ideas of restoration, repatriation and repair.

*YL15 (Eagle)* is a strong example of Pryor’s practice and is a clear counterpart to his other work in the City of Perth art collection, *Perth*. The very large commissioned work *Perth* has display limitations, making it difficult to provide public access to the work and include it in public programming. The proposed acquisition *YL15 (Eagle)* has a strong relationship to *Perth* (while not constituting a duplication) and is well suited to display in public spaces, such

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as the City of Perth Library. Owning two works by an important artist such as Gregory Pryor also allows for a public program of greater depth to be developed.

*YL15 (Eagle)* will complement works by other artists represented in the art collection that deal with the West Australian landscape and environmental issues such as Robert Juniper, Paul Uhlmann, Valerie Sparks and Clare McFarlane. There are also works in the collection by artists such as Chris Pease, Kate McMillan and Alan Muller that consider our history in reference to aspects of colonisation and Aboriginal heritage in a similar manner to Pryor’s.

**Artist details**

Gregory Pryor has a distinguished career as a painter with works represented in collections including the National Gallery of Australia, National Gallery of Victoria, Queensland Art Gallery, Art Gallery of Western Australia, Murdoch University, City of Perth, University of Western Australia, Edith Cowan University and Wesfarmers. He is the Head of Painting in the visual arts school at Edith Cowan University.

With a strong basis in painting, Pryor's visual arts practice has evolved into many different areas, including drawing, video, performance and object based work. Pryor has exhibited extensively throughout Australia and overseas. Recently a number of his paintings have been included in two important exhibitions that opened in Perth in September 2016: *Unknown Land* at the Art Gallery of Western Australia, and *Invisible Genres* at John Curtin Gallery.

**Acquisition criteria**

This recommendation complies with Policy 18.2 – Cultural Collections and meets both the Essential Reporting Considerations for Acquisition (section 3.1) and the Acquisition Criteria – Art Collection (section 3.2) as outlined below.

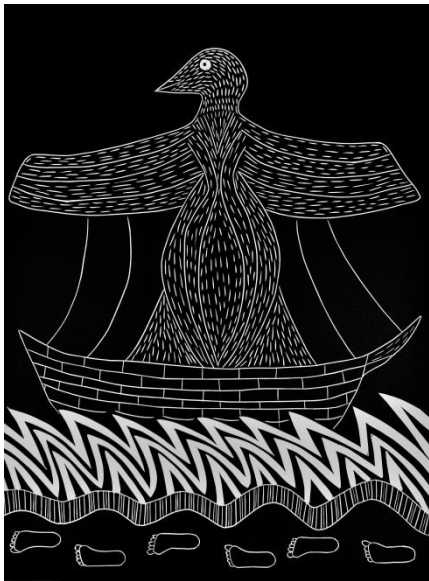
<b>Essential Reporting Considerations for Acquisition (section 3.1)</b>	
<b>Consideration</b>	<b><i>YL15 (Eagle) Gregory Pryor</i></b>
Physical integrity, durability, quality of fabrication and maintenance or conservation requirements	Physical integrity – the work is in good condition and the considerable experience of the artist ensures the work has been created to a high standard. Conservation – It is a recent work in a stable medium and will have no immediate conservation issues. Display – The work is framed and ready to be displayed to industry standard. Storage – The City of Perth has a climate controlled storage facility for artworks that are not on display.
Authenticity and ethical provenance	The gallery have worked closely with the artist so authenticity and ethical provenance of the work are ensured.
Must be an outright purchase, commission or an unconditional transfer of ownership	This work is an unconditional purchase from a respected gallery.

Enhance at least one of the existing Collections as defined by Collection scope and/or priorities avoiding duplication	This work will enhance the City's holdings of contemporary works of art. It will form an important dialogue with the existing Pryor work in the collection but differs sufficiently so as not to be a duplication.
Capacity to be placed on display without hindrance to public access or safety, and where relevant, without breaching the creator's moral rights	The work is two-dimensional and will be able to be displayed in a variety of locations to a high aesthetic standard.
Immediate and future cost considerations	There is sufficient budget for the purchase of the work and any future operational expenses involved in caring for it will be planned and budgeted for in the Collection Management budget.

