

Finance and Administration Committee

Notice of Meeting
14 November 2017
4.00pm

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



City of Perth

Agenda

ORDER OF BUSINESS AND INDEX

- 1 Declaration of Opening
- 2 Apologies and Members on Leave of Absence
- 3 Question Time for the Public
- 4 Confirmation of minutes – 19 September 2017
- 5 Correspondence
- 6 Disclosure of Members' interests
- 7 Matters for which the meeting may be closed

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

Attachment No.	Item No. and Title	Reason
Confidential Attachments 8.5A – 8.5D	Item No 8.5 – Tender 019 – 17/18 – Food Business Assessment and Inspection	S5.23(2)(e)(ii)
Confidential Attachment 8.6B	Item No 8.6 – Tender 064-17/18 Auditorium and Façade Lighting Perth Concert Hall	S5.23(2)(e)(ii)
Confidential Attachments 8.9A & 8.9B	Item No 8.9 – Bicentenary Project Feasibility Study – Project Overview and Funding Request from Perth Public Art Foundation	S5.23(2)(e)(ii)

- 8 Reports
 - 8.1 - Finance and Administration Committee – Election of Presiding Member
 - 8.2 - Investments and Investment Returns for the Period Ended 30 September 2017
 - 8.3 - Payments from Municipal and Trust Funds – September 2017
 - 8.4 - Financial Statements and Financial Activity Statement for the Period Ended 30 September 2017
 - 8.5 - Tender 019 – 17/18 – Food Business Assessment and Inspection

8.6 - Tender 064-17/18 Auditorium and Façade Lighting Perth Concert Hall

8.7 – Activation of the City

8.8 – Heritage Rate Concession Criterion Hotel 560 Hay Street

8.9 – Bicentenary Project Feasibility Study – Project Overview and Funding Request from Perth Public Art Foundation

9 Motions of which Previous Notice has been given

10 General Business

10.1 - Responses to General Business from a Previous Meeting

Nil

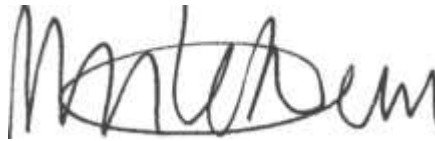
10.2 - New General Business

11 Items for consideration at a future meeting

Outstanding Reports:

- Council Policy 10.6 – Elected Member Expense Reimbursements (raised at FA 04/10/16, Special Workshop scheduled for 4 December 2017).

12 Closure



MARTIN MILEHAM
CHIEF EXECUTIVE OFFICER

9 NOVEMBER 2017

This meeting is open to members of the public

FINANCE AND ADMINISTRATION COMMITTEE

Established: 17 May 2005 (Members appointed 24 October 2017)

Members:	1st Deputy:	2nd Deputy:
Deputy Lord Mayor Cr Green	Cr Adamos	Cr Limnios
Cr Davidson		
Cr Harley		

Quorum: Two

Expiry: October 2019

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;
 - j. any other matters requiring a decision of the Council and not specifically defined in the Terms of Reference for any other Committee of the Council or where the substantive Committee is unable to be convened and a decision is necessary to fulfil operational requirements.

NOTE:

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

1. Approve or decline officer recommendations for receptions of up to \$5,000 in value referred to the Committee by the Lord Mayor [FM Reg.12 (1) (b)].
2. Authority to approve or decline recommendations to purchase works of art valued at over \$30,000 and less than \$100,000 and the deaccession of art [FM Reg.12(1)(b) and s.3.58(2) and (3)].

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.

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

EMERGENCY GUIDE

Council House, 27 St Georges Terrace, Perth



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

BUILDING ALARMS

Alert Alarm and Evacuation Alarm.

ALERT ALARM

beep beep beep

All Wardens to respond.

Other staff and visitors should remain where they are.



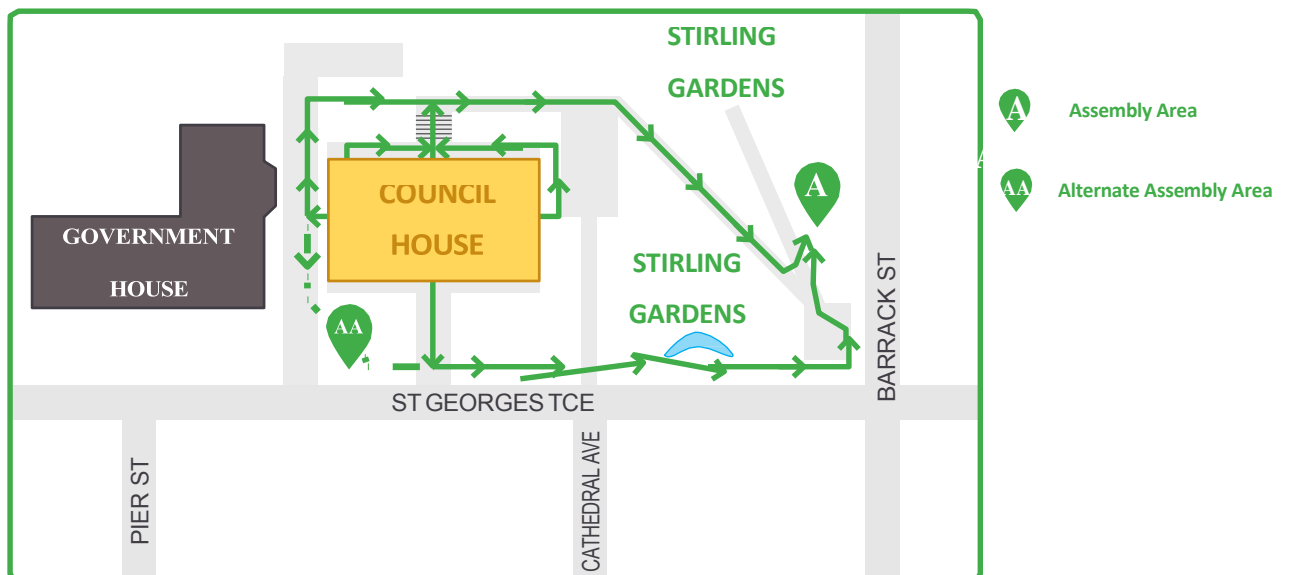
EVACUATION ALARM / PROCEDURES

whoop whoop whoop

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

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

EVACUATION ASSEMBLY AREA



Agenda **Finance and Administration Committee – Election of Presiding**
Item 8.1 **Member**

Recommendation:

That in accordance with Section 5.12 of the Local Government Act 1995, the Finance and Administration Committee elects a Presiding Member.

FILE REFERENCE: P1033372
 REPORTING UNIT: Governance
 RESPONSIBLE DIRECTORATE: Office of the CEO
 DATE: 27 October 2017
 ATTACHMENT/S: N/A

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation Section 5.12 of the *Local Government Act 1995*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
 Goal 7 An open and engaged city

Purpose and Background:

At its meeting held on **24 November 2015**, Council resolved to establish the Finance and Administration Committee Terms of Reference as follows:

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 onstreet parking proposals or restrictions and any associated fees or signage;
 - i) any other issues requiring a decision of the Council and not specifically defined in the Terms of Reference for any other Committee of the Council.

NOTE:

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

1. Approve or decline officer recommendations for receptions of up to \$5,000 in value referred to the Committee by the Lord Mayor [FM Reg.12 (1) (b)].
2. Authority to approve or decline recommendations to purchase works of art valued over \$30,000 and less than \$100,000 and the deaccession of art [FM Reg.12(1)(b) and s.3.58(2) and (3)].

Membership:

Membership (Members appointed at the Special Council Meeting held **24 October 2017**):

Members:	1st Deputy	2nd Deputy
Deputy Lord Mayor Cr Green	Cr Adamos	Cr Limnios
Cr Davidson OAM JP		
Cr Harley		

Quorum:

Two

Terms Expire:

Local Government Elections October 2019

Details:

Section 5.12 of the *Local Government Act 1995* (Act) requires the members of the Committee to elect a Presiding Member.

The procedure that is required to be followed is detailed in Schedule 2.3, Division 1 of the Act which is as follows:

2. When Committee elects Presiding Member

- (1) The office is to be filled as the first matter dealt with —
 - (a) at the first meeting of the Committee after an inaugural election or a section 4.13 or 4.14 election or after an ordinary elections day; and
 - (b) at the first meeting of the Committee after an extraordinary vacancy occurs in the office of Presiding Member.
- (2) If the first ordinary meeting of the Committee is more than three weeks after an extraordinary vacancy occurs in the office of Presiding Member, a special meeting of the Committee is to be held within that period for the purpose of filling the office of Presiding Member.

3. CEO to preside

The CEO is to preside at the meeting until the office is filled.

4. How Presiding Member is elected

- (1) The Committee is to elect a Committee member to fill the office.
- (2) The election is to be conducted by the CEO in accordance with the procedure prescribed.
- (3) Nominations for the office of Presiding Member are to be given to the CEO in writing before the meeting or during the meeting before the close of nominations.
 - 3a) Nominations close at the meeting at a time announced by the CEO, which is to be a sufficient time after the announcement by the CEO that nominations are about to close to allow for any nominations made to be dealt with.
- (4) If a Committee member is nominated by another Committee member the CEO is not to accept the nomination unless the nominee has advised the CEO, orally or in writing, that he or she is willing to be nominated for the office.
- (5) The Committee members are to vote on the matter by secret ballot as if they were electors voting at an election.
- (6) Subject to clause 5(1), the votes cast under subclause (5) are to be counted, and the successful candidate determined, in accordance with Schedule 4.1 (which deals with determining the result of an election) as if those votes were votes cast at an election.
- (7) As soon as is practicable after the result of the election is known, the CEO is to declare and give notice of the result in accordance with regulations, if any.

5. Votes may be cast a second time

- (1) If when the votes cast under clause 4(5) are counted there is an equality of votes between two or more candidates who are the only candidates in, or remaining in, the count, the count is to be discontinued and the meeting is to be adjourned for not more than seven days.
- (2) Any nomination for the office of Presiding Member may be withdrawn, and further nominations may be made, before or when the meeting resumes.
- (3) When the meeting resumes the Committee members are to vote again on the matter by secret ballot as if they were electors voting at an election.
- (4) The votes cast under subclause (3) are to be counted, and the successful candidate determined, in accordance with Schedule 4.1 as if those votes were votes cast at an election.

The votes are to be counted in accordance with Schedule 4.1 of the *Local Government Act 1995* as if those votes were cast at an election. If two or more candidates receive the same number of votes so that Clause 2, 3 or 4 cannot be applied, the CEO, or his nominee, is to draw lots in accordance with regulations to determine which candidate is elected.

Financial Implications:

There are no financial implications associated with this report.

Comments:

The Finance and Administration Committee is required to elect a Presiding Member in accordance with section 5.12 of the *Local Government Act 1995*.

Agenda **Investments and Investment Returns for the Period Ended 30**
Item 8.2 **September 2017**

Recommendation:

That the Finance and Administration Committee RECEIVES the report detailing investments and investment returns for the period ended 30 September 2017, as detailed in Attachment 8.2A of this Report.

FILE REFERENCE: P1032980-17
 REPORTING UNIT: Finance
 RESPONSIBLE DIRECTORATE: Corporate Services
 DATE: 6 October 2017
 ATTACHMENT/S: Attachment 8.2A – Investment Report for the period ended 30 September 2017, Short Term Investments and Institution Credit and Rating

Council Role:

- Advocacy *When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
- Executive *The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative *Includes adopting local laws, town planning schemes and policies*
- Quasi-Judicial *When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
- Information *For the Council/Committee to note.*

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
Goal 7 An open and engaged city

Policy

Policy No and Name: 9.3 – Management of Investments

Financial Implications:

Reported investment earnings (excluding interest on rates arrears) at \$384,581 after Trust Account adjustments, were \$6,802 above budget in September.

