



CITY of PERTH

Lord Mayor and Councillors,

NOTICE IS HEREBY GIVEN that the next meeting of the **Finance and Administration Committee** will be held in Committee Room 1, Ninth Floor, Council House, 27 St Georges Terrace, Perth on **Tuesday, 23 August 2016 at 4.00pm.**

Yours faithfully

**MARTIN MILEHAM
CHIEF EXECUTIVE OFFICER**

18 August 2016

Committee Members (appointed 22 October 2015):

Members:

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

1st Deputy:

Cr Green

2nd Deputy:

Cr Yong

EMERGENCY GUIDE

Council House, 27 St Georges Terrace, Perth



CITY of PERTH

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

BUILDING ALARMS

Alert Alarm and Evacuation Alarm.

ALERT ALARM

beep beep beep

All Wardens to respond.

Other staff and visitors should remain where they are.

EVACUATION ALARM/PROCEDURES

whoop whoop whoop

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

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



EVACUATION ASSEMBLY AREA



 Assembly Area

 Alternate Assembly Area

FINANCE AND ADMINISTRATION COMMITTEE

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

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

Quorum: Two
Expiry: October 2017

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

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

(Cont'd)

NOTE:

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

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

This meeting is open to members of the public.

INFORMATION FOR THE PUBLIC ATTENDING COMMITTEE MEETINGS

Question Time for the Public

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

Deputations

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

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

Disclaimer

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

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**FINANCE AND ADMINISTRATION COMMITTEE
23 AUGUST 2016**

ORDER OF BUSINESS

- 1. Declaration of Opening**
- 2. Apologies and Members on Leave of Absence**
- 3. Question Time for the Public**
- 4. Confirmation of Minutes – 2 August 2016**
- 5. Correspondence**
- 6. Disclosure of Members' Interests**
- 7. Matters for which the Meeting may be Closed**

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

Schedule No.	Item No. and Title	Reason
N/A	Confidential Item 6 – Class Action For the Recovery of GST	5.23(2)(d)

- 8. Reports**
- 9. Motions of which Previous Notice has been Given**
- 10. General Business**
 - 10.1 Responses to General Business from a Previous Meeting**
 - **Potential Establishment of a Northbridge Chinatown Improvement Reference Group**

(Cont'd)

The A/Director Economic Development and Activation advises that this matter is being investigated and will be included as a future report for consideration by the Planning Committee.

- **City of Perth Citizenship Ceremonies**

The A/Director Economic Development and Activation advises that this matter is being investigated and an update will be provided to the Committee when available.

- **City of Perth Financial Revenue Information**

The Manager Finance provided the requested information by email to the Committee members on 5 August 2016 (TRIM 141346/16).

10.2 New General Business

11. Items for Consideration at a Future Meeting

Outstanding Reports:

- **Council Dining Room (raised FA30/09/14, updated 21/04/15)**
- **Council Policy 1.9 – Public Relations (raised FA21/06/16, updated 12/07/16)**
- **Standing Orders Local Law Review (raised FA21/06/16)**

The Manager Governance will provide a verbal update on this item at the Finance and Administration Committee meeting to be held on Tuesday, 23 August 2016.

12. Closure

INDEX OF REPORTS

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ITEM NO: 1

PAYMENTS FROM MUNICIPAL AND TRUST FUNDS – JULY 2016

RECOMMENDATION: (APPROVAL)

That in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, the list of payments made under delegated authority for the month ended 31 July 2016, be received and recorded in the Minutes of the Council, the summary of which is as follows:

FUND	PAID
Municipal Fund	\$ 36,786,620.68
Trust Fund	\$ 0.00
TOTAL:	\$36,786,620.68

BACKGROUND:

FILE REFERENCE: P1032265-46
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 2 August 2016
MAP / SCHEDULE: TRIM 138062/16 (available on the Elected Members Portal)

LEGISLATION / STRATEGIC PLAN / POLICY:

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

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

COMMENTS:

Payments for the month of July 2016 included the following significant items:

- \$17,278,906.10 to the Commissioner of State Revenue for the 2016/17 Perth Parking Licence Fees in relation to the City of Perth's off-street and on-street parking facilities.

- \$1,459,243.48 to LGIS WA for the first instalment of the City of Perth's insurance renewals for 2016/17.
- \$1,404,409.28 to the Western Australian Treasury Corporation for loan payments of \$711,834.69 for the City of Perth Library and Public Plaza Project; \$560,574.81 for the Elder Street Carpark; and \$131,999.78 for the Government Guarantee fee on all loan payments made in the six months ended 30 June 2016.

ITEM NO: 2

INVESTMENTS AND INVESTMENT RETURNS FOR THE PERIOD ENDED 31 JULY 2016

RECOMMENDATION: (INFORMATION)

That the Finance and Administration Committee receives the report detailing investments and investment returns for the period ended 31 July 2016, as detailed in Schedule 1.

BACKGROUND:

FILE REFERENCE: P1031639-14
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 10 August 2016
MAP / SCHEDULE: Schedule 1 – Investment Report for the period ended 31 July 2016 and Short Term Investments

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

This report reviews the results for the month of July 2016.

LEGISLATION / STRATEGIC PLAN / POLICY:

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

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

Policy
Policy No and Name: 9.3 – Management of Investments

DETAILS:

	Actual	Budget	Variation
	\$	\$	\$
Interest Earnings	536,501	300,722	235,779

Average Rate	7.05%
Benchmark Rate	2.06%
RBA Cash Rate	1.75%

*Figures exclude interest on rate arrears.

Call Accounts

Balance at 31 July 2016	\$34.3 million
Interest Earned	\$47,399
Rate for balances over \$2 million	2.00%

Cash at call balances were high in July 2016 due to funds held to pay year end creditors including the Parking Levy.

Term Deposits

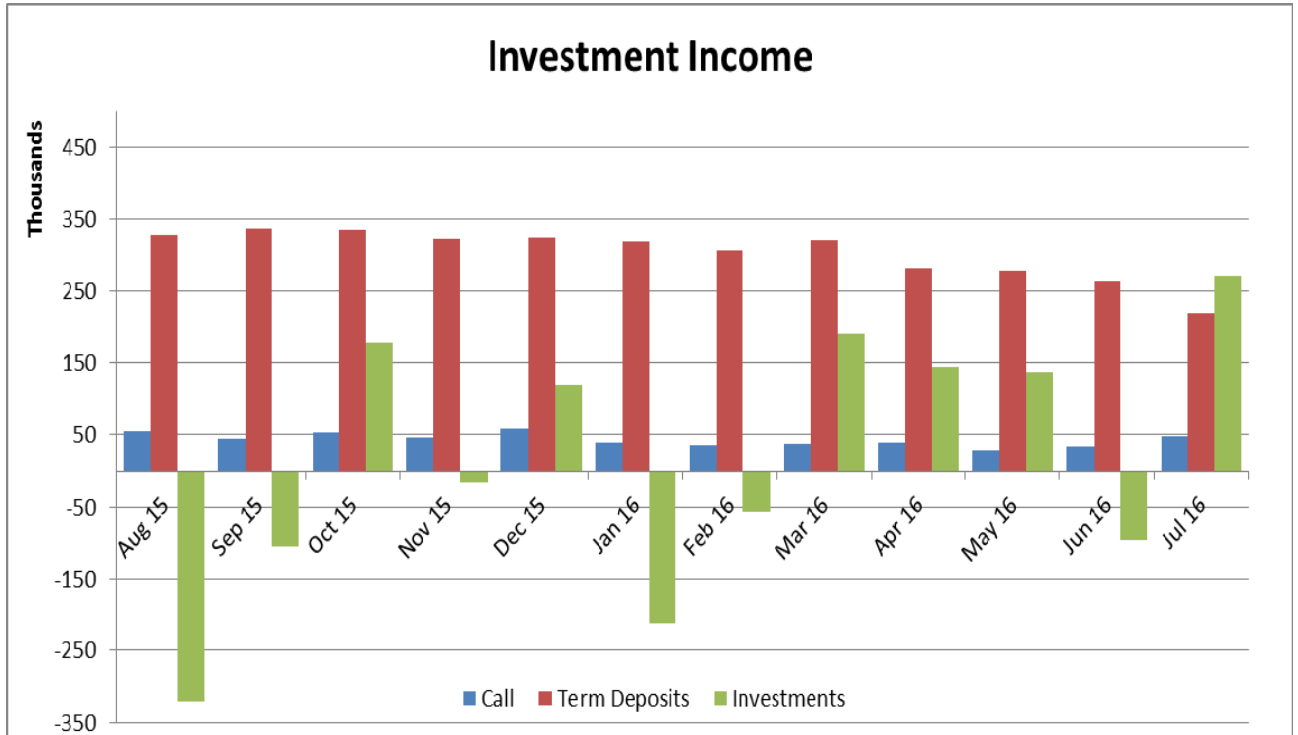
Balance at 31 July 2016	\$77.6 million
Interest Earned	\$218,970
Average Rate (Municipal funds)	2.86%
Most Recent Rate (Municipal funds)	2.75%

Other Investments

	Interest Earned	Interest Rate
	\$	%
Emerald Mortgage Backed Security	10,781	2.87
Colonial Share Index Balanced Fund	259,352	N/A

On 3 August 2016, the RBA cut the cash rate to 1.5% and further rate reductions are forecast by some financial institutions. The City of Perth's budget model for 2016/17 assumes a cash rate of 1.75%. The City of Perth's ability to achieve budget this financial year will therefore be heavily reliant on the performance of the Colonial Share Index.

The ASX 200 closed at 5,562 at the end of July 2016, the highest level for 12 months and a 6.3% increase for the month. This was reflected in the performance of the Colonial Share Index balanced fund that produced a positive return of \$259,352 for the month.



Spread of Investments

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

Institution	Credit Rating	Percentage	Percentage Allowed
ANZ	A1+	23%	100%
Bankwest	A1+	10%	
NAB	A1+	25%	
AMP	A1	9%	
Suncorp Metway	A1	19%	
		86%	
Bank of Queensland	A2	8%	60%
Barclays	NR	2%	10%
Colonial	NR	4%	
		6%	

FINANCIAL IMPLICATIONS:

Reported investment earnings (excluding interest on rates arrears) at \$536,501 after Trust Account adjustments, were \$235,779 above budget in July.

