

Agenda Briefing Session

Notice of Meeting

Tuesday, 10 December 2019

4.00pm

Council Chamber

Level 9

Council House

27 St Georges Terrace, Perth WA

6000



City of Perth

Agenda

ORDER OF BUSINESS AND INDEX

- 1 Acknowledgment of Country
- 2 Declaration of Opening
- 3 Apologies
- 4 Disclosure of interests
Nil
- 5 Matters for which the session may be closed

In accordance with Section 5.23(2) of the *Local Government Act 1995*, to preserve the confidentiality of attachments relating to Items 6.17, 6.18 and 6.19, it is recommended that the session be closed to the public prior to asking questions on the following:

Attachment No.	Item No. and Title	Reason
Confidential Attachment 6.17A and 6.17B	Item 6.17 - Electricity Supply Agreement for the City of Perth	s5.23(2)(e)(ii)
Confidential Attachment 6.18A and 6.18B	Item 6.18 - Tender 003-19/20 – Wellington Square Enhancement	s5.23(2)(e)(ii)
Confidential Attachment 6.19A and 6.19B	Item 6.19 - Tender 014-19/20 – Bollard Replacement in Hay and Murray Street Malls – Design and Installation	s5.23(2)(e)(ii)

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Closure

MURRAY JORGENSEN
CHIEF EXECUTIVE OFFICER
6 December 2019

This meeting is open to members of the public

INFORMATION FOR THE PUBLIC ATTENDING AGENDA BRIEFING SESSIONS

Welcome to this evening's Agenda Briefing Session. This information is provided on matters which may affect members of the public. If you have any queries on procedural matters please contact a member of the City's staff in attendance tonight.

Presentations

Applications for presentations to an Agenda Briefing Session must be in writing to the CEO and sent to info.city@cityofperth.wa.gov.au and received by midday on the day of the meeting.

Please refer to the City's website www.perth.wa.gov.au for further information on making a presentation.

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 Commissioner 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 an Agenda Briefing Session prior to written advice on the resolution of the Council being received.

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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.



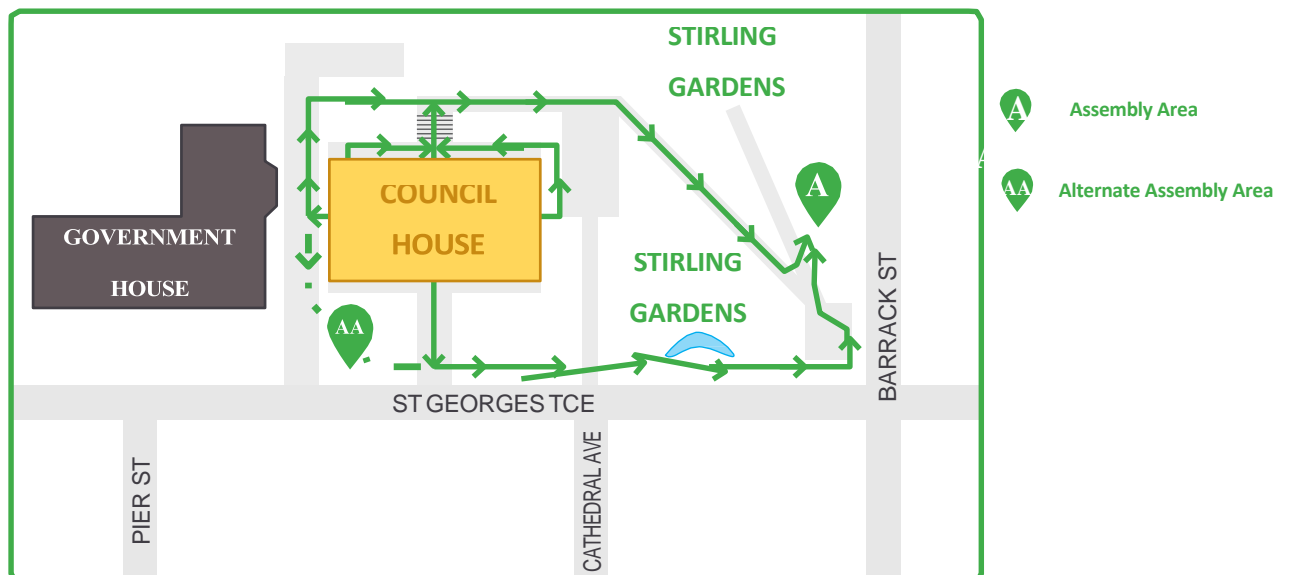
EVACUATION ALARM / PROCEDURES

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 Item 6.1	4 (Lot 5) Brown Street, East Perth – Change of use from gymnasium ('Community') to an event space ('Culture and Creative Industry') and function centre ('Dining and Entertainment')
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Recommendation:

*That Council, in accordance with the provisions of the City Planning Scheme No. 2, the Planning and Development (Local Planning Schemes) Regulations – Deemed Provisions for Local Planning Schemes and the Metropolitan Region Scheme, **REFUSES** the application for the change of use from a gymnasium ('Community') use to an event space ('Culture and Creative Industry') and function centre ('Dining and Entertainment') use at 4 (Lot 5) Brown Street, East Perth as indicated on the Local Planning Scheme Form and Metropolitan Region Scheme Form One dated 4 August 2019 and as shown on the plans received on 13 August 2019 for the following reasons:*

- 1. the scale and nature of the proposed change of use is considered to be contrary to the orderly and proper planning of the locality and will be inconsistent with conservation of the amenities of the locality given that:*
 - 1.1 the proposal will adversely affect the amenity of residents in relation to the environmental impacts and character of the locality;*
 - 1.2 the proposal does not satisfy considerations of amenity and community outcomes as a principle of good design outlined under State Planning Policy 7.0 – Design of the Built Environment;*
 - 1.3 the proposal, due to its adverse impacts on the surrounding properties and residents, will not ensure a successful mix of land uses and activities and therefore does not meet the objectives and principles of the Local Planning Scheme No. 26;*
 - 1.4 the proposal will have an undesirable impact in terms of noise, traffic and parking contrary to Policy 3.5 – Non-Residential Uses in or Adjacent to Residential Areas;*
- 2. the noise impact assessment and noise management plan submitted by the applicant have not provided sufficient details and specifications to achieve the required noise attenuation to provide certainty in regard to the amelioration of any noise impacts.*

FILE REFERENCE: 2019/5302
 REPORTING OFFICER: Chris Bien, Statutory Planner
 REPORTING UNIT: Development Approvals
 RESPONSIBLE ALLIANCE: Planning and Economic Development
 REPORT AUTHOR DISCLOSURE OF INTEREST: Nil
 DATE: 2 December 2019
 ATTACHMENT/S: Attachment 6.1A – Location Plan
 Attachment 6.1B – Development Plan
 Attachment 6.1C – Public Consultation Summary
 Attachment 6.1D – Applicant Response to Public Consultation

 3D MODEL PRESENTATION: N/A
 LANDOWNER: Almacen Pty Ltd
 APPLICANT: Almacen Pty Ltd
 ZONING: (MRS Zone) Urban
 (City Planning Scheme Precinct) East Perth (P15)
 (Local Planning Scheme No. 26 – Normalised
 Redevelopment Area) EP9 – Brown Street

 APPROXIMATE COST: \$50,000

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 type="checkbox"/> | Legislative | <i>Includes adopting local laws, town planning schemes and policies</i> |
| <input checked="" 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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation

Planning and Development Act 2005
Planning and Development (Local Planning Scheme) Regulations 2015
Metropolitan Region Scheme
City Planning Scheme No. 2
Local Planning Scheme No. 26

City of Perth Act 2016

Objects of the City of Perth

8(1)(j) - to strike an appropriate balance among civic, economic, social, cultural and environmental considerations

Integrated Planning and Reporting Framework Implications

Strategic Community Plan

Strategic Priority - Place

Policy

CPS2 Policy No and Name:

2.2 – Public Notification/Advertising

3.5 – Non-Residential Uses in or Adjacent to Residential Areas

Purpose and Background:

The purpose of this report is to outline the assessment and recommendation for a development application to use an existing tenancy as a function centre.

The subject tenancy is 409 square metres in area and is situated within a strata-titled development that was originally developed to house light industrial uses. It now contains a mix of land uses including residential and light industry, with the subject tenancy most recently approved as a commercial gymnasium. There is a laneway at the rear of the building that provides access for servicing purposes.

The application was originally scheduled to be determined by Council on the 26 November 2019 with a recommendation for refusal. However, the applicant requested the item be withdrawn to enable them to be able to respond to issues which were raised by City officers in the report. The applicant has now responded to these issues by providing some of the outstanding information identified as part of a review of the Noise Impact Assessment and in the Noise Management Plan. This supplementary information has now been assessed as part of the application.

Details:

Approval is sought to change the use of an existing gymnasium to an event space and function centre. The applicant advises that the intent of the proposal is to provide a space that can be hired for private and community based functions including corporate events, product launches, art installations, photography and private dining.

The venue will repurpose and retain the existing internal amenities and structures with no new building additions or alterations being proposed. The venue will contain a main function

room, store rooms, communal foyer, toilets and a small kitchen area (which will be used only for reheating and plating of food by catering staff). The venue could accommodate up to approximately 200 people. It is noted that the building owner (Almacen Pty Ltd) will also act as the venue operator.

Compliance with Planning Scheme:

Land Use

The subject site is located within the Brown Street Precinct (EP9) under Local Planning Scheme No. 26 (LPS26). The Brown Street Precinct will provide a mix of uses, commercial and high amenity light industry to the north of Brown Street and residential to the south and along the Claisebrook Inlet. This highly prominent location will showcase high quality design and medium density residential development.

Under LPS26, an event space falls within the 'Culture and Creative Industry' land use category while a function centre falls within the 'Dining and Entertainment' land use category. Both the 'Culture and Creative Industry' and the 'Dining and Entertainment' land use groups are 'Contemplated' uses within the Brown Street Precinct.

In determining an application for development approval for a land use within the 'Culture and Creative Industry' land use category, in addition to the matters listed under clause 67 of the Deemed Provisions, Council shall have regard to the following relevant objectives:

- (a) infusing creativity, originality and innovation into the built environment;
- (d) the provisions of flexible and adaptive spaces to live, work and display; and
- (e) ensuring the compatible operation of culture and creative land uses with other land uses in the vicinity of the proposed development.

Similarly, when determining an application for development approval for a land use within the Dining and Entertainment land use category, in addition to other provisions of the Scheme, Council shall have regard to the following objectives:

- (a) enhancing lifestyle, character and vibrancy;
- (b) achieving effective venue management, including venue operation, patron management, and customer and public safety; and
- (c) ensuring the operation of land use does not negatively affect the amenity of the locality, including operating hours, traffic, noise or other emissions, and is compatible with surrounding land uses.

The proposal's compliance with these requirements is discussed in the following sections of this report.

Comments:

Consultation:

In accordance with clause 34 of CPS2 and clause 64 of the Deemed Provisions, the proposal was advertised to the owners of affected properties within the vicinity of the subject site for a period of 14 days, closing on 11 October 2019. These included 2 and 8 Brown Street, 17–21

Kensington Street, 1–10 Flagstaff Lane, 1–9 Ensign Lane, 1-13 Victory Terrace and 2 Henry Lawson Walk.

A total of 36 submissions were received during the advertising period, with 33 raising objections and three providing support in relation to the proposal.

There were four key issues which the submissions objecting to the proposal commonly raised. These were in relation to noise generated by the use of the venue and by patrons coming and going from the premises; security and anti-social behaviour; demands on parking facilities in the area, availability of alternative transport; and appropriateness of the venue's location given the predominance of residential uses in this locality. A few submissions also outlined the potential of the proposal to decrease property values. It is noted that any impact that the proposed change of use might have on the value of surrounding properties is a matter that, whilst understandably of importance to individual landowners, is not directly relevant in any assessment of the planning merit of a proposal and is not a relevant consideration under the current planning framework.

The three submissions received in support the application noted that the proposed use could provide greater interest and activity in the area.

A summary of the submissions received is attached (refer to Attachment 6.1C).

Land Use and Amenity

The Brown Street Precinct (EP9) is intended to be a mixed use area. The proposed land use meets the general scheme objectives and principles as it has the potential to add to vibrancy, vitality and diversity of the city and to provide additional facilities and amenities in the city. However, LPS26 also acknowledges that this area will become increasingly residential in character. While the street block in which the premises is located consists mainly of commercial and light industrial properties, the area on the southern side of Brown Street and to the east of Victory Terrace is entirely residential. The mixed-use nature of this precinct ensures that a wide range of land uses may be contemplated, but any new land uses should be compatible with the existing land uses.

It is noted that there are existing entertainment venues in the vicinity of the subject site including a tavern and microbrewery at the Bright Tank Brewery, 98 – 100 Brown Street and Whipper Snapper Distillery at 139 Kensington Street. It is noted that functions held at Whipper Snapper Distillery are limited to corporate functions for a maximum of 80 people and a maximum of 26 functions being held each calendar year with no more than three functions being held in any one month.

Given that the proposed function facility could accommodate up to 200 people and that the existing building has not been constructed to contain noise emissions, a significant number of objections raised concerns about the appropriateness of the proposed use in this location and consider that the use will compromise the amenity of a predominately residential area. Other submissions have reservations on how the venue will be utilised and that it will have adverse impacts associated with noise, parking and transport. Clause 67(n) of the *Planning and Development (Local Planning Schemes) Regulations 2015* notes that the amenity of the locality is to be considered when considering an application for development approval. This includes the character of the locality, and the social impacts of the development. In addition, clause 67(x) also states that consideration should also be given to the impact of the development on the community as a whole notwithstanding the impact of the development on individuals.

These concerns are also addressed in the City's Planning Policy 3.5 (Non-Residential Uses in or Adjacent to Residential Areas) which states that non-residential development on land which abuts land which is or may be used for residential purposes shall only be permitted where the nature of the non-residential use will not cause undue conflict through the generation of traffic or parking or the emission of noise or any other form of pollution which may be undesirable on residential areas. The proposal has the potential to limit and unduly impact on the existing residential population whilst also potentially making the surrounding properties less attractive for future residential development, including within the subject strata building at 2-12 Brown Street.

From the information submitted by the applicant, the City's Officers are not satisfied that the development will ensure a successful mix of land uses and activity in a compatible manner and that the scale of the use and the nature of the building will have adverse impacts on existing residential development and may impact on future potential residential infill and development in this area.

Noise

Almost all the submissions against the proposal referenced noise as a point of concern outlining that this is an issue which resonates strongly among the local community. Many of these submissions were concerned about the volume of noise created by various forms of entertainment and the high number of patrons in the one location, noting it is expected that up to 200 patrons could be accommodated. Once patrons leave the premises, there is heightened concern that this would result in large numbers of people spilling into neighbouring streets and generating noise which will cause late night disturbance to residents.

The applicant included a preliminary acoustic assessment to support the proposal. City officers advised that a more detailed acoustic assessment, including comprehensive noise modelling, was required to be submitted. There should also be a noise management plan that details any management or administrative initiatives required to control the noise from the venue. The applicant has submitted an additional acoustic assessment and further supplementary information. In their submission, the applicant has advised that they believe patron noise will be the most significant source of noise. Whilst the *Environmental Protection (Noise) Regulations 1997* do not account for patron noise, this does not denote the fact that this may not still have the potential to be a disturbance for residents. The applicant highlights that they would like the premise to be used for events which are respectful of the space and the surrounding area. They note that events will be private and will not be allowed to open the venue up to the public.

It is considered that this additional information fails to provide an appropriate level of detail to enable the City's Officers to determine how sound will be attenuated, how the noise will affect the residents in the vicinity of the subject site or how noise issues can be appropriately dealt with or addressed in any approval. The lack of clarity on the required acoustic information and the uncertainty of the range of functions being held, where some responsibility will be left to the client of the function rather than the operator, are the main concerns with the proposal. This does not provide confidence that the management arrangements can be practically achieved or adhered to.

Whilst there is the option to consider imposing conditions to any approval to attempt to address any noise concerns, installing adequate noise attenuation within the building would require substantial additional work to the property and it is considered that this detail needs to be addressed as part of any application to confirm that noise attenuation can practically

and reasonably be achieved whereby noise disturbance to adjoining properties will not be an ongoing and significant issue. Noting the lack of clarity around noise emissions, the proposal is not considered to be compatible with the immediate and surrounding land uses.

Traffic and Parking Impact

Under the provisions of the Perth Parking Policy, the proposed use is not required to provide any on-site tenant parking bays. Brown Street contains on-street parking bays on both sides of the street. In the evenings, these on-street bays are in demand by residents and their guests.

Many residents outlined that the proposal would substantially increase the amount of vehicle traffic in the area and that parking availability within the vicinity was already scarce. A few of the submissions noted that the nearby Perth Stadium has reduced the number of on-street parking bays in the area during event periods and this proposal would put greater strain on the demand for these on-street bays, particularly when the subject venue hosts functions concurrently with events at the stadium.

The perceived lack of parking has raised some concerns on how patrons would get to and from the subject premise without causing a disturbance to surrounding residents. Without appropriate parking, many objectors believe most patrons will access and leave the venue by way of private drop off and pick up, including taxis and ride share services. As such, the main concerns are concentrated around the management of patrons before and after an event or function.

The applicant has advised that they believe the area is well serviced by transport infrastructure. They outline some of the following reasons for this view:

- there is an existing short-term car park with approximately 45 car parking bays on Brown Street approximately 150 metres east of the subject site;
- the subject site contains two designated bays for loading and unloading of supplies and goods;
- there are extensive footpath connections for pedestrians to utilise when they exit the venue;
- a Yellow CAT bus stop and Claisebrook Train Station are approximately 650 metres and 900 metres away respectively from the subject site;
- any hired security will be trained to ensure that issues around vehicles queuing around the subject site will not occur by ensuring traffic can be directed to designated parking bays; and
- there is sufficient capacity on Brown Street to cater for the projected number of guests which the venue is able to accommodate.

If the proposed venue is to operate at maximum capacity (200 patrons), then there could be a considerable shortfall in available parking should a significant number of patrons seek to access the venue by private vehicle. The other primary modes of transport which are outlined include public transport and taxi/ride-sharing services.

Public transport may not be a viable transport option for patrons, particularly in the evenings, noting that the Yellow CAT Bus Service operates on a limited schedule up to 8pm on weekdays and 6pm on weekends and may not operate during periods when the venue would be operating. Patron pick up and drop off through taxis, ride-sharing services and private vehicles is anticipated to be the most popular means of transport.

Private vehicle drop-off and pick-up may temporarily cause minor traffic disruption, although if managed appropriately, its impact may be able to be lessened, particularly if functions are not near the maximum capacity of 200 people. It is noted that the lack of a designated drop off and pick up point may lead to some congestion within the area. However, it is considered that any additional vehicular traffic generated by the change of use can be accommodated within the existing surrounding road network and appropriate management of any event or function should patron numbers be kept to a relatively smaller number.

Noting the above, taxi and ride-sharing services are often reliant on picking up passengers promptly and in an ad-hoc manner. Therefore, adverse traffic and parking impacts could potentially be exacerbated without a dedicated pick up or drop off area for functions and where security personnel may not be able to manage the traffic situation appropriately.

Safety and Security

Post-function patron management has been raised as a particular concern among residents. A significant number of submissions noted they had fears that should the proposal be approved then the potential for anti-social behaviour would increase. Some submissions expressed a lack of confidence that the venue operators would be able to effectively manage patrons while others expressed that there may be a lack of security during events. It is noted that venue operators do not have control over patrons once they have departed the venue beyond asking them to respect residents in the area and not to loiter outside the venue at the conclusion of a function.

While it is noted that some residents believe venues such as Bright Tank Brewery, have assisted in reducing antisocial behaviour in the area as a consequence of more activity in the street, it is understood that these existing venues have smaller patron numbers and in the case of the tavern, patrons disperse throughout the day/evening and are not subject to specific arrival and departure times as is characteristic of private functions. In addition, due to their specific operation the associated clientele, noise and traffic impacts are comparatively predictable. Given the nature of this proposal, where the building might host various wide-ranging functions, the management requirements are more difficult to foresee.

State Planning Policy 7.0 – Design of the Built Environment

State Planning Policy 7.0 provides the broad framework for design of the built environment across Western Australian and applies to all levels of the planning hierarchy including development applications. The policy outlines ten (10) Design Principles which establish 'good design' that can inform the design, review and decision-making process for built environment proposals across the state. Three out of the ten Design Principles are of relevance to this application which are Amenity, Safety and Community.

Amenity:

Amenity, from a good design perspective, means to provide successful places that offer a variety of uses and activities while optimising internal and external amenity for occupants, visitors and neighbours, providing environments that are comfortable, productive and healthy. Places should incorporate a mix of uses that work together to create viable environments that respond to the diversity of the local community and its culture. Good design mitigates negative impacts on surrounding buildings and places including noise requiring the provision of appropriate levels of acoustic protection.

The applicant has not provided sufficient information illustrating that the proposal includes the provision of appropriate levels of acoustic protection which may affect current and future land uses within the precinct.

Safety:

The proposal should be able to illustrate that the outcome will provide optimal safety and security both within a development and to the adjacent public realm.

The proposal has generated significant concern from the local community regarding the potential increase in anti-social behaviour and other security issues. From a design perspective, the subject premise offers a clear defined relationship between public and private spaces, however the main concern regarding safety relates to patron activity within the public realm before and after an event. Even though the premise contains a secure and defined entry and lobby area, with the intention of staggering the number of patrons which can leave at any given time, this does not guarantee that nearby residents will not be affected by the behaviour of patrons.

Community:

The proposal should respond to local community needs as well as the wider social context, providing environments that support a diverse range of people and facilitate social interaction. Places should be able to accommodate change over time, create continuity with the past and respond to new social, market or environmental demands.

The proposal is considered to meet the intent and contribute to fostering social interaction and supporting a diversified economy within the area which can be a positive contribution to the community. Whilst the proposed use can further generate economic and social activity, there is however uncertainty if the scale and nature of the proposed use would result in an overall positive social outcome for the local community.

Conclusion

It is acknowledged that the proposed land use meets the general scheme objectives and principles as it has the potential to add to vibrancy, vitality and to the diversity of the locality and add new facilities and amenities in the area. However, the submissions have raised some valid planning considerations that arise from the numbers of patrons that the venue could accommodate, the nature of the existing building and uncertainty about its capacity to contain noise emissions, and concerns regarding patron management, parking and transport to and from the venue.

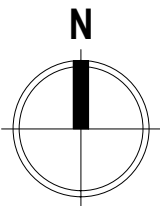
The addition of new land uses within mixed-use areas of the City must be done in an appropriate and compatible manner as envisaged under the objectives and principles of the Scheme. It is an objective of LPS26 to deliver vibrant and attractive urban environments which infuse the city with vitality, life and character. It is also an objective to increase the residential population, facilitate increased employment opportunities and a diverse range of businesses, facilities, services, amenities and infrastructure. The Brown Street Precinct is regarded as a mixed-use area, yet there is a significant residential population within the precinct which is in close proximity of the subject site.

Noise is regarded as the most significant issue however the material that the applicant has provided for the accompanying acoustic assessment does not provide detailed evidence and clarification on emission and how it subsequently can be managed. Whilst the applicant has provided a management plan, the City's officers are not satisfied that this would alleviate concerns around the impact that the use would have on the local community and the future development of the area.

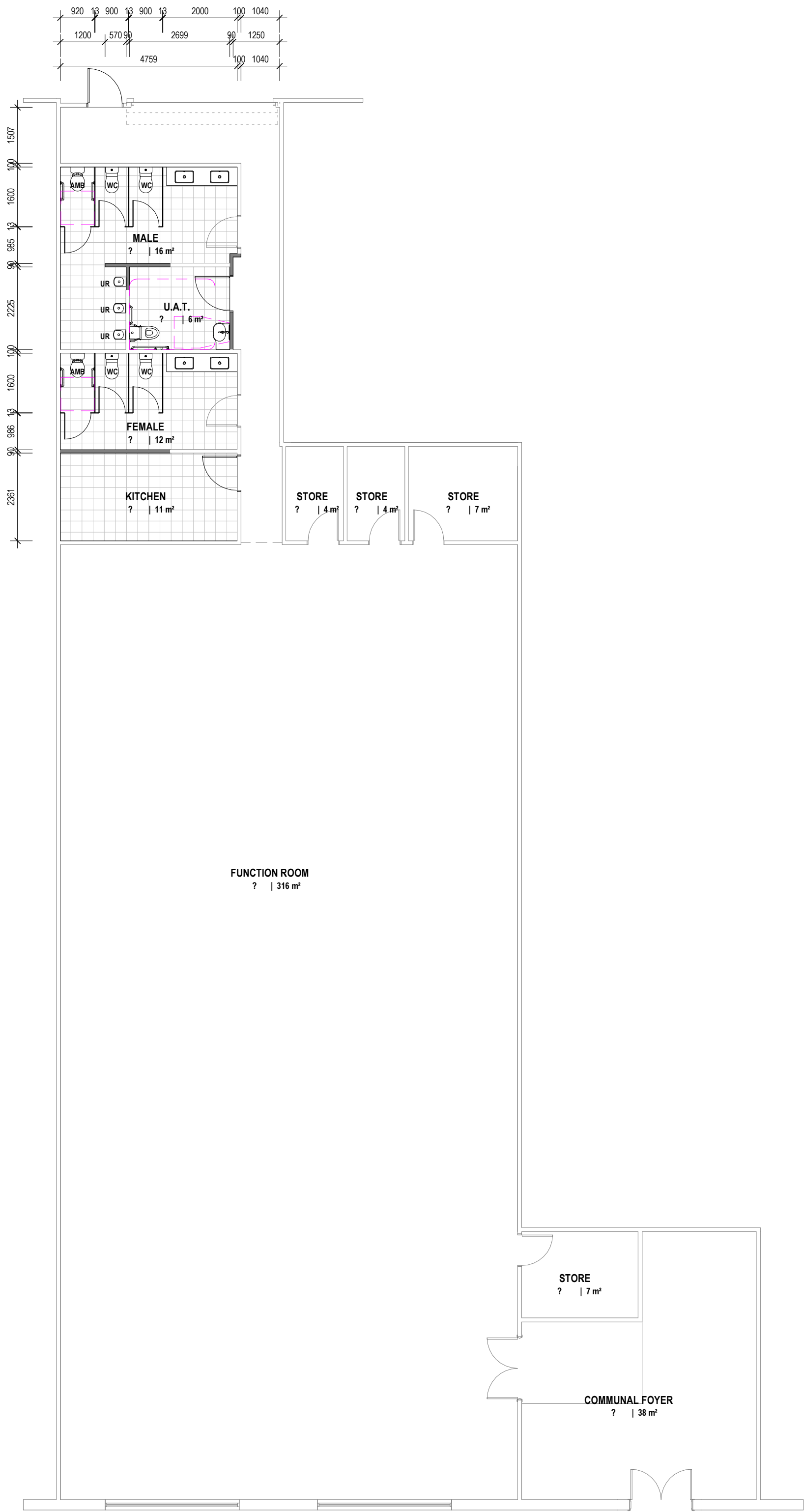
It is recommended that the application should be refused on the grounds that the proposed function and event space would have an adverse impact on the amenity of current and future residents in the locality.



19/5302; 4 (LOT 5) BROWN STREET, EAST PERTH – LOCATION PLAN



ATTACHMENT 6.1B



FLOOR PLAN - PROPOSED
1 : 100

GENERAL
CHECK ALL DIMENSIONS ON SITE
DRAWINGS TO BE READ IN CONJUNCTION WITH ALL
CONSULTANTS DRAWINGS, SPECIFICATIONS & REPORTS
DO NOT SCALE DRAWINGS, USE NUMERAL DIMENSIONS ONLY
REFER TO INTERNAL LAYOUTS FOR PLUMBING REQUIREMENTS



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REV	DESCRIPTION	DATE	APP

DWG: **FLOOR PLANS**
STAGE: **SKETCH**

PROJECT: **FUNCTION CENTRE**
CLIENT: **ALMACEN Pty Ltd**
ADDRESS: Lot 5, U5/2 Brown St EAST PERTH

PROJECT N3190710
SCALE 1 : 100
SHEET SIZE: A2
26/07/2019 13:54:59
SHEET N° **A2.01**
REV:

PUBLIC CONSULTATION FEEDBACK FOR 4 (LOT 5) BROWN STREET, EAST PERTH – CHANGE OF USE FROM GYMNASIUM TO AN EVENT SPACE AND FUNCTION CENTRE

A total of 36 submissions were received during the advertising period, with 33 raising objections and three providing support in relation to the proposal. The main objections raised during the advertising period are quoted below:

Noise:

'Noise levels during the function (function entertainment/music) and after the function finishes as people leaving the function vocalize as they mill around/retrieve their parked vehicles late at night';

'The main issue is the amount of noise inside and outside the building. The proposal is unclear as to the type of function that will occur, but it is likely that they will include events that involve loud music inside, and a significant number of people arriving and departing. There will also be noise related to cleaning up after functions';

'I am extremely worried about the negative impacts of creating a noisy environment especially of up to 200 guests. We are located on the second floor and are already more affected by noise due to the echo effect being higher up. We are already under significant strain due to accommodating the new Optus Stadium with an increase in foot traffic which often extends well after the events have finished';

'How do you control noise and manage noise with 200 people coming and going together and with the increased traffic in the area. The houses and apartments here are not designed to keep out noise (eg no double glazed windows, no central air conditioning). The noise impact assessment by the proponent is an assessment not based on actual conditions and contains a lot of air';

'The noise factor in this area is already having an impact from the increased foot traffic and noise from Optus Stadium. To have another event property straight across the road would be unbearable';

'Certain sounds (especially low frequencies) will travel throughout the whole building and along Brown Street, regardless of all precautions taken';

Security and Anti-Social Behaviour:

'Unless there is a daylight curfew on such an establishment I anticipate unwarranted noise and possible unwarranted behaviour from patrons either inebriated or chemically enhanced and this will be unnecessarily intrusive and possibly threatening property and other persons';
'It is unlikely that the operators will be able to adequately control anti-social behaviour from 200 guests departing a function centre at the same time';

'Some people attending functions will be smokers and/or drinking and/or using recreational drugs resulting in anti-social behaviour, noise, litter, urination in the street and wandering through the streets which will negatively impact on local residents';

'Whether it was coincidental or not, we have had a few break-ins and beer bottles left in our garden. If we are already experiencing a disturbance to our way of life by pedestrians commuting by foot from Optus Stadium, I strongly believe that the function centre, if approved, will further deteriorate our way of life';

'The proposal states that guests will not be allowed to exit the building whilst waiting to be picked up but will be held in the foyer. I have seen the current foyer space and it can possibly accommodate 10 people as it is also the entrance to the adjoining Lot. Inevitably guests will congregate on the street whilst waiting to be picked up because where else can they go? This

will certainly be the case where the event is for 80 people or less as the DA states no security staff will be provided in this case';

'It is noted with concern that groups under 80 guests would effectively act as venue managers. This policy is at odds with a responsible management approach. The staff/patron ration of 1:40 is considered "light on" for larger functions given the lack of property setback. Patrons will emerge directly onto the footpath which is the highest risk point for noise (other than amplified music)';

'The theme of the client being responsible for maintaining compliance with the proponents set of criteria is valid but allows the proponents the ability to defend by stating "they broke the rules" or "they were supposed to do this or that". The proponent should take on this responsibility and be proactive in regard to the key issues of noise, anti-social behaviour and similar. It is suggested the proponent should provide staff and build a relationship with contractors who then become fully aware of the local specifics and are effectively incentivised to maintain the OMP for reasons of repeat business.'

Parking and Transport Issues:

'A reception area by its nature attracts people from outside the immediate area making it likely that all attendees will require transport to the event. Nearby parking barely services locals and their visitors. There is no public transport convenient to the proposed venue';

'We are also concerned about car parking which is already under significant pressure and relied upon by many residents for overnight parking via paid City of Perth residential permits. We also have a need for our own visitors and entertaining which would become more difficult';

'With no genuine public transport options and barely any reliable parking available, patrons and staff will likely rely on taxi/ride-sharing as the preferred mode of transport. However, there is no designated taxi rank in the area, resulting in patrons who will have to hail taxis/ride sharing vehicles whilst waiting on the street. This would be in contradiction to the noise mitigation measures noted in the application where the venue will reply on patrons being "contained in an air-lock space within a foyer"';

'Given there are no public transport stops on Brown Street, it is likely the patrons will be arriving by car. This will exacerbate the parking problems in the area';

'The application states that there is sufficient parking in Brown Street and Mardalup Park. That is incorrect as my understanding is that car parking at Mardalup Park is for the use of park users while Brown Street is used by occupants and their visitors and cannot cater for up to 200 visitors. The comment that event visitors will utilise the Yellow CAT bus is laughable noting it stops running at 7:00pm';

'It is foolhardy in the community's view, to develop a 200 person reception centre without any available venue parking. On-street bays referenced in the application are all used currently by residents, business owners and their visitors. Mardalup Park and Optus Stadium weekend visitation means the adjacent car parks are fully patronised at the same time the proposed venue would be at maximum occupancy';

'The proponent has noted there are no minimum parking allowances to be complied with. This does not detract from the point that locals will suffer from reduced parking access when they have their own private gatherings'

Appropriateness of Venue:

'The term "function centre" is a mask to use for bars, nightclubs, karaoke etc. Such activity is definitely not the lifestyle or vibrancy we want in our area';

'The staging of events for up to 200 people with associated noise, car parking issues, probable anti-social behaviour is totally inappropriate in a residential area';

'We simply do not see a function centre to host up to 200 guests, being managed by different groups and not by a designated company, for example is an "inclusive asset to the local community"';

'Current available event space at venues such as The Royal, City Farm, The Claisebrook Design Community etc. is sufficient to meet demand, they are located in areas already zoned for this activity and have both parking (CPP Regal Place) in the case of The Royal or public transport (Claisebrook Train Station) in the case of City Farm or the Claisebrook Design Community on their respective doorstops. These businesses have invested in East Perth already and in a manner consistent with the current residential/entertainment balance';

'The proponent (Almacen) is requesting a change in use from Light Industrial to Function Centre. The definition of the types of events to be conducted at the function centre itself is broad which presents concerns as to the type of function that may be conducted. There is no information regarding the types of functions that will not be conducted which suggests the options of night club or club as noted by Category 7 under Scheme #26 may be supported. It is suggested the proponent in future notes what type of function will and will not be allowable per their Operational Management Plan (OMP)';

'Residents of East Perth support increased vibrancy and commercial activity. However, it needs to support neighbourhood demand and retain a human scale. It is well documented that the precinct has the highest commercial vacancy rates in the City. The market demand has not been established for an additional Reception Centre. The community does however support the position that the area zoned Light Industrial either be retained as such or modified to Residential as per the adjacent strata lot';

Statutory Planning
City of Perth
By email: Chris.Bien@cityofperth.wa.gov.au

24 Oct 2019

Attn: Chris Brien

**RE: Public Consultation Feedback for 4 (Lot 5) Brown Street, East Perth – Change of Use from
Gymnasium (Community) to an Event Space (Culture & Creative Industry): DA-2019-5302**

Thank you for your letter dated 15 October 2019, referencing the comments received in the public advertising of the above Development Application.

With respect to the comments received, the following responses are offered:

NOISE:

Please note the size of the venue is a relatively small 409 square metres catering for small to medium events not exceeding 200 people. Use of the space will be intermittent and the types of events that the proponent is focused on hosting is corporate, family and community events that typically occur during the day and finish early evening. Market research by the proponent suggests there is limited availability of suitable spaces for the offering proposed. More information on the type of events being offered is available upon request.

As a responsible operator and as discussed in the Operational Management Plan provided with the Development Application, the Proponent will require clients to declare the nature of the proposed event as part of the booking process. For events that have the potential to create noise (i.e. above 80 persons), security will be retained on site at all times to ensure compliance set operational requirements (i.e. no loitering, management of any antisocial behavior and the noise thresholds set under the *Environmental Protection (Noise) Regulations 1997*).

Noise cleaning up after functions is not expected to be a concern, as long as disposal of waste to the rear of the building does not involve the emptying of bins with bottles (particularly at night).

The Proponent cannot comment on the impact of the Optus Stadium and passing by foot traffic. Nor can the Proponent comment on the construction detail of the nearby residences. The requirements for the Proponent to operate under, being the Environmental Protection (Noise) Regulations 1997 are well defined and are a clear obligation for the operation of the Proposal.

Comments offered about “sounds travelling through the whole building and along Brown Street, regardless of precautions taken” are factless; The Noise Impact Assessment (Herring Storer) clearly concludes that the Proposal can operate within the set regulatory requirements with a number of management measures available to ensure any noise is appropriately controlled.

It is noted that the previous gymnasium operated day and night, 7-days per week with high energy amplified music playing and no known noise issues with adjacent residents.

The events the proponent is aiming to host do not include ones of a nature that have the

potential to be uncontrollable from a noise perspective and are to be respectful of the space and the surrounding area. Any event hosted will be private to the client and at no time will doors be open to the street or open to the public, with maximum numbers stated in their agreement.

SECURITY & ANTI-SOCIAL BEHAVIOUR:

Comments offered about requiring a “daylight curfew because of patrons are either inebriated or chemically enhanced, ...threatening property and other persons” are unnecessary. The Respondent is reminded that we live in an inner city community and that diversity and balance in attractions, places and things to do is what makes the City of Perth so fantastic.

Regarding patrons leaving at the same time, the Proponent is not concerned by the relatively small numbers (up to 200) resulting in an approximate 3.5 vehicle movements per minute on Brown Street (assuming a passenger ratio of 2.5 and everyone leaves by car/taxi/share ride over a 25 minute period). To put it into perspective, the impact is insignificant when compared to 70,000 patrons leaving the Perth Stadium following a football game or concert.

Patrons will not be allowed to loiter out the front of the venue to “smoke, drink, urinate and use recreational drugs” as suggested by Respondents. As previously advised (and described in the Operational Management Plan), Security will be hired to ensure guests leaving do so quietly and efficiently by ensuring patrons only leave once their transport has arrived or leave the area on foot without loitering. Any antisocial behavior witnessed by escorting security will be reported to Police (it is noted Brown Street is under comprehensive CCTV surveillance).

Contrary to the Respondent’s claim that only 10 people can fit in the foyer, it is 38sqm and can comfortably fit at least 38 individuals (in accordance with the National Code of Construction 2019). At completion of an event, people are expected to leave in a staggered fashion, using multiple forms of transport. Brown Street is a public street and people have the right to use it as a path of travel, as long as behavior is appropriately managed (thus the security). The proposed use of Brown Street, the footpath and the traffic generation are well within the design tolerances with any potential impact being insignificant.

As part of the booking process, within the terms and conditions of hire, clients will be reminded that they need to be conscious and respectful of the neighbors when arriving and departing from the venue and that there is to be no loitering, smoking or socialising outside of the venue.. The venue is to be a smoke free venue, both inside and outside.

The Proponent is confident that the provisions described in the Operational Management Plan provided with the Development Application are appropriate to manage the potential impacts of Anti-social behavior. As described in the documentation provided and supporting the Development Application, a “zero tolerance approach” will be adopted in the management of the premises.

A comment made by the Respondents to “incentivise staff and contractors to maintain the measures in the Operational Management Plan” is a very good suggestion and will be adopted. Please note that clients leasing the venue will be required to place a security bond which will also be used as an incentive to ensure good behavior of guests. The Proponent will retain the right to deduct on the security bond for documented breaches by their guests.

The Proponent notes that few specific comments have been made by Respondents into the management measures proposed and comments offered are largely generalised and not specific to the documentation provided in the Development Application.

Please note the Proponent is committed to forging a strong and mutually respectful relationship

with nearby residents (they are the target market!). The proponents are aiming to establish a low-key, high end venue designed to accommodate a wide number of events that will bring benefit and enhance the East Perth area.

PARKING & TRANSPORT ISSUES:

The comments made by Respondents in that “nearby parking barely services local and their visitors” are unsubstantiated. It is the Proponent’s view that Brown Street is well serviced with the 3P restricted parking along the street and the dedicated car park at the eastern end of Brown Street (Mardalup Park ~150 metres away). The Proponent has observed that the only time the car bays on Brown Street and in the dedicated car park are full is when there is an event on at Optus Stadium. It is the Proponent’s view that the on-street parking and dedicated car park is actually underutilised.

Further, the comment about “there is no public transport convenient to the proposed venue” is incorrect (please refer to the detail in the Development Application about bus routes, Cat buses and trains). Please note that many of the events proposed will be held during the operating hours of these services.

In response to the comment about it “being foolhardy to develop a 200 person reception center without any available venue parking”, the Respondent is directed to look at the multiples of other venues that operate successfully in the City of Perth (including the nearby Royal Tavern, catering for 500 persons and adjacent restaurants and cafes).

The Proponent is comfortable to refer to the City of Perth’s policies on the requirement for provision of parking.

APPROPRIATENESS OF VENUE:

The Proponent can assure residents that the Proposal is not a mask for “bars, nightclubs and karaoke”. The proponent is investing significant finances in creating a space that enhances the structure and street appeal of the building as a benefit to the community and is in no way interested in opening the property to the public for such uses. Function Centre is a specified use within Local Planning Scheme 26. The Proponent is acutely aware of its location and direct conflict with any potential use as a bar or night club. As previously described, the predominant use of the space will be for corporate events, with supporting product launches, art installations, photography hire, intimate private unique dining experiences and controlled private hire where clients will be required to disclose the nature of the event in detail.

In response to the comments made about East Perth having the highest commercial vacancy rates in the City, increasing diversity of use is a well-documented remedy to increase place activation and vibrancy (and further take-up of vacant spaces).

The Proponent is of the view that the proposed Function Centre is more compatible with the community’s expectations and needs over the existing “Light Industry” use. Light Industry uses potentially see impacts from the use of power tools, commercial and trade based traffic and longer extended utilisation of the space (as per uses within two of units within the complex), with such uses not being required to control noise.

The issues of noise, carparking antisocial behavior have been previously addressed above and by the supporting documentation in the Development Application. The Proponent is confident that the potential impacts identified are manageable with the appropriate measures (as proposed in the Operational Management Plan provided with the Development Application).

The Respondent’s comments about demand for function centers being adequately catered for by other venues are unfounded and respectfully not for their comment.

CLOSING COMMENTS:

In review of the comments received, the Proponent is satisfied that there is nothing that materially changes or impacts the Proposal as submitted. Based on the nature of the comments received, it appears many of the respondents are simply against change of any kind and would like to see the space go on being unoccupied/unutilised.

The potential impacts of any traffic, noise and antisocial behavior can and will be adequately managed by the measures proposed in the Operational Management Plan, attached to the Development Application. The proponent assures the City as well as local residents and occupiers that we take very seriously the safe and respectful operation of the proposed business and the avoidance and mitigation of any issues that could cause disruption is of paramount importance to the long term sustainability of the proposed business.

The Proponent respectfully requests the City complete their recommendation and assessment of the Proposal.

Should there be any questions, please do not hesitate to contact the undersigned.

Sincerely,



BEN McCARTHY
PROPRIETOR
ALMACEN PTY LTD

Recommendation:

That Council APPROVES a donation to the value of \$85,000 to the Returned and Services League of Australia WA Inc. to assist in the presentation of the 2020 ANZAC Day Commemorations in Perth.

FILE REFERENCE:	P1010627-33
REPORTING OFFICER:	Virginia Withers, Sponsorship Officer
REPORTING UNIT:	Activation and Cultural Experience
RESPONSIBLE ALLIANCE:	Community Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	17 October 2019
ATTACHMENT/S:	Nil

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation	Section 8 of the <i>City of Perth Act 2016</i>
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City of Perth Act 2016**Objects of the City of Perth**

8(1)(j) - to strike an appropriate balance among civic, economic, social, cultural and environmental considerations

Integrated Planning and Reporting Framework Implications**Strategic Community Plan**

Strategic Priority - Partnership

Policy

Policy No and Name:	18.14 – Donations
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Purpose and Background:

Applicant Details

Entity Name	The Returned and Services League of Australia WA Inc.
ABN	59 263 172 184
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	<i>Charity, Public Benevolent Institution, Endorsed as a Deductible Gift Recipient (DGR)</i>

The Returned and Services League of WA Branch Incorporated (RSLWA) is a not-for-profit organisation formed in 1916 to attend to the welfare needs of all ex-service and serving personnel, with a mission of advocacy, welfare, camaraderie and commemoration.

RSLWA has applied to the City of Perth for financial assistance towards the costs associated with holding the annual ANZAC Day Commemorations in Perth on 25 April 2020. ANZAC Day Commemorations have been held in the City since 1915.

Details:

Project Title	ANZAC Day Commemorations 2020
Project Date	25 April 2020
Venue	Kings Park, Langley Park, St Georges Terrace, Perth Concert Hall, Government House Gardens
Support Requested	<p>The RSL have requested the following support from the City of Perth. Support to the value of \$115,162 (excluding GST), comprising:</p> <ul style="list-style-type: none"> • A cash donation of \$65,000 to cover traffic management costs of the event; • A cash donation of \$4,500 towards the cost of the saluting dais/staging in St Georges Terrace required for Anzac Day Parade; • In kind support towards the City service fees and charges associated with the event, valued at \$45,662.
Recommendation	Approval
Recommended amount	<p>\$85,000 (excluding GST), comprising:</p> <ul style="list-style-type: none"> • A cash donation of \$39,338 towards the traffic management costs of the event; • In kind support towards the City service fees and charges associated with the event, valued at \$45,662.

RSLWA have requested a donation from the City to support the 2020 ANZAC Day Commemorations. All the activities planned are free-to-the public, and the RSLWA anticipates over 35,000 attendees. Events will include:

- Sunset Service, 5.00pm on 24 April, at the Flame of Remembrance in Kings Park;

- Dawn Service, 6.00am on 25 April at the State War Memorial, Kings Park;
- ANZAC Day Gunfire Breakfast, Government House Gardens;
- ANZAC Day Parade, from the corner of Barrack Street and St Georges Terrace, dispersing on Langley Park where there will be a sausage sizzle provided by the Salvation Army; and
- ANZAC Day Commemorative Service, 11am at Perth Concert Hall.

ANZAC Day Funding Request

RSLWA has requested support totalling \$115,162 from the City, comprising:

1. A cash donation of \$65,000 to cover traffic management costs of the event;
2. A cash donation of \$4,500 towards the cost of the saluting dais/staging in St Georges Terrace required for Anzac Day Parade; and
3. In kind support to waive the service fees and charges associated with the event including banner site hire, Environmental Health fees, bin hire, Reserve Hire and parking bays. City of Perth Officers have valued the in-kind support to be \$45,662 as per the below costings:

Officers also note that ANZAC Day Course route is often changed closer to the event, resulting in differences to applicable fees and charges. The city acknowledges that there may be some small change in these costs due to adjustments in the course route, etc.

A bond amount of \$3,000 is also payable by the RSL and refundable dependant on City services required and is not reflected on the below table. This amount will be required to be paid separately by the RSL and it is not included in the recommended donation.

	<u>ESTIMATED FEES (ex GST)</u>
Approval to conduct ANZAC Day 2020 commemorations and associated activities in the City of Perth, comprising: <ul style="list-style-type: none"> • Public Building Fee (\$871) 	\$871
Approval and use of Langley Park for HAA commemoration (<i>noting the fee is based on the use of Langley West only, with 50% discount</i>) <ul style="list-style-type: none"> • Parks and Reserves – High Impact (non-ticketed) 	\$1,991
Approval and in-kind support for the costs associated with the use of power and water services at Langley Park as required <ul style="list-style-type: none"> • Power 3 Phase (\$93) 	\$93
Bins and cleaning services of the Parade route and Langley Park comprising: <ul style="list-style-type: none"> • 240L Bin Delivery for 60 Bins (\$1,701; • Events Bins 240L (30x Landfill and 30x Recycling); • Bin cleaning charges • 25x 240L bins on Langley Park 	\$1,062
Approval for road closures associated with ANZAC Day as per traffic management plan, Police and Main Road approvals (<i>with 50% discount</i>) <ul style="list-style-type: none"> • Road Reserve Hire Fees (Roads / Right of Ways – Non tickets – with infrastructure, covering all roads utilised on the day) 	\$1,379
Removal of street parking bays in the road closure area (<i>estimate based on last year</i>)	\$9,600

In-kind support for the costs associated with access to all open-aired car parks from 12am to 1pm on Anzac Day	\$19,479
In-kind support for the costs associated with the reservation of the City banner poles (T1-T3, M1-M4 and K1, F1, F2, F3) for two weeks prior to Anzac Day	\$11,187
	<u>\$45,662</u>

Acknowledgement of the City of Perth

The City of Perth's support will be acknowledged in relevant promotional materials.

Previous five years City of Perth Support

Year	Amount	Project
2015	\$96,617	ANZAC Day Commemorations (Centenary)
2016	\$67,868	ANZAC Day Commemorations
2017	\$65,000	ANZAC Day Commemorations
2018	\$82,666	ANZAC Day Commemorations
2019	\$95,566	\$83,000 - ANZAC Day Commemorations \$12,566 – Armistice Day (Centenary)
TOTAL	<u>\$407,717.00</u>	

Financial Implications:

ACCOUNT NO:	PJ 13958037000007901
BUDGET ITEM:	Donations
BUDGETED AMOUNT:	\$85,000
AMOUNT SPENT TO DATE:	\$0
PROPOSED COST:	\$85,000
BALANCE REMAINING:	\$0
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Although the total donation amount is \$85,000, the RSLWA will receive \$39,332 (excl GST) cash payment with the balance (\$45,662 excl GST) being transferred internally to the service units where the costs are being incurred.

In previous years recipients have been provided the entire amount and have been required to reimburse the City for the services delivered. From a customer service point of view, this process is far easier for our stakeholders.

Comments:

The ANZAC Day Commemorations have a long history in the city and have a high level of importance and significance to the community.

The costs of staging the event have increased in recent years. In 2017, traffic management costs for the event doubled from \$30,000 to \$60,000 due to requirements for hostile vehicle management.

The City of Perth has an annual available budget of \$85,000 for donations and the totality of this amount has been recommended to support the applicant. The City's support will ensure continued delivery of a high quality and safe event that reflects community expectations.

Recommendation:

That, subject to adoption of the 2020/21 budget, Council;

1. ***APPROVES Strategic Event Sponsorship of \$93,115.60 (excluding GST) for one year to Targa West Pty Ltd for the Make Smoking History Targa West 2020 event; and***
2. ***AUTHORISES the Chief Executive Officer to negotiate with the applicant the final list of sponsorship benefits according to the Council approved funding amount.***

FILE REFERENCE:	P1038782#02#01
REPORTING OFFICER:	Candice Beadle, Sponsorship Officer
REPORTING UNIT:	Activation and Cultural Experience
RESPONSIBLE ALLIANCE:	Community Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	12 November 2019
ATTACHMENT/S:	Nil

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 Committee to note.</i> |

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

Section 8 of the *City of Perth Act 2016*
Local Government Act 1995

City of Perth Act 2016**Objects of the City of Perth**

8(1)(g) - to strengthen Perth's reputation as an innovative, sustainable and vibrant city that attracts and welcomes all

Integrated Planning and Reporting Framework Implications**Strategic Community Plan**

Strategic Priority - Partnership

Policy

Policy No and Name: 18.13 – Sponsorship and Grants

Purpose and Background:**Applicant Details**

Applicant	Targa West Pty Ltd
Entity Name	The Trustee for Ross & Jan Trust & The Trustee For Tapper Family Trust
ABN	93 094 853 133
Entity Type	Other Partnership
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Applicant Description

Targa West Pty Ltd is an experienced event management company specialising in high profile motorsport events exclusively based in Western Australia. The company organises 11 annual motorsport events for tarmac rally cars, from grass roots Rally sprints to Targa West, a four-day tarmac rally.

The events run under the auspices of Motorsport Australia (formerly CAMS, the Confederation of Australian Motorsport).

Background

The City of Perth has received a request for a Strategic Event Sponsorship, including in-kind support for the use of City of Perth Parking (CPP) 'Terrace Road Car Park and Grassed Area' and parking bays along Governors Avenue, for a three-year sponsorship term to support the 2020, 2021 and 2022 Targa West events.

Previously the City of Perth's sponsorship and CPP's in-kind sponsorship have been treated as two separate agreements and managed by the separate Business Units. For the 2020 event, one agreement will be drafted which covers both the cash sponsorship and in-kind CPP sponsorship. This will ensure a consistent approach is maintained and will enhance the customer service experience by centralising the administration.

The City has supported Targa West since its inception, with 2020 marking the 16th year of the event.

Details:

Project Title	Make Smoking History Targa West
Project Start Date	06/08/2020
Project End Date	09/08/2020
Venue	Langley Park (including Riverside Drive and Victoria Avenue) Terrace Road Carpark (including Governors Ave) Forrest Place Murray Street Mall Northbridge (James and Lake Streets) Hyatt Hotel (Rally HQ and Official Accommodation)
Estimated attendance	30,000
Ticket Cost	Free to attend
Total Project Cost	\$450,000
Total Amount Requested	\$110,500 (24.56% of the total project budget), consisting of: <ul style="list-style-type: none"> • \$80,000 (excl GST) cash component; and • \$30,500 in-kind for the use of CPP 'Terrace Road Car Park and Grassed Area' and Parking Bays along Governors Avenue
Recommendation	Approval for a one-year Strategic Event Sponsorship
Recommended amount	\$93,115.60 (20.69% of the total project budget), consisting of: <ul style="list-style-type: none"> • \$70,000 (excl GST) cash sponsorship; and • \$23,115.60 (excl GST) in-kind for the use of CPP 'Terrace Road Car Park and Grassed Area'

Event Summary

Targa West is a tarmac rally in Western Australia with up to 100 classic and modern cars competing in over 30 special rally stages. The course travels through Kalamunda, Toodyay, Malaga and Bullsbrook before finishing in Perth. The event is run over four days which gives spectators opportunities to see the rally action across the city and surrounds, and culminates in the City of Perth stage alongside Riverside Drive and Langley Park.

The event offers a number of free activities across city public spaces, including Murray Street Mall, Northbridge, Yagan Square, the Riverfront and Langley Park.

Tarmac rallies are the only form of motorsport that brings the action to the people and does not require them to visit a purpose built track.

Event Description

Targa West sees cars compete against the clock, one-at-a-time spaced at 30 second intervals, over the closed road rally stages. They then liaise to the start of the next section at normal road speeds, obeying normal road rules. There are a number of opportunities for their service crew to undertake basic maintenance in designated 'service parks'.

Aside from the Targa West competition several activations, which are free-to-the-public, will be held in the city to encourage visitation and involvement with the event. These additional event components are detailed below:

Pre-Event display – Murray Street Mall – 16 July 2020

A display of six to ten competition cars in the lead-up to the event as a promotional activity to raise awareness and generate public interest. Organisers anticipate 3,000 attendees.

Targa West Ceremonial Start – Forrest Place – 6 August 2020

Targa West will officially open with a ceremonial start on the first day of the event. An expected 80 cars and crews will assemble before a lunchtime event start. The event includes car displays prior to being flagged away at 30 second intervals to head off to their first competitive stage. This allows the public to enjoy the spectacle of Targa West. The Organisers anticipate 3,500 attendees.

Targa West Show 'n' Shine - Northbridge – 7 August 2020

The Northbridge precinct will host the Show 'n' Shine which is a display of 80 event rally cars on James and Lake Streets and video rally footage on the Northbridge Piazza Screen. Organisers anticipate 2,500 attendees. According to the Culture Counts survey which was undertaken in 2019, the event had a direct economic benefit exceeding \$150,000.

Shannon's Classics on the Park – Riverside Drive – 9 August 2020

A car display on the grass area between Riverside Drive and the Swan River with approximately 300 classic and contemporary vehicles on display and around 40 different car clubs involved, showcasing a wide variety of makes and models. This activation takes place on the final day of the rally which allows spectators to enjoy the action of the racing and the car display. Organisers anticipate 3,000 attendees.

Celebration of Motorsport – Langley Park – 9 August 2020

A motorsport display on Langley Park, showcasing over 400 vehicles representing all forms of motorsport including speedway, circuit racing, motorbike, motocross, jet boats, go karts, historic racing, off road, Dakar raid cars, drag cars etc. The Organisers anticipate 5,000 attendees.

City of Perth Family Zone, Langley Park – 9 August 2020

The Family Zone provides a range of family friendly activities (e.g. Scaletrix competitions, Hot Wheels Stunt Racing, Mario Kart competition, Bouncy Castle, Face Painter etc) specifically aimed at providing families a fun area and allows children 'hands-on' opportunities to engage with the event.

Targa City Sprint - Terrace Rd Carpark, Victoria Avenue, Governors Avenue, Riverside Dr and Langley Park – 9 August 2020

The Targa City Sprint, is a separate event on the Sunday morning where up to 80 cars compete in a Rally sprint on City of Perth Stage on Riverside Drive, providing action in the morning in the lead up to the Targa cars at lunchtime. The Organisers anticipate 1,000 attendees.

City of Perth Special Stage and Podium Finish - Terrace Road Carpark, Victoria Avenue, Governors Avenue, Riverside Drive and Langley Park – 9 August 2020

The Grand Finale to the four-day competition is the City of Perth Super Stage which brings the rally action to the people. The City of Perth Special Stage is approximately 2km long and incorporates sections of Victoria Avenue, Terrace Road Car Park, Terrace Road, Governors Avenue and Riverside Drive.

The Podium Finish then takes place on Victoria Avenue. The Organisers anticipate 5,000 attendees.

City of Perth Gala Presentation Dinner – Hyatt Hotel – 9 August 2020

A gala dinner to present trophies to the winners and acknowledge sponsors, competitors, officials, and crew. The Organisers anticipate 350 attendees.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	\$50,000	Targa West
2016	\$47,500	Targa West
2017	\$48,000	Targa West
2018	\$70,000	Targa West
2019	\$70,000	Targa West
TOTAL	\$285,500	

- The City of Perth has received an acquittal for the previous support; and
- City Officers can confirm that all previous funding has been satisfactorily acquitted.

Impact Reporting

In 2019, City of Perth engaged Culture Counts to conduct a public survey and local business survey to measure the success of Targa West. Key insights from the 2019 report include:

- 94% of respondents were either satisfied or very satisfied with their experience at the event;
- 60% of respondents travelled to the event by car;
- 66% of businesses located in Northbridge indicated that business was better than a typical day on the evening of the Show 'n' Shine event;
- 80% of businesses surveyed around Langley Park indicated that business was better than a typical day on the Targa West final event day;
- The majority of businesses both in Northbridge and around Langley Park were supportive of Targa West and are supportive of similar events in the areas;
- The event attracted economic stimulus with an estimated \$650,000 in direct spend.

Sponsorship Benefits

The applicant will provide the following benefits to the City of Perth and CPP for the requested sponsorship amount:

- Co-naming rights to the 'City of Perth Super Stage' held on the Swan River foreshore;
- City of Perth acknowledged as sponsor of the City of Perth Family Zone;
- City of Perth and CPP signage ('Feathers', 'scrim', CCB covers etc) displayed at pre-event functions and during the event;
- City of Perth and CPP logos and/or advertisement to appear on printed material including advertising flyers and posters, competitor's road books, rally and service crew guides, officials' safety plans;
- City of Perth and CPP Advertisement in the Spectator Guide;
- City of Perth and CPP logos prominently displayed on the front/bonnet of all competition and official course cars/support vehicles;
- City of Perth and CPP logos on Start/Finish Arches;
- City of Perth and CPP logos and link and banner advertisement on Targa West website;
- City of Perth and CPP support to be acknowledged in media and promotional material including event Facebook page, YouTube channel, eNews letters, website;
- City of Perth and CPP support acknowledged on Facebook event pages and sharing of City of Perth/Visit Perth City/CPP content on Targa West Facebook pages;
- City of Perth acknowledged in radio advertisements (96fm) when promoting the City of Perth Special Stage;
- Commissioner or representative to be invited to officiate at a number of high profile functions including the Ceremonial Start in Forrest Place;
- Naming rights to the City of Perth Gala Presentation Dinner;
- City of Perth advertisement to be played during the Gala Dinner;
- City of Perth logo on all Dinner Invitations and/or tickets;
- City of Perth representative invited to address the dinner attendees; and
- Content creation and cross promotion opportunities utilising video and 'Drone' footage and still images from the event to promote the City of Perth as a vibrant and colourful destination on Social Media, online and in the traditional press.

Assessment Score Card

The application was assessed by a three-person assessment panel and the scoring has been averaged for each outcome.

Essential Assessment Criteria	Score /5
Cultural Outcomes	
To what extent does the event celebrate the diversity of Perth as a capital city?	3.67
Social Outcomes	
To what extent does the event strengthen social cohesion and provide opportunities to connect?	3.17
Civic Outcomes	
To what extent does the event have a point of difference, making it a drawcard to the city, and raising Perth's profile as a premier capital city?	4.50
Economic Outcomes	
Does the event stimulate the local economy and provide opportunities for engagement with local business?	3.67
Organisational Competency	

Does the applicant have a demonstrated capacity to manage all aspects of the event?	3.83
Does the event demonstrate financial viability through evidence of support from other government agencies, business or community organisations?	3.17
Benefits	
Does the event offer adequate benefits/ recognition for the City?	4
Sub total 26 out of 35	
Optional Assessment Criteria <i>The below are non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves any of these outcomes can receive additional assessment points for each of these criteria</i>	
To what extent does the event celebrate Aboriginal Culture?	N/A
To what extent does the event attract significant interstate and international visitation by promoting Perth as a tourism destination?	N/A
Additional score	
TOTAL ASSESSMENT SCORE 26 out of 35 (74.29 %)	

Financial Implications:

ACCOUNT NO:	P13958043000007901
BUDGET ITEM:	Event Annual Sponsorship
BUDGETED AMOUNT:	To be determined
AMOUNT SPENT TO DATE:	\$0
PROPOSED COST:	\$70,000
BALANCE REMAINING:	To be determined
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

The cash sponsorship amount will be budgeted in financial year 2020/21 budget which is yet to be determined.

All figures quoted in this report are exclusive of GST.

Although the total sponsorship amount is \$93,115.60 (excl GST), the applicant will receive a \$70,000 cash payment with the balance (\$23,115.60 excl GST) being transferred internally to the service units where the direct costs are being incurred.

Comments:

Targa West is a unique offering on the city's event calendar which otherwise does not cater for motorsport enthusiasts. The event is free, accessible for all ages and encourages a broad demographic into the city. The assessment panel felt that the event draws in visitation from community members who would not otherwise come into the city, including regional visitors.

With a diverse program of activities across numerous dates and locations in the city, the panel commented that there would be substantial economic benefit to local traders.

Organisers are engaged in the sponsorship and have demonstrated a willingness to work closely with City officers. The organisers have taken onboard feedback, including implementing the City of Perth Family Zone in 2018, which has enhanced the family-friendly offering of the event.

The City has a long history of support of the event and the organisers have submitted a strong application which presents a clear commitment to deliver another quality event.

A one-year sponsorship term is recommended to ensure future applications are considered appropriately within the City's changing event landscape and new strategic community plan.

Recommendation:***That Council:***

1. ***APPROVES a Key Sector Development Sponsorship of \$10,000 (excluding GST) to Wise Realities Institute for Healthcare Immersive Technologies Symposium 2020; and***
2. ***AUTHORISES the Chief Executive Officer to negotiate with the applicant the final list of sponsorship benefits according to the Council approved funding amount.***

FILE REFERENCE:	P1037825#02#04
REPORTING OFFICER:	Jordan Nix, Sponsorship Officer
REPORTING UNIT:	Activation and Cultural Experience
RESPONSIBLE ALLIANCE:	Community Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	15 November 2019
ATTACHMENT/S:	Nil

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 Committee to note.</i> |

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

Section 8 of the *City of Perth Act 2016*
Local Government Act 1995

City of Perth Act 2016**Objects of the City of Perth**

8(1)(g) - to strengthen Perth's reputation as an innovative, sustainable and vibrant city that attracts and welcomes all

**Integrated Planning and
Reporting Framework
Implications**

Strategic Community Plan

Strategic Priority - Partnership

Policy

Policy No and Name:

18.13 – Sponsorship and Grants

Purpose and Background:**Applicant Details**

Entity Name	Wise Realities Institute for Healthcare Emerging Technologies Research Limited
ABN	59628424340
Entity Type	Australian Public Company
ABN Status	Active
ATO Endorsed Charity Type	Health Promotion Charity

Wise Realities is a not-for-profit research organisation providing young researchers opportunities for development through a network of academic, industry and community collaborators. Their aim is to promote and advance health by creating a supportive and motivating environment for new and experienced researchers.

Details:

Sponsorship Category	Key Sector Development Sponsorship
Applicant	Wise Realities Institute for Healthcare Emerging Technologies Research
Project Title	Healthcare Immersive Technologies Symposium 2020
Project Start Date	06/03/2020
Project End Date	07/03/2020
Venue	Not confirmed
Estimated attendance	200
Total Project Cost	\$91,518
Total Amount Requested	\$10,000 (10.9% of the total project cost)
Recommendation	Approve
Recommended amount	\$10,000 (10.9% of the total project cost)
Assessment Score	49 out of 65 (75.38%)

Project Description

The Healthcare Immersive Technologies Symposium is an annual gathering of researchers, executives, policymakers and the community to discuss and promote advances of immersive technologies in healthcare.

The inaugural symposium was held in 2019 in response to organisers observing a lack of communication, participation and awareness preventing immersive healthcare technologies research from reaching potential in recognition and investment. Organisers state the 2020 event will aim to extend the reach further to the national and international researchers and industries.

The 2020 symposium will focus on the concept 'Less Medication, More Innovation', encouraging a conversation about health promotion and prevention in WA Health. This involves the use of immersive technologies to improve the wellbeing of people and address health challenges faced in Western Australia such as ageing population, mental health, and health promotion regarding smoking, alcohol and drug use.

Organisers state that meaningful engagement with venture capitalists can create an investment culture in Perth that can create new IP and start-up opportunities. Perth researchers and innovators will present their research projects at the symposium with the aim to attract local, national and international investors and start the commercialisation process.

On the second day of the symposium, workshops will be conducted to provide an opportunity for local initiatives such as the Digital Health Accelerator program and Perth BioDesign to promote their programs and provide training and skill development opportunities for businesses within the City of Perth. Organisers will also look to the emerging gaming sector to discover new opportunities in non-gaming fields like healthcare.

Organisers are currently finalising the program and confirming national and international speakers. Participation at the 2019 symposium included a welcome address from the Chief Scientist of WA and attendance by health professionals, start-ups, researchers, health executives, industry leaders, government representatives and the community.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	N/A	
2017	N/A	
2018	N/A	
2019	\$5,000	Healthcare Immersive Technologies Symposium 2019
TOTAL	\$5,000	

- The City of Perth has received an acquittal for the previous support; and
- City Officers can confirm that all previous funding has been satisfactorily acquitted.

Sponsorship Benefits

Organisers will provide the following benefits for the requested sponsorship:

- Publication of an article on the state of virtual reality /alternate reality in healthcare in Perth with the rights to use for the Think Perth campaign;
- Filming and photo opportunities at the event for the Think Perth campaign;
- Marketing and promotion of the event on the Think Perth website for more registrations and to showcase the calibre of events within the City of Perth;
- Provision of material from Wise Realities to enable the City to create an industry profile/newsletter to release around the time of the event to drive interest in the event;
- Logo recognition on all program promotional material;
- Logo recognition on event website with link to the Think Perth website;
- Copy of delegate guest list;
- Content and information for the Think Perth newsletter and reports;
- Opportunity to display City of Perth signage at the event; and
- Opportunity for City representatives to participate, speak or present at the event.

Assessment Score Card

The application was assessed by a two-person assessment panel and the scoring has been averaged for each outcome.

Essential Project Criteria	Score (5)
<i>All applications are assessed on the following criteria:</i>	
Alignment with a Key Sector	
To what extent does the project support the growth and development of an established or emerging key sector that represents importance to the City of Perth's economy?	4.25
To what extent does the project assist the City of Perth in developing a compelling narrative on our unique selling points and raise the profile and reputation of the City of Perth as a premier Capital City to do business within the relevant sector?	4.50
+3.5Prestige and Significance	
To what extent does the applicant demonstrate prestige and significance?	4.25
Project Plan and Other Funding Sources	
Has the applicant provided evidence of a robust project plan?	3.75
Has the applicant included a budget detailing investment through a variety of funding sources?	3.50
Has the applicant demonstrated what specific elements the City of Perth funding is supporting and what extra capacity the funding will enable	3.75
Sponsorship Benefits	
Please rate the level of benefits and recognition provided to the City	4.00
Sub total 28 out of 35	

Additional Project Outcomes	
<i>Applicants must address at least two of the following six outcome areas. Applicants can address as many outcome areas as are relevant to the project or initiative.</i>	
Outcome 1. Investment Attraction	3.50
Outcome 2. International Business Development	3.25
Outcome 3. Short term Direct Economic Benefits	3.25
Outcome 4. Long term Economic Development	3.50
Outcome 5. Professional Development, Training and Skill Development	3.50
Outcome 6. Linkages and Knowledge Exchange	4.00
Project Outcomes addressed: 6	
Sub total 21 out of 30	
TOTAL ASSESSMENT SCORE 49 out of 65 (75.38%)	

Financial Implications:

ACCOUNT NO:	PJ 13958067000007901
BUDGET ITEM:	Medical Health and Life Sciences
BUDGETED AMOUNT:	\$65,000
AMOUNT SPENT TO DATE:	\$10,000
PROPOSED COST:	\$10,000
BALANCE REMAINING:	\$45,000
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Comments:

The outcomes of the Healthcare Immersive Technologies Symposium will support the City's strategic objectives of positioning the city for continued business, employment and economic growth (E1.1) and position the City as a thriving centre for business (E1.2). The City's support of the medical and life science sector more broadly contributes to the strategic priority of facilitating a globally connected diverse economy (E1.2.1). The symposium connects industry professionals together and builds resilience within the emerging sector.

The first symposium in 2019 was successfully delivered and organisers have identified additional funding would support increased promotion to attract national and international delegates. The budget shows sustainability by attracting funding from several government departments and ticket sales. The growth of the symposium and level of sponsorship benefits provided present significant opportunity to leverage the Think Perth campaign.

Commercialisation of healthcare innovation is an important issue within the medical and life science sector. Increased knowledge and understanding of emerging technologies, and how to communicate this to venture capitalists, will support investment into local innovators and start-ups.

Recommendation:***That Council:***

1. **APPROVES Community Enhancement Grants totalling \$56,096 (excluding GST) to the following applicants:**
 - 1.1 ***The Underground Collaborative for Ground+Co Café (\$11,596);***
 - 1.2 ***Volunteering WA for Perth School Vollieday Program (\$13,000);***
 - 1.3 ***Western Australia Youth Theatre Company for Open Access Performance Classes (\$14,000);***
 - 1.4 ***ConnectGroups WA for Hand to Heart (\$13,000);***
 - 1.5 ***Perth City Farm for Kids in the Garden (\$4,500);***
2. **DECLINES sponsorship of the following applicants:**
 - 2.1 ***One Voice for Aussie Youth for Mobile Shower Wrap Around Services;***
 - 2.2 ***Volleyball WA for Discover Volleyball at Yagan Square;***
 - 2.3 ***Salsaal Integration Association for Yoga, First Aid and Swimming Lessons for Women and Men;***
 - 2.4 ***Australian Alzheimer's Research Foundation for Public Lectures;***
 - 2.5 ***Multicultural Communities Council of WA for Emergency Relief Kit for Homeless; and***
3. **AUTHORISES the Chief Executive Officer (or an appointed delegate) to negotiate with the applicants the final list of sponsorship benefits for inclusion in the agreement, according to the Council-approved funding amount.**

FILE REFERENCE:	P1037940#02#02
REPORTING OFFICER:	Jordan Nix, Sponsorship Officer
REPORTING UNIT:	Activation and Cultural Experience
RESPONSIBLE ALLIANCE:	Community Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	14 November 2019
ATTACHMENT/S:	Attachment 6.5A – Detailed Officer Assessment

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation	Section 8 of the <i>City of Perth Act 2016</i> <i>Local Government Act 1995</i>
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<i>City of Perth Act 2016</i>	Objects of the City of Perth 8(1)(g) - to strengthen Perth's reputation as an innovative, sustainable and vibrant city that attracts and welcomes all
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Strategic Priority - Partnership
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Policy	
Policy No and Name:	18.13 – Sponsorship and Grants

Purpose and Background:

The Community Enhancement Grant program supports local community groups to deliver projects which address a diverse range of community needs for City of Perth residents, workers and/or visitors. Applicants must provide evidence of an identified community need and demonstrate a gap in the current level of service delivery. The objectives of the program are:

Connect people

- Encourage increased participation in community and civic life;
- Strengthen social cohesion and belonging; and
- Encourage the development of grassroots community networks and relationships.

Increase Opportunity

- Enhance the health of the City's community through improvements to physical, mental and social wellbeing;
- Increase knowledge, change attitudes or modify behaviours to improve health and wellbeing outcomes; and
- Facilitate inclusion and equitable access to community life, services and facilities.

Build Community Capacity and Encourage Collaboration

- Support collaboration between stakeholders who aim to work towards a common goal and share services;
- Increase community capacity to address local needs; and
- Contribute to the City's neighbourhood profile.

The City of Perth offers two public funding rounds for Community Enhancement Grants in the 2019/20 financial year, open to all applicants who meet the eligibility requirements. Applicants can apply for grants up to \$15,000. The maximum funding contribution provided by the City can be up to 100% of the total project budget, however diverse and sustainable budgets are encouraged.

Details:

Applications are assessed against the criteria of the Community Enhancement Grant program, based on goals identified in the City of Perth Strategic Community Plan.

The City received 11 applications in the current round. One application was ineligible. The remaining 10 applications were assessed by a four-person assessment panel consisting of members from the City of Perth administration. Recommendations are provided based on the quality of the application, strategic outcomes likely to be achieved and the assessment scores.

The assessment panel recommends five applications for approval and five for decline. All applications scoring above 70% in assessment are recommended for support. All applications under this threshold are recommended for decline.

RANK	APPLICANT	PROJECT	REQUESTED AMOUNT	ASSESSMENT SCORE	RECOMMENDATION
1	The Underground Collaborative	Ground+Co Café	\$11,596	82.44%	\$11,596
2	Volunteering WA	Perth School Vollieday Program	\$15,000	80.50%	\$13,000
3	Western Australia Youth Theatre Company Inc	WAYTCO Open Access Performance Classes	\$14,400	76.57%	\$14,000
4	ConnectGroups Support Groups Association WA Inc	Hand to Heart	\$15,000	74.00%	\$13,000

5	Perth City Farm	Kids in the Garden	\$6,374	72.40%	\$4,500
6	One Voice for Aussie Youth LTD	Mobile Shower Wrap Around Services	\$15,000	69.03%	Decline
7	Volleyball Western Australia	Discover Volleyball at Yagan Square	\$15,000	62.20%	Decline
8	Salsaal Integration Association Ic.	Yoga, First Aid and Swimming Lessons for Women and Men	\$10,000	54.28%	Decline
9	Australian Alzheimer's Research Foundation Inc	Public Lectures	\$13,000	52.90%	Decline
10	Multicultural Communities Council of WA INC.	Emergency Relief Kit for Homeless	\$15,000	51.70%	Decline
TOTAL			\$130,370 Requested		\$56,096 Recommended

Financial Implications:

ACCOUNT NO:	PJ 1395-80250-0000-7901
BUDGET ITEM:	Community Enhancement Grants
BUDGETED AMOUNT:	\$60,000
AMOUNT SPENT TO DATE:	\$2,535
PROPOSED COST:	\$56,096
BALANCE REMAINING:	\$1,369
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Comments:

The second round of Community Enhancement Grants received a larger number of high-scoring applications. A range of programs are supported that will provide benefit for City residents, workers and visitors. Participants in the programs range from school-aged children to seniors, ensuring wide ranging benefits and outcomes within different parts of the community.

The assessment panel is confident the supported projects have the potential for long-term growth and sustainability beyond the life of the grant.

ATTACHMENT 6.5A

Community Enhancement Grant Round 2 | 2019/20 | The Underground Collaborative**Applicant Details**

Entity Name	The Underground Collaborative
ABN	42412826061
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Public Benevolent Institution

The Underground Collaborative (TUC) is a social enterprise that provides employment and housing solutions for the homeless, at-risk and disadvantaged. TUC addresses their long term goals through facilitating opportunities for employment, education and empowerment.

Event Details

Grant Category	Community Enhancement Grant
Applicant	The Underground Collaborative
Project Title	Ground+Co Café
Project Start Date	06/01/2020
Project End Date	05/07/2020
Venue	Perth CBD
Estimated participation	21
Total Project Cost	\$147,273
Total Amount Requested	\$11,596 (7.8% of the total project budget)
Recommendation	Approve
Recommended amount	\$11,596 (7.8% of the total project budget)
Assessment Score	Weighted score: 82.44%

Project Summary

Ground+Co is an employment initiative by Underground Collaborative which will train and employ people experiencing, or at risk of homelessness, to become baristas.

Project Description

The program will provide employees with full training and employment paid at award rates, plus housing assistance and personal support. The café, located in the Perth CBD, will be staffed by at least two people at all times, including an experienced café manager to provide on the job training and mentorship. Employees will have access to a case worker, who will also help create a support plan.

Organisers state the aim of the café will be to provide supportive pathways for transition into mainstream employment and stable housing. Through the initiative, organisers anticipate employees will experience a range of positive benefits including increased overall confidence, greater social and community inclusion, increased resilience, improved mental health and well being and increased ability to achieve independence.

TUC will work with agencies such as UnitingCare West and Zonta House to identify participants who are ready and willing to work. TUC will also partner with other hospitality establishments to provide a clear path to future and sustainable employment beyond Ground+Co.

The café will put a twist on the usual Keep Cups refund by contributing the refund portion of every cup to an employee's rental bond, which can be a barrier for many people attempting to enter into renting property.

Previous five years City of Perth Support and Acquittals

The City of Perth has not previously supported this applicant or project.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	32.41
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	29.75
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	20.28
<u>TOTAL ASSESSMENT SCORE 82.44 out of 100</u>	

Comments

- The project aligns with the City's strategic social priorities and the WA Alliance to End Homelessness by providing pathways into employment and housing;
- The application approaches a complex issue in an empowering way. Participants will benefit from a supportive environment in which they will be learning employable skills that can have positive long term outcomes and improve their wellbeing;
- There are other significant secured funding sources and collaborations which will assist the project's delivery; and
- The visible nature of the project may help shift community perception and behaviours, as well as attracting positive media coverage.

Community Enhancement Grant Round 2 | 2019/20 | Volunteering WA**Applicant Details**

Entity Name	Volunteer Centre Of Western Australia
ABN	24028468144
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Public Benevolent Institution

Volunteering WA is the state peak body for volunteering and has more than 700 member organisations. Its primary objectives are to ensure that volunteers and volunteer involving organisations are supported and acknowledged for their contribution, and that volunteering continues to grow as an integral part of the Western Australian community.

Event Details

Grant Category	Community Enhancement Grant
Applicant	Volunteer Centre Of Western Australia
Project Title	Perth School Vollieday Program
Project Start Date	03/02/2020
Project End Date	31/08/2020
Venue	City of Perth
Estimated participation	44
Total Project Cost	\$16,320
Total Amount Requested	\$15,000 (92% of the total project budget)
Recommendation	Approve
Recommended amount	\$13,000 (79.6% of the total project budget)
Assessment Score	Weighted score: 80.50%

Project Summary

The Perth School Vollieday Program will offer young people age 13+ the opportunity to volunteer in the Perth community.

Project Description

There will be four volunteer days with up to 11 participants each day. Two volunteering activities will take place at a City seniors centre and two will be conservation or gardening activities. Organisers have indicated they will approach Bethanie's West Perth Social Outreach and the community organisation Chorus to discuss volunteer opportunities. Volunteering WA has worked with both of these organisations previously.

Volunteering WA state they receive a large number of expressions of interest in volunteering, but many are unable to participate on a regular basis because of school commitments. The Vollieday program will assist young people and organisations involved by taking care of the logistics.

A trained coordinator will brief participants, coordinate transport and support the young volunteers on the day. The participants will receive a certificate at the end of the program to acknowledge their contribution.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	\$73,350	Homeless Connect
2016	\$81,000	Homeless Connect
2017	\$81,000	Homeless Connect
2018	\$81,000	Homeless Connect
2019	\$83,000	Homeless Connect
TOTAL	\$399,350	

- The City of Perth has supported Homeless Connect since 2008.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	26.25
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	28.00

Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	26.28
<u>TOTAL ASSESSMENT SCORE 80.53 out of 100</u>	

Comments

- The project will assist in the coordination of volunteering for young people who have a desire to volunteer but are unsure how to go about it. The applicant is encouraged to engage with children living in the City of Perth area;
- Deepening intergenerational relationships can build a stronger and more empathetic community. The connection of the younger generation with older members of the community will enable knowledge sharing, can increase confidence and willingness to participate and foster new positive relationships;
- Data collected from both the volunteers and the older people should be gathered to determine the success of the program. The initiative has great potential and could be repeated annually; and
- The panel noted the social outreach centre identified in the application is not located within the City of Perth and organisers will need to consider an appropriate venue such as the Citiplace Community Centre.

Community Enhancement Grant Round 2 | 2019/20 | Western Australia Youth Theatre Company Inc

Applicant Details

Entity Name	Western Australian Youth Theatre Company
ABN	77839836159
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Charity

Western Australian Youth Theatre Company (WAYTCO) is the peak pre-professional theatre arts company for young Western Australians aged 13 to 26. Their activities provide a best practice link between young people and the professional theatre and performance industries. WAYTCO offers workshops, training, mentoring and performance making opportunities.

Event Details

Grant Category	Community Enhancement Grant
Applicant	Western Australian Youth Theatre Company
Project Title	WAYTCO Open Access Performance Classes
Project Start Date	04/02/2020
Project End Date	15/12/2020
Venue	King Street Arts Centre, 357 Murray Street Perth
Estimated participation	960
Total Project Cost	\$28,100
Total Amount Requested	\$14,400 (51.2% of the total project budget)
Recommendation	Approve
Recommended amount	\$14,000 (49.82% of the total project budget)
Assessment Score	Weighted Score: 76.57%

Project Summary

WAYTCO are proposing the delivery of Open Access Performance Classes for young people aged 13-26 who would not normally participate in theatre and performing arts activities because of various personal, physical, financial, cultural, linguistic, and geographic barriers.

Project Description

The weekly, free and low commitment classes for up to 25 participants will be held at the King Street Arts Centre. The program includes two 90 minute classes, split into age groups for juniors

(aged 13-17) and seniors (aged 18-26). Classes will run over 40 weeks, in alignment with school terms.

The classes are designed to teach performance skills to participants, as well as developing life and social skills and building their connection to a new community. Each class includes activities focused on the physical and mental wellbeing of participants such as physical warm ups and mindfulness activities.

Organisers advise there is currently no regular open access performing arts programs for young people in metropolitan Perth offered at no cost. Tutors for the Open Access Performance Classes will be Mark Storen and Libby Kylsz who have worked with WAYTCO previously and have a demonstrated teaching history with young participants.

The program will not require a commitment from participants. They will be able to try as many or as few classes as they decide and while there is no expectation that participants will transfer into any other theatre programs, WAYTCO is committed to facilitating these pathways for those who are interested by assisting with financial limitations they might face.

Pathways into this course will be encouraged through WAYTCO's work with high schools and relationships with other community stakeholders. In 2020 WAYTCO will be delivering free in-school programs with low ICSEA (Index of Community Socio-Educational Advantage) schools designed to connect young people into performance programs. This would be a key recruitment tool for the Open Access Performance Classes.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	\$8,000	Crave – Arts Grant
2017	N/A	
2018	\$14,900	REST – Arts Grant
2019	N/A	
TOTAL	\$22,900	

- The City of Perth has received an acquittal for the previous support; and
- City officers can confirm that all previous funding has been satisfactorily acquitted.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
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Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	25.41
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	27.16
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	24.00
<u>TOTAL ASSESSMENT SCORE 76.57 out of 100</u>	

Comments

- WAYTCO has proposed a new initiative to engage youth within the City of Perth. Research provided by the applicant demonstrates youth theatre's positive impacts on mental health, wellbeing, reductions in anxiety and resilience building;
- Participation in theatre activities as a young person can strengthen lifelong skills including communication, teamwork, and time management;
- The outline of the project is very thorough and WAYTCO have a demonstrated history of delivering programs and working with young people; and
- The city can be an easy central meeting place for youth from the wider metro area because of easy train access. The drop in nature of the program will not penalise those who cannot commit long term and ensure the classes remain a welcoming and supportive environment whatever the level of participation from young residents and visitors.

Community Enhancement Grant Round 2 | 2019/20 | ConnectGroups**Applicant Details**

Entity Name	Connectgroups Support Groups Association WA Inc
ABN	23041552831
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Health Promotion Charity

ConnectGroups Support Groups Association WA Inc (ConnectGroups) is the peak body for Peer Support in Western Australia. It offers training, assistance, and information to Support Groups, and promotes the benefits of Peer Support through engagement with government and non-government agencies in order to influence and assist policy. ConnectGroups utilises its extensive database to link individuals, families, and carers to relevant support.

Event Details

Grant Category	Community Enhancement Grant
Applicant	Connectgroups Support Groups Association Western Australia Inc
Project Title	Hand to Heart
Project Start Date	06/01/2020
Project End Date	31/12/2020
Venue	City of Perth
Estimated participation	120
Total Project Cost	\$15,000
Total Amount Requested	\$15,000 (100% of the total project budget)
Recommendation	Approve
Recommended amount	\$13,000 (86.67% of the total project budget)
Assessment Score	Weighted Score: 74%

Project Summary

ConnectGroups will run a City of Perth based version of their Hand to Heart program which is currently run within the City of Melville local government area. Hand to Heart coordinates two volunteers to make up to five visits to an isolated senior in their home to discuss their needs and interests and to identify what services and community groups can address the barriers contributing to their isolation.

Project Description

The service is operated by volunteers and coordinated by ConnectGroups. The development of the program involves developing a database of local services, activities and community groups suited for older people, and building relationships with these groups to ensure an effective referral process.

ConnectGroups will recruit and induct a team of volunteers and provide training on visiting processes and procedures by Befriend, non-profit organisation. Befriend also provided training to volunteers of the Melville Hand to Heart program.

The program will be promoted to local seniors who identify as being socially isolated, to community members who may be potential identifiers of an isolated senior, and to aged care service providers and organisations who may already be aware of seniors requiring additional services.

Organisers state Hand to Heart differs from other senior visiting programs as it is not a befriending program and focuses on identifying and reconnecting seniors to their interests within the community and services to benefit their wellbeing.

Previous five years City of Perth Support and Acquittals

The City of Perth has not previously supported this applicant or program.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	24.50
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	26.25
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	23.28
<u>TOTAL ASSESSMENT SCORE 74.03 out of 100</u>	

Comments

- The City's ageing demographic is increasing significantly and there is currently limited opportunity within the City for older people. Many older people are at high risk of social isolation and there is a growing, demonstrated need for programs such as Hand to Heart;

- This initiative is proactive by connecting seniors with services and resource within the community, supporting them to remain or re-engage as active citizens. There is a successful template for the program based on previous delivery in the City of Melville; and
- The establishment of a community database of services and organisations will be useful tool for ongoing use.

Community Enhancement Grant Round 2 | 2019/20 | Perth City Farm**Applicant Details**

Entity Name	Perth City Farm Incorporated
ABN	90364009655
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Charity

Perth City Farm is a non-profit community environmental centre that provides space and opportunities to build community connection and educates and enables people to live sustainably. We focus on the relationships between people and the environment, society, and one another.

Event Details

Grant Category	Community Enhancement Grant
Applicant	Perth City Farm Incorporated
Project Title	Kids in the Garden
Project Start Date	28/04/2020
Project End Date	03/07/2020
Venue	Perth City Farm, East Perth
Estimated participation	25
Total Project Cost	\$7,124
Total Amount Requested	\$6,374 (89.5% of the total project budget)
Recommendation	Approve
Recommended amount	\$4,500 (63.2% of the total project budget)
Assessment Score	Weighted Score: 72.35%

Project Summary

Perth City Farm will establish the Kids in the Garden program for school aged children from Year 3 to Year 6. The project will teach children aspects of organic food gardening, with a strong emphasis on sustainable living.

Project Description

Participants will attend a weekly one hour workshop after school at Perth City Farm. The program will have a dedicated section of the farm to put into practice activities such as plant propagation, seed saving, making healthy soil, composting, recycling, planting a garden, living with pests, tending plants and harvesting nutrient dense food. Activities will include making planter boxes children can take home to continue their new gardening skills.

The program will be developed by Perth City Farm's program manager and marketed into local schools and community in the first term of 2020, ready for delivery in second term. The workshops will be available to school aged children from the local target area but open to any children to register. Organisers will charge a registration fee of \$30 per student as a way to encourage attendance rather than cost recovery.

Organisers state there are many opportunities for school aged children to participate in sporting activities and the arts but there are fewer opportunities for hands on learning in sustainable living and food gardening.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	N/A	
2017	N/A	
2018	\$6,400	Grow Cook Connect
2019	\$9,900	Perth City Farm 25th Birthday Celebrations – Event Sponsorship
TOTAL	\$16,300	

- The City of Perth has received an acquittal for the previous support; and
- City officers can confirm that all previous funding has been satisfactorily acquitted.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	27.16
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	21.91
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	23.28
<u>TOTAL ASSESSMENT SCORE 72.35 out of 100</u>	

Comments

- The program provides opportunity for children to get involved in a different extracurricular activity not currently offered in the area. Teaching children about sustainability, especially through hands on experience, will develop new life skills and awareness of the world around them. It may encourage them to continue conversations within their own family and make positive changes at home;
- The proposed project will increase participation in the East Perth community by encouraging face to face relationships and positive collaboration; and
- The panel noted the \$30 fee may present a barrier for attendance.

Community Enhancement Grant Round 2 | 2019/20 | One Voice for Aussie Youth LTD**Applicant Details**

Entity Name	One Voice for Aussie Youth Limited
ABN	73613678967
Entity Type	Australian Public Company
ABN Status	Active
ATO Endorsed Charity Type	Public Benevolent Institution

One Voice operates mobile shower services for people experiencing homelessness in the main capital cities of Australia. The organisation was established in 2012

Event Details

Grant Category	Community Enhancement Grant
Applicant	One Voice for Aussie Youth Limited
Project Title	Mobile Shower Wrap Around Services
Project Start Date	01/01/2020
Project End Date	31/12/2020
Venue	City of Perth and Surrounding Suburbs
Estimated participation	10,000
Total Project Cost	\$295,000
Total Amount Requested	\$15,000 (5% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	Weighted Score: 69.03%

Project Summary

One Voice currently operates a Mobile Shower Service for people experiencing homelessness in Western Australia. Organisers advise the service has reached its capacity and a second vehicle will be launched in November 2019.

Project Description

Organisers have received a private philanthropic donation to fund the build of second shower vehicle and corporate sponsorship to fund the running costs. The shower service will extend to the outer city suburbs through collaborative partnerships. Organisers state they will engage with existing support services to improve access.

A detailed handbook is provided to volunteers including code of conduct, responsibilities, risk management and other important information. One Voice records the number of patrons using the service, as well as their gender to inform future service requirements and plans.