Details:

	Actual \$	Budget \$	Variation \$
Interest Earnings	384,581	377,779	6,802

Average Rate	2.42%
Benchmark Rate	1.74%
RBA Cash Rate	1.50%

*Figures exclude interest on rate arrears.

Call Accounts

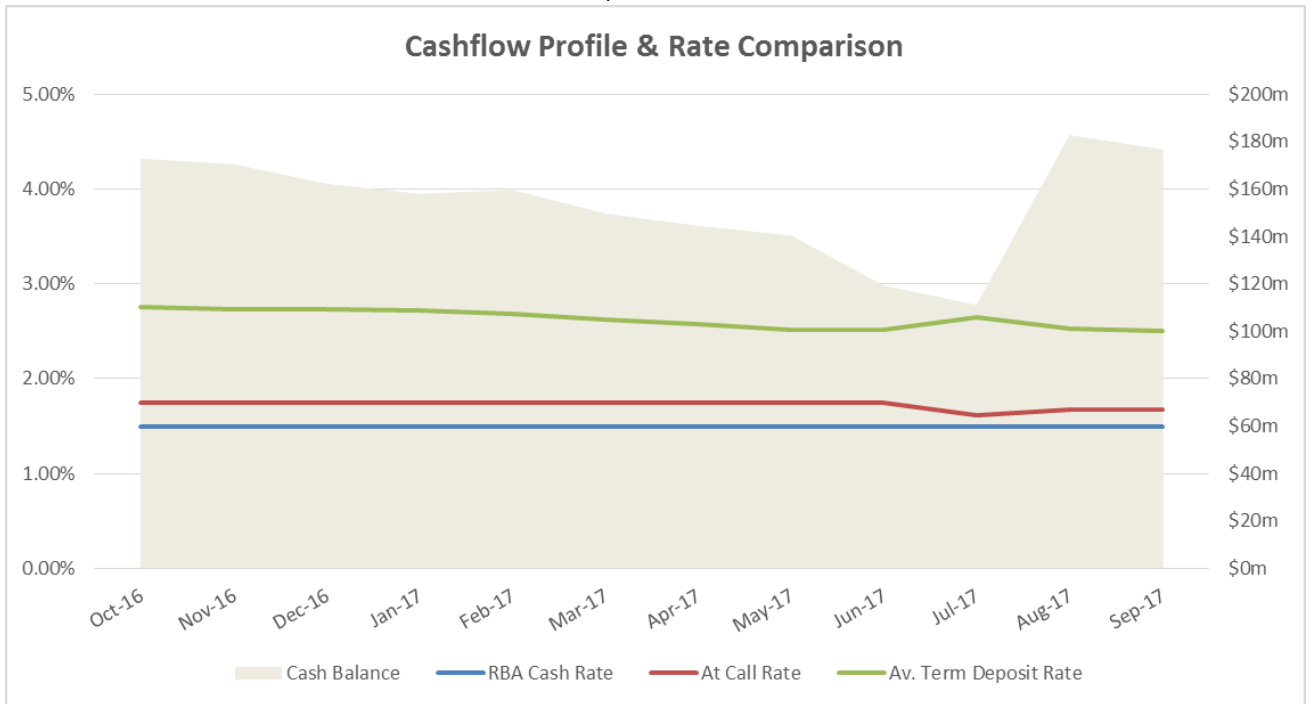
Balance at 30 September 2017	\$12.8 million
Interest Earned	\$32,470
Rate for balances over \$2 million	1.75%

Term Deposits

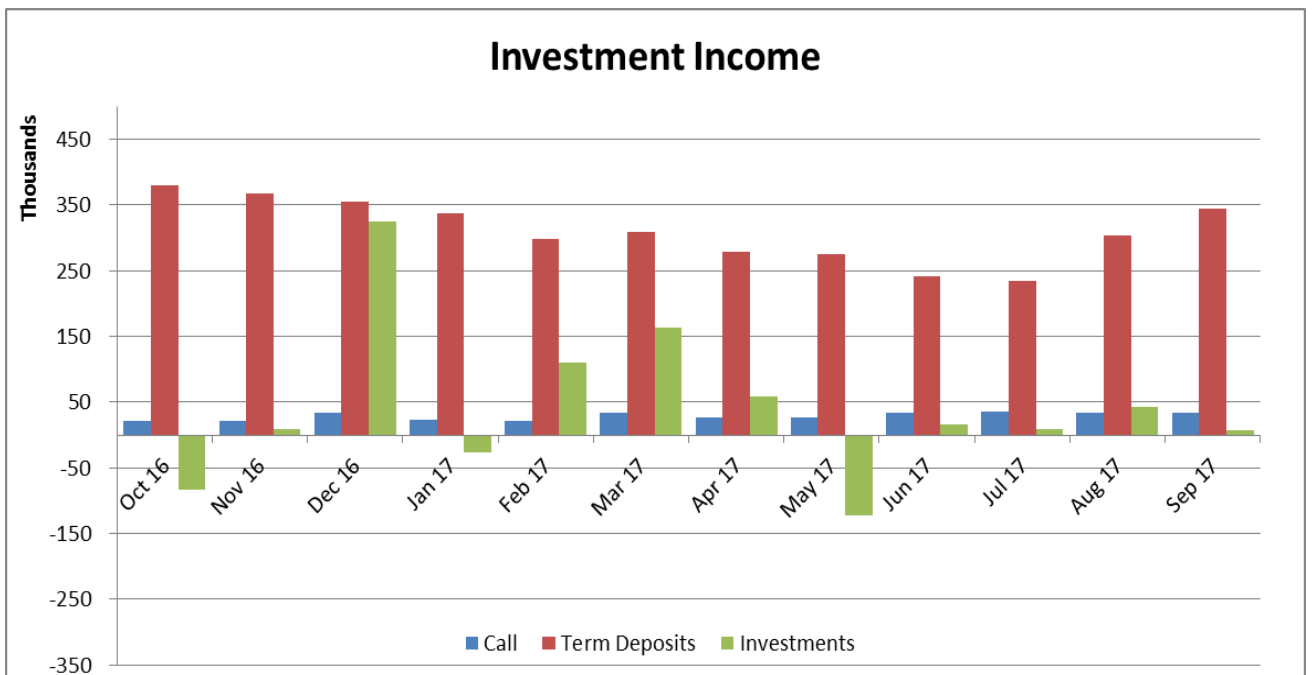
Balance at 30 September 2017	\$163.8 million
Interest Earned	\$344,253
Average Rate (Municipal funds)	2.50%
Most Recent Rate (Municipal funds)	2.58%

Other Investments

	Interest Earned \$	Interest Rate %
Emerald Mortgage Backed Security	9,087	2.58
Colonial Share Index Balanced Fund	(1,229)	N/A



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



Spread of Investments

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

Institution	Credit Rating	Percentage	Percentage Allowed
ANZ	A1+	3%	100%
Bankwest	A1+	14%	
NAB	A1+	23%	
		40%	
AMP	A1	6%	
ING (Upgraded from A2 to A1)	A1	-	
Suncorp Metway	A1	18%	
		24%	
		64%	
Bank of Queensland	A2	32%	
		32%	60%
Barclays	NR	1%	10%
Colonial	NR	3%	
		4%	

Comments:

The *Local Government (Financial Management) Regulations 1996* were amended in May 2017 to enable fixed term deposits of up to three years (increased from one year). This amendment will have no impact at this time due to the low interest rate environment.

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

ATTACHMENT 8.2A

9

INVESTMENT REPORT	Market Value	Market Value	Cost & Impairment	% of	Interest Earned	Weighted Average Monthly	Interest Earned
30-Sep-17	31-Aug-17	30-Sep-17	30-Sep-17	Class	Sep	Rate	YTD
Municipal							
Short term Direct Investments							
Call	\$12,886,581	\$8,935,958	\$8,935,958	5.0%	\$25,098	1.82%	\$77,681
Term Deposits	\$99,000,000	\$94,000,000	\$94,000,000	52.5%	\$199,230	2.50%	\$408,947
Short	\$111,886,581	\$102,935,958	\$102,935,958		\$224,328	2.43%	\$486,627
Total Municipal - Cash Backed Securities	\$111,886,581	\$102,935,958	\$102,935,958		\$224,328	2.43%	\$486,627
Total Municipal Investments	\$111,886,581	\$102,935,958	\$102,935,958		\$224,328	2.43%	\$486,627
Reserves							
Short term Direct Investments							
Call	\$3,799,550	\$3,805,173	\$3,805,173	2.1%	\$6,484	1.67%	\$21,596
Term Deposits	\$62,500,000	\$65,500,000	\$65,500,000	36.6%	\$136,437	2.64%	\$441,810
Total	\$66,299,550	\$69,305,173	\$69,305,173		\$142,921	2.59%	\$463,406
Medium term Direct Investments							
Barclays - Emerald -MBS	2,552,637	2,552,637	\$2,542,187	1.4%	\$9,087	2.58%	\$28,036
Total	\$2,552,637	\$2,552,637	\$2,542,187		\$9,087	2.58%	\$28,036
Total Reserve - Cash Backed Securities	\$68,852,187	\$71,857,810	\$71,847,361		\$152,008	2.59%	\$491,442
Balanced Funds							
Colonial Share Index	\$4,748,992	\$4,747,847	\$4,747,847	100%	-\$1,229	-0.02%	\$30,358
Total	\$4,748,992	\$4,747,847	\$4,747,847		-\$1,229	-0.02%	\$30,358
Total Reserve Investments	\$73,601,179	\$76,605,658	\$76,595,208		\$150,779	-0.02%	\$521,799
Trust							
Short term Direct Investments							
Call	\$25,358	\$25,363	\$25,363	0.0%	\$888	1.35%	\$2,621
Term Deposits	\$4,284,278	\$4,289,088	\$4,289,088	2.4%	\$8,586	2.46%	\$30,909
Total	\$4,309,636	\$4,314,451	\$4,314,451		\$9,474	2.35%	\$33,530
Total Trust - Cash Backed Securities	\$4,309,636	\$4,314,451	\$4,314,451		\$9,474	2.35%	\$33,530
Total Investments-Cash Backed Securitie.	\$185,048,404	\$179,108,219	\$179,097,769		\$385,810	2.49%	\$1,011,599
Grand Total Investments	\$189,797,396	\$183,856,066	\$183,845,617		\$384,581	2.42%	\$1,041,956

30-Sep-17

INSTITUTION CREDIT AND RATING

INSTITUTION	AMOUNT	PERCENTAGE	CREDIT RATING	MAX AMOUNT
ANZ	5,491,526.91	3%	A1+	OK
AMP	10,255,127.68	6%	A1	OK
ING	-	0%	A1	OK
BOQLD	58,500,000.00	32%	A2	OK
BANKWEST	25,019,839.62	14%	A1+	OK
BARCLAYS	2,542,187.44	1%	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	42,789,087.81	23%	A1+	OK
ST GEORGE	-	0%	A1+	OK
SUNCORP METWAY	34,500,000.00	19%	A1	OK
WESTPAC	-	0%	A1+	OK
COLONIAL	4,747,847.40	3%	NR	OK
TOTAL	183,845,616.86	100%		

