



CITY of PERTH

**MINUTES**

**FINANCE AND ADMINISTRATION  
COMMITTEE**

**12 JULY 2016**

**THESE MINUTES ARE HEREBY CERTIFIED AS  
CONFIRMED**

**PRESIDING MEMBER'S  
SIGNATURE**

*J. E. Davidson*

DATE: *2 August 2016*

# FINANCE AND ADMINISTRATION COMMITTEE

## INDEX

<b>Item</b>	<b>Description</b>	<b>Page</b>
FA158/16	DECLARATION OF OPENING	1
FA159/16	APOLOGIES AND MEMBERS ON LEAVE OF ABSENCE	1
FA160/16	QUESTION TIME FOR THE PUBLIC	1
FA161/16	CONFIRMATION OF MINUTES	2
FA162/16	CORRESPONDENCE	2
FA163/16	DISCLOSURE OF MEMBERS' INTERESTS	2
FA164/16	MATTERS FOR WHICH THE MEETING MAY BE CLOSED	2
FA165/16	MINDARIE REGIONAL COUNCIL – PROPOSED AMENDMENTS TO CONSTITUTION	3
FA166/16	FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 MAY 2016	3
FA167/16	TENDER 098-15/16 – PROVISION OF CATERING SERVICES FOR THE CITY OF PERTH	4
FA168/16	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN	9
FA169/16	GENERAL BUSINESS	10
FA170/16	ITEMS FOR CONSIDERATION AT A FUTURE MEETING	10
FA171/16	CLOSE OF MEETING	10

Minutes of the meeting of the City of Perth **Finance and Administration Committee** held in Committee Room 1, Ninth Floor, Council House, 27 St Georges Terrace, Perth on **Tuesday, 12 July 2016**.

## **MEMBERS IN ATTENDANCE**

Cr Davidson - Presiding Member  
Cr Chen

## **OFFICERS**

Mr Mileham - Chief Executive Officer  
Ms Moore - Director Community and Commercial Services  
Mr Mianich - Director Corporate Services  
Ms Batistta - Acting Director Economic Development and  
Activation  
Mr Ridgwell - Manager Governance  
Mr White - Chief Accountant  
Ms Best - Governance and Risk Officer

## **GUESTS AND DEPUTATIONS**

Two members of Staff

## **OBSERVERS**

Cr Green (entered the meeting at 4.13pm)

## **FA158/16 DECLARATION OF OPENING**

**4.04pm** The Presiding Member declared the meeting open.

## **FA159/16 APOLOGIES AND MEMBERS ON LEAVE OF ABSENCE**

Nil

## **FA160/16 QUESTION TIME FOR THE PUBLIC**

Nil

**FA161/16 CONFIRMATION OF MINUTES**

*Moved by Cr Chen, seconded by Cr Davidson*

*That the minutes of the meeting of the Finance and Administration Committee held on 21 June 2016 be confirmed as a true and correct record.*

*The motion was put and carried*

The votes were recorded as follows:

For: Crs Davidson and Chen

Against: Nil

**FA162/16 CORRESPONDENCE**

Nil

**FA163/16 DISCLOSURE OF MEMBERS' INTERESTS**

Nil

**FA164/16 MATTERS FOR WHICH THE MEETING MAY BE CLOSED**

The Presiding Member advised that in accordance with Section 5.23(2) of the *Local Government Act 1995*, should an Elected Member wish to discuss the content of the confidential schedules detailed below, it is recommended that Committee resolve to close the meeting to the public prior to discussion of the following:

<b>Schedule No.</b>	<b>Item No. and Title</b>	<b>Reason</b>
Confidential Schedules and 4	3 FA167/16 – Tender 098-15/16 – Provision of Catering Services for the City of Perth	Section 5.23 (2)(e)(ii)

**FA165/16 MINDARIE REGIONAL COUNCIL – PROPOSED  
AMENDMENTS TO CONSTITUTION**

The Chief Executive Officer advised that in accordance with the City of Perth Standing Orders 4.11(4), Item FA165/16 – “Mindarie Regional Council – Proposed Amendments to Constitution” has been withdrawn due to recent amendments requested from the Mindarie Regional Council (MRC) Working Group to the constitution, this report will be amended and resubmitted.

**FA166/16 FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY  
STATEMENT FOR THE PERIOD ENDED 31 MAY 2016**

**BACKGROUND:**

FILE REFERENCE: P1014149-25  
REPORTING UNIT: Finance  
RESPONSIBLE DIRECTORATE: Corporate Services  
DATE: 22 June 2016  
MAP / SCHEDULE: Schedule 2 – Financial Statements and Financial  
Activity Statement for the period ended 31 May 2016

**LEGISLATION / STRATEGIC PLAN / POLICY:**

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

**DETAILS:**

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

**FINANCIAL IMPLICATIONS:**

There are no direct financial implications arising from this report.

**COMMENTS:**

The Financial Activity Statement commentary compares the actual results for the eleven months to 31 May 2016 with the revised budget approved by Council on 15 March 2016.

***Moved by Cr Chen, seconded by Cr Davidson***

***That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 May 2016 as detailed in Schedule 2.***

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

The votes were recorded as follows:

**For: Crs Davidson and Chen**

**Against: Nil**

**FA167/16 TENDER 098-15/16 – PROVISION OF CATERING SERVICES FOR THE CITY OF PERTH**

**BACKGROUND:**

FILE REFERENCE:	P1032785
REPORTING UNIT:	Marketing and Communications Unit
RESPONSIBLE DIRECTORATE:	Economic Development and Activation Directorate
DATE:	4 July 2016
MAP / SCHEDULE:	Confidential Schedule 3 – Price Comparison Confidential Schedule 4 – Tender Evaluation Matrix (distributed to Elected Members under separate cover)

Tenderers have been invited from suitably qualified and experienced suppliers for the specialised service of catering for the City of Perth.

**LEGISLATION / STRATEGIC PLAN / POLICY:**

<b>Legislation</b>	Section 3.57 of the <i>Local Government Act 1995</i> Part 4 of the <i>Local Government (Functions and General) Regulations 1996</i>
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<b>Integrated Planning and Reporting Framework</b>	<b>Strategic Community Plan</b> Council Four Year Priorities: Capable and Responsive Organisation
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**Implications** A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services.

**Policy**

Policy No and Name: 9.7 – Purchasing Policy

**DETAILS:**

The provision of catering services for the City of Perth will contain two parts based on the catering needs required by the City, they are:

Part A – Main Meals/Large Functions

Part B – Light Lunches/Finger Foods

At close of tender, the following submissions were received:

Part A – Four submissions

Part B – Five submissions

Submissions for Part A – Main Meals/Large Functions, were received from:

- Heyder & Shears Catering (ALJATO Pty Ltd and Imogen Corp Pty Ltd);
- Beaumonde Catering (Beaumonde Hospitality Australia Pty Ltd);
- By Word of Mouth Catering; and
- Temptations Catering (Markovich Investments on behalf of Family Trust Pty Ltd).

Submissions for Part B – Light Lunches/Finger Foods, were received from:

- Cupid Catering (The Lummis Family Trust Trading as Cupid Catering);
- Heyder & Shears Catering (ALJATO Pty Ltd and Imogen Corp Pty Ltd);
- Beaumonde Catering (Beaumonde Hospitality Australia Pty Ltd);
- By Word of Mouth Catering; and
- Temptations Catering (Markovich Investments on behalf of Family Trust Pty Ltd).

The outcome of the tender process was to appoint a suitable catering provider for the supply of food services as required in Part A – Main Meals/Large Functions and the supply of food services as required in Part B – Light Lunches/Finger Foods.

Tenderers had the opportunity of applying for both Part A and Part B or applying for one part of the tender based on their business competencies.

Tenderers were required to address the selection criteria in the specification and submit a Form of Tender that included a Schedule of Rates. Part A and Part B had separate selection criteria.

The selection criteria were as follows:

**Part A**

1. Tenderers are requested to address points raised in the specification document; in particular tenderers should indicate a proposed fee payable to the City of Perth for use of the facilities and services.
2. Tenderers must explain their proposed optional plans and food concepts in brief. Detailing the following:  
  
Part A - Main Meals/Large Functions
3. Tenderers must briefly describe how they intend to meet the desired critical success factors.
4. Tenderers must supply a minimum of two written references from other clients detailing their satisfaction with their services and providing their contact details.

**Part B**

1. Tenderers are requested to address points raised in the specification document; in particular tenderers should indicate a proposed fee payable to the City of Perth for use of the facilities and services.
2. Tenderers must explain their proposed optional plans and food concepts in brief. Detailing the following:  
  
Part B – Light Lunches/Finger Foods
3. Tenderers must briefly describe how they intend to meet the desired critical success factors.
4. Tenderers must supply a minimum of two written references from other clients detailing their satisfaction with their services and providing their contact details.

After reviewing the submissions, the most suitable tenderers for Part A and Part B were interviewed based on the assessment of each submission against the qualitative criteria using the score sheets. The companies interviewed were:

- Beaumonde Catering (Part A);
- Cupid Cateirine (Part B); and
- Heyder & Shears Catering (Part A & B).

The next part of the tender review process involved site visits with two companies which were selected by the panel. The selection was made by a consensus decision



of the panel members on the assessment results made during the interview and weighting matrix that was completed.

