

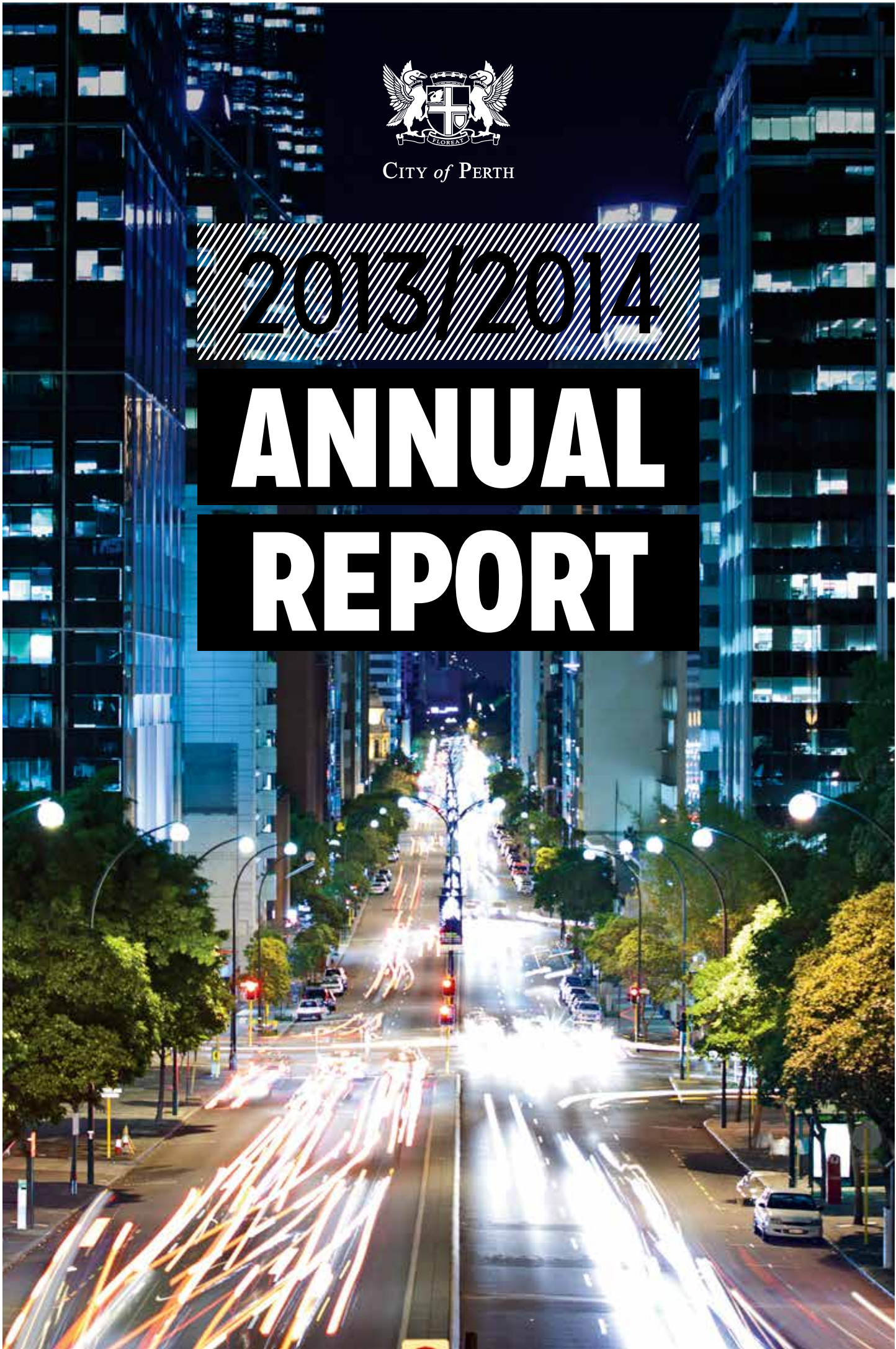


CITY of PERTH

2013/2014

ANNUAL

REPORT



**“PERTH IS RENOWNED AS AN ACCESSIBLE CITY.**

**IT IS ALIVE WITH URBAN GREEN NETWORKS**

**THAT ARE SAFE AND VIBRANT. AS A GLOBAL CITY,**

**THERE IS A DIVERSE CULTURE THAT ATTRACTS**

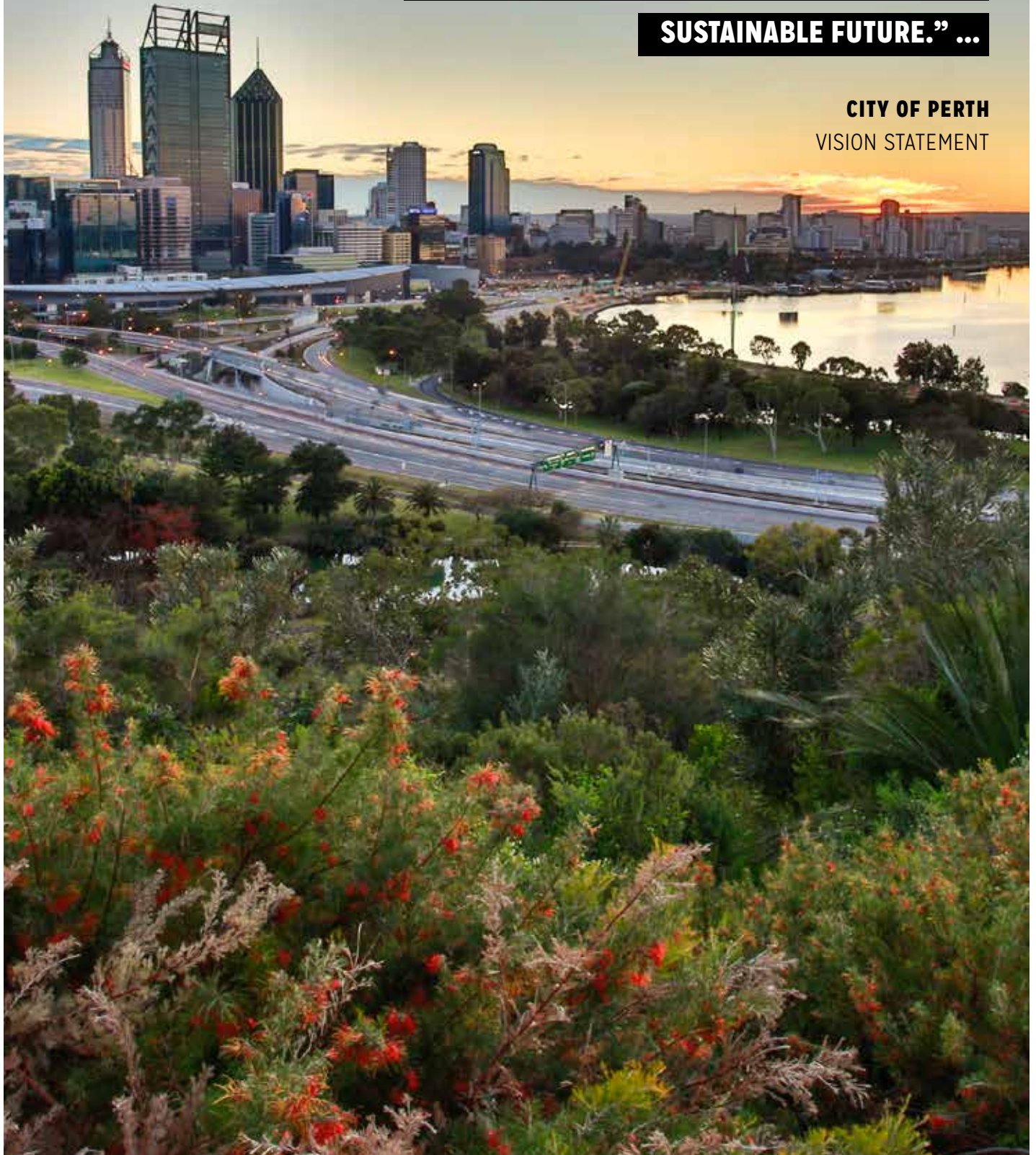
**VISITORS. IT PROVIDES CITY LIVING AT ITS BEST.**

**LOCAL AND GLOBAL BUSINESSES THRIVE HERE.**

**PERTH HONOURS ITS PAST, WHILE CREATING A**

**SUSTAINABLE FUTURE.” ...**

**CITY OF PERTH**  
VISION STATEMENT

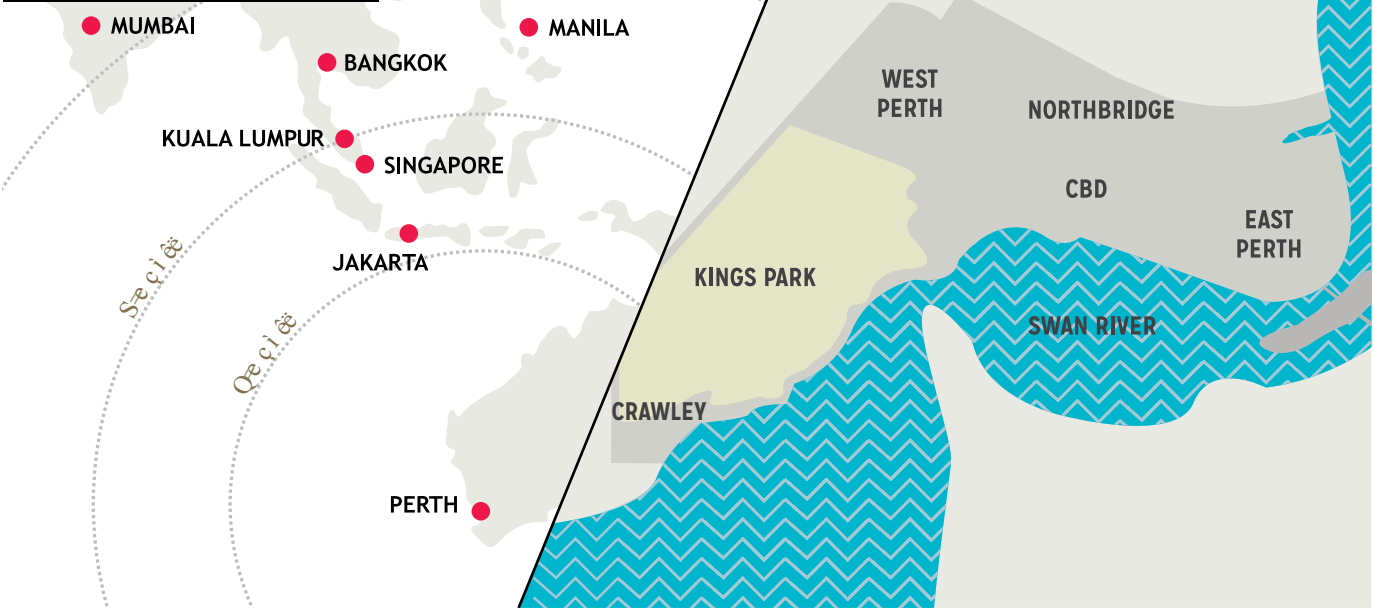


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*Wherever possible the City of Perth prints with environmentally certified print suppliers on environmentally friendly and recyclable paper stocks. This year the Annual and Financial Report has been designed for digital viewing and therefore limited print copies were produced. Printed copies can be borrowed or viewed at the City Library on request.*

# ABOUT PERTH



## THE STATE CAPITAL

Perth is the dynamic and rapidly growing capital city of the State of Western Australia and is located on the Indian Ocean Rim and within the Asia Pacific region, one of the world's fastest growing and developing economic zones.

It is one of the country's fastest growing local government areas and has ranked consistently among the Top 10 most liveable cities in the world, as surveyed by the highly regarded The Economist Intelligence Unit.

Most of Western Australia's 2.5 million people live in the greater metropolitan area of Perth, of which the City of Perth is the nucleus.

The city is a centre of government, commerce, culture, education, sports, recreation, shopping and entertainment. It is set between the beautiful Swan River and the 400 hectares of Kings Park. A large proportion of the City's 8.1 sq km area is public open space.

The city has a Mediterranean climate and enjoys more hours of sunshine than any other capital city in the country.

## HISTORY

The City of Perth has its origins in 1829 when the Swan River Colony was established by the British Government. The city was named after Perth in Scotland.

Prior to that, the area had for thousands of years been an important meeting place for the indigenous Noongar people who have lived in the south-west region of Western Australia for more than 35,000 years.

Perth formally attained 'city' status in 1856 when it was declared a Bishop's See by Queen Victoria. The first meeting of the Perth City Council was held on 10 December 1858. It was not until the centenary of Foundation in 1929 that the position of Mayor was elevated to Lord Mayor. The Council met at a number of locations over the years, moving to its current home, Council House, in 1963.

In 1994, the sprawling local government area was split into four separate authorities with the creation of the Towns of Vincent, Victoria Park and Cambridge. The City of Perth remained as the capital city of Western Australia.

## CITY CREST

The City of Perth crest features the red cross of Saint George on a white background. Two black swans support a crown in copper, gilt and bronze, set on granite from London's old Waterloo Bridge.



CITY of PERTH

<b>WESTERN AUSTRALIA AREA</b>	2,525,500 km <sup>2</sup>
<b>CITY OF PERTH AREA</b>	8.10 km <sup>2</sup>
<b>WESTERN AUSTRALIAN ESTIMATED RESIDENTIAL POPULATION</b>	2.56 million, ABS, March 2014
<b>PERTH METROPOLITAN ESTIMATED RESIDENTIAL POPULATION</b>	1.97 million, ABS, June 2013
<b>CITY OF PERTH ESTIMATED RESIDENTIAL POPULATION</b>	21,860, ABS, Informed Decisions & ABS, June 2014
<b>NUMBER OF HOUSEHOLDS</b>	9,144, ABS, August 2011
<b>TOTAL PRIVATE DWELLINGS</b>	10,884, ABS, August 2011
<b>WORKFORCE POPULATION IN PERTH</b>	124,679, ABS, 2011 census
<b>TOTAL OFFICE FLOOR SPACE IN PERTH CBD:</b>	1,596,109 sq m, Property Council of Australia (February 2014)
<b>TOTAL OFFICE FLOOR SPACE IN WEST PERTH:</b>	419,546 sq m, Property Council of Australia (February 2014)
<b>TOTAL LENGTH OF ROADS</b>	95 km
<b>TOTAL AREA OF PARKLAND AND RESERVES</b>	118 ha
<b>NUMBER OF PARKLAND AREAS AND RESERVES</b>	26
<b>OLDEST PARK</b>	Stirling Gardens, 1845
<b>OLDEST BUILDING</b>	The Old Court House, 1836
<b>LARGEST BUILDING (BY FLOOR AREA)</b>	Brookfield Place, 75,000 sq m of office space
<b>TALLEST BUILDING</b>	Central Park, 261.7m (51 floors)
<b>CITY OF PERTH FOUNDATION DAY</b>	12 August 1829
<b>GEOGRAPHICAL COORDINATES</b>	Latitude 31° S, Longitude 115° E
<b>ALTITUDE</b>	11.2 metres above Sea Level
<b>CLIMATE</b>	Mediterranean
<b>AVERAGE TEMPERATURES</b>	Summer 30 C (max) 17 C (min) Winter 18 C (max) 8 C (min)
<b>TIME</b>	Western Australian Time (GMT +8)
<b>SISTER CITIES</b>	Kagoshima, Japan (1974), Houston, Texas, USA (1984), Rhodes, Greece (1984), Megisti, Greece (1984), San Diego, California, USA (1987), Vasto, Italy (1989) Nanjing, China (1998), Taipei, Taiwan (1999)
<b>CHARTERS OF MUTUAL FRIENDSHIP</b>	Grenoble, France (inactive 1985), Perth, Scotland (2006), Seocho City, Seoul Metropolitan Government, Republic of Korea (2008), Chengdu City, China (2012)
<b>COUNCIL COMPOSITION</b>	Lord Mayor and 8 Elected Members
<b>ANNUAL REVENUE BUDGET INCLUDING CAPITAL GRANTS</b>	\$192 million (2014/15)
<b>INTERNATIONAL AIRPORT</b>	10 kilometres from Perth CBD



An aerial photograph of Perth, Australia, taken at sunset. The sun is low on the horizon, casting a warm, golden glow over the city and the surrounding water. The water reflects the sun, and the city buildings are silhouetted against the bright sky. The foreground shows a large body of water with some smaller ponds and greenery.

**THE CITY HAS CONTINUED TO REACH OUT  
GLOBALLY AND IN SO DOING IS ATTRACTING MORE  
INVESTMENT, BUSINESS OPPORTUNITIES AND  
PEOPLE TO OUR CITY. WE HAVE COMMISSIONED A  
NEW INTERNATIONAL ENGAGEMENT STRATEGY TO  
FINE TUNE AND FURTHER GUIDE OUR EFFECTIVE  
WORK IN THIS AREA AS QUITE CLEARLY PERTH IS A  
FOCUS FOR SO MANY CITIES THESE DAYS.**

**CITY OF PERTH LORD MAYOR**  
LISA-M. SCAFFIDI



# LORD MAYOR'S MESSAGE

Although planning for local government reform has been a priority for us in 2013/14, the City of Perth has continued to deliver in a number of key areas.

The expansion of free city wi-fi and the introduction of smoke-free zones in our central city area have been well received and there are requests for these to be rolled out to other busy precincts over time.

The City has continued to reach out globally and in so doing is attracting more investment, business opportunities and people to our city. We have commissioned a new international engagement strategy to fine tune and further guide our effective work in this area as quite clearly Perth is a focus for so many cities these days.

In April, we welcomed Mayor Annise D. Parker from our sister city Houston for the 30th anniversary of that relationship. Mayor Parker was accompanied by a delegation of oil and gas executives and they were very impressed by their extensive tour of the greater city area.

The sister city relationship between Houston and Perth is resonating on so many levels and we also share a rich naval history. The connection to the oil and gas industry means there are many Texan businesses with a strong and active investment presence here and we are now looking at medical research collaborations.

Work on our new City lending library advanced significantly and when completed will be a fine addition to the new precinct coming to life around the former Treasury Buildings. The library is a building designed 'in the round' and will feature (aside from the library) a gallery space, meeting rooms and a cafe. It will be a well utilised city asset and is one of the largest capital projects undertaken by the City since building the Perth Concert Hall in the 70s.

The City has continued to work closely with the Metropolitan Redevelopment Authority (MRA) on the Perth City Link and Elizabeth Quay projects as the land provider in both key precincts.

We released our vision in the Strategic Community Plan – Vision 2029+ during the year and outlined community aspirations along with those of the Council. We are very cognisant of stakeholders' needs and consider they are regarded as high priority throughout our planning and reform processes.

Late in 2013 we welcomed two new Elected Members in Councillors Reece Harley and Keith Yong and the re-election of Cr James Limnios and Cr Judy McEvoy.

As mentioned in my opening, impending local government reform has been a major focus for us. The City of Perth has stressed the importance and need for a strong capital city and clearly outlined why the key infrastructure sought is best placed within the City of Perth boundaries.

The City has a strong economic development focus as a capital city authority and with so many businesses in our boundaries we are keen to assist business, attract investment and connect business-to-business in all marketplaces. We strongly support tourism and do so by way of funding the Perth Convention Bureau, so it makes sense infrastructure such as the Crown Perth entertainment complex should be in the City. It seems illogical to isolate Burswood residents from the same authority that would oversee the stadium and casino given those entities could most affect the lifestyles of nearby residents

The University and QEII Medical Centre, including the Harry Perkins Institute of Medical Research, would benefit from a local government authority that links them to key opportunities overseas in our sister cities and world energy cities where our high-level affiliations would serve them well. Too much "suburban distraction" for a capital city is not going to serve the city optimally at a time when the capital city requires a clear focus on continued growth and major precinct renewal. Projects now under MRA control will require high levels of maintenance when handed back to the City, given the expected levels of visitation.

While some local governments have expressed great resistance to reform, the City of Perth supports the process, provided the final outcome is sensible and mindful of the distinctive role the City of Perth provides to greater Perth. Our current 8.1 sq km area makes us the smallest capital city in the nation.

The final announcement will hopefully align closely with our views as submitted to the Local Government Advisory Board to enable us to get on with the great job of providing local government services to our constituents.

Our Council and administration continue to work diligently and we thank our stakeholders and citizens for their assistance during the reform process and for their patience during ongoing city building works at this evolutionary time in our city's growth and revitalisation.

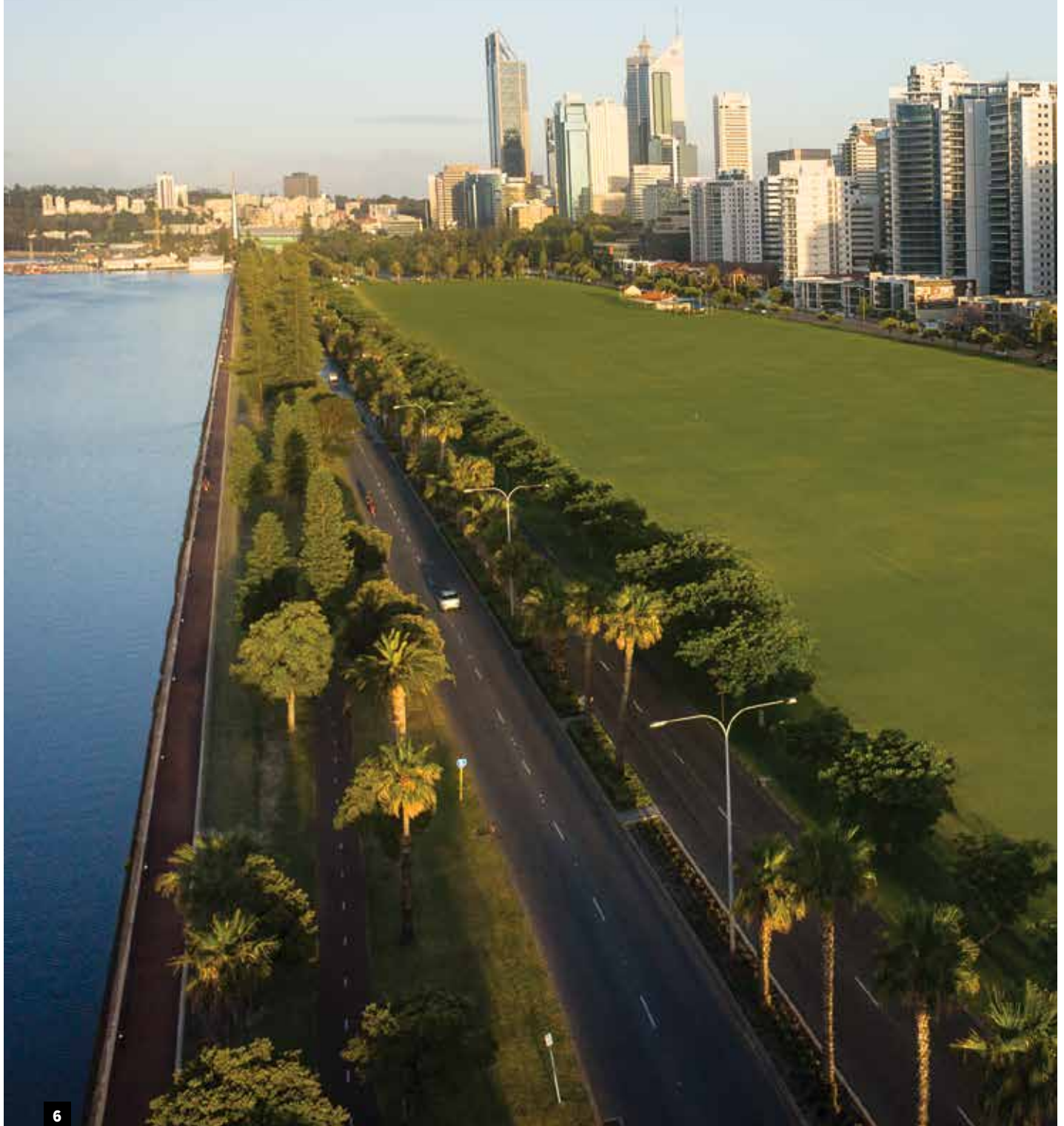
**The Right Honourable the Lord Mayor  
Lisa-M Scaffidi**

17 August 2014

**“THE SIGNS OF CHANGE ARE OBVIOUS TO ANYONE WHO VISITS OUR CITY. IN THE SOUTH, THE ELIZABETH QUAY DEVELOPMENT IS BEING CARVED OUT OF WHAT WAS ONCE THE ESPLANADE RESERVE AND JUST FOUR BLOCKS TO THE NORTH PERTH CITY LINK IS STEADILY TAKING SHAPE.”**

**CITY OF PERTH CEO**

Gary Stevenson







# CEO'S MESSAGE

The City of Perth has been preparing diligently for the challenges that come with significant change and is focused on achieving the best outcomes for residents, ratepayers and other city stakeholders.

The signs of change are obvious to anyone who visits our city. In the south, the Elizabeth Quay development is being carved out of what was once the Esplanade Reserve and just four blocks to the north Perth City Link is steadily taking shape.

As well as these visible signs of change, our local government faces the prospect of being strengthened through the State Government's reform process which aims to reduce the number of councils in the metropolitan area in expectation of greater efficiencies in the sector.

These physical and structural changes promise a new chapter in the city's history. However, a successful outcome is reliant, to large degree, on the preparation.

In July 2013 the Minister for Local Government released the State Government's model for metropolitan local governments and invited councils to submit their own boundary proposals to the Local Government Advisory Board (LGAB).

During the course of the year the City submitted two comprehensive proposals to the independent Board as well as a submission in response to later proposals by the City of Subiaco and Town of Mosman Park.

The Council, acting in the best interests of the City's ratepayers and residents, submitted boundary change proposals based on the principles of:

- Capital City Focus
- Global Status
- Financial Strength
- Strategic Infrastructure
- Effective Planning and Management

As at 30 June 2014, the outcome of the reform process was still undetermined, but the administration had made solid progress in laying the groundwork for transition

*(Subsequently the Government announced in October 2014 that the City of Perth and the City of Vincent would merge under a new City of Perth Act, and would include Kings Park, the University of WA and the QEII Medical Centre.)*

Ten working groups involving Directors, Managers and staff were established to implement the first stage of the Transition Plan developed by the Department of Local Government and Communities, the Western Australian Local Government Association and Local Government Managers Australia (WA).

The year in review began with the launch of the City's new Strategic Community Plan – Vision 2029+ which sets out the community's aspirations, objectives and vision for the city.

During a period of extraordinary growth and development it is vitally important to ensure that the City is best placed to achieve its own future goals and that these are guided by community aspirations.

Five key themes were discussed and identified as part of the plan: Getting Around Perth, Perth as a Capital City, Living in Perth, Perth at Night and Healthy and Active in Perth.

The Strategic Community Plan – Vision 2029+ will guide the Council's activities and is supported by a Four Year Corporate Business Plan which facilitates the implementation of the plan. Vision 2029+ will be subject to ongoing review, including consultation with the community.

The Council endorsed amendments to the City Planning Scheme No. 2 that include changes to built form controls across large parts of the city. Overall building height controls are specified only in selected areas where there is considered to be a need to protect the public amenity. In other areas other planning provisions, along with broader development objectives, will guide and control building heights.

The amendments are aimed at ensuring the city's growth needs can be accommodated and that built form aspirations outlined in the City's Urban Design Framework are realised.

As our city grows there will be pressure on services provided by the City and more so if our local government area expands. Unfortunately, a larger and more affluent residential population is generally accompanied by increased waste.

The Council approved a wide-ranging waste management strategy for the next 10 years and beyond. Public health obligations, improvement to street amenity, treating waste as a resource and the integration of waste management and land development are all critical issues considered within the strategy.

It was pleasing that the City of Perth's leadership in several areas was recognised externally. The City took out three awards in both the Planning Institute Australia Awards for Planning Excellence and the Perth Airport WA Tourism Awards.

The City also took out two awards at the 2013 Sister Cities Australia National Conference and was highly commended in another category. The awards were for the 2012 Kagoshima Sister City Agribusiness Project and the signing of the Chengdu Sister City agreement.

The awards are indicative of the high standards set by the City and the expertise and efforts of its staff in developing projects to enhance the capital city.

**Chief Executive Officer**  
**Gary Stevenson PSM**  
26 August 2014

# ELECTED MEMBERS



**LISA SCAFFIDI**

**Councillor** (July 2000 – October 2007)

**Lord Mayor** (from October 2007)

Ms Scaffidi was elected to the City of Perth as a Councillor in July 2000 and as Lord Mayor in October 2007. Ms Scaffidi is in her second term as Lord Mayor and is a city resident. Working in a full-time capacity as the Lord Mayor, she is focused on Perth's growth yet keen to deliver good vitality, maintain amenity and to improve the liveability of the capital city. Ms Scaffidi is active in the areas of economic development and works with the creative sectors to enhance the city's diversity.

As Lord Mayor, Ms Scaffidi is a member of various external committees and boards including the Central Perth Planning Committee, the Local Redevelopment Committee (LRC) of the MRA and the Taxi Council of Western Australia.

Ms Scaffidi chairs the Lord Mayor's Distress Relief Fund and is also Patron of the Perth Art Foundation. Additionally, Ms Scaffidi is also Patron for a number of other Western Australian charities and is the Perth Fashion Festival Ambassador.

Ms Scaffidi represents the City of Perth on the Council of Capital City Lord Mayors and is a Past President of the World Energy Cities Partnership, a group of 21 cities around the world whose economy is largely based on the oil and gas industry.



**ROB BUTLER**

**Deputy Lord Mayor** (from October 2013)

Councillor Rob Butler brings to the City of Perth 22 years of local government experience as a Councillor. Councillor Butler was initially elected to the City of Perth Council in May 2003 and was re-elected in October 2007 and October 2011. Councillor Butler currently holds the office of Deputy Lord Mayor.

During 2013/14 Councillor Butler chaired the Council's Planning Committee and is a member of the Council's Finance and Administration Committee and Audit and Risk Committee.

Councillor Butler is a member of the Central Perth Planning Committee, Perth Local Development Assessment Panel, Perth Theatre Trust, Local Chambers Perth City Executive Committee, Perth Fashion Festival Advisory Board and is one of the Council's delegates to the WA Local Government Association (Central Metropolitan Zone).

Councillor Butler is currently the Western Australian Executive Manager of three successful manufacturing and supply companies servicing the mining, oil and gas, and general engineering industries throughout Australia.



**JIM ADAMOS**

**Councillor**

Councillor Jim Adamos was elected to Council in October 2011 and during 2013/14 was a member of the Council's Marketing, Sponsorship and International Relations Committee.

Councillor Adamos represents the Council on the Perth Theatre Trust, Heritage Perth and the Heritage Council of WA.

Councillor Adamos holds a Bachelor of Business degree with a major in Accounting and his focus has been on management consulting and business improvement strategies for various organisations. A father of two young children, Councillor Adamos is a long time resident of the city. He brings to Council an interest in culture and the arts, sustainability and community safety and security and is keen to encourage further business investment in the city.



**LILY CHEN**

**Councillor**

Councillor Lily Chen was elected to the City of Perth Council in October 2011. She has been on various committees such as the former Parking and General Purpose Committees. From 2013 she has chaired the Marketing, Sponsorship and International Relations Committee. Councillor Chen has also been on a number of external committees, including the Heirisson Island Sculpture Park Committee and the Perth Safe City Working Group.

Apart from her role as Councillor at the City of Perth, Cr Chen has been on the Board of Directors for the Migration Institute of Australia (MIA); was elected as the Vice President of MIA nationally in 2013; and is the President of MIA in Western Australia.

Councillor Chen's interests have been in promoting the City of Perth and WA as a tourism and investment destination and has been involved in facilitating business deals between local businesses and overseas investors, assisting stakeholders to resolve problems in her capacity as a Councillor and as a legal practitioner.

Councillor Chen is keen to work with people of all backgrounds and has been always willing and ready to lend a helpful hand to others in need.



**JANET DAVIDSON, OAM JP**

**Councillor**

**Deputy Lord Mayor** (until October 2013)

Janet Davidson has been a Councillor at the City of Perth since 1998 and held the office of Deputy Lord Mayor from 2011 to 2013 and in 2009. During 2013/14 Councillor Davidson chaired the City of Perth's Finance and Administration and Audit and Risk Committees.