GLOBAL CREDIT EXPOSURE

INSTITUTION	AMOUNT	PERCENTAGE	MAX ALLOWED
A1+, A1, AA	118,055,582.02	64%	100%
A2	58,500,000.00	32%	60%
A3 and Unrated	7,290,034.84	4%	10%
TOTAL	183,845,616.86	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 30 September 2017

<u>FUND</u>	<u>INSTITUTION</u>	<u>TYPE</u>	<u>AMOUNT</u>	<u>RATE</u>	<u>LODGED</u>	<u>MATURITY</u>	<u>Total Investment Days</u>	<u>TOTAL INTEREST individual outstanding investment</u>	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.65%	7/07/2017	4/01/2018	181	\$ 39,423.29	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.65%	30/06/2017	4/01/2018	188	\$ 40,947.95	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 4,000,000.00	2.65%	31/07/2017	28/02/2018	212	\$ 61,567.12	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.55%	17/08/2017	15/03/2018	210	\$ 44,013.70	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.65%	1/08/2017	30/03/2018	241	\$ 87,486.30	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.65%	2/08/2017	30/04/2018	271	\$ 98,376.71	
MUNICIPAL	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.55%	23/08/2017	17/05/2018	267	\$ 55,960.27	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 3,000,000.00	2.56%	22/09/2017	15/03/2018	174	\$ 36,611.51	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 8,000,000.00	2.58%	21/09/2017	19/04/2018	210	\$ 118,750.68	
MUNICIPAL	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.58%	27/09/2017	17/05/2018	232	\$ 32,797.81	
MUNICIPAL	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.60%	27/06/2017	25/01/2018	212	\$ 75,506.85	
			\$ 94,000,000.00						
RESERVES	AMP	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.80%	6/07/2017	5/04/2018	273	\$ 104,712.33	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.65%	16/03/2017	12/10/2017	210	\$ 30,493.15	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 5,000,000.00	2.65%	18/05/2017	16/11/2017	182	\$ 66,068.49	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 1,000,000.00	2.65%	15/06/2017	12/12/2017	180	\$ 13,068.49	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.60%	22/06/2017	21/12/2017	182	\$ 25,928.77	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 4,500,000.00	2.65%	22/06/2017	18/01/2018	210	\$ 68,609.59	
RESERVES	BQLD	Short Term Direct Investments TERM DEPOSITS	\$ 4,000,000.00	2.60%	24/08/2017	31/07/2018	341	\$ 97,161.64	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 2,500,000.00	2.60%	20/04/2017	19/10/2017	182	\$ 32,410.96	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 7,000,000.00	2.60%	9/03/2017	19/10/2017	224	\$ 111,693.15	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 8,000,000.00	2.65%	22/06/2017	25/01/2018	217	\$ 126,038.36	
RESERVES	SUNCORP	Short Term Direct Investments TERM DEPOSITS	\$ 7,000,000.00	2.65%	22/06/2017	22/02/2018	245	\$ 124,513.70	
			\$ 65,500,000.00						
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 1,500,000.00	2.45%	24/08/2017	23/11/2017	91	\$ 9,162.33	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 789,087.81	2.45%	7/09/2017	7/12/2017	91	\$ 4,819.92	
TRUST	NAB	Short Term Direct Investments TERM DEPOSITS	\$ 2,000,000.00	2.52%	28/09/2017	31/01/2018	125	\$ 17,260.27	
			\$ 4,289,087.81						
TOTAL investments			\$ 163,789,087.81						\$ 2,545,760.74

**Agenda
Item 8.3**

Payments from Municipal and Trust Funds – September 2017

Recommendation:

That in accordance with Regulation 13(1) of the Local Government (Financial Management) Regulations 1996, the list of payments made under delegated authority for the month ended 30 September 2017, be RECEIVED and recorded in the Minutes of the Council, the summary of which is as follows:

FUND	PAID
Municipal Fund	\$ 22,509,568.01
Trust Fund	\$ 306,683.31
TOTAL:	<u><u>\$ 22,816,251.32</u></u>

FILE REFERENCE: P1032265
 REPORTING UNIT: Finance
 RESPONSIBLE DIRECTORATE: Corporate Services
 DATE: 5 October 2017
 ATTACHMENT/S: A detailed list of payments made under delegated authority for the month ended 30 September 2017 can be accessed by Elected Members via the Council Hub. Members of the public can access the list of payments on request.

Council Role:

- Advocacy *When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
- Executive *The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative *Includes adopting local laws, town planning schemes and policies*
- Quasi-Judicial *When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
- Information *For the Council/Committee to note.*

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

Goal 7 An open and engaged city

Comments:

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

- \$6,697,425.62 to the Department of Fire and Emergency Services for the emergency services levy first quarter contribution for 2017/18, and a minor invoice in relation to call out fees;
- \$2,650,673.25 to the Metropolitan Redevelopment Authority for works completed on Wellington Street 2B northern verge and median island landscape works; and
- \$506,448.76 to the Building Commission, Department Of Commerce for the Building Services Levy for August 2017.

Agenda Item 8.4 **Financial Statements and Financial Activity Statement for the Period Ended 30 September 2017**

Recommendation:

That Council APPROVES the Financial Statements and the Financial Activity Statement for the period ended 30 September 2017, as detailed in Attachment 8.4A of this Report.

FILE REFERENCE: P1014149-25
 REPORTING UNIT: Finance
 RESPONSIBLE DIRECTORATE: Corporate Services
 DATE: 18 October 2017
 ATTACHMENT/S: Attachment 8.4A – Financial Statements and Financial Activity Statement for the period ended 30 September 2017

Council Role:

- Advocacy *When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
- Executive *The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
- Legislative *Includes adopting local laws, town planning schemes and policies*
- Quasi-Judicial *When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
- Information *For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation Section 6.4(1) and (2) of the *Local Government Act 1995*
 Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
 Goal 7 An open and engaged city

Financial Implications:

There are no direct financial implications arising from this report.

Details:

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

Comments:

The Financial Activity Statement commentary compares the actual results for the three months to 30 September 2017.

**FINANCIAL ACTIVITY STATEMENT FOR THE THREE MONTHS TO
30 SEPTEMBER 2017**

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the three months to 30 September 2017 to the 2017/18 Budget adopted by Council on 28 June 2017 and amended by Council on 29 August 2017.

Operating Revenue

- Parking revenue year to date was \$18.6 million, which was \$574,000 above the revised budget. The variance mainly consisted of \$169,000 for Open Air Car Parks, \$175,000 for Kerbside parking, \$241,000 for Undercover Car Parks and \$(11,000) for events.
- The variances for Open Air Car Parks were primarily for the following car parks: \$92,000 Point Fraser, \$144,000 Queens Gardens and \$23,000 for the Fire Station. The \$9 all day parking promotion at Queens Gardens resulted in increased patronage and revenue for the car park.
- Undercover Car Parks that performed better than the revised budget on a year to date basis were: Convention Centre \$231,000, Concert Hall \$92,000 and Elder Street \$58,000 and partly offset with lower than budget for Roe Street \$(68,000) and Pier Street \$(50,000).
- Fines and Costs were lower than the revised budget by 3.1% or \$(73,000) predominantly due to parking fines.
- Investment Income and Interest was \$294,000 above the revised budget. This is predominantly due to more ratepayers opting to pay their rates by installments; thus earning higher interest on installments revenue than anticipated at budget setting.
- Recurrent Grants were \$(204,000) below the revised budget. This is primarily due to Federal Assistance and Local Government Grants' first quarter payment made in the last week of the previous financial year. The budget will be adjusted accordingly as part of the budget review 2017/18 process.
- Other income was \$600,000 above the revised budget and the variance included \$199,000 in administration charges as more than anticipated ratepayers opted to pay their rates in instalments. The variance also included higher than anticipated revenue for Building Licence Fees \$181,000, Outdoor Eating Area Licence Fees of \$52,000, swimming pool inspection \$57,000 and Food Premises Inspection Fees of \$63,000.

**FINANCIAL ACTIVITY STATEMENT FOR THE THREE MONTHS TO
30 SEPTEMBER 2017**

REPORT OF VARIANCES TO BUDGET

Operating Expenditure

- Employee costs ended the month on \$18.4 million being 2.1% or \$396,000 below the year to date revised budget. Vacant positions throughout the City were the main reasons for this underspend.
- Materials and Contracts were \$2.7 million below the revised budget. The main areas of underspend were: Advertising \$505,000 due to timing differences, Consultancy \$395,000, Property Maintenance \$438,000 and contractors \$170,000.
- Utilities were lower than the revised budget by \$186,000 due to lower than budgeted power consumption.
- Depreciation and Amortisation was under the revised budget by \$6,000 at the end of September.
- Loss on disposal of assets recorded a nil spend against a year to date revised budget of \$639,000. The year-end finalisation process is yet to be completed and is expected to reduce this variance.
- Other Expenditure was below the revised budget by \$881,000. This is mainly due to less than anticipated spending on donations and sponsorships, and is expected to be a timing variance only.

Investing Activities

- As part of the finalization of carry forwards \$8.5 million was added to the 2017/18 capital budget bringing it to a total of \$68.9 million for the year. Capital expenditure was \$7.3 million lower than the revised budget. Capital year to date spend being \$5.9 million or 8.7% of the revised capital budget for 2017/18.

Financing Activities

- Transfers to Reserves were \$3.8 million below the revised budget. Utilisation of reserve funds were lower than expected, and can be linked to the lower than anticipated capitals spend.
- Transfers from Reserves were below the revised budget by \$(6.1 million), mainly due to lower than anticipated year to date spend on capital projects.

**FINANCIAL ACTIVITY STATEMENT FOR THE THREE MONTHS TO
30 SEPTEMBER 2017**

REPORT OF VARIANCES TO BUDGET

Amounts sourced from Rates

- Rates revenue raised was \$(70,000) or 0.1% below the revised budget. During August and September interim rates of \$860,000 were raised. This was offset with rates refunds and back rates resulting in the overall result being below budget.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 30 September 2017