They were Heyder & Shears Catering for Part A and Cupid Catering for Part B. These site visits were carried out to view the appropriate OSH and food safety standards in operation and evaluate the food samples provided against requirements.

### **Part A – Main Meals/Large Functions**

Following a full evaluation of the submissions and taking into account price, menus, operational flexibility and overall standard of catering anticipated, the panel recommends that the offer from Heyder & Shears Catering be accepted for Part A of the tender. It should be noted the level of experience demonstrated from all tenders during the interview stage were of the highest quality.

#### **Heyder & Shears Catering (ALJATO Pty Ltd and Imogen Corp Pty Ltd)**

A discount was offered with the prices submitted. They offered the most competitive prices and were the best value for money for Part A out of the four tenderers. Heyder & Shears Catering use fresh local produce and maintain a high level of quality control systems during all types of purchases.

When compiling menus they place an emphasis on dietary requirements, portion sizes and use items on seasonal suitability while providing well balanced meals. They are flexible with any last minute changes and cancellations that are required. They demonstrated an effective communication system in providing quotes, suggestions on queries made and recording all feedback and responses. They would appoint one point of contact for the City of Perth.

They also employ skilled and experienced staff with a long service history with their company. Their premises were very clean, well equipped and designed to fit for the City's purpose. They have refrigerated vehicles to transport food safely and hygienically.

They provided good written references from clients receiving similar catering needs to the City of Perth.

### **Part B – Light Lunches/Finger Foods**

Following a full evaluation of submissions under Part B and taking into account the prices, current satisfaction levels, expected future levels of satisfaction, flexibility demonstrated and delivery time limits, the panel recommends the offer from Cupid Catering be accepted for Part B.

It should be noted the level of experience demonstrated from all tenders during the interview stage were of the highest quality.

**Cupid Catering (The Lummis Family Trust Trading as Cupid Catering)**

Cupid Catering is the current provider for light lunches/finger foods within City of Perth. The prices currently offered and in the tender submission are very competitive. They use good quality fresh local produce supplied by a network of reliable suppliers. Cupid Catering can cater for all types of dietary requirements and have creative abilities with tastes and textures.

They are very flexible with last minute changes and cancellations and they will have one point of contact for the City of Perth. They offer a wide variety of menu options for breakfast, lunch, mid-morning and twilight functions to suit all types of service requirements.

Cupid Catering use commercial grade concealed boxes to transport food which is suitable for the type of food they deliver to the City of Perth. The City's kitchen facilities are used to assemble food made fresh to order.

They provided good written references from clients receiving similar catering needs to the City of Perth.

**FINANCIAL IMPLICATIONS:**

ACCOUNT NO:	Various Operating Accounts
BUDGET ITEM:	Civic Receptions, Dining Room and Council Meetings
BUDGET PAGE NUMBER:	5
BUDGETED AMOUNT:	\$ 246,072.00
AMOUNT SPENT TO DATE:	\$ 197,723.00
PROPOSED COST:	\$ 246,072.00 (on consumption per annum)
BALANCE:	\$ 0
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

**COMMENTS:**

To ensure the standard of catering remains high throughout the contract period and before any extension is confirmed, regular surveys will be carried out to measure satisfaction and regular feedback will be provided. The following terms will also be included in the contract:

The Catering Manager will monitor the standard of the Contractor's services over the period of the contract. Formal appraisals will be implemented in-line with the City's ongoing quality processes.

Performance measures will include, but not be limited to:

- customer satisfaction measured regularly by feedback and occasional surveys;
- the range, quality, consistency and presentation of the product served; and
- compliance with all health and other Statutory requirements in relation to food storage, handling, preparation, presentation, transportation and service, including and not limited to the provisions of the Food Standards Code, *Food Act 2008*, City of Perth requirements and Western Australian Legislation.

Should the companies fail to rectify issues brought to its attention, the City has the ability to terminate the contract with appropriate notice.

***Moved by Cr Chen, seconded by Cr Davidson***

***That Council:***

1. ***accepts the most suitable applications being those submitted by the following:***
  - ***Part A – Heyder & Shears Catering***
  - ***Part B – Cupid Catering***

***for the provision of catering services for the City of Perth, for a period of one year commencing on 6 August 2016 and with an option for a further two year extension; and***

2. ***authorises the Chief Executive Officer to execute and vary the Tender contracts.***

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

The votes were recorded as follows:

For: Crs Davidson and Chen

Against: Nil

**FA168/16 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil

**FA169/16 GENERAL BUSINESS**

**Responses to General Business from a Previous Meeting**

Nil

**New General Business**

Nil

**4.13pm** Cr Green entered the meeting.

**FA170/16 ITEMS FOR CONSIDERATION AT A FUTURE MEETING**

**Outstanding Items:**

- Council Dining Room (raised FA30/09/14, updated 21/04/15)
- Program for CCTV Cameras around the City (raised FA29/10/15, updated FA27/01/16)

The Presiding Member advised that this item can now be removed from the outstanding items list as the Elected Members were adequately briefed on the program for CCTV cameras around the City.

- Council Policy 1.9 – Public Relations (raised FA21/06/16)

The Director Economic Development and Activation advised that this review is currently underway and is being done in conjunction with the review of the Code of Conduct. A comparison of current practices within a number of capital cities is being investigated and an update will be presented to Elected Members at a future Council Briefing.

- Standing Orders Local Law Review (raised FA21/06/16)
- Smart Cities Plan (raised FA21/06/16)

**FA171/16 CLOSE OF MEETING**

**4.15pm** There being no further business the Presiding Member declared the meeting closed.

**SCHEDULES  
FOR THE MINUTES OF THE  
FINANCE AND  
ADMINISTRATION  
COMMITTEE MEETING  
HELD ON  
12 JULY 2016**

Schedule 1 has been removed as Agenda Item 1 (Minute Item FA165/16) titled “Mindarie Regional Council – Proposed Amendments to Constitution” was withdrawn at the Finance and Administration Committee Meeting held 12 July 2016.

**FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO  
31 MAY 2016****REPORT OF VARIANCES TO BUDGET**

**This report compares the actual performance for the eleven months to 31 May 2016 compared to the revised budget approved by Council on 15 March 2016.**

**Operating Revenue**

- Parking revenue was \$(1,669,000) below the revised budget. The year to date variance consisted of \$(1,708,000) for Undercover Car Parks, \$164,000 for Open Air Car Parks and \$(125,000) for Kerbside Parking.

The main variances for Undercover Car Parks were State Library \$(342,000), His Majesty's \$(230,000) and Elder Street \$(271,000) below the revised budget. This is mainly due to less patronage as a result of high office vacancy rates in the City. Furthermore the International Conference and Exhibition on Liquefied Natural Gas reduced the number of available parking bays by 233 during March and April.

- Fines and Costs were lower than the revised budget by \$(281,000) predominantly due to parking fines.
- Investment income was above the revised budget by \$335,000. This was mainly due to improved performance of the Colonial Share Index fund in the last three months.
- Rubbish collection yielded \$(96,000) or 1% less than expected compared to the revised budget.
- Recurrent Grants were below the revised budget by \$(81,000). Operating grants for the Rod Evans Centre of \$16,000 and Youth Arts Projects of \$21,000 are yet to be received.
- Other Income was \$324,000 above the revised budget. Building Licence Fees generated \$163,000 more than anticipated in addition to higher than expected revenue for Planning Fees of \$65,000.

**Operating Expenditure**

- Employee costs ended the month below the revised budget with a \$548,000 variance due to vacant positions in the approved Workforce Plan.
- Materials and Contracts were \$5,547,000 below the revised budget. The variance included infrastructure maintenance which was lower than the revised budget by \$1,352,000 mainly consisting of Murray Street Mall general maintenance \$898,000 and the River Wall \$182,000. Property maintenance was also lower than budget by

**FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO  
31 MAY 2016**

**REPORT OF VARIANCES TO BUDGET**

\$463,000 mostly due to Council House \$397,000, the Town Hall \$58,000 and Concert Hall \$45,000.

Furthermore the following accounts were also lower than the revised budget: Consultancy \$559,000, Other Professional Fees \$755,000, System Software maintenance \$341,000 and various smaller variances spread throughout the City.

- Utilities ended the month \$(55,000) over the revised budget.
- Depreciation was \$(327,000) or 1% over the revised budget with Computers \$(224,000) and Buildings \$(70,000) being the major causes for this variance.
- The interest expense was over the revised budget by \$(181,000) on a year to date basis. This is primarily due to the actual interest on the Perth City Library loan \$(110,000), Elder Street Undercover Car Park \$(41,000) and the Convention Centre Car Park \$(25,000) being higher than originally anticipated.
- Loss on disposal of assets was \$562,000 below the revised budget, due to the slower than anticipated close out of capital projects. This variance has reduced by \$197,000 from last month and is expected to align closer to the revised budget by the end of the financial year.
- Other Expenditure was \$591,000 below the revised budget at the end of May. Mainly due to Donations and Sponsorship having expensed \$575,000 less than anticipated.

**Investing Activities**

- Capital expenditure was \$8.0 million less than the revised budget. Expenditure for the month was \$3.5 million with significant spend on the following projects: Council House lift equipment and controls upgrade \$756,000, Supreme Court Gardens \$584,000 and Railway Street / Market Street shared path \$343,000.
- Transfers to Reserves are running lower than the revised budget.