Councillor Davidson is a member of the City of Perth's Public Lending Library and Public Plaza Project Working Group, Mindarie Regional Council, Tamala Park Regional Council, Perth Theatre Trust, Library Board of WA (past Chairman), Australia Day Council of WA (Management Committee) and Returned Services League WA Branch - Centenary ANZAC Day 2015 Committee. She is a State Councillor on the WA Local Government Association (WALGA) and is the Chairperson for the Central Metropolitan Zone. Councillor Davidson held the position of National Vice-President of ALGWA (Australian Local Government Women's Association) for seven years (2004-2011) and remains the WA delegate to the National Board

Councillor Davidson's background is in education and training and quality assurance/human resource management. She is currently the Executive Officer to the WA Regional Office of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists. With a Master's Degree in Management from the University of Western Australia and a GAICD (Graduate of the Australian Institute of Company Directors), Councillor Davidson is also a trained teacher and a Justice of the Peace. She is a member of the Australian Institute of Management and the Australian Institute of Company Directors.



**REECE HARLEY**

**Councillor** (from October 2013)

Reece Harley was elected to Council in October 2013 and is a proud resident of West Perth.

Reece serves as a member of the City's Planning Committee and Audit and Risk Committee and is a Board Director of the Perth Public Art Foundation, the Perth Convention Bureau and Heritage Perth.

Prior to his election to Council, Reece was running weekly history walking tours of the city, sharing his knowledge of and passion for Perth. He is committed to making the city a more walkable, well-designed, economically successful, environmentally sustainable and safer place for everyone to enjoy.

While studying for his Bachelor Degree in Communications at Murdoch University, Reece worked at the University of Western Australia in the Office of Governance Services. He was also involved in a number of community organisations including the Rotary Club of Crawley and served on the City of Perth's Youth Advisory Council before being appointed as the City's Inaugural International Youth Ambassador in 2010.

Reece is the Western Australian Program Director of an indigenous mentoring organisation managing a team of 16 staff members who support more than 600 Indigenous high school students across Western Australia.



**JAMES LIMNIOS**

**Councillor**

Councillor James Limnios was elected to Council in October 2009. He is Chair of the Council's Works and Urban Development Committee and is a member of the Marketing Sponsorship and International Relations Committee. During 2012/13 he was also a member of Council's General Purposes Committee and Parking Committee.

Councillor Limnios is the Council's delegate to the Local Chambers Perth City Executive Committee, Perth SafeCity Working Group and the Metropolitan Regional Road Group. He is also Chair of the Perth Liquor Accord (Perth Liquor Accord Sub Committee) and a member of the Rotary Club of Perth.

Councillor Limnios won a WA Business News "40under40" award in 2004 as one of Western Australia's top 40 entrepreneurs under the age of 40. Councillor Limnios is the Chief Executive Officer of Limnios Property Group, a family owned and managed, city-based business specialising in property. In 2006, Councillor Limnios completed an Executive Masters of Business Administration through the University of Western Australia and has further qualifications in property and real estate.



**JUDY MCEVOY**

**Councillor**

Councillor Judy McEvoy was first elected to the Council of the City of Perth in May 1997 and is a member of the Council's Planning Committee, Works and Urban Development Committee.

Councillor McEvoy was a business owner/operator in Perth for more than 30 years. Councillor McEvoy has been a resident of West Perth since selling her business in the city in 2004.



**LYNDON RODGERS**

**Councillor** (until October 2013)

Lyndon Rodgers was elected to Council in October 2009. During 2012/13 Councillor Rodgers was the Chairperson of the Council's Parking Committee and a member of the Finance and Administration Committee.

He was also the Council's delegate to the City of Perth Art Foundation, Swan River Protection Strategy Advisory Committee, Heritage Perth Committee and the Perth SafeCity Working Group



**KEITH YONG**

**Councillor** (from October 2013)

Councillor Keith Yong was elected to Council in October 2013 and appointed as a member of the Finance and Administration Committee. He is a Council delegate to the East Perth Community Safety Group Inc, Chamber of Commerce and Industry - WA Tourism Committee and Perth Safe City Working Group, which works with the community to reduce crime and improve the quality and security of life for the people of Perth.

He promotes a safer and cleaner city and the Council's continuing efforts to make the city a more dynamic, vibrant, connected and sustainable place to live. He believes this can be achieved by encouraging business and leisure, promoting local and foreign ventures, investment and encouraging domestic and international tourism to the city.

Councillor Yong is a lawyer and senior associate in a law firm in the city. He is the President of the Hakka Association of Western Australia Inc. and legal consultant to various Asian community associations and is actively involved in voluntary and charitable organisations. He is a strong advocate for a safer and business-friendly community in the city.

# ELECTED MEMBER

## MEETING

## ATTENDANCE

Committee	Members	Ordinary Meetings Held	Number of Ordinary Meetings Attended	Special Meetings Held	Number of Special Meetings Attended
Marketing, Sponsorship and International Relations	Cr Adamos	13	13	1	1
	Cr Chen	13	12	1	0
	Cr Limnios	13	9	1	1
Works and Urban Development	Lord Mayor	12	9	N/A	N/A
	Cr Limnios	12	10	N/A	N/A
	Cr McEvoy	12	12	N/A	N/A
Finance and Administration	Cr Rodgers*	5	4	N/A	N/A
	Cr Butler	15	14	1	1
	Cr Davidson	15	12	1	1
	Cr Yong**	10	10	1	1
Planning	Cr Butler	15	14	N/A	N/A
	Cr Adamos*	5	5	N/A	N/A
	Cr McEvoy	15	15	N/A	N/A
	Cr Harley**	10	9	N/A	N/A
Audit and Risk	Cr Butler	4	4	N/A	N/A
	Cr Adamos*	1	1	N/A	N/A
	Cr Davidson	4	4	N/A	N/A
	Cr Harley**	3	3	N/A	N/A
CEO Performance Review	Lord Mayor	1	1	N/A	N/A
	Cr Davidson	1	1	N/A	N/A
	Cr Butler	1	1	N/A	N/A
Design Advisory	Ciemitis	10	8	N/A	N/A
	MacKay	10	6	N/A	N/A
	Kerr	10	9	N/A	N/A
	Karotkin	10	5	N/A	N/A
	Sharp	10	5	N/A	N/A
	State Govt. Architect/Nominee	10	6	N/A	N/A
	Director City Planning and Dev	10	9	N/A	N/A
Council	Lord Mayor	15	11	4	4
	Cr Butler	15	14	4	4
	Cr Davidson	15	15	4	4
	Cr Adamos	15	14	4	4
	Cr Chen	15	10	4	4
	Cr Limnios	15	12	4	3
	Cr McEvoy	15	15	4	4
	Cr Rodgers*	5	4	1	1
	Cr Harley**	10	8	3	2
	Cr Yong**	10	9	3	3

\* Term concluded 19 October 2013

\*\* Term commenced 22 October 2013



# CORPORATE GOVERNANCE

## COUNCIL STRUCTURE

The Council of the City of Perth consists of a popularly elected Lord Mayor and eight Councillors. Each is elected for a four-year term. Elections are held every two years with half of the Council seats being contested at each election. The next local government election is due in October 2015.

The Council meets every third Tuesday evening as part of a three-week business cycle. Council meetings are open to the public.

During the 2013/14 financial year seven committees established by Council met. The four main committees each comprised three Elected Members and met on the first and second weeks of a three-week business cycle. Other committee meetings are scheduled as required.

## DECISION-MAKING PROCESS

Reports to the Council and its committees are the formal method by which the administration provides advice to Elected Members. The committees consider matters relevant to their role and subsequently make recommendations to Council. Where a

committee has been provided Delegated Authority to make decisions on behalf of the Council, the committee can make determinations without the matter being referred to the Council.

Committees with Delegated Authority are open for the public to attend. Agendas of the Council and committees with Delegated Authority are available publicly on the City's website and for inspection prior to meetings. Minutes of all Council and committee meetings are also available to the public.

## LEGAL ISSUES

Each year, local governments must complete a Compliance Audit Return for the Department of Local Government and Communities. The Audit Return provides prompts in relation to the local government's statutory obligations in a number of areas, such as tenders, meetings, disclosure of financial interests and financial management.

Matters identified as non-compliance were reported to the Council at its meeting held in March 2014.

The annual Compliance Audit Return provides the City with the opportunity to review practices and implement improvements that contribute to the long-term capacity of the City to operate in accordance with *Local Government Act 1995* requirements.

Remedies have been put in place to ensure that the City's legal obligations are fully met in the future.

The *Local Government Act 1995* requires that the City's Delegations of Authority Register be reviewed annually. A report on the review of the Council's statutory delegations was considered by the Council at its meeting held in June 2014.

As a result of continual review of the City's local laws, in the 2013/14 financial year the City amended its Parking Local Law 2010 and completed a review of the Public Trading Local Law 2005. Reviews have commenced for the City's Thoroughfares and Public Places Local Law 2007 and Property Local Law 2005.

## REGISTER OF COMPLAINTS

No complaints were received or recorded under section 5.121 of the *Local Government Act 1995*, during the 2013/14 financial year.

# COUNCIL

## COMMITTEES

In accordance with the *Local Government Act 1995*, the Council established a number of Committees to support the operations of the Council. With the exception of the Design Advisory Committee, the membership of all of the Committees comprises a number of Elected Members as determined and appointed by the Council. The following information provides a brief description of the role of each of these Committees during the 2013/14 Financial Year.

### FINANCE AND ADMINISTRATION COMMITTEE

This Committee makes recommendations to Council regarding the financial management of the City, including budgeting, payment of accounts, the collection of debts, investment of funds and setting of fees and charges. It also deals with property management issues, off street parking and the City's Strategic Community Plan, Corporate Business Plan and Strategic Enabling Documents. This Committee has delegated authority from Council for determining public art purchases and de-accession valued up to \$5,000.

### AUDIT AND RISK COMMITTEE

The Audit and Risk Committee provides guidance and assistance in regards to:

- » Financial Management;
- » risk Management;
- » internal Controls;
- » legislative compliance; and
- » internal and external audit planning and reporting.

This Committee has delegated authority from Council to meet with the external auditor on an annual basis as required by the Act.

### PLANNING COMMITTEE

This Committee makes recommendations to Council on a wide variety of planning issues; its primary role being to consider applications for development within the city. It also considers the City Planning Scheme and planning policies, identification of long-term planning opportunities, strategic town planning initiatives, economic development, heritage matters, transport and traffic network planning issues, environmental noise management, liquor licensing and applications for major events.

### DESIGN ADVISORY COMMITTEE

The Design Advisory Committee provides independent technical advice and recommendations to Council in respect to applications requesting a Plot Ratio Bonus in the Central Area as well as advising on design issues on other applications referred to it for consideration.

The Committee membership comprises of:

- » Two Architects selected from a panel of five nominations presented by the Australian Institute of Architects;

- » two Town Planners selected from a panel of four nominations from the Planning Institute of Australia;
- » one Landscape Architect selected from a panel of two nominations presented by the Landscape Architects Institute of Australia;
- » State Government Architect; and
- » Director City Planning and Development of the City of Perth.

### MARKETING, SPONSORSHIP AND INTERNATIONAL RELATIONS COMMITTEE

This Committee is responsible for marketing of the city, such as initiatives to promote Perth as a tourist destination, events held within Forrest Place and the Malls and Christmas decorations. The committee also assesses requests for donations and sponsorship and deals with international relations including Sister City relationships, US Naval visits and the World Energy Cities Partnership. This Committee has delegated authority from Council for determining donations and sponsorship valued below \$10,000.

### WORKS AND URBAN DEVELOPMENT COMMITTEE

This Committee considers works related to the City's infrastructure, such as streets, reserves, recreational and civic facilities and other public places. The Committee also makes recommendations on waste management issues and initiatives and considers proposals for the facade lighting of buildings.

### CEO PERFORMANCE COMMITTEE

This Committee plays a major role in the recruitment and performance reviews of the Chief Executive Officer.

# ADMINISTRATIVE STRUCTURE & ROLES



**CITY PLANNING  
AND DEVELOPMENT  
DIRECTOR:**

Martin Mileham



**CITY  
SERVICES  
DIRECTOR:**

Garry Dunne



**CITY  
INFRASTRUCTURE  
AND ENTERPRISES  
DIRECTOR:**

Douglas Forster



**CORPORATE  
SERVICES  
DIRECTOR:**

Robert Mianich

## CITY PLANNING & DEVELOPMENT

### Approval Services

**ROLE:** The Approval Services Unit is responsible for administering the statutory obligations of Local Government in terms of town planning and building matters, issuing health approvals and licences and approvals for events and activities in streets and reserves. The Unit strives to mitigate risk associated with development and events while promoting an attractive, vibrant, liveable and well planned city.

### Economic Development

**ROLE:** The Economic Development Unit assists in guiding the delivery of sustained prosperity in Perth's business community. It aims to identify, develop, implement and review its strategies and plans to achieve a diversified economic base with a general improvement in the quality of economic productivity. The unit facilitates communication between the public, business community and government agencies to work collectively to create an environment that fosters sustainable economic growth. The Unit also drives the City's continued international engagement and economic development through programs and initiatives associated with the City's various Sister Cities and other international relationships.

### Sustainable City Development

**ROLE:** The Sustainable City Development Unit is responsible for the long-term planning of the city. It focuses on the urban planning of the city to ensure that growth achieves liveable and sustainable outcomes for the community. The Unit develops strategies and plans to enable the effective implementation of the City's long-term planning, focusing on the needs of the community, strategic environmental issues affecting the city and community, contemporary development management and heritage outcomes.

### City Design

**ROLE:** The City Design Unit is responsible for the physical improvements of the existing public domain, the creation of new public spaces and facilities throughout the city and preparing and implementing strategic transport initiatives that will produce an attractive, functional and sustainable city environment.



## CITY SERVICES

### Compliance Services

**ROLE:** Delivers parking, safety and security and environmental health services within the City of Perth. The unit places a strong emphasis on educating and informing the public and businesses of their compliance responsibilities. Cases of non-compliance are pursued in accordance with local, state and federal laws as required and in a fair and equitable manner.

### Property Management

**ROLE:** To manage, maintain and develop the City's property portfolio.

### Library Services

**ROLE:** The public library is a multi-purpose community facility which provides access to recreation, leisure, culture, research and life-long learning to residents and visitors.

### Community Services

**ROLE:** Provides and facilitate diverse community, customer and cultural services, and the provision of facilities that assist and contribute to the wellbeing of city residents, visitors and workers.

### Marketing, Communications & Events

**ROLE:** To encourage visitation to the city by carrying out destination marketing campaigns and presenting a varied program of events throughout the year. To provide a quality visitor information service in Forrest Place. To ensure quality internal and external communications through a variety of media with all stakeholders of the city while striving to create a sense of pride in the capital city for all West Australians.

### Customer Service

**ROLE:** To provide a central point for customer service provision for both internal and external customers.

## CITY INFRASTRUCTURE AND ENTERPRISES

### Parks and Landscape Services

**ROLE:** The presentation and maintenance of the city's expansive open spaces, streetscapes and parklands to a level of service and quality commensurate with Perth as a city for people and the capital of Western Australia.

### Works and Services

**ROLE:** The preservation and rehabilitation of the city's physical assets including roads, stormwater facilities, pedestrian pavements and access ways. Works and Services provides cost-effective, customer-focused services for city cleaning, waste management, recycling and litter.

### City of Perth Parking

**ROLE:** The planning, management and maintenance of off-street car parking in the city so as to provide convenient, low cost and easily accessible facilities suited to the needs of users.

### Contract and Asset Management Services

**ROLE:** To facilitate the provision and maintenance of assets and services to the city in a cost-efficient and effective manner.

## CORPORATE SERVICES

### Financial Services

**ROLE:** To manage the City's financial resources in an effective and efficient manner, to provide accurate, timely and meaningful financial information for decision making, and to meet the City's statutory financial obligations.

### Governance

**ROLE:** In addition to effectively managing Council's governance responsibilities to ensure legislative compliance, this unit is also responsible for risk management, business continuity and corporate planning and performance, as well as electoral and legal matters.

### Human Resources

**ROLE:** To support the City of Perth in making informed and strategic decisions in the management and development of its organisational capabilities (people, structures and processes). To provide practical and effective HR services to enable business units to meet their organisational goals.

### Information Services

**ROLE:** To provide the information technology, information governance and record management services required to enable the City of Perth to achieve its business goals, priorities and objectives.

### Internal Audit

**ROLE:** To provide an effective internal audit function, enhance risk management and identify process improvement opportunities within the City.

# INTEGRATED PLANNING & REPORTING FRAMEWORK



In July 2013 the Department of Local Government and Communities, through changes to the Local Government Act 1995, introduced the Integrated Planning and Reporting Framework (IPRF). The Framework requires local governments to engage with their community to establish a vision that will frame the priorities and objectives into the future. The City of Perth's Integrated Planning and Reporting Framework highlights the interaction between the various plans with emphasis given to a mutual informing relationship. The intent is to ensure the priorities and services provided by the City of Perth are aligned with our community needs and aspirations.

The Strategic Community Plan, Vision 2029+, is the City's long term strategic direction that expresses the community's vision for the future, together with the strategies to address strategic community outcomes. This is a 15 year strategy, which is reviewed biennially.

This drives the City of Perth's Corporate Business Plan, which is the detailed implementation plan for services, key projects and capital investments over the next four years.

The City's key strategic enablers show how we are equipped to deliver on the commitments made in the Corporate Business Plan. These key strategies are:

- » **Long Term Financial Plan**  
This plan allows for appropriate decision making with emphasis on financial sustainability.

- » **Workforce Plan**  
This plan identifies the workforce requirements needed for current and future operations.
- » **Corporate Asset Management Plan**  
This plan provides guidance on service provision to inform the City's financial and key service needs.
- » **Organisational Development Plan**  
This plan helps to foster a continuous improvement culture, designed to strengthen the governance, people and organisation practices.

The Annual Budget is then created based on the projected costing of year one of the Corporate Business Plan, with opportunity to review during the mid-year budget review processes.

The implementation of this framework ensures the City of Perth continuously works towards delivering best outcomes of its community.

# DELIVERING VISION 2029+

Extensive community engagement was conducted to develop the City of Perth's Strategic Community Plan, Vision 2029+, adopted in June 2013. Numerous methodologies were used to gather information from the community to ensure the creation of the City of Perth's strategic direction reflected their views.

This provided the basis for the City's strategic vision:

*Perth is renowned as an accessible city. It is alive with urban green networks that are safe and vibrant. As a global city, there is a diverse culture that attracts visitors. It provides city living at its best.*

*Local and global businesses thrive here. Perth honours its past, while creating a sustainable future.*

To help deliver the City of Perth's strategic vision, the following themes were identified to guide the organisation. These themes are:

- » Major Strategic Investments
- » Getting Around Perth
- » Perth as a Capital City
- » Living in Perth
- » Perth at Night
- » Healthy and Active in Perth
- » Capable and Responsive Organisation

The following initiatives were identified in the City of Perth's Corporate Business Plan 2013/14-2017/18 as opportunities to activate the strategic community inspired themes. Over the course of the year these initiatives have been progressed, with reporting provided to Council for monitoring purposes. Below is an overview on the annual status of each initiative.

The monitoring and reporting of these key initiatives will continue on a quarterly basis to the Elected Members to ensure the organisation continues to work towards meeting the community's aspirations.

## MAJOR STRATEGIC INVESTMENTS

NO.	PROJECT INITIATIVE	STATUS
<b>S1</b>	<b>Ensure that major developments effectively integrate into the city with minimal disruption and risk.</b>	
PR1	Coordination of interface with major projects and new precincts currently under construction (Elizabeth Quay, Perth City Link & Riverside) including logistics planning	On Target
PR2	Cathedral Square Precinct including the construction of a new library facility with improved and expanded services	Behind Schedule
PR3	Implementation of the Central Institute of Technology Urban Design Master Plan in conjunction with the State Government and CIT	On Target
PR4	In conjunction with the proponents assess current and planned development and projects that impact on the city to consider implications for logistical issues both during construction and following completion.	On Target
<b>S2</b>	<b>Optimise the commercial and community outcomes within the property portfolio</b>	
PR5	On-going promotion of City of Perth Parking (CPP) with a focus on having a healthy influence on parking options available to the community	On Target

## GETTING AROUND PERTH

NO.	PROJECT INITIATIVE	STATUS
<b>S3</b>	<b>Proactive planning for an integrated transport system, including light rail, that meets community needs and makes the sustainable choice the easy choice</b>	
PR6	Increased focus on interagency collaboration and communication	On Target
<b>S4</b>	<b>Enhanced accessibility in and around the City including parking</b>	
PR7	Advocate and work in partnership with others to provide safe and convenient ways to get around Perth, including cycling, light rail and CAT buses	On Target
PR8	Continue two way street conversion program	On Target

# DELIVERING

## VISION 2029+

### CONT.

#### PERTH AS A CAPITAL CITY

NO.	PROJECT/INITIATIVE	STATUS
<b>S5</b>	<b>Increased place activation and use of under-utilised space</b>	
PR9	Deliver and facilitate a greater range and frequency of small-scale and temporary activities such as pop up shops, markets and entertainment	On Target
PR10	Contribute to and facilitate the activation and use of vacant private and public space	On Target
PR11	Review regulatory framework with a view to facilitate upper floor activation	On Target
<b>S6</b>	<b>Maintain a strong profile and reputation for Perth as a city that is attractive for investment</b>	
PR12	Work with State and Federal Governments to attract international companies to set up offices in the Perth CBD	On Target
PR13	Promote collaboration, networking, knowledge-exchange and business mentoring and development for tourism-based businesses	On Target
<b>S7</b>	<b>Collaborate with private sector to leverage city enhancements</b>	
PR14	Promote connectivity and free Wi-Fi	On Target
<b>S8</b>	<b>Contribute to a strong service culture and an attitude of gratitude in the private sector</b>	
PR15	Coordination of Customer Service awards	Completed

#### LIVING IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
<b>S9</b>	<b>Promote and facilitate CBD living</b>	
PR16	Investigate options to better manage conflicting activities	On Target
PR17	Develop and implement a communication plan for prospective and new city residents	On Target
PR18	Enhance and maintain public spaces and streets to high standards to ensure the city centre is an attractive place for people.	On Target
<b>S10</b>	<b>Improve the diversity in housing stock</b>	
PR19	Consider and develop mechanisms to enable different and appropriate housing options (eg. student accommodation for Central Institute of Technology)	On Target
<b>S11</b>	<b>Increase community awareness of environmentally sustainable ways of living</b>	
PR20	Develop and implement a range of community awareness and partnership programs in relation to environmental sustainability	On Target
<b>S12</b>	<b>Provide facilities to cater for the growth of the residential community</b>	
PR21	Priorities to be determined through Strategic Community Infrastructure Plan	On Target

## PERTH AT NIGHT

NO.	PROJECT/INITIATIVE	STATUS
<b>SI3</b>	<b>Development of a healthy night time economy</b>	
PR22	Investigate ways to expand safe and healthy options for night time activity in Perth City in collaboration with the business community and other stakeholders	On Target
<b>SI4</b>	<b>Further improve safety and security</b>	
PR23	Continue to focus on reducing community harm caused by excessive use of alcohol and illegal drugs	On Target
PR24	Consider and develop ways to achieve higher efficiency and brighter lighting for both public and private space	On Target
PR25	Review and implement the Community Safety & Crime Prevention Plan	On Target

## HEALTHY AND ACTIVE IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
<b>SI5</b>	<b>Reflect and celebrate the diversity of Perth</b>	
PR26	Support and deliver events that reflect and celebrate cultural diversity	On Target
PR27	Develop and implement a Health and Wellbeing Plan	On Target
<b>SI6</b>	<b>Increase accessibility to green networks in the city</b>	
PR28	Undertake a "Green Audit" that: <ul style="list-style-type: none"> <li>» Prioritises gaps</li> <li>» Identifies areas for protection (to allow tree growth)</li> <li>» Considers and promotes opportunities for creative greening</li> </ul>	On Target
<b>SI7</b>	<b>Recognition of Aboriginal culture and strong relationships with the Indigenous community</b>	
PR29	Develop a Reconciliation Action Plan	On Target

## CAPABLE AND RESPONSIVE ORGANISATION

NO.	PROJECT/INITIATIVE	STATUS
<b>SI8</b>	<b>Strengthen the capacity of the organisation</b>	
PR30	Implement Organisational Development Plan	On Target
PR31	Implement electronic service options (such as online lodgement of applications)	On Target
PR32	Consider and develop opportunities for revenue diversification	On Target
<b>SI9</b>	<b>Improve the customer focus of the organisation</b>	
PR33	Enhance customer service	On Target
<b>S20</b>	<b>Meaningful and contemporary community engagement and communications</b>	
PR34	Enhance community engagement	On Target
PR35	Increase focus on promoting and marketing City services and achievements	On Target



# FINANCIAL HIGHLIGHTS

## INCOME:

- Including capital grants and contributions, revenue amounted to \$179.7 million in 2013/14.
- \$71.1 million was raised in rates, an increase of 5.8% over the previous year due to increases to cover CPI and improvements to services as well as growth in the ratebase following new building completions.
- \$70.1 million was collected in parking fees through the City's on-street and off-street parking business. This represents a 5.5% increase over revenue in the previous year.
- Investment income at \$6.3 million was down on the previous year's earnings due to a lower interest rate environment.

## EXPENSES:

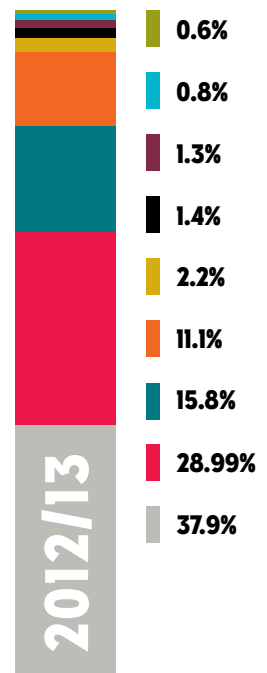
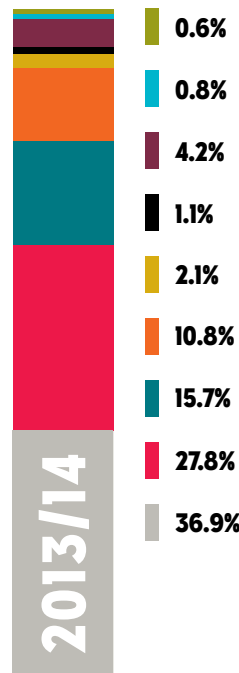
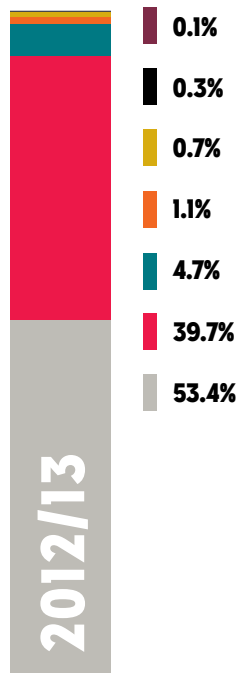
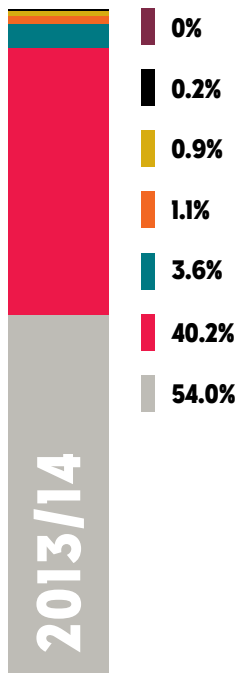
- Including loss on disposal of assets of \$6.6 million, operating expenditure for the year amounted to \$157.9 million.
- The elimination of assets related to the write-off of a car park at Forrest Place following the redevelopment of Forrest Place and was also the result of an inventory of infrastructure relating to infrastructure revaluation and infrastructure assets initially recognised.
- Excluding disposal of assets, the operating expenditure increase over last year amounted to 7.2% with \$4 million of this attributable to employee costs, \$2.3 million to depreciation and \$2.5 million to materials, contractors and suppliers.

## SIGNIFICANT ITEMS:

- Revaluation of investment properties resulted in a gain of \$6.6 million due mainly to a change in methodology in revaluing commercial tenancies at the City Station concourse from a depreciated replacement cost basis to a capitalisation of net rent basis.
- The initial recognition of infrastructure assets produced \$90.5 million and came about as a result of a detailed inventory of infrastructure at fair value, which included assets not previously separately recognised. Some of these assets were originally constructed by third parties including government agencies who provided minimal information to the City as to the cost of these assets.
- \$1.4 million represents the City's share of profit on the sale of land being developed by the Tamala Park Regional Council.
- The City made its final cash contribution of \$12.8 million to the Perth City Link project during the year.

## FUNDING CAPITAL EXPENDITURE:

- \$49.3 million was expended in cash on capital expenditure in 2013/14.
- No borrowings were made to fund capital expenditure during the year although \$10.7 million of loan proceeds, previously drawn down, was utilised on construction of the City of Perth Library.
- Capital grants received amounted to \$2.8 million.
- \$7.1 million was drawn down from reserves to fund capital expenditure



### OPERATING REVENUE FROM ORDINARY ACTIVITIES

- Gain from Disposal of Assets
- Donations and Reimbursements
- Other Revenues
- Grants and Contributions
- Investment Income
- Rates
- Fees and Charges

### OPERATING EXPENDITURE FROM ORDINARY ACTIVITIES

- Expense Provision
- Insurance
- Loss on Disposal of Assets
- Interest
- Utilities
- Other Expenses
- Depreciation and Amortisation
- Material, Contractors and Suppliers
- Employee Costs

# MAJOR PROJECTS



## CITY OF PERTH LIBRARY

Construction of the City of Perth Library and public plaza at 567-579 Hay Street is creating much interest as its unique design features have emerged from the maze of form work. The library complex will include meeting rooms, gallery space, a history centre and a café and is due to open in the first half of 2015.

## TREASURY PRECINCT

The library is part of the Cathedral and Treasury Precinct which includes the restoration of the Old Treasury Buildings and a new office tower.

During 2013/14 progress on the tower was clearly visible as the individual levels were completed, on track for an ultimate 33 storeys.

The Old Treasury Buildings are being converted into a luxury hotel.

The former Public Trustee Building, adjacent to the new library, is undergoing a complete refurbishment and now presents a modern, fresh face to the city. It will house the State Administrative Tribunal when completed in 2015.

The Cathedral and Treasury Precinct is a coordinated development carried out by the State Government, City of Perth, Anglican Diocese of Perth, FJM Property, Mirvac and the Public Trustee.

## PERTH CITY LINK

The Perth City Link project progressed with demolition of the 40-year old Wellington Street Bus Station completed in January, making way for a new underground facility.

The advertising tower and surrounding structures were also demolished as part of the works. This will create a space for Yagan Square, the Perth City Link's flagship public space to be built adjacent to the historic Horseshoe Bridge.

Construction of four building towers in the Kings Square development at Perth City Link began in 2013/14.

## ELIZABETH QUAY

On the foreshore, progress was clearly evident with the Elizabeth Quay development as its inlet continued to take shape on what was once the Esplanade Reserve.

Elizabeth Quay and Perth City Link are being undertaken by the Metropolitan Redevelopment Authority on behalf of the State Government in close consultation with City of Perth.



# LEADERSHIP

**THE CITY OF PERTH HAS  
A DISTINCT LEADERSHIP  
ROLE AS THE CAPITAL CITY  
OF WESTERN AUSTRALIA,  
PROVIDING OPEN AND  
ACCOUNTABLE GOVERNMENT  
AND PLAYING AN INTEGRAL  
ROLE IN THE LIVES OF THE  
PEOPLE WHO MAKE UP THE  
CITY'S COMMUNITY.**

## **LOCAL GOVERNMENT REFORM**

The City responded to the State Government's call for submissions on local government reform by lodging proposals to increase its area by including some parts of the Cities of Vincent, Subiaco and Nedlands and parts of the Towns of Victoria Park and Cambridge.

## **WASTE STRATEGY**

The Council approved a wide-ranging waste management strategy for the City of Perth for the next 10 years. The strategy highlights the need for efficient management of the waste generated by the community on a daily basis. It contains 19 actions to meet future needs.

## **HOUSTON ANNIVERSARY**

The City welcomed a delegation from Houston, Texas, led by Mayor Annise Parker. The visit was in recognition of the 30th anniversary of the Sister City relationship between the two cities.

## **NANJING MILESTONE**

The 15th anniversary of the Sister City relationship between Perth and Nanjing in China was marked when Lord Mayor Lisa Scaffidi signed a Memorandum of Understanding with Ji Jianye, Mayor of the City of Nanjing, strengthening co-operation between the two cities.