Previous five years City of Perth Support and Acquittals

The City has not previously supported this applicant or project.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	24.50
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	22.75
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	21.78
<u>TOTAL ASSESSMENT SCORE 69.03 out of 100</u>	

Comments

- The project is considered a duplication of existing services within the City of Perth. There are established centres offering a 7/7/7 model (7 days a week between 7am-7pm) with access to shower and amenities;
- The application did not provide detail on the location on the current service or adequately demonstrate an awareness of the current Perth city environment. There was a lack of clarity on what the City's sponsorship would be used for and how it would improve the project reach;
- The project will need to be considered as part of the City's Homeless Action Plan accreditation process, which will assist goodwill groups to coordinate service delivery, reduce duplication and provide a process to align groups with the strategic direction of the homelessness sector;
- It is positive to see that the organiser has secured other sources of funding to ensure the sustainability of the project; and
- The application scored below the threshold of 70% required for support and the budget has been allocated to higher scoring applicants.

Community Enhancement Grant Round 2 | 2019/20 | Volleyball Western Australia**Applicant Details**

Entity Name	Western Australian Volleyball Association Inc
ABN	49397467169
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Western Australian Volleyball Association Inc (Volleyball WA) is the official state administrative body for all volleyball disciplines and is sanctioned by the Australian Volleyball Federation and the Federation International de Volleyball. Volleyball WA's 2018-2021 Strategic Plan mission is to 'promote healthy lifestyles through volleyball by facilitating safe opportunities for fun exercise.'

Event Details

Grant Category	Community Enhancement Grant
Applicant	Western Australian Volleyball Association Inc
Project Title	Discover Volleyball at Yagan Square
Project Start Date	05/10/2020
Project End Date	09/10/2020
Venue	Lot 10 South at Yagan Square
Estimated participation	160
Total Project Cost	\$15,650
Total Amount Requested	\$15,000 (95.9% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	Weighted Score: 62.22

Project Summary

Volleyball WA will deliver Discover Volleyball at Yagan Square as part of WA's Mental Health Week. Now in its third year, the activation combines Kids Volley clinics for primary school kids and a free lunch time Urban Volley session for Perth CBD employees on World Mental Health Day.

Project Description

Volleyball WA will partner with the Western Australian Association for Mental Health (WAAMH) to promote the importance of sport in the development of good mental health. The Kids Volley program will deliver five days of free clinics to participants, including removing barriers to participation for low socioeconomic families.

Organisers will also expand the 2020 Fortix Corporate Cup, holding two afternoons competitions to engage more businesses. The cup will provide an opportunity to engage participants on mental health conversation and activate Mental Health packs supplied by WAAMH.

Previous five years City of Perth Support and Acquittals

The City of Perth has not previously supported this applicant or program.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	21.00
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	21.00
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	20.22
<u>TOTAL ASSESSMENT SCORE 62.22 out of 100</u>	

Comments

- The application did not elaborate how the program would engage with families from low socioeconomic backgrounds or people experiencing difficulties;
- Although the pop up will activate a public space, there is likely to be minimal impact on mental health action within the community or ongoing benefits for participants; and
- The application scored below the threshold of 70% required for support and the budget has been allocated to higher scoring applicants.

Community Enhancement Grant Round 2 | 2019/20 | Salsaal Integration Association Inc.**Applicant Details**

Entity Name	Salsaal Integration Association
ABN	12732639538
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Salsaal Integration Association Incorporated (SIA) is a not for profit organisation that engages the Afghan community to improve the physical, mental, educational and social well being of the community. SIA works with participants to build grassroots community networks and relationships with relevant organisations to encourage integration into the broader community.

Event Details

Grant Category	Community Enhancement Grant
Applicant	Salsaal Integration Association
Project Title	Yoga, First Aid and Swimming Lessons for Women and Men
Project Start Date	30/01/2020
Project End Date	30/12/2012
Venue	City of Perth Local Government area
Estimated participation	100
Total Project Cost	\$11,000
Total Amount Requested	\$10,000 (91% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	Weighted Score: 54.28%

Project Summary

The Afghan community experiences one of the lowest literacy rates in the world, language barriers, lack of awareness and social isolation which affects their health and ability to engage with the community. SIA will deliver a series of community program elements to address some of these factors.

Project Description

SIA will work in collaboration and partnership with the following service providers on these programs:

- Royal Life Saving WA;
- Australia Wide First Aid;
- Yoga Alliance Academy;
- Australian Red Cross; and
- Association for Services to Torture and Trauma Survivors (ASeTTS).

Yoga Class

The women only Yoga class will build confidence and improve physical health and social outcomes for Afghan women. 20 sessions will be held for up to 30 women. Organisers will also provide crèche worker to look after children so mothers can participate.

Swimming Lessons

Organisers advise people from culturally and linguistically diverse (CaLD) backgrounds often have little to no swimming skills and are not appropriately educated on the risks associated with water. 20 sessions will be held for men and women to improve water awareness. The lessons will be targeted to participants with a Health Care Card (HCC).

First Aid Training

Up to 30 participants will take part in first aid training for women only. Organisers expect the project will help to build their confidence and increase the safety of children in the community.

SIA is planning to hold reflective workshop at the end of the program in which all the participants, volunteers and SIA team will be invited to provide their feedback and share what they learnt.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	N/A	
2017	N/A	
2018	\$5,000	Community Enhancement Grant
2019	N/A	
TOTAL	\$5,000	

- The City of Perth has received an acquittal for the previous support; and
- City officers can confirm that all previous funding has been satisfactorily acquitted.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	21.00
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	17.50
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	15.78
<u>TOTAL ASSESSMENT SCORE 54.28 out of 100</u>	

Comments

- Details of the program's delivery are unclear. It is not confirmed where in the City of Perth these activities will be held and if the participants will be City residents or from the wider metropolitan area;
- The application does not demonstrate growth or response to learnings from the original social inclusion program supported by the City in 2018. Identified barriers such as low literacy levels are mentioned in the application but are not being addressed by the program's activities; and
- The application scored below the threshold of 70% required for support and the budget has been allocated to higher scoring applicants.

Community Enhancement Grant Round 2 | 2019/20 | Australian Alzheimer's Research Foundation Inc

Applicant Details

Entity Name	Australian Alzheimer's Research Foundation Incorporated
ABN	34575647667
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Health Promotion Charity

Australian Alzheimer's Research Foundation's mission is to support leading edge research that makes Alzheimer's disease treatable and preventable. The foundation supports Alzheimer's disease research and runs programs to increase community awareness and understanding.

Event Details

Grant Category	Community Enhancement Grant
Applicant	Australian Alzheimer's Research Foundation Incorporated
Project Title	Public Lectures
Project Start Date	01/01/2020
Project End Date	31/12/2020
Venue	State Library of WA Harry Perkins Institute of Medical Research
Estimated participation	450
Total Project Cost	\$14,000
Total Amount Requested	\$13,000 (92.8% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	Weighted Score: 52.94%

Project Summary.

Two public lectures during World Alzheimer's Month to provide an insight for community members into some of the research and clinical trials around Alzheimer's.

Project Description

Two public lecture events will be held on the same day, one in the morning at the State Library of Western Australia and an evening session held at the McCusker Auditorium, inside the Harry

Perkins Institute of Medical Research. These events are a collaboration of Australian Alzheimer's Research Foundation, Curtin University, Murdoch University, Edith Cowan University and Alzheimer's WA.

Each session will have the format of Q&A session and run for 45 minutes. The panel will be comprised of researchers, geriatricians, clinical trial coordinators and home services specialists. Each panelist will give an overview of their specialised area before guests have an opportunity to ask questions.

Organisers state the goals of the public lectures are to expand knowledge on the causes of the disease, build community awareness to understand what strategies have an impact on preventing the disease, or slowing its progress, and to raise awareness of the importance of pharmaceutical clinical trial treatments that may have a benefit in treating the disease.

Previous five years City of Perth Support and Acquittals

The City of Perth has not previously supported this applicant or program.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	18.41
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	15.75
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	18.78
<u>TOTAL ASSESSMENT SCORE 52.94 out of 100</u>	

Comments

- The project will increase knowledge but does not provide sufficient broad community benefit to residents, visitors and city workers. The amount requested for two events is not considered value for money;
- It is considered that this project's scope is very specialised to the medical research field and may attract academics rather than community members; and
- The application scored below the threshold of 70% required for support and the budget has been allocated to higher scoring applicants.

Community Enhancement Grant Round 2 | 2019/20 | Multicultural Communities Council of WA Incorporated

Applicant Details

Entity Name	The Multicultural Communities Council of Western Australia Incorporated
ABN	96740152914
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Charity

Multicultural Communities Council of WA (MCCWA) supports disadvantaged and vulnerable individuals, families and communities from culturally and linguistically diverse (CaLD) backgrounds to realise their potential as active contributors to the economic, social and cultural life of Western Australia. MCCWA promotes trust, cultural integration and understanding among all communities of Western Australian population.

Event Details

Grant Category	Community Enhancement Grant
Applicant	The Multicultural Communities Council of Western Australia Incorporated
Project Title	Emergency Relief Kit for Homeless
Project Start Date	01/01/2020
Project End Date	30/06/2020
Venue	City of Perth
Estimated participation	300
Total Project Cost	\$19,580
Total Amount Requested	\$15,000 (76% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	Weighted Score: 51.69%

Project Summary

The project will provide immediate emergency relief kit to people experiencing or at risk of experiencing homelessness.

Project Description

MCCWA's case manager will assess and allocate reasonable resources to a maximum value of \$120 as emergency relief to satisfy people's immediate needs such as food and hygiene items. Organisers state there will be no waiting period for receiving an emergency relief kit. Each client will be able to access the emergency relief support once in two months. Clients will be referred to other services depending on their needs for subsequent long-term support.

In situations where clients have limited access to food and household items, the program will provide them assistance in the form of food and clothing vouchers as well referral to required services where their situation can be managed. A service information booklet will be provided as part of the emergency relief kit and will include information about crisis accommodations, transitional housing providers and contact details for government, legal, health, and specialist service providers.

MCCWA advises the program has been developed based on feedback and data collection from other projects they have delivered within the City of Perth, which indicated there was need for an immediate support system.

Previous five years City of Perth Support and Acquittals

The City of Perth has not previously supported this applicant or program.

Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

Community Enhancement Grant - Assessment Criteria	Weighted Scores
Demonstrated evidence of a community need and/or a gap in the current level of service delivery? (35%)	17.50
How does the project meet the objectives of the City's Community Enhancement Grant Program? (35%)	18.81
Demonstrated evidence of the applicant's capacity to deliver the proposed project (30%)	15.78
<u>TOTAL ASSESSMENT SCORE 51.69 out of 100</u>	

Comments

- The proposed program is considered a duplication of existing support services. People experiencing homelessness have the opportunity to retrieve food, clothes etc. seven days a week between 7am - 7pm from Tranby Centre. In addition, numerous services currently operate after 7pm to ensure that the basic needs of people experiencing homelessness are met;

- There is no data or research provided to support anecdotal evidence this service is required and that MCCWA is the best positioned organisation within the community to deliver the service;
- The City's Homeless Action Plan encourages the community to work with established support and service providers and not create new services;
- The project will need to be considered as part of the City's Homeless Action Plan accreditation process, which will assist goodwill groups to coordinate service delivery, reduce duplication and provide a process to align groups with the strategic direction of the homelessness sector;
- The application does not provide sufficient evidence the project can be successfully delivered in the long term due to a reliance on City funding; and
- The application scored below the threshold of 70% required for support and the budget has been allocated to higher scoring applicants.

Recommendation:***That Council:***

1. **APPROVES** Arts Grants totalling \$146,000 (excluding GST) to the following applicants:
 - 1.1 ***Propel Youth Arts for Youth Week KickstART Festival 2020 (\$15,000);***
 - 1.2 ***Sandra Murray for Unseen: art from the Kimberley (\$11,500);***
 - 1.3 ***The Last Great Hunt for Hunting for Place: Re-developing and remounting theatre work STAY WITH US (\$20,000);***
 - 1.4 ***Yirra Yaakin Theatre Company for Youth Ensemble Collaboration (\$25,000);***
 - 1.5 ***RTRFM 92.1 for In The Pines 2020 (\$6,000);***
 - 1.6 ***Centre for Stories for Inner City Residency (\$6,000);***
 - 1.7 ***Tone List for Audible Edge Festival of Exploratory Music: City Program (\$5,000);***
 - 1.8 ***WA Youth Jazz Orchestra for King Street Corner Pocket Jazz Festival (\$27,000);***
 - 1.9 ***Australian Baroque for Festival Baroque (\$14,000);***
 - 1.10 ***Melissa Cantwell for Whale Fall (\$10,000);***
 - 1.11 ***Jasmine Leivers for WA Made Film Festival (\$6,500);***

2. **DECLINES** sponsorship of the following applicants:
 - 2.1 ***Emma Humphreys for The Garden of Aphrodite;***
 - 2.2 ***John Curtin Gallery for Artists in the City;***
 - 2.3 ***Proof the Band for Proof the Band Play the Australian Songbook;***
 - 2.4 ***Jennifer McDonald for Power Playmaking Forum Theatre – Participatory Project;***
 - 2.5 ***Livin Lovin Perth for Living Lovin Perth book;***
 - 2.6 ***Nancy Boswell for Machine Knit Scarf Exhibition; and***

3. **AUTHORISES** the Chief Executive Officer (or an appointed delegate) to negotiate with the applicants the final list of sponsorship benefits for inclusion in the agreement, according to the Council-approved funding amount.

FILE REFERENCE: P1037135#04
 REPORTING OFFICER: Jordan Nix, Sponsorship Officer
 REPORTING UNIT: Activation and Cultural Experience
 RESPONSIBLE ALLIANCE: Community Development
 REPORT AUTHOR DISCLOSURE OF INTEREST: Nil
 DATE: 14 November 2019
 ATTACHMENT/S: Attachment 6.6A – Detailed Officer Assessment

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation Section 8 of the *City of Perth Act 2016*
 Local Government Act 1995

City of Perth Act 2016 **Objects of the City of Perth**
 8(1)(g) - to strengthen Perth's reputation as an innovative, sustainable and vibrant city that attracts and welcomes all

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
 Strategic Priority - Partnership

Policy
 Policy No and Name: 18.13 – Sponsorship and Grants

Purpose and Background:

Arts Grants are accessible to a wide range of applicants and support a broad variety of art forms and creative cultural practice including, but not limited to; performance seasons, arts industry events, exhibitions, festivals, film, photography, multi-disciplinary and community arts projects.

The City of Perth offered three public funding rounds for Arts Grants in the 2019/20 financial year, open to all applicants who meet the eligibility requirements.

There are two categories within the Arts Grants program:

- Under \$15,000; and
- \$15,001 - \$40,000.

The maximum funding contribution provided by the City can be up to 100% of the total project budget, however diverse and sustainable budgets are encouraged.

Benefits

The City of Perth does not expect commercial sponsorship benefits from the Arts Grants program, however we do have mandatory recognition requirements which must be provided as follows:

- Logo recognition on all project promotional material and project website;
- Opportunity to display City of Perth signage during the project, if applicable; and
- Opportunity for the City of Perth Digital team to access the project and produce content at our own cost

Applicants may choose to offer additional benefits or recognition to the City which will be negotiated with by the Sponsorship Officer based on final funding recommendations.

Details:

Applications are assessed against the criteria of the Arts Grants program, based on goals identified in the City of Perth Strategic Community Plan.

The City received 17 applications in the current round. The applications were assessed by a four-person assessment panel consisting of members from the City of Perth administration. Recommendations are provided based on the quality of the application, strategic outcomes likely to be achieved and the assessment scores.

The assessment panel recommends 11 applications for approval and six for decline. All applications scoring above 65% in assessment are recommended for support. All applications under this threshold are recommended for decline.

RANK	APPLICANT	PROJECT	REQUESTED AMOUNT	ASSESSMENT SCORE	RECOMMENDED AMOUNT	ARTFORM
1	Propel Youth Arts WA	Youth Week WA KickstART Festival 2020	\$15,000	91.50%	\$15,000	Festival

RANK	APPLICANT	PROJECT	REQUESTED AMOUNT	ASSESSMENT SCORE	RECOMMENDED AMOUNT	ARTFORM
2	Ms Sandra Murray	Unseen: art from the Kimberley	\$13,770	86.33%	\$11,500	Art Exhibition
3	The Last Great Hunt	Hunting for Place: STAY WITH US	\$40,000	85.60%	\$20,000	Theatre
4	Yirra Yaakin Theatre Company	Youth Ensemble Collaboration	\$31,000	84.76%	\$25,000	Theatre
5	RTRFM 92.1	In The Pines 2020	\$13,000	82.50%	\$6,000	Music
6	Centre for Stories	Inner City Residency	\$10,101	72.33%	\$6,000	Literature
7	Tone List	Audible Edge Festival of Exploratory Music: City Program	\$5,000	71.00%	\$5,000	Music
8	WA Youth Jazz Orchestra	King Street Corner Pocket Jazz Festival	\$40,000	68.93%	\$27,000	Music
9	Australian Baroque	Festival Baroque	\$27,240	67.86%	\$14,000	Classical Music
10	Ms Melissa Cantwell	Whale Fall	\$20,000	66.43%	\$10,000	Theatre
11	Miss Jasmine Leivers	WA Made Film Festival	\$10,000	65.00%	\$6,500	Film
12	Ms Emma Humphreys	The Garden of Aphrodite	\$12,000	59.00%	Decline	Theatre
13	John Curtin Gallery	Artists in the City	\$14,750	57.83%	Decline	Art Talks
14	Proof the Band	Proof the Band Play the Australian Songbook	\$38,350	44.29%	Decline	Music
15	Ms Jennipher McDonald	Power Playmaking Forum Theatre - Participatory Project	\$10,000	41.00%	Decline	Theatre
16	Livin Lovin Perth	Livn Lovin Perth	\$28,886	34.52%	Decline	Literature
27	Ms Nancy Boswell	Machine Knit Scarf Exhibition	\$1,557	26.50%	Decline	Craft
TOTAL			\$330,653 Requested		\$146,000 Recommended	

Financial Implications:

ACCOUNT NO:	PJ 13958006000007901
BUDGET ITEM:	Arts Grants
BUDGETED AMOUNT:	\$265,000
AMOUNT SPENT TO DATE:	\$148,559
PROPOSED COST:	\$116,441
BALANCE REMAINING:	\$0
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

ACCOUNT NO:	PJ 13958043000007901
BUDGET ITEM:	Event Annual Sponsorship
BUDGETED AMOUNT:	\$700,000
AMOUNT SPENT TO DATE:	\$630,000
PROPOSED COST:	\$29,599
BALANCE REMAINING:	\$40,000
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Budget remaining from the Event Sponsorship program has been allocated to Arts Grants to support the quantity of high-quality applications received in the round. Officers have confirmed the proposed transfer of \$29,999 will not impact the delivery of the Event Sponsorship Program.

Comments:

A large number of quality applications were received in Round 3 of Arts Grants. Applications recommended for support were able to demonstrate alignment with the assessment criteria and the City's strategic community goals.

A range of artforms will be supported through the round, including art exhibitions, theatre, contemporary and classical music, literature, and film.

The supported applications will increase community participation in unique arts and cultural experiences, as well as strengthening the arts industry by providing professional development opportunities for Western Australian artists and encouraging industry collaborations.

ATTACHMENT 6.6A

Arts Grants Round 3 | 2019/20 | Propel Youth Arts WA**Applicant Details**

Entity Name	Propel Youth Arts Western Australia Incorporated
ABN	68091189304
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Charity

Propel Youth Arts WA is the peak body for youth arts in Western Australia established in 2003. The organisation provides access to information, networks, mentoring, skills development and employment in the arts and creative industries to young people and those who work with them.

Event Details

Grant Category	Arts Grants Under \$15,000
Applicant	Propel Youth Arts Western Australia
Project Title	Youth Week WA KickstART Festival 2020
Project Start Date	17/04/2020
Project End Date	24/04/2020
Venue	Perth Cultural Centre and surrounding venues
Estimated attendance	16,000
Ticket Price	Free
Total Project Cost	\$183,862
Total Amount Requested	\$15,000 (8% of the total project budget)
Recommendation	Approve
Recommended amount	\$15,000 (8% of the total project budget)
Assessment Score	22.88 out of 25 (91.50%)

Project Summary

Youth Week WA KickstART Festival is the flagship event for Youth Week WA. KickstART offers young people in WA aged between 12 and 26 free opportunities to develop their creative skills, showcase their work to the community, and to find out about the arts organisations, cultural institutions, and service providers available to them within the Perth Metropolitan Area.

Project Description

Each year a Youth Week WA Planning Committee (YWWAPC) is formed to devise, plan and contribute to the implementation of all activities, workshops, and talks held throughout the Festival. In 2019, there were 28 active members of the Youth Week WA Planning Committee.

Program content for the 2020 Youth Week WA KickstART Festival will be devised by the Youth Planning Committee in consultation with the Creative Coordinator. The final program will be confirmed before 31 January 2020.

The key components of the KickstART program each year are:

Festival Day

A full day event and the KickstART opening event, featuring KickstART Music and KickstART Markets. Free activities, interactive installations, and drop in workshops will be offered throughout the day.

KickstART Music

KickstART Music is a new element of the KickstART Festival which focuses on the programming of skills development workshops and live performance opportunities for young contemporary music artists. This initiative has been supported through the State Government of Western Australia through the Contemporary Music Fund program.

KickstART Markets

A partnership with Perth Makers Market. All stalls and products are handcrafted by young creatives and stalls are offered for free to successful applicants, allowing for first time stall holders to test out the experience without financial risk.

Workshops

13 - 15 facilitated skill building sessions facilitated by emerging and established local artists for an estimated 250 participants.

Special Events

5-7 special events will be programmed. KickstART Special Events from 2019 included an art exhibition which showcased emerging local artists at the Centre for Stories, a behind the scenes experience at The State Library of Western Australia featuring the works of Shaun Tan, and Djoondal Djoomba, a presentation by Zal Kanga-Parabia and Aboriginal leader Shaun Nannup as an introduction to the sky, the stars and the spaces in between.

Mentorships

2-3 artform specific mentorships will be offered where young people learn directly from an industry professional, with public outcomes during the Youth Week WA KickstART Festival.

The Festival also engages more than 50 young volunteers each with an interest in the arts and cultural industries. Volunteers are provided with hands on experience during the festival and mentored by Propel staff.

Performance

3-4 live professional performance opportunities for young and emerging artists/arts groups in music, theatre, and site specific work.

Exhibitions

KickstART Exhibitions programmed in 2019 included The Sketchbook Project, a collaborative and visual experience showcasing 400 completed sketchbooks from youth people across Western Australia.

Talks

5-7 presentations by inspirational young leaders based on topics relevant to the arts or broader social issues affecting young people, with topics advised by the Youth Planning Committee. KickstART Talks programmed in 2019 included self care in the Arts industry and the experiences of a young Aboriginal artist.

Festival Closing event

A prom-style event held at the Studio Underground at the State Theatre Centre to celebrate the Festival.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	\$15,000	KickstART Festival and Mosaic
2016	N/A	
2017	\$7,500	Mosaic
2018	\$8,500	Mosaic
2019	\$10,000 \$8,000	Youth Week WA KickstART Festival (event grant) Mosaic
TOTAL	\$49,000	

- The City of Perth has received an acquittal for the previous support;
- City officers can confirm that all previous funding has been satisfactorily acquitted; and
- In 2019, the KickstART Festival attracted 12,500 on Festival Day and more than 1,700 participants at special events and workshops.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.75
Does the project increase opportunities for the community to participate in cultural life?	4.13
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.88
Does the project contribute to a positive sense of place within the city?	4.13
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.88
<u>Sub total 19.75 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	3.13
<u>TOTAL ASSESSMENT SCORE 22.88 out of 25 (91.50%)</u>	

Comments

- KickstART Festival is a fantastic initiative from an organisation working to build Western Australia's creative community by providing young people with the access to the arts;
- Engaging young people in meaningful ways is crucial to building community in Perth. KickstART fills an important gap in the cultural calendar for cultural experiences aimed at youth;
- Particularly noteworthy is the mentorship program, partnerships with community groups, diversity and inclusivity objectives, Aboriginal programming, and representation from the LGBTQI+ community;
- The inclusion of a new music element will further support aspiring musicians;
- The festival creates a sense of place using the Cultural Centre and surrounds as the centre of the festival; and
- The applicant has provided a number of desirable additional benefits for the City.

Arts Grants Round 3 | 2019/20 | Ms Sandra Murray**Applicant Details**

Entity Name	Sandra Louise Murray
ABN	47739628106
Entity Type	Individual/Sole Trader
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Sandra Murray is an independent arts curator and consultant, combining fine art and history experience, with a strong focus on contemporary Western Australian art.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	Ms Sandra Murray
Project Title	Unseen: art from the Kimberley
Project Start Date	02/03/2020
Project End Date	31/08/2020
Venue	Flux Gallery, CBD
Estimated attendance	1,000
Ticket Price	N/A
Total Project Cost	\$27,090
Total Amount Requested	\$13,770 (50.8% of the total project budget)
Recommendation	Approve
Recommended amount	\$11,500 (42% of the total project budget)
Assessment Score	21.58 out of 25 (84%)

Project Summary

The project includes the research, development, management, curation and presentation of the Aboriginal art exhibition 'Unseen: art from the Kimberley'. A four week exhibition will be held at Flux Gallery to coincide with NAIDOC Week in 2020.

Project Description

The artwork will be selected in consultation with Waringarri Arts. Waringarri is the first wholly Aboriginal owned art centre established in the Kimberley and also manages the Kira Kiro Art Centre in Kalumburu.

The exhibition will feature approximately 35 works including painting, barks, ceramics, sculpture, wood carving, engraved boab nuts, textiles, and a 3D stop-motion animation project. A video will share the communities' culture with the Perth community and visitors. The artists selected will not have had the opportunity, or rarely, to exhibit in Perth.

A feature of the exhibition will be the Waringarri Textiles, which provide opportunities for younger and emerging artists to develop their cultural expressions across a range of traditional and contemporary mediums. Textile lengths will be made for display in the atrium and gallery.

Works will be available for purchase to support the artists. Organisers state this will be Flux Gallery's first Aboriginal art exhibition since opening in July 2019.

An Exhibition/Curatorial Assistant internship will also be provided to one emerging arts worker.

Artist and Curator talks

Date:	3 July 2020
Venue:	Flux Gallery
Anticipated attendance:	80
Ticket price:	Free

The Curator and a minimum of two artists will present floor talks at the pre-opening of the exhibition, speaking about their creative practice and insights in the connection between country and their work. The number of artists involved will depend on funding.

Artist led creative workshops

Date:	4 - 6 July 2020
Venue:	Flux Gallery
Anticipated attendance:	70
Ticket price:	Free

The creative workshops program will be finalised once it is confirmed which artists will be coming to Perth. Possible workshops include engraving boab nuts, ochre mixing and painting, and hand block printing.

Curator's lunchtime floor talk

Date:	8 July 2020
Venue:	Flux Gallery
Anticipated attendance:	45
Ticket price:	Free

A free lunchtime guided floor talk by Curator Sandra Murray and guest speaker Emilia Galatis.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	N/A	
2017	N/A	
2018	N/A	
2019	\$11,500	Embedded 2020 Exhibition
TOTAL	\$11,500	

- An acquittal for the previous project is not due until the project's completion.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.75
Does the project increase opportunities for the community to participate in cultural life?	3.63
Does the project foster meaningful collaborations across the local arts industry and/or community?	2.88
Does the project contribute to a positive sense of place within the city?	3.88
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.13
<u>Sub total 17.25 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	4.33
<u>TOTAL ASSESSMENT SCORE 21.58 out of 25 (84%)</u>	

Comments

- There are strong alignments to the City's strategic objectives related to building relationships with the Aboriginal community. The exhibition and associated elements are a great addition to NAIDOC week in Perth;
- The exhibition provides significant development opportunities to regional artists who would not otherwise be able to display their work in Perth, and facilitates engagement and connection from the Perth community; and
- This is a well articulated, high quality project by an experienced independent curator who has clearly demonstrated how the Aboriginal community will be consulted and engaged throughout the process.

Arts Grants Round 3 | 2019/20 | The Last Great Hunt**Applicant Details**

Entity Name	The Last Great Hunt Incorporated
ABN	53557696975
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Charity

The Last Great Hunt is an independent theatre company comprising of six core artists. The group creates work featuring an eclectic variety of forms, styles and experiences. Since 2013, The Last Great Hunt has premiered 20 new works in Perth, and toured regionally, nationally and internationally.

Project Details

Grant Category	Arts Grants \$15,001 - \$40,000
Applicant	The Last Great Hunt
Project Title	Hunting for Place: Re-developing and remounting theatre work STAY WITH US for a deeper community experience
Project Start Date	01/04/2020
Project End Date	20/07/2020
Venue	Alex Hotel, Northbridge
Estimated attendance	920
Ticket Price	\$20-35
Total Project Cost	\$113,057
Total Amount Requested	\$40,000 (35% of the total project budget)
Recommendation	Approve
Recommended amount	\$20,000 (18% of the total project budget)
Assessment Score	29.96 out of 35 (85.60%)

Project Summary

The Last Great Hunt will re-develop and present a return season of 'STAY WITH US', a site specific immersive theatre experience set within a hotel.

Project Description

The production was originally presented at The Riverview Hotel in 2018 and sold out. Organisers noted feedback and the audience's desire to engage deeper with the work, which has informed a proposed community engagement program around the show.

Organisers state City of Perth funding would be used for:

- Artist fees for the re-development, rehearsals and a 3 week presentation;
- Adapting set and production elements for the Alex Hotel;
- Consultation of Noongar artists and elders for research and creative re-development;
- Development of community engagement events; and
- Subsidise the cost of the community engagement events so ticketing is free for participants.

STAY WITH US will activate the Alex Hotel during winter which is generally considered a quieter time in Perth. The project will include the following elements:

STAY WITH US by Arielle Gray

Date:	29 June – 19 July 2020
Venue:	Alex Hotel
Anticipated attendance:	800
Ticket price:	\$20 - \$30

A 15 date season, with six 70 minute performances presented each night at intervals. Each performance is a lightly interactive experience for a maximum of ten audience members.

The story involves two sisters entangled by a connection that lasts beyond the realms of the hotel walls. A guest embarks on their final life voyage. Lying in bed, audiences look up to see the night sky as the universe opens before them.

Facilitated Post-Show Discussions

Date:	29 June – 19 July 2020
Venue:	Alex Hotel
Anticipated attendance:	800
Ticket price:	Included in price of ticket

Included in the price of a ticket to STAY WITH US will be a post show facilitated discussion on the themes of emotional connection to place, particularly through time and how it relates to feelings of grief, loss, and other emotional responses. On the last stop of their immersive experience, audiences will be led to the meeting room on the Alex Hotel's rooftop where snacks and drinks will be offered, and post-show discussion facilitated.

Noongar Lullabies (In-discussion)

Date:	During season
Venue:	Alex Hotel
Anticipated attendance:	80
Ticket price:	Free

A presentation from the CANWA Lullabies program to celebrate Noongar Language and culture. Organisers state Noongar Lullabies are helping to raise the profile of the language and addresses the need for continued intergenerational cultural sharing.

Stories from Perth (In-discussion)

Date: During season
 Venue: Alex Hotel / State Library of WA
 Anticipated attendance: 60
 Ticket price: Free

Subject specialists from the State Library's Storylines program will present a creative table talk for participants to learn more about Perth's local history and discover resources available for exploring Western Australian History.

Learn the Art of Story-telling (In-discussion)

Date: TBC
 Venue: Alex Hotel / The Bird
 Anticipated attendance: 8
 Ticket price: Ticketed

A collaboration with Perth's local-storytelling group Barefaced Stories. A two part workshop surrounding the themes of Emotional Connection to Place, facilitated by Andrea Gibbs and The Last Great Hunt. Attendance to the two-part workshop is ticketed for eight participants This will result in a ticketed performance outcome, as part of the Barefaced Stories season, with funds recouped by Barefaced Stories.

Professional Development Opportunity

Date: TBC
 Venue: Alex Hotel / King Street Arts Centre
 Anticipated attendance: 15
 Ticket price: Free

In collaboration with Perth Festival's Producer's Lab (TBC), organisers will invite emerging producers, arts workers and independent artists to learn from The Last Great Hunt's artists and producers on how to make a site-specific work. The development opportunity is free but participants will undergo an expression of interest to attend.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	\$15,000	The Irresistible & The Advisors
2017	N/A	
2018	N/A	
2019	N/A	

TOTAL	\$15,000	
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- The City of Perth has received an acquittal for the previous support; and
- City officers can confirm that all previous funding has been satisfactorily acquitted.

Arts Grants (\$15,001 - \$40,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	4.00
Does the project increase opportunities for the community to participate in cultural life?	3.63
Does the project foster meaningful collaborations across the local arts industry and/or community?	4.00
Does the project contribute to a positive sense of place within the city?	4.00
Does the project provide professional development opportunities for local artists and/or cultural workers?	3.25
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.50
Is the project plan and budget realistic and value for money?	3.75
<u>Sub total 26.13 out of 35</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	3.83
<u>TOTAL ASSESSMENT SCORE 29.96 out of 35 (85.60%)</u>	

Comments

- This program delivers significantly on sense of place both in the content, the connection to Aboriginal culture and the activation of an alternative theatre venue;
- The new program additions including workshops, discussions and professional development result in a more well-rounded event with significant audience engagement;
- The multi-layered outcomes are strongly linked to the City's strategic priorities for the Arts Grants program; and
- The recommendation to fund 50% of the request is considered an appropriate contribution from the City in the context of the project's other supporters and the budget for the grant round.

Arts Grants Round 3 | 2019/20 | Yirra Yaakin Theatre Company**Applicant Details**

Entity Name	Yirra Yaakin Aboriginal Corporation
ABN	45619201395
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Public Benevolent Institution

Yirra Yaakin Theatre Company is a not for profit, performing arts organisation dedicated to bringing First Nations' stories to the world. Yirra Yaakin presents an annual program of contemporary First Nations' theatre, commissions and develops new Aboriginal writers, delivers an education program, and provides mentoring and employment opportunities for First Nations artists.

Project Details

Grant Category	Arts Grants \$15,001 - \$40,000
Applicant	Yirra Yaakin Theatre Company
Project Title	Youth Ensemble_Collaboration with WAYTCO and Propel Youth Arts
Project Start Date	20/04/2020
Project End Date	10/07/2020
Venue	10 week program: King Street Arts Centre Final performance: Perth Cultural Centre.
Estimated attendance	26
Ticket Price	Free
Total Project Cost	\$84,000
Total Amount Requested	\$31,000 (36.9% of the total project budget)
Recommendation	Approve
Recommended amount	\$25,000 (30% of the total project budget)
Assessment Score	29.67 out of 35 (84.76%)

Project Summary

The Youth Ensemble program will expand and evolve the Junior Sonneteers Program developed by Yirra Yaakin in 2018 which focuses on the sharing and survival of Noongar language, the passing on of First Nations knowledge and culture and the development of performance and theatre-making skills. Weekly workshops for young artists will culminate in a free public performance during NAIDOC Week.

Project Description

The Youth Ensemble program is a collaboration between Yirra Yaakin Theatre Company, WAYTCO and Propel Youth Arts. Organisers state this is the first major collaboration between the three organisations

Workshops will be held over 10 weeks at King Street Arts Centre (the home of WAYTCO), including weekly 3.5 intensives and full week workshops at the beginning and conclusion of the program.

The first week-long intensive will focus on auditioning the participants through a series of theatre-based activities which will include their participation in the KickstART Youth Festival, presented by Propel Youth Arts. Following the audition week, 26 students (13 Aboriginal and 13 non-Aboriginal) will be selected to take part in the 10 week program. Participants will receive intensive individual development in theatre-making, performance and Noongar language skills at a professional level.

The second week-long intensive will be held during NAIDOC week and will prepare for the final performances which will showcase the students and the program to the wider Perth community.

The multidisciplinary theatre-based piece will be performed largely in Noongar language and presented in the Perth Cultural Centre in Northbridge. Students who were involved in the first intensive but not successful in the program will be invited back to participate in a smaller aspect of the final performance.

Organiser state the program and performance will actively promote the sustainability of one of the oldest languages in the world, as well as a generate a greater sense of connection and understanding of our local Aboriginal community.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	\$12,150	Gudirr Gudirr and Yirra Yaarnz
2016	N/A	
2017	N/A	
2018	N/A	
2019	N/A	
TOTAL	\$12,150	

Arts Grants (\$15,001 - \$40,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.63

Does the project increase opportunities for the community to participate in cultural life?	3.50
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.25
Does the project contribute to a positive sense of place within the city?	4.25
Does the project provide professional development opportunities for local artists and/or cultural workers?	2.75
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	4.00
Is the project plan and budget realistic and value for money?	3.63
Sub total 25 out of 35	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	4.67
<u>TOTAL ASSESSMENT SCORE 29.67 out of 35 (84.76%)</u>	

Comments

- Fantastic industry collaboration celebrating Aboriginal culture and promoting the sustainability of the Noongar language. All three organisations involved are high performing arts organisations with a track record in delivering quality programs for young artists;
- The workshop program is a great way to nurture new talent and increase accessibility for young actors who may not otherwise have access to the arts; and
- The project aligns with the City's objectives in encouraging and supporting Aboriginal led arts activities within in the City.

Arts Grants Round 3 | 2019/20 | RTRFM 92.1**Applicant Details**

Entity Name	Rtrfm 92.1 Limited
ABN	32008875527
Entity Type	Australian Public Company
ABN Status	Active
ATO Endorsed Charity Type	Charity

RTRFM is an independent, not for profit community radio station providing an alternative platform for local news and issues. The station has a strong focus on arts, culture, social justice, politics and the environment. RTRFM champions local music and supports musical diversity through 50+ specialist music programs and a program of live events.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	RTRFM 92.1
Project Title	In The Pines 2020
Project Start Date	12/04/2020
Project End Date	12/04/2020
Venue	Somerville Auditorium, UWA
Estimated attendance	1,500
Ticket Price	\$25 - \$35
Total Project Cost	\$56,000
Total Amount Requested	\$13,000 (23% of the total project budget)
Recommendation	Approve
Recommended amount	\$6,000 (11% of the total project budget)
Assessment Score	20.63 out of 25 (82.50%)

Project Summary

In The Pines is a 10 hour festival and outside broadcast hosted at Somerville Auditorium, featuring live performances and interviews from new and emerging Western Australian artists. 2020 will be the 27th year of In The Pines. The festival is RTRFM's central fundraising initiative for the operations of the station.

Project Description

Twenty local artists will be featured at the festival. Organisers state all bands perform on an equal footing and emerging acts are provided opportunity to be seen by a wider audience.

A number of different genres are represented on the line up including jazz, indie, metal, hip hop and electronic, providing a snapshot of Perth's music scene each year. Artists previously supported through In The Pines include Stella Donnelly, Tame Impala, Eskimo Joe, Jebediah, and Abbe May. These artists have gone on to have successful national and international careers.

In The Pines is also broadcast live on 92.1 throughout the day with the live sets reaching a further estimated audience of 100,000 people through the FM band.

In The Pines engages up to 80 volunteers on the day, providing emerging event workers a hands-on-experience in working at a music event in production, door sales, artist liaison and stage management roles. RTRFM will also work with SAE students to produce a festival highlights video.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	\$2,000	A Moment in Time (Concert)
2017	N/A	
2018	\$5,000	In The Pines
2019	\$5,000	In The Pines
TOTAL	\$12,000	

- The City of Perth has received an acquittal for the previous support;
- City officers can confirm that all previous funding has been satisfactorily acquitted; and
- The 2019 festival attracted 1,200 audience members and engaged approximately 100 artists.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.75
Does the project increase opportunities for the community to participate in cultural life?	3.38
Does the project foster meaningful collaborations across the local arts industry and/or community?	2.63
Does the project contribute to a positive sense of place within the city?	3.25

Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.88
Sub total 16.88 out of 25	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	3.75
<u>TOTAL ASSESSMENT SCORE 20.63 out of 25 (82.50%)</u>	

Comments

- In the Pines is a high quality contemporary music event that is also a fundraising event for an important independent, non-profit community radio station, RTRFM;
- This feature event on the Perth music calendar creates great opportunities for emerging artists to play to local audiences; and
- The panel noted increased funding from the City would not support an expanded program or improved event, but rather a venue cost from a scheduling issue that may potentially impact the size of the event.

Arts Grants Round 3 | 2019/20 | Centre for Stories**Applicant Details**

Entity Name	Centre for Stories Limited
ABN	39631435446
Entity Type	Australian Public Company
ABN Status	Active
ATO Endorsed Charity Type	Charity

Centre for Stories is a not for profit literary arts and cultural organisation founded in 2015. They aim to inspire social cohesion and improve understanding of diverse communities through storytelling. The Centre runs story training workshops, writing mentorships, live literary and storytelling events, and hot desk fellowships.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	Centre for Stories
Project Title	Inner City Residency
Project Start Date	04/05/2020
Project End Date	31/10/2020
Venue	Various
Estimated attendance	220
Ticket Price	N/A
Total Project Cost	\$21,974
Total Amount Requested	\$10,101 (46% of the total project budget)
Recommendation	Approve
Recommended amount	\$6,000 (27% of the total project budget)
Assessment Score	18.08 out of 25 (72.33%)

Project Summary

Inner City Residency is a writer in residence program that will take place in the CBD and Northbridge. It will place 20 local writers in ten cafes. Inner City Residency takes its inspiration from similar programs in other cities.

Project Description

Half of the writers will be selected through an open call process and the others through a call out and application process. At least eight will be from culturally and linguistically diverse backgrounds and two from Aboriginal and Torres Strait Islander backgrounds.

Each residency will last four weeks with writers working in the space three times per week. All writers will be visible to the public through signage and will be supported by these businesses in their creative output.

A workshop will provide writers with tools on how to engage the public and how to be visible in their residency practice. This will complement the feedback they will be given during the editorial process. Staff from the Centre for Stories will visit writers in their cafes, offer feedback and guidance on their writing, and help facilitate publication outcomes where necessary.

At the completion of the residency project a small anthology of writing about Perth will be printed and made available for purchase online and in participating venues. The anthology will be launched at the Centre for Stories in October 2020. The launch will include a series of short readings of works developed by participating writers during their residency.

During the residency program, there will live reading and conversation events, which will take place in some of the participating cafes.

In-Conversation Event

Date: 20 May 2020
Venue: Arrival Hall, Northbridge
Anticipated attendance: 50
Ticket price: \$12

In-Conversation featuring two of the writers in residence with a facilitator. It will be an interview format that engages with questions of art and craft, personal experience, and how to write in public.

Poetry Reading Event

Date: 17 June 2020
Venue: Gordon Street Garage, West Perth
Anticipated attendance: 50
Ticket price: \$12

Four participants will perform for the public. The audience will be encouraged to ask questions engagement with the poetry presented.

Literary Reading Event

Date: 9 September 2020
Venue: TBC
Anticipated attendance: 50
Ticket price: \$12

A reading of work presented in a jamboree style with each writer reading out loud for ten minutes. This will allow people to hear the work that has been created to think about how literature and writing fit within the city, and for the writers to engage with their audience.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	\$11,330	Word Poetry Day Flower Bomb (\$2,134) Australian Short Story Festival (\$6,600) Storytelling workshops (\$2,596)
2017	\$5,430	If on a Winter's Day
2018	N/A	
2019	\$6,000	Side Walks
TOTAL	\$22,760	

An acquittal for the previous project is currently being finalised as the project was completed in October 2019.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.13
Does the project increase opportunities for the community to participate in cultural life?	2.63
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.00
Does the project contribute to a positive sense of place within the city?	3.00
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	2.50
<u>Sub total 14.25 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	3.83
<u>TOTAL ASSESSMENT SCORE 18.08 out of 25 (72.33%)</u>	

Comments

- Great professional development opportunity for a diverse range of emerging writers and unique opportunities for the public to engage in readings and be exposed to the art at a low cost;
- This is a thoughtful project that promises an intimate experience of local Perth literature, and has direct collaboration with local Perth businesses; and
- The recommended funding is based on the small-scale, intimate nature of the residencies and associated programming likely having minimal impact on activation and limited audience engagement.

Arts Grants Round 3 | 2019/20 | Tone List**Applicant Details**

Entity Name	Tone List Incorporated
ABN	91625246086
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Tone List is Perth based label for exploratory and experimental music founded in 2016. They publish recordings predominantly by Australian artists, and organise a regular program of concerts and workshops to strengthen the sense of community amongst experimental musicians and offering outlets for their music to be heard by a wider public. Tone List have run the annual Audible Edge Festival since 2017.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	Tone List
Project Title	Audible Edge Festival of Exploratory Music: City Program
Project Start Date	03/04/2020
Project End Date	24/04/2020
Venue	Cool Change Contemporary, The Sewing Room, The Blue Room Theatre, Perth Cultural Centre
Estimated attendance	715
Ticket Price	\$10 - \$15
Total Project Cost	\$58,685
Total Amount Requested	\$5,000 (8.5% of the total project budget)
Recommendation	Approve
Recommended amount	\$5,000 (8.5% of the total project budget)
Assessment Score	17.75 out of 25 (71.00%)

Project Summary

The Audible Edge festival is Tone List's annual flagship event, presenting experimental and improvised music in Perth and regional Western Australia. The 2020 festival will depart from previous programming with a greater focus on cross disciplinary work and an emphasis on Australian and South-East Asian art.

Project Description

City of Perth funding is requested to support three new program initiatives and a public workshop. Organisers state the new initiatives are intended to broaden audience reach, activate different parts of the city, and to invite the public to engage with new and unexpected artistic mediums. Organisers will seek to increase the reach of Audible Edge through the invitation of community leaders in neighbouring regions such as Yuen Chee Wai, curator of the Asian Meeting Festival.

Audible Edge Exhibition

Date: 3 – 24 April 2020
 Venue: Cool Change Contemporary
 Anticipated attendance: 400
 Ticket price: Free

An exhibition in collaboration with Cool Change Contemporary of sound art works made by artists from the festival program and broader fine arts practitioners with an attention to sound in their work. Organisers state the genre of installation-based sound art is relatively marginal in Western Australia.

Outdoor festival performances

Date: 7 April 2020
 Venue: Perth Cultural Centre Wetlands
 Anticipated attendance: 200
 Ticket price: Free

Pop up acoustic performances in public spaces in Perth by visiting and local festival artists. Artists selected for the outdoor performance are aesthetically unconventional but present work which is still accessible to passing community members and may provide a gateway to more challenging arts experiences for audience members less familiar with experimental sound work.

Tura New Music Festival Concert

Date: 8 April 2020
 Venue: The Sewing Room
 Anticipated attendance: 100
 Ticket price: \$10 - \$15

A concert presented by Tura New Music hosted within the Audible Edge festival.

Improvisation workshop with Johan & Casey Moir

Date: 10 April 2020
 Venue: Blue Room Theatre
 Anticipated attendance: 15
 Ticket price: Free

An improvisation workshop hosted by Ignite (Johan and Casey Moir), encouraging members of the public to engage with improvisation as a medium for creative expression.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	N/A	
2017	N/A	
2018	N/A	
2019	\$3,500	KLEX Festival Exchange: Residency program for Kok Siew-Wai & Yong Yandsen
TOTAL	\$3,500	

An acquittal for the previous project is no due until the project's completion.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.75
Does the project increase opportunities for the community to participate in cultural life?	3.50
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.50
Does the project contribute to a positive sense of place within the city?	3.75
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.25
<u>Sub total 17.75 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
<u>TOTAL ASSESSMENT SCORE 17.75 out of 25 (71.00%)</u>	

Comments

- A quality, financially sustainable event, with multiple outcomes and opportunities for the community to participate in experimental music. The Audible Edge Festival offers a point of difference from other arts and music events;

- The application has considered the balance between making the festival accessible to the general public whilst still maintaining the artistic integrity and purpose of the work; and
- City funding would support an increased festival offering with new program elements.

Arts Grants Round 3 | 2019/20 | WA Youth Jazz Orchestra**Applicant Details**

Entity Name	West Australian Youth Jazz Orchestra Association
ABN	75330922427
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Charity

The WA Youth Jazz Orchestra's (WAYJO) purpose is to engage and develop emerging jazz musicians. Their annual season comprises a ticketed program of events, featuring Australian and International guest artists, free community events, private bookings, an education program, regional tours, and international exchanges.

Project Details

Grant Category	Arts Grants \$15,001 - \$40,000
Applicant	WA Youth Jazz Orchestra
Project Title	King Street Corner Pocket Jazz Festival
Project Start Date	06/08/2020
Project End Date	08/08/2020
Venue	Venues on and surrounding King Street
Estimated attendance	3,500
Ticket Price	\$15
Total Project Cost	\$90,200
Total Amount Requested	\$40,000 (44% of the total project budget)
Recommendation	Approve
Recommended amount	\$27,000 (30% of the total project budget)
Assessment Score	24.13 out of 35 (68.93%)

Project Summary

King Street Corner Pocket Festival is a three day music event featuring young jazz musicians, WAYJO alumni, WAAPA student ensembles and local professional musicians. The festival is designed to encourage foot traffic and activate the precinct in and around King Street, between Hay and Murray Streets. 2020 will be the third year of the event.

Project Description

Organisers are working with the Perth Theatre Trust, His Majesty's Theatre, Intercontinental Hotel and King Street businesses to curate performances in established and pop up venues such as shop fronts, laneways and spaces above businesses. WAYJO works with institutions such as the Western Australian Academy of Performing Arts to source ensembles for the event

Each ticketed venue will host three performances each night, with accessible prices of \$15 or lower. Patrons are able to purchase tickets to multiple events at a discount and move from one performance to another. WAYJO will also work with local businesses to provide food and beverage offers to ticket holders.

Organisers aim to further activate the spaces in the precinct, through signage and bunting, the potential for performers to play in micro "pop up" performances, and for the music to spill into the streets from the venues.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	N/A	
2016	N/A	
2017	\$3,000	A Hip Hop Hooray
2018	\$10,000	King Street Corner Pocket Festival
2019	\$30,000	King Street Corner Pocket Festival
TOTAL	\$43,000	

- The City of Perth has received an acquittal for the previous support;
- City officers can confirm that all previous funding has been satisfactorily acquitted; and
- The 2019 festival increased the number of programmed performances from 41 to 54, and the number of artists employed from 120 to approximately 200. 3,290 tickets were issued.

Arts Grants (\$15,001 - \$40,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.75
Does the project increase opportunities for the community to participate in cultural life?	3.38
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.63
Does the project contribute to a positive sense of place within the city?	3.25

Does the project provide professional development opportunities for local artists and/or cultural workers?	3.63
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.38
Is the project plan and budget realistic and value for money?	3.13
Sub total 24.13 out of 35	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
TOTAL ASSESSMENT SCORE 24.13 out of 35 (68.93%)	

Comments

- Kings Street Arts Festival creates a sense of place and activates the area at a time when King Street is feeling the loss of key retail tenants. Taking place during August, this festival not only provides development opportunities for emerging musicians, but also engages with local Perth businesses and venues, providing activation at a time of year when it is sorely needed;
- The low price point allows for good accessibility to the arts and the event growth is positive; and
- The panel noted a reliance on City sponsorship and encouraged the applicant to use the festival's growing track record to attract other forms of support.

Arts Grants Round 3 | 2019/20 | Australian Baroque**Applicant Details**

Entity Name	Australian Baroque Limited
ABN	77630665744
Entity Type	Australian Public Company
ABN Status	Active
ATO Endorsed Charity Type	Charity

Australian Baroque is a new national ensemble and early music initiative formed by Western Australia based artists. Australian Baroque are currently Ensemble-in-Residence at the Western Australian Academy of Performing Arts (WAAPA). The ensemble includes young and emerging artists. Their aim is to build significant and long lasting ties with both regional and metropolitan communities, performing in non-traditional music performances spaces.

Project Details

Grant Category	Arts Grants \$15,001 - \$40,000
Applicant	Australian Baroque
Project Title	Festival Baroque
Project Start Date	01/03/2020
Project End Date	31/10/2020
Venue	Various
Estimated attendance	1,720
Ticket Price	Free and ticketed Average standard pricing between \$25-\$35
Total Project Cost	\$47,280
Total Amount Requested	\$27,240 (57.6% of the total project budget)
Recommendation	Approve
Recommended amount	\$14,00 (30% of the total project budget)
Assessment Score	23.75 out of 35 (67.88%)

Project Summary

Festival Baroque is a series of musical performances in unique spaces through the City of Perth, with the aim of introducing new audiences to baroque music and supporting local businesses. Organisers hope the performances will challenge current negative perceptions of baroque music.

Project Description

Organisers state once they have identified a potential space, acoustical tests are undertaken to identify which instruments and repertoire would best fit the space. Consideration is given to how audiences experience and interact with the environments.

Festival Baroque will include the following proposed programmed concerts:

Baroque Highlights Concert

Date: April 2020
 Venue: ABC Studios, East Perth
 Anticipated attendance: 300
 Ticket price: Free

Australian Baroque will perform a Baroque Highlights concert at the ABC's Studio 61 in East Perth. It will be free for audiences to attend and live broadcasted by the ABC.

Bach & Beer

Date: May 2020
 Venue: Bright Tank Brewing Co, East Perth
 Anticipated attendance: 150
 Ticket price: \$24 - \$30

One concert from the Bach & Beer series performed at a local brewery, which organisers state will create a unique, laid-back experience to enjoy beer and baroque music together. The wider Bach & Beer series will premiere at Fringe World in January 2020.

Cat Concerts at QV1

Date: March and July 2020
 Venue: QV1 Building, CBD
 Anticipated attendance: 200
 Ticket price: \$35

Australian Baroque will partner with local cat havens to present a series of four lunchtime cat concerts in the QV1 Foyer. Audience members are invited to de-stress by listening to live music and playing with adoptable cats and kittens. Two concerts will be held in March and another two in July. The concerts are 45 minutes in length and will be held on the same day with a short break. The Cat Concerts series will premiere in January 2020 at Fringe World

Pop-up Playing at Royal Perth Hospital

Date: June 2020
 Venue: Royal Perth Hospital
 Anticipated attendance: 350
 Ticket price: Free

Australian Baroque will present a pop up trio at the Royal Perth Hospital (part of the East Metropolitan Health Service). It will be a free concert and be billed as part of the hospital's Music on the Bridge series. Organisers believe the experience of live music in the hospital will positively contribute to the community's wellbeing and to the patients' mental health.

Early Music Masterclasses at the West End Deli

Date:	August – September 2020
Venue:	West End Deli, West Perth (not within City of Perth)
Anticipated attendance:	100
Ticket price:	Free

Australian Baroque will offer two Early Music Masterclasses at the West End Deli in West Perth. These will be professional development opportunities for local artists and will be free and open to the public. Participants at the masterclasses will learn about the Doctrine of Affections, which was the reigning theory regarding musical and arts aesthetics during the Baroque period. The masterclasses will be held in August and September in the afternoon on the weekend during a slow period to increase foot traffic to the café.

Space Music at Old Perth Girls School

Date:	October 2020
Venue:	Old Perth Girls School, East Perth
Anticipated attendance:	620
Ticket price:	\$25 - \$35

Space Music programming has been developed in consultation with Dr Antony Brian, who has mapped part of Venus for NASA, and with Dr Jeremy Martens, who has assisted with the archival research into the unique legacy of space exploration and music. The Space Music concert will explore the unique role music has made when accompanying journeys into space (e.g astronauts curating their own playlists, music played during important discoveries, music beamed into space for other lifeforms).

The concert will be presented as an immersive image and sound experience, with surround-sound live performances of musical selections used in space exploration and travel by Australian Baroque, joined by singers from the Giovanni Consort. The performance will be narrated by Dr Antony Brian. Due to the strong level of interest already received, organisers will be offering an open final rehearsal at WAAPA for students, residents, visitors and senior citizens of the local communities.

Previous five years City of Perth Support and Acquittals

The City of Perth has not previously supported this applicant in the past five years.

Arts Grants (\$15,001 - \$40,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.88
Does the project increase opportunities for the community to participate in cultural life?	3.25
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.38
Does the project contribute to a positive sense of place within the city?	3.38
Does the project provide professional development opportunities for local artists and/or cultural workers?	2.38
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.25
Is the project plan and budget realistic and value for money?	2.75
<u>Sub total 21.75 out of 35</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	2.00
<u>TOTAL ASSESSMENT SCORE 23.75 out of 35 (67.88%)</u>	

Comments

- Applicant should be applauded for trying to target a new and younger audience by using unconventional locations. The application includes a well-considered marketing plan;
- Australian Baroque will provide development opportunities and professional pathways for talented WA musicians. The program will also benefit local businesses through increased patronage and unique offerings; and
- Sponsorship is recommended for the delivery of Bach & Beer, Pop up Playing at Royal Perth Hospital and Space Music at Old Girls School. The request to the City for the other elements have been removed from the final amount recommended.

Arts Grants Round 3 | 2019/20 | Melissa Cantwell**Applicant Details**

Entity Name	Melissa Ann Cantwell
ABN	60161096226
Entity Type	Individual/Sole Trader
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

The Kabuki Drop is a project-based company creating works within a variety of spaces and across art forms to engage diverse communities in cultural dialogue. The company seeks opportunities for emerging, queer and CALD (culturally and linguistically diverse) artists to work alongside established practitioners. The company is led by Creative Director Melissa Cantwell and operates on a not for profit model.

Project Details

Grant Category	Arts Grants \$15,001 - \$40,000
Applicant	Ms Melissa Cantwell
Project Title	Final development, rehearsal & world premiere season of Ian Sinclair's Whale Fall at PICA.
Project Start Date	02/04/2020
Project End Date	25/05/2020
Venue	Perth Institute of Contemporary Arts
Estimated attendance	457
Ticket Price	\$15 - \$32
Total Project Cost	\$151,386
Total Amount Requested	\$20,000 (13.2% of the total project budget)
Recommendation	Approve
Recommended amount	\$10,000 (7% of the total project budget)
Assessment Score	23.25 out of 35 (66.43%)

Project Summary

Whale Fall is an 80 minute play inspired by environmental writer Rebecca Giggs' essay of the same name. Whale Fall reinterprets the classic Australian theatre motif of inter-generational, seaside, family drama through a queer lens to explore contemporary issues. The project will employ 10 West Australian based emerging and established theatre makers.

Project Description

In April and May 2020, the creative team led by director Melissa Cantwell and writer Ian Sinclair will undertake a final one-week development, three week rehearsal and a two week season of Whale Fall at Perth Institute of Contemporary Arts. The creative team will include national and WA-based emerging, queer artists and established theatre-makers and actors.

The Whale Fall narrative involves the character Nadine returning to the beach-side home and family she abandoned years ago to re-establish a relationship with her daughter. Nadine must navigate her ex-husband's anger at her leaving, his new partner's wariness, and learn to accept and support her daughter Haley, now identifying as Caleb, with his decision to begin transitioning.

Organisers state the project promotes inclusiveness and provides paid professional development opportunities for emerging female, queer, CALD, non-binary and Trans artists. The production will also support on the job mentorship and interdisciplinary learning.

The performance season will include the following additional access opportunities:

Audio Description performance and Tactile Tour

Date: 23 May 2020

Anticipated attendance: 35

Audio Description matinee performance with a Tactile Tour delivered by Disabled and Disadvantaged Arts Australia (DADAA). An Audio Describer delivers a verbal description of the visual elements via a personal headset. Tactile Tours involve participants exploring the set and performance space with a trained Guide as they journey through informed discussion, touch and sound. The Guide will offer verbal descriptions of the design elements during the tour to visitors who have a vision impairment.

Post-show Q&A

Date: 14 May 2020

Anticipated attendance: 40

Question and answer panel session with lead artists Ian Sinclair, Melissa Cantwell, Rebecca Riggs-Bennett and Bruce McKinven. This post show discussion will provide an opportunity for the audience to interrogate the creative process behind Whale Fall and learn from the production team's experience and process.

Panel Discussion- Queer Ecology

Date: 19 May 2020

Anticipated attendance: 40

A panel discussion facilitated by PICA and aimed at local artists and cultural workers. The panel will be centred around the challenges and responsibilities of artists working in the Queer Ecology space; creating work with diverse creative teams, and the importance of increasing visibility for CALD artists both on and off the stage. The panel will include Rebecca Giggs (TBC), Jessie Oliver, Ian Sinclair, Melissa Cantwell and Liam Colgan.

Queer Ecology Workshop

Date: 22 May 2020

Anticipated attendance: 20

A three-hour workshop with Ian Sinclair focussed on writing and immersive practice for emerging and mid-career artists. This professional development opportunity is provided free of charge to participants.

Previous five years City of Perth Support and Acquittals

The City of Perth has not previously supported this applicant in the past five years.

Arts Grants (\$15,001 - \$40,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.63
Does the project increase opportunities for the community to participate in cultural life?	3.38
Does the project foster meaningful collaborations across the local arts industry and/or community?	2.63
Does the project contribute to a positive sense of place within the city?	3.50
Does the project provide professional development opportunities for local artists and/or cultural workers?	2.75
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	3.50
Is the project plan and budget realistic and value for money?	3.88
<u>Sub total 23.25 out of 35</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
<u>TOTAL ASSESSMENT SCORE 23.25 out of 35 (66.43%)</u>	

Comments

- This promises to be a high quality artistic production with supporting programming such as workshops adding opportunities for increased engagement;
- The project explores contemporary issues and provides representation for female, queer, CALD, non-binary and Trans artists; and
- The collaboration with DADAA to deliver audio description and tactile tour opportunities is also particularly noteworthy.

Arts Grants Round 3 | 2019/20 | Miss Jasmine Leivers / WA Made Film Festival**Applicant Details**

Entity Name	Jasmine Rose Leivers
ABN	57906734849
Entity Type	Individual/Sole Trader
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

The purpose of West Australian (WA) Made Film Festival is to provide a platform for West Australian filmmakers to showcase their work to a wide audience. The festival is led by Festival Director Matthew Eeles and Festival Coordinator Jasmine Leivers.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	Miss Jasmine Leivers
Project Title	West Australian Made Film Festival
Project Start Date	13/03/2020
Project End Date	15/03/2020
Venue	Palace Cinemas, Raine Square – ticketed screenings Northbridge Piazza – free screenings
Estimated attendance	355
Ticket Price	\$15 - \$25
Total Project Cost	\$22,250
Total Amount Requested	\$10,000 (45% of the total project budget)
Recommendation	Approve
Recommended amount	\$6,500 (29% of the total project budget)
Assessment Score	16.25 out of 25 (65.00%)

Project Summary

The WA Made Film Festival will be held over three days in March 2020 at Palace Cinemas Raine Square and Northbridge Piazza. The festival is a celebration of WA filmmaking professionals which will feature WA made feature films, short films and documentaries.

Project Description

Submissions for the festival are encouraged from all levels of filmmaking qualification, including low budget student films and big budget studio productions in all genres. The program will include the following elements:

Palace Cinemas – Ticketed Screenings

Date: 13 – 15 March 2020
 Venue: Palace Cinemas, Raine Square
 Anticipated attendance: TBC
 Ticket price: \$15 - \$25

Three evening sessions are scheduled which will feature a WA made feature film or feature documentary accompanied by a short film screening. Each session will include a 30 minute question and answer session with industry artists and representatives. Networking events will be held for an hour before and after the screenings to encourage industry connection.

Organisers advise they will be collaborating with university and TAFE film and event management students to offer volunteer positions to gain experience working for a film festival.

Northbridge Piazza – Free Screening

Date: 14 March 2020
 Venue: Northbridge Piazza
 Anticipated attendance: 75
 Ticket price: Free

A free 90 minute screening of family friendly WA made short films.

Previous five years City of Perth Support and Acquittals

The City of Perth has not supported this applicant in the past five years.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.38
Does the project increase opportunities for the community to participate in cultural life?	3.75
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.13
Does the project contribute to a positive sense of place within the city?	3.50
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	2.50

<u>Sub total 16.25 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
<u>TOTAL ASSESSMENT SCORE 16.25 out of 25 (65.00%)</u>	

Comments

- This is a promising new film festival that has a thoughtful approach to programming, industry collaborations, and potential for future growth;
- The application has merit because of its support and promotion of the local film industry, however as a first time event the outcomes are unknown. The festival could look to proactively work on ensuring diverse submissions are received; and
- The City's support should be used to successfully deliver the free family friendly Northbridge Piazza screenings.

Arts Grants Round 3 | 2019/20 | Ms Emma Humphreys**Applicant Details**

Entity Name	Emma Humphreys
ABN	39652931491
Entity Type	Individual/Sole Trader
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Emma Humphreys is the Director of Hunted Interactive which specialises in the creation of unique, site-specific interactive theatre performances, utilising multi-media elements and original stories.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	Ms Emma Humphreys
Project Title	The Garden of Aphrodite
Project Start Date	26/03/2020
Project End Date	05/04/2020
Venue	Queens Gardens
Estimated attendance	1,200
Ticket Price	\$29.90 - \$39.90
Total Project Cost	\$38,572
Total Amount Requested	\$12,000 (31% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	14.75 out of 25 (59%)

Project Summary

The Garden of Aphrodite is an interactive multi-media theatre show to be staged in Queens Gardens. Audiences will use technology to explore and bring to life an original mythological tale. The Garden of Aphrodite will provide development and employment for ten local artists.

Project Description

Participants will enter the gardens as an audience of up to 100 but will then disperse into smaller groups to undertake the experience. They will explore the garden setting, guided by live performers to search for QR codes hidden in the environment. The QR codes will unlock mobile online content, adding video and puzzle solving elements to the storyline that are integrated with the live performance. Organisers state the experience will engage attendees as direct participants rather than simply as audience.

The Garden of Aphrodite follows four female characters who present four archetypal depictions of femininity - a rebellious youth, a nurturing mother, a wise crone and a nomadic warrior. Each is faced with threats and must decide whether their identity can provide the resources they need to face the challenge before them. Performers will interact with the audience to determine the outcome of each character's journey.

The Garden of Aphrodite will premiere in Perth, before undertaking a national and international tour.

Previous five years City of Perth Support and Acquittals

Year	Amount	Project
2015	\$5,500	Hall of Shadows
2016	\$6,050	Court of Shadows
2017	\$6,000	The Feast of Bacchus
2018	\$6,000	All Fall Down
2019	\$0	
TOTAL	\$23,550	

- The City of Perth has received an acquittal for the previous support; and
- City officers can confirm that all previous funding has been satisfactorily acquitted.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	3.00
Does the project increase opportunities for the community to participate in cultural life?	3.13
Does the project foster meaningful collaborations across the local arts industry and/or community?	3.38
Does the project contribute to a positive sense of place within the city?	2.75

Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	2.50
Sub total 14.75 out of 25	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
<u>TOTAL ASSESSMENT SCORE 14.75 out of 25 (59%)</u>	

Comments

- The proposed performance provides a unique and alternative experience for audiences outside of a regular theatre venue. It will likely attract a different demographic to the City;
- While the interactive theatre performance will be popular among the target audience, the outcomes are not strongly aligned to the City's strategic outcomes and the content does not reflect Perth's unique cultural identity;
- Although the crossover of arts and technology is innovative, the panel questioned the continued relevance and accessibility of QR codes and whether it would improve the audience experience; and
- The application scored below the threshold of 65% required for support and the budget has been allocated to higher scoring applicants.

Arts Grants Round 3 | 2019/20 | John Curtin Gallery**Applicant Details**

Entity Name	Curtin University
ABN	99143842569
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Charity

The vision of the John Curtin Gallery is to bring to its audiences the opportunities to experience and critically engage with the visual culture of our time. All of the Gallery's exhibitions are accompanied by public programs – talks by artists, curators and subject specialists, panel discussions, symposiums, tours, performances, screenings, publications and special events. All exhibitions are free of charge.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	John Curtin Gallery
Project Title	Artists in the City
Project Start Date	01/03/2020
Project End Date	31/10/2019
Venue	Curtin CBD premises
Estimated attendance	250
Ticket Price	Free
Total Project Cost	\$21,500
Total Amount Requested	\$14,750 (68.6% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	14.46 out of 25 (57.83%)

Project Summary

Artists in the City is a monthly conversation event about art and artists. They will be held at lunch time and will last for approximately 45 minutes.

Project Description

The series will include conversations with or about internationally recognised artists such as Walter Jack (UK), and local artists Ian Strange and Abdul-Rahman Abdullah, to broader discussions

around art in the public realm, urban art and collecting art. Organisers will seek to feature artists associated with their 2020 exhibition program.

The event series will target city workers and visitors who are interested in art but are not confident in attending exhibitions, or simply don't know what is out there. Attendees will be provided with information on current exhibitions and events at John Curtin Gallery as well as other city galleries and be encouraged to visit and attend openings and events.

Organisers will seek collaboration with local organisations with a particular focus such as Perth Centre of Photography for a photograph discussion, or Artsource for the topic of collecting art.

Previous five years City of Perth Support and Acquittals

The City of Perth has not supported this applicant in the past five years.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	2.38
Does the project increase opportunities for the community to participate in cultural life?	2.38
Does the project foster meaningful collaborations across the local arts industry and/or community?	2.13
Does the project contribute to a positive sense of place within the city?	2.13
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	2.63
<u>Sub total 11.63 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	2.38
<u>TOTAL ASSESSMENT SCORE 14.46 out of 25 (57.83%)</u>	

Comments

- Despite a notable intention to encourage more people to engage with art, the project has limited broad appeal and the Assessment Panel noted that there are significant barriers for it to succeed in the proposed format. Listening to a talk about art is more inaccessible to someone who doesn't currently engage with art than visiting an art gallery;

- It is the experience of the Assessment Panel that the lunchtime period is a difficult period to attract attendance and the marketing plan did not present a thorough approach; and
- The application scored below the threshold of 65% required for support and the budget has been allocated to higher scoring applicants.

Arts Grants Round 3 | 2019/20 | Proof the Band**Applicant Details**

Entity Name	J Lightfoot and B.a Williams & S Aghow & S Foster & C Morrison & M Chuwter
ABN	91405124644
Entity Type	Other Partnership
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

PROOF is a West Australian based band who have performed at music and corporate events. They have shared the stage supporting a variety of popular artists and performed at events such as Lexus Ball for Telethon, WAFL Sandover Medal Awards, and the 40 Under 40 Awards. All members of PROOF are WAAPA graduates.

Project Details

Grant Category	Arts Grants \$15,001 - \$40,000
Applicant	Proof the Band
Project Title	Proof the Band Play the Australian Songbook
Project Start Date	01/03/2020
Project End Date	31/08/2020
Venue	His Majesty's Theatre
Estimated attendance	700
Ticket Price	\$35 - \$55
Total Project Cost	\$42,106
Total Amount Requested	\$38,350 (91% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	15.50 out of 35 (44.29%)

Project Summary

The applicant is proposing an all-ages music concert at His Majesty's Theatre celebrating the history of Australian music.

Project Description

PROOF will perform a series of 15 minute sets, rearranging songs in a large 11 piece band setting. Each set will focus on specific aspect of Australian music history, such as the music of Vander and Young, Aussie Pub Rock, ARIA Chart Toppers, and music from Fremantle. Each set will be introduced by a video. Organisers hope the concert will encourage appreciation to the people, venues and songs behind the industry.

Previous five years City of Perth Support and Acquittals

The City of Perth has not supported this applicant in the past five years.

Arts Grants (\$15,001 - \$40,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	2.13
Does the project increase opportunities for the community to participate in cultural life?	2.00
Does the project foster meaningful collaborations across the local arts industry and/or community?	2.38
Does the project contribute to a positive sense of place within the city?	2.75
Does the project provide professional development opportunities for local artists and/or cultural workers?	1.63
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	2.63
Is the project plan and budget realistic and value for money?	2.00
<u>Sub total 15.50 out of 35</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
<u>TOTAL ASSESSMENT SCORE 15.50 out of 35 (44.29%)</u>	

Comments

- As a one off ticketed performance, the proposed event does not address the priorities of the Arts Grants program in providing meaningful professional development opportunities for local artists or increasing community engagement with cultural experiences;
- This event has strengths in that it explores Australian music history in an engaging and accessible format, however it is primarily a commercial venture without a strong case for support;
- If the projected ticket revenue is received, the applicant would not require City sponsorship as this would be contributing to a profit; and
- The application scored below the threshold of 65% required for support and the budget has been allocated to higher scoring applicants.

Arts Grants Round 3 | 2019/20 | Ms Jennipher McDonald**Applicant Details**

Entity Name	Jennipher Anne Mcdonald
ABN	13659115622
Entity Type	Individual/Sole Trader
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Theatre Games Australia's purpose is to create new theatre, transforming personal stories and lived experience into participatory theatre plays. Theatre Games Australia uses the styles of Theatre for Living, Theatre of the Oppressed, and Forum Theatre as tools for opening dialogue, creating collective collaboration and knowledge sharing around social issues. Theatre Games Australia is facilitated by Jennipher McDonald.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	Ms Jennipher McDonald
Project Title	6-day Power Playmaking Forum Theatre Participatory Project
Project Start Date	25/04/2020
Project End Date	30/04/2020
Venue	Winthrop Hall, UWA
Estimated attendance	30
Ticket Price	\$120 - \$150
Total Project Cost	\$14,300
Total Amount Requested	\$10,000 (70% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	10.25 out of 25 (41.00%)

Project Summary

The applicant will run a six day Power Playmaking Project with participants who have previously experienced family and domestic violence but have been removed by more than three years. The project will produce a Forum style participatory play and full script that can later tour to communities. The Power Playmaking Project follows on from a series of workshops run in 2018 and 2019.

Project Description

The workshops will be delivered in artistic collaboration with Amit Ron, an international Theatre for Living and Theatre of the Oppressed facilitator from Belgium who will assist in the creation of the play and co-write the script.

During the six day period, organisers will gather participant stories and develop shapes, symbols and sounds for the group that will eventually build into stories for the play. Activities will include trust building games and collaborative exercises to build an ensemble relationship. The space will be a safe and supportive environment for participants to work through experiences.

The applicant states the style of theatre proposed is socially and personally empowering and increase opportunities for people to tell and enact their own stories, as well as opening community dialogue on important issues

Previous five years City of Perth Support and Acquittals

The City of Perth has not supported this applicant in the past five years.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	2.50
Does the project increase opportunities for the community to participate in cultural life?	2.00
Does the project foster meaningful collaborations across the local arts industry and/or community?	2.00
Does the project contribute to a positive sense of place within the city?	2.50
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	1.25
<u>Sub total 10.25 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
<u>TOTAL ASSESSMENT SCORE 10.25 out of 25 (41.00%)</u>	

Comments

- While the focus of this project is very worthy as an effort to engage in dialogue about domestic violence, there are risks associated with working with vulnerable people that are unaddressed in the application;
- The cost of participation is not accessible and promotion is limited to a social media account will limited engagement;
- The artistic outcomes and plans for a performance are not fully explored which would strengthen the project's application for an Arts Grant; and
- The application scored below the threshold of 65% required for support and the budget has been allocated to higher scoring applicants.

Arts Grants Round 3 | 2019/20 | Tracey Arnett**Applicant Details**

Entity Name	Tracey Ann Arnett
ABN	16860101362
Entity Type	Individual/Sole Trader
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

Tracey Arnett is a Perth based author. Livin Lovin Perth is her first book.

Project Details

Grant Category	Arts Grants \$15,001 - \$40,000
Applicant	Livin Lovin Perth
Project Title	Livn Lovin Perth: A seasonal approach to exploring in & around Perth
Project Start Date	12/03/2020
Project End Date	25/12/2020
Venue	N/A
Estimated attendance	160
Ticket Price	Cost of book not provided
Total Project Cost	\$57,530
Total Amount Requested	\$28,886 (% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	12.08 out of 35 (34.52%)

Project Summary

Livin Lovin Perth is a book containing 52 activities to have around the wider Perth region. The activities included are seasonal, providing options for all months of the year. The applicant has previously published the book and is applying for funding for a marketing campaign and launch event.

Project Description

Livin Lovin Perth is currently stocked at eight book stores and two gift shops with further expansion in process. The applicant will source a publicist to assist with further promotion and marketing. As part of this plan, an official book launch will be held.

Previous five years City of Perth Support and Acquittal

The City of Perth has not supported this applicant in the past five years.

Arts Grants (\$15,001 - \$40,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	1.13
Does the project increase opportunities for the community to participate in cultural life?	1.25
Does the project foster meaningful collaborations across the local arts industry and/or community?	2.75
Does the project contribute to a positive sense of place within the city?	1.50
Does the project provide professional development opportunities for local artists and/or cultural workers?	1.38
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	1.00
Is the project plan and budget realistic and value for money?	1.75
<u>Sub total 10.75 out of 35</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	1.33
<u>TOTAL ASSESSMENT SCORE 12.08 out of 35 (34.52%)</u>	

Comments

- This project is a reprint, book launch and marketing for an already completed book. Costs associated with writing and publishing the book are not eligible for support as these costs have already occurred;
- The application did not demonstrate rigor, with little information provided in the application about how research and/or community engagement was undertaken for the project, particularly consultation with and permission from Aboriginal elders. There is also minimal detail on the marketing plan or upcoming launch event;
- The objectives of the project are not well aligned to the objectives of the Arts Grants program; and
- The application scored below the threshold of 65% required for support and the budget has been allocated to higher scoring applicants.

Arts Grants Round 3 | 2019/20 | Nancy Boswell/Machine Knitting Association WA**Applicant Details**

Entity Name	Nancy Adelaide Boswell
ABN	43761711307
Entity Type	Individual/Sole Trader
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed

The Machine Knitting Association of Western Australia is a not for profit organisation working to promote the craft of machine knitting in the wider community. The WA Association organises workshops, Member Days and knitting camps.

Project Details

Grant Category	Arts Grants Under \$15,000
Applicant	Ms Nancy Boswell (The Machine Knitting Association of WA)
Project Title	Machine knit scarf competition/exhibition
Project Start Date	13/05/2020
Project End Date	16/05/2020
Venue	Perth Convention and Exhibition Centre
Estimated attendance	N/A
Ticket Price	N/A
Total Project Cost	\$1,557
Total Amount Requested	\$1,557 (100% of the total project budget)
Recommendation	Decline
Recommended amount	\$0
Assessment Score	6.63 out of 25 (26.50%)

Project Summary

The Machine Knitting Association of WA will exhibit machine knit scarves during the Craft and Quilt Fair at the Perth Business Convention Centre. The applicant hopes to broaden community concept of machine knitting as a home-based hobby to an art form capable of generating creative and financial outcomes.

Project Description

An invitation to enter the exhibition was offered to machine knitters from Australia and New Zealand. Organisers state the exhibition will give the viewing public an opportunity to understand

the creative possibilities inherent in machine knitting and the opportunity to join a group dedicated to their support.

The exhibition will also include a competition for double bed knit, single bed knit and a public favourite.

Previous five years City of Perth Support and Acquittals

The City of Perth has not supported this applicant in the past five years.

Arts Grants (under \$15,000) Assessment Score Card

The application was assessed by a four person assessment panel and the scoring has been averaged for each outcome.

<u>ESSENTIAL ASSESSMENT CRITERIA</u>	<u>SCORE (5)</u>
Does the project demonstrate artistic merit?	1.50
Does the project increase opportunities for the community to participate in cultural life?	0.88
Does the project foster meaningful collaborations across the local arts industry and/or community?	1.63
Does the project contribute to a positive sense of place within the city?	1.63
Does the individual or organisation have a demonstrated capacity to manage all aspects of the project?	1.00
<u>Sub total 6.63 out of 25</u>	
<u>OPTIONAL ASSESSMENT CRITERIA</u>	
<i>The below is a non-essential criteria (optional) based on goals identified in the City of Perth Strategic Community Plan. Applicants who can demonstrate their project achieves this outcome can receive additional assessment points.</i>	
Does the project nurture and celebrate Aboriginal culture?	N/A
<u>TOTAL ASSESSMENT SCORE 6.63 out of 25 (26.50%)</u>	

Comments

- While the applicant, a volunteer run community group, is commended on taking the initiative to build networks and collaborations within the Craft and Quilt Fair, and to raise awareness about the artistic merit of knitting, this application is not well aligned with the objectives of the City's Arts Grant program;
- The application is missing clear artistic contribution to the community and development of this sector; and
- The application scored below the threshold of 65% required for support and the budget has been allocated to higher scoring applicants.

**Agenda
Item 6.7**

**Proclamation Changes to Mitchell Freeway (Northbound) –
Addition of Ramp H274 at Loftus Street Off Ramp**

Recommendation:

That Council ENDORSES Main Roads proposed proclamation of Ramp H274 off Mitchell Freeway (Northbound) as a Highway, as detailed in Main Roads WA Drawings 201521-0043-00 and 200921-0190-02.

FILE REFERENCE:	P1000570-2
REPORTING OFFICER:	Imre Szito, Principal Transport Planner
REPORTING UNIT:	Transport and Urban Design
RESPONSIBLE ALLIANCE:	Planning and Economic development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	15 November 2019
ATTACHMENT/S:	Attachment 6.7A – Proclamation request (MRWA) Attachment 6.7B – Mitchell Freeway Ramp H274 Loftus Street

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation Sections 13 and 13A of the *Main Roads Act 1930*

City of Perth Act 2016

Objects of the City of Perth

8(1)(a) - to provide for the good government of persons in the City of Perth, including residents, ratepayers and visitors

**Integrated Planning and
Reporting Framework
Implications**

Strategic Community Plan
Strategic Priority - Place

Policy

Policy No and Name: N/A

Purpose and Background:

Main Roads Western Australia (Main Roads) upgraded the Northbridge Tunnel in 2013 to provide three traffic lanes each direction. The project included construction of a new on-ramp to Mitchell Freeway northbound from the Loftus Street exit. This ramp was constructed for safety reasons, to allow a safe exit onto Vincent Street so that drivers did not need to cross three lanes of traffic to exit. Ramp H274 links the Graham Farmer Freeway (Westbound) off-ramp at Loftus Street directly with the Mitchell Freeway (Northbound) carriageway.

Ramp H274 falls entirely within the footprint of Mitchell Freeway Reserve, in an area zoned in the Metropolitan Region Scheme (MRS) as Primary Regional Road. Main Roads is responsible for the administration, operation and maintenance of this ramp. No pedestrian or cycle path has been impacted by this proposal.

To formalise the responsibility for this road link that now exists, the Commissioner of Main Roads Western Australia intends to make a recommendation to the Governor to proclaim H274 as shown on the attached plans as 'Highway' in accordance with Sections 13 and 13A of the *Main Roads Act 1930*. Section 13A Clause (2) of the Act prescribes that, before making any recommendation to the Governor, any road be declared to be a highway or main road; the Commissioner shall notify in writing the local government in which the road to be declared is situated.

The proposed proclamation of Ramp H274 will clarify and confirm the responsibility of Main Roads for the management of this already constructed main road link.

Details:

Main Roads is requesting the City of Perth to endorse the above described changes that have occurred within the Loftus Street off-ramp area. Attached to the proclamation request letter are Drawings 201521-0043-00 and 200921-0190-02 in accordance with Section 13 of the *Main Roads Act 1930*. This request is to align the Main Roads proclamation plans with the roads that now exist within this interchange. Subject to Council endorsement, Main Roads requests the Chief Executive Officer (CEO) of the City of Perth to certify on the original drawings Council's endorsement of the proposal as shown. The original drawings will then be returned to Main Roads for gazettal.

Stakeholder Engagement:

The proposal will not have any impact on the City, ratepayers or any third parties. Therefore, stakeholder engagement is not required for this administrative transaction.

Financial Implications:

There are no financial implications related to this report.

Comments:

The proposed proclamation by Main Roads as shown on the plans will not change the status or responsibility for any of the road network in the Loftus Street interchange. It is purely an administrative matter to align the proclamation with the road layout in the interchange as they exist now.

The administration recommends that Proclamation Drawings 201521-0043-00 and 200921-0190-02 are endorsed by Council.

AMENDMENTS

- 1. Proclaim new on ramp H274 from Loftus Street off ramp to Mitchell Freeway H016

PROCLAMATION
LEGEND

EXISTING PROCLAIMED ROUTE

- H6** Highway
(* Road Name)
- M42** Main Road
(* Road Name)

SECTION TO BE DE-PROCLAIMED

- H2** Highway
- M12** Main Road

SECTION TO BE PROCLAIMED

- H6** Highway
- M42** Main Road
- Landgate approved local usage name**

P18 Main Roads Controlled Shared Path
Shared paths depicted on this drawing are those for which Main Roads Western Australia has responsibility.
Shared paths the responsibility of other entities are not shown.

124Z028 Public Transport Authority
bus ramp

This is to certify that Council endorses the proposal shown on this plan.

Council Resolution:.....of

Council Meeting Held On:.....

.....

Chief Executive Officer

Date:.....

Gazette:.....

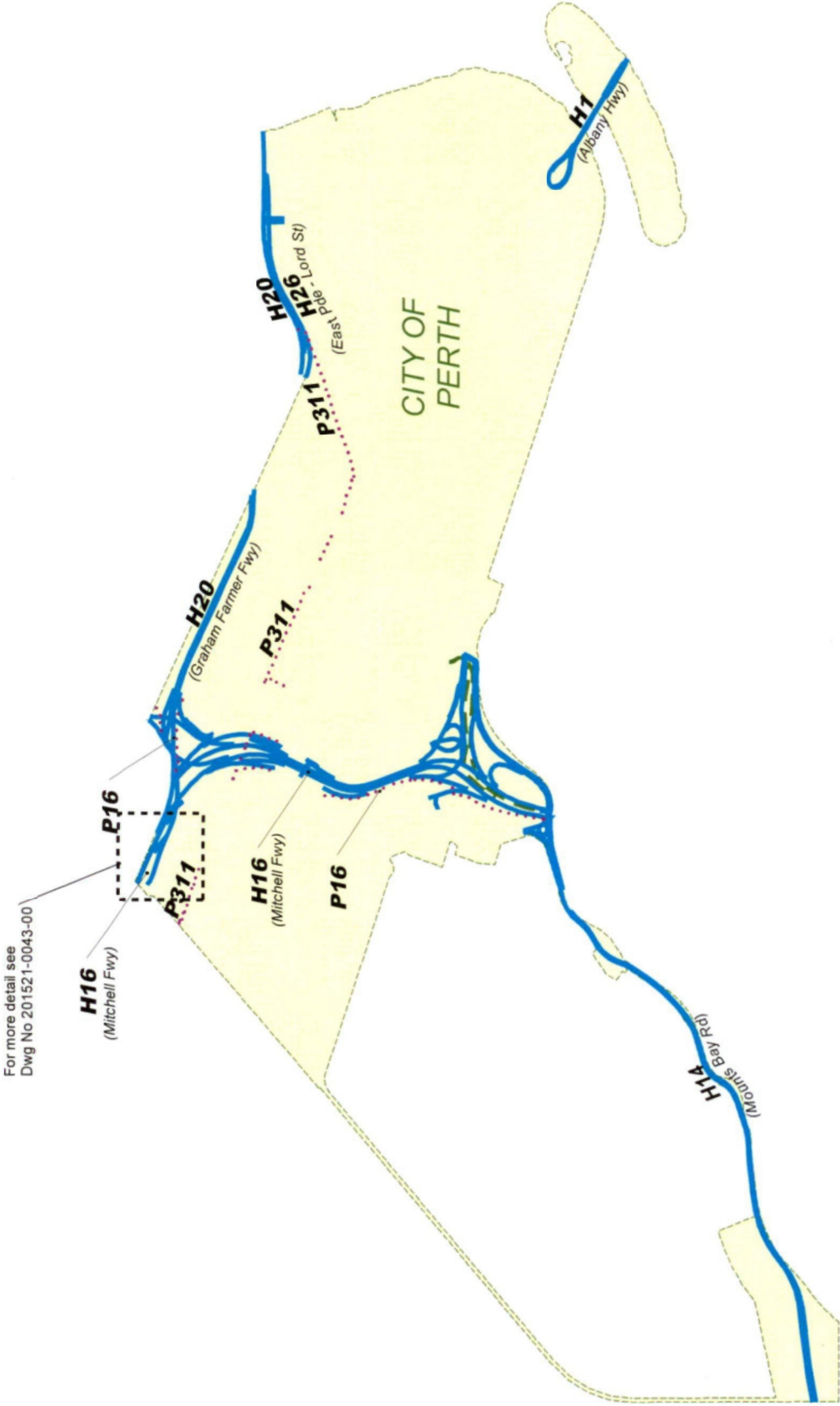
Page No:.....

DATE OF ORIGINAL ISSUE: 23 Dec 2009

DRAWING AMENDMENT DATE: 4 Aug 2015

RECOMMENDED: 15/8/16 J. Y. K. R. D. Y. A. K. R. D. Y.

APPROVED: 18/8/16 [Signature]



NOTES:
Roads and/or paths are represented by centrelines which are a notional reference line that generates and approximates the centre of the pavement extent.
Ramp intersections are shown schematically. The point at which the lines meet represents the end of the median which separates the converging or diverging carriageways.
Slip lanes where ramps intersect other roads are not shown.



- BASE MAP
LEGEND**
- Town Site Area And Boundary
 - Local Government Area And Boundary
 - Cadastral
 - Local Road

THIS DRAWING SUPERSEDES: 0921-0190-01

DATE OF ORIGINAL ISSUE: 23 Dec 2009

DRAWING AMENDMENT DATE: 4 Aug 2015

RECOMMENDED: 15/8/16 J. Y. K. R. D. Y. A. K. R. D. Y.

APPROVED: 18/8/16 [Signature]

PROCLAMATION PLAN
Declared Roads
PERTH CITY

CITY OF PERTH - LG No. 124

Planning and Technical Services Directorate

0 0.25 0.5 1 1.5 2 Kilometres

NOTE FOR DETAIL OF TOWNSITES - REFER TO TOWNSITE DRAWINGS

MAIN ROADS WESTERN AUSTRALIA

DWG TYPE: 20.00

FILE No: 03/4585-02

DWG NUMBER: 200921-0190-02

SHEET 1 of 1

AMENDMENTS

PROCLAMATION
LEGEND

EXISTING PROCLAIMED ROUTE

- H6** Highway
(^ Road Name)
- M42** Main Road
(^ Road Name)

SECTION TO BE DE-PROCLAIMED

- H2** Highway
- M12** Main Road

SECTION TO BE PROCLAIMED

- H6** Highway
 - M42** Main Road
- ^ Landgate approved local usage name

P18 Main Roads Controlled Shared Path

Shared paths depicted on this drawing are those for which Main Roads Western Australia has responsibility.

Shared paths the responsibility of other entities are not shown.

This is to certify that Council endorses the proposal shown on this plan.

Council Resolution:.....of

Council Meeting Held On:.....

Chief Executive Officer

Date:.....

Gazette:.....