<b>Acquisitions Criteria – Art Collection (section 3.2)</b>	
<b>Consideration</b> The item must:	<b>YL15 (Eagle) Gregory Pryor</b>
Represent significant periods, occasions and urban initiatives in the evolution of the city, and city life	Pryor's work is of particular relevance to the City of Perth and the sister city relationship with Taipei as his previous residency at the Taipei Artist Village in 2007 was supported by the City of Perth and his work references his connection to the two cities.
Build upon the strengths of existing holdings in the Art Collection	The work will build upon existing holdings of contemporary artworks that deal with the local landscape, environmental issues and aboriginal heritage.
Represent and support the artistic practice of emerging and established artists residing in Western Australia who have received acclaim for their work locally, nationally or internationally	The work is a high quality demonstration of the artist's work and is a significant example of the artist's practice having recently been exhibited at Art Taipei.

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ATTACHMENT 8.5B



1. *First Contact* (second state print) 2016 by Laurel Nannup, \$900
2. *Last Bath* 2012 by Laurel Nannup, \$400



3. *Going Home to Mum and Dad* (second state print) 2016, \$1,000
  4. *Going for Wood* (second state print) 2016 by Laurel Nannup, \$500
-

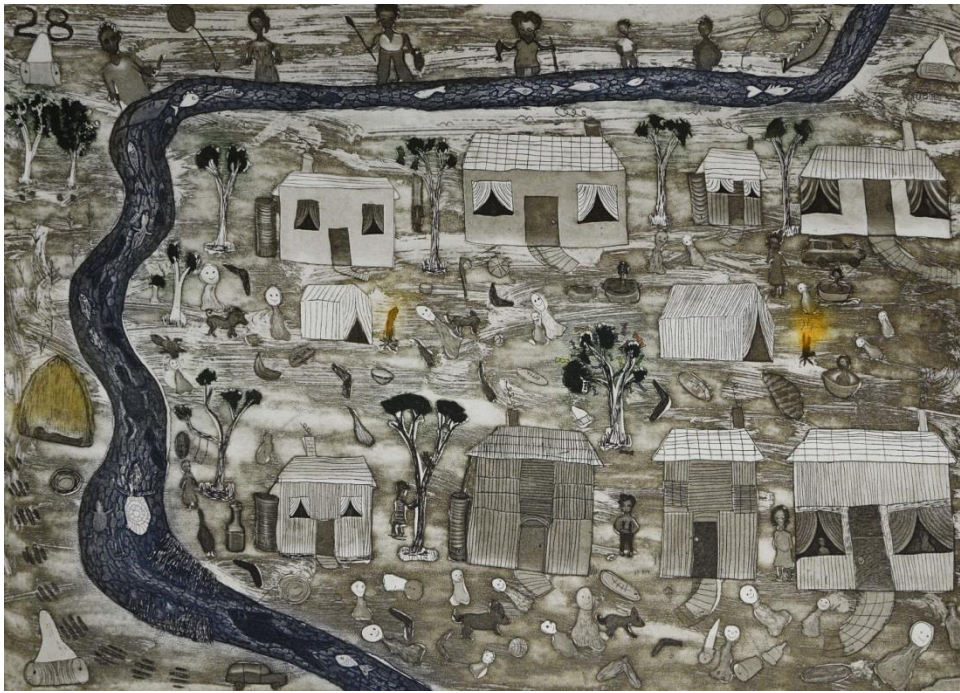




5. *Fishing at the Bend* (second state print) 2016 by Laurel Nannup, \$1,000
6. *Tracking* (second state print) 2015 by Laurel Nannup, \$650



7. *Fish Hunter* 2016 by Laurel Nannup, \$450



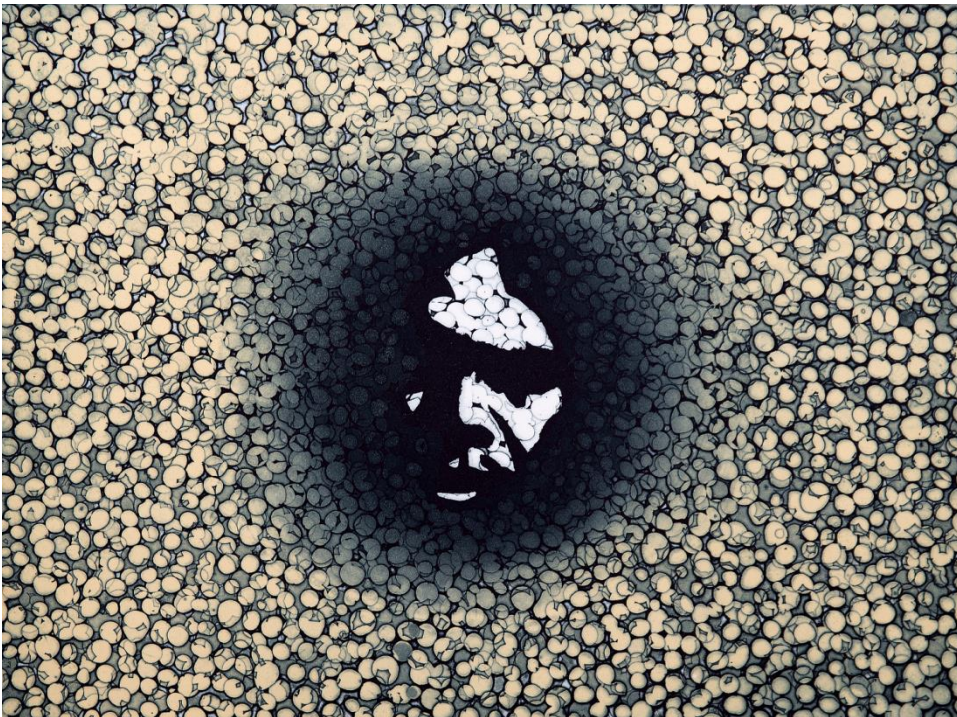
8. *No. 28* 2014 by Laurel Nannup, \$1,000