	Revised Budget 2017/18 \$	Budget YTD 30-Sep-17 \$	Actual YTD 30-Sep-17 \$	Variance YTD 30-Sep-17 \$
Proceeds from Operating Activities				
Operating Revenue				
<i>Nature of Income</i>				
Parking Fees	71,807,578	18,058,856	18,633,088	574,232
Fines and Costs	9,113,255	2,338,557	2,265,471	(73,085)
Investment Income and Interest	4,619,401	1,150,394	1,444,661	294,267
Community Service Fees	1,509,400	375,225	373,095	(2,130)
Rubbish Collection	9,250,450	8,709,468	8,680,121	(29,347)
Rentals and Hire Charges	4,993,543	1,240,444	1,227,436	(13,008)
Recurrent Grants	1,985,738	383,653	179,765	(203,888)
Contributions, Donations and Reimbursements	421,783	99,696	96,496	(3,200)
Other Income	4,059,824	1,715,661	2,315,821	600,160
Distribution from TPRC	200,000	0	0	0
	107,960,972	34,071,952	35,215,955	1,144,003
Less: Operating Expenditure				
<i>Nature of Expenditure</i>				
Employee Costs	74,752,665	18,773,952	18,378,209	395,743
Materials and Contracts	50,713,391	11,751,623	9,063,196	2,688,427
Utilities	3,464,509	871,874	686,354	185,519
Insurance Expenditure	920,937	228,136	195,549	32,587
Depreciation and Amortisation	33,534,088	8,387,393	8,381,614	5,780
Interest Expenses	1,380,827	384,472	381,815	2,657
Expense Provisions	915,726	228,932	283,682	(54,751)
Loss on Disposal of Assets	1,664,126	639,011	0	639,011
Other Expenditure	25,791,159	6,966,668	6,086,157	880,512
	193,137,428	48,232,061	43,456,577	4,775,484
Add back Depreciation	(33,534,088)	(8,387,393)	(8,381,614)	(5,780)
(Loss) / Profit on Disposals	(1,664,126)	(639,011)	0	(639,011)
	157,939,213	39,205,657	35,074,963	4,130,694
Net Surplus/(Deficit) from Operations	(49,978,242)	(5,133,704)	140,992	5,274,697
Investing Activities				
Capital Grants	1,275,000	72,917	0	(72,917)
Capital Expenditure	(68,916,040)	(13,275,699)	(5,963,740)	7,311,959
Proceeds from Disposal of Assets/Investments	801,800	202,098	78,717	(123,381)
	(66,839,240)	(13,000,684)	(5,885,023)	7,115,661
Financing Activities				
Repayment of Borrowings	(6,423,186)	(2,242,886)	(2,242,886)	0
Transfers to Reserves	(33,929,087)	(5,337,737)	(1,557,013)	3,780,724
Transfer from Reserves	43,345,720	23,925,497	17,815,069	(6,110,428)
	2,993,447	16,344,873	14,015,169	(2,329,704)
Add: Opening Funds	29,311,168	29,311,168	35,104,931	5,793,763
Net Surplus/(Deficit) before Rates	(84,512,867)	27,521,652	43,376,069	15,854,417
Amount Sourced from Rates	89,256,330	89,515,747	89,445,908	(69,839)
Closing Funds	4,743,463	117,037,399	132,821,977	15,784,578
Net Cash on Hand				
Cash On Hand	5,928,176	11,528,745	8,259,556	(3,269,189)
Money Market Investments	89,850,328	167,156,827	171,521,940	4,365,113
Funds on Hand	95,778,504	178,685,573	179,781,496	1,095,923
Analysis of Funds on Hand				
Reserves	81,962,969	71,681,581	73,216,110	1,534,530
Provisions	12,753,523	12,890,495	9,946,927	(2,943,568)
General Funds	1,062,012	94,113,497	96,618,459	2,504,962
Funds on Hand	95,778,504	178,685,573	179,781,496	1,095,923

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD 30 SEPTEMBER 2017

	Revised Budget 2017/18 \$	Budget YTD 30-Sep-17 \$	Actual YTD 30-Sep-17 \$	YTD Variance \$
Current Assets				
Cash and Cash Equivalents	5,928,176	11,528,745	8,259,556	(3,269,189)
Deposits and Prepayments	446,730	14,231,156	15,538,341	1,307,185
Money Market Investments - Municipal Funds	7,887,359	95,475,247	98,305,830	2,830,583
Money Market Investments - Restricted Funds	81,962,969	71,681,581	73,216,110	1,534,530
Trade and Other Receivables	10,710,035	40,100,255	39,298,250	(802,005)
Inventories	1,104,206	1,192,877	836,796	(356,081)
Total Current Assets	108,039,475	234,209,861	235,454,883	1,245,022
Current Liabilities				
Trade and Other Payables	20,677,575	31,401,560	28,893,277	(2,508,283)
Employee Entitlements	12,753,523	12,305,144	9,946,927	(2,358,217)
Provisions	655,467	585,351	523,519	(61,832)
Borrowings	7,487,847	7,487,847	6,623,482	(864,365)
Total Current Liabilities	41,574,412	51,779,902	45,987,205	(5,792,697)
Working Capital Position Brought Forward	66,465,063	182,429,959	189,467,678	7,037,719
Deduct Restricted Cash Holdings	(81,962,969)	(81,962,969)	(73,216,110)	8,746,859
Add Current Liabilities not expected to clear	12,753,523	9,946,927	9,946,927	0
Add Current Borrowings	7,487,847	6,623,482	6,623,482	0
Current Funds Position Brought Forward	4,743,464	117,037,399	132,821,977	15,784,578

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 Report

For the 3 months ended 30 September 2017

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 3 months ended 30 September 2017

(By Program)

	Budget 2017/2018	Revised Budget YTD	Actual YTD 30/09/2017	YTD Variance	
<i>Note</i>	\$	\$	\$	\$	%
OPERATING REVENUE					
General Purpose Funding Rates	90,264,232	89,767,723	90,190,106	422,383	0.5%
General Purpose Funding Other	5,049,952	1,258,031	1,127,589	(130,442)	-10.4%
Law, Order, Public Safety	53,534	26,960	13,192	(13,768)	-51.1%
Health	788,100	740,583	887,449	146,866	19.8%
Education and Welfare	1,810,125	448,079	465,653	17,574	3.9%
Housing	1,078,000	269,500	193,181	(76,319)	-28.3%
Community Amenities	11,754,116	9,322,172	9,239,952	(82,220)	-0.9%
Recreation and Culture	1,488,764	244,299	289,759	45,460	18.6%
Transport	83,229,274	20,970,848	21,421,119	450,271	2.1%
Economic Services	727,275	346,022	612,195	266,173	76.9%
Other Property and Services	773,930	193,483	221,669	28,186	14.6%
Total Operating Income	197,017,302	123,587,700	124,661,864	1,074,164	0.9%
OPERATING EXPENDITURE					
Governance	7,904,924	1,885,621	1,880,932	4,689	0.2%
General Purpose Funding	2,109,852	591,366	587,499	3,867	0.7%
Law, Order, Public Safety	5,674,719	1,414,689	1,453,449	(38,760)	-2.7%
Health	1,744,520	474,048	322,335	151,713	32.0%
Education and Welfare	3,738,514	967,553	911,342	56,211	5.8%
Housing	636,116	159,029	149,133	9,896	6.2%
Community Amenities	30,761,301	7,642,233	6,285,577	1,356,656	17.8%
Recreation and Culture	31,838,820	7,593,119	6,890,362	702,757	9.3%
Transport	81,611,822	20,186,683	19,171,489	1,015,194	5.0%
Economic Services	16,435,044	4,583,851	3,805,366	778,485	17.0%
Other Property and Services	9,017,671	2,090,314	1,956,444	133,870	6.4%
Total Operating Expenditure	191,473,303	47,588,506	43,413,928	4,174,578	8.8%
NET FROM OPERATIONS	5,543,999	75,999,194	81,247,936	5,248,742	6.9%
GRANTS/CONTRIBUTIONS					
For the Development of Assets					
- General Purpose Funding	100,000	25,000	58,705	33,705	134.8%
- Law, Order, Public Safety	-	-	40,000	40,000	0.0%
- Recreation and Culture	150,000	37,500	-	-	0.0%
- Transport	1,025,000	156,250	556,266	400,016	256.0%
Total Grants/Contributions	1,275,000	218,750	654,971	436,221	199.4%
DISPOSAL/WRITE OFF OF ASSETS					
Gain/(Loss) on Disposal of Assets	2 (1,664,126)	(639,010)	-	639,010	-100.0%
Change in net assets resulting from operations before significant items	5,154,873	75,578,934	81,902,907	6,323,973	8.4%
SIGNIFICANT ITEMS					
Distribution from TPRC	200,000	-	-	-	0.0%
Change in net assets resulting from operations after significant items	5,354,873	75,578,934	81,902,907	6,323,973	8.4%

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CITY OF PERTH
MUNICIPAL

*Statement of Comprehensive Income for the 3 months ended 30 September 2017
(By Nature or Type)*

	<i>Note</i>	Budget 2017/2018	Revised Budget YTD	Actual YTD 30/09/2017	YTD Variance	%
		\$	\$	\$	\$	
OPERATING REVENUE						
Rates		89,256,330	89,515,747	89,445,908	(69,839)	-0.1%
Grants and Contributions for Non Capital Purposes		1,785,738	383,653	179,765	(203,888)	-53.1%
Donations and Reimbursements		421,783	99,696	96,496	(3,200)	-3.2%
Fees and Charges		99,524,414	32,116,360	33,136,450	1,020,090	3.2%
Interest and Investment Income		4,619,401	1,150,394	1,444,661	294,268	25.6%
Other Revenue		1,409,636	321,850	358,584	36,734	11.4%
Total Revenue from Operating Activities		197,017,302	123,587,700	124,661,864	1,074,164	0.9%
OPERATING EXPENDITURE						
Employee Costs		74,752,665	18,773,952	18,378,209	395,743	2.1%
Materials and Contracts		50,713,391	11,751,623	9,063,196	2,688,427	22.9%
Utilities		3,464,509	871,874	686,354	185,520	21.3%
Depreciation and Amortisation		33,534,089	8,387,393	8,381,615	5,778	0.1%
Interest		1,380,827	384,472	381,815	2,657	0.7%
Insurance		920,937	228,136	195,549	32,587	14.3%
Expenses Provision		915,726	228,932	283,682	(54,751)	-23.9%
Other Expenses from Ordinary Activities		25,791,159	6,962,124	6,043,508	918,617	13.2%
Total Expenses from Ordinary Activities		191,473,303	47,588,506	43,413,928	4,174,578	8.8%
Change in Net Assets from Ordinary Activities before Capital Amounts		5,543,999	75,999,194	81,247,936	5,248,742	6.9%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		1,275,000	218,750	654,971	436,221	199.4%
NET OPERATING SURPLUS						
		6,818,999	76,217,944	81,902,907	5,684,963	7.5%
DISPOSAL/WRITE OFF OF ASSETS						
	2	(1,664,126)	(639,010)	-	639,010	-100.0%
SIGNIFICANT ITEMS						
Distribution from TPRC		200,000	-	-	-	0.0%
Change in net assets resulting from operations after capital amounts and significant items						
		5,354,873	75,578,934	81,902,907	6,323,974	8.4%

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CITY OF PERTH
MUNICIPAL

Statement of Financial Position as at 30 September 2017

	Note	30/09/2017	30/06/2017
CURRENT ASSETS			
		\$	\$
Cash and Cash Equivalents	11	8,259,556	16,126,137
Deposits/Prepayments	4	15,538,341	1,835,306
Investments	3, 11	171,521,940	112,454,335
Trade and Other Receivables	5	15,166,814	10,861,753
Rates Receivable	1	24,131,436	323,913
Inventories		836,796	916,701
TOTAL CURRENT ASSETS		235,454,883	142,518,145
NON CURRENT ASSETS			
Investments	3	6,284,148	6,362,865
Trade and Other Receivables	5	53,853	46,356
Property, Plant and Equipment	8	713,526,789	718,108,938
Infrastructure	8	470,896,262	474,695,728
Capital Work in Progress	8	40,434,229	36,949,301
TOTAL NON CURRENT ASSETS		1,231,195,281	1,236,163,188
TOTAL ASSETS		1,466,650,164	1,378,681,333
CURRENT LIABILITIES			
Trade and Other Payables	6	28,893,277	21,192,562
Employee Benefits	7	9,946,927	9,880,062
Provisions	7	523,519	79,744
Loan Liability	9	6,623,482	6,423,187
TOTAL CURRENT LIABILITIES		45,987,205	37,575,555
NON CURRENT LIABILITIES			
Employee Benefits	7	1,655,504	1,655,504
Provisions	7	4,746,762	4,649,307
Loan Liability	9	20,688,561	23,131,742
TOTAL NON CURRENT LIABILITIES		27,090,827	29,436,553
TOTAL LIABILITIES		73,078,032	67,012,108
NET ASSETS		\$1,393,572,133	\$1,311,669,225
EQUITY			
Accumulated Surplus		730,947,922	630,815,151
Asset Revaluation Reserve	10	586,865,914	586,865,914
Reserves	10	75,758,297	93,988,160
TOTAL EQUITY		\$1,393,572,133	\$1,311,669,225