COMMENTS

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

SCHEDULE 1

INVESTMENT REPORT	Market Value	Market Value	Cost & Impairment	% of	Interest Earned	Weighted Average Monthly	Interest Earned
31-Jul-16	30-Jun-16	31-Jul-16	31-Jul-16	Class	Jul	Rate	YTD
Municipal							
Short term Direct Investments							
Call	\$19,869,534	\$29,792,036	\$29,792,036	26.0%	\$40,848	2.18%	\$40,848
Term Deposits	\$9,000,000	\$14,000,000	\$14,000,000	12.2%	\$24,495	2.86%	\$24,495
Short	\$28,869,534	\$43,792,036	\$43,792,036		\$65,343	2.44%	\$65,343
Total Municipal - Cash Back Securities	\$28,869,534	\$43,792,036	\$43,792,036		\$65,343	2.44%	\$65,343
Total Municipal Investments	\$28,869,534	\$43,792,036	\$43,792,036		\$65,343	2.44%	\$65,343
Reserves							
Short term Direct Investments							
Call	\$2,564,854	\$3,216,370	\$3,216,370	2.8%	\$4,593	2.00%	\$4,593
Term Deposits	\$75,000,000	\$57,500,000	\$57,500,000	50.1%	\$179,232	3.01%	\$179,232
Total	\$77,564,854	\$60,716,370	\$60,716,370		\$183,825	2.98%	\$183,825
Floating Rate Notes/ CLNs							
WPAC- Sub Debt -FRN	\$0	\$0	\$0	0.0%	\$0	0.00%	\$0
Total	\$0	\$0	\$0		\$0	0.00%	\$0
Medium term Direct Investments							
Barclays - Emerald -MBS	2,743,759	2,743,759	\$2,743,759	2.4%	\$10,781	2.87%	\$10,781
Total	\$2,743,759	\$2,743,759	\$2,743,759		\$10,781	2.87%	\$10,781
Total Reserve - Cash Back Securities	\$80,308,613	\$63,460,129	\$63,460,128		\$194,606	2.98%	\$194,606
Balanced Funds							
Colonial Share Index	\$4,138,020	\$4,397,503	\$4,397,503	100%	\$259,352	105.13%	\$259,352
Total	\$4,138,020	\$4,397,503	\$4,397,503		\$259,352	105.13%	\$259,352
Total Reserve Investments	\$84,446,633	\$67,857,632	\$67,857,632		\$453,957	105.13%	\$453,957
Trust							
Short term Direct Investments							
Call	\$2,704,840	\$1,330,943	\$1,330,943	1.2%	\$1,958	2.10%	\$1,958
Term Deposits	\$6,078,273	\$6,078,273	\$6,078,273	5.3%	\$15,243	2.92%	\$15,243
Total	\$8,783,113	\$7,409,216	\$7,409,216		\$17,201	2.83%	\$17,201
Total Trust - Cash Back Securities	\$8,783,113	\$7,409,216	\$7,409,216		\$17,201	2.83%	\$17,201
Total Investments-Cash Back Securities	\$117,961,260	\$114,661,381	\$114,661,381		\$277,149	2.84%	\$277,149
Grand Total Investments	\$122,099,280	\$119,058,885	\$119,058,884		\$536,501	6.96%	\$536,501

INVESTMENT RATES:

CASH RATE

1.75%

BENCHMARK

2.06%

AVERAGE excl.Trust

7.05%

31-Jul-16**INSTITUTION AND CREDIT RATING**

INSTITUTION	AMOUNT	PERCENTAGE	CREDIT RATING	MAX AMOUNT
ANZ	27,511,921.08	23%	A1+	OK
AMP	10,121,674.45	9%	A1	OK
ING	-	0%	A2	OK
BOQLD	9,500,000.00	8%	A2	OK
BANKWEST	11,705,753.43	10%	A1+	OK
BARCLAYS	2,743,758.77	2%	NR	OK
C B A	-	0%	A1+	OK
BENDIGO	-	0%	A2	OK
MACQUARIE	0.00	0%	A1	OK
MEQUITY	0.00	0%	A2	OK
NAB	30,078,273.22	25%	A1+	OK
ST GEORGE	-	0%	A1+	OK
SUNCORP METWAY	23,000,000.00	19%	A1	OK
WESTPAC	-	0%	A1+	OK
COLONIAL	4,397,503.34	4%	NR	OK
TOTAL	119,058,884.29	100%		

GLOBAL CREDIT EXPOSURE

INSTITUTION	AMOUNT	PERCENTAGE	MAX ALLOWED
A1+, A1, AA	102,417,622.18	86%	100%
A2	9,500,000.00	8%	60%
A3 and Unrated	7,141,262.11	6%	10%
TOTAL	119,058,884.29	100%	

A1+	45%	INDIVIDUAL ADI EXPOSURE ALLOWED
A1	45%	
A2	40%	
A3	10%	
AAA	45%	
AA	45%	
Unrated	10%	

CITY OF PERTH - SHORT TERM INVESTMENTS (Excluding Call) AS AT 31 JULY 2016

FUND	INSTITUTION	TYPE	AMOUNT	RATE	LODGED	MATURITY	Total	TOTAL INTEREST	
							Investment Days	individual outstanding investment	
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.40%	26/07/2016	31/08/2016	36	\$ 11,835.62	
MUNICIPAL	BANKWEST	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.75%	26/07/2016	30/09/2016	66	\$ 24,863.01	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 4,000,000.00	3.00%	19/05/2016	17/11/2016	182	\$ 59,835.62	
			\$ 14,000,000.00						
RESERVES	AMP	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	3.05%	11/07/2016	5/01/2017	178	\$ 74,369.86	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	3.00%	19/05/2016	17/11/2016	182	\$ 74,794.52	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 4,500,000.00	3.03%	16/06/2016	12/01/2017	210	\$ 78,447.95	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	3.00%	5/05/2016	4/08/2016	91	\$ 22,438.36	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	2.96%	26/05/2016	24/11/2016	182	\$ 36,898.63	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	2.97%	16/06/2016	15/12/2016	182	\$ 14,809.32	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.98%	23/06/2016	22/12/2016	182	\$ 29,718.36	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	2.95%	30/06/2016	5/01/2017	189	\$ 38,188.36	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 4,000,000.00	2.95%	7/07/2016	12/01/2017	189	\$ 61,101.37	
RESERVES	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.86%	29/07/2016	23/02/2017	209	\$ 81,882.19	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 7,000,000.00	3.05%	3/06/2016	8/12/2016	188	\$ 109,967.12	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	3.01%	9/06/2016	8/12/2016	182	\$ 75,043.84	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 8,000,000.00	3.03%	9/06/2016	5/01/2017	210	\$ 139,463.01	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.98%	30/06/2016	5/01/2017	189	\$ 46,292.05	
			\$ 57,500,000.00						
ROD EVANS	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 314,684.32	2.95%	19/05/2016	18/08/2016	91	\$ 2,314.44	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	2.95%	19/05/2016	18/08/2016	91	\$ 7,354.79	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 763,588.90	2.92%	9/06/2016	8/09/2016	91	\$ 5,558.93	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.90%	21/07/2016	19/01/2017	182	\$ 28,920.55	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.86%	28/07/2016	23/02/2017	210	\$ 32,909.59	
			\$ 6,078,273.22						
TOTAL investments			\$ 77,578,273.22						\$ 1,057,007.48

ITEM NO: 3

FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY STATEMENT FOR THE PERIOD ENDED 31 JULY 2016

RECOMMENDATION:

(APPROVAL)

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

BACKGROUND:

FILE REFERENCE: P1014149-25
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 11 August 2016
MAP / SCHEDULE: Schedule 2 – Financial Statements and Financial Activity Statement for the period ended 31 July 2016

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Section 6.4(1) and (2) of the <i>Local Government Act 1995</i> Regulation 34(1) of the <i>Local Government (Financial Management) Regulations 1996</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the capacity of the organisation

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 one month to 31 July 2016 with the original budget approved by Council at its meeting held on **28 June 2016**.

SCHEDULE 2

FINANCIAL ACTIVITY STATEMENT FOR THE ONE MONTH TO 31 JULY 2016

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the one month to 31 July 2016 compared to the budget approved by Council on 28 June 2016.

Operating Revenue

- Parking revenue was \$(515,000) below budget. The variance consisted of \$(532,000) for Undercover Car Parks, \$(40,000) for Open Air Car Parks and a positive variance of \$57,000 for Kerbside Parking.

The main variances for Undercover Car Parks were the Convention Centre Carpark \$(95,000), His Majesty's \$(88,000) and Elder Street \$(58,000) below the original budget with Mayfair Street being the only undercover car park with a positive variance. Patronage remained much lower than originally estimated; mainly as a result of high office vacancy rates in the City.

- Fines and Costs were lower than budget by \$(251,000) predominantly due to parking fines. Fewer parking bays were available owing to ongoing construction activity or reservation for events within the City.
- Investment income was above budget by \$172,000. This was mostly due to the positive performance of the Colonial Share Index fund. The performance of this fund is directly linked to the performance of the ASX 200 which rose by 6% in July.
- Rubbish collection yielded \$838,000 more than expected compared to the original budget. The majority of this variance relates to rubbish charges raised for residents formerly part of the City of Subiaco. With the City of Perth Act coming into effect from 1 July 2016, a report will be presented to Council to adjust the budget 2016/17 for major income and expenditure items and any necessary capital works.
- Recurrent Grants were below budget by \$(460,000). Of the \$475,000 expected in July only \$15,000 realised. This is a timing variance only.
- Other Income was \$(533,000) below budget. The main areas that make up this variance consist of Food Premises Inspection fees of \$(84,000), Outdoor Eating Area Licence Fees of \$(48,000) and Planning or Development fees of \$(25,000).

**FINANCIAL ACTIVITY STATEMENT FOR THE ONE MONTH TO 31
JULY 2016**

REPORT OF VARIANCES TO BUDGET

Operating Expenditure

- Employee costs ended the month on \$866,000 below budget mainly due to vacant positions in the approved Workforce Plan.
- Materials and Contracts were \$1,720,000 below budget at the end of July. The variance included infrastructure maintenance which was lower than budget by \$261,000 mainly consisting of River Wall \$89,000 and Footpaths \$70,000. Property maintenance was also lower than budget by \$213,000 mostly due to Council House \$64,000, Pedestrian walkways \$22,000 and the Library \$21,000.

Furthermore the following accounts were also lower than budget: Consultancy \$255,000, Subscription and Membership \$95,000 and Advertising \$155,000. Smaller variances were spread generally throughout the organisation.

- Utilities were below budget by \$71,000 mainly due to lower than expected spend on power.
- Depreciation was \$174,000 under budget. Depreciation is dependent on the timing of capitalisation of completed works and purchases of assets. July depreciation was based on estimates as the financial year end process for June 2016 is still to be completed. It is expected that actuals will align closely to budget when capitalisation of prior year projects are completed.
- Loss on disposal of assets was \$120,000 below budget, as there was no sale of assets during July.
- Other Expenditure was \$725,000 below budget at the end of the July. This was mainly due to Donations and Sponsorship having expensed \$607,000 less than anticipated, of which Business Support and Sponsorship Unit contributed \$582,000 to the variance. This is a timing variance only.

Investing Activities

- Capital Grants was \$(473,000) less than budget with only \$7,800 of the budgeted \$481,000 received during July.
- Capital expenditure was significantly lower than budget by \$3.1 million. There was no significant spent on any one project as the total for capital expenditure during July was only \$418,000, less than 1% of the adopted capital budget of \$62.7 million.

**FINANCIAL ACTIVITY STATEMENT FOR THE ONE MONTH TO 31
JULY 2016**

REPORT OF VARIANCES TO BUDGET

Financing Activities

- Transfers to Reserves were \$1.9 million below budget. Utilisation of reserve funds were lower than expected, mainly due to lower capital expenditure. This resulted in less funds required to be transferred to Reserves.
- Transfers from Reserves were below budget by \$(1.4 million). This is due to slower than anticipated progress on capital expenditure. The Parking levy was \$121,000 less than anticipated contributing to the below budget result for the month.