9. *Pinjarra Reserve* 2012 by Laurel Nannup, \$650



10. *Yellow Taxis* 2012 by Laurel Nannup, \$650



11. *Self Portrait* 2012 by Brett Nannup, \$600

## **Artwork details**

This selection of works on paper by Laurel Nannup and her son Brett Nannup illustrate the artist's memories of place, particularly events and people, all of which contribute to an overview of life.

Laurel's works traverse her journey from living in the bush in Pinjarra with her large Aboriginal family to being taken away at eight years of age to live at the Wandering Mission where she spent the following eight years. Nannup's ease and joy with the craft of printmaking highlight her stories poignantly. However the warm and affectionate humour present in her work belies the sadness of the Stolen Generation stories and the ongoing effects on the following generations, such as her son Brett.

This selection of Laurel and Brett's Nannup's works will form an important sub-collection within the larger Art Collection holdings, around which important public programming can be developed. Ordinarily this number of works by the same artist/s would not be acquired en masse, however the City art collection does not currently hold any Nannup works and Laurel Nannup, owing to her age and ill health, is unlikely to produce any further work in her lifetime. Therefore it is sound planning to purchase these works while still accessible and affordable.

The nature and size of the Nannup works mean they can be hung in a grouping or as individual pieces. They're well suited to display in a wide variety of locations owned by the City of Perth and are suitable for placement in high traffic public spaces.

Laurel and Brett Nannup's works complement those by other artists in the Art Collection that represent Indigenous stories and Aboriginal heritage such as Julie Dowling, Chris Pease, Sandra Hill and Dianne Jones.

## **Artist details**

Laurel Nannup is a respected Noongar artist known for her woodcut prints and etchings. In 2006 Nannup wrote and illustrated the book *A Story To Tell*, published by University of Western Australia (UWA) Press, and in 2008 an exhibition of the same name toured Australia to great acclaim. Recently she was commissioned to create 'First Contact', a large sculpture as part of the Elizabeth Quay development, and her growing reputation has seen Collections across Australia acquire her work in recognition of its significance.

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## Acquisition criteria

This recommendation complies with Policy 18.2 – Cultural Collections and meets both the Essential Reporting Considerations for Acquisition (section 3.1) and the Acquisition Criteria – Art Collection (section 3.2) as outlined below.

<b>Essential Reporting Considerations for Acquisition (section 3.1)</b>	
<b>Consideration</b>	<b>Selected works on paper by Laurel and Brett Nannup</b>
Physical integrity, durability, quality of fabrication and maintenance or conservation requirements	<p>Physical integrity – the works are in good condition. The prints were printed by a professional printing studio (engaged by the artist, using the artist’s original plate) and the considerable experience of the printing studio ensures the work has been created to a high standard.</p> <p>Conservation – These recent works are in a stable medium and will have no immediate conservation issues.</p> <p>Display - The works are unframed so framing would be undertaken by the City soon after acquisition. Sufficient funds for framing all the works to industry standard are available in the art collection management budget.</p> <p>Storage – The City of Perth has a climate controlled storage facility for artworks that are not on display.</p>
Authenticity and ethical provenance	The works would be acquired directly from the artist so authenticity and ethical provenance of the work are ensured.
Must be an outright purchase, commission or an unconditional transfer of ownership	The artist understands the purchase is unconditional and the works will become the property of the City of Perth.
Enhance at least one of the existing Collections as defined by Collection scope and/or priorities avoiding duplication	These works will enhance the City’s holdings of contemporary works of art. There are no other works by Laurel and Brett Nannup held in the City’s art collection so the recommended works will fill an existing gap.
Capacity to be placed on display without hindrance to public access or safety, and where relevant, without breaching the creator’s moral rights	All of the selected works are two-dimensional and of modest size so will be able to be displayed in a variety of locations to a high aesthetic standard.
Immediate and future cost considerations	There is sufficient budget for the purchase of the works and their total cost is modest particularly given their significance. Any future operational expenses involved in caring for the works will be planned and budgeted for in the Collection Management budget.