## **STRATEGIC PLAN**

The City's Strategic Community Plan – Vision 2029+ was approved by the Council. The plan will guide the Council's activities and is supported by a Four Year Corporate Business Plan. It is subject to ongoing review, including community consultation.

## **FREE WI-FI**

Perth became the first Australian capital city to offer free blanket wi-fi internet coverage when it extended the service through most of the CBD in November.

## **PLANNING AWARDS**

The City received three awards at the Planning Institute Australia (WA Division) Awards for Planning Excellence. They were for work associated with the Forrest Place redevelopment and 3D modelling.

## **TOURISM SUCCESS**

The City received three awards at the Perth Airport WA Tourism Awards. They were in the Destination Marketing category for the Perth City Get to Know Me promotional campaign (Gold); the Excellence in Food Tourism category for Eat Drink Perth (Silver) and the Festivals and Events category for the City of Perth Australia Day Skyworks (Silver).

## **HONORARY CITIZEN**

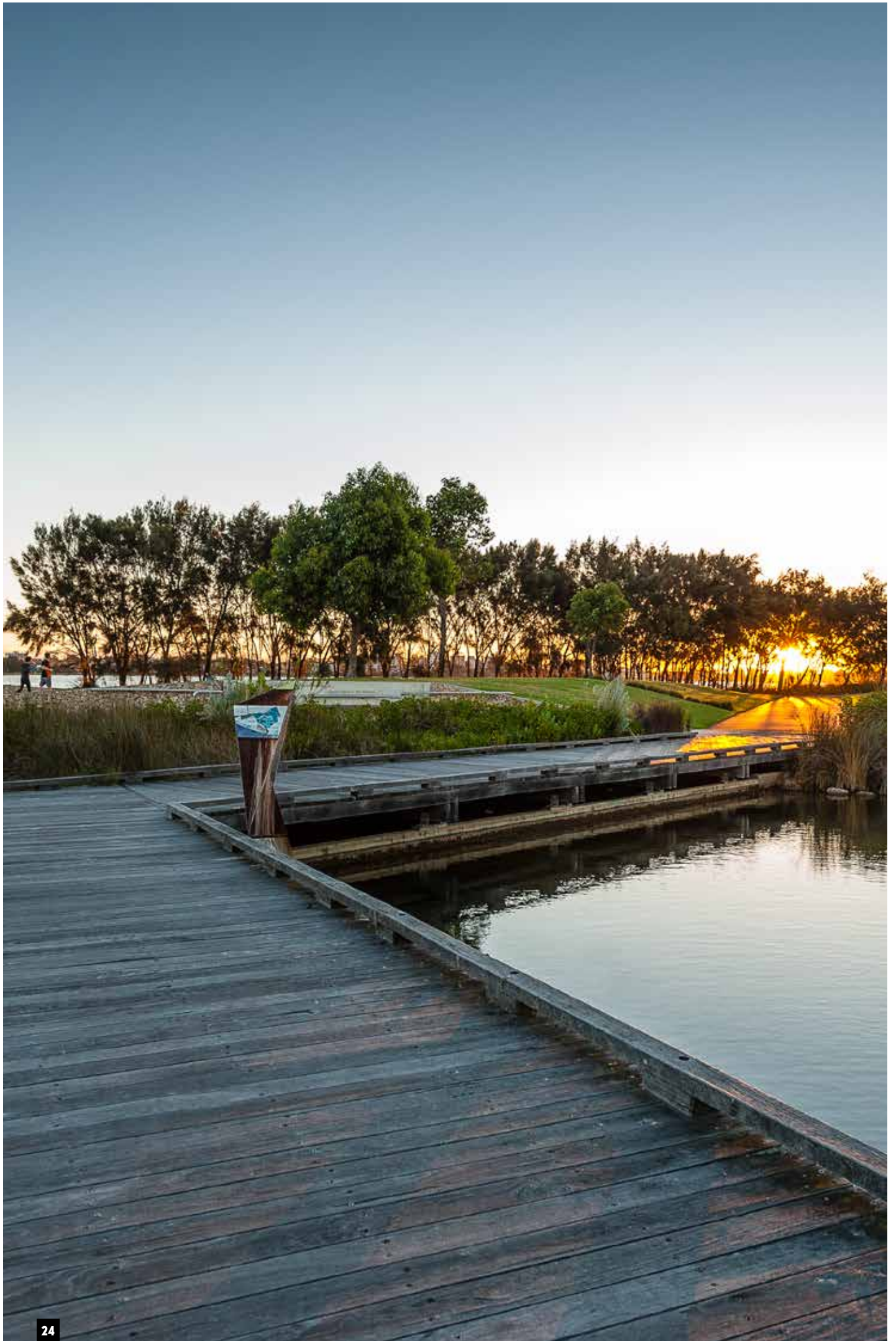
In November, Perth actor Lisa McCune became the first person to be awarded Honorary Citizenship by the City in recognition of her significant contributions to her profession and as an advocate for Perth.

## **SISTERLY HONOUR**

The City took out two awards at the 2013 Sister Cities Australia National Conference. The awards were for the 2012 Kagoshima Sister City Agribusiness Project and the signing of the Chengdu Sister City agreement.

## **FIRE APPEAL**

The Lord Mayor's Distress Relief Fund was activated after bushfires in Stoneville, Mount Helena and Parkerville in January. More than \$2.6 million was raised, with assistance provided to 127 people affected by the fires.



# ENVIRONMENT

## & CLIMATE

## CHANGE

### THE COUNCIL IS COMMITTED

### TO PURSUING POLICIES

### THAT CONTRIBUTE TO

### AN ENVIRONMENTALLY

### SUSTAINABLE CITY AND TO

### LEADING BY EXAMPLE.

### SUSTAINABLE SPRING

The City celebrated the community's sustainable living and business achievements by providing events, initiatives and activities centred on sustainability throughout Spring. Activities included pop-up displays and themed walks to complement the feature events of PARKing Day, Garage Sale Trail and the Big Aussie Swap. There were 22 pledges received to save 100 tonnes of greenhouse gas emissions and more than 2 megalitres of water.

### CLIMATE CHANGE

There was collaboration across the organisation to develop a holistic approach to climate change adaptation.

### CARBON OFFSET

The Council's initiative to help offset carbon emissions generated by City of Perth car parks continued with the planting of a further 85,000 trees in rural Western Australia. It is envisaged that a minimum of 62,500 tonnes of CO<sup>2</sup> will be sequestered by the program's cumulative 380,000 trees upon maturity in approximately 40 years' time.

### CITYSWITCH

The City's strong commitment to the CitySwitch Green Office partnership continued with five more signatories being added. As at 30 June 2014, the CitySwitch program in Perth had 55 signatory businesses representing some 288,000 square metres of nett lettable area across 56 tenancies.

### CLEAN DRAINS

The City marked World Water Day on 22 March with the Lord Mayor and State Environment Minister Albert Jacob launching Clean Drains-River Gains, a joint initiative to reduce litter and contaminants in and around our streets and waterways. Blue kerbside markers have been placed alongside drains throughout the city reminding people to refrain from using drains, and ultimately the river, as a rubbish bin.

### ECOHUB PERTH

The City's on-line sustainability hub, EcoHub Perth, continued to grow to a community of 190 members and 1500 unique visitors per month. The site, launched in 2012, features information and inspiration to encourage the community to live, work and play more sustainably and a space for users to share ideas.

### GREEN GRANTS

Grants totalling \$28,191 were awarded to five organisations. The grants are to improve environmental performance and for native garden plantings. This assists in the process of achieving city sustainability.

### SKYWORKS

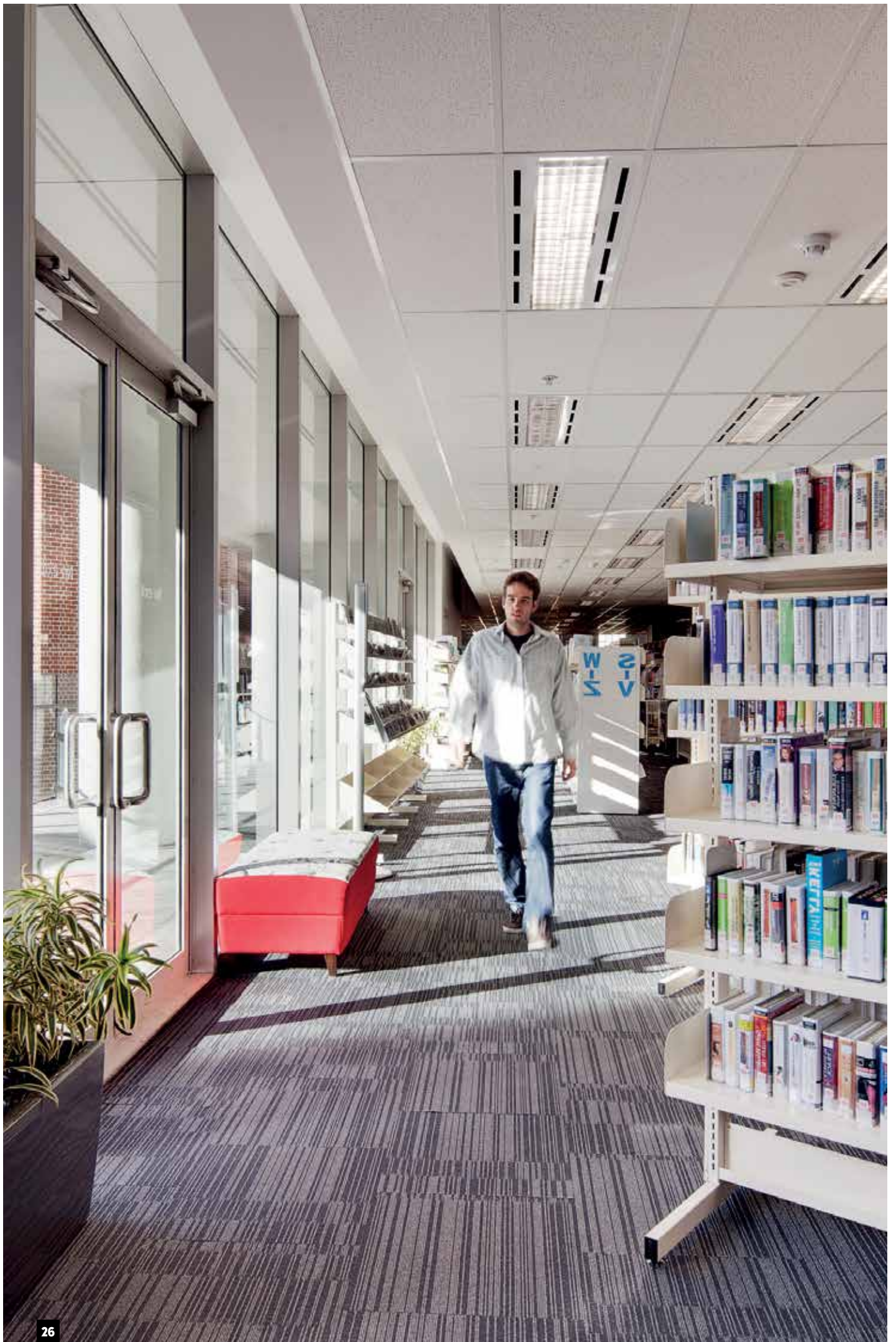
Assistance from local community groups with recycling rubbish at City of Perth Australia Day Skyworks helped to achieve a 35.6% recycling rate, up from 28% in 2013.

### CORPORATE ENERGY

A web-based monitoring system showed that City of Perth carbon emissions (from electricity and gas) reduced from 10,478 tonnes to 8,020 tonnes in 2013/14 compared with the previous year.

### WATERWISE COUNCIL

The City of Perth was the first metropolitan Waterwise Council in WA, joining the program in 2009. The program focuses on operational and behavioural water efficiency and conservation. The program is coordinated by the Water Corporation and the Department of Water. During 2013/14 water consumption by the City of Perth increased by 13% from 660,320kL to 746,729kL. The City is working on addressing the causes.



# SERVICES

## THE CITY OF PERTH IS

## COMMITTED TO PROVIDING A

## HIGH LEVEL OF SERVICES TO

## RESIDENTS, VISITORS AND

## OTHER CITY STAKEHOLDERS.

### DIGITAL SERVICES

The City redesigned and enhanced its corporate website in 2013/14, delivering improved search capability. The City of Perth's social media following improved further during the year. The City's Facebook page 'likes' increased by almost 200 per cent and Twitter page followers increased by almost 250 per cent. Across both platforms the City reached an audience of 47,500 people with information about initiatives and projects. The City's entertainment website [visitperthcity.com](http://visitperthcity.com) (formerly Show Me Perth) also uses social media platforms to promote city events, retailers and venues. Perth City Facebook followers increased by almost 380 per cent, Twitter followers increased by almost 190 per cent, Instagram followers increased by almost 525 per cent and the number of Pinterest followers almost doubled. Followers across all four Perth City social media platforms totalled 56,127.

### VOLUNTEER HOSTS

The iCity volunteers continued to perform a valuable role in providing visitor information about the city and conducting walking tours of significant sites. On average, they help more than 500 visitors each day. In December, 12 volunteers were acknowledged for ten years of service, making a total of 32 who have reached this milestone. Ten volunteers also completed a guide training unit at Central Institute of TAFE.

### HOMELESS CONNECT

This event in 2013 attracted some 800 homeless and disadvantaged people who were able to connect with a wide range of government and non-government service providers in the delivery of housing, legal, medical, dental, employment and other support. Homeless Connect is sponsored by the City of Perth and organised through Volunteering WA.

### COMMUNITY CENTRE

Citiplace Community Centre provides services to meet the needs of people aged 55 and over and for people with disabilities. Services provided include meals and refreshments, podiatry, hairdressing, computer training, social and leisure activities. In 2013/14 an estimated 124,611 people visited the centre to access the diverse services available.

### ROD EVANS CENTRE

Located at 160 Hay Street at the eastern end of the city, the Rod Evans Centre offers a range of services, including centre-based and delivered meals, social and exercise opportunities, podiatry, hairdressing and support for city residents. In 2013/14, some 21,388 people received services provided by the Centre.

### REST CENTRE

The Citiplace Rest Centre located near the Perth Station concourse continues to provide a valuable service to the community with 24-hour accessibility on Friday and Saturday nights. Services provided include lockers, showers and stroller hire. In 2013/14, 237,812 people utilised the facility.

### CHILD CARE CENTRE

The Citiplace Child Care Centre provided long day care for 103 children (150 families) and occasional care for 201 children (151 families) in 2013/14.

### TOWN HALL

The Perth Town Hall handled 561 bookings in 2013/14 which included weddings, corporate and civic functions, exhibitions and the regular Tuesday Morning Show.

### DRAINAGE WORKS

Ageing underground storm water pipes were upgraded along the northern side of St Georges Terrace between Barrack Street and Victoria Avenue. The work was necessary to minimise the risk of flooding.

### GRAFFITI REMOVAL

The City's graffiti removal team recorded more than 3,000 graffiti incidents during the year and were able to treat the vast majority successfully. The City's graffiti hotline is 1800 109 010.

### HOMELESS GUIDE

The City of Perth Homeless Services in the Inner City directory was updated and republished during the year. It is a one-stop-shop to help people find a variety of services and assistance. Its contents include emergency contacts, the location of support services and outreach assistance in times of need.

### LIBRARY

The City of Perth Library welcomed 2257 new members in 2013/14. Loan transactions increased by 3 per cent. Radio Frequency Identification (RFID) technology was introduced which enables a customer self-serve operation. The use of online resources, particularly e-magazines, was increasingly popular.

### HISTORY CENTRE

Digitising of the photo collection continued during the year. A series of history-focused workshops and events proved very popular.



# BUILT

## ENVIRONMENT

### THE CITY OF PERTH

### STRIVES FOR EXCELLENCE

### IN PROVIDING FACILITIES

### AND STREETSAPES

### THAT ENHANCE THE

### CITY'S APPEARANCE AND

### FUNCTIONALITY.

#### CITY OF PERTH LIBRARY

Work progressed steadily on the new City of Perth Library and public plaza at 567-579 Hay Street. The seven-storey building, designed by Kerry Hill Architects, will have state-of-the-art facilities as well as meeting and audio-visual rooms, dedicated levels for children, young adults and history centre, a digital media wall and café.

#### FORREST PLACE

The redevelopment of Forrest Place earned a Great Place Award at the 2014 Planning Institute of Australia Awards for Planning Excellence. The win was indicative of the high standards set by the City and the expertise of its staff in developing projects to shape a stronger capital city.

#### PLANNING SCHEME

The Council endorsed an amendment to the City Planning Scheme No. 2 and associated policies to change built form controls across large parts of the city. It specifies overall building height controls only in selected areas where there is considered to be a need to protect the public amenity. In other areas, where there is no specific overall building height limit, other planning provisions and broader development objectives guide and control overall building height.

#### PRINCE LANE

Work was completed on the enhancement of Prince Lane, parallel to King Street, with a series of artworks commissioned from six well-known West Australian artists. The artists drew inspiration from the King Street precinct's rich history and strong connection to the fashion industry.

#### GRAFFITI STING

The City's close co-operation with the WA Police Service resulted in 25 charges being laid in a week-long anti-graffiti operation in November. Cleaning up graffiti costs the City more than \$500,000 a year – money that could be spent on projects of benefit to the public and ratepayers.

#### DEVELOPMENT PANELS

The Council called for changes to the State's Development Assessment Panel (DAP) system, saying it created, rather than reduced, red tape. Responding to a Department of Planning report, the Council said that the \$15 million value threshold at which development applications are referred to a DAP should be raised or scrapped altogether. The Government subsequently agreed to eventually raise the threshold to \$20 million.

#### HERITAGE INCENTIVES

The City of Perth's heritage program continued to provide incentives for owners of heritage-listed places to ensure their ongoing management and conservation. In 2014 the program received a high commendation from the Heritage Council of WA and was a finalist in the Commonwealth Excellence in eGovernment awards.

#### RATE CONCESSION

The City offers an annual concession on general rates to encourage and support owners to maintain heritage buildings.

In 2013/14 the Heritage Rate Concession was applied to 180 heritage-listed properties and totalled \$257,834. Since 2006 a total of almost \$1.3 million has been provided in concessions.





# VIBRANCY & VITALITY

## THE CITY OF PERTH

## CONTINUES TO SUPPORT

## EVENTS AND ACTIVITIES THAT

## ADD TO THE CITY'S APPEAL

## AND WHICH SUPPORT THE

## BUSINESS SECTOR.

### TWILIGHT MARKETS

The Twilight Hawkers Markets returned to Forrest Place during summer. The Friday markets have proved extremely successful with their offerings of international cuisine attracting evening crowds to the CBD.

### SUNDAY MARKETS

The City also conducted Sunday markets under the banner of Perth Home Grown from December. The popular markets feature fresh organic produce including farm-fresh fruit, vegetables, free range eggs, honey and nuts.

### SKYWORKS 2014

The City of Perth Australia Day Skyworks again attracted people in large numbers to the Swan River foreshore for a truly spectacular pyrotechnic display. The City organised a large range of Australia Day events including the 30th annual Skyworks display.

### EAT DRINK PERTH

The City's popular food and wine promotion, Eat Drink Perth, was held in April. It featured everything from food tours and degustation dinners to markets, children's cooking classes and traditional cultural fare. The 10th anniversary program for this WA Tourism Award winning festival also included a free and ticketed launch

over two days at Brookfield Place and the inaugural Taste of Perth, World's Greatest Restaurant Festival, on Langley Park.

### INNOVATION MONTH

The Northbridge Piazza was the venue for Innovation Month in April. The event featured seminars, demonstrations, performances, art installations, films and workshops, all in the name of forward thinking.

### WINTER ARTS

A diverse program of more than 150 events at numerous venues around the city was on offer in the City of Perth Winter Arts Season. The City organises the annual event, which drew on the talent and creativity of some 60 local arts organisations, businesses and independent artists.

### ARTS & CULTURAL SPONSORSHIP

The City of Perth sponsors arts and cultural programs and projects to encourage vibrancy in the city. The City recognises that engagement in arts and culture contributes to community and social wellbeing and enhances quality of life.

The City supported the State's artist's and cultural organisations to present large established cultural events like Symphony in The City, Opera in the Park, Perth International Arts Festival, Awesome Festival and Fringe World as well as a broad range of one-off cultural projects that take place in the city all year round. This year, 44 supported programs reached more than 680,000 people in 835 days of activity.

### NORTHBRIDGE PIAZZA

The Piazza continued to be a hive of activity during the year with regular film screenings and other entertainment on offer.

These included:

- » A series of monthly, free, family activities.
- » Sunday Piazza Live - the City teamed with the Business Improvement Group of Northbridge (BigN) to present regular Sunday afternoon sessions featuring live bands and musicians.
- » Free Flicks for Kids - specially chosen films on Saturday afternoons.

### HYUNDAI HOPMAN CUP

This internationally recognised tennis tournament was staged at the Perth Arena for the second time. The City provided sponsorship of \$110,000 for the event.

### FASHION FESTIVAL

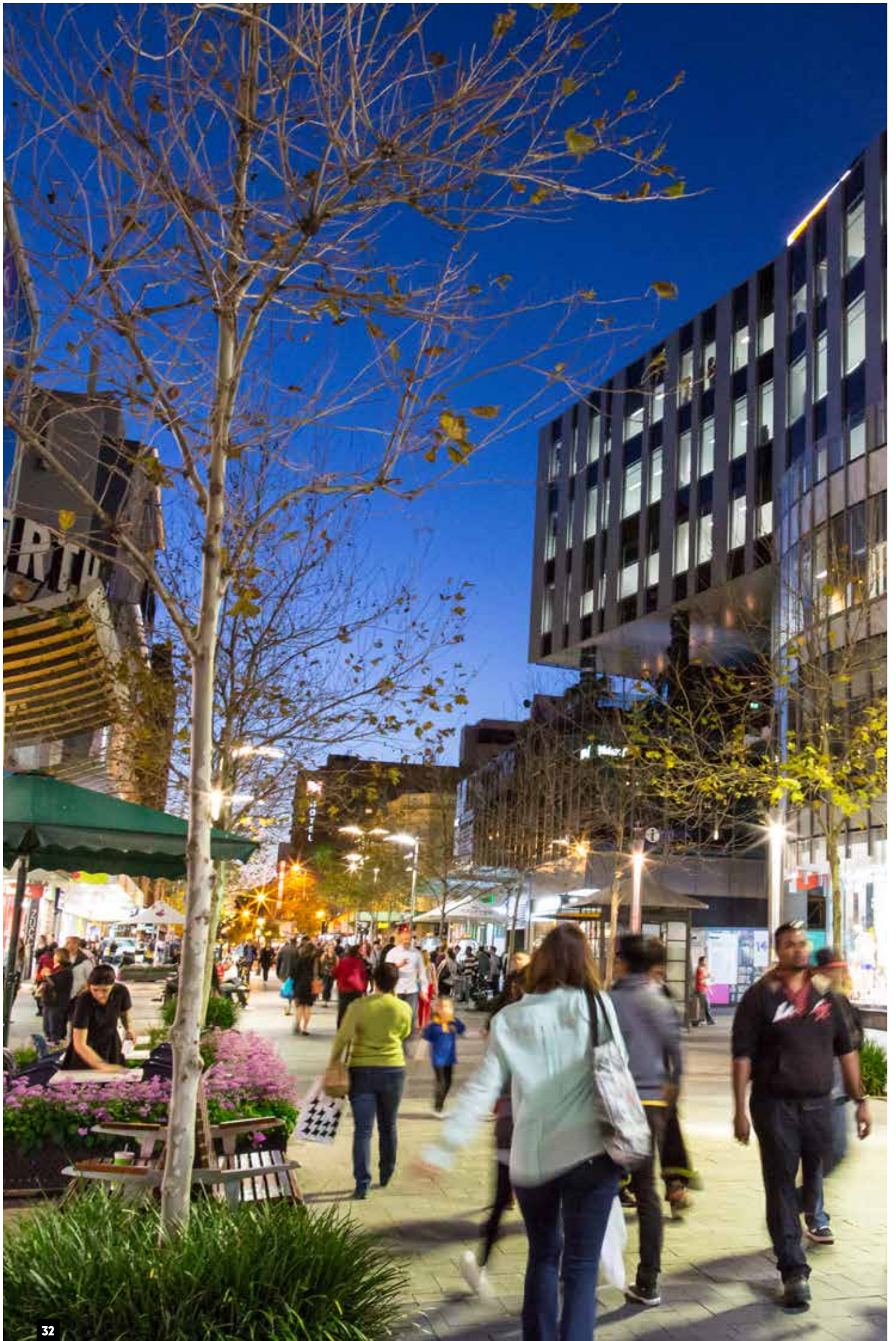
The City again provided strong sponsorship of \$305,000 for the Perth Fashion Festival in September. The festival featured more than 50 events, including fashion parades, workshops and pop-up events.

### EVENT APPROVALS

Despite losing the Esplanade Reserve as an event venue, the City has continued to attract more major events to the city's foreshore. The City approved 266 events on the City's roads and reserves in 2013/14. Several new events were staged, including two music festivals on Ozone Reserve: "Listen Out" (5,000 people) and "NYE Origin" (8,000).

### FOODCHAIN

Foodchain is the City's program of youth projects. In addition to developing all-age music events, projects and mentoring programs, Foodchain works to provide young emerging artists with exhibition sites and commissions that enliven public spaces with exciting and innovative contemporary arts programming.



# BUSINESS

**RECOGNISING THE  
IMPORTANT CONTRIBUTION  
BUSINESS MAKES TO  
THE CITY, A RANGE OF  
PROMOTIONAL ACTIVITIES,  
INCENTIVES AND ADVOCACY  
IS UNDERTAKEN BY THE  
CITY OF PERTH.**

## **INTERNATIONAL SCOPE**

The City followed up a large number of international business enquiries and has met with and supported companies from the UK, Africa, Canada and the US looking to establish offices in Perth. The City supported numerous industry conferences including the Australian Oil and Gas Conference in Perth and Biotechnology in the West and delivered numerous presentations to business delegations from China, Japan, South Korea and Malaysia.

## **TOURISM STRATEGY**

In 2013/14, the City of Perth embarked on designing a Tourism Strategy that would outline the City's approach to maximising tourism benefits across the city. This strategy will highlight the City's role in the WA tourism industry and identify responsibilities and opportunities for the City, as the State's capital, to most effectively contribute to the development of tourism.

## **CREATIVE INDUSTRIES**

The City of Perth values creativity and innovation and recognises their importance when it comes to economic growth and Perth's sustainable development. To support Perth's emerging creative industries, the City is proud to sponsor a range of local and international events that provide knowledge sharing and networking opportunities that link our local entrepreneurs to potential investors from around the world. In 2013/14, key event sponsorships have included the Founder Institute, Startup Weekend Perth (x3), X Media Lab, GovHack and the BigTech Mobile App Technology Conference.

## **BUSINESS SUPPORT NETWORK**

The Business Support and Networking Series encourages business connections, collaboration and opportunities. Three presentations were held in 2013/14 and 248 City retailers attended. Topics and presenters included:

- » Perth Arena tour / presentation, Hopman Cup and Metropolitan Redevelopment Authority updates.
- » John Stanley - international retail expert on customer service.
- » Meg Coffee - social media expert on communication and marketing platforms.

## **GLOBAL FOCUS**

The City of Perth is putting a sharper focus on international engagement with the adoption of a new strategy titled Looking West. It is intended to strengthen trade and business connections, attract foreign investment and promote international relations.

## **NEW UNIT**

Council approved establishment of a new Waste and Enterprises Unit to implement the City's 10-year waste strategy and expand the customer base for waste collection services. Working with business customers to meet their needs will be a priority. The unit will also promote recycling by businesses, including food waste.

## **BUSINESS GRANTS**

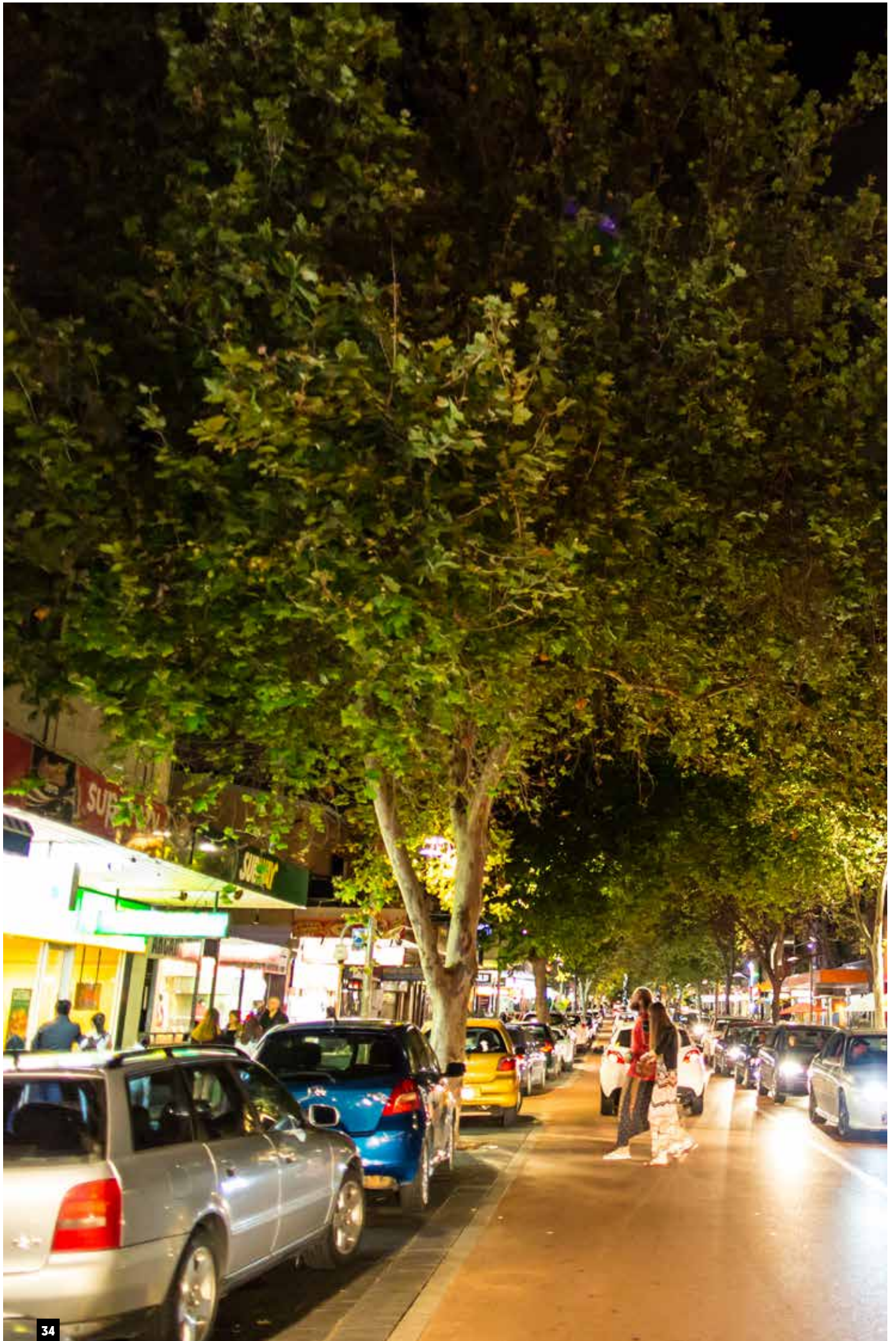
In 2013/14 the City of Perth awarded a total of 14 business grants to local businesses, with a combined value of \$103,500 between Matched Funding and Small Business Grants.

### **Matched funding grants**

In the 2013/14 funding round, Matched Funding Business Grants were awarded to five projects with a total funding allocation of \$85,500. These grants contributed to private sector investment in city-based projects with an estimated value of more than \$2,500,000.

### **Small business grants**

A total of nine Small Business Grant applications were approved, representing a financial contribution of \$18,000 to local small businesses.



# TRANSPORT & PARKING

**THE CITY OF PERTH PROVIDES PARKING FACILITIES TAILORED TO MEET THE NEEDS OF SHORT-TERM AND LONG-TERM CUSTOMERS WHILE AT THE SAME TIME ENCOURAGING PEDESTRIAN TRAFFIC, CYCLING AND PUBLIC TRANSPORT USE.**

## LIGHT RAIL

The City mounted a strong campaign against the route of the proposed light rail system being routed through Hay and Murray Street Malls. Simulated light rail carriages were installed in the Hay Street Mall to demonstrate the impact light rail would have on pedestrian amenity of the malls and traders.