**FINANCIAL ACTIVITY STATEMENT FOR THE ELEVEN MONTHS TO  
31 MAY 2016**

**REPORT OF VARIANCES TO BUDGET**

**Financing Activities**

- Transfers from Reserves are below the revised budget by \$(6.5 million). This is due to slower than anticipated progress on capital expenditure.
- Funding from carry forwards expected in the revised budget is dependent on the progress of the capital works program and as a result was \$(1.4 million) below the revised budget.
- Proceeds from the disposal of assets or investments realised were \$1.5 million more than expected compared to the revised budget.
- Capital Grants were \$(2.3 million) less than the revised budget mainly due to slower than anticipated receipts of grants for Supreme Court Gardens \$1.7 million and Roe Street footpath project \$1.1 million.

**Amounts sourced from Rates**

- Rates revenue raised was \$481,000 above the revised budget. During April \$516,000 of interim rates were issued for 556 Wellington Street (new King Square development); with an additional \$81,000 of interims raised in the same location during May.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 May 2016

	Revised Budget 2015/16 \$	Budget YTD 31-May-16 \$	Actual YTD 31-May-16 \$	Variance YTD 31-May-16 \$
<b>Proceeds from Operating Activities</b>				
<b>Operating Revenue</b>				
<i>Nature of Income</i>				
Parking Fees	75,497,882	69,012,071	67,343,250	(1,668,821)
Fines and Costs	9,375,930	8,598,725	8,317,588	(281,137)
Investment Income and Interest	4,554,961	4,206,461	4,541,176	334,715
Community Service Fees	1,593,139	1,452,534	1,374,150	(78,384)
Rubbish Collection	7,574,971	7,554,010	7,457,992	(96,018)
Rentals and Hire Charges	5,082,241	4,614,940	4,689,536	74,596
Recurrent Grants	1,313,946	1,210,396	1,129,272	(81,124)
Contributions, Donations and Reimbursements	590,288	531,097	575,844	44,747
Other Income	4,470,302	4,161,968	4,486,345	324,377
	<b>110,053,661</b>	<b>101,342,202</b>	<b>99,915,152</b>	<b>(1,427,049)</b>
<b>Less: Operating Expenditure</b>				
<i>Nature of Expenditure</i>				
Employee Costs	69,255,188	62,491,584	61,943,742	547,842
Materials and Contracts	52,758,422	46,680,719	41,134,040	5,546,679
Utilities	3,239,008	2,912,825	2,968,222	(55,396)
Insurance Expenditure	1,133,992	1,043,290	1,082,588	(39,298)
Depreciation and Amortisation	30,186,643	27,734,239	28,060,848	(326,609)
Interest Expenses	1,359,057	1,255,468	1,436,625	(181,156)
Expense Provisions	962,345	880,943	863,813	17,130
Loss on Disposal of Assets	1,766,210	1,636,356	1,074,749	561,606
Other Expenditure	24,650,812	22,389,851	21,798,973	590,878
	<b>185,311,677</b>	<b>167,025,276</b>	<b>160,363,600</b>	<b>6,661,676</b>
Add back Depreciation	(30,186,643)	(27,734,239)	(28,060,848)	326,609
(Loss) / Profit on Disposals	(1,766,210)	(1,636,356)	(1,074,749)	(561,606)
	<b>153,358,824</b>	<b>137,654,681</b>	<b>131,228,002</b>	<b>6,426,679</b>
<b>Net Surplus/(Deficit) from Operations</b>	<b>(43,305,163)</b>	<b>(36,312,479)</b>	<b>(31,312,850)</b>	<b>4,999,629</b>
<b>Investing Activities</b>				
Capital Expenditure	(68,552,612)	(49,373,333)	(41,404,705)	7,968,627
Repayment of Borrowings	(6,441,707)	(5,816,566)	(5,816,566)	-
Transfers to Reserves	(28,251,928)	(3,901,088)	(4,051,489)	(150,401)
	<b>(103,246,247)</b>	<b>(59,090,987)</b>	<b>(51,272,760)</b>	<b>7,818,227</b>
<b>Financing Activities</b>				
Transfer from Reserves	30,575,818	29,961,157	23,510,250	(6,450,907)
Carry Forwards	21,681,358	12,615,465	11,195,201	(1,420,264)
Proceeds from Disposal of Assets/Investments	1,729,345	1,523,000	3,013,340	1,490,340
Distribution from TPRC	1,833,333	-	-	-
Capital Grants	6,489,865	5,280,865	3,027,454	(2,253,411)
	<b>62,309,719</b>	<b>49,380,487</b>	<b>40,746,245</b>	<b>(8,634,242)</b>
<b>Add: Opening Funds</b>	<b>636,302</b>	<b>636,302</b>	<b>636,302</b>	<b>-</b>
<b>Net Surplus/(Deficit) before Rates</b>	<b>(83,605,389)</b>	<b>(45,386,677)</b>	<b>(41,203,063)</b>	<b>4,183,614</b>
<b>Amount Sourced from Rates</b>	<b>82,953,186</b>	<b>82,704,781</b>	<b>83,186,148</b>	<b>481,367</b>
<b>Closing Funds</b>	<b>(652,203)</b>	<b>37,318,104</b>	<b>41,983,085</b>	<b>4,664,982</b>
<b>Net Cash on Hand</b>				
Cash On Hand	5,235,228	6,903,597	9,165,146	2,261,549
Money Market Investments	105,808,536	110,660,000	108,843,880	(1,816,120)
<b>Funds on Hand</b>	<b>111,043,764</b>	<b>117,563,597</b>	<b>118,009,026</b>	<b>445,429</b>
<b>Analysis of Funds on Hand</b>				
Reserves	86,889,850	64,566,815	63,507,163	(1,059,652)
Provisions	11,608,196	13,213,545	11,154,545	(2,059,000)
Carry forwards	-	5,494,704	4,972,583	(522,121)
Restricted Grants not yet utilised	-	310,292	202,122	(108,170)
General Funds	12,545,718	33,978,241	38,172,613	4,194,372
<b>Funds on Hand</b>	<b>111,043,764</b>	<b>117,563,597</b>	<b>118,009,026</b>	<b>445,429</b>

## CITY OF PERTH

## CURRENT POSITION AS AT THE END OF THE PERIOD 31-May-2016

	2015/16 Revised Budget	2015/16 Budget YTD	2015/16 Actual YTD	2015/16 Variance
	\$	\$	\$	\$
<b>Current Assets</b>				
Cash and Cash Equivalents	5,235,228	6,903,597	9,165,146	2,261,549
Deposits and Prepayments	1,655,094	1,959,517	3,060,933	1,101,416
Money Market Investments - Municipal Funds	18,918,686	46,093,185	45,336,717	(756,468)
Money Market Investments - Restricted Funds	86,889,850	64,566,815	63,507,163	(1,059,652)
Trade and Other Receivables	10,378,437	11,255,899	10,962,841	(293,058)
Inventories	2,721,425	1,778,225	968,739	(809,486)
<b>Total Current Assets</b>	<b>125,798,720</b>	<b>132,557,238</b>	<b>133,001,539</b>	<b>444,301</b>
<b>Current Liabilities</b>				
Trade and Other Payables	27,658,796	17,148,482	15,573,416	(1,575,066)
Employee Entitlements	11,608,196	11,621,854	11,154,545	(467,309)
Provisions	169,783	1,591,692	581,208	(1,010,484)
Borrowings	6,895,373	6,895,373	6,737,036	(158,337)
<b>Total Current Liabilities</b>	<b>46,332,148</b>	<b>37,257,401</b>	<b>34,046,205</b>	<b>(3,211,196)</b>
<b>Working Capital Position Brought Forward</b>	<b>\$ 79,466,572</b>	<b>\$ 95,299,837</b>	<b>\$ 98,955,334</b>	<b>\$ 3,655,497</b>
Deduct Restricted Cash Holdings	(86,889,850)	(64,566,815)	(63,507,163)	1,059,652
Deduct Unspent Borrowings	-	(310,292)	-	-
Deduct Restricted Capital Grants	-	(310,292)	(202,122)	108,170
Add Current Borrowings	6,771,075	6,895,373	6,737,036	(158,337)
<b>Current Funds Position Brought Forward</b>	<b>(652,202)</b>	<b>\$ 37,318,104</b>	<b>\$ 41,983,085</b>	<b>\$ 4,664,982</b>