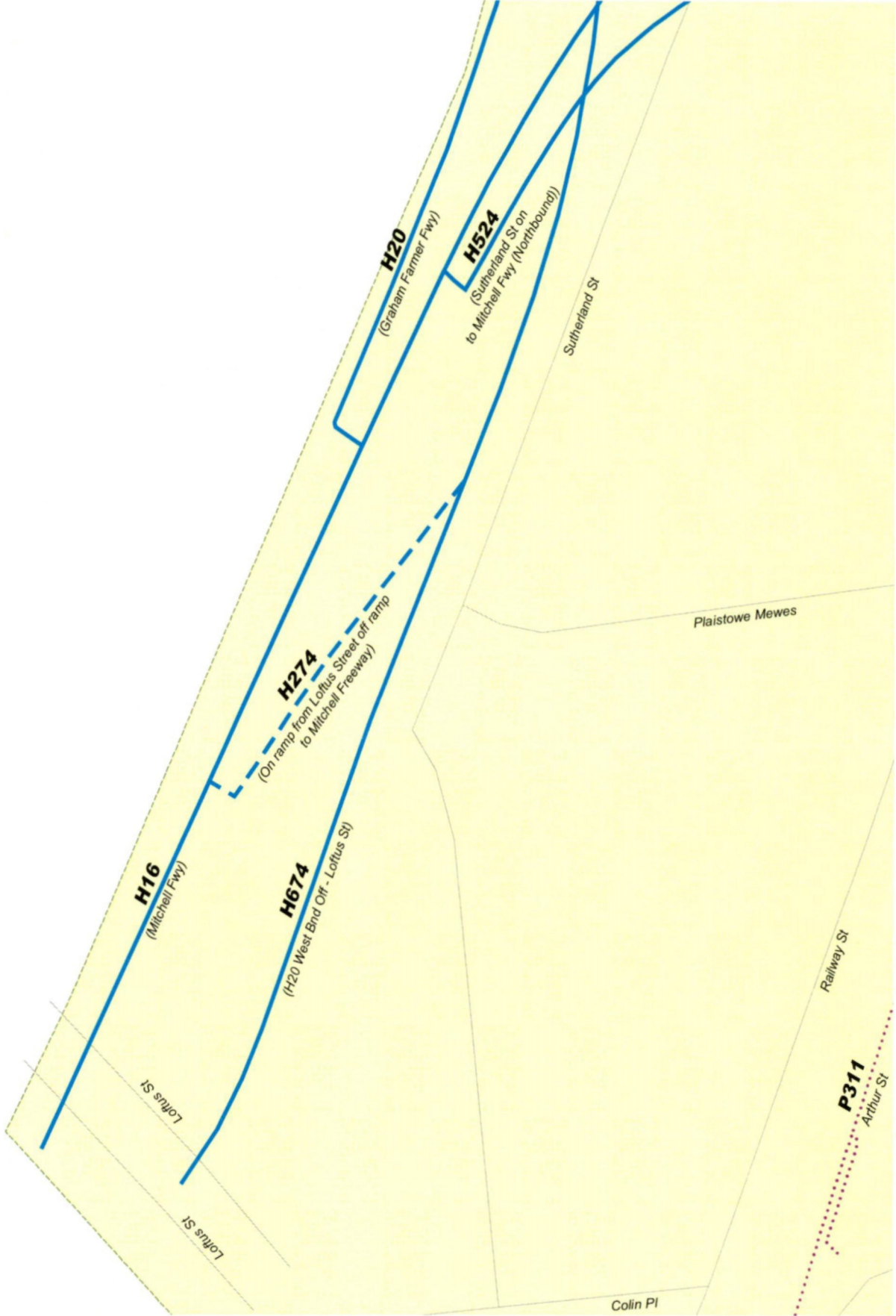
Page No:.....

DATE OF ORIGINAL ISSUE 4 Aug 2015

DRAWING AMENDMENT DATE

RECOMMENDED 15/8/16 J. MCKIRBY A/MDM

APPROVED [Signature] 31/8/16 EDP/TS



CITY OF
PERTH

BASE MAP
LEGEND

- Local Government Boundary
- Town Site Area And Boundary
- Cadastral
- Local Road

NOTES:

Roads and/or paths are represented by centrelines which are a notional reference line that generates and approximates the centre of the pavement extent.

Ramp intersections are shown schematically. The point at which the lines meet represents the end of the median which separates the converging or diverging carriageways.

Slip lanes where ramps intersect other roads are not shown.

THIS DRAWING SUPERSEDES:

NOTE: FOR DETAIL OF TOWNSITES - REFER TO TOWNSITE DRAWINGS

MAIN ROADS WESTERN AUSTRALIA

DWG TYPE 20.00

FILE No 03/4585-02

DWG NUMBER 201521-0043-00

PROCLAMATION PLAN

Declared Roads

On Ramp H274 from Loftus Street off ramp to Mitchell Freeway H016

CITY OF PERTH - LG No. 124

SHEET 1 of 1

Planning and Technical Services Directorate

0 25 50 100 Metres

Mitchell Fwy (Northbound) Ramp H274

ATTACHMENT 6.7B



9/18/2019, 11:21:22 AM

Property Boundaries Green: Band_2 COP Boundary

EagleView - 20th March 2019 Blue: Band_3 Road Labels

Red: Band_1

1:1,128



ORTHOPHOTO_MOSAIC_CURRENT_3857

Recommendation:***That Council:***

1. ***APPROVES the Roe Street Final Masterplan 2019 as detailed in this report (including granite separator kerbs to the cycle lanes for an additional \$500,000) and Attachment 6.8A;***
2. ***APPROVES unbudgeted expenditure of \$96,154 for traffic signal design for completion in 2019/20.***

FILE REFERENCE:	P1026458
REPORTING OFFICER:	Amanda Mannolini, Lead City Designer
REPORTING UNIT:	Transport and Urban Design
RESPONSIBLE ALLIANCE:	Planning and Economic Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	20 November 2019
ATTACHMENT/S:	Attachment 6.8A - Roe Street Enhancement – Final Masterplan 2019

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 Committee to note.</i> |

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

N/A

City of Perth Act 2016**Objects of the City of Perth**

8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists

Integrated Planning and Reporting Framework Implications**Strategic Community Plan**

Strategic Priority - Place

Policy

Policy No and Name:

N/A

Purpose and Background:

This report presents feedback from the community consultation on the Revised Roe Street Enhancement Masterplan 2019 adjacent to Perth City Link. The report also outlines how this has informed the changes to the Plan and proposed next steps.

Perth City Link is a major transformational project which is reconnecting the CBD with Northbridge for the first time in 100 years. The project will create 13.5 hectares of new space for people to live, work, study, invest and play between the Horseshoe Bridge and the Perth Arena over what was once railway line.

The Roe Street Enhancement will be an important step in realising the vision of Perth City Link to will ensure the street meets the needs of a new city population and its reconnection with the CBD.

Details:

A survey was launched on 27 September 2019 and made available on the City's online platform, Engage Perth. All property owners, tenants and businesses along Roe Street and an extended area bound by Fitzgerald, Wellington, Aberdeen and Beaufort Streets were directly informed of the survey via a letter drop. Key stakeholders such as Development WA and Department of Transport were also invited to provide comment.

The Revised Roe Street Masterplan attracted a total number of 181 responses (168 through Engage Perth, eight written submissions and five comments through social media) at the close of the consultation process on 31 October 2019. 85% of respondents through Engage Perth were supportive of the Masterplan with the most popular five benefits identified as follows:

1. Separated and protected bike lanes;
2. Wider footpaths for pedestrians;
3. New trees;
4. Reduced speed limit; and
5. Outdoor dining.

A detailed consultation report has been placed on the Council Hub.

Several key areas of interest emerged during the consultation process and the feedback received has informed the refinement of the Masterplan:

Revised Masterplan 2019	General feedback	Final Masterplan Response
Cycle lane width	Would like the width to be more generous to allow for passing cyclists.	The Masterplan proposes wider bike lanes – between 1.8 – 2.0 metres - and narrower traffic lanes which will be subject to further negotiation with Main Roads WA.
Cycle lane protection at intersections	Would like more protection at intersections such as a granite kerb.	A granite kerb to separate the cycle lane will be installed at the approaches to all intersections. The use of green treatment at conflict areas is still subject to approval by Main Roads WA.
Trees	Need for tree planting and shade.	An additional 170 new trees will be planted. This will be a combination of <i>Eucalyptus maculata</i> which perform well in urban environments, punctuated with feature trees to highlight Chinatown and key pedestrian crossing points. The final number of the proposed trees is still subject to the location of underground services.

The Final Masterplan proposes a site-specific response with 1.8 – 2 metre wide protected uni-directional cycle lane on either side of the road travelling in the same direction as the traffic, resulting in the following:

- Reinforces Roe Street and the city as a destination;
- Allows cyclists to move in the same direction as traffic lanes, providing a legible and intuitive cross section for all road users;
- More integrated cycle route with existing city infrastructure;
- Mitigates conflict and risk at all intersections and crossovers;
- Facilitates key movements; and
- Allows cyclists ease of transition from Roe Street into the CBD and Northbridge.

To further minimise cyclist conflict with vehicles and people alighting from parked cars, the car-bays along Roe Street, from Fitzgerald to Stirling Street, have been adjusted based on feedback. This also responds to current daytime parking occupancy rates with is currently only at 39% (data captured February 2019):

PARKING TYPE	EXISTING CARBAYS	FINAL MASTERPLAN PROPOSED CARBAYS
2 hour	99	43* *short term bay allocation TBA
5 minute	4	
15 minute	2	
Motorbike	3	5
Loading	1	3
Charter	3	0
Total	112	51

Other key elements of the Final Masterplan include:

- New lighting and CCTV including analytical cameras to enhance safety and security;
- Smart lighting which can be monitored and adjusted remotely to improve energy efficiency;
- Way-finding signage;
- WiFi to support visitors and to encourage people to spend time in the street;
- Retention of parking on the southern side of the street to service businesses in Yagan Square and Roe Street as well as ride share;
- Widened footpaths to facilitate comfortable pedestrian movement as well as street based activities such as outdoor dining; and
- Removal of two traffic lanes to make the street more pedestrian focused and allow ease of movement between the city and Northbridge.

Stakeholder Engagement:

Stakeholder and community participation in the refinement of the Roe Street Masterplan was identified as critical to achieving the best outcome for the project. Consultation with key stakeholders including the DevelopmentWA, Department of Transport and Main Roads WA on the 2019 design was undertaken from March to June 2019. At the time, DevelopmentWA and Main Roads WA provided in-principle support for the Plan. The Department of Transport's preference is to retain a bi-directional facility rather than the unidirectional design proposed by the City.

Department of Transport have since qualified their preference that if the City insists on proceeding with the uni-directional operation that there are multiple design improvements which should be addressed.

A series of engagement activities were undertaken in October 2019 including:

- Decals – footpath stickers with project information located at key points along Roe Street;
- Engage Perth survey;
- Letter drops; and
- Meetings.

Survey information was also handed out on Roe Street during the consultation period on the following days:

Date	Time	Location
Tuesday, 8 October 2019	2pm – 3pm	Corner of Yagan Square and Roe Street
Tuesday, 15 October 2019	7am – 9am	Decal (pavement signage) installation and consultation at all intersections between Beaufort and Fitzgerald Streets
Thursday, 17 October 2019	8am – 9am	Corner of Yagan Square and Roe Street
Wednesday, 23 October 2019	8am – 9am	Corner of Yagan Square and Roe Street
Friday, 25 October 2019	8am – 9am 3pm – 4pm	Corner of King and Roe Streets
Tuesday, 29 October 2019	8am – 9am	Corner of Yagan Square and Roe Street

Key Stakeholders:

State Government	Community	Other
Main Roads WA Department of Transport DevelopmentWA (formerly MRA) Department Local Government, Sport and Cultural Industries (Cultural Centre)	Roe Street and an extended area bound by Fitzgerald, Wellington, Aberdeen and Beaufort Streets: <ul style="list-style-type: none"> • Residents • Businesses • Property owners 	Westcycle

Financial Implications:

ACCOUNT NO:	PJ10225
BUDGET ITEM:	Roe Street Upgrade
BUDGETED AMOUNT FY 2019/20:	\$119,109
AMOUNT SPENT TO DATE:	\$8,263
PROPOSED COST:	\$207,000
BALANCE REMAINING:	\$0

All figures quoted in this report are exclusive of GST.

The current financial year 2019/20 budget is for design documentation relevant to traffic signals, signs, pavement and electrical lighting concept design. The additional \$96,154 is required to complete traffic modelling recently requested by Main Roads WA.

The Roe Street Enhancement project has been identified in the Long Term Financial Plan so the construction can commence in mid-2021, with completion expected by the end of 2022.

Estimated Construction Cost

An independent quantity surveyor estimated the construction cost at \$20,280,000 including a 20% contingency for project management and design and unforeseen construction costs. This estimate was based on the Final Masterplan should be considered as being within +/- 30% accuracy.

The previous estimate in 2017 was \$15,442,000. This estimate in 2017 excluded works east of Beaufort Street as well as project management and design costs. The 2019 estimate includes new lighting to the transition between Roe and Stirling Street.

A more detailed cost estimate will be completed during detailed design and presented to a future Council meeting for consideration.

Description	Subtotal
<ul style="list-style-type: none"> • Preliminaries – includes traffic management, set out, safety management • Stormwater – pits and associated pipework • Underground services – includes new pit lids, minor relocations and adjustments • Civil works – asphalt, box out, kerbs, pram ramps, reconstruction. • Traffic signals – all intersections • Hard landscaping – demolition and paving • Soft landscaping – trees and landscaping • *Cycle infrastructure – granite kerbs at intersections, zipper kerbs mid-block • Street furniture – bins, parking signs, wayfinding, seats and benches • Lighting & CCTV – includes conduits and relocation • Parking equipment – ticket machines 	
Cost indication	\$14,700,000
Other project costs: <ul style="list-style-type: none"> • Construction contingency 20% • Escalation costs • Design and project management • Staging over two financial years 	
Total cost indication	\$20,280,000
*Additional cost to above for Cycle Lane Barrier Option 2 - Granite kerb 150mm high x 500mm wide (concrete version east of Beaufort Street)	\$500,000



Example: Zipper kerb separator, Barcelona



Example: granite kerb separator, Melbourne

While the estimated annual maintenance costs over the life expectancy of the assets is not provided in this report, the City's standard material palette will be used and therefore the life cycle cost of this project is consistent with current asset expectations.

Program

Construction is scheduled to commence mid-2021, with completion expected by the end of 2022.

The streetscape enhancement works will commence following underground service installations in Roe Street for Perth City Link development lots by DevelopmentWA planned to commence mid-2020. The City will coordinate with DevelopmentWA to minimise construction time, costs and disruption to adjacent businesses and the public.

Comments:

Feedback during the Revised Masterplan process has indicated a high level of support for the enhancement and the proposed changes.

The Roe Street enhancement will be a significant investment in Northbridge area that will benefit residents, businesses, property owners and visitors to the city. By making this street more pedestrian focused, the Final Masterplan reinforces the connection between the central business district and Northbridge, helping to facilitate the overall regeneration of this area.

A more detailed cost estimate will be completed during detailed design and presented to a future Council meeting for consideration along with a proposed construction schedule.



City of Perth

ROE STREET ENHANCEMENT

Final Masterplan

2019





ACKNOWLEDGEMENT

We acknowledge the Whadjuk Nyoongar people, Traditional Owners of the lands and waters where the City of Perth is today and pay our respects to Elders past and present.

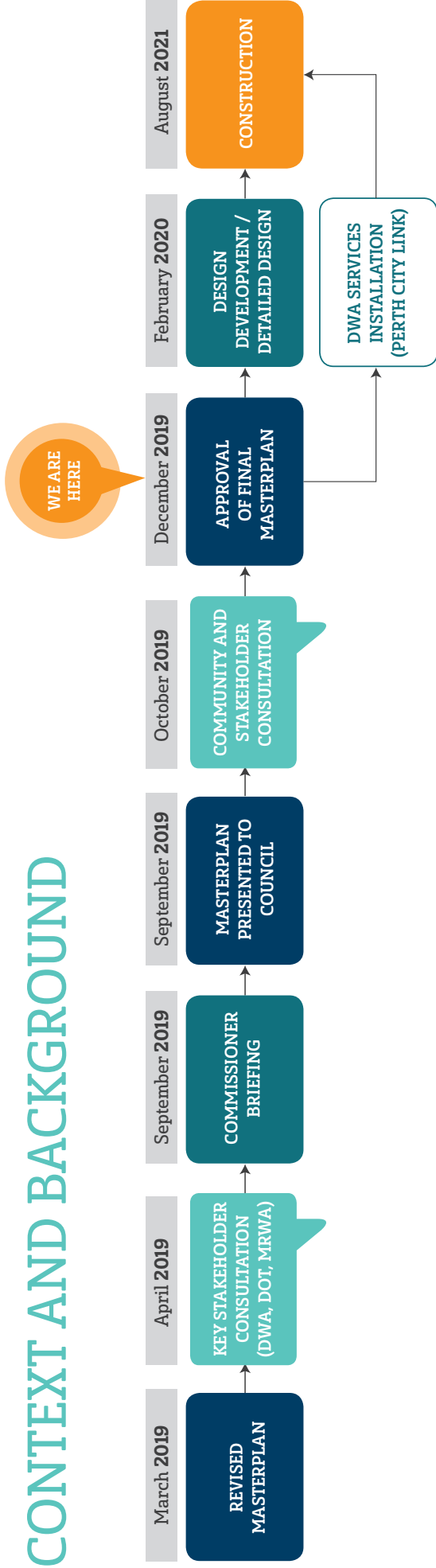
CONTENTS

1	2	3
Context and Background	Community Engagement	Final Masterplan 2019
Introduction.....	Community Engagement.....	Final Masterplan December 2019.....
Why do we need a revised masterplan?.....	Engage Perth at a Glance.....	Design Response.....
Context Analysis.....	Engage Perth Survey Results.....	Pedestrians.....
Cycle Network - Existing and Proposed.....	Question 1: How do you currently use Roe Street?.....	Cycling.....
Existing Cycle Network - Roe Street.....	Question 2: Do you support the Roe Street Enhancement Revised Masterplan?.....	Vehicles.....
Existing and Future Context.....	Question 3: Choose your top benefits of the masterplan (maximum 5).....	Masterplan
Data Analysis	Question 4: Do you have any other feedback or suggestions on the Roe Street Enhancement Revised Masterplan.....	Section: Typical with parking.....
Pedestrians.....	Public feedback and responses	Artist Impression: View looking East on Roe Street.....
Cyclists.....		Section: Typical with median.....
Vehicles.....		Artist Impression: View looking East at Chinatown.....
On-Street Parking.....		Masterplan Snapshot - Overall Benefits
Current Condition Snapshot		
Draft Revised Masterplan - September 2019		

1

Context and Background

CONTEXT AND BACKGROUND



INTRODUCTION

Perth City Link is a major transformational project which is reconnecting the CBD with Northbridge for the first time in 100 years. The project will create 13.5 hectares of new space for people to live, work, study and play between the Horseshoe Bridge and RAC Arena over what was once railway line. The project includes an expanded network of public space including Yagan Square.

In June 2008, the State of Western Australia and the City of Perth signed The Link Project Implementation Deed (the Deed). Under Clause 3.3(b)(iii) of the Deed, the City of Perth accepted responsibility for coordinating the upgrade of Roe Street.

With Yagan Square, King Street extension and Wellington Street now completed, the City has been working with DevelopmentWA (DWA) to identify the appropriate timing for the construction of the project.

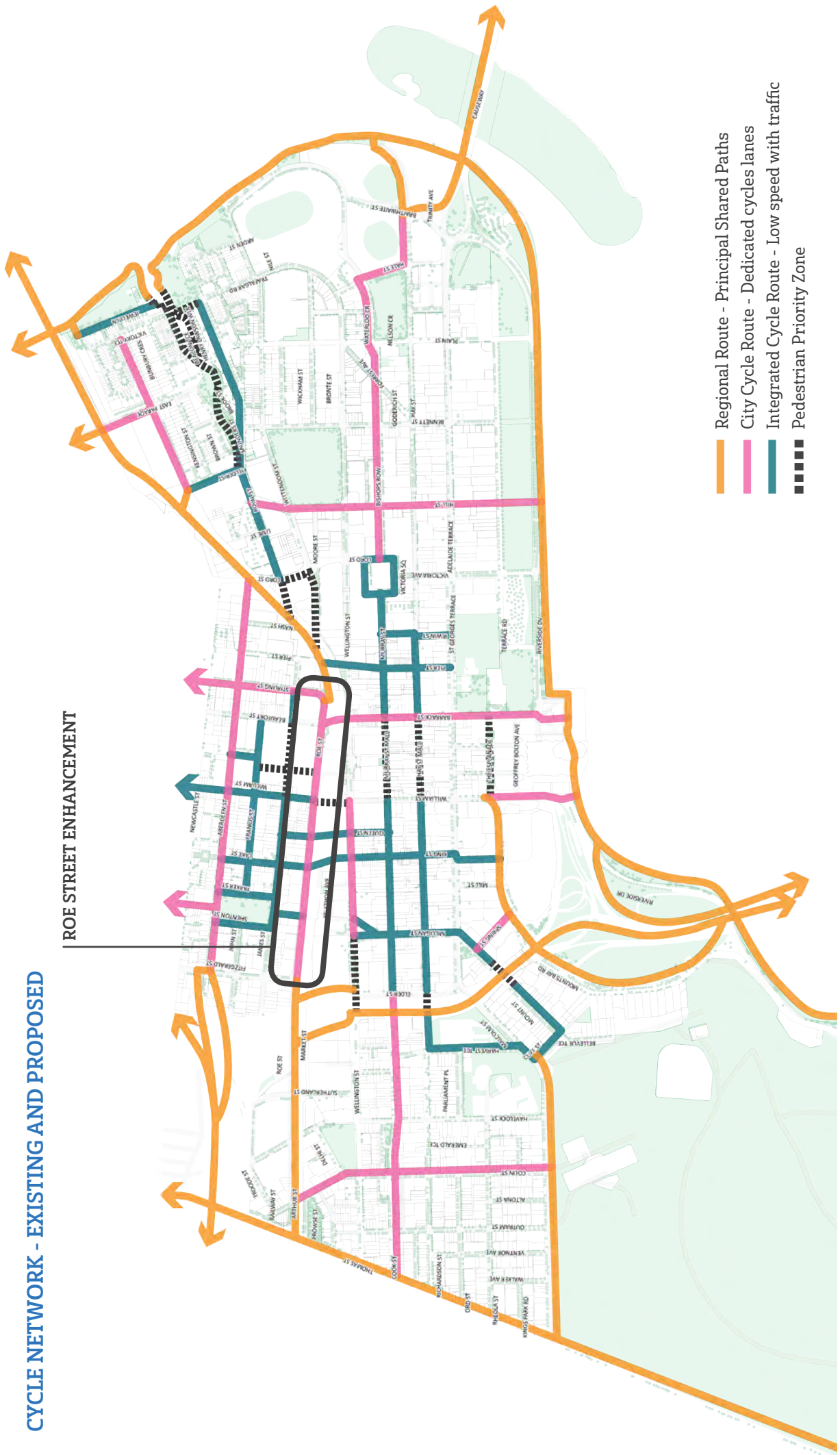
WHY DO WE NEED A REVISED MASTERPLAN?

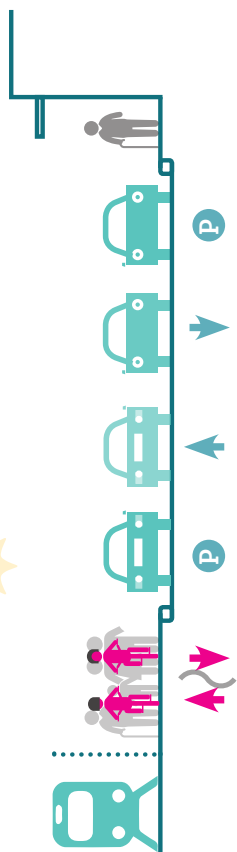
The Roe Street Enhancement is a transformational project that responds to the changing land use of the Perth City Link in transitioning from an inactive rail corridor to an activated frontage with several new connections from the CBD.

Following approval of the 2017 Roe Street Masterplan, an additional five vehicular access points (driveways) from Roe Street to the Perth City Link were identified. The requirement for these access points led to a review of the bi-directional cycle lanes proposed along this interface with the Perth City Link. Through a safety in design assessment it was deemed the additional crossing points would lead to an unacceptable level of risk for both pedestrians and cyclists. In built up areas, such as Roe Street, pedestrians needing to navigate cyclists moving in two directions as well as vehicles, provides a high-level safety risk to the pedestrian.

As well as the safety in design assessment, data collection and analysis was undertaken in early 2019 as part of the City's evidence based design process. The data included cyclists, pedestrian and vehicle volumes and direction of travel. This data demonstrated a 300% increase to over 15,000 pedestrian crossings at the corner of Roe Street and Yagan Square on weekends between 2017 and 2019. The numbers also highlight that this section of Roe Street acts as a 'to' rather than 'through' cycle network, with cyclists transitioning into Northbridge and into the CBD rather than travelling just in an East-West direction.

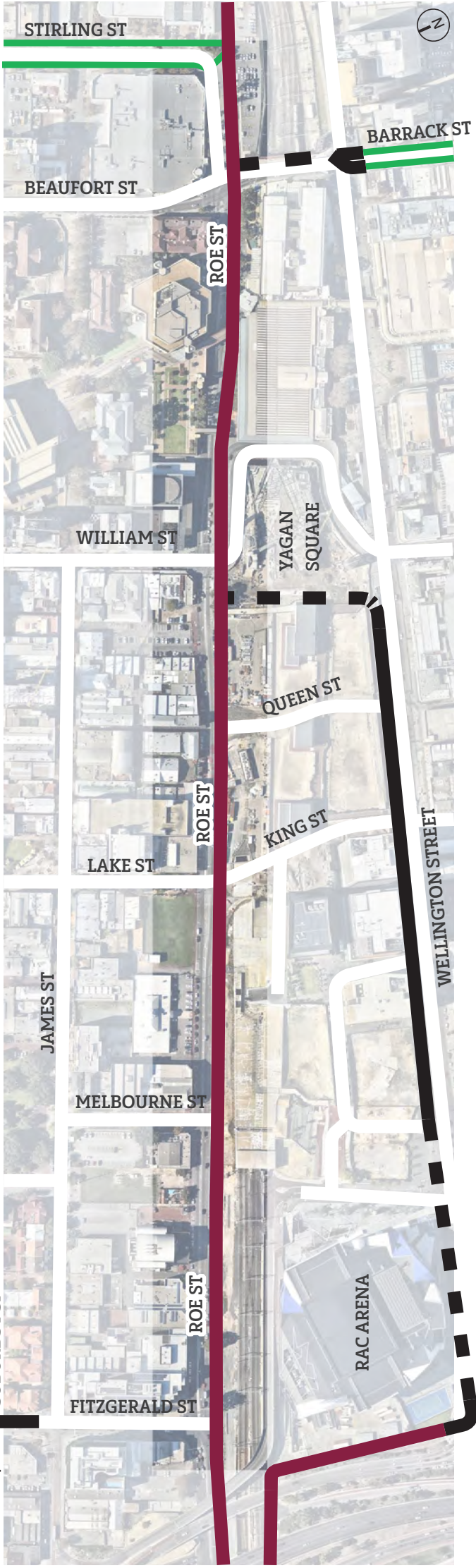
CYCLE NETWORK - EXISTING AND PROPOSED





EXISTING CYCLE NETWORK - ROE STREET

TO NORTHERN
SUBURBS PSP



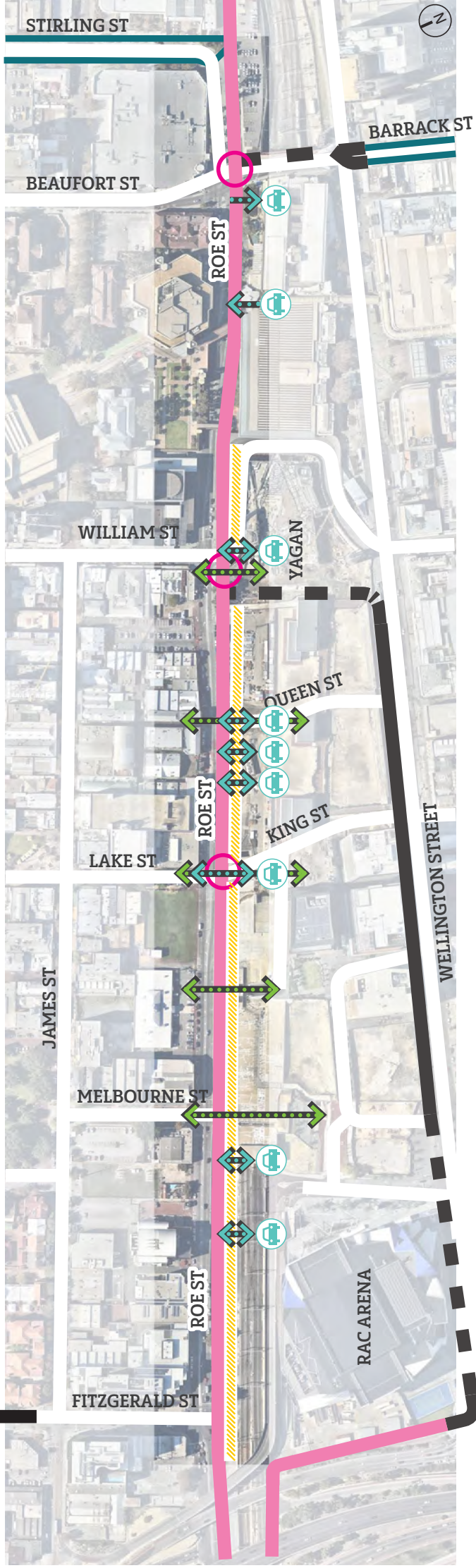
Roe Street plays an important role in the cycle network. In accordance with the Western Australian Bicycle Network Plan (2017 update), Roe Street is identified as a Primary Route. Such routes are typified by high quality cycle only or shared paths, located adjacent to major roads such as

freeways, rail corridors and ocean foreshores. These types of environments are ideal for providing a relatively uninterrupted route with little to no encounters with crossing vehicles or pedestrians.

- Principal Shared Path (PSP)
- Bi-directional cycle lane
- Pedestrian Priority Zone
- Uni-directional Cycle Lane

EXISTING AND FUTURE CONTEXT

TO NORTHERN
SUBURBS PSP



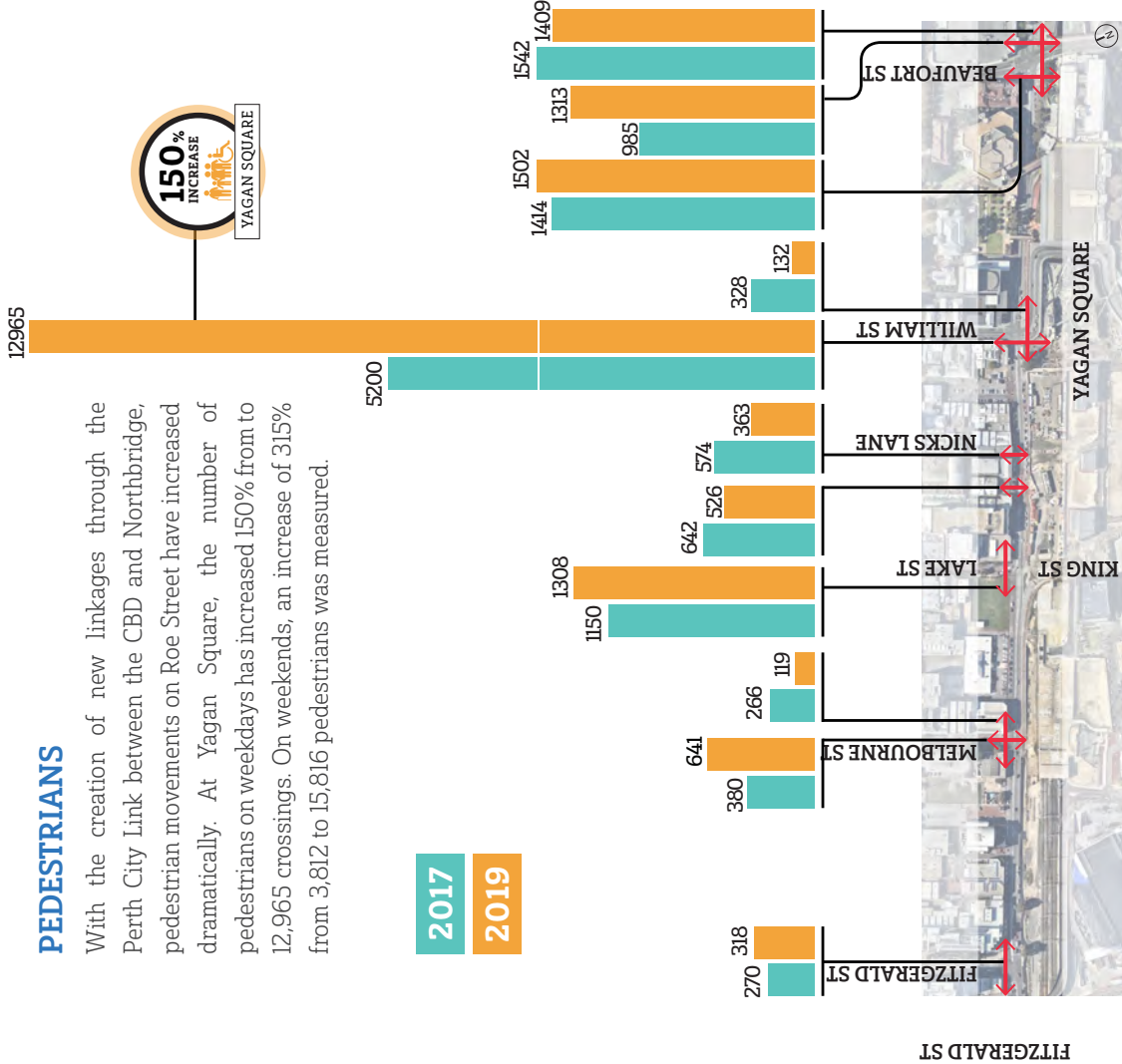
The Perth City Link will transform the way Roe Street functions, with the transition from an inactive rail corridor towards an activated built frontage, with a number of new pedestrian, cyclist and vehicle links between the CBD and Northbridge.

- Principal Shared Path
- Bi-directional Cycle Lane
- Pedestrian Priority Zone
- Uni-directional Cycle Lane
- New Active Frontage
- New Pedestrian Access
- New Vehicle Cross Over
- Major Conflict Points (Pedestrians / Cyclists)

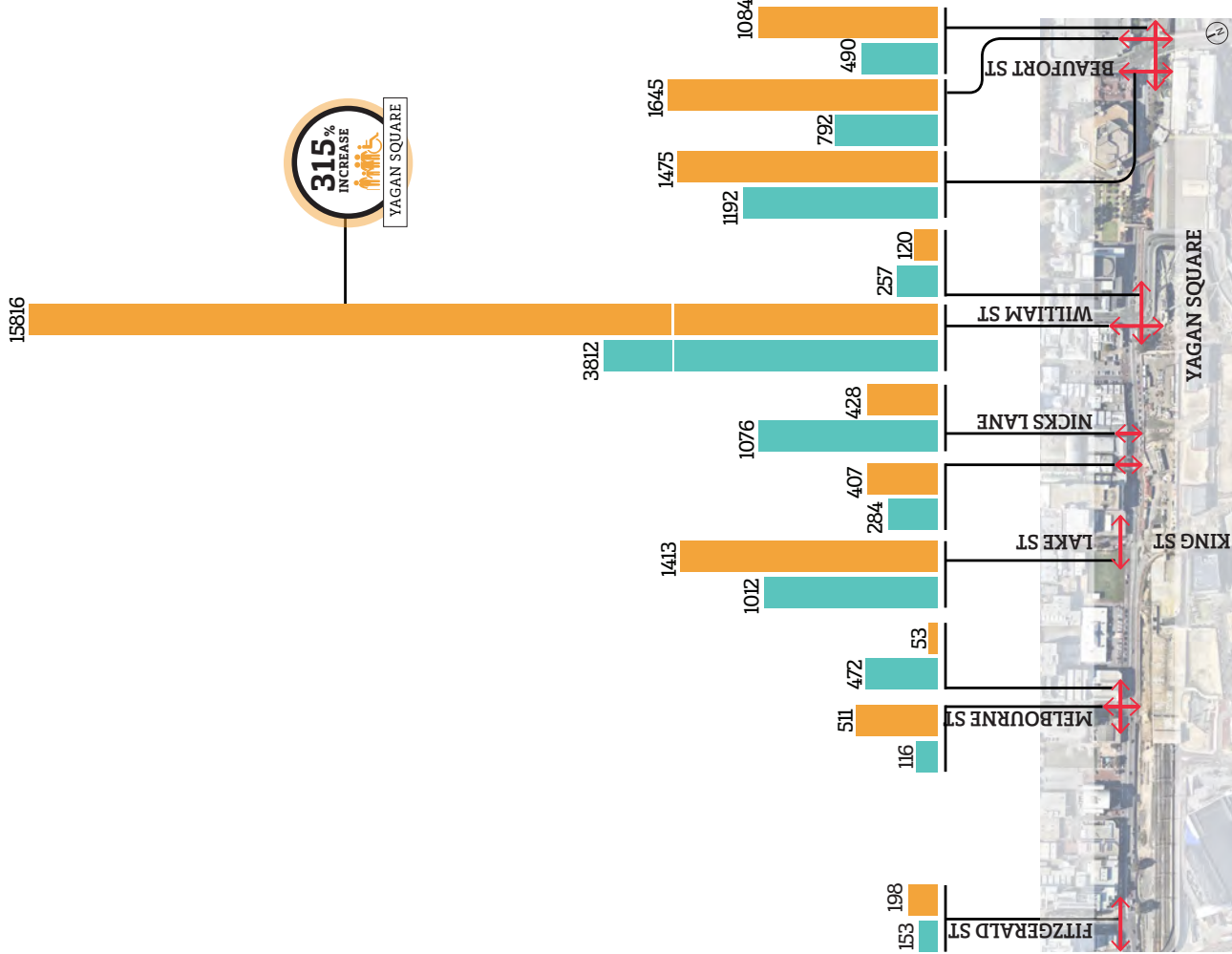
DATA ANALYSIS

PEDESTRIANS

With the creation of new linkages through the Perth City Link between the CBD and Northbridge, pedestrian movements on Roe Street have increased dramatically. At Yagan Square, the number of pedestrians on weekdays has increased 150% from to 12,965 crossings. On weekends, an increase of 315% from 3,812 to 15,816 pedestrians was measured.



WEEKDAYS

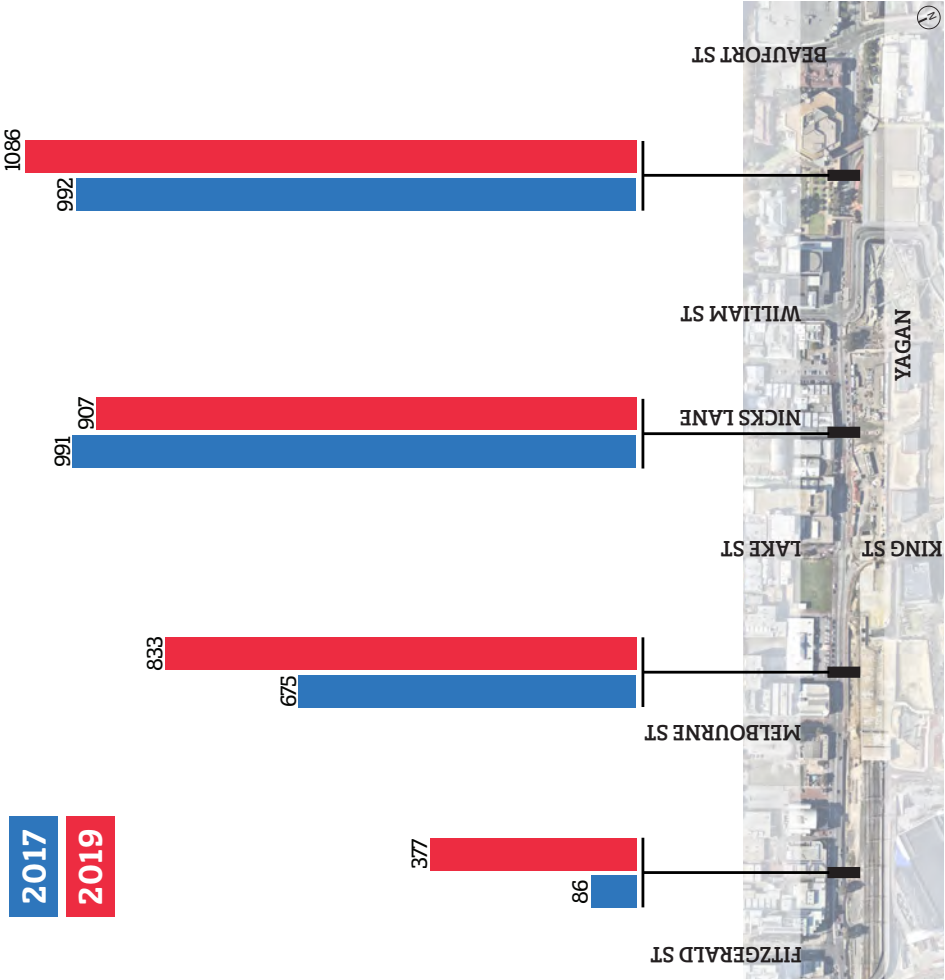


WEEKENDS

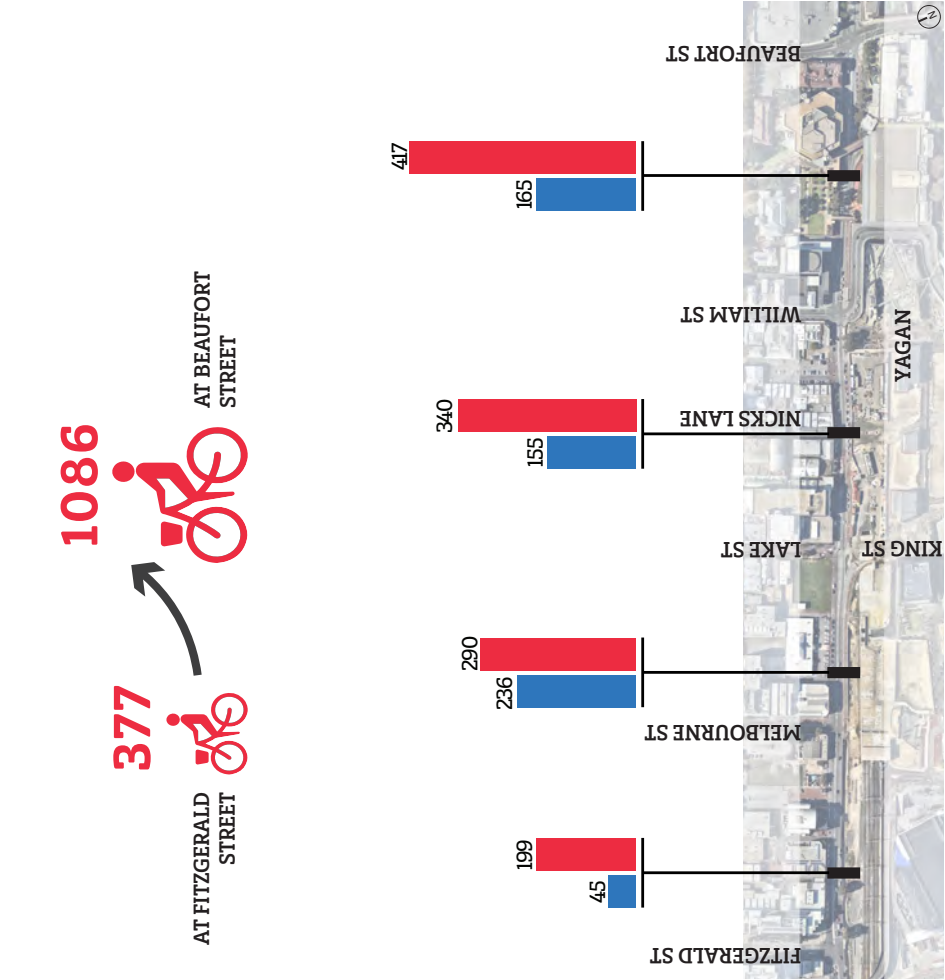
CYCLISTS

The City's data collected in both 2017 and 2019 indicates Roe Street largely serves as a destination with cyclists shifting in a North and South direction rather than a through East/West route. A peak of 1,086 cyclists were recorded on weekdays between Beaufort and William Streets, with a low

of 377 cyclists recorded between Fitzgerald and Melbourne Streets. 456 cyclists were recorded making the movement North into Melbourne Street, which functions as a key cycle linkage to the Northern suburbs Principal Shared Path.



WEEKDAYS



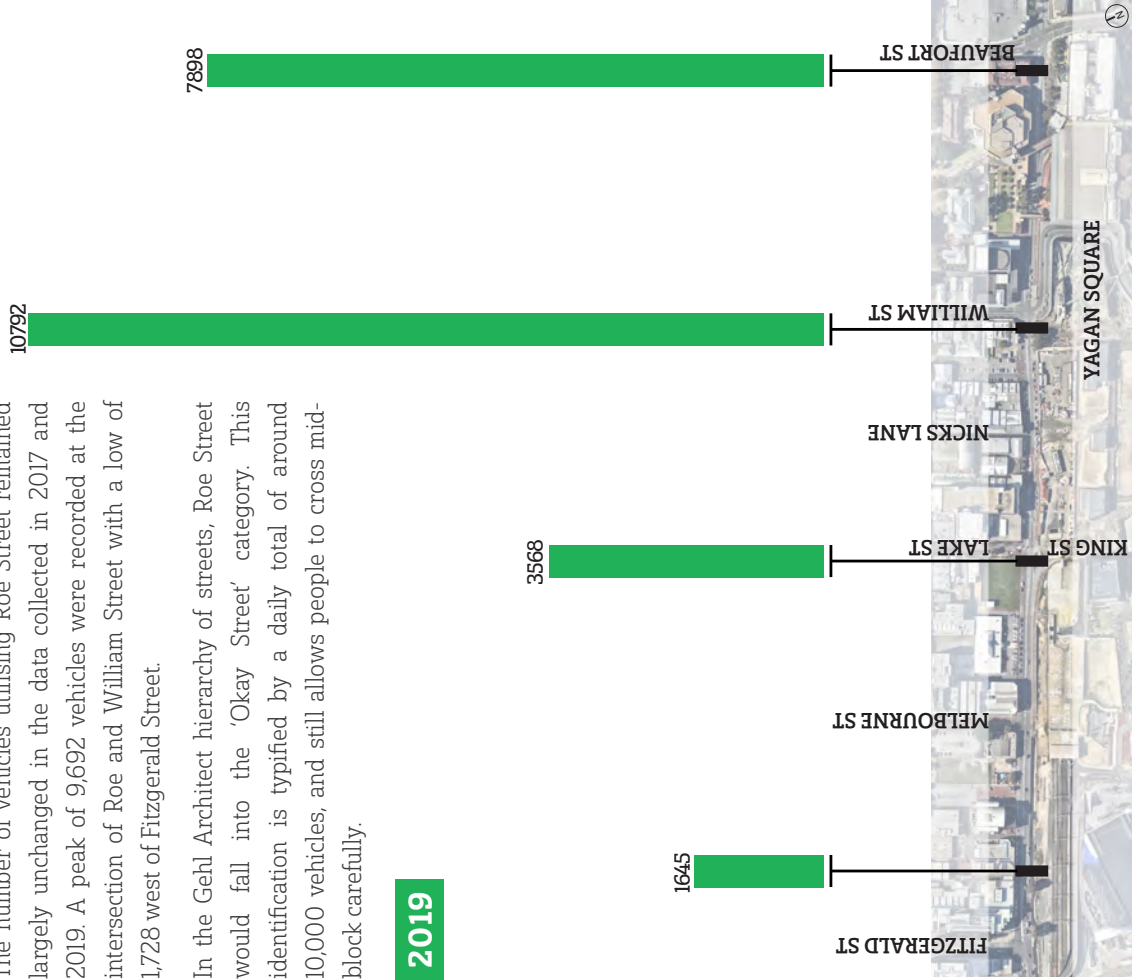
WEEKENDS

VEHICLES

The number of vehicles utilising Roe Street remained largely unchanged in the data collected in 2017 and 2019. A peak of 9,692 vehicles were recorded at the intersection of Roe and William Street with a low of 1,728 west of Fitzgerald Street.

In the Gehl Architect hierarchy of streets, Roe Street would fall into the 'Okay Street' category. This identification is typified by a daily total of around 10,000 vehicles, and still allows people to cross mid-block carefully.

2019



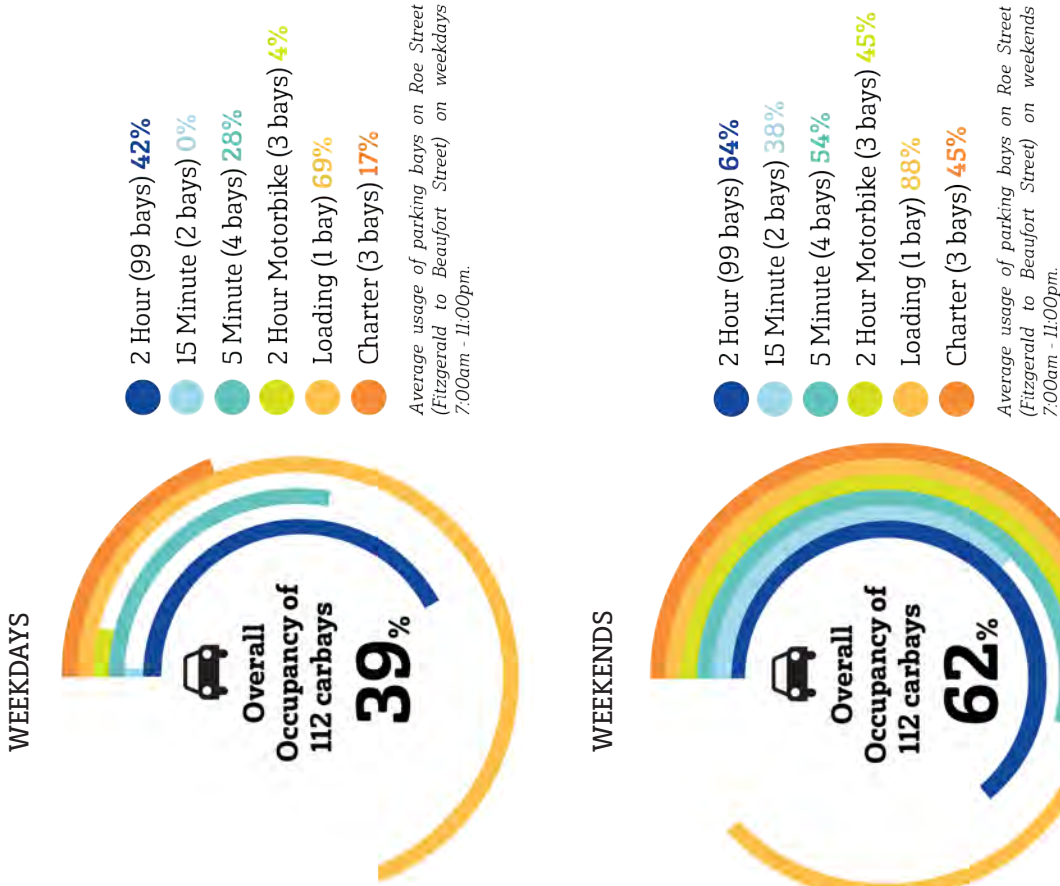
WEEKDAYS

WEEKENDS

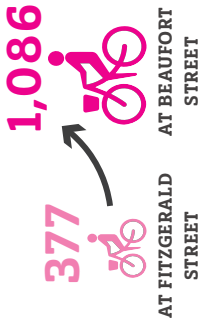
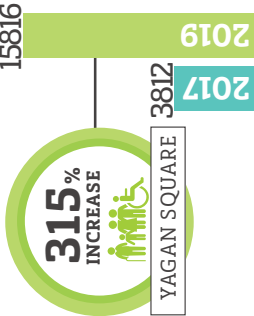



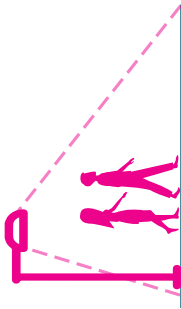
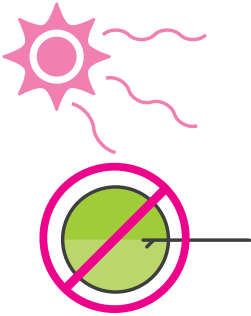
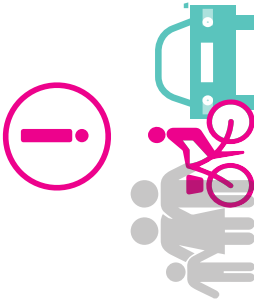
ON STREET PARKING

On-street parking along Roe Street is generally under-utilised. Parking operates at 39% occupancy on weekdays and 62% on weekends. On weekdays usage peaks after 6pm, and is at its lowest during peak commuter times when sections of Roe Street are a clearway.

Good practice parking strategies suggest that the maximum parking occupancy should be 85%. This results in an environment where parking areas are well utilised but people can still relatively easily find a space, reducing frustration and congestion as drivers circle the area looking for a free parking space. Roe Street is also well serviced by several off-street commercial parking complexes.



CURRENT CONDITION SNAPSHOT

CYCLISTS	PEDESTRIANS	PARKING	VEHICLES
 <p>A peak of 1,086 cyclists per day were recorded near Beaufort St and a low of 377 near Fitzgerald St (weekdays). Roe Street acts as a destination rather than through cycle route</p>	 <p>315% INCREASE YAGAN SQUARE 3812 2017 15816 2019</p> <p>315% increase in the number of pedestrian crossings per day on Roe Street at Yagan Square (weekends)</p>	 <p>Occupancy of 112 carbays 39%</p> <p>Parking operates at an average occupancy of 39% (weekdays). Usage is higher at night when no fee applies</p>	 <p>A peak of 10,792 vehicles were recorded at the intersection of Roe and William Street (weekdays)</p>
NARROW FOOTPATHS	LIGHTING	TREES	CONFLICT OF MODES
 <p>Narrow footpaths throughout including PSP</p>	 <p>Poor lighting levels</p>	 <p>Lack of trees and shade contributing to poor pedestrian experience</p>	 <p>Daily competition between pedestrians, cyclists and vehicles</p>

DRAFT REVISED MASTERPLAN - SEPTEMBER 2019

FINDINGS AND DRAFT MASTERPLAN

The Roe Street Enhancement has been built upon extensive data, analysis and research from a broad contextual level through to a detailed analysis of how the street and cycle network function.

Roe Street plays an important role in the cycle network. In developing the most appropriate design response for the street the City referred to the Western Australian Bicycle Network Plan (2017 Update) which identifies Primary Routes as high quality cycle only or shared paths, located adjacent to major roads such as freeways, rail corridors, rivers and ocean foreshores. These types of environments are ideal for providing a relatively un-interrupted route with little to no encounters with crossing vehicles or pedestrians.

Best practice cycling infrastructure principles indicate that shared paths and bi-directional cycle facilities are also appropriate in suburban areas and on quite one way streets with few conflicts such as driveways and cross streets.

Perth City Link has transformed the Roe Street cross section replacing an inactive rail corridor with a built edge, 5 driveways to access future new buildings, two new cross streets and a new major public square triggering the need for a different design response.

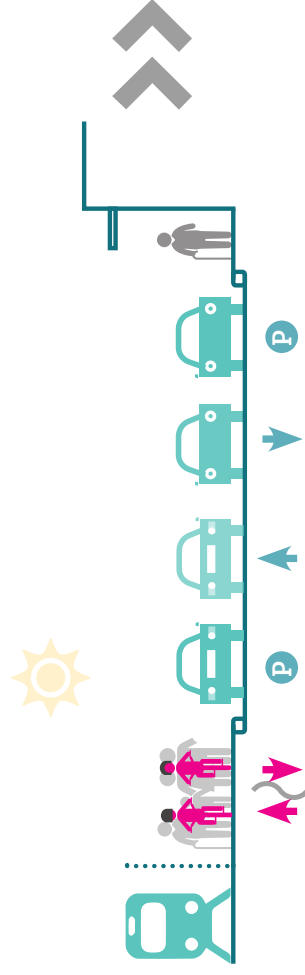
The proposed design responds to the changing land use of the Perth City Link in transitioning from an inactive rail corridor to an activated frontage with several new connections from the CBD.

The draft masterplan which was presented for public comment in October 2019 consisted of the following elements.

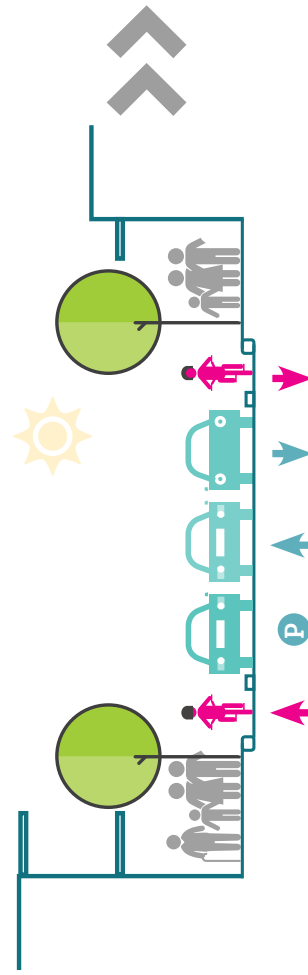
- 1.5m wide uni-directional cycle lanes on either side of the road, reinforcing an intuitive cross section for all road users
- Protection to cycle lane provided through a consistent 500mm of separation, consisting of linemarking, raised

- medians and zipper style kerbs
- 600mm of separation between cycle lanes and all carbays allowing for door openings.
- Wider footpaths to northern and southern verge, allowing for outdoor dining opportunities
- New trees
- New furniture suite including seating, bins, bike racks, lighting, CCTV and wifi
- Reduction in speed limit to 40km/h
- 60% reduction in on road parking, with space reallocated to pedestrians and cyclists
- Narrowing of vehicular carriageway widths

EXISTING CROSS SECTION



PROPOSED CROSS SECTION FOR PUBLIC CONSULTATION





Community Engagement

COMMUNITY ENGAGEMENT

The Roe Street enhancement will be a significant investment in Northbridge area that will benefit residents, businesses, property owners and visitors to the city. By making this street more pedestrian focused, the revised Masterplan reinforces the connection between the CBD and Northbridge, helping to facilitate the overall regeneration of this area. The proposed uni-directional bike lanes will allow cyclists to move in the same direction as traffic lanes, providing a legible and intuitive cross-section for all road users as well as ensuring that cyclists can easily transition from Roe Street into the CBD and Northbridge.

A survey was launched on 27 September 2019 and made available on the City's online platform, Engage Perth. The Revised Roe Street Masterplan attracted a total number of 181 responses (168 through Engage Perth, 8 written submissions and 5 comments through social media) at the close of the consultation process on 31 October 2019.

The survey results have clearly shown a need and wish by the community for the Roe Street Enhancement to go ahead and there was overwhelming support for the proposed masterplan.

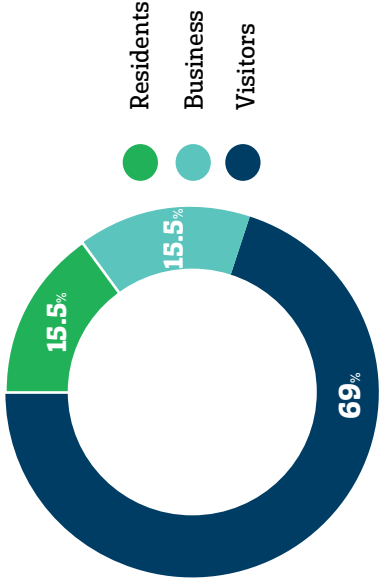
ENGAGE PERTH AT A GLANCE



ENGAGE PERTH - SURVEY RESULTS

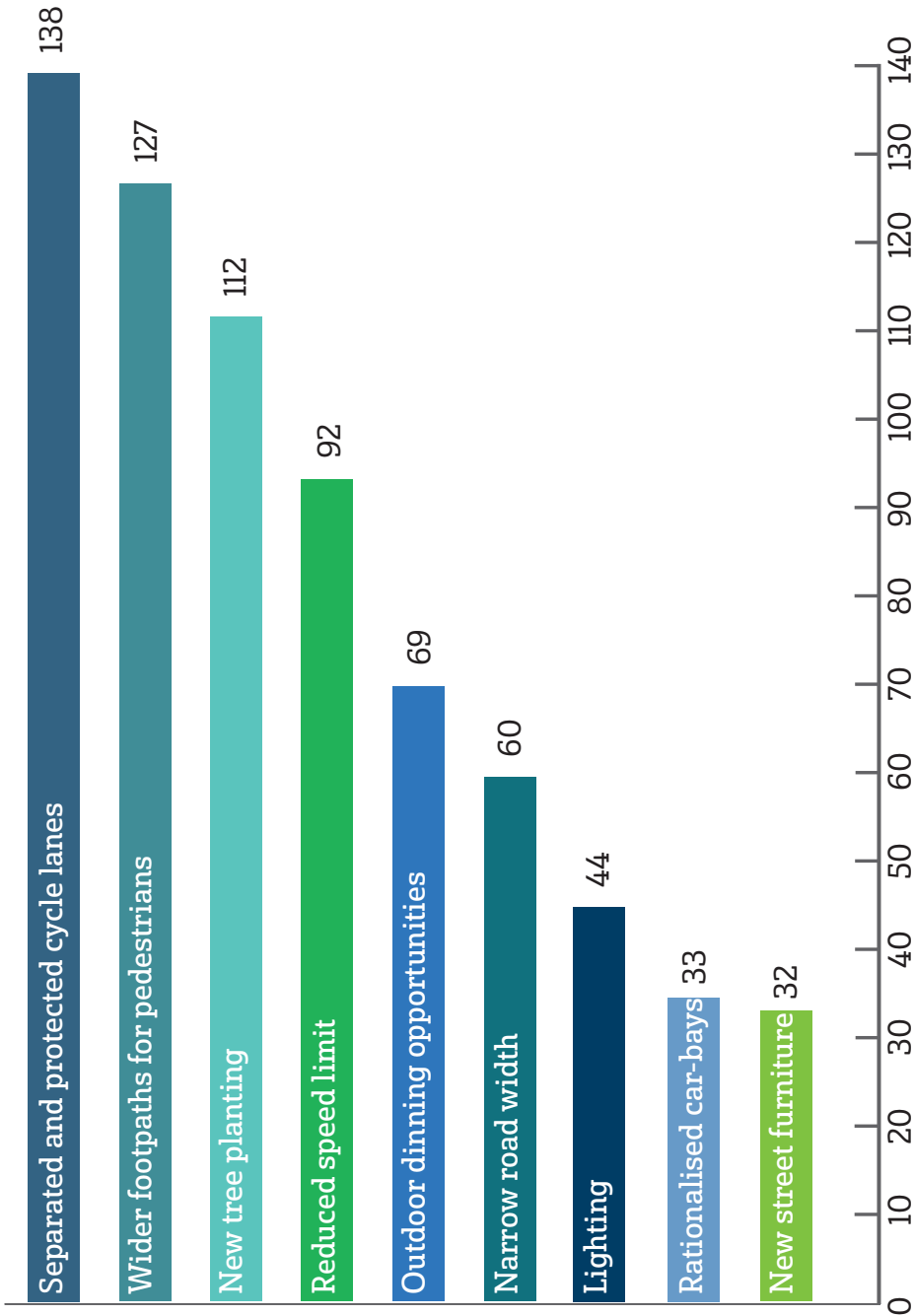
QUESTION 1

How do you currently use Roe Street?



QUESTION 3

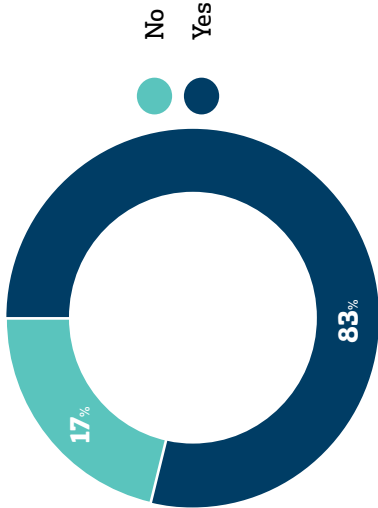
Choose your top benefits of the Master plan (maximum 5)



Optional question 163 responses, 5 skipped

QUESTION 2

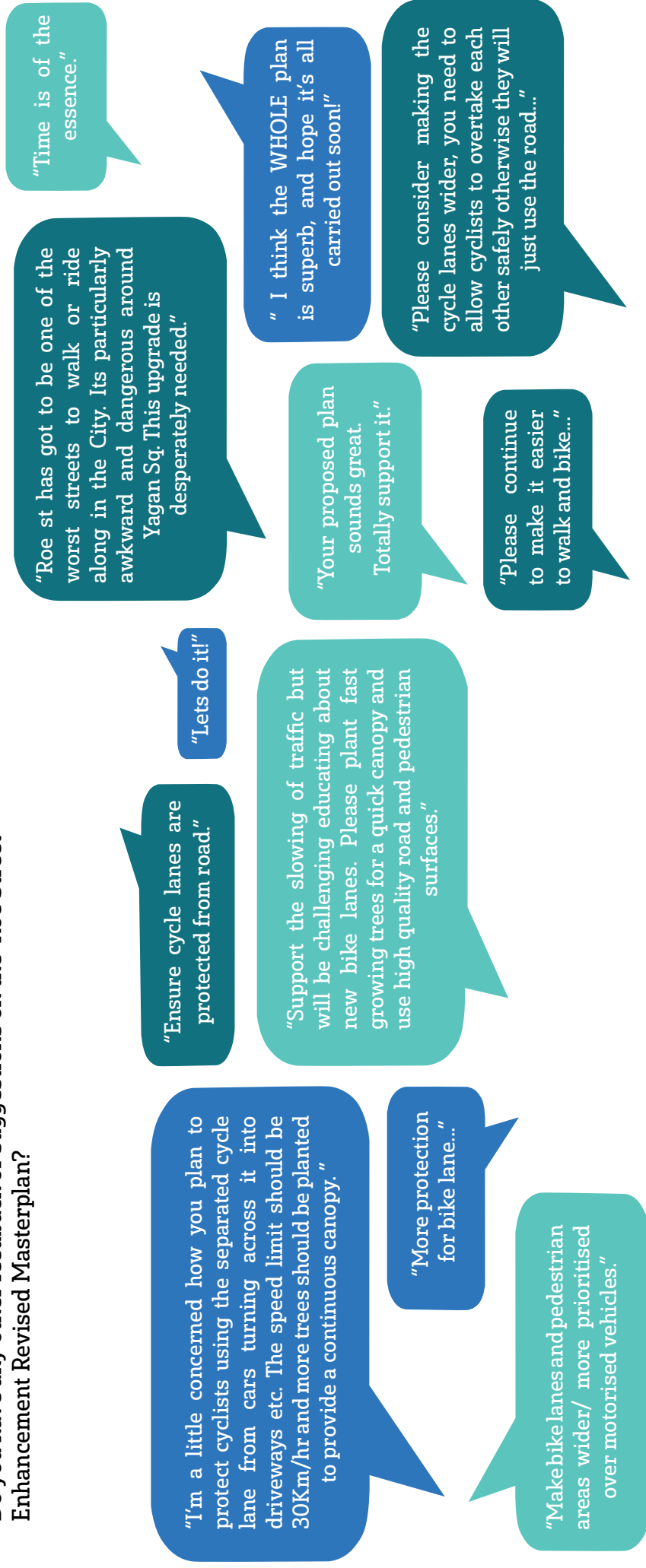
Do you support the Roe Street Enhancement Revised Masterplan?



168 responses

QUESTION 4

Do you have any other feedback or suggestions on the Roe Street Enhancement Revised Masterplan?



PUBLIC FEEDBACK AND RESPONSES

MORE PROTECTION

"Fully protected bike lanes are needed..."

"Protection at the lead in to intersections is paramount as this is where the majority of conflicts between vehicles and cyclists occur. Dedicated raised kerbs in these locations would greatly improve cyclist safety and confidence."

MASTERPLAN RESPONSE:

The Final Masterplan proposes protection to the cycle lanes including at intersections. Mid-block treatments will be a combination of kerbing to 125-150mm in height and a consistent buffer of 500-600mm to traffic lanes or car bays.

Green markings to highlight conflict areas will be in accordance with Main Roads WA guidelines.

SAFETY

"I'm a little concerned how you plan to protect cyclists using the separated cycle lane from cars turning across into driveways etc."

MASTERPLAN RESPONSE:

A cycle lane located 'on road' adjacent to traffic lanes and flowing in the same direction is more legible and intuitive for all road users. The uni-directional configuration creates a much more predictable environment for both the cyclist and the vehicle and their associated interaction.

PEDESTRIAN PRIORITY

"Review of traffic signal phasing to improve pedestrian wait time would also be helpful."

"The pedestrian crossings don't appear to have any pedestrian priority or even signalisation. There should be zebra crossings. Kerb radius at Queen street is extremely wide and not pedestrian friendly."

MASTERPLAN RESPONSE:

The traffic signal phasing will be adjusted to improve crossing at all intersections.

The City has adopted parallel walks as the standard crossing facility for pedestrians at signalised intersections in the CBD. This means that pedestrians walk parallel to the flow of traffic with turning vehicles giving way to pedestrians.

The primary benefit of parallel walks is improved connectivity of the footpath network which is achieved through reduced delays to pedestrians waiting to cross the road.

PARKING

"Still too many car bays."

"Street parking only on south side is good, but still too many..."

MASTERPLAN RESPONSE:

The Final Masterplan proposes to reduce the parking by 60%. The retention of some on street parking is important to provide a balance across all modes of transport. Parking is also essential to service businesses along Roe Street and Yagan Square and has a role in safety and security by providing passive surveillance especially at night.

WIDER CYCLE LANES

"Please consider making the cycle ways wider, you need to allow cyclists to overtake each other safely, otherwise they will just use the road..."

MASTERPLAN RESPONSE:

The Final Masterplan proposes wider bike lanes (from 1.8 – 2.0 metres) and narrower traffic lanes which will be subject to further negotiation with Main Roads WA.

VEHICLES

"Please do not make the road narrower! Do not change the speed limit! Roads are for cars not cyclists or people!!"

MASTERPLAN RESPONSE:

The Final Masterplan is underpinned by significant analysis, data and research. The Plan strikes a balance between the goals of creating a comfortable, safe and pedestrianised environment, and meeting the existing and future needs of the Northbridge and Perth City Link businesses and residents.



3

Final Masterplan 2019

FINAL MASTERPLAN - DECEMBER 2019

DESIGN RESPONSE

The final masterplan for the Roe Street Enhancement will see this space transformed from an inactive, car dominated space - into an activated, building lined street which will stitch together Northbridge with the Perth City Link and provide a seamless connection to the CBD.

PEDESTRIANS

The street will be repositioned as a comfortable, inviting and engaging space for pedestrians. This will be achieved through the widening of footpaths allowing for pedestrian access and movement through and across the street. Outdoor dining opportunities have also been allowed for through the allocation of space to existing and future businesses. New furniture will be installed including seating, bike racks, bins, lighting CCTV and wifi, allowing people to linger for longer. The street will be lined with over 170 new tree plantings, primarily natives with feature trees in key nodal areas.

CYCLING

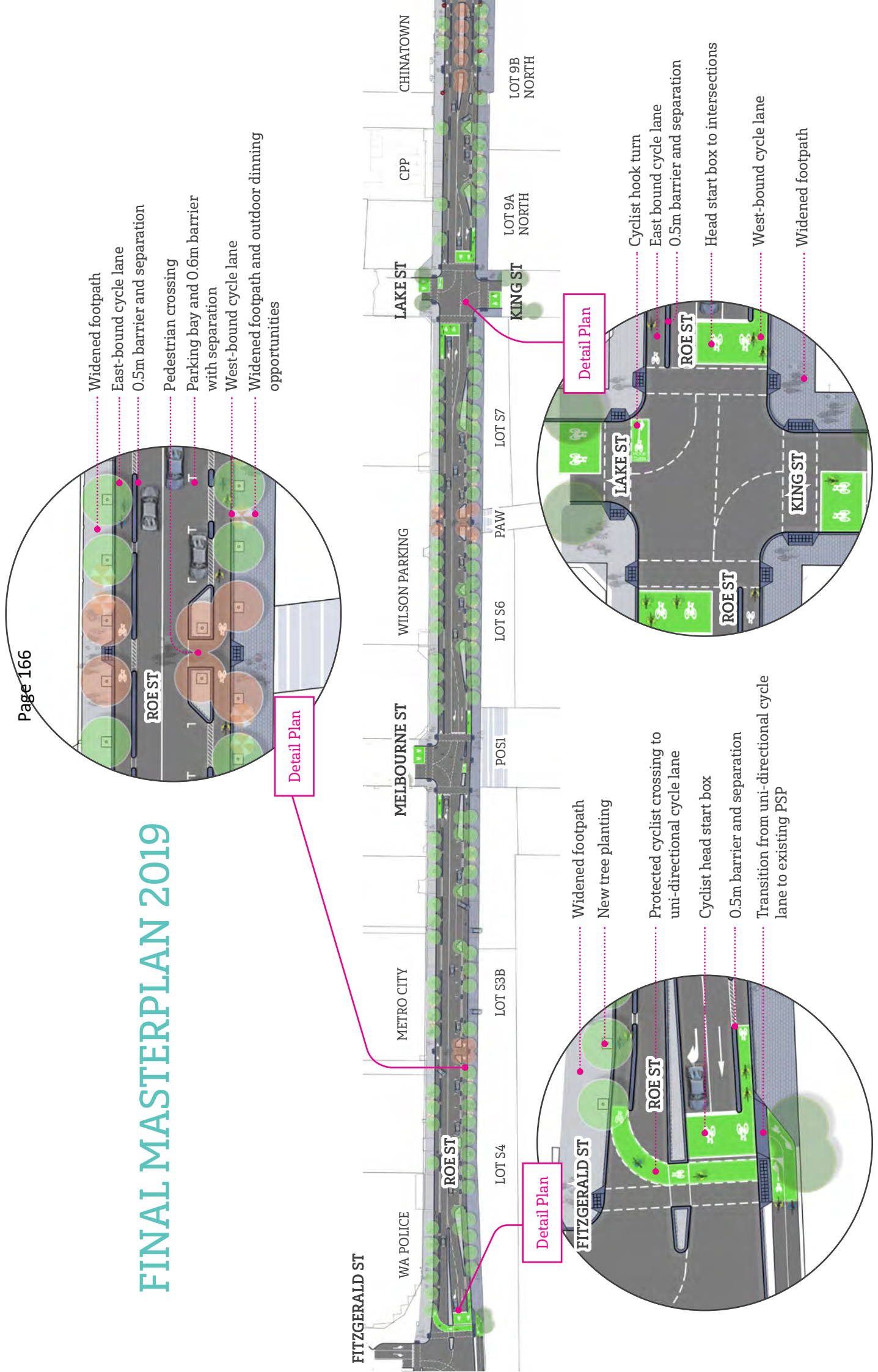
Cycling infrastructure will be improved through fully separated and protected on-road uni-directional cycle lanes. Features of this infrastructure, subject to further consultation with relevant stakeholders and approval authorities include;

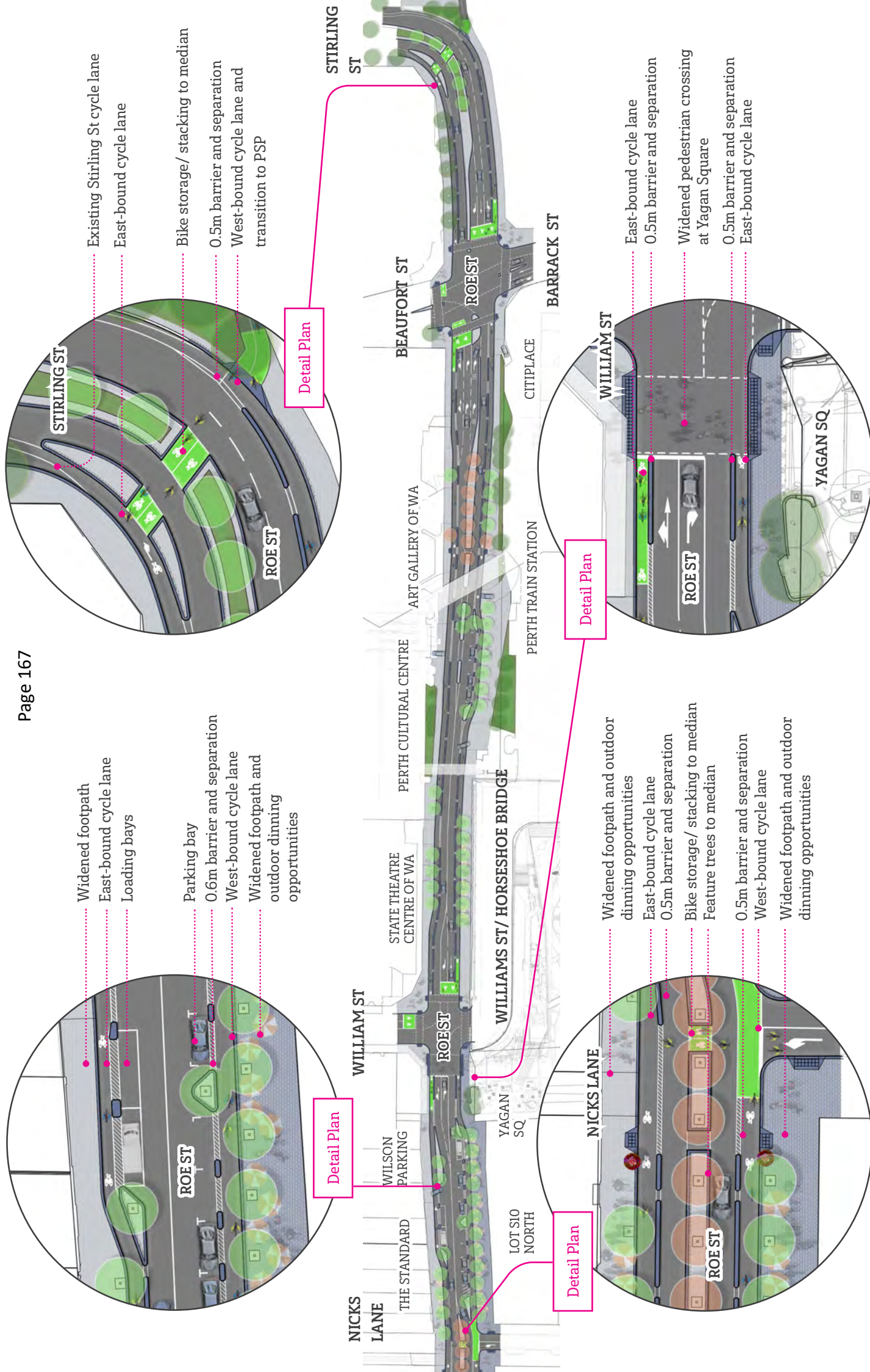
- 1.8-2.0m wide cycle lanes, in-line with International standards to enable cyclists to make passing cyclist movements
- Full protection provided to intersections with raised granite kerbs and head start boxes. Cyclists hook turns have also been proposed in key locations to enable safe right turning movements. This will be subject to further consultation with relevant stakeholders and approval authorities.
- 500mm buffer and protection provided across full length of proposed cycle infrastructure
- 600mm wide linemarked buffer to all carbays allowing for door openings
- Protected crossing and full integration with the existing PSP West of Fitzgerald Street
- Dedicated crossing to the existing PSP East of Stirling Street. Full integration with existing uni-directional cycle lanes on Stirling Street
- Dedicated bicycle crossing at Queen Street

VEHICLES

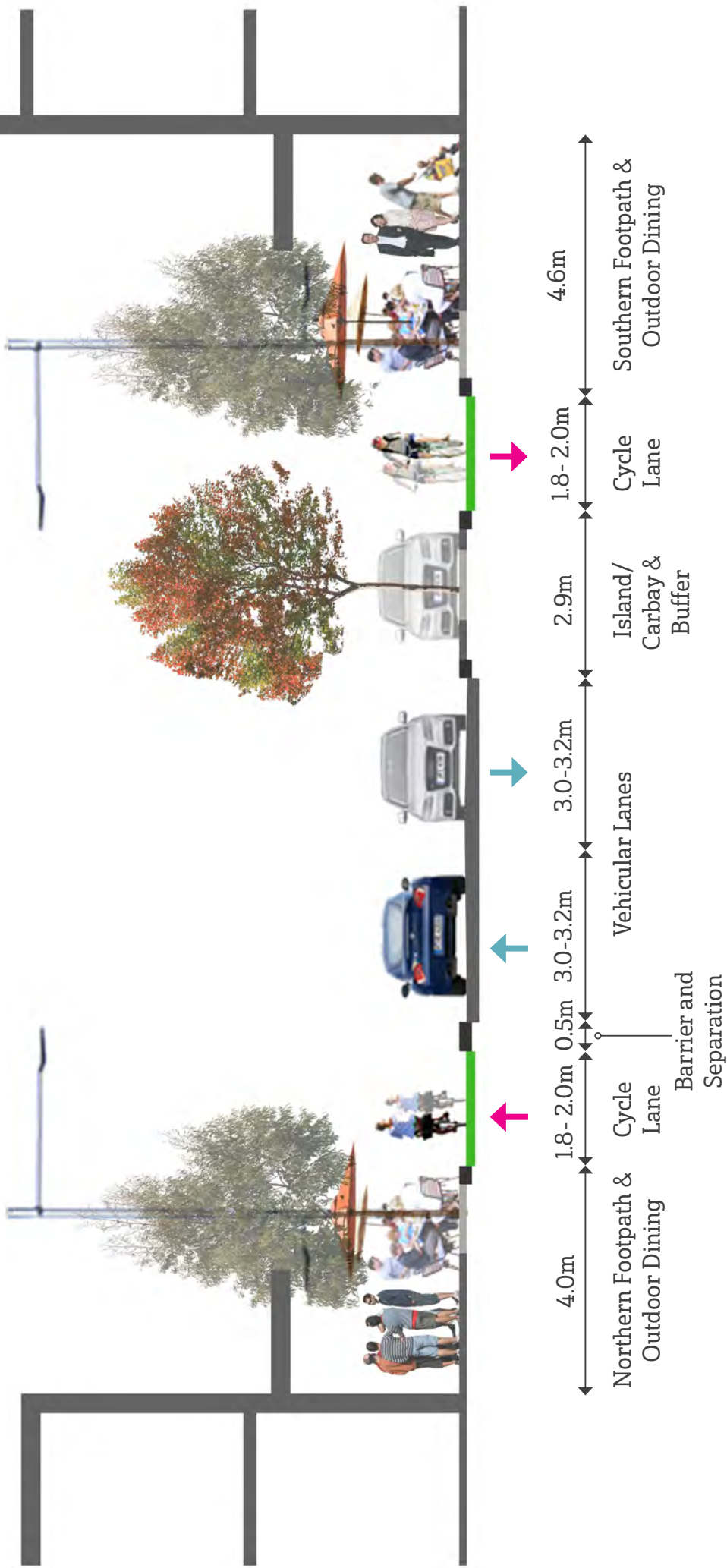
The allocation for on-street parking will be rationalised, with a 60% reduction in parking to align with the residential and business demand. The allocation of these bays as short and long term carbays will be subject to further detail. The existing loading bay will be retained, with additional loading bays located near Yagan Square to enable the street and businesses to be sufficiently serviced. The vehicular laneways are proposed to narrow to 3.0-3.2m, this will be subject to further consultation with relevant stakeholders and approval authorities.

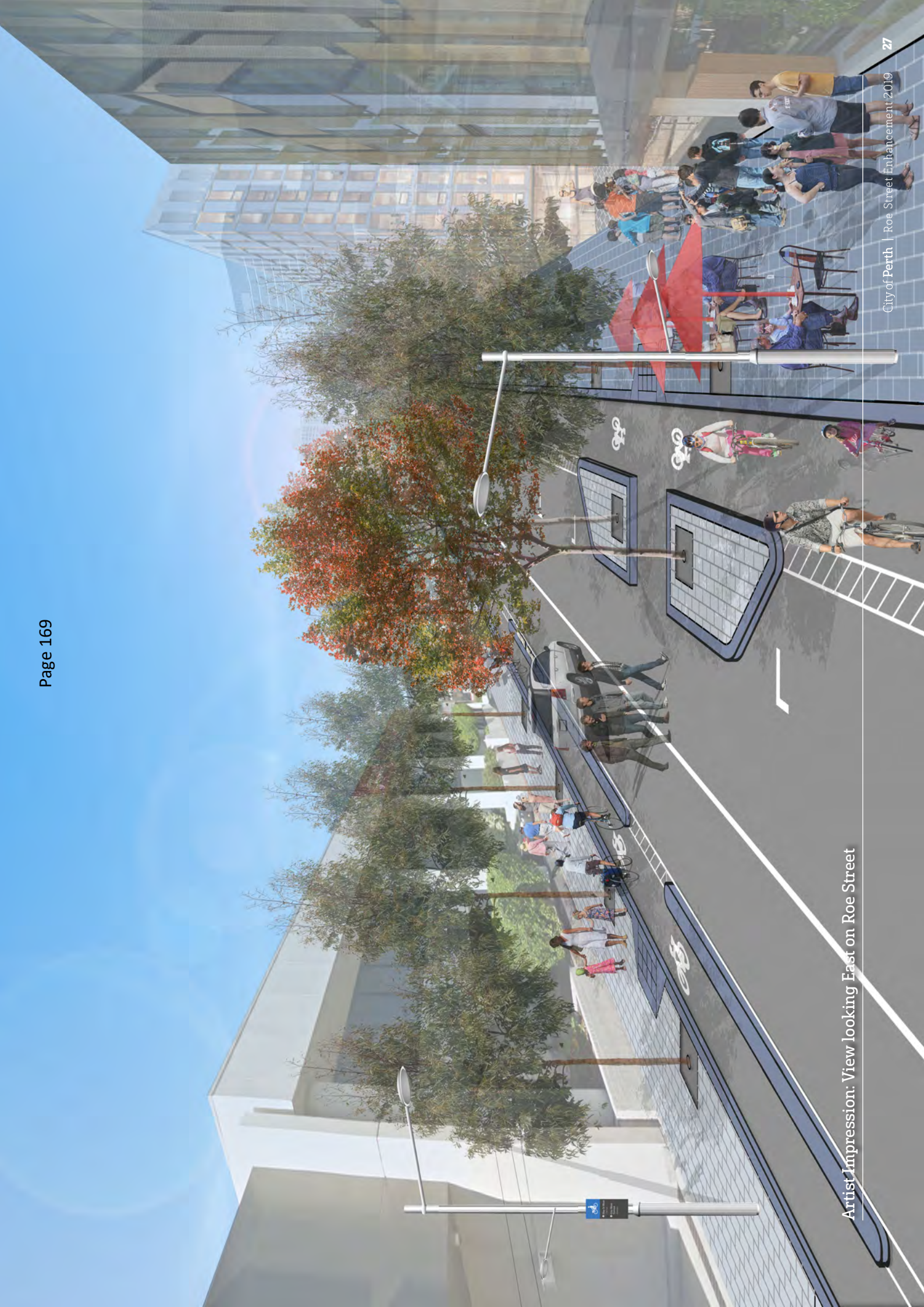
FINAL MASTERPLAN 2019





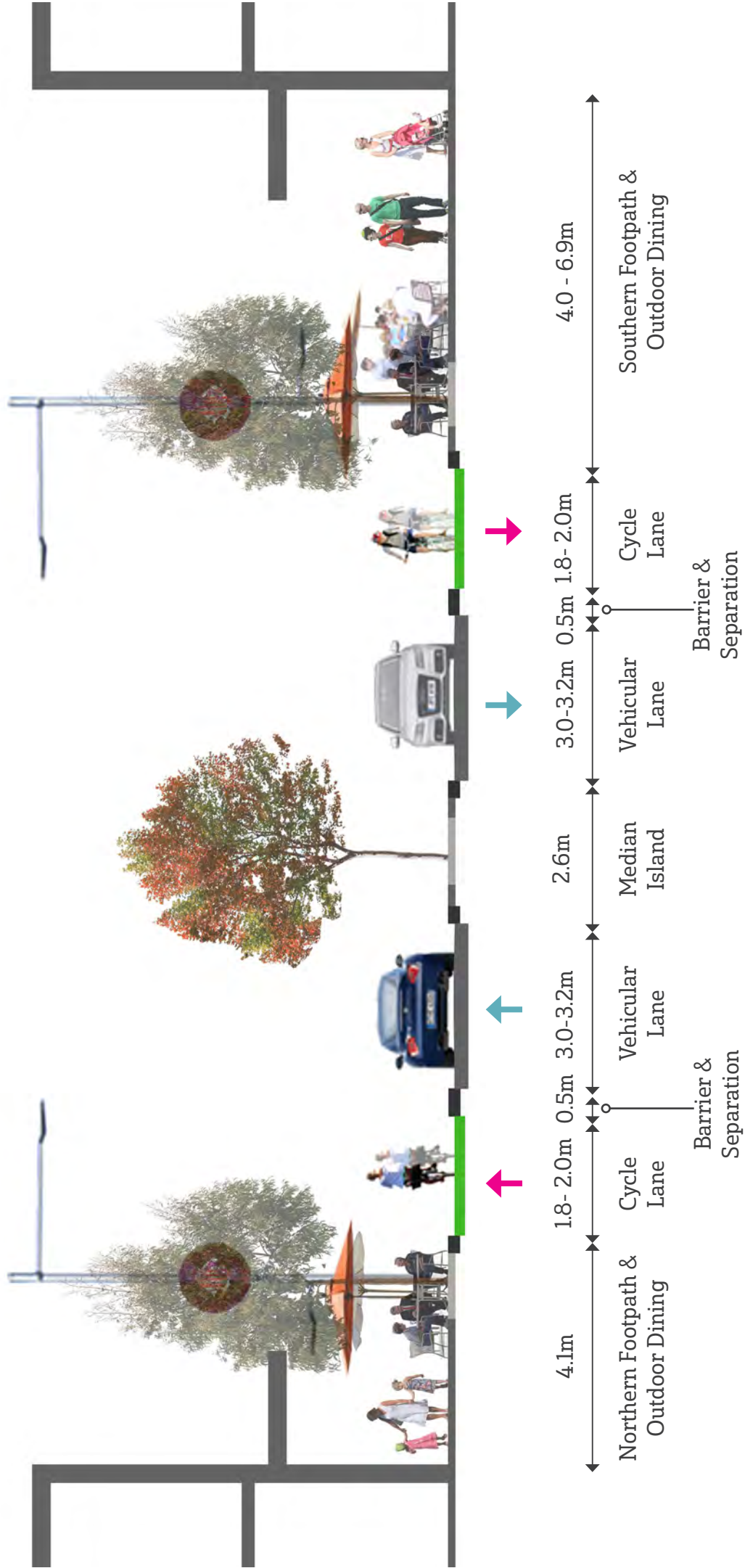
SECTION 1: TYPICAL WITH PARKING





Artist Impression: View looking East on Roe Street

SECTION 2: TYPICAL WITH MEDIAN





Artist Impression: View looking East at Chinatown

MASTERPLAN SNAPSHOT - OVERALL BENEFITS

 WIDER FOOTPATHS	Increase in footpath widths to support significant increase in pedestrian volumes	 SEPARATED CYCLE LANES	1.8-2.0m wide protected Uni-directional cycle lanes moving with flow of traffic	 REDUCED ROAD WIDTH	Vehicle lanes reduced to 3.0-3.2m allowing for wider footpaths and protected cycle lanes
 OUTDOOR DINING	Outdoor dining and activation opportunities	 NEW TREES	187 new trees 1,200% increase In canopy cover	 REDUCED SPEED LIMIT	Vehicular speed limit reduced to 40Kph
 NEW FURNITURE	City furniture suite including benches, bins, bike racks and wayfinding signage	 NEW LIGHTING	New lighting improving safety and security	 RATIONALISED PARKING	60% reduction in parking. In line with demand and allowing for wider footpaths and reduce conflict with cyclists



Photo looking West near King Street (October 2019)



City of Perth

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ABN 83 780 118 628

**Agenda
Item 6.9**

**Initiation of Amendment No. 42 to City Planning Scheme No. 2
to Introduce a Special Control Area Over 1202 (Lot 50), 1204
(Lot 51) Hay Street and 80 (Lot H65) Colin Street, West Perth**

Recommendation:

That Council:

- 1. *pursuant to section 75 of the Planning and Development Act 2005 (the Act), RESOLVES to initiate Amendment No. 42 to the City Planning Scheme No. 2, as detailed in Attachment 6.9A – Scheme Amendment Report;***
- 2. *RESOLVES that Amendment No. 42 to the City Planning Scheme No. 2 is a standard amendment under the provisions of the Planning and Development (Local Planning Scheme) Regulations 2015 for the following reasons:***
 - 2.1 *the amendment would have minimal impact on land in the scheme area that is not the subject of the amendment; and***
 - 2.2 *the amendment does not reflect in any significant environmental, social, economic or governance impacts on land in the scheme area.***
- 3. *RESOLVES to refer Amendment No. 42 to the City Planning Scheme No. 2 to the Environmental Protection Authority; and***
- 4. *RESOLVES to advertise Amendment No. 42 to the City Planning Scheme No.2 for public inspection in accordance with regulation 47 of the Regulations.***

P1012155-4

REPORTING OFFICER:

REPORTING UNIT:

RESPONSIBLE ALLIANCE

REPORT AUTHOR DISCLOSURE OF INTEREST:

DATE:

ATTACHMENT/S:

P1038541

Stephanie Norgaard, Urban Planner

City Planning

Planning and Economic Development

Nil

26 November 2019

Attachment 6.9A – Scheme Amendment Report

Attachment 6.9B – Location Plan

Attachment 6.9C – Concept Plans

Attachment 6.9D – Planning Maps

3D MODEL PRESENTATION:

LANDOWNER:

APPLICANT:

ZONING:

APPROXIMATE COST:

Yes

B & C Corporate Pty Ltd, Uniting Church of Australia
Property Trust and Hedgerow Pty Ltd

PTS Town Planning

Town Centre

\$5,820.84

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> |
| <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 Committee to note.</i> |

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

Planning and Development Act 2005
Planning and Development (Local Planning Schemes) Regulations 2015
Planning and Development Regulations 2009
 City of Perth City Planning Scheme No. 2

City of Perth Act 2016**Objects of the City of Perth**

8(1)(f) - to promote environmentally sustainable development, while ensuring Perth's role as a thriving business, cultural and entertainment centre, considering the flow-on impact to the Perth metropolitan area

Integrated Planning and Reporting Framework Implications**Strategic Community Plan**
Strategic Priority - Place**Policy**

Policy No and Name: West Perth Precinct Plan (P10)
 Perth Parking Policy 2014

Purpose and Background:

The City received a request to amend City Planning Scheme No. 2 (CPS2) to introduce a Special Control Area (SCA) over No. 1202 (Lot 50), No. 1204 (Lot 51) Hay Street and No. 80 (H65) Colin Street, West Perth (subject site). The request was received from PTS Town Planning on behalf of the landowners of the subject site.