## TWO-WAY TRAFFIC

Following the successful conversion of Murray Street West (between Elder and William Streets) to two-way traffic, the City implemented the conversion of Murray Street East (between Barrack and Pier Streets) to two-way traffic. The aim is to ensure that the road network can accommodate increasing traffic flows and offer commuters more route choices.

## STRATEGIC CYCLE NETWORK

A number of key strategic cycle routes identified in the City's Cycle Plan 2029 were successfully delivered during the 2013/14 financial year. On road cycle lanes using green surface treatment to highlight potential conflict points, as well as bicycle head start boxes at signalised intersections were implemented along Stirling Street to provide a direct connection between Northbridge and Roe Street shared paths. The conversion of Murray Street west and east to two way traffic also facilitated the implementation of a key east-west on road cycle route with shared vehicle and bicycle spaces as well as dedicated bicycle lanes and head start boxes at signalised intersections. The City is intending to continue its commitment to delivering a strategic cycle network with an approved implementation plan which spans to 2017 and an associated Capital Works budget.

## LICENCE PLATE RECOGNITION

Licence plate recognition technology was introduced at Goderich Street Car Park in East Perth as part of a pilot scheme in late 2013. The system involves the use of cameras to capture licence plate information on entry to the car park. Users enter vehicle registration details into payment machines to pay for parking. Upon exit, the system detects whether payment has been made.

## PARKING CONTRACTS

City of Perth Parking (CPP) commenced a three-year contract for the provision of on-street parking services for the Town of Victoria Park in early 2014. Services provided include maintenance, repairs and warranty works on parking machines, provision of call centre services, collection, counting, banking and reconciliation of monies and consultancy and liaison services.

## CAMBRIDGE

CPP opened Turvey Lane car park in the Town of Cambridge in early 2014 and now operates the facility as part of the CPP portfolio. The facility is privately owned and supports the McCourt Street Medical Centre.

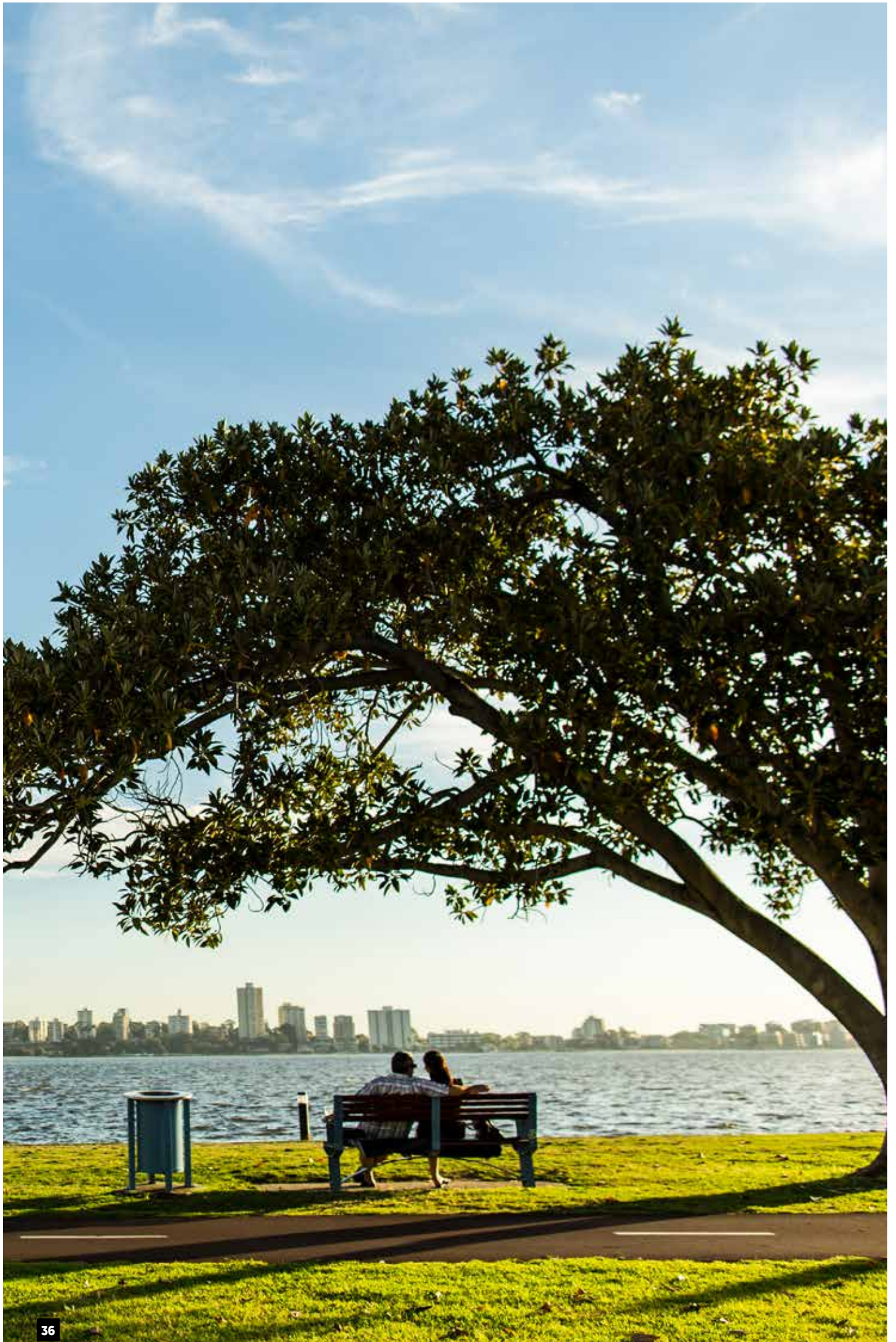
## GLOBAL STANDARD

Work has commenced and is ongoing to ensure full EMV (Europay, Mastercard, Visa) compliance—a global standard for operation of microchip cards to authenticate debit and credit card transactions at point of sale terminals and ATMs.

## PARKING AWARDS

City of Perth Parking received the following accolades during the year:

- » International Parking Institute Award Organisation of the Year (2013)
- » International Downtown Association (Washington) Award – Downtown Leadership and Management (2013)
- » WAITTA (WA Information Technology and Telecommunications Alliance) Awards – finalist in 'Government' category (2014)



# HEALTH & SAFETY

## SAFETY AND A SENSE OF

## SECURITY IS A CITY OF PERTH

## PRIORITY, AS IS A CLEAN AND

## HEALTHY ENVIRONMENT.

### SMOKE-FREE MALLS

Council voted to make the Hay and Murray Street Malls and Forrest Place smoke-free from 1 December 2013 in the interests of public health and city amenity. After a six-month education period fines were introduced from 1 June. The response has been very favourable.

### TOILETS

The City of Perth will increase the number of Automated Public Toilets (APTs) in the city. The Council approved a tender to supply and install a minimum of four and maximum of eight APTs over a five-year period.

### COMMUNITY SAFETY

The City marked Community Safety Month in October with a wide range of events and activities for all ages. These included a family fun day at the Northbridge Piazza where children aged 3 to 12 learnt about being safe as well as basic first-aid.

### LIGHTING REBATES

Light Up for Safety rebates are available for business and residential properties to improve external lighting. The funds (up to \$1,100) can be used to install lights, sensors and timers with the aim of improving feelings of safety and reducing offences in areas that are not well lit.

### CCTV COVERAGE

A new CCTV surveillance centre was officially opened in April, replacing the facility at Perth Station. The centre's staff monitors more than 200 cameras situated throughout the city. The centre is staffed 24/7 and has a police presence so serious incidents can be attended to promptly.

### FOOD SAMPLING

As part of routine food monitoring and sampling, 132 samples were collected and 19 were found non-compliant (14%) when assessed against the requirements of the Australia – New Zealand Food Standards Code. These included labelling issues, undeclared allergens and non-compliant nutritional information.

### HEALTH INSPECTIONS

The City has 899 registered food businesses and a total of 3,765 inspections/assessments were conducted (compared with 3,550 in 2012/13). A total of 47 Food Act Improvement Notices were issued and 10 Food Act Infringements. There were two Food Act prosecutions.

### NOISE INCIDENTS

There was a total of 258 registered noise complaints. Complaints included 10 about noisy alarms, 4 air-conditioning, 24 commercial works, 34 concert/event noise, 108 construction noise and 49 for amplified music and 29 other types of noise complaints.

### RISK MANAGEMENT

The Council is committed to promoting a culture of awareness and active management of risks.

The main risk management activity this year has been the embedding of the Enterprise Risk Management Policy and Framework, adopted in June 2013, within the organisation. This lays the foundations to create a dynamic risk culture into the future. Staff at all levels have been trained in the identification and management of risks. All units have risks registers to record the risks and have allocated appropriate treatments to reduce risk. An electronic risk management system has been purchased to record and manage risks. The awareness of risk management throughout the organisation has significantly increased during the year.



# RECORD KEEPING STATEMENT

**THE CITY OF PERTH IS COMMITTED TO THE RELIABLE AND SYSTEMATIC MANAGEMENT OF GOVERNMENT RECORDS IN ACCORDANCE WITH LEGISLATIVE REQUIREMENTS AND BEST PRACTICE STANDARDS.**

## RECORD KEEPING PLAN

The City's current Record Keeping Plan, RKP2009049, is approved to December 2014.

## RECORD KEEPING SYSTEMS

All corporate record keeping procedures were reviewed and updated in 2013/14. The Administrative Policy on Record Keeping was under review as at July 2014.

A review of the record keeping capabilities of the City's land management system (Pathway) commenced in May 2013. Findings from that review have led to further systems integration with the City's record keeping system (TRIM), with some record keeping aspects still to be addressed. Findings and implemented changes will be incorporated into the City's Record Keeping Plan when reviewed. The City plans to undertake the review of another corporate system during 2014/15. Original source records to June 2012 were disposed of in accordance with Disposal Authority RD2007017.

## TRAINING AND AWARENESS-RAISING

The City continues to provide the following training to staff:

- » Record keeping inductions - focusing on record keeping processes at the City;
- » record keeping awareness training - focusing on obligations under the State Records Act, 2000; and

- » record keeping systems training - focusing on how to use TRIM to manage records.

The City continues to raise record keeping awareness by:

- » Holding record keeping forums;
- » broadcasting record keeping tips;
- » providing content for the staff internal newsletter on good record keeping practices.

Improvements in record keeping practices continue to be experienced with the support of the full-time Records Trainer. Assessment of the training program reflected that the duration, content and support materials met the users' needs. This report has been published in accordance with the requirements of the State Records Act, 2000.





# DISABILITY ACCESS & INCLUSION

**THE CITY IS COMMITTED TO FURTHERING THE PRINCIPLES AND OBJECTIVES OF THE DISABILITY SERVICES ACT 1993, WITH A PARTICULAR FOCUS ON THE SEVEN OUTCOMES IDENTIFIED IN THE DISABILITY SERVICES REGULATIONS 2004.**

The guiding principle is inclusiveness for all people.

The current City of Perth Disability Access and Inclusion Plan (DAIP) 2011 – 2015 was endorsed by the Council in December 2011 and then lodged with the Disability Services Commission as per the statutory requirements. This is the fourth disability plan to be implemented by the City under the Disability Services Act.

The DAIP contains 7 outcomes, 24 strategies and 72 tasks that have been assigned and agreed for implementation over the life of the plan.

Throughout 2013/14 the City continued with the implementation of actions identified in its DAIP leading to improvements in terms of access, information and awareness of the needs of people with disability and their families. This has resulted in greater participation and involvement in services and programs, accessing facilities and information, and events.

Significant initiatives undertaken by the City to enhance access and inclusion during 2013/14 include:

- » Progress of the Footpaths and Crossings Audit Project recommendations with 88 non-conforming pram ramps remediated.
- » Recruitment procedures have all been reviewed to ensure inclusiveness.
- » Website development standards

meet W3C guidelines.

- » Working with other agencies including the Metropolitan Redevelopment Authority to ensure a high level of universal access is promoted in major projects around the city including the Cultural Centre redevelopment, the Perth City Link, new City of Perth Library and the Elizabeth Quay project.
- » Research and development of a new staff DAIP training and reference tool and e-books.
- » Sponsorships and event providers to have DAIP compliance.
- » The Access Working Group reviewed six projects and developments.
- » City of Perth Parking has completed installing a new car park guidance system in the Perth Convention Exhibition Centre Car Park to assist and guide all customers to vacant spaces. Customers with disabilities will be guided to designated available ACROD bays.

# DONATIONS & SPONSORSHIPS

## DONATIONS \$

WA Special Needs Children's Christmas Party	\$330
Mercedes College	\$996
PCYC Circus Quirkus	\$550
Juvenile Diabetes Research Foundation	\$408
Ruah Community Services	\$2,000
Mercedes College LEAP	\$2,000
Royal WA Historical Society	\$465
Esther Foundation Incorporated	\$810
Rotary Club of West Perth	\$1,000
The Big Issue Street Soccer Program	\$980
Mission Australia	\$2,624
Women in Super Mother's Day Classic	\$12,000
Edith Cowan University	\$5,000
UnitingCare West (Tranby)	\$1,900
Hellenic Community of WA	\$16,000
RSL - Anzac Day	\$50,000
Cancer Council Relay for Life	\$1,565
POOPS (Pets of Older Persons)	\$1,000
National Flag Association WA Inc	\$4,750
North American Veterans Unit	\$550
Hellenic Women's Association	\$1,500
Royal WA Historical Society (Conference)	\$500
Royal WA Historical Society Auxiliary	\$450
Lions Club	\$275
Sorry Day and Reconciliation Week	\$6,800
Women's Council for Domestic Violence	\$2,000
UN Youth in Australia	\$2,624
East Perth Community Safety Group Inc	\$8,500
Hellenic Community of WA	\$500
(90th Anniversary Celebration of Saints Constantine and Helene)	

**Total \$128,177**

## CULTURAL SPONSORSHIP \$

Agelink	\$5,630
Artrage	\$51,250
Artrinsic	\$40,000
Ausdance WA	\$9,350
Ausglass	\$2,000
Australasian Photographic Association	\$2,000
Awesome Arts	\$100,000
Barking Gecko Theatre Company	\$10,000
Black Swan Theatre Company	\$30,000
Blue Room Theatre	\$52,531
Buzz Dance Theatre	\$2,000
Collegium Symphonic	\$4,000
James Berlyn	\$7,000
Latin American Cultural Organisation	\$2,000
Ms Anna Richardson	\$2,000
Ms Itzel Rosas Garcia	\$6,000
Ms Jacqui Otago	\$3,500
Ms Sarah Rowbottam	\$6,000
NAIDOC	\$35,000
Nulsen Association	\$8,000
Operabox	\$2,000
Perth Centre for Photography	\$10,000
Perth Jazz Society	\$2,000
Perth Theatre Company	\$20,000
Perth Theatre Trust	\$25,000
Perth International Arts Festival	\$359,558
Propel Youth Arts	\$4,000
Rusichi Russian Ethnic Community and Youth Development Association	\$1,167
St George's Cathedral	\$2,000
Steps Youth Dance	\$15,000
Tura	\$15,000
Voyces	\$3,000
WA Ballet	\$55,857
WA Folk Federation	\$2,000
WA Music Industry Association	\$50,000
WA Opera	\$157,778
WA Poetry Festival	\$2,000
WA Youth Jazz Orchestra	\$4,000
WA Youth Theatre Company	\$6,000
WA Symphony Orchestra	\$198,778
Yirra Yaakin	\$15,000

**Total \$1,328,399**

**EVENT AND SPORTS SPONSORSHIP** \$

Rotary Ramble	\$25,000
East Perth Twilight Picnic in the Park	\$19,605
Miss Universe Registration Day	\$25,000
Open House Perth	\$40,000
Swan Festival of Lights	\$30,000
WALGA banners in the Terrace	\$4,174
Hyundai Hopman Cup 2014	\$110,000
Korea Week Food and Culture Exhibition	\$500
Young Butchers Picnic	\$20,000
Japan Festival	\$8,400
Oz Concert	\$16,000
Natural Wings	\$15,000
V8 Supercars Signing	\$6,156
Perth International Jazz Festival	\$15,390
Perth Medieval Fayre	\$5,720
Songkran Festival Perth	\$10,988
Passion 2014	\$20,000
Claisebrook Carnivale and Duck Derby	\$20,520
QUIT Targa West Tarmac Rally	\$54,500
Chevron City to Surf	\$35,000
Ride to Work Day Breakfast	\$10,000
Santos Great Bike Ride	\$21,500
Sabre Sailing Championships	\$5,000
State Tee-Ball Championships	\$5,000
Sanitarium Weet-Bix Kids TRYathlon	\$12,300
ASICS Bridges Fun Run	\$6,500
BHP Billiton Aquatic Super Series	\$10,000
HBF Run for a Reason	\$25,650
Perth International Squash Challenge	\$5,130
Freeway Bike Hike	\$30,780
IGA Carols by Candlelight	\$35,000
Pride Celebration and Parade	\$45,900
RAC Channel Seven Christmas Pageant with the City of Perth	\$140,000
Taste of Perth	\$85,000
Anzac Day part payment	\$11,120
Perth Convention Bureau annual sponsorship and scholarship	\$269,075
Perth Fashion Festival	\$305,000
Retro Rumble	\$40,000
Chinese New Year Fair 2014	\$60,000
Thrill the World Perth	\$2,000

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**Total** **\$1,606,908****CORPORATE SPONSORSHIP** \$

Exhibition Medieval Architectural Beauties of Serbia	\$889
ABC Classic FM Sunday Live concert series	\$1,893
Heritage Perth's Heritage Day	\$452
Greek Consulate	\$2,000
Italian Consulate	\$1,548

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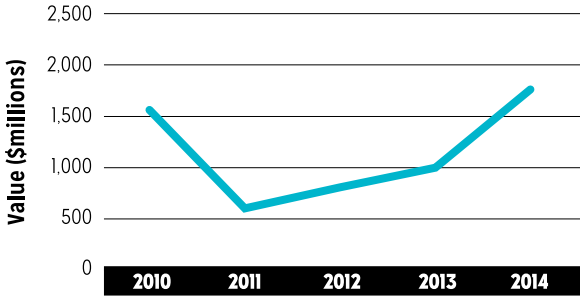
**Total** **\$6,782**

# PERFORMANCE INDICATORS

FOR 2013/14 PERFORMANCE INDICATORS ARE PRESENTED TO REFLECT THE PROGRESS TOWARDS THE OUTCOMES THE CITY OF PERTH WILL FOCUS ON 2009-2029 AS LISTED IN THE “CITY OF PERTH 2029 VISION AND FOUR YEAR STRATEGIC PLAN”.

## ECONOMY AND CITY VIBRANCY OUTCOMES

- » A sustainable business and tourism destination recognised for its distinctive qualities (including its liveability, river setting and cleanliness) and for its indigenous history, heritage and people.
- » A globally connected city playing a key role in the Indian Ocean Rim and the Pacific Rim, with a diverse and resilient economy with a spirit of innovation.
- » Increased city vibrancy while maintaining its high ranking as a liveable city.

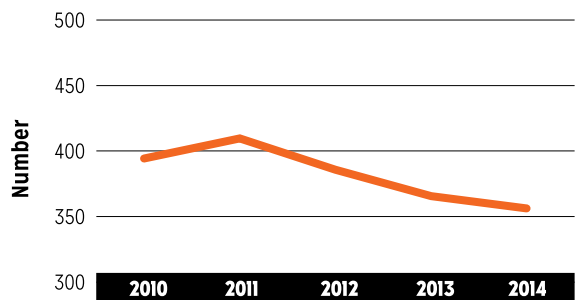


## VALUE OF PLANNING APPLICATIONS

2013/14: **\$1,774.3 million**

### Commentary

The value of applications determined was the highest since 2007/08 (following the decline in the construction industry after the Global Financial Crisis) reflecting the number of major development proposals submitted this year. The plot ratio amendments to City Planning Scheme No. 2 was a significant factor influencing the influx of major applications, many of which were for hotel developments.

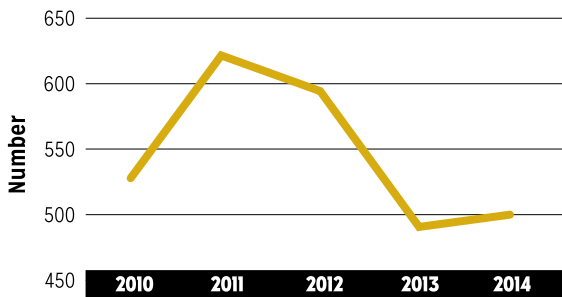


## NUMBER OF PLANNING APPLICATIONS

2013/14: **357**

### Commentary

This is a relatively low figure for the City but only 9 fewer determinations than last year. It includes 22 major applications that were determined by the City of Perth Local Development Assessment Panel.

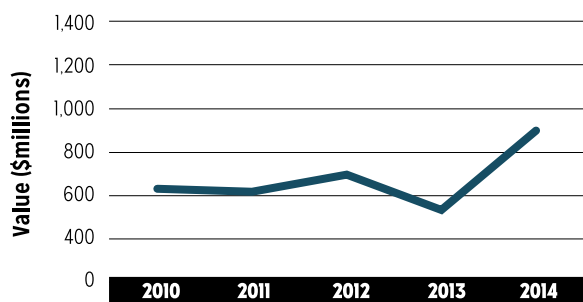


### NUMBER OF BUILDING LICENCES

**2013/14: 500**

#### Commentary

The number of building applications increased slightly from 2012/13 and, importantly, saw approval of the first stages of commercial office buildings at Perth City Link, major student accommodation at UWA and the continuing development of residential apartments.

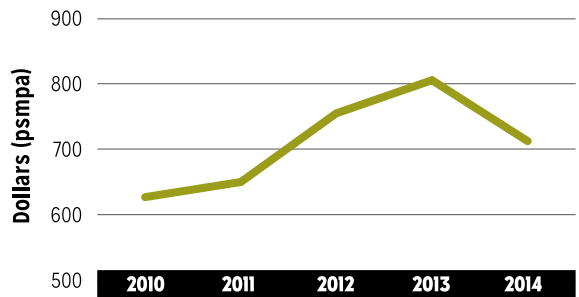


### VALUE OF BUILDING LICENCES

**2013/14: \$924.6 million**

#### Commentary

The value of the developments was almost double last year's figures and is the highest total since the (pre-GFC) building boom slowed in 2009/10. Seven major building permits contributed to these values including Kings Square office developments and Brookfield Tower 2.



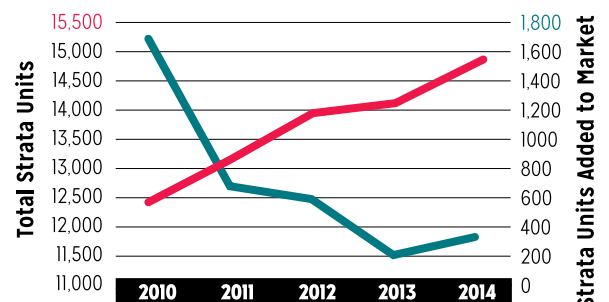
### AVERAGE OFFICE RENT

**2013/14: \$719/sqm per annum**

#### Commentary

Savills Australia, with the Property Council of Australia (WA) has recorded average Premium Grade net face rents as at June 2014 at \$725 to \$825 per square metre, whilst A Grade range from \$575 to \$750 and B Grade \$425. Due to downward pressure experienced in the past 18 months, office vacancy rates have increased and as a result rents have softened and are expected to continue to soften.

Source: Savills and Property Council of Australia.



### RESIDENTIAL STRATA UNITS

**2013/14: 14,881**

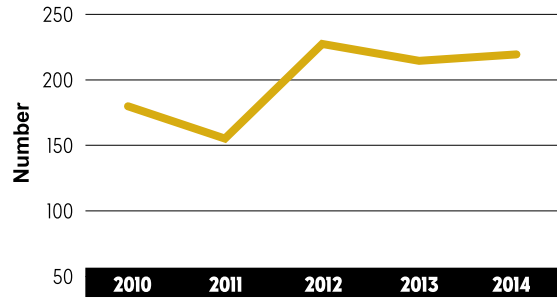
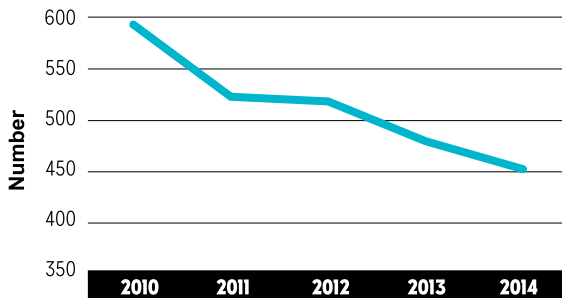
#### Commentary

The number of approved residential strata lots within the city continues to grow. The number of residential strata lots approved and actually added to the market for 2013/14 was 338 which is an increase on the 2012/13 period.

Source: Landgate.

## COMMUNITY OUTCOMES

- » The services and facilities needed by the community are planned for and provided by the City of Perth, other government and non-government organisations or the community itself.
- » The physical and mental health of the community is enhanced through the City's role as regulator and service provider.
- » A diverse and fair community that caters equally for people's needs.
- » Appreciation and support for the culture and heritage value of the city.
- » The city is a safe place for residents, workers and visitors.



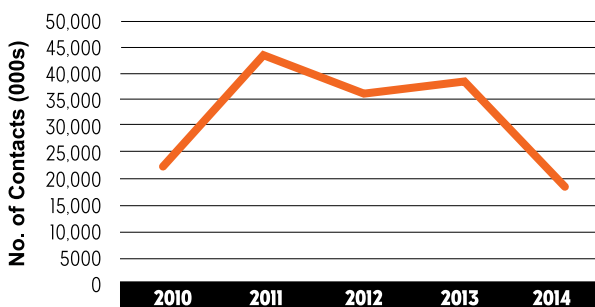
## ENVIRONMENTAL HEALTH SERVICE

### REQUESTS (RESPONSE TO COMPLAINTS)

2013/14: **454**

#### Commentary

Complaints have decreased slightly from 2012/13 to 2013/14. However, the top three complaint categories for the year were, Noise 51%, Food 19% and Health Nuisances at 15%. Noise complaints continue to be a challenging area, with more construction being undertaken and residential developments conflicting with entertainment land uses.



## CONTACTS - RANGER SERVICES

### COMMUNITY PRESENCE ACTIVITIES

2013/14: **18,840**

#### Commentary

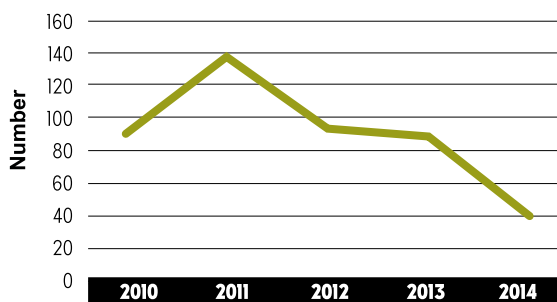
Data is not comparable against previous year due to a change in the way statistics are now recorded due to change in the recording system.

## EVENTS LICENCES APPROVED

2013/14: **218**

#### Commentary

The City's parks, reserves and local roads continue to be popular for hosting events. The numbers of event approvals has remained steady over the past two years since the loss of the Esplanade Reserve. 24 were categorised as major events. The growth of sporting events such as fun runs and triathlons require frequent road closures. Finding a balance between activation and access will continue to be a challenge. A lot of pressure is placed on reserves such as Langley Park as the City attempts to accommodate a variety and high number of reserve hire requests.



## EVENTS SPONSORED BY THE CITY

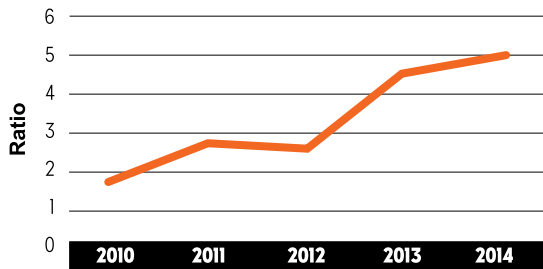
2013/14: **40**

#### Commentary

The periodic 'rounds' system is now attracting applications for funding at double the level of funding available. Key events sponsored include - Taste of Perth, Targa West Tarmac Rally, Open House Perth, Japan Festival, Chevron City to Surf, Hyundai Hopman Cup, Perth Fashion Festival and Chinese New Year.

## CAPABLE AND RESPONSIVE ORGANISATION OUTCOMES

- » A high standard of governance is maintained and is seen to be maintained by Elected Members and staff who understand their obligations and make decisions accordingly.
- » A capable and motivated workforce to deliver the City's services into the future.
- » The tax regime required to fund City programs is kept to a minimum.
- » A diverse revenue base with new sources of revenue.
- » The utilisation of assets to produce revenue is maximised.
- » Technological innovation and systems support the efficient delivery of service.
- » Capital expenditure initiatives can be adequately funded.

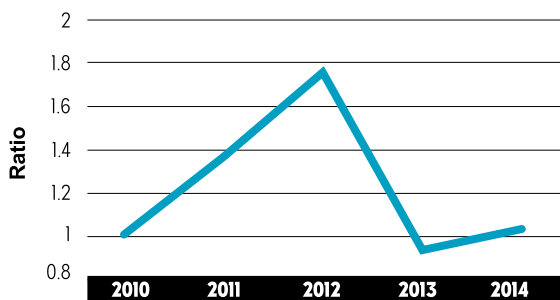


### DEBT SERVICE RATIO

**2013/14: 5.04**

#### Commentary

The Debt Service Ratio measures the City's ability to service debt (principal and interest) out of its available operating revenue. The lower the ratio, the greater the ability of the City to service the debt. The Debt Service Ratio increased from 2012/13. There were increased capital and interest repayments made in 2013/14 due to new borrowings raised in 2012/13 even though available operating income increased by \$7.4 million during the year.

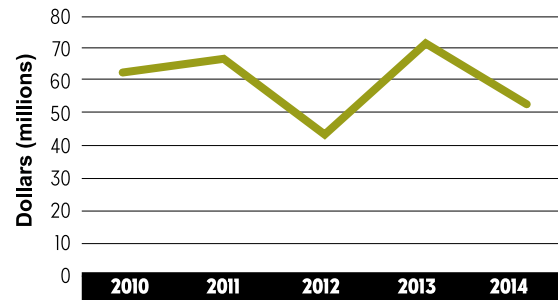


### CURRENT RATIO

**2013/14: 0.83**

#### Commentary

The Current Ratio is an indication of the City's short-term debt obligations. The higher the ratio, the greater the liquidity. The current ratio is equal to current assets, minus restricted assets, divided by current liabilities, minus liabilities associated with restricted assets. The increase in the ratio is mainly due to an increase in unrestricted investments of \$4.3 million and a decrease in loan liabilities of \$4.9 million during the year.

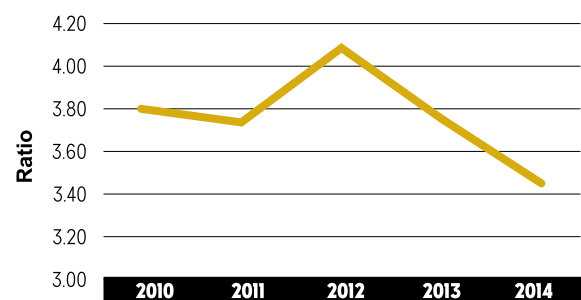


### CAPITAL EXPENDITURE

**2013/14: \$52.8 million**

#### Commentary

Capital Expenditure decreased by \$18.1 million on the 2012/13 expenditure of \$70.9 million. The main items of expenditure were \$10.9 million for the development of the new City of Perth Library and Plaza at Cathedral Square, \$2.9 million for the revamping of St Georges Terrace between Barrack Street and Victoria Avenue, \$2.3 million for new flooring at the City Station Concourse and \$2.3 million for the development of land at Tamala Park.