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 3 months ended 30 September 2017

	Accumulated Surplus	Asset Revaluation Reserve	Cash Backed Reserves	Total Equity
Balance at 1 July 2016	\$ 623,860,830	\$ 560,035,698	\$ 88,228,247	\$ 1,272,124,775
Change in net assets resulting from operations	39,544,451	-	-	39,544,451
Transfer to Cash Backed Reserves	(26,876,714)	-	26,876,714	-
Transfers to Asset Revaluation Reserve	(26,896,899)	26,896,899	-	-
Transfers from Asset Revaluation Reserve	66,683	(66,683)	-	-
Transfer from Cash Backed Reserves	21,116,810	-	(21,116,810)	-
Balance at 30 June 2017	\$630,815,160	\$586,865,914	\$93,988,151	\$1,311,669,225
Balance at 1 July 2017	\$ 630,815,160	\$ 586,865,914	\$ 93,988,151	\$ 1,311,669,224
Change in net assets resulting from operations	81,902,907	-	-	81,902,906
Transfer to Cash Backed Reserves	(585,215)	-	585,215	-
Transfers to Asset Revaluation Reserve	-	-	-	-
Transfers from Asset Revaluation Reserve	-	-	-	-
Transfer from Cash Backed Reserves	18,815,069	-	(18,815,069)	-
Balance at the end of the reporting period	\$730,947,919	\$586,865,914	\$75,758,297	\$1,393,572,131

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CITY OF PERTH
MUNICIPAL

Statement of Cash Flows for the 3 months ended 30 September 2017

	Note	Budget 2017/2018 \$	YTD Actual 30/09/2017 \$	YTD Variation \$	%
Cash Flows from Operating Activities					
Receipts					
Rates		89,228,696	60,458,900	(28,769,796)	-32.2%
Fees and Charges		99,465,787	34,147,553	(65,318,234)	-65.7%
Interest		4,619,401	1,287,326	(3,332,075)	-72.1%
Other		1,209,636	398,712	(810,924)	-67.0%
		<u>194,523,520</u>	<u>96,292,491</u>	<u>(98,231,029)</u>	<u>-50.5%</u>
Payments					
Employee Costs		(73,748,183)	(17,619,809)	56,128,374	76.1%
Materials and Contracts		(49,982,742)	(12,713,920)	37,268,822	74.6%
Interest		(1,380,827)	(409,296)	971,531	70.4%
Other		(31,092,331)	(7,111,638)	23,980,693	77.1%
		<u>(156,204,083)</u>	<u>(37,854,663)</u>	<u>118,349,420</u>	<u>75.8%</u>
Net Cash Flows from Operating Activities	12	38,319,437	58,437,829	20,118,392	-52.5%
Cash Flows from Investing Activities					
Receipts					
Distribution from TPRC		200,000	-	(200,000)	-100.0%
Proceeds from Disposal of Assets		801,800	-	(801,800)	-100.0%
Proceeds from Disposal of Investments(Non Current)		-	78,717	78,717	0.0%
Payments					
Purchase Land and Buildings		(11,652,500)	-	11,652,500	-100.0%
Purchase Infrastructure Assets		(20,986,426)	-	20,986,426	-100.0%
Purchase Plant and Mobile Equipment		(15,100,443)	-	15,100,443	100.0%
Purchase Office Furniture and Equipment		(12,634,963)	-	12,634,963	-100.0%
Work in Progress		-	(5,963,740)	(5,963,740)	0.0%
		<u>(60,374,332)</u>	<u>(5,963,740)</u>	<u>54,410,592</u>	<u>90.1%</u>
Net Cash Flows from Investing Activities		(59,372,532)	(5,885,023)	53,487,509	90.1%
Cash Flows from Financing Activities					
Repayment of Borrowings		(6,423,186)	(2,242,886)	4,180,299	65.1%
		<u>(6,423,186)</u>	<u>(2,242,886)</u>	<u>4,180,299</u>	<u>65.1%</u>
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		2,596,843	236,133	(2,360,710)	-90.9%
Capital		1,275,000	654,971	(620,029)	-48.6%
		<u>3,871,843</u>	<u>891,104</u>	<u>(2,980,739)</u>	<u>-77.0%</u>
Net Increase (Decrease) in Cash Held		(23,604,437)	51,201,023	74,805,460	-316.9%
Cash at 1 July 2017		119,829,671	128,580,472	8,750,801	7.3%
Cash at 30 September 2017	11	<u>96,225,234</u>	<u>179,781,496</u>	<u>83,556,262</u>	<u>86.8%</u>

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Notes to the Balance Sheet for the 3 months ended 30 September 2017

1 Rates Receivable

	Actual YTD 30/09/2017	2016/17 YTD 30/09/2016
	\$	\$
Outstanding Amount at 30 June 2017	323,913	190,816
Rates Levied for the Year	89,562,530	87,856,238
Late Payment Penalties	58,373	73,356
Ex Gratia Rates	7,377	17,741
Rates Administration Fee	317,738	298,844
Back Rates	(123,999)	67,449
Bins Levy	611,585	504,498
	91,114,541	89,376,697
Amount Received during the Period	66,983,105	65,343,562
Outstanding Amount at 30 September 2017	\$24,131,436	\$24,033,135

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

	Annual Budget	Actual YTD 30/09/2017
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,786,615	-
(Loss) on Write Off	(1,786,615)	-
Plant and Mobile Equipment		
Proceeds on Disposal	801,800	-
Less: Carrying amount of assets sold/written off	679,311	-
Profit on Disposal/Write Off	122,489	-
Gain/(Loss) on Disposal/Write off of Assets	(\$1,664,126)	\$ -

3 Investments

Current	30/09/2017	30/06/2017
Short Term Cash Investments *	\$	\$
Call Funds	7,274,092	6,237,197
Bank/Term Deposits	159,500,000	101,500,000
Managed Funds	4,747,848	4,717,138
Total Current Investments	\$171,521,940	\$112,454,335

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	30/09/2017	30/06/2017
	\$	\$
Mortgage Backed Securities (MBS)	2,542,187	2,589,685
	2,542,187	2,589,685
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	444,132	444,132
Equity in Tamala Park Regional Council	3,287,829	3,319,048
	\$6,284,148	\$6,362,865

Notes to the Balance Sheet for the 3 months ended 30 September 2017

4 Deposits/Prepayments

	30/09/2017	30/06/2017
	\$	\$
Prepaid Parking Bay Licence Fees	13,260,618	111,877
Other	1,926,633	1,723,429
	\$15,538,341	\$1,835,306

5 Trade And Other Receivables

	30/09/2017	30/06/2017
Current	\$	\$
Emergency Services Levy (ESL)	5,820,478	79,576
Accrued Interest and Investment Income	862,852	705,517
Accrued Income	1,234,694	3,173,250
Modified Penalties/Fines and Costs	7,958,250	7,859,984
Debtors - General		
Australian Taxation Office - GST Refundable	-	279,197
Works and Services	8,111	24,737
Other Debtors	2,650,672	2,094,577
	18,535,057	14,216,838
Less: Provision for Doubtful Debts	(3,368,243)	(3,355,085)
	\$15,166,814	\$10,861,753
Non Current		
Pensioners' Rates Deferred	53,853	46,356
	\$53,853	\$46,356

6 Trade And Other Payables

	30/09/2017	30/06/2017
Current	\$	\$
Trade Creditors	3,693,879	11,749,668
Emergency Services Levy	15,669,045	-
Interest Payable on Loans	128,966	156,447
Accrued Expenses - Operating	5,367,725	3,768,545
Accrued Expenses - Capital	171,283	2,650,095
Advances Received for Recoverable Works	23,240	85,300
Income Received / Raised in Advance	884,441	730,949
Australian Taxation Office - GST Payable	3,743	-
Other Creditors	2,950,955	2,051,558
	\$28,893,277	\$21,192,562

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Notes to the Balance Sheet for the 3 months ended 30 September 2017

7 Employee Benefits

	30/09/2017	30/06/2017
Current	\$	\$
Leave Entitlements		
Annual Leave	4,324,874	4,287,802
Self Funded Leave	165,015	155,262
Long Service Leave	5,339,088	5,313,597
Recognition of Employees- Presentations	117,950	123,401
	\$9,946,927	\$9,880,062
Non Current		
Annual Leave	383,359	383,359
Long Service Leave	1,272,145	1,272,145
	\$1,655,504	\$1,655,504

Provisions

	30/09/2017	30/06/2017
Current	\$	\$
Workers Compensation	523,519	79,744
	\$523,519	\$79,744
Non Current		
Provision for Equipment Replacement PCEC	4,746,762	4,649,307
	\$4,746,762	\$4,649,307

8 Property, Plant and Equipment and Work in Progress

	30/09/2017	30/06/2017
	\$	\$
Land and Air Rights - at cost/fair value	406,954,192	406,954,192
Less: Accumulated Depreciation	(3,836,207)	(3,698,457)
	403,117,985	403,255,735
Buildings - at fair value	385,210,897	385,210,897
Less: Accumulated Depreciation	(163,831,295)	(161,825,318)
	221,379,602	223,385,579
Improvements - at fair value	52,478,227	52,478,227
Less: Accumulated Depreciation	(8,112,519)	(7,562,030)
	44,365,708	44,916,197
Infrastructure Assets - at cost/fair value	756,201,851	756,201,851
Less: Accumulated Depreciation	(285,305,589)	(281,506,123)
	470,896,262	474,695,728
Plant and Mobile Equipment - at cost/fair value	48,864,357	48,864,357
Less: Accumulated Depreciation	(32,254,898)	(31,180,569)
	16,609,459	17,683,788
Office Furniture and Equipment - at cost/fair value	46,213,438	46,213,438
Less: Accumulated Depreciation	(18,954,674)	(18,141,070)
	27,258,764	28,072,368
Agricultural - at cost	795,271	795,271
Less: Accumulated Depreciation	-	-
	795,271	795,271
Property, Plant and Equipment	1,184,423,051	1,192,804,666
Work in Progress - at cost	40,434,229	36,949,301
	40,434,229	36,949,301
Total Property, Plant and Equipment and Work in Progress	\$1,224,857,280	\$1,229,753,967

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Notes to the Balance Sheet for the 3 months ended 30 September 2017

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

	Balance 30/06/2017	Acquisitions Actual YTD 30/09/2017	Transfers Actual YTD 30/09/2017	Disposals/ Write off/ Actual YTD 30/09/2017	Revaluation Actual YTD 30/09/2017	Balance 30/09/2017
	\$	\$	\$	\$		\$
Land and Air Rights	406,954,192	-	-	-	-	406,954,192
Buildings	385,210,897	-	-	-	-	385,210,897
Improvements	52,478,227	-	-	-	-	52,478,227
Infrastructure Assets	756,201,851	-	-	-	-	756,201,851
Plant and Mobile Equipment	48,864,357	-	-	-	-	48,864,357
Office Furniture and Equipment	46,213,438	-	-	-	-	46,213,438
Agricultural	795,271	-	-	-	-	795,271
Work in Progress	36,949,301	3,484,928	-	-	-	40,434,229
	\$1,733,667,534	\$3,484,928				\$1,737,152,462

9 **Loan Liability**

	30/09/2017	30/06/2017
Current	\$	\$
Loans - Western Australian Treasury Corporation	6,623,482	6,423,187
Non Current		
Loans - Western Australian Treasury Corporation	20,688,561	23,131,742