# EXPLANATORY NOTES – FINANCIAL ACTIVITY STATEMENT

## BACKGROUND

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

## PURPOSE

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

## PRESENTATION

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

## FORMAT

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



CITY of PERTH

# **CITY of PERTH**

## **Financial Statements**

**For the 11 months ended 31 May 2016**

**CITY OF PERTH**

**MUNICIPAL**

*Statement of Comprehensive Income for the 11 months ended 31 May 2016*

*(By Program)*

	<i>Note</i>	<b>Budget 2015/2016</b>	<b>Revised Budget YTD</b>	<b>Actual YTD 31/05/2016</b>	<b>YTD Variance</b>	
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>
<b>OPERATING REVENUE</b>						
General Purpose Funding Rates		83,567,338	83,597,535	84,077,058	479,523	0.6%
General Purpose Funding Other		5,735,976	4,282,856	4,529,865	247,009	5.8%
Law, Order, Public Safety		46,225	15,511	26,149	10,638	68.6%
Health		864,920	818,815	889,880	71,065	8.7%
Education and Welfare		2,153,539	1,971,584	1,867,254	(104,330)	-5.3%
Housing		656,190	713,490	767,268	53,778	7.5%
Community Amenities		10,294,628	9,947,646	9,920,621	(27,025)	-0.3%
Recreation and Culture		1,859,860	1,569,689	1,656,479	86,790	5.5%
Transport		90,764,129	79,601,003	77,643,121	(1,957,882)	-2.5%
Economic Services		1,093,247	779,351	940,016	160,665	20.6%
Other Property and Services		717,071	749,230	783,183	33,953	4.5%
Total Operating Income		197,753,123	184,046,981	183,101,299	(945,682)	-0.5%
<b>OPERATING EXPENDITURE</b>						
Governance		11,262,129	11,136,345	10,490,481	645,864	5.8%
General Purpose Funding		3,089,672	3,333,234	3,441,595	(108,361)	-3.3%
Law, Order, Public Safety		3,868,851	3,242,993	3,350,742	(107,749)	-3.3%
Health		1,884,897	2,577,961	2,437,074	140,887	5.5%
Education and Welfare		3,870,122	3,250,789	3,230,830	19,959	0.6%
Housing		563,144	525,912	507,931	17,981	3.4%
Community Amenities		28,558,870	27,449,635	25,082,245	2,367,390	8.6%
Recreation and Culture		32,248,092	28,199,562	26,975,308	1,224,254	4.3%
Transport		85,571,552	74,523,427	71,717,931	2,805,496	3.8%
Economic Services		9,744,103	8,637,612	8,019,830	617,782	7.2%
Other Property and Services		7,266,137	2,370,994	3,837,905	(1,466,911)	-61.9%
Total Operating Expenditure		187,927,571	165,248,465	159,091,872	6,156,593	3.7%
<b>NET FROM OPERATIONS</b>		9,825,552	18,798,516	24,009,427	5,210,911	27.7%
<b>GRANTS/CONTRIBUTIONS</b>						
For the Development of Assets						
- General Purpose Funding		80,200	75,600	75,600	-	0.0%
- Recreation and Culture		3,207,250	2,790,000	1,078,974	(1,711,026)	-61.3%
- Transport		3,555,000	2,415,265	1,872,880	(542,385)	-22.5%
Total Grants/Contributions		6,842,450	5,280,865	3,027,454	(2,253,411)	-42.7%
<b>DISPOSAL/WRITE OFF OF ASSETS</b>						
Gain/(Loss) on Disposal of Assets	2	(1,558,253)	(1,636,355)	(1,074,750)	561,605	-34.3%
<b>Change in net assets resulting from operations before significant items</b>		15,109,749	22,443,026	25,962,131	3,519,105	15.7%
<b>SIGNIFICANT ITEMS</b>						
Distribution from TPRC		1,833,333	-	-	-	0.0%
(Loss) on Disposal of Investments		-	(3,655)	(3,655)	-	0.0%
<b>Change in net assets resulting from operations after significant items</b>		16,943,082	22,439,371	25,958,476	3,519,105	15.7%

**CITY OF PERTH**  
**MUNICIPAL**  
*Statement of Comprehensive Income for the 11 months ended 31 May 2016*  
*(By Nature)*

	Note	Budget 2015/2016	Revised Budget YTD	Actual YTD 31/05/2016	YTD Variance	
		\$	\$	\$	\$	%
<b>OPERATING REVENUE</b>						
Rates		82,692,367	82,704,781	83,186,148	481,367	0.6%
Grants and Contributions for Non Capital Purposes		1,508,499	1,210,396	1,129,272	(81,124)	-6.7%
Donations and Reimbursements		452,347	531,097	575,844	44,747	8.4%
Fees and Charges		105,979,915	93,946,676	92,224,951	(1,721,725)	-1.8%
Interest and Investment Income		5,157,319	4,206,461	4,541,176	334,715	8.0%
Other Revenue		1,962,676	1,447,571	1,443,909	(3,662)	-0.3%
Total Revenue from Operating Activities		197,753,123	184,046,981	183,101,299	(945,682)	-0.5%
<b>OPERATING EXPENDITURE</b>						
Employee Costs		69,135,566	62,491,584	61,943,742	547,842	0.9%
Materials and Contracts		52,838,709	46,680,719	41,134,040	5,546,679	11.9%
Utilities		3,069,080	2,912,825	2,968,222	(55,397)	-1.9%
Depreciation and Amortisation		34,211,101	27,734,239	28,060,848	(326,609)	-1.2%
Interest		1,836,750	1,255,468	1,436,625	(181,157)	-14.4%
Insurance		1,166,259	1,043,290	1,082,588	(39,298)	-3.8%
Expenses Provision		962,345	880,943	863,813	17,130	1.9%
Other Expenses from Ordinary Activities		24,707,761	22,249,396	21,601,994	647,402	2.9%
Total Expenses from Ordinary Activities		187,927,571	165,248,465	159,091,872	6,156,593	3.7%
Change in Net Assets from Ordinary Activities before Capital Amounts		9,825,552	18,798,516	24,009,427	5,210,911	27.7%
<b>GRANTS/CONTRIBUTIONS</b>						
Grants and Contributions- Capital		6,842,450	5,280,865	3,027,454	(2,253,411)	-42.7%
<b>NET OPERATING SURPLUS</b>		16,668,002	24,079,381	27,036,881	2,957,500	12.3%
<b>DISPOSAL/WRITE OFF OF ASSETS</b>	2	(1,558,253)	(1,636,355)	(1,074,750)	561,605	-34.3%
<b>SIGNIFICANT ITEMS</b>						
Distribution from TPRC		1,833,333	-	-	-	0.0%
(Loss) on Disposal of Investments		-	(3,655)	(3,655)	-	0.0%
<i>Change in net assets resulting from operations after capital amounts and significant items</i>		16,943,082	22,439,371	25,958,476	3,519,105	15.7%

**CITY OF PERTH  
MUNICIPAL**

*Statement of Financial Position as at 31 May 2016*

	Note	31/05/2016	30/06/2015
<b>CURRENT ASSETS</b>			
		\$	\$
Cash and Cash Equivalents	11	9,165,146	21,164,777
Deposits/Prepayments	4	3,060,933	1,339,244
Investments	3, 11	108,843,880	91,045,389
Trade and Other Receivables	5	10,793,422	8,355,249
Rates Receivable	1	169,419	64,096
Inventories		968,739	1,394,201
<b>TOTAL CURRENT ASSETS</b>		<b>133,001,539</b>	<b>123,362,956</b>
<b>NON CURRENT ASSETS</b>			
Investments	3	5,081,539	7,110,313
Trade and Other Receivables	5	32,434	39,567
Property, Plant and Equipment	8	651,028,031	659,937,053
Infrastructure	8	470,994,447	480,607,504
Capital Work in Progress	8	96,678,759	69,215,093
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,223,815,210</b>	<b>1,216,909,530</b>
<b>TOTAL ASSETS</b>		<b>1,356,816,749</b>	<b>1,340,272,486</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	6	15,573,416	19,155,304
Employee Benefits	7	11,154,545	11,405,126
Provisions	7	581,208	703,725
Loan Liability	9	6,737,036	6,441,709
<b>TOTAL CURRENT LIABILITIES</b>		<b>34,046,205</b>	<b>37,705,864</b>
<b>NON CURRENT LIABILITIES</b>			
Employee Benefits	7	1,891,737	1,891,737
Provisions	7	4,227,002	3,869,667
Loan Liability	9	30,215,109	36,327,002
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>36,333,848</b>	<b>42,088,406</b>
<b>TOTAL LIABILITIES</b>		<b>70,380,053</b>	<b>79,794,270</b>
<b>NET ASSETS</b>		<b>\$1,286,436,696</b>	<b>\$1,260,478,216</b>
<b>EQUITY</b>			
Accumulated Surplus		659,710,516	612,108,619
Asset Revaluation Reserve	10	560,560,439	560,795,095
Reserves	10	66,165,741	87,574,502
<b>TOTAL EQUITY</b>		<b>\$1,286,436,696</b>	<b>\$1,260,478,216</b>



**CITY OF PERTH  
MUNICIPAL**

*Statement of Changes in Equity for the 11 months ended 31 May 2016*

	Accumulated Surplus	Asset Revaluation Reserve	Cash Backed Reserves	Total Equity
<b>Balance at 1 July 2014</b>	\$ 587,289,902	\$ 372,942,447	\$ 85,605,577	\$ 1,045,837,926
Change in net assets resulting from operations	214,640,290	-	-	214,640,290
Transfer to Cash Backed Reserves	(25,386,259)	-	25,386,259	-
Transfers to Asset Revaluation Reserve	(189,027,761)	189,027,761	-	-
Transfers from Asset Revaluation Reserve	1,175,113	(1,175,113)	-	-
Transfer from Cash Backed Reserves	23,417,344	-	(23,417,344)	-
<b>Balance at 30 June 2015</b>	<b>\$612,108,629</b>	<b>\$560,795,095</b>	<b>\$87,574,492</b>	<b>\$1,260,478,216</b>
<b>Balance at 1 July 2015</b>	\$ 612,108,629	\$ 560,795,095	\$ 87,574,492	\$ 1,260,478,216
Change in net assets resulting from operations	25,958,476	-	-	25,958,476
Transfer to Cash Backed Reserves	(4,051,489)	-	4,051,489	-
Transfers to Asset Revaluation Reserve	(12,368)	12,368	-	-
Transfers from Asset Revaluation Reserve	247,023	(247,023)	-	-
Transfer from Cash Backed Reserves	25,460,250	-	(25,460,250)	-
<b>Balance at the end of the reporting period</b>	<b>\$659,710,520</b>	<b>\$560,560,440</b>	<b>\$66,165,732</b>	<b>\$1,286,436,692</b>