### LIQUIDITY RATIO

**2013/14: 3.46**

#### Commentary

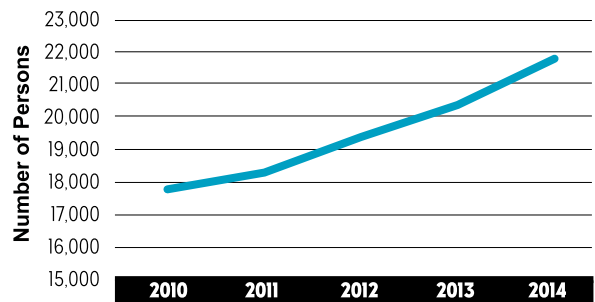
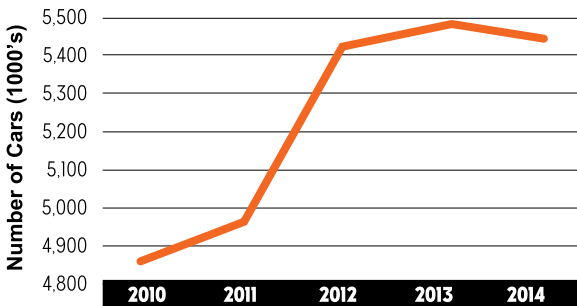
The Liquidity Ratio shows the liquid assets in relation to liquid liabilities of the City. There has been a decrease in the Liquidity Ratio this financial year as investments have decreased and there has also been an increase in current liabilities.



## URBAN OUTCOMES

- » A city achieving high-quality design in all projects and improving the urban and built environment to a standard comparable to the best cities in the world but unique to Perth.
- » Agreement with the State Government on an overarching framework to guide the development of the city, including the river and foreshore, to achieve the City of Perth's long-term vision to maintain an open foreshore with nodes of development to bring people to the river.

- » The City of Perth is known for a diverse range of quality public spaces that attract people to the capital city to work, live and play. Vibrant public spaces ensure Perth is a safe and enticing destination offering a "point of difference" from suburban experiences. Public places will be accessible and welcoming to all people and provide a range of opportunities to meet and contribute to the cultural heart of Western Australia.



## USE OF CITY OF PERTH CAR PARKS

**2013/14: 5,447,567**

### Commentary:

Off-street parking patronage is down from financial year 2012/13 by 41,504. On-street parking patronage is lower than the last financial year by 102,901. This may be attributed partly to capital works and construction in the city, which has necessitated the removal or suspension of a number of on-street parking bays. The number of active parking permits saw a decline of 162. There was a total of 1,381 permits in active use on 30 June 2013. By the same time in 2014, this had reduced to 1,219. CPP provided services for 1565 event days in 2013/14.

## CITY POPULATION

**2013/14: 21,860**

### Commentary:

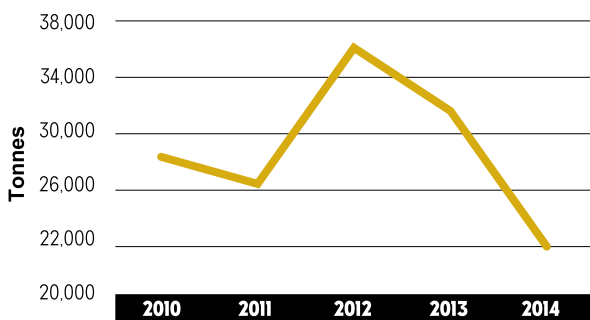
At June 2014, the forecast residential population of the city was 21,860, an increase of 7.2% on the previous year's estimate of 20,285. This continues the City's strong performance as a local government area with a high rate of population growth.





## ENVIRONMENT OUTCOMES

- » The city is a model of how a liveable urban environment can coexist with its natural environment and contribute to global sustainability.

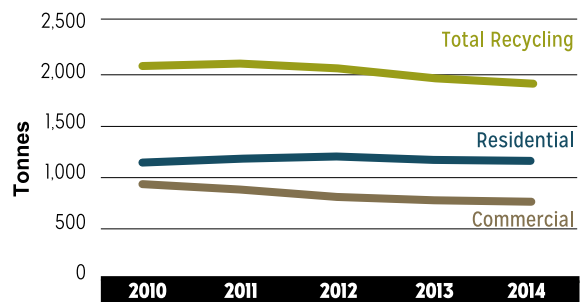


### WASTE

**2013/14: 21,964 tonnes**

#### Commentary

Total waste collected decreased by 30% over the previous year. This is directly attributable to a 48% decrease in construction and demolition waste resulting from a reduced volume of major works undertaken directly by the City. Waste from residential and commercial sources decreased by 5% as a result of loss of commercial business to private service providers offering a complete waste management service. Total bin lifts remained static.



### RECYCLING

**2013/14: 1,909 tonnes**

#### Commentary

Recycling tonnages continue to decline as a result of private contractors offering complete services with an overall decrease of 2.5%. Commercial recycling decreased by 3% while residential recycling decreased by a nominal 2%. Total bin lifts increased by 5%. Commercial – 758 tonnes, Residential – 1151 tonnes.





CITY of PERTH

2013/2014

**FINANCIAL  
STATEMENTS**



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# INDEPENDENT AUDITOR'S REPORT

## TO THE RATEPAYERS OF THE CITY OF PERTH



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### **Independent Auditor's Report To the Ratepayers of City of Perth**

We have audited the accompanying financial report of City of Perth (the "City"), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by Responsible Employee.

#### **Responsibility of the Council for the financial report**

The Council of the City is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1995 Part 6. This responsibility includes such internal controls as the Council determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Independence**

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

#### **Auditor's Opinion**

In our opinion, the financial report of City of Perth:

- i presents fairly, in all material respects, the City of Perth's financial position as at 30 June 2014 and of its performance and cash flows for the year then ended ; and
- ii complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- iii are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

#### **Statutory Compliance**

In our opinion, the financial report of the City of Perth complies with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they apply to the financial statements.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Partner - Audit & Assurance

Perth, 22 October 2014

# STATEMENT BY RESPONSIBLE EMPLOYEE

CITY OF PERTH

## STATEMENT BY RESPONSIBLE EMPLOYEE

The attached financial report of the City of Perth being the annual financial report and supporting notes and other information for the financial year ended 30 June 2014 are, in my opinion properly drawn up to present fairly the financial position of the City of Perth at 30 June 2014 and the results of the operation for the financial year then ended in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the

22

day of

October 2014



.....  
Gary Stevenson PSM  
Chief Executive Officer



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	BUDGET 2013/14 \$	YEAR ENDED 30 JUNE 2014 \$	YEAR ENDED 30 JUNE 2013 \$
<b>OPERATING REVENUE</b>				
Governance		-	1,483	2,922
General Purpose Funding		78,410,929	78,471,372	76,567,580
Law, Order, Public Safety		38,300	61,484	34,473
Health		735,500	921,989	742,476
Education and Welfare		2,167,093	1,911,007	1,743,202
Housing		484,630	726,890	-
Community Amenities		8,388,876	8,209,215	8,393,365
Recreation and Culture		1,846,860	1,656,825	1,781,363
Transport		82,637,043	82,033,090	77,827,792
Economic Services		1,104,150	1,303,853	994,802
Other Property and Services		1,218,736	1,374,814	1,150,648
		177,032,117	176,672,022	169,238,623
<b>OPERATING EXPENDITURE</b>				
Governance		(8,191,100)	(8,006,717)	(7,603,949)
General Purpose Funding		(2,405,637)	(2,402,269)	(2,490,247)
Law, Order, Public Safety		(3,696,401)	(3,805,594)	(3,698,823)
Health		(1,956,299)	(1,947,559)	(1,805,261)
Education and Welfare		(3,271,001)	(3,339,475)	(3,161,811)
Housing		(457,833)	(548,103)	-
Community Amenities		(24,256,757)	(24,347,388)	(21,762,569)
Recreation and Culture		(29,015,311)	(26,714,974)	(24,705,501)
Transport		(75,871,934)	(68,104,781)	(62,960,185)
Economic Services		(9,896,042)	(9,732,396)	(8,704,365)
Other Property and Services		(3,305,867)	(2,349,412)	( 4,273,886)
		(162,324,182)	(151,298,668)	(141,166,597)
<b>Net From Operations</b>		<b>14,707,935</b>	<b>25,373,354</b>	<b>28,072,026</b>
<b>GRANTS/CONTRIBUTIONS</b>				
<b>For the Development of Assets</b>				
General Purpose Funding		65,000	76,885	65,316
Law, Order, Public Safety		-	165,000	50,000
Recreation and Culture		22,500	224,162	285,637
Transport		1,053,042	2,488,659	2,442,287
		1,140,542	2,954,706	2,843,240

CONT...

# STATEMENT OF COMPREHENSIVE INCOME (CONT.)

FOR THE YEAR ENDED 30 JUNE 2014

		BUDGET 2013/14	YEAR ENDED 30 JUNE 2014	YEAR ENDED 30 JUNE 2013
	NOTE	\$	\$	\$
<b>DISPOSAL/WRITE OFF/CONTRIBUTION OF ASSETS</b>				
Gain/(Loss) on Disposal of Assets	10	(166,357)	(6,474,168)	(1,561,090)
		(166,357)	(6,474,168)	(1,561,090)
<i>Change in net assets resulting from operations before Significant Items</i>		15,682,120	21,853,892	29,354,176
<b>SIGNIFICANT ITEMS</b>				
Revaluation of Investment Properties	16(a)	-	6,590,850	(2,194,829)
Revaluation of Open Air Car Parks Infrastructure		-	-	2,168,549
Revaluation of Plant and Equipment		-	-	(1,422,894)
Revaluation of Artworks		-	575,625	-
Incorporation of Rod Evans Senior Citizens Centre Inc.		-	-	246,000
Contribution of Assets from MRA		-	-	78,750
Contribution of Assets - Infrastructure		-	602,144	-
Contribution of Assets - Artworks		-	14,198	383,653
Initial Recognition of Assets - Infrastructure	26(h)	-	90,463,219	-
Initial Recognition of Assets - Artworks		-	12,800	-
Disposal of Development Land at Tamala Park	26(e)	-	1,441,838	1,135,516
Impairment of Investments	26(b)	-	491,373	(311,348)
Profit on Disposal of Investments		-	-	170,926
Contribution to Perth City Link	26(g)	(12,773,000)	(12,774,181)	-
<b>Total Significant Items</b>		(12,773,000)	87,417,866	254,323
<i>Change in net assets resulting from operations after Significant Items</i>				
<i>Gain/(Reduction)</i>		2,909,120	109,271,758	29,608,499

The Statement of Comprehensive Income should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 50.

# STATEMENT OF COMPREHENSIVE INCOME

(CLASSIFICATION BY NATURE)  
FOR THE YEAR ENDED 30 JUNE 2014

		BUDGET 2013/14	YEAR ENDED 30 JUNE 2014	YEAR ENDED 30 JUNE 2013
	NOTE	\$	\$	\$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	3(b)	72,452,120	71,122,002	67,226,365
Grants and Contributions for Non Capital Purposes		1,573,643	1,883,117	1,870,604
Donations and Reimbursements		407,349	436,421	450,935
Fees and Charges	7(c)	96,250,873	95,351,766	90,531,579
Investment Income	7(d)	4,870,706	6,330,591	8,037,365
Other Revenues		1,477,427	1,548,125	1,121,775
Gain from Disposal of Assets	10	320,321	96,849	251,045
<b>Total Revenue from Ordinary Activities</b>		<b>177,352,439</b>	<b>176,768,871</b>	<b>169,489,668</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(59,072,939)	(58,226,999)	(54,251,765)
Materials, Contracts and Suppliers		(48,826,979)	(43,902,083)	(41,384,203)
Utilities		(2,994,614)	(3,348,733)	(3,173,589)
Depreciation and Amortisation	7(b)	(29,251,798)	(24,865,362)	(22,543,017)
Interest		(2,535,299)	(1,760,331)	(1,933,750)
Insurance		(1,407,653)	(1,246,223)	(1,161,712)
Expense Provision		(934,565)	(901,007)	(864,711)
Other Expenses from Ordinary Activities	8(a)	(17,300,336)	(17,047,930)	(15,853,850)
Loss on Disposal/Write off of Assets	10	(486,678)	(6,571,017)	(1,812,135)
<b>Total Expenses from Ordinary Activities</b>		<b>(162,810,861)</b>	<b>(157,869,685)</b>	<b>(142,978,732)</b>
<i>Change in Net Assets from Ordinary Activities before Capital Amounts and Significant Items</i>		14,541,578	18,899,186	26,510,936
<b>GRANTS AND CONTRIBUTIONS</b>				
Grants and Contributions – Capital		1,140,542	2,954,706	2,843,240
<b>SIGNIFICANT ITEMS</b>				
Revaluation of Investment Properties	16(a)	-	6,590,850	(2,194,829)
Revaluation of Open Air Car Parks Infrastructure		-	-	2,168,549
Revaluation of Plant and Equipment		-	-	(1,422,894)
Revaluation of Artworks		-	575,625	-
Incorporation of Rod Evans Senior Citizens Centre Inc.		-	-	246,000
Contribution of Assets from MRA		-	-	78,750
Contribution of Assets – Infrastructure		-	602,144	-
Contribution of Assets – Artworks		-	14,198	383,653
Initial Recognition of Assets – Infrastructure	26(h)	-	90,463,219	-
Initial Recognition of Assets – Artworks		-	12,800	-
Disposal of Development Land at Tamala Park	26(e)	-	1,441,838	1,135,516
Impairment of Investments	26(b)	-	491,373	(311,348)
Profit on Disposal of Investments		-	-	170,926
Contribution to Perth City Link	26(g)	(12,773,000)	(12,774,181)	-
<i>Change in Net Assets from Ordinary Activities after Capital Amounts and Significant Items</i>		2,909,120	109,271,758	29,608,499

The Statement of Comprehensive Income by Nature should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 50.

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

		YEAR ENDED 30 JUNE 2014	YEAR ENDED 30 JUNE 2013
	NOTE	\$	\$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	19	4,464,366	4,423,326
Investments	12,19	103,131,912	109,778,120
Trade and Other Receivables	11	12,086,835	9,707,659
Inventories	13	2,107,372	1,531,187
<b>Total Current Assets</b>		121,790,485	125,440,292
<b>NON-CURRENT ASSETS</b>			
Investments	12	9,660,340	14,318,708
Trade and Other Receivables	11	44,205	37,837
Property, Plant and Equipment	15	983,364,481	874,471,958
Investment Property	16(a)	17,546,249	11,453,639
<b>Total Non Current Assets</b>		1,010,615,275	900,282,142
<b>Total Assets</b>		1,132,405,760	1,025,722,434
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	14(a)	21,171,998	18,993,426
Financial Liabilities	17,22	6,128,375	6,362,308
Employee Benefits	14(b)	10,712,176	10,735,072
<b>Total Current Liabilities</b>		38,012,549	36,090,806
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	17,22	42,768,711	48,897,087
Employee Benefits	14(b)	2,306,727	1,078,344
Provisions	14(c)	3,479,847	3,090,027
<b>Total Non Current Liabilities</b>		48,555,285	53,065,458
<b>Total Liabilities</b>		86,567,824	89,156,264
<b>Net Assets</b>		1,045,837,926	936,566,170
<b>EQUITY</b>			
Accumulated Surplus		587,289,902	468,362,922
Asset Revaluation Reserve	18	372,942,447	377,710,375
Other Reserves	18	85,605,577	90,492,873
<b>Total Equity</b>		1,045,837,926	936,566,170

The Statement of Financial Position should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 50.

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	ACCUMULATED SUPRPLUS \$	ASSET REVALUATION RESERVE \$	CASH BACKED RESERVES \$	TOTAL EQUITY \$
<b>Balance at 1 July 2012</b>		457,881,295	375,509,384	73,534,548	906,957,669
Change in net assets resulting from operations		29,608,499	-	-	29,608,499
Transfers to Cash Backed Reserves		(33,057,167)	-	33,057,167	-
Transfer to Asset Revaluation Reserves		(2,597,162)	2,629,604	-	-
Transfer from Cash Backed Reserves		16,098,841	-	(16,098,841)	-
Transfer from Revaluation Reserves		428,613	(428,613)	-	-
<b>Balance at 30 June 2013</b>	<b>18</b>	<b>468,362,919</b>	<b>377,710,375</b>	<b>90,492,874</b>	<b>936,566,168</b>
<b>Balance at 1 July 2013</b>		468,362,919	377,710,375	90,492,874	936,566,168
Change in net assets resulting from operations		109,271,758	-	-	109,271,758
Transfers to Cash Backed Reserves		(26,612,491)	-	26,612,491	-
Transfer to Asset Revaluation Reserves		(575,625)	575,625	-	-
Transfer from Asset Revaluation Reserves		5,343,553	(5,343,553)	-	-
Transfer from Cash Backed Reserves		31,499,788	-	(31,499,788)	-
<b>Balance at 30 June 2014</b>	<b>18</b>	<b>587,289,902</b>	<b>372,942,447</b>	<b>85,605,577</b>	<b>1,045,837,926</b>

The Statement of Changes in Equity should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 50

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	30 JUNE 2014 \$	30 JUNE 2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		71,042,019	67,282,674
Fees and Charges		92,394,112	90,418,197
Interest and Investment Income		6,839,210	7,692,488
Other		2,675,398	1,994,648
<b>Total Receipts</b>		172,950,739	167,388,007
<b>Payments</b>			
Employee Costs		(57,021,512)	(53,466,979)
Materials, Contracts and Suppliers		(42,239,912)	(41,096,570)
Interest and Financing Costs		(2,085,091)	(1,756,628)
Other		(22,154,073)	(21,360,115)
<b>Total Payments</b>		(123,500,588)	(117,680,292)
<b>Net Cash Inflow from Operating Activities</b>	<b>20</b>	49,450,151	49,707,715
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from Disposal of Assets		1,374,211	1,188,843
Contributions from Other Parties		140,233	22,000
Proceeds from Disposal of Investments (Non-Current)		6,833,333	369,672
<b>Total Receipts</b>		8,347,777	1,580,515
<b>Payments</b>			
Purchase of Agricultural Assets		(175,400)	-
Purchase of Land and Buildings		(606,685)	(1,309,741)
Purchase of Infrastructure Assets		(16,269,522)	(4,519,858)
Purchase of Plant and Mobile Equipment		(4,841,653)	(2,172,652)
Purchase of Office Furniture and Equipment		(454,758)	(1,386,833)
Work in Progress		(26,963,009)	(59,132,351)
Purchase of Investment (Non-Current)		(330,821)	(18,712)
<b>Total Payments</b>		(49,641,849)	(68,540,147)
<b>Net Cash Outflow from Investing Activities</b>		(41,294,072)	(66,959,632)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from Borrowings		-	23,788,520
<b>Total Receipts</b>		-	23,788,520
<b>Payments</b>			
Repayment of Borrowings		(6,362,309)	(4,836,791)
<b>Total Payments</b>		(6,362,309)	(4,836,791)
<b>Net Cash Inflow from Financing Activities</b>		(6,362,309)	18,951,729
<b>CASH FLOWS FROM GOVERNMENT</b>			
<b>Receipts from Appropriations/Grants/Contributions</b>			
Recurrent		1,560,770	1,785,215
Capital		2,814,473	3,529,643
<b>Total Receipts</b>		4,375,243	5,314,858
<b>Payments</b>			
Contribution to Perth City Link		(12,774,181)	-
<b>Net Cash Inflow from Appropriations/Grants/Contributions</b>		(8,398,938)	5,314,858
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		(6,605,168)	7,014,670
<b>Cash at 1 July 2013</b>		114,201,446	107,186,776
<b>Cash at 30 June 2014</b>	<b>19</b>	107,596,278	114,201,446

The Statement of Cash Flows should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 12 to 50.

# RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	BUDGET 2013/14 \$	ACTUAL 2013/14 \$	ACTUAL 2012/13 \$
<b>PROCEEDS FROM OPERATING ACTIVITIES</b>			
<b>Operating Revenue</b>			
Parking Fees	71,075,902	70,136,012	66,503,903
Fines and Costs	9,524,880	9,392,996	9,583,393
Investment Income and Interest	4,870,706	6,330,591	8,037,365
Community Service Fee	1,684,345	1,419,690	1,245,996
Rubbish Collection Fees	5,649,900	5,698,948	5,415,150
Rental and Hire Charges	5,243,791	5,337,738	4,541,887
Recurrent Grants	1,573,643	1,883,117	1,870,604
Contributions, Donations and Reimbursements	407,349	436,422	450,935
Other Income	4,549,480	4,914,507	4,363,025
	<b>104,579,996</b>	<b>105,550,021</b>	<b>102,012,258</b>
<b>Less: Operating Expenditure</b>			
Employee Costs	(59,072,938)	(58,226,999)	(54,251,765)
Materials and Contracts	(48,826,979)	(43,902,083)	(41,384,203)
Utilities	(2,994,614)	(3,348,733)	(3,173,589)
Insurance Expenditure	(1,407,653)	(1,246,223)	(1,161,712)
Depreciation and Amortisation	(29,251,798)	(24,865,362)	(22,543,017)
Interest Expenses	(2,535,299)	(1,760,331)	(1,933,750)
Expense Provisions	(934,565)	(901,007)	(864,711)
Loss on Disposal of Assets	(166,357)	(6,474,168)	(1,561,090)
Other Expenditure	(17,300,336)	(17,047,930)	(15,853,850)
Non-Recurrent Contribution – Perth City Link	(12,773,000)	(12,774,181)	-
	<b>(175,263,539)</b>	<b>(170,547,017)</b>	<b>(142,727,687)</b>
<b>Non-Cash Adjustments</b>			
Depreciation of Non-Current Assets	29,251,798	24,865,362	22,543,017
Loss on Disposal of Assets	166,357	6,474,168	1,561,090
Movement in Accounts Receivables and Accrued Income	-	(2,961,729)	85,389
Movement in Employee Entitlements	-	1,205,487	784,786
Movement in Accounts Payables and Accruals	-	2,138,627	650,391
Movement in PCEC Provision	-	389,820	(306,253)
Incorporation of Rod Evans Senior Citizens Centre	-	-	(246,000)
Asset Revaluation adjustment on Assets Sold	-	-	(32,442)
Impairment of Investments	-	491,373	(311,348)
	<b>29,418,155</b>	<b>32,603,108</b>	<b>24,728,630</b>
	<b>(41,265,388)</b>	<b>(32,393,888)</b>	<b>(15,986,799)</b>
<b>Net Surplus/(Deficit) from Operations</b>			
<b>Investing Activities</b>			
Capital Expenditure	(84,164,092)	(49,311,028)	(68,521,435)
Repayment of Borrowings	(6,362,309)	(6,362,309)	(4,836,791)
Purchase of Investment (Non-Current)	-	(330,821)	(18,712)
Transfers to Reserves	(24,440,247)	(26,612,491)	(33,057,167)
	<b>(114,966,648)</b>	<b>(82,616,649)</b>	<b>(106,434,105)</b>
<b>Financing Activities</b>			
Transfer from Reserves	40,460,283	31,499,788	16,098,841
Carry Forwards	19,497,760	-	-
Contributions from Other Parties	-	140,233	100,750
Proceeds from Disposal of Assets	1,761,500	1,374,211	1,188,843
Distribution from Tamala Park Regional Council	-	833,333	-
Proceeds on Sale of Investments (Non-Current)	-	6,000,000	369,672
Proceeds from Borrowings	537,500	-	23,788,520
Capital Grants and Contributions	1,140,542	2,814,473	3,529,643
	<b>63,397,585</b>	<b>42,662,038</b>	<b>45,076,269</b>
	<b>(92,834,451)</b>	<b>(72,348,499)</b>	<b>(77,344,635)</b>
Add: Opening Funds	21,847,151	17,299,643	27,417,913
Net Surplus/(Deficit) of Income Earned	(70,987,300)	(55,048,856)	(49,926,722)
Amount Sourced from Rates	72,452,121	71,122,001	67,226,365
	<b>1,464,821</b>	<b>*16,073,145</b>	<b>**17,299,643</b>

\* The balance of closing funds figure of \$16,073,145 at 30 June 2014 includes amounts set aside of \$10,636,869 as carried forward capital commitments for the 2014/15 budget year.

\*\* The previous year's Closing Funds have been adjusted for comparative purposes.

# NOTES TO AND FORMING PART OF THE

## FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

### THIS FINANCIAL REPORT IS A GENERAL PURPOSE FINANCIAL REPORT THAT CONSISTS OF A STATEMENT OF COMPREHENSIVE INCOME, STATEMENT OF FINANCIAL POSITION, STATEMENT OF CHANGES IN EQUITY STATEMENT OF CASH FLOWS, RATE SETTING STATEMENT AND NOTES ACCOMPANYING THESE FINANCIAL STATEMENTS.

The general purpose Financial Report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations, the *Local Government Act 1995*, and the *Local Government (Financial Management) Regulations 1996*.

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the presentation of these financial statements are:

#### (a) The Local Government Reporting Entity

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report. In the process of reporting on the City as a single unit, all transactions and balances between those funds have been eliminated.

#### Trust and other Deposits

Funds held in the trust account are on behalf of outside parties. The Council performs only a custodial role in respect of these monies, because they cannot be used for Council purposes, and therefore they are not brought to account in the financial statements, but are disclosed in Note 28.

Amounts received as tender deposits and retention amounts controlled by the Council are included in the amount disclosed as "other creditors" within current liabilities until they are refunded or forfeited.

#### (b) Basis of Preparation

The Financial Report has been prepared on the going concern basis and historical cost, except where otherwise stated, and accrual accounting principles. Unless otherwise stated, the accounting

policies adopted are consistent with those of the previous year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes to comparatives.

Under Australian Accounting Standards there are requirements that apply specifically to Government and not-for-profit entities. The City has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the City has elected to apply options and exemptions within the Australian Accounting Standards that are applicable to not-for-profit entities.

#### (c) Depreciation and Amortisation

All fixed assets and leasehold interests with the exception of Freehold Land, Air Rights, Investment Properties, Artwork, Agricultural and Work in Progress are systematically depreciated and amortised over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets. Depreciation is based on a straight line basis taking cognisance of the residual value of the asset, whilst amortisation rates are set to amortise the cost of the leasehold interest over the life of the lease. Depreciation rates and residual values are reviewed each year.

Major Depreciation and Amortisation periods used are listed on the following page and are consistent with the prior year unless otherwise stated:



ASSET CATEGORIES	LIFE EXPECTANCY YEARS	RESIDUAL VALUES
<b>Land</b>		
Leasehold Interest	99 years	Nil
<b>Buildings</b>		
Buildings (including leasehold interest)	10 to 100 years	Nil
Stationary Plant in Buildings	15 years	Nil
<b>Improvements</b>		
Leasehold Improvements	Term of Lease	Nil
Ground Level Improvements	5 to 50 years	Nil
<b>Infrastructure Assets</b>		
Roads – Pavement	40 to 80 years	Nil
– Kerbs	20 to 80 years	Nil
– Seal	25 years	Nil
Footpaths	20 years	Nil
Street Lighting	15 to 25 years	Nil
Drainage	80 years	Nil
Reticulation	15 to 30 years	Nil
Overpasses and Underpasses	50 to 80 years	Nil
<b>Plant and Mobile Equipment</b>		
Major Plant and Equipment	3 to 10 years	10 to 45%
Sedans and Utilities	2 to 3 years	60 to 85%
Pumps and Bores	15 years	Nil
Minor Plant and Equipment	2 to 7 years	5% to Nil
Specialised Parking Equipment	7 to 15 years	Nil
<b>Office Furniture/Equipment</b>		
Furniture and Equipment	10 to 15 years	Nil
Computer Equipment and Software	3 to 5 years	Nil

Assets are depreciated from the date of acquisition, or in respect of assets being constructed from the time an asset is completed and held ready for use.

Following a review of the life expectancies of infrastructure assets, changes in the life expectancies for kerbs (from a range of 20 to 40 years to a range of 20 to 80 years) and reticulation (from 20 years to a range from 15 to 30 years) took place during the reporting period.

#### (d) Valuation of Assets and Asset Management

Council's assets are being progressively revalued to fair value in accordance with a staged implementation advised by the

Department of Local Government. Fair value estimations are determined in accordance with the policy stated in paragraph (a) of Note 1 – Statement of Significant Accounting Policies.

At balance date, the following classes of property, plant and equipment were stated at their fair value:

- » Land (external valuation)
- » Buildings (external valuation)
- » Improvements (external valuation)
- » Plant and mobile equipment (internal valuation)
- » Office furniture and equipment (internal and external valuations)
- » Full revaluations are undertaken for all assets shown at fair value on a minimum 3 year cycle.

Additionally a program to introduce Asset Management disciplines to the City is being implemented. This includes the initial recognition of additional and the revaluation of all Property, Plant and Equipment assets of the City.

Infrastructure Assets, in terms of their revaluation, will be progressively incorporated in the year to 30 June 2015. Infrastructure assets not previously recorded were initially recognised at their Fair Value (depreciated replacement cost) of \$90,463,219 during the reporting period.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in the Statement of Comprehensive Income. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Statement of Comprehensive Income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the City and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

**(e) Employee Entitlements****(i) Wages and Salaries**

A liability for wages and salaries is recognised and is stated as the amount unpaid at balance date calculated at current rates of pay.

**(ii) Annual Leave**

Employee entitlements to annual leave are recognised as leave not taken at balance date calculated at current rates of pay plus related on-costs in accordance with Australian Accounting Standard AASB119 – Employee Benefits.

The expected amount to be paid to employees within the next twelve months (set at 6 weeks) is recognised as a current liability in the Statement of Financial Position. Amounts exceeding 6 weeks accrual is recognised and measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

The amended standard AASB119 pertaining to annual leave entitlements is first applied in the current reporting period.

**(iii) Long Service Leave**

Employee entitlements for long service leave are accrued on a pro-rata basis from the date of commencement in accordance with Australian Accounting Standard AASB119 – Employee Benefits. Such liability is recognised and measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Estimated future outflows are discounted using average Commonwealth Government Bond rates that match as closely as possible estimated future cash outflows.

The expected amount to be paid to employees within the next twelve months is recognised as a current liability in the Statement of Financial Position.

**(iv) Self-Funded Leave**

Employee benefits to self-funded leave are recognised as leave not taken at balance date calculated at current rates of pay.

**(v) Superannuation**

The superannuation expense for the period is the amount of contribution the City of Perth made to the superannuation funds which provide benefits to its employees. Details of these arrangements are set out in Note 21.

**(f) Receivables and Payables**

Trade receivables are carried at nominal amounts due, less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Receivables are generally settled within 30 days.

Trade creditors and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity. The amounts are unsecured and are usually settled on 30 day terms.

**(g) Provision of Doubtful Debts**

The collectability of debts is assessed at financial position date and specific provision is made for any doubtful accounts. All known bad debts are written off in the year in which they are recognised as such.

No provision is made for rate debtors where the debts are collectable against the property.

**(h) Investments**

All current investments except for structured investments, are marked to market and therefore valued at market value on 30 June 2014, to more appropriately relate the value of securities to current conditions. Realised and unrealised gains and losses arising from changes in the market value of these assets are included in the Statement of Comprehensive Income as they arise

Structured investments, comprising a floating rate note and mortgage backed securities are valued at cost. Impairment charges or reduction in impairment charges against cost are taken reducing or increasing their cost base where appropriate and necessary. It is the organisation's intention to hold structured investments to maturity.

Other non-current investments are valued at cost.

**(i) Leases**

Operating leases are included in operating expenditures in accordance with lease arrangements.

The City has no obligations under finance leases at the financial position date.

**(j) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the City, and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

**(i) Rates, Grants, Donations and Other Contributions**

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier,

upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured and the timing of commencement of control depends upon the arrangement that exists between the grantor and the City.

#### **(ii) Rendering of Services**

Where a contract has been completed, all related revenue is recognised when the City controls a right to be compensated for the services provided. Where a contract has not been completed revenue is recognised only to the extent of cost incurred. Contracts generally arise as a result of requests for work to be carried out at a property-owner's expense, or from compulsory works carried out by the City pursuant to legislation.

#### **(iii) Sale of Assets**

Revenue is recognised when control of the assets has passed to the buyer.

#### **(iv) Fines**

Revenue is recognised when the City controls a right to receive consideration for the enforcement of legislation and Council by-laws.

#### **(v) Rents, Interest and Distributions**

Revenue is recognised when the City has attained control of a right to receive consideration for the provision of, or investment in, assets.

#### **(k) Inventories and Work in Progress**

Inventories and work in progress are valued at the lower of cost and net realisable value.

#### **(l) Rounding**

Amounts shown in the Financial Statements have been rounded to the nearest dollar. This may result in minor variations between schedules.

#### **(m) Acquisition of Assets**

The cost method of accounting is used for the initial acquisition of assets. Cost is determined as the fair value of

assets given as consideration plus costs incidental to the acquisition, including architects fees, engineering design fees, and all other costs incurred. Assets acquired at no cost, or for nominal consideration are initially recognised at their fair values as at the date of acquisition.