<b>Acquisitions Criteria – Art Collection (section 3.2)</b>	
<b>Consideration</b> The item must:	<b>Selected works on paper by Laurel and Brett Nannup</b>
Represent significant periods, occasions and urban initiatives in the evolution of the city, and city life	<i>Laurel Nannup</i> is a significant indigenous artist. Among other things, her public artwork 'First Contact' (soon to be owned by the City of Perth) is the centrepiece of the Elizabeth Quay development. As a member of the stolen generation Laurel's work also has connections to other important artists and collections such as the Carrolup Collection (repatriated to Western Australia in 2013 and owned by Curtin University) and the Berndt Museum of Anthropology at the UWA.
Build upon the strengths of existing holdings in the Art Collection	The work will build upon existing holdings of contemporary artworks that deal with aboriginal heritage and represent the stories and histories surrounding the stolen generation. The work on paper 'First Contact' links directly to the sculpture in Elizabeth Quay and acquiring this will facilitate a dialogue between the City's cultural collections.
Represent and support the artistic practice of emerging and established artists residing in Western Australia who have received acclaim for their work locally, nationally or internationally	<i>Laurel Nannup</i> is recognised as a significant West Australian artist. In a relatively short career (she graduated from her postgraduate studies in 2001) she has attracted significant attention nationally and, increasingly, internationally. Laurel is elderly and unwell and is unlikely to create any more artwork in her lifetime – therefore this is an important opportunity to acquire her work while she is still able to communicate the stories and significance behind them.  <i>Brett Nannup</i> , Laurel's son, is an emerging artist. While his reputation is still developing, he has participated in a number of exhibitions and his work has already been acquired by a number of collections, some as far afield as New York. Together, Brett and Laurel's work will create an important dialogue as they represent the direct and ongoing stories of the stolen generation.



*flora obscura* series (2015) by Eva Fernandez; \$4050 (each work \$450)

#### **Artwork details**

The series *flora obscura* examines the human relationship to the native flora of the Midland Railway Workshops on the eastern fringe of Perth's metro area. The Midland Railway Workshops were vital to the development and maintenance of the West Australian rail system and therefore have a strong connection to other early centres of trade like the City of Perth and the City of Fremantle.

The images in the *flora obscura* series have been created to appear as stylised references to early round Kodak camera photography (introduced commercially in 1889). They pay homage to the flora that existed in spaces that were cleared by early settlement, making way for progress and infrastructure. These photographic botanical studies not only express the aesthetic beauty of our native flora but also recount the history of the early settlement areas, inclusive of the Indigenous and non-Indigenous narratives. The series serves as a memento of the evolution of nature as an environment changed by progress.

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The *flora obscura* series will complement other contemporary artists represented in the collection that explore the West Australian landscape and environmental issues such as Valerie Sparks and Greg Pryor. There are also works in the collection by artists such as Chris Pease, Kate McMillan and Alan Muller that consider our history in reference to aspects of colonisation and Aboriginal heritage in a similar manner to Fernandez'. *Flora obscura* will also work well in conjunction with historical works by artists documenting the local landscape during the early days of WA's federation such as Florence Fuller and George Pitt Morrison as well as Fred Flood's early photography around Perth.

The nature and size of the *flora obscura* series mean they can be hung in a grouping or as individual pieces. They're well suited to display in a wide variety of locations owned by the City of Perth and are suitable for placement in high traffic public spaces.

**Artist details**

Eva Fernandez was born in 1967 in Toronto, Canada and lives and works in Perth, Australia. Fernandez works across digital based media, video and installation. Her practice is essentially concerned with the exploration and negotiation of the space which she inhabits in context to its complex histories and the cultural legacy of colonialism and imperialism.

**Acquisition criteria**

This recommendation complies with Policy 18.2 – Cultural Collections and meets both the Essential Reporting Considerations for Acquisition (section 3.1) and the Acquisition Criteria – Art Collection (section 3.2) as outlined below.