Amounts sourced from Rates

- Rates revenue raised was \$3.3 million above budget. This was due to rates issued to former City of Subiaco residents and the 2016/17 impact of interim rates from the final months of the prior financial year, which were identified after completion of the 2016/17 budget. A report will be presented to Council to adjust the budget 2016/17 for major income and expenditure subsequent to the City of Perth Act coming into effect from 1 July 2016.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 July 2016

	Original Budget 2016/17 \$	Budget YTD 31-Jul-16 \$	Actual YTD 31-Jul-16 \$	Variance YTD 31-Jul-16 \$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	76,973,664	6,286,345	5,771,634	(514,711)
Fines and Costs	10,610,604	903,595	652,962	(250,633)
Investment Income and Interest	4,672,819	334,663	506,377	171,714
Community Service Fees	1,577,941	105,306	114,074	8,768
Rubbish Collection	8,071,814	7,425,556	8,263,518	837,962
Rentals and Hire Charges	5,251,214	446,739	393,057	(53,682)
Recurrent Grants	1,514,031	474,730	14,589	(460,142)
Contributions, Donations and Reimbursements	585,576	46,715	35,194	(11,521)
Other Income	4,681,208	960,181	427,647	(532,535)
Distribution from TPRC	1,000,000	-	-	-
	114,938,870	16,983,830	16,179,051	(804,779)
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	77,205,326	6,421,423	5,555,069	866,354
Materials and Contracts	53,092,972	4,281,641	2,561,368	1,720,273
Utilities	3,596,588	305,094	234,336	70,758
Insurance Expenditure	1,197,885	99,241	87,601	11,639
Depreciation and Amortisation	33,144,020	2,762,002	2,588,229	173,772
Interest Expenses	1,562,208	120,787	165,055	(44,267)
Expense Provisions	998,010	85,264	71,970	13,294
Loss on Disposal of Assets	1,437,448	119,787	-	119,787
Other Expenditure	25,085,422	2,373,842	1,649,035	724,806
	197,319,879	16,569,081	12,912,663	3,656,417
Add back Depreciation	(33,144,020)	(2,762,002)	(2,588,229)	(173,772)
(Loss) / Profit on Disposals	(1,437,448)	(119,787)	-	(119,787)
	162,738,411	13,687,292	10,324,434	3,362,858
Net Surplus/(Deficit) from Operations	(47,799,541)	3,296,538	5,854,617	2,558,079
Investing Activities				
Capital Grants	5,768,315	480,693	7,827	(472,866)
Capital Expenditure	(62,731,135)	(3,564,954)	(417,783)	3,147,171
Proceeds from Disposal of Assets/Investments	1,280,000	108,712	-	(108,712)
	(55,682,820)	(2,975,549)	(409,956)	2,565,593
Financing Activities				
Repayment of Borrowings	(6,111,896)	(1,027,643)	(1,027,643)	-
Transfers to Reserves	(27,749,200)	(2,356,781)	(450,864)	1,905,917
Transfer from Reserves	34,323,351	17,778,009	16,361,935	(1,416,074)
	462,254	14,393,585	14,883,428	489,844
Add: Opening Funds	24,907,540	24,907,540	10,314,253	(14,593,286)
Net Surplus/(Deficit) before Rates	(78,112,567)	39,622,113	30,642,342	(8,979,771)
Amount Sourced from Rates	85,143,608	84,429,855	87,767,165	3,337,310
Closing Funds	7,031,041	124,051,968	118,409,507	(5,642,461)

Net Cash on Hand				
Cash On Hand	5,928,176	9,309,612	9,748,196	438,584
Money Market Investments	102,924,170	91,856,356	81,524,931	(10,331,425)
Funds on Hand	108,852,346	101,165,969	91,273,127	(9,892,842)
Analysis of Funds on Hand				
Reserves	79,211,467	76,285,085	69,535,197	(6,749,888)
Provisions	12,379,102	11,881,141	11,048,675	(832,466)
General Funds	17,261,777	12,999,743	10,689,255	(2,310,487)
Funds on Hand	108,852,346	101,165,969	91,273,127	(9,892,842)

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD 31 JULY 2016

	2016/17 Original Budget \$	2016/17 Budget YTD \$	2016/17 Actual YTD \$	2016/17 Variance \$
Current Assets				
Cash and Cash Equivalents	5,928,176	9,309,612	9,748,196	438,584
Deposits and Prepayments	446,730	17,700,956	18,789,190	1,088,234
Money Market Investments - Municipal Funds	23,712,703	15,571,271	11,989,734	(3,581,537)
Money Market Investments - Restricted Funds	79,211,467	76,285,085	69,535,197	(6,749,888)
Trade and Other Receivables	4,020,574	127,807,744	124,905,010	(2,902,734)
Inventories	972,964	924,954	826,470	(98,484)
Total Current Assets	114,292,614	247,599,622	235,793,797	(11,805,825)
Current Liabilities				
Trade and Other Payables	26,646,668	33,305,335	36,185,418	2,880,083
Employee Entitlements	12,379,102	11,697,719	11,048,675	(649,044)
Provisions	400,750	183,422	615,000	431,578
Borrowings	7,083,366	6,233,077	6,233,077	0
Total Current Liabilities	46,509,886	51,419,553	54,082,170	2,662,617
Working Capital Position Brought Forward	67,782,728	196,180,069	181,711,627	(14,468,442)
Deduct Restricted Cash Holdings	(79,211,467)	(79,211,467)	(69,535,197)	9,676,270
Add Current Borrowings	7,083,366	7,083,366	6,233,077	(850,289)
Current Funds Position Brought Forward	(4,345,372)	124,051,968	118,409,507	(5,642,461)

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 1 month ended 31 July 2016

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 1 month ended 31 July 2016

(By Program)

Note	Budget 2016/2017	Revised Budget YTD	Actual YTD 31/07/2016	YTD Variance		
	\$	\$	\$	\$	%	
OPERATING REVENUE						
General Purpose Funding Rates	86,075,041	84,845,057	87,770,628	2,925,571	3.4%	
General Purpose Funding Other	5,038,022	738,678	517,392	(221,286)	-30.0%	
Law, Order, Public Safety	23,178	1,910	3,773	1,863	97.5%	
Health	780,345	287,700	165,287	(122,413)	-42.5%	
Education and Welfare	2,105,728	181,884	152,952	(28,932)	-15.9%	
Housing	781,872	65,156	60,000	(5,156)	-7.9%	
Community Amenities	10,789,799	7,644,860	8,446,159	801,299	10.5%	
Recreation and Culture	1,732,910	103,961	75,170	(28,791)	-27.7%	
Transport	90,120,021	7,402,667	6,569,278	(833,389)	-11.3%	
Economic Services	831,710	74,795	87,716	12,921	17.3%	
Other Property and Services	803,852	67,018	97,860	30,842	46.0%	
Total Operating Income	199,082,478	101,413,686	103,946,215	2,532,529	2.5%	
OPERATING EXPENDITURE						
Governance	10,394,320	915,310	819,134	96,176	10.5%	
General Purpose Funding	6,128,645	549,027	306,936	242,091	44.1%	
Law, Order, Public Safety	3,758,622	298,020	272,714	25,306	8.5%	
Health	4,603,806	387,244	208,590	178,654	46.1%	
Education and Welfare	3,688,491	298,668	265,251	33,417	11.2%	
Housing	554,156	46,180	45,754	426	0.9%	
Community Amenities	30,384,835	2,598,525	2,070,856	527,669	20.3%	
Recreation and Culture	35,350,738	2,763,919	1,949,517	814,402	29.5%	
Transport	85,682,324	7,043,559	5,913,544	1,130,015	16.0%	
Economic Services	10,316,035	1,125,299	606,618	518,681	46.1%	
Other Property and Services	5,020,459	423,544	440,033	(16,489)	-3.9%	
Total Operating Expenditure	195,882,431	16,449,293	12,898,947	3,550,346	21.6%	
NET FROM OPERATIONS	3,200,047	84,964,393	91,047,268	6,082,875	7.2%	
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- Law, Order, Public Safety	240,150	20,013	-	(20,013)	-100.0%	
- Recreation and Culture	2,693,400	224,450	-	(224,450)	-100.0%	
- Transport	2,834,765	236,230	7,827	(228,403)	-96.7%	
Total Grants/Contributions	5,768,315	480,693	7,827	(472,866)	-98.4%	
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,437,448)	(129,854)	-	129,854	-100.0%
Change in net assets resulting from operations before significant items	7,530,914	85,315,232	91,055,095	5,739,863	6.7%	
SIGNIFICANT ITEMS						
Distribution from TPRC	1,000,000	-	-	-	0.0%	
Change in net assets resulting from operations after significant items	8,530,914	85,315,232	91,055,095	5,739,863	6.7%	

**CITY OF PERTH
MUNICIPAL**
Statement of Comprehensive Income for the 1 month ended 31 July 2016
(By Nature)

	Budget 2016/2017	Revised Budget YTD	Actual YTD 31/07/2016	YTD Variance	
Note	\$	\$	\$	\$	%
OPERATING REVENUE					
Rates	85,143,608	84,429,855	87,767,165	3,337,310	4.0%
Grants and Contributions for Non Capital Purposes	1,514,031	474,730	14,589	(460,141)	-96.9%
Donations and Reimbursements	585,576	46,715	35,194	(11,521)	-24.7%
Fees and Charges	105,213,130	15,999,252	15,481,980	(517,272)	-3.2%
Interest and Investment Income	4,672,819	334,663	506,377	171,714	51.3%
Other Revenue	1,953,314	128,472	140,911	12,439	9.7%
Total Revenue from Operating Activities	199,082,478	101,413,686	103,946,215	2,532,529	2.5%
OPERATING EXPENDITURE					
Employee Costs	77,205,335	6,421,423	5,555,069	866,354	13.5%
Materials and Contracts	53,092,963	4,281,641	2,561,368	1,720,273	40.2%
Utilities	3,596,588	305,094	234,336	70,758	23.2%
Depreciation and Amortisation	33,144,020	2,762,002	2,588,231	173,771	6.3%
Interest	1,562,208	120,787	165,055	(44,268)	-36.6%
Insurance	1,197,885	99,241	87,601	11,640	11.7%
Expenses Provision	998,010	85,264	71,970	13,294	15.6%
Other Expenses from Ordinary Activities	25,085,422	2,373,842	1,635,317	738,525	31.1%
Total Expenses from Ordinary Activities	195,882,431	16,449,293	12,898,947	3,550,346	21.6%
Change in Net Assets from Ordinary Activities before Capital Amounts	3,200,047	84,964,393	91,047,268	6,082,875	7.2%
GRANTS/CONTRIBUTIONS					
Grants and Contributions- Capital	5,768,315	480,693	7,827	(472,866)	-98.4%
NET OPERATING SURPLUS					
	8,968,362	85,445,086	91,055,095	5,610,009	6.6%
DISPOSAL/WRITE OFF OF ASSETS					
	2	(1,437,448)	(129,854)	-	129,854 -100.0%
SIGNIFICANT ITEMS					
Distribution from TPRC	1,000,000	-	-	-	0.0%
<i>Change in net assets resulting from operations after capital amounts and significant items</i>	8,530,914	85,315,232	91,055,095	5,739,863	6.7%

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 July 2016

	Note	31/07/2016	30/06/2016
CURRENT ASSETS			
		\$	\$
Cash and Cash Equivalents	11	9,748,196	10,061,962
Deposits/Prepayments	4	18,789,190	1,380,332
Investments	3, 11	81,524,931	100,249,402
Trade and Other Receivables	5	33,955,316	10,814,082
Rates Receivable	1	90,949,694	190,815
Inventories		826,470	959,566
TOTAL CURRENT ASSETS		235,793,797	123,656,159
NON CURRENT ASSETS			
Investments	3	4,506,113	4,506,113
Trade and Other Receivables	5	51,977	32,434
Property, Plant and Equipment	8	650,050,546	651,423,859
Infrastructure	8	468,564,612	469,779,530
Capital Work in Progress	8	100,607,725	100,048,039
TOTAL NON CURRENT ASSETS		1,223,780,973	1,225,789,975
TOTAL ASSETS		1,459,574,770	1,349,446,134
CURRENT LIABILITIES			
Trade and Other Payables	6	36,185,418	16,082,283
Employee Benefits	7	11,048,675	11,083,112
Provisions	7	615,000	615,000
Loan Liability	9	6,233,077	6,772,073
TOTAL CURRENT LIABILITIES		54,082,170	34,552,468
NON CURRENT LIABILITIES			
Employee Benefits	7	1,746,402	1,746,402
Provisions	7	4,291,972	4,259,487
Loan Liability	9	29,066,282	29,554,929
TOTAL NON CURRENT LIABILITIES		35,104,656	35,560,818
TOTAL LIABILITIES		89,186,826	70,113,286
NET ASSETS		\$1,370,387,944	\$1,279,332,848
EQUITY			
Accumulated Surplus		737,548,539	629,640,812
Asset Revaluation Reserve	10	560,560,439	560,560,439
Reserves	10	72,278,966	89,131,597
TOTAL EQUITY		\$1,370,387,944	\$1,279,332,848