#### **(n) Non-Current Assets Constructed by the City**

The cost of non-current assets constructed by the City includes the cost of materials, direct labour, and an appropriate proportion of fixed and variable overheads. Unallocated additions to non-current assets are brought to account as works in progress and are not depreciated until completed or installed for use.

#### **(o) Vested Land and Crown Land held in Trust**

Land Vested in the City is recognised at a nominal value of one dollar for record purposes only. Crown Land held in Trust is recognised at fair value.

#### **(p) Land Under Roads**

Effective from 1 July 2008, the City elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available under Australian Accounting Standard AASB 1051 Land Under Roads and the requirement of Regulation 16(a)(i) of the *Local Government (Financial Management) Regulations* that prohibits local government from recognising such land as an asset of local government.

In respect of land under roads acquired on or after 1 July 2008, as detailed above Regulation 16(a)(i) of the *Local Government (Financial Management) Regulations* prohibits local government from recognising such land as an asset of local government.

#### **(q) Fair Value Estimation**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of non-current assets is determined as follows:

- » Land and Buildings are determined by a professionally qualified external valuer.
  - from market-based evidence by appraisal, or;
  - where there is no market-based evidence because of the specialised nature of the land or building and it is rarely sold, an estimate using a depreciated replacement cost approach.
- » Mobile plant and equipment are determined internally from market-based evidence after appraisal of their condition.
- » Plant and equipment are determined as approximated by depreciated historical cost.
- » Art is determined by a professionally qualified external valuer from market based evidence by appraisal.
- » Office furniture and equipment are determined as approximated by depreciated historical cost.

#### **(r) Materiality**

Assets with an economic life which is determined to be longer than one year are only capitalised where the cost of acquisition/construction exceeds the materiality threshold established by Council. Council's current capitalisation policy is to expense any purchases considered to be of a capital nature that are less than \$5,000 and in the case of IT software, less than \$50,000.

**(s) Taxation**

The City is exempt from payment of income tax, capital gains tax and payroll tax. Payments for fringe benefit tax and goods and services tax are made in accordance with the relevant legislation.

**(t) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense to which it relates. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

**(u) Financial Instruments**

The City of Perth invests in a variety of interest bearing securities. The City does not directly enter into any derivative contracts to offset risk to the interest or foreign exchange rates. Additionally, to the best of its knowledge, there are no embedded derivatives in the funds or securities that the City holds that may impact materially on investment earnings. Except for structured investments, investments are marked to market. Exposure to interest and credit risk as at reporting date is as detailed in Note 29.

**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

**Financial Assets at Fair Value through Statement of Comprehensive Income**

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: *Financial Instruments: Recognition and Measurement*.

Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

**Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in any active market and are stated at amortised cost using the effective interest rate method.

**Available-for-Sale Financial Assets**

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value of these assets are recorded in the Statement of Comprehensive Income.

**Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**(v) Impairment of Assets**

The recoverable amount of an asset is determined at the higher of net selling price and value in use.

Certain of the City's operations are conducted with a partially commercial orientation and it is necessary to test for impairment of assets on a discounted cash flow basis for each of these units. The impact of this standard (AASB139: Financial Instruments: Recognition and Measurement) may lead to some volatility in operating earnings. There was no material impact for the reporting period.

**(w) Statement of Comprehensive Income**

An additional statement of comprehensive income in nature and type format has been prepared and included to ensure the City complies with both the Local Government Act 1995 and the Australian Accounting Standards.

**(x) Investment Property**

Investment property is held to generate long-term rental yields. All tenant leases are on arms length basis.

Investment property is carried at fair value, being market value assuming the highest and best use permitted by the relevant land use planning provisions or existing public use whichever is the greater.

The most recent revaluation of investment properties at 30 June 2014 was carried out by Landgate – Valuation Services through Mr Stephen Fern, AAPI Certified Practising Valuer, Senior Consultant Valuer. Changes to fair value are recorded in the Statement of Comprehensive Income. Investment properties are not depreciated.

## (y) New Accounting Standards and Interpretations for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

The City has decided not to early adopt any of the new and amended pronouncements. The City's assessment of the new and amended pronouncements that are relevant to the City, but applicable in future reporting periods is set out below:

### » AASB 9: *Financial Instruments*

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

Effective date (annual reporting periods on or after 1 January 2018).

*The City has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and the IASB is yet to finalise the remaining phases of its project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 in Australia).*

### » AASB 2012-3 *Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities*

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.

Effective date (annual reporting periods beginning on or after 1 January 2014).

*When AASB 2012-3 is first adopted for the year ending 30 June 2015, there will be no impact on the City as this standard merely clarifies existing requirements in AASB 132.*

### » AASB 2013-3 *Recoverable Amount Disclosures for Non-Financial Assets*

These narrow scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 Impairment of Assets to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. AASB 2013-3 makes the equivalent amendments to AASB 136 Impairment of Assets.

Effective date (annual reporting periods beginning on or after 1 January 2014).

*When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the City given that they are largely of the nature of clarification of existing requirements.*

### » AASB 2013-4 *Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting*

The amendments in AASB 2013-5 provide an exception to consolidation to investment entities and require them to measure unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 *Financial Instruments* (or AASB 139 *Financial Instruments: Recognition and Measurement* where AASB 9 has not yet been adopted). The amendments also introduce new disclosure requirements for investment entities that have subsidiaries.

These amendments apply to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both.

Effective date (annual reporting periods beginning on or after 1 January 2014).

*When these amendments are first adopted for the year ending 30 June 2015, there will be no impact on the City because the City does not meet the definition of 'investment entity'.*

### » AASB 2013-7 *Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders.*

AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, *Life Insurance Contracts*, which leaves AASB 10 *Consolidated Financial Statements* as the sole source for consolidation requirements applicable to life insurer entities

Effective date (annual reporting periods beginning on or after 1 January 2014).

*When this standard is first adopted for the year ending 30 June 2015, there will be no impact on the City because the City does not meet the definition of 'investment entity'.*

» **AASB 1031 Materiality (December 2013)**

The revised AASB 1031 is an interim standard that cross-references to other Standards and the *Framework for the Preparation and Presentation of Financial Statements* (issued December 2013) that contain guidance on materiality. The AASB is progressively removing references to AASB 1031 in all Standards and Interpretations, and once all these references have been removed, AASB 1031 will be withdrawn.

Effective date (annual reporting periods beginning on or after 1 January 2014).

*When these amendments are first adopted for the year ending 30 June 2015, they are unlikely to have any significant impact on the City.*

» **AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part B: Materiality).**

Part B of AASB 2013-9 deletes references to AASB 1031 in various Australian Accounting Standards (including Interpretations).

Effective date (annual reporting periods beginning on or after 1 January 2014).

*When the revised AASB 1031 is first adopted for the year ending 30 June 2015, it is unlikely to have any significant impact on the City.*

» **AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments (Part C: Financial Instruments).**

These amendments:

- add a new chapter on hedge accounting to AASB 9 *Financial Instruments*, substantially overhauling previous accounting requirements in this area;
- allow the changes to address the so-called 'own credit' issue that were already included in AASB 9 to be applied in isolation without the need to change any other accounting for financial instruments; and
- defer the mandatory effective date of AASB 9 from '1 January 2015' to '1 January 2017'.

Effective date (annual reporting periods beginning on or after 1 January 2015).

The City has not yet assessed the full impact of these amendments.

» **AASB 14 Regulatory Deferral Accounts.**

AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and de-recognition of its regulatory deferral account balances. The exemption is not available to entities who already apply Australian Accounting Standards.

Effective date (annual reporting periods beginning on or after 1 January 2016).

*When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the City.*

» **AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles).**

Part A of AASB 2014-1 makes amendments to various Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards *Annual Improvements to IFRSs 2010-2012 Cycle* and *Annual Improvements to IFRSs 2011-2013 Cycle*.

Among other improvements, the amendments arising from Annual Improvements to IFRSs 2010-2012 Cycle:

- (a) clarify that the definition of a 'related party' includes a management entity that provides key management personnel services to the reporting entity (either directly or through a group entity); and
- (b) amend AASB 8 *Operating Segments* to explicitly require the disclosure of judgements made by management in applying the aggregation criteria.

Among other improvements, the amendments arising from *Annual Improvements to IFRSs 2011-2013 Cycle* clarify that an entity should assess whether an acquired property is an investment property under AASB 140 *Investment Property* and perform a separate assessment under AASB 3 *Business Combinations* to determine whether the acquisition of the investment property constitutes a business combination.

*When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the City.*

» **AASB 2014-1 Amendments to Australian Accounting Standards (Part B: Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)).**

Part B of AASB 2014-1 makes amendments to AASB 119 *Employee Benefits* to incorporate the IASB's practical expedient amendments finalised in International Financial Reporting Standard *Defined Benefit Plans: Employee Contributions* (Amendments to IAS 19) in relation to the requirements for contributions from employees or third parties that are linked to service.

The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service. In contrast, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by paragraph 70 of AASB 119 for the gross benefit.

Effective date (annual reporting periods beginning on or after 1 July 2014).

*When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the City.*

» **AASB 2014-1 Amendments to Australian Accounting Standards (Part C: Materiality).**

Part C of AASB 2014-1 makes amendments to particular Australian Accounting Standards to delete their references to AASB 1031 *Materiality*, which historically has been referenced in each Australian Accounting Standard.

Effective date (annual reporting periods beginning on or after 1 July 2014).

*When these amendments are first adopted for the year ending 30 June 2015, there will be no material impact on the City.*

» **AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14).**

Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14.

Effective date (annual reporting periods beginning on or after 1 January 2016).

*When these amendments become effective for the first time for the year ending 30 June 2017, they will not have any impact on the City.*

» **AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments).**

Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 *Financial Instruments* to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 *Hedge Accounting* into AASB 9 and to amend reduced

disclosure requirements for AASB 7 *Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements*.

Effective date (annual reporting periods beginning on or after 1 January 2015).

The City has not yet assessed the full impact of these amendments.

» **IFRS 15 Revenue from Contracts with Customers.**

IFRS 15:

- replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue related Interpretations
- establishes a new control-based revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licencing)
- expands and improves disclosures about revenue

In the Australian context, the Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian Standard (AASB 15 Revenue from Contracts with Customers), along with a new Exposure Draft (ED) on income from transactions of Not-for-Profit (NFP) entities by September 2014.

Effective date (annual reporting periods beginning on or after 1 January 2017).

*When this standard is first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.*

» Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38).

The amendments to IAS 16 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The amendments to IAS 38 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e. a revenue-based amortisation method might be appropriate) only in two limited circumstances:

- the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

Effective date (annual reporting periods beginning on or after 1 January 2016).

*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.*

» Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).

The amendments to IFRS 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in IFRS 3 *Business Combinations*, should:

- apply all of the principles on business combinations accounting in IFRS 3 and other IFRSs except principles that conflict with the guidance of IFRS 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e. the exiting interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by IFRS 3 and other IFRSs.

The Australian Accounting Standards Board (AASB) is expected to issue the equivalent Australian amendment shortly.

Effective date (annual reporting periods beginning on or after 1 January 2016).

*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.*

**(z) Adoption of New and Revised Accounting Standards**

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These new and revised standards were:

AASB 10	AASB 2011-9
AASB 11	AASB 2011-10
AASB 12	AASB 2012-2
AASB 119	AASB 2012-3
AASB 127	AASB 2012-5
AASB 128	AASB 2012-10
AASB 2011-7	

Most of the standards adopted had a minimal effect on the accounting and reporting practices of the City as they did not have a significant impact on the accounting or reporting practices or were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

**(z1) Critical accounting judgements and key sources of estimation uncertainty**

In application of the City's accounting policies, the City is required to make judgements, estimates and assumptions about the carrying values of certain assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of revision and future periods if the revision affects both current and future periods.



## **(z2) Functional Currency**

The presentation currency of the City of Perth is the Australian dollar. The functional currency is also the Australian dollar.

## **(z3) Significant Estimates and Uncertainties**

The City of Perth at balance date utilised independent investment advisors CPG Research and Advisory Pty Ltd in assessing on a monthly basis the market value of interest bearing securities.

The advisors model valuations which are derived from a number of factors including information obtained from the arrangers of individual securities and ratings agencies, reviews of the components of the relevant securities and also movements in applicable credit spreads.

## **(z4) Provisions**

Provisions are recognised when the City has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

## **2. COMPONENT FUNCTIONS /ACTIVITIES**

The Statement of Comprehensive Income is presented in a program format using the following classifications:

### **Governance**

Members of Council, civic receptions and functions, public relations, electoral and other issues relating to the task of assisting Councillors and the ratepayers which do not concern specific Council services.

### **General Purpose Funding**

General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, Emergency Services Levy commission, back rates, general purpose grants, untied road grants, interest on deferred rates, investment returns, discounts received, interest on long term borrowings.

### **Law, Order, Public Safety**

Fire prevention, including the Emergency Services Levy, clearing for fire hazards, animal control, by-law control, public security, civil emergency services, park rangers, neighbourhood watch.

### **Health**

Maternal and infant health, preventive services including, immunisation, food control, health inspections, pest control, other health.

### **Education And Welfare**

Child care centres, aged and disabled, senior citizen's centres, welfare administration, donations to welfare organisations, other welfare, education services.

## **Housing**

*Affordable Rental Housing*

### **Community Amenities**

Rubbish collections, recycling, refuse site operation, litter control, public litter bins, abandoned vehicles, pollution control, town planning control/studies, Citiplace administration, pedestrian malls, Forrest Place, street seats, memorials, bus shelters, rest centres, public conveniences.

### **Recreation And Culture**

Public halls, civic centre, parks, sports grounds, community recreation programs, cycleways, library, community arts program, concert hall, donations to cultural institutions, parades and festivals, Christmas decorations, event and corporate sponsorship, Skyworks.

### **Transport**

Roads, footpaths, rights of way, drainage, road verges, median strips, overpasses, underpasses, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities.

### **Economic Services**

Tourism and promotions, Perth Convention Bureau subsidies, building control, undergrounding of power, retail marketing, economic development support.

### **Other Property And Services**

Public works overheads, plant/vehicle operations, sundry and other outlays that cannot be assigned to one of the preceding programs.

### 3. RATING INFORMATION

#### (a) Gross Rental Values

Landgate Valuation Services provides the City with Gross Rental Values (GRV) for the purpose of rating. For the vast majority of properties values were supplied on 1 July 2011, effective for three years from that date.

#### (b) Differential General Rates

The City of Perth imposed differential general rates under Section 6.33 of the Local Government Act 1995 on all rateable land within the City according to the predominant purpose for which the land is held or used, as determined by the City. If the predominant land use forming the basis for the imposition of the differential rate changed during the 2013/14 financial year, the City was not required to amend the assessment of rates payable on that land on account of that change, but has chosen to do so.

The rates were set at differential levels that provided as was practically possible a fair and equitable distribution of the rate burden to each category of land having regards to its demands on the City's services.

The City has previously rationalised its rates differential categories with Hotel, Retail and Commercial ratepayer classes consolidated as the Commercial category. This followed a review of costs attributable to each class and took into account the triennial revaluation of gross rental values pertaining to each category conducted by Landgate Valuation Services in 2011.

None of the differential general rates was more than twice the lowest differential general rate, as proposed in the 2013/14 Annual Budget.

Differential General Rates details are as follows:

	<b>BUDGET 2013/14 \$</b>	<b>ACTUAL 30 JUNE 2014 \$</b>	<b>ACTUAL 30 JUNE 2013 \$</b>
<b>Total General Rates Revenue</b>			
Commercial	18,483,079	18,374,430	16,859,410
Office	40,687,646	40,668,273	36,984,794
Residential	9,736,249	9,693,647	8,855,691
Vacant Land	899,406	899,406	826,387
<b>Total</b>	<b>69,806,380</b>	<b>69,635,756</b>	<b>63,526,282</b>

	<b>NO. OF PROPERTIES</b>	<b>RATE IN THE DOLLAR</b>	<b>GROSS RENTAL VALUES \$</b>
<b>General Rates Information</b>			
Commercial	1,732	5.065	357,777,374
Office	2,125	2.696	1,517,364,562
Residential	9,464	4.131	235,969,976
Vacant Land	78	5.392	20,890,900
<b>Total</b>	<b>13,399</b>		<b>2,132,002,812</b>

	<b>BUDGET 2013/14 \$</b>	<b>ACTUAL 30 JUNE 2014 \$</b>	<b>ACTUAL 30 JUNE 2013 \$</b>
<b>Total General Rates Revenue from</b>			
General Rates	71,202,120	71,024,155	64,933,035
Interim Rates	1,200,000	96,440	2,313,357
Back rates	50,000	1,407	(20,027)
<b>Total</b>	<b>72,452,120</b>	<b>71,122,002</b>	<b>67,226,365</b>

The basis, objects and reasons for the imposition of each differential general rate are as follows:

#### **Commercial (Includes Hotel and Retail categories)**

This classification includes a variety of land uses including transportation services, communication services, wholesalers, warehouses, laboratories, auto sales and services, entertainment services including restaurants and nightclubs, sporting facilities, banking/ATM's, laundromats, bakeries, medical laboratories, commercial educational facilities, hotels, serviced apartments, boarding, lodging accommodation, retail sales and services. The general rate for this sector of 5.065 cents in

the dollar of GRV was considered reasonable, given the general nature of this classification compared to other specifically identified sectors.

#### **Office**

The majority of properties within the City are used for office accommodation. The GRV of the office sector represents the largest percentage of the total rateable values.

The rate of 2.696 cents in the dollar of GRV is seen as a fair rate of contribution by the office sector towards a reasonable level and standard of infrastructure provided by the City for the benefit of that sector.

## Residential

The Residential classification covers properties that are used for single and multi-dwellings.

The residential rate of 4.131 cents in the dollar of GRV was set at a low level to support the City of Perth's aim of encouraging living in the City. The City of Perth recognises that the benefits of increased residential population will flow to all other sectors within the district and believe a comparatively lower residential rate serves as an incentive to attract people to live in the City.

## Vacant Lands

The rate of 5.392 cents per dollar of GRV applies to all unimproved land within the district. The higher rate is imposed to discourage holdings of undeveloped land within the City, which reduce the amenity of the area. The higher rate encourages early development. There has been a steady reduction in the number of vacant properties, being 83 in 2012/13 as compared to 78 in 2013/14.

## (c) Minimum Rate

The City imposed one general minimum rate of \$624. Recognising that the majority of properties on the minimum rate are residential properties, the minimum rate was maintained at a relatively low level to support the City's strategy of encouraging living in the City.

Minimum rate details are as follows:

	<b>BUDGET 2013/14 \$</b>	<b>ACTUAL 30 JUNE 2014 \$</b>	<b>ACTUAL 30 JUNE 2013 \$</b>
<b>Minimum Rate Revenue</b>			
Commercial	466,668	469,247	445,500
Office	138,528	138,529	141,372
Residential	789,296	779,375	807,246
Vacant Land	1,248	1,248	1,188
<b>Total</b>	<b>1,395,740</b>	<b>1,388,399</b>	<b>1,395,306</b>

	<b>NO. OF PROPERTIES</b>	<b>MINIMUM PAYMENT \$</b>	<b>GROSS RENTAL VALUES \$</b>
<b>Minimum Rates Information</b>			
Commercial	761	624	6,881,810
Office	232	624	3,842,986
Residential	1,356	624	15,510,372
Vacant Land	2	624	2,675
<b>Total</b>	<b>2,351</b>		<b>26,237,843</b>

## (d) Emergency Services Levy

The State Government introduced an Emergency Services Levy (ESL) which, from 1 July 2003, is collected by Local Governments on behalf of the Department of Fire and Emergency Services of Western Australia.

The City falls under the Career Fire and Rescue Services boundary, ESL Category 1. The Levy is based on the Property GRV's and appears as a separate charge on the Rate Notices. The applicable ESL Rates for the financial year were:

<b>ESL CATEGORY</b>	<b>ESL RATE (cents per \$GRV)</b>	<b>MINIMUM AND MAXIMUM CHARGES BY PROPERTY USE</b>			
		<b>RESIDENTIAL AND VACANT LAND</b>		<b>COMMERCIAL, INDUSTRIAL AND OTHER</b>	
		<b>Minimum</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Maximum</b>
1	0.0127	\$60	\$310	\$60	\$175,000

The interest rate imposed by the Emergency Services Legislation on ESL charges that remained unpaid after the due date was 11% pa applicable from the due date for payment.

### (e) Options for Payment of Rates

The City operated an instalment option plan where the payment of rates could be made under one of the following options:

- (i) by a single payment due 35 days from the date of issue of the rates notice and payable on 5 August 2013.
- (ii) by two equal or nearly equal instalments payable on the following dates:

#### First instalment

on 5 August 2013

#### Second instalment

on 4 October 2013

- (iii) by four equal or nearly equal instalments payable on the following dates:

#### First instalment

on 5 August 2013

#### Second instalment

on 4 October 2013

#### Third instalment

on 6 December 2013

#### Fourth instalment

on 7 February 2014

The first instalment was due within 35 days from the date of issue of the rate notice and comprised of any arrears, waste management charge, one quarter of current rates and ESL, plus an administration charge and instalment interest. The second, third and fourth instalments comprised of one quarter of current rates and ESL, plus an administration charge and instalment interest.

### (f) Rates Instalments, Interest and Charges

The City imposed an additional charge for the payment of rates and ESL by instalments as follows:

The rate of interest charged on instalment payments was 5.5% p.a. and was only applied if either the two or the four instalments option was selected.

The administration charge on both instalment options was \$44.00.

An administration fee of \$44.00 was charged on all arrangements made for payment outside the normal terms.

The total revenue raised from the imposition of the instalment interest and charges was \$586,871 (30 June 2013 - \$567,243). The original budget estimate was \$607,513 (30 June 2013 - \$682,633).

### (g) Rates Early Payment Incentive Scheme

The ANZ Bank Group Limited sponsored an early rate payment incentive scheme under which ratepayers who paid their rates and ESL in full within 35 days from the date of issue of the rate notice (payment received by 5 August 2013) were entered into a draw to win a prize as follows:

A cheque for \$1,500 in the name of the winner.

This incentive scheme excluded pensioners rates deferred under the provision of the Rates and Charges (Rebates and Deferments) Act 1992. The selection method involved a computer program that selected from all assessments eligible to be in the draw. The draw was conducted in the presence of several senior officers.

The City of Perth incurred no cost in the operation of the early rate payment incentive scheme.

### (h) Inner City Residential Rate Concession

The City of Perth operates an inner city residential rate concession scheme, under which purchasers of newly developed residential properties will qualify for three years rate concession up to \$2,000 per annum per rateable property. This is effective from the beginning of the financial year following the year in which the property was completed and

purchased. The scheme applies to any type of single or multiple residential accommodation newly constructed.

The rate concession only applies to inner city developments within the area bounded by Victoria Avenue in the east, the freeway in the west, the river in the south and the railway to the north.

The rate concession is available by application from qualified first purchasers and is transferable to the next purchasers to the extent that it remains available to the original purchasers of newly developed residential properties.

In the case of a mixed development, the rate concession only applies to purchasers of the residential portion of the development.

The inner city residential rate concession was introduced to promote living in the city and encourage people to relocate and reside in the specified inner city area.

The scheme was modified to expire on 30 June 2010 but was applicable to all building applications received up to that date. The scheme will be withdrawn once the existing concessions expire in 2014/15.

Revenue foregone arising from inner city residential rate concession was \$152,164 (30 June 2013 - \$152,759). The original budget estimate was \$106,267 (30 June 2013 - \$84,000).

### (i) Heritage Rate Concession Scheme

A key initiative in the Heritage Incentive Program was the introduction in the 2006/07 budget year of the Heritage Rate Concession Scheme, as part of the campaign to retain as much of the City's heritage as possible.

A concession rate of 10% (maximum \$20,000, minimum \$624) is applied to qualifying heritage properties for

a period of five consecutive years, or until 30 June 2017, whichever happens first. Owners of current heritage listed properties under the City Planning Scheme or in the Metropolitan Redevelopment Authority Heritage Inventory are invited to apply and be eligible to receive the rebate subject to the following criteria:

- » The applicant must be a ratepayer with no outstanding rates and charges relating to the property past the due dates for payments offered by the City, and the owner is not
- » bound by a Heritage Agreement where an incentive or bonus has been granted by the City and;
- » The rateable property is:
  - a) listed in the City of Perth City Planning Scheme as a Place of Cultural Heritage Significance; or in the Metropolitan Redevelopment Authority Heritage Inventory or;
  - b) identified as a place of cultural heritage significance within a conservation area.
- » Enter into an agreement for the proper care and maintenance of the building in accordance with the Maintenance Schedule for Heritage Buildings provided by the City.

The final date for applications in each year is 60 days from the issue date of the current rates notice for rebates applying to rates in the current financial year. The City reserves the right to withdraw any individual rebates where the applicable conditions or limitations to the scheme are not adhered to.

The rate concession is applicable to general rates only and not to rubbish collection charges or the Emergency Services Levy.

The policy does not retrospectively apply to recipients of Heritage Rate Concession where that concession was approved prior to 26 June 2012.

Revenue foregone arising from Heritage Rate Relief Scheme was \$263,200 (30 June 2013 – \$241,946). The original Budget estimate was \$130,000 (30 June 2013 – \$329,706).

#### (j) Concessions

In accordance with the provisions of the Rates and Charges (Rebates and Deferments) Act 1992, concessions were offered to eligible persons to allow them to either defer their rates or receive a percentage of rebate on their rates. This is provided they register within the specified period and pay the balance of the rates within the year in which they are assessed. To be eligible for a concession, a ratepayer is required to be an “eligible person” in terms of the Act and to be the registered owner of the property at 1 July of the rating year. Eligible persons are also entitled to a concessional rate for a standard waste management charge.

#### (k) Exemption

In terms of S6.26(k) of the Local Government Act 1995, the Minister exercised his discretion in favour of the West Australian Cricket Association (WACA) in respect of rates raised of \$116,069 in 2014/15 by granting an exemption from rates for the year for their cricket ground at Nelson Crescent, East Perth.

## 4. LATE PAYMENT INTEREST

The interest rate imposed by the City on rates ESL and service charges that remained unpaid after its due date was 11% p.a. applied from the due date for payment.

The amount of revenue raised from the imposition of late payment interest on unpaid rates ESL and service charges was \$79,347 (30 June 2013 – \$86,077). The original budget estimate was \$113,563 (30 June 2013 – \$102,139).

## 5. BAD DEBTS

The total amount of bad debts written off during the financial year was \$592,554 of which \$591,109 related to parking fines and costs deemed uncollectable for a number of years (30 June 2013 – \$594,395). The original budget estimate was \$544,745 (30 June 2013 – \$512,427).

## 6. ELECTED MEMBERS FEES, EXPENSES AND ALLOWANCES

Fees, expenses and allowances paid to elected members in accordance with the provisions of the Local Government Act 1995 are as follows:

	<b>BUDGET 2013/14 \$</b>	<b>YEAR ENDED 30 JUNE 2014 \$</b>	<b>YEAR ENDED 30 JUNE 2013 \$</b>
Annual Attendance Fees	70,000	275,951	69,434
Local Government Allowance	75,000	162,588	75,000
Reimbursement of Expenses	120,240	88,495	94,382
	<b>265,240</b>	<b>527,034</b>	<b>238,816</b>

On 19 June 2013 the Salaries and Allowances Tribunal completed its review of fees, allowances and expenses for elected council members of Local Governments throughout Western Australia. The determination became operable from 1 July 2013 and established a scale of payments and provisions

for reimbursement of expenses in accordance with the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*. Meeting Fees and Annual Allowances received significant increases, with Elected Member expenses containing inconsequential amendments.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## 7. STATUTORY INFORMATION

### (a) Assets Classified by Program

	30 JUNE 2014 \$	30 JUNE 2013 \$
Governance	117,554,355	128,650,260
General Purpose Funding	2,295,619	2,119,993
Law, Order, Public Safety	2,376,992	1,174,648
Health	226,893	147,036
Education and Welfare	3,464,089	3,605,681
Housing	179,887	11,561,097
Community Amenities	61,658,582	51,925,212
Recreation and Culture	200,980,425	120,562,718
Transport	698,829,710	659,574,009
Economic Services	5,714,828	6,948,836
Other Property and Services	39,124,380	39,452,944
	<b>1,132,405,760</b>	<b>1,025,722,434</b>

### (b) Depreciation and Amortisation

Depreciation and amortisation expense for the financial year was charged in respect of:

	YEAR ENDED 30 JUNE 2014 \$	YEAR ENDED 30 JUNE 2013 \$
<b>Depreciation and Amortisation by Classification</b>		
Leasehold Land	564,932	548,338
Buildings	8,001,380	7,066,549
Improvements	419,619	63,897
Infrastructure Assets	8,925,760	8,272,353
Plant and Mobile Equipment	4,931,779	4,670,431
Office Furniture and Equipment	2,021,892	1,921,449
	<b>24,865,362</b>	<b>22,543,017</b>

	BUDGET 2013/14 \$	YEAR ENDED 30 JUNE 2014 \$	YEAR ENDED 30 JUNE 2013 \$
<b>Depreciation and Amortisation by Program</b>			
Governance	117,424	18,108	19,739
Law, Order, Public Safety	267,256	166,225	250,969
Health	14,272	23,970	23,970
Education and Welfare	145,135	182,093	180,494
Housing	409,835	365,339	-
Community Amenities	1,860,947	2,567,860	2,188,600
Recreation and Culture	3,417,353	3,537,740	3,517,480
Transport	19,792,511	14,635,806	12,562,325
Economic Services	1,911	1,914	8,718
Other Property and Services	3,225,154	3,366,307	3,790,722
	<b>29,251,798</b>	<b>24,865,362</b>	<b>22,543,017</b>

### (c) Fees and Charges

	<b>BUDGET 2013/14 \$</b>	<b>YEAR ENDED 30 JUNE 2014 \$</b>	<b>YEAR ENDED 30 JUNE 2013 \$</b>
<b>Fees and Charges by Program</b>			
General Purpose Funding	347,892	344,337	323,035
Law, Order, Public Safety	37,100	26,638	34,037
Health	715,500	810,101	708,555
Education and Welfare	1,648,528	1,387,853	1,205,760
Housing	484,630	726,890	-
Community Amenities	8,238,044	8,055,467	8,249,496
Recreation and Culture	568,592	579,952	528,969
Transport	82,079,951	81,092,313	77,533,819
Economic Services	1,077,400	1,278,724	947,481
Other Property and Services	1,053,236	1,049,491	1,000,427
	<b>96,250,873</b>	<b>95,351,766</b>	<b>90,531,579</b>

### (d) Interest and Investment Income

	<b>BUDGET 2013/14 \$</b>	<b>YEAR ENDED 30 JUNE 2014 \$</b>	<b>YEAR ENDED 30 JUNE 2013 \$</b>
<b>Reserves</b>			
Refuse Disposal and Treatment	167,861	275,692	434,122
Concert Hall Refurbishment and Maintenance	158,224	216,589	304,601
Asset Enhancement	820,143	1,125,046	1,230,456
Community Recreation Centres/Facilities	9,343	16,822	23,554
Street Furniture Replacement	2,871	20,112	39,632
Art Acquisition	3,435	9,513	8,488
Heritage Incentive	13,957	51,606	44,698
Parking Facilities Development	1,027,827	1,379,249	2,031,268
David Jones Bridge	7,643	11,884	15,373
Bonus Plot Ratio Contribution	18,850	26,185	34,886
Employee Entitlements	34,275	47,016	-
PCEC Car Park Fixed Plant Replacement	132,514	154,479	-
Parking Levy	-	121,273	-
Enterprise and Initiative	-	1,883	-
	2,396,943	3,457,349	4,167,078
<b>GENERAL PURPOSE FUNDS</b>	2,473,763	2,873,242	3,870,287
	<b>4,870,706</b>	<b>6,330,591</b>	<b>8,037,365</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

8.