**CITY OF PERTH  
MUNICIPAL**

*Statement of Cash Flows for the 11 months ended 31 May 2016*

	Note	Budget 2015/2016	YTD Actual 31/05/2016	YTD Variation	
		\$	\$	\$	%
<b>Cash Flows from Operating Activities</b>					
<b>Receipts</b>					
Rates		82,681,333	83,070,695	389,362	0.5%
Fees and Charges		104,237,072	89,770,403	(14,466,669)	-13.9%
Interest		5,009,468	4,357,956	(651,512)	-13.0%
Other		5,485,536	1,792,109	(3,693,427)	-67.3%
		197,413,411	178,991,163	(18,422,248)	-9.3%
<b>Payments</b>					
Employee Costs		(68,531,216)	(62,885,381)	5,645,835	8.2%
Materials and Contracts		(50,557,095)	(45,249,575)	5,307,520	10.5%
Interest		(1,686,749)	(1,399,527)	287,222	17.0%
Other		(24,363,418)	(25,854,205)	(1,490,787)	-6.1%
		(145,138,478)	(135,388,688)	9,749,790	6.7%
Net Cash Flows from Operating Activities	12	52,274,932	43,602,475	(8,672,457)	16.6%
<b>Cash Flows from Investing Activities</b>					
<b>Receipts</b>					
Distribution from TPRC		1,833,333	-	(1,833,333)	-100.0%
Proceeds from Disposal of Assets		1,523,000	988,221	(534,779)	-35.1%
Proceeds from Disposal of Investments(Non Current)		-	2,025,119	2,025,119	0.0%
<b>Payments</b>					
Purchase Land and Buildings		(13,036,542)	(19,835)	13,016,707	-99.8%
Purchase Infrastructure Assets		(37,840,203)	(500,202)	37,340,001	-98.7%
Purchase Plant and Mobile Equipment		(3,347,436)	(2,306,308)	1,041,128	31.1%
Purchase Office Furniture and Equipment		(561,648)	(387,429)	174,219	-31.0%
Work in Progress		-	(36,170,986)	(36,170,986)	0.0%
		(54,785,829)	(39,384,760)	15,401,069	28.1%
Net Cash Flows from Investing Activities		(51,429,496)	(36,371,420)	15,058,076	29.3%
<b>Cash Flows from Financing Activities</b>					
Repayment of Borrowings		(6,441,707)	(5,816,566)	625,141	9.7%
		(6,441,707)	(5,816,566)	625,141	9.7%
<b>Cash Flows from Government and Other Parties</b>					
<b>Receipts from Appropriations/Grants</b>					
Recurrent		1,760,075	1,356,916	(403,159)	-22.9%
Capital		6,842,450	3,027,454	(3,814,996)	-55.8%
		8,602,525	4,384,370	(4,218,155)	-49.0%
Net Increase (Decrease) in Cash Held		3,006,254	5,798,859	2,792,605	92.9%
<b>Cash at 1 July 2015</b>		107,033,620	112,210,166	5,176,546	4.8%
<b>Cash at 31 May 2016</b>	11	110,039,874	118,009,026	7,969,152	7.2%

**MUNICIPAL**

**Notes to the Balance Sheet for the 11 months ended 31 May 2016**

**1 Rates Receivable**

	<b>Actual YTD 31/05/2016</b>	<b>2014/15 YTD 31/05/2015</b>
	\$	\$
Outstanding Amount at 30 June 2015	64,096	52,088
Rates Levied for the Year	83,238,540	75,984,555
Late Payment Penalties	109,543	82,996
Ex Gratia Rates	17,464	10,283
Rates Administration Fee	295,252	297,941
Rates Instalment Interest	341,842	317,691
Back Rates	(69,855)	(142,029)
Bins Levy	33,737	3,887
	84,030,619	76,607,412
Amount Received during the Period	83,861,200	76,432,872
Outstanding Amount at 31 May 2016	<b>\$169,419</b>	<b>\$174,540</b>

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

	<b>Annual Budget</b>	<b>Actual YTD 31/05/2016</b>
	\$	\$
<b>Land and Buildings</b>		
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold/written off	-	29,092
(Loss) on Disposal/Write Off	-	(29,092)
<b>Infrastructure</b>		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,721,201	1,024,055
(Loss) on Write Off	(1,721,201)	(1,024,055)
<b>Plant and Mobile Equipment</b>		
Proceeds on Disposal	1,523,000	987,531
Less: Carrying amount of assets sold/written off	1,360,052	978,148
Profit on Disposal/Write Off	162,948	9,383
<b>Furniture and Equipment</b>		
Proceeds on Disposal	-	690
Less: Carrying amount of assets sold /written off	-	31,676
(Loss) on Disposal/Write Off	-	(30,986)
<b>Gain/(Loss) on Disposal/Write off of Assets</b>	<b>(\$1,558,253)</b>	<b>(\$1,074,750)</b>

**3 Investments**

<b>Current</b>	<b>31/05/2016</b>	<b>30/06/2015</b>
<b>Short Term Cash Investments *</b>	\$	\$
Call Funds	5,100,489	23,629
Bank/Term Deposits	99,500,000	83,900,000
Managed Funds	4,243,391	4,118,105
Floating Rate Notes (FRN)	-	3,003,655
<b>Total Current Investments</b>	<b>\$108,843,880</b>	<b>\$91,045,389</b>

\* Short Term Cash Investments as stated in Note 11.

<b>Non Current Investments</b>	<b>31/05/2016</b>	<b>30/06/2015</b>
	\$	\$
Mortgage Backed Securities (MBS)	2,658,569	2,766,406
	2,658,569	2,766,406
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	420,412	398,074
Equity in Tamala Park Regional Council	1,992,558	3,935,833
	<b>\$5,081,539</b>	<b>\$7,110,313</b>

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2016

4 Deposits/Prepayments

	31/05/2016	30/06/2015
	\$	\$
Prepaid Insurance	198,832	-
Prepaid Parking Bay Licence Fees	1,427,057	91,560
Other	1,435,044	1,247,684
	<b>\$3,060,933</b>	<b>\$1,339,244</b>

5 Trade And Other Receivables

	31/05/2016	30/06/2015
<b>Current</b>	\$	\$
Emergency Services Levy (ESL)	133,123	63,463
Accrued Interest and Investment Income	783,517	600,296
Accrued Income	1,342,500	1,251,900
Modified Penalties/Fines and Costs	7,626,403	7,156,124
Debtors - General		
Australian Taxation Office - GST Refundable	10,112	479,963
Works and Services	37,924	156,225
Other Debtors	4,130,895	1,701,472
	14,064,474	11,409,443
Less: Provision for Doubtful Debts	(3,271,052)	(3,054,194)
	<b>\$10,793,422</b>	<b>\$8,355,249</b>
<b>Non Current</b>		
Pensioners' Rates Deferred	32,434	39,567
	<b>\$32,434</b>	<b>\$39,567</b>

6 Trade And Other Payables

	31/05/2016	30/06/2015
<b>Current</b>	\$	\$
Trade Creditors	8,632,736	13,260,443
Emergency Services Levy	398,007	-
Interest Payable on Loans	278,113	241,015
Accrued Expenses - Operating	2,626,768	2,617,565
Accrued Expenses - Capital	346,049	360,328
Advances Received for Recoverable Works	54,169	77,424
Income Received / Raised in Advance	815,986	871,600
Other Creditors	2,421,588	1,726,929
	<b>\$15,573,416</b>	<b>\$19,155,304</b>

**MUNICIPAL**

**Notes to the Balance Sheet for the 11 months ended 31 May 2016**

**7 Employee Benefits**

	31/05/2016	30/06/2015
<b>Current</b>	<b>\$</b>	<b>\$</b>
<b>Leave Entitlements</b>		
Annual Leave	4,513,445	4,795,260
Self Funded Leave	244,001	270,891
Long Service Leave	6,271,850	6,189,337
Recognition of Employees- Presentations	125,249	149,638
	<b>\$11,154,545</b>	<b>\$11,405,126</b>
<b>Non Current</b>		
Annual Leave	838,090	838,090
Long Service Leave	1,053,647	1,053,647
	<b>\$1,891,737</b>	<b>\$1,891,737</b>

**Provisions**

	31/05/2016	30/06/2015
<b>Current</b>	<b>\$</b>	<b>\$</b>
Workers Compensation	581,208	703,725
	<b>\$581,208</b>	<b>\$703,725</b>
<b>Non Current</b>		
Provision for Equipment Replacement PCEC	4,227,002	3,869,667
	<b>\$4,227,002</b>	<b>\$3,869,667</b>