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 1 month ended 31 July 2016

	Accumulated Surplus	Asset Revaluation Reserve	Cash Backed Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2015	612,108,629	560,795,095	87,574,492	1,260,478,216
Change in net assets resulting from operations	18,854,632	-	-	18,854,632
Transfer to Cash Backed Reserves	(24,880,826)	-	24,880,826	-
Transfers to Asset Revaluation Reserve	(12,368)	12,368	-	-
Transfers from Asset Revaluation Reserve	247,023	(247,023)	-	-
Transfer from Cash Backed Reserves	23,323,731	-	(23,323,731)	-
Balance at 30 June 2016	<u>\$629,640,821</u>	<u>\$560,560,440</u>	<u>\$89,131,587</u>	<u>\$1,279,332,848</u>
	\$	\$	\$	\$
Balance at 1 July 2016	629,640,821	560,560,440	89,131,587	1,279,332,848
Change in net assets resulting from operations	91,055,095	-	-	91,055,095
Transfer to Cash Backed Reserves	(450,864)	-	450,864	-
Transfers to Asset Revaluation Reserve	-	-	-	-
Transfers from Asset Revaluation Reserve	-	-	-	-
Transfer from Cash Backed Reserves	17,303,496	-	(17,303,496)	-
Balance at the end of the reporting period	<u>\$737,548,547</u>	<u>\$560,560,440</u>	<u>\$72,278,956</u>	<u>\$1,370,387,943</u>

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 1 month ended 31 July 2016

	Note	Budget 2016/2017	YTD Actual 31/07/2016	YTD Variation
		\$	\$	\$ %
Cash Flows from Operating Activities				
Receipts				
Rates		85,150,558	(20,824,447)	(105,975,005) -124.5%
Fees and Charges		110,473,787	9,870,812	(100,602,975) -91.1%
Interest		4,672,819	735,520	(3,937,299) -84.3%
Other		2,000,854	152,552	(1,848,302) -92.4%
		202,298,018	(10,065,563)	(212,363,581) -105.0%
Payments				
Employee Costs		(76,246,522)	(5,806,295)	70,440,227 92.4%
Materials and Contracts		(45,634,268)	474,644	46,108,912 101.0%
Interest		(1,546,536)	(244,827)	1,301,709 84.2%
Other		(31,117,629)	(1,996,737)	29,120,892 93.6%
		(154,544,955)	(7,573,215)	146,971,740 95.1%
Net Cash Flows from Operating Activities	12	47,753,063	(17,638,778)	(65,391,841) 136.9%
Cash Flows from Investing Activities				
Receipts				
Distribution from TPRC		1,000,000	-	(1,000,000) -100.0%
Proceeds from Disposal of Assets		1,280,000	-	(1,280,000) -100.0%
Proceeds from Disposal of Investments(Non Current)		-	-	- 0.0%
Payments				
Purchase Land and Buildings		(14,005,532)	-	14,005,532 -100.0%
Purchase Infrastructure Assets		(29,412,097)	-	29,412,097 -100.0%
Purchase Plant and Mobile Equipment		(17,160,028)	-	17,160,028 100.0%
Purchase Office Furniture and Equipment		(2,153,478)	-	2,153,478 -100.0%
Work in Progress		-	(417,783)	(417,783) 0.0%
		(62,731,135)	(417,783)	62,313,352 99.3%
Net Cash Flows from Investing Activities		(60,451,135)	(417,783)	60,033,352 99.3%
Cash Flows from Financing Activities				
Repayment of Borrowings		(6,111,896)	(1,027,643)	5,084,253 83.2%
		(6,111,896)	(1,027,643)	5,084,253 83.2%
Cash Flows from Government and Other Parties				
Receipts from Appropriations/Grants				
Recurrent		4,414,618	38,142	(4,376,476) -99.1%
Capital		5,768,315	7,827	(5,760,488) -99.9%
		10,182,933	45,969	(10,136,964) -99.5%
Net Increase (Decrease) in Cash Held		(8,627,035)	(19,038,235)	(10,411,200) 120.7%
Cash at 1 July 2016		117,479,382	110,311,364	(7,168,018) -6.1%
Cash at 31 July 2016	11	108,852,347	91,273,127	(17,579,220) -16.1%

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Notes to the Balance Sheet for the 1 month ended 31 July 2016

1 Rates Receivable

	Actual YTD 31/07/2016	2015/16 YTD 31/07/2015
	\$	\$
Outstanding Amount at 30 June 2016	190,816	64,096
Rates Levied for the Year	87,701,136	80,245,167
Late Payment Penalties	(4,195)	37,382
Ex Gratia Rates	17,741	17,464
Rates Administration Fee	7,643	257,379
Rates Instalment Interest	-	340,160
Back Rates	48,288	(77,853)
Bins Levy	7,187,039	4,483,362
	95,148,468	85,367,157
Amount Received during the Period	4,198,774	25,433,181
Outstanding Amount at 31 July 2016	\$90,949,694	\$59,933,976

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

	Annual Budget	Actual YTD 31/07/2016
	\$	\$
Land and Buildings		
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold/written off	-	-
(Loss) on Disposal/Write Off	-	-
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,721,201	-
(Loss) on Write Off	(1,721,201)	-
Plant and Mobile Equipment		
Proceeds on Disposal	1,523,000	-
Less: Carrying amount of assets sold/written off	1,360,052	-
Profit on Disposal	162,948	-
Furniture and Equipment		
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold /written off	-	-
(Loss) on Disposal/Write Off	-	-
Gain/(Loss) on Disposal/Write off of Assets	(\$1,558,253)	\$0

3 Investments

Current	31/07/2016	30/06/2016
Short Term Cash Investments *	\$	\$
Call Funds	15,627,428	12,111,382
Bank/Term Deposits	61,500,000	84,000,000
Managed Funds	4,397,503	4,138,020
Total Current Investments	\$81,524,931	\$100,249,402

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	31/07/2016	30/06/2016
	\$	\$
Mortgage Backed Securities (MBS)	2,743,759	2,743,759
	2,743,759	2,743,759
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	420,412	420,412
Equity in Tamala Park Regional Council	1,331,942	1,331,942
	\$4,506,113	\$4,506,113

MUNICIPAL

Notes to the Balance Sheet for the 1 month ended 31 July 2016

4 Deposits/Prepayments

	31/07/2016	30/06/2016
	\$	\$
Prepaid Insurance	1,122,729	-
Prepaid Parking Bay Licence Fees	15,829,835	-
Other	1,836,626	1,380,332
	\$18,789,190	\$1,380,332

5 Trade And Other Receivables

	31/07/2016	30/06/2016
Current	\$	\$
Emergency Services Levy (ESL)	25,020,455	36,912
Accrued Interest and Investment Income	307,526	536,669
Accrued Income	1,101,272	574,705
Modified Penalties/Fines and Costs	7,570,588	7,468,902
Debtors - General		
Australian Taxation Office - GST Refundable	-	177,492
Works and Services	18,789	35,731
Other Debtors	3,123,236	5,116,240
	37,141,866	13,946,651
Less: Provision for Doubtful Debts	(3,186,550)	(3,132,569)
	\$33,955,316	\$10,814,082
Non Current		
Pensioners' Rates Deferred	51,977	32,434
	\$51,977	\$32,434

6 Trade And Other Payables

	31/07/2016	30/06/2016
Current	\$	\$
Trade Creditors	3,470,063	10,591,073
Emergency Services Levy	26,350,557	-
Interest Payable on Loans	21,087	100,859
Accrued Expenses - Operating	2,853,439	2,359,492
Accrued Expenses - Capital	141,903	-
Advances Received for Recoverable Works	-	71,386
Income Received / Raised in Advance	781,072	1,008,030
Australian Taxation Office - GST Payable	156,363	-
Other Creditors	2,410,934	1,951,443
	\$36,185,418	\$16,082,283

MUNICIPAL

Notes to the Balance Sheet for the 1 month ended 31 July 2016

7 Employee Benefits

	31/07/2016	30/06/2016
Current	\$	\$
Leave Entitlements		
Annual Leave	4,484,668	4,454,492
Self Funded Leave	213,353	238,785
Long Service Leave	6,214,967	6,253,583
Recognition of Employees- Presentations	135,687	136,252
	\$11,048,675	\$11,083,112
Non Current		
Annual Leave	617,169	617,169
Long Service Leave	1,129,233	1,129,233
	\$1,746,402	\$1,746,402

Provisions

	31/07/2016	30/06/2016
Current	\$	\$
Workers Compensation	615,000	615,000
	\$615,000	\$615,000
Non Current		
Provision for Equipment Replacement PCEC	4,291,972	4,259,487
	\$4,291,972	\$4,259,487

8 Property, Plant and Equipment and Work in Progress

	31/07/2016	30/06/2016
	\$	\$
Land and Air Rights - at cost/fair value	380,359,193	380,359,194
Less: Accumulated Depreciation	(3,182,921)	(3,135,072)
	377,176,272	377,224,122
Buildings - at fair value	380,596,050	380,596,051
Less: Accumulated Depreciation	(154,761,499)	(154,058,532)
	225,834,551	226,537,519
Improvements - at fair value	8,010,840	8,010,841
Less: Accumulated Depreciation	(4,865,526)	(4,841,952)
	3,145,314	3,168,889
Infrastructure Assets - at cost/fair value	742,587,827	742,587,828
Less: Accumulated Depreciation	(274,023,215)	(272,808,297)
	468,564,612	469,779,531
Plant and Mobile Equipment - at cost/fair value	47,429,623	47,429,623
Less: Accumulated Depreciation	(28,541,148)	(28,162,843)
	18,888,475	19,266,780
Office Furniture and Equipment - at cost/fair value	39,428,387	39,428,387
Less: Accumulated Depreciation	(15,217,724)	(14,997,106)
	24,210,663	24,431,281
Agricultural - at cost	795,271	795,271
Less: Accumulated Depreciation	-	-
	795,271	795,271
Property, Plant and Equipment	1,118,615,158	1,121,203,393
Work in Progress - at cost	100,607,725	100,048,039
	100,607,725	100,048,039
Total Property, Plant and Equipment and Work in Progress	\$1,219,222,883	\$1,221,251,428

MUNICIPAL

Notes to the Balance Sheet for the 1 month ended 31 July 2016

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

	Balance 30/06/2016	Acquisitions Actual YTD 31/07/2016	Transfers Actual YTD 31/07/2016	Disposals/ Write off/ Actual YTD 31/07/2016	Revaluation Actual YTD 31/07/2016	Balance 31/07/2016
	\$	\$	\$	\$		\$
Land and Air Rights	380,359,194	-	-	-	-	380,359,194
Buildings	380,596,051	-	-	-	-	380,596,051
Improvements	8,010,841	-	-	-	-	8,010,841
Infrastructure Assets	742,587,828	-	-	-	-	742,587,828
Plant and Mobile Equipment	47,429,623	-	-	-	-	47,429,623
Office Furniture and Equipment	39,428,387	-	-	-	-	39,428,387
Agricultural	795,271	-	-	-	-	795,271
Work in Progress	100,048,039	559,686	-	-	-	100,607,725
	\$1,699,255,234	\$559,686	-	-	-	\$1,699,814,920