## (a) Other Expenses from Ordinary Activities

	<b>BUDGET 2013/14 \$</b>	<b>YEAR ENDED 30 JUNE 2014 \$</b>	<b>YEAR ENDED 30 JUNE 2013 \$</b>
Emergency Services Levy	404,688	491,712	391,204
Donation and Sponsorships	4,958,564	3,956,889	3,898,115
Parking Bays Licence Fees	10,489,526	10,573,212	10,271,695
Non Capitalised Work in Progress	-	527,268	125,694
Other	1,447,558	1,498,849	1,167,142
	<b>17,300,336</b>	<b>17,047,930</b>	<b>15,853,850</b>

## (b) Auditors Remuneration

	<b>YEAR ENDED 30 JUNE 2014 \$</b>	<b>YEAR ENDED 30 JUNE 2013 \$</b>
Statutory Audit	24,000	23,000
Other Services	3,000	3,636
	<b>27,000</b>	<b>26,636</b>

## 9. CONDITIONS OVER GRANTS/CONTRIBUTIONS

(a) Grants/Contributions which were recognised as revenue during the current financial year and which were obtained on the condition that they be expended in a specific manner but had yet to be applied in that manner as at financial position date were:

	<b>YEAR ENDED 30 JUNE 2014 \$</b>	<b>YEAR ENDED 30 JUNE 2013 \$</b>
Grants/Contributions for Capital Works	275,581	50,000
Grants/Contributions for Other Purposes	161,456	405,407
	<b>437,037</b>	<b>455,407</b>

(b) Grants/Contributions which were recognised as revenue in a previous financial year and were expended in the current financial year in the manner specified by the grant/contribution were:

	<b>YEAR ENDED 30 JUNE 2014 \$</b>	<b>YEAR ENDED 30 JUNE 2013 \$</b>
Grants/Contributions for Capital Works	50,000	-
Grants/Contributions for Other Purposes	405,407	427,460
	<b>455,407</b>	<b>427,460</b>



## 10. GAIN/(LOSS) ON DISPOSAL/WRITE OFF/CONTRIBUTION OF ASSETS

### (a) Gain/(Loss) on Disposal/Write Off/Contribution of Assets by Type

	BUDGET 2013/14 \$	YEAR ENDED 30 JUNE 2014 \$	YEAR ENDED 30 JUNE 2013 \$
<b>Land and Buildings</b>			
Proceeds on Disposal	-	-	100,502
Less: Carrying amount of assets sold/written off	-	(3,755,295)	(86,207)
Gain/(Loss) on Disposal/Write off	-	(3,755,295)	14,295
Gain on Disposal	-	-	115,527
(Loss) on Disposal/Write off	-	(3,755,295)	(101,232)
Gain/(Loss) on Disposal/Write off	-	(3,755,295)	14,295
<b>Infrastructure</b>			
Proceeds on Disposal	-	-	-
Less: Carrying amount of assets sold/written off	(319,732)	(2,424,685)	(1,206,642)
(Loss) on Disposal/Write off	(319,732)	(2,424,685)	(1,206,642)
<b>Plant and Equipment</b>			
Proceeds on Disposal	1,761,500	1,368,068	1,088,295
Less: Carrying amount of assets sold/written off	(1,608,125)	(1,520,880)	(1,430,398)
Gain (Loss) on Disposal/Write off	153,375	(152,812)	(342,103)
Gain on Disposal	320,321	94,548	135,472
(Loss) on Disposal/Write off	(166,946)	(247,360)	(477,575)
Gain/(Loss) on Disposal/Write off	153,375	(152,812)	(342,103)
<b>Office Furniture and Equipment</b>			
Proceeds on Disposal	-	6,143	46
Less: Carrying amount of assets sold/written off	-	(147,519)	(26,686)
Gain (Loss) on Disposal/Write off	-	(141,376)	(26,640)
Gain on Disposal	-	2,301	46
(Loss) on Disposal/Write off	-	(143,677)	(26,686)
Gain/(Loss) on Disposal/Write off	-	(141,376)	(26,640)
<b>(Loss) on Disposal/Write Off</b>	<b>(166,357)</b>	<b>(6,474,168)</b>	<b>(1,561,090)</b>
Gain on Disposal	320,321	96,849	251,045
(Loss) on Disposal/Write off	(486,678)	(6,571,017)	(1,812,135)
<b>(Loss) on Disposal/Write Off/Contribution of Assets</b>	<b>(166,357)</b>	<b>(6,474,168)</b>	<b>(1,561,090)</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## Gain/(Loss) on Disposal/Write Off/Contribution of Assets by Program

	BUDGET GAIN/ (LOSS) ON DISPOSAL \$	PROCEEDS ON DISPOSAL \$	CARRYING AMOUNT \$	GAIN/(LOSS) ON DISPOSALS/ WRITE OFFS \$
Governance	7,649	34,306	36,152	(1,846)
Law, Order Public Safety	12,248	-	-	-
Health	31,506	87,568	92,528	(4,960)
Education and Welfare	-	-	3,737	(3,737)
Community Amenities	(425,639)	194,395	168,413	25,982
Recreation and Culture	18,120	226,513	553,360	(326,847)
Transport	124,665	269,144	6,261,531	(5,992,387)
Economic Services	30,152	206,986	221,513	(14,527)
Other Property and Services	34,942	355,299	511,145	(155,846)
	<b>(166,357)</b>	<b>1,374,211</b>	<b>7,848,379</b>	<b>(6,474,168)</b>

## II. TRADE AND OTHER RECEIVABLES

	30 JUNE 2014 \$	30 JUNE 2013 \$
<b>Current</b>		
Rates	65,897	19,069
Bins Levy	(13,809)	5,461
Emergency Services Levy (ESL)	32,858	6,072
Accrued Interest and Investment Income	1,350,022	1,858,641
Accrued Income	831,046	1,199,550
Modified Penalties/Fines and Costs	6,600,487	6,413,831
Deposits and Prepayments	1,420,810	1,084,319
Other	4,586,125	1,795,857
	14,873,436	12,382,800
<b>Less: Provisions for Doubtful Debts</b>	<b>(2,786,601)</b>	<b>(2,675,141)</b>
	<b>12,086,835</b>	<b>9,707,659</b>
<b>Non Current</b>		
Pensioners' Rates Deferred*	44,205	37,837
	<b>44,205</b>	<b>37,837</b>

# Pensioners' Rates Deferred

The amounts shown relate to rates deferred by pensioners in accordance with the Rates and Charges (Rebates and Deferment Act) 1992.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of \$503,594 (2013: \$474,893) has been recorded accordingly within other expenses. The impaired trade receivables are mostly related to parking fines and costs outstanding for a considerable period of time and from customers in the business-to-business market that are experiencing financial difficulties.

The movement in the allowance for credit losses can be reconciled as follows:

<b>Reconciliation of allowance credit losses</b>	<b>2014</b> <b>\$</b>	<b>2013</b> <b>\$</b>
Balance 1 July 2013	2,675,141	2,638,229
Amounts written off (uncollectable)	(592,554)	(594,395)
Impairment loss	503,594	474,893
Amounts recovered	200,420	156,414
<b>Balance at 30 June 2014</b>	<b>2,786,601</b>	<b>2,675,141</b>

## 12. INVESTMENTS

Investments are made in accordance with the Western Australia Trustee Act 1962 (as amended) and the Local Government (Financial Management) Regulations 1996 as amended. All investments are recorded at cost, less impairment where necessary except for Balanced Funds, which are marked to market.

The City amended its investment policy to adopt the new restrictions as imposed by amendments to the Local Government (Financial Management) Regulations, gazetted on 19 April 2012 and which included type and term of investments a local government may invest in.

<b>Current</b>	<b>30 JUNE 2014</b> <b>\$</b>	<b>30 JUNE 2013</b> <b>\$</b>
Call Funds *	1,043,523	3,270,036
Bank Term Deposits *	98,190,000	103,184,592
Balanced Funds *	3,898,389	3,323,492
	<b>103,131,912</b>	<b>109,778,120</b>
<b>Non Current</b>		
Structured Investments		
Floating Rate Notes (FRN)	3,003,655	3,003,655
Mortgage Backed Securities (MBS)	2,764,918	2,450,328
Bank Term Deposits	-	6,000,000
	5,768,573	11,453,983
Equity in Local Government House #	10,000	10,000
Equity in Mindarie Regional Council †	377,011	360,780
Equity Tamala Park Regional Council ≥	3,504,756	2,493,945
	9,660,340	14,318,708
<b>Total Investments</b>	<b>112,792,252</b>	<b>124,096,828</b>

\* Short Term Cash Investments as stated in Note 19.

# The last valuation undertaken in September 2007 of the City's units of equity holding in Local Government House Trust yields a market value equating to \$230,645. The property known as Local Government House was subject of a mortgage to the Western Australian Treasury Corporation. An offer and acceptance for the sale of the land and buildings at 15-17 Altona Street, West Perth was signed on 25 March 2013 for \$11.5 million. The sale of the property settled on 1 July 2013.

During the prior year, the Western Australian Local Government Association as Trustee for the Local Government House Trust, entered into a Joint Venture arrangement with Qube Railway Parade Pty Ltd in which the Local Government House Trust holds a 60% interest. The Joint Venture arrangement was for the purchase and construction of land and building at 168-170 Railway Parade, West Leederville. The construction of the building was completed on 28 January 2014.

† The City holds a minority interest of one twelfth of the equity in the Mindarie Regional Council (MRC).

≥ The City of Perth's original share of Members Equity contributed to the Tamala Park Regional Council (TPRC) as equity investment was \$21,351,787. TPRC has subdivided, developed, and sold during the reporting period 226 lots of land at the Tamala Park project marketed as 'Catalina' (stages 1, 2, 4, 5, 6A, 6C, 7, 8, 9 and 10). The change of \$1,010,811 in the City's contributed equity in TPRC during the reporting period represents the net difference in the City's share of Land Development expenses and the proceeds of sale of member land relative to the 226 lots developed and sold and the receipt of dividends and rates equivalent distribution payments during the year.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

The following restrictions have been imposed by regulations or other external requirements:

	30 JUNE 2014	30 JUNE 2013
	\$	\$
<b>Investments</b>		
Cash Backed Reserves (Note 18)	85,605,577	90,492,873
Unspent Grants/Contributions (Note 9 (a))	437,037	455,407
Unspent Loan Funds (Note 17)	9,882,135	20,572,397
	95,924,749	111,520,677
Unrestricted	16,867,503	12,576,151
	<b>112,792,252</b>	<b>124,096,828</b>

\* For the definition of cash in this context, structured interest bearing investments which are readily convertible when reserves are scheduled to be expended, are regarded as cash.

## 13. INVENTORIES

	30 JUNE 2014	30 JUNE 2013
	\$	\$
Stores, Raw Materials, Fuel and Sundry Stock Items	617,983	607,457
Parking Tickets	55,169	102,304
Parking Equipment Spare Parts and Signs	408,545	336,194
Work in Progress	1,025,675	485,232
	<b>2,107,372</b>	<b>1,531,187</b>

## 14. TRADE AND OTHER PAYABLES, EMPLOYEE BENEFITS AND PROVISIONS

### (a) Trade and Other Payables

	30 JUNE 2014	30 JUNE 2013
	\$	\$
<b>Current</b>		
Trade Creditors	13,831,285	11,108,015
Income Raised/Received in Advance	927,595	1,502,811
Accrued Interest	284,807	609,567
Accrued Expenses	3,848,510	3,906,562
Other	2,279,801	1,866,471
	<b>21,171,998</b>	<b>18,993,426</b>

### (b) Employee Benefits

	30 JUNE 2014	30 JUNE 2013
	\$	\$
<b>Current</b>		
Leave Entitlements		
Annual Leave	4,397,244	5,125,633
Long Service Leave	5,855,705	5,214,980
Self Funded Leave	307,440	302,003
Recognition of Employees - Presentation	151,787	92,456
	<b>10,712,176</b>	<b>10,735,072</b>
<b>Non-Current</b>		
Leave Entitlements		
Annual Leave	1,214,292	-
Long Service Leave	1,092,435	1,078,344
	<b>2,306,727</b>	<b>1,078,344</b>

## (c) Provisions

<b>Non-Current</b>	<b>30 JUNE 2014</b>	<b>30 JUNE 2013</b>
	<b>\$</b>	<b>\$</b>
Provision for Fixed Plant Replacement PCEC Car Park	3,479,847	3,090,027
	<b>3,479,847</b>	<b>3,090,027</b>

## (d) Recognition of Movements

<b>Annual Leave</b>	<b>30 JUNE 2014</b>	<b>30 JUNE 2013</b>
	<b>\$</b>	<b>\$</b>
Balance as at 1 July 2013	5,125,633	4,744,414
Additional Provisions	4,104,827	3,941,625
Amounts Utilised	(3,618,924)	(3,560,406)
<b>Balance as at 30 June 2014</b>	<b>5,611,536</b>	<b>5,125,633</b>

### **Long Service Leave**

Balance as at 1 July 2013	6,293,324	5,908,848
Additional provisions	1,208,601	1,248,172
Amounts Utilised	(553,785)	(863,696)
<b>Balance as at 30 June 2014</b>	<b>6,948,140</b>	<b>6,293,324</b>

### **Self Funded Leave**

Balance as at 1 July 2013	302,003	269,933
Additional Provisions	222,448	218,784
Amounts Utilised	(217,011)	(186,714)
<b>Balance as at 30 June 2014</b>	<b>307,440</b>	<b>302,003</b>

### **Recognition of Employees - Presentation**

Balance as at 1 July 2013	92,456	105,435
Additional provisions	71,451	9,347
Amounts Utilised	(12,120)	(22,326)
<b>Balance as at 30 June 2014</b>	<b>151,787</b>	<b>92,456</b>

### **Provision for Fixed Plant Replacement PCEC CarPark**

Balance as at 1 July 2013	3,090,027	3,396,280
Additional provisions	389,820	389,820
Amounts Utilised	-	(696,073)
<b>Balance as at 30 June 2014</b>	<b>3,479,847</b>	<b>3,090,027</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## 15. PROPERTY, PLANT AND EQUIPMENT

Acquisition of assets in 2013/14 are capitalised in accordance with the Australian Accounting Standards. Assets are to be depreciated in accordance with the method detailed in Note 1(c).

	30 JUNE 2014 \$	30 JUNE 2013 \$
<b>Land</b> – at fair value	304,486,018	304,046,018
<b>Air Rights</b> – at cost	2,049,920	2,049,920
<b>Land held for Redevelopment</b> – at fair value	12,751,533	13,231,345
<b>Heritage Land</b> – at fair value	850,000	850,000
<b>Leasehold Land</b> – at cost/fair value	53,193,773	53,193,773
<b>Less:</b> Accumulated Depreciation	(2,005,206)	(1,440,274)
	51,188,567	51,753,499
<b>Buildings</b> – at fair value	263,010,053	250,030,257
<b>Less:</b> Accumulated Depreciation	(95,803,984)	(93,692,897)
	167,206,069	156,337,360
<b>Leasehold Buildings</b> – at cost/fair value	8,515,000	8,515,000
<b>Less:</b> Accumulated Depreciation	(409,006)	(323,005)
	8,105,994	8,191,995
<b>Heritage Buildings</b> – at fair value	88,921,124	88,175,866
<b>Less:</b> Accumulated Depreciation	(36,275,144)	(34,778,291)
	52,645,980	53,397,575
<b>Improvements</b> – at cost/fair value	7,837,188	4,717,184
<b>Less:</b> Accumulated Depreciation	(4,102,509)	(2,651,359)
	3,734,679	2,065,825
<b>Infrastructure Assets</b> – at cost/fair value	414,735,709	256,776,103
<b>Less:</b> Accumulated Depreciation	(109,581,432)	(68,428,785)
	305,154,277	188,347,318
<b>Plant and Mobile Equipment</b> – at cost/fair value	44,379,151	41,835,171
<b>Less:</b> Accumulated Depreciation	(25,496,556)	(22,920,311)
	18,882,595	18,914,860
<b>Office Furniture and Equipment</b> – at cost/fair value	22,007,987	19,809,873
<b>Less:</b> Accumulated Depreciation	(11,325,996)	(10,952,510)
	10,681,991	8,857,363
<b>Agricultural</b> – at cost	594,507	410,180
<b>Work in Progress</b> – at cost	45,032,351	66,018,700
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>983,364,481</b>	<b>874,471,985</b>

## Cost Movement - Property Plant and Equipment

	<b>COST/FAIR VALUE 30 JUNE 2013</b>	<b>ADDITIONS 30 JUNE 2014</b>	<b>INITIALLY RECOGNISED ASSETS 30 JUNE 2014</b>	<b>DISPOSALS 30 JUNE 2014</b>	<b>TRANSFERS 30 JUNE 2014</b>	<b>REVALUATION 30 JUNE 2014</b>	<b>COST/FAIR VALUE 30 JUNE 2014</b>
	\$	\$	\$	\$	\$	\$	\$
Land	304,046,018	-	-	-	440,000	-	304,486,018
Air Rights	2,049,920	-	-	-	-	-	2,049,920
Land held for Redevelopment	13,231,345	2,277,247	-	(2,284,253)	-	(472,806)	12,751,533
Heritage Land	850,000	-	-	-	-	-	850,000
Leasehold Land	53,193,773	-	-	-	-	-	53,193,773
Buildings	250,030,257	229,966	-	(7,338,963)	20,088,793	-	263,010,053
Leasehold Buildings	8,515,000	-	-	-	-	-	8,515,000
Heritage Buildings	88,175,866	-	-	-	745,258	-	88,921,124
Improvements	4,717,184	376,719	-	(50,000)	2,793,285	-	7,837,188
Infrastructure Assets	256,776,103	16,269,525	125,533,282	(5,267,862)	21,424,661	-	414,735,709
Plant & Mobile Equipment	41,835,171	4,841,653	-	(3,876,414)	1,578,741	-	44,379,151
Office Furniture & Equipment	19,809,873	481,756	-	(1,795,925)	2,936,658	575,625	22,007,987
Agricultural	410,180	175,400	-	-	8,927	-	594,507
Work in Progress	66,018,700	28,173,974	-	-	(49,160,323)	-	45,032,351
	<b>1,109,659,390</b>	<b>52,826,240</b>	<b>125,533,282</b>	<b>(20,613,417)</b>	<b>856,000</b>	<b>102,819</b>	<b>1,268,364,314</b>

## Accumulated Depreciation Movements - Property, Plant and Equipment

	<b>ACCUMULATED DEPRECIATION 30 JUNE 2013</b>	<b>DEPRECIATION 30 JUNE 2014</b>	<b>INITIALLY RECOGNISED ASSETS 30 JUNE 2014</b>	<b>ACCUMULATED DEPRECIATION ON DISPOSALS 30 JUNE 2014</b>	<b>TRANSFERS 30 JUNE 2014</b>	<b>REVALUATION 30 JUNE 2014</b>	<b>ACCUMULATED DEPRECIATION 30 JUNE 2014</b>
	\$	\$	\$	\$	\$	\$	\$
Leasehold Land	1,440,274	564,932	-	-	-	-	2,005,206
Buildings	93,692,897	6,418,526	-	(3,606,526)	(700,913)	-	95,803,984
Leasehold Buildings	323,005	86,001	-	-	-	-	409,006
Heritage Buildings	34,778,291	1,496,853	-	-	-	-	36,275,144
Improvements	2,651,359	419,619	-	(27,142)	1,058,673	-	4,102,509
Infrastructure Assets	68,428,785	8,925,760	35,070,064	(2,843,177)	-	-	109,581,432
Plant & Mobile Equipment	22,920,311	4,931,779	-	(2,355,534)	-	-	25,496,556
Office Furniture & Equipment	10,952,510	2,021,892	-	(1,648,406)	-	-	11,325,996
	<b>235,187,432</b>	<b>24,865,362</b>	<b>35,070,064</b>	<b>(10,480,785)</b>	<b>357,760</b>	<b>-</b>	<b>284,999,833</b>

## Revaluation of Artwork

All of the City's works of art were revalued during the reporting period. The works of art were valued at fair value based on market value using knowledge from Australian exhibiting galleries, past public auction prices and prices obtained from studio sales. Values have also been considered with reference to the significance of the City's Art Collection, replacement difficulty (deceased artists) and restoration and archival framing. This is the industry standard for valuing artworks. The City's works of art were revalued at \$1,690,388 and the revaluation surplus of \$575,625 is reflected in the Statement of Comprehensive Income. The revaluation was completed by Joy Legge who is an authorised valuer for the Commonwealth Government's 'Cultural Gifts Programme', and an appointed preferred provider for the Government of Western Australia. The City has not acquired any artworks from Ms Legge, therefore she remains impartial.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## Revaluation of Office Furniture and Equipment

The City revalued during the reporting period, its office furniture and equipment to fair value in accordance with the staged implementation required by the Department of Local Government under the Local Government (Financial Management) Amendment Regulation 1996. Fair value was determined as approximated by depreciated historical cost (Net Book Value) as there is no active market for these assets, and the City utilises these asset types until they reach the end of their useful life and are scrapped.

## 16. INVESTMENT PROPERTY

(a) Acquisition of assets in 2013/14 are capitalised in accordance with the Australian Accounting Standards.

	30 JUNE 2014 \$	30 JUNE 2013 \$
Land – at fair value	8,376,000	8,790,000
Buildings – at fair value	9,170,249	2,663,639
<b>Total Investment Property</b>	<b>17,546,249</b>	<b>11,453,639</b>

### Fair Value Movement – Investment Property

	COST/FAIR VALUE 30 JUNE 2013 \$	TRANSFERS 30 JUNE 2014 \$	REVALUATION 30 JUNE 2014 \$	COST/FAIR VALUE 30 JUNE 2014 \$
Land	8,790,000	(440,000)	26,000	8,376,000
Buildings	10,822,999	(416,000)	4,335,000	14,741,999
	<b>19,612,999</b>	<b>(856,000)</b>	<b>4,361,000</b>	<b>23,117,999</b>

### Investment Assets – Accumulated Depreciation

	ACCUMULATED DEPRECIATION 30 JUNE 2013 \$	TRANSFERS 30 JUNE 2014 \$	REVALUATION 30 JUNE 2014 \$	ACCUMULATED DEPRECIATION 30 JUNE 2014 \$
Land	-	-	-	-
Buildings	(8,159,360)	357,760	2,229,850	(5,571,750)
	<b>(8,159,360)</b>	<b>357,760</b>	<b>2,229,850</b>	<b>(5,571,750)</b>
<b>Total</b>	<b>11,453,639</b>	<b>(498,240)</b>	<b>6,590,850</b>	<b>17,546,249</b>

### Valuation of Investment Property

The valuation basis of investment property is fair value based either on the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, or based on the continuation of its

use, regardless of whether that represents the highest and best use of the asset.

The most recent revaluation of investment properties at 30 June 2014 was determined by Landgate – Valuation Services, through Mr Stephen Fern, AAIP Certified Practising Valuer, Senior Consultant Valuer, and resulted in

the aggregated fair value of the investment property assets being stated at that date as \$17,546,249.

The revaluation surplus attributable to property classified as Investment Property of \$6,590,850 was credited directly to the Statement of Comprehensive Income (30 June 2013 – Deficit \$2,194,829). The surplus



results from a change in the valuation method used for the valuation of the City Station Concourse commercial tenancies from a basis of depreciated replacement cost approach in 2013, to a "capitalisation of net rent" over a period of 21 years approach in the reporting period. The reasoning is that the underlying land is subject

to a Class 'A' Crown Reserve and the concourse level is vested in the City under a management order for the designated purpose of the City Station Complex reserve with power to lease for any term not exceeding 21 years. The City enjoys security of tenure in the asset by way of the reserve management order.

The City is developing a site for a new City of Perth Library and Public Plaza for completion in 2014/15. Settlement on the purchase of the leasehold interest in land at 567/579 Hay Street, Perth, occurred in July 2012. Demolition of the existing building and construction of the new library commenced during 2012/13.

A loan of \$8,014,407 was raised by the City from the Western Australian Treasury Corporation on 21 June 2012 to partially fund the City of Perth New Library Project including the purchase of the leasehold interest in the land at 567/579 Hay Street. The loan is for a period of 10 years commencing June 2012.

The City borrowed a further amount of \$23,788,520 from the Western Australian Treasury Corporation (WATC) to partially fund the construction of the City of Perth Library project. The amount was drawn down on 31 July 2012 to take advantage of the prevailing low interest rates and was borrowed for a period of ten years. \$9,882,135 of the loan funds raised were unutilised at 30 June 2014 (30 June 2013 \$20,572,397).

Interest of \$781,376 on loan funds raised for the City of Perth New Library project, was capitalised during the reporting period. The capitalisation rate used to determine the amount of costs eligible for capitalisation was:

100% of Loan 167, as all the borrowings raised, was in respect of the capital project itself.

The interest capitalised of \$781,376 was offset by interest earned and capitalised to the project of \$618,576. The interest was earned on the investment of the un-utilised portion of the loan funds raised during the reporting period. The net amount of interest capitalised as a result of this offset was \$162,800 (30 June 2013 \$24,440).

## (b) Amounts Recognised in Income Statement for Investment Properties.

	YEAR ENDED 30 JUNE 2014 \$	YEAR ENDED 30 JUNE 2013 \$
Property Rental	1,566,487	1,643,553
Operating Expenses for Rental Generating Properties	470,401	454,842

Investment properties are leased out on operating leases. Rental income amounts to \$1,566,487 (2013: \$1,643,553) included within revenue. Direct operating expenses of \$470,401 (2013: \$454,842) were reported within other expenses, of which Nil (2013: \$35,677) was incurred on vacant

properties that did not generate rental income.

The lease contracts are all non-cancellable for the term of each lease except for one which is subject to cancellation with six months' notice by either party. Future minimum lease rentals are as follows:

	MINIMUM LEASE PAYMENTS DUE			TOTAL \$
	WITHIN 1 YEAR \$	2 TO 5 YEARS \$	AFTER 5 YEARS \$	
30 June 2014	1,508,400	5,374,000	2,320,600	9,203,000
30 June 2013	1,464,500	5,217,400	2,253,000	8,394,900

## 17. FINANCIAL LIABILITIES

	30 JUNE 2014 \$	30 JUNE 2013 \$
<b>Current</b>		
Western Australian Treasury Corporation	6,128,375	6,362,308
	6,128,375	6,362,308
<b>Non-Current</b>		
Western Australian Treasury Corporation	42,768,711	48,897,087
	42,768,711	48,897,087
<b>Total Financial Liabilities</b>	<b>48,897,086</b>	<b>55,259,395</b>

Loan Debentures issued by the City of Perth are secured over the general funds of the City.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## 18. RESERVES

As at 30 June 2014 the City of Perth maintained reserves for various purposes relating to the provision of facilities and amenities throughout the City of Perth.

Purpose of Reserve Fund	NOTE	OPENING	AMOUNTS	AMOUNTS	CLOSING
		BALANCE	APPROPRIATED	UTILISED	BALANCE
		1 JULY 2013	30 JUNE 2014	30 JUNE 2014	30 JUNE 2014
		\$	\$	\$	\$
Refuse Disposal and Treatment	(a)	5,845,241	304,268	(1,393,871)	4,755,638
Concert Hall Refurbishment and Maintenance	(b)	4,557,437	243,868	(160,864)	4,640,441
Asset Enhancement	(c)	33,114,050	11,665,849	(14,352,856)	30,427,043
Community Recreation Centres/Facilities	(d)	366,960	18,807	(48,103)	337,664
Street Furniture Replacement	(e)	415,279	67,911	(7,004)	476,186
Art Acquisition	(f)	212,253	45,388	-	257,641
Heritage Incentive	(g)	1,071,036	258,167	(215,865)	1,113,338
Parking Facilities Development	(h)	29,644,979	1,533,955	(4,862,255)	26,316,679
David Jones Bridge	(i)	246,602	13,413	-	260,015
Bonus Plot Ratio Contribution	(j)	543,463	29,554	-	573,017
Employee Entitlements	(k)	975,736	53,064	-	1,028,800
PCEC Car Park – Fixed Plant Replacement	(l)	3,078,816	401,031	-	3,479,847
Parking Levy	(m)	10,421,022	11,137,062	(10,458,970)	11,099,114
Enterprise and Initiative	(n)	-	840,154	-	840,154
		90,492,874	26,612,491	(31,499,788)	85,605,577
Asset Revaluation*		377,710,375	575,625	(5,343,553)	372,942,447
		<b>468,203,249</b>	<b>27,188,116</b>	<b>(36,843,341)</b>	<b>458,548,024</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.

Components of Cash Reserves	30 JUNE 2014	30 JUNE 2013
	\$	\$
Current	79,837,003	79,038,891
Non-Current	5,768,574	11,453,983
<b>Total</b>	<b>85,605,577</b>	<b>90,492,874</b>

### Reserve Account Budget Information

Purpose of Reserve Fund	OPENING	AMOUNTS	AMOUNTS	CLOSING
	BALANCE	APPROPRIATED	UTILISED	BALANCE
	1 JULY 2013	30 JUNE 2014	30 JUNE 2014	30 JUNE 2014
	\$	\$	\$	\$
Refuse Disposal and Treatment	5,495,029	167,861	(1,398,000)	4,264,890
Concert Hall Refurbishment and Maintenance	4,531,435	158,224	(21,500)	4,668,159
Asset Enhancement	29,999,777	10,927,122	(21,163,666)	19,763,233
Community Recreation Centres/Facilities	363,656	9,343	(373,000)	-
Street Furniture Replacement	158,903	47,871	(153,750)	53,024
Art Acquisition	128,139	63,435	(60,000)	131,573
Heritage Incentive	598,781	413,957	(400,000)	612,738
Parking Facilities Development	31,145,747	1,027,827	(6,391,397)	25,782,177
David Jones Bridge	238,351	49,642	(40,000)	247,993
Bonus Plot Ratio Contribution	538,567	18,850	-	557,417
Employee Entitlements	979,290	83,240	-	1,062,530
PCEC Car Park Plant Replacement	3,786,100	522,334	-	4,308,434
Parking Levy	10,458,970	10,950,542	(10,458,970)	10,950,542
	<b>88,422,745</b>	<b>24,440,248</b>	<b>(40,460,283)</b>	<b>72,402,710</b>

**(a) Refuse Disposal and Treatment Reserve**

The purpose of this reserve is to allow for the development, construction and purchase of facilities and plant for the treatment, transportation and disposal of non-industrial refuse. It may also be utilised to assist with the phasing in of significant increases in standard rubbish service charges anticipated to occur when recycling processes are extended.

The City anticipates utilising the funds in this reserve within two years.

**(b) Concert Hall Refurbishment and Maintenance Reserve**

This reserve, originally set up in 1972, provides for the future maintenance of the Perth Concert Hall, and the replacement of its existing plant, furniture and carpets. The reserve also accommodates provision for the design and construction of the new WASO facility.

The City anticipates utilising the funds in this reserve within three to ten years.

**(c) Asset Enhancement Reserve**

This reserve was established in 1998 to fund future capital expenditure for the replacement and enhancement of City assets and smooth the impact of the capital costs in any one rating year.

The purpose and title of this reserve was changed from 1 July 2003 to allow for the use of these reserve funds in future financial years for the enhancement, replacement, refurbishment and purchase of new assets or project works of the City.

Additional to this purpose is that project works funded from this reserve may not necessarily belong to the City, but may be carried out for the ultimate benefit of the City.

The funds in this reserve will be utilised at the discretion of Council within ten years.

**(d) Community Recreation Centres And Facilities Reserve**

Set up in 1985 with proceeds from the sale of Burswood Island, the intent of this reserve is to provide for the development of Community Recreation Centres and Facilities.

The City anticipates utilising the funds in this reserve within two years.

**(e) Street Furniture Replacement Reserve**

This reserve was established in 1999 from proceeds received from the sale of a street furniture contract negotiated by the City with Adshel. Funds held are designated to be used for the purchase and improvement of the City's street furniture, including water features and public art.

All but \$1 million of this reserve was consolidated into the Asset Enhancement Reserve during the year ended 30 June 2007.

The remaining funds in this reserve will be utilised at the discretion of the City over an expected period of two years.

**(f) Art Acquisition Reserve**

This reserve was established in 1999 to fund future additions to the art collection of the City. The reserve is funded from the proceeds of sale of artworks and the transfer of the unexpended annual allocation for art acquisitions.

The City anticipates utilising the funds in this reserve within three years.

**(g) Heritage Incentive Reserve**

This reserve was established in 2000 to fund heritage incentives to benefit properties on the City of Perth's heritage register.

The City anticipates utilising the funds in this reserve within three years.

**(h) Parking Facilities Development Reserve**

This reserve was established to enable parking facilities to be developed within the City, and parking equipment to be purchased.

The City anticipates utilising the funds in this reserve over an expected period of ten years.

**(i) David Jones Bridge Reserve**

This reserve was established in 2003 to fund major repairs, renovations or replacement of the pedestrian bridge over the Murray Street Mall between David Jones and Forrest Chase. The allocations to this reserve are the unexpended maintenance contribution from the owner of the David Jones site, at the end of each financial year.