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

	31/05/2016	30/06/2015
	<b>\$</b>	<b>\$</b>
Land and Air Rights - at cost/fair value	380,359,193	380,366,194
Less: Accumulated Depreciation	(3,088,766)	(2,570,139)
	377,270,427	377,796,055
Buildings - at fair value	380,652,637	379,893,679
Less: Accumulated Depreciation	(153,447,034)	(146,015,858)
	227,205,603	233,877,821
Improvements - at fair value	8,010,841	8,010,841
Less: Accumulated Depreciation	(4,819,900)	(4,564,395)
	3,190,941	3,446,446
Infrastructure Assets - at cost/fair value	742,587,827	741,999,706
Less: Accumulated Depreciation	(271,593,380)	(261,392,201)
	470,994,447	480,607,505
Plant and Mobile Equipment - at cost/fair value	46,909,691	45,505,811
Less: Accumulated Depreciation	(28,069,850)	(25,351,476)
	18,839,841	20,154,335
Office Furniture and Equipment - at cost/fair value	38,502,677	36,740,437
Less: Accumulated Depreciation	(14,776,729)	(12,873,309)
	23,725,948	23,867,128
Agricultural - at cost	795,271	795,271
Less: Accumulated Depreciation	-	-
	795,271	795,271
Property, Plant and Equipment	1,122,022,478	1,140,544,561
Work in Progress - at cost	96,678,759	69,215,093
	96,678,759	69,215,093
<b>Total Property, Plant and Equipment and Work in Progress</b>	<b>\$1,218,701,237</b>	<b>\$1,209,759,650</b>

MUNICIPAL

Notes to the Balance Sheet for the 11 months ended 31 May 2016

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

	Balance 30/06/2015	Acquisitions Actual YTD 31/05/2016	Transfers Actual YTD 31/05/2016	Disposals/ Write off/ Actual YTD 31/05/2016	Revaluation Actual YTD 31/05/2016	Balance 31/05/2016
	\$	\$	\$	\$		\$
Land and Air Rights	380,366,194	-	-	(7,000)	-	380,359,194
Buildings	379,893,679	19,834	821,425	(82,300)	-	380,652,638
Improvements	8,010,841	1	-	-	-	8,010,842
Infrastructure Assets	741,999,706	500,202	4,257,858	(4,169,938)	-	742,587,828
Plant and Mobile Equipment	45,505,811	2,306,308	1,561,974	(2,464,402)	-	46,909,691
Office Furniture and Equipment	36,740,437	387,429	1,746,709	(371,898)	-	38,502,677
Agricultural	795,271	-	-	-	-	795,271
Work in Progress	69,215,093	36,156,707	(8,693,041)	-	-	96,678,759
	<b>\$1,662,527,032</b>	<b>\$39,370,481</b>	<b>(305,075)</b>	<b>(\$7,095,538)</b>	-	<b>\$1,694,496,900</b>

9 Loan Liability

	31/05/2016	30/06/2015
<b>Current</b>		
Loans - Western Australian Treasury Corporation	\$ 6,737,036	\$ 6,441,709
<b>Non Current</b>		
Loans - Western Australian Treasury Corporation	30,215,109	36,327,002

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2015	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 31/05/2016
	\$	\$	\$	\$
Refuse Disposal and Treatment	2,843,524	248,816	-	3,092,340
Concert Hall - Refurbishment and Maint.	4,826,518	141,518	(131,881)	4,836,155
Asset Enhancement	29,008,935	713,943	(7,186,819)	22,536,059
Street Furniture Replacement	540,334	16,076	-	556,410
Parking Levy	17,132,501	3,568	(17,012,592)	123,477
Art Acquisition	315,397	8,953	(9,536)	314,814
Heritage Incentive	587,371	20,722	-	608,093
Parking Facilities Development	23,952,738	695,890	(1,119,422)	23,529,206
Employee Entitlements	1,053,647	890,902	-	1,944,549
David Jones Bridge	277,223	8,255	-	285,478
Bonus Plot Ratio	595,996	17,733	-	613,729
PCEC Fixed Plant Replacement	3,869,667	357,335	-	4,227,002
Enterprise and Initiative	2,570,651	927,778	-	3,498,429
	87,574,502	4,051,489	(25,460,250)	66,165,741
* Asset Revaluation	560,795,095	12,368	(247,023)	560,560,440
	<b>\$648,369,597</b>	<b>\$4,063,857</b>	<b>(\$25,707,273)</b>	<b>\$626,726,181</b>

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

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Notes to the Balance Sheet for the 11 months ended 31 May 2016

11 Cash Reconciliation

	31/05/2016	30/06/2015
	\$	\$
Cash and Cash Equivalents	9,165,146	21,164,777
Short Term Cash Investments	108,843,880	91,045,389
	<b>\$118,009,026</b>	<b>\$112,210,166</b>

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

	31/05/2016	30/06/2015
	\$	\$
Change in Net Assets Resulting from Operations	25,962,131	18,136,854
Adjustment for items not involving the movement of Funds:		
Depreciation	28,060,848	29,115,795
Doubtful Debts	216,858	267,593
(Gain)/Loss on Disposal/Write off/Contribution of Assets	1,074,750	2,584,345
	55,619,662	50,104,587
Revenues Provided By :		
Government Grants	(4,334,480)	(4,039,166)
Contribution from Other Parties	(49,890)	(15,000)
	(4,384,370)	(4,054,166)
Change in Operating Assets and Liabilities		
<b>Add Back</b>		
Decrease in Inventories	425,462	713,171
Decrease in Deposits and Prepayments	-	81,566
Decrease in Accrued Interest and Dividend Income	-	749,725
Decrease in Debtors	-	1,650,216
Decrease in Deferred Debtors	7,133	4,638
Decrease in Accrued Income	-	-
Increase in Income Received /Raised in Advance	-	21,429
Increase in Accrued Interest Payable	37,098	-
Increase in Accrued Expenses	9,203	-
Increase in Provisions	-	1,084,280
<b>Deduct</b>		
Decrease in Trade and Other Payables	(3,535,041)	(836,489)
Decrease in Income Received /Raised in Advance	(78,869)	-
Decrease in Accrued Interest Payable	-	(43,792)
Decrease in Provisions	(15,763)	-
Decrease in Accrued Expenses	-	(201,269)
Increase in Trade and Other Receivables	(2,486,534)	-
Increase in Prepayments	(1,721,689)	-
Increase in Accrued Income	(90,600)	(420,854)
Increase in Accrued Interest and Investment Income	(183,220)	-
	(7,632,820)	2,802,621
Net Cash Provided by Operating Activities	<b>\$43,602,475</b>	<b>\$48,853,042</b>

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Notes to the Balance Sheet for the 11 months ended 31 May 2016

13 Ratios

	31/05/2016	30/06/2015
<b>1 Current Ratio</b>		
<u>Current Assets minus Restricted Assets</u>		
<u>Current Liabilities minus Liabilities</u> associated with Restricted Assets	2.04	1.02
<b>2 Debt Ratio</b>		
<u>Total Liabilities</u>		
Total Assets	5.19%	5.95%
<b>3 Debt Service Ratio</b>		
<u>Debt Service Cost</u>		
Available Operating Revenue	4.22%	4.48%
<b>4 Rate Coverage Ratio</b>		
<u>Net Rate Revenue</u>		
Operating Revenue	45.92%	40.92%
<b>5 Outstanding Rates Ratio</b>		
<u>Rates Outstanding</u>		
Rates Collectable	0.20%	0.08%
<b>6 Untied Cash to Unpaid Creditors Ratio</b>		
<u>Untied Cash</u>		
Unpaid Trade Creditors	6.31	2.07
<b>7 Gross Debt to Revenue Ratio</b>		
<u>Gross Debt</u>		
Total Revenue	20.18%	22.93%
<b>8 Gross Debt to Economically Realisable Assets Ratio</b>		
<u>Gross Debt</u>		
Economically Realisable Assets	4.17%	4.98%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.05.2016