9 Loan Liability

	31/07/2016	30/06/2016
Current	\$	\$
Loans - Western Australian Treasury Corporation	6,233,077	6,772,073
Non Current		
Loans - Western Australian Treasury Corporation	29,066,282	29,554,929

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2016	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 31/07/2016
	\$	\$	\$	\$
Refuse Disposal and Treatment	3,095,585	19,169	-	3,114,754
Concert Hall - Refurbishment and Maint.	4,840,629	29,973	-	4,870,602
Asset Enhancement	26,399,114	163,308	(24,590)	26,537,832
Street Furniture Replacement	698,928	4,328	-	703,256
Parking Levy	18,178,197	5,568	(17,278,906)	904,859
Art Acquisition	365,661	2,264	-	367,925
Heritage Incentive	608,731	3,769	-	612,500
Parking Facilities Development	23,769,677	147,179	-	23,916,856
Employee Entitlements	1,896,024	11,740	-	1,907,764
David Jones Bridge	285,778	1,770	-	287,548
Bonus Plot Ratio	614,373	3,804	-	618,177
PCEC Fixed Plant Replacement	4,259,487	32,485	-	4,291,972
Enterprise and Initiative	3,919,203	24,267	-	3,943,470
Public Art	200,210	1,240	-	201,450
	89,131,597	450,864	(17,303,496)	72,278,965
* Asset Revaluation	560,560,440	-	-	560,560,440
	\$649,692,037	\$450,864	(\$17,303,496)	\$632,839,405

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

MUNICIPAL

Notes to the Balance Sheet for the 1 month ended 31 July 2016

11 Cash Reconciliation

	31/07/2016	30/06/2016
	\$	\$
Cash and Cash Equivalents	9,748,196	10,061,962
Short Term Cash Investments	81,524,931	100,249,402
	\$91,273,127	\$110,311,364

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

	31/07/2016	30/06/2016
	\$	\$
Change in Net Assets Resulting from Operations	91,055,095	18,879,692
Adjustment for items not involving the movement of Funds:		
Depreciation	2,588,231	30,494,730
Doubtful Debts	53,981	78,375
(Gain)/Loss on Disposal/Write off/Contribution of Assets	-	1,099,929
	93,697,307	50,864,325
Revenues Provided By :		
Government Grants	(45,969)	(6,591,614)
Contribution from Other Parties	-	(49,890)
	(45,969)	(6,641,504)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Inventories	133,096	434,635
Decrease in Deposits and Prepayments	-	-
Decrease in Accrued Interest and Dividend Income	229,143	63,628
Decrease in Deferred Debtors	-	7,133
Decrease in Accrued Income	-	677,195
Increase in Income Received /Raised in Advance	-	130,392
Increase in Accrued Expenses	493,947	-
Increase in Trade and Other Payables	19,845,401	-
Deduct		
Decrease in Trade and Other Payables	-	(2,551,455)
Decrease in Income Received /Raised in Advance	(298,344)	-
Decrease in Accrued Interest Payable	(79,772)	(140,156)
Increases in Deferred Debtors	(19,543)	-
Decrease in Provisions	(1,952)	(166,254)
Decrease in Accrued Expenses	-	(258,073)
Increase in Trade and Other Receivables	(113,656,670)	(3,404,750)
Increase in Prepayments	(17,408,858)	(41,088)
Increase in Accrued Income	(526,567)	-
	(111,290,119)	(5,248,793)
Net Cash Provided by Operating Activities	(\$17,638,778)	\$38,974,028

MUNICIPAL

Notes to the Balance Sheet for the 1 month ended 31 July 2016

13 Ratios

	31/07/2016	30/06/2016
1 Current Ratio		
<u>Current Assets minus Restricted Assets</u>		
Current Liabilities minus Liabilities associated with Restricted Assets	3.07	1.08
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	6.11%	5.19%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	1.15%	4.45%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	84.44%	44.06%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	95.59%	0.23%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	6.26	2.26
7 Gross Debt to Revenue Ratio		
<u>Gross Debt</u>		
Total Revenue	33.96%	19.03%
8 Gross Debt to Economically Realisable Assets Ratio		
<u>Gross Debt</u>		
Economically Realisable Assets	3.56%	4.13%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.07.2016

CITY OF PERTH

FAS GRAPHS

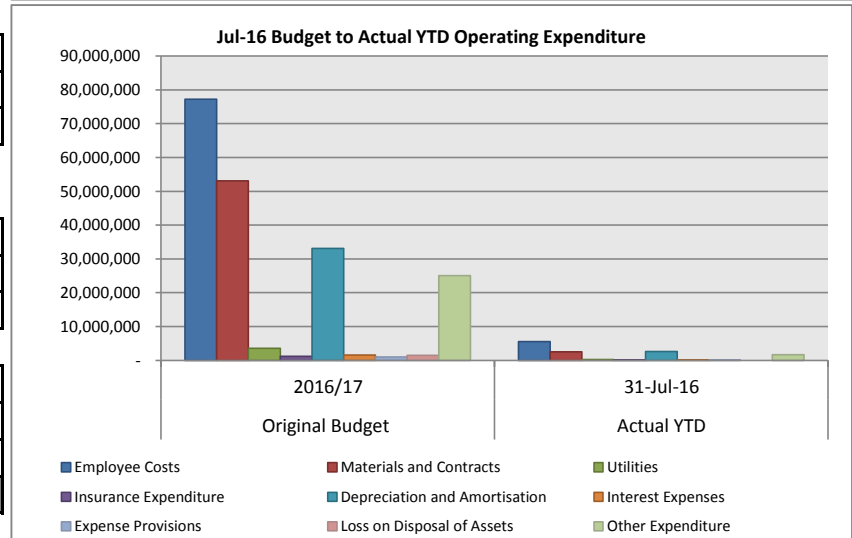
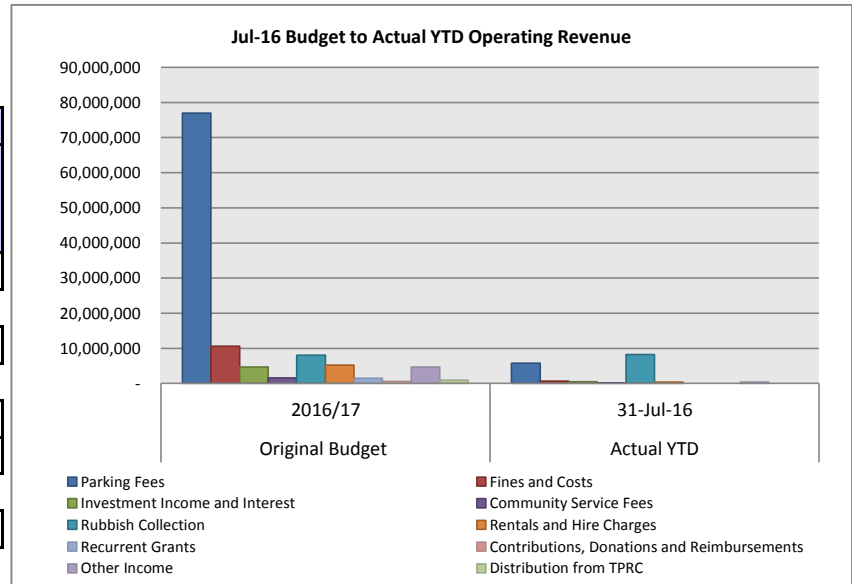
Jul-16

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Financial Activity Statement

	Annual	Year To Date Jul-16		
	Original Budget 2016/17 \$000s	Budget YTD \$000s	Actual \$000s	Variance \$000s
Proceeds from Operating Activities				
Operating Revenue	114,939	16,984	16,179	-805
Less: Operating Expenditure				
Less: Operating Expenditure	197,320	16,569	12,913	3,656
Add back Depreciation	-33,144	-2,762	-2,588	-174
(Loss)/Profit on Disposals	-1,437	-120	0	-120
Net Surplus/(Deficit) from Operations	-47,800	3,297	5,855	2,558
Investing Activities				
Capital Grants	5,768	481	8	-473
Capital Expenditure	-62,731	-3,565	-418	3,147
Proceeds from Disposal of Assets/Investments	1,280	109	0	-109
Financing Activities				
Repayment of Borrowings	-6,112	-1,028	-1,028	0
Transfers to Reserves	-27,749	-2,357	-451	1,906
Transfer from Reserves	34,323	17,778	16,362	-1,416
Net Surplus/(Deficit) before Rates	-78,113	39,622	30,642	-8,980
Add: Opening Funds	24,908	24,908	10,314	-14,593
Less: Closing Funds	7,031	124,052	118,410	-5,642
Amount Sourced from Rates	85,144	84,430	87,767	3,337

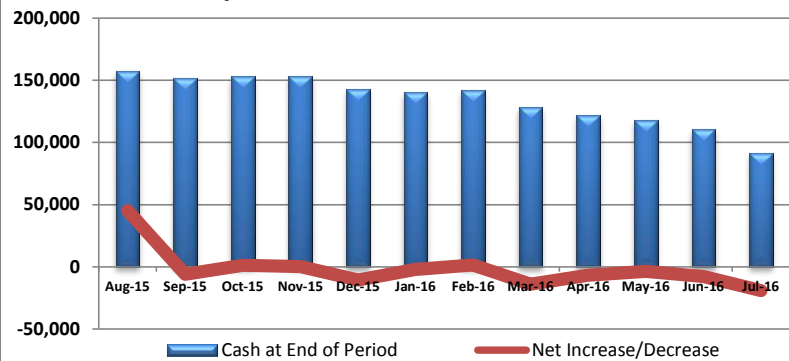


Cashflow Statement

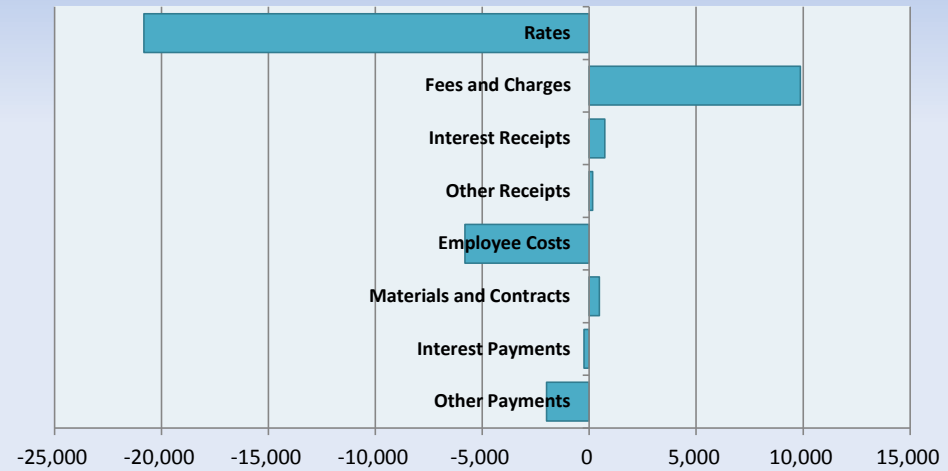
SUMMARY CASH FLOW STATEMENT

	Budget \$'000s 2016/2017	YTD Actual \$'000s Jul-16
Receipts from Customers	202,298	-10,066
Payments to Suppliers and Creditors	-154,545	-7,573
Net Cash Inflow/Outflow from Operating Activities	47,753	-17,639
Net Cash Inflow/Outflow from Investing Activities	-60,451	-418
Net Cash Inflow/Outflow from Financing Activities	-6,112	-1,028
Cash Flows from Government and Other Parties	10,183	46
Cash at 1 July 2016	117,479	110,311
Net Increase (Decrease) in Cash Held	-8,627	-19,038
Cash at 31 July 2016	108,852	91,273