The City anticipates utilising the funds in this reserve within five to ten years.

**(j) Bonus Plot Ratio Contribution Reserve**

This reserve was established in 2005 to hold contributions in respect of Bonus Plot Ratio entitlements, pending expenditure on relevant streetscape improvements and/or public art.

**(k) Employee Entitlements Reserve**

This reserve was established in 2013 to fund the non-current portion of employee entitlements for Long Service Leave. This reserve will vary from year to year but is likely to increase over time.

The City anticipates utilising these funds within ten years.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## (l) Perth Convention Exhibition Centre Car Park – Fixed Plant Replacement Reserve

This reserve was established in 2013 to provide for the future replacement of existing fixed plant not owned by the City, but which the City consumes and is obliged to replace when required at the Perth Convention Exhibition Centre car park.

The City anticipates utilising the funds in this reserve within five to ten years.

## (m) Parking Levy Reserve

This reserve was established in 2013 to set aside funds to meet the State Government's parking levy liability.

The City anticipates utilising the funds in this reserve within one year.

## (n) Enterprise And Initiative Reserve

The Council approved the establishment of this new reserve at its meeting on 22 April 2014 when adopting the March 2014 Budget Review. The reserve is to be funded from distributions from the Tamala Park Regional Council in respect of land lots developed and sold and marketed as 'Catalina Estate', Clarkson. The purpose of the reserve is to fund strategic projects to introduce and improve efficiencies and effectiveness in the City.

The City anticipates utilising the funds in the reserve within three to five years.

## 19. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows the City of Perth considers cash to include cash on hand and in banks and investments net of outstanding bank overdrafts and non cash investments. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	30 JUNE 2014 \$	30 JUNE 2013 \$
Cash at Bank and on Hand	4,464,366	4,423,326
Short Term Cash Investments	103,131,912	109,778,120
	<b>107,596,278</b>	<b>114,201,446</b>

## 20. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2014

	30 JUNE 2014 \$	30 JUNE 2013 \$
Change in Net Assets Resulting from Operations	21,853,892	29,354,176
<i>Adjustment for items not involving the movement of Funds:</i>		
Depreciation and Amortisation	24,865,362	22,543,017
Doubtful Debts	111,460	36,912
Loss/(Gain) on Disposal of Assets	6,474,168	1,561,090
Profit on Disposal of Investments	-	170,926
	53,304,882	53,666,121
<i>Revenues Provided By:</i>		
Government Grants	(4,375,243)	(4,606,455)
Contribution from Other Parties	(140,233)	(22,000)
	(4,515,476)	(4,628,455)
Change in Operating Assets and Liabilities		
<b>Add Back</b>		
Decrease in Deposits and Prepayments	-	119,105
Decrease in Accrued Interest and Investment Income	508,619	-
Decrease in Accrued Income	368,504	165,623
Decrease in Deferred Debtors	-	1,955
Increase in Income and Investment Income Received/Raised in Advance	-	699,823
Increase in Accrued Interest and Expenses	-	256,798
Increase in Trade and Other Payables	3,136,600	-
Increase in Provisions	1,595,307	478,533
<b>Deduct</b>		
Decrease in Trade and Other Payables	-	(342,194)
Decrease in Accrued Interest and Expenses	(422,757)	-
Increase in Trade and Other Receivables	(3,031,268)	(59,028)
Increase in Deposits and Prepayments	(336,491)	-
Increase in Inventories	(576,185)	(305,689)
Increase in Accrued Interest	-	(344,877)
Decrease in Income and Investment Income Received/Raised in Advance	(575,216)	-
Increase in Deferred Debtors	(6,368)	-
	660,745	670,049
<b>Net Cash Provided by Operating Activities</b>	<b>49,450,151</b>	<b>49,707,715</b>

## 21. SUPERANNUATION

The City of Perth complies with the minimum obligations under federal law and contributes in respect of its employees to one of the following superannuation plans:

### (a) W.A. Local Government Superannuation Plan

The City contributes in respect of certain of its employees to an accumulated benefit superannuation fund established in respect of all Local Governments in the State. In accordance with statutory requirements, the Council contributes to the W.A. Local Government Superannuation Plan ("the plan") amounts nominated by the Council. As such, assets are accumulated in the plan to meet members' benefits as they accrue. The latest available audited financial report of the plan as at 30 June 2013, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

### (b) City of Perth Superannuation Plan (CPSP) – a sub plan in the AustralianSuper Corporate Division

#### Defined Benefit Members

The City contributes in respect of certain of its employees to a defined benefit superannuation plan established for the employees of the City of Perth. In accordance with statutory requirements, the City contributes to the plan amounts determined by the plan actuary. As such, assets are accumulated in the plan to meet members' benefits as they accrue. The latest available audited financial report of the plan as at 30 June 2013, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

An Actuarial Update was last received from John Smith BA (Maths) F.I.A.A. of Mercer Australia Pty Ltd dated 19 January 2012. This updated previous actuarial investigations dated 31 March 2010 and conducted by Kathryn Kleinschmidt F.I.A.A. which recommended additional contributions be made by the City to the superannuation plan. These recommendations were addressed. The latest update recommended that contributions in the year to 30 June 2014 be maintained at 15% of salary as advised in the original actuarial report.

The plan has a number of different participating employers contributing to the defined benefit and pension section of the plan. There is no segregation of the assets applicable to each employer on a day to day basis and the individual employer may not be able to accurately identify its share of the underlying financial position of the multi-employer plan with sufficient reliability for accounting purposes. The plan is therefore accounted for as a defined contribution plan.

The defined benefit section of the plan was closed to the admission of new members from 1 July 2010.

#### Accumulation Members

The City contributes in respect of certain of its employees to an accumulated benefit superannuation plan for the employees of the City of Perth and known as the City of Perth Superannuation Plan (CPSP). In accordance with statutory requirements, the City contributes to the CPSP amounts nominated by the Council.

As such, assets are accumulated in the plan to meet members' benefits as they accrue. The latest available audited financial report of AustralianSuper Pty Ltd as at 30 June 2013, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

Total Superannuation contributions paid by the City during the reporting period was \$6,114,341 (30 June 2013 \$6,339,923).

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## 22. LOAN FACILITIES

Loan Facilities	30 JUNE 2014 \$	30 JUNE 2013 \$
Current	6,128,375	6,362,308
Non-Current	42,768,711	48,897,087
<b>Total Loan Facilities in use at Reporting Date</b>	<b>48,897,086</b>	<b>55,259,395</b>
Unused Loan Facilities at Reporting Date	9,882,135	20,572,397

## 23. EMPLOYEE REMUNERATION

The number of employees, whose salary exceeded \$100,000 during the financial year, is shown below in their relevant income bands:

Income Range	NO. IN 2014	NO. IN 2013
100,000 – \$109,999	20	14
\$110,000 – \$119,999	9	7
\$120,000 – \$129,999	3	5
\$130,000 – \$139,999	7	7
\$140,000 – \$149,999	1	1
\$150,000 – \$159,999	-	-
\$160,000 – \$169,999	-	-
\$170,000 – \$179,999	-	-
\$180,000 – \$189,999	-	4
\$190,000 – \$199,999	4	-
\$310,000 – \$319,999	1	-
	<b>45</b>	<b>38</b>

## 24. COMMITMENTS AND CONTINGENT LIABILITIES

(a) As at 30 June 2014 a commitment existed in respect of interest payable on loan debentures over the life of the loans.

	30 JUNE 2014 \$	30 JUNE 2013 \$
Interest Payable	9,096,295	11,894,227

(b) Lease Rental Commitments

Future operating lease rentals of property not provided for in the financial statements and payable:

	30 JUNE 2014 \$	30 JUNE 2013 \$
Not later than 1 year	2,000,492	2,059,591
Later than 1 year but not later than 2 years	1,352,355	1,447,074
Later than 2 years but not later than 5 years	4,057,065	3,536,976
Later than 5 years	69,488,848	61,639,952
	<b>76,898,760</b>	<b>68,683,593</b>

A substantial amount of the lease rental commitments relates to commitments for variable outgoings in relation to the City's 99 year leasehold interest in the Loading Dock at 100 St Georges Terrace.

At reporting date the City of Perth had no obligations under finance leases.

### (c) Commitments for Capital Expenditure

Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:

	<b>30 JUNE 2014</b>	<b>30 JUNE 2013</b>
	<b>\$</b>	<b>\$</b>
Buildings	24,863,258	27,382,926
Infrastructure Assets	4,070,383	6,661,321
Plant and Mobile Equipment	2,278,868	1,826,977
Office Furniture and Equipment	459,354	440,780
	<b>31,671,863</b>	<b>36,312,004</b>

\$23.8 million of capital commitments relate to the Cathedral Square New Civic Library and Public Plaza.

### (d) Commitment - Deed of Guarantee

In line with other equity holders in the Mindarie Regional Council (MRC) the City of Perth has guaranteed, proportionate to its equity share (one twelfth), the obligations of MRC to the contractor building and operating the Neerabup Resource Recovery Facility. Such guarantee can be called upon in the event of a *default* event during the contractors operation of the facility. The share of the liability that could be generated by the exercise of the guarantee is estimated at an amount between \$7.21 million diminishing to \$1.5 million depending on the time of any such *default* event.

### (e) Contingent Liability - Investment in Tamala Park Regional Council (TPRC).

The City of Perth, along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. As at 30 June 2014 there is an increase in the value of the City's equity share of its investment as a consequence of development and sale of land by the Tamala Park Regional Council

Due to the availability of draft financial statements for Tamala Park Regional Council when the City of Perth's Financial Report was compiled, the City was able to reliably determine the value of its investment as at 30 June 2014.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## 25. FINANCIAL INFORMATION BY RATIO

	2011/12	2012/13	2013/14
<b>(a) Current Ratio</b>			
Current Assets minus Restricted Assets <sup>1</sup>	1.76:1	0.71:1	0.83:1
Current Liabilities minus Liabilities <sup>2</sup> associated with Restricted Assets			
<b>(b) Asset Consumption Ratio</b>			
Depreciated Replacement Cost of Assets	-	56.04%	56.00%
Current Replacement Cost of Depreciable Assets <sup>3</sup>			
<b>(c) Asset Renewal Funding Ratio</b>			
Net Present Value of Planned Capital Renewals over 10 years <sup>4</sup>	-	90.5%	145.00%
Net Present Value of Required Capital Expenditure over 10 Years <sup>5</sup>			
<b>(d) Asset Sustainability Ratio</b>			
Capital Renewal and Replacement Expenditure <sup>6</sup>	60.24%	56.18%	46.00%
Depreciation Expense			
<b>(e) Debt Service Cover Ratio</b>			
Annual Operating Surplus before Interest and Depreciation	9.95:1	6.73:1	5.11:1
Principal and Interest			
<b>(f) Operating Surplus Ratio</b>			
Operating Revenue <sup>7</sup> Minus Operating Expense <sup>8</sup>	11.36%	15.77%	10.82%
Own Source Operating Revenue			
<b>(g) Own Source Revenue Coverage Ratio</b>			
Own Source Operating Revenue <sup>9</sup>	1.11:1	1.17:1	1.11:1
Operating Expense <sup>8</sup>			

1. Restricted Assets include reserve funds (current) tied grants/contributions and loan funds not utilised at year end.
2. Liabilities associated with Restricted Assets means the lesser value of a current liability or the cash component of Restricted Assets held to fund that liability.
3. Current replacement cost of Depreciated Assets means the cost of replacing assets at current prices.
4. Planned capital renewals means capital renewal and replacement expenditure as estimated in the Long Term Financial plan.
5. Required capital expenditure means capital renewal and replacement expenditure as estimated in the Corporate Asset Management plan.
6. Capital renewal and replacement expenditure means expenditure to renew or replace existing assets.
7. Operating revenue means that revenue that is operating revenue for the purpose of the Australian Accounting Standards (AAS) excluding Grants and Contributions for the development and acquisition of assets and other comprehensive income.
8. Operating expenses means the expense that is operating expense for the purpose of the AAS including net interest expense and depreciation.
9. Own source operating revenue means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

Financial information ratios reported upon with the exception of the current ratio, are as legislated under the Local Government (Financial Management) Regulations 1996. Comparative figures for the two previous years are also provided except for the asset consumption and the asset renewal funding ratios, as the required financial information for the third year to calculate these ratios is not available.

The Asset Consumption, Asset Renewal Funding and Asset Sustainability Ratios are as stated in the City of Perth Corporate Asset Management Plan 2014-2024.



## 26. SIGNIFICANT ITEMS

The following items are of such a size, nature or incidence that its disclosure is relevant in explaining the City's financial performance for the reporting period.

### (a) Fixed Assets Write Off

During the reporting period fixed assets to the value of \$6,857,620 were written off and comprised the following.

#### (i) Non Capitalised Work in Progress

This relates to costs incurred on capital projects in prior years, but now expensed, as the projects did not proceed to completion or the cost of individual assets when established were under the capitalisation threshold of \$5,000 each. Amount expensed \$527,268 (30 June 2013 - \$125,694).

#### (ii) Obsolete and Extinguished Assets

This relates to assets deemed obsolete or are no longer in use at the reporting date. The value of these assets written off was \$6,330,352 of which \$2,424,685 relates to infrastructure assets and \$3,693,113 to No 20A (Forrest Place) Car Park (30 June 2013 - \$1,673,328).

### (b) Impairment of Investments

The impairment charge was reduced by \$491,373 at 30 June 2014 following an increase in the market value of three tranches of mortgage backed securities. The mortgage backed securities continue to suffer from liquidity risk resulting in their market value at 30 June 2014 being \$2,764,918 as compared to an original cost, after redemption of a portion of the security, of \$4,624,942.

The City's investment advisors CPG Advisory Services utilises market data from Barclays Bank DCO to complete the impaired valuations of the mortgage backed securities held by the City.

### (c) Contribution of Assets - Infrastructure

Infrastructure Assets owned by the City and comprising drainage, roads, kerbs, footpaths and signs were upgraded

at their own cost by third parties including the Perth Transit Authority (PTA), Department of Housing and Works and individual property owners. On completion of the upgrades, these assets were vested back to the City for their future ownership and upkeep. Initial recognition of these assets by the City during the reporting period, are at fair value of \$602,144.

### (d) Contribution and Initial Recognition of Assets - Works of Art

The City during the reporting period completed a further reconciliation of its Works of Art Asset Register. It was established that a number of artworks (38) were not reflected in the register. All the artworks concerned were acquired by the City in previous years either by way of purchase or were contributed to the City. These artworks were initially recognised at a fair value of \$26,998 during the reporting period, a value established in December 2013 through an external valuation.

### (e) Disposal of Development Land at Tamala Park

Tamala Park Regional Council (TPRC) has on behalf of its equity holders, subdivided developed and sold during the financial year, 226 lots of land at the Tamala Park project marketed as 'Catalina' (Stages 1, 2, 4, 5, 6A, 6C, 7, 8, 9 and 10). The amount of \$1,441,838 represents the City's profit on the 226 lots developed and sold during the reporting period (30 June 2013 \$1,135,516). The City is a one twelfth equity holder in the TPRC.

### (f) Profit on Disposal of Investments

This consists of realised capital gains arising on the maturity or sale of investment assets in the floating rate note class.

### (g) Contribution to Perth City Link

At its meeting on 21 June 2005, the Council agreed to:

(i) Make a contribution of \$25 million in November 2004 dollar value towards the Perth City Link Project. This contribution had been indexed at 6% up to the point of payment(s) but not increased. The contribution was split into two parts with the major part totalling \$25.6 million (after indexation) paid in April 2011. A further amount of \$12.8 million was paid during the reporting period.

(ii) Forego its leasehold interest of Lot 1192 Wellington Street to enable the State Government to make Lot 1192 available for redevelopment. The written down value of this leasehold interest as at the date of hand over was \$6,174,339. The property was handed over to the State Government in July 2009.

The State of Western Australia signed the Link Implementation Deed on 26 June 2008 which included the above terms with 70% of the \$25 million (in 2004 dollars) to be paid on signing of the principal construction contracts for the sinking of the rail lines and 30% to be paid on the signing of the principal construction contracts for the new Perth City Link Bus Station.

The effective date for execution of the Project Alliance Agreement was 16 March 2011 and the City paid the initial instalment contribution towards the Perth City Link Undergrounding of the Railway of \$25,583,928. A further amount of \$12,774,181 was paid at the award of the contract to build the Perth City Link Bus Station which occurred during the reporting period. The amount was funded from the Asset Enhancement Reserve.

Additionally the agreement contains obligation on the City to upgrade infrastructure in the vicinity of The Perth City Link Project on the completion of certain works by the State including the Perth Arena.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## (h) Infrastructure Assets Initially Recognised

An inventory of the major classes of infrastructure assets was conducted and \$90,463,219 of assets not previously recognised separately in the books, were brought to account at their fair value in accordance with Australian Infrastructure Financial Management Guidelines (AIFMG) and the applicable accounting standards.

The process involved utilising GIS mapping software and recording the result in the Hansen 8 Asset Management System.

Fair Value was determined based on current replacement cost compiled from purchase invoices, current project costings and custodian's charge out rates for plant, labour and overheads.

Condition based information to calculate the remaining lives of assets was obtained through ageing profiles and compared with assets of similar age and location which were physically inspected.

Major assets brought on were in the drainage, street furniture, irrigation, landscaping, roads and footpaths sub-classes.

The initial recognition of these infrastructure assets may include assets that were originally constructed by third parties and subsequently vested to the City. There is little information

available on these vesting's and therefore little by way of identification on those specific assets vested.

The City is responsible for the maintenance of all the infrastructure assets stated as initially recognised.

## 27. EVENTS SUBSEQUENT TO BALANCE DATE

### (a) Proposed Amalgamations and Boundary Changes

The State Government's review of metropolitan local governments is now complete.

The Minister of Local Government has announced his determination on metropolitan local government boundaries on 22 October 2014.

The Government has made a commitment to draft legislation for a City of Perth Act to create a boundary that will encompass all of the current City of Perth and City of Vincent and the suburb of Crawley including the University of Western Australia and the QEII medical complex.

The creation of legislation will most likely be undertaken during 2015, so the changes to boundaries for the City will be significantly later than changes for other councils. The City will be actively involved in the preparation of this legislation.

The Premier's preference is to have Burswood within the City but for the

time being it will be within the new South Park Council but this is required to be reviewed within five years.

There may be significant costs relating to the transition process in 2014/15 in preparation for the changes resulting from the Act. The State Government has indicated they will assist with the cost of transition with grant funding and low cost loans.

### (b) Carbon Price Repeal

On 13 August 2014, the Mindarie Regional Council (MRC) received correspondence from the Federal Minister for the Environment, the Hon. Greg Hunt MP advising that the repeal of the Carbon Tax extinguished all liabilities associated with post 1 July 2014 emissions from waste deposited in 2012/13 and 2013/14 (the Term) and that the Government expects, wherever possible, funds that were collected in anticipation of future carbon tax liabilities will be returned to customers and ratepayers. It is the MRC's position that it will return these funds to its members and other customers, after it has settled all its carbon liabilities in February 2015.

The City paid a total carbon price of \$160,338 on tonnage of 33,858 lodged with the MRC for 2013 and 2014. At reporting date, it is difficult to quantify what the refund back to the City of the carbon tax will be as the MRC carbon acquittal for the 2013/14 financial year is still to be paid.

## 28. TRUST FUNDS

### Trust Fund Information

Purpose for which Money Received	OPENING BALANCE 1 JULY 2013 \$	RECEIPTS YEAR ENDED 30 JUNE 2014 \$	PAYMENTS YEAR ENDED 30 JUNE 2014 \$	CLOSING BALANCE 30 JUNE 2014 \$
Footpath Deposits	2,980,407	1,212,888	(617,100)	3,576,195
Unclaimed Monies	1,168,373	23,032	(3,720)	1,187,685
Other	2,059,378	66,382	(33,240)	2,092,520
	<b>6,208,158</b>	<b>1,302,302</b>	<b>(654,060)</b>	<b>6,856,400</b>

The monies in the previous table are not recognised in the financial statements as the City performs only a custodial role. These funds cannot be used by the City and are shown here for information only.

## 29. FINANCIAL INSTRUMENTS

### (a) Terms, Conditions and Accounting Policies

The reporting entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability recognised at the financial position date are as follows:

RECOGNISED FINANCIAL INSTRUMENTS	STATEMENT OF FINANCIAL POSITION NOTES	ACCOUNTING POLICIES	TERMS AND CONDITIONS
<b>(i) Financial Assets</b>			
Cash at Bank	19	Cash at Bank is carried at the principal amount. Interest is recognised in the Statement of Comprehensive Income when earned.	Interest is earned at the Bank's benchmark rate depending on the balance in the account.
Trade and Other Receivables	11	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Receivables are on 14 to 30 day terms, depending on receivable type.
Short-term Deposits	12	Short-term deposits are stated at cost. Interest is recognised in the Statement of Comprehensive Income when earned.	Short-term deposits have an average maturity of 178 days and effective interest rates of 4.04% to 4.30% (2013: 4.56% to 5.76%)
Managed and Balanced Funds	12	Managed and Balanced Funds are marked to market. Interest and Investment earnings are reinvested in the funds and recognised in the Statement of Comprehensive Income when earned.	Holdings in managed funds are redeemable on 72 hours notice.
Floating Rate Note/ Mortgaged Backed Securities	12	The value of these Interest Bearing Securities is stated at cost or impaired value. Interest is recognised in the Statement of Comprehensive Income when earned.	Maturities are less than five years. It is the City's intention to hold these securities until maturity.
Long-term Deposits	12	Long Term Deposits are stated at cost. Interest is recognised in the Statement of Comprehensive Income when earned	Long Term Deposits have an average maturity of 366 days and effective interest rate of 7.15% ((2013: 7.15%)
<b>(ii) Financial Liabilities</b>			
Bank Loans	17,22	The bank loans are carried at the principal amount. Interest is charged as an expense as it accrues.	The bank loans are repayable quarterly or on maturity with the final instalment due in August 2022. Interest is charged at a fixed rate. Details of the security over bank loans are set out in Note 17. Details of the loans are set out in the Loan Liability Schedule in Note 30.
Trade and Other Payables	14	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity.	Trade Liabilities are normally settled on 30 day terms.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## (b) Interest Rate Risk

The reporting entity's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities recognised at the financial position date are as follows:

Financial Instruments	FLOATING INTEREST RATE		1 YEAR OR LESS		FIXED INTEREST RATE MATURING IN		MORE THAN 5 YEARS		NON INTEREST BEARING		TOTAL CARRYING AMOUNT AS PER THE STATEMENT OF FINANCIAL POSITION		WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
<b>Financial Assets</b>														
Cash and Cash Equivalent	-	-	-	-	-	-	-	-	4,464,366	4,423,326	4,464,366	4,423,326	2.48	3.03
Trade and Other Receivables	-	-	-	-	-	-	-	-	10,370,114	9,146,409	10,370,114	9,146,409	N/A	N/A
Short-term Deposits	-	-	99,233,523	106,454,628	-	-	-	-	-	-	99,233,523	106,454,628		
Managed Funds	3,898,389	3,323,492	-	-	-	-	-	-	-	-	3,898,389	3,323,492	4.47	5.16
Interest Bearing Securities	5,768,573	5,453,983	-	-	-	-	-	-	-	-	5,768,573	5,453,983		
Unlisted Shares/Equity	-	-	-	-	-	-	-	-	3,891,767	2,864,725	3,891,767	2,864,725	N/A	N/A
Long-term Deposits	-	-	-	-	-	-	-	-	-	-	-	6,000,000	7.15	7.15
<b>Total Financial Assets</b>	<b>9,666,962</b>	<b>8,771,475</b>	<b>99,233,523</b>	<b>106,454,628</b>	<b>-</b>	<b>6,000,000</b>	<b>-</b>	<b>18,726,247</b>	<b>16,434,460</b>	<b>127,626,732</b>	<b>137,666,563</b>			
<b>Financial Liabilities</b>														
Bank Loans	-	-	-	-	-	-	48,897,086	55,259,395	-	-	48,897,086	55,259,395	4.68	4.72
Trade and Other Payables	-	-	-	-	-	-	-	-	20,244,403	17,490,615	20,244,403	17,490,615	N/A	N/A
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,897,086</b>	<b>55,259,395</b>	<b>20,244,403</b>	<b>17,490,615</b>	<b>69,141,489</b>	<b>72,750,010</b>		

N/A - not applicable for non interest bearing financial instruments.

## (c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities recognised at the financial position date are as follows:

	TOTAL CARRYING AMOUNT AS PER THE STATEMENT OF FINANCIAL POSITION		AGGREGATE NET FAIR VALUE	
	2014 \$	2013 \$	2014 \$	2013 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	4,464,366	4,423,326	4,464,366	4,423,326
Trade and Other Receivables	10,370,114	9,146,409	10,370,114	9,146,409
Short-term Deposits	99,233,523	106,454,628	99,233,523	106,454,628
Managed Funds	3,898,389	3,323,492	3,898,389	3,323,492
Interest Bearing Securities	5,768,573	5,453,983	5,768,573	5,453,983
Unlisted Shares/Equity	3,891,767	2,864,725	4,061,711	3,051,399
Long-term Deposits	-	6,000,000	-	6,000,000
<b>Total Financial Assets</b>	<b>127,626,732</b>	<b>137,666,563</b>	<b>127,796,676</b>	<b>137,853,237</b>
<b>Financial Liabilities</b>				
Bank Loans	48,897,086	55,259,395	48,897,086	55,259,395
Trade and Other Payables	20,244,403	17,490,615	20,244,403	17,490,615
<b>Total Financial Liabilities</b>	<b>69,141,489</b>	<b>72,750,010</b>	<b>69,141,489</b>	<b>72,750,010</b>

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

### Recognised Financial Instruments:

#### (i) Cash, Short-term and Long-term Investments

The carrying amount approximates fair value because of their relative short to medium term to maturity.

#### (ii) Managed Funds

The carrying amount of these investments approximates fair value because they have been marked to market.

#### (iii) Interest Bearing Securities

The carrying amount of these investments is at cost or impaired value due to the policy of holding these investments to maturity, recognising any impairment when it is warranted.

#### (iv) Trade and Other

##### Receivables and Payables

The carrying amount approximates fair value.

#### (v) Borrowings

The carrying amount approximates fair value because the loans were each secured at a fixed rate of interest over the term of the loans.

## (d) Credit Risk Exposure

The reporting entity's maximum exposure to credit risk at financial position date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the Statement of Financial Position.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

## 30. LOAN LIABILITY SCHEDULE FOR THE YEAR ENDED 30 JUNE 2014

LOAN NO.	PARTICULARS	TERM (YRS)	DATE OF ISSUE	ORIGINAL PRINCIPAL	RATE OF INTEREST	LENDER	MODE OF PAYMENT	MONTH & YEAR OF MATURITY	AMOUNT OF PRINCIPAL OUTSTANDING		INTEREST		AMOUNT OF PRINCIPAL OUTSTANDING		
									30/06/13	30/06/14	BUDGET 30/06/14	ACTUAL 30/06/14	BUDGET 30/06/14	ACTUAL 30/06/14	BUDGET 30/06/14
				\$	%		pa		\$	\$	\$	\$	\$	\$	
<b>Recreation &amp; Culture</b>															
165	Civic Library	10	June 2012	8,011,407	4.02	W.A.T.C.	4	June 2022	7,522,722	861,446	290,426	290,407	6,661,276	6,661,276	
167	Civic Library	10	July 2012	23,788,520	3.63	W.A.T.C.	4	Aug 2022	22,287,115	2,066,231	781,377	781,377	20,216,274	20,220,884	
<b>Transport</b>															
160	Perth Convention Exhibition Centre	15	July 2004	29,180,000	6.15	W.A.T.C.	4	July 2019	11,562,589	1,566,877	661,438	661,438	9,995,711	9,995,712	
164	Elder Street Car Park	10	Sept 2020	16,000,000	6.26	W.A.T.C.	4	Sept 2020	12,878,413	1,752,262	763,134	763,134	11,126,151	11,126,151	
166	Goderich Street Car Park	10	June 2012	1,074,073	4.02	W.A.T.C.	4	June 2022	1,008,556	115,492	38,924	38,934	893,064	893,064	
<b>Total Loans</b>									<b>55,259,395</b>	<b>6,362,308</b>	<b>2,535,299</b>	<b>2,535,290</b>	<b>48,892,476</b>	<b>48,897,087</b>	

Loan interest capitalised is the net of the amount of interest payable on the loans during the construction phase offset against interest earned on unutilised loan funds up to the time the asset is made available for use.

**30 JUNE 2014**      **30 JUNE 2013**

	\$	\$
Loan 166 Goderich Street Car Park	-	21,316
Loan 167 Civic Library	162,800	24,440
<b>Total</b>	<b>162,800</b>	<b>45,756</b>

### Unused Loan Facilities

Loan 167 Civic Library	9,882,135	20,572,397
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### Details Of Lenders

W.A.T.C      Western Australian Treasury Corporation

\* Loan Debentures issued by the City are secured over the general funds of the City

# CITY OF PERTH

## FIVE YEAR STATISTICAL HISTORY

All dollar figures are in A\$000's

YEAR ENDED 30 JUNE	2014	2013	2012	2011	2010
<b>Rates</b>					
Rateable Properties	15,750	15,345	15,256	14,577	12,751
Rates Revenue	\$71,122	\$67,226	\$60,747	\$58,492	\$54,804
Increase in Rate Revenue	5.80%	10.7%	3.86%	6.73%	8.63%
Rate Revenue as a % of Total Revenue	40.26%	39.66%	38.36%	38.49%	38.70%
<b>Financial</b>					
	\$	\$	\$	\$	\$
Rates Revenue	71,122	67,226	60,747	58,492	54,804
Parking Fees	70,136	66,504	62,825	56,475	51,001
Other Fees and Charges	25,216	24,028	23,339	22,396	22,134
Investment Income	6,331	8,037	7,767	10,766	10,134
Other Revenue	3,867	3,444	3,687	3,856	3,548
<b>Total Revenue</b>	<b>176,672</b>	<b>169,239</b>	<b>158,365</b>	<b>151,985</b>	<b>141,621</b>
<b>Total Operating Expenditure</b>	<b>(151,299)</b>	<b>(141,167)</b>	<b>(138,880)</b>	<b>(127,900)</b>	<b>(119,345)</b>
Capital Grants and Contributions	2,955	2,843	1,550	5,000	3,394
Gain/(Loss) on Disposal/Write Off/Contribution of Assets	(6,474)	(1,561)	(1,659)	(729)	(2,638)
<b>Operating Surplus</b>	<b>21,854</b>	<b>29,354</b>	<b>19,376</b>	<b>28,356</b>	<b>23,032</b>
<b>Capital Expenditure</b>	<b>52,826</b>	<b>70,895</b>	<b>43,266</b>	<b>67,346</b>	<b>61,799</b>
<b>Borrowings</b>	<b>48,897</b>	<b>23,788</b>	<b>36,308</b>	<b>29,537</b>	<b>32,058</b>
<b>Reserves - Cash Backed</b>	<b>80,606</b>	<b>90,493</b>	<b>73,535</b>	<b>79,697</b>	<b>121,901</b>
<b>Revaluation Reserves</b>	<b>372,942</b>	<b>377,710</b>	<b>375,509</b>	<b>360,399</b>	<b>360,399</b>
<b>NET ASSETS</b>	<b>1,045,838</b>	<b>936,566</b>	<b>906,925</b>	<b>873,334</b>	<b>871,176</b>
<b>Human Resources</b>					
Employee Costs (including costs capitalised)	\$60,573	\$56,258	\$53,380	\$48,833	\$46,255
Number of Employees (including fulltime, part-time and casuals)	696	680	668	642	629
<b>City Development</b>					
Building Licences Issued	500	491	593	622	532
Value of Building Licences Issued	\$916,987	\$712,984	\$706,504	\$612,967	\$632,809
Planning Applications Issued	335	366	385	410	395
Value of Planning Applications Issued	\$752,730	\$1,012,400	\$828,603	\$630,823	\$1,574,728
<b>Refuse</b>					
Total Waste to Landfill (tonnes)	21,964	31,413	36,055	27,145	27,340
Recycling Tonnage	1,909	1,959	2,079	2,105	2,071
<b>General</b>					
Estimated Residential Population	21,860	20,359	18,988	18,949	17,955
Approved Residential Strata Lots added to Market for the Year	338	242	454	694	1,676



**CITY of PERTH**

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