# **CITY OF PERTH**

**FAS GRAPHS**

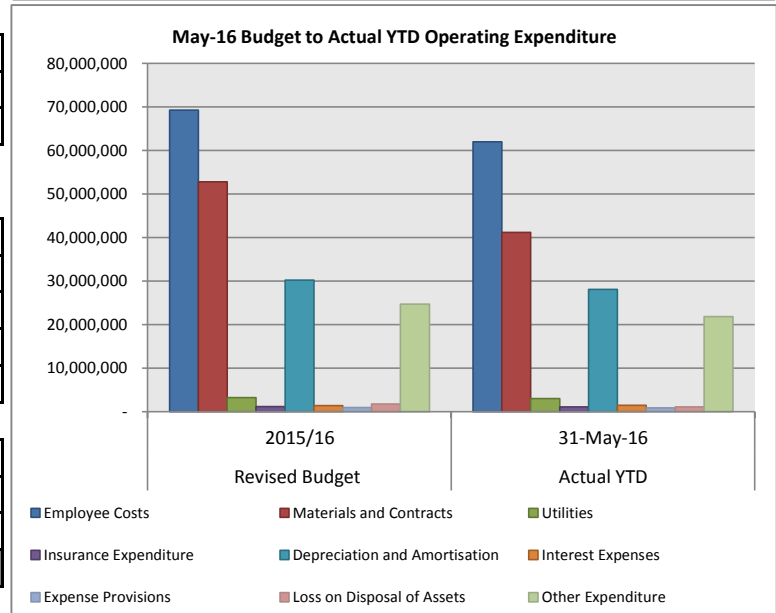
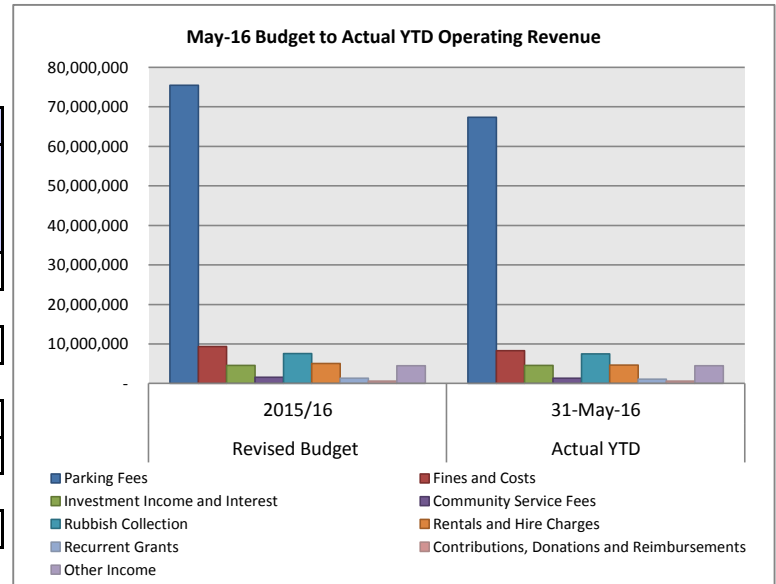
**May-16**

# CONTENTS

<u>Section</u>	<u>Description</u>	<u>Page</u>
	Contents	2
1	Financial Activity Statement	3
2	Cash	4
3	Summary Operating Statement	5
4	Summary Statement of Financial Position	6
5	Ratio Analysis	7

# Financial Activity Statement

Proceeds from Operating Activities	Annual	Year To Date May-16		
	Revised Budget 2015/16 \$000s	Budget YTD \$000s	Actual \$000s	Variance \$000s
<b>Operating Revenue</b>	110,054	101,342	99,915	-1,427
<b>Less: Operating Expenditure</b>	185,312	167,025	160,364	6,661
<b>Add back Depreciation</b>	-30,187	-27,734	-28,061	327
<b>(Loss)/Profit on Disposals</b>	-1,766	-1,636	-1,075	-561
<b>Net Surplus/(Deficit) from Operations</b>	<b>-43,305</b>	<b>-36,312</b>	<b>-31,313</b>	<b>5,000</b>
<b>Investing Activities</b>				
Capital Expenditure	-68,553	-49,373	-41,405	7,968
Repayment of Borrowings	-6,442	-5,817	-5,817	0
Transfers to Reserves	-28,252	-3,901	-4,051	-150
<b>Financing Activities</b>				
Transfers from Reserves	30,576	29,961	23,510	-6,451
Carry Forwards	21,681	12,615	11,195	-1,420
Proceeds from Disposal of Assets	1,729	1,523	3,013	1,490
Distribution from TPRC	1,833	0	0	0
Capital Grants	6,490	5,281	3,027	-2,254
<b>Net Surplus/(Deficit) before Rates</b>	<b>-83,605</b>	<b>-45,387</b>	<b>-41,203</b>	<b>4,184</b>
Add: Opening Funds	636	636	636	0
Less: Closing Funds	-652	37,318	41,983	4,665
<b>Amount Sourced from Rates</b>	<b>82,953</b>	<b>82,705</b>	<b>83,186</b>	<b>481</b>

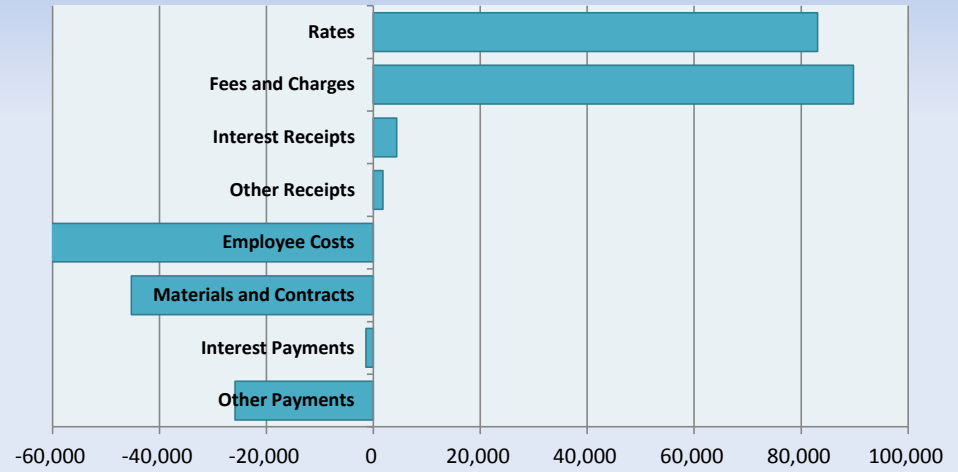


**Cash**

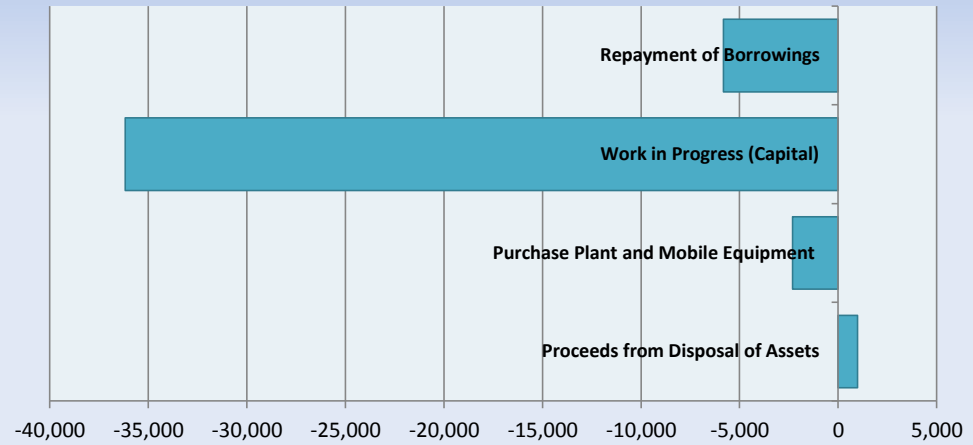
**SUMMARY CASH FLOW STATEMENT**

	Budget \$'000s 2015/2016	YTD Actual \$'000s May-16
Receipts from Customers	197,413	178,991
Payments to Suppliers and Creditors	-145,138	-135,389
Net Cash Inflow/Outflow from Operating Activities	52,275	43,602
Net Cash Inflow/Outflow from Investing Activities	-51,429	-36,371
Net Cash Inflow/Outflow from Financing Activities	-6,442	-5,817
Cash Flows from Government and Other Parties	8,603	4,384
Cash at 1 July 2015	107,034	112,210
Net Increase (Decrease) in Cash Held	3,006	5,799
Cash at 31 May 2016	110,040	118,009

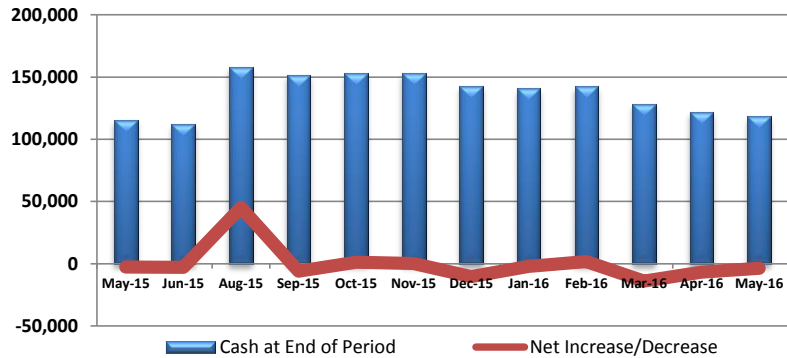
**Cash Flows from Operating Activities \$'000s**



**Cash Flows from Investing Activities \$'000s**

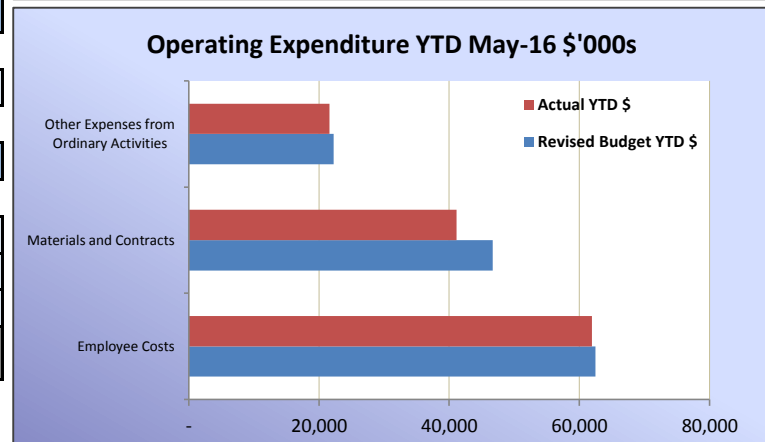
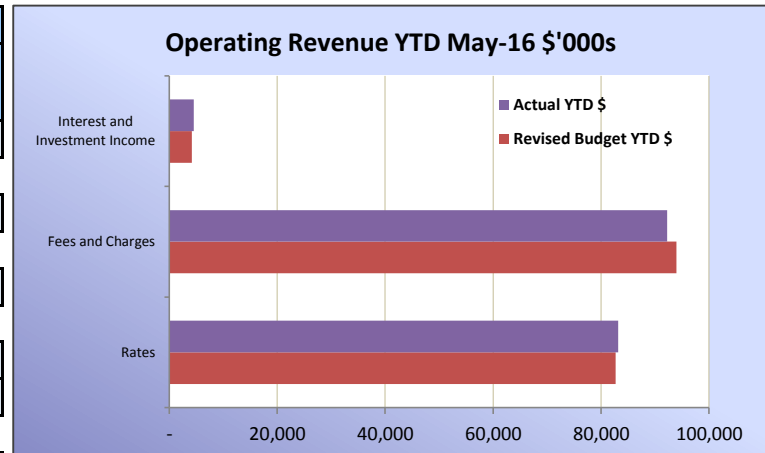