10 **Reserve Funds**

Purpose of Reserve Fund	Balance 30/06/2017	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 30/09/2017
	\$	\$	\$	\$
Refuse Disposal and Treatment	3,638,247	24,823	(3,729)	3,659,341
Concert Hall - Refurbishment and Maint.	6,431,853	43,715	(80,010)	6,395,558
Asset Enhancement	28,849,417	193,895	(1,081,090)	27,962,222
Street Furniture Replacement	420,867	2,873	-	423,740
Parking Levy	18,466,786	7,253	(17,543,470)	930,569
Art Acquisition	399,512	2,626	(16,877)	385,261
Heritage Incentive	628,770	4,292	-	633,062
Parking Facilities Development	22,349,972	152,627	(89,893)	22,412,706
Employee Entitlements	1,823,030	12,444	-	1,835,474
David Jones Bridge	314,683	2,148	-	316,831
Bonus Plot Ratio	634,651	4,332	-	638,983
PCEC Fixed Plant Replacement	4,649,307	97,455	-	4,746,762
Enterprise and Initiative	4,974,072	33,953	-	5,008,025
Public Art	406,993	2,779	-	409,772
	93,988,161	585,215	(18,815,069)	75,758,306
* Asset Revaluation	586,865,914	-	-	586,865,914
	\$680,854,074	\$585,215	(\$18,815,069)	\$662,624,220

* 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

Notes to the Balance Sheet for the 3 months ended 30 September 2017

11 Cash Reconciliation

	30/09/2017	30/06/2017
	\$	\$
Cash and Cash Equivalents	8,259,556	16,126,137
Short Term Cash Investments	171,521,940	112,454,335
	\$179,781,496	\$128,580,472

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

	30/09/2017	30/06/2017
	\$	\$
Change in Net Assets Resulting from Operations	81,902,907	12,827,850
Adjustment for items not involving the movement of Funds:		
Depreciation	8,381,615	33,309,060
Doubtful Debts	13,158	(68,695)
Non Capitalised Work in Progress	-	1,126,063
(Gain)/Loss on Disposal/Write off/Contribution of Assets	-	2,398,595
	90,297,680	49,592,873
Revenues Provided By :		
Government Grants	(891,104)	(4,700,790)
Contribution from Other Parties	-	-
	(891,104)	(4,700,790)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Inventories	79,905	99,522
Decrease in Trade and Other Receivables	-	993,815
Decrease in Deferred Debtors	-	-
Decrease in Accrued Income	1,938,556	-
Increase in Income Received /Raised in Advance	91,432	-
Increase in Accrued Expenses	1,599,180	1,475,439
Increase in Provisions	608,095	-
Increase in Trade and Other Payables	8,516,396	1,378,823
Deduct		
Decrease in Income Received /Raised in Advance	-	(232,416)
Decrease in Accrued Interest Payable	(27,481)	(43,401)
Increases in Deferred Debtors	(7,497)	(13,922)
Decrease in Provisions	-	(1,198,570)
Increase in Trade and Other Receivables	(29,906,964)	-
Increase in Prepayments	(13,703,035)	(588,323)
Increase in Accrued Income	-	(1,727,573)
Increase in Accrued Interest and Investment Income	(157,335)	(168,848)
	(30,968,750)	(25,454)
Net Cash Provided by Operating Activities	\$58,437,829	\$44,866,629

Notes to the Balance Sheet for the 3 months ended 30 September 2017

13 Ratios

	30/09/2017	30/06/2017
1 Current Ratio		
<u>Current Assets</u> minus Restricted Assets		
Current Liabilities minus Liabilities associated with Restricted Assets	3.53	1.45
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	4.98%	4.69%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	2.10%	4.25%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	72.35%	44.36%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	26.48%	0.36%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	28.85	3.16
7 Gross Debt to Revenue Ratio		
<u>Gross Debt</u>		
Total Revenue	21.91%	14.70%
8 Gross Debt to Economically Realisable Assets Ratio		
<u>Gross Debt</u>		
Economically Realisable Assets	2.74%	3.28%

Restricted Assets includes reserve funds and tied contributions not utilised at 30.09.2017

Legislation / Strategic Plan / Policy:

Legislation

Food Act 2008
Food Regulations 2009
 Australian and New Zealand Food Standards Code

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Goal 2 An exceptionally well designed, functional and accessible city

Policy

Policy No and Name: 9.7 — Purchasing Policy

Purpose and Background:

The purpose of this report is to seek Council approval of an appointment of a tenderer for the provision of Routine Food Business Assessment and Inspection Services. The City of Perth has approximately 998 registered food businesses to date requiring risk assessments once or twice per year, depending on the risk level of the business. The Contract is for the routine risk assessment of registered food businesses as defined in the *Food Act 2008*.

In 2016, it was identified in an Audit of the Environmental Public Health Team, there were concerns that the requirements under the *Public Health Act 2016* were not being achieved to an acceptable standard. The following steps were immediately put in place:

1. Consultant Environmental Health Officers were brought in to complete all outstanding inspections which were closed out in two months.
2. The City Business Improvements Team assessed all processes and procedures and made recommendations, one of which was:
 - the outsourcing of inspection for food premises. The following up of improvement notices, any prohibition orders, issuing of infringement notices and prosecution to remain internal to allow the City to have the best control. The City oversees premises that are non-complying, provides training and takes action when required. This also allows for City of Perth Environmental Health Officers (EHOs) to provide assistance and advice for premises to make improvements and to ensure City Staff retain the full skill set in relation to enforcement of the *Food Act 2008*.

Outsourcing the food inspections allows the City to mitigate the risk of not completing the inspections to an acceptable standard. The consultants have access to a sizable quantity of good quality EHO's who are available to perform the regular work. Maintaining a large trained and quality team of EHO's has proven troublesome for the City in the past. Maintaining a smaller focused team who work with food businesses to improve their standards will have a better outcome.

The outsourcing of inspection for food premises for some Local Governments has been ongoing in WA for 20 years. Western Australian Local Governments known to outsource presently are City of Swan, Town of Claremont, City of Kalamunda, Town of Bassendean, City of Melville, and Town of Victoria Park. Most of the Local Governments that outsource the food inspections follow up improvement notices with their own EHO's issuing fines and education. However over the last two years this practise has been expanded to some Local

Governments obtaining delegated authority for the contractors to issue fines and prohibition notices.

3. The following steps are in place to manage the appointed tender:
 - Performance training and assessment checks to ensure consistency.
 - Inspection forms linked into City systems, including records from iPads.
 - Risk management assessment (Confidential Attachment 8.5C).
 - Customer Service expectations as the tenderers represent the City.
 - Uniforms for consistency with City Environmental Health Officers.
 - KPIs and reporting on performance.
4. Completion of a Risk Matrix (Confidential Attachment 8.5C)

Details:

The tender was advertised from the 2 August 2017 to 31 August 2017. By the close of the submission period six tenders were received as follows (in alphabetical order):

1. Food Technology Services;
2. Kernow Environmental Services;
3. Perth Workplace Safety Consultants Pty Ltd;
4. Resolute Fencing;
5. Superclean WA; and
6. Switched on Safety (SOS).

Tender Compliance Assessment

The following issues were identified in relation to the Tender Compliance Assessment:

- Resolute Fencing did not respond to the Qualitative Selection Criteria.
- Superclean WA did not respond to sections relating to the Compliance Criteria or the Selection Criteria.

Response to the Qualitative Selection Criteria (Confidential Attachment 8.6B)

The detailed Qualitative Selection Criteria for the tender focussed on the following key areas:

- Human Resources.
- Technical and Professional Proficiency.
- Demonstrated Understanding.

The assessment of each tender was as follows:

Food Technology Services

- Equal highest for Human Resources.
- Equal highest for Technical and Professional Proficiency.
- Equal highest for Demonstrated Understanding.

The tender was considered to be a very good offer with no deficiencies which met the criterion. The tender was ranked equal first overall against the qualitative selection criteria.

Kernow Environmental Services

- Equal highest for Human Resources.
- Equal highest for Technical and Professional Proficiency.
- Equal Highest for Demonstrated Understanding.

The tender was considered to be a very good offer with no deficiencies which met the criterion. The tender was ranked equal first overall against the qualitative selection criteria.

Perth Workplace Safety Consultants Pty Ltd

- Equal third highest for Human Resources.
- Equal third highest for Technical and Professional Proficiency;.
- Equal third highest for Demonstrated Understanding.

The tender was considered to be a marginal offer with some deficiencies which partly met the criterion. The tender was ranked fourth overall against the qualitative selection criteria.

Resolute Fencing

- Equal third highest for Human Resources.
- Equal fourth highest for Technical and Professional Proficiency.
- Equal fourth highest for Demonstrated Understanding.

The tender was considered an inadequate offer which did not meet the criterion. The tender was ranked equal fifth overall.

Superclean WA

- Equal third highest for Human Resources.
- Equal fourth highest for Technical and Professional Proficiency.
- Equal fourth highest for Demonstrated Understanding.

The tender was considered an inadequate offer which did not meet the criterion. The tender was ranked equal fifth overall.

Switched on Safety (SOS)

- Second highest for Human Resources.
- Second highest for Technical and Professional Proficiency.
- Second highest for Demonstrated Understanding.

The tender was considered a fair offer with few deficiencies which almost met the criterion. The tender was ranked third overall against the qualitative selection criteria.

Price Comparison

A pricing comparison (Confidential Attachment 8.5A) was prepared based on the Form of Tender responses which was categorised by price.

Referee Feedback

Feedback was obtained from referees for both Food Technology Services and Kernow Environmental Services. Positive feedback against the selection criteria was received from referees for both tenderers.

Conclusion

In reviewing the Tender Compliance Assessment, Response to the Qualitative Selection Criteria (Confidential Attachment 8.5B) and also Referee Feedback, the top two overall ranked tenderers (Food Technology Services and Kernow Environmental Services) provided comparative submissions. However, in the Price Comparison Assessment (Confidential Attachment 8.5A), Food Technology Services provided a considerable cost benefit.

Food Technology Services have been the service provider for food inspections for City of Swan for over 20 years. They also service Shire of Kalamunda, Town of Claremont, City of Fremantle and Town of Bassendean.

Financial Implications:

ACCOUNT NO:	11D880007268
BUDGET ITEM:	Outsourced Premise Inspections
BUDGETED AMOUNT:	\$150,000
AMOUNT SPENT TO DATE:	\$ 0
PROPOSED COST:	\$125,000
BALANCE REMAINING:	\$ 25,000
ANNUAL MAINTENANCE:	-
ESTIMATED WHOLE OF LIFE COST:	\$675,345.60

The expected cost in 2017/18 for the last six months of the financial year is \$125,000.

All figures quoted in this report are exclusive of GST.

Comments:

The Food Technology Services tender was considered to be the best value for money. Food Technology Services addressed the selection criteria professionally and were assessed equal highest. The tender is considered to be a good offer with no deficiencies.

CONFIDENTIAL ATTACHMENTS 8.5A – 8.5D
ITEM 8.5 – TENDER 019 – 17/18 – FOOD BUSINESS ASSESSMENT
AND INSPECTION

FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING

14 NOVEMBER 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda **Tender 064-17/18 Auditorium and Façade Lighting Perth**
Item 8.6 **Concert Hall**

Recommendation:

That Council:

1. ***ACCEPTS the most suitable tender, being that submitted by Insight Electrical Technology Pty Ltd for a lump sum cost of \$715,160.00 excluding GST, for Tender 064-17/18 Auditorium Lighting and Façade Lighting Perth Concert Hall; and***

2. ***NOTES that the lump sum cost is made up of the tendered price of \$688,485.00 (excluding GST) plus \$26,675.00 (excluding GST) for additional works requested.***

FILE REFERENCE:	P1034606
REPORTING UNIT:	Properties
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
DATE:	3 November 2017
ATTACHMENT/S:	Attachment 8.6A – Synopsis Confidential Attachment 8.6B – Tender Evaluation Matrix (Confidential Attachments distributed to Elected Members under separate cover)

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input type="checkbox"/> | Quasi-Judicial | <i>When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i> |
| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation

Section 3.57 of the *Local Government Act 1995*

Integrated Planning and Reporting Framework Implications Policy

Strategic Community Plan

Goal 4 A future focused and resilient city

Policy No and Name:

CP 9.7 - Purchasing

Purpose and Background:

The auditorium and façade lighting at the Perth Concert Hall has reached the end of its useful life and requires replacement.

The Perth Concert Hall existing auditorium house lighting fixtures shall be replaced with new LED colour changing fixtures mounted within the heritage timber ceiling. The exterior façade lighting shall be upgraded to incorporate exterior LED animated gobo projectors, and exterior LED wall washers, each capable of individual programmable colour changing.

Details:

Tender 064-17/18 for the above scope of works was advertised on Saturday, 14 October 2017 and closed at 2.00pm on Tuesday, 31 October 2017. The following tenders were received:

Tenderer	Lump Sum Price Submitted (ex GST)
Insight Electrical Technology Pty Ltd	\$688,485.00
Stiles Electrical & Communications Services Pty Ltd	\$962,983.08
Michael Ratcliffe	\$1,058,119.30

The tender submissions were assessed against the following qualitative and quantitative criteria:

Relevant Experience and Structure of the Company

For this criterion, tenderers were asked to:

- Provide details of the management and coordination capacity for this project;
- Provide details of at least three recent contracts of similar size and scope completed by their company;
- Demonstrate that they have the capacity to resource the work during the required December 2017 to January 2018 period;
- Provide details of any proposed subcontractors; and
- Provide details of their organisation's quality management system.

Insight Electrical Technology Pty Ltd and Stiles Electrical & Communications Services Pty Ltd met all requirements of this criterion with no deficiencies.

Stiles Electrical & Communications Services Pty Ltd scored the highest for this criterion as they demonstrated that they have a lot of experience with large high profile government projects. Insight Electrical Technology Pty Ltd scored slightly lower for this criterion as the previous projects were of a smaller size and scope than those presented by Stiles Electrical & Communications Services Pty Ltd. Both Stiles Electrical & Communications Services Pty Ltd and Insight Electrical Technology Pty Ltd have demonstrated that they have the capacity and relevant experience to undertake the required scope of works at the Perth Concert Hall.

Michael Ratcliffe scored the lowest for this criterion barely meeting the requirements of this criterion having provided only a very brief description of their experience.

Relevant Experience of Key Personnel

For this criterion, tenderers were asked to provide detailed curriculum vitae (CVs) for key management and operational personnel that will be involved in the project.

Insight Electrical Technology Pty Ltd and Stiles Electrical & Communications Services Pty Ltd met all requirements of this criterion with no deficiencies.

Stiles Electrical & Communications Services Pty Ltd scored the highest for this criterion having provided detailed CVs for its personnel, clearly demonstrating each person's relevant experience. Insight Electrical Technology Pty Ltd scored slightly lower for this criterion as the CVs provided are somewhat briefer than those provided by Stiles Electrical & Communications Services Pty Ltd.

Michael Ratcliffe barely met the requirements of this criterion having provided very brief information, therefore they scored the lowest for this criterion.

Equipment, Performance and Methodology

For this criterion tenderers were asked to provide details of the major equipment included in their lump sum price, provide a proposed methodology and program of works, provide details regarding how they will ensure safety of employees and general public, and detail their ability to respond to work requests.

Insight Electrical Technology Pty Ltd and Stiles Electrical & Communications Services Pty Ltd meeting the requirements of this criterion with no deficiencies.

Insight Electrical Technology Pty Ltd and Stiles Electrical & Communications Services Pty Ltd scored equally for this criterion. Both tenderers have proposed equipment that meets the technical requirements of the scope of works, a methodology and scope of works that achieves practical completion by 19 January 2018, and successfully demonstrated that they have sound safety procedures and can respond to work requests.

Michael Ratcliffe barely met the requirements of this criterion having provided only a very brief information, therefore they scored the lowest for this criterion.

Price

Insight Electrical Technology Pty Ltd submitted the lowest price and therefore received the highest score for this criterion.

Compliance Criteria

All tenderers satisfied the requirements of the compliance check.

Following the qualitative and quantitative assessments, a financial capacity assessment and an Occupational Health and Safety (OH&S) assessment were conducted on the highest ranking tenderer, being Insight Electrical Technology Pty Ltd. Insight Electrical Technology Pty Ltd satisfied the requirements of the financial capacity assessment and OH&S assessment.

It is recommended that Council appoints Insight Electrical Technology Pty Ltd as they have demonstrated that they meet the requirements of the assessment criteria and their tendered price represents good value for money for the City.

Insight Electrical Technology Pty Ltd's submitted lump sum price was \$688,485.00 (excluding GST). During the tendering period it was identified that additional lights would be required in the auditorium to increase the lighting levels during activities such as set up and cleaning. Insight Electrical Technology Pty Ltd, as the shortlisted tenderers, were asked to submit a quotation for the additional lighting requested, and their price submitted is \$26,675.00 (excluding GST). It is recommended to appoint Insight Electrical Technology Pty Ltd for the tendered amount of \$688,485.00 plus the additional lights quoted at \$26,675.00, totalling \$715,160.00 (excluding GST).

Financial Implications:

ACCOUNT NO:	CW1874
BUDGET ITEM:	Electrical Works – Perth Concert Hall
BUDGETED AMOUNT:	\$1,919,274.00
AMOUNT SPENT TO DATE:	\$ 115,845.60
PROPOSED COST:	\$ 715,160.00
BALANCE REMAINING:	\$1,088,269.00
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Capital Works Project CW1874 also includes the replacement of switchboards and distribution boards within the Perth Concert Hall in 2017/18.

Comments:

It is recommended that Council appoints Insight Electrical Technology Pty Ltd as they have demonstrated that they meet the requirements of the assessment criteria and their tendered price represents good value for money for the City.

Tender 064-17/18 Auditorium and Façade Lighting Perth Concert Hall – Synopsis

Both the auditorium and façade lighting at the Perth Concert Hall have reached the end of its useful life and require replacement.

Safety risks have been identified in the main auditorium as the current system (incandescent bulbs) is unsafe and outdated; furthermore, continuous heating-cooling fluctuation due to operation has also affected the integrity of the perspex cubes that work as cover to the bulbs, making them fall off the ceiling in various occasions. Although no patrons have resulted injured, the risk still remains extremely high.



Main auditorium lighting feature.

According to the U.S. Department of Energy, Compared to traditional incandescent, energy-efficient lightbulbs and light emitting diodes (LEDs) have the following advantages:

- Typically use about 25%-80% less energy than traditional incandescent
- Can last 3-25 times longer.

This facts were considered as highly contributory at the moment of making a decision. Moreover, once the replacement of incandescent bulbs for LED fittings was identified as the right one, two options were evaluated:

- A like-for-like (yellow light) replacement, which would minimise the risks, modernise the lighting infrastructure, and provide savings to the operation of the Concert Hall.
- An RGB-LED fitting replacement, which would do as the like-for-like option but being RGB (i.e. colourful capability) would add value by enhancing the ability to play light

shows integrating lighting to presentations and viceversa. This was the preferred option for the Concert Hall Management Team.

Both options have a similar final project cost, therefore the City pursues THE RGB option as it represents best value for money.

Additionally, the Perth Concert Hall is closing between 17 December 2017 and 31 January 2018 for the replacement of the cooling towers. This is the most opportune time to undertake the auditorium lighting replacement as the physical replacement is expected to take 10 working days, during which time the auditorium will not be usable for events.

CONFIDENTIAL ATTACHMENT 8.6B
ITEM 8.6 – TENDER 064-17/18 AUDITORIUM AND FAÇADE
LIGHTING PERTH CONCERT HALL

FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING

14 NOVEMBER 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER

Agenda **Activation of the City**
Item 8.7

Recommendation:

That Council:

- 1. APPROVES BY AN ABSOLUTE MAJORITY the transfer of operating budget between Units as detailed in this report; and**
- 2. NOTES that the adjustment to the budget has a nil impact on the total operating budget for the City for the year ended 30 June 2018.**

FILE REFERENCE: P1033508
 REPORTING UNIT: Finance
 RESPONSIBLE DIRECTORATE: Corporate Services
 DATE: 11 September 2017
 ATTACHMENT/S: N/A

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
| <input checked="" type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
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| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

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 Goal 7 An open and engaged city

Policy

Policy No and Name: 9.6 – Budget Variations

Purpose and Background:

The City Activation Plan has been prepared with a view to attracting an increased number of visitors to the City and sets out the proposed 12 month plan to activate the Northbridge Piazza and surrounding areas. In addition to standalone activations, opportunities have been identified to leverage third party activations to strengthen the Piazza offering. The City of Perth activations range from screen-based movie seasons, live sports, live-streaming of events and City of Perth produced digital content and the inclusion in planned campaigns; Christmas, New Year's and Eat Drink Perth or Piazza specific activations. The plan highlights opportunities to collaborate with third party events and organisations, leveraging sponsored events and identifying other opportunities. The Plan is expected to cost \$1.5 million, which has not been included in the 2017/18 budget.

Details:

In order to fund the City Activation Plan, budget savings have been identified in other areas. These budget savings are due to a number of reasons including:

- Operating projects that have been identified as not proceeding in 2017/18;
- Activities that have been delayed meaning the full 2017/18 budget will not be expensed this year; and
- Re-prioritisation of activities to achieve budget savings.

It should be noted that the majority of the Plan will be funded through the re-prioritisation of the marketing, communications and engagement program. Areas which have transferred budget to fund the plan will be prioritised for funding in the mid-year budget review. If insufficient funding is identified in the budget review process, the Winter Arts, Let's Thursday Like We Friday and Eat and Drink Perth campaigns will be severely scaled back or cancelled.

Summary breakdown of initiatives:

Project	Reallocation of approved Budget	Notes
Northbridge Piazza	\$278,823	Increased activation for Northbridge at the Piazza in addition to the movies. Four specific activations, Sunday pinwheels, eat drink Perth activations, winter arts season activations and fitness classes. It also covers the provision of a Piazza Screen Operator which does not exist in our workforce plan.
Spring in the City	\$280,000	Implementation of an eight week activation plan across the City to increase vibrancy. Requirement for additional \$280,000 to extend the current activations. Some examples include; giant kaleidoscope, flower canopy, pinwheels, lasertag and ninja warrior.

Christmas	\$180,000	Extension of Christmas Activations from one central location to at least 13 locations across the City in the form of the Christmas Lights Trail. Existing budget utilised but additional required topping up the collaborations.
New Year	\$120,000	The addition of Fireworks to the existing New Year's Eve event in Northbridge and additional activations across the week of the New Year.
Australia Day Weekend	\$180,000	Extension from one day to four days across a long weekend. Focus on the wider City and installation of some key activation to bring weekend visitors. Increases in media spend to support the additional activity.
Serious Business Moves	\$430,000	An economic development cross unit collaboration, to support business and ratepayers through the promotion of the City as a destination for all areas of business. By promoting success stories and putting people in touch with leasing agents and landlords.
TOTAL	\$1,468,823	

Financial Implications:

The adjustments to the budget have a nil overall change to the operating budget for the City; with the following changes made to the Units:

Unit	Change to budget 2017/18
Finance Unit	(\$20,000)
Property Unit	(\$92,125)
Community Services Unit	(\$100,000)
Activity Approvals Unit	(\$150,000)
Sustainability Unit	(\$230,000)
Coordination and Design Unit	(\$97,519)
Community and Commercial Services Directorate Office	(\$50,000)
Marketing	(\$729,179)
Northbridge Activation	\$1,468,823
Overall impact on 2017/18 budget	\$0,00

All figures quoted in this report are exclusive of GST.