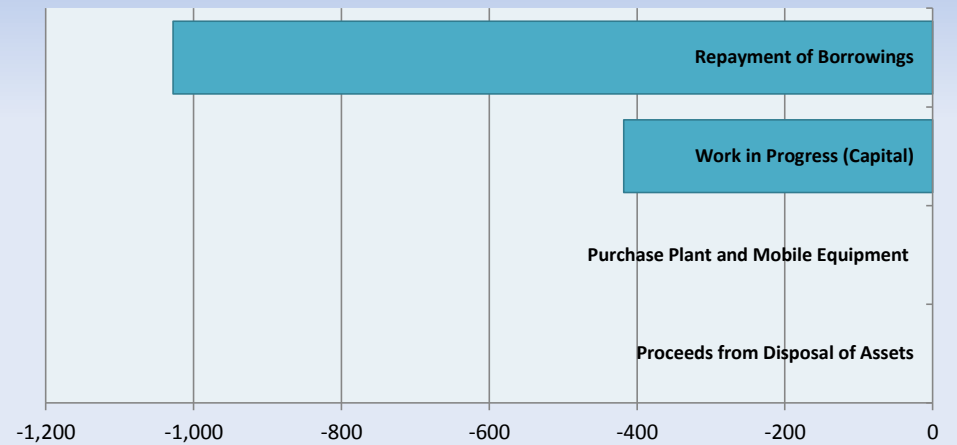
Monthly Cash Movements to Jul-16 \$'000s



Cash Flows from Operating Activities \$'000s

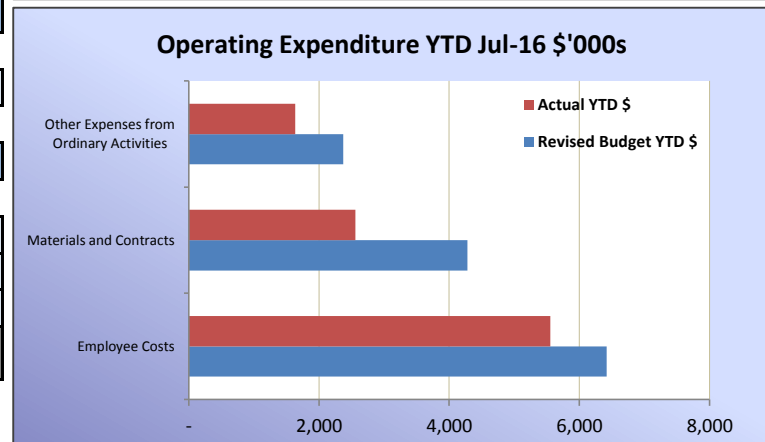
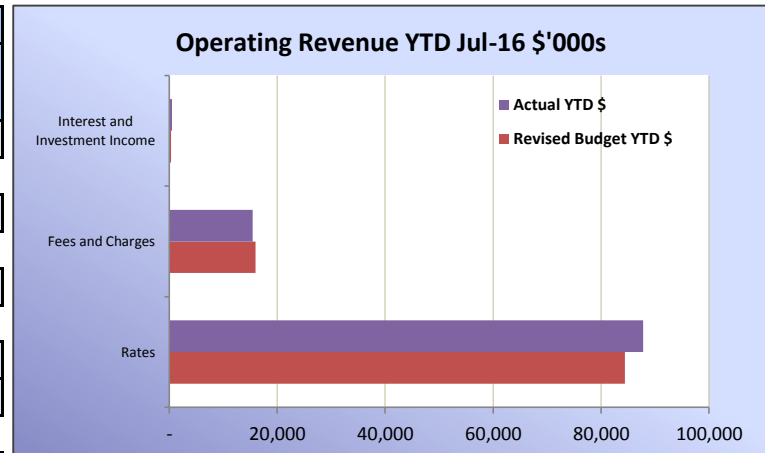


Cash Flows from Investing Activities \$'000s



Summary Operating Statement

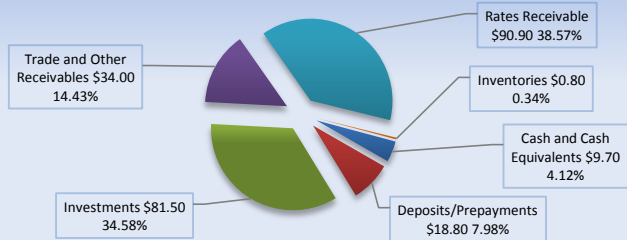
	2016/2017	Year To Date Jul-16		
	Original Budget \$000	Revised Budget \$000s	Actual \$000s	Variance \$000s
Operating Revenue	199,082	101,414	103,946	2,532
less Operating Expenses	-161,176	-13,566	-10,145	3,421
Earnings before Interest and Depreciation (EBID)	37,906	87,848	93,801	5,953
less Interest Expense	-1,562	-121	-165	-44
less Depreciation	-33,144	-2,762	-2,588	174
Operating Surplus/(Deficit)	3,200	84,965	91,048	6,083
Grants and Contributions- Capital	5,768	481	8	-473
NET OPERATING SURPLUS	8,968	85,446	91,056	5,610
DISPOSAL/WRITE OFF OF ASSETS	-1,437	-130	0	130
Distribution from TPRC	1,000	0	0	0
(Loss) on Disposal of Investments	0	0	0	0
Change in net assets resulting from operations after capital amounts and significant items	8,531	85,315	91,055	5,740



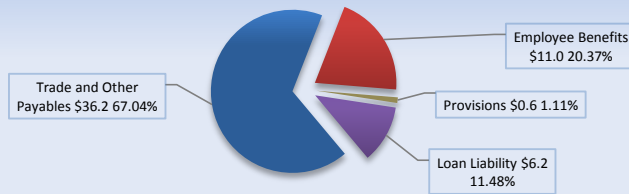
Summary Statement of Financial Position

	31-Jul-16	30-Jun-16
	Actual \$000s	Actual \$000s
Total Current Assets	235,794	123,656
Total Non Current Assets	1,223,781	1,225,790
TOTAL ASSETS	1,459,575	1,349,446
Total Current Liabilities	54,082	34,552
Total Non Current Liabilities	35,105	35,561
TOTAL LIABILITIES	89,187	70,113
NET ASSETS	1,370,388	1,279,333
COMMUNITY EQUITY		
Accumulated Surplus	737,549	629,641
Asset Revaluation Reserve	560,560	560,560
Reserves (Cash Backed)	72,279	89,132
TOTAL EQUITY	1,370,388	1,279,333

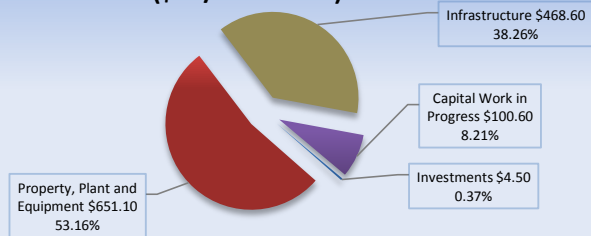
Current Assets Jul-16
(\$m / % Actuals)



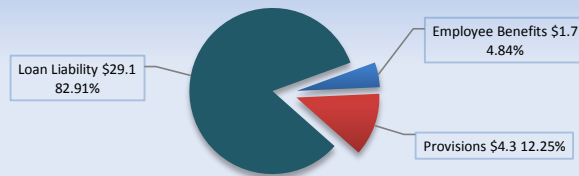
Current Liabilities Jul-16
(\$m / % Actuals)



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

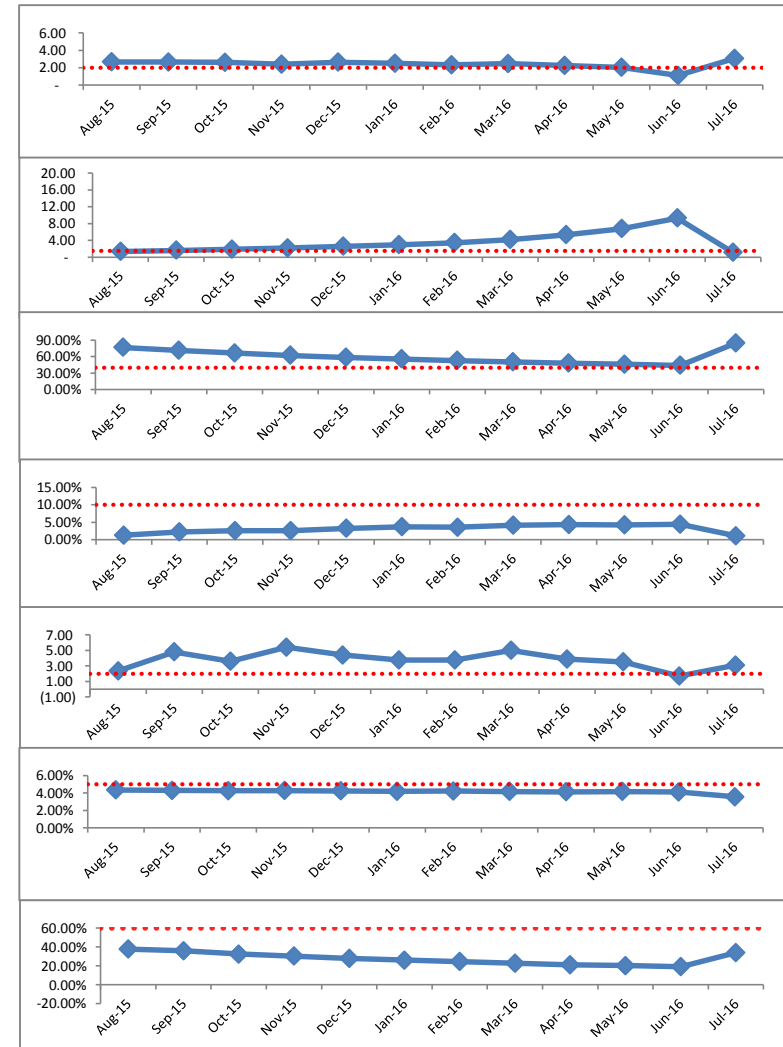


Non-Current Liabilities Jul-16
(\$m / % Actuals)



Ratio Analysis

	Jul-16
Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets)	3.07
Ability to generate working capital to meet our commitments	
Target is greater than 2.00	
Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD)	1.14
Ability to fund capital and exceptional expenditure	
Target is greater than 1.5	
Rate Coverage Ratio (Net Rate Revenue/Operating Revenue)	84.44%
Ability to reduce rates to ratepayers	
Target is less than 40.00% - The percentage will diminish as the bulk of the rates are raised in July	
Debt Service Ratio (Interest and principal repayments/Available Operating Revenue)	1.15%
Ability to service loans including principal and interest	
Target is less than 10.0%	
Cash Capacity in Months (Cash < 90 days invest / (Cash Operating Costs divided by 1 months)	3.08
Ability to manage cashflow	
Target is greater than 2.0 months	
Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets)	3.56%
Ability to retire debt from readily realisable assets	
Target is greater than 5.0%	
Gross Debt to Revenue Ratio (Gross Debt / Total Revenue)	33.96%
Ability to service debt out of total revenue	
Target is less than 60.0%	



ITEM NO: 4

ANNUAL BUDGET 2016/17 - REVISED CAPITAL BUDGET

RECOMMENDATION: (APPROVAL)

That Council:

- 1. APPROVES BY AN ABSOLUTE MAJORITY the additional \$3,230,122 revised carry forward of unspent capital expenditure for 2015/16 totalling \$17,138,048 being incorporated into the 2016/17 Annual Budget and detailed in Schedules 3 and 4;**
- 2. approves an increase of \$341,852 in the amount being funded through transfers from the appropriate reserve accounts detailed in the 2016/17 Annual Budget; and**
- 3. notes the increase of \$26,700 for external contributions for Perth Concert Hall projects.**

BACKGROUND:

FILE REFERENCE: P1031135
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 11 August 2016
MAP / SCHEDULE: Schedule 3 – Finalisation of carry forward amounts into 2016/17.
Schedule 4 – Capital Works Projects 2016/17 – Request for Adjustments.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation	Section 6.2 and 6.8 of the <i>Local Government Act 1995</i>
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the capacity of the organisation

Policy

Policy No and Name: 9.6 – Budget Variations

DETAILS:

The City of Perth 2016/17 Annual Budget was approved by Council at its meeting held on **28 June 2016**. The estimate of \$13.9 million for capital works to be carried forward was computed and updated during April and May 2016.