**Monthly Cash Movements to May-16 \$'000s**



## Summary Operating Statement

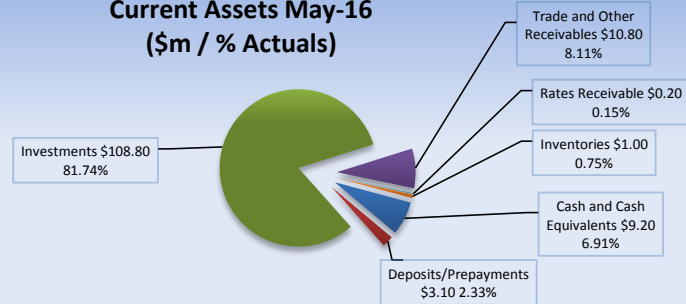
	2015/2016	Year To Date		
	Original Budget \$000	Revised Budget \$000s	Actual \$000s	Variance \$000s
<b>Operating Revenue</b>	197,753	184,047	183,101	-946
<b>less Operating Expenses</b>	-151,880	-136,259	-129,595	6,664
<b>Earnings before Interest and Depreciation (EBID)</b>	45,873	47,788	53,506	5,718
<b>less Interest Expense</b>	-1,837	-1,255	-1,437	-181
<b>less Depreciation</b>	-34,211	-27,734	-28,061	-327
<b>Operating Surplus/(Deficit)</b>	9,825	18,799	24,008	5,209
<b>Grants and Contributions- Capital</b>	6,842	5,281	3,027	-2,253
<b>NET OPERATING SURPLUS</b>	16,667	24,080	27,035	2,955
<b>DISPOSAL/WRITE OFF OF ASSETS</b>	-1,558	-1,636	-1,075	561
Distribution from TPRC	1,833	0	0	0
(Loss) on Disposal of Investments	0	-4	-4	0
<b>Change in net assets resulting from operations after capital amounts and significant items</b>	16,943	22,439	25,958	3,519



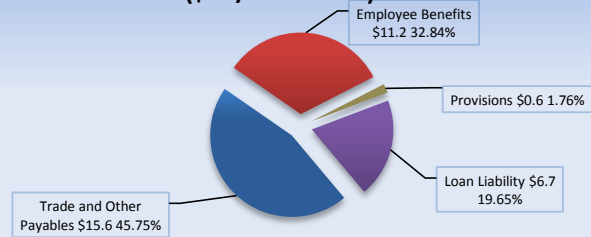
## Summary Statement of Financial Position

	31-May-16	30-Jun-15
	Actual \$000s	Actual \$000s
Total Current Assets	133,002	123,363
Total Non Current Assets	1,223,815	1,216,910
<b>TOTAL ASSETS</b>	<b>1,356,817</b>	<b>1,340,273</b>
Total Current Liabilities	34,046	37,706
Total Non Current Liabilities	36,334	42,088
<b>TOTAL LIABILITIES</b>	<b>70,380</b>	<b>79,794</b>
<b>NET ASSETS</b>	<b>1,286,437</b>	<b>1,260,478</b>
<b>COMMUNITY EQUITY</b>		
Accumulated Surplus	659,711	612,109
Asset Revaluation Reserve	560,560	560,795
Reserves (Cash Backed)	66,166	87,575
<b>TOTAL EQUITY</b>	<b>1,286,437</b>	<b>1,260,478</b>

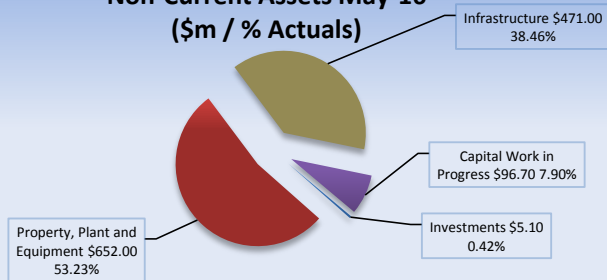
**Current Assets May-16**  
(\$m / % Actuals)



**Current Liabilities May-16**  
(\$m / % Actuals)



**Non-Current Assets May-16**  
(\$m / % Actuals)



**Non-Current Liabilities May-16**  
(\$m / % Actuals)



## Ratio Analysis

	May-16
Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets)	2.04

**Ability to generate working capital to meet our commitments**  
Target is greater than 2.00

	May-16
Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD)	6.77

**Ability to fund capital and exceptional expenditure**  
Target is greater than 1.5

	May-16
Rate Coverage Ratio (Net Rate Revenue/Operating Revenue)	45.92%

**Ability to reduce rates to ratepayers**  
Target is less than 40.00% - The percentage will diminish as the bulk of the rates are raised in July

	May-16
Debt Service Ratio (Interest and principal repayments/Available Operating Revenue)	4.22%

**Ability to service loans including principal and interest**  
Target is less than 10.0%

	May-16
Cash Capacity in Months (Cash < 90 days invest / (Cash Operating Costs divided by 11 months)	3.51

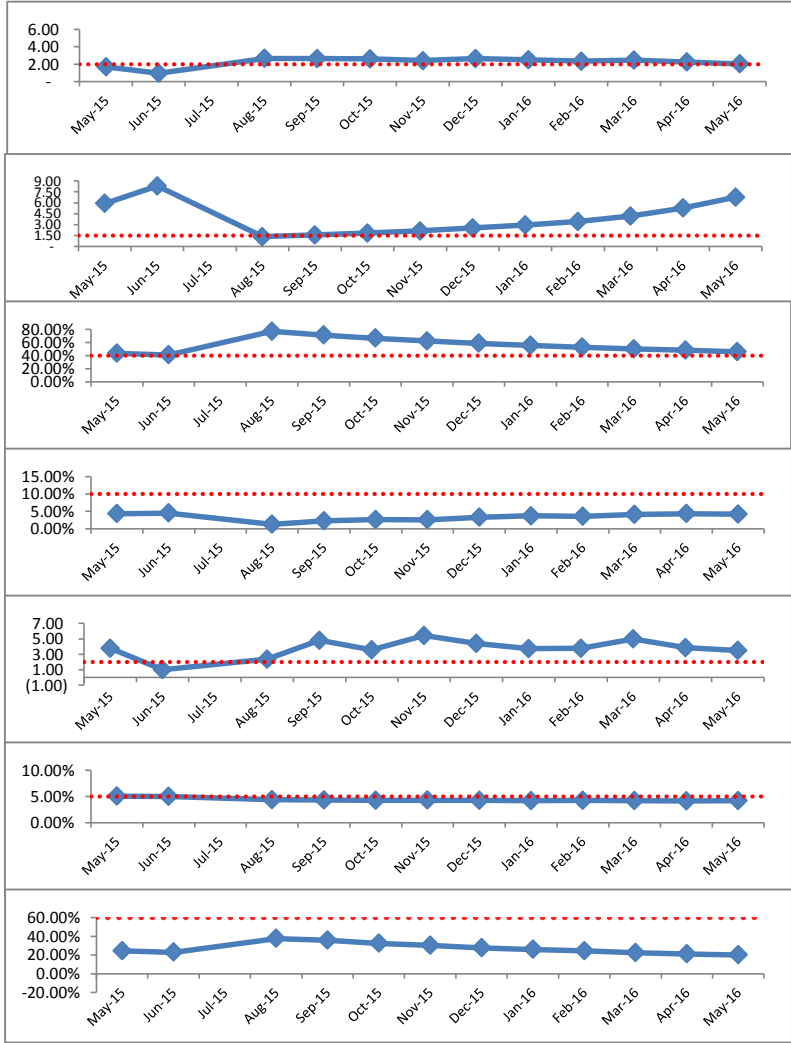
**Ability to manage cashflow**  
Target is greater than 2.0 months

	May-16
Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets)	4.17%

**Ability to retire debt from readily realisable assets**  
Target is greater than 5.0%

	May-16
Gross Debt to Revenue Ratio (Gross Debt / Total Revenue)	20.18%

**Ability to service debt out of total revenue**  
Target is less than 60.0%



Finance and Administration Committee  
Confidential Schedules 3 and 4  
(Minute FA167/16 refers)

Distributed to Elected Members under separate cover

Bound in Consolidated Committee  
Confidential Minute Book  
Volume 1 2016