The proposed scheme amendment will allow the subject site to be treated as one site for the purposes of allocating plot ratio and tenant car parking. It will also enable the subject site to be eligible for public facilities bonus plot ratio and introduce objectives/design criteria to guide the future redevelopment of the site.

The purpose of this report is for Council to consider initiation of Amendment No. 42 to enable referral to the Environmental Protection Authority and the commencement of community consultation.

Details:

Site Location and Context

The subject site is located on the corner of Hay Street and Colin Street, West Perth, as shown on the location plan provided in Attachment 6.9B. The site comprises of three lots with a total area of 5,342m². A summary of the individual lot characteristics is provided in the following table.

Table 1: SCA Ownership

Lot	Address	Volume/Folio	Deposit Plan	Area	Landowner
Lot 50	1202 Hay Street	1986/91	75084	1991m ²	B & C Corporate Pty Ltd
Lot 51	1204 Hay Street	1986/92	75084	1788 m ²	Uniting Church of Australia Property Trust
Lot H65	80 Colin Street	1363/165	2045	1563 m ²	Hedgerow Pty Ltd

The subject site is bounded by Hay Street to the south, Colin Street to the west, Mayfair Street to north and a mixed-use development to the east. The broader area is characterised by a mix of commercial development fronting Hay Street and office/residential development in the surrounding area.

Lot 51 on the subject site contains two single storey buildings, being the Ross Memorial Church and a mixed-use building (café and shop). Lot 50 and Lot H65 both contain two storey office buildings. The remaining portion of the subject site comprises of at-grade car parking and paving/landscaping treatment.

The Ross Memorial Church is listed on the CPS2 heritage list. The Statement of Significance identifies the adjoining building (also on Lot 51) as also having heritage value. This is due to the building being constructed with the bricks from the Presbyterian Hall (previously built on the site in 1913).

A Conservation Management Plan (CMP) was prepared for the Ross Memorial Church in 2012. The CMP identifies the Ross Memorial Church as being as being a landmark in the community due to its prominent corner location. The CMP also acknowledges the Ross Memorial Church's contribution to the community's sense of place through its continuity of form and function since 1917.

Proposal

The applicant submitted a scheme amendment request for a SCA to allow the subject site to be treated as one site for the purposes of:

- calculating plot ratio;
- distributing plot ratio within the SCA;
- eligibility to apply for public facilities bonus plot ratio;
- calculating and distributing car parking; and
- consolidating vehicle access.

Since lodgement, the Administration has worked with the applicant to further refine the SCA provisions and introduce additional provisions to guide the future development of the site; and ensure the ongoing conservation of the Ross Memorial Church.

The applicant has applied to be eligible for a public facilities plot ratio bonus, specifically for the provision of a public space and pedestrian facilities. Examples of a public space and pedestrian facilities includes a public plaza or park, with pedestrian links and pedestrian amenities (seating, shade etc).

A public space concept plan including a set of design principles has also been submitted by the applicant to demonstrate how the public space may be developed. The public space concept plan is included as Attachment 6.9C.

Local Planning Context

Draft City Planning Strategy

The City prepared its draft City Planning Strategy (Strategy) in 2019. The Strategy has undergone preliminary community consultation, however has not been adopted by Council or endorsed by the Western Australian Planning Commission.

The Strategy identifies the subject site as being located in the West Perth Activity Centre – Retail Core, as shown in Attachment 6.9D. A summary of the key provisions of the Strategy relevant to West Perth and the West Perth Activity Centre has been provided in the following Table.

Table 2: Summary of draft City Planning Strategy (West Perth)

	Provision
Neighbourhood Vision	Leafy streetscapes and its close relationship with Kings Park have enabled West Perth to feel more like a village than the inner-city location that it is. Its streets are lined with beautifully restored heritage buildings, and its vibrant café-culture, which caters to its worker and residential community alike.
Hay Street Activity Centre	Support the neighbourhood centre to better meet the daily and weekly household needs of its residents and provide more diverse land uses that support an improved 24-hour economy.
West Perth Neighbourhood Actions	Land Use: In preparing the new Scheme, consider development incentives to encourage the establishment of a supermarket in Hay Street West activity centre to support resident's ability to 'live local.'

	<p>Land Use: Improve the economic viability and offering of the Hay St West activity centre to better meet the needs of the residents and workers, and consider the following in preparing the new Scheme:</p> <ul style="list-style-type: none"> - Planning mechanisms that better encourage active ground-floor land uses that contribute to a more vibrant and activated centre, including at night time; and - Reviewing the alignment of the existing Town Centre and Commercial Zone boundaries to reduce dilution of activity <p>Built Form: Exploring opportunities to establish a local plaza/urban space within the Hay Street West activity centre, which provides a meeting and gathering space to the community.</p>
--	---

City Planning Scheme No. 2

The subject site is located within the Town Centre Land Use Area, as shown in Attachment 6.9D.

Under CPS2, the subject site has a maximum plot ratio limit of 3:1 for residential and special residential use groups, and 2:1 for all other use groups. The subject site is eligible to apply for a special residential bonus plot ratio (up to a maximum 20 percent) and/or heritage bonus plot ratio (up to a maximum 20 percent). However, the overall maximum bonus plot ratio cannot exceed 20 percent in total.

The subject site, along with the remainder of West Perth, is currently not eligible to apply for a public facilitate plot ratio bonus. However, the request to enable to the site be eligible aligns with the draft City Planning Strategy.

A street building height of 14 metres with a nil street setback applies to the subject site. Additional height above this needs to be contained within a 45-degree height plane measured from Hay Street.

It is noted that the permitted plot ratio and building height limits may not be achievable if the development is not considered to compatible with the heritage listed building. Similarly, the standard development requirements such as setback have the ability to be varied to achieve a better heritage outcome for the site.

West Perth Precinct Plan (P10)

The subject site is located within the West Perth Precinct Plan. The Statement of Intent for the West Perth Precinct includes the following guidance relevant to the subject site:

- This town centre will provide a range of shopping and related services for residents, visitors and the work force and will accommodate development which is generally of a larger scale and height than that within the office/residential area;
- Along Hay Street, Wellington Street - East of Havelock Street and in the commercial area, buildings should achieve a consistent edge to the street, continuing an urban character between the city centre and the landscaped garden setting of the residential/office area west of Havelock Street; and

- Buildings, places and objects having historical, architectural or other significance will be preserved and maintained. New development in the vicinity of heritage items will be sympathetically designed.

Perth Parking Policy 2014

The subject site is located within the Perth Parking Management Plan Area and is subject to the Perth Parking Policy 2014 (PPP). The PPP establishes the maximum number of commercial tenant car bays that can be located on a single lot. The PPP also restricts the sharing of commercial tenant bays across different lots.

Stakeholder Engagement

Engagement will occur following initiation of the scheme amendment in accordance with the *Planning and Development (Local Planning Scheme) Regulations 2015*.

Comments:

Scheme Amendment Classification

The *Planning and Development (Local Planning Schemes) Regulations 2015* include three categories for amending Local Planning Schemes - basic, standard and complex. The proposed amendment will have minimal impact on the CPS2 area outside of the proposed SCA and will not result in any significant environmental, social, economic or governance impacts. Given this, the amendment is considered to be a standard amendment.

Planning Assessment

Plot Ratio

The proposed SCA will provide for the consolidated redevelopment of three individual lots, creating a larger and more regular shaped development site. This will facilitate better built form outcomes, as the bulk and scale of the development can be managed across the SCA. Without the SCA, the extent of development would be limited to each individual lot. This reduces the ability for building bulk to be tapered away from the Ross Memorial Church and Hay Street frontage.

The proposed SCA will also provide greater opportunities for large format commercial development, which is currently limited within the West Perth Activity Centre due to the smaller land holdings. The provision of a diverse retail offering is consistent with both the West Perth Precinct Plan and draft Strategy, which envisions a range of shopping and related services to meet the daily needs of residents.

The proposed SCA does not increase the base plot ratio currently available for development on the individual lots. However, it does provide more flexibility for plot ratio to be distributed differently across the lots. This allows the development to utilise its available plot ratio while also responding to the site characteristics and constraints. The provision of coordinated development across the SCA will facilitate both commercial and residential growth. This is consistent with the draft Strategy which seeks to support the viability of the West Perth Activity Centre with residential growth.

The SCA does not increase the level of bonus plot ratio that can be afforded to the site. Rather, the SCA introduces an additional category in which bonus plot ratio can be sought. The overall amount of bonus plot ratio remains capped at 20 percent, in accordance with CPS2.

Heritage

The SCA has included provisions to reinforce the existing requirements for the retention and conservation of the Ross Memorial Church, and for all future development to be designed with consideration to the cultural heritage significance of the church. These provisions have been included to ensure development does not impact negatively on the documented cultural heritage values associated with the church, as described in the statement of significance and the policies outlined in the Conservation Plan. This is consistent with the West Precinct Plan and the City's Heritage Policy, which envisions new developments being sympathetic to places of heritage significance.

Public Spaces and Pedestrian Facilities

An action of the draft strategy is to investigate planning mechanisms to encourage a public plaza within the West Perth Activity Centre. The Ross Memorial Church has a generous front setback to Hay Street, which includes a raised planting area with mature tree canopy. This area naturally acts as an informal place for community gathering. Through enabling the site to be eligible for a public facilities bonus, the expansion and transformation of this area into a high quality public space will be encouraged. This aligns with actions of the draft strategy. It also provides benefits to the Ross Memorial Church through increasing the curtilage surrounding the church.

Land Use

The draft strategy identifies the need to investigate planning mechanisms to encourage the development of a supermarket in the West Perth Activity Centre. The CPS2 currently does not include a bonus for supermarket development. However, this is being considered as part of the preparation of the new City Planning Scheme No. 3. Due to the size of the proposed SCA, there is an opportunity for a supermarket to be developed, should the landowner pursue this land use. In recognition of the draft Strategy, the SCA has included a provision encouraging the development of a supermarket.

Referrals and Stakeholder Engagement

Following initiation of a standard scheme amendment, the local government is required to refer the proposed scheme amendment to the Environmental Protection Authority (EPA) to determine whether it needs to be assessed. The EPA has 28 days to make this determination. Once advice is received from the EPA, the local government is required to advertise the proposed scheme amendment for public comment for a period of 42 days.

Advertising notices are required to be placed in the newspaper, at the Administration office and on the website of the local government. Advertising notices are required to be provided to the WAPC and any other public authority that is considered to be affected by the scheme amendment. The scheme amendment will also be advertised as directed by the WAPC and in any other way that the local government considers appropriate.

In addition to the above requirements, it is anticipated that correspondence will be sent to landowners surrounding the subject site.

Conclusion

The proposed scheme amendment is generally consistent the statutory planning framework provided by CPS2 and the strategic vision for the Hay Street Activity Centre under the West Perth Precinct Plan and draft City Planning Strategy. Given this, the proposed scheme amendment is considered suitable for initiation.

City of Perth
City Planning Scheme
No. 2



Amendment No. 42



CITY of PERTH

PLANNING & DEVELOPMENT ACT 2005
RESOLUTION DECIDING TO AMEND A TOWN PLANNING SCHEME

CITY OF PERTH

CITY PLANNING SCHEME NO. 2

AMENDMENT NO. 42

RESOLVED that the Council, in pursuance of Section 75 of the *Planning and Development Act 2005*, amend City Planning Scheme No. 2 by:

1. Inserting after clause 39(1)(cc):

(cc) 1202-1204 Hay Street and 80 Colin Street Special Control Area
2. Inserting the following in Schedule 8 Special Control Areas:

29. 1202-1204 Hay Street and 80 Colin Street Special Control Area

29.1 Special Control Area

The following provisions apply to the land marked as Figure 29 being the 1202-1204 Hay Street and 80 Colin Street Special Control Area.

29.2 Objective

- a) To facilitate the coordinated development of the Special Control Area.
- b) To coordinate vehicle access to the Special Control Area to minimise the impact on pedestrians, cyclists and public transport.
- c) To promote retention, use and conservation of the heritage listed Ross Memorial Church.
- d) To ensure future development respects the cultural heritage significance of the Ross Memorial Church.
- e) To encourage the provision of functional, attractive and high quality public space and pedestrian facilities.
- f) To provide sunlight penetration onto the Ross Memorial Church and sunlight penetration into Hay Street and any public spaces.

29.3 Plot Ratio

- a) For the purpose of determining the plot ratio within the Special Control Area, the Special Control Area shall be treated as one site.
- b) Notwithstanding the Public Facilities Bonus Plot Ratio Plan, Clause 28(2)(a)(ii) applies to the Special Control Area where a public space and pedestrian facilities are provided within the Special Control Area.

29.4 Car Parking

- a) For the purpose of determining the tenant car parking allowance for the Special Control Area under the provisions of the Perth Parking Policy, the Special Control Area shall be treated as one lot.
- b) The tenant car parking facilities located on one site/lot within the Special Control Area may be leased or used by the tenants of another site/lot within the Special Control Area.
- c) Vehicle access should be consolidated and will not be permitted to and from Hay Street.

29.5 Heritage and Built Form

- a) The Ross Memorial Church shall be maintained, conserved and used in a manner guided by the Conservation Management Plan.
- b) Development shall be guided by the Statement of Significance and Conservation Plan for the Ross Memorial Church with any new development to be sited and designed with a scale, massing and grain to respect the cultural heritage significance of the Ross Memorial Church and its setting and curtilage.
- c) Development shall be designed to provide appropriate levels of sunlight penetration onto the Ross Memorial Church.
- d) Development shall be designed to promote informal surveillance of any public spaces provided on the site.
- e) Development shall provide interactive frontages facing the Ross Memorial Church and any public space provided on the site.
- f) The development shall incorporate high quality external finishes and materials.

29.6 Public Space

- a) The land surrounding the Ross Memorial Church is encouraged to be enhanced and expanded to provide a high quality public space.
- b) Any public space provided on the site shall remain under private ownership and management and be protected by an easement in gross.

29.9 Land Use

- a) The lower levels of the development shall provide active uses addressing any public space provided on the site and the Ross Memorial Church.
- b) The development of an appropriately designed and located supermarket is encouraged.

3. Inserting Figure 29 – 1202-1204 Hay Street and 80 Colin Street Special Control Area into Schedule 8 – Special Control Areas of the Scheme.

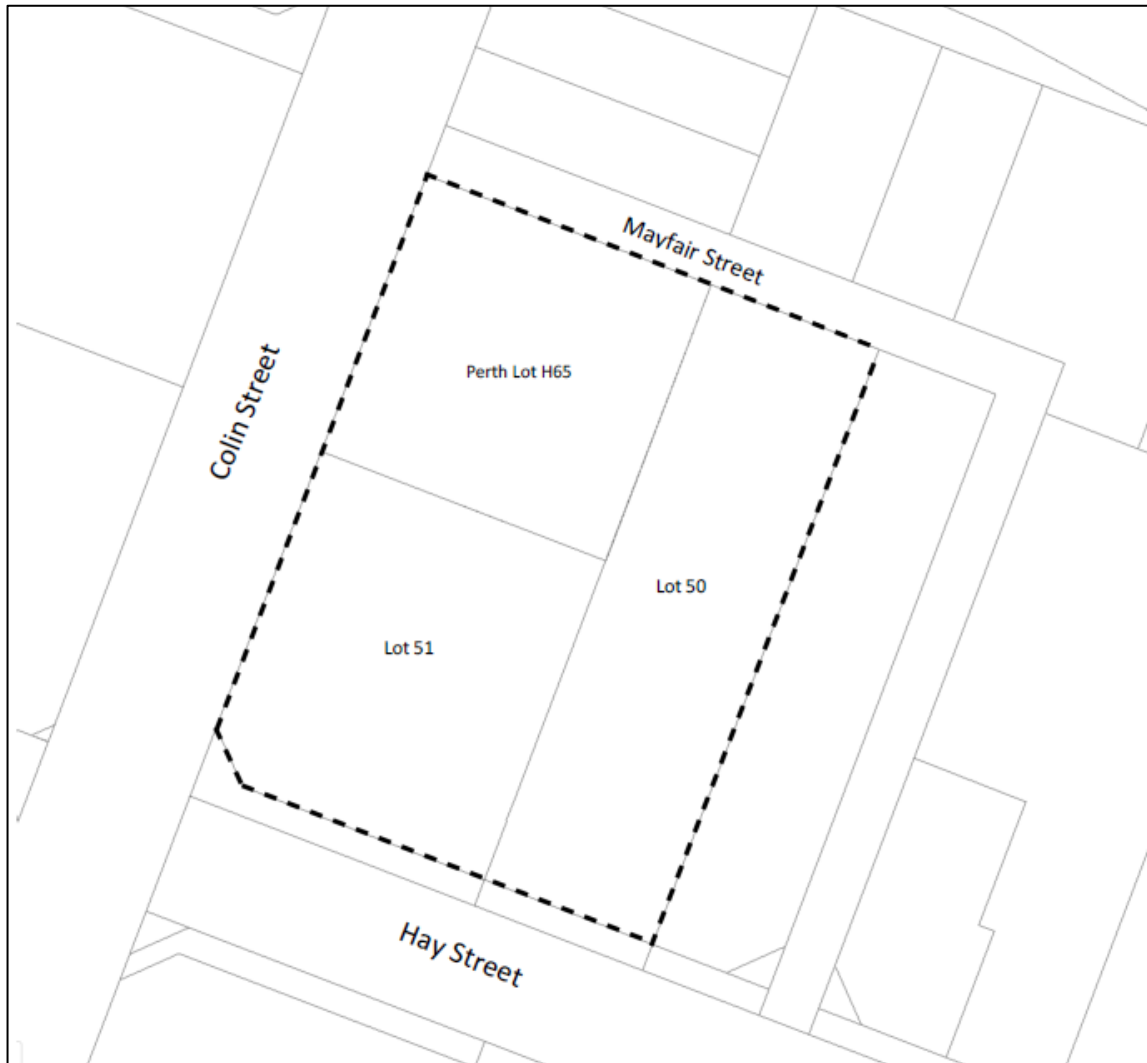


Figure 29: 1202-204 Hay Street and 80 Colin Street, West Perth Special Control Area

4. Amending the West Perth Precinct Plan Map (P10) accordingly.

Dated this __ day of ____ 2019

CHIEF EXECUTIVE OFFICER

SCHEME AMENDMENT REPORT

1.0 INTRODUCTION

The purpose of this amendment to City Planning Scheme No. 2 (CPS2) is to introduce a Special Control Area (SCA) over the land situated at 1202 (Lot 50), 1204 (Lot 51) Hay Street and 80 (Lot H65) Colin Street, West Perth (the subject site).

The proposed SCA will allow the subject site to be treated as one site for the purposes of calculating plot ratio and tenant car parking. It will also enable the subject site to be eligible for the public facilities bonus and introduce objectives/design criteria to guide the future development of the site.

2.0 BACKGROUND

2.1 LOCATION AND OWNERSHIP

The subject site is located at No 1202 – 1204 Hay Street and No 80 Colin Street, West Perth, as shown on the location plan included as **Figure 1**. The site comprises of three lots with a combined area 5,342m². A summary of the individual lot characteristics has been provided in **Table 1**.

Table 1: SCA Ownership

Lot	Address	Volume/Folio	Deposit Plan	Area	Landowner
Lot 50	1202 Hay Street	1986/91	75084	1991m ²	B & C Corporate Pty Ltd
Lot 51	1204 Hay Street	1986/92	75084	1788 m ²	Uniting Church of Australia Property Trust
Lot H65	80 Colin Street	1363/165	2045	1563 m ²	Hedgerow Pty Ltd

Figure 1: SCA Aerial Overview



2.1 SITE CONEXT AND CHARATERISTICS

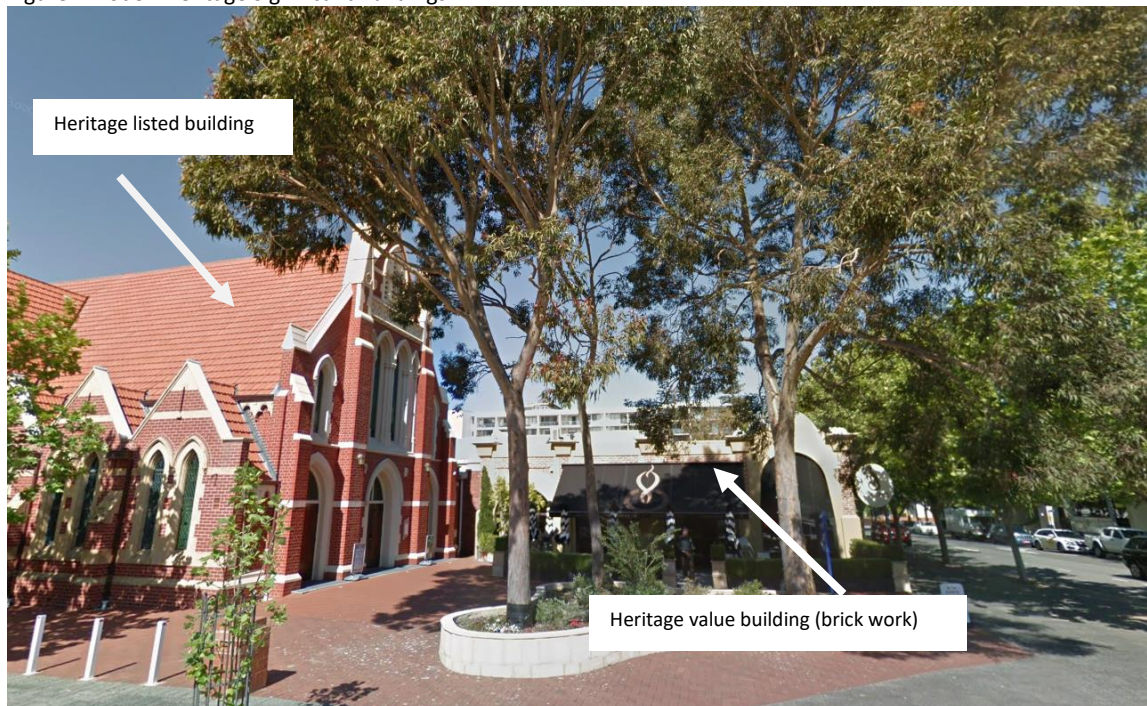
The subject site is bound Hay Street to the south, Colin Street to the west, Mayfair Street to north and a mixed-use development to the east. The broader area is characterised by a mix of commercial development fronting Hay Street and office/residential development in the surrounding area.

Lot 51 on the subject site contains two single storey buildings, being the Ross Memorial Church and a mixed-use building (café and shop). Lot 50 and Lot H65 both contain two storey office buildings. The remaining portion of the subject site comprises of at-grade car parking and paving/landscaping treatment.

The Ross Memorial Church is listed on the CPS2 heritage list. The Statement of Significance identifies the adjoining building (also on Lot 51) as also having heritage value. This is due to the building being constructed with the bricks from the Presbyterian Hall (previously built on the site in 1913). The Ross Memorial Church and adjoining commercial building are illustrated in **Figure 2**.

A Conservation Management Plan (CMP) was prepared for the Ross Memorial Church in 2012. The CMP identifies the Ross Memorial Church as being as being a landmark in the community due to its prominent corner location and contribution to the streetscape. The CMP also acknowledges the Ross Memorial Church's contribution to the community's sense of place through its continuity of form and function since 1917.

Figure 2: Lot 51 Heritage Significant Buildings



3.0 PLANNING FRAMEWORK

3.1 STATE AND REGIONAL PLANNING CONTEXT

3.1.1 Metropolitan Region Scheme

The subject site is zoned 'Urban' under the Metropolitan Region scheme (MRS). Hay Street is located to the south of the subject site and is reserved as Other Regional Road under the MRS. The reservation does not impact on the SCA, which proposes to restrict vehicle access to Hay Street.

3.1.2 Perth Parking Policy 2014

The subject site is located within the Perth Parking Management Plan Area and is subject to the Perth Parking Policy 2014 (PPP). The PPP establishes the maximum number of commercial tenant car bays that can be located on a single lot. The PPP also restricts the sharing of commercial tenant bays across different lots.

3.2 LOCAL PLANNING STRATEGY

The City prepared its draft City Planning Strategy (Strategy) in 2019. The Strategy has undergone preliminary community consultation, however has not been adopted by Council or endorsed by the Western Australian Planning Commission.

The subject site is located in the West Perth Activity Centre – Retail Core under the Strategy. An extract of the West Perth Strategy map has been provided in **Figure 3**. A summary of the key provisions of the Strategy relevant to West Perth and the West Perth Activity Centre has been provided in the following **Table 2**.

Figure 3: Draft City Planning Strategy Map Extract



Table 2: Summary of draft City Planning Strategy (West Perth)

	Provision
Neighbourhood Vision	Leafy streetscapes and its close relationship with Kings Park have enabled West Perth to feel more like a village than the inner-city location that it is. Its streets are lined with beautifully restored heritage buildings, and its vibrant café-culture, which caters to its worker and residential community alike.
Hay Street Activity Centre	Support the neighbourhood centre to better meet the daily and weekly household needs of its residents and provide more diverse land uses that support an improved 24-hour economy.
West Perth Neighbourhood Actions	<p>Land Use: In preparing the new Scheme, consider development incentives to encourage the establishment of a supermarket in Hay Street West activity centre to support resident's ability to 'live local.'</p> <p>Land Use: Improve the economic viability and offering of the Hay St West activity centre to better meet the needs of the residents and workers, and consider the following in preparing the new Scheme:</p> <ul style="list-style-type: none"> • Planning mechanisms that better encourage active ground-floor land uses that contribute to a more vibrant and activated centre, including at night time. • Reviewing the alignment of the existing Town Centre and Commercial Zone boundaries to reduce dilution of activity <p>Built Form: Exploring opportunities to establish a local plaza/urban space within the Hay Street West activity centre, which provides a meeting and gathering space to the community.</p>

3.2 LOCAL PLANNING SCHEME AND POLICIES

3.2.1 City Planning Scheme No. 2

The subject site is located within the Town Centre land use area. An extract of the CPS2 Scheme use area map is provided below in **Figure 4**. The use group Table of CPS2 lists the following preferred, contemplated and prohibited uses within the Town Centre Land Use Area:

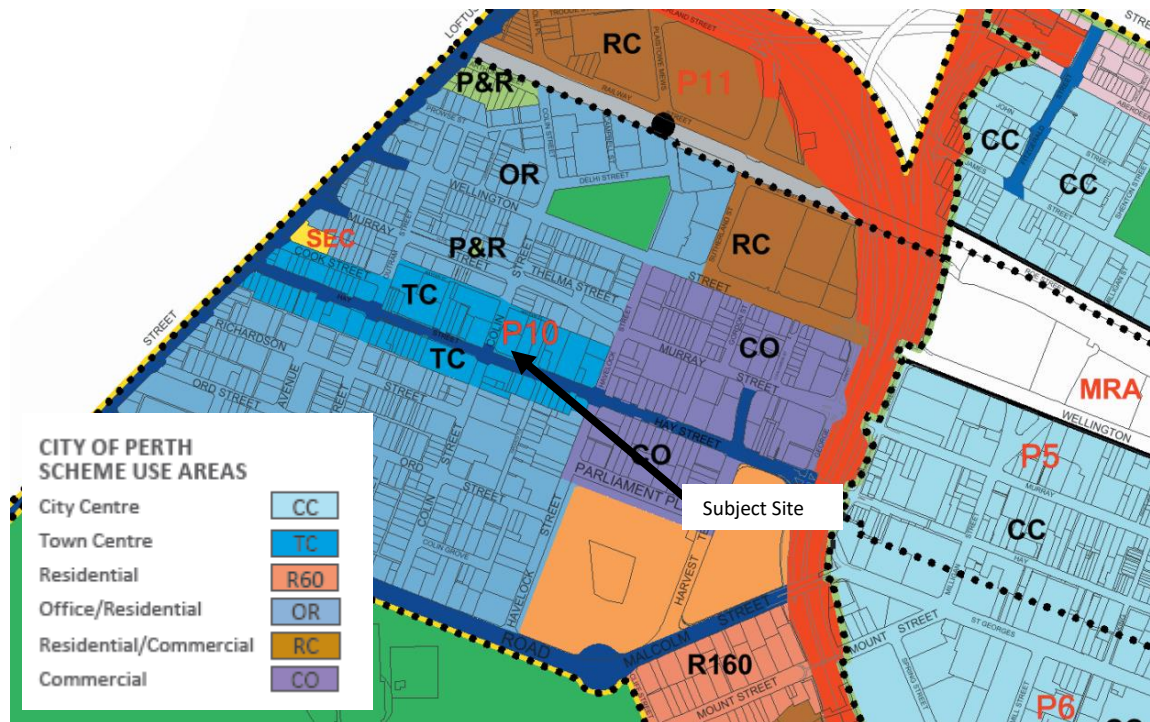
- Preferred uses: Business Services, Dining, Retail (Central), Retail (General); and
- Contemplated Uses: Community and Cultural, Entertainment, Industry – Service, Industry – Cottage, Mixed-Commercial, Residential;
- Contemplated uses except on the ground level of Hay: Civic, Education 1, Education 2, Healthcare 1, Healthcare 2, Home Occupation, Office, Recreation and Leisure, Storage;
- Contemplated subject to conditions: Residential, Special Residential; and
- Prohibited uses: Industry – Light.

Under CPS2, the subject site has a maximum plot ratio limit of 3.0: 1.0 for residential and special residential use groups, and 2.0: 1.0 for all other use groups. The subject site is eligible to apply for a special residential bonus plot ratio (up to a maximum 20 percent) and/or heritage bonus plot ratio (up to a maximum 20 percent). However, the overall maximum bonus plot ratio cannot

exceed 20 percent in total. The subject site, along with the remainder of West Perth, is not eligible to apply for a public facilitate plot ratio bonus.

A street building height of 14 metres with a nil street setback applies to the subject site. Additional height above this needs to be contained within a 45-degree height plane measured from Hay Street.

Figure 4: Scheme Use Map Extract



4.2.2 West Perth Precinct

The West Perth Precinct (P10) outlines the City's vision for West Perth and provides guidance on future land uses and built form outcomes. The Statement of Intent for the West Perth Precinct, provides the following vision for the subject section of West Perth:

"This town centre will provide a range of shopping and related services for residents, visitors and the work force and will accommodate development which is generally of a larger scale and height than that within the Office/Residential area. Visitor accommodation is also encouraged within the town centre.

Along Hay Street, Wellington Street - East of Havelock Street and in the commercial area, buildings should achieve a consistent edge to the street, continuing an urban character between the city centre and the landscaped garden setting of the residential/office area west of Havelock Street...

Buildings, places and objects having historical, architectural or other significance will be preserved and maintained. New development in the vicinity of heritage items will be sympathetically designed"

In addition, the Statement of Intent for the West Perth Precinct provides the following guidance for land uses within the Town Centre:

“This area shall be consolidated as a node of shopping and small-scale commercial facilities, primarily serving the needs of residents and workers in the adjoining office, residential and commercial areas. Shop uses shall be supplemented by a range of local service facilities. Generally only shops and restaurants will be permitted to front Hay Street, although a range of residential and visitor accommodation and commercial uses may be permitted on upper levels, or to the rear.

5.0 PROPOSAL

5.1 OVERVIEW OF SCHEME AMENDMENT

The proposed scheme amendment will introduce a SCA over the subject site. The purpose of the SCA is to facilitate coordinated redevelopment of the subject site. The SCA will introduce the following provisions to provide guidance to the development of the site:

- Introduce overarching objectives to guide development within the SCA;
- Allow the SCA to be treated as one site (opposed to three lots) when calculating maximum plot ratio, and calculating and distributing car parking;
- Allow the SCA to be eligible to apply for a public facilities bonus (limited to public spaces and pedestrian facilities), and provide guidance on the form and location of the public spaces and pedestrian facilities;
- Restrict vehicle access to Hay Street; and
- Provide high-level guidance on the key built form, heritage and land use matters that need to be considered in the development of the SCA.

5.2 SCHEME AMENDMENT CLASSIFICATION

The *Planning and Development (Local Planning Schemes) Regulations 2015* include three categories for amending Local Planning Schemes - basic, standard and complex. The proposed amendment will have minimal impact on the CPS2 area outside of the proposed SCA and will not result in any significant environmental, social, economic or governance impacts. Given this, the amendment is considered to be a standard amendment.

5.3 PLANNING JUSTIFICATION

5.3.1 Plot Ratio

The proposed SCA will provide for the consolidated redevelopment of three individual lots, creating a larger and more regular shaped development site. This will facilitate better built form outcomes, as the bulk and scale of the development can be managed across the SCA. Without the SCA, the extent of development would be limited to each individual lot. This reduces the ability for building bulk to be tapered away from the Ross Memorial Church and Hay Street frontage.

The proposed SCA will also provide greater opportunities for large format commercial development, which is currently limited within the West Perth Activity Centre due to the smaller

land holdings. The provision of a diverse retail offering is consistent with both the West Perth Precinct Plan and draft Strategy, which envisions a range of shopping and related services to the meet the daily needs of residents.

The proposed SCA does not increase the base plot ratio currently available for development on the individual lots. However, it does provide more flexibility for plot ratio to be distributed differently across the lots. This allows the development to utilise its available plot ratio while also responding to the site characteristics and constraints. The provision of coordinated development across the SCA will facilitate both commercial and residential growth. This is consistent with the draft Strategy which seeks to support the viability of the West Perth Activity Centre with residential growth.

Similarly, the SCA does not increase the level of bonus plot ratio that can be afforded to the site. Rather, the SCA introduces an additional category in which bonus plot ratio can be sought. The overall amount of bonus plot ratio remains capped at 20 percent, in accordance with CPS2. The applicant has provided indicative development concepts (provided in **Attachment C**) demonstrating that the additional 20 percent bonus plot ratio can be applied without compromising the built form outcomes sought through CPS2.

5.3.2 Heritage

The SCA has included provisions to reinforce the existing requirements for the retention and conservation of the Ross Memorial Church, and for all future development to be designed with consideration to the cultural heritage significance of the church. This is consistent with the West Precinct Plan and the City's Heritage Policy, which envisions new developments being sympathetic to places of heritage significance.

5.3.3 Public Spaces and Pedestrian Facilities

An action of the draft Strategy is to investigate planning mechanisms to encourage a public plaza within the West Perth Activity Centre. The Ross Memorial Church has a generous front setback to Hay Street, which includes a raised planting area with mature tree canopy. This area naturally acts as an informal place for community gathering. Through enabling the site to be eligible for a public facilities bonus, the expansion and transformation of this area into a high quality public space will be encouraged. This aligns with actions of the draft Strategy. It also provides benefits to the Ross Memorial Church through increasing the curtilage surrounding the church.

5.3.4 Land Use

The draft Strategy identifies the need to investigate planning mechanisms to encourage the development of a supermarket in the West Perth Activity Centre. The CPS2 currently does not include a bonus for supermarket development. However, this is being considered as part of the preparation of the new City Planning Scheme No. 3. Due to the size of the proposed SCA, there is an opportunity for a supermarket to be developed, should the landowner pursue this land use. In recognition of the draft Strategy, the SCA has included a provision encouraging the development of a supermarket.

6.0 CONCLUSION

The proposed scheme amendment is generally consistent the statutory planning framework provided by CPS2 and the strategic vision for the Hay Street Activity Centre under the West Perth Precinct Plan and draft City Planning Strategy. Given this, the proposed scheme amendment is considered suitable for initiation.

**PLANNING AND DEVELOPMENT ACT 2005
CITY OF PERTH**

CITY PLANNING SCHEME NO. 2

AMENDMENT NO. 42

RESOLVED that the Council, in pursuance of Section 75 of the *Planning and Development Act 2005*, amend City Planning Scheme No. 2 by:

1. Inserting after clause 39(1)(cc):

(cc) 1202-1204 Hay Street and 80 Colin Street Special Control Area

2. Inserting the following in Schedule 8 Special Control Areas:

29. 1202-1204 Hay Street and 80 Colin Street Special Control Area

29.1 Special Control Area

The following provisions apply to the land marked as Figure 29 being the 1202-1204 Hay Street and 80 Colin Street Special Control Area.

29.2 Objective

- a) To facilitate the coordinated development of the Special Control Area.
- b) To coordinate vehicle access to the Special Control Area to minimise the impact on pedestrians, cyclists and public transport.
- c) To promote retention, use and conservation of the heritage listed Ross Memorial Church.
- d) To ensure future development respects the cultural heritage significance of the Ross Memorial Church.
- e) To encourage the provision of functional, attractive and high quality public space and pedestrian facilities.
- f) To provide sunlight penetration onto the Ross Memorial Church and sunlight penetration into Hay Street and any public spaces.

29.3 Plot Ratio

- a) For the purpose of determining the plot ratio within the Special Control Area, the Special Control Area shall be treated as one site.
- b) Notwithstanding the Public Facilities Bonus Plot Ratio Plan, Clause 28(2)(a)(ii) applies to the Special Control Area where a public space and pedestrian facilities are provided within the Special Control Area.

29.4 Car Parking

- a) For the purpose of determining the tenant car parking allowance for the Special Control Area under the provisions of the Perth Parking Policy, the Special Control Area shall be treated as one lot.
- b) The tenant car parking facilities located on one site/lot within the Special Control Area may be leased or used by the tenants of another site/lot within the Special Control Area.
- c) Vehicle access should be consolidated and will not be permitted to and from Hay Street.

29.5 Heritage and Built Form

- a) The Ross Memorial Church shall be maintained, conserved and used in a manner guided by the Conservation Management Plan.
- b) Development shall be guided by the Statement of Significance and Conservation Plan for the Ross Memorial Church with any new development to be sited and designed with a scale, massing and grain to respect the cultural heritage significance of the Ross Memorial Church and its setting and curtilage.
- c) Development shall be designed to provide appropriate levels of sunlight penetration onto the Ross Memorial Church.
- d) Development shall be designed to promote informal surveillance of any public spaces provided on the site.
- e) Development shall provide interactive frontages facing the Ross Memorial Church and any public space provided on the site.
- f) The development shall incorporate high quality external finishes and materials.

29.6 Public Space

- a) The land surrounding the Ross Memorial Church is encouraged to be enhanced and expanded to provide a high quality public space.
- b) Any public space provided on the site shall remain under private ownership and management and be protected by an easement in gross.

29.9 Land Use

- a) The lower levels of the development shall provide active uses addressing any public space provided on the site and the Ross Memorial Church.
- b) The development of an appropriately designed and located supermarket is encouraged.

3. Inserting Figure 29 – 1202-1204 Hay Street and 80 Colin Street Special Control Area into Schedule 8 – Special Control Areas of the Scheme.

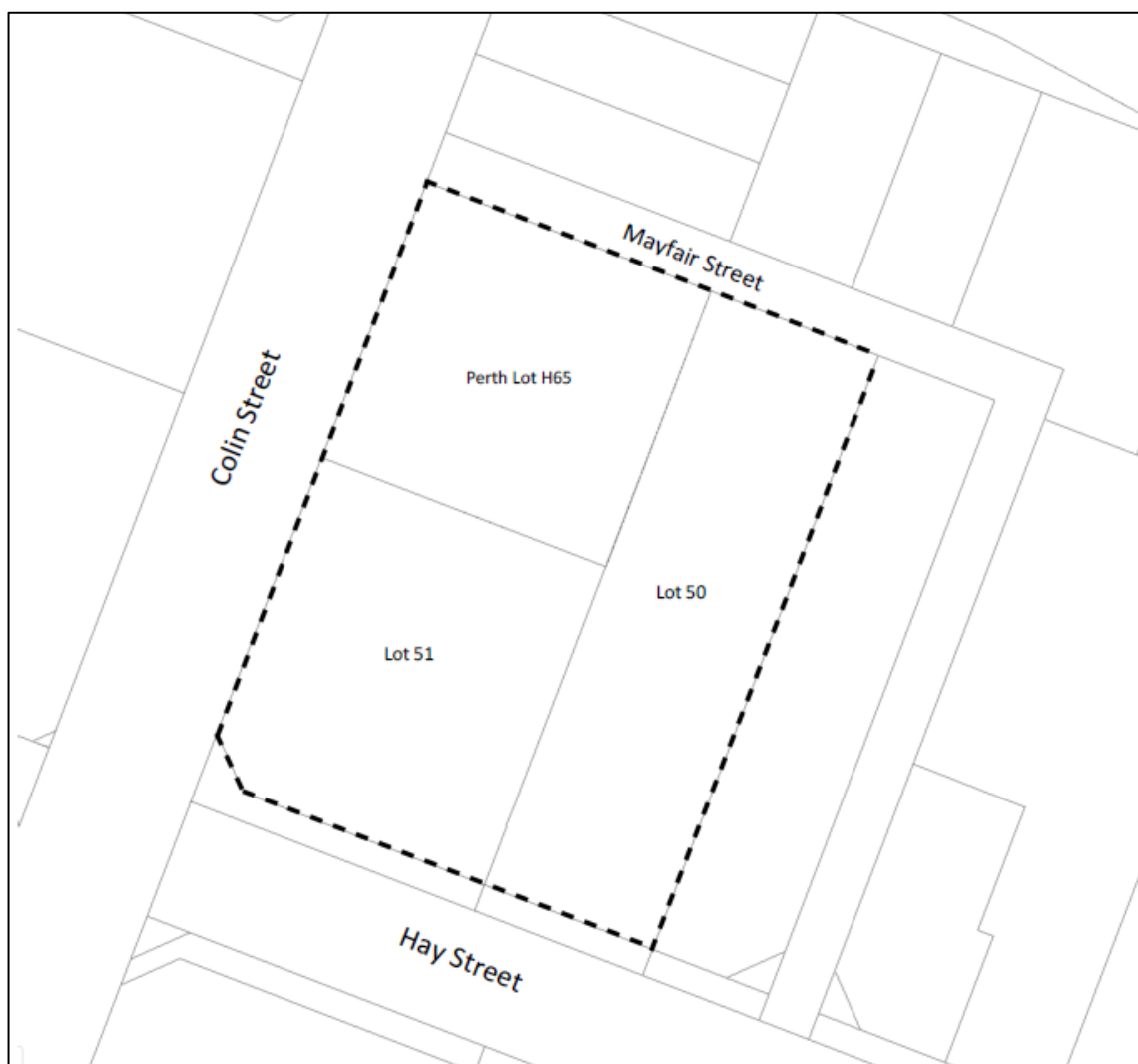


Figure 29: 1202-204 Hay Street and 80 Colin Street, West Perth Special Control Area

4. Amending the West Perth Precinct Plan Map (P10) accordingly.

ADOPTION

Adopted by resolution of the City of Perth at the Ordinary Meeting of the Council held on the ___ day of ____ 2019.

LORD MAYOR

CHIEF EXECUTIVE OFFICER

FINAL ADOPTION

Adopted for final approval by the City of Perth at the Ordinary Meeting of the Council held on the on the ____ day of _____ 201_, and the Common Seal of the City of Perth was hereunto affixed by the authority of a resolution of the Council in the presence of:

LORD MAYOR

CHIEF EXECUTIVE OFFICER

Recommended / Submitted for Final Approval

DELEGATED UNDER S.16 OF PD ACT 2005

DATE

FINAL APPROVAL GRANTED

MINISTER FOR PLANNING

DATE

SCHEDULE 1 - EXISTING CITY CENTRE PRECINCTS PLAN (P10)

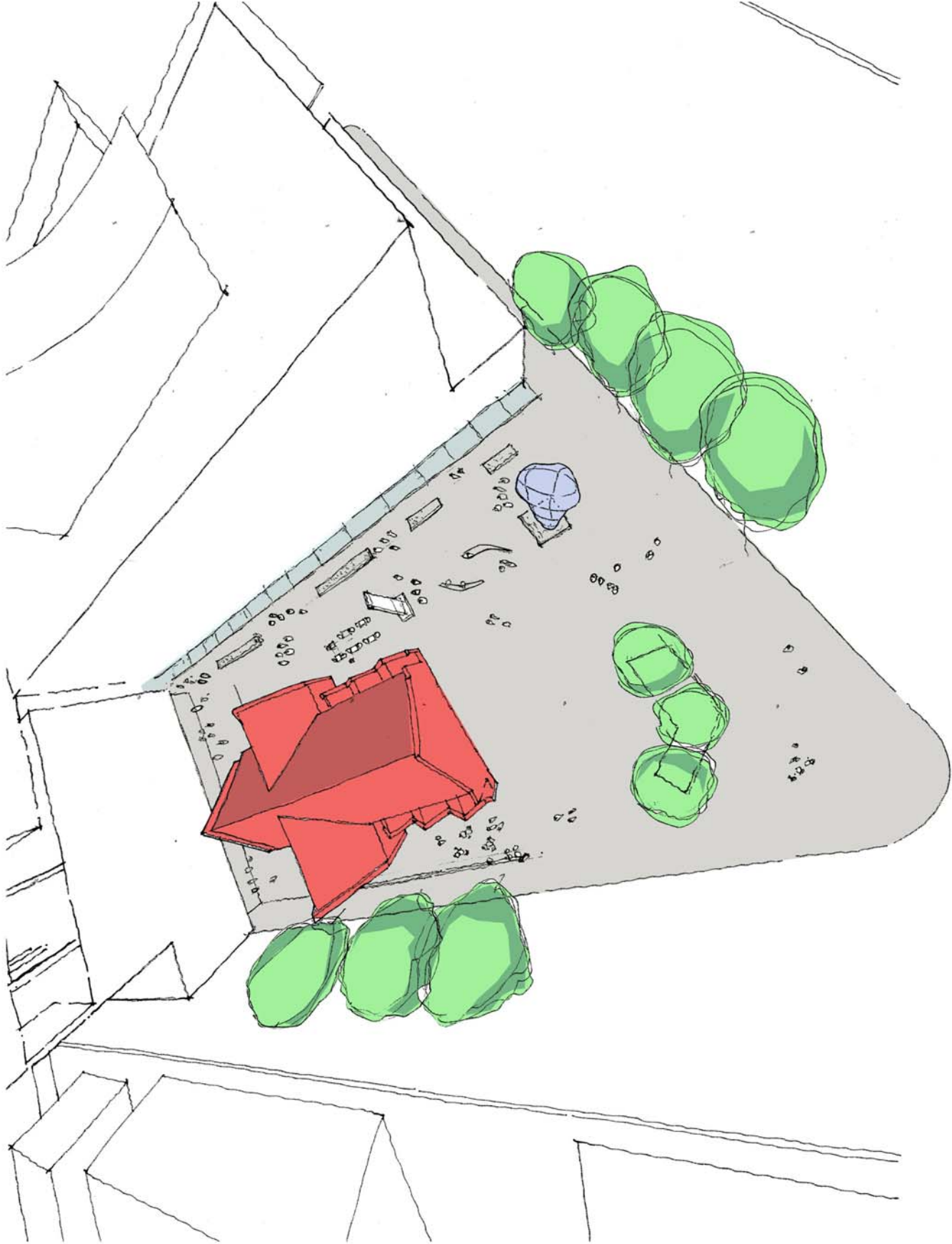




Location Plan**1202-1204 Hay Street and 80 Colin Street, West Perth**

ARCHITECTURAL DRAWINGSSK

BLOCK/ ZONE	SHEET No	REVISION	SHEET NAME
	SK.00		COVER PAGE
	SK.10		Existing Location Plan
	SK.11		Proposed Location Plan
	SK.12		Sketch Plan - Proposed Plaza
	SK.13		Sketch - Plaza
	SK.14		Sketch - Landscape and Shopfront



West Perth - Special Control Area

COVER PAGE

Hay Colin Mayfair, West
Perth

Pr No

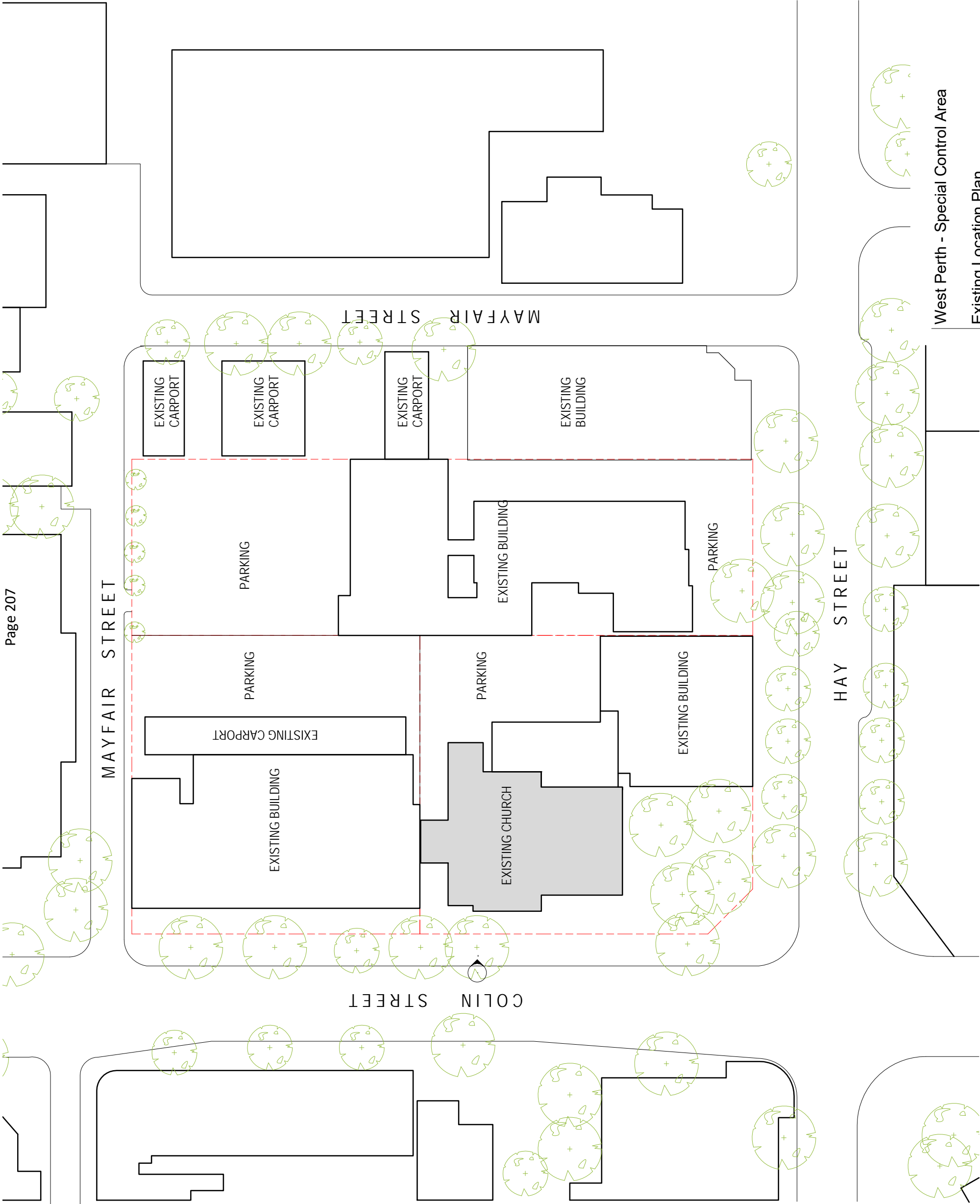
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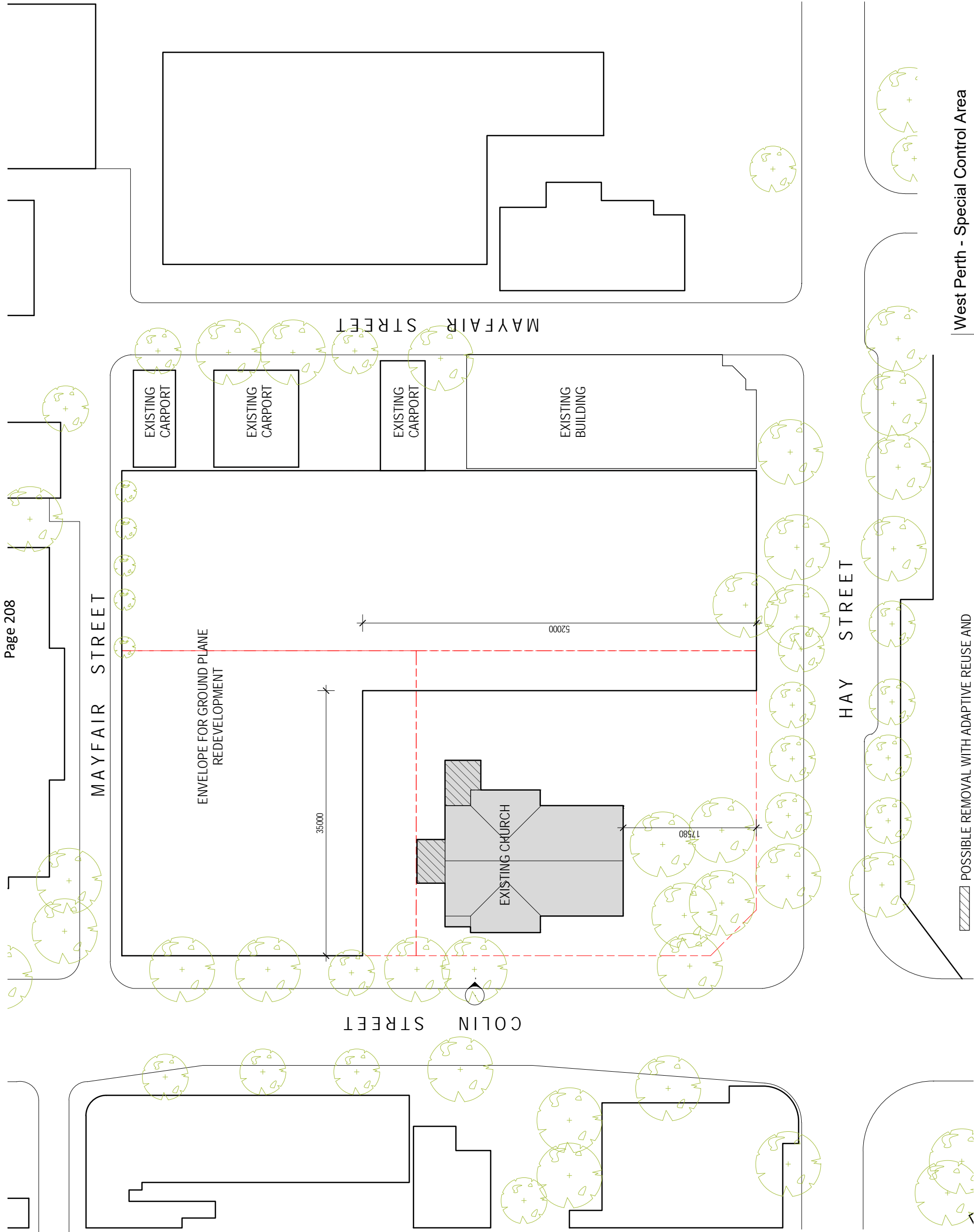
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POSSIBLE REMOVAL WITH ADAPTIVE REUSE AND HERITAGE PLAN

PROPOSED PLAZA:
APPROXIMATE AREA INCLUDING CHURCH 1800SQM

West Perth - Special Control Area

Proposed Location Plan

Pr No
Hay Colin Mayfair, West
Perth

OPTION

SK.11

1:250 @ A1

REV.



Purpose:

To outline the desired built form and design quality outcomes for the plaza area within the special control area to enable the City of Perth to make a determination on the amount of applicable bonus plot ratio that may be granted to any development application.

1. Context and Character

- Respond positively to the intended future character of the site and area, delivering:
- Surrounding land uses that are compatible and symbiotic, i.e. have a mutually beneficial relationship of generating a need and servicing those needs, both on a site specific and community basis.
 - Surrounding residential densities that are consistent with projected population increases for the area, given existing or proposed transport, green and social infrastructure, and generate 24/7 activity.
 - Expanded use opportunities for the heritage listed church building as the centrepiece of the plaza, building on its religious function and creating possible 360 degree activation through additional community, retail and food and beverage uses integrated with the plaza. Adaptive reuse should be distinctive, memorable and with a character people can appreciate within an approval Heritage Management Plan.
 - Active edges and streetscapes of a design and tenant mix that avoids a significant lack of interaction. Filouts guides should mandate this activity.
 - Materials, construction and detailing should enhance local distinctiveness, and
 - Cultural and educational interpretive inclusion is encouraged through, sculpture, art and innovative multi-media formats which can engage and educate.

2. Landscape Quality

- The plaza landscape and buildings operate as an integrated and sustainable development. The plaza is designed with people in mind, it is attractive, offering opportunity to meet and socialise, promoting vitality and identity. It delivers:
- Seamless integration with the streetscape and trees on Hay Street and Colin Street.
 - Seamless integration with the adaptive reuse and presentation of the church building.
 - Provides opportunity for people to enjoy summer shade and winter sun, and providing weather protection along pedestrian and activity edges.
 - Opportunity for social inclusion, equitable access and safety in design with respect to views and vistas, surfaces and materials and lighting, and
 - Ease of long term management and maintenance.

3. Built Form and Scale

- The massing and height of the development is appropriate to its setting. Whilst the buildings will respond to the built form guidelines in the City's height and setback policies, and acknowledging the City's discretion in the application of those policies to achieve design excellence, there is opportunity to also respond to the placemaking of the site and in particular to deliver:
- Solar access in winter at lunchtime into the plaza.

The size of the plaza will relate to, and be generated by the overall development objectives which will create usable, efficient and sustainable ground floor land uses to attract people, a key ingredient for the plaza's success. These uses will give rise to activity along the edges of the plaza and through the redeveloped church building on all sides.

Optimum plaza size:

- Approximately 50m north to south x 30m east to west, being approximately 1500sqm in area inclusive of the church building area.
- This area may be achieved over time with incremental staged design based on the opportunities that may present as leases expire and re-developments are assessed.

4. Functionality

- Spaces and their interrelationships are designed to meet their intended purpose over the full lifecycle of the project. Spaces provide flexibility for adaptive reuse, including but not limited to carparking height suitable for adaptive mill for other uses without major modification.

Servicing is well considered in size, location, function and appearance from the street, both for delivery and waste removal.

Traffic management for public and resident parking areas are appropriate to the intended development. Traffic impact on local street capacity and safety for vehicular and pedestrian movement is well resolved.

6. Amenity

- In this context, amenity encompasses all the built form and placemaking design quality outcomes listed in this document and outlined under each section.

7. Legibility

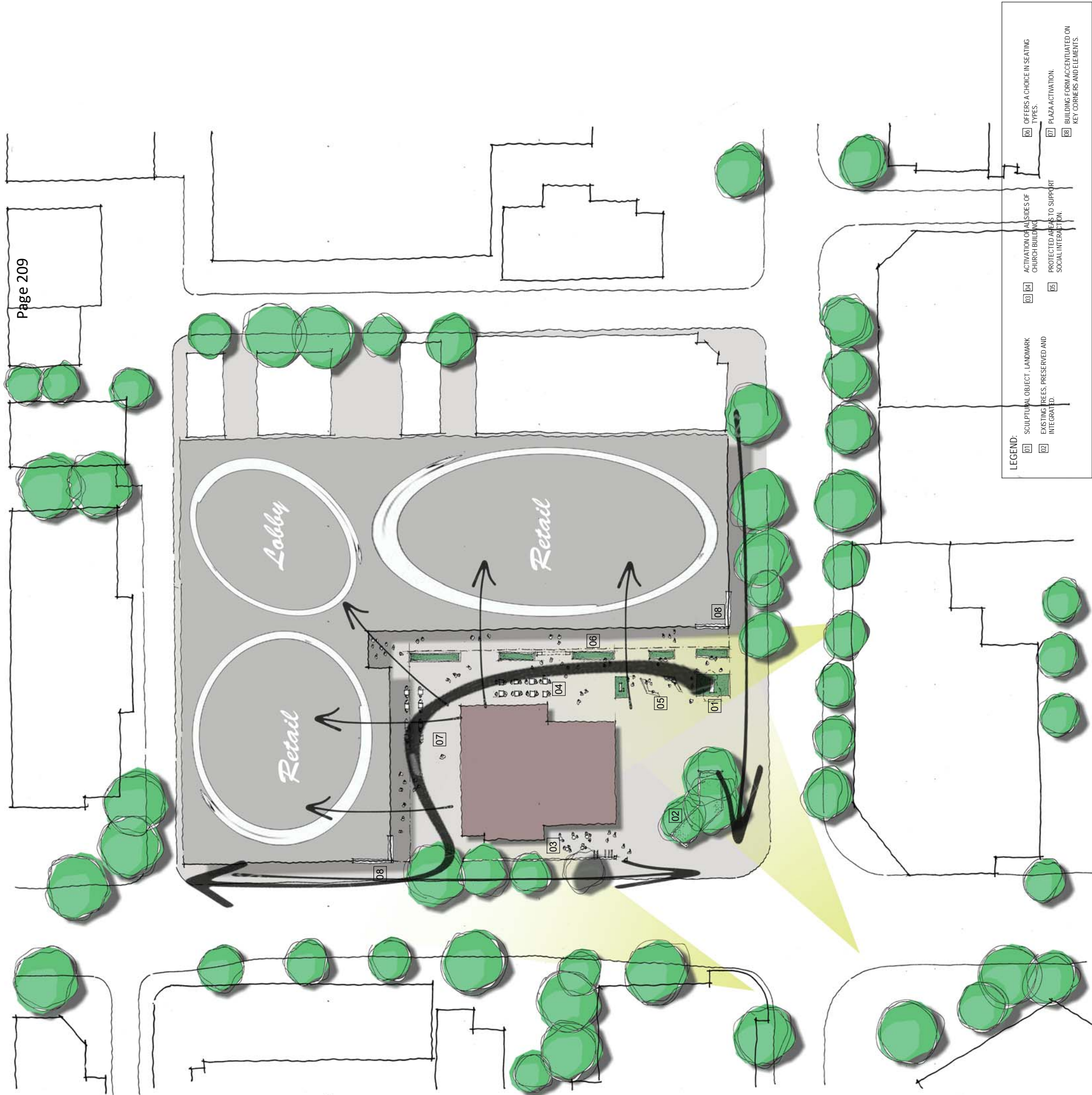
- Buildings and places are legible, with clear connections and easily identifiable elements. It delivers:
- A layered design with opportunity for circulation, access, wayfinding and spaces for relaxation and enjoyment.
 - Service access and vehicle entry exit points that are legible, and
 - A clear definition between the public and private realm.

8. Community

- Consideration is given to how land use and activity inside buildings can bring life and activity to the public plaza spaces. Community inclusive design delivers:
- An environment that supports social interaction.
 - The opportunity for change over time, responding to market and/or social and environmental influences.
 - Support for active and passive uses,
 - Universal Access.

9. Aesthetics

- Form and proportions of buildings, massing and permeability, corner articulation, landmarks, landmarks, arts inclusions and selection of materials, textures and colours all contribute positively to its placemaking.



LEGEND:		01	SCULPTURAL OBJECT, LANDMARK
		02	EXISTING TREES, PRESERVED AND INTEGRATED
		03	ACTIVATION OF ALL SIDES OF CHURCH BUILDING
		04	PROTECTED AREAS TO SUPPORT SOCIAL INTERACTION
		05	OFFERS A CHOICE IN SEATING TYPES
		06	PLAZA ACTIVATION
		07	BUILDING FORM ACCENTUATED ON KEY CORNERS AND ELEMENTS

West Perth - Special Control Area

Sketch Plan - Proposed Plaza

Hay Colin Mayfair, West Perth

REV.

OPTION

Pr No

SK.12

1:100 @ A1





West Perth - Special Control Area

Sketch - Plaza

Hay Colin Mayfair, West
Perth

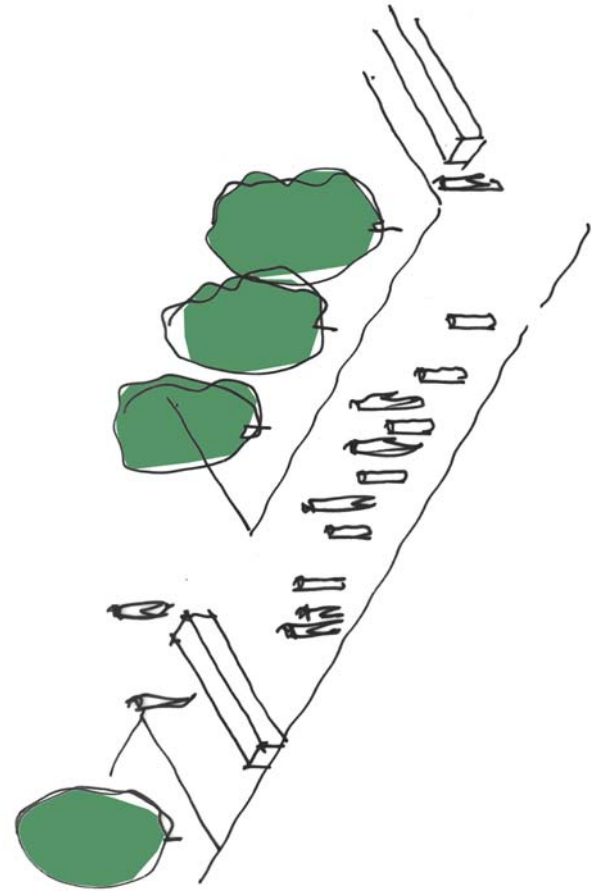
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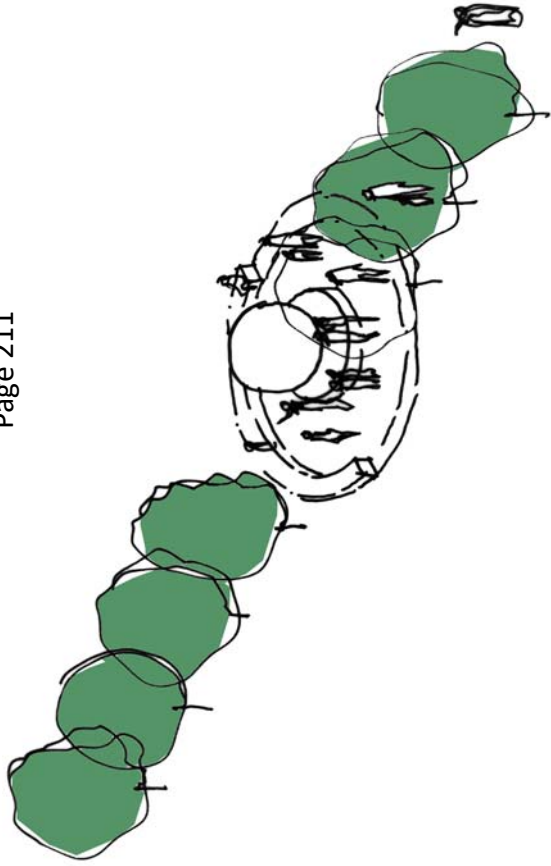
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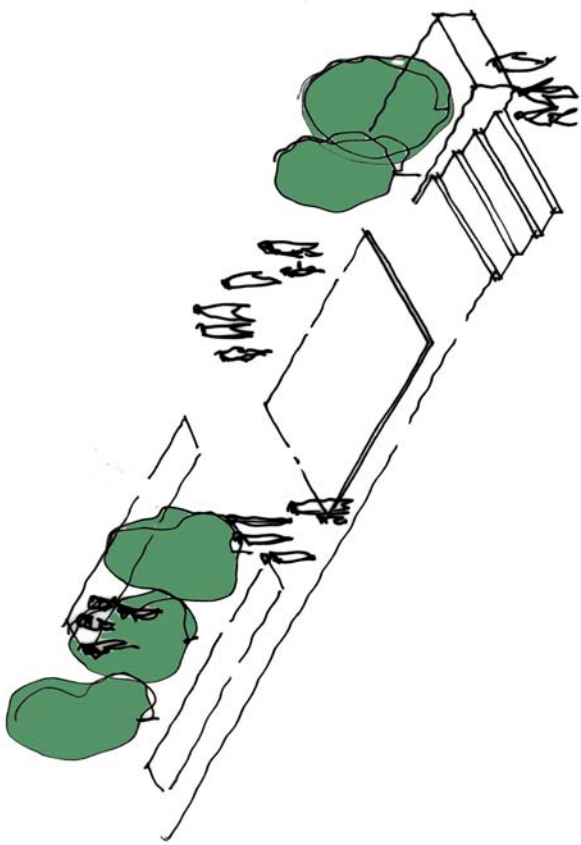
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LANDSCAPE CONCEPT ONE
GROUPS OF PEOPLE GRAVITATE TOWARDS MOVABLE FURNITURE. IN SITUATIONS WHERE FOUR OR MORE PEOPLE WANT TO SIT TOGETHER, THEY OFTEN BYPASS FIXED SEATING, PREFERRING TO USE MOVABLE OR PARTIALLY MOVEABLE SEATING. THIS TYPE OF FURNITURE INCLUDES FIXED SEATS WITH MOVEABLE PIECES THAT SWIVEL AND TRANSFORM. AFTER SETTLING ON AN AREA OF THE PLAZA GROUPS TYPICALLY REARRANGE FURNITURE TO BEST FIT THEIR NEEDS.

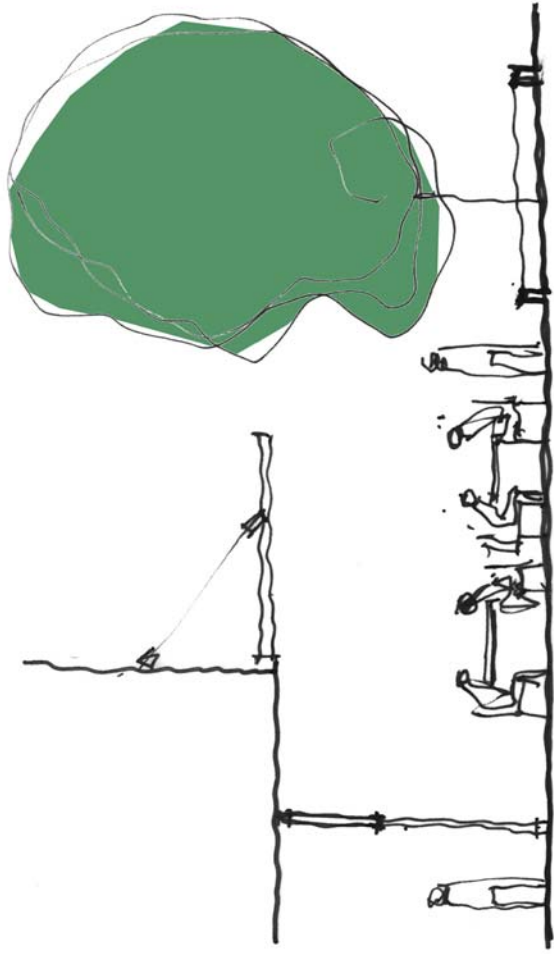


LANDSCAPE CONCEPT TWO
GROUPS OF PEOPLE TEND TO CONGREGATE AROUND OBJECTS. WHEN THREE OR MORE PEOPLE STAND OR SIT TOGETHER, THEY OFTEN DO SO AROUND A PIECE OF FURNITURE, LOW PLANTER, FLAT-TOPPED BOLLARD. THE GROUP REPRESENT A RANGE OF PLAZA USERS, FROM OFFICE WORKERS TO TOURISTS.

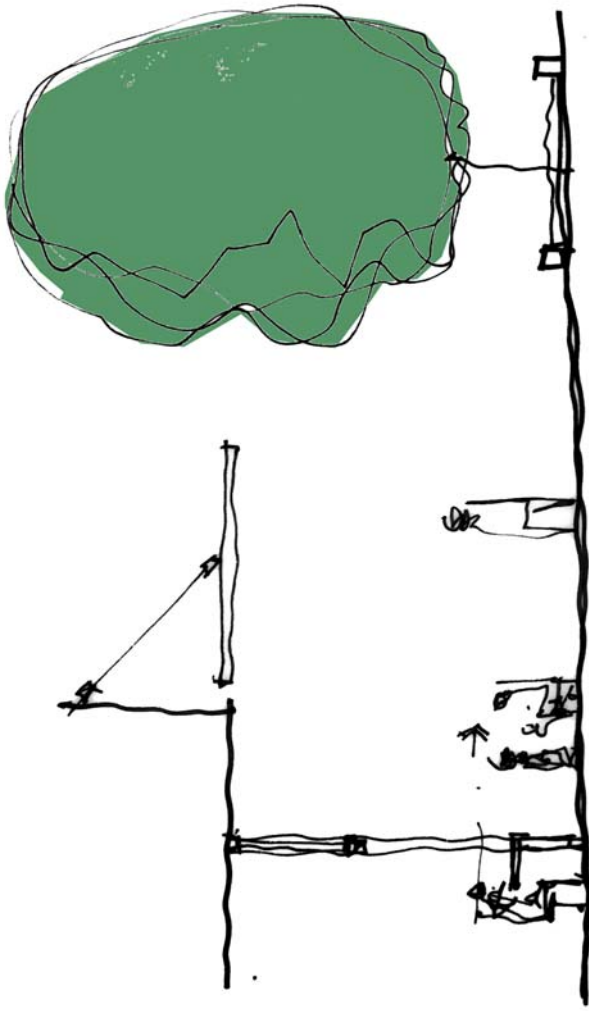


LANDSCAPE CONCEPT THREE
SLIGHTLY PERCHED AND PROTECTED AREAS ARE POPULAR. STATIONARY PEOPLE TEND TO GO TO ELEVATE AREAS THAT OVERLOOK THE PLAZA SPACE. THE YOUNGEST GRAVITATE TOWARDS HIGHER PERCHES (AT LEAST 1MT), AND THE MIDDLE AGE ARE DRAWN TO SLIGHTLY RAISED SPACES (UNDER 1MT). PROTECTED PERCHES WITH CANOPIES AND SENSE OF BACKING WERE MOST POPULAR

REFERENCE:
THE GUARDIAN
FROM LIZARDING TO LINGERING: HOW WE REALLY BEHAVE IN PUBLIC SPACES



SHOPFRONT DESIGN STUDY ONE
- VISUAL INTERACTION AND CLEAR VIEWS TO ENTRY POINTS.
- NO SIGNAGE "BOXES" AT INTERFACE
- COVERED PEDESTRIAN ENVIROMENT.



SHOPFRONT DESIGN STUDY TWO
- ADDITIONAL OPEN OR SEAMLESS INTERFACE

West Perth - Special Control Area

Sketch - Landscape and Shopfront

Hay Colin Mayfair, West
Perth

Pr. No
SK.14
OPTION
REV.

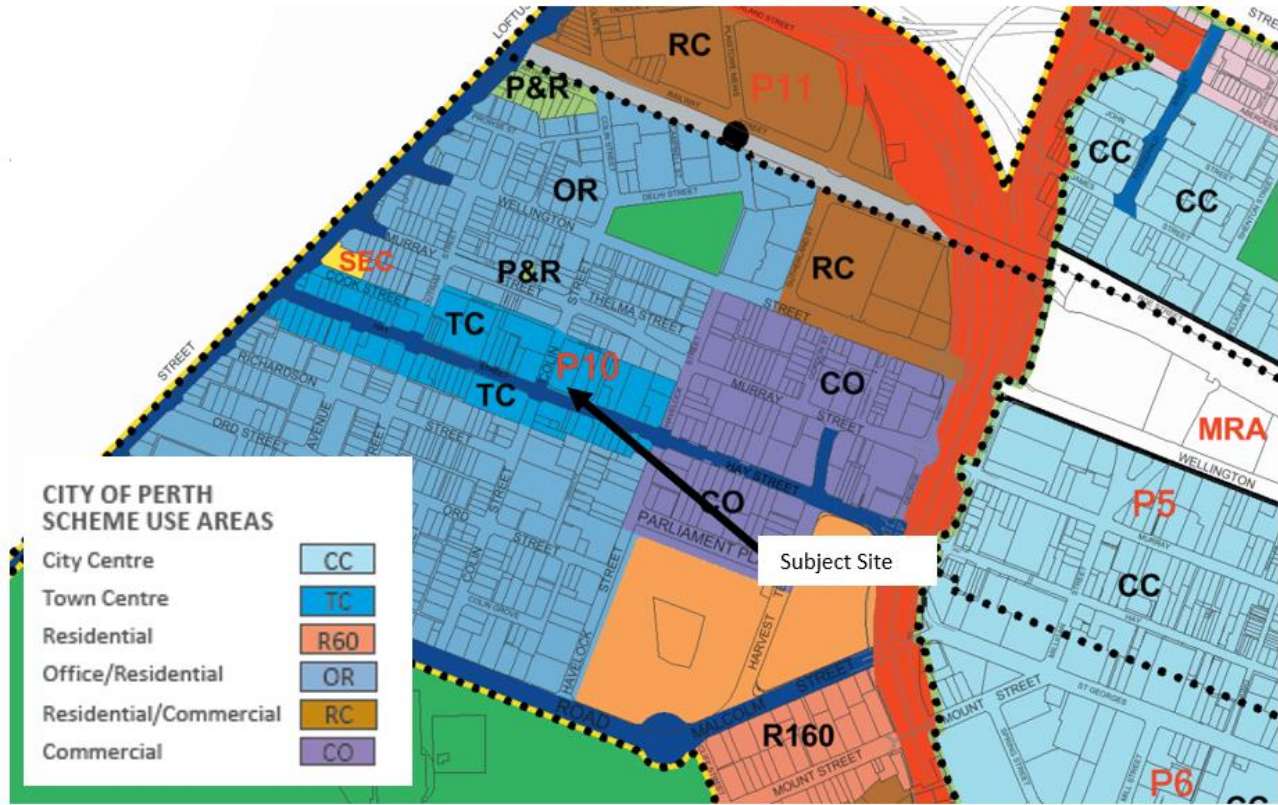
Planning Maps

1202-1204 Hay Street and 80 Colin Street, West Perth

Draft City Planning Strategy



City Planning Scheme No. 2



Recommendation:

That Council APPROVES the implementation of the City's Container Deposit Scheme project should the City's application be approved by Western Australia Return, Recycle, Renew Ltd.

P1012155-4

REPORTING OFFICER:

REPORTING UNIT:

RESPONSIBLE ALLIANCE

REPORT AUTHOR DISCLOSURE OF INTEREST: Nil

DATE:

ATTACHMENT/S:

P1038726

Clare Courtauld, Waste Management Officer

Waste and Cleansing

Infrastructure and Operations

29 November 2019

Attachment 6.10A – Proposed CDS Refund Points

Attachment 6.10B – CDS Cost-Benefit Analysis

Attachment 6.10C – CDS Minimum Requirements and
Container Estimates

Attachment 6.10D – Life Cycle Costing Assessment

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation

City of Perth Act 2016

City of Perth Act 2016**Objects of the City of Perth**

8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists

Policy

Policy No and Name: 8.0 – Environment Policy

Purpose and Background:

The objective of this report is to provide information on the upcoming WA Container Deposit Scheme (CDS) and the City of Perth's proposed involvement.

The City has identified the opportunity to play a leading role in the CDS within Perth CBD to reduce litter, increase recycling and protect the environment, as well as provide opportunities for social enterprise participation (via employment and donations). This is a unique opportunity for the City to become a leader in sustainability, community capacity building and resource management.

The proposed installation and ongoing operation of:

- two permanent container refund points within Northbridge (utilising the City-owned carparks on 68 Roe Street and 6B Aberdeen Street) (Attachment 6.10A);
- two mobile refund points (container trailers); and
- numerous drop-off refund points at community centres and businesses (via provision of CDS bins).

Due to time constraints and to ensure this opportunity remained available to the City, a non-binding application was submitted on the 21 October 2019 for the City to construct and operate container refund points.

Involvement in the CDS aligns with The *City of Perth Act 2016*, section 8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists, via reduced litter within the City's streets, parks and waterways.

Details:

The Container Deposit Scheme commences on Tuesday, 2 June 2020, facilitated by the State Government appointed scheme coordinator, Western Australia Return, Recycle, Renew Ltd (WARRRL). This scheme is written into the *Waste Avoidance and Resource Recovery (Container Deposit Scheme) Regulations 2019* and aligns with the State waste strategy, State litter strategy and the City of Perth Waste Strategy 2014-2024+.

Under the CDS, an additional charge will be applied to eligible beverage containers at the point of sale. The charge will cover the 10-cent refund offered for every eligible container returned and a handling charge of 6-cents per container. Most plastic, glass, aluminium, steel and paper-based containers between 150 millilitres and 3 litres are eligible for the \$0.10 refund. The additional six cents will be provided to the refund point operator who collects and sorts the containers. The customer refund (\$0.10 per container including GST) and refund operator payment (\$0.06 per container excl. GST) is paid by WARRRL (five business days post a valid payment claim being made) and recorded through a point of sales system.

Refund Point Operators have the following responsibilities:

- Paying refund amounts to customers;
- Counting and sorting the collected containers; and
- Preparing containers for collection by Logistics Providers.

Refund Point Operators are responsible for maintaining sufficient working capital to ensure they can pay out refund amounts and any other expenses such as wages, rent and other operating expenses. Refund Point Operators will need to maintain working capital that is at least sufficient to cover two weeks of operations (seven-day operating week plus up to five business days for WARRRL to process a payment claim).

The proposed City of Perth refund points will meet the City's Corporate Social Responsibility obligations and support its triple-bottom-line, with social, financial and environmental benefits, including the following opportunities:

- income from container refunds (\$0.10 per container) to local schools, charities, sporting groups, community groups, businesses and the broader community;
- provision of employment opportunities for people of varying abilities and those who have been unemployed long-term (via refund points). The proposed refund points will also support those at risk of or experiencing homelessness through income generated from container refunds and employment opportunities at refund points;
- provision of community benefits from income generated;
- reduced litter clean-up costs;
- reduction in the amount of waste going to landfill and increasing recycling, therefore reducing tipping and recycling provider fees; and
- improved recycling rates through improved resource recovery, helping the City to reach the State's waste diversion targets and supporting legislative requirements.

The City will facilitate opportunities for the community and vulnerable people to work in the scheme. The City can also support charitable organisations through providing container donation points at their facilities.

Community groups have indicated their support for the City's proposed refund points and are keen to be involved. The University of Western Australia, UnitingCare West, Perth City Farm and Shelter WA have provided their formal support and can offer containers and/or employees to the City's refund points. The City also has the written support of seven other groups (St Bartholomew's House, St Patrick's Community Support, WACOSS, Standing Shoulder to Shoulder, Women's Council WA, Brookfield Properties, St Vincent de Paul Society).

Container through-put estimates:

Based on the 'Western Australia Container Deposit Scheme - Decision Regulation Impact Statement (July 2019)', it is estimated that around 1,800 million beverages are consumed in Western Australia every year. Many of these containers end up in landfill or become litter. The CDS will deliver net present value benefits of \$153 million to the economy based on the Department of Water and Environmental Regulation (DWER) 'Consultation Regulation Impact Statement', 2018. The benefit-cost ratio result is 1.37, indicating that \$1.37 of benefits will result for every \$1 of cost (DWER, 2018).

The recent CDS Study Tour in Brisbane (September 2019), attended city officers, highlighted the potential benefits of the City becoming a Refund Point Operator, with light-industrial Brisbane refund points receiving 50,000-120,000 containers per refund point per day.

Information gathered from the Brisbane Study Tour has been used to inform an indicative cost benefit analysis for the proposed City refund points (Attachment 6.10B), involving the following three scenarios:

- Scenario 1 (low container deposit levels): 25,000 containers per refund point per day (total of 50,000 containers from 2 permanent refund points, as well as 2 mobile refund points and numerous drop-off points)
- Scenario 2 (moderate container deposit levels): 50,000 containers per refund point per day (total of 100,000 containers from 2 permanent refund points, as well as 2 mobile refund points and numerous drop-off points)
- Scenario 3 (high container deposit levels): 120,000 containers per refund point per day (total 240,000 containers from 2 permanent refund points, as well as 2 mobile refund points and numerous drop-off points)

The three scenarios are feasible considering the City's population density and current glass and comingled recycling collections from the City's businesses. This is detailed further in Attachment 6.10C.

Based on the high number of residents, businesses and visitors in the City, and considering both worst and best-case scenarios, it is likely that the City will benefit financially from this CDS as a Refund Point Operator, with opportunity for community engagement and support to the community.

The project implementation is expected to involve additional container collection points as the scheme progresses with the potential to benefit businesses and not-for-profit organisations via the container refund. Additional collection points will be continuously sought to ensure adequate container throughput and sustainable operation of the refund points.

Financial Implications:

ACCOUNT NO:	7268
BUDGET ITEM:	Construction, operation and maintenance of CDS refund points
BUDGETED AMOUNT:	\$0
AMOUNT SPENT TO DATE:	\$0
PROPOSED COST (CAPEX):	\$1,375,005
PROPOSED COST (OPEX)	\$7,230,355
BALANCE REMAINING:	N/A
ESTIMATED WHOLE LIFE REVENUE:	\$10,447,026
ESTIMATED WHOLE LIFE COST:	\$8,605,360
ESTIMATED WHOLE NET POSITION (SURPLUS):	\$1,841,666

All figures quoted in this report are exclusive of GST.

Comments:

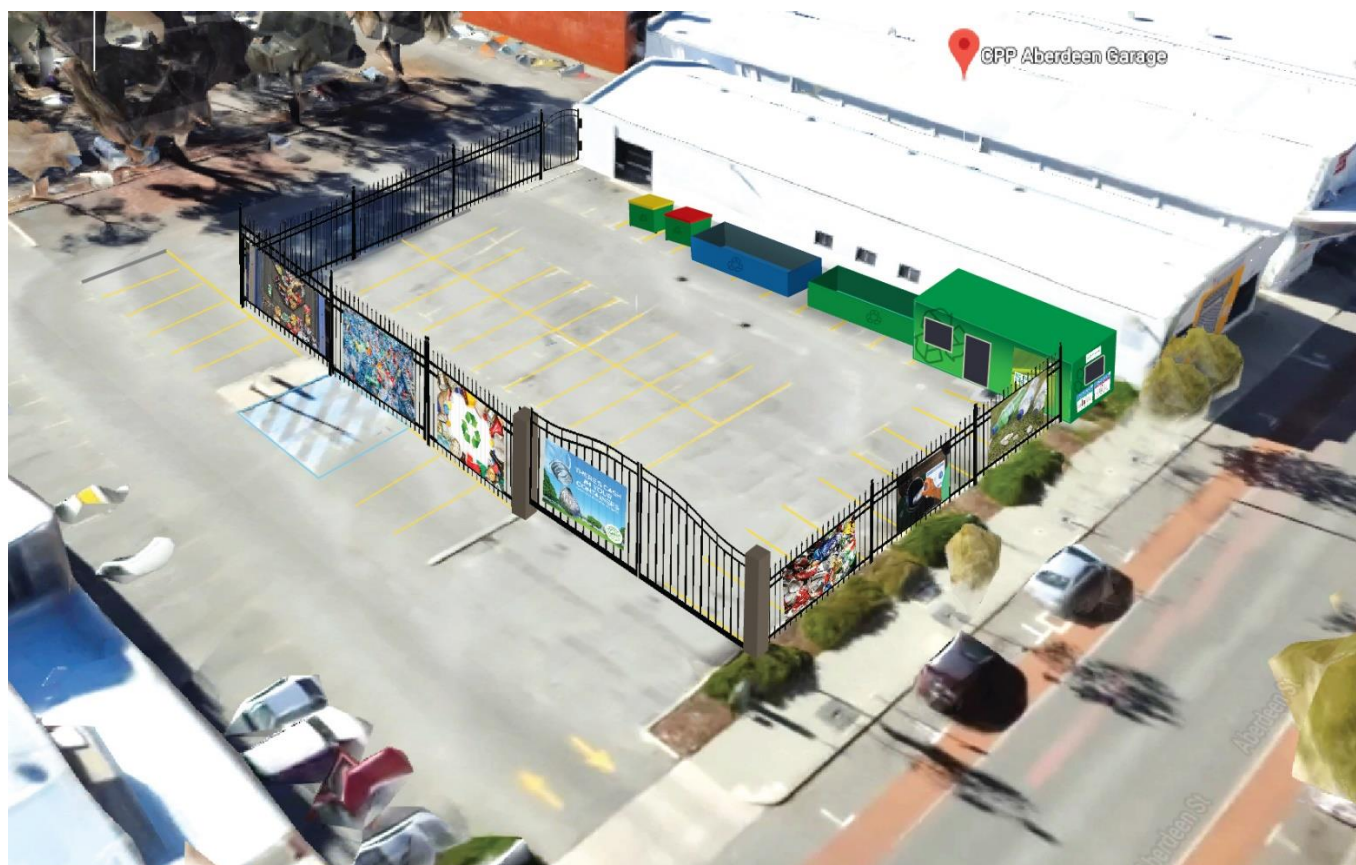
The proposed project is not included in the 2019/20 budget; however, this is proposed for the upcoming 2019/20 budget review. The proposed costing is estimated based on procurement of machines and equipment, construction and fit-out as well as operating costs (including maintenance, and replacement). This costing also includes internal staff requirements and outsourcing of professional labour. The proposed costing is a high estimate and will be refined following the tender process.