Subsequently, and as the time for finalising the annual accounts approached, carry forward estimates became much firmer requiring resolution to adjust the 2016/17 Annual Budget. The accuracy of the original estimates are subject to change due to a number of factors including construction time delays, such as contractors performing at a slower rate than anticipated, equipment not being delivered when expected, plus external factors including other civil projects within the City of Perth and inclement weather. In a small number of cases, work was accelerated beyond anticipation, resulting in reduced carry forwards. Savings also emerged on some jobs reducing the amounts carried forward.

Data is also presented regarding funding adjustments where sourcing of funds from reserves and grants and contributions will be increased for 2016/17. Total funding will increase by \$3,230,122.

The following summarises the detailed information in the accompanying schedule.

Capital Works Carried Forward	Approved Carry Forward \$	Required Carry Forward \$	Adjustment Required \$
Projects funded from Municipal Account	8,839,330	11,700,900	2,861,570
Projects funded from reserves	3,716,938	4,058,790	341,852
Projects funded from grants and contributions	1,265,658	1,292,358	26,700
Projects funded from proceeds of Asset Sales	86,000	86,000	0
TOTAL	13,907,926	17,138,048	3,230,122

Since the budget was adopted by Council at its meeting held on **28 June 2016**, Officers have identified budgets that require adjustment. The recommended alteration to the 2016/17 Capital Budget for 2016/17 is detailed in Schedule 4. The projects listed have a nil effect on the overall capital budget; projects are being combined with related projects to manage the financial aspects of these projects more effectively.

FINANCIAL IMPLICATIONS:

The adjustments represent timing differences where budgeted funds were not spent as expected in the estimates for 2015/16 that form part of the budget formulated previously. The increased carry forward will lift the capital budget for 2016/17 to \$65,961,257

COMMENTS:

Ideally capital expenditure projected in the budget should be fully expended. There are valid reasons for changes to project timetables that emerge during the year. There has been a reduction of \$4.5 million on the amount carried forward compared to last year. The completion of the capital program in 2016/17 will be a challenge and require considerable effort and monitoring during the year.

SCHEDULE 3

Finalisation of Carry Forward amounts into 2016/17

Directorate / Unit / Project	Carry Forward in Adopted Budget	Required Carry Forward	Budget Adjustment required	Explanation for the budget adjustment
Community & Commercial Services Directorate	2,358,338	3,047,812	689,474	
Commercial Parking	1,646,538	1,809,815	163,277	
0576 - Parking Meters	50,434	50,159	-275	Changes made in commitment and some small outstanding orders cancelled.
0584 - EMV upgrade for parking equipment	130,647	99,927	-30,720	Actual spent in prior year higher than expected resulting in less carry forward required.
1661 - Mobile Application and Internet	0	57,375	57,375	At the time of Feb review, it was anticipated that the projects would have been completed by June 2016. Delays are due to poor contractor performance.
1807 - CO2 Monitoring & Mechanical Ventilation	223,794	223,794	0	
1811 - LED VMS Signs Upgrade and or replacement of signage	0	56,843	56,843	Projects Officer instructed to reserve funds for a digital screen signage trial. Due to a lack of suitable options it is difficult to find a suitable supplier who also offers an appropriate level of support and a software program that meets our requirements.
1812 - Lift Upgrade or Refurbishment	250,000	250,000	0	
1813 - Lighting Installation	107,440	123,190	15,750	Due to changes made in commitments more funds are required to carry forward.
1814 - Lighting Upgrade	300,000	300,000	0	
1815 - Upgrade of Internet, Intranet and Mobile App	0	36,766	36,766	At the time of Feb review, it was anticipated that the projects would have been completed by June 2016. Delays are due to poor contractor performance.
1817 - Boom Gates	90,000	90,000	0	
1819 - CPAMS (Stock Job management system)	44,723	74,512	29,789	It was anticipated that the purchase order will be issued for the enhancement works. Contractual issues have delayed the purchase order issuance.
1821 - Event Ticket Management Systems (Expanding scope of CPAMS)	40,000	40,000	0	
1828 - OSH and Visitor Access Management Systems Trial	90,000	90,000	0	
1829 - Parking Card Management System (Expanding Online Reservation Systems)	119,500	119,500	0	
1832 - Automate Open Air Car Parks	200,000	197,748	-2,252	Small amount spent in 2015/16 reducing amount required to be carried forward.

SCHEDULE 3

Finalisation of Carry Forward amounts into 2016/17

Directorate / Unit / Project	Carry Forward in Adopted Budget	Required Carry Forward	Budget Adjustment required	Explanation for the budget adjustment
Community Amenity & Safety	430,000	678,976	248,976	
1611 - Network Replacements	430,000	630,000	200,000	Increase in carry forward required for the purchase of CCTV portable towers and associated equipment as a result of the funding application being unsuccessful.
1612 - In-Field Mobile Computer and Tablets	0	14,000	14,000	Carry forward funds to fund three screens and mobile phones for new Rangers.
0463 - Associated Equipment (Internal Requests) 15/16	0	17,432	17,432	For partial funding of CCTV installation at Langley Park.
1765 - Network Expansion 15/16	0	17,544	17,544	For partial funding of CCTV installation at Langley Park.
Library	187,000	187,000	0	
1862 - Library Server Storage	77,000	77,000	0	
1864 - Library Website Upgrade	110,000	110,000	0	
Parking Services	94,800	372,021	277,221	
1846 - Two Way Radios	0	76,200	76,200	The tender panel has been confirmed. The specifications are being drafted to submit to contracts to initiate the tender process.
1961 - Body Worn Cameras	0	75,475	75,475	The formal quotation EOI has been completed. The panel members have been confirmed. The specifications are being drafted to be submitted to Contracts to commence the formal quotation process.
1969 - PDA's	0	125,546	125,546	The tender panel members have been confirmed. The tender EOI has been completed. The specifications are being drafted to submit to Contracts to initiate the tender process.
1970 - Vehicle Detection Sensors	94,800	94,800	0	
Construction & Maintenance Directorate	7,967,761	10,440,095	2,472,334	
Construction	1,042,500	1,131,132	88,632	
1113 - Wellington Street Stage 2	100,000	100,000	0	
1646 - Wellington Street Stage 2A	250,000	250,000	0	
1781 - Wellington Street Stage 2A-Phase 2	42,000	42,000	0	
1798 - Beaufort Street - Pedestrian Crossing	138,000	226,632	88,632	Main Roads WA gave approval for adjacent intersections, increased the risk to the City.
1801 - Wellington Street (Perth City Link Project)Stage 2B	162,500	162,500	0	
1956 - Harvest Terrace Cycle Infrastructure	200,000	200,000	0	
1962 - Riverside Drive Footpath	150,000	150,000	0	

Finalisation of Carry Forward amounts into 2016/17

Directorate / Unit / Project	Carry Forward in Adopted Budget	Required Carry Forward	Budget Adjustment required	Explanation for the budget adjustment
Parks	20,000	20,000	0	
1869 - Queens Gardens - Replace Perimeter Fencing	20,000	20,000	0	
Plant & Equipment	674,742	674,742	0	
0153 - Sanitation - Household Refuse	537,000	537,000	0	
0296 - Mobile Hardware - Depot	47,742	47,742	0	
1923 - Lubricant Management System	50,000	50,000	0	
1924 - Stores Management Systems	40,000	40,000	0	
Properties	5,494,529	7,437,943	1,943,414	
0125 - New Perth City Library	500,000	500,000	0	
0474 - Install Two APTs	0	181,339	181,339	Carry forward to cover financial commitments due to delays in manufacturing.
0528 - Council House Upgrade Driveway and Associated Drainage	200,000	211,978	11,978	Increase in carry forward requested as the project is yet to be completed.
0590 - Citiplace Rest Centre Replace Hand Basins	79,991	81,305	1,314	Increase in carry forward requested as the project is yet to be completed.
0594 - Public Plaza Project	700,000	700,000	0	
1558 - Wellington St Car Park Retaining Wall and Drainage Upgrade	50,000	50,000	0	
1622 - City Station Concourse Replace Air Conditioning	100,000	616,942	516,942	Increase in carry forward requested as the project is yet to be completed.
1634 - Council House Water Feature Refurbishment	98,580	98,580	0	
1668 - Car Park Switchboard Upgrade	0	20,000	20,000	Fault finding has extended project timeline however cost savings are expected as re-cabling will not be required.
1671 - Fire Equipment Upgrades	280,000	466,578	186,578	Increase in carry forward requested as the project is yet to be completed.
1672 - Ground Floor External Foyer Upgrade	0	50,000	50,000	Project not completed in 2015/16, hence carry forward request.
1675 - Lift Motor Room Economy Cycle System	0	61,500	61,500	Carry forward to cover remaining commitments, to be closed out early 16/17.
1678 - Council House New Emergency Generator	80,000	150,000	70,000	Carry forward due to delayed tender progress.
1679 - Council House Office Reconfigurations	200,000	200,000	0	
1681 - Council House Upgrade Lift Equipment and Controls	39,158	739,520	700,362	Carry forward to cover current financial commitments.

Finalisation of Carry Forward amounts into 2016/17

Directorate / Unit / Project	Carry Forward in Adopted Budget	Required Carry Forward	Budget Adjustment required	Explanation for the budget adjustment
Properties - Continued				
1872 - Rest Centre Toilet and Shower Refurbishment	0	30,000	30,000	Project not completed in 2015/16, hence carry forward request.
1873 - Fire Audit Works	269,300	270,287	987	Increase in carry forward requested as the project is yet to be completed.
1874 - Electrical Works	667,500	702,532	35,032	Increase in carry forward requested as the project is yet to be completed.
1876 - Mechanical Services Works	1,495,000	1,512,382	17,382	Increase in carry forward requested as the project is yet to be completed.
1878 - Pedestrian Walkways	700,000	700,000	0	
1880 - Langley Park Toilet and Changing Room Refurbishment	20,000	80,000	60,000	Awaiting outcome of Langley Park Pump Station EOI to inform this project's scope requirements.
1882 - Perth Town Hall New Bin Store	15,000	15,000	0	
Street Presentation & Maintenance	735,990	1,176,278	440,288	
1615 - Plaistowe Mews Replacements	100,000	100,000	0	
1652 - Litter Bin Enclosures	100,000	100,000	0	Delays in supply due to issues with procurement of suitable raw materials
1850 - New Street or Park Lighting	0	50,000	50,000	Delayed due to change in design and consequently manufacturing of adaptor for existing poles. In progress now.
1851 - Lighting Replacement - Various Locations	20,000	85,540	65,540	Delayed due to Western Power delayed the construction. In progress now.
1891 - Adelaide Terrace - Bennett St to Hill St - Both Sides	100,000	100,000	0	
1905 - Victoria Avenue - Riverside Dr to Victoria Sq - Both Sides	225,000	143,680	-81,320	Carry forward required due to delays in pit adjustments being undertaken by external contractors on behalf of pit owners (Telecommunication companies). Reduced carry forward due to some adjustments being made and paid for in 15/16.
1907 - Adelaide Terrace (WB) - Burt Way to Hill St	79,750	79,750	0	
1916 - Newcastle Street (WB) - Palmerston St to Fitzgerald St	86,240	86,240	0	
1947 - Medians - Plain Street - Adelaide Tce to Hay St	0	9,000	9,000	Carry forward required due to WaterCorp works causing unavoidable delays.
1948 - Medians - Adelaide Terrace - Plain St to De Vlamingh Ave	0	13,000	13,000	Carry forward required due to WaterCorp works causing unavoidable delays.
1971 - Trafalgar Bridge Lighting Project	0	349,068	349,068	Carry forward to 2016-17 due to delayed tender progress.
1972 - DUP - Narrows east to MRWA	0	60,000	60,000	15/16 funds were allocated to internal design works and external consultants but not utilised in the 15/16 financial year. Funding will be required in 16/17.

Finalisation of Carry Forward amounts into 2016/17

Directorate / Unit / Project	Carry Forward in Adopted Budget	Required Carry Forward	Budget Adjustment required	Explanation for the budget adjustment
Corporate Services Directorate	2,095,556	2,009,363	-86,193	
Finance	20,600	43,038	22,438	
1958 - H8 Advanced Asset Valuation Module	20,600	43,038	22,438	To cover existing commitments and additional consultation required.
Information Technology	2,074,956	1,966,325	-108,631	
0376 - Card Payments (PCI) Security Review	322,083	209,521	-112,562	Actual spent in prior year higher than expected resulting in less carry forward required.
1602 - HR and Payroll System Review and Implementation	276,710	474,710	198,000	Reinstating the budget from the previous year, project is still currently active and will progress through to 2017.
1695 - Public WIFI Network	94,353	27,821	-66,532	Actual spent in prior year higher than expected resulting in less carry forward required.
1697 - Server Refresh Or Replacement	210,000	210,000	0	
1698 - Storage Refresh Or Replacement	588,000	588,000	0	
1699 - System Monitoring and Reporting	140,000	130,310	-9,690	Actual spent in prior year higher than expected resulting in less carry forward required.
1855 - Business Recovery Site	193,810	193,810	0	
1861 - Depot Work Order System	100,000	112,153	12,153	Project was delayed and is expected to be completed in 2016/17.
1968 - Business Continuity Site(City Place) Build	50,000	20,000	-30,000	Actual spent in prior year higher than expected resulting in less carry forward required.

Finalisation of Carry Forward amounts into 2016/17

Directorate / Unit / Project	Carry Forward in Adopted Budget	Required Carry Forward	Budget Adjustment required	Explanation for the budget adjustment
Planning & Development Directorate	1,486,272	1,640,778	154,506	
Co-ordination & Design	1,001,272	1,003,903	2,631	
1534 - CIT Precinct Plan - Museum St	200,000	200,000	0	
1617 - St Georges Tce (King - Milligan)	529,499	470,663	-58,836	Remaining carry forward to allow for construction of Stage 2 - Traffic Lights MFP in combination with Parallel Walks.
1957 - Cliff Street	171,773	171,773	0	\$50,000 to be re-allocated to CW2129 in 2016/17 - Water Labyrinth Digital signage project. Approved by Council in June 2016.
1965 - Thomas Street Median	100,000	133,716	33,716	Additional scoping works required to be undertaken, slight increase on the carry forward is necessary.
1967 - Wellington Square	0	27,751	27,751	Carry forward required as a result of Arboricultural report and works delayed.
Transport	485,000	636,875	151,875	
0179 - Other Cycle Plan Locations to be Determined	185,000	185,000	0	
1637 - 2-Way Murray St (Elder - Thomas)	300,000	451,875	151,875	Project deferred in 10 year plan. Carry forward required to continue refinement of design and scope of works.
Grand Total	13,907,926	17,138,048	3,230,122	

SCHEDULE 4

Capital Works Projects 2016/17 - Request for Adjustments

Unit	Current Budget	Amended Budget
Transport		
CW2075 - Kensington St City cycle route (to be renamed "East Perth cycle routes")	50,000	225,000
CW2077 - Royal St City cycle route	25,000	0
CW2079 - Victoria Terrace integrated cycle route	25,000	0
CW2085 - Bennett St city cycle route	50,000	0
CW2078 - Fielder St integrated cycle route	25,000	0
CW2128 - East parade City cycle route	50,000	0
Total	225,000	225,000
Construction		
CW1113 - Wellington St Stage 2	100,000	0
CW1646 - Wellington St Stage 2A	250,000	0
CW1781 - Wellington St Stage 2A - Phase 2	42,000	0
CW1801 - Wellington St (Perth City Link) Stage 2B	4,176,063	4,568,063
Total	4,568,063	4,568,063
Properties		
CW1880 - Langley Park Toilet and changing room refurbishment	20,000	1,020,000
CW2022 - Langley Park Toilet and changing room refurbishment	1,000,000	0
CW1872 - Citiplace rest centre - Toilet & shower refurbishment	100,000	179,991
CW0590 - Replace handbasins - Citiplace rest centre	79,991	0
CW1634 - Council House water feature refurbishment	98,580	0
CW0528 - Upgrade driveway and associated drainage - Council House	200,000	748,580
CW2031 - Council House gardens - Water fountain refurbishment	400,000	0
CW1672 - Council House Ground floor external foyer upgrade	50,000	0
Total	1,948,571	1,948,571
Information Technology		
CW1697 - Server refresh or replacement (to be re-named Servers, Storage and Business continuity)	210,000	1,068,810
CW1698 - Storage refresh or replacement	588,000	0
CW1855 - Business Recovery site	193,810	0
CW1862 - Library server storage	77,000	0
Total	1,068,810	1,068,810
CW1699 - System monitoring and reporting	140,000	0
CW2076 - Enterprise Architecture	150,000	290,000
Total	290,000	290,000
CW2121 - Desktop refresh and replacement (to be re-named Desktop Replacement Programme)	60,000	110,000
CW2123 - Unified Comms - refresh and replace telephone system	50,000	0
Total	110,000	110,000
CW2126 - Fibre optic network (to be re-named Fibre Optic Infrastructure)	300,000	450,000
CW2127 - Public Wifi network	150,000	0
Total	450,000	450,000

ITEM NO: 5

RECEPTION REQUEST – WESTERN AUSTRALIAN CAMERA CLUB CENTENARY

RECOMMENDATION: (APPROVAL)

That the Finance and Administration Committee approves the City of Perth hosting a reception for the Western Australian Camera Club Centenary on Thursday, 22 June 2017.

BACKGROUND:

FILE REFERENCE: P1009160-23
REPORTING UNIT: Marketing & Communications Unit
RESPONSIBLE DIRECTORATE: Economic Development & Activation
DATE: 8 August 2016
MAP / SCHEDULE: N/A

Correspondence has been received by the Lord Mayor from Mr Richard Goodwin, Secretary of the Western Australian Camera Club, requesting the City of Perth host a cocktail reception for the centenary of the club.

The Lord Mayor has referred this request to the Finance and Administration Committee for consideration, as it does not fall into the “Civic, Major or Urgent” categories as provided in the Council Policy 10.12 – Provision of Hospitality.

LEGISLATION / STRATEGIC PLAN / POLICY:

Integrated Planning and Reporting Framework Implications	Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S19 Improve the customer focus of the organisation IP34 Enhance customer service
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Policy

Policy No and Name: 10.12 – Provision of Hospitality

Council Policy 10.12 – Provision of Hospitality provides that:

“The Lord Mayor may approve functions that are civic, major and urgent functions, and this is to be decided at their discretion without first being referred to Council.”

Those requests for receptions not approved by the Lord Mayor to be referred to the Finance and Administration Committee which will in turn recommend to the full Council, where the estimated cost of the reception exceeds \$5,000.”

DETAILS:

The Western Australian Camera Club was founded on 22 June 1917 at the University of Western Australia.

Its purpose was “the encouragement of the science, art and practice of photography, and the interchange of knowledge of such amongst members”.

34 inaugural members signed on at that first gathering. Two months later when the club conducted its first annual general meeting, 85 people attended.

The club has operated continuously for 99 years, meeting once a month in a variety of venues in the City of Perth and City of Stirling. It is still governed by its original rules and certificates of incorporation which were registered on 29 October 1917.

For most of the first forty years of the club, its strongest membership was drawn from the ranks of the professions and business. Leading professional photographers of the era were among its members and regular guest presenters. Its original rule book contains advertisements from prominent Perth photographic businesses of the day such as the Dease Studios at 117 Barrack Street and Tilly’s Photographic Merchants of 728 Hay Street.

The Club has produced an annual syllabus throughout its history, highlighting its commitment to the education of members. It has also conducted a monthly program of competitions for prints, slides and latterly digitally-projected images.

The 100th annual general meeting on 6 February 2017 will open a year of celebrations for the State’s entire camera club movement under the theme of 100 Years of Popular Photography in WA.

About three dozen clubs are currently active throughout Western Australia with a combined membership approaching 1,500. The clubs have a peak association known as the WA Photographic Federation.

One of the highlights of the centenary year will be the WA Camera Club hosting of a convention of statewide photographers from 23 to 25 June 2017 with the main venue being the Government House ballroom.

In many respects, 2017 represents the centenary of the camera club movement in Perth and WA. Historically camera clubs have provided a means for members of the public with an interest or hobby to learn more about photography and express themselves through a creative output.

Currently the WA Camera Club has a membership of about 60 drawn mainly from the inner north-west of the metropolitan area including the City of Perth.

There are currently no other receptions scheduled for June 2017.

The proposed event details are:

Date:	Thursday, 22 June 2017
Time:	5.30pm – 7:00pm
Location:	Level 11 Reception Suite, Council House
Attendees:	Maximum of 75 attendees

FINANCIAL IMPLICATIONS:

ACCOUNT NO:	Operating Expenditure
BUDGET ITEM:	Material Costs
BUDGET PAGE NUMBER:	82
BUDGETED AMOUNT:	\$8,058,232
AMOUNT SPENT TO DATE:	\$1,022,139
PROPOSED COST:	\$ 3,529
BALANCE:	\$7,032,564

All figures quoted in this report are exclusive of GST.

CONFIDENTIAL ITEM NO: 6

CLASS ACTION FOR THE RECOVERY OF GST

RECOMMENDATION:

(APPROVAL)

That Council approves the participation for the City of Perth in the class action initiated by Genesis Accounting, as a sole supplier, for GST paid by the City of Perth on the sale and use of property.

BACKGROUND:

FILE REFERENCE: P1003454-12
REPORTING UNIT: Finance
RESPONSIBLE DIRECTORATE: Corporate Services
DATE: 9 August 2016
MAP / SCHEDULE: N/A

In accordance with Section 5.23 (2)(d) of the *Local Government Act 1995*, this item is confidential and will be distributed to Elected Members under separate cover.