Recommendation:

That Council APPROVES an exemption to Policy CP9.2 Heritage Rate Concessions subclause 2.2.5 (eligibility criteria) and grant a rate concession to the Criterion Hotel, 560 Hay Street, noting the heritage floor space is less than 50% of the property's total floor space.

FILE REFERENCE: P1028425
 REPORTING UNIT: Arts, Culture and Heritage
 RESPONSIBLE DIRECTORATE: Economic Development and Activation
 DATE: 26 October 2017
 ATTACHMENT/S: N/A

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
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| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation Sections 7.47 and 2.7 (2) (b) of the *Local Government Act 1995*

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Goal 6 A city that celebrates its diverse cultural identity

Policy

Policy No and Name: 9.2 – Heritage Rate Concession

Purpose and Background:

In August 2017, the City of Perth received an application from the proprietor of the Criterion Hotel, seeking a Heritage Rate Concession and further information about the application and acquittal process.

At its meeting held on **14 February 2017**, Council approved a number of amendments to the Heritage Rate Concession eligibility criteria, and agreed to continue the program for a further five financial years. One of these amendments (3.4), was to make properties ineligible where the *'original floor space of the property (strata and non-strata) comprises less than 50% of the property's total floor space'*.

The policy amendment does specify that exemptions could be granted by Council if adequate financial justification was provided. Eligibility criteria 2.2.5 indicates that the financial justification should adequately demonstrate to the satisfaction of Council *'with respect to strata complexes, that strata fees are unduly high due to the cost of maintaining heritage fabric'* (2.2.5.2).

Prior to this amendment to the Heritage Rate Concession eligibility, the Criterion Hotel had been a recipient of the concession.

Details:

The applicant has provided relevant information about the strata fees and associated costs of the heritage building.

With reference to point 2.2.5.2, the strata fees for the Criterion Hotel are \$24,977.80 in 2017/18. Assessing whether these are unduly high is not straightforward and the applicant has not been able to provide clear evidence to demonstrate this point, either in comparison to other strata in the building or comparative buildings nearby. The scale of its strata area is also an important factor in comparing the costs of their strata to others.

The applicant has provided evidence to illustrate that the strata titling and development has created additional costs for the operators of the business in the heritage building. For example, upon being required to join the strata's insurance policy this year its insurance premiums have risen from \$31,866.63 to \$42,106.14 per annum.

It is also worth considering that the Criterion Hotel is a relatively unique example of strata development where the heritage building was retained as part of the redevelopment. The development of the apartment block has had little physical effect on the original heritage building.

This differentiates the building from most strata title redevelopments, where the heritage buildings are typically demolished or altered to a higher degree. In this respect, the building is more similar to other non-strata buildings than it is typical strata titled buildings where the heritage building is less than 50% of the developed site due to greater loss of heritage fabric.

The owners of the Criterion Hotel are also currently in discussions with the City of Perth about subdivision in order to separate the heritage building and the modern residential tower block into separate titles. A Report was presented to Council on this matter on at its meeting held **26 September 2017**. This may remove the need for an exemption in future years.

Financial Implications:

ACCOUNT NO:	50B350006101
BUDGET ITEM:	Heritage Rate Relief Concession
BUDGETED AMOUNT:	\$225,890.00
AMOUNT SPENT TO DATE:	\$202,998.25
PROPOSED COST:	\$ 2,649.25
BALANCE REMAINING:	\$ 20,242.50
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Comments:

While the information does not conclusively demonstrate that the strata fees are unduly high, it does outline the unique circumstances of the building whereby the owner is effectively dis-incentivised for retaining the heritage fabric in its entirety in spite of a significant residential re-development being the main use.

It is therefore recommended that a rate concession is granted to the Criterion Hotel until or in place of the City of Perth granting the subdivision of the heritage and residential components of the building as outlined earlier.

The applicant has provided evidence to demonstrate that being part of the strata has increased costs for the applicant in terms of strata fees, insurance premiums and other issues that make operating the long-running hospitality use of the building more difficult. These add to standard challenges that those operating in heritage buildings face, related to maintenance costs, operational limitations and restrictions on modifying fabric.

The retention of the original heritage building almost in its entirety also differentiates the building from other examples where the original heritage floor space makes up less than 50% of the total redeveloped floor space.

The applicant meets the other eligibility criteria of Policy 9.2. The cost of the rates concession to Council will be \$2,649.25 in reduced revenue.

Agenda Item 8.9 **Bicentenary Project Feasibility Study – Project Overview and Funding Request from Perth Public Art Foundation**

Recommendation:

That Council:

- 1. APPROVES BY ABSOLUTE MAJORITY the request from Perth Public Art Foundation (PPAF) to enter into partnership to undertake an in-depth feasibility study for The Bicentenary Project and contribute a lump sum of \$50,000 City funding for this purpose; and**
- 2. NOTES that funding is subject to the mid-year budget review process.**

FILE REFERENCE: P1029513-3
 REPORTING UNIT: Arts, Culture and Heritage
 RESPONSIBLE DIRECTORATE: Economic Development and Activation
 DATE: 19 September 2017
 ATTACHMENT/S: Confidential Attachment 8.9A – Perth Public Art Foundation, The Bicentenary Project Feasibility Study – Project Overview and Funding Request
 Confidential Attachment 8.9B – Bicentenary Project - Feasibility Study – Workshop Pack
 (Confidential Attachments distributed to Elected Members under separate cover)

Council Role:

- | | | |
|-------------------------------------|----------------|---|
| <input type="checkbox"/> | Advocacy | <i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i> |
| <input checked="" type="checkbox"/> | Executive | <i>The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i> |
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| <input type="checkbox"/> | Information | <i>For the Council/Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation	N/A
Integrated Planning and Reporting Framework Implications	Strategic Community Plan Goal 6 A city that celebrates its diverse cultural identity
Policy	
Policy No and Name:	CP 1.5 – Public Art CP 1.6 – Commemorative Works CP 18.1 – Arts and Culture

Purpose and Background:

In its Strategic Community Plan and Corporate Business Plan, the City has stipulated the need to identify an initiative for the 200th year of the City of Perth. The City has been in conversation with the Perth Public Art Foundation, via its Board of Directors and its Executive Officer, about the possibility of commissioning a significant landmark as part of this 200th anniversary initiative. PPAF has sent a written request to the City, asking to formalise the partnership between the City and PPAF for *The Bicentenary Project*, including confirmation of a \$50,000 contribution from the City to complete a feasibility study.

It is noted that PPAF have commenced the feasibility study, with Deloitte being awarded the contract following the tender process. PPAF have secured a \$30,000 in kind contribution from Deloitte.

Details:

The Project

The Bicentenary Project was incepted through an initial conversation between PPAF, the Lord Mayor, Elected Members, and various City Officers. The aim at this stage is to determine the feasibility, and community and stakeholder appetite, for a significant landmark to celebrate Perth's Bicentenary.

The project would be a celebration of Perth's history, a symbol of what it is to be Western Australian and an expression of our aspirations for the future. As such, it has the potential to engage the local and the broader Western Australian community. The project would also incorporate corporate, government and rate-payer engagement through partnership and community fundraising for this significant icon; a gift to the people of Western Australia.

The vision for this statement piece is to become an iconic symbol for the City, helping to position Perth in the global context, and instantly recognisable by sight in the same way Sydney has the Opera House, Paris the Eiffel Tower and New York the Statue of Liberty.

The City of Perth's *Community Vision 2029+* aims to establish Perth as a clear leader in diverse facets of the built and natural environments and in the nurturing of a sustainable and culturally vibrant international city. The Bicentenary Project supports the achievement of this aspiration.

The Feasibility Study

The Bicentenary Project Feasibility Study will define, evaluate and analyse the impact and value of the project for the City of Perth. It will empower the City, in consultation with relevant partners and stakeholders, to determine whether the project should proceed.

The study will be co-commissioned by the PPAF in partnership with the City. Deloitte have been commissioned by PPAF to commence the feasibility study.

The study will be based on extensive research, current practices, industry trends, economic impact, financial modelling, community benefits, political, social and cultural issues and include a set of recommendations on the project.

The study will provide extensive data related to the financial, operational, community, social and political impacts and include advantages and disadvantages along with a proposed project implementation plan. In alignment with the City's open government approach, the study will include an appropriate level of community engagement and stakeholder consultation, which will provide the City with an indication of the political landscape, community appetite, artistic options, social issues and cultural issues in relation to the project.

This study is an important tool as it formalises the openness of brainstorming and stakeholder engagement and encourages thinking in quantifiable terms about the potential of the project. It will also provide a clear and concise view about the project from all representational stakeholder groups.

A full list of the extensive feasibility study objectives can be found on page 5 of the attached Confidential Attachment 8.9A.

The PPAF/City Project Partnership

Resourcing such an extensive and in-depth feasibility study is demanding. The Perth Public Art Foundation has committed to funding 50% of the costs of commissioning the study, in principal partnership with the City of Perth (see Confidential Attachment 8.9A).

Positioned as an independent not-for-profit cultural charity, enjoying a strategic partnership with City of Perth, PPAF is in a unique and ideal position to commission the feasibility study, of which, an important component will be leveraging key partnerships.

It is envisaged that *The Bicentenary Project* itself would eventually be funded by a combination of funding streams including State, Federal and Local Government; corporate partnership; community fundraising; and philanthropy. PPAF has a proven track record of identifying, sourcing, securing, and receipting such funds whilst managing stakeholder engagement, contract management, commissioning and associated deliverables.

In partnering with the City of Perth on *The Bicentenary Project – Feasibility Study*, PPAF will:

- Develop the draft scope of the feasibility study;
- Recommend membership for the Executive Steering Group (ESG);
- Identify organisation to conduct the feasibility study (Deloitte);
- Maintain primary contact with commissioned organisation;
- Ensure ongoing stakeholder engagement;

- Provide executive support services for the project and manage all liaison with the commissioned organisation; and
- Receipt and manage funds.

The City's Arts, Culture and Heritage Team would provide support to the project in connecting to internal stakeholders, assisting with access to research materials and data, and providing general administrative support for the study.

Financial Implications:

ACCOUNT NO:	N/A
BUDGET ITEM:	N/A
BUDGETED AMOUNT:	\$Nil
AMOUNT SPENT TO DATE:	\$Nil
PROPOSED COST:	\$50,000
BALANCE REMAINING:	\$N/A
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE OF LIFE COST:	N/A

Funding for this project has not been included in the 2017/18 budget. All figures quoted in this report are exclusive of GST.

CONFIDENTIAL ATTACHMENTS 8.9A – 8.9B

**ITEM 8.9 – BICENTENARY PROJECT FEASIBILITY STUDY – PROJECT
OVERVIEW AND FUNDING REQUEST FROM PERTH PUBLIC ART
FOUNDATION**

FOR THE FINANCE AND ADMINISTRATION COMMITTEE MEETING

14 NOVEMBER 2017

DISTRIBUTED TO ELECTED MEMBERS UNDER SEPARATE COVER