Operating costs will be dependent on the number of containers that are collected at each refund point and subsequently the number of staff required to operate the site. The proposed costing has been based on the worst-case container throughput scenario (50,000 containers per day) and this low container throughput is likely to increase.

The estimated whole life cost is based on a seven-year use of life, as this is the WA CDS guaranteed period (Refer to Attachment 6.10D). Seven years is a moderate estimate, as the machines have been observed to last over 15 years. There is a potential opportunity for re-sale due to the growing market for CDS infrastructure; in this case the City could renew and replace parts on a more frequent basis, rather than after equipment failure. Additionally, the initial outlay for the site works will be adding value to the existing buildings.

The City has sufficient funds for the proposed refund points and further expansion, as funding can be sourced from the \$5.5M Waste Reserve Fund. Additionally, there will be savings from reduced litter clean-up costs, and reduced landfill waste and comingled recycling volumes due to CDS containers being removed at the source.

As a refund point operator, the City will receive payment for handling the containers; the cost-benefit analysis (Attachment 6.10B) presents the potential revenue generated from the CDS and the estimated repayment period for all expenditure. The potential net profit may supplement the Waste Reserve Fund.

Proposed CDS Refund Points**Roe Street Refund Point****Aberdeen Street Refund Point**

CDS Cost Benefit Analysis

REVENUE ESTIMATE				
	Scenario 1 - worst-c (50,000	Scenario 2 (100,000	Scenario 3 - Best- (240,000	
Annual Container Deposits	18,250,000.00	36,500,000.00	87,600,000.00	
Payment per container from WARRAL	\$ 0.06	\$ 0.06	\$ 0.06	
Annual Estimate Revenue from container deposits	\$ 1,095,000.00	\$ 2,190,000.00	\$ 5,256,000.00	
OPEX Estimate – Aberdeen Street Refund Point				
COP Team Leader number	1	1	1	
COP Team Leader hourly rate (Inclusive of all salary on-costs and weekend rates)	\$ 78.36	\$ 78.36	\$ 78.36	
COP Additional Staff number	1	2	2	
COP Additional Staff hourly rate (Inclusive of all salary on-costs and weekend rates)	\$ 56.69	\$ 56.69	\$ 56.69	
COP annual Staff Cost (@ 7.5hrs/day x 365 days)	\$ 369,699.38	\$ 524,888.25	\$ 524,888.25	
Non-COP Staff number (counting approx. 40 containers/minute)	3	6	14	
Non-COP hourly rate (estimate)	\$ 50.00	\$ 50.00	\$ 50.00	
Non-COP Security Staff (estimate based on part-time contract)	\$ 51.14	\$ 51.14	\$ 51.14	
Non COP annual staff cost (@ 7.5 hrs/day x 365 days)	\$ 480,624.24	\$ 961,248.49	\$ 2,056,248.49	
Total annual staff cost	\$ 850,323.62	\$ 1,486,136.74	\$ 2,581,136.74	
Miscellaneous OPEX per annum				
Carpark leasing (Aberdeen St and Roe St)			\$ 65,729.29	
Flatbed truck hire (@ \$120/day for 365 days)			\$ 43,800.00	
Contingency labour for cash float requirements (CoP staff [\$57 /hr] @ 1 hr x 365 days)			\$ 20,691.85	
Machine repairs and maintenance (inc. parts replacement)			\$ 20,000.00	
Advertising			\$ 20,000.00	
Water and electricity usage (1 year estimate)			\$ 5,160.00	
Unscheduled maintenance			\$ 5,000.00	
Total Misc. OPEX			\$ 180,381.14	
Total OPEX	\$ 1,030,704.76	\$ 1,666,517.88	\$ 2,761,517.88	
Net Operating Profit per annum (exc. CAPEX)	\$ 64,295.24	\$ 523,482.12	\$ 2,494,482.12	
CAPEX Estimate – approvals, site works and procurement of infrastructure				
Refund Point Site Costs (Aberdeen St Site)			\$ 351,200.00	
Refund Point Site Costs (Roe St Site)			\$ 25,340.00	
External approvals, building works and equipment			\$ 588,465.00	
Reverse Vending Machines (4 frontages)			\$ 390,000.00	
Container drop-off trailers (x2)			\$ 20,000.00	
Total capital expenditure			\$ 1,375,005.00	
REPAYMENTS				
	Scenario 1	Scenario 2	Scenario 3	
CAPEX and OPEX pay-back period (years)	21.39	2.63	0.55	

CDS Minimum Requirements and Container Estimates

The minimum network standards for refund point numbers and locations have been modelled using population data from the Australian Bureau of Statistics (ABS) Census of Population and Housing, 2016, detailed in the Department of Water and Environmental Regulation (DWER) 2019 '*Minimum Network Standards: Refund Point Locations and hours of Operation*'.

The Western Australian Government has at this stage determined the CDS minimum requirement to be 229 refund points (114 full-time refund points and 115 flexible refund points) across Western Australia, within 12 months of the scheme commencement date. Using the 2016 Census population for Western Australia (2,567,788), this provides an average refund point to population ratio of 1:11,213 (Table 1). Table 1 provides a comparison of population, the number of refund points and the average population per refund point in Australian CDS jurisdictions.

Table 1: Comparison of refund points and population in relevant states and territories (DWER, 2019)

State or territory	Population*	Number of refund points	Average population per refund point
South Australia	1,596,572	132	12,095
Northern Territory	211,945	13	16,303
New South Wales	7,480,228	639	11,706
Australian Capital Territory	397,397	18	22,078
Queensland	4,883,739	307	15,908
Western Australia	2,567,788	229	11,213

*Australian Bureau of Statistics (ABS), 2016.

The minimum network standards have assigned a total of 125 (94 full-time and 31 flexible) refund points to the Perth metropolitan area (south of Yanchep to south of Mandurah) (Table 2). According to the 2016 Census, the Perth metropolitan area has a population of 1,881,690, this provides an average refund point to population ratio of 1:15,053.

Table 2: Minimum network standards for Perth metropolitan area (DWER, 2019)

Perth metropolitan area					
Town group name	Full time refund points	Flexible refund points	Town group population	Towns	Population (Census 2016) UCL
Perth (South of Yanchep to south of Mandurah)	94*	31	1,881,690	Perth	1,874,577
				Cardup	630
				Bullsbrook	1,887
				Mundijong	1,482
				Chidlow	857
				Hilbert	650
				Camel	429
				Bickley	424
				Herne Hill	389
				Bullsbrook – West	365

It is important to note that population is not the only factor that will influence the consumption of beverages as this does not consider tourism, 'fly-in fly out' and other seasonality, which must be considered when estimating the number of eligible containers in each area. The estimated resident population of the City of Perth is 27,762 (ABS, 2018) and over 1,700,000 visitors come to the City each year (Tourism WA 2018), averaging at 4,600 visitors per day. The

Container Deposit Scheme - City Refund Points		
<i>Life Cycle Costing Assessment</i>		
<i>7 year use of life, however the design life is estimated to be >15 years.</i>		
Revenues		
Revenues	\$	10,388,452.25
Residual cash inflows	\$	58,574.00
Total revenues/cash inflows	\$	10,447,026.25
Costs		
Acquisition costs (net)	\$	1,375,005.00
Leasing costs	\$	766,705.03
Maintenance costs	\$	293,528.62
Repair costs	\$	38,312.31
Other Operating costs	\$	6,131,808.93
Disposal costs	\$	-
Total all costs/cash outflows	\$	8,605,359.89

Recommendation:

That Council RECEIVES the Financial Statements and the Financial Activity Statement for the period ended 31 October 2019 as detailed in Attachment 6.11A of this report.

FILE REFERENCE:	P1014149-25
REPORTING OFFICER:	Neil Jackson, Acting Senior Management Accountant
REPORTING UNIT:	Finance
RESPONSIBLE ALLIANCE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	2 December 2019
ATTACHMENT/S:	Attachment 6.11A - Financial Statements and Financial Activity Statement for the period ended 31 October 2019

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation	Section 6.4(1) and (2) of the <i>Local Government Act 1995</i> Regulation 34(1) of the <i>Local Government (Financial Management) Regulations</i>
City of Perth Act 2016	Objects of the City of Perth 8(1)(d) - to continuously improve the services and facilities provided to the community, visitors and tourists

**Integrated Planning and
Reporting Framework
Implications****Strategic Community Plan**
Strategic Priority - Performance**Policy**

Policy No and Name: N/A

Comments:

The Financial Activity Statement commentary compares the actual results for the four months to 31 October 2019 with the budget approved by Council on **23 July 2019** and subsequent amendments on **24 September 2019** and **3 October 2019**.

**FINANCIAL ACTIVITY STATEMENT FOR THE FOUR MONTHS TO
31 OCTOBER 2019**

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the four months to 31 October 2019 to the 2019/20 Budget adopted by Council on 23 July 2019, and subsequently amended on 24 September 2019 and 3 October 2019.

Operating Revenue

- Parking revenue for the year to date was \$25.0 million, which was \$152,000 under the budget. The variance relates to Open Air car parks (\$180,000), and Kerbside parking (\$147,000) underperforming offset by Undercover parking being above budget \$160,000.
- Fines and costs were \$3.4 million, being \$284,000 above budget for the year to date. The variance relates to higher than anticipated revenue from Parking fines and modified penalties.
- Rubbish collection revenue was \$9.5 million for the year to date with no significant variance to the budget.
- Investment Income and Interest was \$241,000 under the budget due to municipal fund interest (\$281,000) underperforming, offset by reserves interest being over budget. The reduction in the cash rate has impacted on the performance of interest income.

Operating Expenditure

- Employee costs for the year to date were \$27.1 million, being \$712,000 under the budget. This is mostly a timing difference due to staff turnover and vacant positions.
- Materials and Contracts were \$3.4 million under the budget as a result of underspend in Properties maintenance (\$453,000), Infrastructure and IT maintenance (\$843,000) along with timing variances in contractors and consultants for a number of projects (\$1.7 million).
- Depreciation and Amortisation was over the budget by 3% or \$323,000.
- Other expenditure was \$498,000 under budget for the year to date due mainly to timing differences in donations and sponsorship payments.

Investing Activities

- Capital expenditure was \$9.2 million under budget for the year to date as detailed below.

**FINANCIAL ACTIVITY STATEMENT FOR THE FOUR MONTHS TO
31 OCTOBER 2019**

REPORT OF VARIANCES TO BUDGET

Capital expenditure Variance for the period to October 2019				
Details	Budget 2019/20	Year to Date		
		Actual	Budget	Variance
Wellington Square Enhancement	5,916,345	188,717	129,788	58,929
East End Revitalisation	4,191,775	119,799	1,546,392	(1,426,593)
Pedestrian Walkways	4,055,000	4,000,000	2,055,000	1,945,000
Perth Convention & Exhibition Centre - Subsidence Rectification	4,000,000	400	48,676	(48,276)
CONCERT HALL - Structural Remediation Works	2,156,585	254,680	646,976	(392,296)
Fleet and Plant Replacement - Community Amenities - Sanitation	1,609,500	36,226	482,850	(446,624)
Lighting - Council House Upgrades	1,596,700	51,984	392,260	(340,276)
Citistation Concourse Renewal Work	1,556,800	-	467,040	(467,040)
Financial Systems Project	1,450,000	1,408,612	1,050,000	358,612
Bollard Replacement in Hay & Murray St Malls	1,438,311	11,222	815,452	(804,230)
Lighting - Christmas Decorations	988,047	-	48,750	(48,750)
Digital Workplace Enhancements	855,126	28,559	274,968	(246,409)
Reconfiguration - Forrest Place loading dock	804,958	43,349	40,000	3,349
Projects with no spending YTD	194,393	-	-	0
All other projects	25,510,798	2,917,132	10,294,775	(7,377,643)
TOTAL	56,324,338	9,060,680	18,292,927	(9,232,247)

Financing Activities

- Transfers to Reserves were over budget by \$34,000 due to higher interest income on Reserve funds.
- Transfers from Reserves were under budget by \$498,000 due to timing variances of projects funded from Reserve funds

**FINANCIAL ACTIVITY STATEMENT FOR THE FOUR MONTHS TO
31 OCTOBER 2019**

REPORT OF VARIANCES TO BUDGET

Amounts sourced from Rates

- Rates revenue raised was \$419,000 or 0.4% under budget due to timing differences for interim rates, back rates and Heritage Incentive scheme payments.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT for the period ended 31 October 2019

	Revised Budget 2019/20	Actual YTD 31-Oct-19	Revised Budget YTD 31-Oct-19	Variance YTD 31-Oct-19
	\$	\$	\$	\$
Proceeds from Operating Activities				
Operating Revenue				
Parking Fees	73,201,532	25,045,887	25,197,407	(151,520)
Fines and Costs	9,057,395	3,387,828	3,104,012	283,816
Investment Income and Interest	5,012,305	1,748,655	1,989,598	(240,943)
Community Service Fees	1,666,270	590,098	555,423	34,674
Rubbish Collection	10,099,700	9,472,237	9,466,367	5,870
Rentals and Hire Charges	5,212,039	1,549,106	1,738,849	(189,744)
Recurrent Grants	1,427,431	298,812	286,815	11,997
Contributions, Donations and Reimbursements	862,567	305,468	220,137	85,330
Other Income	4,385,655	2,293,223	2,058,482	234,741
Distribution from TPRC	350,000	0	0	0
	111,274,894	44,691,312	44,617,090	74,222
Less: Operating Expenditure				
Employee Costs	83,404,019	27,074,052	27,786,456	712,404
Materials and Contracts	54,934,590	13,716,631	17,134,461	3,417,830
Utilities	3,244,992	944,729	1,079,356	134,627
Insurance Expenditure	1,040,519	376,938	346,881	(30,057)
Depreciation and Amortisation	35,541,567	12,170,017	11,847,188	(322,829)
Interest Expenses	573,408	225,943	224,842	(1,100)
Loss on Disposal of Assets	1,769,729	597,952	589,910	(8,042)
Expense Provisions	655,791	257,899	218,597	(39,302)
Other Expenditure	25,527,828	8,439,995	8,938,400	498,405
	206,692,444	63,804,155	68,166,092	4,361,937
Add back Depreciation	(35,541,567)	(12,170,017)	(11,847,188)	322,829
Less: Movement in Liabilities associated with Restricted Cash	5,808,466			
(Loss) / Profit on Disposals	(1,769,729)	(597,952)	(589,910)	8,042
	175,189,614	51,036,186	55,728,994	4,692,808
Net Surplus/(Deficit) from Operations	(63,914,720)	(6,344,874)	(11,111,904)	4,767,030
Investing Activities				
Capital Grants	1,191,862	382,058	242,253	139,805
Capital Expenditure	(56,324,338)	(9,060,680)	(18,292,927)	9,232,246
Proceeds from Disposal of Assets/Investments	1,325,391	575,137	446,639	128,498
Sub-total Investing Activities	(53,807,084)	(8,103,485)	(17,604,035)	9,500,549
Financing Activities				
Repayment of Borrowings	(6,904,163)	(3,306,900)	(3,306,900)	0
Transfers to Reserves	(52,067,823)	(15,063,732)	(15,030,000)	(33,732)
Transfer from Reserves	51,466,924	20,632,285	21,130,182	(497,897)
Sub-total Financing Activities	(7,505,062)	2,261,653	2,793,282	(531,629)
Add: Opening Funds	34,052,456	39,862,370	39,862,370	0
Net Surplus/(Deficit) before Rates	(91,174,410)	27,675,664	13,939,713	13,735,951
Amount Sourced from Rates	96,419,628	96,183,499	96,602,328	(418,829)
Closing Funds	5,245,218	123,859,162	110,542,041	13,317,121

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD 31 October 2019

Description	Revised Budget 2019/20	Actual YTD 31-Oct-19	Revised Budget YTD 31-Oct-19	Variance YTD 31-Oct-19
Current Assets	\$	\$	\$	\$
Cash and Cash Equivalents	6,964,785	22,555,060	28,197,788	(5,642,728)
Deposits and Prepayments	4,787,964	15,155,388	22,787,964	(7,632,576)
Money Market Investments - Municipal Funds	5,498,142	79,429,881	59,948,142	19,481,739
Money Market Investments - Restricted Funds	111,016,948	96,267,811	85,616,948	10,650,863
Trade and Other Receivables	13,551,253	44,961,570	46,435,694	(1,474,124)
Inventories	920,355	802,851	920,355	(117,504)
Total Current Assets	142,739,447	259,172,561	243,906,891	15,265,670
Current Liabilities				
Trade and Other Payables	18,532,986	37,281,584	40,703,607	(3,422,023)
Employee Entitlements	3,448,217	11,434,056	10,448,217	985,839
Provisions	7,944,295	0	44,295	(44,295)
Borrowings	8,778,971	5,042,297	5,778,971	(736,674)
Total Current Liabilities	38,704,469	53,757,937	56,975,090	(3,217,153)
Working Capital Position Brought Forward	104,034,978	205,414,624	186,931,801	18,482,823
Deduct Restricted Cash Holdings	(111,016,948)	(96,267,811)	(85,616,948)	(10,650,863)
Add Current Liabilities not expected to clear	3,448,217	9,670,052	3,448,217	6,221,835
Add Current Borrowings	8,778,971	5,042,297	5,778,971	(736,674)
Current Funds Position Brought Forward	5,245,218	123,859,162	110,542,041	13,317,121

Net Cash on Hand	\$	\$	\$	\$
Cash On Hand	6,964,785	22,555,060	28,197,788	(5,642,728)
Money Market Investments	116,515,090	175,697,692	145,565,090	30,132,602
Funds on Hand	123,479,875	198,252,752	173,762,878	24,489,874
Analysis of Funds on Hand				
Reserves	111,016,948	96,267,811	85,616,948	10,650,863
Provisions	11,392,512	11,434,056	10,492,512	941,544
General Funds	1,070,415	90,550,885	77,653,418	12,897,467
Funds on Hand	123,479,875	198,252,752	173,762,878	24,489,874

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 4 months ended 31 October 2019

**CITY OF PERTH
MUNICIPAL**

Statement of Comprehensive Income for the 4 months ended 31 October 2019

(By Program)

	<i>Note</i>	*Budget 2019/2020	** Revised Budget YTD	Actual YTD 31/10/2019	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
General Purpose Funding Rates		97,492,728	97,573,028	97,090,810	(482,218)	-0.5%
General Purpose Funding Other		4,994,353	1,623,152	1,334,346	(288,806)	-17.8%
Law, Order, Public Safety		85,674	21,367	23,144	1,777	8.3%
Health		981,000	645,424	706,538	61,114	9.5%
Education and Welfare		1,951,603	650,534	718,375	67,841	10.4%
Housing		885,259	295,086	331,777	36,691	12.4%
Community Amenities		13,033,342	10,243,349	10,230,524	(12,825)	-0.1%
Recreation and Culture		1,767,438	593,614	622,871	29,257	4.9%
Transport		84,507,422	29,065,299	29,071,826	6,527	0.0%
Economic Services		1,116,620	372,155	516,425	144,270	38.8%
Other Property and Services		529,083	136,409	228,176	91,767	67.3%
Total Operating Income		207,344,522	141,219,417	140,874,812	(344,605)	-0.2%
OPERATING EXPENDITURE						
Governance		(7,851,722)	(2,673,802)	(2,701,267)	27,465	-1.0%
General Purpose Funding		(1,669,591)	(582,565)	(609,729)	27,164	-4.7%
Law, Order, Public Safety		(6,635,762)	(2,183,957)	(2,166,350)	(17,607)	0.8%
Health		(2,467,498)	(791,646)	(601,527)	(190,119)	24.0%
Education and Welfare		(4,580,602)	(1,555,674)	(1,319,907)	(235,767)	15.2%
Housing		(668,931)	(222,977)	(181,051)	(41,926)	18.8%
Community Amenities		(28,410,176)	(9,438,429)	(7,920,582)	(1,517,847)	16.1%
Recreation and Culture		(37,803,006)	(11,657,184)	(11,021,073)	(636,111)	5.5%
Transport		(81,477,431)	(26,974,977)	(26,066,561)	(908,416)	3.4%
Economic Services		(18,993,788)	(7,276,383)	(6,117,573)	(1,158,810)	15.9%
Other Property and Services		(12,929,208)	(4,218,587)	(4,500,584)	281,997	-6.7%
Total Operating Expenditure		(203,487,715)	(67,576,182)	(63,206,204)	(4,369,978)	6.5%
NET FROM OPERATIONS		3,856,807	73,643,235	77,668,608	4,025,373	5.5%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		103,000	103,000	-	(103,000)	-100.0%
- Recreation and Culture		-	-	(5,611)	-	0.0%
- Transport		1,088,862	139,253	387,669	248,416	178.4%
Total Grants/Contributions		1,191,862	242,253	382,058	139,805	57.7%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,769,729)	(589,910)	(597,952)	(8,042)	1.4%
Change in net assets resulting from operations before significant items		3,278,940	73,295,578	77,452,714	4,157,136	5.7%
SIGNIFICANT ITEMS						
Distribution from TPRC		350,000	-	-	-	0.0%
Initial Recognition of Assets		-	-	177	177	0.0%
Change in net assets resulting from operations after significant items		3,628,940	73,295,578	77,452,891	4,157,313	5.7%

* 2019/2020 Budget adopted by Council on 23 July 2019

** Revised by Council on 3 October 2019

**CITY OF PERTH
MUNICIPAL**

*Statement of Comprehensive Income for the 4 months ended 31 October 2019
(By Nature or Type)*

	<i>Note</i>	*Budget 2019/2020	Revised Budget YTD	Actual YTD 31/10/2019	YTD Variance	
OPERATING REVENUE		\$	\$	\$	\$	%
Rates		96,419,628	96,602,328	96,183,499	(418,829)	-0.4%
Grants and Contributions for Non Capital Purposes		2,289,998	506,952	604,279	97,327	19.2%
Fees and Charges		102,166,481	41,661,556	41,833,449	171,893	0.4%
Interest and Investment Income		5,012,305	1,989,598	1,748,655	(240,943)	-12.1%
Other Revenue		1,456,110	458,985	504,932	45,947	10.0%
Total Revenue from Operating Activities		207,344,522	141,219,419	140,874,814	(344,605)	-0.2%
OPERATING EXPENDITURE						
Employee Costs		(83,404,020)	(27,786,456)	(27,074,052)	(712,404)	2.6%
Materials and Contracts		(53,499,590)	(17,134,461)	(13,716,631)	(3,417,830)	19.9%
Utilities		(3,244,992)	(1,079,356)	(944,729)	(134,627)	12.5%
Depreciation and Amortisation		(35,541,567)	(11,847,188)	(12,170,017)	322,829	-2.7%
Interest		(573,408)	(224,842)	(225,943)	1,101	-0.5%
Insurance		(1,040,519)	(346,881)	(376,938)	30,057	-8.7%
Expenses Provision		(655,791)	(218,597)	(257,897)	39,300	-18.0%
Other Expenses from Ordinary Activities		(25,527,828)	(8,938,400)	(8,439,997)	(498,403)	5.6%
Total Expenses from Ordinary Activities		(203,487,715)	(67,576,182)	(63,206,204)	(4,369,978)	6.5%
Change in Net Assets from Ordinary Activities before Capital Amounts		3,856,807	73,643,237	77,668,610	4,025,373	5.5%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		1,191,862	242,253	382,058	139,805	57.7%
NET OPERATING SURPLUS		5,048,669	73,885,490	78,050,668	4,165,178	5.6%
DISPOSAL/WRITE OFF OF ASSETS	2	(1,769,729)	(589,910)	(597,952)	(8,042)	1.4%
SIGNIFICANT ITEMS						
Distribution from TPRC		350,000	-	-	-	0.0%
Initial Recognition of Assets		-	-	177	177	0.0%
Change in net assets resulting from operations after capital amounts and significant items		3,628,940	73,295,580	77,452,893	4,157,312	5.7%

* 2019/2020 Budget adopted by Council on 23 July 2019

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 October 2019

	Note	31/10/2019	30/06/2019
CURRENT ASSETS		\$	\$
Cash and Cash Equivalents	11	22,555,060	46,473,723
Deposits/Prepayments	4	15,155,388	1,384,093
Other financial assets at amortised cost	3, 11	175,697,692	108,181,271
Trade and Other Receivables	5	8,586,997	8,316,600
Rates Receivable	1	36,374,573	914,187
Inventories		802,851	829,609
TOTAL CURRENT ASSETS		259,172,561	166,099,483
NON CURRENT ASSETS			
Other financial assets at amortised cost	3	2,447,453	2,448,395
Financial assets at fair value through profit and loss	3	175,171	175,171
Trade and Other Receivables	5	67,136	59,293
Investments accounted for using the equity method	3	9,975,581	9,900,521
Property, Plant and Equipment	8	718,982,616	722,111,405
Infrastructure	8	370,560,256	371,427,927
Capital Work in Progress	8	45,668,609	46,773,693
TOTAL NON CURRENT ASSETS		1,147,876,822	1,152,896,405
TOTAL ASSETS		1,407,049,383	1,318,995,888
CURRENT LIABILITIES			
Trade and Other Payables	6	37,281,584	23,876,135
Employee Benefits	7	11,434,056	10,921,042
Provisions	7	-	10,960
Loan Liability	9	5,042,297	6,904,163
TOTAL CURRENT LIABILITIES		53,757,937	41,712,300
NON CURRENT LIABILITIES			
Employee Benefits	7	1,719,113	1,719,113
Loan Liability	9	7,333,937	8,778,971
TOTAL NON CURRENT LIABILITIES		9,053,050	10,498,084
TOTAL LIABILITIES		62,810,987	52,210,384
NET ASSETS		\$1,344,238,396	\$1,266,785,504
EQUITY			
Accumulated Surplus		775,546,569	692,525,125
Asset Revaluation Reserve	10	469,976,562	469,921,563
Reserves	10	98,715,265	104,338,816
TOTAL EQUITY		\$1,344,238,396	\$1,266,785,504

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 4 months ended 31 October 2019

	Accumulated Surplus	Asset Revaluation Reserve	Reserves Cash/investment Backed	Total Equity
Balance at 1 July 2018	\$	\$	\$	\$
Net result	681,287,295	477,204,390	100,418,439	1,258,910,124
Asset Revaluation Reserve Transfers	7,875,380	-	-	7,875,380
Reserve Transfers	7,282,827	(7,282,827)	-	-
	(3,920,377)		3,920,377	-
Balance at 30 June 2019	\$692,525,125	\$469,921,563	\$104,338,816	\$1,266,785,504
Balance at 1 July 2019	\$	\$	\$	\$
Net result	692,525,125	469,921,563	104,338,816	1,266,785,504
Asset Revaluation Reserve Transfers	77,452,891	-	-	77,452,891
Reserve Transfers	(54,999)	54,999	-	-
	5,623,552	-	(5,623,552)	-
Balance at the end of the reporting period	\$775,546,569	\$469,976,562	\$98,715,264	\$1,344,238,394

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 4 months ended 31 October 2019

	Note	*Budget 2019/2020	YTD Actual 31/10/2019	YTD Variation	
		\$	\$	\$	%
Cash Flows from Operating Activities					
Receipts					
Rates		96,419,628	79,274,941	(17,144,687)	-17.8%
Fees and Charges		102,166,481	40,857,692	(61,308,789)	-60.0%
Interest		5,012,305	1,676,299	(3,336,006)	-66.6%
Other		1,806,110	689,083	(1,117,027)	-61.8%
		205,404,524	122,498,015	(82,906,509)	-40.4%
Payments					
Employee Costs		(83,404,020)	(27,980,960)	55,423,060	66.5%
Materials and Contracts		(53,499,590)	(20,467,509)	33,032,081	61.7%
Interest		(573,408)	(314,107)	259,301	45.2%
Other		(30,469,130)	(21,690,748)	8,778,382	28.8%
		(167,946,148)	(70,453,324)	97,492,824	58.1%
Net Cash Flows from Operating Activities	12	37,458,376	52,044,691	14,586,315	-38.9%
Cash Flows from Investing Activities					
Proceeds from Disposal of Assets		1,325,391	575,137	(750,254)	-56.6%
Proceeds from Disposal of Investments		-	53,256,396	53,256,396	0.0%
Purchase Land and Buildings		(16,522,757)	-	16,522,757	-100.0%
Purchase Infrastructure Assets		(22,281,475)	(14,157)	22,267,318	-99.9%
Purchase Plant and Mobile Equipment		(16,885,165)	(206,793)	16,678,372	98.8%
Purchase Office Furniture and Equipment		(1,128,128)	(15,660)	1,112,468	-98.6%
Work in Progress		-	(6,206,632)	(6,206,632)	0.0%
Purchase of Investments		-	(120,846,935)	(120,846,935)	0.0%
Net Cash Flows from Investing Activities		(55,492,134)	(73,458,644)	(17,966,510)	32.4%
Cash Flows from Financing Activities					
Repayment of Borrowings		(6,904,163)	(3,306,900)	3,597,263	52.1%
		(6,904,163)	(3,306,900)	3,597,263	52.1%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		2,289,998	420,128	(1,869,870)	-81.7%
Capital		1,191,862	382,058	(809,804)	-67.9%
		3,481,860	802,186	(2,679,674)	-77.0%
Net Increase (Decrease) in Cash Held		(21,456,061)	(23,918,667)	(2,462,606)	11.5%
Cash at 1 July 2019		149,719,007	46,473,723	(103,245,284)	-69.0%
Cash at 31 October 2019	11	128,262,946	22,555,060	(105,707,886)	-82.4%

* 2019/2020 Budget adopted by Council on 23 July 2019

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Notes to the Balance Sheet for the 4 months ended 31 October 2019

1 Rates Receivable

	Actual YTD 31/10/2019	2018/19 30/06/2019
	\$	\$
Outstanding Amount at 30 June 2019	914,187	721,402
Rates Levied for the Year	95,988,672	92,244,168
Late Payment Penalties	119,434	211,402
Ex Gratia Rates	7,648	7,436
Rates Administration Fee	368,212	377,828
Rates Instalment Interest	392,645	355,339
Back Rates	187,179	264,262
Bins Levy	793,024	80,236
Emergency Services Levy	7,447,794	178,540
	106,218,795	94,440,613
Amount Received during the Period	69,844,222	93,526,426
Outstanding Amount at 31 October 2019	\$36,374,573	\$914,187

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

	Annual Budget	Actual YTD 31/10/2019
Land and Buildings	\$	\$
Proceeds on Disposal	-	-
Less: Carrying amount of assets sold/written off	101,811	13,809
(Loss) on Disposal/Write Off	(101,811)	(13,809)
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,677,221	590,588
(Loss) on Write Off	(1,677,221)	(590,588)
Plant and Mobile Equipment		
Proceeds on Disposal	1,318,951	575,137
Less: Carrying amount of assets sold/written off	1,259,082	568,692
Profit on Disposal /Write Off	59,869	6,445
Furniture and Equipment		
Proceeds on Disposal	6,440	-
Less: Carrying amount of assets sold /written off	57,006	-
(Loss) on Disposal/Write Off	(50,566)	-
Gain/(Loss) on Disposal/Write off of Assets	(\$1,769,729)	(597,952)

3 Other Financial Assets

Current	31/10/2019	30/06/2019
Short Term Cash Investments *	\$	\$
Bank/Term Deposits	169,650,000	102,250,000
Managed Funds	6,047,692	5,931,271
Total Current Investments	\$175,697,692	\$108,181,271

* Short Term Cash Investments as stated in Note 11.

Non Current	31/10/2019	30/06/2019
Other financial assets at amortised cost	\$	\$
Mortgage Backed Securities (MBS)	2,447,453	2,448,395
	2,447,453	2,448,395
Equity in Local Government House	175,171	175,171
Equity in Mindarie Regional Council	6,091,421	6,091,422
Equity in Tamala Park Regional Council	3,884,160	3,809,099
	9,975,581	9,900,521

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Notes to the Balance Sheet for the 4 months ended 31 October 2019

4 Deposits/Prepayments

	31/10/2019	30/06/2019
	\$	\$
Prepaid Insurance	1,589,628	-
Prepaid Parking Bay Licence Fees	11,675,738	4,551
Other	1,890,022	1,379,542
	\$15,155,388	\$1,384,093

5 Trade And Other Receivables

	31/10/2019	30/06/2019
Current	\$	\$
Accrued Interest and Investment Income	941,188	868,832
Accrued Income	1,340,701	892,905
Modified Penalties/Fines and Costs	8,307,253	8,084,413
Debtors - General		
Australian Taxation Office - GST Refundable	222,488	642,097
Other Debtors	2,292,018	2,280,076
	13,103,648	12,768,323
Less: Provision for Doubtful Debts	(4,516,651)	(4,451,723)
	\$8,586,997	\$8,316,600
Non Current		
Pensioners' Rates Deferred	67,136	59,293
	\$67,136	\$59,293

6 Trade And Other Payables

	31/10/2019	30/06/2019
Current	\$	\$
Trade Creditors	3,587,338	13,305,765
Emergency Services Levy	18,056,250	209,366
Interest Payable on Loans	64,547	152,711
Accrued Expenses - Operating	4,967,894	3,336,122
Accrued Expenses - Capital	1,828,328	30,185
Advances Received for Recoverable Works	53,784	11,780
Income Received / Raised in Advance	3,276,154	1,950,846
Other Creditors	5,447,289	4,879,360
	\$37,281,584	\$23,876,135

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Notes to the Balance Sheet for the 4 months ended 31 October 2019

7 Employee Benefits

	31/10/2019	30/06/2019
Current	\$	\$
Leave Entitlements		
Annual Leave	5,129,028	4,904,535
Self Funded Leave	304,384	262,088
Long Service Leave	5,889,366	5,639,741
Recognition of Employees- Presentations	111,278	114,678
	\$11,434,056	\$10,921,042
Non Current		
Annual Leave	419,791	419,791
Long Service Leave	1,299,322	1,299,322
	\$1,719,113	\$1,719,113

Provisions

	31/10/2019	30/06/2019
Current	\$	\$
Workers Compensation	-	10,960
	-	\$10,960

8 Property, Plant and Equipment and Work in Progress

	31/10/2019	30/06/2019
	\$	\$
Land - fair value	417,713,132	417,713,132
Less: Accumulated Depreciation	(9,110,762)	(8,887,867)
	408,602,370	408,825,265
Buildings - at fair value	474,035,920	473,009,318
Less: Accumulated Depreciation	(207,638,476)	(203,951,818)
	266,397,444	269,057,500
Leasehold Improvements - at fair value	850,501	669,758
Less: Accumulated Depreciation	(174,305)	(120,707)
	676,196	549,051
Infrastructure Assets - at cost/fair value	612,703,781	608,764,500
Less: Accumulated Depreciation	(242,143,525)	(237,336,572)
	370,560,256	371,427,928
Plant and Mobile Equipment - at cost/fair value	41,124,597	41,847,769
Less: Accumulated Depreciation	(28,927,912)	(28,543,030)
	12,196,685	13,304,739
Office Furniture and Equipment - at cost/fair value	48,022,780	46,921,367
Less: Accumulated Depreciation	(16,912,859)	(16,546,518)
	31,109,921	30,374,849
Property, Plant and Equipment	1,089,542,872	1,093,539,332
Work in Progress - at cost	45,668,609	46,773,693
	45,668,609	46,773,693
Total Property, Plant and Equipment and Work in Progress	\$1,135,211,481	\$1,140,313,025

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Notes to the Balance Sheet for the 4 months ended 31 October 2019

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

	Balance 30/06/2019	Acquisitions Actual YTD 31/10/2019	Transfers Actual YTD 31/10/2019	Discovered/Initial Recognition of Asset Actual YTD 31/10/2019	Disposals/ Write off/ Actual YTD 31/10/2019	Reclassification Actual YTD 31/10/2019	Balance 31/10/2019
	\$	\$	\$	\$	\$		\$
Land	417,713,132	-	-	-	-	-	417,713,132
Buildings	473,009,318	-	1,219,464	-	(79,970)	(112,892)	474,035,920
Leasehold Improvements	669,758	-	67,851	-	-	112,892	850,501
Infrastructure Assets	608,764,500	14,157	5,613,428	356	(1,688,660)	-	612,703,781
Plant and Mobile Equipment	41,847,769	206,793	351,475	-	(1,281,440)	-	41,124,597
Office Furniture and Equipment	46,921,367	15,660	1,857,641	-	(771,888)	-	48,022,780
Work in Progress	46,773,693	8,675,519	(9,780,603)	-	-	-	45,668,609
	\$1,635,699,537	\$8,912,129	(670,744)	356	(3,821,958)	-	\$1,640,119,320

9 Loan Liability

	31/10/2019	30/06/2019
Current	\$	\$
Loans - Western Australian Treasury Corporation	5,042,297	6,904,163
Non Current		
Loans - Western Australian Treasury Corporation	7,333,937	8,778,971

10 Reserve Funds

Purpose of Reserve Fund	Balance 30/06/2019	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Transfer Between Reserves 31/10/2019	Balance 31/10/2019
	\$	\$	\$	\$	\$
Refuse Disposal and Treatment	3,814,076	33,592	(21,797)	-	3,825,871
Concert Hall - Refurbishment and Maint.	6,694,102	59,199	-	-	6,753,301
Asset Enhancement	32,496,838	283,984	(979,082)	137,353	31,939,093
Street Furniture Replacement	136,725	628	-	(137,353)	-
Parking Levy	21,972,143	38,191	(17,653,798)	-	4,356,536
Art Acquisition	419,074	3,614	(49,800)	-	372,888
Heritage Incentive	697,406	6,168	-	-	703,574
Parking Facilities Development	23,318,097	226,034	(58,378)	5,201,618	28,687,371
Employee Entitlements	1,989,973	17,562	-	-	2,007,535
David Jones Bridge	392,103	3,461	-	-	395,564
Bonus Plot Ratio	675,473	5,962	-	-	681,435
PCEC Fixed Plant Replacement	5,177,940	23,678	-	(5,201,618)	-
Enterprise and Initiative	6,003,159	52,812	(123,044)	-	5,932,927
Public Art	551,708	4,870	-	-	556,578
Technology Upgrade	-	4,015,010	(1,408,612)	-	2,606,398
Major Infrastructure	-	1,001,365	-	-	1,001,365
Provisional Capital	-	4,940,467	(62,571)	-	4,877,896
Organisational Reform	-	4,016,933	-	-	4,016,933
	104,338,817	14,733,530	(20,357,082)	-	98,715,265
* Asset Revaluation	469,921,563	330,202	(275,203)	-	469,976,562
	\$574,260,380	\$15,063,732	(\$20,632,285)	\$0	\$568,691,827

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

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Notes to the Balance Sheet for the 4 months ended 31 October 2019

11 Cash Reconciliation

	31/10/2019	30/06/2019
	\$	\$
Cash and Cash Equivalents	22,555,060	46,473,723
Short Term Cash Investments	175,697,692	108,181,271
	\$198,252,752	\$154,654,994

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

	31/10/2019	30/06/2019
	\$	\$
Change in Net Assets Resulting from Operations	77,452,714	6,660,984
Adjustment for items not involving the movement of Funds:		
Depreciation	12,170,017	35,181,475
Doubtful Debts	64,928	468,272
(Gain)/Loss on Disposal/Write off/Contribution of Assets	597,952	7,169,271
	90,285,611	49,480,002
Revenues Provided By :		
Government Grants	(802,186)	(4,106,572)
	(802,186)	(4,106,572)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Inventories	26,758	242,833
Decrease in Deposits and Prepayments	-	353,082
Decrease in Accrued Interest and Dividend Income	-	223,370
Decrease in Deferred Debtors	-	3,356
Decrease in Accrued Income	-	874,858
Increase in Income Received /Raised in Advance	1,367,311	782,173
Increase in Accrued Expenses	1,631,770	864,644
Increase in Provisions	502,054	52,587
Increase in Trade and Other Payables	8,696,384	1,475,588
Deduct		
Decrease in Accrued Interest Payable	(88,164)	(79,156)
Increases in Deferred Debtors	(7,843)	-
Increase in Trade and Other Receivables	(35,275,559)	(71,693)
Increase in Prepayments	(13,771,295)	-
	(37,438,736)	4,721,642
Net Cash Provided by Operating Activities	\$52,044,690	\$50,095,072

MUNICIPAL

Notes to the Balance Sheet for the 4 months ended 31 October 2019

13 Ratios

	31/10/2019	30/06/2019
1 Current Ratio		
<u>Current Assets minus Restricted Assets</u>		
Current Liabilities minus Liabilities associated with Restricted Assets	3.03	1.54
2 Debt Ratio		
<u>Total Liabilities</u>		
Total Assets	4.46%	3.96%
3 Debt Service Ratio		
<u>Debt Service Cost</u>		
Available Operating Revenue	25.32%	5.06%
4 Rate Coverage Ratio		
<u>Net Rate Revenue</u>		
Operating Revenue	68.92%	45.30%
5 Outstanding Rates Ratio		
<u>Rates Outstanding</u>		
Rates Collectable	34.24%	0.97%
6 Untied Cash to Unpaid Creditors Ratio		
<u>Untied Cash</u>		
Unpaid Trade Creditors	28.43	3.73
7 Gross Debt to Revenue Ratio		
<u>Gross Debt</u>		
Total Revenue	8.79%	7.59%
8 Gross Debt to Economically Realisable Assets Ratio		
<u>Gross Debt</u>		
Economically Realisable Assets	1.19%	1.65%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.10.2019

Agenda
Item 6.12

Payments from Municipal and Trust Funds – November 2019

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 November 2019 to be RECEIVED and recorded in the Minutes of the Council, the summary of which is as follows:

FUND	PAID
Municipal Fund	\$14,708,823.30
Trust Fund	\$ 0
TOTAL:	<u>\$ 14,708,823.30</u>

FILE REFERENCE:	P1036562-9
REPORTING OFFICER:	Reshma Janmeerbacus, Acting Manager Finance
REPORTING UNIT:	Finance
RESPONSIBLE ALLIANCE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	2 December 2019

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 Committee to note.</i> |

Comments:

- \$774,116.02 to the Sundry Creditor EFT (supplier 99991) for refund of work bonds and rates refunds for:
 - \$216,020.11 to Pindan Constructions Pty Ltd for 69 Adelaide Terrace, Perth;
 - \$128,083.15 to CA & Associates Pty Ltd for Rates refund;
 - \$71,820.49 to Hoskins Contracting Pty Ltd for 14-16 Victoria Avenue, Perth;
 - \$66,876.59 to Emco Building – 2 Park Road, Crawley;
 - \$48,831.50 to Premiere Events for Rates refund;
 - \$45,059.15 to Brookfield EQ 6 Landowner Pty Ltd for Rates Refund; and
 - Remainder for miscellaneous payment vouchers.
- \$632,619.73 for payment of 2019/20 Emergency Service Levy to DFES;
- \$533,901.85 to Data 3 being for \$474,535.61 for increasing server processing capacity remaining amount of \$59,366.24 for corporate cloud platform and network modules;
- \$444,243.56 to LGIS Liability being for \$279,258.79 for 50% of premium LGIS liability policy 2, \$146,486.46 for 50% of premium for LGIS property Policy remaining \$18,498.31 for Motor vehicle premium adjustment and property insurance adjustment; and
- \$366,594.07 to Ricoh Australia Pty Ltd being for \$260,572.77 for replacement multi-function device fleet and \$106,021.30 for replacement production printer.

Agenda **Strategy Development Policy Adoption** Item 6.13

Recommendation:

That Council ADOPTS the Strategy Development Policy as detailed in Attachment 6.13A.

FILE REFERENCE:	P1028809-2
REPORTING OFFICER:	Sarah Best, Corporate Performance Analyst
REPORTING UNIT:	Strategy and Recovery
RESPONSIBLE ALLIANCE:	CEO Alliance
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	21 November 2019
ATTACHMENT/S:	Attachment 6.13A – Strategy Development Policy

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> |
| <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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation	5.56(1) of the <i>Local Government Act 1995</i>
--------------------	---

City of Perth Act 2016	Objects of the City of Perth 8(1)(b) - to represent the community and encourage community participation in decision-making
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Integrated Planning and Reporting Framework Implications	Strategic Community Plan Strategic Priority - Performance
---	---

Policy	
Policy No and Name:	N/A

Purpose and Background:

The Strategy Development Policy provides guidance on the development and review of the Strategic Community Plan, Issue Specific Strategies and Legislative Plans as identified in the Integrated Strategic Planning Framework.

The Integrated Strategic Planning Framework provides local governments guidance to link operations to established community aspirations and priorities. In accordance with section 5.56(1) of the *Local Government Act 1995*, the City of Perth is required to implement a Strategic Community Plan and Corporate Business Plan, supported by issue specific strategies and informing resource plans.

The past process for the development, review and approval of strategies and plans has been inconsistent and unclear. To ensure an integrated approach to strategic planning and one that links community priorities to operations, a Strategy Development Policy has been drafted to provide a robust process for the development, review and approval of strategies and plans. The attached policy is now ready for Council consideration.

Details:

The Strategy Development Policy sets out to achieve the following objectives:

- Identify and explain the key elements that constitute the City's Integrated Strategic Planning Framework;
- To identify the enablers of the Strategic Community Plan (collection of strategies and plans);
- Prescribe the process by which each of the elements of the framework are formulated, reviewed, discussed and approved;
- Define the involvement and role of the community, staff and elected members in the process; and
- Identify the timing of the various activities within the framework.

To ensure achievement on these objectives, implementation of the policy will be guided by the following key principles:

- Local government planning is holistic in nature and developed in consultation with the community;
- The Strategic Community Plan underpins all planning and decision making within the City; and
- Issue specific strategies, plans required by legislation and service unit plans are all enablers of the Strategic Community Plan.

The Policy depicts the requirement for undertaking both a major and minor review of the Strategic Community Plan, Issue Specific Strategies and Legislative required plans. A summary of the timeline requirements for each of these documents, is indicated in Table 1 of the Policy.

Justification for Council Adoption

Under the Integrated Strategic Planning component of the City of Perth's Corporate Recovery Implementation Plan, the City has committed to the delivery and implementation of strategies and plans that deliver strategic objectives. The Strategy Development Policy is a tool to assist the progression of this outcome.

The Policy provides direction and clarity for the development, implementation and ongoing review of the Strategic Community Plan, Issue Specific Strategies and/or Legislative Plans to ensure consistency and that the appropriate consultation is undertaken.

Financial Implications:

There are no financial implications related to this report.

Comments:

A key component of the Integrated Strategic Planning Framework is to develop informing strategies that support the delivery of services, assets and projects required by the community. The City of Perth has identified several Issue Specific Strategies that are required to ensure the City responds to priority issues or opportunities which also support the objectives of the Strategic Community Plan.

The adoption of the Strategy Development Policy is a step towards providing clear direction on how City strategies and plans are developed and adopted, guided by a consistent process to assist in the maturing of the planning process, to enable closer alignment between the community and council.



Council Policy Manual

Strategy Development Policy

Policy Objective

To -

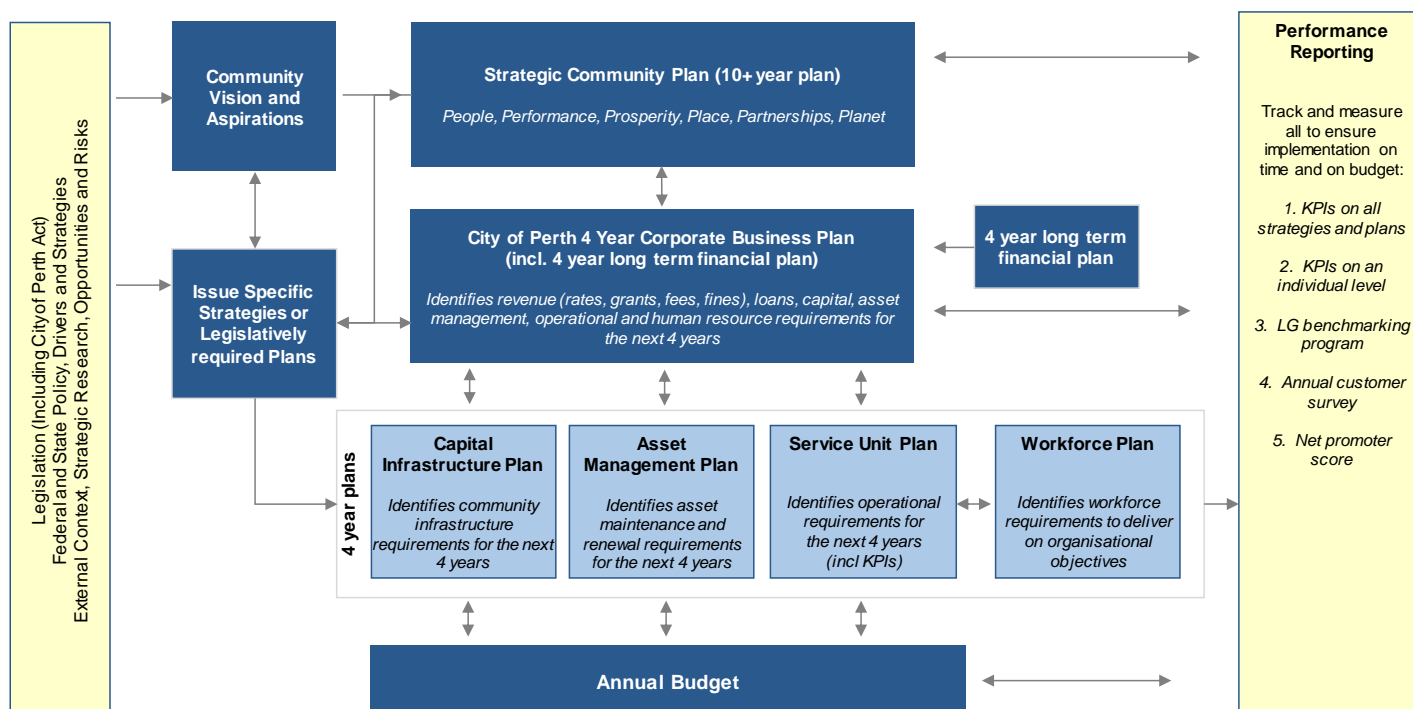
- Identify and explain the key elements that constitute the City's Integrated Strategic Planning Framework.
- To identify the enablers of the Strategic Community Plan (collection of strategies and plans)
- Prescribe the process by which each of the elements of the framework are formulated, reviewed, discussed and approved.
- Define the involvement and role of the community, staff and elected members in the process.
- Identify the timing of the various activities within the framework.

Policy Scope

Commissioners / Elected Members, staff, stakeholders and members of the community involved or participating in the strategic development process.

Policy Statement

The Strategy Development Policy provides guidance on the development of the Strategic Community Plan, identified issue specific strategies and legislatively required plans, as depicted in the City's Integrated Strategic Planning and Reporting Framework.



The enabler of the Strategic Community Plan is a collection of issue specific strategies, the plans required by legislation and the service unit plans:

Strategic Community Plan <i>(people, place, planet, prosperity, performance and partnership)</i>		
<p>Issue specific strategies Strategies identified to address a specific issue or problem</p> <p>Council Strategies:</p> <ul style="list-style-type: none"> • <i>Integrated Transport Strategy</i> • <i>Parking Strategy</i> • <i>Homelessness and anti-social behaviour Strategy</i> • <i>City Planning Strategy</i> • <i>City Neighbourhoods Strategy</i> • <i>Events and Activation Strategy</i> • <i>Marketing and Communications Strategy</i> • <i>Property Rationalisation and Investment Strategy</i> • <i>Tourist Destination Strategy</i> <p>Organisational Strategies:</p> <ul style="list-style-type: none"> • <i>People Strategy</i> • <i>Information and Communications Technology (ICT) Strategy</i> 	<p>Legislated Plans A set if actions identified to meet Legislative requirements</p> <p>Approved Plans:</p> <ul style="list-style-type: none"> • <i>Strategic Planning and Integrated Reporting Framework</i> <ul style="list-style-type: none"> ○ <i>Corporate Business Plan</i> ○ <i>Parking Business Plan</i> ○ <i>Long Term Financial Plan</i> ○ <i>Community Infrastructure Plan</i> ○ <i>Workforce Plan</i> ○ <i>Asset Management Plan</i> • <i>Recordkeeping Plan</i> • <i>Public Health and Wellbeing Plan</i> • <i>Disability and Inclusion Action Plan (DAIP)</i> 	<p>Service Unit Plans Operational plans that identify actions or initiatives that enable or enhance business as usual</p> <p>Must address BAU and consider:</p> <ul style="list-style-type: none"> • <i>Economic impact</i> • <i>Social and community based initiatives</i> • <i>Waste reduction initiatives</i> • <i>Sustainability initiatives</i> • <i>Business improvement initiatives</i> • <i>Risk Management</i> • <i>Project Management</i> • <i>Customer service optimisation</i> • <i>Stakeholder and Community Engagement</i> • <i>Advocacy</i> • <i>Community Amenity and Safety initiatives</i>

1. Strategic Community Plan

The Strategic Community Plan reflects the community's long term vision, values, aspirations and priorities as determined by the community and stakeholders. The strategic community plan guides all planning and decision making within the City.

The Strategic Community Plan is developed through independently facilitated workshops attended by community members, followed up with a Councillor / Community Representative / Staff member Workshop.

Major Review (every 4 years):

Community establishes the foundation of the plan
Council / Staff / Community Representatives summarise the plan foundations and further develop the vision and key focus areas.

Council approves the draft Community Plan and then adopts the final plan after community consultation period.

Minor Review (every two years):

Council adopts, with recommended changes, following a community consultation program.

2. Issue Specific Strategies and Legislatively Required Plans

An issue specific strategy is a strategy that is aimed at addressing a particular issue or problem. It focuses on the longer term (4+ years) and contains high level actions that describe how the City will achieve defined outcomes or objectives in an area of activity, need or responsibility. Only high-level cost elements are indicated in the Strategy, with the detail to be listed by the subsequent Service Unit Plans.

A Plan that is required by Legislation must adhere to certain legislative requirements with regards to its focus. It contains detail of action over a period of one to four years, with consideration of financial, human resource and time implications.

Issue Specific Strategies and Legislatively required Plans are developed through Councillor Engagement Sessions, and Community and staff workshops.

Major Review (as required):

A Strategic Discussion is to be facilitated at a Councillor Engagement Session as the first stage of the development of a new strategy or plan, the major review of an existing strategy or plan. The Strategic Discussion will be informed by a discussion paper that provides background, data, options for consideration and other relevant information on the major issues facing the City with regards to the subject matter.

A draft Issue Specific Strategy informed by the outcomes of the process with Elected Members and engagement with relevant stakeholder groups is submitted to a Councillor Engagement Session, and then put up for consideration at the next Council meeting for endorsement and public advertising.

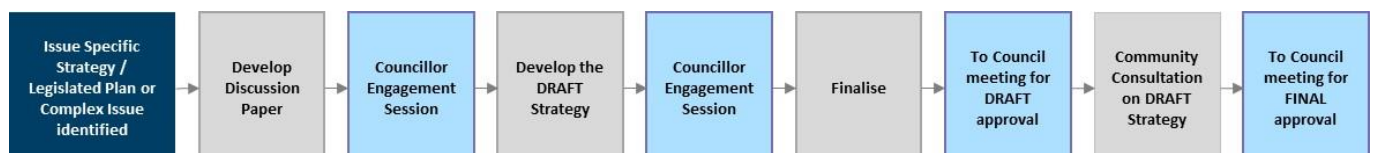
A final strategy which incorporates community consultation outcomes is submitted to Council for final consideration.

Minor Review (every 2nd year during its lifetime or as required):

Council adopts, following inputs from relevant advisory committee and community stakeholders.

The process required for a new issue specific strategy or a legislative plan, or a major review can be depicted by the following steps illustrated in Diagram 1:

Diagram 1: Process steps required for the development of a Issue Specific Strategy or a Legislative Plan:



3. The Community Infrastructure Plan

The Community Infrastructure Plan is a four year planning document that identifies costs and prioritises the City's community infrastructure development program. It involves a series of specific projects to implement desired community outcomes, driven by an overarching strategy. The annual priorities identified in the Community Infrastructure Plan inform the Major Project Plan component of the City Corporate Business Plan and the Long Term Financial Plan.

The Community Infrastructure Plan is developed through Councillor Engagement Sessions, and Community workshops, and follows the same process, as Diagram 1, upon its development.

Major Review (annually for adoption at the May Council meeting):

All new items with a capital cost of more than \$1 million must be submitted to Council for consideration after discussion at a Councillor Engagement Session.

Any existing item that is subject to either a 20% or \$0.5 million cost variation; whichever is the lesser shall be submitted to Council for consideration after explanation at a Councillor Engagement Session. Council will consider the impact that the variation might have on the City's overall financial capacity and determine the future form and status of the project.

The review is to provide the following information on each project:

- Details of the original needs analysis and justification of the project
- Details of the original scope, scale, form and function of the project
- Details of the original costing and verification of the current costing
- Details, justification and the cost of any amendments to the original scope of the project
- Assessment as to whether the originally intended purpose remains relevant

Minor Review (annually for adoption at the Nov Council meeting):

All new items with a capital cost of more than \$1 million must be submitted to Council for consideration after explanation at a Councillor Engagement Session.

Any existing item that is subject to either a 20% or \$ 0.5 million cost variation; whichever is the lesser shall be submitted to Council for consideration after explanation at a Councillor Engagement Session. Council will consider the impact that the variation might have on the City's overall financial capacity and determine the future form and status of the project.

4. The Corporate Business Plan (incorporates the long term Financial Plan)

The Corporate Business Plan is the City's principal business planning tool, projecting each year's revenue and expenditure over a four year period. It articulates the services and activities that the organisation is committing to over the four year period, taking into consideration the financial and human resource constraints.

The Long Term Financial Plan is a financial plan that forecasts expected revenue and expenditure over a period of four or more years, based on a series of assumptions.

Process for Review:

Council reviews the City Corporate Business Plan every 6 months at a Councillor Engagement Session. Following this, Council adopts the City Corporate Business Plan. Councillor Engagement Sessions will be held in October and April of each year, with Council adoption in November and May of each year.

5. Asset Management Plan

A plan that identifies an overarching approach for managing and sustaining of City assets. The plan also identifies tolerance levels for financial or activity intervention and considers service and asset usage when planning the financials associated with maintaining such assets.

Process for Review:

Council reviews the Asset Management Plan every 6 months at a Councillor Engagement Session. Following this, Council adopts the Asset Management Plan. Councillor Engagement Sessions will be held in October and April of each year, with Council adoption in November and May of each year.

6. Workforce Plan

A plan to ensure the City's workforce is capable of delivering organisational objectives now and in the future.

Process for Review:

Staff reviews the workforce plan.

7. Service Unit Plans

A four-year planning document that explains a service units' business as usual and newly identified activities, aimed at providing an optimal service to the community. The service unit plan's role is to demonstrate how the "day to day" functions of the team will be undertaken, what services will be delivered and what operating projects will be undertaken over the life of the plan. Progress reports on all operating projects identified in service unit plans are reported upon monthly in the Council Bulletin.

The Service Unit Plan will also identify and demonstrate the need for new team resources such as new staff, vehicles, plant and equipment and technical apparatus. Service unit plans form the basis of the operational component of the budget and financial projections contained reflect the estimates provided by the Long Term Financial Plan. Year 1 of the service unit plan reflects the draft budget that is submitted to Council for discussion and approval.

Process for Review:

The CEO facilitates a full briefing to Council on future activities, projects, services and other relevant information in May of each year.

8. The Annual Budget

The Annual budget is a statutory document that activates and delivers year one of the City Corporate Business Plan. The revenue and expenditure estimates contained within the City Corporate Business Plan (also reflected in the Service Unit Plans) are used to inform the development of the budget.

Process for Review:

A draft budget is discussed at a briefing to Council.

Council deliberate upon the budget at a Special Meeting (if requested) then give final adoption at Council meeting.

Budget briefings are held every May. If requested, a Special Meeting will be held in June, with an adoption meeting in June or July.

Table 1: Requirements for each of the Strategy documents within the City's Integrated Strategic Planning Framework

	Timing of new developments or major reviews	Timing of minor reviews	Inputs from Elected Members prior to commencing the process	Requirements for internal and external consultation	Inputs from elected members to inform the draft
1. Strategic Community Plan	Every 4 years (next one due in 2021)	After every 2nd year of the SCP lifetime (next one due in 2023)	Discussion paper and a Councillor workshop only after the community consultation process	External consultation prior to elected member input. Internal consultation on the first draft.	Yes
2. Issue specific strategies and Legislatively required Plans	As required	After every 2 nd year of its lifetime (or as prescribed by legislation)	Discussion paper and Councillor Engagement Session	Yes, both	Yes
3. Community Infrastructure Plan	Annually – April/May	Annually – Oct/ Nov	Discussion paper and Councillor Engagement Session	Yes, both (<i>inputs inform the CBP and LTFP</i>)	Yes
4. Corporate Business Plan (CBP) (<i>incorporates Long Term Financial Plan (LTFP)</i>)	Annually – April/May	Annually – Oct/ Nov	Discussion paper and Councillor Engagement Session	Yes, internal For external (<i>see explanation under CIP</i>)	Yes
5. Asset Management Plan	Annually – April/May	Annually – Oct/ Nov	Discussion paper and Councillor Engagement Session	Yes, both	Yes
6. Workforce Plan	Annually – April/May	Annually – Oct/ Nov	No inputs prior to development	Internal only	No
7. Service Unit Plans	Annually – April/May	Annually – Oct/ Nov	No inputs prior to development. Feedback and discussion at the Councillor Briefing Session	Internal only	Yes, inputs on discretionary spend (briefing session every March)
8. Annual Financial Budget	Annually – May/June	Annually – Nov/Dec	No further inputs prior to development	No	Yes, Briefing and Council adoption

Document Control Box							
Document Responsibilities:							
Custodian:	Director Corporate Recovery			Custodian Unit:	Strategy and Recovery Unit		
Decision Maker:	Council						
Compliance Requirements:							
Legislation:	5.56(1) of the <i>Local Government Act 1995</i>						
Industry:							
Organisational:	Strategic Community Plan						
Document Management:							
Risk Rating:	High	Review Frequency:	Biennial	Next Due:	Nov 21	TRIM Ref:	
Version #	Decision Reference:	Synopsis:					
1.							

Recommendation:***That Council:***

1. ***APPROVES the process to be applied for the selection and appointment of a new Chief Executive Officer as outlined in Table 1 of this report; and***
2. ***ENDORSES the provisions of the proposed employment contract as outlined in Attachment 6.14A.***

FILE REFERENCE:	P1032898
REPORTING OFFICER:	Bill Parker, General Manager Corporate Services
REPORTING UNIT:	Corporate Services
RESPONSIBLE ALLIANCE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	2 December 2019
ATTACHMENT/S:	Attachment 6.14A - Chief Executive Officer Joint Model Contract

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:**Legislation***Local Government Act 1995*

Section 5.36(2)(a) and (b) provides that a local government is not to employ a person to fill the position of CEO unless Council believes that the person is suitably qualified for the position and is satisfied with the provisions of the proposed employment contract.

Section 5.36(4) outlines the advertising requirements if the position of CEO of a local government becomes vacant.

Section 5.39 contains provisions for the contracts of CEOs.

Section 5.40 requires that all employees are to be selected in accordance with the principles of merit and equity.

Government (Administration) Regulations 1996

18A, 18B, 18C, 18E, 18F and 19A outlines the process to be applied and key requirements in appointing a CEO.

Salaries and Allowances Act 1975

Section 7A outlines that the Salaries and Allowances Tribunal determines the amount of remuneration provided to local government CEOs.

City of Perth Act 2016**Objects of the City of Perth**

8(1)(a) - to provide for the good government of persons in the City of Perth, including residents, ratepayers and visitors

Integrated Planning and Reporting Framework Implications**Strategic Community Plan**

Strategic Priority - Performance

Policy

Policy No and Name:

Nil

Purpose and Background:

At its meeting held on **26 November 2019**, Council appointed Lester Blades to assist with the recruitment and appointment of a new Chief Executive Officer (CEO).

Since this appointment, the Commissioners met with Lester Blades to establish a draft process. In accordance with the *Local Government Act 1995* and *Local Government (Administration) Regulations 1996*, this item seeks Council to approve a process to recruit a new CEO and endorse the provisions of the proposed employment contract.

Details:

Recruiting and appointing a CEO is one of the most significant tasks elected members may undertake during their term of office. Choosing the right person is critical to the success of the Council and the local government.

There are three sections of the *Local Government Act 1995* that have direct application to the appointment of a CEO. Additionally, the *Local Government (Administration) Regulations 1996* also deals with advertising, contracts, and the selection and appointment process.

To assist local governments to correctly appoint a CEO, the Department of Local Government, Sport and Cultural Industries developed Local Government Operational Guideline Number 10 - Appointing a CEO.

More recently, the Department has also developed draft standards and guidelines for local government CEO recruitment and selection, performance review and termination. The standards and guidelines are currently with the industry for consultation.

In preparing this report, careful consideration has been given to both the existing operational guideline and the draft standards.

In considering this item, two main elements need to be addressed by Council. These include;

- The process to be applied; and
- The provisions of the proposed employment contract

Process for Recruitment and Selection

One of the initial requirements in recruiting a new CEO is for Council to approve a process to be used for selection and appointment.

In addition to being required by the Regulations, adopting a process ensures transparency, clarity and a shared understanding. Once adopted, the process should be followed unless found to be flawed, in which case a decision should be made to amend the process as soon as possible.

Detailed below is the proposed recruitment process and timeframe. Essentially the timeframe has been developed so that an appointment decision can be made in March 2020.

Table 1 - Recruitment Process and Timeline

Description	Start	End
Council approves a process to be used for the selection and appointment of the CEO	17/12/2019	17/12/2019
Finalisation of job description	17/12/2019	20/12/2019
Finalisation of salary and conditions	20/12/2019	24/12/2019
Advertising	31/01/2020	17/02/2020
Selection	18/02/2020	19/02/2020
Preliminary interviews	20/02/2020	26/02/2020
Shortlist report	26/02/2020	3/03/2020
Interviews	9/03/2020	13/03/2020
Due diligence	13/03/2020	16/03/2020

Psychometric testing	16/03/2020	16/03/2020
Recommendation to Council	24/03/2020	24/03/2020
Offer of employment and negotiation	24/03/2020	24/03/2020
Finalisation of process	1/04/2020	1/04/2020

The proposed descriptors and dates are indicative and may be subject to minor variation. Significant variations to this process once approved may require reconsideration by Council.

Proposed Employment Contract

The *Local Government Act 1995* states that a person is not to be employed in the position of CEO unless the council —

- (a) believes that the person is suitably qualified for the position; and
- (b) is satisfied with the provisions of the proposed employment contract.

Although this decision typically occurs at the end of the process, it was noted that there are currently many different contracts in place across the sector, containing very different provisions for entitlements and obligations. To alleviate any potential conflict, uncertainty or confusion, it is proposed that a preferred contract is circulated to prospective applicants.

It is proposed that Council endorse the Model CEO Employment Contract developed by Local Government Professionals WA and the Western Australian Local Government Association.

The CEO Joint Model Contract accords with current legislation and all pertinent decisions of the Salaries and Allowances Tribunal. Importantly, it addresses all the major issues such as:

- Termination Payments;
- Dispute Resolution Processes;
- Probationary Periods;
- Performance Criteria and Review; and
- Components of the Remuneration Package

Financial Implications:

Section 7A of the *Salaries and Allowances Act 1975* outlines that the Tribunal determines the amount of remuneration provided to Chief Executive Officers of local governments.

The most recent determination in relation to Local Government CEOs was issued on 9 April 2019, with effect from 1 July 2019. The City of Perth is currently classified as a Band 1 local government with a total rewards package between \$250,375 to \$379,532 per annum.

In addition to the total rewards package, the cost to appoint an independent human resources consultant and advertise the recruitment process is estimated at \$50,000.

Provisions for the costs associated with the total rewards package and recruitment process are contained within the 2019/20 budget.

Comments:

As outlined in s5.40 of the *Local Government Act 1995* the principles of merit and equity will be applied by undertaking a thorough assessment of the candidates' skills, knowledge and abilities against the work-related requirements of the role. The process will be open, competitive and free from bias, unlawful discrimination, nepotism or patronage.

The appointment of a new Chief Executive Officer will mark a significant milestone in the City of Perth's corporate recovery process.



Local Government
Professionals
AUSTRALIA WA

Leaders in Local Government



Chief Executive Officer

Employment Contract

LG Professionals WA / WALGA



Leaders in Local Government



For more information or further advice please contact:

Warren Pearce,
Chief Executive Officer
Local Government Professionals Australia WA
9271 1136

Tony Brown,
Executive Manager Governance and Organisational Services
Western Australian Local Government Association
9213 2000

LG PROFESSIONALS WA/WALGA: APRIL 2016

EMPLOYMENT CONTRACT

BETWEEN

[Insert name of Local Government]

AND

[Insert full name of CEO]

1.	Definitions and interpretation	1
1.1	Definitions.....	1
1.2	Interpretation	3
1.3	Headings	5
1.4	Schedules etc.	5
2.	Employment	5
2.1	Position and Commencement Date	5
2.2	Enterprise Agreement.....	5
2.3	Extension of Term.....	5
3.	Your obligations	6
3.1	General obligations.....	6
3.2	Specific obligations	6
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Information table

Date See item 1 of Schedule 2.

Parties

Name	[Insert name of Local Government]
Short form name	Local Government
Address	[Insert address of Local Government]
Name	See item 2 of Schedule 2.
Short form name	You or Your , as the case requires
Address	See item 3 of Schedule 2.

Background

The parties have agreed that the Local Government will employ You as the CEO of the Local Government on the terms and conditions set out in this Contract.

Agreed terms

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Contract, unless inconsistent with the context -

Act means the *Local Government Act 1995*;

Additional Remuneration Benefits means the remuneration benefits, in addition to the Remuneration Package, specified in clause 6.1 and in item 12 of Schedule 2;

[Delete if there are to be no additional remuneration benefits in addition to the Remuneration Package. Note that the type of benefits, recommended by the Salaries and Allowances Tribunal, that should be included, and those that should be excluded, from a CEO's remuneration package are set out in the notes to items 9 and 12 of Schedule 2]

amend means replace, substitute, in whole or in part, add to or vary, and the doing of any 2 or more of such things simultaneously or by the same instrument;

CEO means the chief executive officer of the Local Government;

Code of Conduct means the Local Government's Code of Conduct;

Commencement Date means the date of commencement of employment as specified in item 6 of Schedule 2;

Confidential Information means any and all confidential information, data, reports, operations, know-how, accounts, dealings, records, materials, plans,

statistics, finances or other documents and things (other than a document or thing which is already in the public domain), whether written or oral and of whatever type or nature relating to property, assets, liabilities, finances, dealings or functions of the Local Government;

Contract Details means the details specified in Schedule 2;

Council means the council of the Local Government;

Enterprise Agreement means the [add title and date of enterprise agreement, or similar];

[Delete if employing Local Government does not have an enterprise agreement that covers the employment of the CEO]

Expiry Date means the date of expiry of employment as specified in item 8 of Schedule 2;

Functions include the powers, duties, responsibilities and authorities that apply to the Position under clause 3.2;

Industrial Relations Law means – [Delete either (a) or (b) below depending upon which is the relevant legislation]

(a) the *Fair Work Act 2009 (Cth)*;

(b) the *Industrial Relations Act 1979 (WA)*; and

(c) any other law of the State or Commonwealth which affects the subject matter of this Contract;

Initial Work Location means Your initial work location as specified in item 15 of Schedule 2;

Intellectual Property means any and all intellectual property belonging to the Local Government including -

(a) patents, copyright (including all copyright in software), registered designs, registered and unregistered trademarks, domain and business names, rights to have information kept confidential, processes, inventions, improvements, innovations, modifications and discoveries, whether or not capable of being secured, registered or protected by any means; and

(b) any application or right to apply for registration of any of the rights referred to in paragraph (a);

Local Government means the [City/Town/Shire] of [Insert name]

Performance Criteria means the criteria referred to in clause 4, as amended under clause 4.1(4);

[If the CEO's Performance Criteria have already been determined by the Council, these may be included in a separate Schedule to this Contract]

Policies means the written policies and procedures of the [Local Government];

Position means the position specified in item 4 of Schedule 2;

Position Description means the position description as set out in Schedule 1, as amended under clause 3.5;

Remuneration Package means the greater of –

- (a) the aggregate of the components of remuneration specified in item 9 of Schedule 2; and
- (b) any increased amounts payable under clause 7;

Review Notice means a written notice requesting a performance review under clause 4.2(c);

Reviewer means the Council, or a committee or other person or body determined by the Council under clause 4.3;

Salary means the greater of the cash component referred to in item 9 of Schedule 2 and any increased cash component under clause 7;

Special Conditions means the conditions, if any, specified in item 16 of Schedule 2;

State means the State of Western Australia;

Term means the term specified in item 7 of Schedule 2;

Written Law means all State and Commonwealth Acts, and all subsidiary legislation, for the time being in force;

You and **Your** means the employee of the Local Government specified in item 2 of Schedule 2; and

Your Intellectual Property means any and all intellectual property created by You, whether alone or with others, in the course of Your employment under this Contract including -

- (a) patents, copyright (including all copyright in software), registered designs, registered and unregistered trademarks, domain and business names, rights to have information kept confidential, processes, inventions, improvements, innovations, modifications and discoveries, whether or not capable of being secured, registered or protected by any means; and
- (b) any application or right to apply for registration of any of the rights referred to in paragraph (a).

1.2 Interpretation

In this Contract, unless inconsistent with the context -

- (a) words denoting -
 - (i) the singular includes the plural and vice versa; and

- (ii) a gender or genders include each other gender;
- (b) if a word or phrase is assigned a particular meaning, other grammatical forms of that word or phrase have a corresponding meaning;
- (c) a reference to -
 - (i) a person includes a firm, an unincorporated association, an incorporated association, a corporation and a government or statutory body or authority;
 - (ii) a person includes their legal personal representatives, successors and assigns;
 - (iii) any Written Law includes all Written Laws amending that Written Law;
 - (iv) a right includes a benefit, remedy, discretion, authority or power;
 - (v) an obligation includes a warranty or representation, and a reference to a failure to observe or perform an obligation includes a breach of warranty or representation;
 - (vi) provisions or terms of this Contract, or another document, agreement, understanding or arrangement, include a reference to both express and implied provisions and terms;
 - (vii) time is to local time in Perth, Western Australia;
 - (viii) \$ or dollars is a reference to the lawful currency of Australia;
 - (ix) this Contract or any other document includes this Contract or other document as amended or replaced and despite any change in the identity of the parties;
 - (x) writing includes any mode of representing or reproducing words in tangible and permanently visible form, and includes facsimile transmissions or other electronic mail or transmissions;
 - (xi) any thing (including any amount) is a reference to the whole or any part of it and a reference to a group of things or persons is a reference to any one or more of them;
 - (xii) a clause, paragraph or Schedule is a reference to a clause or paragraph of or Schedule to this Contract; and
- (d) the meaning of general words or phrases is not limited by specific examples introduced by 'including, for example' or similar expressions.

1.3 Headings

Headings do not affect the interpretation of this Contract.

1.4 Schedules etc.

- (1) Each Schedule (and an annexure or document incorporated by reference, if any) forms part of this Contract.
- (2) In the event of any conflict or inconsistency between any part of –
 - (a) the terms and conditions contained in the clauses of this Contract;
 - (b) a Schedule;
 - (c) an annexure, if any; and
 - (d) a document incorporated by reference, if any,

The material mentioned in any one of paragraph (a)-(d) of this clause 1.4(2) has precedence over material mentioned in a subsequent paragraph, to the extent of any conflict or inconsistency.

2. EMPLOYMENT

2.1 Position and Commencement Date

- (1) Subject to the terms and conditions of this Contract, the Local Government will employ You in the Position commencing on the Commencement Date and ending on the Expiry Date.
- (2) To avoid any doubt, the terms and conditions of this Contract include the Contract Details in Schedule 2.

2.2 Enterprise Agreement

The provisions of the Enterprise Agreement apply to Your employment as if those provisions were incorporated into this Contract.

[Delete if employing Local Government does not have an enterprise agreement that covers the employment of the CEO]

2.3 Extension of Term

- (1) In accordance with section 5.39(4) of the Act, this Contract is renewable, and the Term may be extended, by agreement between the parties.
- (2) Neither the Local Government nor You has any obligation to agree to this Contract being renewed or to the Term being extended.
- (3) You must, not later than 9 months before the expiry of the Term, notify the Council in writing whether or not You seek a renewal of this Contract and, if so, for what term.

- (4) Within 2 months of the Council receiving that notification, the Council must advise You in writing of the Local Government's intention to either advertise the Position or to offer You a renewal of this Contract and, if so, on what terms.
- (5) If the Council and You agree to an extension of the Term, then, subject to that agreement -
 - (a) this Contract will continue to apply unless amended in writing by the parties; and
 - (b) clause 2.1 is to be read as though it refers to the extended Term.

[In considering, for the purposes of a particular local government, whether the notice period under clause 2.3(3) should be 9 months, or a longer or shorter period, it would be advisable for the local government to consider –

(a) the time reasonably required for the Council to determine whether it wishes the contract to be renewed;

(b) if the contract is not to be renewed, the time reasonably necessary to recruit a replacement, including the time to engage a recruitment consultant, advertise the position, select a preferred candidate, negotiate the agreed terms and conditions with the preferred candidate, wait for the preferred candidate to serve out his or her own notice period, as well as the merits of any handover period between the former and new CEOs; and

(c) the undesirability of having an inordinately long notice period in circumstances where there may be a CEO who, either by choice or decision of the Council, is not to continue as CEO and who simply serves his or her remaining time.]

3. YOUR OBLIGATIONS

3.1 General obligations

You must carry out the Functions that are set out in –

- (a) Your Position Description;
- (b) the Local Government's Policies;
- (c) the Act or any other Written Law.

3.2 Specific obligations

(1) You must –

- (a) perform the functions of a CEO as stated in section 5.41 of the Act;
- (b) comply with the terms of this Contract and the Enterprise Agreement;

[Delete if employing Local Government does not have an enterprise agreement that covers the employment of the CEO]

- (c) carry out all lawful directions given by the Council in relation to the performance of Your Functions;
- (d) comply with the Local Government's Code of Conduct, the Policies, the Act and, insofar as it relates to the performance of Your Functions, any other Written Law;
- (e) unless absent on leave as provided in this Contract or through illness or injury -
 - (i) work such hours as may reasonably be necessary to perform Your Functions; and

[Specifying a maximum or a minimum number of hours of work would not generally be consistent with the employment of a CEO. Unlike other employees, the CEO has a larger measure of autonomy, his or her powers and duties are largely determined by legislation (rather than by another employee or by the Council) and there is significantly more scope for delegation of powers and duties.]

- (ii) during those hours, devote the whole of Your time, attention and skill to performing the Functions;
 - (f) not hold any position for monetary or other reward which may in any way be seen to conflict with Your Functions; and
 - (g) not, except with the prior written approval of the Council, be employed or engaged in any business or activity for profit or reward.
- (2) The Council's approval under clause 3.2(1)(g) must not be unreasonably withheld and, if it is withheld, written reasons must be given to You.

3.3 Duty of confidentiality

- (1) You must not at any time, during or after the expiration or sooner termination of the Term, divulge or reveal to any person any Confidential Information except insofar as -
 - (a) it is consistent with the proper performance of Your Functions;
 - (b) the Council may, from time to time, direct or authorise You to divulge or reveal; or
 - (c) it is necessary or required by law.
- (2) You must take all reasonable precautions, including physical security, to maintain the confidentiality of any Confidential Information.
- (3) You acknowledge and agree that -
 - (a) all Confidential Information acquired by You in the performance of Your Functions is acquired in confidence and any disclosure of it would be harmful to the Local Government;

- (b) damages would not be an adequate remedy for a breach by You of this clause; and
- (c) the Local Government may seek injunctive relief to enforce its rights under this clause.

3.4 Duty of fidelity

You undertake to be a capable and loyal employee acting at all times in the best interests of the Local Government, and to use Your best endeavours to ensure that Your actions do not bring the Local Government into disrepute or cause the Local Government damage.

3.5 Amendment of Position Description

The Position Description may be amended by agreement in writing between the Council and You.

4. PERFORMANCE CRITERIA AND REVIEW

4.1 Performance Criteria

- (1) Within 3 months of the Commencement Date, the Council and You must negotiate and determine the Performance Criteria.

[This will need to be amended if the Council has determined the Performance Criteria before the CEO is employed, and for the purposes of the CEO's employment.]

- (2) The Performance Criteria must be reasonably achievable by You.
- (3) You must use every reasonable endeavour to comply with the Performance Criteria.
- (4) The Performance Criteria –
 - (a) must be reviewed annually by the parties; and
 - (b) may be amended, from time to time, by agreement in writing between the parties.

4.2 Performance Criteria and performance review

Your performance under this Contract, must be reviewed and determined by the Reviewer –

- (a) by reference to the Performance Criteria;
- (b) at least annually; and
- (c) more frequently if the Council or You perceives there is a need to do so and, in that case, gives to the other party a Review Notice.

[Note that, under section 5.38 of the Local Government Act 1995, the CEO's performance must be reviewed 'at least once in relation to every year of the employment'.]

4.3 Selection of Reviewer

- (1) The Council, in consultation with You, is to determine, in respect of each review under clause 4.2 -
 - (a) who the Reviewer is to be; and
 - (b) whether the Reviewer is to be accompanied or assisted by any other person and, if so, the identity of that person.
- (2) For example, the Reviewer may be –
 - (a) the Council;
 - (b) a committee to which the conduct of the performance review has been delegated by the Council under section 5.16 of the Act; or
 - (c) a person or body who has been authorised by the Council to conduct the performance review.
- (3) For the avoidance of doubt, if the Council and You are unable to agree on any of the matters set out in subclauses 4.3(1)(a), the Council is to make the relevant determination.

5. REMUNERATION PACKAGE

5.1 Remuneration Package – general provisions

- (1) The Local Government must pay to You each year a Remuneration Package of the amount specified in item 9 of Schedule 2.
- (2) The Remuneration Package takes into account -
 - (a) the requirement to attend Local Government meetings and perform other Functions that require work outside standard working hours;
 - (b) any additional annual leave to which You are entitled under clause 9; and
 - (c) that You are not entitled to any annual leave loading, penalty rates or payment for additional hours or overtime.
- (3) In accordance with either –
 - (a) the terms of a Policy; and
 - (b) the approval of the Council,

You may vary the individual component amounts of the Remuneration Package provided that the total value of the Remuneration Package remains the same.

- (4) Subclause (3) does not affect the rights of the parties to amend, by agreement, the total value of the Remuneration Package.

- (5) In accordance with either –

- (a) the terms of a Policy; and
- (b) the approval of the Council,

You may salary sacrifice any part of the Salary if-

- (c) it complies with the relevant taxation legislation and Australian Taxation Office rulings; and
- (d) there is no additional cost to the Local Government.

5.2 Salary

The Salary is payable fortnightly, in arrears, by electronic funds transfer to an account nominated by You.

5.3 Motor vehicle

- (1) The Local Government must provide to You the motor vehicle described in item 10 of Schedule 2, or an equivalent motor vehicle.

- (2) The motor vehicle –

- (a) is for unlimited business use by You;
- (b) is for unlimited private use by You within Western Australia (except during any period of unpaid leave) and, with the prior written approval of the Council (or if the Council so resolves, with the prior written approval of the **[Mayor or President]**), outside Western Australia; and
- (c) may be driven by Your partner or another nominated person or persons approved by Council.

[Note – a motor vehicle cannot be driven outside Western Australia by a CEO's partner or other nominated person unless the CEO has been given prior written approval under clause 5.3(2)(b).]

- (3) The use of the motor vehicle is subject to the terms and conditions of –

- (a) any relevant Policies; and
- (b) the Local Government's insurance policy, in respect of the motor vehicle, that is in place from time to time, with which You agree to comply.

- (4) The Local Government is responsible for all running costs of the motor vehicle including all registration, insurance, fuel, maintenance (including servicing) and repair costs.

- (5) You are responsible for arranging for the motor vehicle to be maintained and serviced (at the cost of the Local Government and for it to be cleaned in an appropriate manner.

5.4 Superannuation

- (1) The Local Government must pay, in respect of Your employment, a sum for superannuation that is –
- (a) specified in item 9 of Schedule 2; and
 - (b) includes any superannuation guarantee charge (currently payable by the Local Government under the *Superannuation Guarantee Administration Act 1992* and the *Superannuation Guarantee Charge Act 1992*).
- (2) All superannuation contributions must be paid by the Local Government in accordance with the Act and any other Written Law but, where lawful and, in particular, to the extent that it is permitted under the WA Local Government Superannuation Plan, You may elect to have superannuation contributions paid by the Local Government into a superannuation fund of Your choice.
- (3) You may elect to pay additional superannuation contributions as part of a salary sacrifice arrangement with the Local Government - acknowledging that such an arrangement will result in a lower Salary being paid to You.

5.5 Fringe benefits tax

The Local Government must pay any liability with respect to fringe benefits tax incurred as a result of –

- (a) a payment of any component of the Remuneration Package;
- (b) a payment of any Additional Remuneration Benefits; or
- (c) a payment or reimbursement of expenses incurred by You in performing the Functions.

5.6 Valuation

The value of each component of Your Remuneration Package is to be determined by the Local Government in accordance with the valuation principles that it may adopt from time to time to value benefits provided to its employees.

6. OTHER REMUNERATION BENEFITS

6.1 Additional Remuneration Benefits

The Local Government –

- (a) must provide You with, or pay to You (as the case may be), the benefits specified in item 12 of Schedule 2; and

- (b) may provide You with, or pay to You (as the case may be), the benefits payable to other employees of the Local Government under the Local Government's Policies.

6.2 Out-of-office communication facilities

- (1) The Local Government must provide to You, at the Local Government's cost, the out-of-office communication facilities specified in item 13 of Schedule 2 which –
 - (a) are to enable You to perform the Functions while absent from the Local Government's offices; and
 - (b) may be used by You for incidental personal use.
- (2) The Local Government may provide to You other means of electronic communications.

6.3 Professional development

- (1) In this clause, 'conference' includes workshop, forum or similar event.
- (2)
 - (a) The Local Government supports, as part of Your performance of the Functions, the membership of professional bodies and attendance at conferences.
 - (b) The Local Government must pay the costs associated with Your membership of professional bodies and attendance at conferences, relevant to Your performance of the Functions, up to a maximum of \$..... per annum.
- (3) In addition, where the Council (or, if the Council so resolves, the [Mayor or President]) believes that it is in the interests of the Local Government, the Local Government may also pay the costs of other conference attendances by You for professional development purposes relevant to the Functions.

[Note – Examples of Professional Development could be LG PROFESSIONALS WA and WALGA conferences. An example of Professional Membership could be Full Membership of LG PROFESSIONALS WA.]

Contribution to professional development is normally negotiated between \$3,000 to \$5,000.]

6.4 Relocation expenses

- (1) On receipt of supporting documentary evidence from You, the Local Government must reimburse You for the reasonable costs associated with –
 - (a) the relocation, to an address within the district of the Local Government, of furniture, household goods and personal effects; and
 - (b) Your travel costs, and those of Your partner and members of Your immediate family; and

(c) the transport of personal vehicles.

- (2) The value of the reimbursement under this clause is not to exceed \$[**to be added**] [or in the amount prescribed in Item 12 of Schedule 2].

6.5 Regional/isolation allowance

The Local Government must pay You an annual regional/isolation allowance in the sum of \$[**to be added**] [or in the amount prescribed in Item 12 of Schedule 2].

6.6 Housing allowance

[**Option 1 – where the Local Government owns or leases the accommodation and provides it to the CEO**]

- (1) The Local Government must provide, for Your accommodation, the property at [**insert address**] or an alternative property to be determined by the Local Government.
- (2) The benefit value of the provision of this property to You is \$[**to be inserted**] [or the amount prescribed in item 12 of Schedule 2].
- (3) The Local Government must undertake periodic maintenance and upgrades to the property to ensure that it remains in a suitable living condition.
- (4) You must -
- (a) maintain the property at an appropriate level, including regular garden maintenance and upkeep of the tidiness and cleanliness of the property; and
 - (b) obtain the approval of the Council before making any alterations to the property, including any painting or garden modifications.

6.7 Housing allowance

[**Option 2 – where the Local Government provides a subsidy to the CEO for a property owned or leased by the CEO**]

- (1) The Local Government must pay You a subsidy in respect of the costs of accommodation that You own or lease.
- (2) The benefit value of this subsidy is \$[**to be inserted**] [or the amount prescribed in Item 9 Schedule 2].

7. ANNUAL REVIEW OF REMUNERATION PACKAGE

- (1) Your Remuneration Package must be reviewed by the Reviewer annually –
- (a) at a time that is no later than 3 months after the anniversary of the Commencement Date; or

- (b) if otherwise determined by the Council, at a time that enables the review to coincide with other remuneration reviews conducted by the Local Government.
- (2) The Council is to determine and notify You, in respect of each Remuneration Package review under this clause –
 - (a) who the Reviewer is to be; and
 - (b) whether the Reviewer is to be accompanied or assisted by any other person and, if so, the identity of that person.
- (3) In reviewing Your Remuneration Package, the Reviewer must have regard to –
 - (a) Your performance;
 - (b) any changes to the work value or responsibilities of the Position;
 - (c) the hours worked by You, including hours in addition to normal working hours;
 - (d) the condition of the market and the economy generally; and
 - (e) the capacity of the [City/Town/Shire] to pay an increase.
- (4) As a result of a review of Your Remuneration Package under this clause, the Local Government -
 - (a) is not obliged to increase the amount of the Remuneration Package; and
 - (b) may increase, but must not reduce, the amount of the Remuneration Package.

8. EXPENSES

- (1) If You –
 - (a) incur reasonable expenses in performing the Functions; and
 - (b) provide the Council (or, if the Council so resolves, the [Mayor or President]) with documentary evidence of the expenses,

the Local Government must reimburse You for those expenses.
- (2) The Local Government may provide You with a corporate credit card and, if the Local Government does so, You agree-
 - (a) to use the credit card only for the payment of reasonable expenses properly incurred in performing the Functions;
 - (b) to give the Council (or, if the Council so resolves, the [Mayor or President]), at least on a quarterly basis, documentary evidence of any charged expenses; and

- (c) to reimburse the Local **Government** for any charged expenses that were not properly incurred in performing the Functions.

9. LEAVE

9.1 Approval for leave

Leave by You is to be taken at a time, or during periods that are approved by the Council (or, if the Council so resolves, by the **[Mayor or President]**).

9.2 Annual leave

- (1) You are entitled to 5 weeks' paid annual leave each year.
- (2) Annual leave may be taken on a pro rata basis.
- (3) The Council may direct You to take any annual leave that You have accrued in excess of 30 days' entitlement.

9.3 Long service leave

You are entitled to long service leave in accordance with the *Local Government (Long Service Leave) Regulations*.

9.4 Personal/carer's leave

- (1) You are entitled to 10 days' paid personal/carer's leave each year, to be accrued on a pro rata basis.
- (2) In particular, You may take paid personal/carer's leave if the leave is taken –
 - (a) because You are not fit for work because of a personal illness, or personal injury, affecting You; or
 - (b) to provide care or support to a member of Your immediate family, or a member of Your household, who provides care or support because of –
 - (i) a personal illness, or personal injury, affecting the member; or
 - (ii) an unexpected emergency affecting the member.

9.5 Compassionate leave

- (1) You are entitled to 2 days of paid compassionate leave per occasion when a member of Your immediate family, or a member of Your household –
 - (a) contracts or develops a personal illness that poses a serious threat to his or her life;
 - (b) sustains a personal injury that poses a serious threat to his or her life; or
 - (c) dies.

9.6 Parental leave

- (1) You are entitled to 12 months of unpaid parental leave in accordance with Subdivision B, Division 5, Part 2-2, Chapter 2 of the *Fair Work Act 2009*.
- (2) In particular, You are entitled to unpaid parental leave if –
 - (a) the leave is associated with –
 - (i) the birth of Your child or a child of Your spouse or de facto partner; or
 - (ii) the placement of a child with You for adoption; and
 - (b) You have or will have a responsibility for the care of the child.

9.7 Study leave

The Council (or, if the Council so resolves, the [Mayor or President]) may, on an application from You, approve study leave for You.

9.8 Other leave

You are entitled to the leave and other employment arrangements –

- (a) prescribed by the relevant 'Industrial Relations Law'; and
- (b) that may be agreed with the Council, such as executive leave and community service leave.

9.9 Public holidays

You are entitled to Western Australian public holidays, as notified in the *Government Gazette*.

10. INVESTIGATION AND SUSPENSION

10.1 Power to suspend and investigate

- (1) If You are charged with a criminal offence, the Council may suspend You with pay under this clause.
- (2) If it is alleged that You have engaged in conduct of a type that would give the Local Government reason to terminate Your employment or if, in the reasonable opinion of the Council, the circumstances warrant, the Council may –
 - (a) initiate an investigation under this clause; and/or
 - (b) suspend You with pay under this clause.

10.2 Conduct of investigation

- (1) If the Council initiates an investigation –

- (a) the Council may appoint a person to conduct an investigation into the allegation or the relevant conduct or circumstances;
 - (b) You must attend the offices of the Local Government or elsewhere and give information, explanation or other assistance to the person conducting the investigation, as directed by the Council; and
 - (c) during the investigation, You must not attempt to contact an elected member, employee, customer, business partner or supplier of the Local Government, unless authorised or directed to do so by the Council.
- (2) Until the charge referred to in clause 10.1(1) has been determined, or during the whole or part of the investigation referred to in clause 10.2(1), the Council may suspend You with pay for a period –
- (a) that is in the sole discretion of the Council; and
 - (b) during which the Local Government is not obliged to provide You with work.

11. TERMINATION

11.1 Automatic termination at end of Term

Unless the Term is extended or terminated earlier in accordance with this Contract, Your employment must conclude on the Expiry Date, without the requirement for either party to give notice.

11.2 Termination by the Local Government at will

- (1) This clause does not apply to a termination of Your employment under clause 11.3.
- (2) The Council may terminate Your employment at any time for any reason.
- (3) If the Council terminates Your employment under this clause, the Local Government must pay to You the lesser of –
 - (a) an amount equal to 25% of the Remuneration Package; or
 - (b) the balance of the Remuneration Package payable for the Term.

[The maximum amount that may be paid on termination to a CEO in these circumstances is 12 months' remuneration. The employing local government will need to determine whether this is consistent with its practices and what it wishes to be applied in a particular case.]

- (4) If the Council terminates Your employment under this clause as a result (wholly or partially) of an order made under section 2.1 of the Act, the Local Government must pay to You the lesser of –
 - (a) an amount equal to 25% of the annual Remuneration Package; or
 - (b) the balance of the Remuneration Package payable for the Term.

[Similar points apply to this subclause which has been drafted to deal with the situation involving any future amalgamation of or by the employing local government.]

- (5) A payment under this clause –
- (a) includes any and all other entitlements You may have in respect of termination of employment; and
 - (b) does not include payment for leave accrued but not taken at the date of termination.

11.3 Termination by the Local Government – Your default

(1) Summary termination

The Council may summarily terminate Your employment at any time by notice in writing if You –

- (a) are guilty of any serious misconduct or wilful neglect in the performance of the Functions;
- (b) wilfully disobey any lawful direction by the Council;
- (c) commit a serious breach of any of the provisions of this Contract;
- (d) are convicted of a serious offence, or have been convicted of a 'serious local government offence' within the meaning of that term in section 2.22 of the Act; or
- (e) do anything else which would lawfully enable the Local Government to terminate Your employment without notice.

(2) Termination with notice

The Council may terminate Your employment at any time by giving You 4 weeks' notice in writing, or payment in lieu of notice, if –

- (a) You commit a persistent breach of any of the provisions of this Contract and again breach the provision after being given notice of the breach by the Council;
- (b) You become incapacitated by injury or illness from performing in full the Functions for an aggregate period of more than 90 days in any period of 12 consecutive months (but that period is not to include any accumulated paid leave taken);
- (c) the Guardianship and Administration Board makes a guardianship order in relation to You under section 43 or section 64 of the *Guardianship and Administration Act 1990*; or
- (d) You fail to substantially measure up to and achieve the Performance Criteria and continue to do so for a period of 4 weeks after the Council gives You written notice of that failure and of the course of

action which the Council wishes You to follow in order to address and correct that failure.

11.4 Termination by You at will

- (1) You may, for any reason, terminate Your employment on a date specified by You at any time by giving 3 months' notice in writing to the **[Mayor or President]**.
- (2) The period of notice may be varied by mutual agreement between the Council and You.

11.5 Deductions and set-off

On the termination of Your employment, or expiry of the Term, the Local Government may set-off any amounts that You owe the Local Government against any amount the Local Government owes You at the date of termination or expiry.

12. CONFIDENTIAL INFORMATION AND RETURN OF PROPERTY
--

On the termination of Your employment, or expiry of the Term, whichever occurs first, You must deliver up to the Local Government –

- (a) all Confidential Information (including copies) which may be in Your custody, possession or control and You must not keep or retain or make any copies (whether electronic or otherwise);
- (b) all property of the Local Government including equipment, credit cards, keys, motor vehicles; and
- (c) all documentation of the Local Government, and any copies of documentation, that are in Your custody, possession or control.

13. RELIANCE ON QUALIFICATIONS

You –

- (a) acknowledge that in appointing You to the Position, the Local Government has relied on the qualifications and experience set out in Your application for employment and related documents; and
- (b) warrant the correctness of all information contained in that application and those documents.

14. INTELLECTUAL PROPERTY

You -

- (a) acknowledge and agree that all Intellectual Property is the exclusive property of the Local Government
- (b) assign to the Local Government all future rights which may be acquired by You in relation to Your Intellectual Property so as to vest title in Your Intellectual Property in the Local Government absolutely;

- (c) must immediately deliver to the Local Government full particulars concerning the realisation or creation arising from the development of Your Intellectual Property;
- (d) must (whether during or after the Term and at the expense of the Local Government), execute all documents and undertake all such acts, matters and things as may be reasonably necessary to obtain registration or other legal protection of Your Intellectual Property on behalf of the Local Government and to give effect to the assignment in paragraph (b);
- (e) must, during the Term, maintain dated, legible records of all work performed in the study, assessment or development of Your Intellectual Property.
- (f) acknowledges that all the records referred to in paragraph (e) are the property of the Local Government; and
- (g) must, without limiting paragraphs (e) and (f), surrender and deliver up to the Local Government all passwords necessary to access the records where the records are in electronic form and all documentation necessary to understand software source code including –
 - (i) the names and versions of development tools;
 - (ii) documentation describing the procedures for building/compiling, executing/using the software (technical notes, user guides);
 - (iii) hard copy directory listings of the contents of any media containing the software;
 - (iv) a list of retrieval commands; and
 - (v) archive hardware and operating system details.

15. INCONSISTENCY AND SEVERANCE
--

15.1 Inconsistency: Industrial Relations Law

If there is any inconsistency between this Contract and any Industrial Relations Law, the Industrial Relations Law prevails but only to the extent of the inconsistency.

15.2 Inconsistency: Act

If there is any inconsistency between this Contract and the Act, the Act prevails but only to the extent of the inconsistency.

15.3 Inconsistency: Policies

If there is any inconsistency between this Contract and the Policies, this Contract prevails but only to the extent of the inconsistency. For the avoidance of doubt, the Policies are not intended to be contractual in nature.

15.4 Severance

- (1) Each provision of this Contract is to be read and construed independently of the other provisions of this Contract so that if one or more are held to be invalid for any reason whatsoever, then the remaining provisions are to be valid to the extent that they are not held to be so invalid.
- (2) If a provision of this Contract is found to be void or unenforceable but would be valid if some part of it were deleted or the period of application reduced, such provision is to apply with such modification as may be necessary to make it valid and effective.

16. DISPUTE RESOLUTION

16.1 Dispute Resolution

- (1) In relation to any matter arising under this Contract that may be in dispute between You and the Council, the parties shall initially attempt to resolve the matter at a workplace level.
- (2) If either party seeks to appoint another person to represent them in dispute resolution, they must give written notice to the other party of that appointment.

16.2 Mediation

- (1) If the dispute cannot be resolved at the workplace level the parties agree to allow either party to refer the dispute to mediation. The parties agree that if either party refers the matter to mediation, both parties will participate in the mediation process in good faith.
- (2) In agreeing for the dispute to be referred to mediation, the parties may seek to agree on the following:
 - (a) Whether the parties should seek the assistance of a dispute resolution organisation; and
 - (b) A procedure for selection and compensation of any neutral person who may be engaged by the parties.

17. MISCELLANEOUS

17.1 Legal costs

Subject to any express provision in this Contract to the contrary, each party is to bear its own legal and other costs and expenses relating directly or indirectly to the preparation of this document.

17.2 Amendment

This Contract may be amended only by a document in writing duly executed by the parties.

17.3 Waiver and exercise of rights

- (1) A single or partial exercise or waiver of a right relating to this Contract is not to prevent any other exercise of that right or the exercise of any other right.
- (2) A party is not to be liable for any loss, cost or expense of any other party caused or contributed to by the waiver, exercise, attempted exercise, failure to exercise or delay in the exercise of a right.
- (3) Failure or omission by the Local Government at any time to enforce or require strict or timely compliance with a provision of this Contract is not to affect or impair that provision in any way or the right of the Local Government to avail itself of the remedies it may have in respect of any breach of a provision.

17.4 Rights cumulative

Subject to any express provision in this Contract to the contrary, the rights of a party under this document are cumulative and are in addition to any other rights of that party.

17.5 Governing law and jurisdiction

- (1) This Contract is governed by and is to be construed in accordance with the laws in force in Western Australia.
- (2) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

17.6 Contract personal and not to be assigned

This Contract is personal to the parties and is not capable of being assigned.

17.7 Entire understanding

- (1) This Contract embodies the entire understanding and agreement between the parties as to the subject matter of this Contract.
- (2) Except as referred to in clause 13, all previous negotiations, understandings, representations, warranties, memoranda or commitments in relation to, or in any way affecting, the subject matter of this Contract, are merged in and superseded by this Contract and are to be of no force or effect and no party is to be liable to any other party in respect of those matters.
- (3) No oral explanation or information provided by any party to another is –
 - (a) to affect the meaning or interpretation of this Contract; or
 - (b) to constitute any collateral agreement, warranty or understanding between any of the parties.

17.8 Notices

A notice or other document required or permitted to be given under this Contract may be given in any of the ways provided by sections 9.50 and 9.51 of the Act.

Schedule 1– Position Description

[Either –

1. include content of Position Description in this Schedule; or
2. copy the Position Description, mark it as 'Annexure 1' to this Contract, ensure that it is signed by each of the parties listed in the Signing Page below and add to this Schedule the words 'See Annexure 1'.]

Schedule 2– Contract Details

Item	Subject	Details
1.	Date	[add day, month and year that this Contract is signed]
2.	Your name	[add full name of employee]
3.	Your address	[add residential address of employee]
4.	Position	CEO
5.	Nature of employment	[add full-time or part-time]
6.	Commencement Date	[add date of commencement of employment under this Contract]
7.	Term	[add the term of employment in years – cannot exceed 5 years]
8.	Expiry Date	[add the date that this Contract expires – day, month and year]
9.	Remuneration Package (clauses 1.1 and 5.1)	<p>Salary (cash \$[add] each year component)</p> <p>Motor vehicle (private \$[add] each year use component)</p> <p>Superannuation [add]% \$[add] each year</p> <hr/> <p>\$[add]</p> <hr/> <p>[The benefits recommended by the Salaries and Allowances Tribunal to be included as components of a CEO's remuneration package are –</p> <ol style="list-style-type: none"> 1. base salary; 2. annual leave loading; 3. associated FBT accrued;* 4. association membership fees;* 5. attraction/retention allowance; 6. benefit value of provision of motor vehicle for private use; 7. cash bonus and performance incentives; 8. cash-in-lieu of vehicle; 9. fitness club fees;

10. grooming/clothing allowance;
 11. health insurance subsidy;
 12. private phone;*
 13. recognition program benefits;
 14. school fees and child's uniforms;
 15. superannuation;
 16. travel or other benefit taken in lieu of salary; and
 17. unrestricted entertainment allowance.
 - * See notes below relating to these items]
-
- | | | |
|-----|--|---|
| 10. | Motor vehicle | [add description of motor vehicle] |
| 11. | Professional development | [add maximum amount, if any, payable under clause 6.3(2)] |
| 12. | Additional Remuneration Benefits | <p>[add details and see clauses 6.4-6.7]</p> <p>[The additional remuneration benefits that the Salaries and Allowances Tribunal has recommended to be excluded from a CEO's Remuneration Package are –</p> <ol style="list-style-type: none"> 1. airfare to home base; 2. appointment/relocation expenses; 3. computer provision; 4. entertainment allowance (business restricted); 5. expense of office (business restricted); 6. isolation/location allowance; 7. mobile phone; 8. professional development and library allowance; 9. rental subsidy (where appropriate, such as in remote locations in the State); 10. travel on business; and 11. water/power subsidies (where appropriate, such as in remote locations in the State)] |
| 13. | Out-of-office communication facilities | [add details] |

(clause 6.2)

- | | | |
|-----|-----------------------|--|
| 14. | Performance Bonus | [<i>add amount or maximum amount</i>] |
| 15. | Initial Work Location | [<i>add details</i>] |
| 16. | Special Conditions | [<i>add details</i>] |

Signing page
EXECUTED by the parties

THE **COMMON SEAL** of the Local Government)
was affixed by authority of a resolution of the)
Council in the presence of -)

Mayor/President

CEO or Acting CEO

Name of Mayor/President
(print)

Name of CEO or Acting CEO
(print)

Signed by You
in the presence of -

Witness

Name of Witness
(print)

Optional Clauses

1. Probationary period

If the Local Government wishes a probationary period to apply to the CEO's employment, it will be necessary to amend the employment contract –

- (1) to include in clause 1.1 new definitions of 'Initial Probationary Period' and 'Probationary Period';
- (2) to include a new subclause 2.3 enabling the Local Government to extend the Initial Probationary Period;
- (3) to include a new subclause in clause 11 enabling the Local Government to terminate the CEO's employment before the end of the Probationary Period, and specifying the amount of the termination payment that must be made to the CEO in those circumstances; and
- (4) include a new item in Schedule 2 specifying the length of the Initial Probationary Period.

2. Performance review procedure

If the Local Government does not have a formalised performance review procedure for its CEO, or wishes to amend or replace its existing performance review procedure, it may add a new clause 4.4 as follows –

4.4 Performance review procedure

- (1) Subject to any alternative procedure agreed between the Council and You, a performance review under this clause must include the following procedures -
 - (a) You must give the Council at least one month's written notice of when Your performance review is required;
 - (b) the Council must decide, under clause 4.3, who is to conduct the performance review and must give You at least 10 working days' notice in writing of when the performance review is to be conducted and who is to conduct it;
 - (c) within 14 days after being given notice under paragraph (b), You must prepare a report assessing Your performance against the Performance Criteria, and give that report to the Reviewer;
 - (d) You and the Reviewer will discuss the process and timing of the performance review, which must include at least one interview session that provides for mutual discussion and feedback;

- (e) You must ensure that You are available for the performance review as reasonably required by the Reviewer;
 - (f) You may be accompanied at an interview session by any other person nominated by You;
 - (g) within one month of the conclusion of the performance review, the Reviewer must prepare a report, in consultation with You, to be signed by both the Reviewer and You, that includes -
 - (i) conclusions about Your performance during the period covered by the performance review;
 - (ii) any proposal by either party to amend the Performance Criteria as a consequence of the performance review;
 - (iii) any directions or recommendations made to You in relation to the future performance by You; and
 - (iv) details of the extent, if any, to which You disagree with any statement in the report;
 - (h) if the Reviewer is not the Council, that report must then be submitted to the Council for consideration; and
 - (i) under regulation 18D of the *Local Government (Administration) Regulations 1996*, the Council is to accept the report with or without modifications, or is to reject the report.
- (2) Reports and other documentation prepared under, or for the purposes of, this clause are to be treated by the parties as confidential.

3. Performance bonus

If the Local Government wishes to have performance bonus provisions for its CEO, the employment contract should be amended –

- (1) to include a new definition of 'Performance Bonus' in clause 1.1;
- (2) to amend the Remuneration Package provisions of clause 5 and item 9 of Schedule 2; and
- (3) to add a new subclause in clause 4 dealing with the Performance Bonus, including the maximum amount payable, when and on what basis the Performance Bonus for a particular year is determined, and whether it is to be reviewed by the Council itself or a 'Reviewer' (similar to the performance review provisions of clauses 4.2 and 4.3).

4. Purchase of property

If the Local Government wishes to have purchase of property provisions for its CEO, it may include the following wording in the existing termination clause (Clause 11) -

On the termination of Your employment, or expiry of the Term, at Your request the Council (or, if the Council so resolves, the **[Mayor or President]**) may agree to You purchasing from the Local Government, at its depreciated value –

- (a) any of the out of office communication facilities used by You immediately before the termination or expiry; and/or
- (b) the motor vehicle used by You immediately before the termination or expiry.

[Property that is valued at less than \$20,000 is an ‘exempt disposition’ (under regulation 30(3)(a) of the Local Government (Functions and General) Regulations 1996) and is not subject to the disposition of property requirements of section 3.58 of the Act. Other property may be subject to those disposition requirements.]

5. Alternative Dispute Resolution clause

The Local Government may elect to include an alternative clause related to dispute resolution. This would involve replacing the existing clause 16.2 with the alternative clause 16.2 outlined below:

16.2 Alternative Dispute Resolution

- 1) If the dispute cannot be resolved at the workplace level within 14 days of the dispute being raised, the parties agree to allow either party to refer the dispute to alternative dispute resolution. The parties agree that if either party refers the matter to alternative dispute resolution, both parties will participate in the alternative dispute resolution process in good faith.
- 2) In agreeing for the dispute to be referred to alternative dispute resolution, the parties must within a further 14 days (or within such further period as the parties may agree is appropriate) seek to agree on the following:
 - a. whether the parties should seek the assistance of a dispute resolution organisation;
 - b. a procedure for selection and compensation of any neutral person who may be engaged by the parties;
 - c. a process for resolving the whole or part of the dispute through means such as further negotiations, mediation, conciliation or independent expert determination;

- d. the procedure and timetable for any exchange of documents and other information relating to the dispute; and
- e. procedure rules and a timetable for the conduct of the selected mode of proceeding.

Recommendation:

That Council APPROVES the Annual Report and Audited Financial Statements for the Year Ended 30 June 2019 as outlined in Attachment 6.15A.

FILE REFERENCE:	P1014149-26
REPORTING OFFICER:	Sarah Gosling, Senior Financial Accountant
REPORTING UNIT:	Finance
RESPONSIBLE ALLIANCE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	2 December 2019
ATTACHMENT/S:	Attachment 6.15A – Annual Report and Financial Statements for the Year Ended 30 June 2019 Attachment 6.15B – OAG Closing Report Attachment 6.15C – Management Letter Attachment 6.15D – Management Representation Letter

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> |
| <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 Committee to note.</i> |

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

Section 6.4 of the *Local Government Act 1995*
 Regulation 36 of the *Local Government (Financial Management) Regulations 1996*
 Regulations 9 and 10 of the *Local Government (Audit) Regulations 1996*
 Principle 6 of the State Records Principles and Standards 2002

City of Perth Act 2016**Objects of the City of Perth**

8(1)(a) - to provide for the good government of persons in the City of Perth, including residents, ratepayers and visitors

Integrated Planning and Reporting Framework Implications**Strategic Community Plan**
Economic**Policy**

Policy No and Name: N/A

Purpose and Background:

The report presents to Council the Annual Report and Financial Statements of the City of Perth for the year ended 30 June 2019 (Attachment 6.15A). The findings of the OAG are contained within the closing report (Attachment 6.15B) and the management points raised for review by the external auditors are presented in the management letter (Attachment 6.15C) together with responses from the City's Management. The Management Representation Letter (Attachment 6.15D) sets out Management's responsibility with regard the Financial Statements.

Details:

The Financial Statements for the year ended 30 June 2019 have been audited and were presented to the Audit and Risk Committee on 19 November 2019.

The Financial Statements (Attachment 6.15A) address all statutory financial requirements imposed on the City and comply with the Australian Accounting Standards.

The Financial Statements form part of the Annual Report which is submitted for Council approval on 17 December.

Result

The net result surplus of \$7,730,891. This compares with a budget of \$3,178,758.

Revenue

Rates collected are \$2.3m above the original budget due to higher than forecast interim rates; and

- Fees and charges are \$0.9m above the original budget due to higher parking fee revenue than forecast.

Expenditure

- Employee costs were in line with budget for the year;
- Materials and contracts were below budget by \$4.6m being a combination of lower maintenance costs as well as the impact of lower spending on capital projects than forecast; and
- Depreciation and amortisation was below budget by \$1.2m also reflecting lower capital expenditure than budgeted.

Significant Items

- The replacement of walkways in the Forrest Place/Murray Street area (Padbury Walkways) resulted in a loss on disposal of \$3.3m.

Balance Sheet

- Current assets increased by \$19m due to an increase in net cashflow;
- Non-current assets have decreased by \$15.9m due to asset depreciation and disposals;
- Trade creditors rose by \$2.8m due to the change in accounting for footpath bonds which are now held as a liability and not held in trust;
- Non-current loans fell by \$6.9m as principal repayments were made and no new loans drawn down;
- Accumulated Surplus increased by \$11.2m due mainly to net surplus; and
- Net Cash Flow was a positive \$6.2m, operating activities generated \$52.7m, capital expenditure on assets was \$26.1m net of disposal proceeds and \$7.4m loan principal was repaid.

Audit Issues

No significant items were raised in the audit management letter and management is responding to all items raised.

Financial Implications:

This report and the Financial Statements demonstrate the sound financial position of the City at 30 June 2019.

Comments:

The City complied with the local government regulations by submitting draft Financial Statements to the auditors by 30 September 2019 and its Annual Report and Financial

Statements to Council before 31 December 2019. The City received an unqualified audit opinion from the Office of the Auditor General for the Financial Statements for the year ended 30 June 2019.



City of Perth

ANNUAL REPORT 2018/19



Cover

The cover is based on artwork *Makuru – Season Story* by Nerolie Bynder, a proud Badimia-Nyoongar-Yamatji woman. Chosen by the City of Perth’s Elders Advisory Group for its depiction of the Whadjuk Nyoongar connection to the land and the Swan River (Derbarl Yerrigan), the artwork makes a visible statement about the City’s commitment to reconciliation.

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6 <i>Chair Commissioner’s Message</i>	20 <i>Key Achievements</i>	38 <i>Commissioner Attendance</i>
8 <i>Chief Executive Officer’s Message</i>	24 <i>Major Projects and Key Initiatives</i>	39 <i>Recordkeeping Statement</i>
10 <i>City of Perth Commissioners</i>	26 <i>Financial Highlights</i>	41 <i>Risk Management</i>
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This document is available in alternative formats and languages on request.



About the Annual Report

REPORTING

The *Local Government Act 1995* requires local governments to produce an Annual Report by 31 December each year. The City of Perth reports to the community and its stakeholders in a number of ways and goes beyond statutory requirements by producing a dynamic report.

This Annual Report focuses on the City of Perth's financial and operational performance in the 2018/19 financial year. It documents the City's performance against the 2018/19 Budget and its progress in line with the Strategic Community Plan.

The Strategic Community Plan outlines the City of Perth's long-term strategic direction and expresses the community's vision for the future, together with objectives to deliver community aspirations.

The plan is guided by the following goals:

- A city for people.
- An exceptionally well-designed, functional and accessible city.
- A city connected to its natural beauty.
- A future focussed and resilient city.
- A prosperous city.
- A city that celebrates its diverse cultural identity.
- An open and engaged city.
- A city that delivers for its community.

The City of Perth's Annual Report includes a snapshot of performance and an overview of the City's outlook for the future. It includes plans to ensure the sustainability of the organisation, Perth city and the community being served.

It also provides employees with information about how well the City of Perth has performed over the past year and how their efforts have contributed to achieving the City's vision.

To ensure its accuracy, the Annual Report was reviewed by the City of Perth's Chief Executive Officer and the financial statements were certified by an independent auditor.

In line with the City's sustainability goals, only a limited number of hard copies of this Annual Report were produced. However, it can be downloaded through the website: perth.wa.gov.au

Thank You

Thank you for taking the time to read the City of Perth's 2018/19 Annual Report. The City of Perth hopes you find this information useful and gain valuable insight into the City's achievements for the 2018/19 financial year.

Contact Us

If you have any enquiries, contact the City of Perth on 9461 3333 or email info.city@cityofperth.wa.gov.au. If you are representing the media, please contact the Media and Communications team on 9461 3425.

Acknowledgement

The City of Perth acknowledges the Whadjuk Nyoongar people as the Traditional Owners of the lands and waters where Perth city is situated today and pays respects to Elders past and present.



Andrew Hammond

Chair Commissioner's MESSAGE



Murray Jorgensen

Chief Executive Officer's

MESSAGE

City of Perth Commissioners



Eric Lumsden
Chair Commissioner

Prior to commencing at the City of Perth, Eric Lumsden was the Chairman of the Western Australian Planning Commission. Before this, he was the Director General of the Department of Planning from 2007 to 2013. Eric holds Masters degrees in Town Planning and Business Administration, as well as postgraduate qualifications in local government and social sciences.

In 2005, Mr Lumsden was awarded the Public Service Medal and a place on the Queen's Birthday Honours List for his contribution to local government. In 2010, he was awarded the LGMA Gold Medal for his outstanding achievements and contributions to the profession of local government management. Eric has also been awarded the National Fellow Award by the Institute of Public Administration and has more than 30 years' experience in local government.



Gaye McMath
Deputy Chair Commissioner

Gaye McMath is the former Executive Director of Perth Education City. She was previously the Chief Operating Officer at The University of Western Australia following a 23-year career with BHP. Gaye has had several non-executive directorships and her experience spans 20 years on listed companies, government trading enterprises, not-for-profit and national member organisations.

Gaye is currently on the Board of Gold Corporation, Committee for Perth and the Chamber of Arts and Culture WA. Gaye holds a Bachelor of Commerce from Melbourne University, a Masters of Business Administration from Melbourne Business School and has completed the Advanced Management Program at the Harvard Business School.



Andrew Hammond

Commissioner

Andrew Hammond joined the City of Perth shortly after his resignation as Chief Executive Officer at the City of Rockingham after 10 years in the role. Andrew has significant senior experience in local government having held CEO positions in Albany, Wyndham East Kimberley and Nannup. He also sits on the Board of Governance of the International Institute of Business and Technology Pty Ltd.

Andrew holds an Executive Master of Business in Administration from the University of Western Australia. He is also a Fellow of Local Government Managers Australia, the Australian Institute of Management and a graduate of the Australian Institute of Directors.

Council Suspension

The City of Perth Council was suspended pursuant to section 8.19 of the Local Government Act 1995 on 2 March 2018.

Register of Complaints

Section 5.121 of the Local Government Act 1995 requires a local government to maintain a register of complaints that result in an action under Section 5.110(6) (b) or (c). There were no complaints to the Local Government Standards Panel during the 2018/19 financial year which resulted in any breach orders by the Standards Panel s5.110 (6) (b) or (c).

Leadership and Administration

As Perth city continues to grow, the City of Perth's administration will continue to adapt to meet new and emerging priorities. In the years ahead, the City's focus will be to ensure Perth is the most sustainable and liveable capital city possible.

OUR WORKFORCE

SIZE

754

Employees

TENURE



The average tenure at the City of Perth is six years.

DIVERSITY



Employees

47%

Managers

36%



Employees

53%

Managers

64%



Age range

20-79

Average age

45



Representation of many different cultures and nationalities



Office of the Chief Executive CEO, Murray Jorgensen

The Office of the Chief Executive is responsible for the establishment of strategic plans that enable the City to deliver its vision. It is responsible for establishing inter-governmental frameworks that enable the City of Perth to partner with external stakeholders and provides support to address Council needs and queries. The Office of the Chief Executive is made up of Strategy and Partnership, Governance and Corporate Communications.



Community and Commercial Services

Director, Rebecca Moore

During the year, Emma Landers acted in this position.

The Community and Commercial Services Directorate provides services and facilities for the enjoyment of the whole community. The directorate ensures it meets community expectations in a commercially sustainable way and is made up of Commercial Parking, Community Amenity and Safety, Community Services, Customer Service, Health and Activity Approvals, Library and Parking Services.



Construction and Maintenance

Director, Paul Crosetta

During the year, Nathan Ahern acted in this position.

The Construction and Maintenance Directorate builds and maintains the infrastructure and related assets that underpin the growing city. The directorate comprises specialists in construction and maintenance and approaches work with excellence and sustainability in mind. The directorate includes Construction, Parks, Plant and Equipment, Properties, Street Presentation and Maintenance, and Waste and Cleansing services.



Economic Development and Activation

During the year, Ben Fitzpatrick, and Daniel High acted in the position of Director.

The Economic Development and Activation Directorate delivers vitality to Perth city, striving to create and maintain the conditions for a vibrant, yet sustainable lifestyle. This directorate brings the world's best to our doorstep by developing and deploying strategic policies, plans and projects to guide the future economic prosperity of the city. The directorate is made up of Arts, Culture and Heritage, Business Support and Sponsorship, Economic Development, and Marketing and Activation.



Corporate Services

Director, Robert Mianich

During the year, Mark Ridgwell acted in this position.

The Corporate Services Directorate has responsibility for overall governance and corporate matters. It provides services to all other directorates, as well as a range of value for money services and systems that ensure the organisation can do what it needs to do in a manner that is both compliant and meets the needs of external customers. The directorate is comprised of Asset Management, Data and Information, Finance, Human Resources and Information Technology.



Planning and Development

Director, Erica Barrenger

During the year, Robert Farley acted in this position.

The Planning and Development Directorate is responsible for the sustainable planning, regulation and development of Perth city's natural and built environment, including the public realm and as many of the activities that happen within it. The directorate is comprised of City Planning, Coordination and Design, Development Approvals, Sustainability and Transport.

About the City of Perth

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



OUR STATE

SIZE (KM²)

2,525,500

POPULATION

2.61M

OUR CITY

SIZE (KM²)

6,422

POPULATION

2.06M

OUR LOCAL GOVERNMENT

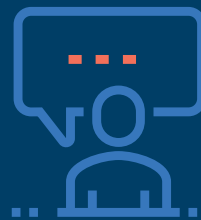
SIZE (KM²)

20.017

POPULATION

27,762

PEOPLE



MEDIAN AGE

30 - 31

BORN OVERSEAS

54.7%



HOUSEHOLDS

14,745

HOUSEHOLD SIZE

1.79 Persons







ENVIRONMENT



PARKLAND AREA

541.9 ha

RIVER FRONTAGE

11.25 km

NATIVE PLANTS PLANTED

14,953

TOTAL LENGTH OF ROADS

95 km

ECONOMY



WORKFORCE

149,474

OFFICE FLOOR SPACE

1.9M m²

ECONOMIC OUTPUT

\$75.5B

GROSS PRODUCT

\$41.4M (Regional)

TOP SECTORS BY ECONOMIC OUTPUT



Mining

Professional,
Scientific & TechnicalFinance
& Insurance

The City of Perth

Constituted under the *Local Government Act 1995*, the City of Perth provides services and facilities to a broad range of stakeholders including residents, businesses, workers and local, national and international visitors.

The City of Perth has origins from 1829 when the Swan River Colony was established by the British Government and was named after Perth in Scotland. For thousands of years prior, the area had been an important meeting place for the Nyoongar people who have lived in the south-west region of Western Australia for more than 35,000 years.

In 1856, Perth formally attained 'city' status when it was declared a Bishop's See by Queen Victoria. The first meeting of the Perth City Council was held on 10 December 1858. However, it was not until the Centenary of Foundation in 1929 that the position of Mayor was elevated to Lord Mayor.

The Council has met at several locations over the years, before moving to Council House in 1963. In 1994, the sprawling local government area was split into four separate authorities, with the creation of the Towns of Vincent, Victoria Park and Cambridge.

In May 2015, a Bill was introduced in State Parliament to establish the *City of Perth Act 2016* to recognise Perth as the capital city of Western Australia and to establish the City of Perth Council as the State's pre-eminent local government authority. This came into effect on 1 July 2016.



Statistics compiled from the following sources:

City of Perth; profile.id (<https://profile.id.com.au/perth>); Australian Bureau of Statistics, 2018, Australian Demographic Statistics, Cat. no. 3101.0; Department of Lands, Planning and Heritage Land Use Survey for office floor space (2015); and REMPLAN.

ORGANISATION

SISTER CITIES

Kagoshima

JAPAN (1974)

Megisti

GREECE (1984)

Houston

UNITED STATES (1984)

Rhodes

GREECE (1984)

San Diego

UNITED STATES (1987)

Vasto

ITALY (1989)

Nanjing

CHINA (1998)

Taipei

TAIWAN (1999)

Chengdu

CHINA (2012)

CHARTERS OF MUTUAL FRIENDSHIP

Perth

SCOTLAND (2006)

Seochu

REPUBLIC OF KOREA (2008)

DGE



WASTE RECYCLED

4,820 t

GRAFFITI REMOVED

12,874 m²

PHONE CALLS RECEIVED

67,465

ENVIRONMENTAL HEALTH

>3,000

Inspections



LIBRARY VISITS

412,538

COMMUNITY CENTRE VISITS

129,623

SOCIAL MEDIA FOLLOWERS

457,347

ANNUAL OPERATING REVENUE

\$206.66M

Key Achievements

- 1 A city for people
- 2 An exceptionally well designed, functional and accessible city
- 3 A city connected to its natural beauty
- 4 A future focussed and resilient city
- 5 A prosperous city
- 6 A city that celebrates its diverse cultural identity
- 7 An open and engaged city
- 8 A city that delivers for its community

Street Lighting

Not only does street lighting promote amenity and safety, it is integral to the city's night time economy. Ageing lighting in the CBD has been replaced with more sustainable LED lighting on St Georges Tce from Irwin St to Victoria Ave, Hay St between Barrack St and Pier St and Murray St from Barrack St to Irwin St. The City also conducted an independent review of street lighting levels in East Perth, which will be factored into future budgeting.

GOALS

- 1
- 2
- 4
- 8



Think Perth Website

In January, the City launched its Think Perth campaign, featuring an investment focussed website to drive economic development outcomes. Featuring advocates from key industry sectors including resources and energy, medical and life sciences, tourism and hospitality and commercial property, Think Perth provides a repository of relevant information aiming to attract national and international investment into Perth.

GOALS

- 5
- 8



City of Neighbourhoods

As part of the City of Neighbourhoods, the City of Perth is helping the community by facilitating the capacity to make change happen together. The community is being empowered to become active in place and community development. It is also creating a platform that ensures communication, coordination and cooperation across the city. The Council awarded its first Neighbourhood Precinct Grants to community precinct groups to fund relevant initiatives.

GOALS

- 3
- 4
- 8

Smart Irrigation

The Smart Irrigation Project received funding from the Australian Government and has involved installation of smart irrigation controllers across 104 sites. Weather stations provide local data (temperature, rainfall, solar radiation, wind and humidity) to inform irrigation schedules, which ensures water use is managed sustainably. These schedules can now be automatically adjusted based on weather conditions, resulting in increased efficiency and costs savings.

GOALS

- 7
- 8

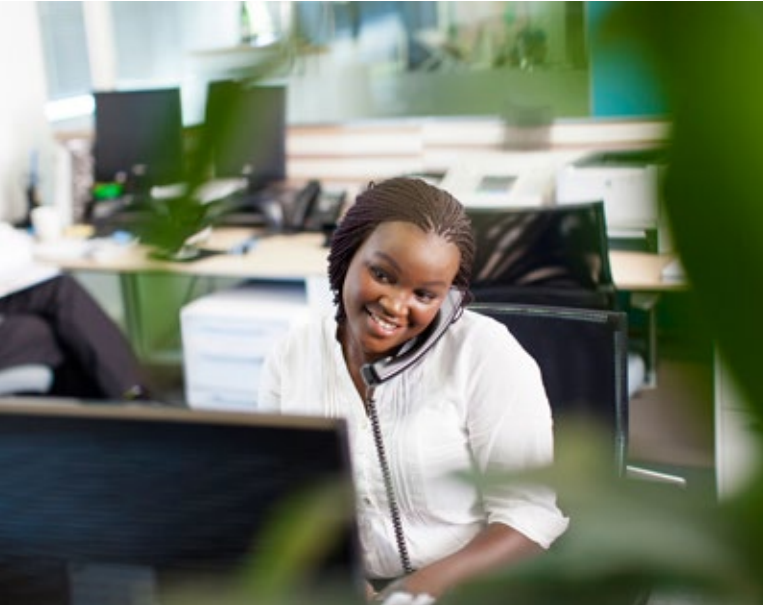


City Planning Strategy

The draft strategy provides a platform for collaboration between the City of Perth, the community, State Government and neighbouring local governments. It is intended to guide future land use planning and decision-making for Perth city, and sets out a shared vision and framework for the coordinated delivery of projects and actions that require stakeholder and government collaboration.

GOALS

- 1
- 2
- 3
- 4
- 5
- 6
- 7



Customer Service Improvements

From the Customer Perception Survey in 2018, web chat was identified as a desired customer service channel by 73 per cent of respondents. In response to this, the City conducted a trial in June to determine the benefits of extending services to include live chat on high traffic pages of its website. Qualitative feedback demonstrated value to the community and the trial was extended for 12 months.

GOALS

7

8

Community Parklets

In May, two parklets were installed in Nedlands on Hampden Road. Designed to support local business and encourage community engagement, the parklets supported the community's aspiration for Perth to be 'vibrant, connected and progressive'. As part of the activation, local musicians gave live performances to surprise and delight passers-by. These were the first parklets to be delivered within the City of Perth boundary.

GOALS

1

2

3

5

6



Outdoor Dining

To boost street and place activation, Council adopted a new Outdoor Dining Framework which transformed outdoor dining within the city. The changes include removing outdoor dining fees, simplifying the application process through an online portal, providing instant approvals and improving the quality of outdoor dining areas through guidance on design and fit-out. This initiative has meant nearly 200 cafes and restaurants now offer patrons an outdoor dining experience.

GOALS

1

5

8



Major Projects

The City of Perth takes an integrated approach to its strategic planning to ensure it delivers the best outcomes for the community and creates a vibrant, connected and progressive city. The plan was formed to adapt to population growth, economic fluctuations, environmental trends and social and community needs, now and into the future.



East End Revitalisation

Endorsed by Council in 2018, the East End Revitalisation Masterplan is a multi-staged plan aiming to improve the environment, character and quality of the precinct through renewal of the streetscape. The masterplan involves the Hay Street Pedestrian Priority Zone (PPZ) concept, which is designed to improve the street by providing more space for pedestrians. An innovative and unique concept, community feedback showed support for the PPZ. Following stakeholder engagement including community information sessions, detailed design was undertaken and works for the first stage on Hay Street are expected to begin in 2020.

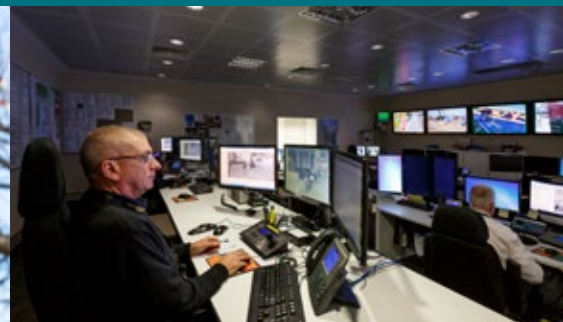
Wellington Square

The Wellington Square Masterplan was approved by Council in September 2018. This high-level plan incorporates key strategic considerations and will guide future enhancements of the area. Feedback captured during the development of the masterplan indicated strong support, with the community eager for the project to commence. Construction is scheduled to start in early 2020 and will see the development of basketball courts, formal sports areas, a Stolen Generation place of reflection and beautiful meeting spaces for all to enjoy. Native planting will also offer habitat for wildlife and provide homage to the history of the site as a former wetland.

Mount Street East

The Mount Street East Concept Plan Draft project aims to reinforce Perth city's connection with Kings Park, provide improved street amenity and create a safer, slow speed environment for all users. The first stage of consultation and a draft plan were presented to Council and approved in February 2019. New street furniture, additional street trees, wider footpaths, safer pedestrian crossings and a designated pick up and drop off area are all included in the final masterplan. The design has been informed by both stages of consultation and was well received by the community. The final draft masterplan and stakeholder engagement outcomes will be presented for approval by Council.

Key Initiatives



Homelessness

The City of Perth is committed to taking a lead role in addressing homelessness by coordinating service delivery. It aims to shift the strategic focus of the City and sector from 'managing homelessness' to 'ending homelessness' in Western Australia within the next nine years. The City of Perth has been working with State Government, local governments, service providers and community groups to develop an Interim Homelessness Plan for the City of Perth. The City will focus on key priority areas including coordination of services, assertive outreach services, expansion of existing day centres, safe night spaces and low barrier/low threshold social housing options.

Parking

Parking that best services the needs of the community is a priority for the City of Perth. With a daytime population of more than 200,000 people, provision of effective parking services is integral to all who visit, work, live or invest in the city. In the 2018 Stakeholder Perception Survey, 85 per cent of respondents considered the cost of parking to be expensive or very expensive. Responding to the community's needs, Council approved free 12-month parking trials in City-controlled areas, with further trials to be explored. Moving forward the City will prioritise the development of a business plan and approach that best suits the community's requirements.

Community Safety

The City of Perth works with various agencies including WA Police, on initiatives that aim to keep people safe and minimise damage and crime. This includes managing the CCTV network, engaging with businesses about crime prevention, hosting business safety and security forums, targeted ranger patrols and development of guidelines to reduce crime and antisocial behaviour through environmental design. After winning a Smart Cities grant from the Federal Government, the City began implementing smart CCTV data and analytics and smart lighting to create a safer community in East Perth and for patrons heading to Optus Stadium.

Financial Highlights

Responsible, sustainable financial management that ensures the effective stewardship of financial and community assets is a core responsibility of local government. The community is entitled to expect rigorous, strategically focussed financial planning that ensures services and capital projects delivered to the community are properly funded and appropriately resourced.

Proactive treasury management and effective operational financial management should deliver best value to the community from the use of the City's financial resources, while regular reporting should provide accountability for the use of those financial resources.

The City of Perth's annual financial statements provide one perspective on how the City has performed against those expectations. While this report focuses specifically on the 2018/19 financial year results, it is important to view these results within the context of financial trends over a period of at least five years. The tables below provide summarised data and key financial ratio trends that indicate how the City has performed financially over the past five years.

Table One (below) shows the value of community assets (the City's net asset position) has remained very consistent across the last five years as a result of ongoing capital investment in enhancing important community infrastructure.

1. Financial Performance - 5 Year Trends	2014/15	2015/16	2016/17	2017/18	2018/19
Operating Revenue	184.93	191.27	201.06	201.99	206.66
Non Operating Revenue	1.76	5.44	2.15	3.32	1.84
Total Operating Expenditure	170.32	181.34	190.57	191.57	194.40
Non Operating Adjustments/Revaluation	(9.35)	1.57	6.80	(10.59)	6.59
Operating Result	25.72	13.80	5.84	24.33	7.73
Total Assets	1,340.27	1,341.88	1,432.77	1,315.84	1,319.00
Total Liabilities	79.79	69.76	67.20	56.93	52.21
Equity/Net Assets	1,260.48	1,272.12	1,365.57	1,258.91	1,266.79
Net Cash from Operating Activities	48.53	35.49	46.03	47.99	52.63

\$ Millions

However, it also indicates that the challenging economic climate over the last five years has seen operating costs growing at a faster rate than revenues, resulting in a significant decline in the operating result.

As shown in Table Two (below), the trends in most financial ratios are consistent with industry benchmarks, with the exception of the operating surplus ratio and the asset sustainability ratio.

The adverse general trend in the operating surplus ratio reflects the challenge the City faces in responsibly balancing service delivery costs against the available funding streams. The asset ratio trends suggest the City is adequately funding for important asset renewal activities, but it has not been able to consistently execute the delivery of those proposed works over the last five years.

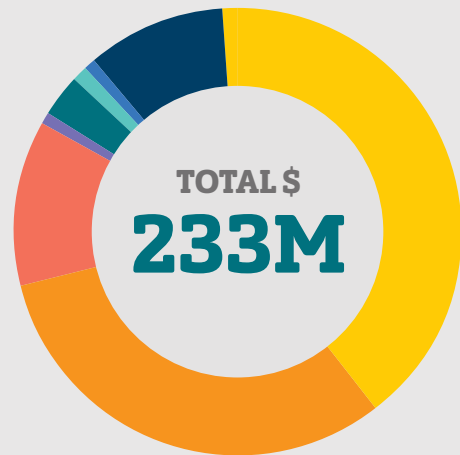
The information provided below relates specifically to the City's financial position and performance in relation to the 2018/19 financial year.

3. Financial Snapshot 2018/19	\$Million
Operating Revenue	206.66
Profit on Sale of Assets	0.42
Other Non Recurrent Revenue	1.57
Operating Expenditure	(194.40)
Loss on Disposal of Assets	(7.29)
Asset Revaluation Adjustments	0.91
Total Comprehensive Income	7.87
Capital Program Delivered	27.39
Cash Reserves – Discretionary & Quarantined	104.34
Net Assets	1,266.79

2. Key Financial Ratios - 5 Year Trends	2014/15	2015/16	2016/17	2017/18	2018/19
Current Ratio (ideally should be greater than 1.00)	1.02	1.08	1.33	1.20	1.52
Operating Surplus Ratio (ideally positive between 0% and 15%)	8.94%	4.40%	4.00%	4.00%	5.00%
Own Source Revenue Ratio (ideally greater than 40%)	108.0%	104.0%	108.0%	103.0%	101.0%
Debt Service Ratio (ideally greater than 5.00)	5.62	4.85	8.66	7.33	5.02
Asset Consumption Ratio (ideally between 50% and 70%)	61.0%	57.0%	56.0%	60.0%	58.0%
Asset Sustainability Ratio (ideally greater than 90%)	50.0%	95.0%	60.0%	72.0%	55.0%
Asset Renewal Funding Ratio (ideally between 95% and 100%)	100.0%	100.0%	100.0%	100.0%	99.0%
Financial Health Indicator	80	69	86	80	84
(ideally 70 or above out of 100)					

Funding Sources

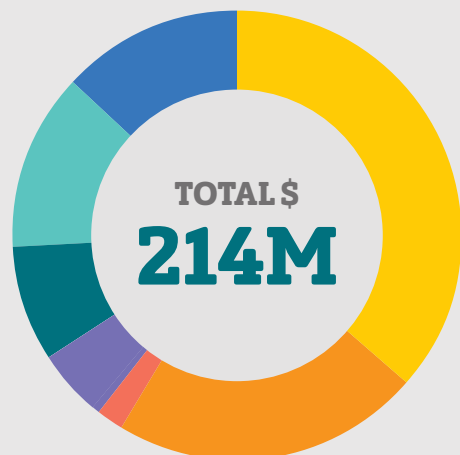
● Rates Revenue	92,515,866	40%
● Parking Revenue	75,606,718	32%
● Fees & Charges	27,431,916	12%
● Grants – Operational	3,411,494	1%
● Interest Revenue	6,016,681	3%
○ Profit on Sale of Assets	418,352	0%
● Grants – Asset Acquisition	1,572,765	1%
● Other Revenue	1,678,597	1%
○ Borrowings	0	0%
● Cash Reserves Used	23,878,507	10%
○ Asset Valuation Changes	915,620	0%



Cash Expenditure

● Employee Costs	78,297,805	37%
● Material & Contracts	47,542,031	22%
● Utilities & Insurances	4,047,418	2%
○ Interest Expense	989,869	0%
● Other Expenses	10,698,513	5%
● Parking Levy	17,646,671	8%
● Assets Created	27,110,412	13%
● Cash Reserves Created	27,798,884	13%
● Depreciation & Amortisation	35,181,475*	

* depreciation expense (non-cash)



Capital Program

The City's capital expenditure program reflects the creation of new assets, as well as renewal of existing ones. The 2018/19 financial year was a challenging year for the City with a particularly ambitious capital program being impacted by limited availability of sufficiently skilled procurement and project management resources, as well as other operational issues that emerged during the year.

From the proposed capital works program, some \$27.39m worth of projects were completed. Capital projects completed represented only 48.7 per cent of budget expectations at 30 June.

At year end, there were some in-progress but incomplete capital works that are being carried forward into the 2019/20 financial year. These projects totaled around \$12.08m in value.

Currently, \$49.04m is recorded as Capital Work in Progress (from previous years and 2018/19) and will subsequently be capitalised upon commissioning of the new asset.

Financial Performance 2018/19

Annual revenue for the year reached \$208.55m against a budget of \$203.47m. The overall favourable variance of 2.5 per cent was largely due to slightly better than expected performance in most operational revenue areas, plus the receipt of additional unbudgeted capital grants and contributions.

Operating grants and contribution revenues were disclosed as being 62 per cent ahead of budget, but this was largely due to the receipt of an advance payment of 2019/20 WA Local Government Grant Commission funding and unbudgeted event contributions of \$0.5m.

Rates revenue was 2.5 per cent above budget expectations due to a strong performance on interim rates levied after the initial rates strike.

Investment revenues were 26 per cent over budget as a consequence of the superior performance of an investment that is marked to the performance of the Australian share market.

Revenues from fees and charges were close to budget overall in most areas, with only a few small offsetting variances other than parking revenue which was around 1.5 per cent higher than the adopted budget target.

Capital revenue of \$1.57m was 7 per cent ahead of budget expectations for the year after the receipt of an unbudgeted river wall funding contribution.

Operating expenditure was \$194.40m against a budget target of \$198.23m, with most operational areas other than materials and contracts, insurances and other expenses being close to budget. Salaries and associated costs were within 0.1 per cent of budget expectations at year end.

Materials and contracts expenditure was 8 per cent under budget expectations due to underspending or delays in some consultancy initiatives, removal of the need to pay for hosting services for parking management systems and a \$1.6m provision relating to the City of Perth Local Government Inquiry not being required in the 2018/19 financial year. A prudent funding allocation towards this item was included separately in the 2019/20 annual budget.

Utilities expenses were close to budget, while insurance costs were significantly higher than budgeted due to the impact of past claims history and closing out of previous claims. Other expenses were 6.2 per cent over budget, but it should be noted that all major budgeted cost components within this category (including the \$17.6m state government parking levy) were on or close to budget. The unfavourable variance arose from a change in accounting treatment to expense \$1.99m of costs that were incorrectly capitalised in previous years.

4. Capital Program

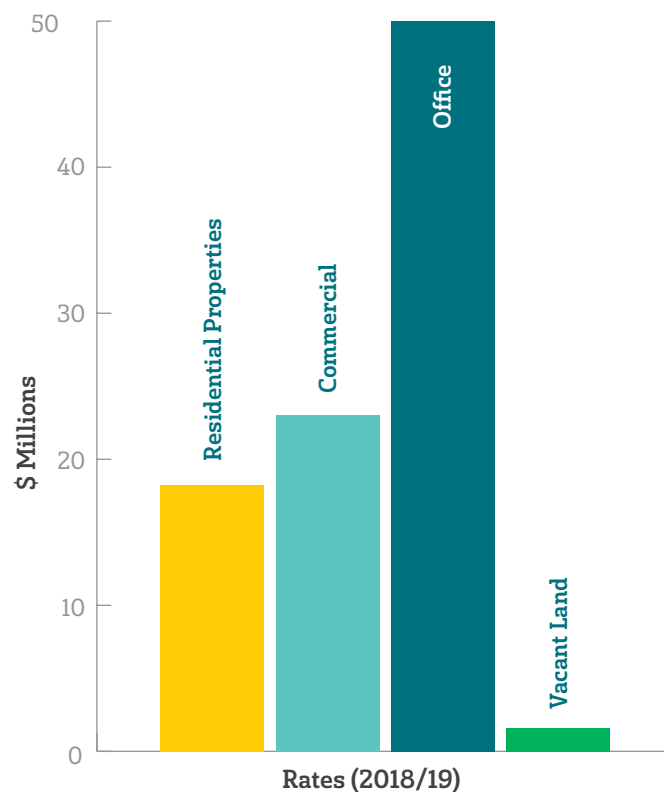
	2014/15	2015/16	2016/17	2017/18	2018/19
Assets Acquired/Created	50.77	41.74	27.05	42.02	30.02
Increase/(Decrease) in Work in Progress	0.00	0.00	(1.67)	(1.68)	(2.83)
Contributed Assets	-	-	1.63	6.89	0.18
Assets – Initial Recognition	0.00	0.00	0.00	2.57	0.02
Total	50.77	41.74	27.01	49.80	27.39
Budget	72.12	59.61	62.73	60.37	56.29
% of Capital Budget Delivered	70.4%	70.0%	43.1%	82.5%	48.7%

Rates

The data shown in Table Five (below) provides a concise summary of the City's 2018/19 differential rating model. It shows the respective revenue contributions from each rating property class and then, by contrasting the revenue generated from each property class with the available gross rental values (GRV) from each property class; it derives a relative rating effort (RRE) co-efficient for each property class.

By contrasting the revenues generated from each property class in this way, you can derive a comparative measure of how each property class is contributing relatively to the total rates revenue.

Analysis of the current status of this model when setting the 2019/20 budget indicated to Council that retail properties were making a proportionately larger contribution than office properties. In response, the 2019/20 annual budget incorporated a lesser rate increase for retail properties than for office properties – the first step in achieving a greater equity of contribution from the City's ratepayers.



5. Property Type	Number of Properties	GRV \$M	Rates \$M	Revenue Contribution	Relative Rating Effort*
Residential Properties	14,093	308.76	18.22	19.6%	5.90%
Commercial	2,541	412.76	23.02	24.8%	5.58%
Office	2,409	1,065.63	49.99	53.9%	4.69%
Vacant Land	85	24.96	1.58	1.7%	6.32%
	19,128	1,812.11	92.81	100.0%	
Adjust for Heritage Rate Concession			(0.28)		
Net Rates Revenue			92.52		

* Relative Rating Effort refers to a comparable indicator of the rates revenue return generated from the available Gross Rental Values of a particular property class.

Financial Ratios

The long term strength of the City's financial position is reflected in the financial ratios disclosed in the annual financial statements. The financial ratios show that the City meets or betters the preferred industry benchmarks for most measures in 2018/19. Overall, the headline financial ratios provide evidence of the City's solid statutory financial position - although it should be noted that these ratios do not reflect measures such as value for money or efficiency of operations.

The current ratio of 1.52 demonstrates the City's effective day to day management of its cash liquidity ensuring that it has the financial capacity to meet its financial obligations as and when they become due. This ratio shows a consistent short term liquidity ratio trend that exceeds industry benchmarks. The own source revenue ratio of 101.0% reflects the City's continuing financial autonomy.

The City's borrowings program reflects a debt service ratio of 5.02 which meets the industry benchmark level of 5.00. There were no new borrowings in 2018/19.

The outstanding rates ratio of 1.0% reflects an excellent collection result during 2018/19. Maintaining this ratio at such a consistently low level ensures that the City has reliable cash inflows to support its planned expenditure programs.

The operating surplus ratio (as disclosed) is within the industry benchmark parameters for 2018/19 at 5.00%. It should, however, be acknowledged that deferral of some operational expenses as noted in the discussion above regarding materials and contracts has the effect of artificially inflating this ratio.

The general declining trend in this ratio over the last five years highlights the importance of the City taking a more strategic, long term financial planning perspective to improve this financial indicator in the medium term. Financial management approach structural changes proposed to be made over the next two to three years should have a continuing positive impact on this ratio moving forward.

6. Key Financial Indicator 2018/19 Benchmark

Current Ratio	1.52	1.00
Rates Outstanding Ratio	1.0%	< 5%
Operating Surplus Ratio	5.0%	0% - 5.0%
Own Source Revenue Ratio	101.0%	> 40%
Debt Service Ratio	5.02	5.00
Asset Consumption Ratio	58.0%	50.0%
Asset Sustainability Ratio	55.0%	90.0%
Asset Renewal Funding Ratio	99.0%	95.0%

The asset consumption and asset renewal ratios are within the preferred industry ranges but the asset sustainability ratio is below the preferred industry benchmark. The ideal industry benchmark reflects a balanced combination of all of these three asset ratios.

This infers that the City is providing adequate funding to support the renewal of its infrastructure and property plant and equipment assets but it has faced challenges successfully delivering the proposed renewal activities. The City has recognised this and is in the process of implementing and resourcing new, more sophisticated approaches to improve its project management and project delivery outcomes in future years.

Successfully implementing these approaches should ensure that Council's stewardship of its community assets will result in appropriate and sustainable levels of funding being allocated to deliver on this important local government area of responsibility.



Financial Health Indicator (FHI)

The results from calculating each of the below ratios are then 'standardised' and used to calculate a Financial Health Indicator (FHI) score which is a composite assessment of a local government's financial health.

The FHI score is derived using a specialised model developed by the Western Australian Treasury that allows comparison of the financial health of all local governments.

A FHI score of at least 70 is required to demonstrate sound financial health for a local government. The City's FHI score as at 30 June 2019 is 84.

7. Ratios	Raw	Standardised
Current Ratio	1.52	10.00
Operating Surplus Ratio	0.06	7.86
Own Source Revenue Ratio	1.01	10.00
Debt Service Ratio	5.02	10.00
Asset Consumption Ratio	0.58	7.96
Asset Sustainability Ratio	0.55	0.00
Asset Renewal Funding Ratio	0.99	9.06

Cash Reserves

Cash backed reserves, which play an important role in ensuring the long term financial sustainability of local governments, are used to responsibly accumulate funds for projects in future years. Without these cash reserves, major community building projects and other important community infrastructure projects such as the Wellington Square Project, East End Revitalisation, Roe St Upgrade and conversion to two way traffic flows in Hay and Hill St would not be able to be delivered without significant impost on ratepayers.

At 30 June 2019, a total of \$104.34m was held in cash backed Reserves. Of this, \$60.96m is quarantined in reserves relating to parking management, waste management and specific facility reserves. The remaining \$43.38m represents prudently accumulated funds to support currently planned and future projects – and is to be specifically identified as contributing to the funding models for major capital projects in the City's Long Term Financial Plan.

Accountability for Use of Financial Resources

The audited financial statements shown on pages 45 to 110 of this annual report include disclosures that meet all statutory requirements and demonstrate the City's ongoing commitment to financial accountability to our community.

Looking Forward – A New Financial Philosophy

During the 2018/19 year, the City undertook a detailed analysis of all aspects of its financial management approach and historical financial performance - examining value for money, project delivery outcomes and financial trends. The objective of this critical assessment was to inform the development of an approach to re-position the finances of our capital city.

In the second half of the year, the City commenced planning for the transition to a more transparent, accountable and sustainable approach to managing its financial resources. This approach will include an integrated strategic financial planning model that ensures proposed services and capital projects delivered to the community are properly funded and appropriately resourced.

Key initiatives supporting the financial transformation will be the implementation of a new enterprise wide financial system, a service-based resource allocation model, new reporting models to support more informed decision making and customer-centric contemporary financial processes.

Expected outcomes from the financial transformation include targeting best value from the use of the City's financial resources, enhanced accountability for the use of those financial resources and rigorous forward financial planning activities that realistically align community aspiration with organisational capacity.

Together, these financial management initiatives should provide a structured framework for responsible, sustainable financial management that ensures effective stewardship of our financial and community assets into the future,

Disability Access and Inclusion Plan

The City of Perth's Disability Access and Inclusion Plan (DAIP) 2016-2020 was formally endorsed by Council on 9 August 2016.

Extensive consultation was undertaken with internal and external stakeholders. Their feedback, views and aspirations were incorporated and are reflected across seven outcome areas:

1. People with disability have the same opportunities as other people to access the services of the City of Perth and any events organised by the City of Perth.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the City of Perth.
3. People with disability receive information from the City of Perth in a format that enables them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the City of Perth as other people receive.
5. People with disability have the same opportunities as other people to make complaints to the City of Perth.
6. People with disability have the same opportunities as other people to participate in any public consultation with the City of Perth.
7. People with disability have the same opportunities as other people to obtain and maintain employment with the City of Perth.

Since formal endorsement of the DAIP in 2016, the City of Perth has been working to improve access and inclusion by executing key actions as a part of the DAIP Implementation Plan.

Throughout 2018/19, the City continued to improve access, information and awareness of the needs of people with disability and their families. Some key successes include:

- Access audits conducted for Council House, Northbridge Piazza, Citiplace Childcare Centre, Town Hall and the Concert Hall carpark, as well as all adult change facilities and city parks including playground equipment, furniture, lighting, pathways and signage.
- Development of a Toilet Facilities Calculation Guideline to advise how many ambulant, unisex and accessible toilets a building should have based on its use.
- Launch of an online DAIP learning module in November 2018 for all City of Perth employees. The module assists staff to understand the importance of the DAIP and how this impacts their roles and responsibilities. It has been completed by 98 per cent of staff.
- Sponsorship agreements inclusive of DAIP considerations.
- Development of an internal accessible events checklist, as well as a checklist for external event and activity organisers within Perth city.
- Development of a new user-friendly Contractor Progress Reporting system, which enables contractors and agents contracted by the City to report on their DAIP Implementation Plan as required under the *Disability Services Act 1993*.
- The accessible features of local businesses included on the Visit Perth website.
- A review of the City of Perth's design and construction notes to ensure compliance with the current AS / NZS and BCA regulations.



The implementation of the City of Perth's DAIP is monitored through an internal DAIP Working Group made up of representatives from all business units. The group meets bi-monthly and reports back on any actions being undertaken in their area to ensure the City of Perth keeps access and inclusion at the forefront of its decision-making processes.

The City also has support of the actions within the DAIP Implementation plan through the City of Perth's Access and Inclusion Advisory Group (AIAG).

The AIAG consists of residents and regular visitors to Perth city who are passionate about universal access. The group acts as an advisory group on universal access initiatives, as well as issues affecting access and inclusion. Participation in the AIAG is voluntary and the group met six times during 2018/19 to provide feedback on actions within the DAIP Implementation Plan.

“Throughout 2018/19, the City continued to improve access, information and awareness of the needs of people with disability and their families.”

Reconciliation Action Plan

A Reconciliation Action Plan (RAP) is a framework that uses a holistic approach to create meaningful relationships, enhanced respect and promote sustainable opportunities with Aboriginal and Torres Strait Islander communities. The RAP program includes a series of frameworks, each offering a different level of engagement and support. These levels are: Reflect, Innovate, Stretch and Elevate.

As part of its commitment to leveraging strong relationships with Aboriginal and Torres Strait Islander communities, the City of Perth spent 18 months developing a Reflect RAP that included 93 actions to build cultural relationships.

Since endorsement of the RAP in April 2018, the City has embraced its responsibility to deliver these actions and take genuine steps towards reconciliation.

As it was quite ambitious, the City of Perth requested an extension from April 2019 to August 2019. Of the 93 actions, 54 actions have been completed, 32 actions have progressed (of which 23 will be transferred over to the Innovate RAP) and 7 actions have not yet commenced.

Examples of initiatives implemented as part of the Reflect RAP include:

- Implementation of Nyoongar language on Wayfinding signs.
- Development of a Stolen Generation Acknowledgment Procurement Plan.
- Meaningful and respectful relationships developed through the City of Perth Aboriginal Elders Advisory Group. This group has provided advice and endorsement for key actions.
- In February 2019, emerging Aboriginal musicians were programmed at strategic locations en-route to Kings Park for Perth Festival's Boorna Waanginy.
- In April 2019, a major exhibition TIDES: Swan River Stories was displayed at Council House and developed under the National Trust's Australian Heritage Festival.
- In April 2019, the West Australian Indigenous Tourism Operators Council was once again supported by the City of Perth through a \$30,000 Key Sector Development sponsorship.
- In May 2019, an internal Close the Gap Day morning tea was held where \$550 was raised and an internal National Reconciliation Event was held in the Perth Town Hall.

Where possible, each of these actions, events and initiatives were promoted heavily, sometimes to a national audience. Some actions are waiting to be progressed and will be communicated when the time comes, such as the Stolen Generation Acknowledgment.



Commissioner Attendance

Meeting	Member	Ordinary Meetings Held	Ordinary Meetings Attended	Special Meetings Held	Special Meetings Attended
Council Meetings	Chair Cm Eric Lumsden	12	7	5	5
	Cm Andrew Hammond	12	12	5	5
	Cm Gaye McMath	12	11	5	4
Agenda Briefing Session	Chair Cm Eric Lumsden	11	6	N/A	N/A
	Cm Andrew Hammond	11	9	N/A	N/A
	Cm Gaye McMath	11	10	N/A	N/A
Audit and Risk Committee	Maurich, Robert (PM)	4	4	1	1
	Chair Cm Eric Lumsden	4	2	1	1
	Cm Andrew Hammond	4	4	1	1
	Cm Gaye McMath	4	4	1	1
CEO Performance Review	Chair Cm Eric Lumsden	N/A	N/A	N/A	N/A
	Cm Andrew Hammond	N/A	N/A	N/A	N/A
	Cm Gaye McMath	N/A	N/A	N/A	N/A

Meeting	Member	Ordinary Meetings Held	Ordinary Meetings Attended	Special Meetings Held	Special Meetings Attended
Design Advisory Committee	Mr Karotkin	12	9	1	1
	Mr Ciemitis	12	5	1	0
	Mr Mackay	12	6	1	0
	Mr Kerr	12	4	1	0
	Mr Brookfield	12	6	1	1
	State Govt Architect/Nominee	12	10	1	1
	Director Planning and Development	12	7	1	0
	Mr Pullyblank	12	2	1	0
	Mr Smith	12	6	1	1
	Mr Hobbs	12	9	1	1
	Ms Crook	12	5	1	1

Recordkeeping Statement

The City of Perth is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

Information and records management environment

During the 2018/19 financial year, the City of Perth's records team realigned and consolidated services to raise the level of records and information management at the City of Perth.

In March 2019, an Information Governance Framework, policy and supporting roadmap were approved by the City's executive leadership team. Together with a digital workplace program, these documents will place the City of Perth in a strong position to deliver on its vision for modern information management practices.

Recordkeeping Plan

In March 2018, the City's reviewed Recordkeeping Plan was approved for a five-year period by the State Records Commission.

Recordkeeping systems

In line with modern recordkeeping principles of in place and passive recordkeeping, a systems checklist was developed to assess business systems that are currently used or being acquired by the City of Perth. As part of this, SharePoint is being strengthened in its recordkeeping capability with the intention of the platform being used as a records and document management system in 2019/20.

Training and awareness-raising

All new staff to the City of Perth are required to complete Recordkeeping Awareness Training using the City's online learning platform. New training videos on system training were launched in November 2018, enabling self-paced learning.

This report has been published in accordance with the requirements of the State Records Act 2000.



Risk Management

Risk management is an integral part of good management practice and an essential element of sound corporate governance. Identifying and managing risk enables a more robust basis for effective decision-making and facilitates continuous improvement in performance.

The City's Risk Management Framework sets out the key principles that guide how risk management is embedded at all levels; among them, customer service, development approvals, events, government

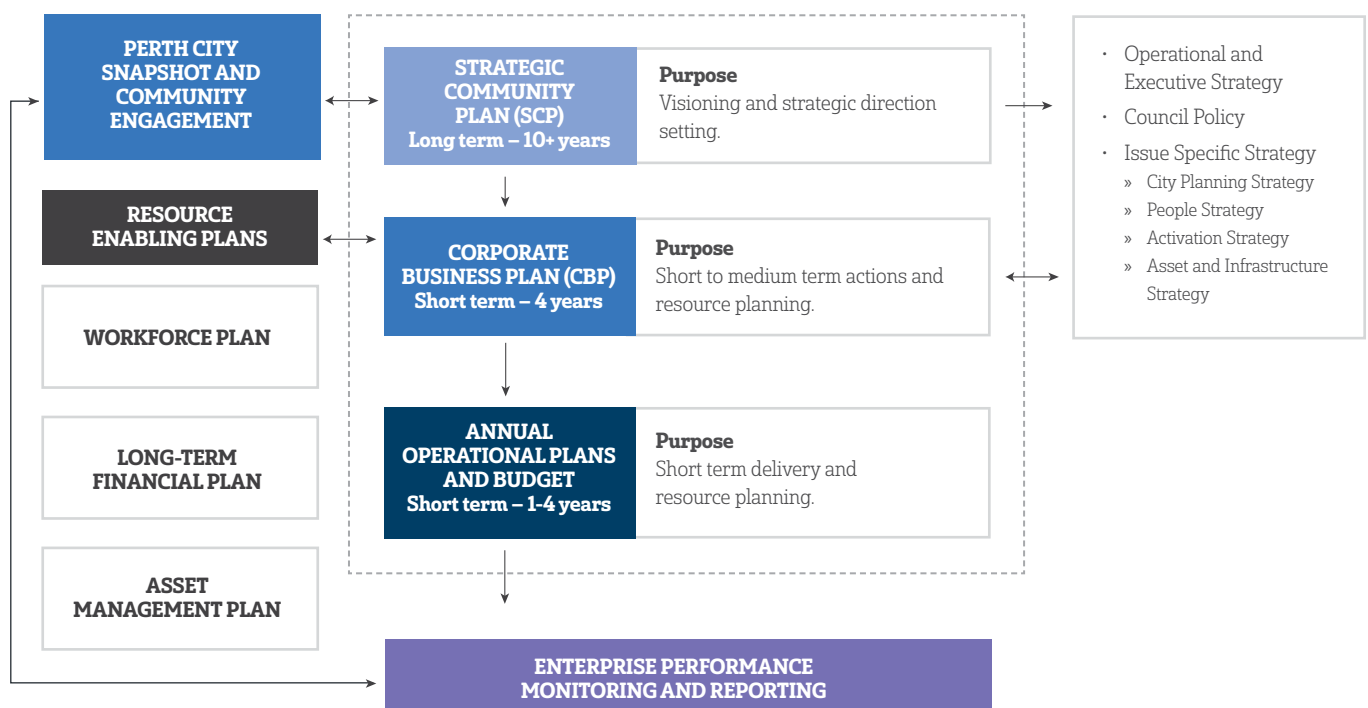
and commercial partnerships, and services to our ratepayers and visitors to Perth city.

The framework outlines how the City will ensure that risk is managed effectively and appropriately. Effective risk management allows the City to:

- Have increased confidence in achieving its priorities and business objectives.
- Constrain threats to acceptable levels.
- Make informed decisions about maximising opportunities.
- Ensure the right balance between rewards and risks in decision-making.
- Improve partnership and working arrangements.
- Maintain a robust corporate governance structure.

Effective risk management enables the City of Perth to minimise the impact of risk, thereby supporting the City's ability to deliver on its Strategic Community Plan. The City of Perth's integration of risk management into the Integrated Planning Model is shown below.

City of Perth Integrated Planning and Reporting Framework



Sponsorships

Arts Grants and Sponsorship

As We Are Art Awards and Exhibition	\$8,500
Ausdance WA	\$25,000
AWESOME Arts	\$90,000
Black Swan Prize for Portraiture	\$60,000
Black Swan State Theatre Company	\$45,000
Bohemian Ceramics	\$3,000
Badlands Bar (<i>City Limits 2019</i>)	\$10,000
Co3 Australia	\$40,000
Confluence: Festival of India in Australia	\$10,000
Hunted Interactive	\$6,000
Fremantle Chamber Orchestra	\$5,000
Giovanni Consort	\$5,500
International Arts Space	\$8,000
Mei Swan Lim	\$8,000
Paper Mountain	\$15,000
Periscope Pictures	\$31,000
WA Poets	\$3,500
Perth Symphony Orcestra	\$5,000
Peter Le Tran	\$4,200
PICA	\$49,000
Propel Youth Arts WA	\$8,500
Rachel Ogle	\$5,000
RTRFM 92.1 (<i>In the Pines 2019</i>)	\$5,000
St Georges Cathedral Foundation for the Arts	\$3,000
The Australian Short Story Festival	\$5,000
The Blue Room Theatre	\$58,000
The Red Room Company	\$8,000
Turner Galleries	\$12,715
Virtual Guest	\$45,000
WA Music Industry Association	\$40,000
West Australian Opera	\$120,000
West Australian Ballet Company	\$20,000
West Australian Symphony Orchestra	\$150,000
West Australian Youth Jazz Orchestra	\$30,000
Western Australian Youth Theatre Company	\$14,900
	\$956,815

Community Enhancement Grant

Auspire - Australia Day Council of WA	\$5,000
Bluebird Mental Health	\$8,000
Law Society of Western Australia	\$4,802
Perth Inner City Youth Services	\$10,000
The Royal Lifesaving Society WA	\$5,000
	\$32,802

Events Grants and Sponsorship

Activate Perth Inc. and the East Perth Community Safety Group	\$5,000
Buddha's Birthday and Multicultural Festival	\$25,000
Chevron City to Surf for Activ	\$18,000
Festival of Sail	\$35,000
Good Food Month and Night Noodle Market	\$80,000
HBF Run for a Reason	\$36,500
Lifeline WA International Young Butchers' Picnic	\$10,000
Targa West	\$70,000
Museum of Freedom and Tolerance WA	\$3,150
NAIDOC Week Opening Ceremony	\$15,000
Navratri: The Dance Festival	\$5,000
Open House Perth	\$50,000
Perth Chinese New Year Fair	\$65,000
Perth International Boat Show	\$5,000
Perth International Jazz Festival	\$25,000
Perth Japan Festival Matsuri	\$15,000
Perth Mother's Day Classic	\$5,000
Perth Upmarket	\$5,000
PrideFest	\$55,000
Seven West Media Christmas Pageant	\$120,000
Ride2Work Day Breakfast	\$5,000
Rowing WA	\$11,000
Swan Festival of Lights	\$20,000
Tee-ball Association of WA	\$5,000
Variety WA	\$60,000
West Australian Marathon Club	\$5,000
West Coast Fever (<i>plus \$10,000 in kind</i>)	\$140,000
Winter Lights at Brookfield Place	\$25,000
Youth Week KickstART Festival 2019	\$10,000
	\$928,650

Business Improvement Grants

The Court Hotel	\$10,000
Salvation Coffee Perth	\$12,500
Goody Two's	\$20,000
Frisk Small Bar	\$10,000
LESSONS	\$5,000
Lot 20	\$10,000
Nevermind Smallclub	\$15,000
116 Murray Street (<i>Building Systems Upgrade</i>)	\$20,000
116 Murray Street (<i>Upper Floor Activation</i>)	\$20,000
Badlands Bar	\$15,000
	\$137,500

Major Events and Festivals

Hopman Cup	\$130,000
Fashion Council WA (Perth Fashion Festival, plus \$30,000 in kind)	\$200,000
Fringe World Festival	\$300,000
Perth Festival	\$300,000
	\$930,000

Key Sector Development

Australian Tourism Export Council (ATEC)	\$5,000
Chamber Arts and Culture WA	\$20,000
Destination Perth	\$25,000
Forum Advocating Cultural and Eco Tourism	\$9,000
Foundation for the WA Museum (FameLab Australia)	\$15,000
Healthcare Immersive Technologies Symposium	\$5,000
Innovate Australia	\$10,000
Perth Angels	\$25,000
Perth Convention Bureau	\$293,406
Perth Games Festival Showcase	\$5,000
Perth Young Professionals	\$2,000
Revelation Perth International Film Festival (Revelation Interactive)	\$35,000
Science on the Swan 2019	\$12,500
Spacecubed (Startup Weekend Perth)	\$10,000
StartupWA	\$15,000
Studio Startup – Innovation Cluster	\$25,000
TEDxPerth (plus \$5,000 in kind)	\$15,000
Unearthed Solutions	\$15,000
West Tech Fest	\$50,000
Western Australian Indigenous Tourism Operators Council (WAITOC)	\$30,000
	\$621,906

Small Business Grants

Bivouac	\$5,000
Chachi Store	\$3,000
Donnie Taco	\$5,000
Eat Drink Raw	\$3,750
Juice Station	\$2,000
Mama Tran	\$5,000
My Place Bar and Restaurant	\$5,000
Smooth Operator Coffee	\$5,000
Street Eats	\$1,900
Tenth State	\$5,000
The Hummus Club	\$5,000
	\$45,650

Precinct Development

Activate Perth	\$100,000
Historic Heart	\$300,000
	\$400,000

Business Event Sponsorship

Accelerating Australia (Perth Biodesign Pitch Night)	\$5,000
AHA(WA) Hospitality Awards for Excellence	\$5,000
AusBiotech	\$2,500
Australasian Oil and Gas Exhibition and Conference	\$50,000
Business News 40under40 Awards	\$18,500
Council for International Students WA (Annual Winter Conference)	\$4,000
Western Australian Industry and Export Awards	\$7,500
Friends of Kastellorizo	\$5,000
Linear Clinical Research	\$5,000
National Aboriginal and Torres Strait Islander Corporation	\$2,500
National Ethnic and Multicultural Broadcasters Council	\$5,000
WA African Community Awards	\$5,000
Perth USAsia Centre (In The Zone)	\$20,000
Tourism Council WA (WA Tourism Awards)	\$10,000
Tourism Council WA (WA Tourism Conference)	\$5,000
University of Western Australia (WA Bio-innovation Symposium)	\$5,000
WA State Heritage and History Conference	\$5,000
	\$160,000

Venue Support Grant (In-kind)

Alcoholics Anonymous	\$1,152
Mission Australia (Christmas Lunch in the Park)	\$4,804
Conservation Council of Western Australia	\$1,455
Flourish Yoga Festival	\$2,000
Joondalup Entertainers Theatre School	\$810
Live Life Get Active	\$196
Live Lighter Basant Festival	\$1,950
Parkrun Inc	\$1,132
Perth Firefighters	\$2,331
Philippine Independence Day Fiesta	\$2,948
The Esther Foundation	\$1,800
The Rhodesian Services Association of WA	\$259
The Shakespeare Club of Western Australia	\$576
	\$21,413

TOTAL

\$4,234,736



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CITY OF PERTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Perth for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the City of Perth at 30th June 2019 and the result of the operations for the financial year then ended in accordance with the Local Government Act 1995 and to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the

25th

day of

November

2019



Murray Jorgensen
Chief Executive Officer

CITY OF PERTH
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
Revenue				
Rates	22(a)	92,515,866	90,190,099	89,478,475
Operating grants, subsidies and contributions	2(a)	3,411,494	2,104,830	2,506,221
Fees and charges	2(a)	103,038,634	102,135,208	102,743,275
Interest earnings	2(a)	6,016,681	4,767,575	5,384,627
Other revenue		1,678,597	1,819,928	1,881,018
Total Revenue		206,661,272	201,017,640	201,993,616
Expenses				
Employee costs		(78,297,805)	(78,297,999)	(74,720,247)
Materials and contracts		(47,542,031)	(52,144,397)	(49,404,616)
Utility charges		(3,056,549)	(3,242,445)	(3,170,522)
Depreciation on non-current assets	9(f)	(35,181,475)	(36,371,570)	(34,706,879)
Interest expenses	2(b)	(989,869)	(961,020)	(1,390,400)
Insurance expenses		(990,869)	(861,507)	(839,483)
Provision for expected credit losses		(1,332,378)	(915,726)	(1,007,646)
Other expenditure	2(b)	(27,012,806)	(25,430,615)	(26,332,416)
Total Expenses		(194,403,782)	(198,225,279)	(191,572,209)
Operating Result		12,257,490	2,792,361	10,421,407
Non-operating grants, subsidies and contributions	2(a)	1,572,765	1,469,412	3,142,991
Profit on asset disposals	9(e)	119,576	405,205	177,578
Loss on asset disposals	9(e)	(7,288,847)	(2,068,220)	(1,895,486)
Fair value adjustments to financial assets at fair value through profit and loss	8(b)	20,503	-	-
Share of profit or loss of associates accounted for using the equity method	20	178,878	-	-
Reversal of prior year loss on revaluation of plant and equipment	9(b)	543,113	-	-
Revaluation of Investment Land	9(b)	(371,500)	-	407,500
Revaluation of Investment Buildings	9(b)	190,510	-	239,850
Contributed Assets - City of Subiaco	31	-	-	68,713
Contributed Assets - other	31	182,606	-	6,819,210
Disposal of development land at Tamala Park	19	298,776	580,000	567,832
Fair value adjustments to financial assets at amortised cost		9,206	-	5,004
Initial recognition of assets	9(b)	17,815	-	2,568,634
Write off agricultural assets	31	-	-	(795,271)
Write off air rights	31	-	-	(2,049,920)
Extinguishment of PCEC Car Park Provision	31	-	-	4,649,307
Net result for the period		7,730,891	3,178,758	24,327,349
Other comprehensive income / (loss)				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on Revaluation of Non Current Assets (net)	9(b)	-	-	(136,588,243)
Share of comprehensive income of associates accounted for using the equity method.	20	144,489	-	-
Total other comprehensive income / (loss) for the period		144,489	-	(136,588,243)
Total comprehensive income / (loss) for the period		7,875,380	3,178,758	(112,260,894)

This statement is to be read in conjunction with the accompanying notes.

**CITY OF PERTH
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
General purpose funding		100,179,107	95,969,132	96,322,044
Law, order, public safety		91,825	97,871	138,509
Health		1,132,090	886,434	1,010,169
Education and welfare		1,875,126	1,987,870	1,885,275
Housing		1,047,838	1,086,624	934,651
Community amenities		11,628,784	12,820,109	11,397,533
Recreation and culture		2,700,982	1,736,788	1,595,916
Transport		86,056,797	84,690,064	85,858,214
Economic services		1,329,821	1,067,654	1,916,756
Other property and services		618,902	675,094	934,549
Total Revenue		206,661,272	201,017,640	201,993,616
Expenses				
Governance		(8,485,119)	(8,388,979)	(10,551,240)
General purpose funding		(1,599,244)	(2,177,904)	(2,232,050)
Law, order, public safety		(6,469,675)	(5,857,753)	(6,136,289)
Health		(1,676,325)	(1,800,788)	(1,498,872)
Education and welfare		(4,419,195)	(3,859,097)	(3,970,996)
Housing		(686,753)	(656,634)	(689,459)
Community amenities		(25,463,604)	(31,520,532)	(26,729,503)
Recreation and culture		(37,903,579)	(32,865,760)	(31,464,583)
Transport		(79,953,296)	(84,244,158)	(80,789,504)
Economic services		(17,776,394)	(16,965,145)	(18,806,651)
Other property and services		(9,970,598)	(9,888,529)	(8,703,062)
Total Expenses		(194,403,782)	(198,225,279)	(191,572,209)
Operating Result		12,257,490	2,792,361	10,421,407
Non-operating grants, subsidies and contributions	2(a)	1,572,765	1,469,412	3,142,991
Profit on disposal of assets	9(e)	119,576	405,205	177,578
Loss on disposal of assets	9(e)	(7,288,847)	(2,068,220)	(1,895,486)
Fair value adjustments to financial assets at fair value through profit and loss	8(b)	20,503	-	-
Share of profit or loss of associates and joint ventures accounted for using the equity method	20	178,878	-	-
Reversal of prior year loss on revaluation of plant and equipment	9(b)	543,113	-	-
Revaluation of Investment Land	9(b)	(371,500)	-	407,500
Revaluation of Investment Buildings	9(b)	190,510	-	239,850
Contributed Assets - City of Subiaco	31	-	-	68,713
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Write off air rights	31	-	-	(2,049,920)
Extinguishment of PCEC Car Park Provision	31	-	-	4,649,307
Net result for the period		7,730,891	3,178,758	24,327,349
Other comprehensive income / (loss)				
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Changes on Revaluation of Non Current Assets (net)	9(b)	-	-	(136,588,243)
Share of comprehensive income of associates accounted for using the equity method.	20	144,489	-	-
Total other comprehensive income / (loss) for the period		144,489	-	(136,588,243)
Total comprehensive income / (loss)		7,875,380	3,178,758	(112,260,894)

This statement is to be read in conjunction with the accompanying notes.

CITY OF PERTH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTE	2019	2018 Actuals restated Note 33	As at 1 July 2017 restated Note 33
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	46,473,723	40,227,407	22,363,561
Trade and other receivables	5	9,230,787	10,725,594	10,599,961
Other financial assets	8	108,181,271	93,323,583	106,217,138
Inventories	6	829,609	1,072,442	918,639
Other current assets	7	1,384,093	1,737,175	1,835,306
TOTAL CURRENT ASSETS		166,099,483	147,086,201	141,934,605
NON-CURRENT ASSETS				
Other financial assets at amortised cost	8	2,448,395	2,481,031	2,589,685
Financial assets at fair value through profit and loss	8	175,171	154,668	10,000
Other receivables	5	59,293	62,649	46,356
Investments accounted for using the equity method	20	9,900,521	9,579,478	9,010,274
Property, plant and equipment	9	750,154,099	758,434,806	746,829,005
Infrastructure	9	371,427,927	377,221,243	517,437,142
Investment property	9	18,730,999	20,819,649	20,172,299
TOTAL NON-CURRENT ASSETS		1,152,896,405	1,168,753,524	1,296,094,761
TOTAL ASSETS	15	1,318,995,888	1,315,839,725	1,438,029,366
CURRENT LIABILITIES				
Trade and other payables	11	23,723,424	20,967,463	20,773,182
Current portion of long term borrowings	12(a)	7,056,874	7,680,475	6,579,634
Employee related provisions	13	10,932,002	11,117,651	10,451,587
TOTAL CURRENT LIABILITIES		41,712,300	39,765,589	37,804,403
NON-CURRENT LIABILITIES				
Long term borrowings	12(a)	8,778,971	15,683,134	23,131,742
Employee related provisions	13	1,719,113	1,480,878	6,265,558
TOTAL NON-CURRENT LIABILITIES		10,498,084	17,164,012	29,397,300
TOTAL LIABILITIES		52,210,384	56,929,601	67,201,703
NET ASSETS		1,266,785,504	1,258,910,124	1,370,827,663
EQUITY				
Accumulated Surplus		692,525,125	681,287,295	664,755,768
Reserves - cash backed	4	104,338,816	100,418,439	93,205,998
Revaluation Surplus	10	469,921,563	477,204,390	612,865,897
TOTAL EQUITY		1,266,785,504	1,258,910,124	1,370,827,663

This statement is to be read in conjunction with the accompanying notes.

**CITY OF PERTH
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	ACCUMULATED SURPLUS	ASSET REVALUATION RESERVE	RESERVES CASH/INVESTMENT BACKED	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		659,485,259	612,865,897	93,205,998	1,365,557,154
Restatement of investments accounted for using the equity method	33	5,270,509	-	-	5,270,509
Balance at 1 July 2017 (Restated)		664,755,768	612,865,897	93,205,998	1,370,827,663
Other Comprehensive income		-	(136,588,243)	-	(136,588,243)
Net result		24,327,349	-	-	24,327,349
Asset Revaluation Reserve Transfers		(926,736)	926,736	-	-
Reserve Transfers	4	(7,212,441)	-	7,212,441	-
Restatement of investments accounted for using the equity method	33	198,687	-	-	198,687
Restatement of financial asset at fair value through profit and loss	33	144,668	-	-	144,668
Balance at 30 June 2018 (Restated)		681,287,295	477,204,390	100,418,439	1,258,910,124
Balance as at 1 July 2018		681,287,295	477,204,390	100,418,439	1,258,910,124
Other Comprehensive income		144,489	-	-	144,489
Net result		7,730,891	-	-	7,730,891
Asset Revaluation Reserve Transfers		7,282,827	(7,282,827)	-	-
Reserve Transfers	4	(3,920,377)	-	3,920,377	-
Balance as at 30 June 2019		692,525,125	469,921,563	104,338,816	1,266,785,504

This statement is to be read in conjunction with the accompanying notes.

**CITY OF PERTH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2019 Actual	2019 Budget	2018 Actuals restated Note 33
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		92,524,562	89,209,455	89,193,076
Operating grants, subsidies and contributions		2,533,807	3,262,399	2,506,221
Fees and charges		104,045,826	102,068,853	101,555,282
Interest earnings		6,240,051	4,767,575	4,997,942
Other revenue		2,556,284	1,819,928	3,286,506
		207,900,530	201,128,210	201,539,027
Payments				
Employee costs		(77,223,174)	(78,378,106)	(74,967,192)
Materials and contracts		(44,695,864)	(56,252,703)	(45,923,920)
Utility charges		(3,056,549)	(3,242,445)	(3,170,522)
Interest expenses		(1,069,025)	(961,020)	(1,314,980)
Insurance expenses		(990,869)	(861,507)	(839,483)
Other expenditure		(28,236,172)	(25,862,373)	(27,338,377)
		(155,271,653)	(165,558,154)	(153,554,474)
Net cash provided by operating activities	14	52,628,877	35,570,056	47,984,553
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(25,466,524)	(36,023,306)	(38,956,127)
Payments for construction of infrastructure		(1,643,888)	(20,265,755)	(2,519,198)
Payments for financial assets at amortised cost		(304,371,683)	-	(299,607,663)
Non-operating grants, subsidies and contributions		1,572,765	1,469,412	3,142,991
Proceeds from sale of fixed assets		1,032,639	1,516,025	1,274,283
Proceeds on disposal of financial assets at amortised cost		289,942,738	-	312,968,194
Net cash used in investing activities		(38,933,953)	(53,303,624)	(23,697,520)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(7,448,608)	(7,448,608)	(6,423,187)
Net cash used in financing activities		(7,448,608)	(7,448,608)	(6,423,187)
Net increase (decrease) in cash and cash equivalents		6,246,316	(25,182,176)	17,863,846
Cash and cash equivalents at beginning of year		40,227,407	151,411,889	22,363,561
Cash and cash equivalents at the end of the year	14	46,473,723	126,229,713	40,227,407

This statement is to be read in conjunction with the accompanying notes.

**CITY OF PERTH
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		28,442,491	30,455,893	35,585,692
		28,442,491	30,455,893	35,585,692
Revenue from operating activities (excluding rates)				
Governance		-	-	4,860
General purpose funding		7,663,241	5,779,033	6,850,950
Law, order, public safety		101,021	109,298	140,265
Health		1,137,109	905,126	1,014,024
Education and welfare		1,875,126	1,987,870	1,885,275
Housing		1,047,838	1,086,624	934,651
Community amenities		11,655,328	12,930,242	11,405,911
Recreation and culture		2,702,648	1,771,737	1,658,261
Transport		86,111,938	84,858,699	85,922,354
Economic services		1,339,312	1,084,455	1,925,495
Other property and services		631,421	719,661	958,054
		114,264,982	111,232,745	112,700,100
Expenditure from operating activities				
Governance		(8,485,119)	(8,388,979)	(10,552,648)
General purpose funding		(1,599,244)	(2,177,904)	(2,232,050)
Law, order, public safety		(6,514,991)	(5,857,753)	(6,238,619)
Health		(1,676,325)	(1,800,788)	(1,498,872)
Education and welfare		(4,419,195)	(3,859,097)	(3,970,996)
Housing		(686,753)	(656,634)	(689,459)
Community amenities		(25,493,693)	(31,571,032)	(26,735,928)
Recreation and culture		(38,097,056)	(32,865,760)	(31,555,896)
Transport		(80,636,635)	(86,261,878)	(81,386,818)
Economic services		(24,111,664)	(16,965,145)	(19,891,145)
Other property and services		(9,609,831)	(9,308,529)	(5,539,835)
		(201,330,506)	(199,713,499)	(190,292,266)
Non-cash amounts excluded from operating activities	23(a)	44,825,666	38,034,585	30,863,861
Amount attributable to operating activities		(13,797,367)	(19,990,276)	(11,142,613)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,572,765	1,469,412	3,142,991
Proceeds from disposal of fixed assets	9(e)	1,032,639	1,516,025	1,274,283
Proceeds from disposal of financial assets		4,955,489	-	473,127
Purchase of Investments(Non Current)		-	-	(6,152)
Purchase of property, plant and equipment		(25,466,524)	(36,023,306)	(38,956,127)
Purchase and construction of infrastructure	9(b)	(1,643,888)	(20,265,755)	(2,519,198)
Amount attributable to investing activities		(19,549,519)	(53,303,624)	(36,591,076)
FINANCING ACTIVITIES				
Repayment of long term borrowings	12(a)	(7,448,608)	(7,448,608)	(6,423,187)
Distribution from Tamala Park Regional Council	20	333,333	-	333,333
Transfers to reserves (restricted assets)	4	(27,798,884)	(40,649,178)	(33,413,115)
Transfers from reserves (restricted assets)	4	23,878,507	37,997,955	26,200,674
Amount attributable to financing activities		(11,035,652)	(10,099,831)	(13,302,295)
Surplus(deficiency) before general rates		(44,382,538)	(83,393,731)	(61,035,984)
Total amount raised from general rates	22	92,515,866	90,190,099	89,478,475
Net current assets at June 30 c/fwd - surplus/(deficit)	23	48,133,328	6,796,368	28,442,491

This statement is to be read in conjunction with the accompanying notes.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

The Local Government(Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or any other sporting or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The financial report provides comparative information in respect of the previous period. A reclassification of items in the financial report of the previous period has been made in accordance with the classification of items in the financial report of the current period.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 26 to these financial statements.

Monies are held in trust in accordance with section 6.9.1(1) of the Local Government Act 1995 where those monies are (a) required by the Act or any other written law to be credited to a trust fund and (b) are held by a local government in trust.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Fees and Charges

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
General purpose funding	441,191	435,000	432,711
Law, order, public safety	83,994	55,871	80,330
Health	1,129,292	879,834	996,382
Education and welfare	1,570,343	1,698,326	1,524,481
Housing	523,207	683,424	562,779
Community amenities	11,278,968	12,012,670	11,037,971
Recreation and culture	1,636,079	1,297,910	691,107
Transport	85,319,400	84,240,961	85,103,485
Economic services	646,646	740,480	1,605,433
Other property and services	409,514	90,732	708,596
	103,038,634	102,135,208	102,743,275

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Modified penalties, fines and costs

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

Rendering of Services

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

Dividends

Revenue is recognised when the City's right to receive payment is established, which is when the shareholders approve the dividend.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature.

Interest income

For all financial instruments measured at amortised cost, interest income is recognised using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSES (Continued)

Grant Revenue

Grants, subsidies and contributions are included as operating and non-operating revenues in the Statement of Comprehensive Income:

	2019	2018
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	1,107,036	911,946
Law, order, public safety	-	20,000
Health	-	7,461
Education and welfare	-	52,846
Housing	524,631	371,873
Community amenities	-	1,000
Recreation and culture	959,011	786,213
Transport	173,693	115,202
Economic services	555,526	157,054
Other property and services	91,597	82,626
	3,411,494	2,506,221
Non-operating grants, subsidies and contributions		
General purpose funding	103,298	58,705
Law, order, public safety	-	42,639
Recreation and culture	142,847	198,972
Transport	669,395	2,185,428
Economic services	657,225	657,247
	1,572,765	3,142,991
Total grants, subsidies and contributions	4,984,259	5,649,212

SIGNIFICANT ACCOUNTING POLICIES

Grants, Donations and Other Contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 19. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current period.

	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	2,568,883	2,022,480	2,516,791
- Other funds	2,832,090	2,200,595	2,348,724
Other interest revenue (refer note 22(c))	615,708	544,500	519,112
	6,016,681	4,767,575	5,384,627

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	2019	2018
	\$	\$
Other expenses from Ordinary Activities		
Emergency services levy	565,204	536,692
Donations and sponsorships	4,770,974	4,213,094
Parking bays licence fees	17,646,670	17,649,933
Non capitalised work in progress	2,831,369	1,682,198
Other	1,198,589	2,250,499
	27,012,806	26,332,416
Auditors remuneration		
- Audit of the annual financial report		
Statutory audit	105,000	90,000
	105,000	90,000
Interest expenses (finance costs)		
Long term borrowings (refer Note 12(a))	984,954	1,390,400
Interest on late payments	4,915	-
	989,869	1,390,400

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset

Borrowing costs (Continued)

is substantially ready for its intended use or sale.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019	2018 restated
CASH AND CASH EQUIVALENTS AND			
3. FINANCIAL ASSETS AT AMORTISED			
COST		\$	\$
Cash and Cash Equivalents		46,473,723	40,227,407
Financial Assets at Amortised Cost	8	108,181,271	93,323,583
		<u>154,654,994</u>	<u>133,550,990</u>
Unrestricted		52,084,952	34,016,907
Restricted		<u>102,570,042</u>	<u>99,534,083</u>
		<u>154,654,994</u>	<u>133,550,990</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Refuse Disposal and Treatment	4	3,814,076	3,758,150
Concert Hall - Refurbishment and Maintenance	4	6,694,102	5,502,176
Asset Enhancement	4	32,496,838	30,621,651
Street Furniture Replacement	4	136,725	358,479
Parking Levy	4	21,972,143	21,222,806
Art Acquisition	4	419,074	399,275
Heritage Incentive	4	697,406	608,930
Parking Facilities Development	4	23,318,097	23,919,143
Employee Entitlements	4	1,989,973	1,924,579
David Jones Bridge	4	392,103	341,960
Bonus Plot Ratio Contribution	4	675,473	655,679
PCEC Car Park Fixed Plant Replacement	4	5,177,940	5,007,286
Enterprise and Initiative	4	6,003,159	5,477,133
Public Art	4	551,708	621,192
Unspent grants/contributions	21	679,621	1,596,675
		<u>105,018,437</u>	<u>102,015,115</u>
Less: Reserves covered by the non current investment - mortgage backed securities (MBS)	8(b)	<u>(2,448,395)</u>	<u>(2,481,032)</u>
		<u>102,570,042</u>	<u>99,534,083</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of

Cash and cash equivalents (Continued)

cash and which are subject to an insignificant risk of changes in value.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Closing Balance
Refuse Disposal and Treatment	3,758,150	126,807	3,884,957	5,435,212	75,187	5,510,399	3,638,248	120,102	3,758,350
Concert Hall - Refurbishment and Maintenance	5,502,176	2,537,138	8,039,314	3,752,921	3,708,890	7,461,811	6,431,852	2,681,506	9,143,357
Asset Enhancement	30,621,651	4,715,007	35,336,658	31,282,463	7,326,720	38,609,183	28,849,413	5,413,228	34,262,641
Street Furniture Replacement	358,479	49,451	407,930	158,551	448,176	606,727	420,867	57,631	468,500
Parking Levy	21,222,806	18,576,673	39,799,479	21,149,432	19,183,712	40,933,144	21,972,144	21,086,575	62,019,719
Art Acquisition	399,276	71,265	470,541	410,843	68,231	479,074	399,511	71,935	471,446
Heritage Incentive	608,930	88,536	697,466	648,687	412,996	1,060,683	628,789	20,869	1,081,552
Parking Facilities Development	23,919,143	780,158	24,700,301	23,689,517	6,179,347	30,868,864	22,353,779	2,735,697	25,594,461
Employee Entitlements	1,924,579	65,582	1,990,161	1,769,402	150,000	1,919,402	1,823,030	101,651	2,020,683
David Jones Bridge	341,960	50,176	392,136	326,652	48,544	375,196	314,684	27,294	341,978
Bonus Plot Ratio Contribution	655,679	19,858	675,537	654,754	13,117	667,871	634,650	21,064	688,915
PCEC Car Park Fixed Plant Replacement	5,007,286	171,143	5,178,429	5,239,127	204,962	5,444,089	4,649,307	357,979	5,802,068
Enterprise and Initiative	5,477,133	526,593	6,003,726	5,833,859	2,616,877	8,450,736	4,974,072	503,351	8,954,153
Public Art	621,192	20,497	641,689	619,887	212,419	832,306	406,992	214,233	1,046,539
	100,418,439	27,798,884	128,217,323	100,951,307	40,649,178	141,600,485	93,205,998	33,413,115	175,013,603

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report in accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

Name of Reserve	Anticipated date of use	Purpose of the reserve
Refuse Disposal and Treatment	3 Years	To allow for the development, construction and purchase of facilities and plant for the treatment, transportation and disposal of non-industrial refuse. It may also be utilised to assist with the phasing in of significant increases in standard rubbish service charges anticipated when recycling processes are extended.
Concert Hall - Refurbishment and Maintenance	ongoing	This reserve, originally set up in 1972, provides for the future maintenance of the Perth Concert Hall, and the replacement of its existing plant furniture and carpets. The reserve also accommodates provision for the design and construction of a new WASO facility should that eventuate.
Asset Enhancement	ongoing	This reserve was established in 1998 to fund future capital expenditure for the replacement and enhancement of City assets and smooth the impact of the capital costs in any one rating year. The purpose and title of this reserve was changed from 1 July 2003 to allow for the use of these reserve funds in future financial years for the enhancement, replacement, refurbishment and purchase of new assets or project works of the City. Additional to this purpose is that project works funded from this reserve may not necessarily belong to the City, but may be carried out for the ultimate benefit of the City.
Street Furniture Replacement	3 Years	This reserve was established in 1999 from proceeds received from the sale of a street furniture contract negotiated by the City with Adshel Funds held are designated to be used for the purchase and improvement of the City's street furniture, including water features. All but \$1 million of this reserve was consolidated into the Asset Enhancement Reserve during the year ended 30 June 2007. The remaining funds in this reserve will be utilised at the discretion of the City.
Parking Levy	ongoing	This reserve was established in 2013 to set aside funds to meet the State Government's parking levy liability.
Art Acquisition	ongoing	This reserve was established in 1999 to fund future additions to the art collection of the City. The reserve is funded from the proceeds of sale of artworks and the transfer of the unexpended annual allocation for art acquisitions.
Heritage Incentive	3 Years	This reserve was established in 2000 to fund heritage incentives to benefit properties on the City's heritage register.
Parking Facilities Development	10 Years	This reserve was established in 2000 to fund parking facilities to be developed within the City, and parking equipment to be purchased.
Employee Entitlements	ongoing	This reserve was established in 2013 to fund the non-current portion of employee entitlements for long service leave. During 2015, the purpose of this reserve was changed to also include the non-current portion for annual leave entitlements. This reserve will vary from year to year but it is likely to increase over time.
David Jones Bridge	5-10 Years	This reserve was established in 2003 to fund major repairs, renovations or replacement of the pedestrian bridge over the Murray Street Mall between David Jones and Forrest Chase. The allocations to this reserve are the unexpended maintenance contribution from the owner of the David Jones site, at the end of each financial year.
Bonus Plot Ratio Contribution	5 Years	This reserve was established in 2005 to hold contributions in respect of Bonus Plot Ratio entitlements, pending expenditure on relevant streetscape improvements and/or public art.
PCEC Car Park Fixed Plant Replacement	5-10 Years	This reserve was established in 2013 to provide for the future replacement of existing fixed plant not owned by the City, but which the City consumes and is obliged to replace when required at the Perth Convention Exhibition Centre car park.
Enterprise and Initiative	5-10 Years	This reserve was established in 2014. The reserve is funded from distributions from the Tamala Park Regional Council in respect of land lots developed and sold and marketed as 'Catalina Estate', Clarkson. The purpose of the reserve is to fund strategic projects to introduce and improve efficiencies and effectiveness in the City.
Public Art	3 Years	The Public Art Reserve was established in 2016 to provide sufficient financial capacity to deliver new commissions of enduring public art identified in the City's draft Public Art Strategy and any associated strategic plans developed for public art. The Reserve is funded through an annual capital budget allocation from the City. It is also proposed that the City adopts a percent for art schemes, as proposed in the draft Public Art Strategy. This source of funding is intended to augment or eventually replace the annual allocation to the Reserve. Monetary donations, gifts or bequests given to the City for public art may also be added to the reserve.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

5. TRADE AND OTHER RECEIVABLES

	2019	2018
	\$	\$
Current		
Rates outstanding	914,187	721,402
Sundry debtors	2,280,076	2,216,562
GST receivable	642,097	1,024,489
Accrued Interest	1,761,737	2,859,965
Modified penalties, fines and costs	8,084,413	7,886,627
	13,682,510	14,709,045
Less : Allowance for expected credit losses	(4,451,723)	(3,983,451)
	9,230,787	10,725,594
Non-current		
Rates outstanding - pensioners deferred	59,293	62,649
	59,293	62,649

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

Please refer to Note 22(c) for details of the payment terms and interest charged on Rates outstanding.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

For aging of trade receivables and expected default rates, please refer to note 24(b).

Movement in the allowance for expected credit losses in trade and other receivables

Balance 1 July	3,983,451	3,670,786
Amounts written off (uncollectable)	(1,062,089)	(881,978)
Impairment loss	1,332,378	1,007,647
Amounts recovered	197,983	186,996
Balance 30 June	4,451,723	3,983,451

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Provision for expected credit losses of trade receivables

The City uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of type of revenue and customer.

Provision for expected credit losses of trade receivables (continued)

The provision matrix is initially based on the City's historical observed default rates. The City will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast conditions and ECLs is a significant estimate.

The amount of ECLs is sensitive to changes in circumstances and of forecasts. The City's historical credit loss experience and forward-looking information may not be representative of customer's actual default in the future. The information about the ECLs on the City's trade receivables is disclosed in Note 24(c).

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

6. INVENTORIES

Current

Stores, Raw Materials, Fuel and Sundry Stock Items
 Parking Equipment, Spare Parts, Signs and Tickets
 Work in Progress - Recoverable Works

2019	2018
\$	\$
377,331	377,220
426,237	424,603
26,041	270,619
829,609	1,072,442

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Inventories expensed during the year
 Write down of inventories to net realisable value
 Additions to inventory

1,072,442	918,639
(2,034,635)	(1,662,698)
(1,411)	(17,072)
1,793,213	1,833,573
829,609	1,072,442

Carrying amount at 30 June

During 2019, \$2,034,635 (2018: \$1,662,698) was recognised as an expense for inventories carried at net realisable value. This expense was recognised to Materials and Contracts in the Statement of Comprehensive Income.

SIGNIFICANT ACCOUNTING POLICIES

General

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for on a weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

7. OTHER ASSETS

Other current assets

Prepayments

2019	2018
\$	\$
1,384,093	1,737,175
1,384,093	1,737,175

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

8. OTHER FINANCIAL ASSETS

	2019	2018	As at 1 July 2017
		Restated	Restated
	\$	\$	\$
(a) Current assets			
Other financial assets at amortised cost	102,250,000	88,000,000	101,500,000
Other financial assets at fair value through profit or loss	5,931,271	5,323,583	4,717,138
	<u>108,181,271</u>	<u>93,323,583</u>	<u>106,217,138</u>
Other financial assets at amortised cost			
Term Deposits	102,250,000	88,000,000	101,500,000
	<u>102,250,000</u>	<u>88,000,000</u>	<u>101,500,000</u>
Other financial assets at fair value through profit and loss			
Units held in unlisted Australian equity portfolio	5,931,271	5,323,583	4,717,138
	<u>5,931,271</u>	<u>5,323,583</u>	<u>4,717,138</u>
(b) Non-current assets			
Other financial assets at amortised cost	2,448,395	2,481,032	2,589,685
Financial assets at fair value through profit and loss	175,171	154,668	10,000
	<u>2,623,566</u>	<u>2,635,700</u>	<u>2,599,685</u>
Other financial assets at amortised cost			
Mortgage Backed Securities (MBS)	2,448,395	2,481,032	2,589,685
	<u>2,448,395</u>	<u>2,481,032</u>	<u>2,589,685</u>
Financial assets at fair value through profit and loss			
- <i>Unlisted equity investments</i>			
Investment in Local Government House Trust	175,171	154,668	10,000
	<u>175,171</u>	<u>154,668</u>	<u>10,000</u>

The City of Perth holds 10 of the 620 units in the Local Government House Trust and recognises its share of the net assets reported in the latest audited Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and loss

The City classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 24.

Description of significant unobservable inputs to valuation of mortgage backed securities:

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy are as follows:

- a) Price stabilisation in the east coast property market
- b) Positive economic growth
- c) Low interest rates for reserve mortgages

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

9(a). FIXED ASSETS

	2019	2018
	\$	\$
Land	315,800,533	313,200,533
	315,800,533	313,200,533
Land held for Redevelopment	11,667,722	11,753,525
	11,667,722	11,753,525
Heritage Land	15,750,000	15,750,000
	15,750,000	15,750,000
Leasehold Land	65,661,380	65,661,377
Less: accumulated depreciation	(8,887,868)	(8,224,622)
	56,773,512	57,436,755
Buildings	275,422,512	269,235,740
Less: accumulated depreciation	(130,121,372)	(120,950,354)
	145,301,140	148,285,386
Leasehold Buildings	57,466,547	57,418,695
Less: accumulated depreciation	(3,545,747)	(2,653,264)
	53,920,800	54,765,431
Heritage Buildings	127,524,251	123,033,523
Less: accumulated depreciation	(67,586,193)	(63,990,791)
	59,938,058	59,042,732
Leasehold Improvements	669,758	654,500
Less: accumulated depreciation	(120,707)	(94,569)
	549,050	559,931
Plant and Mobile Equipment	41,847,768	48,244,193
Less: accumulated depreciation	(28,543,027)	(32,299,077)
	13,304,741	15,945,116
Office Furniture and Equipment	46,921,367	47,137,143
Less: accumulated depreciation	(16,546,518)	(14,484,640)
	30,374,849	32,652,503
Work in Progress	46,773,693	49,042,894
Total Property Plant and Equipment	750,154,099	758,434,806
Infrastructure	608,764,500	601,956,718
Less: accumulated depreciation	(237,336,573)	(224,735,475)
Total Infrastructure	371,427,927	377,221,243
Investment Land	8,833,500	11,805,000
	8,833,500	11,805,000
Investment Buildings	12,595,999	11,701,999
Less: accumulated depreciation	(2,698,500)	(2,687,350)
	9,897,499	9,014,649
Total Investment Properties	18,730,999	20,819,649
Total Fixed Assets	1,140,313,025	1,156,475,698

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

9. Fixed Assets (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment, infrastructure and investment properties between the beginning and the end of the previous financial year.

	Balance as at 1/07/2017	Additions	Transfers	Disposals	Contributed Assets	Initial Recognition	Reclassification	Revaluation	Depreciation Expense	Balance as at 30/06/2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	313,200,533	-	-	-	-	-	-	-	-	313,200,533
Air Rights	2,049,920	-	-	(2,049,920)	-	-	-	-	-	-
Land held for Redevelopment	11,909,561	1,112,426	-	(1,114,819)	-	-	-	(153,643)	-	11,753,525
Heritage Land	15,750,000	-	-	-	-	-	-	-	-	15,750,000
Leasehold Land	58,100,000	-	-	-	-	-	-	-	(663,245)	57,436,755
Buildings	153,517,822	513,683	1,001,746	-	-	-	(578,700)	-	(6,169,164)	148,285,386
Leasehold Buildings	11,152,496	-	-	-	-	-	44,545,471	(33,296)	(899,240)	54,765,431
Heritage Buildings	60,562,998	774,227	1,131,795	-	-	-	-	-	(3,426,289)	59,042,732
Leasehold Improvements	44,845,471	-	-	-	-	-	(43,966,771)	(300,000)	(18,768)	559,931
Plant and Mobile Equipment	18,136,119	3,003,217	186,187	(1,336,681)	18,600	-	-	-	(4,062,326)	15,945,116
Office Furniture and Equipment	27,997,896	402,130	1,045,188	(180,748)	1,754,226	1,661,894	130,784	2,861,374	(3,020,242)	32,652,503
Agricultural	795,271	-	-	(795,271)	-	-	-	-	-	-
Work in Progress	28,810,918	33,691,593	(13,459,617)	-	-	-	-	-	-	49,042,894
Total Property, Plant and Equipment	746,829,005	39,497,276	(10,094,701)	(5,477,439)	1,772,826	1,661,894	130,784	2,374,435	(18,259,273)	758,434,806
Infrastructure	517,437,142	2,519,198	8,412,509	(1,474,762)	5,115,097	906,747	(130,784)	(139,116,322)	(16,447,605)	377,221,243
Investment Land	11,397,500	-	-	-	-	-	-	407,500	-	11,805,000
Investment Buildings	8,774,799	-	-	-	-	-	-	239,850	-	9,014,649
Total Investment Properties	20,172,299	-	-	-	-	-	-	647,350	-	20,819,649
Total Assets	1,284,438,446	42,016,474	*(1,682,192)	(6,952,201)	6,887,923	2,568,641	-	(136,094,537)	(34,706,878)	1,156,475,698

*The Amount of (\$1,682,192) relates to capital costs incurred in previous financial years as work in progress, but on capitalisation in the current financial year were deemed operational and expensed.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

9. Fixed Assets (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment, infrastructure and investment properties between the beginning and the end of the current financial year.

	Balance as at 1/07/2018	Additions	Transfers	Disposals	Contributed Assets	Initial Recognition	Reclassification	Revaluation	Depreciation Expense	Balance as at 30/06/2019
Land	313,200,533	-	-	-	-	-	2,600,000	-	-	315,800,533
Air Rights	-	-	-	-	-	-	-	-	-	-
Land held for Redevelopment	11,753,525	443,647	-	(529,450)	-	-	-	-	-	11,667,722
Heritage Land	15,750,000	-	-	-	-	-	-	-	-	15,750,000
Leasehold Land	57,436,755	-	-	-	-	-	-	-	(663,246)	56,773,512
Buildings	148,285,386	46,893	1,048,782	(168,291)	-	-	2,317,421	-	(6,229,049)	145,301,142
Leasehold Buildings	54,765,431	-	47,851	-	-	-	0	-	(892,483)	53,920,800
Heritage Buildings	59,042,732	-	3,971,643	-	-	-	513,970	-	(3,590,286)	59,938,059
Leasehold Improvements	559,931	-	-	-	-	-	8,002	-	(18,883)	549,050
Plant and Mobile Equipment	15,945,116	3,195,406	1,438,954	(1,230,497)	-	-	(3,201,895)	543,113	(3,385,456)	13,304,739
Office Furniture and Equipment	32,652,503	476,728	1,987,188	(10,494)	-	-	(1,540,465)	-	(3,190,612)	30,374,849
Agricultural	-	-	-	-	-	-	-	-	-	-
Work in Progress	49,042,894	24,212,421	(26,481,622)	-	-	-	-	-	-	46,773,693
Total Property, Plant and Equipment	758,434,806	28,375,095	(17,987,204)	(1,938,732)	-	-	697,033	543,113	(17,970,016)	750,154,099
Infrastructure	377,221,243	1,643,888	14,463,495	(6,792,630)	182,607	17,816	1,909,222	-	(17,217,714)	371,427,927
Investment Land	11,805,000	-	-	-	-	-	(2,600,000)	(371,500)	-	8,833,500
Investment Buildings	9,014,649	-	692,340	-	-	-	-	190,510	-	9,897,499
Total Investment Properties	20,819,649	-	692,340	-	-	-	(2,600,000)	(180,990)	-	18,730,999
Total Assets	1,156,475,698	30,018,983	(2,831,369)	(8,731,362)	182,607	17,816	6,255	362,123	(35,187,730)	1,140,313,024

*The Amount of (\$2,831,369) relates to capital costs incurred in previous financial years as work in progress, but on capitalisation in the current financial year were deemed operational and expensed. The reclassification of a plant asset as art has resulted in the writing back of \$6,255 depreciation.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

9. FIXED ASSETS (Continued)

(c) Fair Value Measurements

The City measures the following asset and liability classes at fair value on a recurring basis:

Property Plant Equipment and Infrastructure

Financial Assets and Liability

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition or measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the year there were no changes in the valuation techniques used by the City to determine the fair value of fixed assets using either Level 2 or Level 3 inputs.

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land	2	market approach taking into consideration public sector restrictions	Independent registered valuer	30/06/2017	Applied to land held in freehold title and assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability and based on observable evidence. The valuation of some restricted or otherwise non-saleable land has been valued using the cost approach. This approach was used where, assuming the City needed to purchase the land or acquire additional land from an adjoining neighbour, the value of that land could be determined based on known zoning and town planning restrictions. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability and based on observable evidence. As this was based on observable evidence they have been classified as Level 2
Buildings	3	cost approach. The cost to replace the asset is calculated and then adjusted to take account of accumulated depreciation.	Independent registered valuer	30/06/2017	The valuation of building, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and fire fighting equipment, and general lighting). Excluded from this report are all items of plant, machinery, equipment, cranes, tools, furniture or chattels. The valuer determined a value based on inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.
Plant and Mobile Equipment	3	market conditions and the availability of sales evidence	Independent registered valuers and Internal Valuation	30/06/2019	Current condition and remaining useful life of the assets.
Office Furniture and Equipment (Other)	3	carrying cost	Internal Valuation	30/06/2018	No material variance exists between the fair value and the carrying cost of this class. It is considered that the value disclosed (WDV) is fairly stated as the assets will be held until obsolete and there is no second hand market.
Office Furniture and Equipment -Concert Pianos	3	market and cost approach	Independent registered valuer	30/06/2018	What could be reasonably expected on an open market and the depreciated replacement cost approach.
Office Furniture and Equipment -Major Computer Software	3	cost approach	Internal Valuation	30/06/2018	The cost to re-establish and use the softwares cognisant that copies each of the software's structures presently exists offsite of the Main Administration Building.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

9. FIXED ASSETS (Continued)

(c) Fair Value Measurements(Continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Office Furniture and Equipment -Artworks, Memorabilia and History Collection	2	market and cost approach	Independent registered valuers and Internal Valuation	30/06/2018	What could reasonably be expected on an open market and depreciated replacement cost approach.
Infrastructure - Roads, Drainage, Landscape, Lights, Footpaths and Kerbs, River Walls, Other Infrastructure	3	depreciated cost valuation technique. This method uses the asset current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect potential of the asset as established then adjusted to take into account the expired service potential of the asset based on visual condition assessment where relevant. The current replacement cost was measured by referencing the lowest cost at which the asset could be obtained in the normal course of business. The total cost values have been calculated using unit cost rate based on current tender and general market rates. These unit cost rates were verified by an independent third party company that specialises in benchmarking construction costs.	Independent construction cost consultant and internal valuation	30/06/2018	Level 3 valuation inputs have been applied to all infrastructure asset classes, being construction cost and current condition and remaining useful life assessments.
Investment land	2	market approach	Independent registered valuer	30/06/2019	Value based either on the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, or based on the continuation of its present use, regardless of whether that represents the highest and best use of the asset.
Investment buildings	3	improvements to land valued using cost approach and utilising the depreciated replacement cost	Independent registered valuer	30/06/2019	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments (Level 3) inputs.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

9. FIXED ASSETS (Continued)

Fair Value Measurements(Continued)

(c)	2019	2018	Fair Value Hierarchy	Date of Last Valuation
	\$	\$		
Land	343,218,255	340,704,058	2	30/06/2017
Leasehold Land	56,773,512	57,436,755	2	30/06/2017
Buildings	205,239,201	207,328,118	3	30/06/2017
Leasehold Buildings	53,920,800	54,765,431	3	30/06/2017
Leasehold Improvements	549,050	559,931	3	30/06/2017
Plant and Mobile Equipment	13,304,739	15,945,116	3	30/06/2019
Office Furniture and Equipment	30,374,849	32,652,503	3	30/06/2018
Infrastructure	371,427,927	377,221,243	3	30/06/2018
Investment Land	8,833,500	11,805,000	2	30/06/2019
Investment Buildings	9,897,499	9,014,649	3	30/06/2019
	1,093,539,331	1,107,432,804		

The revaluation of plant and mobile equipment in the year resulted in an increase in fair value of \$543,113 which is offset against previous losses and therefore taken directly to the Statement of Comprehensive Income.

(d) Investment Property

Investment Land and Properties are revalued annually by an independent valuer. The result of the valuation carried out at 30 June 2019 was a reduction in value of Investment Land of \$371,500 and an increase to the value of Investment Buildings of \$190,510. These adjustments are recorded in the Statement of Comprehensive Income.

There was no change in the valuation method used in the valuation of Investment Properties during the reporting period.

Investment property is held to generate long-term rental yields. All tenant leases are on an arms-length basis apart from two short term tenancies that are on peppercorn rentals as they are deemed to be of benefit to the community.

Amounts recognised in net result for the period.

	2019	2018
	\$	\$
Property Rental	1,692,334	2,031,842
Operating Expenses for Rental Generating Properties	316,651	821,806

Investment properties are leased out on operating leases. Rental income amounts of \$1,692,334 (30 June 2018 : \$2,031,842) are included within revenue. Direct operating expenses of \$316,651 (2018: \$821,806) were reported within other expenses, of which Nil (30 June 2018 : Nil) were incurred on vacant properties that did not generate rental income.

Lease contracts are all non-cancellable for the term of each lease. Future minimum lease rentals are as follows:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total
	\$	\$	\$	\$
Year ended 30 June 2019	1,624,187	2,315,298	2,666,470	6,605,955
Year ended 30 June 2018	1,470,982	3,098,277	4,253,003	8,822,262

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Land Under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, *Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of assets are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Upon disposal or derecognition of a fixed asset any revaluation surplus or deficit relating to that asset is transferred to or from accumulated surplus.

Vested Land and Crown Land held in Trust

Land vested in the City as recreation or road reserves is recognised at a nominal value of one dollar for record purposes only. Crown Land held in Trust is recognised at fair value.

Capitalisation Threshold

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

Impairment of Assets

In accordance with Australian Accounting Standards the City's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets such as roads, drains, public buildings and the like, that are measured under the revaluation model, no annual assessment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

9. FIXED ASSETS (Continued)

(e) Disposals of Assets

The following assets were disposed of during the year.

	2019			2019			2019			2019			2018		
	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit
Land	\$ 529,450	\$ 828,226	\$ 298,776	\$ -	\$ -	\$ -	\$ 580,000	\$ -	\$ 1,114,819	\$ 1,682,651	\$ 567,832	\$ -	\$ 1,114,819	\$ 1,682,651	\$ 567,832
Buildings	168,291	-	-	(168,291)	-	-	-	-	-	-	-	-	-	-	-
Plant and Equipment	1,230,497	1,032,639	119,576	(317,434)	1,262,000	1,516,025	405,205	(151,180)	1,336,681	1,262,010	177,578	(252,248)	1,336,681	1,262,010	177,578
Office Furniture and Equipment	10,493	-	-	(10,493)	-	-	-	-	180,748	12,273	-	(168,475)	180,748	12,273	-
Infrastructure	6,792,629	-	-	(6,792,629)	1,917,040	-	-	(1,917,040)	1,474,762	-	-	(1,474,763)	1,474,762	-	(1,474,763)
	8,731,360	1,860,865	418,352	(7,288,847)	3,179,040	1,516,025	985,205	(2,068,220)	4,107,010	2,956,934	745,410	(1,895,486)	4,107,010	2,956,934	745,410

Infrastructure disposed of in 2019 had a net book value of \$6,792,629 (2018: \$1,474,762). Of this, \$3,320,791 was the result of the demolition of walkways and bridges, known as Padbury Walkways, to allow reconstruction to commence.

(f) Depreciation

	2019	2018
	\$	\$
Leasehold Land	663,246	663,245
Buildings	6,229,049	6,169,164
Leasehold Buildings	892,483	899,240
Heritage Buildings	3,590,286	3,426,289
Leasehold Improvements	18,883	18,768
Plant and Mobile Equipment	3,385,456	4,062,326
Office Furniture and Equipment	3,184,357	3,020,242
Infrastructure	17,217,714	16,447,605
	35,181,475	34,706,879

(g) Fully Depreciated Assets in Use

The gross carrying value of assets held by the City which are currently in use yet fully depreciated are shown below.

	2019	2018
	\$	\$
Buildings	871,036	-
Furniture and equipment	1,931,981	1,124,818
Plant and equipment	8,869,139	17,078,495
Investment Buildings	2,596,000	2,596,000
Computers and IT	3,727,317	3,672,435
Infrastructure	149,738	-
	18,145,212	24,471,747

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

All fixed assets and leasehold interest with the exception of Freehold Land and Work in Progress are systematically depreciated over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets.

Depreciation is based on a straight line basis taking cognisance of the residual value of the asset, whilst amortisation rates are set to amortise the cost of the leasehold interest over the life of the lease. Depreciation rates and residual values are reviewed each year.

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

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionate to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation rates

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

Land		Residual Value
Leasehold interest	99 years	Nil
Buildings		
Buildings (including components and leasehold interest)	10 to 100 years	Nil
		Nil
		Nil
Leasehold Improvements	Term of Lease	Nil
Infrastructure		
Roads – Pavement	80 years	Nil
– Seal	20 years	Nil
– Ancillary	20 to 50 years	Nil
Footpaths – Footpaths	15 to 50 years	Nil
– Kerbs	20 to 50 years	Nil
Street Lighting	10 to 40 years	Nil
Drainage	20 to 80 years	Nil
Reticulation	10 to 40 years	Nil
Overpasses and Underpasses	40 to 70 years	Nil
Street Furniture	5 to 50 years	Nil
Riverwall	50 to 60 years	Nil
Other	5 to 10 years	Nil
Plant and Mobile Equipment		
Major Plant and Equipment	4 to 10 years	10 to 40%
Sedans and Utilities	2 to 3 years	50 to 65%
Pumps and Bores	7 to 15 years	Nil
Minor Plant and Equipment	2 to 7 years	5% to Nil
Specialised Parking Equipment	7 to 15 years	Nil
Office Furniture and Equipment		
Furniture and Equipment	2 to 15 years	Nil
Computer Equipment and Software	3 to 5 years	Nil

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

10. REVALUATION SURPLUS

	2019			2018		
	Opening Balance	Movement on Revaluation	2019 Closing Balance	Opening Balance	Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation Reserve - Infrastructure	(47,385,407)	8,497,593	(46,207,464)	(185,421,349)	138,035,942	(47,385,407)
Revaluation Reserve - Building	(100,565,076)	(1,080,196)	(94,325,623)	(100,844,579)	-	(100,565,076)
Revaluation Reserve - Land	(302,073,680)	(134,569)	(302,208,249)	(302,227,323)	153,643	(302,073,680)
Revaluation Reserve - Leasehold Land	(12,976,790)	-	(12,976,790)	(12,976,790)	-	(12,976,790)
Revaluation Reserve - Leasehold Buildings	(6,156,491)	-	(6,156,491)	(6,210,285)	333,296	(6,156,491)
Revaluation Reserve - Artworks	(7,124,995)	-	(7,124,995)	(5,185,571)	(1,939,424)	(7,124,995)
Revaluation Reserve - Fixtures and Fittings	(921,951)	-	(921,951)	-	(921,951)	(921,951)
	(477,204,390)	7,282,828	(469,921,563)	(612,865,897)	135,661,507	(477,204,390)

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

As at 30 June 2019, \$7,319,650 (2018: Nil) was reclassified from buildings to infrastructure during the reporting period. This relates to Padbury Walkways being reclassified as Bridges (Infrastructure) not Buildings.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

11. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current		
Trade creditors	13,305,761	15,035,281
Accrued Expenses	3,366,309	2,868,105
Bonds	3,500,142	-
Other	3,551,212	3,064,077
	23,723,424	20,967,463

Work, building and Hire Bonds of \$3,500,142 were previously held in Trust - refer to note 26 for further information.

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current current liability and are normally paid within 30 days of recognition.

Taxation

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

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

12 INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Institution	Rate of Interest %	Original	Principal	Principal Repayments		Principal 30 June 2019		*Interest Repayments		Term (Years)	Date of Issue	Month and Year of Maturity
			Principal \$	1 July 2018 \$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$			
Recreation and culture													
Loan 165 Civic Library	WATC *	4.02	8,011,407	3,802,764	837,506	837,506	2,965,258	2,759,012	(156,228)	(154,845)	10 June 2012		June 2022
Loan 167 Civic Library	WATC *	3.63	23,788,520	11,167,148	2,475,414	2,475,414	8,691,734	8,691,735	(429,621)	(425,908)	10 July 2012		Aug 2022
Transport													
Loan 160 PCEC Car Park	WATC *	6.15	29,180,000	2,678,091	2,126,004	2,126,004	552,087	32,687	(105,886)	(95,292)	15 July 2004		July 2019
Loan 164 Elder St Car Park	WATC *	6.26	16,000,000	4,973,910	1,897,401	1,897,401	3,076,509	2,613,149	(272,274)	(264,215)	10 Sept 2010		Sept 2020
Loan 166 Goderich St Car Park	WATC *	4.02	1,074,073	509,829	112,283	112,283	397,546	369,895	(20,946)	(20,760)	10 June 2012		June 2022
			78,054,000	23,131,742	7,448,608	7,448,608	15,683,134	14,466,478	(984,954)	(961,020)			

*Western Australian Treasury Corporation.

The mode of payment is quarterly.

Loan debentures issued by the City are secured over the general funds of the City

*Interest repayments include the guarantee fee.

All loan repayments were financed by general purpose revenue.

Borrowings

	2019	2018
	\$	\$
Current - Principal	6,904,163	7,448,608
- Accrued Interest	152,711	231,867
	7,056,874	7,680,475
Non Current - Principal	8,778,971	15,683,134
	15,835,845	23,363,609

(b) Loan facilities

Loan facilities - current	6,904,163	7,448,608
Loan facilities - non-current	8,778,971	15,683,134
Total facilities in use at balance date	15,683,134	23,131,742

Unused loan facilities at balance date

NIL NIL

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2019	2018
	\$	\$
Purchasing Card Limit	-	60,000
Credit card limit	80,000	80,000
Credit card and Purchasing Card balance at balance date	(6,358)	(14,774)
Total amount of credit unused	73,642	125,226

The City does not have an overdraft facility and no longer uses Purchasing Cards.

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are recognised at fair value when the City becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit and loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit and loss.

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 24.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

13 PROVISIONS

Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Self - Funded Leave	Recognition of Employee Presentation	Workers - Compensation	Total
	\$	\$	\$	\$		\$
Opening balance at 1 July 2018						
Current provisions	4,792,212	5,435,598	163,543	114,254	612,044	11,117,651
Non-current provisions	379,099	1,101,779	-	-	-	1,480,878
	5,171,311	6,537,377	163,543	114,254	612,044	12,598,529
 Additional provision	5,531,333	1,352,816	226,155	17,525	-	7,127,829
Amounts used	(5,378,318)	(951,130)	(127,610)	(17,101)	(601,084)	(7,075,243)
Balance at 30 June 2019	5,324,326	6,939,063	262,088	114,678	10,960	12,651,115
 Comprises						
Current	4,904,535	5,639,741	262,088	114,678	10,960	10,932,002
Non-current	419,791	1,299,322	-	-	-	1,719,113
	5,324,326	6,939,063	262,088	114,678	10,960	12,651,115

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

Short-term employee benefits

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position. Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Other long-term employee benefits (Continued)

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Provisions

Provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Self-funded Leave

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

Recognition of Employees Presentation

Provision for employee entitlement is accrued at \$500 for each employee who has completed 10 years of continuing service at the City.

A further \$50 is accrued per year after the 10 years has passed.

This entitlement will not be paid out to the employee before completing 15 years of service however the employee is entitled to receive their accrued entitlement on resignation if between 10 and 15 years.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual restated \$
Cash and cash equivalents	3	46,473,723	22,627,182	40,227,407

**Reconciliation of Net Cash Provided By
Operating Activities to Net Result**

Net result		7,730,891	3,178,758	24,327,349
Non-cash flows in Net result:				
Depreciation of non-current assets		35,181,475	36,371,570	34,706,879
Net (profit)/loss on sale of asset		7,169,271	1,663,015	1,717,907
Revaluation of Plant and Equipment		(543,113)	-	-
Revaluation Investment Land		371,500	-	(407,500)
Revaluation Investment Buildings		(190,510)	-	(239,850)
Fair Value Adjustments to financial assets		(20,503)	-	-
Share of profit or loss of associates/JV by equity method		(178,878)	-	-
Contributed Assets - City of Subiaco		-	-	(68,713)
Contributed Assets- other		(182,606)	-	(6,819,210)
Disposal of development land at Tamala Park		(298,776)	-	(567,832)
Fair value adjustments to financial assets at amortised cost		(9,206)	-	(5,004)
Initial recognition of assets		(17,815)	-	(2,568,634)
Write off agricultural assets		-	-	795,271
Write off air rights		-	-	2,049,920
Extinguishment of PCEC Car Park Provision		-	-	(4,649,307)
Changes in assets and liabilities:				
(Increase)/decrease in receivables		1,274,792	110,570	(43,794)
(Increase)/decrease in Accrued Income		-	-	-
(Increase)/decrease in inventories		242,833	48,272	(153,803)
(Increase)/decrease in Deposits and Prepayments		353,082	-	-
(Increase)/decrease in Accrued Interest and Divident Income		223,370	-	-
Increase/(decrease) in payables		3,043,249	(4,252,610)	2,523,174
Increase/(decrease) in employee provisions		52,586	(80,107)	530,691
Non-operating grants /contributions for the development of assets		(1,572,765)	(1,469,412)	(3,142,991)
Net cash from operating activities		52,628,877	35,570,056	47,984,553

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

14. NOTES TO THE STATEMENT OF CASH FLOWS

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Revaluation Investment Buildings		(190,510)	-	(239,850)
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(Increase)/decrease in inventories		242,833	48,272	(153,803)
(Increase)/decrease in Deposits and Prepayments		353,082	-	-
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Increase/(decrease) in employee provisions		52,586	(80,107)	530,691
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**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

16. COMMITMENTS AND CONTINGENT LIABILITY

Commitment – Deed of Guarantee

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

City of Perth Superannuation Plan (CPSP) Defined Benefit Members

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

In the event that the plan has a deficiency of assets to meet benefits due, all participating employers are liable to contribute to the plan to fund any shortfall.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

17 CAPITAL, LEASING AND INTEREST PAYABLE COMMITMENTS

(a) Capital Expenditure Commitments

	2019	2018
	\$	\$
- not later than one year	2,236,877	834,590
- later than one year but not later than two years	5,530	44,617
- later than two years but not later than five years	-	3,199
- later than five years	-	-
	2,242,407	882,406

(b) Operating Lease Commitments

	2019	2018
	\$	\$
- not later than one year	1,262,762	1,347,893
- later than one year but not later than two years	1,272,089	1,311,189
- later than two years but not later than five years	3,622,546	3,991,949
- later than five years	116,314,213	118,644,184
	122,471,610	125,295,215

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

(c) Interest Payable

	2019	2018
	\$	\$
- not later than one year	595,949	914,789
- later than one year but not later than two years	264,459	595,949
- later than two years but not later than five years	122,196	386,655
- later than five years	-	-
	982,604	1,897,393

This is the interest payable on loan debentures over the remaining life of the loans.

SIGNIFICANT ACCOUNTING POLICIES

Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term. Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term. The City has never paid for lease incentives under operating leases.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2019 Actual	2019 Budget	2018 Actual
The following fees, expenses and allowances were paid to elected members	\$	\$	\$
Annual Attendance Fees	-	-	223,312
Local Government Allowance	23,514	60,990	149,828
Reimbursement of Expenses	-	-	36,461
	23,514	60,990	409,601

The Council was suspended by the Minister of Local Government on 2 March 2018.

Commissioners' Remuneration

	2019 Actual	2019 Budget	2018 Actual
Commissioners' Fees	\$	\$	\$
	1,098,354	1,093,603	358,766
	1,098,354	1,093,603	358,766

Commissioners are paid remuneration, allowances and reimbursement of expenses in accordance with determinations made by the Minister for Local Government. The Department of Local Government, Sport and Cultural Industries is responsible for remunerating the Commissioners and the City reimburses the Department, for the remuneration and expenses incurred.

Other Key Management Personnel (KMP) Compensation Disclosure

	2019	2018
The total of remuneration paid to other KMP of the City during the year are as follows:	\$	\$
Short-term employee benefits	1,888,986	1,513,065
Post-employment benefits	160,947	163,181
Other long-term benefits	22,920	179,445
Termination benefits	788,667	20,495
	2,861,520	1,876,186

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

Other long-term benefits

These amounts represent both annual leave and long service leave benefits accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

18. Related Party Transactions (Continued)

Transactions with related parties

Transactions between related parties, and the City are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2019	2018
	\$	\$
Tamala Park Regional Council		
Sale of goods and services	20,003	20,789
Purchase of goods and services	41,025	108,613
Distributions received from associates	333,333	333,333
Reimbursement received from associates	22,914	26,167
Trade and other payables	5,962	6,257
Mindarie Regional Council		
Sale of goods and services	67,846	63,760
Purchase of goods and services	2,978,124	2,619,649
Reimbursement paid to associates	-	6,153
Trade and other receivables	5,512	9,055
Trade and other payables	228,340	235,171

Related Parties

The City's main related parties are as follows:

i. Key management personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member or commissioner, are considered key management personnel. A person acting as a KMP for a period of 3 months or less is not included in the disclosure.

ii. Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

Tamala Park Regional Council

The City along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. The City contributes one twelfth of any funding required for capital or operating costs and is entitled to one twelfth of revenue from the sale of the land.

The City's one twelfth interest in the Tamala Park Regional Council is accounted for in the financial statements using the equity accounting method.

Mindarie Regional Council

The City along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Mindarie Regional Council.

The City's one twelfth interest in the Mindarie Regional Council is accounted for in the financial statements using the equity accounting method.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

19 SUPERANNUATION

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

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

Accumulation Members

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

(b) City of Perth Superannuation Plan (CPSP)

Defined Benefit Members

The City contributes in respect of certain of its employees to a defined benefit superannuation fund established for the employees of the City and known as the City of Perth Superannuation Plan (CPSP). In accordance with statutory requirements, the City contributes to the plan amounts determined by the plan actuary. As such, assets are accumulated in the plan to meet the members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits. The plan has a number of different participating employers contributing to the defined benefit section of the plan and as such is accounted for as a defined contribution plan.

The defined benefit section of the plan was closed to the admission of new members from 1 July 2009.

On 31 March 2016, plan assets relating to defined benefit members were transferred from Australian Super to Equip Super Pty Ltd.

An Actuarial investigation of the Plan as at 30 June 2016 was completed by the Heron Partnership in March 2017. It was agreed that it would be appropriate to continue the reduced employer contributions for defined benefit members to the Superannuation Guarantee (SG) Rate (currently 9.5%) from 1 July 2016 until at least the completion of the next actuarial investigation with an effective date of 30 June 2019 (*due no later than 31 December 2019*). Since the last actuarial investigation the financial position of the plan has improved. In the event that the plan has a deficiency of assets to meet benefits due, all participating employers (including the City) are liable to contribute to the plan to fund any shortfall.

Accumulation Members

The City contributes in respect of certain of its employees to an accumulated benefit superannuation fund for the employees of the City and known as the City of Perth Superannuation Plan (CPSP). In accordance with statutory requirements, the City contributes to the CPSP amounts nominated by the Council. As such, assets are accumulated in the CPSP to meet members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

Effective 1 July 2009, the City of Perth Superannuation Fund was subsumed into an industry fund Australian Super, operated by the trustee Australian Super Pty Ltd.

Due to changes in legislation impacting on superannuation, Australian Super has moved accumulated members into a new fund called My Super. This fund is part of Australian Super. The change was implemented for both legislative reasons and to take advantage of lower member fees.

Total Superannuation contributions paid by the City during the reporting period was \$7,576,627 (30 June 2018: \$7,338,391).

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

19. MAJOR LAND TRANSACTIONS

Tamala Park Regional Council

(a) Details

The Tamala Park Regional Council was established for the specific purpose of creating an urban development on 165 hectares of land immediately south of Neerabup Road and the Mindarie Regional Council. The project is expected to have a ten-year life cycle with more than 2,500 lots developed for housing that will be progressively sold in stages. The first stage of the development commenced in early 2011 and the first lots were released for sale in July 2012.

The City of Perth, along with six other local governments, is a member of the Tamala Park Regional Council.

The City of Perth will contribute one twelfth of any funding required for capital or operating costs and will also be entitled to one twelfth of revenue from the sale of lots of land.

As at 30 June 2019 the value of the City's equity share of its investment in the Tamala Park Regional Council was \$3,809,108 (refer note 20).

(b) Current year transactions

	2019 Actual	2018 Actual
	\$	\$
Other income		
- Sale proceeds	828,234	1,836,294
Other expenditure		
- Purchase of land	(85,803)	(156,036)
- Development costs	(443,655)	(1,112,426)
Net profit on disposal	298,776	567,832

The above income and expenditure is reflected in other revenue and expenditure.

(c) Expected Future Cash Flows

	2020	2021	2022	2023	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Development costs	(450,000)	(450,000)	(450,000)	(450,000)	(1,800,000)
	(450,000)	(450,000)	(450,000)	(450,000)	(1,800,000)
Cash inflows					
- Sale proceeds	830,000	830,000	830,000	830,000	3,320,000
	830,000	830,000	830,000	830,000	3,320,000
Net cash flows	380,000	380,000	380,000	380,000	1,520,000

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

20. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

	2019	2018
		Actual Restated
	\$	\$
Equity in Mindarie Regional Council (a)	6,091,422	5,768,683
Equity Tamala Park Regional Council (b)	3,809,099	3,810,795
	<u>9,900,521</u>	<u>9,579,478</u>

a) Mindarie Regional Council

The City of Perth, along with the City of Wanneroo, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Mindarie Regional Council. The Mindarie Regional Council's objective is to establish and operate a long term refuse disposal site on Mindarie Super Lot 118. The City of Perth has contributed one twelfth of the land and establishment costs of the refuse disposal facility. The City uses the refuse disposal facility at Mindarie to deposit all non recyclable waste collected by the City's domestic and commercial waste services. Capital contributions paid during establishment are represented in the accounts of the City of Perth as a Non-Current Asset. The City currently has a contingent liability in relation to the Mindarie Regional Council Details of this contingent liability are provided in note 16.

(i) Retained Surplus Attributable to Equity Accounted Investments

Balance at beginning of the financial year	858,592	1,223,829
Share of associates profit/(loss) from ordinary activities	178,250	100,664
Share of associates transfer (to)/from Reserves	65,491	(465,901)
Share of associates revaluation of assets	10,393	-
Balance at end of the Financial Year	<u>1,112,726</u>	<u>858,592</u>

(ii) Carrying Amount of Equity Accounted Investments

Balance at beginning of the financial year	5,768,683	5,577,718
Share of associates profit/(loss) from ordinary activities	178,250	100,664
Share of associates other comprehensive income	144,489	84,148
Movement in Capital Contributions	-	6,153
Balance at end of the Financial Year	<u>6,091,422</u>	<u>5,768,683</u>

(iii) Mindarie Regional Council Financial Position

	2019	2018
Current Assets	37,247,209	34,043,996
Non Current Assets	59,171,350	58,119,743
Total Assets	96,418,559	92,163,739
Current Liabilities	7,487,383	7,313,796
Non Current Liabilities	17,151,807	16,943,437
Total Liabilities	24,639,190	24,257,233
Net Assets	<u>71,779,369</u>	<u>67,906,506</u>
Retained Surplus	13,352,712	10,303,109
Reserves	21,953,499	22,739,391
Revaluation Surplus	32,387,432	30,778,280
Council contributions	4,085,726	4,085,726
Total Equity Mindarie Regional Council	<u>71,779,369</u>	<u>67,906,506</u>
City's Share of Equity (one twelfth)	<u>6,091,422</u>	<u>5,768,683</u>

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

20. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD (continued)

b) Tamala Park Regional Council

The City of Perth, along with the City of Wanneroo, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. On the 21 February 2006 the City received a report advising the formal establishment of the Tamala Park Regional Council under Section 3.61 of the Local Government Act 1995. The Tamala Park Regional Council formally came into existence on the 3 February 2006. The Tamala Park Regional Council's activities centre around the development of part Lot 118 Mindarie. Lot 118 was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council, this lot is now being developed with a purpose of creating a new urban land development and a new urban community. The investment in the Tamala Park Regional Council has been recognised at the value of its equity contributions. The City has undertaken a revaluation of its investments to fair value according to Local Government (Financial Management) Regulations.

	2019	2018
	Actual	restated
	\$	\$
(i) Retained Surplus Attributable to Equity Accounted Investments		
Balance at beginning of the financial year	150,270	136,395
Share of associates profit/(loss) from ordinary activities	628	13,875
Balance at end of the Financial Year	150,898	150,270
(ii) Carrying Amount of Equity Accounted Investments		
Balance at beginning of the financial year	3,810,795	3,432,556
Share of associates profit/(loss) from ordinary activities	628	13,875
Distribution to participants	(333,333)	(333,333)
Movement in Capital Contributions	331,009	697,697
Balance at end of the Financial Year	3,809,099	3,810,795
(iii) Tamala Park Regional Council Financial Position		
	2019	2018
Current Assets	44,320,816	44,097,856
Non Current Assets	1,723,283	1,929,727
Total Assets	46,044,099	46,027,583
Current Liabilities	326,286	290,104
Non Current Liabilities	5,719	5,150
Total Liabilities	332,005	295,254
Net Assets	45,712,094	45,732,329
Retained Surplus	1,810,759	1,803,230
Revaluation Surplus	6,353	6,353
Council contributions	43,894,982	43,922,746
Total Equity Mindarie Regional Council	45,712,094	45,732,329
City's Share of Equity (one twelfth)	3,809,099	3,810,795

CITY OF PERTH**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019****20. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD (continued)****SIGNIFICANT ACCOUNTING POLICIES****Investments accounted for under the equity method**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Joint ventures represent arrangements whereby joint operations maintain direct interests in each asset and exposure to each liability of the arrangement.

Investments accounted for under the equity method (continued)

The City's interests in the assets, liabilities, revenues and expenses of joint operations are included in the respective line items of the financial statements.

Initial recognition and subsequent measurement

Under the equity method, the investment in associate is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

21. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance ⁽¹⁾ 30/06/18	Received ⁽²⁾ 2018/19	Expended ⁽³⁾ 2018/19	Closing Balance 30/06/2019
General purpose funding	\$	\$	\$	\$	\$	\$	\$
Local Government Assistance	248,494	476,378	(475,508)	249,364	326,601	(249,364)	326,601
Law, order, public safety							
Office Emergency Mgt Grant - Emergency Mgt	-	20,000	(20,000)	-	-	-	-
Health							
City of South Perth - Mosquito Control	-	7,461	(6,042)	1,419	-	(1,419)	-
Community amenities							
Cathedral Square Various	-	115,355	(33,893)	81,462	100,081	(139,679)	41,864
Transport							
Main Roads	-	174,251	(130,868)	43,383	-	(43,383)	-
Main Roads Direct Grant	-	58,705	(58,705)	-	-	-	-
Roads to Recovery	-	436,687	(436,687)	-	349,593	(349,593)	-
Department of Transport - East Perth Walkability	-	1,231,000	(938,750)	292,250	-	(292,250)	-
Federal Local Road Grant	256,765	435,567	(444,487)	247,845	252,490	(247,845)	252,490
SPM & Main Roads	404,854	343,489	(686,063)	62,280	-	(62,280)	-
ACM Roads and Kerbs Grants	30,475	(30,475)	-	-	319,802	(261,136)	58,666
Other property and services							
Smart Cities	-	657,247	(49,640)	607,607	657,225	(1,264,832)	-
Attorney General Smart Cities	-	42,639	(42,639)	-	-	-	-
Department of BCA/Main Roads - Windan Bridge Riverbank	-	198,972	(198,972)	-	-	-	-
Department of Parks and Wildlife (Riverbank funding)	27,950	-	(16,885)	11,065	-	(11,065)	-
Total	968,538	4,167,276	(3,539,139)	1,596,675	2,005,792	(2,922,846)	679,621

(1) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

	2019	2018
	\$	\$
Grants /Contributions for Capital Works	58,666	943,240
Grants/Contributions for Other Purposes	620,955	580,090
	<u>679,621</u>	<u>1,523,330</u>
(2) - Grants/contributions which had been recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor	*	

Grants /Contributions for Capital Works	1,016,584	389,934
Grants/Contributions for Other Purposes	580,090	505,259
	<u>1,596,674</u>	<u>895,193</u>

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period and which were not fully expended in the manner specified by the contributor at the reporting date.

	-	73,345
	<u>-</u>	<u>73,345</u>

* Unspent grants and contributions as stated in Note 3:

\$ 679,621

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

22. RATING INFORMATION

Gross Rental Values

Landgate Valuation Services provides the City with Gross Rental Values (GRV) for the purpose of rating. For the vast majority of properties values were supplied on 1 July 2017, effective for three years from that date.

Differential General Rates

The City imposed differential general rates under Section 6.33 of the Local Government Act 1995 on all rateable land within the City according to the predominant purpose for which the land is held or used, as determined by the City. If the predominant land use forming the basis for the imposition of the differential rate changed during the 2018/19 financial year, the City was not required to amend the assessment of rates payable on that land on account of that change but has chosen to do so.

The rates were set at differential levels that provided as was practically possible a fair and equitable distribution of the rate burden to each category of land having regards to its demands on the City's services. The City has previously rationalised its rates differential categories with Hotel, Retail and Commercial ratepayer classes consolidated as the Commercial category. This followed a review of costs attributable to each class and took into account the triennial revaluation of gross rental values pertaining to each category conducted by Landgate Valuation Services in 2014. None of the differential general rates was more than twice the lowest differential general rate, as proposed in the 2018/19 Annual Budget.

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

Commercial (Includes Hotel and Retail categories)

This classification includes a variety of land uses including transportation services, communication services, wholesalers, warehouses, laboratories, auto sales and services, entertainment services including restaurants sporting facilities, banking/ATM's, laundromats, bakeries, medical laboratories, commercial educational, hotels serviced apartments, boarding, lodging accommodation, retail sales and services. The general rate for this sector of 5.56344 cents in the dollar of GRV was considered reasonable, given the general nature of this classification compared to other specifically identified sectors.

Office

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

The rate of 4.55125 cents in the dollar of GRV is seen as a fair rate of contribution by the office sector towards a reasonable level and standard of infrastructure provided by the City for the benefit of that sector.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

22. RATING INFORMATION (Continued)

Residential

The Residential classification covers properties that are used for single and multi-dwellings. The residential rate of 5.74033 cents in the dollar of GRV was set at a low level to support the City's aim of encouraging living in the City. The City recognises that the benefits of increased residential population will flow to all other sectors within the district and believe a comparatively lower residential rate serves as an incentive to attract people to live in the City.

Vacant Land

The rate of 6.25865 cents per dollar of GRV applies to all unimproved land within the district. The higher rate is imposed to discourage holdings of undeveloped land within the City, which reduce the amenity of the area. The higher rate encourages early development.

Minimum Rate

The City imposed one general minimum rate of \$705. Recognising that the majority of properties on the minimum rate are residential properties, the minimum rate was maintained at a relatively low level to support the the City's strategy of encouraging living in the City.

Emergency Services Levy

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

The City falls under the Career Fire and Rescue Services boundary, ESL Category 1. The Levy is based on the Property GRV's and appears as a separate charge on the Rate Notices. The applicable ESL Rates for the financial year were as itemised on page 47.

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

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

22. RATING INFORMATION (Continued)

Emergency Services Levy (Continued)

Residential and Vacant Land Commercial, Industrial and Other

ESL Category	ESL Rate (cents per \$GRV/Property Use)	Minimum Charges by Property Use	Maximum Charges by Property Use	Minimum Charges by Property Use	Maximum Charges by Property Use
1	0.014486	82	430	82	245,000

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rates	Budget Back Rates	Budget Total Revenue	2018 Total Revenue
Differential general rate / general rate												
Gross rental valuations												
Residential	0.0574	13,327	300,321,112	17,238,610	409,755	34,952	17,683,316	17,233,104	-	-	17,233,104	16,534,802
Commercial	0.0556	2,006	407,947,374	22,499,995	115,094	28,257	22,643,346	22,372,936	-	(112,564)	22,260,372	22,310,878
Office	0.0455	2,226	1,063,361,520	48,343,854	1,282,211	230,575	49,856,640	48,383,400	-	-	48,383,400	48,421,524
Vacant	0.0626	83	24,925,800	1,560,019	34,782	(29,522)	1,565,279	1,534,183	-	-	1,534,183	1,417,824
Unimproved valuations												
Sub-Total	Minimum	17,642	1,796,555,806	89,642,478	1,841,842	264,262	91,748,582	89,523,623	-	(112,564)	89,411,059	88,685,028
Minimum payment												
Gross rental valuations												
Residential	705	766	8,442,304	540,030	-	-	540,030	540,030	-	-	540,030	543,555
Commercial	705	535	4,810,518	377,175	-	-	377,175	378,585	-	-	378,585	386,340
Office	705	183	2,271,157	129,015	-	-	129,015	129,015	-	-	129,015	130,425
Vacant	705	2	3,125	1,410	-	-	1,410	1,410	-	-	1,410	1,410
Unimproved valuations												
Sub-Total		1,486	15,527,104	1,047,630	-	-	1,047,630	1,049,040	-	-	1,049,040	1,061,730
Discounts/concessions (refer note 22(b))												
Total amount raised from general rate		19,128	1,812,082,910	90,690,108	1,841,842	264,262	92,796,212	90,572,663	-	(112,564)	90,460,099	89,746,758
Ex-gratia rates							(287,782)				(270,000)	(275,663)
Totals							92,508,430				90,190,099	89,471,095
							7,436				-	7,380
							92,515,866				90,190,099	89,478,475

SIGNIFICANT ACCOUNTING POLICIES

Rates
Rates are recognised as revenue when the City obtains control over the assets acquired from rates.
Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

22. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Heritage Rate Concession Scheme

The Concession assists owners of Heritage Places to continue the active use of those places and facilitate their ongoing maintenance to ensure long term conservation. The annual concession on general rates only will be equivalent to 10% of the general rates for the Heritage Place, to a maximum of \$20,000 per annum with the minimum concession being equal to the minimum rate payment \$705 (\$705 for 2017/18).

In accordance with the updated Heritage Rate Concession Policy 9.2 (14 February 2017):

The concession will apply until the 30 June 2022, and does not apply retrospectively to previous financial years, including applications previously approved under Policy 9.2 Heritage Rate Concession adopted by the City on 26 June 2012.

The concession will be reduced by an amount equivalent to any other rate concessions for which the owner of the property is eligible (seniors and pensioners).

Applicants must be the registered rate payer of the Heritage Place and submit a completed Application Form – Heritage Rate Concession prior to the issue of the current rate notice or no later than 60 days from the issue date of the current rate notice.

The property must be included in the City Planning Scheme Heritage Register list, be a contributory place within a Heritage Area designated under the Deemed Provisions or on the contributory place within a Heritage Area designated under the Deemed Provisions or on the Metropolitan Redevelopment Authority Heritage Inventory.

Applicants must provide a pest inspection report and a current full building insurance certificate dated no later than a year from the application date and must sign the City's Property Maintenance Agreement.

The owner must not be bound by a Heritage Agreement that commits the owner to the ongoing care and maintenance of the property and/or where a development based incentive has been granted by the City.

The owner must not have an overdue rate debt to the City on the property.

For strata units in complexes where the heritage floor space comprises less than 50% of the total development floor space, economic justification must be provided to demonstrate the strata fees are unduly impacted due to cost of maintaining heritage fabric.

The City undertakes external building condition inspections to monitor compliance with the Maintenance Agreement and may cancel the concession if not being suitably maintained and if supporting documents are not received.

Discount Granted	Discount %	Discount \$	2019		2018		Circumstances in which Discount is Granted
			Actual	Budget	Actual	Budget	
Heritage Rate Relief Concession Scheme	10%	\$	287,782	\$ 270,000	275,663	(see outlined above)	
			287,782	270,000	275,663		

Concessions

In accordance with the provisions of the Rates and Charges (Rebates and Deferrals) Act 1992, concessions were offered to eligible persons to allow them to either defer their rates or receive a percentage of rebate on their rates. This is provided they register within the specified period and pay the balance of the rates within the year in which they are assessed.

To be eligible for a concession, a ratepayer is required to be an "eligible person" in terms of the Act and to be the registered owner of the property at 1 July of the rating year.

Eligible persons are also entitled to a concessional rate for a standard waste management charge.

Exemptions

In terms of S6.26(k) of the Local Government Act 1995, the Minister exercised his discretion in favour of the West Australian Cricket Association (WACA) in respect of rates raised for the year for their cricket ground at Nelson Crescent, East Perth. A concession of 88.4% was granted resulting in a rebate of \$148,421 in 2018/19 (2017/18 Exemption: \$167,873).

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

22. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

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

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

The administration charge on both instalment options was \$48.00. An administration fee of \$48.00 was charged on all arrangements made for payment outside the normal terms.

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

Instalment Options	Date Due	Instalment Plan		Instalment Plan Interest Rate	Unpaid Rates Interest	
		Admin Charge	Interest Rate		Budget	Actual
		\$	%		\$	\$
Option One						
Single full payment	21/08/2018	0		11.0%		
Option Two						
First instalment	21/08/2018	48	5.5%	11.0%		
Second instalment	16/10/2018	0	5.5%	11.0%		
Option Three						
First instalment	21/08/2018	48	5.5%	11.0%		
Second instalment	16/10/2018	0	5.5%	11.0%		
Third instalment	18/12/2018	0	5.5%	11.0%		
Fourth instalment	18/02/2019	0	5.5%	11.0%		
Interest on unpaid rates						
Interest on instalment plan						
Charges on instalment plan						
		2019 Actual	2019 Budget	2,018 Actual		
		\$	\$	\$		
		260,369	144,500	166,920		
		355,339	400,000	352,192		
		323,799	325,000	389,480		
		939,507	869,500	908,592		

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

23 RATE SETTING STATEMENT INFORMATION

		2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
Note		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	9(b)	(119,576)	(405,205)	(177,578)
Less: Revaluation of fixed assets	9(b)	(733,623)	-	-
Less: Fair value adjustments to financial assets at fair value	8(b)	(20,503)	-	-
Less: Fair value adjustments to financial assets at amortised cost	31	(9,206)	-	(5,004)
Less: Share of profit of investments accounted for using the equity method	20	(178,878)	-	-
Movement in PCEC Provision		-	-	(4,649,307)
Movement in Accounts Receivable and Accrued Income	5	1,494,807	-	(27,502)
Movement in Employee Entitlement (current)	13	185,649	-	(666,064)
Movement in Accounts Payable and Accruals	11	(1,231,316)	-	(269,703)
Movement in pensioner deferred rates (non-current)		3,356	-	(16,293)
Movement in employee benefit provisions (non-current)	13	(238,235)	-	(4,784,680)
Add: Non-Capitalised WIP expensed	9(b)	2,831,369	-	1,682,198
Add: Loss on disposal of assets	9(b)	7,288,847	2,068,220	1,895,486
Add: Loss on revaluation of fixed assets	9(b)	371,500	-	3,175,429
Add: Depreciation on assets	9(b)	35,181,475	36,371,570	34,706,879
Non cash amounts excluded from operating activities		44,825,666	38,034,585	30,863,861
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - restricted cash excluding unspent grants	4	(104,338,816)	(103,602,530)	(100,418,439)
Add: Current Liabilities not expected to clear		16,489,990	-	10,728,273
Add: Borrowings	12	6,904,163	7,448,608	7,448,608
Add: Mortgage Backed Securities	8	2,448,395	-	2,481,032
Add: Capital Expenditure Commitments	17(a)	2,242,407	-	882,406
Total adjustments to net current assets		(76,253,861)	(96,153,922)	(78,878,121)
Net current assets used in the Rate Setting Statement				
Total current assets		166,099,483	139,263,262	147,086,201
Less: Total current liabilities		(41,712,300)	(36,312,972)	(39,765,589)
Less: Total adjustments to net current assets		(76,253,861)	(96,153,922)	(78,878,121)
Net current assets used in the Rate Setting Statement		48,133,322	6,796,368	28,442,491

CITY OF PERTH
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FOR THE YEAR ENDED 30 JUNE 2019

24. FINANCIAL RISK MANAGEMENT

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.83%	46,473,723	18,500,000	24,287,169	159,012
Financial assets at amortised cost - term deposits	2.93%	108,181,271	102,250,000	5,931,271	-
2018					
Cash and cash equivalents	1.81%	40,227,407	-	40,046,849	180,558
Financial assets at amortised cost	2.80%	93,323,583	88,000,000	5,323,583	-

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2019	2018 restated
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	1,546,550	1,335,510

* Holding all other variables constant

Borrowings

Borrowings are entered into with the Western Australian Treasury Corporation and attract fixed interest rates therefore the City of Perth is not exposed to interest rate risk on loans and borrowings.

CITY OF PERTH
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24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

The City's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The City applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined under the modified retrospective approach. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	914,187	-	-	-	914,187
Loss allowance	-	-	-	-	-

01 July 2018

Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	721,402	-	-	-	721,402
Loss allowance	-	-	-	-	-

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	4.73%	4.86%	5.42%	53.03%	42.71%
Gross carrying amount	1,536,201	399,642	284,713	8,143,933	10,364,489
Loss allowance	72,654	19,440	15,419	4,318,833	4,426,346
01 July 2018					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	54.24%	39.43%
Gross carrying amount	1,743,511	597,952	417,296	7,344,430	10,103,189
Loss allowance	-	-	-	3,983,451	3,983,451

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

24. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	23,723,424	-	-	23,723,424	23,723,424
Borrowings	6,904,163	9,207,090	-	16,111,253	15,835,845
	30,627,587	9,207,090	-	39,834,677	39,559,269
2018					
Payables	20,967,464	-	-	20,967,464	20,967,464
Borrowings	8,421,938	16,782,398	-	25,204,336	23,363,609
	29,389,402	16,782,398	-	46,171,800	44,331,073

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the City has not restated the comparative information which continues to be reported under AASB 139. The effect of adopting AASB 9 as at 1 July 2018 was not material.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the City's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the City's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the City. The following are the changes in the classification of the City's financial assets:

- Trade receivables at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- Units in Local Government House Trust are measured at fair value through the profit and loss.

CITY OF PERTH
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FOR THE YEAR ENDED 30 JUNE 2019

25. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (continued)

(a) Classification and measurement (continued)

In summary, upon the adoption of AASB 9, the city had the following required (or elected) reclassifications as at 1 July 2018:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139	New measurement category under AASB 9	Carrying amount under AASB 139	Carrying amount under AASB 9
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	40,227,407	40,227,407
Trade Receivables	Loans and receivables	Financial assets at amortised cost	10,725,594	10,725,594
Term Deposits	Loans and receivables	Financial assets at amortised cost	96,133,200	96,133,200
Units in unlisted Australian equity portfolio	Financial assets at fair value through profit and loss	Financial assets at fair value through profit and loss	5,323,583	5,323,583
Investments (Mortgage Backed Securities)	Loans and receivables	Financial assets at amortised cost	2,481,031	2,481,031
Investments (Unlisted Equity investments)	Loans and receivables	Financial assets at fair value through profit and loss	154,668	154,668
Other receivables	Loans and receivables	Financial assets at amortised cost	62,649	62,649
Trade and other payables	Financial liability at amortised cost	Financial liability at amortised cost	20,967,463	20,967,463
Borrowings	Financial liability at amortised cost	Financial liability at amortised cost	15,835,845	15,835,845

The change in classification has not resulted in any remeasurement adjustment at 1 July 2018.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the City's accounting for Impairment losses for financial assets by replacing AASB 139's Incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the City to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

**CITY OF PERTH
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26. TRUST FUNDS

Funds held at balance date over which the City has no control and which are not included in the financial statements are as follows:

	1 July 2018	Amounts Received	Amounts Paid	Amounts transferred to Municipal Fund	30 June 2019
	\$	\$	\$	\$	\$
Footpath Deposits	3,990,378	660,749	(1,383,646)	(3,267,481)	-
Unclaimed Monies	20,292	7,106	-	(27,398)	-
Other	1,622,682	411,857	(1,479,298)	(232,662)	322,579
	5,633,352	1,079,712	(2,862,944)	(3,527,541)	322,579

A review of the City's trust account was undertaken during the reporting period. All individual account balances were examined to determine whether ownership resided with the City or with the stated parties. No amounts were brought to account as general revenue during the reporting period (30 June 2018 \$nil).

Following Western Australian local government position paper 1 relating to the Accounting for work bonds, building bonds and hire bonds issued on 1 July 2019, \$3,500,142 previously held in trust relating to bonds was transferred, together with interest earned in Trust to Municipal and held as a liability at the reporting date - refer to Note 11.

CITY OF PERTH
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27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEAR!

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

This note explains management's assessment of the new and amended pronouncements that are relevant to the City, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The City will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

The City is currently assessing the impact of adopting the new standard but believes the adoption of the new standard will not have a material impact on the financial report.

(b) Leases

AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (eg. Personal computers) and short-term leases (ie. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (ie. the lease liability) and an asset representing the right to use the underlying asset during the lease term (ie. the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense of the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (eg. A change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The City is currently assessing the impact of adopting the new standard.

(c) Income For Not-For-Profit Entities

The City will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the City will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

The City is currently assessing the impact of adopting the new standard but believes the adoption of the new standard will not have a material impact on the financial report.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. The City has always recognised prepaid rates as a financial liability until the taxable event occurs at which point the financial liability will be extinguished and the City will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the City to further its objectives may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

CITY OF PERTH
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27. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (continued)

(d) New Accounting Standards - application in future years

Pronouncement	Title	Summary	Application Date
AASB 1059	Service Concession Arrangements: Grantors	This Standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. The Standard is based on the International Public Sector Accounting Standard IPSAS 32 Service Concession Arrangements: Grantor and is broadly consistent with AASB Interpretation 12 Service Concession Arrangements, which sets out the accounting for the operator of such arrangements, in relation to its principles for recognising service concession assets. The Standard requires a grantor to: <ul style="list-style-type: none"> - recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset. - reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset. - initially measure a service concession asset at current replacement cost in accordance with the cost approach to fair value in AASB 13 Fair Value Measurement. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets, as appropriate, except as specified in this Standard. - recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator, using either (or both) the financial liability model or the grant of a right to the operator model. 	1-Jan-20
Conceptual Framework AASB 2019-1	Conceptual Framework for Financial Reporting Amendments to Australian Accounting Standards - Reference to the Conceptual Framework	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: <ul style="list-style-type: none"> - Chapter 1 - The objective of financial reporting - Chapter 2 - Qualitative characteristics of useful financial information - Chapter 3 - Financial Statements and the reporting entity - Chapter 4 - The elements of financial statements - Chapter 5 - Recognition and derecognition - Chapter 6 - Measurement - Chapter 7 - Presentation and disclosure - Chapter 8 - Concepts of capital and capital maintenance AASB 2019-1 has also been issued, which sets out the amendments to Australian Accounting Standards, Interpretations and other pronouncements in order to update references to the revised Conceptual Framework. The changes to the Conceptual Framework may affect the application of accounting standards in situations where no standard applies to a particular transaction or event. In addition, relief has been provided in applying AASB 3 and developing accounting policies for regulatory account balances using AASB 108, such that entities must continue to apply the definitions of an asset and a liability (and supporting concepts) in the Framework for the Preparation and Presentation of Financial Statements (July 2004), and not the definitions in the revised Conceptual Framework.	1-Jan-20
AASB 2018-6	Amendments to Australian Accounting Standards - Definition of a Business	The Standard amends the definition of a business in AASB 3 Business Combinations. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable or replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.	1-Jan-20
AASB 2018-7	Amendments to Australian Accounting Standards - Definition of Material	This Standard amends AASB 101 Presentation of Financial Statements and AAS 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.	1-Jan-20

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28. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operating cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

c) Rounding off figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

d) Comparative figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

f) Superannuation

The City contributes to a number of Superannuation Funds on behalf of employees. The funds to which the City contributes are a defined contribution plan and accumulated benefit funds. Details of these arrangements are set out in Note 17.

g) Fair value of assets and liabilities

Fair value is the price that the City would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

h) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the City gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

i) Functional Currency

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

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29. ACTIVITIES/PROGRAMS

In order to discharge its responsibilities to the community, the City has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

The City's Corporate Business Plan identifies result areas that it must focus on to achieve its Vision. To achieve this, the City provides a broad range of services and maintains and improves its infrastructure including roads, parks and public areas. The City adopted the Integrated Planning and Reporting Framework and developed a set of operational and financial objectives in consultation with the community to establish its 'Vision 2029+ Strategic Community Plan'. A framework was established to meet these objectives and is contained in the City of Perth Corporate Business Plan and a series of strategic enabling documents for preparation and enhanced visibility of priority areas in its Corporate Business Plan.

The City's 2018/19 budget was developed in consideration with the updated Corporate Business Plan (2016-2020) and associated Long Term Financial, Corporate Asset Management and Workforce Plans.

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of limited resource.	Members of Council, civic receptions and functions, public relations, electoral and other issues relating to the task of assisting Councillors and the ratepayers which do not concern specific Council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, back rates, general purpose grants, untied road grants, interest on deferred rates, investment returns, discounts received, interest on long term borrowings.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Fire prevention including the clearing for fire hazards, animal control, by-law control, public security, civil emergency services, park rangers, neighbourhood watch.
HEALTH	To provide an operational framework for environmental and community health.	Preventive services including, food control, health inspections, pest control, other health.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Child care centres, aged and disabled, senior citizen's centres, welfare administration, donations to welfare organisations, other welfare, education services.
HOUSING	To provide and maintain elderly or affordable housing to residents.	Maintain and administer affordable housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collections, recycling, refuse site operations, litter control, public litter bins, abandoned vehicles, pollution control, town planning control/studies, Citipace administration, pedestrian malls, Forrest Place, street seats, memorials, bus shelters, rest centres, public conveniences.
RECREATION AND CULTURE	To establish and efficiently manage infrastructure and resources to help the social wellbeing of the community.	Public halls, civic centre, parks, sports grounds, community recreation programs, cycle ways, library, community arts program, Concert Hall, Perth Town Hall, donations to cultural institutions, parades and festivals, Christmas decorations, event and corporate sponsorship, Skyworks, state and precinct events.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Roads, footpaths, rights of way, drainage, road verges, median strips, overpasses, underpasses, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities
ECONOMIC SERVICES	To help promote the Capital City of Perth and improve its economic wellbeing.	Tourism and promotions, Perth Convention Bureau subsidies, building control, retail marketing, Christmas events and destination promotions.
OTHER PROPERTY AND SERVICES	To monitor and control Council's overheads and operating accounts.	Public works overheads, plant/vehicle operations, sundry property and other outlays that cannot be assigned to one of the preceding programs.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

30. FINANCIAL RATIOS

	2019	2018 restated	2017 restated
Current ratio	1.52	1.20	1.33
Asset consumption ratio	0.58	0.60	0.56
Asset renewal funding ratio	0.99	1.00	1.00
Asset sustainability ratio	0.55	0.72	0.60
Debt service cover ratio	5.02	7.33	8.66
Operating surplus ratio	0.05	0.04	0.04
Own source revenue coverage ratio	1.01	1.03	1.08

The above ratios are calculated as follows:

	Note :	
Current ratio	1	current assets minus restricted assets
	2	current liabilities minus liabilities associated with restricted assets
Asset consumption ratio	3	depreciated replacement costs of depreciable assets
		current replacement cost of depreciable assets
Asset renewal funding ratio	4	NPV of planned capital renewal over 10 years
	5	NPV of required capital expenditure over 10 years
Asset sustainability ratio	6	capital renewal and replacement expenditure
		depreciation expenses
Debt service cover ratio		annual operating surplus before interest and depreciation
		principal and interest
Operating surplus ratio	7	operating revenue minus operating expenses
	8	own source operating revenue
Own source revenue coverage ratio	9	own source operating revenue
		operating expenses

Notes:

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

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

31 SIGNIFICANT ITEMS

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

During the reporting period fixed assets to the value of \$10,061,497 were written off and comprised the following.

Non Capitalised Work in Progress

This relates to costs incurred on capital projects in prior years, but now expensed, as the projects did not proceed to completion, were not closed out, or the cost of individual assets when established were under the capitalisation threshold of \$5,000 each. Amount expensed \$2,831,369 (30 June 2018: \$1,682,191).

Obsolete and Extinguished Assets

This relates to assets deemed obsolete or are no longer in use at the reporting date. The value of these assets written off \$7,230,128 (30 June 2018: \$1,816,603) of which \$6,792,629 (30 June 2018: \$1,474,762) relates to infrastructure assets.

Write off Agricultural Assets \$795,271

The City engaged a reputable external valuer to value its agricultural assets (3 tree plantations in Koorda and 1 in Kojonup) at 30 June 2018, as it is ten years since the first plantation was established in Kojonup and it was deemed prudent and timely. That valuation established that the plantations had no value and were in effect a contingent liability for the City due to the future financial commitments entered into for the maintenance of those plantations. Hence the assets were written off at 30 June 2018. In addition no value was attached to the carbon offsets as the City is not registered to trade in them.

Write off Air Rights \$2,049,920

An audit of the Air Rights sourcing documents from 1987, has established that while the City at the time paid Westrail \$2,049,920 for the Air Rights over the City Station Complex and the No 16 Car Park, those Air Rights had to be and were subsumed back into the land prior to the redevelopment of the City Station Complex and the No 16 Car Park. The land itself is owned by the State Government but vested in the City for the purpose of the establishment of the City Station Complex and the No 16 Car Park. Hence the Air Rights had to be extinguished from the City's asset register at 30 June 2018 as they no longer exist. The buildings relative to both these locations are assets of the City.

Extinguishment of PCEC Car Park Provision \$4,649,307

At the time of the construction of the PCEC car park, it was thought prudent then by the City to establish a provision for the replacement of assets that were not owned but which the City was obliged to replace at the end of their useful lives. This provision was extinguished during the period ending 30 June 2018 as an internal assessment made has concluded this provision is no longer required.

Elizabeth Quay and Perth City Link

Several road reserves and public open spaces at Elizabeth Quay and Perth City link were subdivided and custodianship of the land was transferred to the City. However, asset handover which is defined as the transfer of asset ownership and associated responsibilities, has not been transferred to the City. For Perth City Link, the City has brought to book some of the road reserves and public open spaces where the handover information provided is sufficient in detail in terms of the quantity and valuation of assets. This information has allowed the City to recognise these assets at fair value as nearest to the date of practical completion. Future asset handovers from the MRA to the City are expected to continue over the coming years. As it currently stands, the City has not received any asset handover from the MRA at Elizabeth Quay. All asset ownership resides with MRA regardless of titles being vested to the City.

The City is endeavouring at the reporting date to obtain the requested and required details for any outstanding asset handover where vesting has already occurred. The value of these assets when established is not expected to be material relative to the City's total asset value and inventory. The MRA have proposed beginning the asset handover process in June 2020 and finalising the handover of all public infrastructure at Elizabeth Quay by 2024.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

31 SIGNIFICANT ITEMS(Continued)

Contributed Assets - City of Subiaco

An Audit of the City's infrastructure assets prior to revaluation identified additional infrastructure assets not transferred to the City from the City of Subiaco on 1 July 2016, as a result of the City of Perth Act. These additional assets brought to account during the prior period were :

	2019	2019
	\$	\$
Infrastructure	-	68,713
	<u>-</u>	<u>68,713</u>

The City completed the appropriate due diligence on the assets identified. This encompassed confirming the assets existence and establishing their existing condition. All the assets outlined above were brought to account at their deemed fair value. The City's Asset Management Unit established in house the fair value of the infrastructure concerned.

The Public Art identified as "Asteroid" was not brought to book by the City as it was established that it was not owned by the City.

Contributed Assets

The following assets were transferred to the City and listed as contributed assets during the reporting period.

	Infrastructure	Total
	\$	\$
Contributor		
Public Transport Authority(PTA)	182,606	182,606
	<u>182,606</u>	<u>182,606</u>

Fair values for infrastructure and plant and equipment assets as contributed by PTA were established in house and reclassified by the City's Asset Management Unit.

Assets Reclassification

Certain of the City's Assets with a written down value of \$8,515,495 were reclassified . These reclassifications were necessary to better reflect the nature and use of the assets concerned.

Assets Reclassified	From Asset Class	To Asset Class	Amount @WDV
Gasworks	Investment Land	Land	3,085,000
QV1 Colonnade	Land	Investment Land	485,000
CAS Assets	Plant	Infrastructure	841,308
Fibre Optics	Computers	Infrastructure	808,721
CAS Assets	Furniture and Equipment	Infrastructure	254,442
Cabling	Computers	Building	671,754
Coolers, Air Con, Emergency lighting	Plant	Building	2,167,639
Radios, Network Switches	Plant	Computers	176,021
Plaque	Plant	Art	19,618
Cybersecurity	Computers	Plant	1,242
Signage	Plant	Infrastructure	4,749
			<u>8,515,495</u>

**CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

32 Events occurring after the Reporting Period

Events that occur between the end of the reporting period (ending 30 June 2019) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The date of issue of the Auditors' Report is the applicable "authorised for issue" date relating to these General Purpose Financial Statements.

Events that occur after the Reporting Period represent one of two types:

(1) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed as 30 June 2019.

(2) Events that provide evidence of conditions that arose after the Reporting Period

The City entered into an agreement with Public Transport Authority (PTA) for the Moore/Lord Street development (part of the Hill Street, two-way project) and established a bank guarantee on 10 July 2019 for \$1.4m which will be drawn on by PTA if the terms of the contract are not met.

The bank guarantee expires on 30 April 2024.

The City raised an invoice to PTA in July 2019 for funding of \$1.425M for this project.

There has not been any other material or significant "non-adjusting events" that should be disclosed.

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

33 Correction of Prior Period Error

(a) Restatement of cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Under AASB 107 *Statement of Cash Flows*, investment in term deposits qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

In a prior period, on call funds were incorrectly classified as investments (other financial assets at amortised cost). This error was rectified by restating each of the affected line items of the financial statements for comparative periods as follows:

As at 1 July 2017

Statement of financial position	1 July 2017	Adjustment	1 July 2017 Restated
	\$	\$	\$
Cash and cash equivalents	16,126,364	6,237,197	22,363,561
Other financial assets at amortised cost (current)	112,454,335	(6,237,197)	106,217,138
Statement of cash flows	30 June 2018	Adjustment	30 June 2018 Restated
	\$	\$	\$
Cash and cash equivalents at the beginning of the year	16,126,364	6,237,197	22,363,561

As at 30 June 2018

Statement of financial position	30 June 2018	Adjustment	30 June 2018 Restated
	\$	\$	\$
Cash and cash equivalents	20,842,973	19,384,434	40,227,407
Other financial assets at amortised cost (current)	112,708,017	(19,384,434)	93,323,583
Statement of cash flows	30 June 2018	Adjustment	30 June 2018 Restated
	\$	\$	\$
Cash and cash equivalents at the end of the year	20,842,973	19,384,434	40,227,407
Payments for financial assets at amortised costs	(318,992,097)	19,384,434	(299,607,663)
Proceeds on disposal of financial asset at amortised costs	319,205,391	(6,237,197)	312,968,194

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

33 Correction of Prior Period Error (continued)

(b) Restatement of investments accounted for using the equity method and investments at fair value through profit and loss

The City carries investments related to Mindarie Regional Council, Tamala Park Regional Council and Local Government House. The City accounts for its interests in Mindarie Regional Council and Tamala Park Regional Council using the equity method in the financial statements. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the City's share of the net assets of the associate since acquisition date. The City accounts for its investment in Local Government House at fair value through profit and loss. The City initially recognised this investment at cost. The carrying amount of the investment has been adjusted to recognise changes in the fair valuation of this investment.

In a prior period, the City carried its investment in associates at cost and did not adjust for post-acquisition changes in its share of the net assets of the associates and carried its investment in Local Government House at cost rather than fair value. These errors were rectified by restating each of the affected line items of the financial statements for comparative periods as follows:

As at 1 July 2017

Statement of financial position	1 July 2017	Adjustment	1 July 2017 Restated
	\$	\$	\$
Investments accounted for using the equity method	3,739,765	5,270,509	9,010,274
Total Assets	1,432,758,856	5,270,509	1,438,029,365
Accumulated surplus at the beginning of the financial year	659,485,259	5,270,509	664,755,768
Total Equity	1,365,557,154	5,270,509	1,370,827,663

As at 30 June 2018

Statement of financial position	30 June 2018	Adjustment	30 June 2018 Restated
	\$	\$	\$
Investments accounted for using the equity method	4,120,381	5,469,196	9,579,478
Financial assets at fair value through profit and loss	10,000	144,668	154,668
Total Assets	1,310,225,862	5,613,864	1,315,839,726
Accumulated surplus at the end of the financial year	675,673,431	5,613,864	681,287,295
Total Equity	1,253,296,260	5,613,864	1,258,910,124



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of the City of Perth

Report on the Audit of the Annual financial report

Opinion

I have audited the annual financial report of the City of Perth which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Perth:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Commissioners for the Annual financial report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the City.

The Commissioners are responsible for overseeing the City's financial reporting process.

Auditor's Responsibility for the Audit of the Annual financial report

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Commissioners and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates significant adverse trends in the financial position of the City:
 - a. Asset Sustainability Ratio as reported in Note 30 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries standard for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2017 in Note 30 of the annual financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Annual financial report

This auditor's report relates to the annual financial report of the City of Perth for the year ended 30 June 2019 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
2 December 2019



City of Perth

Closing Report to the Chief Executive
Officer and the Audit Committee for the
year ended 30 June 2019

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Welcome

Dear members of the Audit Committee and the Chief Executive Officer

We have substantially completed the audit of the financial statements of City of Perth ("the City") for the year ended 30 June 2019.

Our audit was conducted in accordance with the Australian Auditing Standards and practices and in accordance with the requirements of the *Local Government Act 1995* ("the Act") and the *Local Government (Audit) Regulations 1996* ("the Regulations") to enable the:

- ▶ Formation of opinion to the Auditor General
- ▶ Reporting of audit findings, significant control weaknesses and other relevant matters by the Auditor General, and
- ▶ Auditor General to report on any matter which may affect the Auditor General's responsibilities under Section 24 and 28 of the *Auditor General Act 2006*.

This report is intended solely for the use of the Commissioners, the Audit Committee, the Chief Executive Officer ("CEO") and senior management, and should not be used for any other purpose nor given to any other party without our prior written consent.

We would like to thank your staff for the assistance provided to us during the course of the engagement.



[Go to Executive summary](#)



Executive Summary		Areas of Audit Focus	Audit Differences	Appendices
Executive Summary				
Status of audit We have substantially completed our audit of the financial statements for the City of Perth for the year ended 30 June 2019. Subject to the receipt of the outstanding items listed below, we anticipate recommending that an unqualified audit opinion be issued by the Auditor General:		Areas of audit focus 15 key areas of focus		
<ul style="list-style-type: none">▶ Resolution of the outstanding matters in the Appendices▶ Receipt of signed management representation letter▶ Consideration of the matters in this report by the Audit Committee, and▶ The Chief Executive Officer adopting the financial statements of the City		<p>The areas of audit focus are:</p> <ul style="list-style-type: none">▶ Recognition of grants, subsidies and contributions▶ Recognition of rates, parking infringements and parking fees▶ Valuation of property, plant and equipment▶ Accuracy of the asset revaluation reserve▶ Valuation of investment properties▶ Accuracy of cash backed reserves▶ Adoption of AASB 9 <i>Financial Instruments</i>▶ Accuracy of employee benefits expense▶ Accounting for investments accounted for under the equity method▶ Accounting for cash and cash equivalents▶ Financial ratio compilation▶ Accuracy of related party transactions▶ Accounting for monies held in trust▶ Compliance with operational procurement requirements▶ Ongoing inquiry into the operations and affairs of City of Perth <p>See Areas of Audit Focus section for more details</p>		
Audit differences There were two identified uncorrected misstatements identified above our reporting threshold during the course of our audit. The aggregated audit differences of \$0.943 million overstatement of the income statement is considered immaterial to the financial statements.		Scope and materiality As set out in the Audit Plan presented to the Chief Executive Officer, the purpose of our audit is to provide reasonable assurance that the financial statements of the City of Perth for the year ended 30 June 2019 are free from material error. Materiality was calculated with reference to operating expenses of the City of Perth. We have regularly reviewed the level of materiality and have altered the scope of work performed accordingly. Further, we have used the final materiality amount in assessing any potential misstatement to the financial statements as a whole.		
		Control observations We obtained an understanding of internal controls and placed reliance on the control environment at the City of Perth for the purposes of our audit. There were no significant observation regarding the processes and controls that came to our attention during the course of our audit. In addition, we noted 6 moderate and 3 minor findings throughout the audit.		

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Areas of Audit Focus

Recognition of grants, subsidies and contributions

Guidance: AASB 1004 *Contributions* ("AASB 1004")

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Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Recognition of rates, parking infringements and parking fees

Guidance: AASB 1004 *Contributions* (“AASB 1004”) and AASB 118 *Revenue*

<p>Our Understanding</p> <p>▲ For the year ended 30 June 2019, the City recognised revenue of \$206.661 million (2018: \$201.993 million). The composition of revenue is weighted to non-reciprocal contributions of rates of \$92.515 million (2018: \$89.478 million) and parking infringements of \$9.688 million (2018: \$8.730 million). Revenue also includes parking fees of \$73.797 million (2018: \$74.552 million),</p> <p>Rates and parking infringements</p> <p>▲ Under AASB 1004, contributions to a local government may be received in the form of involuntary transfers such as rates and parking infringements. Such contributions are recognised as income when the local government obtains control over them, irrespective of whether any restrictions or conditions are imposed on the use of the contributions</p> <p>▲ Revenue is recognised to the extent that it is probable that the economic benefits will flow to the City and the revenue may be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties</p> <p>▲ Control over involuntary, non-reciprocal contributions is established when the underlying transaction or event giving rise to control of the future economic benefits occurs. For example, control over parking infringements will be established when the alleged breach of local legislation occurs.</p> <p>Parking fees</p> <p>▲ Under AASB 118, revenue is recognised to the extent that it is probable that the economic benefits will flow to the City and the revenue may be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties.</p>	<p>Our Perspective</p> <p>▲ We enquired of management and performed a walkthrough of each material revenue stream to identify and test key controls</p> <p>▲ On a sample basis, we tested the valuation of annual rates in consideration of source documents, such as annual rates notices, land valuation deliverables from Landgate, the Budget authorised by the Council and bank statements</p> <p>▲ We performed substantive analytical procedures on annual rates to identify any unusual trends or outliers for further investigation</p> <p>▲ On a sample basis, we tested the valuation of parking infringements in consideration of source documents, such as infringement details imported to Pathway system and penalties codified under the Prescribed Offences schedule of the <i>City of Perth Parking Local Law 2017</i></p> <p>▲ On a sample basis, we tested the valuation of parking fees in consideration of source documents</p> <p>▲ We performed tests of cutoff about balance date to confirm that revenue transactions were recorded in the correct accounting period.</p>
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Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Valuation of property, plant and equipment

Guidance: AASB 116 *Property, Plant and Equipment* ("AASB 116")

Our Understanding	Our Perspective																					
<p>▶ At 30 June 2019, the City carried property, plant and equipment of \$750.154 million (2018: \$746.829 million) on its balance sheet</p> <p>▶ Property, plant and equipment and infrastructure assets are subsequently remeasured to fair value, less accumulated depreciation and impairment losses</p> <p>▶ Valuations for each class of property, plant and equipment are performed at least every three years and no more than five years under the regulatory framework</p> <p>▶ At the end of each reporting period, prior valuations are reviewed and adjusted to reflect any changes to current market conditions as appropriate</p> <p>▶ Revaluation increment or decrements are recorded to other comprehensive income and credited to an asset revaluation reserve account in equity. Revaluation increments are recognised to profit or loss to the extent that the revaluation increment reverses a prior period revaluation decrement</p> <p>▶ For the year ended 30 June 2019, plant and equipment were remeasured to fair value in consideration of an external valuation performed by an independent and accredited valuation specialist, Pickles Auctions</p> <p>▶ The fair value of plant and equipment was determined in consideration of comparable market transactions or list prices, adjusted for the condition of the related asset</p> <p>▶ For the year ended 30 June 2019, a revaluation increment of \$0.543 million (2018: Nil) was recognised to profit or loss to the extent that the revaluation increment reversed a prior period revaluation decrement.</p>	<p>▶ Plant and equipment was revalued as of 30 June 2019 in consideration of the valuation timetable set out below:</p> <table><tr><th>Asset class</th><th>Latest revaluation</th><th>Planned revaluation</th></tr><tr><td>Land</td><td>30 June 2017</td><td>30 June 2020</td></tr><tr><td>Buildings</td><td>30 June 2017</td><td>30 June 2020</td></tr><tr><td>Plant and equipment</td><td>30 June 2019</td><td>30 June 2022</td></tr><tr><td>Infrastructure</td><td>30 June 2018</td><td>30 June 2021</td></tr><tr><td>Furniture and fittings</td><td>30 June 2018</td><td>30 June 2021</td></tr><tr><td>Art</td><td>30 June 2018</td><td>30 June 2021</td></tr></table> <p>▶ We reconciled the fair values and useful lives of plant and equipment included in the fixed asset register to external valuation deliverables, sourced from Pickles Auctions</p> <p>▶ We evaluated the independence, objectivity and competence of Pickles Auctions in their capacity as an external management specialist</p> <p>▶ We considered the existence of internal and external indicators of impairment which may trigger an impairment assessment</p> <p>▶ We recalculated the depreciation expense for a sample of depreciable assets against the useful lives determined by Pickles Auctions and the accounting policies of the City</p> <p>▶ We tested a sample of additions and disposals to property, plant and equipment and infrastructure assets to supporting documents, such as vendor invoices and bank statements</p> <p>▶ On a sample basis, we evaluated whether additions to property, plant and equipment satisfied the \$5,000 asset capitalisation threshold codified under the <i>Local Government (Financial Management) Regulations 1996</i>.</p>	Asset class	Latest revaluation	Planned revaluation	Land	30 June 2017	30 June 2020	Buildings	30 June 2017	30 June 2020	Plant and equipment	30 June 2019	30 June 2022	Infrastructure	30 June 2018	30 June 2021	Furniture and fittings	30 June 2018	30 June 2021	Art	30 June 2018	30 June 2021
Asset class	Latest revaluation	Planned revaluation																				
Land	30 June 2017	30 June 2020																				
Buildings	30 June 2017	30 June 2020																				
Plant and equipment	30 June 2019	30 June 2022																				
Infrastructure	30 June 2018	30 June 2021																				
Furniture and fittings	30 June 2018	30 June 2021																				
Art	30 June 2018	30 June 2021																				

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Accuracy of asset revaluation reserve

Guidance: [AASB 116 *Property, Plant and Equipment* \("AASB 116"\)](#)

Our Understanding

- ▶ At 30 June 2019, the City carried property, plant and equipment of \$750.154 million (2018: \$746.829 million) and an asset revaluation reserve of \$469.921 million (2018: \$477.204 million) on its balance sheet
- ▶ Property, plant and equipment and infrastructure assets are subsequently remeasured to fair value, less accumulated depreciation and impairment losses
- ▶ Revaluation increments are credited against an asset revaluation reserve in equity whereas revaluation decrements are expensed to profit or loss
- ▶ When an item of property, plant and equipment is derecognised on its disposal, the asset revaluation surplus attributed to that item should be transferred to accumulated surplus
- ▶ However, management identified two prior period errors as follows:
 - ▶ the asset revaluation surplus on items of property, plant and equipment disposed of in prior periods were not transferred to accumulated surplus in equity
 - ▶ the prior period revaluation increments or decrements on investment properties was incorrectly credited to the asset revaluation reserve as opposed to profit or loss
- ▶ The statement of changes in equity includes an asset revaluation reserve transfer of \$7.282 million (2018: \$0.926 million) to accumulated surplus to correct for the above-mentioned prior period errors.

Our Perspective

- ▶ At the date of this report, we are still completing our review of the prior period error work-papers to test the accuracy of the adjustment to the asset revaluation reserve. We will provide an update on our procedures at the audit committee meeting.

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
<h2>Valuation of investment properties</h2> <p>Guidance: AASB 140 Investment Properties (“AASB 140”)</p>			
<h3>Our Understanding</h3> <ul style="list-style-type: none">▶ At 30 June 2019, the City carried investment properties of \$18.730 million (2018: \$20.819 million) on its balance sheet▶ The classification of properties as investment properties under AASB 140 or freehold land and buildings under AASB 116 is contingent on the level of ancillary services provided to the tenants▶ The assessment of the appropriate asset classification is a matter of judgement and is considered on a case-by-case basis. Where the level of services provided by the City is minimal, the properties are likely to qualify as investment properties▶ Investment properties are subsequently remeasured at fair value on the balance sheet. Revaluation increment or decrements are recognised to profit or loss, as opposed to an asset revaluation reserve in equity▶ For the year ended 30 June 2019, investment properties were remeasured to fair value in consideration of an external valuation performed by Landgate, an independent and accredited real estate specialist▶ A revaluation decrement of \$0.371 million (2018: \$0.407 million increment) against investment land was recognised to profit or loss for the year ended 30 June 2019▶ A revaluation increment of \$0.191 million (2018: \$0.240 million increment) against investment properties was recognised to profit or loss for the year ended 30 June 2019.		<h3>Our Perspective</h3> <ul style="list-style-type: none">▶ We reconciled the fair values and useful lives of investment properties included in the fixed asset register to external valuation deliverables sourced from Landgate▶ We tested that the revaluation increment and decrements recorded against investment properties was correctly recorded to profit or loss▶ We evaluated the independence, objectivity and competence of Landgate in their capacity as an external management specialist▶ We engaged our Real Estate Advisory Specialists to evaluate the appropriateness of the valuation methodology applied by Landgate.	

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices										
<h1>Accuracy of cash backed reserves</h1> <p>Guidance: <i>Local Government (Financial Management) Regulations 1996</i> ("the FMR")</p>													
<h2>Our Understanding</h2> <ul style="list-style-type: none">▶ At 30 June 2019, the City carried cash backed reserves in equity of \$104.339 million (2018: \$100.418 million)▶ Regulation 38.1 of the FMR defines the reserves disclosures to be included in the financial statement as follows:<ul style="list-style-type: none">▶ The purpose for which the monies were set aside▶ The amounts set aside and expended for the reporting period▶ The opening and closing balances of the reserves at balance date▶ When the Council anticipates that the monies held in reserve will be expended▶ If monies held with a financial institution were insufficient to match the corresponding restricted cash asset carried on the balance sheet:<ul style="list-style-type: none">▶ The extent of the deficiency▶ The reason for the deficiency▶ When the Council anticipates that the deficiency will be remedied▶ If the purpose of the reserves were changed or the monies set aside were used for another purpose:<ul style="list-style-type: none">▶ The purpose for which the monies were used▶ The amount changed or used▶ The objects of, and the reasons for, the change or use.		<h2>Our Perspective</h2> <p>▶ The movement in cash backed reserves for the year ended 30 June 2019 is set out below:</p> <table><tr><th>\$'000</th><th>Opening balance</th><th>Transfers</th><th>Utilised</th><th>Closing balance</th></tr><tr><td>Cash backed reserves</td><td>100,418</td><td>27,799</td><td>(23,879)</td><td>104,338</td></tr></table> <p>▶ On a sample basis, we tested transfers to cash backed reserves were appropriately authorised by the Commissioners</p> <p>▶ On a sample basis, we evaluated the appropriateness of amounts expended against reserve accounts in consideration of the stated objectives authorised by the Commissioners</p> <p>▶ On a sample basis, we tested the accuracy of amounts expended against reserve accounts through the inspection of vendor invoices and bank statements</p> <p>▶ We tested whether cash backed reserves were supported by cash held with financial institutions and noted no exception</p> <p>▶ We evaluated the completeness and accuracy of the disclosures related to reserve accounts in consideration of Regulation 38.1 of the <i>Local Government (Financial Management) Regulations 1996</i>.</p>		\$'000	Opening balance	Transfers	Utilised	Closing balance	Cash backed reserves	100,418	27,799	(23,879)	104,338
\$'000	Opening balance	Transfers	Utilised	Closing balance									
Cash backed reserves	100,418	27,799	(23,879)	104,338									

Executive Summary		Areas of Audit Focus		Audit Differences		Appendices																					
Adoption of AASB 9 Financial Instruments																											
Guidance: AASB 9 Financial Instruments ("AASB 9")																											
Our Understanding				Our Perspective																							
<p>▶ AASB 9 was effective for the City beginning on 1 July 2018. The City applied AASB 9 for the first time in its 2019 financial statements. AASB 9 supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ("AASB 139")</p> <p>▶ Under AASB 139, impairment losses on financial assets were measured in accordance with an "incurred" loss model wherein the recognition of credit loss allowances was triggered by loss events after initial recognition</p> <p>▶ Under AASB 9, impairment losses on financial assets are now calculated as follows:</p> <p>▶ Stage 1 - If the credit risk did not significantly increase, the impairment allowance is equal to the 12-month expected credit loss</p> <p>▶ Stage 2 and 3 - If the credit risk increased significantly or the loan is credit impaired, the impairment allowance is equal to the lifetime expected loss</p> <p>▶ However, AASB 9 provides for a practical expedient in measuring the impairment losses on trade receivables which do not contain a significant financing component</p> <p>▶ The loss allowance is measured at initial recognition and throughout the life of the trade receivable at an amount equal to the lifetime credit loss</p> <p>▶ The provision for expected credit losses should reflect a probability weighted outcome which reflects the time value of money and the best available forward-looking information</p> <p>▶ A provision matrix may be used to estimate the lifetime expected loss for such financial assets.</p>				<p>▶ Management applied a provision matrix to estimate the lifetime expected loss for sundry receivables of \$10.436 million as at 30 June 2019 as follows:</p> <table><thead><tr><th>\$'000</th><th>Current</th><th>30-60 days</th><th>60-90 days</th><th>More than 90 days</th></tr></thead><tbody><tr><td>Sundry receivables</td><td>1,536</td><td>400</td><td>285</td><td>8,143</td></tr><tr><td>Default rate (%)</td><td>4.73</td><td>4.86</td><td>5.42</td><td>53.03</td></tr><tr><td>Provision for expected credit losses</td><td>72</td><td>19</td><td>15</td><td>4,319</td></tr></tbody></table> <p>▶ We evaluated the accuracy of the provision for expected credit losses against the ratio of historical bad debt write-offs to revenues. Assuming historical default rates are the best indicator of expected default rates, we concluded that the provision for expected credit losses was materially correct</p> <p>▶ Management are not aware of any forward-looking macroeconomic information, such as an expected deterioration in unemployment rates, to suggest that expected default rates are greater or lesser than those suggested by historical trends</p> <p>▶ We evaluated the completeness and accuracy of the disclosures relating to the initial adoption of AASB 9, the transitional approach utilised and the revised accounting policies for financial instruments. There was no material transitional impact upon the adoption of AASB 9.</p>				\$'000	Current	30-60 days	60-90 days	More than 90 days	Sundry receivables	1,536	400	285	8,143	Default rate (%)	4.73	4.86	5.42	53.03	Provision for expected credit losses	72	19	15	4,319
\$'000	Current	30-60 days	60-90 days	More than 90 days																							
Sundry receivables	1,536	400	285	8,143																							
Default rate (%)	4.73	4.86	5.42	53.03																							
Provision for expected credit losses	72	19	15	4,319																							

Executive Summary		Areas of Audit Focus	Audit Differences	Appendices																											
<h2>Accuracy of employee benefits expense</h2> <p>Guidance: AASB 119 Employee Benefits ("AASB 119")</p>																															
<h3>Our Understanding</h3> <ul style="list-style-type: none">At 30 June 2019, the City carried a provision for annual leave and long service leave of \$5.324 million (2018: \$5.171 million) and \$6.939 million (2018: \$6.537 million) on its balance sheet, respectivelyFor the year ended 30 June 2019, employee costs of \$78.297 million (2018: \$74.270 million) was recognised to profit or loss <p>Provision for long service leave</p> <ul style="list-style-type: none">Long service leave entitlements are recognised as a liability based on the present value of the benefit obligation using the projected unit credit valuation methodAASB 119 prescribes discount rates to be utilised in measuring long-term employee benefit obligations. The discount rate should be determined with reference to government bond rates at balance date, consistent with the currency and term of the employment benefit. <p>Annual leave entitlements</p> <ul style="list-style-type: none">The definition of short-term employee benefits set out in AASB 119 was revised in a prior period. The revised definition states that only benefits that are expected to be wholly settled within 12 months after balance date are classified as a short-term employee benefitShould there be evidence to suggest that employees will not use their accrued annual leave within 12 months of balance date, the annual leave liability should be measured as a long-term benefit and measured using the projected unit credit valuation methodShort-term benefits are recognised at the undiscounted amount of the benefit expected to be paid in exchange for services rendered.			<h3>Our Perspective</h3> <ul style="list-style-type: none">We performed test of controls across the payroll to cash disbursements process to test the accuracy of employee benefits expense for the year ended 30 June 2019We performed substantive analytical procedures to identify any unusual trends or outliersOn a sample basis, we tested the accuracy of employee entitlements against source documents, such as employment contracts and authorised leave request forms. <p>Provision for long service leave</p> <ul style="list-style-type: none">Management did not update the retention probabilities used when calculating the provision for long service leave in consideration of the profile of historical terminationsAn analysis of retention probabilities used as part of the provision for long service leave against the profile of historical terminations is set out below: <table><tr><th>Years</th><th>0</th><th>1</th><th>2</th><th>3</th><th>4</th><th>5</th><th>6</th><th>+7</th></tr><tr><td>Probability - City (%)</td><td>4</td><td>4</td><td>15</td><td>30</td><td>55</td><td>78</td><td>96</td><td>100</td></tr><tr><td>Probability - OAG (%)</td><td>34</td><td>45</td><td>55</td><td>64</td><td>72</td><td>81</td><td>94</td><td>100</td></tr></table> <ul style="list-style-type: none">Management applied a discount rate based on Australian Government bond rates of 1.026 per cent. The discount rate was not adjusted to reflect a liquidity risk premium with regard for the remaining years of service requiredAs a result of the abovementioned differences in assumptions related to discount rates and retention probabilities, we raised an unrecorded audit adjustment in the "Audit Differences" section of this Closing Report. <p>Annual leave entitlements</p> <ul style="list-style-type: none">Management has considered the revised definition of short-term employee benefits under AASB 119 for the purposes of the annual leave entitlements at 30 June 2019Leave entitlements which are not expected to be utilised across the year ended 30 June 2020 were discounted to present value.		Years	0	1	2	3	4	5	6	+7	Probability - City (%)	4	4	15	30	55	78	96	100	Probability - OAG (%)	34	45	55	64	72	81	94	100
Years	0	1	2	3	4	5	6	+7																							
Probability - City (%)	4	4	15	30	55	78	96	100																							
Probability - OAG (%)	34	45	55	64	72	81	94	100																							

Accounting for investments accounted for under the equity method

Guidance: AASB 128 *Investments in Associates and Joint Ventures* ("AASB 128")

Our Understanding

- At 30 June 2019, the carrying amount of investments accounted for under the equity method was as follows:

\$'000	Tamala Park Regional Council	Mindarie Regional Council
Opening balance as of 1 July 2018	3,811	5,769
Share of associates profit or loss from ordinary activities	1	178
Share of associates other comprehensive income	-	144
Distributions to participants	(333)	-
Capital contributions	331	-
Closing balance as of 30 June 2019	3,809	6,091

- Where investments are accounted for using the equity method, the investment is initially recognised at cost. Subsequently, the carrying amount of investments is adjusted for the post acquisition change in the City's net share of the investee's net assets

Our Perspective

- We tested the consistency of the amounts presented in the investments accounted for under the equity method disclosures to the audited financial statements of the Councils
- Prior period error**
- In the prior period, investment in associates were carried at cost. The City did not account for the post acquisition changes in the City's share of the investee's net assets
- For the year ended 30 June 2018, an uncorrected audit difference was raised to recognise the City's interest in the investee's net assets
- For the year ended 30 June 2019, the City restated the comparative statement of financial position to adjust for the abovementioned prior period error.

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Accounting for cash and cash equivalents

Guidance: AASB 107 *Statement of Cash Flows* ("AASB 107") and AASB 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ("AASB 8")

Our Understanding	Our Perspective																
<p>Under AASB 107, a cash equivalent is defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value</p> <p>A term deposit qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition</p> <p>For the years ended 30 June 2017 and 30 June 2018, on call deposits were incorrectly classified as a financial asset at amortised cost and not cash and cash equivalents</p> <p>The composition of (a) cash and cash equivalents and (b) financial assets at amortised cost, which represent term deposits with a maturity of more than three months, as at 30 June 2019 is set out below:</p> <table><tr><th>\$'000</th><th>2019</th><th>2018 Restated</th><th>2017 Restated</th></tr><tr><td>Cash and cash equivalents</td><td>46,473</td><td>40,227</td><td>22,363</td></tr><tr><td>Financial assets at amortised cost</td><td>108,181</td><td>93,324</td><td>106,217</td></tr><tr><td>Total</td><td>154,654</td><td>133,550</td><td>128,581</td></tr></table> <p>Management has treated the correction of the abovementioned adjustment as a prior period error by restating the 1 July 2017 cash and cash equivalents balance by \$6.3 million and the 30 June 2018 comparative balance by \$19.38 million. In both years these adjustments increased the cash and cash equivalents respective balances. The nature of the prior period error is disclosed in Note 33 of the financial statements</p>	\$'000	2019	2018 Restated	2017 Restated	Cash and cash equivalents	46,473	40,227	22,363	Financial assets at amortised cost	108,181	93,324	106,217	Total	154,654	133,550	128,581	<p>Under AASB 8, an entity must correct all material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:</p> <ul style="list-style-type: none">restating the comparative amounts for the prior periods presented in which the error occurredif the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented. <p>Disclosures relating to prior period errors include:</p> <ul style="list-style-type: none">the nature of the prior period error for each prior period presentedthe amount of the correction for each financial statement line item presentedthe amount of the correction at the beginning of the earliest prior period presented. <p>We evaluated the adequacy of the disclosures in respect of prior period errors disclosed in Note 33 of the financial statements</p>
\$'000	2019	2018 Restated	2017 Restated														
Cash and cash equivalents	46,473	40,227	22,363														
Financial assets at amortised cost	108,181	93,324	106,217														
Total	154,654	133,550	128,581														

Financial ratio compilation

Guidance: *Local Government (Financial Management) Regulations 1996*

Our Understanding

- ▶ Regulation 50 of the *Local Government (Financial Management) Regulations 1996* requires the disclosure of the following financial ratios in the financial statements:
 - ▶ The current ratio
 - ▶ The asset consumption ratio
 - ▶ The asset renewal funding ratio
 - ▶ The asset sustainability ratio
 - ▶ The debt service cover ratio
 - ▶ The operating surplus ratio
 - ▶ The own source revenue coverage ratio
- ▶ Regulation 10 of the *Local Government (Audit) Regulations 1996* requires the auditors to assess whether the asset consumption and asset renewal ratios are supported by verifiable information and reasonable assumptions
- ▶ Regulation 10 of the *Local Government (Audit) Regulations 1996* requires the auditor to assess whether there are any significant adverse trends in the financial position of the City of Perth, benchmarked to the Department of Local Government, Sport and Cultural Industries ("DLGSCI") standard.

Our Perspective

▶ The financial ratios of the City are as follows:

Financial ratio	2019	2018 Restated	2017	DLGSCI Standard
Current ratio	1.33	1.20	1.54	≥ 1.00
Asset consumption ratio	0.56	0.60	0.58	≥ 0.50
Asset renewal funding ratio	1.00	1.00	0.99	≥ 0.75
Asset sustainability ratio	0.60	0.72	0.55	≥ 0.90
Debt service cover ratio	8.66	7.33	5.04	≥ 2.00
Operating surplus ratio	0.02	0.04	0.05	≥ 0.01
Own source revenue coverage ratio	1.00	1.03	1.01	≥ 0.40

- ▶ We tested the clerical and computational accuracy of the financial ratio calculations
- ▶ We tested key inputs within the financial ratio calculations against supporting documentation
- ▶ We tested the consistency of the calculation methodology to the requirements set out in the *Local Government (Financial Management) Regulations 1996*
- ▶ We evaluated the reasonability of the assumptions adopted as part of the calculation of the asset consumption and asset renewal funding ratios
- ▶ We compared the financial ratios of the City to the DLGSCI standard to identify adverse trends. An adverse trend related to the asset sustainability ratio was identified
- ▶ The adverse trend will be communicated as a material matter in the "Report on Other Legal and Regulatory Requirements" section of the audit opinion.

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Accuracy of related party transactions

Guidance: [AASB 124 Related Party Disclosures](#) ("AASB 124")

Our Understanding	Our Perspective
<ul style="list-style-type: none"> Under AASB 124, if an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements At a minimum, disclosures shall include: <ul style="list-style-type: none"> the amount of the transactions the amount of outstanding balances, including commitments their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement details of any guarantees given or received provisions for expected credit losses related to the amount of outstanding balances, and the expense recognised during the period in respect of bad or doubtful debts due from related parties. Related party transactions are disclosed in Note 18, 19 and 20 to the financial statements. 	<ul style="list-style-type: none"> We enquired of management as to the process to identify, appropriately account for and disclose related party relationships and transactions We enquired of management as to the nature of relationships between the City, Mindarie Regional Council and Tamala Park Regional Council to understand their underlying business purpose and whether any transactions with related parties were outside of the ordinary course of business We tested the consistency of amounts presented in the audited financial statements of Mindarie Regional Council and Tamala Park Regional Council to the amounts disclosed in Note 20 of the financial statements We tested the accuracy of key management personnel remuneration and allowances to source documentation, such as employment contracts and vendor invoices We inspected bank confirmations, solicitor representation letters, the agenda and minutes to Council meetings and material contracts to evaluate the completeness of related party relationships identified by and disclosed by management.

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
<h2>Accounting for monies held in trust</h2> <p>Guidance: “Accounting for work bonds, building bonds and hire bonds” position paper and AASB 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> (“AASB 8”)</p>			
<h3>Our Understanding</h3> <ul style="list-style-type: none">On 1 July 2019, the Office of the Auditor General (“OAG”) released a position paper entitled “Accounting for work bonds, building bonds and hire bonds” to inform local governments that moneys held as bonds should not, for accounting purposes, be regarded as trust monies within the meaning of the <i>Local Government Act 1995</i> (“the Act”)Section 6.9(1) of the Act reads:<ul style="list-style-type: none">A local government is to hold in the trust fund all money or the value of assets -<ul style="list-style-type: none">(a) that are required by this Act or any other written law to be credited to that fund; and,(b) held by the local government in trust.Trust monies should be held in the municipal fund and recognised as a cash and cash equivalent on the balance sheet. A corresponding liability for bonds refundable to developers or hires should also be recognised on the balance sheetManagement undertook a review of monies held in trust and identified \$3.527 million held in general trust. These trust monies were transferred to the municipal fund as at 30 June 2019 and are disclosed in Note 26 of the financial statements		<h3>Our Perspective</h3> <ul style="list-style-type: none">We evaluated the appropriateness of monies held in trust in consideration of the authoritative guidance released by the Office of the Auditor GeneralWe evaluated the adequacy of the disclosures presented in Note 26 of the financial statements.	

Executive Summary		Areas of Audit Focus	Audit Differences	Appendices
Compliance with operational procurement control requirements				
Guidance: <i>Local Government (Financial Management) Regulations 1996 and Local Government (Functions and General) Regulation 1996</i>				
Our Understanding		Our Perspective		
Purchases of goods and services are subject to the operational procurement controls codified under regulation 11A of the <i>Local Government (Functions and General) Regulation 1996</i> as follows:		▶ We performed a walkthrough of the procurement to payables process to identify key controls for testing.		
▶ The Council must implement a purchasing policy in relation to contracts for the supply goods or services where the consideration under the contract is \$150,000		▶ We evaluated the adequacy of key controls implemented by the City in addressing the operational procurement control requirements codified under the regulatory framework		
▶ A purchasing policy must make provision in respect of (a) the forms of quotations acceptable and (b) the retention of all written information in respect of quotations received and purchases made		▶ We inspected the trade payables and accrued expenses balance sheet reconciliations and tested material reconciling items		
▶ Payments for goods and services are subject to the operational procurement controls codified under regulation 11 and 12 of the <i>Local Government (Financial Management) Regulations 1996</i> as follows:		▶ On a sample basis, we tested the accuracy of administrative and other operating expenses to source documents, such as vendor invoices and bank statements		
▶ A local government must implement a procedure for the authorisation and payment of outstanding accounts		▶ We performed tests of unrecorded liabilities across subsequent cash disbursements and vendor invoices recorded to the general ledger after balance date.		
▶ A local government must develop procedures for the approval of accounts to ensure that before settlement, a determination is made that the related debt was incurred by a person with the appropriate delegated authority.				

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Ongoing inquiry into the operations and affairs of City of Perth

<h3>Our Understanding</h3> <ul style="list-style-type: none">▶ The City of Perth's elected council was suspended on 2 March 2018 by the Local Government Minister due to "ongoing serious concerns of failure by the elected council to ensure that the local government performs its functions properly"▶ In May 2018, a panel of inquiry with Royal Commission powers was appointed to inquire into and report on the operations and affairs at the City of Perth between October 2015 and March 2018 inclusive. Specifically, the inquiry will consider if there was a failure to provide good government for the City of Perth community, the prospect of providing future good government and any necessary action to ensure ongoing good government▶ The findings report was originally expected by May 2019 but our understanding from management is that it has been delayed a further six months. In addition, there are further internal restructure changes planned in the coming year.	<h3>Our Perspective</h3> <ul style="list-style-type: none">▶ At the date of writing this report, the inquiry was ongoing. As a result, no findings report has been issued to date.
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Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Audit Differences

Summary of unadjusted differences

The following differences have been identified during the course of our review and have not been considered material by management or by us for adjustment. We are bringing these to the Audit Committee's attention to enable you to form your own view on these items:

Account	Income statement	Assets	Liabilities	Retained Earnings
30 June 2019 (\$'000)	(Increase)/Decrease	Increase/(Decrease)	(Increase)/Decrease	(Increase)/Decrease
Cash and cash equivalents	-	3,000	-	-
Financial assets at amortised cost	-	(3,000)	-	-
<i>(Being the incorrect classification of a term deposits with a maturity of less than 90 days as a financial asset at amortised cost and not a cash equivalent)</i>				
Long service leave expense	943	-	-	-
Provision for long service leave	-	-	(943)	-
<i>(Being the understatement of the provision for long service leave attributed to expected retention probabilities which are significantly different to those suggested by historical trends)</i>				
Net impact	943	-	(943)	-

Appendices



Other Required Audit Committee Communications

Auditing Standards require us to report to you certain matters not in the body of this report.



Outstanding Matters

The items in here relates to outstanding matters at the date of the release of this report.



Independence

Communication of independence to the City of Perth



Focused on Your Future

Audit Committee Members should be aware of focus areas, which includes the impact of new accounting standards.

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Other Required Audit Committee Communications

Auditing Standards require us to report to you certain matters that are not otherwise detailed in this report.

Matter	How matter was addressed
Material uncertainties and ongoing concern	No conditions or events were identified, either individually or in aggregate, that indicated there could be doubt as to the ability of the City to continue as a going concern for 12 months from the date of our audit opinion.
Compliance with laws and regulations	We did not identify any material instances of non-compliance with laws and regulations.
Fraud and illegal acts	We have made enquiries of management regarding: <ul style="list-style-type: none">Knowledge of any fraud or suspected fraud affecting the entity involving management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial reportKnowledge of any allegations of fraud, or suspected fraud, affecting the financial information of the City. Based on our enquiries of senior management and audit procedures, we did not become aware of any fraud or illegal acts during our audit.

Outstanding Matters

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Item	Actions to resolve	Responsibility
Financial statements	Review and finalisation of the latest version of the financial statements	A M
Asset revaluation reserve	Review of work papers related to the asset revaluation reserve adjustment	A M
CEO approval of the financial statements	Receipt of approval of the general purpose financial statements	M
Management representation letter	Receipt of signed management representation letter	M
Subsequent events review	Completion of subsequent events procedures to the date of signing the audit report	A M

Key:

A Auditor responsibility

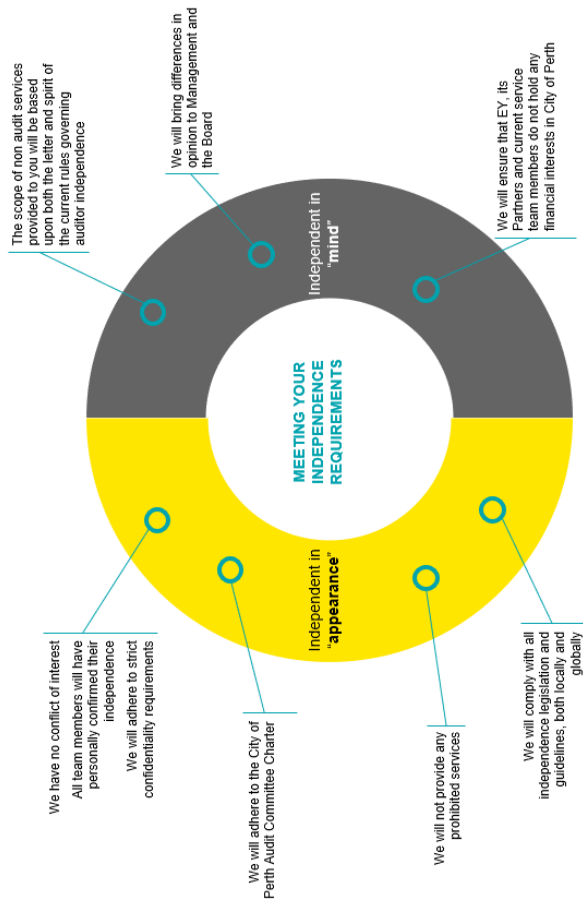
M Management responsibility

Executive Summary	Areas of Audit Focus	Audit Differences	Appendices
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Independence

We are committed to being and being seen to be independent. There are no matters that, in our professional judgement, bear on our independence which need to be disclosed to the Audit Committee.

We understand the importance of independence to you. We have been rigorous in maintaining our independence and managing conflicts.



Executive Summary		Areas of Audit Focus	Audit Differences	Appendices
<h2>Focused on your future</h2> <h3>New Leases Standard AASB 16</h3>				
<h4>Explanation</h4> <p>During February 2016, the AASB issued AASB 16 <i>Leases</i>, which replaces the existing leases guidance in AASB 117 <i>Leases</i> and related interpretations. AASB 16 is equivalent to IFRS 16 <i>Leases</i> issued by the IASB.</p> <p>AASB 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted provided that an entity adopts AASB 15 <i>Revenue from Contracts with Customers</i> on or before the initial date of application of AASB 16.</p> <p>A lease is defined as a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. The definition is based on the premise of control, where a lease is identified when a customer has the right to (1) obtain substantially all of the economic benefits from the use of the identified asset; and (2) direct the use of the identified asset.</p> <p>AASB 16 provides a single model for accounting for leases by lessees. Leases other than low value and short-term leases must be recognised on the balance sheet of lessees. The lessee will recognise an asset, reflecting its right to use the underlying asset, and a liability, in respect of its obligation to make lease payments.</p> <p>Expenses in respect of leases will include amortisation of the right-of-use asset and interest expense in respect of the lease liability.</p> <p>The Standard provides for two approaches to transition:</p> <ul style="list-style-type: none">(a) Modified retrospective - including two alternatives in measuring the associated ROU asset, or(b) Full retrospective. <p>Lessors will continue to account for leases as either operating or finance leases, consistent with current practice. For operating leases, the underlying asset remains on the lessor's balance sheet. For finance leases, the underlying asset is de-recognised and a lease receivable is recognised.</p>		<h4>Impact on Your Business</h4> <p>AASB 16 provides new criteria for determining whether an arrangement meets the definition of a lease. While many entities will reach similar conclusions as they do today, significant judgement may be required, particularly for arrangements that are not referred to as leases and contain significant services. As a result, there is likely to be a change in current information collection, processing, and interpretation of lease arrangements.</p> <p>The new Standard represents a significant change for lessees of operating leases. With the exception of low value and short-term leases, all leases must be recognised on the lessee's balance sheet. Accordingly, lessees will have one accounting model for accounting for leases, which is similar to the current finance lease model in AASB 117.</p> <p>The new Standard may also significantly impact the lessee's income statement, impacting profit and other measures of performance such as EBIT and EBITDA. Lessor accounting is substantively unchanged from existing guidance.</p> <p>The implementation of AASB 16 is likely to require practical and commercial consideration, particularly in relation to education and training. The specific requirements around identifying a lease, the treatment of optional periods and determination of discount rates can prove challenging to implement.</p> <p>With an effective date of 1 January 2019, the start of the comparative period for the City of Perth has already commenced as of 1 July 2018. All existing and new contracts entered into on or before 1 July 2019 and not expiring before 30 June 2020 will be subject to the new Standard on the date of initial application.</p> <p>Management are actively progressing their review of the financial statement impact of AASB 16 at the date of writing this report.</p>		

Accounting

Executive Summary		Areas of Audit Focus	Audit Differences	Appendices
AASB 15 Revenue from Contracts with Customers ("AASB 15")				
Explanation		Impact on Your Business		
<p>AASB 15 is equivalent to IFRS 15 <i>Revenue from Contracts with Customers</i>, which was issued by the International Accounting Standards Board (IASB) in 2014 and amended in 2016 to provide minor clarifications to some of the requirements. AASB 15 is also substantially converged with the revenue recognition requirements in Accounting Standards Codification Topic 606 in US GAAP.</p> <p>Revenue recognition</p> <p>AASB 15 specifies the accounting for revenue arising from contracts with customers (except for contracts, or components of contracts, within the scope of other accounting standards such as leases or financial instruments, as some examples).</p> <p>The core principle of AASB 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. AASB 15 establishes a five-step model that will apply to recognise revenue from contracts with customers in accordance with that core principle. Those steps are as follows:</p> <p>Step 1: Identify the contract(s) with a customer</p> <p>Step 2: Identify the performance obligations in the contract</p> <p>Step 3: Determine the transaction price</p> <p>Step 4: Allocate the transaction price to the performance obligations in the contract</p> <p>Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.</p> <p>AASB 15 also consequentially amends other accounting standards to require the recognition and measurement of sales of non-financial assets (e.g. disposals of property, plant and equipment) to be determined in accordance with the requirements of AASB 15.</p>		<p>AASB 15 applies retrospectively, which means that all contracts that are not 'completed contracts' as at either 1 July 2018 (if the fully retrospective transition method is applied) or 1 July 2019 (if instead the modified retrospective transition method is applied) will need to be restated as if AASB 15 had always applied to those contracts. A 'completed contract' is a contract for which the entity has transferred all of the goods or services identified in accordance with existing revenue Standards and related Interpretations.</p> <p>Management are actively progressing their review of the financial statement impact of AASB 15 at the date of writing this report.</p>		

Accounting

Executive Summary		Areas of Audit Focus	Audit Differences	Appendices
<h1>AASB 1058 Income of Not-for-Profit Entities ("AASB 1058") - new revenue recognition standard for not-for-profit entities ("NFP")</h1>				Accounting
<h2>Explanation</h2> <p>The new standard effectively limits the scope of AASB 1004 to address issues specific to Government entities, and contributions by owners in a public sector entity context.</p> <p>AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other obligations, and recognised immediately. AASB 1058 also expands the circumstances in which NFPs are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives , including for example, peppercorn leases and discounted goods.</p> <p>The AASB also released implementation guidance for NFPs, <i>AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities</i>, to enable NFPs to determine if a transaction should be dealt with as a contract with customer under AASB 15.</p> <p>An agreement is considered a contract with a customer in the scope of AASB 15 if the agreement is <i>enforceable contract</i> and <i>sufficiently specific promises</i> for the NFP to transfer goods or services to the customer, or third party beneficiaries. For transactions that are not within the scope of AASB 15, AASB 1058 provides guidance on when income should be recognised.</p> <p>AASB 1058 also contains specific requirements relating to capital grants and research grants. With respect to capital grants, where an entity receives a grant for the purpose of acquiring or constructing a non-financial asset to particular specifications or conditions, for example, a grant to construct a school to government specifications), income is recognised as or when it satisfies its obligations to construct that asset. This guidance would not apply to obligations to perform research, for example, if such research would not qualify for recognition of an asset.</p>		<h2>Impact on Your Business</h2> <p>One of the most significant changes is the requirement for NFPs to apply the principles of AASB 15 when accounting for revenue from all of their contracts with customers. This may include contracts that are currently considered to be non-reciprocal in nature. Of particular note is the requirement to use the concept of performance obligations as the basis for determining when a NFP recognises revenue in relation to grants and other funding arrangements.</p> <p>For arrangements which fall within scope of AASB 15, the principles would result in revenue being recognised when the performance obligation is satisfied, regardless of whether the ultimate beneficiary of the goods or services transferred is the grantor of the funds or another party. In contrast, where the beneficiary of the goods and services is not the grantor, the current requirements are often interpreted as requiring income to be recognised when the funds are received, requiring income recognition upfront.</p> <p>Although more detailed application guidance exists, NFPs may need to use more judgement in applying the requirements of the standards, in part, because the use of estimates is more extensive. Applying accounting judgements and estimates may be more complex and may require new processes. The potential changes to financial statements and business processes for some entities may be significant. Entities will need to demonstrate and provide evidence of their assessment of the impact of AASB 15 and AASB 1058, including entities that expect little or no financial statement effect from the standard.</p>		



CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Business user's with administrator access		✓	
2. Expiry dates not set for contractor accounts		✓	
3. Access of terminated employees		✓	
4. Change management process		✓	
5. Retention of documentation		✓	
6. Reasonability of retention probabilities		✓	
7. Unauthorised signatories			✓
8. Excessive annual leave entitlements			✓
9. Valuation of plant and equipment			✓

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant

- Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
- Moderate

- Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor

- Those findings that are not of primary concern but still warrant action being taken.

CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Business user's with administrator access

Finding

The Technology One application is used as City of Perth's key financial management system. Our testing of administrator access in Technology One identified one (1) business user who has been granted the privileged user role '\$ALL_ROLES'. Users assigned this role have the ability to create, modify, and/or delete users within the application along with a number of other administrative functions. Upon discussion with senior management, we noted that the business user is assigned to enrol new users within the system whenever a formal request is approved by the relevant departmental heads.

We further investigated and confirmed that all the user accounts created and modified by the business process owner were valid.

Rating: Moderate

Implication

Granting users with privileged access enables them to access user security and system administration functionality which increases the likelihood that the integrity of application and business data may be compromised through deliberate or accidental activity. In addition, business users with privileged access have the ability to elevate user privileges and/or create fictitious users to perform business transactions that may normally be prevented by segregation of duties implemented through user access security.

Recommendation

Where business users are required to have privileged IT access within the application to perform certain functions, logging of activities performed by these accounts should be enabled and these logs configured so that they cannot be amended by the privileged users. These logs should be reviewed on a periodic basis by City of Perth's management and evidence of reviews maintained for future reference.

Management Comment

The business user who has '\$ALL_ROLES' access cannot set up new users – this is done by IT in Active Directory to which the business user does not have edit access. The business user assigns profile and sets up delegated authority as per authorised forms submitted.

Activity logs are run and will be set up for monthly review by the line manager.

Responsible Person: Senior Financial Accountant

Completion Date: December 2019

**CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

2. Expiry dates not set for contractor accounts

Finding

During our IT general control walkthroughs, we identified that contractor accounts are not automatically removed as they are not registered in the payroll system. As a mitigating control, for all contractor accounts, an expiry date is set manually within City of Perth's Corporate Active Directory (AD). This is done by the service desk on creation of the contractor account. The relevant City of Perth manager is sent an automated email prior to the expiry requesting them to advise if the contractor account is still required. If the line manager does not respond to this email, the account is automatically disabled within the AD on the date of expiry.

During our review of the entire population of active contractor accounts present within the AD, we identified that 5 contractor accounts did not have expiry dates set within the system. We confirmed that the 5 current contractors were current contractors or did not have access to the IT systems on which we placed reliance as part of our audit.

Rating: Moderate

Implication

Failure to set the account expiry date or disable access in a timely manner for terminated contractors may potentially lead to these accounts being used by other employees/contractors to gain unauthorised access to City of Perth's data and information.

Recommendation

Management should:

- Reinforce the requirement to set the expiry of contractor accounts in the Active Directory during account set up and not allow the account to be activated without an expiry date;
- Conduct a review of contractor accounts within AD on a periodic basis (i.e. quarterly) to ensure that all contractor accounts have been set to expire at an appropriate date.

Management Comment

ICT agrees to the above recommendation and will action.

Responsible Person: ICT Coordinator

Completion Date: November 2019

CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

3. Access of terminated employees

Finding

User accounts are disabled from the City of Perth domain and application systems based on notifications received from line managers to Payroll and the ICT department, and subsequently the Finance Department (if the user has an account in Technology One), as part of the requisite of the off-boarding procedure when an employee leaves the company. Our testing identified the following:

- One (1) user account belonging to a terminated employee was not disabled from the Pathway application; and
- One (1) user account belonging to a terminated employee was not disabled from the Empower Application

In response to these exceptions, we confirmed that the terminated users did not log into the Pathway and Empower applications after their termination dates.

Rating: Moderate

Implication

Failure to disable users from the application in a timely manner may potentially lead to these accounts being used by the terminated employee or other employees to perform unauthorised functions or malicious activity within the applications impacting data integrity.

Recommendation

Management should:

- Disable the access in Pathway and Empower of the terminated users;
- Perform a full review of the Pathway and Empower user accounts on periodic basis (i.e. quarterly) to ensure that all user accounts are owned by current and valid employees and contractors.

Management Comment

The Empower system was replaced by Technology One payroll and HR from 1 July 2019. The City is undertaking a review of its systems over the next three years and will migrate all debtors from the Pathways system to the core financial system (Technology One) as part of this process. This will improve controls over the Debtor module. All users in the Technology One system are set up/disabled via Active Directory and so will lose access on termination.

ICT processes are in place to ensure all terminated employees are disabled on Active Directory.

Responsible Person: Manager ICT Services
Completion Date: HR and Payroll: July 2019

CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

4. Change management process

Finding

As per City of Perth's change management policy, once the relevant business users have successfully performed User Acceptance Testing (UAT) on the test environment, all of the changes categorized as 'High' and 'Medium' in terms of risk and business impact are required to go through a formal approval process via weekly Change Advisory Board ('CAB') meetings before their implementation onto the production environment.

Our testing for 2 Pathway sample changes identified the following:

- We noted that both changes officiated via CAB meetings did not have any formal documentation available to support the change approvals at the CAB; and
- We also noted that the changes did not contain evidence to support the execution of UAT by relevant business users to ensure change accuracy.

Rating: Moderate

Implication

- Failure to document CAB approvals may lead to implementation of unauthorized or unapproved changes onto the production environment.
- Lack of adequate system user acceptance testing may result in application systems that do not meet user functionality or internal control requirements when being placed into a production environment.

Recommendation

Management should:

- Formal UAT should be conducted and approvals / signoffs should be obtained from the relevant users prior to the implementation of changes in production environment; and
- Formal signoffs should be obtained for each of the changes presented within the CAB meetings to determine which changes are approved.

Management Comment

UAT Testing/signoffs to be completed prior to production release.

Signoffs to be completed for approved changes.

Responsible Person: Manager ICT Services

Completion Date: December 2019

CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

5. Retention of documentation

Finding

The Payroll Department experienced difficulty in locating stored documents in a timely manner. In some instances, documents were not able to be located at all; for example, seven out of 25 executed Additional Superannuation Contribution Forms to support superannuation rates in excess of 9.50 per cent were unable to be sourced at all.

Rating: Moderate

Implication

When not able to locate original documents, the City of Perth is less able to efficiently and appropriately resolve disputes which may arise. When relevant documents cannot be located during financial statement audit process, this may require that additional or alternative procedures be performed which exceed those initially planned.

Recommendation

The City of Perth should reassess the current document filing structures and methods and implement improved processes to ensure that all original documentation required to support payroll transactions are retained and can be readily located when required.

Management Comment

Management will follow up with the Payroll Department and ensure that all staff have the skills required to both store and retrieve appropriate documentation. All payroll documentation is scanned to CM (the City's central records system).

Responsible Person: Senior Financial Accountant

Completion Date: December 2019

CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

6. Reasonability of retention probabilities

Finding

Through the audit process, an uncorrected audit adjustment was recorded against the provision for long service leave. The expected retention probabilities of current employees assumed by management as part of the long service leave estimations were not reflective of the historical profile of employee turnover leading to an understatement of the long service leave provision.

Rating: Moderate

Implication

The amount recorded for the provision for long service leave at balance date may be materially incorrect.

Recommendation

The City of Perth should evaluate the process by which the provision for long service leave is estimated. In particular, the reasonability of retention probabilities should be compared to the historical profile of employee turnover for a period not less than seven years and adjusted for forward-looking information where future employee turnover is expected to be greater or lesser than historical trends.

Management Comment

A consistent calculation model has been used by the City for a number of years. This model will be reviewed in the current financial year to ensure it produces a calculation of long service leave provision which is reasonable and reflects recent and expected retention rates.

Responsible Person: Senior Financial Accountant

Completion Date: June 2020

**CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

7. Unauthorised signatories

Finding

The City of Perth has not notified the bank on a timely basis of changes to the list of authorised signatories. An authorised signatory left the City of Perth during the year and is still listed as an authorised signing authority with Bankwest.

Rating: Minor

Implication

Unrestricted and unmonitored access to bank accounts may allow errors or fraud related to misappropriation of cash to be undetected.

Recommendation

Management should promptly notify the banks to remove the terminated employee and take timely action to remove authorised signing authorities if other signatories leave the City of Perth.

Management Comment

Management notifies the banks promptly when an employee with authorised signatory is terminated. The example given above is the result of a time of significant staff change when a Director had left the City, the role being covered by a manager in Acting capacity and the most senior financial representative was not recognised by the bank as having authority to remove a signatory.

Responsible Person: Manager Finance

Completion Date: November 2019

**CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

8. Excessive annual leave entitlements

Finding

The accrual for annual leave has been allowed to accumulate to high levels for a number of employees. We observed 33 employees with more than 8 weeks owed to them in annual leave entitlements.

Rating: Minor

Implication

Staff not taking their annual leave entitlements each year increases the risk or opportunity for fraud to occur. Instances of fraud are more likely to occur where there are significant build-ups in annual leave which allow for minimum job rotation. In addition, as annual leave entitlements continue to accumulate each year together with general increases in pay rates, the City of Perth may be liable for increased annual leave payments when the employees eventually take leave or larger cash payouts upon retirement or termination.

Recommendation

Management should encourage employees to utilise their leave entitlements in a timely manner.

Management Comment

As part of the last EBA negotiations the EBA's now reflect that an employee can have 6 weeks accrued leave and anything greater can allow the employer to provide 4 weeks notice to the employee in order for them to take it. HR supports managers in addressing this by generating reports and informing managers of employees that have more than 6 weeks leave accrued.

Responsible Person: Manager Human Resources

Completion Date: November 2019

CITY OF PERTH
PERIOD OF AUDIT: YEAR ENDED JUNE 2019
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

9. Valuation of plant and equipment

Finding

After initial recognition, plant and equipment is subsequently remeasured to fair value under the revaluation model permitted under AASB 116 *Property, Plant and Equipment*. Valuations are performed by an independent, accredited valuation specialist at least once every three years, but no less than five years. Plant and equipment was remeasured to fair value as at 30 June 2019 with reference to an external valuation report prepared by Pickles Auction.

As part of the audit process, we observed that not all items of plant and equipment were captured within the scope of the Pickles Auction valuation engagement. Items such as CTV cameras and parking ticket machines were excluded on the basis that an active market for such items does not exist; however, the rationale for their exclusion is not documented.

Rating: Minor

Implication

Items of plant and equipment may be inappropriately excluded from the scope of external valuations.

Recommendation

We recommend that the City of Perth consider the preparation and maintenance of a written standard procedures manual to document the scope of plant and equipment remeasured to fair value. Where plant and equipment are excluded from the scope of external valuations due to their highly specialised nature, the rationale for their exclusion should be documented and authorised by senior management.

Management Comment

The City will draft a procedure to document the scope of plant and equipment revaluations and explain the rationale for the exclusion of certain types of plant and equipment.

Responsible Person: Senior Financial Accountant

Completion Date: December 2019



City of Perth

25 November 2019

Ms Caroline Spencer
Auditor General
Office of the Auditor General
7th Floor, Albert Facey House
469 Wellington Street
PERTH WA 6000

Dear Ms Spencer

REPRESENTATION LETTER IN RESPECT OF THE CITY OF PERTH'S ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

This representation letter is provided in connection with your audit of the City of Perth's annual financial report for the year ended 30 June 2019 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

We submit the following representations for the year ended 30 June 2019 after making appropriate enquiries and according to the best of our knowledge and belief. This representation covers all material items in each of the categories listed below.

1. GENERAL

- (a) We have fulfilled our responsibilities for the preparation and fair presentation of the annual financial report in accordance with the *Local Government Act 1995* (the Act), the *Local Government (Financial Management) Regulations 1996* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.
- (b) We have advised your auditors of all material contentious methods used in the presentation of the financial report.
- (c) There have been no changes in accounting policies or application of those policies that would have a material effect on the financial report.
- (d) The prior period comparative information in the financial report has not been restated except as disclosed in the notes to the financial report.
- (e) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable. We confirm the disclosures related to accounting estimates are complete and appropriate.

- 2 -

- (f) We have established and maintained an adequate internal control structure and adequate financial records as we have determined are necessary to facilitate the preparation of the financial report that is free from material misstatement, whether due to fraud or error.
- (g) We have provided your auditors with
 - (i) Access to all information of which we are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters.
 - (ii) Additional information that your auditors have requested for the purpose of the audit.
 - (iii) Unrestricted access to staff and Commissioners of the City from whom your auditors determined it necessary to obtain audit evidence.
- (h) All transactions have been recorded in the accounting and other records and are reflected in the financial report.
- (i) All internal audit reports and reports resulting from other management reviews, including legal issues and legal opinions which have the capacity to be relevant to the fair presentation of the financial report including, where relevant, minutes of meetings, have been brought to your auditors' attention and made available to them.
- (j) We have advised your auditors of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
- (k) We have provided to your auditors the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.
- (l) No frauds or suspected frauds affecting the City involving:
 - (i) Management;
 - (ii) Employees who have significant roles in internal control; or
 - (iii) Others where the fraud could have a material effect on the financial report
 have occurred to the knowledge of management of the City.
- (m) To our knowledge no allegations of fraud or suspected fraud affecting the City's financial report has been communicated to us by employees, former employees, analysts, regulators or others.
- (n) We have disclosed to your auditors all known actual or possible litigation and claims whose effects should be considered when preparing the financial report, and they have been accounted for and disclosed in accordance with Australian Accounting Standards.

2. FAIR VALUE MEASUREMENTS AND DISCLOSURES

We confirm that where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is the fair value.

We confirm that the carrying amount of each physical non-current asset does not materially differ from its fair value at the end of the reporting period. Significant fair value assumptions, including those with high estimation uncertainty, are reasonable.

We confirm the measurement methods, including related assumptions used by management in determining fair values, are appropriate and have been consistently applied.

We confirm that the fair value disclosures in the financial report are complete and appropriate.

3. GOING CONCERN

We confirm that the going concern basis of accounting is appropriate for the annual financial report.

4. CONTINGENT LIABILITIES

There are no material contingent liabilities at year end that have not been completely and adequately disclosed in the Notes to the financial report.

5. COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE

Other than those commitments reported in the Notes to the financial report, there were no significant commitments for capital or other expenditure contracts carrying over at year end.

6. FINANCIAL LIABILITY FOR CONTAMINATED SITES

We are aware of our obligations under the *Contaminated Sites Act 2003* and have reported to the Department of Water and Environmental Regulation, all land owned, vested or leased by the City that is known to be, or is suspected of being, contaminated. All actual liabilities or contingent liabilities, if any, have been recognised and/or disclosed in the financial report as appropriate.

7. RELATED ENTITIES

We acknowledge our responsibility under section 17(1) of the *Auditor General Act 2006* (as applied by section 7.12AL of the *Local Government Act 1995*) to give written notice to the Auditor General if any of the City's functions are being performed in partnership or jointly with another person or body, through the instrumentality of another person or body, and/or by means of a trust. We confirm that we have provided the Auditor General with details of all related entities in existence at 30 June 2019.

8. RELATED PARTIES

We have disclosed to your auditors the identity of the City's related parties, as defined in Australian Accounting Standards, of which we are aware, and all the related party relationships and transactions of which we are aware. These include the City's key management personnel (KMP) and their related parties, including their close family members and their controlled and jointly controlled entities.

We have appropriately accounted for and disclosed such relationships and transactions in accordance with the requirements of Australian Accounting Standards.

9. KEY MANAGEMENT PERSONNEL COMPENSATION

We confirm the City's key management personnel (KMP) have not received any other money, consideration or benefit (except amounts being reimbursements for out of pocket expenses) which has not been included in the compensation disclosed in the Notes to the financial report.

10. SUBSEQUENT EVENTS

All events subsequent to the date of the financial report and up to the date of this letter for which Australian Accounting Standards require adjustment or disclosure, have been adjusted or disclosed.

11. INTERNAL CONTROL

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

12. INSURANCE

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks are adequately covered by insurance.

13. RISK MANAGEMENT

We confirm that we have established and maintained a risk management framework that is appropriate to the City.

14. FINANCIAL RATIOS

We confirm that the financial ratios included in the annual financial report have been prepared and fairly presented in accordance with the *Local Government (Financial Management) Regulations 1996*.

We confirm that the asset consumption ratio and the asset renewal funding ratio are supported by verifiable information and reliable assumptions.

15. ACCOUNTING MISSTATEMENTS

The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report taken as a whole. A summary of these uncorrected misstatements is listed below.

- 5 -

Dr. Cash and cash equivalents	\$3,000,000	
Cr. Financial assets at amortised cost		\$3,000,000
Being the incorrect classification of term deposits with a maturity of less than 90 days as a financial asset at amortised cost.		
Dr. Long service leave expense	\$943,000	
Cr. Provision for long service leave		\$943,000
Being the understatement of the provision for long service leave attributed to expected retention probabilities which are significantly different to those suggested by historical trends		

16. ELECTRONIC PRESENTATION OF THE AUDITED ANNUAL FINANCIAL REPORT AND AUDITOR'S REPORT

- (a) We acknowledge that we are responsible for the electronic presentation of the annual financial report.
- (b) We will ensure that the electronic version of the audited annual financial report and the auditor's report presented on the City's website is the same as the final signed versions of the audited annual financial report and the auditor's report.
- (c) We have clearly differentiated between audited and unaudited information in the construction of City's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- (d) We have assessed the security controls over the audited annual financial report and the auditor's report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- (e) We will ensure that where the auditor's report on the annual financial report is provided on the website, the annual financial report is also provided in full.

17. OTHER (UNAUDITED) INFORMATION IN THE ANNUAL REPORT

We will provide the final version of the annual report to you when available, to enable you to complete your required procedures.


Yours sincerely



Bill Parker
General Manager
Corporate Services Alliance

25.11.19

Date



Murray Jorgensen
Chief Executive Officer

25/11/2019

Date

Unbudgeted Expenditure – Dual Use Bridge – Trafalgar Bridge Replace Timber Decking

That Council APPROVES expenditure of \$135,446 for the capital project ‘PJ 14427 Dual Use Bridge – Trafalgar Bridge Replace Timber Decking’.

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation Section 6.8 of the *Local Government Act 1995*

<i>City of Perth Act 2016</i>	Objects of the City of Perth
	8(1)(c) - to provide a safe, clean and aesthetic environment for the community, city workers, visitors and tourists

Integrated Planning and Reporting Framework Implications	Strategic Community Plan Strategic Priority - Place
<p>1. Strategic Alignment: The framework aligns with the Strategic Community Plan's focus on Place, ensuring that planning and reporting efforts are directly contributing to the community's vision and goals.</p> <p>2. Transparency and Accountability: The framework provides a clear and consistent structure for reporting progress, enabling stakeholders to hold the organization accountable for its commitments.</p> <p>3. Resource Optimization: The framework facilitates the identification of synergies and opportunities for resource sharing across different planning and reporting initiatives, leading to more efficient use of resources.</p> <p>4. Enhanced Communication: The framework promotes a culture of open communication and collaboration, ensuring that all stakeholders are kept informed and engaged throughout the planning and reporting process.</p> <p>5. Continuous Improvement: The framework includes mechanisms for regular review and evaluation, allowing the organization to learn from its experiences and make necessary adjustments to improve its planning and reporting practices.</p>	<p>1. Place-Making Initiatives: The framework supports the development and implementation of place-making initiatives, such as public space improvements, community events, and local business support programs, which are essential for creating vibrant and sustainable communities.</p> <p>2. Infrastructure Development: The framework facilitates the planning and reporting of infrastructure projects, including transportation, housing, and public services, ensuring that these projects are aligned with the community's needs and goals.</p> <p>3. Community Engagement: The framework emphasizes the importance of community engagement and participation in the planning and reporting process, ensuring that the voices of residents and local businesses are heard and valued.</p> <p>4. Environmental Sustainability: The framework incorporates environmental sustainability considerations into the planning and reporting process, promoting the adoption of green practices and the reduction of carbon footprints.</p> <p>5. Economic Development: The framework supports the planning and reporting of economic development initiatives, such as job creation programs, business incubators, and skills training, which are essential for fostering a strong and resilient local economy.</p>

Policy
Policy No and Name: CP9.6 – Budget Variations

Purpose and Background:

The purpose of the report is to obtain approval for additional funds to undertake the replacement of the Trafalgar Bridge timber decking. The original budget for Trafalgar Bridge, East Perth timber deck replacement was based on the estimated cost provided by the consultant engaged by the City to develop the tender specification and associated documents for the replacement of the existing timber decking on Trafalgar Bridge. Savings have been made in the 2019/20 Capital Footpath Replacement Project 'Adelaide Terrace - South - Plain Street to Bennett Street' by revising the original scope of works from full replacement of footpath and kerb infrastructure to partial replacement and lift and relay. These unexpended funds can now be utilised to provide the additional funds required to undertake the replacement of the bridge decking.

Details:

Decking on the structure over Claisebrook Cove known as Trafalgar Bridge has been identified as reaching end of life. In 2018 the City engaged specialist consultant McDowall Affleck Pty Ltd to develop a tender specification and associated documents together with a cost estimate for the works to be undertaken. The company is also to provide consultancy services to the City during the construction phase of the project. The high-level cost estimate provided, based upon best available information in 2018, was \$210,000 and consequently this figure was used by the City to establish the project's capital budget \$226,901 including consultancy for the 2019/20 financial year.

The City advertised an open tender for the construction phase of the project on 16 October 2019 and closing on 14 November 2019. This resulted in the City receiving three submissions. The evaluation panel has completed the evaluation process and the preferred tenderer has been identified. The tendered price for required steel works, associated material costs and 'preliminaries' were significantly higher than the estimate provided by the consultant. Allowing for 10% contingency, the expected cost of construction will be \$339,748. To cover the cost of construction and consultancy additional capital budget of \$135,446 is required.

The City undertook community consultation in order to ascertain the community's view on whether the construction works should be undertaken over either one or two stages. A poll was therefore opened to the public through the Engage Perth website resulting in 98% of respondents wanting the project to be completed in one stage. Based on this public response it is prudent not to undertake the works over two financial years.

Trafalgar Bridge - Rejuvenation Project

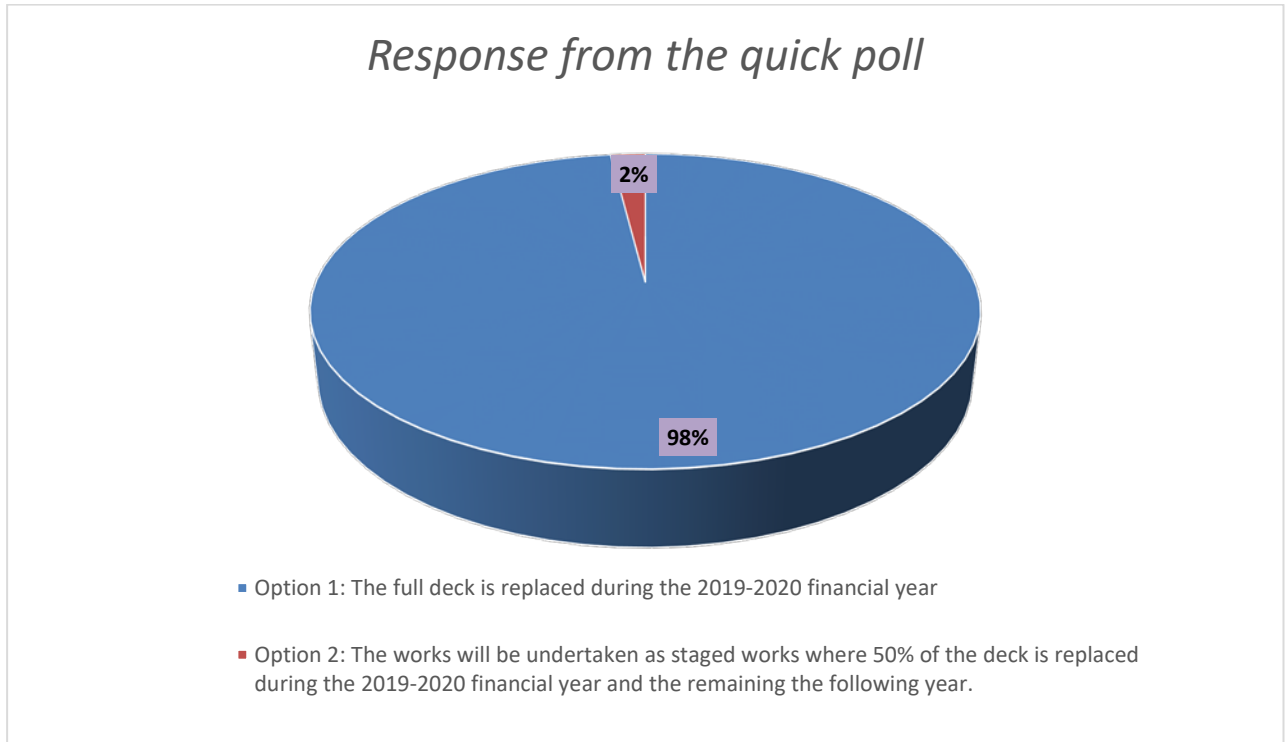
The Trafalgar bridge was constructed in 1994 by East Perth Redevelopment Authority (EPRA) and was eventually handed over to the City in 1997. The existing timber decking is reaching the end of its useful life and is in need of renewal where it is evident a number of the timber decking planks are splitting, and some are in various stages of decay. To maintain the aesthetics, all the existing decking on Trafalgar Bridge will be replaced with timber planks and involve the installation of new bolting system, dismantling and disposal of the existing decking.

A quick poll was opened to the public through the "Engage Perth" that proposed two options below for the replacement of the bridge decking.

- Option 1 - The full deck is replaced during the 2019-2020 financial year. During the construction phase the bridge will be closed to the public for approximately four to five weeks; and

- Option 2 - The works will be undertaken as staged works where 50% of the deck is replaced during the 2019-2020 financial year and the remaining the following year. The bridge will be closed for approximately 3 to 4 weeks for each stage.

The poll concluded with 98% of respondents wanting the project to be completed in one stage.



Financial Implications:

Funding of \$135,446 is required for completing the construction phase of Trafalgar Bridge Replace Timber Decking.

ACCOUNT NO:	PJ 14427
BUDGET ITEM:	Dual Use Bridge – Trafalgar Bridge Replace Timber Decking
BUDGETED AMOUNT:	\$226,901
AMOUNT SPENT TO DATE:	\$6,369
PROPOSED COST:	\$355,978
BALANCE REMAINING:	\$135,446
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

Budget Item where additional funds are to come from:

ACCOUNT NO:	PJ 14197
BUDGET ITEM:	Footpath - Adelaide Terrace - South - Plain St to Bennett St
BUDGETED AMOUNT:	\$468,020
AMOUNT SPENT TO DATE:	\$127,273
PROPOSED COST:	\$58,805
BALANCE REMAINING:	\$271,942
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Comments:

The number of commuters on the Trafalgar bridge increases substantially during events at Optus Stadium. The Australian Football League (AFL) matches commence 22 March 2020 and it is therefore recommended to complete the bridge deck replacement work prior to this date.

Through vigilant financial and project management, savings have been identified that can now be redistributed to undertake works that would otherwise not be completed during this financial year would therefore require the City to undertake a second tendering process in 2020/21. The redistribution of funds allows the City to complete these works and provide stakeholders with a high level of service and accountability.

The tender will be considered under delegated authority subject to appropriate budget.

Recommendation:

That Council ACCEPTS the Electricity Supply Agreement by Alinta for its contestable electricity accounts for a three-year term commencing 1 January 2020 and concluding 31 December 2022.

FILE REFERENCE:	P1026156
REPORTING OFFICER:	Phill Raso, Sustainability Officer - CitySwitch
REPORTING UNIT:	Infrastructure and Assets
RESPONSIBLE ALLIANCE:	Infrastructure and Operations Alliance
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	27 November 2019
ATTACHMENT/S:	Confidential Attachment 6.17A - Comparison of Electricity Supply Agreement Offers Confidential Attachment 6.17B – YEOMAN Recommendation Report <i>Confidential Attachments are distributed to Commissioners under separate cover</i>

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 Committee to note.</i> |

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

Part 4 of the *Local Government (Functions and General) Regulations 1996 – Provision of Goods and Services*

City of Perth Act 2016**Objects of the City of Perth**

8(1)(d) - to continuously improve the services and facilities provided to the community, visitors and tourists

**Integrated Planning and
Reporting Framework
Implications**

Strategic Community Plan
Strategic Priority - Planet

Policy

Policy No and Name: 9.7 - Purchasing

Purpose and Background:

The purpose of this report is to obtain Council approval to accept an offer for a new Electricity Supply Agreement (ESA) from Alinta to supply the City of Perth with electricity for 45 contestable electricity accounts for a three-year term beginning 1 January 2020 and concluding 31 December 2022 at a cost of approximately \$1.57 million (ex GST) per year.

Signing of a new ESA with Alinta will reduce the City's annual expenditure on electricity by \$1.1 million per year - a reduction of 60% on current spending. This represents responsible governance of the organisation and responsible management of rate-payer funds.

Details:

In the 2018/19 financial year, the City had 144 electricity accounts, managed across eight business units, with an annual spend of \$2.82 million.

In the WA electricity market, all electricity accounts with an annual consumption over 50,000 kWh are considered contestable, meaning that an array of energy retailers can bid to supply these accounts at negotiated rates. Accounts with an annual consumption of less than 50,000 kilowatt hours (kWh), must be supplied by Synergy at standard, non-negotiable tariffs. Given that consumption can increase or decrease for accounts around the 50,000-kWh threshold, it can be up to the discretion of the energy retailer as to which accounts are considered contestable.

Of the City's 144 electricity accounts, 26 exceed 50,000 kWh per year. The City has been able to negotiate to have 45 accounts listed as being contestable and therefore accessible to more competitive rates. Contestable accounts comprise the bulk of the City's electricity expenditure with the cost of these accounts being \$2.67 million per annum out of the \$2.82 million total.

On 1 June 2018, the City's previous ESA with Synergy expired. Since then, Synergy has continued to supply the City with electricity at non-competitive rates outside of a formal agreement.

In September of this year, Quotations for a new ESA were requested from suppliers to obtain competitive rates for the provision of the City's electricity.

Procurement Process (WALGA)

The procurement process was undertaken through the WALGA preferred supplier panel.

The City also engaged Yeoman Pty Ltd as an electricity consultant to assist with the procurement of a new ESA. Yeoman assisted in the drafting of the quotation, advised the City on options to obtain the contract for the City, and checked the validity of offers.

Suppliers were asked to consider the following in their quotations:

Two and three-year contract options

In consultation with the suppliers, the consultant and City of Perth staff, it was recognised that offers for contracts shorter in term than two years are generally less competitive. The three-year contract option provides the City with better economies of scale and time to explore alternative energy procurement arrangements that are emerging in the market. The preferred quotations received included the 3-year contract options.

Contestable sites

Only contestable sites were included in the request for quotation. Non-contestable sites must remain with Synergy. The City identified the highest possible number of contestable accounts (45 sites) as listed within the existing Synergy agreement. Contestable sites have more competitive rates than non-contestable sites and so it was in the City's interest to have as many contestable sites as possible. Responses received detailed the 45 sites listed.

Renewable Energy

The request for quotation included an option to include "25% green power", currently the option to purchase green power comes at a premium, however officers wanted to have this price included to have this option considered.

In the offers received, the additional cost of 25% green power was considerable (refer to Attachment 6.17A). Given there is no pay-back period for investment in green power, this report, recommends that the City only buy black power enabling the funds saved to potentially be placed in a reserve fund, enabling investment in energy efficiency and renewable energy projects, reducing the City's carbon footprint.

In consultation with the consultant and various City departments – some of these initiatives could include:

- Auditing for energy efficiency and conservation;
- LED lighting retrofits in all City of Perth buildings, facilities (including car-park facilities and public realm lighting;
- The installation of metering and "real time" monitoring infrastructure;
- The move to lower emissions drive trains and motors in building and car park infrastructure; and
- Rooftop solar installations.

Bundled contract structures

Only bundled offers were requested as it was identified that there would be significant administration savings.

Account management

The City requested details on the type of account management, a dedicated account manager and quarterly reports on each account, which should provide the City with as much information as possible regarding the electricity consumption of each account. Until the City investigates the feasibility of metering, monitoring and access to real time electricity consumption across its assets, the information from the suppliers would assist the City to manage its electricity use.

Quotations received:

WA's three largest electricity retailers provided quotations and sample agreements for the ESA.

As recommended by the electricity consultant, two offers emerged as suitable for shortlisting and further consideration by the City, these included offers from Synergy and Alinta. Perth Energy chose not to make an offer for a three-year term.

Value for Money:

While the pricing received by the shortlisted responses had negligible differences, the offer from Alinta detailed a dedicated account manager and quarterly reporting on electricity usage for all accounts.

This will better allow the City of Perth to understand it's energy consumption and detail a strategic approach for sustainable practices moving forward.

Financial Implications:

ACCOUNT NO:	Various
BUDGET ITEM:	Various
BUDGETED AMOUNT:	\$2,668,756 pa (Contestable sites)
AMOUNT SPENT TO DATE:	\$1,014,795.87
PROPOSED COST:	\$1,572,823.18 pa \$786,411.59 (cost of agreement (Jan-July 2020))
BALANCE REMAINING:	\$867,548.54 (saving Jan-July 2020)
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	\$4,718,469.54

All figures quoted in this report are exclusive of GST.

Comments:

A new ESA will reduce the cost of electricity procurement by \$1.1 million per year or nearly 60%. With direction from the City's sustainability officers and continued investment from the City, further

savings in both cost and greenhouse gas emissions are well within the City's scope as it explores energy efficiency, onsite renewable energy, and market-based energy options over the next three years.

The recommendation to enter into a three-year ESA with Alinta provides the City with enough time, financial savings and recorded data to strategically plan its energy management processes, capabilities and infrastructure moving forward into the future.

CONFIDENTIAL ATTACHMENT 6.17A AND 6.17B
ITEM 6.17 - ELECTRICITY SUPPLY AGREEMENT FOR THE CITY OF
PERTH

FOR THE AGENDA BRIEFING SESSION

10 DECEMBER 2019

DISTRIBUTED TO COMMISSIONERS UNDER SEPARATE COVER

Recommendation:

That Council ACCEPTS the most suitable tender, being the accelerated program submitted by Densford Civil Pty Ltd for Wellington Square Enhancement (Tender 003-19/20) at a lump sum price of \$9,514,457.93 (excluding GST).

FILE REFERENCE:	P1038321
REPORTING OFFICER:	Bing Lim, A/Manager Construction
REPORTING UNIT:	Construction
RESPONSIBLE ALLIANCE:	Infrastructure and Operations Alliance
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	27 November 2019
ATTACHMENT/S:	Confidential Attachment 6.18A – Tender Assessment Matrix Confidential Attachment 6.18B – Qualitative Criteria against Price <i>Confidential Attachments are distributed to Commissioners under separate cover</i>

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 Committee to note.</i> |

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

Part 4 of the *Local Government (Functions and General) Regulations 1996 – Provision of Goods and Services*

City of Perth Act 2016**Objects of the City of Perth**

8(1)(d) - to continuously improve the services and facilities provided to the community, visitors and tourists

**Integrated Planning and
Reporting Framework
Implications**

Strategic Community Plan
Strategic Priority - Place

Policy

Policy No and Name: 9.7 - Purchasing

Purpose and Background:

At its meeting held on **25 September 2018**, Council approved the Final Wellington Square Masterplan; noted that the enhancement will be staged over 6 years commencing in 2019; and noted that the detailed design and cost estimate of various enhancement packages will be presented to Council in line with the staging plan.

The procurement of goods and services for this project was divided into packages of work to mitigate and manage procurement risks which may negatively impact the project. The main contract package includes landscape, civil, lighting and electrical works. Long lead items like the automated public toilet and trees were identified to be principal supply items. Playground and artwork installation were packaged separately as they are specialist areas requiring their own standards and processes.

This report now seeks Council approval for the award of the main contractor to deliver the landscape, civil and electrical portions of the work under AS2124 – 1992 General Conditions of Contract.

Details:

An expression of interest process was undertaken to identify and shortlist contractors most capable of undertaking the main contract. Five contractors were invited to tender on the approved main contract scope and additional items. Four submissions were received on 24 October 2019.

Compliance Assessment Summary

A compliance assessment was completed on all tenderers and all submissions were deemed conforming tenders.

Qualitative Assessment against Selection Criteria

The submissions were assessed against the following criteria:

- Construction Execution Management Plan;
- Project Experience;

- Experience and Qualifications of Key Personnel including nominated sub-contractors; and
- Program of works (accelerated and staged multi-year).

Georgiou Group provided a very good response demonstrating understanding of the project requirements and the City's expectations through the methodology detailed. Georgiou also demonstrated relevant project experience with qualified and experienced personnel in undertaking projects of this nature. Georgiou submitted two programs of work (accelerated and staged multi-year) that considered impact to the cricket club, other stakeholders, timing constraints and coordination with other contractors. Georgiou proposed an accelerated 12-month program.

Densford Civil provided a convincing response despite some minor uncertainties. There was good demonstration of plant pathogen management and comprehensive information on Aboriginal importance. Densford has demonstrated experience in completing large scale projects. The two submitted program of works allowed for small sections of the park to be closed at a time. Densford proposed an accelerated 11-month program.

Advanteering provided a detailed and methodical understanding of the project's requirements. They have demonstrated capability in delivering projects that are very similar in nature to Wellington Square, particularly in the development of the Lathlain Redevelopment project. Advanteering did not provide a program for a staged multi-year delivery. Advanteering proposed an accelerated 12-month program.

CivCon provided a marginal response with some minor omissions that did not convince the evaluation panel that requirements could be met. For example, methodology provided did not demonstrate understanding of tree protection or site hygiene requirements. CivCon have not demonstrated previous experience in park upgrades. The two programs of work provided did not demonstrate how the North-West corner of the park will be completed in time for Sorry Day 2020 (which is a key milestone for the project). CivCon proposed an accelerated 9-month program.

The qualitative selection criteria evaluation matrix scores can be found in Attachment 6.18A. Georgiou, Densford and Advanteering were assessed as medium risk, while CivCon was assessed as high risk.

Value for Money

The price difference between accelerated programs and staged multi-year programs is significant. The accelerated program presents as better value for money for the City. The price difference between the lowest and highest tenderer is \$2,366,064.66. The lowest-priced tenderer had the lowest qualitative score and in terms of risk to the City and effective delivery, is not recommended. When qualitative criteria and risk is weighed against price (see Attachment 6.18B), it is clear that the best value for money option is Densford.

Financial Capability

A detailed financial assessment was completed on Densford Civil Pty Ltd on 25 November 2019 and it was assessed that Densford has a strong financial capacity to undertake this contract.

Stakeholder Engagement

There has been internal consultation and the recommendation has been developed in collaboration with directly impacted internal key stakeholders. The project steering group supported the recommendation of an accelerated program as it represented a time saving of 20 months and a cost

saving of \$805,375.11 for this portion of works. The steering group also supported additional scope change items like the water element stepping stones, retaining walls with gabion wall end/corten panel/skateable edges, graphics to the basketball court surface and perimeter lighting. It was requested that the full upgrade of Wittenoom Street (particularly in the asphaltting of the road) is removed.

Financial Implications:

ACCOUNT NO:	PJ11967
BUDGET ITEM:	Wellington Square Enhancement
BUDGETED AMOUNT FY19/20:	\$5,916,345
AMOUNT SPENT TO DATE FY19/20:	\$609,627
PROPOSED COST, THIS CONTRACT FY19/20:	\$5,306,718
BALANCED REMAINING FY19/20:	\$0
PROPOSED COST, THIS CONTRACT FY20/21:	\$4,207,739.93
PROPOSED TOTAL COST:	\$9,514,457.93
ANNUAL MAINTENANCE:	\$361,845
ESTIMATED WHOLE LIFE COST:	To be submitted once playground design is complete

All figures quoted in this report are exclusive of GST.

Comments:

The accelerated program offer provided by Densford demonstrates the best value for money for the landscape, civil and electrical portion of the works for the Wellington Square Enhancement project, taking into consideration qualitative assessment and tender price. The proposal is within the project budget and is considered medium risk in meeting the City's project expectation.

CONFIDENTIAL ATTACHMENT 6.18A AND 6.18B
ITEM 6.18 - TENDER 003-19/20 – WELLINGTON SQUARE
ENHANCEMENT

FOR THE AGENDA BRIEFING SESSION

10 DECEMBER 2019

DISTRIBUTED TO COMMISSIONERS UNDER SEPARATE COVER

**Agenda
Item 6.19**

**Tender 014-19/20 – Bollard Replacement in Hay and Murray
Street Malls – Design and Installation**

Recommendation:

That Council ACCEPTS the most suitable tender, being that submitted by Menchetti Consolidated Pty Ltd (T/As MG Group WA) for Bollard Replacement in Hay and Murray Street Malls – Design and Installation (Tender 014 – 19/20) at a lump sum price of \$1,218,381.00 (excluding GST).

FILE REFERENCE:	P1038648
REPORTING OFFICER:	Doug Bonsu, Senior Electrical Engineer
REPORTING UNIT:	Infrastructure and Assets
RESPONSIBLE ALLIANCE:	Infrastructure and Operations Alliance
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	7 November 2019
ATTACHMENT/S:	Confidential Attachment 6.19A – Tender Evaluation Matrix Confidential Attachment 6.19B – Functional Requirements <i>Confidential Attachments are distributed to Commissioners under separate cover</i>

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 Committee to note.</i> |

Legislation / Strategic Plan / Policy:

Legislation Part 4 of the Local Government (Functions and General) Regulations 1996 – Provision of Goods and Services

City of Perth Act 2016 **Objects of the City of Perth**
8(1)(d) - to continuously improve the services and facilities provided to the community, visitors and tourists

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Strategic Priority - Place

Policy
Policy No and Name: Purchasing

Purpose and Background:

The City has existing security bollards in Hay and Murray Street Malls comprising retractable bollards and fixed bollards. The current retractable bollards were installed in the late 1990's and are now reaching the end of their practicable serviceable life due to reliability, access and parts availability issues.

With the improvements in bollard technology since the original project, the City of Perth (City) has resolved to upgrade and replace the existing bollards to provide the current appropriate level of security to the City's visitors, businesses and residents in these high pedestrian traffic areas, and to deter access of unauthorised vehicles.

The City appointed WSP Australia Pty Ltd in March 2019 to identify and document the design criteria required to meet the relevant bollard safety requirement. A "Design and Construct" tender package was developed along with the required functional specification and compliance criteria to assist the City with selecting the most suitable contractor to complete the bollard replacement works.

The replacement works comprise of the full design, manufacture, supply, delivery, construct, testing and commissioning of retractable bollards that best fits the City aspiration to create a safe and activated capital city.

Details:

On Wednesday, 25 September 2019, tenders were publicly invited for the design and installation of new retractable bollards at Hay and Murray Street Malls. At the close of tenders on Tuesday 29 October 2018, two tenders were received from BOS Civil and MG Group WA. Tenders were to include for two options:

- Retractable Bollard Including Optional Fixed Bollards Replacement; and
- Retractable Bollard Excluding Optional Fixed Bollards Replacement.

Total Lump Sum Amounts for Scope including Optional Fixed Bollards Replacement

BOS Civil Pty Ltd	\$ 1,346,940.08
MG Group WA	\$ 1,659,023.00

Lump sum offers excludes GST

Total Lump Sum Amounts for Scope excluding Optional Fixed Bollards Replacement

BOS Civil	\$ 1,138,757.74
MG Group WA	\$ 1,218,381.00

Lump sum offers excludes GST

The basis of the tender was to design, manufacture, supply, construct, test and commission retractable bollards that best fits the City's aspiration to create a safe and activated capital city.

Contract Arrangements

The works will be delivered under a lump sum contract under AS 4300-1995 General Conditions of Contract for design and construct.

Communications

A communication plan will be developed, and this will be implemented in conjunction with the Contractor's construction management plan following Council approval of the works.

Compliance Assessment

A Compliance Assessment was completed and both submissions were assessed as conforming tenders with minor adjustment following clarification.

Qualitative Assessment against Selection Criteria

The submissions received were assessed against the following criteria:

- Program of Work;
- Previous Experience and Personnel;
- Scope and Methodology;
- Safety, Quality and Environmental Management; and
- Maintenance and Local Support.

Tender Assessment Matrix is included as Confidential Attachment 6.19A. Summary of the evaluation against the qualitative selection criteria is provided below.

Program of Work

BOS Civil submitted a comprehensive program demonstrating good quality submission despite some minor shortcomings. Completion of works is anticipated in May 2020. The proposed program was evaluated as low risk in meeting the City's requirement.

MG Group's program is of adequate quality despite some minor uncertainties. Completion of works is anticipated in July 2020. However, public holidays did not appear to have been included in their program. Their program was evaluated as medium risk submission.

Previous Experience and Personnel

MG Group provided very good supporting project details to demonstrate relevant experience working on civil and bollard installation projects. BOS Civil provided good civil project experience documentation however limited project information was provided for bollard installation works when compared with MG Group.

Scope and Methodology

Both submissions provided a solid understanding of the project requirements and the City's expectations through the methodology detail. Each tenderer had different construction approaches in ensuring access to the mall was always maintained and disruption to the public and nearby business would be kept to a minimum.

Safety, Quality and Environmental Management

MG Group and BOS Civil submitted detailed outlines of their safety, quality and environmental management plans to be implemented. MG Group however submitted certificates of ISO 9001:2015 Quality Management System accreditation and was evaluated as a good quality submission. BOS Civil did not have ISO 9001:2015 accreditation and was evaluated as an adequate quality submission.

Maintenance and Local Support

BOS Civil submitted a comprehensive good quality submission highlighting maintenance operational costs and adequate local support that would meet the City's expectation.

MG Group provided limited details on the operational costs simply stating, with an effective maintenance plan and ensuring that the guidelines are followed, the expected product life expectancy is 10 years and more. Their response time is within 4 hours provided notification is within the mornings.

At the completion of the qualitative assessment, tenderers were ranked as per the below:

1. BOS Civil; and
2. MG Group WA.

Both were evaluated as medium risk in meeting the City's expectations.

Combined Qualitative and Price Assessment

Functional Requirements

Functional requirement is included as Confidential Attachment 6.19B.

Value for Money

The fixed bollards were installed in 2012. They have not yet reached their end of life and still meet the City's functional expectation. Based on the received submissions it does not represent value for money to replace the fixed bollards at this stage. Hence, value for money was only considered for bollard replacement works excluding fixed bollards.

Both tender submissions have been evaluated as medium risk.

From a fundamental safety perspective, the vehicle penetration distance for the solution proposed by MG Group was less than half the distance that the BOS Civil design achieved. This achieves the City's aspiration to create a safe and activated capital city.

The bollards also remain operational after impact, which will minimise disruption to the operation of the Malls. BOS Civil did not provide sufficient supporting information to convince the City that their proposed bollards would continue to operate following impact. If the bollards are not operational after impact, access to the Malls at this location would be impeded until the bollards can be repaired or replaced.

MG Group's proposal demonstrates significant performance advantages over that proposed by BOS Civil. The qualitative scores were very close, and the tender price provided by MG Group was only 7% higher than BOS Civil's tender price. The proposal from MG Group therefore demonstrates the best value for money to the City.

Stakeholder Engagement

Internal consultation has been completed and the recommendation was developed in collaboration with directly impacted internal key stakeholders.

Business owners within 100m radius of the works will be informed of the works 2 months prior to construction and monthly following commencement of works.

Financial Implications:

ACCOUNT NO:	PJ12178
BUDGET ITEM:	Bollard Replacement in Hay and Murray St Malls
BUDGETED AMOUNT:	\$1,438,311.00
AMOUNT SPENT TO DATE:	\$11,221.98
COMMITMENTS:	\$13,620.00
PROPOSED COST:	\$1,218,381.00
FORECAST AMOUNT:	\$195,088.02
BALANCE REMAINING:	\$0.00
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Comments:

The offer provided by MG Group demonstrates the best value for money for the retractable bollard replacement works at Hay and Murray Street Malls, taking into consideration qualitative assessment, tender price, functional requirements and particularly safety objectives. The tender price is 15% below the project budget.

**CONFIDENTIAL ATTACHMENT 6.19A AND 6.19B
ITEM 6.19 - TENDER 014-19/20 – BOLLARD REPLACEMENT IN HAY
AND MURRAY STREET MALLS – DESIGN AND INSTALLATION**

FOR THE AGENDA BRIEFING SESSION

10 DECEMBER 2019

DISTRIBUTED TO COMMISSIONERS UNDER SEPARATE COVER