<b>Essential Reporting Considerations for Acquisition (section 3.1)</b>	
<b>Consideration</b>	<b><i>flora obscura</i> series by Eva Fernandez</b>
Physical integrity, durability, quality of fabrication and maintenance or conservation requirements	Physical integrity – the works are in good condition and the work has been created to a high standard. Conservation – They are recent works in a stable medium and will have no immediate conservation issues. Display – The works are unframed so framing would be undertaken by the City soon after acquisition. Sufficient funds for framing all the works to industry standard are available in the art collection management budget. Storage – The City of Perth has a climate controlled storage facility for artworks that are not on display.
Authenticity and ethical provenance	The works would be acquired directly from the artist so authenticity and ethical provenance of the work are ensured.
Must be an outright purchase, commission or an unconditional transfer of ownership	The artist understands the purchase is unconditional and the works will become the property of the City of Perth.
Enhance at least one of the	This work will enhance the City's holdings of



existing Collections as defined by Collection scope and/or priorities avoiding duplication	contemporary works of art. There are no other works by Eva Fernandez held in the City's art collection so the recommended works will fill an existing gap.
Capacity to be placed on display without hindrance to public access or safety, and where relevant, without breaching the creator's moral rights	The work is two-dimensional and will be able to be displayed in a variety of locations to a high aesthetic standard.
Immediate and future cost considerations	There is sufficient budget for the purchase of the work and any future operational expenses involved in caring for it will be planned and budgeted for in the Collection Management budget.

<b>Acquisitions Criteria – Art Collection (section 3.2)</b>	
<b>Consideration</b> The item must:	<b><i>flora obscura</i> series by Eva Fernandez</b>
Represent significant periods, occasions and urban initiatives in the evolution of the city, and city life	The issues around native flora, colonisation and urban development are highly relevant to the City of Perth and the <i>flora obscura</i> series will stimulate dialogue and exchange between the whole of the City's cultural collections. The works also offer the opportunity to connect with other local institutions, such as Kings Park, and their cultural holdings.
Build upon the strengths of existing holdings in the Art Collection	The work will build upon existing holdings of contemporary artworks that deal with the local landscape, environmental issues and Aboriginal heritage.
Represent and support the artistic practice of emerging and established artists residing in Western Australia who have received acclaim for their work locally, nationally or internationally	Eva Fernandez is recognised as a significant West Australian artist and has been gaining increasing attention, with her work acquired by many state institutions and local government collections. <i>Flora obscura</i> is a high quality demonstration of Fernandez' work and is a significant example of her practice.

## **Agenda Item 8.6 Tender 074-16/17 - Office Cleaning and Lock Up Services**

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### **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 8.6C and subject to annual CPI indexation.*

FILE REFERENCE:	P1032338
REPORTING UNIT:	Properties
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	31 January 2017
ATTACHMENT/S:	Confidential Attachment 8.6A – Evaluation Matrix Confidential Attachment 8.6B – Pricing Evaluation Matrix Confidential Attachment 8.6C – 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 Reporting Implications** **Planning and Framework** **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 8.6A and 8.6B.

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 8.6A – Pricing Evaluation Matrix.

CONFIDENTIAL ATTACHMENTS 8.6A, B & C  
ITEM 8.6 – TENDER 074-16/17 - OFFICE CLEANING AND LOCK UP  
SERVICES

FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING

7 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

**Agenda Item 8.7**      **Tender 095-16/17 Counting and Banking of Monies from Car Park Facilities**

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**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 8.7B including CPI increases.***

FILE REFERENCE: P1033619  
 REPORTING UNIT: Commercial Parking  
 RESPONSIBLE DIRECTORATE: Community & Commercial Services  
 DATE: 21 February 2017  
 ATTACHMENT/S: Confidential Attachment 8.7A – Tender Evaluation Matrix  
 Confidential Attachment 8.7B – Comparative Pricing Analysis  
 (Confidential Attachments distributed under separate cover to Elected Members)

**Legislation / Strategic Plan / Policy:**

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

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

**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 8.7A).

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

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 8.7B – 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 satisfactorily 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 8.7B including CPI increases.

CONFIDENTIAL ATTACHMENTS 8.7A & B  
ITEM 8.7 – TENDER 095-16/17 COUNTING AND BANKING OF  
MONIES FROM CAR PARK FACILITIES

FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING

7 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

**Confidential Outcome of the January 2017 Parking Promotion  
Agenda Item  
8.8**

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**Recommendation:**

***That Council notes the outcome of the City of Perth Parking Promotion conducted in January 2017.***

**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 8.8A – Parking Promotion January 2017 Total Costs (Confidential Attachments distributed under separate cover to Elected Members)

CONFIDENTIAL ATTACHMENT 8.8A  
ITEM 8.8 – OUTCOME OF THE JANUARY 2017 PARKING  
PROMOTION

FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING

7 MARCH 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER