Ordinary Council Meeting

Notice of Meeting

26 February 2019
6.00pm

Council Chamber
Level 9
Council House
27 St Georges Terrace, Perth WA
6000

City of Perth

Agenda

ORDER OF BUSINESS AND INDEX

1 Prayer/Acknowledgment of Country

2 Declaration of Opening

3 Apologies

4 Question Time for the Public and Notification of Deputations

4.1 Question Time

4.2 Notification of Deputations

5 Members on Leave of Absence and Application for Leave of Absence

6 Confirmation of minutes

Ordinary Council Meeting – 18 December 2018

Special Council Meeting – 15 January 2019

Annual General Meeting of Electors – 15 January 2019

Agenda Briefing Session – 19 February 2019

7 Announcements by the Chair Commissioner

8 Disclosure of Members' interests

9 Questions by Members of which due notice has been given

10 Correspondence

11 Petitions

12 Matters for which the meeting may be closed

In accordance with Section 5.23(2) of the *Local Government Act 1995,* should a Commissioner wish to discuss the content of the confidential attachments in relation to Items 13.6, 13.7 and 13.15, it is recommended that Council resolve to close the meeting to the public prior to discussion of the Item.

Attachment No.	Item No. and Title	Reason
Confidential Attachment 13.6A. 13.6B, 13.6C, 13.6D, 13.6E and	Item 13.6 - Tender 050-18/19 – Maintenance and Construction of Footpaths and Associated Works	s5.23(2)(e)(ii)

Attachment No.	Item No. and Title	Reason
13.6F		
Confidential Attachment 13.7A	Item 13.7 - Tender 054-18/19 – Council House Lighting Upgrade – Design and Installation	s5.23(2)(e)(ii)
Confidential Attachment 13.15B	Item 13.15 – Risk Management Quarterly Update	s5.23(2)(c), s5.23(2)(f)(ii) and s5.23(2)(f)(iii)

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15 Urgent Business

16 Closure

MURRAY JORGENSEN
CHIEF EXECUTIVE OFFICER
21 February 2019

This meeting is open to members of the public

Please convey apologies to Governance on 9461 3250
or email governance@cityofperth.wa.gov.au

INFORMATION FOR THE PUBLIC ATTENDING COUNCIL MEETINGS

Welcome to this evening's Council meeting. 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.

Question Time for the Public

- An opportunity is available at Council meetings for members of the public to ask a question about any issue relating to the City. This time is available only for asking questions and not for making statements. Complex questions requiring research should be submitted as early as possible in order to allow the City sufficient time to prepare a response.
- The Presiding Person may nominate a Member or officer to answer the question and may also determine that any complex question requiring research be answered in writing. No debate or discussion is allowed to take place on any question or answer.
- To ask a question please write it on the white Question Sheet provided at the entrance to the Council Chamber and hand it to a staff member before the meeting begins. Alternatively questions can be forwarded to the City of Perth prior to 3.00pm on the day of the meeting, by:-
  - Letter: Addressed to GPO Box C120, Perth, 6839;
  - Email: governance@cityofperth.wa.gov.au.
- Question Sheets are also available on the City's web site: www.perth.wa.gov.au.

Deputations

Applications for deputations to a Ordinary Council Meeting 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 deputation.

Disclaimer

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

City of Perth

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

BUILDING ALARMS

Alert Alarm and Evacuation Alarm.

KNOW YOUR EXITS

ALERT ALARM

beep beep beep

All Wardens to respond.

Other staff and visitors should remain where they are.

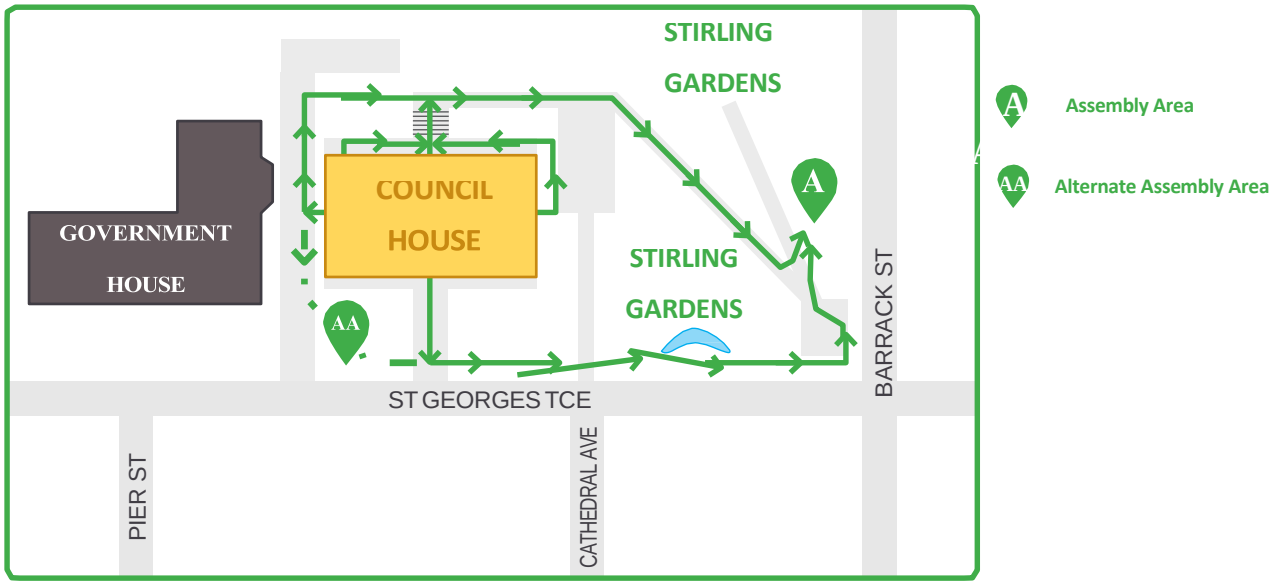
EVACUATION ALARM / PROCEDURES

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



City of Perth

Council Chambers
Seating Layout



Chair Commissioner
Eric Lumsden



Chief
Executive Officer
Murray Jorgensen



Manger Governance
Mark Ridgwell



Director Community and
Commercial Services
Rebecca Moore



Commissioner
Andrew Hammond



Commissioner
Gaye McMath



Personal Aide
Paul Anastas



Acting Director Planning
and Development
Robert Farley



Construction
and Maintenance
Paul Crosetta



Manager
Development Approvals
Margaret Smith



Director
Corporate Services
Robert Mianich



Acting Director Economic
Development and Activation
Daniel High



Governance Officer
Ashlee Rutigliano

Public Gallery

Report to the Ordinary Council Meeting

Agenda Item 13.1 **60 (Lot 6) Thomas Street, West Perth – Proposed Demolition of All Buildings and Structures**

Recommendation:

That:

1. ***in accordance with the provisions of the City Planning Scheme No. 2, the Metropolitan Region Scheme and the Planning and Development (Local Planning Schemes) Regulations 2015 – Deemed provisions for local planning schemes, Council APPROVES the application for the demolition of all buildings and structures at 60 (Lot 6) Thomas Street, West Perth as indicated on the Metropolitan Region Scheme Form One dated 16 February 2016 and as shown on the plans and details received on 20 November 2018, subject to:***

   1.1 the site being:

   a. ***stabilised and maintained dust free; and***
   b. ***landscaped and secured with appropriate perimeter bollards consistent with the adjoining site at 58 Thomas Street;***

   to the City's satisfaction within 60 days of the completion of the demolition of the buildings on-site, with final details of the above aesthetic treatment and security measures to prevent unauthorised vehicle access being submitted to the City for approval prior to being installed and maintained thereafter by the landowner;

   1.2 a demolition management plan for the proposal being submitted prior to any demolition works occurring on site detailing:

   a. ***dust and noise control/monitoring;***
   b. ***demolition methods;***
   c. ***removal of materials from the site, including hazardous and asbestos materials, and resource recovery;***
   d. ***the proximity of services and utilities, including high pressure gas lines;***
   e. ***impact on surrounding streets and footpaths; and***
   f. ***other matters likely to impact on the surrounding properties;***

   1.3 an archive and photographic record of the building proposed to be demolished being submitted to the City within 60 days of the completion of the demolition of the building on-site, with the record being prepared in accordance with the Department of Planning, Lands and Heritage's 'Guide to Preparing an Archival Record', to the City's satisfaction;

(Cont'd)

1.4 all stormwater being contained on-site; and

1.5 no vehicle parking being permitted on the site.

2. as the site partially falls within an Other Regional Roads reserve under the Metropolitan Region Scheme, the Western Australian Planning Commission be advised of Council's conditional approval of the application under City Planning Scheme No. 2 for consideration as part of its separate determination under the Metropolitan Region Scheme.

FILE REFERENCE:	2016/5037
REPORTING UNIT:	Development Approvals
RESPONSIBLE DIRECTORATE:	Planning and Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	11 February 2019
ATTACHMENT/S:	Attachment 13.1A – Location plan Attachment 13.1B – Metropolitan Region Scheme (MRS) Road Widening Plan Attachment 13.1C – Existing buildings/structures Attachment 13.1D – Concept landscaping plan Attachment 13.1E – Existing landscaping treatment for 58 Thomas Street
3D MODEL PRESENTATION:	N/A
LANDOWNER:	Western Australian Planning Commission
APPLICANT:	Department of Planning, Lands and Heritage
ZONING:	(MRS Zone) Urban, Other Regional Roads (City Planning Scheme Precinct) West Perth (P10) (City Planning Scheme Use Area) Office/Residential
APPROXIMATE COST:	$30,000

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☐	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
☐	Legislative	*Includes adopting local laws, town planning schemes and policies*

☒	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislaton

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

Policy

Policy No and Name:

4.1 – City Development Design Guidelines
4.10 – Heritage

Purpose and Background:

The site is located on the eastern side of Thomas Street and currently contains a single storey building that is entered into the City's Heritage List. The building was constructed in 1920 and was originally used for residential purposes before being adapted for use as a commercial premises. It has been disused/vacant for approximately the last 10 years.

At its meeting held **30 August 2016**, Council resolved to grant conditional approval for the demolition of all buildings and structures of the adjoining site at 58 (Lot 5) Thomas Street, West Perth. Approval was granted in recognition of the safety and security issues associated with the site and included conditions relating to the treatment of the site post demolition and submission of an archival record. The site has been landscaped as shown in the relevant attachment to this report.

Details:

The application proposes the demolition and clearing of all structures on the subject site to provide for future widening of Thomas Street. Whilst there is no timeframe for future road widening works, the demolition is proposed in order to address ongoing issues related to unauthorised access, vandalism and squatting which has occurred on the site. Whilst various security measures have been employed to deter such activities onsite, the problems have continued and have also resulted in physical damage to the structure of the building. The removal of the building is proposed to minimise the potential for the site to be used for anti-social purposes.

It is proposed to leave the land unoccupied until required for its reserved purpose. Following demolition, it is proposed to landscape the site to provide a suitable interim treatment and

install bollards on the western and eastern property boundaries to discourage illegal vehicle parking on the vacant site.

Compliance with Planning Scheme:

Development Requirements

In considering an application for or involving demolition, the Council is to have regard to the matters listed in clause 37(1) 'Determination of Application for Demolition' of City Planning Scheme No. 2 (CPS2) which states that:

"(1) In considering an application for or involving demolition, which is not exempt under clause 61 of the Deemed Provisions, the local government is to have regard to the matters listed in clause 67 of the Deemed Provisions and may refuse the application where the local government has not granted approval for the subsequent development of the relevant site."

Given the site is included on the CPS2 Heritage List, the proposed demolition is not exempt from requiring development approval in accordance with clause 61(e)(iii) of the Deemed Provisions.

In addition, Clause 67 'Matters to be considered by local government' of the *Planning and Development (Local Planning Schemes) Regulations 2015 – Deemed provisions for local planning schemes (Deemed Provisions)* requires, among other things, that the aims and provisions of the Scheme, the requirements of orderly and proper planning and the amenity of the locality be taken into consideration when determining an application.

Stakeholder Engagement

No stakeholder engagement was undertaken in relation to this report.

Comments:

Development Standards

The purpose of clause 37 of CPS2 is to avoid situations where buildings are demolished and sites are then left vacant for extended periods, detracting from streetscapes, and impacting on local amenity and city vitality. Generally, Council has refused to approve applications for demolition unless there is a degree of certainty in regard to the timely redevelopment of the site, or where the building may pose a danger on structural grounds.

Road Widening

It is noted that the existing building is effectively 'split' by a MRS Other Regional Roads (ORR) reservation which occupies the front third of the site. The reservation was placed on the site to cater for the future widening of Thomas Street. Whilst the commencement of road widening works has not been confirmed, the ultimate retention of the building as part of any road widening would not be possible, despite the current Heritage List status, given the location of the building within the reserved portion of the Lot. Future demolition of the building is therefore considered an inevitable consequence of the ORR reservation.

Noting the uncertainty over timing for the widening of Thomas Street, it is considered that a consistent approach to the treatment of the site to tie in with the adjacent site at No. 58

Thomas Street is required. It is recommended therefore, that any approval be subject to a condition requiring the site to be landscaped and the perimeter secured with bollards (or similar devices) to prevent any unlawful vehicle access and parking.

Heritage

The site is listed on the CPS2 Heritage List. Generally, the poor condition of a site is not considered adequate justification for demolition. However, due to increased blighting of the building over time and due to uncertainty over the timing of the associated road widening, it is considered that demolition can be supported in accordance with dot point 4 of Section 6.1 of the City's Heritage Policy (4.10) which states:

- *"Where there is significant structural damage to a heritage building, demolition may be approved if there is no practical alternative. Such approval will require the recording for archive of remaining fabric."*

In accordance with the above, it is recommended that any approval be conditioned to require the submission of a detailed archival record of the place including a thorough history and physical description supported by historical photographs.

The applicant provided comments from the Heritage Council of Western Australia (HCWA) dated 31 December 2009 who considered the heritage significance of the site under the Government Heritage Property Disposal Process. The HCWA determined that while the place may have some cultural heritage significance, it was unlikely that it would meet the threshold for entry on the State Register of Heritage Places.

Safety and Security

On 20 November 2018, the applicant submitted a building inspection report which provided a comprehensive review of the current condition of the building. The report stated:

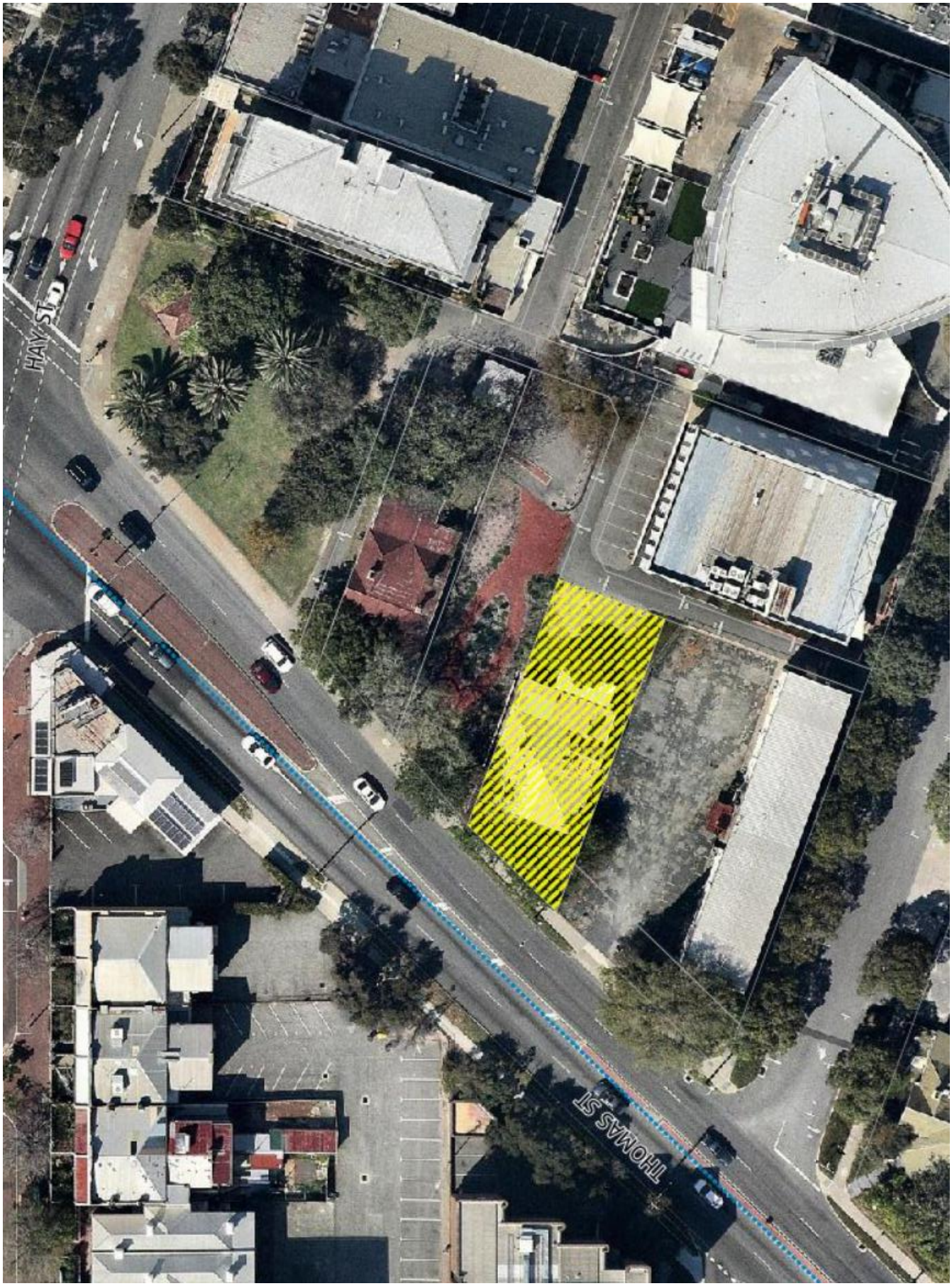
"In summary, we found the dwelling, relative to other buildings of approximately the same age and construction, to be in poor condition with defects present. Due to the extensive remedial works required, it is our opinion that it is not economically feasible to refurbish this property in its current condition."

City officers have attended the site and concur with the above report findings. The demolition of the building and placement of appropriate boundary security and landscaping are therefore considered to be appropriate measures in resolving the safety and security, health and hygiene issues for the property until such time that it is redeveloped and required for road widening purposes. Noting the age and condition of the building it is also considered appropriate to ensure any demolition management plan address matters related to the removal of hazardous materials and asbestos.

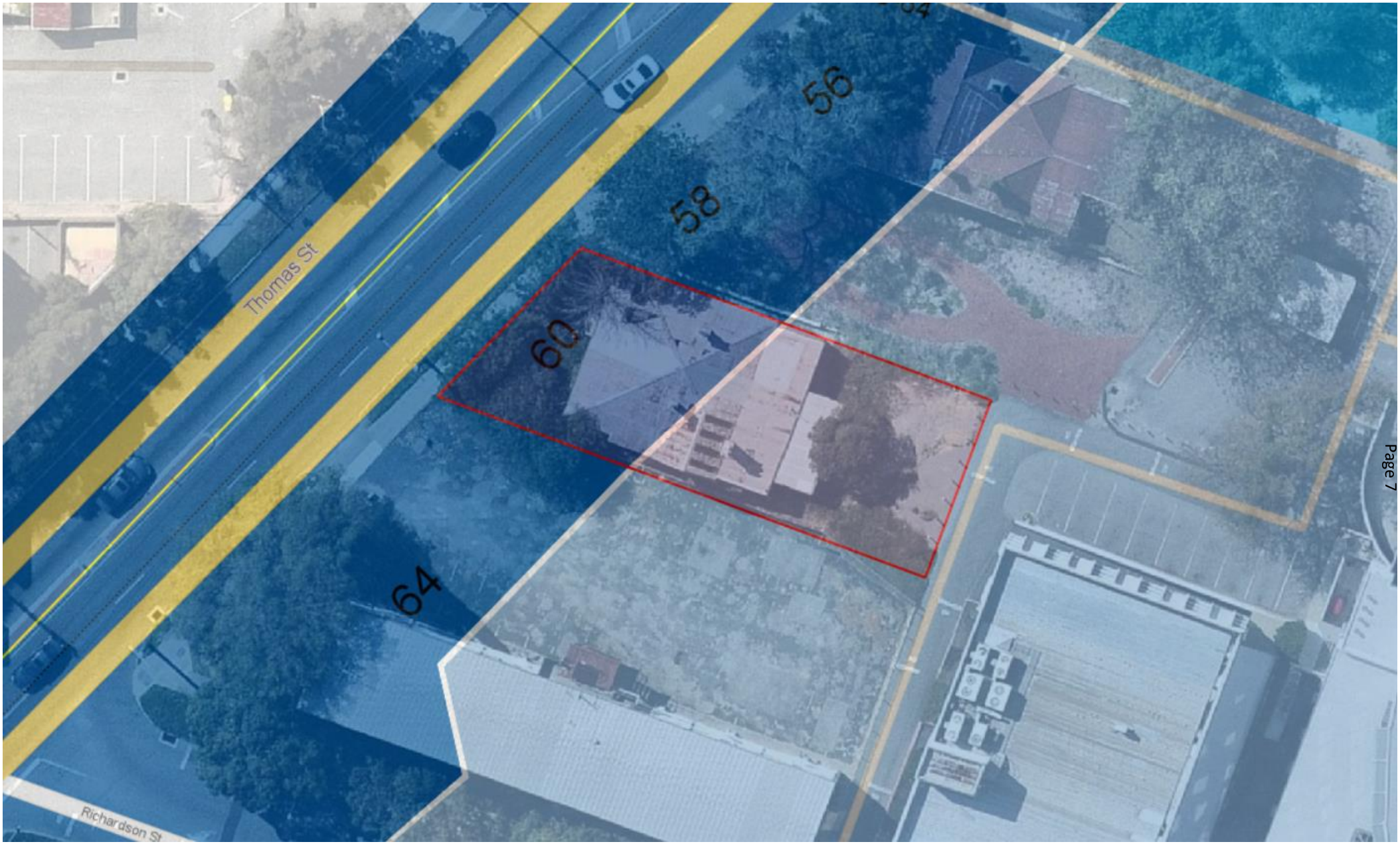
Conclusion

In recognition of the current safety and security issues associated with the site, it is recommended that the proposed demolition works be supported subject to appropriate conditions relating to the treatment of the site post demolition and submission of an archival record. Noting that part of the site falls within an Other Regional Roads reservation under the MRS, it is recommended that the Western Australian Planning Commission be advised of Council's conditional support.

ATTACHMENT 13.1A



2016/5037 – 60 (LOT 6) THOMAS STREET, WEST PERTH



2016/5037 – 60 (LOT 6) THOMAS STREET, WEST PERTH (ROAD WIDENING MRS RESERVATION)



60 Thomas Street, West Perth – Front view



60 Thomas Street, West Perth – Front/side view



60 Thomas Street, West Perth – Rear view

ATTACHMENT 13.1D



Appendix 7 – Lot 6 Concept Plan



POST DEMOLITION LANDSCAPING TREATMENT - 58 (LOT 5) THOMAS STREET, WEST PERTH



POST DEMOLITION LANDSCAPING TREATMENT - 58 (LOT 5) THOMAS STREET, WEST PERTH



POST DEMOLITION LANDSCAPING TREATMENT - 58 (LOT 5) THOMAS STREET, WEST PERTH



POST DEMOLITION LANDSCAPING TREATMENT - 58 (LOT 5) THOMAS STREET, WEST PERTH

Agenda Item 13.2 **Key Sector Development Sponsorship – Forum Advocating Cultural and Eco-Tourism (FACET)**

Recommendation:

That Council:

1. ***APPROVES a Key Sector Development sponsorship to the Forum Advocating Cultural and Eco-Tourism (FACET) for the 2019, 2020 and 2021 Annual Professional Development Events Program ($9,000 p.a) totalling $27,000 (excluding GST) for three years;***

2. ***NOTES the provisional list of sponsorship benefits contained within this report;***

3. ***AUTHORISES the Chief Executive Officer (or an appointed delegate) to negotiate with the applicant, the final list of sponsorship benefits according to the Council approved funding amount; and***

4. ***NOTES that a detailed acquittal report, including any supporting material, will be submitted to the City of Perth within three months of the conclusion of each events program.***

FILE REFERENCE:	P1036602#03
REPORTING UNIT:	Business Support and Sponsorship
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	29 January 2019
ATTACHMENT/S:	N/A

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
☐	Legislative	*Includes adopting local laws, town planning schemes and policies*

☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation Section 8 of the *City of Perth Act 2016*

Integrated Planning and Reporting Framework Implications

Strategic Community Plan
Goal 4 - A future focused and resilient city
Goal 5 - A prosperous city
Goal 6 - A city that celebrates its diverse cultural identity

Policy
Policy No and Name: 18.13 – Sponsorship and Grants

Purpose and Background:

Applicant Details

ABN	65924883562
Entity Name	Forum Advocating Cultural And Eco-Tourism Inc
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed
Goods & Services (GST)	Yes
Endorsed as DGR	No
Tax Concessions	No tax concessions
Main Business Location	6029 WA
ACNC Registration	No

The City of Perth has received a request for a three-year sponsorship totalling $27,000 (excluding GST) from Forum Advocating Cultural and Eco-Tourism (FACET) for their annual Professional Development Events Program.

FACET is a not-for-profit peak tourism body and information resource for the cultural, nature-based and eco-tourism industry.

The organisation was founded in 1991 to promote sustainable development and best practice in cultural and eco-tourism. FACET operates state-wide, representing the cultural, heritage, eco, nature-based and food and wine tourism sectors that contribute to Western Australia's point of difference as a tourism destination.

Their objectives are:

- Promote the sustainable use of WA's cultural and natural resources for tourism;
- Provide opportunities for the community and key stakeholders to raise, discuss and debate issues regarding cultural and nature-based tourism;
- Encourage the tourism industry to deliver an authentic cultural and nature-based tourism experience;
- Foster understanding and appreciation of cultural and natural heritage through appropriate interpretation;
- Advocate and influence government, industry and the public to achieve professional, well managed, ethical conduct in tourism; and
- Ensure that FACET is a self-sustaining organisation.

FACET presents an annual program of forums, workshops and an annual conference showcasing the latest tourism trends and initiatives. They have a membership base of approximately 150 and a wider network of more than 400 industry professionals. Members comprise of representatives from the tourism sector, academia, government agencies, and cultural, ecological and scientific institutions.

Details:

Sponsorship Category	Key Sector Development Sponsorship
Program	FACET's Annual Professional Development Events Program
Program Start Date	01/03/2019
Program End Date	31/12/2021
Venue	Various
Total Project Cost	$75,000
Total Amount Requested	$27,000 ($9,000 per annum) (36% of the total project cost)
Recommendation	**Approve**
Recommended amount	$27,000 ($9,000 per annum) (36% of the total project cost)
Assessment Score	40.66 out of 55 (73.9%)

FACET will present a program of approximately nine events and workshops in 2019, available to members and non-members to attend. Elements of the draft program include:

- Universities and Tourism;
  - Exploring opportunities for industry to connect with university students and research to support their tourism business growth. Working with Curtin University, Edith Cowan University, Murdoch University and the University of Western Australia.
- Capitalising on WA's Unique Flora;
  - Presentations from the Wildflower Capital Initiative, Festival of Lights, tour operator Sylvia Mills, Australia's Coral Coast, RAC, and Department of Biodiversity, Conservation and Attractions (DBCA).
- Heritage and Cultural workshops;
  - Workshops will involve winners of the WA Heritage Awards.
- Local Government Economic Development through Tourism;
- Nature Based and Eco-Tourism Workshop;

- Annual tourism conference; and
- AGM and Art Gallery Tour.

FACET will continue to develop its program of events with its major partners and key tourism industry stakeholders. The organisation has long-term sponsorship relationships with Tourism WA, the Department of Biodiversity, Conservation and Attractions, Heritage Council of WA, Western Australian Indigenous Tourism Operators Council (WAITOC) and several local government authorities.

All events are ticketed, with prices from $40 - $55 for FACET members and $50 - $65 for non-members. A minimum of two events will be hosted within the City of Perth each year. Venues are selected to showcase new or existing tourism developments, or adaptive reuse of heritage buildings, and may include a presentation and tour of the venue as part of the program delivered.

As well as delivering events, FACET provides ongoing support, information and resources to members. As many of these operators are niche, small and independent, FACET works closely with members to build capacity and connect with new networks. Organisers state that creating a positive support network encourages collaboration, adds value to existing business and creates new opportunity.

Funding Impact

FACET is funded through corporate partnerships and sponsorships, as well as income generated from membership fees and event registrations. Organisers state support from the City of Perth will ensure events held within the City are affordable and accessible to attendees.

Previous City of Perth Support (last 5 years)

Year	Project	Amount
2014	FACET Annual Program	$5,000
2015	FACET Annual Program	$5,000
2016	FACET Annual Program	$5,000
2017	FACET Annual Program	$5,000
2018	FACET Annual Program	$9,000
	TOTAL	**$29,000**

Sponsorship Benefits

Organisers will provide the following benefits for the requested sponsorship:

- City of Perth acknowledged as a sponsor on the FACET website with a link to the City of Perth website;
- City of Perth crest on all electronic and printed promotional material for FACET events and communications;
- Verbal acknowledgement of the City of Perth as a sponsor and supporter of FACET at all FACET events;
- An opportunity for a City of Perth representative to deliver a short relevant corporate message/update at appropriate FACET events, as negotiated with FACET Chair;
- FACET will prepare a media release circulated to the FACET database acknowledging City of Perth as a sponsor and supporter of the cultural, heritage, eco and nature based tourism sectors, including arts and hospitality sectors;

- An opportunity to distribute City of Perth promotional material at FACET events where appropriate and approved by FACET Chair;
- The City will be provided with five free memberships, plus two complimentary tickets to FACET events for 2019. These memberships and tickets will be given to external City of Perth stakeholders;
- FACET will work with the City of Perth to assist in promoting City of Perth tourism initiatives and programs to the broader tourism industry through FACET database, events and activities;
- FACET will profile relevant City of Perth programs in the FACET newsletter and the opportunity to include an article in each newsletter (max. 1 page);
- The City of Perth's tourism related programs will be promoted on FACET social media platforms highlighting sponsor status; and
- Opportunity to seek advice from FACET Board members regarding cultural, heritage, eco and nature- based tourism matters.

Key Sector Development Sponsorship | Assessment Score Card

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

Essential Project Criteria *All applications are assessed on the following criteria:*	**Score (5)**
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?	4.17
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?	3.67
Prestige and Significance	
To what extent does the applicant demonstrate prestige and significance?	3.33
Project Plan and Other Funding Sources	
Has the applicant provided evidence of a robust project plan?	3.17
Has the applicant included a budget detailing investment through a variety of funding sources?	3.33
Has the applicant demonstrated what specific elements the City of Perth funding is supporting and what extra capacity the funding will enable	3.83
Sponsorship Benefits	
Please rate the level of benefits and recognition provided to the City	4.00
	Sub total 25.5 out of 35
Additional Project Outcomes *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.*	
Project Outcomes addressed: 4	
Outcome 1. Investment Attraction	N/A
Outcome 2. International Business Development	N/A
Outcome 3. Short term Direct Economic Benefits	2.83
Outcome 4. Long term Economic Development	4.17
Outcome 5. Professional Development, Training and Skill Development	3.83
Outcome 6. Linkages and Knowledge Exchange	4.33
	Sub total 15.16 out of 20
TOTAL ASSESSMENT SCORE 40.66 out of 55 (73.9%)	

Financial Implications:

ACCOUNT NO:	PJ 13955129000007901
BUDGET ITEM:	Administration - Tourism
BUDGETED AMOUNT:	$90,000
AMOUNT SPENT TO DATE:	$50,000
PROPOSED COST:	$9,000
BALANCE REMAINING:	$31,000
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

The remaining sponsorship will be paid in financial years 2019/20 ($9,000) and 2020/21 ($9,000), subject to approval of Council's annual budgets.

Comments:

FACET supports the development of tourism sectors that are unique to Western Australia and the events program that they propose to run will allow greater knowledge sharing and links between established and new entrants in the tourism industry.

This has the potential to help develop the capability of the industry and create long term economic benefits for the City. FACET has developed a point of difference and builds on natural strengths within the industry.

FACET have demonstrated they can deliver high quality events. The recommendation for multi-year sponsorship will help FACET with funding certainty and assist in the delivery of a series of annual events for the tourism industry, particularly at a time when there is increased focus on the sector due to an -1.7% decline in visitor spend for the year ending September 2018.

Agenda Item 13.3 Key Sector Development Sponsorship – Western Australian Indigenous Tourism Operators Council (WAITOC)

Recommendation:

That Council:

1. ***APPROVES a Key Sector Development sponsorship of $30,000 (excluding GST) to WAITOC Association Incorporated (Western Australian Indigenous Tourism Operators Council) for the 'Aboriginal Tourism Export Initiative - Perth 2019';***

2. ***NOTES the provisional list of sponsorship benefits contained within this report;***

3. ***AUTHORISES the Chief Executive Officer (or an appointed delegate) to negotiate with the applicant the final list of sponsorship benefits according to the Council approved funding amount; and***

4. ***NOTES that a detailed acquittal report, including supporting material, will be submitted to the City of Perth within three months of the conclusion of the program.***

FILE REFERENCE:	P1036602#03
REPORTING UNIT:	Business Support and Sponsorship
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	29 January 2019
ATTACHMENT/S:	N/A

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
☐	Legislative	*Includes adopting local laws, town planning schemes and policies*

☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation Section 8 of the *City of Perth Act 2016*

Integrated Planning and Reporting Framework Implications

Strategic Community Plan
Goal 4 - A future focused and resilient city
Goal 5 - A prosperous city
Goal 6 - A city that celebrates its diverse cultural identity

Policy
Policy No and Name: 18.13 – Sponsorship and Grants

Purpose and Background:

Applicant Details

ABN	88 206 818 729
Entity Name	WAITOC Association Incorporated
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed
Goods & Services (GST)	Yes
Endorsed as DGR	No
Tax Concessions	No tax concessions
Main Business Location	6005 WA
ACNC Registration	No

The City of Perth has received a request for a sponsorship of $30,000 (excluding GST) from Western Australian Indigenous Tourism Operators Council (WAITOC) for their 'Aboriginal Tourism Export Initiative - Perth 2019' pilot program.

WAITOC

Established in 2000, WAITOC is a non-profit, membership-based organisation and the peak representative for Aboriginal tours and experiences in Western Australia.

WAITOC's vision is to:

- assist in the creation of a vibrant and authentic Aboriginal tourism industry as a key component of the West Australian tourism industry;
- promote authentic Aboriginal cultural experiences at a state, national and international level; and
- for Western Australia to become the premier destination in Australia for authentic Aboriginal experiences.

WAITOC, in partnership with Breakaway Tourism, have previously delivered the 2017 Perth Aboriginal Tourism Development Program (PATDP) Pilot and 2018 Aboriginal Tourism Development Initiative - Perth (ATDI), both with sponsorship support from the City of Perth.

Aboriginal Tourism in WA

Tourism WA and WAITOC recognise that there is currently a gap in domestic and international visitor access to Aboriginal tourism experiences. Tourism WA statistics show that 82% of international tourists would like to experience an Aboriginal tourism product, however only 26% get to experience this. While international visitor numbers have increased in the year ending September 2018, spend has decreased by 1.7% or $177 million in total terms; more Aboriginal product on the market may assist in an increased spend.

Out of the 129 Aboriginal tourism businesses operating in Western Australia, there are only 20 that meet the 'Export Ready' criteria[1] identified by the Australian Tourism Export Council. While the Perth region hosts 61% of intrastate, interstate and international tourism visitors in Western Australia, Perth offers the state's lowest number of 'Export Ready' Aboriginal tourism businesses. Of the 12 Aboriginal owned and operated tourism businesses in the Perth and surrounding region, only one meets the full criteria of being export ready. The following program will focus on the Perth region.

Details:

Sponsorship Category	Key Sector Development Sponsorship
Program	Aboriginal Tourism Export Initiative - Perth 2019
Program Start Date	03/02/2019
Program End Date	31/12/2019
Total Project Cost	$76,000
Total Amount Requested	$30,000 (39% of the total project cost)
Recommendation	**Approve**
Recommended amount	$30,000 (39% of the total project cost)
Assessment Score	50 out of 65 (77%)

Aboriginal Tourism Export Initiative - Perth 2019 pilot program

[1] Inbound tourism covers all international tourist traffic entering a country. It is also known as 'export tourism' (Australia is the export). Inbound tourism is an important industry in Australia with $41.3 billion total international visitor spend in Australia in 2017. Being export ready means you are ready to engage third party distributors such as inbound tour operators, wholesalers, online travel agents and retailers to sell your product to visitors overseas.

WAITOC has developed a pilot program to develop new and expanded export ready operations for Aboriginal tourism in the Perth region. The program will aim to build on the previous two Aboriginal tourism business development programs delivered by WAITOC in partnership with the City of Perth in 2017 and 2018.

WAITOC will offer eight Aboriginal tourism operators from the Destination Perth tourism region[2] the opportunity to participate in the pilot program. Participants will be selected via Expressions of Interest from established Aboriginal tourism businesses in the greater Perth area. A representative from the Administration of the City of Perth will be invited to sit on the selection panel.

The program will aim to:

- Deliver professional development, mentoring and capacity building;
- Develop business' capacity to appeal to, and service, inbound tourism markets, to assist participating tourism operators in diversifying their markets, access new areas of business, and increase visitor nights and spend in Perth; and
- Lead the way for a broader state-wide export ready initiative to enhance the quality, capacity, visitor experience and economic impact of Aboriginal cultural tourism in Western Australia.

Program participants will receive:

- Approximately $4,000 worth of financial support to grow their business and enhance their operations to facilitate export ready networks and global marketing systems (examples include: industry memberships (for inbound tourism), online booking systems, system training modules, international/domestic consumer online booking channels, digital marketing etc.); and
- Approximately 50 hours of industry consultancy, mentorship and business support from an industry professional, specifically matched to the business. Businesses are supported in the development of business and revenue growth, operational capacity, quality of tourism product, diversification of consumer markets, marketing exposure and active participation in key industry networks.

Key outcomes will include:

- Development of a working Action Plan and export ready operations;
- Implementation or upgrade of digital media presence and capacity e.g. website, social media channels, electronic distribution channels;
- Development of an online booking system (accessible via company website, selected online booking channels, visitor centres);
- Completion of program and external training modules (e.g. Action Plan tasks, Tourism Boost export ready or Australian Tourism Export Council KITE program); and
- Establishment of relationships with key tourism key tourism memberships, agencies and networks to support industry networking, marketing initiatives and export ready networks (e.g. WAITOC, Australian Tourism Export Council, Tourism Council WA).

Key contributors to the project include: WAITOC (lead agent, marketing, support services, funds management, reporting); Breakaway Tourism (program design, delivery, training,

[2] The Destination Perth region consisting of six tourism precincts including Perth City, Fremantle and Rottnest Island, Sunset Coast, Peel and Rockingham, Swan Valley and Darling Range and Avon Valley.

support services, industry agency liaison, mentoring, reporting); Indigenous Business Australia (project funding); and City of Perth (project funding, marketing).

WAITOC has proposed co-funding to be provided by the City of Perth ($30,000) and Indigenous Business Australia ($46,000).

Previous five years of City of Perth Support

Year	Project	Amount
2014	N/A	
2015	N/A	
2016	N/A	
2017	Perth Aboriginal Tourism Development Program Pilot	$15,000.00
2018	Aboriginal Tourism Development Initiative - Perth	$30,000.00
		$45,000.00

Sponsorship Benefits

Organisers will provide the following benefits for the requested sponsorship:

- City of Perth will be recognised as a Government Partner of the Program;
- Inclusion of the City of Perth crest on the new WAITOC website and associated marketing materials;
- Verbal acknowledgements of the City of Perth as a sponsor at relevant events;
- WAITOC to collaborate with the City of Perth to promote the businesses in the program to the wider tourism industry;
- WAITOC to collaborate on marketing activities to do with the program and City of Perth / Destination Perth based businesses;
- Any promotion on social media will highlight the City of Perth where appropriate; and
- An opportunity for City of Perth to seek advice from the WAITOC board members regarding cultural, heritage and nature based tourism matters.

Key Sector Development Sponsorship | Assessment Score Card

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

Essential Project Criteria All applications are assessed on the following criteria:	**Score (5)**
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?	4.33
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?	4.17
Prestige and Significance	
To what extent does the applicant demonstrate prestige and significance?	3.85
Project Plan and Other Funding Sources	

Has the applicant provided evidence of a robust project plan?	4.17
Has the applicant included a budget detailing investment through a variety of funding sources?	3.00
Has the applicant demonstrated what specific elements the City of Perth funding is supporting and what extra capacity the funding will enable	3.67
Sponsorship Benefits	
Please rate the level of benefits and recognition provided to the City	3.83
Sub total 27 out of 35	
Additional Project Outcomes 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.	
Project Outcomes addressed: 6	
Outcome 1. Investment Attraction	3.17
Outcome 2. International Business Development	3.00
Outcome 3. Short term Direct Economic Benefits	3.67
Outcome 4. Long term Economic Development	4.33
Outcome 5. Professional Development, Training and Skill Development	4.50
Outcome 6. Linkages and Knowledge Exchange	4.00
Sub total 22.67 out of 30	
TOTAL ASSESSMENT SCORE 49.67 out of 65 (76%)	

Financial Implications:

ACCOUNT NO:	PJ 13955129000007901
BUDGET ITEM:	Administration - Tourism
BUDGETED AMOUNT:	$90,000
AMOUNT SPENT TO DATE:	$50,000
PROPOSED COST:	$30,000
BALANCE REMAINING:	$10,000
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

Comments:

The Assessment Panel noted the following regarding the application:

- WAITOC should be commended for their work to date. The applicant has a proven record of leading successful initiatives and engagement with the City and in the economic development of Aboriginal businesses that will lead to exponential outcomes in the long term;
- The applicant has identified an issue / opportunity, and responded with a way to solve it. The project responds well to the City's economic development objectives, and will empower business owners and support increased tourism opportunities. The applicant has addressed the project outcomes comprehensively and provided examples;
- By equipping Aboriginal business owners with the skills and resources to ready their business for the international market, the confidence of the industry will increase and may encourage more Aboriginal tourism businesses to start; and

- The project is reliant on City of Perth and Indigenous Business Australia funding to deliver. Another funding partner would provide the project with further stability.

Agenda Item 13.4 **Strategic Event Sponsorship – WA Day 2019**

Recommendation:

That Council:

1. ***APPROVES a Strategic Event Sponsorship of $45,000 (excluding GST) to Celebrate Western Australia (inc) for the 2019 WA Day Festival;***

2. ***NOTES the provisional list of sponsorship benefits contained within this report;***

3. ***AUTHORISES the Chief Executive Officer (or an appointed delegate) to negotiate with the applicant, the final list of sponsorship benefits according to the Council approved funding amount; and***

4. ***NOTES that a detailed acquittal report, including all supporting material, will be submitted to the City of Perth within three months of the conclusion of the event.***

FILE REFERENCE:	P1035585#02
REPORTING UNIT:	Business Support and Sponsorship
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	30 January 2019
ATTACHMENT/S:	N/A

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
☐	Legislative	*Includes adopting local laws, town planning schemes and policies*

☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation Section 8 of the *City of Perth Act 2016*

Integrated Planning and Reporting Framework Implications **Strategic Community Plan**
Goal 1 - A city for people

Policy
Policy No and Name: 18.13 – Sponsorship and Grants

Purpose and Background:

Applicant details

Information from the Australian Business Register

ABN	17 998 993 055
Entity Name	Celebrate Western Australia (inc)
Entity Type	Other Incorporated Entity
ABN Status	Active
ATO Endorsed Charity Type	Not endorsed
Goods & Services (GST)	Yes
Endorsed as DGR	No
Tax Concessions	No tax concessions
Main Business Location	6000 WA
ACNC Registration	No

The City of Perth has received a request for sponsorship of $100,000 (excluding GST) from Celebrate WA to support the 2019 WA Day Festival.

Celebrate WA

Celebrate WA is a not-for-profit organisation responsible for promoting and organising the annual WA Day celebrations; promoting excellence and achievement by Western Australians in all fields of endeavour; and encouraging pride in all things Western Australian.

WA Day Festival

In April 2012, Foundation Day was formally changed to WA Day following bipartisan political support in the Western Australian Parliament. Held annually in the first weekend in June, WA Day Festival is a free, state-wide community event that aims to unite Western Australians of all ages, ethnicities and cultures.

Since 2012, the momentum of the state-wide WA Day Festival has continued to grow each year. The 2018 WA Day Festival surpassed all previous attendance records with over 119,000 Western Australians joining in the nine events held across metropolitan and regional areas of WA.

WA Day aims to be a celebration of all Western Australians, recognising the state's Aboriginal history and the many people from all over the world who have made, and continue to make, Western Australia their home.

In planning the WA Day Festival, Celebrate WA seeks to meet the following objectives:

- Encourage state-wide participation;
- Promote social inclusion and unite all people who call Western Australia home;
- Acknowledge the histories, the diverse cultures and contributions made by Aboriginal people to Western Australia;
- Increase a sense of pride and community, celebrating all that it means to be Western Australian;
- Raise awareness of the history of WA Day, the state's unique heritage, culture and diversity, identity and location; and
- Recognise and celebrate excellence and achievements by inspirational Western Australians.

The City of Perth has not previously sponsored WA Day.

Details:

Sponsorship Category	Strategic Event Sponsorship
Event Title	2019 WA Day Festival
Event Start Date	Sunday 2 June 2019
Event End Date	Monday 3 June 2019
Venue	Langley Park
Event times	10am – 9pm
Expected attendance	105,000 attendees over two days at Langley Park (119,000 state-wide)
Total Project Cost	$3,360,700
Total Amount Requested	$100,000 (3% of the total project budget)
Ticket price	Free-to-the-public
Recommendation	Approval
Recommended amount	$45,000 (1.3% of the total project budget)
Assessment Score	24.3 out of 35 (70%)

Move to Langley Park

Previously held in Elizabeth Quay, the event has now outgrown this space and will move to Langley Park to allow the space for WA Day to further develop and grow. Over 110,000 people are expected to visit Langley Park over the two days.

It is estimated City of Perth fees and charges for Langley Park will be approximately $30,000. The move to Langley Park will also mean that other event costs, such as additional toilets, fencing and electricity, will increase.

Supreme Court Gardens

WA Day originally expressed interest in holding the 2019 event in the Supreme Court Gardens (SCG). The City's Parks Unit advised that due to issues with water drainage in the SCG, and additional concerns around the firmness of the turf in June due to the winter rains, the venue may not be suitable. Parks have also advised that the projected foot traffic of 50,000 per day cannot be accommodated due to the smaller size of the area.

As the mid-section of Langley Park has a sub-surface drainage system installed and handles wet weather well, this has been recommended as the best venue for the 2019 event.

Parks are currently investigating opportunities to improve the drainage at SCG, and will monitor this going forward. If the drainage is improved, the park may be an option for future WA Day events.

2019 WA Day Program

The programming at Langley Park will include two full days of activities and entertainment, designed to appeal to all ages and demographics, including a showcase of WA food and wine, children's activities, theatre, sport, fireworks and entertainment from local performers and artists.

Day 1: Sunday, 2 June 2019, 10am - 10pm

WA Kids Zone	Fun and engaging activities for children including inflatable playground, animals, arts & crafts, roaming performers, silent disco, children's entertainment stage featuring WA music, comedy, magic and dance.
Come 'n Try Sports Zone	Opportunity to play against the Perth Wildcats, Perth Scorchers, Football West, WA Football Commission, WA Archery and more; and cheer on the hugely popular annual WA Day Mascot Race.
Eat Street	A line-up of international food trucks, designed to celebrate WA's multicultural heritage.
Centre Stage	A day of live local music on the main stage.
Comedy Club	Showcase of homegrown WA comedy.
Star Dreaming	An audio-visual immersive experience in the first operational portable dome cinema in Australia. Star Dreaming explores the role the night sky has played for millennia in the daily lives and cultural fabric of the local Aboriginal people in Western Australia.
String Symphony	An engaging and interactive performance installation that uses puppetry to explore connection and community.

WA Day Festival Fireworks	The family program will conclude at 7pm with a fireworks display on the Swan River, featuring a soundtrack celebrating WA artists.
Beats.Bars.Bites	A showcase of Western Australian wine, beers and cider with entertainment from local DJs and acoustic and solo artists. Featuring unique bars showcasing Western Australian wine and boutique brews and food. Over 18's can stay on after the fireworks for a program of local DJs, theatrical stage effects and silent disco.

Monday, 3 June 2019, 10am - 9pm

The Festival will culminate with SOTA (State of The Art), an all ages music festival, featuring a line-up of WA acts, including some of the State's biggest home-grown talent, many returning from national and international tours.

Impact Reporting

Culture Counts have been engaged by Celebrate WA to measure the outcomes and impact of the Festival.

Key findings of the 2018 Report included:

- The study found that the WA Day Festival in Perth provided a total economic impact of over $7.7million;
- Approximately 105,000 visitors attended the 2018 WA Day Festival in Perth. The WA Day Festival attracts a significant interstate and overseas attendance, with 14% of respondents in 2018 indicating they do not live in Western Australia. The Festival has been highly successful at attracting new audiences, with 83% of those at the WA Day Festival and 73% of those at SOTA having attended for the first time in 2018;
- Survey respondents at the 2018 WA Day Festival reinforced the importance of the event and their strong desire to attend the event in the future (89%). Respondents highlighted the WA Day Festival's contribution to making Perth more vibrant, and its role in celebrating the diverse peoples of Western Australia (91%); and
- In addition to the live audience, 2018 SOTA also saw strong outcomes across the board with over 40,000 people from around Western Australia tuning into the concert. Over 90% of participants agreed that SOTA contributes positively to the Western Australian contemporary music sector and promotes local talent.

In 2019 Celebrate WA have again commissioned Culture Counts to evaluate the 2019 WA Day Festival.

Other Sponsors

Other cash sponsors of the event include BHP; State Government of Western Australia; and Lotterywest. In-kind support is received from Seven West Media (Channel 7 Perth, The West Australian, The Sunday Times), Southern Cross Austereo (mix94.5, hit92.9), WA Museum, Burswood Park Board, Deloitte, EY, Herbert Smith Freehills, K&L Gates and Lux Events.

Previous City of Perth Support

The City of Perth has not previously supported this event.

Sponsorship Benefits

Organisers will provide the following benefits for the requested sponsorship of $100,000 (ex GST). The final sponsorship benefits will be subject to negotiation based on the Council approved funding amount.

Designation

For the requested sponsorship, City of Perth would be recognised as a Principal Partner of the event.

Signage & Event Branding Opportunities

- Branding and recognition as Principal Partner on digital sponsor specific signage at WA Day Festival;
- Acknowledgement by MCs over the two-day Festival;
- Opportunity to activate 3x3m marquee at the Festival and hand out branded items and giveaways;
- Access to WA Day Festival branded artwork to use in promotional opportunities throughout the City in the lead up to the WA Day long weekend; and
- Opportunity to promote sponsorship with WA Day Teaser activations in the City in the week leading up to the WA Day Festival, for example, WA Day mascots walking around the city, pop-up lunchtime gig, retailers to serve takeaway coffees in limited edition WA Day/City of Perth cups, retailers feature WA Day themed menu items or meal deals.

Brand and Advertising Exposure

- Principal Partner acknowledgement in full-colour WA Day Festival Guide distributed via The Sunday Times, The West Australian and Street Fighter Human Billboards in high traffic areas (~314,000 guides distributed);
- Activation (if opportunity taken up) pin pointed on full colour, double-sided, A3 WA Day Festival maps (~20,000 maps distributed);
- Opportunity to leverage WA Day Festival social media campaign;
- Logo and organisation profile on Our Partners page of waday.com; and
- Acknowledgement in Celebrate WA Annual Report.

Employee Engagement

- Opportunity to engage City of Perth employees in volunteer roles at the WA Day Festival.

Strategic Event Sponsorship Assessment Score Card

The application was assessed by a three-person assessment panel, consisting of members of the City of Perth administration. Scoring has been averaged for each outcome.

ESSENTIAL OUTCOMES	Score (5)
Does the event have a point of difference making it a drawcard to the City?	3.5
Does the event create a sense of community in the City or one of its precincts?	3.5

To what extent does the event activate a space (or spaces) prioritised for activation by the City?	2.5
Does the event celebrate the diversity of Perth as a capital city?	3.5
Sub Total	**13 out of 20**
ORGANISATIONAL CAPACITY AND SPONSORSHIP RECONIGTION	
Does the applicant have a demonstrated capacity to manage all aspects of the event?	4
Does the event demonstrate financial viability through evidence of support from other government agencies, business or community organisations?	4
Does the event offer adequate benefits/ recognition for the City?	3
Sub Total	**11 out of 15**
TOTAL ASSESSMENT SCORE	**24 out of 35 | (68%)**

Financial Implications:

ACCOUNT NO:	PJ 1395 80430 0000 7901
BUDGET ITEM:	Events Annual Sponsorship
BUDGETED AMOUNT:	$422,000
AMOUNT SPENT TO DATE:	$334,296
PROPOSED COST:	$45,000
BALANCE REMAINING:	$42,704
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Comments:

Assessment Panel comments

- Sponsorship of WA Day will assist Celebrate WA in keeping the flagship event in Central Perth, rather than the event moving to an alternative metropolitan venue;
- WA Day is a free event that provides a great opportunity for the community to congregate in the city over the long weekend. The event assists in driving visitation to the city during the comparatively quiet winter period;
- The event receives a high level of financial support from both the public and private sectors. The assessment panel noted that the marketing costs appeared high for the event which should result in mainstream promotion of the event;
- The applicant should consider engaging with local food vendors in the City of Perth to be involved in the event, in addition to the food trucks; and
- The assessment panel identified opportunities to collaborate on teaser-activations in the lead up to event, which could be used to activate priority areas such as the malls.

Rationale for Recommendation

The recommended funding amount is based on neutralising the costs of the move to Langley Park for the applicant and reflects the expected City fees and charges and the additional event costs identified. City of Perth sponsorship will ensure the event remains in Perth city.

As WA Day receives significant state government and private sector support, officers recommend $45,000 as the appropriate level of support.

Agenda Item 13.5 **2018/19 East End Improvement Grants – Year 2 Applications**

Recommendation:

That Council:

1. ***APPROVES East End Improvement Grants totalling $40,000 (excluding GST) relating to the property at 116 Murray Street as follows:***

   1.1 $20,000 to Lukman Enterprises Pty Ltd to assist with building system upgrades; and

   1.2 $20,000 to Ang Lim and Cie Pty Ltd to assist with the refurbishment and activation of the first floor of the property.

2. ***NOTES that the capital works assisted by the City's grant funding above form part of the desired enhancements of the Stage 1 East End Improvement Model approved by Council at its meeting held 1 August 2017.***

FILE REFERENCE:	P1027658
REPORTING UNIT:	Economic Development
RESPONSIBLE DIRECTORATE:	Economic Development and Activation
REPORT AUTHOR	Nil
DISCLOSURE OF INTEREST:	
DATE:	1 February 2019
ATTACHMENT/S:	Attachment 13.5A – Improvement Model Area Attachment 13.5B – East End Improvement Model End of Year One Presentation Attachment 13.5C – REMPLAN Economic Impact Scenario

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
☐	Legislative	*Includes adopting local laws, town planning schemes and policies*

☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation	N/A
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 1 - A city for people Goal 4 - Future Focussed Resilient City Goal 5 - A prosperous city Goal 6 - Celebrating Cultural Diversity and Identity Goal 8 - A city that delivers for its community
Policy Policy No and Name:	18.13 – Sponsorship and Grants

Purpose and Background:

The city's East End (bounded by Barrack, Wellington and Hill Streets and St Georges Terrace) is located adjacent to the city's core (the Hay Street and Murray Street Malls) and connects this core to redevelopment areas on the eastern riverfront including Optus Stadium, Waterbank and the broader Riverside precinct.

The East End is therefore strategically located and is attracting significant interest for enhancement through public and private investment. In response to proposals to enhance the East End, officers reviewed the City's current policies, models and funding programs to identify avenues from which the City may leverage private investment into its public and private realms. The review incorporated legal advice on private entities operating in the public realm, and the City's ability to provide sponsorships, donations and grants to these types of entities.

At its meeting held on **1 August 2017,** Council approved Stage 1 of a three-year East End Improvement Model (improvement model). The improvement model is an extension of the trial Barrack Street Improvement Model which concluded in December 2017 and saw the City's investment of $403,198 in targeted grants leverage $842,160 of private investment into the improvement model area.

The Stage 1 East End improvement model area (Attachment 13.5A) is located within the boundaries of Barrack, Hay, Murray and Pier Streets and is considered a natural progression to complement the results gained through the Barrack Street Improvement Model Program, and current and programmed public realm enhancement projects including, but not limited to, the Historic Heart of Perth Inc (Historic Heart) art and landscape initiatives to regenerate and encourage visitation to the

city's East End. This has been supported by the City under the Precinct Development Grant Program and the City's East End Revitalisation Masterplan.

The improvement model aims to target property and business owners located within the improvement area, with existing grant programs and business incentives, to leverage public and private realm enhancements to improve the overall appearance, vibrancy and competitive advantage of business in the area, in alignment with the 2018/19 Business Improvement Grant guidelines. Examples include:

- activation of underutilised space and/or adaptive re-use of property;
- improvements to safety and amenity of a local property;
- aesthetic improvements to improve the streetscape e.g. façade repairs and upgrades; and
- shop/office fit outs or refurbishments.

Based on an initial dilapidation audit, Council also received at its meeting held on **1 August 2017**, a 'Preliminary Improvement Snapshot' identifying potential improvement opportunities, mechanisms and options to guide the targeted engagement approach with property and business owners for Stage 1.

In November 2017, each business within the East End Improvement Area received letters from the City detailing the improvement model and encouraging involvement in the program, which included details of all grants available, free graffiti removal services provided by the City, details of key contacts and the opportunity to be involved in City led initiatives. This process was repeated in November 2018 and included distributing a copy of the East End Improvement Model End of Year One Presentation report to all businesses, that included outcomes attributed to the activities of the improvement model program (Attachment 13.5B).

This report seeks grant funding approval from Council with regards to two additional grant applications received in the East End Improvement Grant Program, as part of the Stage 1 East End Improvement Model.

Applicants Details

Applicant 1

Entity Name	Lukman Enterprises
Applicant Name	Verry Lukman
ABN	47 750 465 317
Entity Type	Lukman Enterprises is a Perth based consortia that owns and operates Perth Metropolitan shopping strips and are property developers.
ABN Status	Active
ATO Endorsed Charity Type	N/A

Verry Lukman is the Director of Lukman Enterprise Pty Ltd. He has over 40 years' experience in the property investment and development industry, with experience in Indonesia and Singapore and having migrated to Australia in the early 1980's.

Applicant 2

Entity Name	Ang, Lim and Cie Pty Ltd
Applicant Name	Jonathan Lukman
ABN	71 602 136 621
Entity Type	Commercial Property Developers
ABN Status	Active
ATO Endorsed Charity Type	N/A

Jonathan Lukman has a wide range of business and commercial experience. He is a hands-on entrepreneur, having founded Perth's first premium backpacker's, Kangaroo Inn. Kangaroo Inn's project transformed a run down and derelict five story building into one of Australia's best backpackers, having won consecutive Gold, Silver or Bronze medals in the prestigious WA Tourism Awards in 2014, 2015, 2016, 2017 and 2018.

Details:

Two applications have been received requesting funding to assist with projects within the Stage 1 East End Improvement Model area.

Applicant 1

Applicant Name	Verry Lukman
Project Title	Building System Upgrade
Project Start Date	Thursday, 10 January 2019
Project End Date	Sunday, 30 June 2019
Location	116 Murray Street
Total Project Cost	$55,742
Total Amount Requested	$20,000
Recommended amount	**$20,000**
Assessment Score	24 out of 35 (68.57%)

Project Description

The property located at 116 Murray Street is a two-level building that is occupied by the Good Sammy's Store on the ground floor with the upper floor to be used as commercial office accommodation that has been leased to Ang Lim and Cie Pty Ltd.

The property owners are undertaking an upgrade to the building systems that will include a new fire safety and detection system with brigade monitoring capability, the installation of security surveillance devices, and a new closed-circuit television system installed throughout the entire building. The works will also include upgrades to the NBN (fibre to the premises) internet service to ensure that tenants are able to access the fastest and most reliable internet speeds available.

The property owners are seeking funding support to assist with the upgrades to the building systems.

Assessment Score Card

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

Assessment Details	Panel Avg Score
Criteria Assessment - Score out of 4	
Extent to which project reflects and adds value to the City of Perth's strategic objectives	2.33
The project supports effective implementation of the City's Economic Development Strategy	2.67
The project encourages and promotes diverse business projects that improve Perth's competitive advantage and provide direct benefits to the community	2.00
The project supports local businesses that demonstrate strong market potential and a sound business model	2.67
The project builds, attracts and retains a wide range of innovative businesses from key industries in the city	2.67
The project provides aesthetic improvements to the private realm to improve the streetscape and the overall desirability of the locality for commerce	2.67
The application included a detailed project plan providing evidence that an equal financial contribution to the project can be made	2.67
Documentation Assessment - Score out of 1	
Applicant has provided a project or initiative scope	1.00
Applicant has provided a business plan	1.00
Applicant has provided documents demonstrating investment	1.00
Applicant has provided budgeting and forecasting evidence	1.00
Disclosure Assessment – Score out of 1	
Applicant has disclosed any known relationships with quote providers	0.67
Applicant has disclosed other funding sought or received by the City	1.00
Applicant has disclosed any development based incentives received for the property and/or business	0.67
TOTAL AVERAGE ASSESSMENT = SCORE 24.02 out of 35	

Applicant 2

Applicant 1	Jon Lukman
Project Title	Stage 2 – Upper Floor Activation
Project Start Date	Wednesday, 9 January 2019
Project End Date	Sunday, 30 June 2019
Location	Unit 2, First Floor, 116 Murray Street
Total Project Cost	$42,661
Total Amount Requested	$20,000
Recommended amount	**$20,000**
Assessment Score	22.68 out of 35 (64.8%)

Project Description

A multi-staged redevelopment and refurbishment of the upper floor at 116 Murray Street Perth is currently underway that will allow for new offices, workstations, meeting rooms, a boardroom, new bathrooms and storage areas. Stage 1 (completed December 2018) involved the stripping out of the existing fit-out (walls and ceiling) and the procurement of assets such as lighting, electrical equipment and new double-glazed windows.

Stage 2 of the refurbishment will include the installation and fit-out of three offices, a new board room, shower, lunch room and storage area that will allow for up to 10 jobs to be activated within the completed Stage 2 area. The remaining stages of the redevelopment and refurbishment will include the activation of the rear of the upper floor into a co-working space with additional storage areas connecting to the carpark at the rear of the building. These stages will be completed over the next two years.

The project proponent is seeking funding support to assist with Stage 2 of the upper floor refurbishment and activation.

Assessment Score Card

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

Assessment Details	**Panel Avg Score**
Criteria Assessment - Score out of 4	
Extent to which project reflects and adds value to the City of Perth's strategic objectives	2.00
The project supports effective implementation of the City's Economic Development Strategy	3.00
The project encourages and promotes diverse business projects that improve Perth's competitive advantage and provide direct benefits to the community	2.33
The project supports local businesses that demonstrate strong market potential and a sound business model	2.33
The project builds, attracts and retains a wide range of innovative businesses from key industries in the city	2.67
The project provides aesthetic improvements to the private realm to improve the streetscape and the overall desirability of the locality for commerce	2.67
The application included a detailed project plan providing evidence that an equal financial contribution to the project can be made	2.33
Documentation Assessment - Score out of 1	
Applicant has provided a project or initiative scope	1.00
Applicant has provided a business plan	0.67
Applicant has provided documents demonstrating investment	0.67
Applicant has provided budgeting and forecasting evidence	1.00
Disclosure Assessment – Score out of 1	
Applicant has disclosed any known relationships with quote providers	0.67
Applicant has disclosed other funding sought or received by the City	0.67
Applicant has disclosed any development based incentives received for the property and/or business	0.67
TOTAL AVERAGE ASSESSMENT = SCORE 22.68 out of 35	

Financial Implications:

ACCOUNT NO:	PJ13606097000007230
BUDGET ITEM:	Economic Development Officer
BUDGETED AMOUNT:	$50,000 (specific East End Improvement Grants allocation)
AMOUNT SPENT TO DATE:	$0
PROPOSED COST:	$40,000
BALANCE REMAINING:	$10,000

ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

All figures quoted in this report are exclusive of GST.

Comments:

The property is in an area that has seen considerable investment from the City through enhancements with McLean Lane and a soon to be completed lighting upgrade for Murray Street between Pier and Barrack Streets. The projects will complement current and programmed public realm enhancement activities including but not limited to Historic Heart's art and landscape initiative that has been supported by the City with a $300,000 matched funded Precinct Development Grant and the City's East End Revitalisation Masterplan.

The City has undertaken an extensive due diligence process to confirm the eligibility of both proponents for this grant product against the grant guidelines due to their relationship as family members (father and son). Both business entities are not connected and operate under individual Australian Business Numbers (ABN's) and are separately registered as business entities with the Australian Securities Investment Commission (ASIC).

It is recommended that Council award two East End Improvement Grants as detailed in the recommendation section of this report. The City's contribution of $40,000 leverages a further $58,133 of private investment by the proponents into enhancements of the city's East End.

It is estimated that the impact of the overall investment into the City's economy because of these activities will generate ten jobs directly (related to the upper floor activation project) and a further thirteen jobs generated in the Perth economy that are related to the increased consumption and growth within the local supply-chain (Attachment 13.5C).

Location Plan | East End and Improvement Area



East End Improvement Area


THE
SALVATION
ARMY

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Background

At its meeting held on 1 August 2017, the City of Perth Council approved Stage 1 of a three-year, East End Improvement Model. The improvement model is an extension of the trial Barrack Street Improvement Model which concluded in December 2017.

- Barrack Street Improvement Model Program (2015-2017)

The City's targeted three-year improvement model along Barrack Street resulted in $403,198 of the City's Heritage, Small Business and Business Improvement Grant Programs generating $842,160 of private investment at the low end, to a top end of approximately $4,161,824 in private investment (should all submitted Development Applications be undertaken) for enhancements across 19 sites located on Barrack Street.

The actions of the improvement model in Barrack Street were a welcome addition and relief to local traders, which has assisted in stabilising the area during some of the most challenging economic times across the City. The area has attracted new tenancies that operate later into the evenings, adding critical passive surveillance which dissuades crime and anti-social behaviour. Examples of outcomes achieved through this program are outlined below:

Removal of steel grills and restoration back to original heritage state	
Before	**After**
	
	

- Why the East End of Perth?

Over the past decades, the East End of Perth, a critical city neighbourhood has experienced deterioration in its vitality and appeal to residents, workers and tourists. The East End Improvement Model is aimed at improving a targeted area within the East End of Perth by applying the improvement methodologies and strategies used within the Barrack Street Improvement Model program.



Hay Street



Cnr Hay & Pier Streets



Cnr Murray & Pier Streets

- East End Improvement Model Area

The East End of Perth is an area spanning from Barrack Street in the west to Hill Street in the east. The area selected to focus resources and intention for Stage 1 of the East End Improvement model is located within the parameters of Barrack, Hay, Murray and Pier Streets.

This area was considered a natural progression to complement the results gained through the Barrack Street improvement model program and the City's Hay Street Mall and East End Revitalisation Plans. The area also synergised with current and programmed public realm enhancement projects, including but not limited to the Historic Heart of Perth Inc's art and landscape led initiative to regenerate and encourage visitation to the city's East End, and the recently commenced augmented reality ArtWalk by Activate Perth.



Improvement model snapshot

The improvement model is aimed at targeting property and business owners located within the improvement area, with existing City grant programs and business incentives to assist in leveraging public and private realm enhancements that will improve the overall appearance, vibrancy and business competitive advantage of the area. Examples include:

- cleaning, painting, improving material finishes and building presentation;
- upgrading and/or rationalising existing signage;
- maintenance works to canopies over the footpath; and
- providing improvements to the heritage fabric of buildings.

Over the course of year one of the program, officers from the City's Economic Development Unit (EDU) have engaged with businesses and land owners in the improvement model area to make them aware of the intentions of the improvement model program, and of the unified approach and support available to assist in responding to the City's focus on improving the vitality and appeal of the area to residents, workers and tourists to the City.

- Summary of Year One Activity

The outcomes of the first year of the East End Improvement Model project have become more visible to residents, workers and visitors to the area since the commencement of the project in August 2017. This has included the resolution of over 50% (Table 1) of the listed dilapidation issues reported in the inception of the project, and an approximate 5% (Table 2) reduction of street level vacancies within the original 79 tenancies within the improvement model area. These have been largely influenced by developments and interventions of the private sector, the City's targeted revitalisation plans to upgrade the public realm, and through EDU's case management assistance provided to property and business owners.

- Actionable Dilapidation Issues

The improvement model has successfully aligned activities, services and teams across council to assist in addressing over 50% of the actionable dilapidation issues identified in an audit of the area in August 2017, as follows:

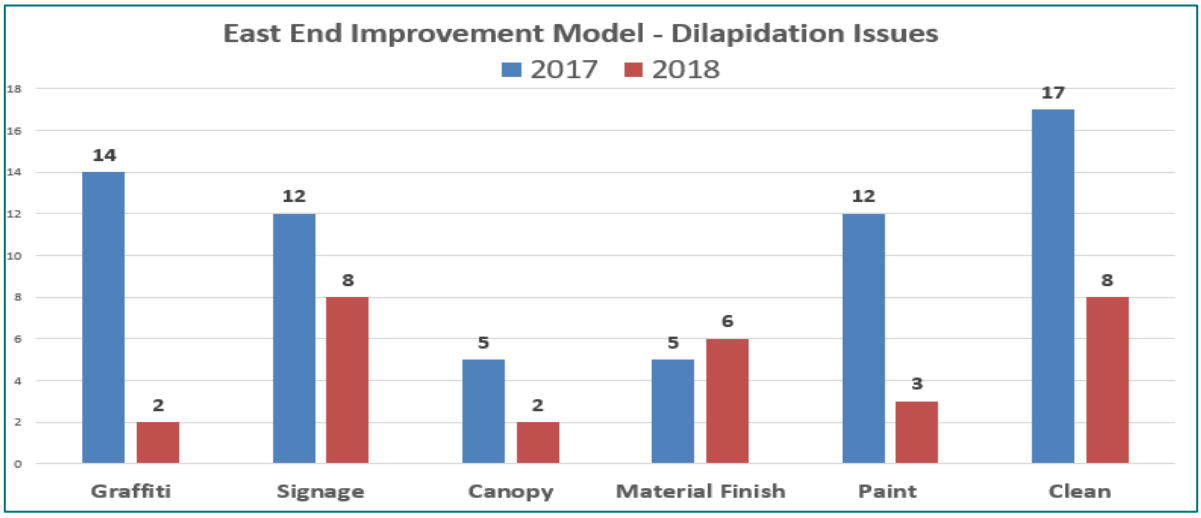


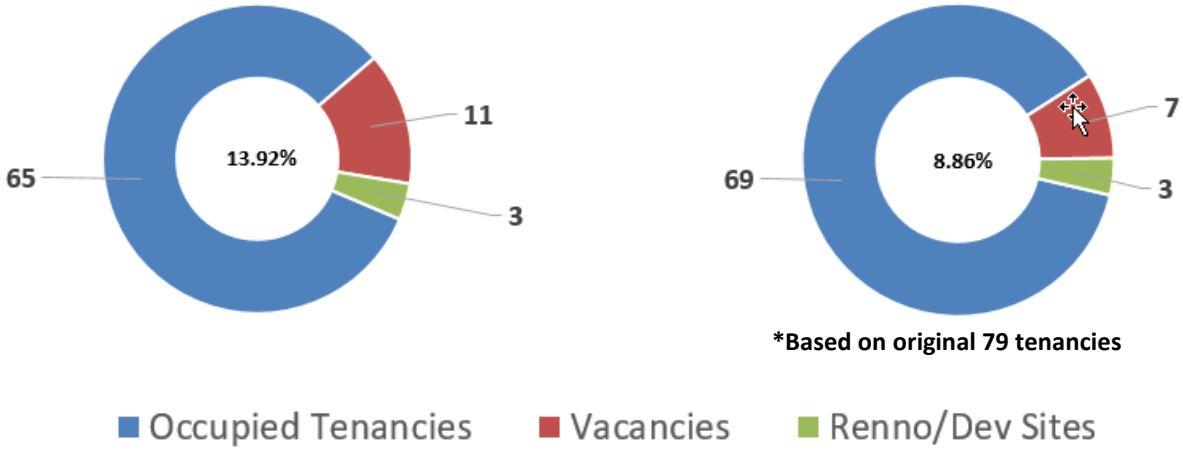
Table 1: Actionable Dilapidation Issues

Most of dilapidation issues resolved over the course of year one have been triggered through property and business owners undertaking standard renovation and upgrade activities.

- Street Level Vacancies

The number of overall vacancies within the improvement model area has reduced by over 5% since the commencement of the program in August 2017. Of the 79 street front tenancies, four new businesses have opened in the improvement model area in the year to end of August 2018.

2017	* 2018



NB: Additional Tenancies have been added within Mclean Lanes since the commencement of the project

Table 2: Street Level Vacancies

- New Business Entries

Four new businesses in the Improvement Model area

(occupying existing street level vacancies)

1. 585 Hay Street

Breadhouse

- Offering a range of freshly baked breads, housemade sweets and savouries displayed in a "buffet" arrangement.



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2. 565-579 Hay Street

Hair Collection Tokyo

- Offering high quality hair products from Japan coupled with "the finest hospitality with a philosphy to captivate the senses."



3. 7/542 Pier Street

Downtown Kebab

- Offering Pizza and Kebabs until 2am.



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4. 1/88-96 Murray Street (CPP/Property leased site)

Seoul BBQ

- Offering authentic Korean BBQ meats and seafood.



- Completed re-development sites

QT Hotel - 5 star hotel, luxury rooms and rooftop bar

133-141 Murray Street

FORMER GREATER UNION CINEMAS



NEW 18 FLOOR 5 STAR HOTEL



Highlights

ROOFTOP BAR



5 STAR ROOMS



State Electricity Head Quarters - Refurbishment of site to original heritage state

128-132 Murray Street

Historical Photos







Site prior to restoration



Restored Site



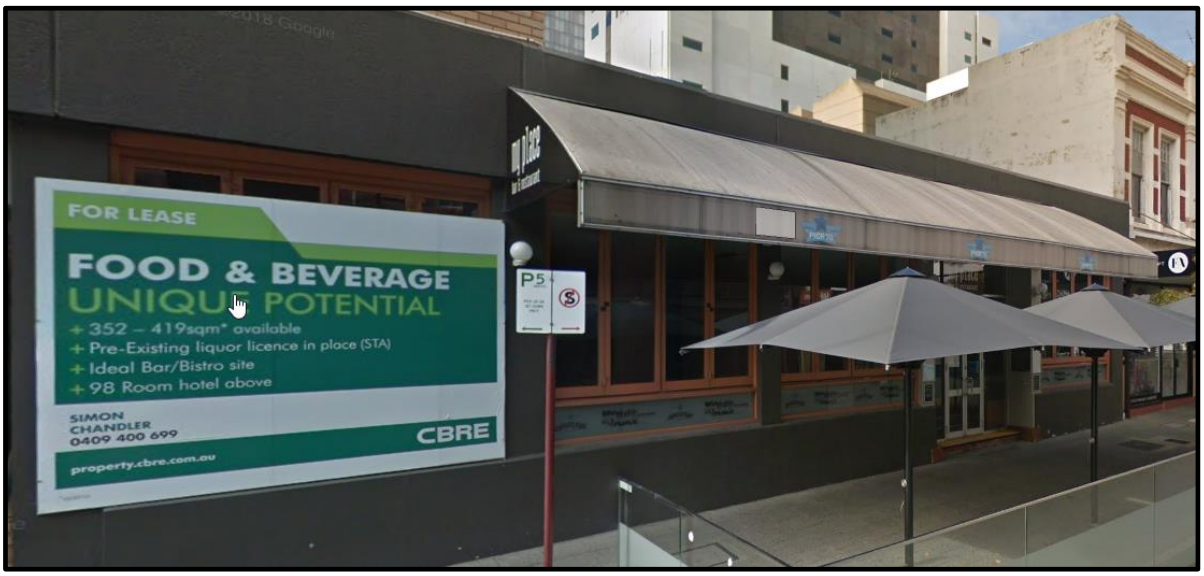
Highlights

- Façade and internal restoration of the *Inter-War Free Classical Style* place built in 1927.
- Historic Heart of Perth Inc. currently activating the restored street frontages with pop-up displays.

- Current sites being re-developed/renovated

My Place Bar and Bistro Building

70 Pier Street



Highlights

- Existing bistro fit-out and restaurant set up attached to the Pensione Hotel.

Kings Hotel (2017/18 listed site renovation yet to commence)

525 Hay Street



Highlights

- Renovation and redevelopment of existing Hotel site.

HBF Building Site & private laneway activation

125-129 Murray Street

Existing Site and Private Laneway



Building



Laneway

Artist Impression of redeveloped site



Examples of potential laneway activiation





Highlights

- 3 x new street front tenancies. Activation of derelict laneway.

- Crime / Antisocial Behaviour

In recent times, the area within the improvement model area has had a larger proportion of crime and anti-social activity than comparable areas. While there is no available "directional" WA Police data to correlate these instances to the improvement model area, Officers from the City's Community Safety and Amenity Unit (CAS) have cited that while the City undertakes frequent patrols in conjunction with the efforts of the WA Police, the area remains a centre for anti-social behaviour.

Elements of the improvement model strategy, namely the targeted East End Improvement Model grant program has assisted the Kangaroo Inn Hostel (123 Murray Street) to enhance Closed-Circuit Television (CCTV) capacity through support of a $10,000 grant. The additional capacity has been targeted towards the installation of key devices in "black spot" areas within the Hostel's private realm areas, that complement the City's own CCTV network in the public areas of the improvement model area along Murray Street between Barrack and Pier Streets.

Furthermore, CAS are continuing to increase the capability of the City's CCTV network, through the implementation of smarter technologies to enhance the monitoring, assessing and responding to anti-social behaviour within the improvement model area.

Grant Assistance Programs

The City's grant programs and business incentives have assisted in stimulating and encouraging community associations, local business and land owners to consider renovations to property, enhancing CCTV security in private areas, upgrades to historical building facades and art and landscape initiatives. Specific funding of $50,000 for the East End Improvement Grant Program was included in the 2017/18 EDU Budget to also assist with enhancements specific to the Stage One improvement model area. The targeted grant program has assisted in stimulating and encouraging local business and land owners to address the numerous dilapidation and compliance issues identified at the inception of the project in 2017. This has assisted in creating new tenancies and creating employment to the improvement model area throughout year one.

In total, the City received three applications for East End Improvement Grants requesting funding to assist with projects within the Stage 1 East End Improvement Area in year one, and assisted in the development of one Heritage and a Precinct Development Grant application as follows:

Grant Type	Amount ($)	Business	Project	Location
East End Improvement	$20,000	Hifumiya Udon Noodle House	New Business Fit – Out	McLean Lane
Small Business Grant	$5,000	Hifumiya Udon Noodle House	Signage	Mclean Lane
East End Improvement	$10,000	Makmal Capital	Activation of underutilised areas	McLean Lane
East End Improvement	$10,000	Kangaroo Inn	CCTV Upgrade	123 Murray St
Heritage	$82,750	Salvation Army Building	Façade restoration	48 Pier Street
Precinct Development	$300,000	Historic Heart of Perth Inc	Art and Landscape Initiative	To be finalised
TOTAL APPROVED	**$427,750**			

Details of East End projects activated via City Grants and Business Incentives:

- Hifumiya Udon Noodle - 100/104 Murray Street (McLean Lane)

East End Targeted Grant total : $20,000 / Total Project Cost: $130,000

- Hifumiya Udon Noodle House is new a Japanese restaurant that opened in Perth's East End in March 2018, specialising in authentic Japanese cuisine, specifically, udon noodles and tempura (deep-fried vegetables and seafood).



- Makmal Capital 100-104 Murray Street

East End Targeted Grant Total: $10,000 / Total Project Cost: $99,384

- Makmal Capital, owners of the property located at 100-104 and along McLeans Lane collaborated with the City of Perth to deliver combined improvements to the property to cater for the development of façade upgrades to allow for three new food and beverage tenancies and disability access.



- Kangaroo Inn 123 Murray Street

East End Targeted Grant Total: $10,000 / Total Project Cost: $34,681

Interior & Exterior expansion of private CCTV network to allow for increased coverage of publicly interfacing public areas of the building along Murray Street and adjacent private laneway.



- Salvation Army Building – 48 Pier Street

Heritage Grant Total: $82,750 / Total Project Cost: $165,500

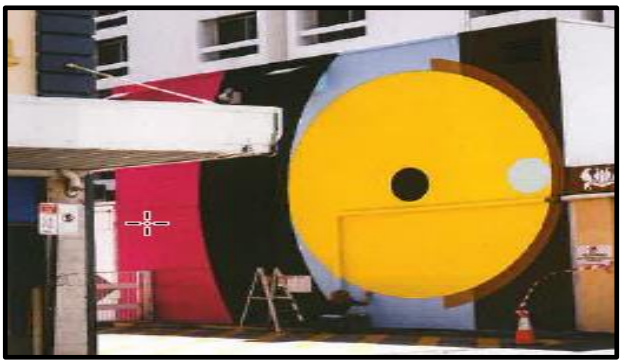


- Significant restoration works to the façade of the building to improve the visual appearance of the building and to ensure the building is well-preserved into the future.

To be completed in 2019

- Historic Heart of Perth Inc

Precinct Development Grant Total: $300,000 / Total Project Cost: $600,000



- Stage 2 Art and Landscape Imitative to installation of 65 planter boxes and benches, three murals and laneway lighting.

To be completed in 2019

Comments

The City has budgeted an additional $50,000 of grant funding towards the improvement model for 2018/19. Officers are currently providing case management support to property and business owners in the improvement model area to ensure the momentum created and the positive business engagement generated within year one of the project is maintained into 2018/19.

This will include tracking any impact the improvement model is having on the gross rateable value of properties in the improvement model area, ensuring local traders are enrolled into targeted events such as the Business Safety Workshops conducted by the Business Support and Sponsorship Unit (BSS) and to continue to work with the Property Unit (PU) to align activities of the improvement model strategy with the commercial leasing strategy surrounding City owned properties within the improvement model area e.g. The Gasworks building & Pier Street Carpark.

Furthermore, EDU will continue to comminicate improvement model activities to the City through the Economic Development Working Group – East End meetings and as requested. The City, through EDU, will also continue to liaise with Historic Heart, Activate Perth and other related groups to provide advice and support if needed as further interventions and activities commence throughout 2018/19.

- Estimated impact of private investment as a result of the current East End Improvement Model grant applications.

REMPLAN

Impact Summary

Impact Summary	Direct Effect	Supply-Chain Effect	Consumption Effect	Total Effect	Type 1 Multiplier	Type 2 Multiplier
Output ($M)	$3.098	$1.731	$2.543	$7.372	1.559	2.380
Employment (Jobs)	10	5	8	23	1.500	2.300
Wages and Salaries ($M)	$1.394	$0.500	$0.591	$2.485	1.359	1.782
Value-added ($M)	$1.704	$0.823	$1.358	$3.885	1.483	2.280

Agenda Item 13.6 **Tender 050-18/19 – Maintenance and Construction of Footpaths and Associated Works**

Recommendation:

That Council ACCEPTS the most suitable tender, being that submitted by MXMLXX Pty Ltd as trustee for the PaveWA Holding Family Trust trading as Access Brick Paving and PaveWA, for the maintenance and construction of footpaths and associated works for a period of three years commencing 15 March 2019 with the option to extend for a further two years in accordance with:

1. ***Confidential Attachment 13.6A – Rates – Normal Hours;***
2. ***Confidential Attachment 13.6B – Rates – Outside Normal Hours;***
3. ***Confidential Attachment 13.6C – Rates – Road Traffic Management; and***
4. ***Confidential Attachment 13.6D – Additional Costs for the first year with each subsequent year increase based upon the Consumer Price Index for the preceding year.***

FILE REFERENCE:	P1037004
REPORTING UNIT:	Street Presentation and Maintenance
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	31 January 2019
ATTACHMENT/S:	Confidential Attachment 13.6A – Rates – Normal Hours Confidential Attachment 13.6B – Rates – Outside Normal Hours Confidential Attachment 13.6C – Road Traffic Management Confidential Attachment 13.6D – Additional Costs Confidential Attachment 13.6E – Evaluation Matrix Confidential Attachment 13.6F – Cost Modelling – Multipart Project *(Confidential Attachments are distributed to Commissioners under separate cover)*

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*

☐	Legislative	*Includes adopting local laws, town planning schemes and policies*
☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation	Part 4 of the *Local Government (Functions and General) Regulations 1996*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 2 - An exceptionally well designed, functional and accessible city
Policy Policy No and Name:	9.7 – Purchasing

Purpose and Background:

Tender 050-18/19 – Maintenance and Construction of Footpaths and Associated Works was advertised in the West Australian on Wednesday, 31 October 2018. Tenders closed at 2.00pm on Thursday 20 November 2018, with the following tenders received:

- Power Paving Pty Ltd;
- Maintenance and Construction Services Pty Ltd;
- Dowsing Group Pty Ltd;
- Civcon Civil and Project Management Pty Ltd;
- Hoskins Investments Pty Ltd AMF M R Hoskins Family Trust trading as Hoskins Building Services; and
- MXMLXX Pty Ltd as trustee for the PaveWA Holding Family Trust trading as Access Brick Paving and PaveWA (MXMLXX).

In accordance with the Footpath Asset Management Plan, the City replaces the majority of footpaths at the end of their 30 year useful life. In the Central Business District (CBD), the useful life is reduced to 15 years due primarily to the greater concentration of external activities such as telecommunication repairs and installations, building maintenance and the high volume of foot traffic. On average the City replaces 10,000m² of paving each year with further areas being lifted and re-layed for maintenance purposes.

Tenders were called for a single service provider to undertake these works. Tenderers were required to provide two major project teams and two maintenance teams. As such, tenderers were permitted to utilise sub-contractors if and when required.

Details:

Tenderers were required to address the selection criteria in the specification in detail to demonstrate both their experience and ability to install footpath paving and associated works and to submit a Form of Tender that included a Schedule of Rates.

The criteria were:

- Resources – Plant and Equipment;
- Resources – Personnel;
- Previous Experience; and
- Safety Management Expertise.

The six submissions were assessed and ranked according to the criteria with particular emphasis on relevant experience and resources, predominantly in respect to plant, equipment and trained labour. Each submission was assessed individually and ranked in order of merit against the qualitative criteria.

Submissions were ranked as follows:

1. MXMLXX Pty Ltd (MXMLXX) as trustee for the PaveWA Holding Family Trust trading as Access Brick Paving and PaveWA.

   MXMLXX provided a very thorough and complete submission addressing all criteria. Access have substantial experience undertaking the required works, particularly in a city environment, and have been the City's contractor for the last nine years, initially as member of a panel of service providers and then, for the last four years, as the sole service provider.

2. Power Paving Pty Ltd (Power Paving)

   This company provided a relatively thorough submission addressing all criteria. The company Principals have a reasonable level of experience working in a city environment having been a City contractor under previous contracts.

3. Civcon Civil and Project Management Pty Ltd (Civcon)

   Although Civcon provided an adequate submission addressing all criteria, some information in their responses was not relevant to the works to be carried out under this contract. Civcon proposes utilising a sub-contractor to undertake the works.

4. Hoskins Investments Pty Ltd AMF M R Hoskins Family Trust trading as Hoskins Building Services (Hoskins)

   Hoskins provided a marginal offer addressing all criteria with some minor omissions. The company primarily undertakes and manages building maintenance and has minimal on-street experience. Their submission proposes the use of a sub-contractor to undertake the works required under this contract.

5. Dowsing Group Pty Ltd (Dowsing)

   Dowsing addressed all criteria but failed to provide three of the four required Schedule of Rates and were consequently eliminated from the evaluation process.

6. Maintenance and Construction Services Pty Ltd (Maintenance and Construction Services)

   This company failed to provide any of the required information including the Form of Tender and responses to the Selection Criteria and could not be considered further.

Stakeholder Engagement

No stakeholder engagement was undertaken in relation to this report.

Financial Implications:

ACCOUNT NO:	Various Operating Accounts
BUDGET ITEM:	Transport – Streets, Roads, Bridges, Depots – Footpaths
BUDGETED AMOUNT:	$24,728,482
AMOUNT SPENT TO DATE:	$9,259,482
PROPOSED COST:	$190,614
BALANCE REMAINING:	$15,308,386
ANNUAL MAINTENANCE:	NA
ESTIMATED WHOLE LIFE COST:	NA

ACCOUNT NO:	Various Capital Accounts
BUDGET ITEM:	Transport – Streets, Roads, Bridges Depots – Footpaths
BUDGETED AMOUNT:	$9,568,543
AMOUNT SPENT TO DATE:	$1,881,300
PROPOSED COST:	$1,142,020
BALANCE REMAINING:	$6,545,223
ANNUAL MAINTENANCE:	$50,000
ESTIMATED WHOLE LIFE COST:	$2,368,202

All figures quoted in this report are exclusive of GST.

Comments:

As evidenced in Confidential Attachment 13.6F Price Modelling – Multipart Project, and in each of the Confidential Attachments 13.6A, 13.6B and 13.6C, both MXMLXX and Power Paving provided competitive pricing for the required works. Utilising the basic rates used for footpath construction, Items 1 through 3 in Comparative Rates in Confidential Attachment 13.6A, and based on replacing 10,000m² of paving, the price difference over one year between MXMLXX and Power Paving amounts to $50,000.

While not the cheapest offer, MXMLXX are the highest ranked submission as indicated in Confidential Attachment 13.6E – Evaluation Matrix and have provided this service to the City for the last four years. The company has substantial experience in undertaking the required works in a city environment with all jobs completed in an efficient and professional manner whilst ensuring all occupation health and safety measures, including site and traffic management, have met or exceeded the required standards.

In order to mitigate risk to the City, the recommended Tenderer underwent a full financial assessment and has agreed for this to be undertaken on an annual basis for the duration of the Contract.

It is therefore recommended that MXMLXX Pty Ltd as trustee for the PaveWA Holding Family Trust T/A Access Brick Paving and PaveWA be appointed for three years commencing 15 March 2019 with the option to extend for a further two years.

CONFIDENTIAL ATTACHMENTS 13.6A – 13.6F
ITEM 13.6 - TENDER 050-18/19 – MAINTENANCE AND CONSTRUCTION OF FOOTPATHS AND ASSOCIATED WORKS

FOR THE ORDINARY COUNCIL MEETING

26 FEBRUARY 2019

DISTRIBUTED TO COMMISSIONERS UNDER SEPARATE COVER

Agenda Item 13.7 **Tender 054-18/19 – Council House Lighting Upgrade – Design and Installation**

Recommendation:

That Council:

1. ***ACCEPTS the most suitable tender, being that submitted by Insight Electrical Technology for Council House Lighting Upgrade – Design and Installation (Tender 054 2018/19) at a lump sum price of $1,914,543.00 (excluding GST) PLUS the Entrance Lighting Program of Works at a lump sum price of $61,190.00 (excluding GST);***

2. ***NOTES that the amount of $967,450.50 (excluding GST) will be allocated within the 2018/19 financial year and the amount of $1,008,282.50 (excluding GST) will be allocated within the 2019/20 financial year;***

3. ***NOTES that the installation is anticipated to commence in July 2019 with anticipated completion by end of November 2019; and***

4. ***NOTES that the project funding of $1,280,420.00 is to be allocated in the budget for 2019/20 for the installation phase with funds drawn from the Asset Enhancement Reserve.***

FILE REFERENCE:	P1037128
REPORTING UNIT:	Construction
RESPONSIBLE DIRECTORATE:	Construction and Maintenance
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	11 February 2019
ATTACHMENT/S:	Confidential Attachment 13.7A – Tender Assessment Matrix *(Confidential Attachments are distributed to Commissioners under separate cover)*

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*

☐	Legislative	*Includes adopting local laws, town planning schemes and policies*
☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation	Part 4 of the *Local Government (Functions and General) Regulations 1996* – Provision of Goods and Services
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 1 - A city for people Goal 2 - An exceptionally well designed, functional and accessible city Goal 7 - An open and engaged city Goal 8 - A city that delivers for its community
Policy Policy No and Name:	9.7 – Purchasing

Purpose and Background:

The City has existing feature lighting to Council House which significantly illuminates the building. The existing lighting at Council House is however now reaching the end of its practicable serviceable life due to serviceability, access and equipment availability issues.

The replacement proposal was considered by Council at its meeting held on **19 December 2017** where a determination was required as to whether to continue with the lighting of Council House.

There were four options considered under several criteria:

1. Upgrade the existing lighting to current scope but accessing new technology improvements;
2. Review the lighting scheme completely and move to new generation lighting;
3. Continue with the existing lighting until the failures are too significant to continue; and
4. Turn off the Council House lighting now.

At its meeting held on **19 December 2017** Council endorsed the progression of the Council House Lighting Upgrade under Option 1 to a design phase. A budget of $130,000 was approved for the Project Concept Design work, with the $3,000,000 Implementation budget to be requested in the 2018/19 Capital Budget Review.

Norman Disney and Young (NDY) were appointed by the City (June 2018) to identify and present options for the upgrade of the existing lighting to current technology improvements (Option 1). A revised budget amount of $3,905,000 was estimated following NDY's concept and probable order of cost for the implementation scope to a Design and Construct contractor.

At its meeting held on **24 September 2018** Council approved progression of the project for tendering and award of the Implementation scope to a design and construct contractor with a project funding of $3,905,000 to be split over 2018/19 and 2019/20 financial years. $2,729,000 was allocated immediately in 2018/19 financial year for the design and procurement phase and $1,176,000 was to be allocated in the budget for 2019/20 financial year.

At its meeting held on **24 September 2018** Council excluded the Entrance Lighting Program of works from the budget, to be referred to Council post tender for Council consideration.

This report now seeks Council approval for the award of the Implementation phase to a design and construct contractor, together with the necessary budget and consideration for the inclusion of the Entrance Light Program of work to the contract award.

Details:

The basis of the tender was to design, supply, deliver, construct, test and commission a permanent programmable feature lighting system that: best fits the vision the City has for Council House in the broader context of a night time vista of Perth by proposing the following:

Façade

Use of improved linear LED luminaires mounted on top of the "T" sections to provide illumination onto the façade.

Entry

Use of changing LED modules that will replace the existing white back lit lighting panels that currently uses a white light source. The intent is to transform the entry external canopy into a colour changing screen which draws attention of the public traversing along St Georges Terrace with possible interaction with the public.

Roof

Use of up-lights to the structure frame of the roof to illuminate vertical surfaces.

Overall Control System

A full operation control system to enable extensive control and programming of the lighting system.

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.

Summary of Submitted

On Wednesday 28 November 2018, tenders were publicly invited for the design and construction of a permanent programmable feature lighting system for Council House. At the close of tenders on Thursday 20 December 2018, seven tenders were received. Tenders were to include for two options:

- Option 1: All new control system; and
- Option 2: Reuse existing lighting control units (subject to condition of existing).

Only one out of the seven tenders received provided tenders for both Options 1 and 2. All other tenders excluded Option 2: Option 2 was therefore not considered from the received submissions for:

- Total Lump Sum Amounts Excluding Entrance Light Program of Works; and
- Total Lump Sum Amounts Including Entrance Light Program of Work.

*Total Lump Sum Amounts **Excluding** Entrance Light Program of Works*

Vision Cabling Systems	$2,230,455.42
Techworks Electrical	$2,583,340.98
Stiles Electrial Services	$2,641,812.10
Melchor	$1,637,858.48
Insight Electrical Technology	$1,914,543.00
Gilmour and Jooste	$1,435,285.00
EGPA	$2,650,000.00

Lump sum offers excludes GST

*Total Lump Sum Amounts **Including** Entrance Light Program of Works*

Vision Cabling Systems	$2,376,762.91
Techworks Electrical	$2,820,761.78
Stiles Electrial Services	$2,730,021.75
Melchor	$1,668,309.41
Insight Electrical Technology	$1,975,733.00
Gilmour and Jooste	$1,625,735.00

EGPA	$2,650,000.00 (Did not submit Entrance)

Lump sum offers excludes GST

Tender Assessment and Evaluation Summary

A Compliance Assessment was completed against all tenderers and seven submissions were assessed as conforming tenders. EGPA was however noted as not providing a submission for the Entrance Works.

The submissions were then assessed against the following criteria:

- Appreciation of Project Importance and Preliminary Design Experience;
- Experience with Installations on Structures/Buildings at Height;
- Program of Works;
- Qualifications and Experience of Project Personnel; and
- Design Presentation. Short list of tenderers that fully meet the requirements of the tender specification to the City's expectation.

A Tender Assessment Matrix (Confidential Attachment 13.7A) is attached. An evaluation summary against the qualitative selection criteria has been provided below:

Appreciation of Project Importance and Preliminary Design Experience

The submission by Techworks Electrical, Stiles Electrical and Communication Services (Stiles Electrical), Insight Electrical Technology and Gilmour and Jooste provided a solid understanding of the project requirements and the City's expectations. Melchor and EGPA demonstrated a marginal understanding with some minor uncertainties and shortcomings. Vision Cabling Systems provided a limited response with shortcomings and deficiencies compared to the other submissions.

Experience with Installations on Structures/Buildings at height

Techworks Electrical, Stiles Electrical and Insight Electrical Technology provided very good supporting project details to demonstrate relevant experience with working on structures/buildings at height. The details provided by Gilmour and Jooste had some good quality project detail despite some minor uncertainties and shortcomings. Melchor provided marginal details with minor uncertainties and this made it less than convincing in meeting project expectations. Vision Cabling Systems provided limited project information with deficiencies that made it barely convincing in meeting the project expectation. The details provided by EGPA lacked fundamental details to support experience with installation on structures/buildings at height.

Program of Works

All the tenders have shown reasonable importance in ensuring major lead items (luminaires) and designs are procured and completed before the end of the 2018/19 financial year. Each tenderer however had different construction programs as follows:

Vision Cabling Systems did not submit a program highlighting required tasks and milestones for each respective section of the works. They however indicated a 12-week program in favour of scaffolding to the building façade. The proposed program was evaluated as medium risk in meeting the City's expectations.

EGPA submitted a very basic program of tasks and milestones for each respective section of the works except for the Entry which was excluded. Completion of all the works by EGPA is June 2020, which does not factor in the entrance lighting program of works and does not clearly identify scaffolding or abseiling to the building façade. The proposed program with limited information would not meet the City's expectations and was evaluated as high risk.

Gilmour and Jooste submitted a comprehensive program in favour of using the buildings external wire rope to access fittings on façade, despite shortcomings to the program, completion of all works is in February 2020. The proposed program was evaluated as medium risk in meeting the City's expectations.

Insight Electrical submitted a comprehensive good quality program highlighting required tasks and milestones in favour of scaffolding to the building façade. Completion of all the works is October 2019. Insight Electrical was evaluated as low risk in meeting the City's expectations.

Melchor submitted a draft basic project program in favour of rope access operations and temporary static line works to access fittings on the building façade, with shortcomings to the program dates. The proposed program was evaluated as high risk in meeting the City's expectations.

Stiles Electrical provided a comprehensive program in favor of rope access operations to access fittings to the building façade. Completion of all works is December 2019 and was evaluated as low risk in meeting the City's expectations.

Techworks Electrical provided a comprehensive program in favor of scaffolding to access fittings on the building façade. Completion of all works is February 2020 and was evaluated as low risk to meet the City's expectations.

<u>Qualifications and Experience of Project Personnel</u>

Techworks Electrical, Stiles Electrical and Insight Electrical Technology provided sufficient details to evidence the qualifications and experience of personnel to be involved in the project. Gilmour and Jooste provided adequate details with very minor gaps. Vision Cabling Systems and Melchor provided limited details. EGPA provided limited details that lacked fundamental information.

At the completion of the qualitative assessment, tenderers were ranked as follows

1 Insight Electrical Technology
1 Stiles Electrical
3 Techworks Electrical
4 Gilmour and Jooste
5 Melchor
6 Vision Cabling Systems
7 EGPA

The first four were short listed as the preferred tenderers that fully met the requirements of the tender specification to the City's expectations and were subsequently invited to present their preliminary designs.

Design Presentation

Shortlisted tenderers met the objectives and design intent to varying degrees. At the conclusion of the presentation the tenderers were evaluated and ranked based on City's expectation for proposed solution and fittings, combined with respective tenderers experience and ability to deliver the project.

Rank	Shortlisted Tenderer	Conclusion of Presentation
1	Stiles Electrical	Reasonable confidence that they can meet City's expectation, considered low risk.
2	Insight Electrical Technology	Reasonable confidence that they can meet City's expectation despite minor uncertainties, considered low risk.
3	Techworks Electrical	Almost convincing they can meet City's expectation, considered medium risk.
4	Gilmour and Jooste	Less than convincing they can meet City's expectation, considered high risk.

Combined Qualitative and Priced Based Assessment Ranking

Based on the qualitative evaluations, Stiles Electrical and Insight Electrical Technology were evaluated low risk and the two-preferred tenderers in meeting the project expectation. Their lump sum tender amounts were below the tender budget, for:

- Total Lump Sum Amounts Excluding Entrance Light Program of Works; and
- Total Lump Sum Amounts Including Entrance Light Program of Works.

Stiles Electrical and Insight Electrical Technology were therefore compared to determine best value for money.

Value for Money

The price difference between Stiles Electrical and Insight Electrical Technology is $754,288.75 (including Entrance Light Program of Works). This appears to be due to the method of installation and the duration of works. Insights Electrical Technology are in favour of using scaffolding, which appear to have resulted in a shorter timeframe to complete the works and a lower installation cost. Stiles Electrical are in favour of using rope access operations which appear to have resulted in higher installation cost and a longer timeframe to complete the works.

Stiles Electrical total qualitative score was 5% more than Insight Electrical Technology score and their tender price was 22% less than the project budget. Insight Electrical Technology tender price was 44% less than the project budget. The additional cost of Stiles Electricals' tender price does not represent value for money as both tenderers have been evaluated as low risk and the qualitative score between the two submission is only 5%.

Stakeholder Engagement

There has been internal consultation and the recommendation has been developed in collaboration with directly impacted internal key stakeholders.

Key Stakeholders:

The following City of Perth internal stakeholders were consulted:

- Properties – asset owners;
- Customer Service – administration Council House booking requests from external stakeholders; and
- Information Technology – integration of the lighting control onto the City of Perth Network.

Financial Implications:

Financial Year 2018/19 – Design and Procurement

ACCOUNT NO:	PJ12311
BUDGET ITEM:	Council House Lighting Upgrade
BUDGETED AMOUNT:	$2,799,513.07
AMOUNT SPENT TO DATE:	$56,159.73
FORECAST COMMITMENTS	$139,286.69
PROPOSED COST:	$967,450.50
BALANCE REMAINING:	$1,636,616.16
ANNUAL MAINTENANCE:	N/A
ESTIMATED WHOLE LIFE COST:	N/A

Financial Year 2019/20 – Design and Procurement

ACCOUNT NO:	PJ12311
BUDGET ITEM:	Council House Lighting Upgrade
BUDGETED AMOUNT:	$1,280,420.00 – To be confirmed
AMOUNT SPENT TO DATE:	$0
FORECAST COMMITMENTS	$272,137.50
PROPOSED COST:	$1,008,282.50
BALANCE REMAINING:	0
ANNUAL MAINTENANCE:	$8,641.60
ESTIMATED WHOLE LIFE COST:	N/A

All figures in this report are exclusive of GST.

Comments:

The total lump sum tender amounts are below the tender budget including the program of works for the entrance lighting. Consideration should be given to including the Entrance Light Program of work to the contract award.

The offer provided by Insight Electrical Technology demonstrates the best value for money for the design and installation of Council House Lighting Upgrade, given that when the tender price component is taken into consideration, together with the qualitative assessment their lump tender price, is 44% less than then project budget and their offer is considered low risk in meeting the City's project expectation.

CONFIDENTIAL ATTACHMENT 13.7A
ITEM 13.7 - TENDER 054 18/19 - COUNCIL HOUSE LIGHTING UPGRADE – DESIGN AND INSTALLATION

FOR THE ORDINARY COUNCIL MEETING

26 FEBRUARY 2019

DISTRIBUTED TO COMMISSIONERS UNDER SEPARATE COVER

Agenda Item 13.8 **Draft Mount Street Concept Plan**

Recommendation:

That Council:

1. ***APPROVES** the Draft Mount Street Concept Plan as detailed in this report and Attachments 13.8A and 13.8B for consultation purposes; and*

2. ***NOTES** that the results of the consultation will be used to inform the Final Concept Plan which will be presented to Council at a future meeting.*

FILE REFERENCE:	P1033195
REPORTING UNIT:	Co-ordination and Design
RESPONSIBLE DIRECTORATE:	Planning and Development
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	30 January 2019
ATTACHMENT/S:	Attachment 13.8A – Mount Street Draft Concept Plan Attachment 13.8B – Mount Street Draft Concept Plan - Current Issues and Benefits

Council Role:

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

Legislation / Strategic Plan / Policy:

Legislation	N/A
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 1 - A city for people Goal 2 - An exceptionally well designed, functional and accessible city Goal 3 - A city connected to its natural beauty
Policy	N/A

Purpose and Background:

This report presents details of the draft concept design for Mount Street East, including preliminary stakeholder consultation which has informed the plan.

Details:

St Georges Terrace west of Milligan Street has seen significant investment and change over the last three years. This has included the recent refurbishment of the food and beverage and childcare facilities of the QV1 building and the completion of the new Woodside building on Mount Street which opened in November 2018.

In September and December 2018 video surveys were undertaken to understand the impact these developments have had on the surrounding streets. Key findings included:

- Daily conflict was observed between pedestrians, cyclists and vehicles;
- An increase in pedestrian numbers of 43% (from 5415 to 7779 people per day) since September 2018;
- An increase in cyclist activity of 135% (578 up to 1360 per day) since September 2018 – approximately 30% of these cyclists use End of Trip Facilities;
- 10% more traffic since September 2018;
- Vehicles accessing adjacent buildings is down 20% while drop offs have risen by 25%;
- Parking occupancy rates have remained consistent despite higher tenancy population and vehicle numbers; and
- Ageing lighting infrastructure and lighting levels not meeting Australian Standards.

Draft Mount Street Concept Plan

The City undertook preliminary consultation with key stakeholders on potential modifications to Mount Street in November and December 2018. Stakeholders included local businesses, building owners, interest groups and service providers. Feedback received included:

- Support for more public space and amenity such as seating;
- Concern that the existing configuration of the Mount and Spring Streets intersection is difficult to cross in all directions;
- Current use of kerbside parking for drop-offs and pickups affects the ability to enter and navigate the street; and
- Frustration that vehicle drop offs regularly block the street.

This feedback informed the development of The Draft Mount Street East Concept Plan. The Plan aims to address these issues by creating a street environment that is comfortable and safe for all users. The project also aims to strengthen the link to Kings Park through additional native planting and complement the work being undertaken by Main Roads WA through their Wildflower Way initiative.

Other key elements of the draft plan include:

- Creation of social spaces for respite and relaxation;
- Improved legibility and safety for cyclists including access to adjacent buildings;
- A widened raised pedestrian crossing to improve access across Mount Street;
- Creation of small scale event spaces with associated infrastructure;
- Increased tree diversity and canopy cover;
- New lighting, Wi-Fi and CCTV cameras; and
- Improved access for vehicle drop off bays during peak periods.

Stakeholder Engagement

Initial stakeholder engagement (Scoping and vision)

In November and December 2018 key external stakeholders (see lists below) were asked for insights into the way the street was currently used. Stakeholders were also asked for input on the proposed opportunities identified by the City including footpath widening and changes to parking layouts.

External stakeholders were contacted via email with some background information on the project and a plan identifying some key opportunities. The property owners and adjacent businesses were subsequently invited for face to face meetings. All meetings were followed up with emails, minuting the discussion and an explanation of the proposed next steps for the project.

The 'State Government' stakeholders and 'Other' stakeholders were requested to review the material and to provide any commentary and were offered a meeting if desired. Comments were received by Department and Fire Emergency Services, all others declined to meet or provide comment.

The feedback from face to face meetings was generally very positive. Some comments commonly raised were how busy the intersection was for both pedestrians and vehicles and how drop-offs are affecting access to parking facilities.

The design has taken the comments into consideration and widened pedestrian crossings, better lighting and a formalised drop-off area are some of the key elements being proposed in response.

Also in early December, the Coordination and Design Unit team met with the listed internal stakeholder teams to review the project proposals and identify key considerations to be taken on board when progressing the design. The proposal was well received and the engagement process will be ongoing into Stage 2 as the design progresses.

All commentary from internal and external engagement is being registered and will be updated through Stage 2 and presented in the subsequent design report being presented to council at a later date.

Key External Stakeholders:

State Government	Community	Other
• John Carey, Member for Perth; • Main Roads WA; • Water Corporation; • Western Power; and • Department of Fire and Emergency Services	**Property owners:** • Primewest Funds Ltd (251-253 and 255 St Georges Terrace); • Twenty-Two Mount Street Pty Ltd; • Perth Diocesan Trustees (237-239 St Georges Terrace and 1-9 Mount Street); • AAIG Nominees Pty Ltd (11 and 17 Mount Street and 98 Mounts Bay Rd); • Esther Investment Pty Ltd (18 Mount Street); and • Far East Hospitality Properties (Aust) Pte Ltd (24 Mount Street). **Adjacent Business**: • Rendezvous Studio Hotel; • Woodside; • BGC Australia Pty Ltd, including National Homes, Commodore Homes and Stratawise; • Momentum Engineering Pty Ltd; • RCR Tomlinson; • Gold Arrow Holdings Pty Ltd; • Worley Parsons and Australian Audit; • Australian Criminal Investigation Commission; • Bhagwan Marine; and • Goldfield Land and Sea Council (Aboriginal Corporation Representative).	• St John Ambulance; • Bicycling Western Australia; and • Activate Perth.

Key Internal Stakeholders:

Business Unit	Title
Community Services (CMS)	Manager Community Services
Arts, Culture and Heritage (ACH)	Manager Arts, Culture and Heritage
Economic Development (ED)	Manager Economic Development
Community Amenity and Safety (CAS)	Manager Community Amenity and Safety
Street Presentation and Maintenance (SPM)	Manager Street Presentation and Maintenance
Construction (CON)	Manager Construction
Corporate Communications (CCU)	Manager Corporate Communications
Marketing and Activation (MAU)	A/Manager Marketing and Activation
Business Support and Sponsorship (BSS)	Manager Business Support and Sponsorship
Parks (PKS)	Manager Parks
Sustainability (SU)	Manager Sustainability
Transport (TU)	Manager Transport
Parking Services (PSU)	Manager Parking Services
Commercial Parking (CPP)	Manager Commercial Parking
Waste and Cleansing (WAC)	Manager Waste and Cleansing

Stage 2 Engagement Draft Concept Plan (Feedback and Proposal)

Stakeholder engagement on the Draft Concept Plan will include requests for feedback via:

- Content on Engage Perth website;
- A letter-drop to local businesses;
- Follow up emails to previously contacted stakeholders;
- A submission to 'Perth Business e-news'; and
- Targeted social media releases and content.

Future engagement – Implementation

Consultation will continue during the construction phase as part of an educational and delivery phase. This will include but not be limited to the following:

- Construction hoarding signage;
- Project signage;
- Letter-drops; and
- Social media releases and content.

Financial Implications:

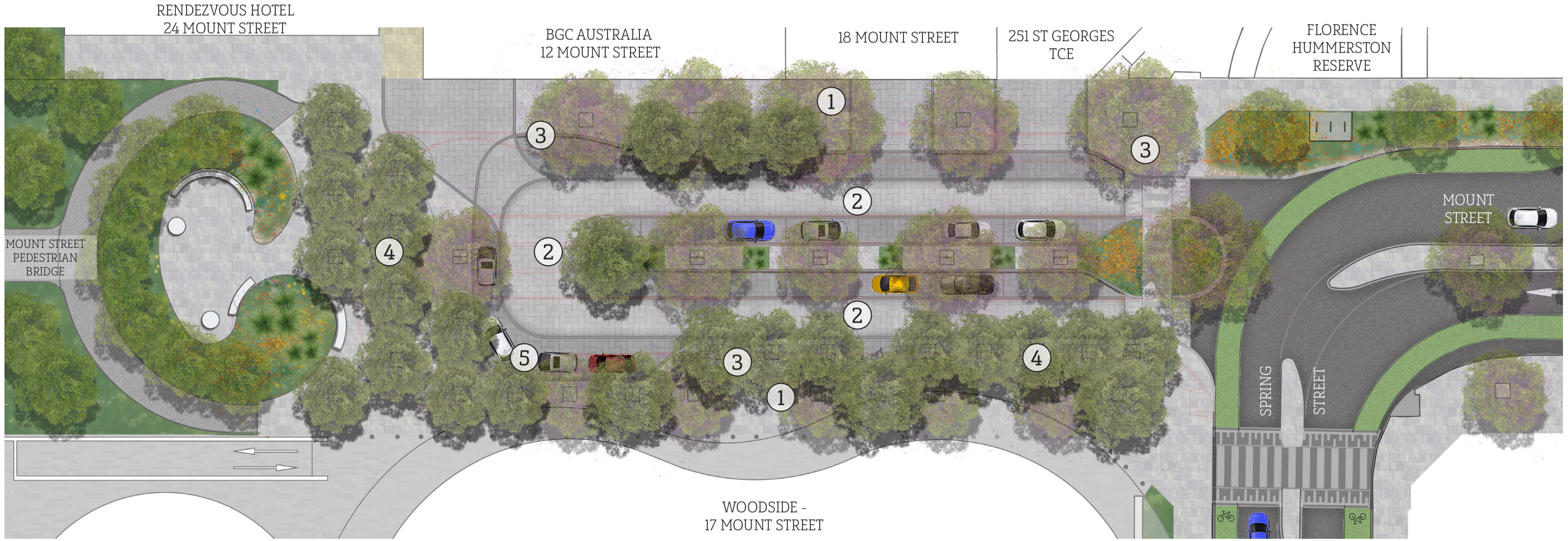
ACCOUNT NO:	14089
BUDGET ITEM:	Mount Street
BUDGETED AMOUNT:	$100,000
AMOUNT SPENT TO DATE (ACTUALS):	$43,317
REVISED FORECAST	$47,000
PROPOSED COST:	$90,317
BALANCE REMAINING:	$9683
ANNUAL MAINTENANCE:	-
ESTIMATED WHOLE LIFE COST:	-

All figures quoted in this report are exclusive of GST.

The indicative estimate for this Draft Concept Plan for construction works is approximately $1,350,000 however, this is an early estimate and subject to change with updates to the plan following further consultation. The final concept plan, consultation results and cost estimate will be presented to a future Council meeting.

Comments:

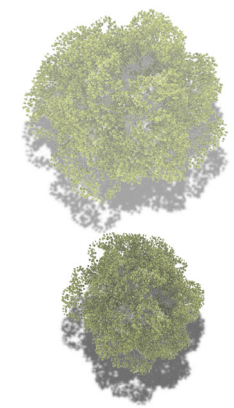
Several consultation activities for the Draft Mount Street Concept Plan are planned for March 2019 for a period of four weeks to ensure continued stakeholder and community participation in the design process. The feedback generated during these ongoing activities will be consolidated into a report, which will be referenced by the project team during the refinement of the Final Concept Plan.



Design Response

The Mount Street Draft Concept Plan aims to create a vibrant, safe and accessible street into the future by:

1. Widening of footpaths to cater for higher volumes of pedestrians moving through and to the space. More footpath space will provide the backdrop for future events and new street furniture will facilitate everyday activity
2. Upgrading the current road surface to define the zone as slow speed environment for all users.
3. Upgrading lighting to meet Australian standards and enhance the character of the space. This will be augmented with the addition of CCTV, wifi and power supplies
4. Planting additional street trees to maximise shade canopy and strengthen the east-west connection with the Terrace and Mount Street. Additional native planting will augment existing and will complement Main Roads WA Wildflower Way project and connection to Kings Park.
5. Balancing pick up and drop off facilities with access and egress requirements for existing buildings.



EXISTING TREE

PROPOSED TREE



EXISTING CONDITION



PROPOSED CONCEPT - ARTISTS IMPRESSION

MOUNT STREET EAST - EXISTING CONDITIONS

43% increase in pedestrian activity
from 5415 to 7779 people per day since September 2018

135% increase in cyclist activity
578 up to 1360 per day– roughly 30% of these cyclists use the new End of Trip Facilities

10% increase in total vehicle traffic
Building vehicle access is down 20% while drop-offs have risen by approximately 25%

71% peak parking bay occupancy
Parking occupancy rates have remained consistent. Outside of peak times occupancy rates average <50%

Conflict of modes
Daily conflict between Pedestrians, cyclists and vehicles.

Lighting
Aging infrastructure providing inadequate lighting levels

DRAFT CONCEPT PLAN BENEFITS

Additional Trees
Approximately 26 New trees
All existing trees to be retained

New furniture
Picnic, seating and drink fountains

Lighting and CCTV
New lighting to Australian Standards improving safety and security

450sqm more footpath
50% more space for pedestrians

Smart technology and WiFi

Event space
Creation of a space capable of hosting small scale events

Safer, Slow Speed Environment
Reduced road speeds, narrower lanes and dedicated drop-off lanes help promote safety for all

Water
Sensitive urban design

Reduction in irrigated turf area and increased native plants

Sustainability
Increase biodiversity

LED Lighting

Encouraging walking and cycling

Agenda Item 13.9 **Financial Statements and Financial Activity Statement for the Period Ended 31 December 2018**

Recommendation:

That Council RECEIVES the Financial Statements and the Financial Activity Statement for the period ended 31 December 2018* as detailed *in Attachment 13.9A of this report.

FILE REFERENCE:	P1014149-25
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	11 January 2019
ATTACHMENT/S:	Attachment 13.9A – Financial Statements and Financial Activity Statement for the period ended 31 December 2018.

Council Role:

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

Legislation / Strategic Plan / Policy:

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

Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 8 - A city that delivers for its community

Policy

Policy No and Name: N/A

Details:

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

Comments:

The Financial Activity Statement commentary compares the actual results for the six months to 31 December 2018 with the original 2018/19 budget approved by Council at its meeting held on **3 July 2018** and subsequently amended by Council at its meetings held on **28 August 2018** and **27 November 2018.**

This report compares the actual performance for the six months to 31 December 2018 to the 2018/19 Budget adopted by Council on 3 July 2018 and amended by Council on 28 August 2018 and 27 November 2018.

Operating Revenue

- Parking revenue for the year to date was $38.1 million, which was $175,000 above the budget. The variance relates mainly to Undercover and Open-Air Car Parks.

- Fines and costs were $4.9 million, being $335,000 or 7.4% above budget for the period. The budget review reflected reduced revenue expectation due to the planned impact of the IPMS implementation. This work has been delayed and the actual performance for the period October to December was therefore above expectation.

- Investment Income and Interest was $360,000 under the budget mainly due to the performance of the Colonial Share index balanced fund to December.

Operating Expenditure

- Employee costs for the year to date were $38.7 million being 0.6% or $214,000 below the budget. This was due to a higher vacancy rate than forecast.

- Materials and Contracts were $347,000 under the budget. This variance was driven by lower than forecast expenditure in Advertising costs, IT Maintenance and Contractors and Consultants.

- Utilities were lower than the budget by $104,000 due to lower than budgeted power consumption.

- Depreciation and Amortisation was under the budget by $383,000.

Investing Activities

- Capital expenditure was $3.6 million under budget for the year to date as detailed below.

Capital expenditure Variance for the period to December 2018				
Details	**Revised Budget 2018/19**	**Year to Date**		
		Actual	**Budget**	**Variance**
Integrated Parking Management and Enforcement System	6,587,470	151,644	32,103	119,541
Fleet and Plant Replacement -Transport - Parking Facilities	535,000	28,947	351,000	(322,053)
Smart Cities Federal & Enhancements	2,409,042	690,732	1,000,201	(309,469)
Riverbank - Claisebrook Cove Boat Section	586,000	55,595	343,000	(287,404)
Concert Hall Structural Repairs	1,300,001	761,565	1,034,151	(272,586)
Digital Workplace Enhancements	1,487,734	323,620	574,184	(250,564)
Façade Refurbishment - Council House	400,000	64,190	300,000	(235,810)
Automated Door Replacement Car Parks	231,000	2,418	231,000	(228,582)
Fleet and Plant Replacement Transport	495,000	84,856	287,860	(203,004)
Telemetric Irrigation Control System	865,664	-	200,000	(200,000)
Roads - Right of Ways - Nedlands	248,880	-	171,823	(171,823)
Point Fraser Boardwalk Replacement	410,000	247,737	410,000	(162,263)
GIS Architecture Redevelopment	315,950	120,745	264,665	(143,920)
Provision of Public toilets - Various locations	500,000	135,572	263,124	(127,551)
2 Way Hay Street (William St to Thomas St)	200,000	40,293	158,718	(118,425)
Spring Street Pedestrian Crossing	300,000	24,589	133,226	(108,636)
East End Revitalisation	1,200,000	109,737	217,829	(108,091)
2-way street projects	1,015,000	121,050	298,495	(177,445)
East Perth Walkability Enhancement Plan	373,428	292,073	373,428	(81,354)
Fibre Optic Network/Public WIFI	350,654	226,681	70,416	156,265
Fleet and Plant Replacement -Community Amenities	1,848,287	464,539	241,287	223,252
Council House Pavement Screed & Waterproofing	123,410	80,673	3,213	77,460
Fleet and Plant Replacement Health	112,000	104,602	-	104,602
Projects with actual expenditure and no planned spend in the period	2,503,208	209,107	-	209,107

Projects with no planned and actual spend in the period	9,017,305	-	-	-
All other projects	22,292,441	6,477,789	7,450,787	(972,998)
TOTAL	**55,707,472**	**10,818,755**	**14,410,508**	**(3,591,752)**

Financing Activities

- Transfers to Reserves were under the budget by $19.7 million mainly due to timing differences.
- Transfers from Reserves were above budget by $1.3 million due to timing differences.

Amounts sourced from Rates

- Rates revenue raised was $269,000 or 0.3% above the budget due to higher than budgeted interim rates.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT for the period ended 31 DECEMBER 2018

Proceeds from Operating Activities	Revised Budget 2018/19 $	Actual YTD 31-Dec-18 $	Revised Budget YTD 31-Dec-18 $	Variance YTD 31-Dec-18 $
Operating Revenue				
Parking Fees	74,059,544	38,061,425	37,886,544	174,881
Fines and Costs	8,972,512	4,852,468	4,517,889	334,579
Investment Income and Interest	5,165,102	2,827,840	3,187,895	(360,054)
Community Service Fees	1,680,548	808,609	819,142	(10,532)
Rubbish Collection	9,448,533	9,198,598	9,199,941	(1,343)
Rentals and Hire Charges	5,254,528	2,769,932	2,622,385	147,547
Recurrent Grants	1,495,402	636,532	545,495	91,036
Contributions, Donations and Reimbursements	958,634	392,424	496,345	(103,921)
Other Income	4,404,000	2,993,287	2,873,210	120,076
Distribution from TPRC	580,000	0	0	0
	112,018,803	**62,541,115**	**62,148,846**	**392,269**
Less: Operating Expenditure				
Employee Costs	77,372,754	38,660,480	38,874,309	213,829
Materials and Contracts	53,233,376	22,223,166	22,570,338	347,172
Utilities	3,180,652	1,436,576	1,540,956	104,379
Insurance Expenditure	969,765	498,447	496,619	(1,828)
Depreciation and Amortisation	35,165,700	17,180,300	17,562,359	382,058
Interest Expenses	961,438	544,249	535,719	(8,530)
Loss on Disposal of Assets	1,538,312	213,058	124,728	(88,330)
Expense Provisions	622,947	307,563	306,848	(715)
Other Expenditure	24,877,956	12,392,354	12,642,199	249,845
	197,922,901	**93,456,193**	**94,654,074**	**1,197,881**
Add back Depreciation	(35,165,700)	(17,180,300)	(17,562,359)	(382,058)
(Loss) / Profit on Disposals	(1,538,312)	(213,058)	(124,728)	88,330
	161,218,889	**76,062,835**	**76,966,987**	**904,152**
Net Surplus/(Deficit) from Operations	**(49,200,087)**	**(13,521,719)**	**(14,818,141)**	**1,296,421**
Capital Grants	2,041,933	808,826	558,566	250,260
Capital Expenditure	(55,707,472)	(10,818,755)	(14,410,508)	3,591,752
Proceeds from Disposal of Assets/Investments	1,516,025	367,495	764,243	(396,748)
Sub-total Investing Activities	**(52,149,514)**	**(9,642,434)**	**(13,087,699)**	**3,445,265**
Financing Activities				
Repayment of Borrowings	(7,448,608)	(4,929,517)	(4,929,517)	0
Transfers to Reserves	(40,649,178)	(761,635)	(20,491,640)	19,730,005
Transfer from Reserves	37,997,955	20,399,884	19,155,133	1,244,750
Sub-total Financing Activities	**(10,099,831)**	**14,708,731**	**(6,266,024)**	**20,974,755**
Add: Opening Funds	30,455,893	27,788,895	30,455,893	(2,666,998)
Net Surplus/(Deficit) before Rates	**(80,993,539)**	**19,333,472**	**(3,715,971)**	**23,049,443**
Amount Sourced from Rates	90,708,789	91,108,098	90,838,789	269,309
Closing Funds	**9,715,250**	**110,441,571**	**87,122,818**	**23,318,752**

CITY OF PERTH

CURRENT POSITION AS AT THE END OF THE PERIOD 31 DECEMBER 2018

Description	Revised Budget 2018/19	Actual YTD 31-Dec-18	Revised Budget YTD 31-Dec-18	Variance YTD 31-Dec-18
Current Assets	**$**	**$**	**$**	**$**
Cash and Cash Equivalents	12,286,390	27,744,585	22,322,052	5,422,533
Deposits and Prepayments	8,787,964	11,833,838	8,326,042	3,507,796
Money Market Investments - Municipal Funds	4,471,710	71,641,769	65,227,592	6,414,177
Money Market Investments - Restricted Funds	103,602,530	78,316,686	75,885,017	2,431,669
Trade and Other Receivables	12,211,455	20,976,824	14,578,449	6,398,375
Inventories	822,095	1,096,966	1,292,812	(195,846)
Total Current Assets	**142,182,144**	**211,610,667**	**187,631,963**	**23,978,704**
Current Liabilities				
Trade and Other Payables	18,947,077	22,240,367	24,038,490	(1,798,123)
Employee Entitlements	9,417,195	11,109,386	12,571,210	(1,461,824)
Provisions	500,092	612,044	585,638	26,406
Borrowings	7,448,608	6,334,598	6,334,598	0
Total Current Liabilities	**36,312,972**	**40,296,395**	**43,529,936**	**(3,233,541)**
Working Capital Position Brought Forward	**105,869,172**	**171,314,272**	**144,102,027**	**27,212,245**
Deduct Restricted Cash Holdings	(103,602,530)	(78,316,686)	(75,885,017)	(2,431,669)
Add Current Liabilities not expected to clear	0	11,109,386	12,571,210	(1,461,824)
Add Current Borrowings	7,448,608	6,334,598	6,334,598	0
Current Funds Position Brought Forward	**9,715,250**	**110,441,571**	**87,122,818**	**23,318,752**

Net Cash on Hand	**$**	**$**	**$**	**$**
Cash On Hand	12,286,390	27,744,585	22,322,052	5,422,533
Money Market Investments	108,074,240	149,958,454	141,112,609	8,845,845
Overdraft	0	0	0	0
Funds on Hand	**120,360,630**	**177,703,039**	**163,434,660**	**14,268,379**
Analysis of Funds on Hand				
Reserves	103,602,530	78,316,686	75,885,017	2,431,669
Provisions	9,917,287	11,721,430	13,156,848	(1,435,418)
General Funds	6,840,813	87,664,924	74,392,795	13,272,128
Funds on Hand	**120,360,630**	**177,703,039**	**163,434,660**	**14,268,379**

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 6 months ended 31 December 2018

CITY OF PERTH
MUNICIPAL
Statement of Comprehensive Income for the 6 months ended 31 December 2018
(By Program)

	Note	Budget 2018/2019	Revised Budget YTD	Actual YTD 31/12/2018	YTD Variance	
OPERATING REVENUE		$	$	$	$	%
General Purpose Funding Rates		91,205,599	91,787,203	92,122,283	335,080	0.4%
General Purpose Funding Other		4,763,533	2,968,646	2,564,790	(403,856)	-13.6%
Law, Order, Public Safety		97,871	45,187	45,640	453	1.0%
Health		886,434	858,643	1,033,751	175,108	20.4%
Education and Welfare		1,987,870	966,629	958,184	(8,445)	-0.9%
Housing		1,086,624	548,403	599,940	51,537	9.4%
Community Amenities		12,820,109	10,467,757	10,270,240	(197,517)	-1.9%
Recreation and Culture		1,736,788	948,817	1,159,312	210,495	22.2%
Transport		84,690,064	43,524,137	44,069,634	545,497	1.3%
Economic Services		1,067,654	695,163	595,442	(99,721)	-14.3%
Other Property and Services		675,094	177,051	229,999	52,948	29.9%
Total Operating Income		201,017,640	152,987,636	153,649,215	661,579	0.4%
OPERATING EXPENDITURE						
Governance		(8,388,979)	(3,988,804)	(4,030,310)	41,506	-1.0%
General Purpose Funding		(2,177,904)	(872,347)	(843,313)	(29,034)	3.3%
Law, Order, Public Safety		(5,857,753)	(2,969,313)	(3,016,011)	46,698	-1.6%
Health		(1,800,788)	(871,760)	(796,211)	(75,549)	8.7%
Education and Welfare		(3,859,097)	(1,986,804)	(2,070,434)	83,630	-4.2%
Housing		(656,634)	(381,338)	(368,347)	(12,991)	3.4%
Community Amenities		(31,520,532)	(12,547,885)	(12,548,555)	670	0.0%
Recreation and Culture		(32,865,760)	(17,495,596)	(17,400,355)	(95,241)	0.5%
Transport		(84,244,158)	(39,313,451)	(38,114,280)	(1,199,171)	3.1%
Economic Services		(16,965,145)	(9,412,154)	(9,408,847)	(3,307)	0.0%
Other Property and Services		(9,888,529)	(4,689,892)	(4,646,472)	(43,420)	0.9%
Total Operating Expenditure		(198,225,279)	(94,529,346)	(93,243,135)	(1,286,211)	1.4%
NET FROM OPERATIONS		2,792,361	58,458,290	60,406,080	1,947,790	3.3%
GRANTS/CONTRIBUTIONS						
For the Development of Assets						
- General Purpose Funding		60,000	103,298	103,298	-	0.0%
- Recreation and Culture		375,000	-	142,847	-	0.0%
- Transport		377,165	455,268	562,681	107,413	23.6%
- Economic Services		657,247	-	-	-	0.0%
Total Grants/Contributions		1,469,412	558,566	808,826	250,260	44.8%
DISPOSAL/WRITE OFF OF ASSETS						
Gain/(Loss) on Disposal of Assets	2	(1,663,015)	(124,728)	(213,058)	(88,330)	70.8%
Change in net assets resulting from operations **before significant items**		2,598,758	58,892,128	61,001,848	2,109,720	3.6%
SIGNIFICANT ITEMS						
Distribution from TPRC		580,000	-	-	-	0.0%
Change in net assets resulting from operations after significant items		3,178,758	58,892,128	61,001,848	2,109,720	3.6%

CITY OF PERTH
MUNICIPAL
Statement of Comprehensive Income for the 6 months ended 31 December 2018
(By Nature or Type)

	Note	Budget 2018/2019	Revised Budget YTD	Actual YTD 31/12/2018	YTD Variance	
OPERATING REVENUE		$	$	$	$	%
Rates		90,190,099	90,838,789	91,108,098	269,309	0.3%
Grants and Contributions for Non Capital Purposes		2,104,830	1,041,840	1,028,956	(12,884)	-1.2%
Fees and Charges		102,135,208	57,130,342	57,912,897	782,555	1.4%
Interest and Investment Income		4,767,575	3,187,895	2,827,840	(360,055)	-11.3%
Other Revenue		1,819,928	788,770	771,424	(17,346)	-2.2%
Total Revenue from Operating Activities		201,017,640	152,987,636	153,649,215	661,579	0.4%
OPERATING EXPENDITURE						
Employee Costs		(78,297,999)	(38,874,309)	(38,660,480)	(213,829)	0.6%
Materials and Contracts		(52,144,397)	(22,570,338)	(22,223,166)	(347,172)	1.5%
Utilities		(3,242,445)	(1,540,956)	(1,436,576)	(104,380)	6.8%
Depreciation and Amortisation		(36,371,570)	(17,562,359)	(17,180,299)	(382,060)	2.2%
Interest		(961,020)	(535,719)	(544,249)	8,530	-1.6%
Insurance		(861,507)	(496,619)	(498,447)	1,828	-0.4%
Expenses Provision		(622,947)	(306,848)	(307,563)	715	-0.2%
Other Expenses from Ordinary Activities		(25,723,394)	(12,642,199)	(12,392,355)	(249,844)	2.0%
Total Expenses from Ordinary Activities		(198,225,279)	(94,529,346)	(93,243,135)	(1,286,211)	1.4%
Change in Net Assets from Ordinary Activities before Capital Amounts		2,792,361	58,458,290	60,406,080	1,947,790	3.3%
GRANTS/CONTRIBUTIONS						
Grants and Contributions- Capital		1,469,412	558,566	808,826	250,260	44.8%
NET OPERATING SURPLUS		4,261,773	59,016,856	61,214,906	2,198,050	3.7%
DISPOSAL/WRITE OFF OF ASSETS	2	(1,663,015)	(124,728)	(213,058)	(88,330)	70.8%
SIGNIFICANT ITEMS						
Distribution from TPRC		580,000	-	-	-	0.0%
Change in net assets resulting from operations after capital amounts and significant items		3,178,758	58,892,128	61,001,848	2,109,720	3.6%

CITY OF PERTH
MUNICIPAL

Statement of Financial Position as at 31 December 2018

	Note	31/12/2018	30/06/2018
CURRENT ASSETS		$	$
Cash and Cash Equivalents	11	27,744,585	20,842,973
Deposits/Prepayments	4	11,833,838	1,737,175
Investments	3, 11	149,958,454	112,708,017
Trade and Other Receivables	5	12,579,126	10,118,755
Rates Receivable	1	8,397,698	606,839
Inventories		1,096,966	1,072,442
TOTAL CURRENT ASSETS		211,610,667	147,086,201
NON CURRENT ASSETS			
Investments	3	6,737,128	6,601,314
Trade and Other Receivables	5	61,608	62,649
Property, Plant and Equipment	8	722,306,029	730,211,561
Infrastructure	8	369,239,560	377,221,243
Capital Work in Progress	8	57,988,013	49,042,894
TOTAL NON CURRENT ASSETS		1,156,332,338	1,163,139,661
TOTAL ASSETS		1,367,943,005	1,310,225,862
CURRENT LIABILITIES			
Trade and Other Payables	6	22,240,367	21,199,331
Employee Benefits	7	11,109,386	10,505,607
Provisions	7	612,044	612,044
Loan Liability	9	6,334,598	7,448,608
TOTAL CURRENT LIABILITIES		40,296,395	39,765,590
NON CURRENT LIABILITIES			
Employee Benefits	7	1,480,878	1,480,878
Loan Liability	9	11,867,627	15,683,134
TOTAL NON CURRENT LIABILITIES		13,348,505	17,164,012
TOTAL LIABILITIES		53,644,900	56,929,602
NET ASSETS		$1,314,298,105	$1,253,296,260
EQUITY			
Accumulated Surplus		756,352,082	675,673,431
Asset Revaluation Reserve	10	477,165,833	477,204,390
Reserves	10	80,780,190	100,418,439
TOTAL EQUITY		$1,314,298,105	$1,253,296,260

CITY OF PERTH
MUNICIPAL

Statement of Changes in Equity for the 6 months ended 31 December 2018

	Accumulated Surplus	Asset Revaluation Reserve	Reserves Cash/investment Backed	Total Equity
	$	$	$	$
Balance at 1 July 2017	659,485,259	612,865,897	93,205,998	1,365,557,154
Change in net assets resulting from operations	(112,260,894)	-	-	(112,260,894)
Transfer to Cash Backed Reserves	(33,413,115)	-	33,413,115	-
Transfer from Cash Backed Reserves	26,200,674	-	(26,200,674)	-
Transfers to Asset Revaluation Reserve	(4,365,967)	4,365,967	-	-
Transfers from Asset Revaluation Reserve	140,027,474	(140,027,474)	-	-
Balance at 30 June 2018	$675,673,431	$477,204,390	$100,418,439	$1,253,296,260
	$	$	$	$
Balance at 1 July 2018	675,673,431	477,204,390	100,418,439	1,253,296,260
Change in net assets resulting from operations	61,001,848	-	-	61,001,848
Transfer to Cash Backed Reserves	(761,635)	-	761,635	-
Transfers to Asset Revaluation Reserve	-	-	-	-
Transfers from Asset Revaluation Reserve	38,557	(38,557)	-	-
Transfer from Cash Backed Reserves	20,399,884	-	(20,399,884)	-
Balance at the end of the reporting period	**$756,352,082**	**$477,165,833**	**$80,780,190**	**$1,314,298,105**

CITY OF PERTH
MUNICIPAL
Statement of Cash Flows for the 6 months ended 31 December 2018

	Note	Budget 2018/2019	YTD Actual 31/12/2018	YTD Variation	
Cash Flows from Operating Activities		$	$	$	%
Receipts					
Rates		89,209,455	91,580,477	2,371,022	2.7%
Fees and Charges		102,068,853	57,839,929	(44,228,924)	-43.3%
Interest		4,767,575	2,424,813	(2,342,762)	-49.1%
Other		1,819,928	981,872	(838,056)	-46.0%
		197,865,811	152,827,091	(45,038,720)	-22.8%
Payments					
Employee Costs		(78,378,106)	(37,999,325)	40,378,781	51.5%
Materials and Contracts		(56,252,703)	(32,713,672)	23,539,031	41.8%
Interest		(961,020)	(715,535)	245,485	25.5%
Other		(29,966,325)	(23,392,294)	6,574,031	21.9%
		(165,558,154)	(94,820,826)	70,737,328	42.7%
Net Cash Flows from Operating Activities	12	32,307,657	58,006,265	25,698,609	-79.5%
Cash Flows from Investing Activities					
Proceeds from Disposal of Assets		1,516,025	367,495	(1,148,530)	-75.8%
Proceeds from Disposal of Investments		-	161,969,216	161,969,216	0.0%
Purchase Land and Buildings		(11,459,765)	-	11,459,765	-100.0%
Purchase Infrastructure Assets		(20,265,755)	(134,518)	20,131,237	-99.3%
Purchase Plant and Mobile Equipment		(14,378,763)	(995,174)	13,383,589	93.1%
Purchase Office Furniture and Equipment		(10,184,778)	(53,916)	10,130,862	-99.5%
Work in Progress		-	(9,600,103)	(9,600,103)	0.0%
Purchase of Investments		-	(199,355,470)	(199,355,470)	0.0%
Net Cash Flows from Investing Activities		(54,773,036)	(47,802,470)	6,970,566	-12.7%
Cash Flows from Financing Activities					
Repayment of Borrowings		(7,448,608)	(4,929,517)	2,519,091	33.8%
		(7,448,608)	(4,929,517)	2,519,091	33.8%
Cash Flows from Government and Other Parties					
Receipts from Appropriations/Grants					
Recurrent		3,262,399	818,508	(2,443,891)	-74.9%
Capital		1,469,412	808,826	(660,586)	-45.0%
		4,731,811	1,627,334	(3,104,477)	-65.6%
Net Increase (Decrease) in Cash Held		(25,182,176)	6,901,612	32,083,788	-127.4%
Cash at 1 July 2018		151,411,889	20,842,973	(130,568,916)	-86.2%
Cash at 31 December 2018	11	126,229,713	27,744,585	(98,485,128)	-78.0%

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Notes to the Balance Sheet for the 6 months ended 31 December 2018

1 Rates Receivable

	Actual YTD 31/12/2018	2017/18 YTD 31/12/2017
	$	$
Outstanding Amount at 30 June 2018	606,839	323,913
Rates Levied for the Year	90,544,911	89,486,510
Late Payment Penalties	-	94,253
Ex Gratia Rates	7,436	7,377
Rates Administration Fee	24,169	349,470
Rates Instalment Interest	355,362	352,218
Back Rates	73,573	(96,896)
Bins Levy	187,781	155,456
	91,800,071	90,672,301
Amount Received during the Period	83,402,373	83,307,746
Outstanding Amount at 31 December 2018	**$8,397,698**	**$7,364,555**

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

	Annual Budget	Actual YTD 31/12/2018
Infrastructure		
Proceeds on Disposal	-	-
Less: Carrying amount of assets written off	1,917,040	233,268
(Loss) on Write Off	(1,917,040)	(233,268)
Plant and Mobile Equipment		
Proceeds on Disposal	1,516,025	367,495
Less: Carrying amount of assets sold/written off	1,262,000	347,285
Profit on Disposal /Write Off	254,025	20,210
Gain/(Loss) on Disposal/Write off of Assets	**($1,663,015)**	(213,058)

3 Investments

Current	31/12/2018	30/06/2018
Short Term Cash Investments *	$	$
Call Funds	-	19,384,434
Bank/Term Deposits	145,000,000	88,000,000
Managed Funds	4,958,454	5,323,583
Total Current Investments	**$149,958,454**	**$112,708,017**

* Short Term Cash Investments as stated in Note 11.

Non Current Investments	31/12/2018	30/06/2018
	$	$
Mortgage Backed Securities (MBS)	2,463,504	2,481,033
	2,463,504	2,481,033
Equity in Local Government House	10,000	10,000
Equity in Mindarie Regional Council	450,285	450,285
Equity in Tamala Park Regional Council	3,813,339	3,659,996
	$6,737,128	**$6,601,314**

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Notes to the Balance Sheet for the 6 months ended 31 December 2018

4 Deposits/Prepayments

	31/12/2018	30/06/2018
	$	$
Prepaid Insurance	1,172,222	-
Prepaid Parking Bay Licence Fees	8,870,917	113,564
Other	1,790,699	1,623,611
	$11,833,838	$1,737,175

5 Trade And Other Receivables

	31/12/2018	30/06/2018
Current	$	$
Emergency Services Levy (ESL)	2,123,327	114,563
Accrued Interest and Investment Income	1,495,229	1,092,202
Accrued Income	1,270,295	1,767,763
Modified Penalties/Fines and Costs	8,099,560	7,886,627
Debtors - General		
Australian Taxation Office - GST Refundable	799,852	1,024,489
Other Debtors	2,702,399	2,216,562
	16,490,662	14,102,206
Less: Provision for Doubtful Debts	(3,911,536)	(3,983,451)
	$12,579,126	$10,118,755
Non Current		
Pensioners' Rates Deferred	61,608	62,649
	$61,608	$62,649

6 Trade And Other Payables

	31/12/2018	30/06/2018
Current	$	$
Trade Creditors	3,974,165	15,035,282
Emergency Services Levy	10,174,658	-
Interest Payable on Loans	60,581	231,867
Accrued Expenses - Operating	4,489,945	2,471,480
Accrued Expenses - Capital	431,670	396,625
Advances Received for Recoverable Works	78,317	96,738
Income Received / Raised in Advance	833,013	1,083,716
Other Creditors	2,198,018	1,883,623
	$22,240,367	$21,199,331

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Notes to the Balance Sheet for the 6 months ended 31 December 2018

7 Employee Benefits

	31/12/2018	30/06/2018
Current	$	$
Leave Entitlements		
Annual Leave	5,093,407	4,792,212
Self Funded Leave	169,867	163,543
Long Service Leave	5,743,802	5,435,598
Recognition of Employees- Presentations	102,310	114,254
	$11,109,386	**$10,505,607**
Non Current		
Annual Leave	379,099	379,099
Long Service Leave	1,101,779	1,101,779
	$1,480,878	**$1,480,878**

Provisions

	31/12/2018	30/06/2018
	$	$
Current		
Workers Compensation	612,044	612,044
	$612,044	**$612,044**

8 Property, Plant and Equipment and Work in Progress

	31/12/2018	30/06/2018
	$	$
Land - fair value	418,170,435	418,170,435
Less: Accumulated Depreciation	(8,558,971)	(8,224,622)
	409,611,464	409,945,813
Buildings - at fair value	461,389,957	461,389,957
Less: Accumulated Depreciation	(195,619,832)	(190,281,759)
	265,770,125	271,108,198
Leasehold Improvements - at fair value	654,500	654,500
Less: Accumulated Depreciation	(104,023)	(94,569)
	550,477	559,931
Infrastructure Assets - at cost/fair value	602,130,132	601,956,718
Less: Accumulated Depreciation	(232,890,572)	(224,735,475)
	369,239,560	377,221,243
Plant and Mobile Equipment - at cost/fair value	48,595,209	48,244,193
Less: Accumulated Depreciation	(33,690,149)	(32,299,077)
	14,905,060	15,945,116
Office Furniture and Equipment - at cost/fair value	47,388,900	47,137,143
Less: Accumulated Depreciation	(15,919,997)	(14,484,640)
	31,468,903	32,652,503
Property, Plant and Equipment	1,091,545,589	1,107,432,804
Work in Progress - at cost	57,988,013	49,042,894
	57,988,013	49,042,894
Total Property, Plant and Equipment and Work in Progress	**$1,149,533,602**	**$1,156,475,698**

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Notes to the Balance Sheet for the 6 months ended 31 December 2018

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

	Balance 30/06/2018	Acquisitions Actual YTD 31/12/2018	Transfers Actual YTD 31/12/2018	Initial Recognition of Assets Actual YTD 31/12/2018	Disposals/ Write off/ Actual YTD 31/12/2018	Revaluation Actual YTD 31/12/2018	Balance 31/12/2018
	$	$	$	$	$		$
Land	418,170,435	-	-	-	-	-	418,170,435
Buildings	461,389,957	-	-	-	-	-	461,389,957
Leasehold Improvements	654,500	-	-	-	-	-	654,500
Infrastructure Assets	601,956,718	134,518	492,188	-	(453,292)	-	602,130,132
Plant and Mobile Equipment	48,244,193	995,174	-	-	(644,158)	-	48,595,209
Office Furniture and Equipment	47,137,143	53,916	197,841	-	-	-	47,388,900
Work in Progress	49,042,894	9,635,148	(690,029)	-	-	-	57,988,013
	$1,626,595,840	$10,818,756	-	-	(1,097,450)	-	$1,636,317,146

9 **Loan Liability**

	31/12/2018	30/06/2018
Current	$	$
Loans - Western Australian Treasury Corporation	6,334,598	7,448,608
Non Current		
Loans - Western Australian Treasury Corporation	11,867,627	15,683,134

10 **Reserve Funds**

	Purpose of Reserve Fund	Balance 30/06/2018	Transfer from Accumulated Surplus	Transfer to Accumulated Surplus	Balance 31/12/2018
		$	$	$	$
	Refuse Disposal and Treatment	3,758,149	35,295	(11,321)	3,782,123
	Concert Hall - Refurbishment and Maint.	5,502,176	42,286	(833,114)	4,711,348
	Asset Enhancement	30,621,651	287,023	(544,741)	30,363,933
	Street Furniture Replacement	358,479	2,452	(265,573)	95,358
	Parking Levy	21,222,806	31,998	(17,825,290)	3,429,514
	Art Acquisition	399,275	3,746	(26,727)	376,294
	Heritage Incentive	608,930	5,880	-	614,810
	Parking Facilities Development	23,919,144	219,644	(879,103)	23,259,685
	Employee Entitlements	1,924,579	17,973	-	1,942,552
	David Jones Bridge	341,959	3,160	-	345,119
	Bonus Plot Ratio	655,680	6,174	-	661,854
	PCEC Fixed Plant Replacement	5,007,286	47,260	-	5,054,546
	Enterprise and Initative	5,477,133	52,922	-	5,530,055
	Public Art	621,192	5,822	(14,015)	612,999
		100,418,439	761,635	(20,399,884)	80,780,190
*	Asset Revaluation	477,204,390		(38,557)	477,165,833
		$577,622,829	$761,635	($20,438,441)	$557,946,023

* 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 6 months ended 31 December 2018

11 Cash Reconciliation

	31/12/2018	30/06/2018
	$	$
Cash and Cash Equivalents	27,744,585	20,842,973
Short Term Cash Investments	149,958,454	112,708,017
	$177,703,039	**$133,550,990**

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

	31/12/2018	30/06/2018
	$	$
Change in Net Assets Resulting from Operations	61,001,848	11,846,488
Adjustment for items not involving the movement of Funds:		
Depreciation	17,180,299	34,706,879
Doubtful Debts	(71,915)	312,664
(Gain)/Loss on Disposal/Write off/Contribution of Assets	213,058	1,717,911
	78,323,290	48,583,942
Revenues Provided By :		
Government Grants	(1,627,334)	(5,028,039)
	(1,627,334)	(5,028,039)
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Deposits and Prepayments	-	98,131
Decrease in Deferred Debtors	1,041	-
Decrease in Accrued Income	497,468	1,405,487
Increase in Income Received /Raised in Advance	-	373,519
Increase in Accrued Interest Payable	-	75,420
Increase in Accrued Expenses	2,018,465	-
Increase in Provisions	603,779	530,691
Increase in Trade and Other Payables	-	3,367,298
Deduct		
Decrease in Trade and Other Payables	(572,064)	-
Decrease in Income Received /Raised in Advance	(269,124)	-
Decrease in Accrued Interest Payable	(171,286)	-
Increases in Deferred Debtors	-	(16,293)
Decrease in Accrued Expenses	-	(1,293,063)
Increase in Inventories	(24,524)	(153,803)
Increase in Trade and Other Receivables	(10,273,756)	(1,457,099)
Increase in Prepayments	(10,096,663)	-
Increase in Accrued Interest and Investment Income	(403,027)	(386,685)
	(18,689,691)	2,543,603
Net Cash Provided by Operating Activities	**$58,006,266**	**$46,099,506**

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Notes to the Balance Sheet for the 6 months ended 31 December 2018

13 Ratios

	31/12/2018	30/06/2018
1 Current Ratio		
Current Assets minus Restricted Assets		
Current Liabilities minus Liabilities associated with Restricted Assets	3.31	1.24
2 Debt Ratio		
Total Liabilities		
Total Assets	3.92%	4.35%
3 Debt Service Ratio		
Debt Service Cost		
Available Operating Revenue	14.24%	7.33%
4 Rate Coverage Ratio		
Net Rate Revenue		
Operating Revenue	59.96%	44.79%
5 Outstanding Rates Ratio		
Rates Outstanding		
Rates Collectable	9.15%	0.67%
6 Untied Cash to Unpaid Creditors Ratio		
Untied Cash		
Unpaid Trade Creditors	25.01	2.37
7 Gross Debt to Revenue Ratio		
Gross Debt		
Total Revenue	11.85%	11.45%
8 Gross Debt to Economically Realisable Assets Ratio		
Gross Debt		
Economically Realisable Assets	1.82%	2.48%

Restricted Assets includes reserve funds and tied contributions not utilised at 31.12.2018

Agenda Item 13.10 **Payments from Municipal and Trust Funds – December 2018**

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 31 December 2018 be RECEIVED and recorded in the Minutes of the Council, the summary of which is as follows:

FUND	*PAID*
Municipal Fund	*$ 23,708,760.68*
Trust Fund	*$ 152,202.90*
TOTAL:	*$ 23,860,963.58*

FILE REFERENCE:	P1035536
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
REPORT AUTHOR DISCLOSURE INTEREST	Nil
DATE:	7 January 2019
ATTACHMENT/S:	A detailed list of payments made under delegated authority for the month ended 31 December can be accessed by the Commissioners via the Council Hub. Members of the public can access the list of payments on request.

Council Role:

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

☒ Information *For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation	Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 7 - An open and engaged city
Policy Policy No and Name:	N/A

Comments:

Payments for the month of December 2018 included the following significant items, but exclude payroll and payroll taxation payments to the Deputy Commissioner of Taxation:

- $7,344,205.72 to the Department of Fire and Emergency Services for the emergency services levy second quarter contribution for 2018/19;

- $1,379,014.54 to the Western Australian Treasury Corporation for loan payments of $541,200.68 for the Elder Street carpark, $560,574.81 for the Perth Convention and Exhibition Centre carpark, $32,774.82 for the Goderich Street carpark and $244,464.23 for the Perth City Library and Public Plaza; and

- $438,842.80 to the Department of Local Government Sport and Cultural Industries for its share of the 2016/17 car park revenue for the Perth Cultural Centre and State Library car parks as provided for under the terms of their respective lease agreements.

Agenda Item 13.11 **Payments from Municipal and Trust Funds – January 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 31 January 2019 be RECEIVED and recorded in the Minutes of the Council, the summary of which is as follows:

FUND	PAID
Municipal Fund	*$ 15,026,852.73*
Trust Fund	*$ 190,618.28*
TOTAL:	*$ 15,217,471.01*

FILE REFERENCE:	P1035536
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
DATE:	8 February 2019
REPORT AUTHOR DISCLOSURE OF INTEREST	Nil
ATTACHMENT/S:	A detailed list of payments made under delegated authority for the month ended 31 January 2019 can be accessed by the Commissioners via the Council Hub. Members of the public can access the list of payments on request.

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☐	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
☐	Legislative	*Includes adopting local laws, town planning schemes and policies*

☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☒	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation	Regulation 13(1) of the *Local Government (Financial Management) Regulations 1996*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 7 - An open and engaged city
Policy Policy No and Name:	N/A

Comments:

Payments for the month of January 2019 included the following significant items, but exclude payroll (including superannuation) and payroll taxation payments to the Deputy Commissioner of Taxation:

- $792,730.67 to The Western Australian Treasury Corporation for loan payments of $711,834.69 for the Perth Library and Public Plaza and $80,895.98 for the State Government Guarantee Fee; and

- $326,059.25 to Mark One Visual for the hire of Christmas trees and lighting installation for Christmas in the City.

Agenda Item 13.12 **2018/19 Budget Review 2 – December 2018 – Forecast of the Operating and Capital Budgets for the year ending 30 June 2019**

Recommendation:

That Council:

1. ***in accordance with Regulation 33A(3) of the Local Government (Financial Management) Regulations 1996 (as amended) APPROVES BY AN ABSOLUTE MAJORITY:***

    1.1 the Budget Review 2018/19 December 2018 as detailed in Attachments 13.12A, 13.12B, and 13.12C, noting the impact of increased revenue and a decrease in operating expenditure;
    1.2 net capital expenditure reduction of $7,696,494 as listed in Attachment 13.12C; and
    1.3 the decrease in transfers from reserves of $4,960,897 related to changes in the capital works program.

2. ***NOTES that:***

    2.1 the budgeted net result from operations has improved by $560,517; and
    2.2 the net reduction of $7,696,494 on capital projects; reduced funding required from reserves of $4,960,897 and Municipal funds of $2,735,597.

FILE REFERENCE:	P1014149-25
REPORTING UNIT:	Finance
RESPONSIBLE DIRECTORATE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	12 February 2019
ATTACHMENT/S:	Attachment 13.12A – Headline Performance Review Report Attachment 13.12B – Operating Statement by Directorate and Unit, including Operating Statement Analysis by Directorate and Unit Attachment 13.12C – Capital Works Schedule

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☐	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*

☒	Legislative	*Includes adopting local laws, town planning schemes and policies*
☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation	Section 6.4(1) and (2) of the *Local Government Act 1995* Regulation 34(1) of the *Local Government (Financial Management) Regulations 1996*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 8 - A city that delivers for its community
Policy Policy No and Name:	9.6 – Budget Variations

Purpose and Background:

The City has conducted a budget review to forecast its results to the end of the financial year and to approve changes to the budget emerging from the review. The review is based on the actual results for the six months to 31 December 2018.

This review, completed by the Finance unit, was signed off by the relevant Managers and Directors who are accountable and have taken responsibility for the forecasts.

Details:

Operating revenue is projected to increase by $82,000 to $202.8 million and operating expenditure reduced by $478,000 to $197.4 million.

Operating Revenue - by Nature and Type (Attachment 13.12A)

- Rates forecast to the end of the year is higher than anticipated by $322,000 to reflect the current revenue trend;
- Parking fee revenue has decreased by $168,000 due to a combination of factors, namely adjusted revenue for Point Fraser, Elder Street and Mayfair Street car parks coupled with the impact of Christmas and New Year car park promotions;
- Fines and costs have increased by $314,000 as a result of expected increased Health and Activity approvals and parking infringements; and

- Interest earnings have been adjusted downwards by $371,000 to reflect the current performance of the City's investments.

Operating Expenditure - by Nature and Type (Attachment 13.12A)

- Employee costs have increased by $100,000 mainly due to lower capitalisation costs as a result of the delayed Integrated Parking Management System (IPMS) project. A Salaries and Wages reconciliation showing the changes from the Approved Original Budget is shown below:

Salaries & Wages Reconciliation	Sept Budget Review $m	Dec Budget Review $m	Total Change $m
Original Budget/Sept Review	78.3	77.4	78.3
Defined Benefit Superannuation Contribution Holiday	(0.5)	-	(0.5)
Employee Separation Payments	0.4	-	0.4
(Increase)/Decrease in Salary costs Capitalised	(0.1)	0.7	0.6
Increases in Overtime/Unbudgeted Allowances	-	0.3	0.3
Increases in FTE	0.5	0.3	0.8
Reduction in costs through Vacant Positions	(1.5)	(1.4)	(2.9)
Increase in Indirect Employee Costs	0.2	0.1	0.3
Increase in Training, Recruitment & Safety Costs	0.1	0.1	0.2
	77.4	**77.5**	**77.5**

- Materials and Contracts have increased by $341,000 due to increased costs with the Events Process Review in Health and Activity Approvals, IPMS hosting costs, Systems Awareness advertising and increased solid waste tipping costs; and
- Other Expenditure has decreased by $444,000 as a result of an adjustment to the Emergency Services Levy for carparks based on current charges, a reduction in travel expenditure and a deferral of the "Start Something in Perth" project in the Business Sponsorship unit.

Operating Expenditure -by Directorate and Unit (Attachment 13.12B)

In this analysis, the accompanying attachments include comments with a brief explanation of the reason for increases and decreases.

Capital Expenditure (Attachment 13.12C)

- Capital expenditure has been reduced by $7.7 million. Reprioritisation of some projects and adjustments to the total value of the program due to the delay in the IPMS and Forrest Chase Pedestrian Walkways projects bring the total capital expenditure forecast to be delivered by 30 June 2019 to $48.0 million.

	$m
Actual YTD December 2018	10.8
Capital spend forecast to June 2019	37.2
Total Proposed Budget	48.0

- A reconciliation of the Capital Budget showing the changes from the Approved Original Budget is shown below:

	$m	$m
Original Budget		56.3
Finalisation of Carry Forward		(1.6)
Council Approved Changes		
Parallel walks & other pedestrian improvements		
Council House Lighting Upgrade project		2.8
		57.5
Sep 18 Budget Review Changes		
Core Systems upgrade	(0.5)	
Office Accommodation - Reduced Scope	(0.5)	
Bollard Replacement - Hay St & Murray St	(0.4)	
Depot Waste Transfer Station	(0.3)	
Other	(0.1)	(1.8)
		55.7
Dec 18 Budget Review Changes		
IPMS	(2.7)	
Forrest Chase Pedestrian Walkways	(2.0)	
Lighting - Council House upgrades	(1.1)	
Other	(1.9)	(7.7)
Proposed Capital Budget 2018-19		48.0

- Attachment 13.12C provides details regarding the projects contained within the following categories:

Description	Revised Budget $m	Forecast $m	Variance $m
New projects requiring funding	0.5	0.5	-
Ongoing projects with surplus funds	7.5	4.7	(2.8)
Ongoing projects requiring additional funds	13.4	1.2	(12.2)
Projects to be re-budgeted in future years	0.6	4.7	4.1
Projects that remain unchanged	33.7	36.9	3.2
TOTAL	**55.7**	**48.0**	**(7.7)**

- The funding impact of the change arising from the review is:

Funding source	Amount $m
Municipal	(2.7)
Reserve funds	(5.0)
TOTAL	**(7.7)**

Financial Implications:

The budget review has changed the overall financial position of the City, with the Operating result for the City expected to improve by $560,000 to $5.4 million for the year to 30 June 2019.

Comments:

The City remains in a strong financial position.

CITY of PERTH

HEADLINE PERFORMANCE REVIEW 2018-19

	YTD December 2018				2018/19			
	Actual $	Revised Budget $	Variance $	Variance %	Revised Budget $	Forecast Budget $	Variance $	Variance %
REVENUE[1]								
Rates	91,108,098	90,838,789	269,309	0.3%	90,708,789	91,030,358	321,569	0.4%
Operating Grants, Subsidies and Contributions	1,028,956	1,041,840	(12,885)	(1.2%)	2,454,037	2,438,072	(15,965)	(0.7%)
Rubbish Collection Fees	9,198,598	9,199,941	(1,343)	(0.0%)	9,448,533	9,443,099	(5,434)	(0.1%)
Parking fees	38,061,425	37,886,544	174,881	0.5%	74,059,544	73,891,792	(167,752)	(0.2%)
Fines & Costs	4,852,468	4,517,889	334,579	7.4%	8,972,512	9,286,683	314,171	3.5%
Community Services Fees	808,609	819,142	(10,532)	(1.3%)	1,680,548	1,672,835	(7,713)	(0.5%)
Interest Earnings	2,827,840	3,187,895	(360,054)	(11.3%)	5,165,102	4,794,547	(370,555)	(7.2%)
Other Revenue	5,763,219	5,495,596	267,623	4.9%	9,658,528	9,672,336	13,808	0.1%
Distribution from Tamala Park Regional Council	0	0	0		580,000	580,000	0	
TOTAL OPERATING REVENUE	**153,649,214**	**152,987,636**	**661,578**	**0.4%**	**202,727,592**	**202,809,723**	**82,131**	**0.0%**
EXPENDITURE[2]								
Employees	38,725,714	38,894,840	169,126	14.7%	77,372,754	77,472,406	(99,651)	(0.1%)
Materials & Contracts	22,223,166	22,570,338	347,172	1.5%	53,233,376	53,574,352	(340,975)	(0.6%)
Utilities	1,436,576	1,540,956	104,379	6.8%	3,180,652	3,146,760	33,892	1.1%
Insurances	498,447	496,619	(1,828)	(0.4%)	969,765	982,923	(13,158)	(1.4%)
Depreciation	17,180,300	17,562,359	382,058	2.2%	35,165,700	34,615,228	550,472	1.6%
Interest expense	544,249	535,719	(8,530)	(1.6%)	961,438	969,957	(8,519)	(0.9%)
Loss on Disposal of assets	213,058	124,728	(88,330)	(70.8%)	1,538,312	1,626,642	(88,330)	(5.7%)
Expense provision	307,563	306,848	(715)	(0.2%)	622,947	622,947	0	0.0%
Other expenditure	12,392,354	12,642,200	249,846	2.0%	24,877,955	24,433,659	444,296	1.8%
TOTAL OPERATING EXPENDITURE	**93,521,428**	**94,674,606**	**1,153,178**	**1.2%**	**197,922,901**	**197,444,874**	**478,027**	**0.2%**
NET OPERATING SURPLUS/(DEFICIT)	**60,127,786**	**58,313,030**	**1,814,756**	**3.1%**	**4,804,691**	**5,364,849**	**560,157**	**11.7%**
Non Operating Grants, Subsidies and Contributions	808,826	558,566	250,260	44.8%	2,041,933	1,894,780	(147,153)	(7.2%)
	808,826	**558,566**	**250,260**	**44.8%**	**2,041,933**	**1,894,780**	**(147,153)**	**(7.2%)**
NET INCOME /(EXPENDITURE)	**60,936,612**	**58,871,596**	**2,065,016**	**3.5%**	**6,846,624**	**7,259,629**	**413,004**	**6.0%**

NOTE:

Revenue[1] Excludes Capital Grants

Expenditure[2] Excludes Internal Recoveries

	YTD December 2018				2018/19			
	Actual $	Revised Budget $	Variance $	Variance %	Revised Budget $	Forecast Budget $	Variance $	Variance %
Chief Executive	(4,142,628)	(4,109,804)	(32,824)	(0.8%)	(9,562,438)	(9,913,377)	(350,939)	(3.7%)
Corporate Services	85,878,242	85,659,896	218,346	0.3%	78,549,268	78,445,463	(103,805)	(0.1%)
Community & Commercial Services	15,241,854	13,574,125	1,667,729	12.3%	23,718,314	23,661,974	(56,340)	(0.2%)
Construction & Maintenance	(21,520,576)	(21,119,350)	(401,226)	(1.9%)	(53,626,533)	(53,993,741)	(367,208)	(1.0%)
Planning & Development	(4,241,975)	(4,608,862)	366,887	8.0%	(10,063,570)	(9,382,711)	680,858	6.8%
Economic Development & Activation	(10,278,305)	(10,524,409)	246,104	2.3%	(22,168,418)	(21,557,979)	610,439	2.8%
Total	**60,936,612**	**58,871,596**	**2,065,016**	**3.5%**	**6,846,624**	**7,259,629**	**413,005**	**5.7%**

Operating Variance Analysis as at 31 December 2018

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Variance $	Variance %	
SUMMARY FOR THE DIRECTORATE	**Executive Support Directorate**								
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	559	107	452	420.6%	107	559	452	420.6%	
TOTAL INCOME	**559**	**107**	**452**	**420.6%**	**107**	**559**	**452**	**420.6%**	
Employee Costs	(2,704,683)	(2,708,248)	3,565	0.1%	(5,092,551)	(5,205,489)	(112,938)	-2.2%	1
Materials and Contracts	(1,363,836)	(1,327,343)	(36,493)	-2.7%	(4,313,856)	(4,596,458)	(282,601)	-6.6%	2
Insurance Expenses	(11,906)	(11,896)	(10)	-0.1%	(23,666)	(23,675)	(10)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(13,410)	(13,418)	8	0.1%	(26,700)	(26,692)	8	0.0%	
Interest Expense	(8)	0	(8)	0.0%	0	(8)	(8)	0.0%	
Other Expenditure	(49,344)	(49,006)	(338)	-0.7%	(105,771)	(61,613)	44,158	41.7%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(4,143,187)**	**(4,109,911)**	**(33,276)**	**-0.8%**	**(9,562,545)**	**(9,913,936)**	**(351,391)**	**-3.7%**	
Net operating total directorate: Executive Support Directorate	**(4,142,628)**	**(4,109,804)**	**(32,824)**	**-0.8%**	**(9,562,438)**	**(9,913,377)**	**(350,939)**	**-3.7%**	

Notes

1 Increase of $113k in Employee Expenses as a result of 3 FTE positions being transferred to CEO office. 2 x Project Officers funded from other units and 1 x Strategic Financial Consultant.

2 Increase of $283k in Materials and Contracts as a result of increased legal fees for additional services sought and higher consultancy expenditure.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Corporate Communications									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(673,751)	(658,437)	(15,314)	**-2.3%**	(1,279,064)	(1,327,121)	(48,058)	-3.8%	1
Materials and Contracts	(168,521)	(254,217)	85,695	**33.7%**	(495,878)	(510,075)	(14,197)	-2.9%	
Insurance Expenses	(2,839)	(2,838)	(1)	**0.0%**	(5,676)	(5,677)	(1)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	(8)	0	(8)	0.0%	0	(8)	(8)	0.0%	
Other Expenditure	(862)	(1,874)	1,012	**54.0%**	(4,074)	(3,062)	1,012	24.8%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(845,981)**	**(917,365)**	**71,384**	**7.8%**	**(1,784,691)**	**(1,845,944)**	**(61,253)**	**-3.4%**	

Notes

1 Increase of $48k in Employee Expenses as a result of maternity leave cover.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Chief Executive Office									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(815,516)	(777,860)	(37,655)	**-4.8%**	(1,141,771)	(1,435,398)	(293,627)	-25.7%	1
Materials and Contracts	(135,976)	(80,086)	(55,890)	**-69.8%**	(234,650)	(337,759)	(103,109)	-43.9%	2
Insurance Expenses	(1,419)	(1,417)	(2)	**-0.1%**	(2,832)	(2,834)	(2)	-0.1%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(87)	(1,170)	1,083	**92.6%**	(6,400)	(8,317)	(1,917)	-30.0%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(952,997)**	**(860,533)**	**(92,464)**	**-10.7%**	**(1,385,653)**	**(1,784,309)**	**(398,656)**	**-28.8%**	

Notes

1 Increase of $294k in Employee Expenses as a result of the Strategic Financial Consultant position and 2 additional project officers seconded from DCC and EDA.

2 Increase of $103k in Materials and Contracts due to increased consultancy costs as anticipated.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Strategy and Partnership									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(389,738)	(441,521)	51,782	**11.7%**	(1,003,725)	(822,318)	181,407	18.1%	1
Materials and Contracts	(84,034)	(101,009)	16,975	**16.8%**	(237,922)	(239,552)	(1,630)	-0.7%	
Insurance Expenses	(1,065)	(1,063)	(2)	**-0.2%**	(2,124)	(2,126)	(2)	-0.1%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(137)	(2,100)	1,964	**93.5%**	(11,600)	(5,250)	6,350	54.7%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(474,974)**	**(545,693)**	**70,719**	**13.0%**	**(1,255,371)**	**(1,069,246)**	**186,125**	**14.8%**	

Notes

1 Decrease of $181k in Employee Expenses as a result of the transfer of the Business Transformation Director position being vacant to the CEO office to cover for the Strategic Financial Analyst position.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Governance									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	559	107	452	420.6%	107	559	452	420.6%	
TOTAL INCOME	**559**	**107**	**452**	**420.6%**	**107**	**559**	**452**	**420.6%**	
Employee Costs	(825,679)	(830,431)	4,752	0.6%	(1,667,992)	(1,620,652)	47,339	2.8%	1
Materials and Contracts	(975,305)	(892,032)	(83,273)	-9.3%	(3,345,407)	(3,509,072)	(163,666)	-4.9%	2
Insurance Expenses	(6,582)	(6,578)	(4)	-0.1%	(13,034)	(13,038)	(4)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(13,410)	(13,418)	8	0.1%	(26,700)	(26,692)	8	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(48,258)	(43,862)	(4,396)	-10.0%	(83,697)	(44,984)	38,713	46.3%	3
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(1,869,234)**	**(1,786,320)**	**(82,914)**	**-4.6%**	**(5,136,830)**	**(5,214,438)**	**(77,608)**	**-1.5%**	

Notes

1 Savings of $47k in Employee Expenses as the Panel Inquiry Project Officer position is expected to be vacant for the remainder of the year.

2 Increase of $164k in Materials and Contracts as a result of increased legal fees for additional services sought.

3 Savings of $39k in Other Expenditure is due to the cessation of the Lord Mayor allowance payments.

Operating Variance Analysis as at 31 December 2018

City of Perth

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Variance $	Variance %	
SUMMARY FOR THE DIRECTORATE	**Corporate Services Directorate**								
Rates	91,108,098	90,838,789	269,309	**0.3%**	90,708,789	91,030,358	321,569	0.4%	**1**
Operating Grants, Subsidies and Contributions	263,973	263,974	(1)	**0.0%**	527,948	527,947	(1)	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	657,247	657,247	0	0.0%	
Fees and Charges	441,161	424,817	16,344	**3.8%**	427,514	446,859	19,344	4.5%	
Interest Earnings	2,827,850	3,187,905	(360,054)	**-11.3%**	5,165,112	4,794,557	(370,554)	-7.2%	**2**
Other Revenue	99,471	142,277	(42,806)	**-30.1%**	227,500	403,341	175,841	77.3%	**3**
TOTAL INCOME	**94,740,553**	**94,857,761**	**(117,208)**	**-0.1%**	**97,714,110**	**97,860,309**	**146,199**	**0.1%**	
Employee Costs	(6,020,602)	(6,133,175)	112,572	**1.8%**	(12,228,014)	(12,358,157)	(130,143)	-1.1%	**4**
Materials and Contracts	(1,939,248)	(2,216,244)	276,995	**12.5%**	(4,498,745)	(4,567,652)	(68,907)	-1.5%	**5**
Insurance Expenses	(44,034)	(42,653)	(1,381)	**-3.2%**	(85,308)	(88,889)	(3,581)	-4.2%	
Utility Charges	(9,004)	(10,414)	1,410	**13.5%**	(24,414)	(23,004)	1,410	5.8%	
Depreciation and Amortisation	(628,874)	(658,571)	29,697	**4.5%**	(1,316,970)	(1,286,933)	30,037	2.3%	
Interest Expense	(79)	(25)	(54)	**-216.0%**	(25)	(79)	(54)	-214.8%	
Other Expenditure	(7,411)	(12,055)	4,644	**38.5%**	(53,053)	(43,489)	9,564	18.0%	
Loss on Asset Disposal	(213,058)	(124,728)	(88,330)	**-70.8%**	(958,312)	(1,046,642)	(88,330)	-9.2%	**6**
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(8,862,310)**	**(9,197,864)**	**335,554**	**3.6%**	**(19,164,842)**	**(19,414,846)**	**(250,004)**	**-1.3%**	
Net operating total directorate: Corporate Services Directorate	**85,878,243**	**85,659,897**	**218,346**	**0.3%**	**78,549,268**	**78,445,463**	**(103,805)**	**-0.1%**	

Notes

1 Increase of $322k expected in Rates revenue to reflect current revenue trend.

2 Decrease of $371k expected in Interest Revenue based on the current performance of the City's investments.

3 Increase of $176k expected in Other Revenue as a result of revenue sharing from APT Bus Shelter.

4 Increase of $130k expected in Employee Costs predominantly due 1 position reinstated in IT and a refilled position for the Senior Financial Accountant created to cover for the Chief Accountant's leave prior to retirement. Overall, the forecast budget is in line with the original budget prior to the October 2018 review.

5 Increase of $69k in Materials and Contracts due to increased Microsoft cloud computing platform Azure usage, relocation of Data Centre costs and maintenance, and increased site visits for fibre preventative maintenance programme.

6 Increase of $88k in Loss on Asset Disposal expected as more plant and equipment are forecast to be disposed of.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Information Technology									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(1,551,703)	(1,530,059)	(21,644)	**-1.4%**	(3,048,377)	(3,189,853)	(141,476)	-4.6%	1
Materials and Contracts	(1,168,491)	(1,295,218)	126,727	**9.8%**	(2,800,334)	(2,883,765)	(83,431)	-3.0%	2
Insurance Expenses	(10,292)	(10,289)	(3)	**0.0%**	(20,580)	(20,583)	(3)	0.0%	
Utility Charges	(9,004)	(10,414)	1,410	**13.5%**	(24,414)	(23,004)	1,410	5.8%	
Depreciation and Amortisation	(581,945)	(633,123)	51,178	**8.1%**	(1,265,921)	(1,214,743)	51,178	4.0%	
Interest Expense	(12)	0	(12)	0.0%	0	(12)	(12)	0.0%	
Other Expenditure	0	0	0	0.0%	(4,700)	(4,700)	0	0.0%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(3,321,446)**	**(3,479,103)**	**157,656**	**4.5%**	**(7,164,327)**	**(7,336,661)**	**(172,334)**	**-2.4%**	

Notes

1 Increase of $141k due to 1 FTE position previously allocated to capital projects now being reinstated.

2 Increase of $83k in Materials and Contracts due to various costs increases expected for Microsoft Azure cloud computing platform usage, fibre preventative maintenance program and the relocation of data centre.

	Year To Date 31 December 2018				2018/19			
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %
Director Corporate Services								
Rates	0	0	0	0.0%	0	0	0	0.0%
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%
Other Revenue	0	0	0	0.0%	0	0	0	0.0%
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**
Employee Costs	(151,149)	(159,395)	8,246	**5.2%**	(306,724)	(297,411)	9,313	3.0%
Materials and Contracts	(2,192)	(1,695)	(497)	**-29.3%**	(10,444)	(6,091)	4,353	41.7%
Insurance Expenses	(543)	(541)	(2)	**-0.4%**	(1,080)	(1,082)	(2)	-0.2%
Utility Charges	0	0	0	0.0%	0	0	0	0.0%
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%
Interest Expense	0	0	0	0.0%	0	0	0	0.0%
Other Expenditure	(2,780)	(2,830)	50	**1.8%**	(9,130)	(9,080)	50	0.5%
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%
Expense Provision	0	0	0	0.0%	0	0	0	0.0%
TOTAL EXPENDITURE	**(156,664)**	**(164,461)**	**7,797**	**4.7%**	**(327,378)**	**(313,664)**	**13,714**	**4.2%**

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Finance									
Rates	91,108,098	90,838,789	269,309	**0.3%**	90,708,789	91,030,358	321,569	0.4%	1
Operating Grants, Subsidies and Contributions	263,973	263,974	(1)	**0.0%**	527,948	527,947	(1)	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	657,247	657,247	0	0.0%	
Fees and Charges	439,802	423,134	16,668	**3.9%**	424,134	443,802	19,668	4.6%	
Interest Earnings	2,827,850	3,187,905	(360,054)	**-11.3%**	5,165,112	4,794,557	(370,554)	-7.2%	2
Other Revenue	99,391	142,277	(42,886)	**-30.1%**	227,500	403,261	175,761	77.3%	3
TOTAL INCOME	**94,739,114**	**94,856,078**	**(116,964)**	**-0.1%**	**97,710,730**	**97,857,173**	**146,443**	**0.1%**	
Employee Costs	(1,545,382)	(1,531,318)	(14,065)	**-0.9%**	(2,973,496)	(3,061,288)	(87,792)	-3.0%	4
Materials and Contracts	(366,778)	(377,309)	10,531	**2.8%**	(636,212)	(661,145)	(24,933)	-3.9%	
Insurance Expenses	(10,151)	(10,146)	(5)	**0.0%**	(20,292)	(20,297)	(5)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(24,754)	(7,117)	(17,637)	**-247.8%**	(14,682)	(31,979)	(17,298)	-117.8%	
Interest Expense	(29)	0	(29)	**-100.0%**	0	(29)	(29)	-100.0%	
Other Expenditure	(3,832)	(8,760)	4,928	**56.3%**	(19,486)	(9,558)	9,928	51.0%	
Loss on Asset Disposal	(213,058)	(124,728)	(88,330)	**-70.8%**	(958,312)	(1,046,642)	(88,330)	-9.2%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(2,163,984)**	**(2,059,378)**	**(104,607)**	**-5.1%**	**(4,622,480)**	**(4,830,938)**	**(208,458)**	**-4.5%**	

Notes

1 Increase of $322k expected in Rates revenue to reflect current revenue trend.

2 Decrease of $371k expected in Interest Revenue based on the current performance of the City's investments.

3 Increase of $175k expected in Other Revenue as a result of revenue sharing from APT Bus Shelter.

4 Increase of $88k expected in Employee Expenses predominantly due to staff time no longer being allocated to HRIS capital project as previously budgeted for.

	Year To Date 31 December 2018				2018/19			
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %
Human Resources								
Rates	0	0	0	0.0%	0	0	0	0.0%
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%
Other Revenue	0	0	0	0.0%	0	0	0	0.0%
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**
Employee Costs	(970,822)	(1,008,921)	38,099	**3.8%**	(2,030,868)	(2,026,766)	4,102	0.2%
Materials and Contracts	(125,218)	(138,930)	13,711	**9.9%**	(276,804)	(278,285)	(1,481)	-0.5%
Insurance Expenses	(6,140)	(6,138)	(2)	**0.0%**	(12,276)	(12,278)	(2)	0.0%
Utility Charges	0	0	0	0.0%	0	0	0	0.0%
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%
Interest Expense	(8)	0	(8)	0.0%	0	(8)	(8)	0.0%
Other Expenditure	(666)	(349)	(317)	**-90.8%**	(1,000)	(1,317)	(317)	-31.7%
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%
Expense Provision	0	0	0	0.0%	0	0	0	0.0%
TOTAL EXPENDITURE	**(1,102,854)**	**(1,154,338)**	**51,484**	**4.5%**	**(2,320,948)**	**(2,318,654)**	**2,293**	**0.1%**

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Data and Information									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	1,359	1,682	(323)	**-19.2%**	3,380	3,056	(324)	-9.6%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	80	0	80	**100.0%**	0	80	80	0.0%	
TOTAL INCOME	**1,439**	**1,682**	**(243)**	**-14.4%**	**3,380**	**3,136**	**(244)**	**-7.2%**	
Employee Costs	(1,454,127)	(1,553,826)	99,699	**6.4%**	(3,142,432)	(3,060,352)	82,080	2.6%	**1**
Materials and Contracts	(265,969)	(391,530)	125,561	**32.1%**	(744,941)	(716,659)	28,282	3.8%	**2**
Insurance Expenses	(13,415)	(13,410)	(5)	**0.0%**	(26,820)	(26,825)	(5)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(22,175)	(3,390)	(18,785)	**-554.1%**	(6,759)	(25,544)	(18,786)	-278.0%	
Interest Expense	(30)	(25)	(5)	**-20.3%**	(25)	(30)	(5)	-20.3%	
Other Expenditure	(133)	(116)	(17)	**-14.8%**	(5,137)	(5,234)	(97)	-1.9%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(1,755,850)**	**(1,962,297)**	**206,447**	**10.5%**	**(3,926,115)**	**(3,834,646)**	**91,469**	**2.3%**	

Notes

1 Decrease of $82k in Employee Costs as a result of 3 project officers positions from PPMS transferred to the Construction Directorate.

2 Decrease of $28k in Materials and Contracts due to lower that expected hosted services costs.

	Year To Date 31 December 2018				2018/19			
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %
Asset Management								
Rates	0	0	0	0.0%	0	0	0	0.0%
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%
Other Revenue	0	0	0	0.0%	0	0	0	0.0%
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**
Employee Costs	(347,419)	(349,656)	2,237	**0.6%**	(726,117)	(722,487)	3,630	0.5%
Materials and Contracts	(10,600)	(11,563)	963	**8.3%**	(30,009)	(21,706)	8,303	27.7%
Insurance Expenses	(3,493)	(2,129)	(1,364)	**-64.1%**	(4,260)	(7,823)	(3,563)	-83.7%
Utility Charges	0	0	0	0.0%	0	0	0	0.0%
Depreciation and Amortisation	0	(14,943)	14,943	**100.0%**	(29,608)	(14,666)	14,943	50.5%
Interest Expense	0	0	0	0.0%	0	0	0	0.0%
Other Expenditure	0	0	0	0.0%	(13,600)	(13,600)	0	0.0%
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%
Expense Provision	0	0	0	0.0%	0	0	0	0.0%
TOTAL EXPENDITURE	**(361,512)**	**(378,291)**	**16,779**	**4.4%**	**(803,594)**	**(780,282)**	**23,311**	**2.9%**

Operating Variance Analysis as at 31 December 2018

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Variance $	Variance %	
SUMMARY FOR THE DIRECTORATE	**Community and Commercial Services Directorate**								
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	6,667	(6,667)	**-100.0%**	20,000	0	(20,000)	**-100.0%**	1
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	45,672,073	44,790,540	881,533	**2.0%**	87,034,886	87,222,013	187,127	**0.2%**	2
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	600,436	579,439	20,997	**3.6%**	1,024,497	1,049,713	25,216	**2.5%**	3
TOTAL INCOME	**46,272,509**	**45,376,646**	**895,863**	**2.0%**	**88,079,383**	**88,271,726**	**192,343**	**0.2%**	
Employee Costs	(13,255,958)	(13,331,586)	75,628	**0.6%**	(26,457,484)	(26,814,413)	(356,929)	**-1.3%**	4
Materials and Contracts	(5,163,799)	(5,649,772)	485,973	**8.6%**	(12,190,356)	(12,595,645)	(405,288)	**-3.3%**	5
Insurance Expenses	(114,324)	(108,148)	(6,176)	**-5.7%**	(217,851)	(222,447)	(4,596)	**-2.1%**	
Utility Charges	(549,316)	(564,288)	14,972	**2.7%**	(1,173,943)	(1,181,567)	(7,624)	**-0.6%**	
Depreciation and Amortisation	(1,777,160)	(2,020,745)	243,585	**12.1%**	(4,053,747)	(3,754,827)	298,920	**7.4%**	6
Interest Expense	(389,567)	(385,029)	(4,538)	**-1.2%**	(695,270)	(699,804)	(4,533)	**-0.7%**	
Other Expenditure	(9,472,969)	(9,436,105)	(36,863)	**-0.4%**	(18,949,470)	(18,718,102)	231,368	**1.2%**	7
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	(307,563)	(306,848)	(715)	**-0.2%**	(622,947)	(622,947)	0	0.0%	
TOTAL EXPENDITURE	**(31,030,655)**	**(31,802,521)**	**771,865**	**2.4%**	**(64,361,069)**	**(64,609,752)**	**(248,682)**	**-0.4%**	
Net operating total directorate: Community and Commercial Services Directorate	**15,241,854**	**13,574,125**	**1,667,729**	**12.3%**	**23,718,314**	**23,661,974**	**(56,340)**	**-0.2%**	

Notes

1 Decrease of $20k expected for Operating Grants as grant receipt for Emergency Management from All West Australian Reducing Emergency (AWARE) will not be received.

2 Increase of $187k in Fees and Charges as a result of expected increases in Health and Activity Approvals, commercial parking and parking infringements.

3 Increase of $25k in Other Revenue as a result of expected on-charging for security events.

4 Increase of $369k in Employee Costs predominantly due to increased contract labour, reduced capital cost recovery for IPMS as a result of the delayed implementation, and adjusted vacancy rates.

5 Increase of $405k in Materials and Contracts as a result of the Events process review in Health Activity Approval, increased volume of prosecutions, sole trader superannuation entitlement, IPMS hosting costs and System Awareness advertising to Commercial

6 Reduction of $232k in Depreciation as a result of YTD depreciation charges being reflected in the forecast.

7 Decrease of $231k in Other Expenditure as a result of an adjustment to reflect the reduction in the Emergency Services Levy for carparks based on actual charge YTD.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Health and Activity Approvals									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	1,787,055	1,323,872	463,183	**35.0%**	1,864,196	1,997,555	133,359	**7.2%**	1
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	105,745	106,598	(854)	**-0.8%**	109,741	110,141	400	**0.4%**	
TOTAL INCOME	**1,892,800**	**1,430,471**	**462,329**	**32.3%**	**1,973,937**	**2,107,696**	**133,759**	**6.8%**	
Employee Costs	(1,357,838)	(1,425,635)	67,798	**4.8%**	(2,916,369)	(2,838,664)	77,705	**2.7%**	2
Materials and Contracts	(175,443)	(186,126)	10,683	**5.7%**	(510,665)	(677,193)	(166,528)	**-32.6%**	3
Insurance Expenses	(10,577)	(8,909)	(1,668)	**-18.7%**	(16,608)	(16,610)	(2)	**0.0%**	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(9,164)	(17,680)	8,516	**48.2%**	(35,359)	(26,843)	8,516	**24.1%**	
Interest Expense	(5)	0	(5)	0.0%	0	0	0	0.0%	
Other Expenditure	(48)	(26,472)	26,424	**99.8%**	(34,400)	(34,400)	0	0.0%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(1,553,076)**	**(1,664,822)**	**111,747**	**6.7%**	**(3,513,401)**	**(3,593,710)**	**(80,309)**	**-2.3%**	

Notes

1 Increase of $133k expected in Fees and Charges revenue based on trend analysis for Health inspections and other application fees .

2 Savings of $78k expected in Employee Expenses mainly driven by permanent position vacancies offset by internal contract labour hire.

3 Increase of $167k expected in Materials and Contracts due to external contract labour hire.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Parking Services									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	5,504,442	5,248,939	255,504	4.9%	10,526,552	10,571,968	45,416	0.4%	1
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	477	1,310	(833)	-63.6%	3,300	3,300	(0)	0.0%	
TOTAL INCOME	**5,504,920**	**5,250,249**	**254,671**	**4.9%**	**10,529,852**	**10,575,268**	**45,416**	**0.4%**	
Employee Costs	(2,409,998)	(2,541,280)	131,282	5.2%	(5,207,649)	(5,015,690)	191,959	3.7%	2
Materials and Contracts	(618,726)	(815,355)	196,629	24.1%	(1,703,166)	(1,847,353)	(144,187)	-8.5%	3
Insurance Expenses	(22,956)	(22,183)	(773)	-3.5%	(45,616)	(45,625)	(9)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(15,018)	(15,018)	1	0.0%	(30,037)	(30,036)	1	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(97,787)	(103,373)	5,586	5.4%	(237,270)	(237,270)	(0)	0.0%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	(307,563)	(306,848)	(715)	-0.2%	(622,947)	(622,947)	0	0.0%	
TOTAL EXPENDITURE	**(3,472,048)**	**(3,804,057)**	**332,009**	**8.7%**	**(7,846,685)**	**(7,798,922)**	**47,763**	**0.6%**	

Notes

1 Increase of $45k expected in Fees and Charges revenue based on forecast increase in parking infringements as a result of roster improvements.

2 Savings of $192k expected in Employee Expenses mainly driven by YTD savings of $132k as a result of sustained vacancies and reduced hours following return to work arrangements.

3 Increase of $144k expected in Materials and Contracts due to IPMS hosting costs ($125k).

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Customer Service									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	42,853	64,120	(21,267)	**-33.2%**	126,980	89,616	(37,364)	**-29.4%**	**1**
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	44,841	38,277	6,564	**17.1%**	71,310	77,874	6,564	**9.2%**	
TOTAL INCOME	**87,693**	**102,397**	**(14,703)**	**-14.4%**	**198,290**	**167,490**	**(30,800)**	**-15.5%**	
Employee Costs	(674,057)	(708,392)	34,335	**4.8%**	(1,450,123)	(1,502,930)	(52,807)	**-3.6%**	**2**
Materials and Contracts	(150,977)	(137,986)	(12,991)	**-9.4%**	(216,472)	(252,078)	(35,606)	**-16.4%**	**3**
Insurance Expenses	(4,898)	(4,896)	(2)	**0.0%**	(9,792)	(9,794)	(2)	**0.0%**	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	0	0	0	0.0%	0	0	0	0.0%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(829,932)**	**(851,273)**	**21,342**	**2.5%**	**(1,676,387)**	**(1,764,801)**	**(88,415)**	**-5.3%**	

Notes

1 Decrease of $37k expected in Fees and Charges revenue based on forecast reduction in buskers income following adopted fees changes.

2 Increase of $53k expected in Employee Expenses mainly driven by a transfer of the Project & Research Officer position from the DCC Office (1 FTE).

3 Increase of $36k expected in Materials and Contracts due to CRM licences and increased contractor costs expected for pole restoration following Christmas decorations removal.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Community Amenity and Safety									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	6,667	(6,667)	**-100.0%**	20,000	0	(20,000)	**-100.0%**	1
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	43,583	37,687	5,896	**15.6%**	69,071	80,628	11,558	**16.7%**	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	12,204	13,964	(1,759)	**-12.6%**	29,198	30,550	1,352	**4.6%**	
TOTAL INCOME	**55,788**	**58,317**	**(2,530)**	**-4.3%**	**118,269**	**111,179**	**(7,090)**	**-6.0%**	
Employee Costs	(1,939,553)	(1,901,369)	(38,184)	**-2.0%**	(3,829,626)	(3,921,666)	(92,040)	**-2.4%**	2
Materials and Contracts	(193,485)	(183,082)	(10,403)	**-5.7%**	(438,928)	(470,507)	(31,579)	**-7.2%**	3
Insurance Expenses	(14,758)	(14,845)	87	**0.6%**	(31,188)	(31,195)	(7)	**0.0%**	
Utility Charges	(15,002)	(14,547)	(455)	**-3.1%**	(33,000)	(33,000)	(0)	**0.0%**	
Depreciation and Amortisation	(155,346)	(153,257)	(2,089)	**-1.4%**	(306,432)	(308,521)	(2,089)	**-0.7%**	
Interest Expense	(0)	0	(0)	0.0%	0	(0)	(0)	0.0%	
Other Expenditure	(5,252)	(10,426)	5,174	**49.6%**	(15,956)	(14,364)	1,592	**10.0%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(2,323,398)**	**(2,277,526)**	**(45,872)**	**-2.0%**	**(4,655,130)**	**(4,779,255)**	**(124,125)**	**-2.7%**	

Notes

1 Decrease of $20k expected for Operating Grants as grant receipt for Emergency Management from All West Australian Reducing Emergency (AWARE) will not be received.

2 Increase of $104k in Employee Expenses as a result of reinstatement of allowances omitted from the revised budget ($44k), additional employee superannuation contributions expected ($11k), positions expected to be filled for the remainder of the year ($18k) and adjusted vacancy rates for the year.

3 Increase of $32k expected in Materials and Contracts due to IPMS PDA Sim cards, CCTV maintenance and motor vehicle repair costs.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Director Community and Commercial Services									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(347,626)	(342,498)	(5,128)	**-1.5%**	(730,805)	(667,809)	62,995	**8.6%**	1
Materials and Contracts	(18,636)	(47,289)	28,653	**60.6%**	(120,924)	(120,924)	0	**0.0%**	
Insurance Expenses	(1,775)	(1,775)	1	**0.0%**	(3,552)	(3,551)	1	**0.0%**	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(5,796)	(5,900)	105	**1.8%**	(11,100)	(11,100)	0	0.0%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(373,833)**	**(397,463)**	**23,631**	**5.9%**	**(866,381)**	**(803,385)**	**62,996**	**7.3%**	

Notes

1 Savings of $63k expected in Employee Expenses as a result of 1 FTE Project & Research Officer transferred to Customer Service.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Community Services									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	917,794	934,333	(16,540)	**-1.8%**	1,885,557	1,869,717	(15,840)	**-0.8%**	**1**
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	223,867	217,684	6,183	**2.8%**	421,586	417,769	(3,817)	**-0.9%**	
TOTAL INCOME	**1,141,661**	**1,152,017**	**(10,357)**	**-0.9%**	**2,307,143**	**2,287,486**	**(19,657)**	**-0.9%**	
Employee Costs	(2,212,879)	(2,114,065)	(98,814)	**-4.7%**	(4,190,599)	(4,308,640)	(118,042)	**-2.8%**	**2**
Materials and Contracts	(296,203)	(292,724)	(3,479)	**-1.2%**	(983,083)	(1,122,878)	(139,795)	**-14.2%**	**3**
Insurance Expenses	(15,626)	(15,622)	(4)	**0.0%**	(31,247)	(32,008)	(761)	**-2.4%**	
Utility Charges	(46,403)	(41,474)	(4,930)	**-11.9%**	(91,332)	(99,411)	(8,080)	**-8.8%**	
Depreciation and Amortisation	(169,533)	(169,724)	191	**0.1%**	(340,103)	(334,508)	5,596	**1.6%**	
Interest Expense	(3)	0	(3)	0.0%	0	(3)	(3)	0.0%	
Other Expenditure	(129,272)	(58,133)	(71,140)	**-122.4%**	(209,923)	(196,220)	13,702	**6.5%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(2,869,919)**	**(2,691,741)**	**(178,178)**	**-6.6%**	**(5,846,287)**	**(6,093,669)**	**(247,382)**	**-4.2%**	

Notes

1 Lower Fees and Charges revenue of $16k expected for the year as a result of YTD lower revenue for Child Care services.

2 Increase of $118k expected in Employee Expenses as a result of the reinstatement of employee allowances which were omitted from the budget and increased contract labour costs to address various position requirements including sick leave and pending workers compensation claims.

3 Increase of $140k expected in Materials and Contracts due to sole trader superannuation entitlement ($100k) and $34k POS system planned for 2019/20 but brought forward by ELG.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Library									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	63,168	61,857	1,310	**2.1%**	112,800	127,050	14,250	**12.6%**	1
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	13,069	5,985	7,083	**118.3%**	10,032	26,137	16,105	**160.5%**	2
TOTAL INCOME	**76,236**	**67,842**	**8,394**	**12.4%**	**122,832**	**153,186**	**30,354**	**24.7%**	
Employee Costs	(1,537,224)	(1,529,927)	(7,297)	**-0.5%**	(3,007,906)	(3,107,769)	(99,863)	**-3.3%**	3
Materials and Contracts	(266,686)	(292,386)	25,700	**8.8%**	(590,777)	(565,629)	25,148	**4.3%**	4
Insurance Expenses	(10,896)	(10,890)	(5)	**-0.1%**	(21,780)	(21,785)	(5)	**0.0%**	
Utility Charges	(71,510)	(83,225)	11,715	**14.1%**	(184,800)	(184,344)	456	**0.2%**	
Depreciation and Amortisation	(27,088)	(27,569)	482	**1.7%**	(55,100)	(54,619)	482	**0.9%**	
Interest Expense	(309,351)	(307,549)	(1,802)	**-0.6%**	(579,258)	(581,060)	(1,802)	**-0.3%**	
Other Expenditure	(76,953)	(77,179)	225	**0.3%**	(84,780)	(82,295)	2,485	**2.9%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(2,299,707)**	**(2,328,725)**	**29,018**	**1.2%**	**(4,524,402)**	**(4,597,502)**	**(73,100)**	**-1.6%**	

Notes

1 Increased Fees and Charges revenue expected of $14k as a result of ticketed events and halls and room hire charges.

2 Increased Other Revenue of $16k expected as result of additional on-charged costs for security during events.

3 Increase of $100k in Empoyee Expenses as a result of adjusted vacancy rates, increased YTD sick leave payments and employee entitlement contributions .

4 Savings of $25k in Materials and Contract as a result of reduced software maintenance, promotions and external contract labour.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Commercial Parking									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	37,313,178	37,119,732	193,446	0.5%	72,449,731	72,485,479	35,747	0.0%	1
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	200,234	195,620	4,613	2.4%	379,328	383,942	4,613	1.2%	
TOTAL INCOME	**37,513,412**	**37,315,352**	**198,059**	**0.5%**	**72,829,060**	**72,869,420**	**40,361**	**0.1%**	
Employee Costs	(2,776,784)	(2,768,419)	(8,364)	-0.3%	(5,124,407)	(5,451,244)	(326,837)	-6.4%	2
Materials and Contracts	(3,443,642)	(3,694,824)	251,182	6.8%	(7,626,341)	(7,539,083)	87,258	1.1%	3
Insurance Expenses	(32,838)	(29,029)	(3,810)	-13.1%	(58,068)	(61,878)	(3,810)	-6.6%	
Utility Charges	(416,400)	(425,042)	8,642	2.0%	(864,811)	(864,811)	0	0.0%	
Depreciation and Amortisation	(1,401,011)	(1,637,496)	236,485	14.4%	(3,286,715)	(3,000,300)	286,415	8.7%	
Interest Expense	(80,208)	(77,480)	(2,728)	-3.5%	(116,012)	(118,740)	(2,728)	-2.4%	
Other Expenditure	(9,157,860)	(9,154,622)	(3,237)	0.0%	(18,356,042)	(18,142,452)	213,590	1.2%	4
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(17,308,743)**	**(17,786,912)**	**478,169**	**2.7%**	**(35,432,397)**	**(35,178,508)**	**253,889**	**0.7%**	

Notes

1 Increased Fees and Charges revenue expected of $36k as a result of adjusted revenue for Point Fraser, Elder Street and Mayfair Street car parks coupled with Christmas and New Year car park promotions.

2 Increase of $327k in Employee Costs expected as a result of a reduction in capital project management recovery to IPMS due to the delay in the IPMS implementation.

3 Savings of $87k expected in Materials and Contracts as a result of a reduction in property maintenance and outgoings for 3 carparks leased from the Department of Lands.

4 Savings of $214k expected in Other Expenditure mostly driven by a reduction in the Emergency Services Levy for carparks by $181k compared to original estimates.

Operating Variance Analysis as at 31 December 2018

City of Perth

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Variance $	Variance %	
SUMMARY FOR THE DIRECTORATE	**Construction and Maintenance Directorate**								
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	558,525	460,520	98,006	21.3%	930,003	959,539	29,536	3.2%	1
Non Operating Grants, Subsidies and Contributions	808,826	558,566	250,260	44.8%	1,384,686	1,237,533	(147,153)	-10.6%	
Fees and Charges	11,294,496	11,392,762	(98,266)	-0.9%	13,947,989	13,729,712	(218,277)	-1.6%	2
Interest Earnings	(10)	(10)	0	0.0%	(10)	(10)	0	0.0%	
Other Revenue	64,963	63,442	1,520	2.4%	65,331	37,368	(27,963)	-42.8%	
TOTAL INCOME	**12,726,800**	**12,475,280**	**251,520**	**2.0%**	**16,327,999**	**15,964,142**	**(363,857)**	**-2.2%**	
Employee Costs	(9,154,802)	(8,943,875)	(210,927)	-2.4%	(17,851,950)	(17,994,920)	(142,970)	-0.8%	3
Materials and Contracts	(8,815,614)	(8,197,425)	(618,190)	-7.5%	(18,915,855)	(19,006,063)	(90,208)	-0.5%	4
Insurance Expenses	(271,450)	(264,246)	(7,203)	-2.7%	(520,567)	(535,784)	(15,216)	-2.9%	
Utility Charges	(878,256)	(966,254)	87,997	9.1%	(1,982,295)	(1,942,189)	40,106	2.0%	
Depreciation and Amortisation	(14,754,794)	(14,861,371)	106,577	0.7%	(29,752,192)	(29,532,876)	219,316	0.7%	5
Interest Expense	(154,587)	(150,665)	(3,923)	-2.6%	(266,142)	(270,065)	(3,923)	-1.5%	
Other Expenditure	(217,872)	(210,794)	(7,078)	-3.4%	(665,531)	(675,986)	(10,456)	-1.6%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(34,247,376)**	**(33,594,630)**	**(652,747)**	**-1.9%**	**(69,954,532)**	**(69,957,883)**	**(3,351)**	**0.0%**	
Net operating total directorate: Construction and Maintenance Directorate	**(21,520,576)**	**(21,119,350)**	**(401,227)**	**-1.9%**	**(53,626,533)**	**(53,993,741)**	**(367,208)**	**-0.7%**	

Notes

1 Increase of $30k in Operating Grants due to contributions from David Jones for the Pedestrian Bridge Walk maintenance contribution.

2 Decrease of $218k in Fees and Chrages due to higher vacancy rates expected.

3 Increase of $143k in Employee Costs mainly driven by the transfer of the PPMS team from the DAI unit and 2 funded positions added to the team seconded from the Sustainability Unit.

4 Increase of $78k in Materials and Contracts as a result of increased solid waste tipping fees, pump/bore breakdown in Narrows interchange and JH Abraham Reserve, offset by savings from reduced maintenance work in Concert Hall, council house, Town Hall and Library.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Parks									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	185,967	185,665	302	**0.2%**	370,071	371,057	986	**0.3%**	
Non Operating Grants, Subsidies and Contributions	(182,153)	0	(182,153)	0.0%	375,000	192,847	(182,153)	**-48.6%**	1
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	31,338	31,352	(15)	**0.0%**	33,241	3,744	(29,498)	**-88.7%**	2
TOTAL INCOME	**35,152**	**217,017**	**(181,866)**	**-83.8%**	**778,312**	**567,648**	**(210,665)**	**-27.1%**	
Employee Costs	(2,331,241)	(2,235,745)	(95,496)	**-4.3%**	(4,550,570)	(4,559,878)	(9,307)	**-0.2%**	
Materials and Contracts	(1,361,612)	(1,090,983)	(270,629)	**-24.8%**	(3,539,701)	(3,603,733)	(64,031)	**-1.8%**	3
Insurance Expenses	(21,447)	(19,111)	(2,337)	**-12.2%**	(36,860)	(39,196)	(2,337)	**-6.3%**	
Utility Charges	(172,999)	(157,332)	(15,667)	**-10.0%**	(324,580)	(340,247)	(15,667)	**-4.8%**	
Depreciation and Amortisation	(1,171,018)	(1,410,456)	239,438	**17.0%**	(2,353,485)	(2,377,264)	(23,779)	**-1.0%**	
Interest Expense	(10)	(5)	(5)	**-87.0%**	(5)	(10)	(5)	**-87.0%**	
Other Expenditure	(8,739)	(5,256)	(3,483)	**-66.3%**	(11,368)	(11,739)	(372)	**-3.3%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(5,067,066)**	**(4,918,888)**	**(148,177)**	**-3.0%**	**(10,816,570)**	**(10,932,067)**	**(115,497)**	**-1.1%**	

Notes

1 Decrease of $182k in Non Operating Grants as a result of surplus grant funds refunded to the Department of Biodiversity, Conservation and Attractions (DBCA) following completion of the foreshore erosion control project.

2 Decrease of $29k expected due to a reduction in tree damage recoups.

3 Increase of $64k in Materials and Contracts due to the seasonal turf program and pump/bore breakdown in Narrows interchange and JH Abraham Reserve.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Properties									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	328,228	235,104	93,124	**39.6%**	484,181	508,151	23,970	**5.0%**	1
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	2,064,207	2,165,075	(100,868)	**-4.7%**	4,449,211	4,232,422	(216,788)	**-4.9%**	2
Interest Earnings	(10)	(10)	0	0.0%	(10)	(10)	0	0.0%	
Other Revenue	46	0	46	0.0%	0	46	46	0.0%	
TOTAL INCOME	**2,392,471**	**2,400,169**	**(7,698)**	**-0.3%**	**4,933,382**	**4,740,610**	**(192,772)**	**-3.9%**	
Employee Costs	(625,622)	(629,019)	3,397	**0.5%**	(967,215)	(972,772)	(5,557)	**-0.6%**	
Materials and Contracts	(2,460,760)	(2,437,048)	(23,712)	**-1.0%**	(5,800,612)	(5,480,843)	319,770	**5.5%**	3
Insurance Expenses	(111,206)	(107,156)	(4,050)	**-3.8%**	(210,313)	(222,376)	(12,063)	**-5.7%**	
Utility Charges	(319,474)	(439,007)	119,533	**27.2%**	(899,878)	(840,596)	59,282	**6.6%**	
Depreciation and Amortisation	(5,649,752)	(5,744,532)	94,780	**1.6%**	(11,531,369)	(11,328,024)	203,345	**1.8%**	
Interest Expense	(154,144)	(150,311)	(3,833)	**-2.6%**	(265,789)	(269,622)	(3,833)	**-1.4%**	
Other Expenditure	(162,847)	(146,428)	(16,420)	**-11.2%**	(555,802)	(580,759)	(24,957)	**-4.5%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(9,483,805)**	**(9,653,501)**	**169,696**	**1.8%**	**(20,230,979)**	**(19,694,991)**	**535,987**	**2.6%**	

Notes

1 Increase of $24k in Operating Grants as a result of contributions from David Jones David Jones for the Pedestrian Bridge Walk maintenance contribution.

2 Decrease of $216k in Fees and Charges as a result of the higher vacancy rates expected.

3 Savings of $332k in Materials and Contracts expected due to reduced maintenance work in Concert Hall, Council House, Town Hall and Library. Part of those works will be addressed through Capital projects.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Waste and Cleansing									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	9,230,289	9,227,687	2,602	**0.0%**	9,498,778	9,497,290	(1,488)	**0.0%**	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	33,072	31,584	1,488	**4.7%**	31,584	33,072	1,488	**4.7%**	
TOTAL INCOME	**9,263,361**	**9,259,270**	**4,091**	**0.0%**	**9,530,362**	**9,530,362**	**(0)**	**0.0%**	
Employee Costs	(3,061,366)	(3,024,442)	(36,924)	**-1.2%**	(6,023,207)	(6,137,148)	(113,941)	**-1.9%**	1
Materials and Contracts	(1,795,700)	(1,626,532)	(169,168)	**-10.4%**	(3,690,282)	(3,786,282)	(96,000)	**-2.6%**	2
Insurance Expenses	(19,408)	(18,045)	(1,363)	**-7.6%**	(34,736)	(36,099)	(1,363)	**-3.9%**	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	(2)	0	(2)	0.0%	0	(2)	(2)	0.0%	
Other Expenditure	(4,481)	(6,600)	2,119	**32.1%**	(15,200)	(13,081)	2,119	**13.9%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(4,880,957)**	**(4,675,618)**	**(205,339)**	**-4.4%**	**(9,763,425)**	**(9,972,612)**	**(209,187)**	**-2.1%**	

Notes

1 Increase of $113k in Employee Costs driven by YTD overtime and sick leave payments and superannuation contributions.

2 Increase of $96k due to an increase in solid waste tipping fees.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Construction									
Employee Costs	(262,467)	(276,281)	13,814	**5.0%**	(649,233)	(486,082)	163,150	**25.1%**	1
Materials and Contracts	(61,082)	(46,039)	(15,043)	**-32.7%**	(60,514)	(73,908)	(13,394)	**-22.1%**	2
Insurance Expenses	(3,478)	(3,475)	(3)	**-0.1%**	(6,948)	(6,951)	(3)	**0.0%**	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(29)	(2,886)	2,856	**99.0%**	(8,814)	(3,529)	5,285	**60.0%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(327,057)**	**(328,681)**	**1,624**	**0.5%**	**(725,508)**	**(570,471)**	**155,037**	**21.4%**	

Notes

1 Savings of $163k in Employee Costs as a result of vacant positions.

2 Increase of $14k in Materials and Contracts as a result of an unplanned employee legal dispute matter.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Plant and Equipment									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	44,331	39,751	4,580	**11.5%**	75,751	80,331	4,580	**6.0%**	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**44,331**	**39,751**	**4,580**	**11.5%**	**75,751**	**80,331**	**4,580**	**6.0%**	
Employee Costs	(563,093)	(559,825)	(3,268)	**-0.6%**	(1,122,859)	(1,128,212)	(5,352)	**-0.5%**	
Materials and Contracts	(1,004,316)	(827,902)	(176,414)	**-21.3%**	(1,680,750)	(1,928,459)	(247,708)	**-14.7%**	1
Insurance Expenses	(95,351)	(97,592)	2,242	**2.3%**	(194,514)	(192,272)	2,242	**1.2%**	
Utility Charges	(43,495)	(30,240)	(13,256)	**-43.8%**	(49,239)	(62,495)	(13,256)	**-26.9%**	2
Depreciation and Amortisation	(789,544)	(799,942)	10,399	**1.3%**	(1,601,023)	(1,672,752)	(71,729)	**-4.5%**	
Interest Expense	(50)	(50)	0	0.0%	(50)	(50)	0	0.0%	
Other Expenditure	(32,641)	(32,716)	75	**0.2%**	(32,866)	(32,791)	75	**0.2%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(2,528,490)**	**(2,348,267)**	**(180,223)**	**-7.7%**	**(4,681,301)**	**(5,017,030)**	**(335,729)**	**-7.2%**	

Notes

1 Increase of $248k in Materials and Contracts due to increased fleet and plant management costs expected relating to motor vehicle fuel and repairs.

2 Increase of $13k in Utilities as a result of transfer of utility charge from the Properties unit.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Street Presentation and Maintenance									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	990,979	558,566	432,413	**77.4%**	1,009,686	1,044,686	35,000	**3.5%**	1
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	506	506	0	0.0%	506	506	0	0.0%	
TOTAL INCOME	**991,486**	**559,073**	**432,413**	**77.3%**	**1,010,193**	**1,045,193**	**35,000**	**3.5%**	
Employee Costs	(1,644,352)	(1,563,656)	(80,696)	**-5.2%**	(3,182,738)	(3,225,953)	(43,215)	**-1.4%**	2
Materials and Contracts	(2,069,667)	(2,144,518)	74,851	**3.5%**	(4,085,519)	(4,004,492)	81,028	**2.0%**	3
Insurance Expenses	(17,366)	(15,328)	(2,038)	**-13.3%**	(29,771)	(31,809)	(2,038)	**-6.8%**	
Utility Charges	(342,289)	(339,675)	(2,614)	**-0.8%**	(708,597)	(698,851)	9,746	**1.4%**	
Depreciation and Amortisation	(7,144,481)	(6,906,441)	(238,040)	**-3.4%**	(14,266,315)	(14,154,836)	111,479	**0.8%**	
Interest Expense	(381)	(298)	(83)	**-27.8%**	(298)	(381)	(83)	**-27.8%**	
Other Expenditure	(3,525)	(9,602)	6,076	**63.3%**	(25,218)	(19,141)	6,076	**24.1%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(11,222,059)**	**(10,979,516)**	**(242,543)**	**-2.2%**	**(22,298,456)**	**(22,135,462)**	**162,994**	**0.7%**	

Notes

1 Increase of $35k in Non Opertaing Grants relating to the DBCA contribution for the Claisebrook Riverwall Erosion control project.

2 Increase of $43k in Employee costs due to a new Engineer position for the the East Perth Lighting Improvement project.

3 Decrease of $81k in Materials and Contracts due to reduced lease and hire costs as Christmas Decorations now being stored in City's owned Gasworks building and a reduction in professional fees relating to drainage pipe inspection works deferred due to staff departure.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Director Construction and Maintenance									
Employee Costs	(666,661)	(654,908)	(11,753)	**-1.8%**	(1,356,126)	(1,484,876)	(128,749)	**-9.5%**	1
Materials and Contracts	(62,478)	(24,403)	(38,075)	**-156.0%**	(58,476)	(128,348)	(69,872)	**-119.5%**	2
Insurance Expenses	(3,194)	(3,540)	346	**9.8%**	(7,427)	(7,081)	346	**4.7%**	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(5,609)	(7,308)	1,699	**23.2%**	(16,264)	(14,946)	1,318	**8.1%**	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(737,942)**	**(690,158)**	**(47,784)**	**-6.9%**	**(1,438,294)**	**(1,635,250)**	**(196,957)**	**-13.7%**	

Notes

1 Increase of $128k in Employee Costs mainly driven by PPMS team transfer (3 positions) and 2 funded positions added to the team seconded from the Sustainability Unit.

2 Increase of $70k in Materials and Contracts due to increased contractor costs to cover for PSH Coordinator position and increased minor asset purchases for PPMS team.

Operating Variance Analysis as at 31 December 2018

City of Perth

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Variance $	Variance %	
SUMMARY FOR THE DIRECTORATE	**Planning and Development Directorate**								
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	505,845	519,348	(13,503)	-2.6%	1,066,703	1,061,436	(5,267)	-0.5%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	3,236	2,754	482	17.5%	6,012	6,362	350	5.8%	
TOTAL INCOME	**509,081**	**522,102**	**(13,021)**	**-2.5%**	**1,072,715**	**1,067,798**	**(4,917)**	**-0.5%**	
Employee Costs	(4,150,596)	(4,322,858)	172,263	4.0%	(8,728,486)	(8,326,338)	402,148	4.6%	1
Materials and Contracts	(505,711)	(707,150)	201,439	28.5%	(2,160,239)	(1,908,489)	251,750	11.7%	2
Insurance Expenses	(28,853)	(27,608)	(1,245)	-4.5%	(55,212)	(56,457)	(1,245)	-2.3%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(3,372)	(4,799)	1,427	29.7%	(9,604)	(8,177)	1,427	14.9%	
Interest Expense	(1)	0	(1)	0.0%	0	(1)	(1)	0.0%	
Other Expenditure	(62,523)	(68,549)	6,025	8.8%	(182,744)	(151,048)	31,696	17.3%	3
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(4,751,056)**	**(5,130,964)**	**379,908**	**7.4%**	**(11,136,285)**	**(10,450,510)**	**685,775**	**6.2%**	
Net operating total directorate: Planning and Development Directorate	**(4,241,975)**	**(4,608,862)**	**366,886**	**8.0%**	**(10,063,570)**	**(9,382,711)**	**680,858**	**6.8%**	

Notes

1 Savings of $402k in Employee Expenses mainly driven by existing vacancies.

2 Decrease of $252k in Materials and Contracts as a result of reprioritisation of projects, reduced scoping of projects and a reduction in professional fees for the Cycle Time Study.

3 Decrease of $32k in Materials and Contracts as a result of lower Conference costs expected.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
City Planning									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	285	(1,951)	2,236	**114.6%**	(1,951)	1,626	3,577	183.3%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**285**	**(1,951)**	**2,236**	**114.6%**	**(1,951)**	**1,626**	**3,577**	**183.3%**	
Employee Costs	(646,133)	(708,338)	62,205	**8.8%**	(1,440,563)	(1,193,220)	247,342	17.2%	1
Materials and Contracts	(187,666)	(199,404)	11,737	**5.9%**	(560,533)	(458,718)	101,814	18.2%	2
Insurance Expenses	(3,797)	(3,797)	(0)	**0.0%**	(7,596)	(7,596)	(0)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	(1)	0	(1)	0.0%	0	(1)	(1)	0.0%	
Other Expenditure	(13,830)	(13,929)	99	**0.7%**	(25,501)	(20,426)	5,075	19.9%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(851,427)**	**(925,467)**	**74,040**	**8.0%**	**(2,034,192)**	**(1,679,962)**	**354,231**	**17.4%**	

Notes

1 Savings of $247k in Employee costs expected due to vacant positions and 2 positions adjusted from 1 FTE to 0.8 FTE.

2 Savings of $102k in Materials and Contracts mainly driven by reduced scope for Planning Schemes and Policies following reprioritisation of projects within the Unit.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Coordination and Design									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(873,278)	(924,488)	51,210	**5.5%**	(1,908,621)	(1,866,606)	42,015	2.2%	1
Materials and Contracts	(69,096)	(156,165)	87,069	**55.8%**	(362,258)	(352,411)	9,847	2.7%	
Insurance Expenses	(7,145)	(7,137)	(9)	**-0.1%**	(14,268)	(14,277)	(9)	-0.1%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(3,372)	(4,799)	1,427	**29.7%**	(9,604)	(8,177)	1,427	14.9%	
Interest Expense	(0)	0	(0)	0.0%	0	(0)	(0)	0.0%	
Other Expenditure	(10,676)	(5,001)	(5,675)	**-113.5%**	(7,551)	(13,226)	(5,675)	-75.2%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(963,568)**	**(1,097,590)**	**134,022**	**12.2%**	**(2,302,301)**	**(2,254,696)**	**47,605**	**2.1%**	

Notes

1 Savings of $42k in Employee costs due to vacant positions expected for the remainder of the year.

	Year To Date 31 December 2018				2018/19			
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %
Development Approvals								
Rates	0	0	0	0.0%	0	0	0	0.0%
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%
Fees and Charges	505,560	521,299	(15,739)	**-3.0%**	1,068,654	1,059,810	(8,844)	-0.8%
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%
Other Revenue	3,236	2,754	482	**17.5%**	6,012	6,362	350	5.8%
TOTAL INCOME	**508,796**	**524,053**	**(15,257)**	**-2.9%**	**1,074,666**	**1,066,172**	**(8,494)**	**-0.8%**
Employee Costs	(1,254,123)	(1,257,217)	3,095	**0.2%**	(2,486,808)	(2,494,083)	(7,275)	-0.3%
Materials and Contracts	(39,509)	(44,040)	4,531	**10.3%**	(118,312)	(116,096)	2,216	1.9%
Insurance Expenses	(9,390)	(8,160)	(1,231)	**-15.1%**	(16,320)	(17,551)	(1,231)	-7.5%
Utility Charges	0	0	0	0.0%	0	0	0	0.0%
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%
Interest Expense	0	0	0	0.0%	0	0	0	0.0%
Other Expenditure	(10,124)	(10,735)	611	**5.7%**	(32,787)	(17,702)	15,085	46.0% 1
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%
Expense Provision	0	0	0	0.0%	0	0	0	0.0%
TOTAL EXPENDITURE	**(1,313,146)**	**(1,320,152)**	**7,006**	**0.5%**	**(2,654,227)**	**(2,645,432)**	**8,795**	**0.3%**

Notes

1 Savings of $15k in Other Expenditure due to conferences no longer expected to occur for the remainder of the year.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Transport									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(456,686)	(414,167)	(42,520)	**-10.3%**	(795,964)	(989,637)	(193,673)	-24.3%	1
Materials and Contracts	(111,094)	(241,700)	130,606	**54.0%**	(709,867)	(639,067)	70,800	10.0%	2
Insurance Expenses	(3,088)	(3,085)	(3)	**-0.1%**	(6,168)	(6,171)	(3)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(19,983)	(21,488)	1,505	**7.0%**	(27,163)	(25,658)	1,505	5.5%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(590,851)**	**(680,439)**	**89,588**	**13.2%**	**(1,539,162)**	**(1,660,533)**	**(121,371)**	**-7.9%**	

Notes

1 Increase of $194k in Employee Expenses as a result of an adjustment to bring the capital cost recovery forecast in line with the YTD actuals to reflect lower capital project works, despite savings of $94k in salaries from vacancies.

2 Decrease of $71k in Materials and Contracts as a result of a reduction in professional fees for the Cycle Time Study initially planned for.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Sustainability									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(424,996)	(518,887)	93,891	**18.1%**	(1,084,801)	(837,652)	247,149	22.8%	1
Materials and Contracts	(54,172)	(46,663)	(7,509)	**-16.1%**	(356,825)	(284,757)	72,068	20.2%	2
Insurance Expenses	(3,123)	(3,121)	(3)	**-0.1%**	(6,240)	(6,243)	(3)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(5,095)	(10,537)	5,443	**51.7%**	(73,883)	(66,220)	7,664	10.4%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(487,386)**	**(579,208)**	**91,822**	**15.9%**	**(1,521,749)**	**(1,194,872)**	**326,877**	**21.5%**	

Notes

1 Decrease of $247k in Employee Expenses mainly driven by existing vacancies.

2 Decrease of $72k in Materials and Contracts as a result of reduced forecast for the Corporate Energy Plan and the removal of the Climate Change Mitigation Action Plan.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Director Planning and Development									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(495,379)	(499,761)	4,382	**0.9%**	(1,011,729)	(945,139)	66,589	6.6%	1
Materials and Contracts	(44,174)	(19,179)	(24,995)	**-130.3%**	(52,445)	(57,440)	(4,995)	-9.5%	
Insurance Expenses	(2,309)	(2,309)	0	**0.0%**	(4,620)	(4,620)	0	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(2,815)	(6,859)	4,044	**59.0%**	(15,859)	(7,815)	8,044	50.7%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(544,678)**	**(528,108)**	**(16,569)**	**-3.1%**	**(1,084,653)**	**(1,015,015)**	**69,638**	**6.4%**	

Notes

1 Decrease of $67k in Employee Expenses mainly driven by the Directorate Lead position not expected to be filled for the remainder of the year.

Operating Variance Analysis as at 31 December 2018

City of Perth

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Variance $	Variance %	
SUMMARY FOR THE DIRECTORATE	**Economic Development and Activation Directorate**								
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	206,457	310,681	(104,223)	-33.5%	976,086	950,586	(25,500)	-2.6%	1
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	(677)	2,875	(3,552)	-123.6%	13,625	1,125	(12,500)	-91.7%	2
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	2,758	750	2,008	267.7%	5,500	8,258	2,758	50.1%	
TOTAL INCOME	**208,538**	**314,306**	**(105,768)**	**-33.7%**	**995,211**	**959,969**	**(35,242)**	**-3.5%**	
Employee Costs	(3,439,073)	(3,455,098)	16,025	0.5%	(7,014,269)	(6,773,088)	241,181	3.4%	3
Materials and Contracts	(4,434,957)	(4,472,405)	37,447	0.8%	(11,154,325)	(10,900,044)	254,281	2.3%	4
Insurance Expenses	(27,882)	(42,068)	14,186	33.7%	(67,161)	(55,672)	11,489	17.1%	5
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(2,690)	(3,454)	764	22.1%	(6,487)	(5,723)	764	11.8%	
Interest Expense	(5)	0	(5)	0.0%	0	0	0	0.0%	
Other Expenditure	(2,582,235)	(2,865,690)	283,455	9.9%	(4,921,387)	(4,783,422)	137,965	2.8%	6
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(10,486,842)**	**(10,838,715)**	**351,872**	**3.2%**	**(23,163,629)**	**(22,517,948)**	**645,681**	**2.8%**	
Net operating total directorate: Economic Development and Activation Directorate	**(10,278,305)**	**(10,524,409)**	**246,104**	**2.3%**	**(22,168,418)**	**(21,557,979)**	**610,439**	**2.8%**	

Notes

1 Decrease of $25.5k in Operating Grants relating to expected underspend on Cathedral Square for the remaining of 2018-19. Corresponding decrease in expenditure reflected in Materials and Contracts.

2 Decrease of $12.5k in Fees and Charges revenue due to an expected reduction in private bookings at Cathedral Square ($4.5k) and limited bookings at City Art Space ($5k) pending the review of its intended purpose.

3 Savings of $241k in Employee Costs represented by vacancies for the Director EDA and Manager Marketing positions, and 1 FTE seconded to the CEO office.

4 Savings of $254k in Materials and Contracts as a result of consolidated savings across the Directorate as detailed in the sections below.

5 Savings of $11k in Insurance Expenses driven by a change in the level of cover for Skyworks Insurance.

6 Savings of $138k in Other Expenditure represented by expected underspends in conferences and travel expenditure ($83k) and $89k in EDU sponsorship program.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Economic Development									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(727,651)	(718,722)	(8,929)	**-1.2%**	(1,457,036)	(1,421,410)	35,627	2.4%	1
Materials and Contracts	(239,722)	(239,449)	(274)	**-0.1%**	(1,080,911)	(1,048,936)	31,975	3.0%	2
Insurance Expenses	(3,833)	(3,829)	(4)	**-0.1%**	(7,656)	(7,660)	(4)	-0.1%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(64,057)	(82,592)	18,535	**22.4%**	(241,807)	(203,127)	38,680	16.0%	3
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(1,035,263)**	**(1,044,591)**	**9,328**	**0.9%**	**(2,787,411)**	**(2,681,133)**	**106,278**	**3.8%**	

Notes

1 Savings of $36k in Employee Costs due to the Research and Project Officer position being seconded to the CEO's office.

2 Savings of $32k in Materials and Contracts predominantly due to reduced scope for the Residential attraction/developers scope as presented in the Business Plan.

3 Savings of $39k in Other Expenditure due to an internal transfer from International Relations for insterstate and overseas conferences to Investment Attraction in Materials and Contracts.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Director Economic Development and Activation									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**0**	**0**	**0**	**0.0%**	**0**	**0**	**0**	**0.0%**	
Employee Costs	(340,330)	(338,633)	(1,697)	**-0.5%**	(693,738)	(575,200)	118,538	17.1%	1
Materials and Contracts	(22,993)	(25,549)	2,556	**10.0%**	(52,160)	(42,995)	9,165	17.6%	
Insurance Expenses	(1,420)	(1,421)	1	**0.1%**	(2,844)	(2,843)	1	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	(0)	0	(0)	0.0%	0	0	0	0.0%	
Other Expenditure	(225)	(13,841)	13,616	**98.4%**	(41,500)	(10,500)	31,000	74.7%	2
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(364,968)**	**(379,445)**	**14,476**	**3.8%**	**(790,242)**	**(631,537)**	**158,704**	**20.1%**	

Notes

1 Savings of $118k in Employee Costs due to the position of Director EDA role being vacant. Acting Directors' salaries charged to incumbent's cost centre and absorbed by savings from other existing vacancies.

2 Savings of $31k in Other Expenses mainly driven by reduced travel expenses.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Business Support and Sponsorship									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	0	0	0.0%	0	0	0	0.0%	
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	2,758	750	2,008	267.7%	1,500	4,258	2,758	183.9%	
TOTAL INCOME	**2,758**	**750**	**2,008**	**267.7%**	**1,500**	**4,258**	**2,758**	**183.9%**	
Employee Costs	(314,118)	(355,315)	41,197	11.6%	(735,333)	(714,743)	20,590	2.8%	
Materials and Contracts	(200,895)	(193,594)	(7,300)	-3.8%	(376,850)	(328,858)	47,992	12.7%	1
Insurance Expenses	(2,129)	(2,129)	0	0.0%	(4,260)	(4,260)	0	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	0	0	0	0.0%	0	0	0	0.0%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(2,410,471)	(2,663,967)	253,495	9.5%	(4,192,472)	(4,138,878)	53,594	1.3%	2
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(2,927,613)**	**(3,215,005)**	**287,393**	**8.9%**	**(5,308,915)**	**(5,186,739)**	**122,177**	**2.3%**	

Notes

1 Savings of $48k in Materials and Contracts represented by reduced spending in promotional activities for activation and economic benefit reporting.

2 Savings of $54k in Other Expenses mainly driven by a deferral of the "Start Something in Perth" program.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Marketing and Events									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	206,457	310,681	(104,223)	-33.5%	976,086	950,586	(25,500)	-2.6%	1
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	0	2,500	(2,500)	-100.0%	7,500	0	(7,500)	-100.0%	2
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	4,000	4,000	0	0.0%	
TOTAL INCOME	**206,457**	**313,181**	**(106,723)**	**-34.1%**	**987,586**	**954,586**	**(33,000)**	**-3.3%**	
Employee Costs	(1,207,287)	(1,185,590)	(21,697)	-1.8%	(2,354,677)	(2,292,029)	62,647	2.7%	3
Materials and Contracts	(3,720,580)	(3,789,355)	68,775	1.8%	(8,563,387)	(8,400,169)	163,218	1.9%	4
Insurance Expenses	(11,343)	(25,535)	14,191	55.6%	(35,356)	(23,862)	11,494	32.5%	5
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(1,924)	(1,623)	(301)	-18.6%	(2,825)	(3,126)	(301)	-10.7%	
Interest Expense	(5)	0	(5)	0.0%	0	0	0	0.0%	
Other Expenditure	(14,897)	(18,122)	3,225	17.8%	(44,000)	(34,886)	9,114	20.7%	6
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(4,956,036)**	**(5,020,224)**	**64,188**	**1.3%**	**(11,000,244)**	**(10,754,072)**	**246,172**	**2.2%**	

ATTACHMENT

Notes

1 Decrease of $25.5k in Operating Grants expected relating to underspend on Cathedral Square

2 Decrease of $7.5k in Fees and Charges revenue due to reduced private bookings expected at Cathedral Square and limited bookings at City Art Space.

3 Savings of $63k in Employee Costs represented by vacancies for the Manager Marketing position.

4 Savings of $163k in Materials and Contracts represented by savings the following projects:

Eat, Drink Perth due to a partnership with Good Food Month ($578k) and Cathedral Square forecast underspend ($34k)

Offset by increased spending for the Winter campaign media ($278k), $50k visit Perth logo, $76k for Parklets Project, $120k for micro campaign/event and $40k required for Australia Day Long Weekend research.

5 Savings of $11k in Insurance Expenses driven by a change in the level of cover for Skyworks Insurance.

6 Savings of $138k n Other Expenditure represented by underspend in travel expenditure.

	Year To Date 31 December 2018				2018/19				
	Actual	Revised Budget	Variance $	Variance %	Revised Budget	Forecast Budget	Budget Variance $	Budget Variance %	
Arts Culture and Heritage									
Rates	0	0	0	0.0%	0	0	0	0.0%	
Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Non Operating Grants, Subsidies and Contributions	0	0	0	0.0%	0	0	0	0.0%	
Fees and Charges	(677)	375	(1,052)	-280.7%	6,125	1,125	(5,000)	-81.6%	1
Interest Earnings	0	0	0	0.0%	0	0	0	0.0%	
Other Revenue	0	0	0	0.0%	0	0	0	0.0%	
TOTAL INCOME	**(677)**	**375**	**(1,052)**	**-280.7%**	**6,125**	**1,125**	**(5,000)**	**-81.6%**	
Employee Costs	(849,687)	(856,837)	7,150	0.8%	(1,773,485)	(1,769,706)	3,779	0.2%	
Materials and Contracts	(250,768)	(224,458)	(26,310)	-11.7%	(1,081,017)	(1,079,086)	1,931	0.2%	
Insurance Expenses	(9,157)	(9,154)	(2)	0.0%	(17,045)	(17,047)	(2)	0.0%	
Utility Charges	0	0	0	0.0%	0	0	0	0.0%	
Depreciation and Amortisation	(766)	(1,831)	1,065	58.2%	(3,662)	(2,597)	1,065	29.1%	
Interest Expense	0	0	0	0.0%	0	0	0	0.0%	
Other Expenditure	(92,585)	(87,169)	(5,416)	-6.2%	(401,608)	(396,031)	5,577	1.4%	
Loss on Asset Disposal	0	0	0	0.0%	0	0	0	0.0%	
Expense Provision	0	0	0	0.0%	0	0	0	0.0%	
TOTAL EXPENDITURE	**(1,202,962)**	**(1,179,450)**	**(23,512)**	**-2.0%**	**(3,276,816)**	**(3,264,467)**	**12,349**	**0.4%**	2

Notes

1 Income is forecast to be $5k lower due to the reduction in bookings for the City Art Space.

2 Variances YTD December 2018 are timing variances and overall expenditure for 2018-19 are expected to be under budget by $12k.

CAPITAL BUDGET 2018/19 - Summary of Movement from Original Budget - By Directorate

DIRECTORATE SUMMARY	Original Budget	Finalisation of Carry Forward into 2018/19	Approved changes prior to BR1	Unit / Directorate changes prior to BR1	Revised Budget	BR1 Changes	Revised Budget	BR2 Changes	Revised Budget
Corporate Services	7,161,199	(269,899)		740,458	7,631,758	(196,699)	7,435,059	(87,283)	7,347,776
Economic Development & Activation	842,115	116,000			958,115	(114,202)	843,913	518	844,431
Community & Commercial Services	11,903,526	(106,647)		(725,458)	11,071,421	(527,651)	10,543,770	(2,876,470)	7,667,300
Executive Support	100,000				100,000	0	100,000	2	100,002
Planning & Development	7,229,845	(32,982)	24,000	(1,552,840)	5,668,023	(852,264)	4,815,759	(835,272)	3,980,487
Construction & Maintenance	29,052,376	(1,258,336)	2,729,000	1,537,840	32,060,880	(91,908)	31,968,972	(3,897,989)	28,070,983
	56,289,061	**(1,551,864)**	**2,753,000**	**0**	**57,490,197**	**(1,782,724)**	**55,707,473**	**(7,696,494)**	**48,010,979**

MAIN CHANGES

	$'000
Finalisation of Carry forward into 2018/19	
Concert Hall Structural works - reduced estimate	(700)
Fleet & Plant - Sanitation/ Refuse - vehicles purchased in 2017/18	(575)
Provision of Public toilet facilities - reduction in estimate	(250)
Concert Hall - Hydraulic works - project delay due to weather conditions in late May / June	170
Wellington Street Stage 2B - delays in connection with external Heritage application (Raine Square) - CoP cannot commence work until issue resolved	(191)
Website Development - project delays	150
Waste management Software - reduced carry forward needed	(106)
Commercial Parking - Facilities - Lighting - reduced carry forward estimate	(195)
CCTV - Smart precinct (Smart Cities project)	200
Approved changes prior to BR1	
Parallel walks & other pedestrian improvements	24
Council House Lighting Upgrade project	2,729
BR1 Changes	
Project Portfolio Management System - additional amounts for system implementation and training	224
Smart Cities - originally underestimated - increase to support committed contractual spend	300
Unified Communications refresh and replace- deferred to 2019/20	(250)
Core systems upgrade - reduced	(535)
Website development - anticipated to complete under budget	(114)
CPP - VMS External Entries - amended scope of work (items brought forward)	220
Bollard Replacement - Hay St & Murray St - rebudgeted a portion of the works which cannot be completed until ISPT completion of Forrest Place walkways	(431)
Depot Waste Transfer Station - budget reduced to represent design component only at this stage	(259)
Library Plaza defect rectification - reduced requirement	(200)
Office Accommodation Strategy - reduced until clarity around scope of works is available	(500)
Trafalgar Bridge Boardwalk - budget reduced to represent consultancy element only in 2018/19	(240)

	$'000	
BR2 Changes		
Integrated Parking Management & Enforcement System	(2,687)	To be rebudgeted
CPP Brand refresh - to be reviewed in line with IPMS	(149)	
Point Fraser signage - COP not responsible for this cost	(125)	
Customer Experience Centre - CRM developments	150	
ISPT - Pedestrian Walkways	(2,000)	To be rebudgeted
St Georges Terrace (Irwin to Victoria St) Lighting - tenders lower than anticipated	(313)	
Lighting - Council House upgrades	(1,058)	
Façade refurbishment Council House - project to be run in conjunction with Council house Lighting to minimise disruption	200	
Drainage projects scope changes - relining in lieu of pipe replacement	(466)	
Hay Street Mall Revitalisation - project not endorsed for progress in 19/20	(348)	
Various replacement works - Concert Hall	(190)	
Asbestos remedial works (car parks)	(155)	
Roads - Milligan Street (Murray to Wellington) - cancelled	(122)	

2018/19 CAPITAL BUDGET - DECEMBER 2018 BUDGET REVIEW - By Directorate

DIRECTORATE SUMMARY	Original Budget	Revised Budget	Forecast	Variance	Analysis of Variance: Ongoing projects requiring additional funds	Analysis of Variance: Projects with funds not required	Analysis of Variance: New projects
Corporate Services	7,161,199	7,435,059	7,347,776	87,283		-87,283	
Economic Development & Activation	842,115	843,913	844,431	(518)	518		
Community & Commercial Services	11,903,526	10,543,770	7,667,300	2,876,470	150,246	-3,026,716	
Executive Support	100,000	100,000	100,002	(2)	2		
Planning & Development	7,229,845	4,815,759	3,980,487	835,272	248,991	-1,234,263	150,000
Construction & Maintenance	29,052,376	31,968,972	28,070,983	3,897,989	787,305	-5,025,294	340,000
	56,289,061	**55,707,473**	**48,010,979**	**7,696,494**	**1,187,062**	**-9,373,556**	**490,000**

2018/19 CAPITAL BUDGET - Summary of Changes

	Original Budget	
Revised Budget (after October review)	55,707,473	
Current Revised Budget	**55,707,473**	
January Review		
Ongoing projects requiring additional funds	1,187,062	
New projects requiring funding	490,000	
Projects with funds not required	(9,373,556)	
Net Result of January review (CAPEX)	**(7,696,494)**	
Proposed Revised Capital Budget 2018/19	**48,010,979**	*

* Note - The above Revised Capital Budget includes $840k identified as estimated carry forward

CAPITAL BUDGET 2018/19 - Funding impact of December 2018 review

Municipal Funds	(2,735,597)
Reserves	
Parking Facilities Development Reserve	(3,026,716)
Asset Enhancement Reserve	(1,693,231)
Concert Hall Refurbishment & Maintenance Reserve	(260,000)
Street Furniture Replacement Reserve	19,050
Total	**(7,696,494)**

December 2018 Budget Review - 2018/19 Capital Budget

City of Perth

PJ number	Project description	YTD 31 December 2018				YTD Dec 2018 compared to Annual budget 2018-19			Reforecast 2018/19		
		YTD actual	(Revised) YTD Budget	Variance	Variance %	Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Total reforecast	Variance	Comments
CHIEF EXECUTIVE OFFICE											
14000	Supply and Maintenance - High Capacity Colour Copier	$ 1	$ -	(1)	100%	$ -	$ 1	$ 100,000	**$ 100,002**	2	
	TOTAL	**$ 1**	**$ -**	**(1)**	100%	**$ -**	**$ 1**	**$ 100,000**	**$ 100,002**	$2	
CORPORATE SERVICES											
11602	HRIS System Review and Implementation	$ 499,096	$ 533,953	34,857	7%	$ 61,127	$ 560,223	$ 913,000	**$ 912,199**	-1	Project has been rephased.
11610	Project Portfolio Management System	$ 214,785	$ 257,472	42,688	17%	$ 1,979	$ 216,763	$ 620,462	**$ 536,985**	-83,478	Funds allowed in forecast for implementation of system and training - subject to approval
12151	Feasibility for Core systems review outcomes	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12196	PMO Development	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12197	Digital Workplace Enhancements	$ 323,620	$ 574,184	250,564	44%	$ 80,078	$ 403,698	$ 1,487,734	**$ 1,487,734**	0	Project is anticipated to carry forward $600K due to 6 months delay due to funding analysis and demobilisation of workforce at the start of 2018-19. In 19/20 project will be split to 2 projects: Digital Workplace (O365 Record Keeping) and Corporate KPI's initiatives.
12199	Team Perth Dashboard - Phase 1	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12200	Smart Cities Federal & Enhancements	$ 690,732	$ 1,000,201	309,469	31%	$ 519,526	$ 1,210,258	$ 2,409,042	**$ 2,409,042**	0	
12201	GIS Architecture Redevelopment	$ 120,745	$ 264,665	143,920	54%	$ 35,865	$ 156,610	$ 315,950	**$ 315,950**	0	
12203	Fibre Optic Network/Public WIFI	$ 226,681	$ 70,416	(156,265)	-222%	$ 41,151	$ 267,832	$ 350,654	**$ 350,654**	0	Tender for Public WIFI in progress
12210	ERP Implementation	$ 20,075	$ 23,879	3,804	16%	$ -	$ 20,075	$ 23,879	**$ 20,075**	-3,804	Complete - close out underway
12212	Meeting Room Projectors & Workstations & Smartboards	$ 187,094	$ 247,487	60,393	24%	$ 43,828	$ 230,922	$ 247,487	**$ 247,487**	0	Council Chambers to be installed in February 2019.
12220	Break room refurbishment	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12275	Footfall	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12280	Waste Management software	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	All payments made. Awaiting production deployment to finalise.
14083	Corporate MFD Replacement	$ -	$ -	-	0%	$ -	$ -	$ 400,000	**$ 400,000**	0	Tender in January for implementation before end of financial year and relates to asset lifecycle
14084	Unified Comms Refresh & Replacement Telephone System	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Deferred to 2019/20 - so these funds can be released.
14085	Desktop Refresh & Replacement	$ 165,571	$ 199,071	33,500	17%	$ 29,975	$ 195,546	$ 199,071	**$ 199,071**	0	Orders have been placed - awaiting delivery
14086	Enterprise Architecture	$ 18,960	$ 71,755	52,795	74%	$ -	$ 18,960	$ 250,021	**$ 250,021**	0	Conducting workshops to align EA (TOGAF) with IT Strategy..
14099	Core systems upgrade	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Budget removed due to cancellation of Depot Workshop and Procure to Pay.
14104	Supply Chain Automation	$ 41,395	$ -	(41,395)	100%	$ -	$ 41,395	$ 217,759	**$ 217,759**	0	
	TOTAL	**$ 2,508,753**	**$ 3,243,083**	**734,330**	23%	**$ 813,531**	**$ 3,322,283**	**$ 7,435,059**	**$ 7,346,977**	**-$87,283**	

		YTD 31 December 2018				YTD Dec 2018 compared to Annual budget 2018-19			Reforecast 2018/19		
PJ number	Project description	YTD actual	(Revised) YTD Budget	Variance	Variance %	Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Total reforecast	Variance	Comments
COMMUNITY & COMMERCIAL SERVICES											
11814	Lighting Upgrade	$ 137,618	$ 170,464	32,846	19%	$ 120,793	$ 258,411	$ 382,240	**$ 382,240**	0	Process of implementing 3 car park lighting. Likely to spend before EOY
11832	Automate Open Air Cark Parks 2015-16	$ 2,316	$ 2,316	-	0%	$ -	$ 2,316	$ 2,316	**$ 2,316**	0	Completed and savings returned in October budget review.
11970	Integrated Parking Management and Enforcement System	$ 151,644	$ 32,103	(119,541)	-372%	$ 18,117	$ 169,761	$ 6,587,470	**$ 3,900,000**	-2,687,470	Current estimate based on number of sensors and machines being installed EOY. Remainder to be re-budgeted.
12172	Smart Precinct (CCTV)	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Budget transferred to DAI smart cities 1330-12200
12178	Bollard Replacement in Hay & Murray St Malls	$ 2,939	$ 54,792	51,853	95%	$ -	$ 2,939	$ 605,614	**$ 605,614**	0	AS PART OF THIS BUDGET REVIEW TO BE TRANSFERRED TO CONSTRUCTION BUSINESS UNIT. Tender is with Contracts for advertising. However, highly likelihood of carry forward due to tight time constraints with 2 tenders required this FY plus some physical work on site. Due to ISPT progress, the value of works related to Murray St bollards is expected to occur following ISPT completion, currently scheduled for June 2019. Murray Street to be re-assessed and re-budgeted as part of multi-year projects in 19/20.
12183	Citiplace Child Care Centre - Interactive Playscape	$ 25,130	$ 30,000	4,870	16%	$ 5,156	$ 30,286	$ 30,000	**$ 30,000**	0	New playground equipment and turf has been installed. The Kidsafe audit has been completed, and warranty information etc. has been received. Ongoing maintenance and check plans are being development for the play equipment (with PPM) and turf (with Parks). Turf purchase order pending final invoice.
12220	Break room refurbishment	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12281	CPP Brand Refresh	$ -	$ -	-	0%	$ -	$ -	$ 149,493	**$ -**	-149,493	Funds returned. To be reviewed in line with IPMS.
12284	Point Fraser - Hardstand	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Nil budget
12288	CPP VMS External Entries	$ 91,823	$ 79,800	(12,023)	-15%	$ 118,223	$ 210,046	$ 309,800	**$ 309,800**	0	Delay due to staff resources. Planning to finalise before end of June
12289	CO2 Monitoring and Ventilation	$ 2,705	$ 2,705	-	0%	$ -	$ 2,705	$ 2,705	**$ 2,705**	0	Completed
12290	Automated Door Replacement Car Parks	$ 2,418	$ 231,000	228,582	99%	$ -	$ 2,418	$ 231,000	**$ 231,000**	0	Tender delayed. Planning to finalise end of June. Need to be retendered/ RFQ waiting for Contracts Officer to discuss.
12298	Point Fraser Signage	$ 797	$ 75,000	74,203	99%	$ -	$ 797	$ 125,000	**-$ 0**	-125,000	Returned. Developers have approval for their signs. Cop is not responsible for this cost.
12299	Upgrade to Mobile Application and Internet	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Nil budget
12300	Lighting Car Parks	$ 397,769	$ 396,208	(1,562)	0%	$ 13,410	$ 411,179	$ 669,140	**$ 669,140**	0	Process of implementing 3 car park lighting. Likely to spend before EOY
14066	CCTV Camera and Server Replacement	$ 3,372	$ 810	(2,563)	-317%	$ 44	$ 3,416	$ 229,500	**$ 229,500**	0	Contract awarded, replacement cameras currently being installed, server due end of Feb 2019
14067	CCTV Installations	$ 95,450	$ 71,767	(23,684)	-33%	$ 22,283	$ 117,733	$ 194,500	**$ 194,500**	0	7 cameras purchased, 5 cameras installed, supporting infrastructure installed, commissioning of equipment still required
14068	CCTV and security works - Citiplace, Child Care and Rest Cen	$ 48,046	$ 47,800	(246)	-1%	$ -	$ 48,046	$ 47,800	**$ 48,046**	246	Installation complete, close out report to be completed
14069	CCTV Trailer	$ 1,618	$ 75,000	73,382	98%	$ 69,177	$ 70,795	$ 75,000	**$ 75,000**	0	
14070	Loudspeaker	$ 486	$ 705	219	31%	$ -	$ 486	$ 60,000	**$ 60,000**	0	To coordinate with SPM to redesign interior cabelling of selected light-poles to enable loud speaker equipment to be installed, quotes to be sought in Feb 2019
14071	Ranger Emergency Equipment	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Full $10,000 budget re-classified as operating in October budget review.
14072	Replacement of sleeper wheel stops at Point Fraser	$ 19,150	$ 270	(18,880)	-6994%	$ -	$ 19,150	$ 24,200	**$ 19,450**	-4,750	Project completed - closeout is in progress
14073	Off Street Servers Workstations various locations	$ 5,001	$ 12,000	6,999	58%	$ -	$ 5,001	$ 30,000	**$ 30,000**	0	On track to be completed in time
14074	Batteries - on street Ticket Machines	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Project completed
14075	Access Control	$ 10,000	$ 10,000	-	0%	$ -	$ 10,000	$ 10,000	**$ 10,000**	0	Completed
14076	Facilities integration in Building Maintenance Systems - Var	$ 9,526	$ 1,891	(7,635)	-404%	$ 7,000	$ 16,526	$ 20,000	**$ 20,000**	0	Waiting for feasibility study report from consultant, unable to pay until report received
14077	CCTV Extended Coverage	$ 17,159	$ 32,980	15,821	48%	$ 16,967	$ 34,126	$ 100,000	**$ 100,000**	0	On track to be completed in time
14078	Electrical and Communications Improvements - Terrace Road Ca	$ 31,052	$ 25,730	(5,323)	-21%	$ 276,221	$ 307,274	$ 375,000	**$ 375,000**	0	PO raised work will commence in February 2019, unable to pay until works has been
14079	Electrical Vehicle Charging Facilities	$ 122	$ 81	(41)	-50%	$ -	$ 122	$ 60,000	**-$ 0**	-60,000	Budget returned. To be aligned with IPMS deliverables.
14080	Roof top Solar Car Port installation	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Handed back in November due to alternative use area (currently used for Rooftop movies). Re-assessment will require revised business case to proceed further.

PJ number	Project description	YTD 31 December 2018 YTD actual	(Revised) YTD Budget	Variance	Variance %	YTD Dec 2018 compared to Annual budget 2018-19 Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Reforecast 2018/19 Total reforecast	Variance	Comments
14081	Customer Experience Centre & CRM	$ 124,306	$ 93,539	(30,767)	-33%	$ 14,210	$ 138,516	$ 210,000	**$ 360,000**	150,000	Contract labour planned for CRM developments to end of the year and increased for development of online solution for outdoor licensing applications, as per request of Commissioners.
14082	Sound level meters	$ 12,992	$ 12,992	-	0%	$ -	$ 12,992	$ 12,992	**$ 12,992**	0	A sound level meter has been purchased for $12,992. This has come in below the budget and partial saving ($5,000) is proposed to be re-purposed for 2 laptops with capacity to process new technology sound level meter data. Noise complaints have risen by 25% in the last 12 months. Included in OPEX in October budget review.
	TOTAL	**$ 1,193,439**	**$ 1,459,951**	**266,512**	18%	**$ 681,601**	**$ 1,875,040**	**$ 10,543,770**	**$ 7,667,300**	**-$2,876,470**	
CONSTRUCTION & MAINTENANCE											
10125	Library Plaza Project Defect Rectification	$ 20,221	$ 7,578	(12,643)	-167%	$ 21,921	$ 42,141	$ 300,000	**$ 200,221**	-99,779	Quote received $120K eastern side of the plaza. Stairs, planter box and water proofing coming through the tiles , repostion tiles, reticulation issue. Further quotation obtained. Work planned in April.
10146	Fleet and Plant Replacement -Other Law, Order, Public Safety	$ 39,216	$ 67,216	28,000	42%	$ 51,546	$ 90,762	$ 95,216	**$ 95,216**	0	
10148	Fleet and Plant Replacement Health	$ 104,602	$ -	(104,602)	0%	$ 319	$ 104,921	$ 112,000	**$ 104,602**	-7,398	Bal not required
10150	Fleet and Plant Replacement -Recreation and Culture - Other	$ -	$ -	-	0%	$ 71,583	$ 71,583	$ 269,000	**$ 269,000**	0	
10152	Fleet and Plant Replacement Transport - Streets, Roads, Brid	$ 84,856	$ 287,860	203,004	71%	-$ 274	$ 84,581	$ 495,000	**$ 446,356**	-48,644	$23k to be transferred to Minor asset Natural account _ Opex
10153	Fleet and Plant Replacement -Community Amenities - Sanitatio	$ 464,539	$ 241,287	(223,252)	-93%	$ 817,043	$ 1,281,582	$ 1,848,287	**$ 1,822,989**	-25,298	Bal not required
10264	Fleet and Plant Replacement -Transport - Parking Facilities	$ 28,947	$ 351,000	322,053	92%	$ 407,342	$ 436,290	$ 535,000	**$ 528,947**	-6,053	Bal not required
10372	Fleet and Plant Replacement - Other Community Amenities	$ 36,496	$ 36,496	-	0%	$ -	$ 36,496	$ 36,496	**$ 36,496**	0	
10373	Fleet and Plant Replacement -Other Property & Services - Adm	$ 234,807	$ 177,387	(57,421)	-32%	$ 143,175	$ 377,982	$ 406,387	**$ 405,507**	-879	
10374	Fleet and Plant Replacement Economic Serv-Building Control	$ 53,830	$ 28,000	(25,830)	-92%	$ 60	$ 53,890	$ 56,000	**$ 53,830**	-2,170	Bal not required
10430	Plant Replacement Program - Economic Service- Other Economic	$ -	$ -	-	0%	$ -	$ -	$ 120,000	**$ 120,000**	0	
11617	Lighting - St Georges Tce (King St to Milligan St)	$ 1,068	$ 1,068	-	0%	$ 83,326	$ 84,394	$ 1,068	**$ 1,068**	0	
11797	Lighting - St Georges Tce (Barrack to Irwin)	$ 582	$ 582	(0)	0%	$ 43,135	$ 43,716	$ 582	**$ 582**	0	
11801	Wellington Street (Perth City Link project) Stage 2B	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Delay due to Raine Square development
11875	Concert Hall Hydraulics Works	$ 14,850	$ -	(14,850)	0%	$ 64,044	$ 78,894	$ 170,000	**$ 100,000**	-70,000	Plumbing work $70K. Scheuduled for work completion in Feb PC.
11876	Perth Concert Hall -Mechanical Services works	-$ 7,044	$ -	7,044	0%	$ -	-$ 7,044	$ -	**-$ 7,044**	-7,044	N/A
11878	Pedestrian Walkways	$ -	$ -	-	0%	$ -	$ -	$ 6,000,000	**$ 4,000,000**	-2,000,000	Hoist is to be intalled before August. $4m payment is subject to ISPT achieving 50% completion
11967	Wellington Square Enhancement	$ 165,040	$ 170,034	4,993	3%	$ 38,814	$ 203,855	$ 1,726,000	**$ 1,726,158**	158	- Currently approximately $130,000 contingency unallocated - Potential underspend approximately $50,000 on staff cost due to PPM not billing to project while acting manager - Cost above likely to be used for landscaping pre-procurement
11984	Hay Street (Pier St to Victoria Terrace)	$ -	$ 1,000	1,000	100%	$ 22,122	$ 22,122	$ 30,000	**$ 25,440**	-4,560	Quotation received + 15% contingency, remainder not required
12082	2-Way Hill Street (St Georges Tce - Wittnoom St)	$ -	$ -	-	0%	$ -	$ -	$ -	**$ 330,000**	330,000	To be handed over to construction.
12191	St Georges Tce (Irwin — Victoria St) Lighting - Upgrade	$ 29,000	$ 33,706	4,706	14%	$ 105,264	$ 134,263	$ 1,108,089	**$ 794,841**	-313,248	Underspend, following receipt of tender, likely to be $313,248
12221	Telemetric irrigation control system	$ -	$ 200,000	200,000	100%	$ 765,290	$ 765,290	$ 865,664	**$ 835,664**	-30,000	Surplus $30,000 to be reallocated to 14007 Hay Thomas Reserve
12225	Point Fraser signage replacement (Y2/2)	$ 3,815	$ 15,000	11,185	75%	$ -	$ 3,815	$ 15,000	**$ 4,687**	-10,313	Surplus $10,313 - to be reallocated to 14008 Heirisson Island infield irrigation
12228	Point Fraser boardwalk replacement (Y2/2)	$ 247,737	$ 410,000	162,263	40%	$ 84,777	$ 332,514	$ 410,000	**$ 343,148**	-66,852	Surplus $66,852 - $20,000 surplus funds to be reallocated to 14007 Hay Thomas Reserve infield irrigation; $24,000 surplus funds to be reallocated to 14006 Goderich St Infield irrigation; and $22,852 to be reallocated to 14008 Heirisson Island.
12231	Reinstatement of lake connectivity – Heirisson Island (Y2/2)	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12233	Provision of Public toilets - Various locations	$ 135,572	$ 263,124	127,551	48%	$ 24,022	$ 159,594	$ 500,000	**$ 500,000**	1	New Provision: Moore St is completed just waiting for Water Corp to connect. Francis st is waiting utility company approval.Normally takes couple of months. Section 18 is cleared. Tank is to be put in place . Gravity , pump and sewer is more costy to be installed near the river. Francis street connection 40K and remaining brewary toilet installation
12234	Council House Pavement Screed & Waterproofing	$ 80,673	$ 3,213	(77,460)	-2411%	$ 37,934	$ 118,607	$ 123,410	**$ 120,673**	-2,737	Completed

		YTD 31 December 2018				YTD Dec 2018 compared to Annual budget 2018-19			Reforecast 2018/19		
PJ number	Project description	YTD actual	(Revised) YTD Budget	Variance	Variance %	Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Total reforecast	Variance	Comments
12235	Concert Hall Structural Repairs	$ 761,565	$ 1,034,151	272,586	26%	$ 243,316	$ 1,004,881	$ 1,300,001	**$ 1,300,000**	-1	Reinforce north central and north east podium side slab. Sothern side podium joint
12236	Council House Lower Ground Car Park Concrete Repairs	$ -	$ -	-	0%	$ 1,026	$ 1,026	$ 98,848	**$ 65,000**	-33,848	Scope change, Parks, CDU advised WPC process is required. Preapare paper to ELT.. Landscape, WAPC approval, structural review, water proofing, drainage design. Design only
12240	Council House New Office Fitout	$ 34,002	$ -	(34,002)	0%	$ 29,890	$ 63,892	$ 145,558	**$ 179,002**	33,444	
12310	Blackspot - Lake St and Francis St	$ 146,102	$ 160,000	13,898	9%	$ 7,450	$ 153,552	$ 160,000	**$ 160,000**	0	
12311	Lighting - Council House Upgrades	$ 54,314	$ 48,513	(5,801)	-12%	$ 1,537	$ 55,851	$ 2,799,513	**$ 1,741,053**	-1,058,460	Following receipt of tenders, $1,741,053 required this FY releasing $1,058,460.
14001	Depot Waste Transfer Station	$ 11,321	$ 59,054	47,733	81%	$ 5,067	$ 16,388	$ 100,000	**$ 100,000**	0	
14002	Riverbank East Perth foreshore riverbank erosion control	$ -	$ -	-	0%	$ 30,072	$ 30,072	$ 30,000	**$ 33,079**	3,079	Deficit $3,079 - surplus funds from 14004 to be reallocated to 14002 East Perth Riverbank erosion control
14003	East Perth Foreshore Infield Irrigation Renewal (Y1/2 – design)	$ -	$ -	-	0%	$ 3,313	$ 3,313	$ 6,000	**$ 3,313**	-2,687	Surplus $2,688 - Surplus funds to be reallocated to 14010 Park Furniture
14004	Riverside Foreshore Infield Irrigation Renewal (Y1/2 – design)	$ -	$ -	-	0%	$ 6,361	$ 6,361	$ 7,000	**$ -**	-7,000	Surplus $7,000 (cancelled due to Riverbank MasterPlan being done by CDU) - to be reallocated as follows: $3,079 reallocated to 14002 East Perth Riverbank erosion control; $3,921 reallocated to 14008 Heirisson Island infield irrigation
14005	Rod Evans Centre Infield Irrigation Renewal (Y1/2 – design)	$ -	$ -	-	0%	$ 3,573	$ 3,573	$ 4,000	**$ 3,573**	-427	Surplus $427 to be reallocated to 14008 Heirisson Island infield irrigation
14006	Goderich Street Infield Irrigation Renewal	$ -	$ -	-	0%	$ 2,983	$ 2,983	$ 17,000	**$ 41,001**	24,001	Deficit $24,000 - $24000 to be reallocated from 12228 Point Fraser boardwalk
14007	Hay Thomas Reserve Infield Irrigation and Controls Renewal	$ -	$ -	-	0%	$ 3,670	$ 3,670	$ 30,000	**$ 80,000**	50,000	Deficit $50,000 - $20,000 to be reallocated from 12228 Point Fraser boardwalk; $30,000 to be reallocated from 12221 Telemetric Irrigation Control.
14008	Heirisson Island Infield Irrigation Renewal (Partial)	$ 2,650	$ -	(2,650)	0%	$ 9,418	$ 12,068	$ 101,000	**$ 141,694**	40,694	Deficit $40,695 - $22,852 to be reallocated from 12228 Point Fraser boardwalk; $10,313 to be reallocated from 12225 Point Fraser signage; $3,921 to be reallocated from 14004 Riverside Foreshore infield irrigation; $427 to be reallocated from 14005 Rod Evans infield irrigation; $3,182 to be reallocated from 14013 Replacement tree grates
14009	Northbridge Piazza Infield Irrigation Renewal	$ 2,637	$ -	(2,637)	0%	$ -	$ 2,637	$ 23,000	**$ 37,637**	14,637	Deficit $14637 - $15,000 surplus funds to be reallocated from 14013 Replacement tree grates.
14010	Park Furniture replacements – various locations	$ 29,935	$ 44,000	14,065	32%	$ 17,600	$ 47,535	$ 44,000	**$ 47,525**	3,525	Deficit $3,525 - $2,688 surplus funds from 14003 East Perth infield irrigation to be reallocated to 14010; plus $1,414 surplus funds from 14012 Claisebrook channels to be reallocated to 14010.
14011	Russell Square water feature refurbishment (Y1/2 – design on	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	$20k reallocated to 14014 Ozone Reserve Artesian Bore (project cancelled as Russell Square water feature is no longer a PKS asset)
14012	Claisebrook Lake channels – repointing and resealing (Y1/2 –	$ 12,940	$ 15,554	2,614	17%	$ 1,200	$ 14,140	$ 15,554	**$ 14,140**	-1,414	Surplus $1,414 - to be reallocated to 14010 Park Furniture
14013	Replacement Tree grates - various locations	$ -	$ -	-	0%	$ 181,818	$ 181,818	$ 200,000	**$ 181,818**	-18,182	Surplus $18,182 - $15,000 suprlus funds to be reallocated to 14009 Northbridge Piazza irrigation; $3,182 surplus funds to be reallocated to 14008 Heirisson Island infield irrigation
14014	Ozone Reserve Artesian Bore Project	$ 2,250	$ -	(2,250)	0%	$ -	$ 2,250	$ 828,446	**$ 828,446**	0	
14015	Additional Parking Bays - Osborne Park Depot	$ 14,067	$ 15,000	933	6%	$ 0	$ 14,067	$ 15,000	**$ 14,067**	-933	Bal not required
14016	Depot Bulk Fuel Storage Tank Monitoring System	$ -	$ -	-	0%	$ -	$ -	$ 47,000	**$ 47,000**	0	
14017	Depot Security Camera and Cabling Upgrade	$ 54,906	$ 12,000	(42,906)	-358%	$ -	$ 54,906	$ 50,000	**$ 54,906**	4,906	
14018	E-Learn - Online Driver Awareness Training	$ -	$ 10,000	10,000	100%	$ -	$ -	$ 20,000	**$ 20,000**	0	
14019	Fabrication of Certified work platforms	$ -	$ 3,840	3,840	100%	$ -	$ -	$ 7,440	**$ -**	-7,440	Work completed under Opex cost as it came in under $5k Can we transfer $7440 to Opex 7219
14020	Install Pallet Racking to Depot	$ 19,631	$ 19,631	-	0%	$ -	$ 19,631	$ 19,631	**$ 19,631**	0	
14021	Various Replacement Works - Concert Hall	$ 56,699	$ 24,653	(32,046)	-130%	$ 191,097	$ 247,796	$ 450,000	**$ 260,000**	-190,000	Refurb Wardle Room, ACROD Bays
14022	Reconfiguration - Forrest Place loading dock	$ 5,200	$ -	(5,200)	0%	$ 1,300	$ 6,500	$ 50,000	**$ 50,000**	0	$28000 consultancy and $12000 construction work
14024	Asbestos Remedial Works (Carparks)	$ 13,552	$ 4,860	(8,691)	-179%	$ 5,315	$ 18,866	$ 454,860	**$ 300,052**	-154,809	Tender document already issued
14025	Office Accommodation Refurbishment - Various locations	$ 63,270	$ 100,006	36,737	37%	$ 52,544	$ 115,814	$ 150,000	**$ 150,264**	263	
14026	Tenanted Buildings, Landlord Works - Various locations	$ 16,189	$ 92,755	76,566	83%	$ 31,967	$ 48,157	$ 99,999	**$ 100,000**	1	
14027	Office Accommodation Strategy	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
14028	Façade Refurbishment - Council House	$ 64,190	$ 300,000	235,810	79%	$ 9,890	$ 74,080	$ 400,000	**$ 600,000**	200,000	Defer Sep 2019 and run this project with council house lighting at the same time to minimise the disruption. Budget Transfer from Council House Lighting. Project is to be undertaken at the same time as Council House Lighting to eliminate scaffolding cost and disruptions to the Council House Building

		YTD 31 December 2018				YTD Dec 2018 compared to Annual budget 2018-19			Reforecast 2018/19		
PJ number	Project description	YTD actual	(Revised) YTD Budget	Variance	Variance %	Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Total reforecast	Variance	Comments
14029	Pump Room Upgrade (LG Managers Carpark)	$ -	$ -	-	0%	$ -	$ -	$ -	$ -	0	
14030	Drainage - Pit Cover Replacement Program	$ 98,333	$ 107,036	8,703	8%	$ 3	$ 98,335	$ 110,036	$ 98,333	-11,703	More pit covers added.
14031	Drainage - Emergency reactive renewals	$ 4,670	$ 25,000	20,330	81%	$ 6,940	$ 11,610	$ 100,000	$ 79,670	-20,330	A part of this budget will be spent on Hill and Wittenoom street due to sudden pavement failure which was relevant to Drainage asset
14032	Drainage - Sherwood Court - St Georges Tce To The Esplanade	$ -	$ -	-	0%	$ 69,577	$ 69,577	$ 250,000	$ 83,493	-166,507	Value Engineered solution - Relining in lieu of pipe replacement (Change of Scope)
14033	Drainage - Plain Street - Terrace Road To Adelaide Terrace -	$ -	$ -	-	0%	$ -	$ -	$ 100,000	$ 100,000	0	Investigation work by SPM has been completed and waiting Water Corporation feedback. Potential risk of carry forward invisaged due to complexity of dealing withstakeholders.
14034	Drainage - Aberdeen St - Fitzgerald St To Parker St	$ 1,257	$ 50,000	48,743	97%	$ 84,902	$ 86,159	$ 300,000	$ 123,648	-176,352	Value Engineered solution (Change of scope) - Relining in lieu of pipe replacement
14035	Drainage - Victoria Sq - Western Circle	$ -	$ -	-	0%	$ 38,641	$ 38,641	$ 170,000	$ 46,370	-123,630	Value Engineered solution(Change of Scope) - Relining in lieu of pipe replacement
14036	Drainage - James St – Stirling St Intersection	$ 22,146	$ 10,000	(12,146)	-121%	$ 18,211	$ 40,357	$ 100,000	$ 99,999	-1	
14037	Footpath - Winthrop Ave - West - Park Rd to Stirling Highway	$ 9	$ -	(9)	0%	$ 37,065	$ 37,074	$ 138,351	$ 138,351	0	
14038	Footpath - Winthrop Ave - West - Aberdare Rd to Monash Ave	$ -	$ -	-	0%	$ 39,463	$ 39,463	$ 59,551	$ 59,551	0	
14039	Footpath - Karella St - North - Hampden Rd to ROW	$ 16,803	$ 15,485	(1,318)	-9%	$ 13,554	$ 30,357	$ 15,485	$ 16,803	1,318	
14040	Footpath - Fitzgerald Street - West - James St To Roe St	$ 79,421	$ 96,947	17,526	18%	$ 6,394	$ 85,815	$ 96,947	$ 79,421	-17,526	Project cost over-estimated
14041	Footpath - Roe Street - North - Fitzgerald Street to Sutherl	$ 63,992	$ 65,503	1,511	2%	$ -	$ 63,992	$ 65,503	$ 63,992	-1,511	
14042	Footpath - Adelaide Terrace - Both - Hill St To Victoria Ave	$ 1,500	$ -	(1,500)	0%	$ 314,910	$ 316,410	$ 617,094	$ 600,000	-17,094	low risk to exceed $617K due to potential for ATCO non-attendance. Actual cost will be within $50K of $600K depending on outcome
14043	Footpath - Harvest Terrace - West - Hay St To Murray St	$ -	$ -	-	0%	$ -	$ -	$ -	$ -	0	
14044	Lighting - End of useful life replacement	$ 100,426	$ 186,237	85,811	46%	$ 136,808	$ 237,234	$ 659,161	$ 659,161	0	project on target. Plaistow Mews , Harold boas Garden, JH Abraham
14045	Lighting - Globe Bulk replacement programme (LIC)	$ 8,646	$ 5,040	(3,606)	-72%	$ 104,970	$ 113,616	$ 164,960	$ 164,960	0	replacement of LED light in Hay st Mall, Murray St Mall , Wellington St (Barrck - William) and William St (Hay - Murray)
14046	Lighting - Christmas Decorations	$ 732,176	$ 704,144	(28,032)	-4%	$ 189,689	$ 921,865	$ 704,144	$ 739,004	34,860	project completed
14047	Riverbank - Claisebrook Cove Boat Section	$ 55,595	$ 343,000	287,404	84%	$ 532,308	$ 587,903	$ 586,000	$ 581,749	-4,250	50% of the total project cost will be funded by DBCA. Funding arrangement in progress. Construction cost $553K, Consultant cost $33K.
14048	Roads - Adelaide Terrace (EB),Bennett St. to Plain St	$ 122,304	$ 115,788	(6,516)	-6%	$ 37,416	$ 159,719	$ 157,248	$ 157,248	0	
14049	Roads - Colin Street, Murray St. to Wellington St	$ 87,555	$ 108,955	21,400	20%	$ 24,369	$ 111,924	$ 108,955	$ 90,055	-18,900	underspent because drainage pits did not require adjustment
14050	Roads - Milligan Street (NB), Murray St. to Wellington St	$ 2,355	$ 905	(1,450)	-160%	$ 52,269	$ 54,624	$ 63,545	$ 2,355	-61,190	project cancelled due to western power delay which was discussed in the last 12 months. The External MRRG fund has been carried forward to FY19/20. Current expenditure to be journalled to operational budget 7260
14051	Roads - Milligan Street (SB),Murray St. to Wellington St	$ 2,355	$ 905	(1,450)	-160%	$ 51,035	$ 53,390	$ 63,545	$ 2,355	-61,190	project cancelled due to western power delay which was discussed in the last 12 months. The External MRRG fund has been carried forward to FY19/20. Current expenditure to be journalled to operational budget 7260
14052	Roads - Moore Street, Pier St. to Railway Crossing	$ 502	$ 502	-	0%	$ 46,344	$ 46,846	$ 48,810	$ 45,810	-3,000	
14053	Roads - Wellington St. & Plain St? Intersection (W/B)	$ 27,158	$ 32,939	5,781	18%	$ 19,548	$ 46,706	$ 32,939	$ 32,939	0	
14054	Roads - Wellington St & Plain St. Intersection (E/B)	$ 27,241	$ 32,939	5,698	17%	$ 15,101	$ 42,342	$ 32,939	$ 32,939	0	
14055	Roads - Clive St- Colin St to bend (to Murray St)	$ 63,849	$ 68,813	4,964	7%	$ 5,507	$ 69,356	$ 68,813	$ 63,849	-4,964	
14056	Roads - Pier Street - Moore St to Cul-de-sac (Railway Line)	$ 1,173	$ 1,173	-	0%	$ 47,863	$ 49,036	$ 55,138	$ 55,138	0	

		YTD 31 December 2018				YTD Dec 2018 compared to Annual budget 2018-19			Reforecast 2018/19		
PJ number	Project description	YTD actual	(Revised) YTD Budget	Variance	Variance %	Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Total reforecast	Variance	Comments
14057	Roads - Kings Park Road (EB) - Havelock St to Thomas St	$ -	$ -	-	0%	$ -	$ -	$ -	$ -	0	
14058	Roads - Riverside Drive - Victoria Ave to Plain St Left lane	$ 129,801	$ 144,874	15,073	10%	$ 32,649	$ 162,450	$ 144,874	$ 135,801	-9,073	minor chages in scope after coring, reduced asphalt thickness
14059	Roads - Newcastle St (WB) Lord St to Stirling St	$ 10	$ -	(10)	0%	$ -	$ 10	$ -	$ 10	10	CANCELLED
14060	Roads - Fairway – Cooper St to Stirling Highway	$ 87,676	$ 87,676	(0)	0%	$ 3,201	$ 90,877	$ 87,676	$ 87,676	0	
14061	Roads - Plain Street resurfacing-(SB-Outer Lane)-Wellington	$ 96,951	$ 76,597	(20,354)	-27%	$ 2,812	$ 99,763	$ 96,597	$ 96,951	354	
14062	Roads - Plain Street resurfacing-(NB-Outer Lane)	$ 57,190	$ 50,748	(6,441)	-13%	$ 11,034	$ 68,224	$ 60,748	$ 57,190	-3,559	
14063	Roads - Roundabouts and medians	$ 50,351	$ 48,626	(1,725)	-4%	$ 28,614	$ 78,965	$ 100,000	$ 95,351	-4,649	
14064	Litter Bin Replacement Program	$ 251,400	$ 232,350	(19,050)	-8%	$ 24,860	$ 276,260	$ 270,000	$ 289,050	19,050	
14065	Trafalgar Bridge Boardwalk	$ -	$ -	-	0%	$ -	$ -	$ 20,000	$ 20,000	0	Consultancy part of the project in FY18/19 and replacement in FY19/20. Consultant to provide costings for replacement.
14087	East End Revitalisation	$ 35,332	$ 117,829	82,497	70%	$ 118,042	$ 153,374	$ 1,100,000	$ 1,066,999	-33,001	- Currently approximately $230,000 contingency unallocated - Cost above could be used for landscaping & granite pre-procurement
14100	East Perth Walkability Ligthing Upgrade North	$ 240,193	$ 270,000	29,807	11%	$ 15,105	$ 255,298	$ 270,000	$ 245,193	-24,807	
14101	Road – Riverside Drive – Governors Ave to Victoria Ave	$ -	$ -	-	0%	$ -	$ -	$ 100,000	$ 82,000	-18,000	
14102	Road – Havelock St – Murray St to Hay St	$ -	$ -	-	0%	$ -	$ -	$ 103,000	$ 110,000	7,000	
14103	Footpath – Pram Ramp (DAIP) – Royal St and Hampden Rd	$ -	$ -	-	0%	$ -	$ -	$ 90,717	$ 50,000	-40,717	pram ramps at the Royal / Plain intersection will rquire a design from the Transport Unit therefore SPM decided to remove these ramps from scope and spend a part of the allocated budget at Hampden Road.
23330	Murray Street Lighting Upgrade (Barrack to Irwin Street)	$ 27,445	$ 9,130	(18,315)	-201%	$ 120,970	$ 148,415	$ 989,000	$ 989,000	0	
23340	Roads - Right of Ways - Nedlands	$ -	$ 171,823	171,823	100%	$ -	$ -	$ 248,880	$ 248,880	0	
23350	Roads - Cook Street (Nedlands) - Fairway to Parkway	$ -	$ 32,200	32,200	100%	$ -	$ -	$ 46,000	$ 46,000	0	
23360	Roads - Welling St - Ped Crossin - Forrest Pl to Railway	$ -	$ -	-	0%	$ -	$ -	$ 100,000	$ 120,000	20,000	cost confirmed based on constractor's quote
23370	Footpath - Clive Street - Colin Street to Outram Street	$ 43,551	$ 50,000	6,449	13%	$ 11,899	$ 55,450	$ 50,000	$ 43,551	-6,449	minor change in scope
23380	Footpath - Murray St - North - Pier to Barrack Street	$ -	$ -	-	0%	$ 12,994	$ 12,994	$ 150,771	$ 150,771	0	
23390	Footpath - Adelaide Tce - North - Plan to Bennett Street	$ 105,616	$ 114,500	8,884	8%	$ 11,582	$ 117,199	$ 114,500	$ 110,000	-4,500	
23400	Footpath - Crossovers - Various Locations	$ 37,783	$ 24,000	(13,783)	-57%	$ 7,281	$ 45,065	$ 60,000	$ 37,783	-22,217	The traffic management costs have been less than estimated
	TOTAL	**$ 5,786,993**	**$ 7,640,227**	**1,853,234**	24%	**$ 5,915,779**	**$ 11,702,772**	**$ 31,968,972**	**$ 27,730,983**	**-$4,237,989**	

PLANNING & DEVELOPMENT

10225	Roe St Upgrade - Fitzgerald to Beaufort St	$ 47,012	$ 80,096	33,084	41%	$ -	$ 47,012	$ 108,096	$ 139,528	31,432	Minor works required from CDU and TU then handover to Construction for DetailedDesign in Feb19. Adjustment to Deed with MRA for delivery of Roe Street needs to be agreed given other service providers are working in that area, ie. Western Power and Water Corporation. Additional Expenditure required for staff time to perform due diligence on the Roe St design – due to DOT's request to review the design as well as the possibility of revisiting light rail.
11637	Two-way Streets - Hay & Murray (West end)	$ 12,013	$ 84,512	72,499	86%	$ -	$ 12,013	$ 182,925	$ 62,013	-120,912	Design Review QS on Murray Streets
11984	Hay Street (Pier St to Victoria Terrace)	$ 32,061	$ 30,000	(2,061)	-7%	$ -	$ 32,061	$ 30,000	$ 32,061	2,061	CDU portion complete.
11985	Hay St Mall Revitalisation	$ 1,980	$ 10,442	8,463	81%	$ -	$ 1,980	$ 350,000	$ 1,980	-348,021	Project not endorsed as part of Investment on a page process for 19/20 so budget removed from 18/19
12081	BlackSpot	$ -	$ -	-	0%	$ -	$ -	$ 34,910	$ 24,910	-10,000	Combining PJ14094 into PJ12081. Blackspot submission funding, phasing is later in the year to tie in with State Budget setting.
12082	2-Way Hill Street (St Georges Tce - Wittnoom St)	$ 21,891	$ 24,861	2,970	12%	$ 137,683	$ 159,574	$ 392,075	$ 83,966	-308,109	Handed over to Construction Unit $330k for detailed design. Remainder for existing MRWA PO for signals signs and lines, allowances for TU and CDU staff time

		YTD 31 December 2018				YTD Dec 2018 compared to Annual budget 2018-19			Reforecast 2018/19		
PJ number	Project description	YTD actual	(Revised) YTD Budget	Variance	Variance %	Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Total reforecast	Variance	Comments
12083	Parallel Walks & Other Pedestrian Improvement	$ 46,131	$ 44,000	(2,131)	-5%	$ 1,085	$ 47,216	$ 44,000	**$ 46,131**	2,131	Project being completed. Paving and median grass being finalised.
12153	East Perth Walkability Enhancement Plan	$ 292,073	$ 373,428	81,354	22%	$ 77,918	$ 369,992	$ 373,428	**$ 317,073**	-56,354	Budget adjusted upwards to match with Department of Transport funding already received in 17/18. Forecast to complete is $15,000 for PTA and $5,000 for AccessBrick paving. $5,000 for staff time. Remaining DoT funds spent on PJ14100.
12186	Minor Urban Interventions	$ 12,798	$ 8,038	(4,760)	-59%	$ 2,500	$ 15,298	$ 150,000	**$ 164,760**	14,760	Wellington Street Skateable Plaza
12189	Street Furniture Replacement Program	$ 14,173	$ 14,173	(0)	0%	$ -	$ 14,173	$ 14,173	**$ 14,173**	0	Parent Account. All funds transferred to child accounts for East and West.
12192	Projects from Lighting Masterplan	$ 21,683	$ 27,152	5,469	20%	$ 21,545	$ 43,228	$ 90,000	**$ 105,000**	15,000	Implement Projects from the Lighting Masterplan. Added $15k for Barrack St Beacon Lighting Comms cables
12276	Roads (Crawley Nedlands) Various	$ 10,331	$ 39,353	29,023	74%	$ 18,900	$ 29,231	$ 540,000	**$ 260,978**	-279,023	The Avenue traffic calming. Community consultation completed. Project ready for handover to Construction. $300k removed to go into Murray St Lighting projectin Construction Units Budget. January reduction in forecast due to Cycle lane being removed from scope and $150k to be reallocated to Bus Shelter Replacement Program
12277	Kerbside review implementation	$ 10,955	$ 55,681	44,727	80%	$ 39,800	$ 50,755	$ 69,239	**$ 69,239**	-1	Electronic parking signage for Nile Street clearway to be installed in November. Minor kerbing changes including Taxi rank reworks and Adhoc requests
12278	Point Fraser reconnection with Elizabeth Quay (Riverside Drive)	$ 56,075	$ 63,000	6,925	11%	$ -	$ 56,075	$ 200,000	**$ 200,000**	0	Investigation and design for replacement of the Riverwall between Point Fraser and Elizabeth Quay
12279	Cycle Plan Implementation	$ 95,075	$ 104,823	9,748	9%	$ 85,454	$ 180,529	$ 350,000	**$ 350,000**	0	Goderich St Concept design & Spring St detailed design
12305	2 Way Hay Street (William St to Thomas St)	$ 40,293	$ 158,718	118,425	75%	$ 58,378	$ 98,672	$ 200,000	**$ 288,795**	88,795	Underground services investigations, Modelling Thomas Street micro-simulation, new MRWA PO for signal signs and lines designs and staff time
12313	2 way Hay Street (Bennett St to Victoria Ave)	$ 46,853	$ 30,404	(16,449)	-54%	$ 38,478	$ 85,330	$ 240,000	**$ 240,000**	0	Ready for handover to Construction for detailed design. Works should include minor kerbing and line marking. $100k removed to go into Murray St lighting upgrade in Construction Units budget.
14087	East End Revitalisation	$ 74,406	$ 100,000	25,594	26%	$ 12,155	$ 86,561	$ 100,000	**$ 100,001**	1	CDU working as consultant for Construction Unit with assistance for design
14088	Notebook - Dell Alienware	$ 6,337	$ 6,337	-	0%	$ -	$ 6,337	$ 6,337	**$ 6,337**	0	project complete
14089	Mount Street Node - Shared Space	$ 43,317	$ 55,421	12,104	22%	$ 12,110	$ 55,427	$ 100,000	**$ 90,317**	-9,683	Works to complete include lighting design and second stage video survey
14090	Nedlands - Crawley Streetscape Upgrades	$ 36,267	$ 66,105	29,837	45%	$ 45,455	$ 81,722	$ 187,500	**$ 180,267**	-7,232	Deliver a Public Realm Plan for Nedlands and Crawley, in coordination with Transport Unit
14091	Pedestrian Way-Finding Signage	$ 12,104	$ 32,079	19,976	62%	$ 26,394	$ 38,498	$ 60,000	**$ 60,025**	24	Upgrading pedestrian way-finding signage around the city, active transport way-finding and fingerboards
14092	Urban Forest Plan	$ 81,399	$ 90,910	9,511	10%	$ 17,612	$ 99,011	$ 292,281	**$ 369,410**	77,129	Infill tree planting (Capital Works) targeting hot spots in the City. West Perth nearly completed, Northbridge and East Perth next focus. Trees have been ordered. Underground services to be investigated.
14093	Smarter Cities Monitors	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Budget to be incorporated by DAI in Smart Cities for purchase of monitors
14094	Black Spot Program Funding submission	$ 5,228	$ 5,090	(138)	-3%	$ -	$ 5,228	$ 5,090	**$ 5,228**	138	Close project. Being combined with PJ 12081.
14095	Elizabeth Quay Safety Improvement	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	Defects liability period still in effect on Elizabeth Quay with MRA.
14096	Spring Street Pedestrian Crossing	$ 24,589	$ 133,226	108,636	82%	$ 999	$ 25,588	$ 300,000	**$ 300,000**	1	Lighting and detailed design ongoing, Road Safety audit to be conducted followed by Construction
23300	West End Street Furniture (Milligan to William)	$ 44,251	$ 45,000	749	2%	$ 54,517	$ 98,768	$ 115,039	**$ 123,290**	8,251	Child Account. Commitment raised, fabrication under-way. Delivery and Installation of street furniture from Jan to June 2019.
23310	East End Street Furniture (William to Hill)	$ 358	$ 30,000	29,642	99%	$ 75,399	$ 75,757	$ 70,788	**$ 76,146**	5,358	Child Account. Commitment raised, fabrication under-way.Delivery of Street furniture and installation from Jan - Jun 2019.
23320	First Planting Season	$ 6,791	$ 101,719	94,928	93%	$ 31,826	$ 38,617	$ 207,719	**$ 112,791**	-94,928	First planting season to target Northbridge and Crawley. Contract being tendered for installation in hard landscaping. Surplus money to be reallocated to Urban Forest Parent account.
23330	Murray Street Lighting Upgrade (Barrack to Irwin Street)	$ 6,070	$ 2,160	(3,910)	-181%	$ -	$ 6,070	$ 2,160	**$ 6,070**	3,910	Budget with Construction Unit
	TOTAL	**$ 1,102,512**	**$ 1,816,727**	**714,214**	39%	**$ 758,208**	**$ 1,860,720**	**$ 4,815,759**	**$ 3,830,487**	**-$985,272**	

PJ number	Project description	YTD 31 December 2018 YTD actual	(Revised) YTD Budget	Variance	Variance %	YTD Dec 2018 compared to Annual budget 2018-19 Commitments	YTD Actual & Commitments	Annual (Revised) Budget TOTAL	Reforecast 2018/19 Total reforecast	Variance	Comments
ECONOMIC DEVELOPMENT & ACTIVATION											
10396	Art Acquisitions	$ 26,726	$ 24,223	(2,504)	-10%	$ 6,449	$ 33,175	$ 60,000	**$ 60,000**	1	
11974	Juniper Windows Relocation Project	$ -	$ -	-	0%	$ -	$ -	$ 200,000	**$ 200,000**	0	Delay to project start due to ISPT delays in Forrest Place. Updated timeline: Part 1: development of proposed plans/engineering specifications – approx. $30K, April Part 2: contract to fabricate/install based on approved plans – approx. $170K, July – Dec 2019. $170k projected to be carried forward.
11975	Grow your own - Lighting restoration	$ -	$ -	-	0%	$ -	$ -	$ 98,695	**$ 98,695**	0	Construction is planned to commence April 2019 and to be completed June 2019.
12155	Winter Arts Festival - Lighting	$ -	$ -	-	0%	$ -	$ -	$ -	**$ -**	0	
12171	ACH Database and Portal Project	$ -	$ -	-	0%	$ -	$ -	$ 161,320	**$ 161,320**	0	Currently under taking project planning and scoping. Project manager has indicated $100k projected to be spent this FY and remaining $61,320 to be carried forward.
12214	Website Development	$ 186,316	$ 185,798	(518)	0%	$ 7,252	$ 193,568	$ 185,798	**$ 186,316**	517	Project completed, Awaiting final invoices for closeout.
14097	Public Art	$ 14,015	$ 33,000	18,985	58%	$ -	$ 14,015	$ 123,100	**$ 123,100**	0	Capital renewal program scheduled and on track for delivery
	TOTAL	**$ 227,057**	**$ 250,521**	**23,463**	9%	**$ 13,701**	**$ 240,758**	**$ 843,913**	**$ 844,431**	$518	
NEW PROJECTS REQUIRING FUNDS											
NEW Drainage- Irwin street- Hay to St Georges		$ -	$ -	$ -		$ -	$ -	$ -	**$ 95,000**	95,000	NEW
NEW Drainage- Parkway road -Stirling HW to Princess road		$ -	$ -	$ -		$ -	$ -	$ -	**$ 145,000**	145,000	NEW
NEW Drainage- Wellington Street- Hill Street to Bennet Street		$ -	$ -	$ -		$ -	$ -	$ -	**$ 100,000**	100,000	NEW
NEW - Bus Shelter Replacement Program		$ -	$ -	$ -		$ -	$ -	$ -	**$ 150,000**	150,000	To be reallocated from PJ12276
	TOTAL	**$ -**	**$ -**	**$ -**		**$ -**	**$ -**	**$ -**	**$ 490,000**	$490,000	
	TOTAL All Directorates	**$ 10,818,755**	**$ 14,410,508**	**$ 3,591,752**	25%	**$ 8,182,818**	**$ 19,001,574**	**$ 55,707,473**	**$ 48,010,179**	-$7,696,494	

Agenda Item 13.13 **Annual General Meeting of Electors'**

Recommendation:

That Council:

1. RECEIVES the minutes of the Annual General Meeting of Electors' held on 15 January 2019 as detailed in Attachment 13.13A; and

2. RESOLVES:

2.1. Motion No. 1: Not to support the motion and encourages the West Australian Ratepayers and Residents Association Incorporated to consider applying under the City of Perth Grants Program.

2.2 Motion No. 2: To reaffirm the legislative authority of Commissioners as is outlined in s2.38 of the Local Government Act 1995.

2.3 Motion No. 3: To note the motion will be included as part of a formal submission process of the City of Perth Parking Local Law 2017 Review currently underway.

2.4 Motion No. 4: To note that a detailed officer report will be prepared for the July 2019 Ordinary Council Meeting.

FILE REFERENCE:	P1004102
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	2 February 2019
ATTACHMENT/S:	Attachment 13.13A – Minutes of the Annual General Meeting of Electors

Council Role:

☐	Advocacy	*When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*
☐	Legislative	*Includes adopting local laws, town planning schemes and policies*

☐	Quasi-Judicial	*When the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.*
☐	Information	*For the Council/Committee to note.*

Legislation / Strategic Plan / Policy:

Legislation	Section 5.33 of the *Local Government Act 1995*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 7 - An open and engaged city
Policy Policy No and Name:	Nil

Purpose and Background:

The Annual Electors' Meeting was held at 5.30pm on Tuesday, 15 January 2019 in the Council Chambers. The minutes of the meeting are attached to this report (refer to Attachment 13.13A).

Decisions made by electors at the Annual Electors' Meeting are the recommendations of those electors present, on the matters discussed and considered at the meeting. Any motions passed at the Annual Electors' Meeting are not binding on the Council. However, Council is required to consider them.

Details:

In accordance with Section 5.33 of the *Local Government Act 1995*, Council is required to consider any decisions that result from the meeting. The motions carried by the electors follow together with an officer comment and recommendation.

Answers to public questions will be provided via email or post directly to the members of the public.

The Motions passed at the Annual Electors' Meeting are set out below:

MOTION 1

"That Council:

1. Resolves to make an annual payment, in perpetuity, to the West Australian Ratepayers and Residents Association Incorporated;

2. Such payment to be the same dollar for dollar amount as the subscription fee paid by this City to the West Australian Local Government Association (WALGA) in the applicable year; and

3. Authorises the CEO to immediately implement this resolution."

Officer Comment

The Western Australian Local Government Association (WALGA) provides many services to its member Councils as part of its annual membership fees. These services include access to the WALGA Preferred Supplier Program; procurement systems and improvement services; environmental advocacy and advice; tax advice services; recruitment services; employee relations services and governance support for members.

The motion is not supported with any justification for such a payment or evidence of any community benefits of why such a payment should be made. It is also outside the powers of the Council to commit to a payment in perpetuity.

Should the West Australian Ratepayers and Residents Association Incorporated wish to pursue funding, then the City has a Precinct Development Grant program which purpose is to provide funding to incorporated associations established for the purpose of promoting the interests of a local community or a particular section of the local community within a recognised area of significance (or precinct) within the City of Perth.

The City's support enables applicants to undertake localised development initiatives, place branding and identity and precinct marketing activities for the benefit of the incorporated association's defined precinct area.

Applicants must be able to demonstrate that they have undergone a process of community consultation and stakeholder engagement, with evidence of broad support for the proposed project or initiative, across individual traders and businesses, residents and landowners within the relevant precinct area.

Current recognised precincts within the City of Perth include, but are not necessarily limited to:

- Northbridge;
- East Perth and Claisebrook;
- East End;
- West Perth;
- City Centre (inclusive of the riverfront); and
- Nedlands & Crawley.

CATEGORIES

- Neighbourhood Enhancement Grants (up to $20,000); and
- Precinct Development Matched Funding Grants (above $20,000).

Officer Recommendation

That Council determines to not support the motion and encourages the West Australian Ratepayers and Residents Association Incorporated to consider applying under the City of Perth Grants Program.

MOTION 2

"That the Commissioners explain the legislative authority they have to make major Planning decisions in their 'Caretaker' role."

Officer Comment

The *Local Government Act 1995* (s2.38) clearly details the legislative authority of a Commissioner.

"The function of a commissioner of a local government is to exercise the powers and discharge the duties of the Council."

"A commissioner is to be regarded as being the council."

Officer Recommendation

That Council notes the motion and reaffirms the legislative authority of Commissioners as is outlined in the s2.38 of the *Local Government Act 1995.*

MOTION 3

"That Item 3.7 of the City of Perth parking bylaws be renumbered to item 3.7 (1) and that a new item 3.7 (2) be inserted as follows:

Where a property is single residential, a person may park on a driveway (clear of footpaths) if he or she is the owner or occupier of the property or is a person authorised by the occupier of those premises."

Officer Comment

The City of Perth has initiated a review of the City of Perth Parking Local Law 2017. The purpose of this local law is to provide for the management and regulation of parking within the district.

Submissions in relation to the review of the City of Perth Parking Local Law 2017 close on Friday, 1 March 2019.

This motion will be included as a formal submission and will be considered by Council when the amended local law is presented to Council.

Officer Recommendation

That Council note the motion will be included as part of a formal submission process of the City of Perth Parking Local Law 2017 Review currently underway.

MOTION 4

"That Perth City Council:

1. ***Investigates problems associated with traffic, illegal parking, personal and property safety in the streets around the Blue Boatshed Crawley, including Kings Park Avenue,***

Park Avenue and Crawley Avenue, related in particular to the increase in tourist numbers in recent years;

2. Prepares a report that indicates what the City is proposing to do to improve a situation where human safety and residents' well-being are at risk; and

3. Ensures that any actions to be taken are discussed fully with the community before implementation."

Officer Comment

The City of Perth acknowledge the current difficulty for pedestrians crossing Mounts Bay Road near the Blue Boatshed and have received feedback from WA Police regarding increased vehicle crime in the area.

Mounts Bay Road is owned by Main Roads WA rather than the City of Perth, therefore the City cannot directly undertake works to fix the transport problem. The City has however approached Main Roads WA about the concerns and they have agreed to work collaboratively with the City to identify a transport solution.

The City has been working with WA Police to address the crime issues for some time, including installing multilingual signs in the area to warn tourists of the higher risks. Both City Rangers and WA Police carry out routine patrols of the area. The City will work collaboratively with WA Police to see if any further initiatives can be undertaken to reduce crime levels.

The City therefore recommend a review of the area in conjunction with Main Roads WA and WA Police to be finalised 30 June 2019. The study will include a technical analysis and public consultation. The Study will provide recommendations on how to improve the transport network and reduce crime levels for funding consideration. The study will cost approximately $30,000.

Officer Recommendation

That Council notes a detailed officer report will be prepared for the July 2019 Ordinary Council Meeting.

Stakeholder Engagement

No stakeholder engagement was undertaken in relation to this report.

Financial Implications:

There are no financial implications associated with this report.

Comments:

The Annual General Meeting of Electors' was well attended with a number of electors from around the District. A number of questions by the public were answered at the meeting with a number of questions also taken on notice, these have been followed up with the community members.

City of Perth

Annual General Meeting of Electors
Minutes

15 January 2019
5.30pm
Council Chamber
Level 9
Council House

APPROVED FOR RELEASE

MURRAY JORGENSEN
CHIEF EXECUTIVE OFFICER

City of Perth

Annual General Meeting of Electors
Minutes

15 January 2019
5.30pm

Council Chamber
Level 9
Council House

Present
Chair Commissioner Eric Lumsden
Commissioner Gaye McMath
Commissioner Andrew Hammond

Minutes to be confirmed at the next Ordinary Council meeting.

THESE MINUTES ARE HEREBY CERTIFIED AS CONFIRMED

PRESIDING MEMBER'S SIGNATURE

DATE:----------

Minutes of the Annual General Meeting of Electors of the City of Perth held in the Council Chamber, Ninth Floor, Council House, 27 St Georges Terrace, Perth, on Tuesday, 15 January 2019.

Presiding: **Chair Commissioner, Eric Lumsden**

Commissioners in Attendance:
Commissioner Gaye McMath
Commissioner Andrew Hammond

Officers in Attendance:

Mr Jorgensen	Chief Executive Officer
Mr Mianich	Director Corporate Services
Mr Crosetta	Director Construction and Maintenance
Ms Moore	Director Community and Commercial Services
Mr Farley	Acting Director Planning and Development
Mr High	Acting Director Economic Development and Activation
Mr Ridgwell	Manager Governance
Ms Obern	Governance Officer

Observers:

Forty-four members of the public
Seven members of staff
Two members of the media

1. Declaration of Opening

5.30pm The Chair Commissioner declared the meeting open.

- Good evening Commissioners of the City of Perth, and distinguished guests.
- Firstly, I would like to respectfully acknowledge the Traditional Owners of the land on which this event is taking place today - the Whadjuk [wa-juk] Nyoongar people of Western Australia - and pay my respects to Elders past and present.
- Welcome to the City of Perth's 2018 Annual General Meeting of Electors, which I now declare open.
- It is my pleasure to introduce my fellow Commissioners: Deputy Chair Commissioner, Gaye McMath and Commissioner, Andrew Hammond.
- To our guests, please note you can find a copy of the City's 2017/18 Annual Report on the City of Perth website, for your perusal.
- This evening we will undertake a few formalities, including the receipt of the Annual Report and Financial Statements, followed by General Business, where members of the public are invited to ask questions from the floor or provide comments on the activities of the City.
- If you would like to ask a question in writing, you may complete the white form located just outside the Chambers and submit it to a staff member.

- First however, I'll commence the formalities by delivering my message from the Annual Report.

2. Chair Commissioner's Message

- My full foreword is included in the published document but I will take this opportunity to comment on a few highlights.
- The release of the annual report is a great opportunity to reflect on the achievements and challenges of the 2017/18 financial year.
- Issues facing the City of Perth led to the State Government suspending the Council and appointing Commissioners in March 2018; myself as Chair Commissioner, Deputy Chair Commissioner Gaye McMath and Commissioner Andrew Hammond.
- Our aim was, and still is, to continue the City's focus on delivering the best outcomes for ratepayers and the community.
- We must also embrace and be active in pursuing objectives from the City of Perth Act, from a whole of government perspective.
- This is an important, but clearly a fundamental role.
- Since the City of Perth Act came to effect in 2016, the City is formally recognised as the State's capital city local government authority.
- This means a greater responsibility not only to its ratepayers, but to the Western Australian community.
- Acknowledging this important role in tourism, business and economic development, the City of Perth has renewed its focus on enhancing Perth's liveability by stimulating economic activity, to achieve its vision for a vibrant, connected and progressive capital city.
- Positioning it as a global destination of choice, Perth has continued to score highly in liveability rankings over the past decade, maintaining its status as the seventh most liveable city in the world in 2017.
- The award-winning publication, Condé Nast, also recognised Perth as the second friendliest city in world.
- With an annual overall sponsorship and grants budget of $4.7 million, the City of Perth continues to play its role in delivering harmony, vibrancy and economic activity in the CBD by supporting city community groups, businesses and events.
- Not only are we activating the city, we are doing our part in actively preserving our history.
- The City has adopted crucial measures to revitalise under-utilised heritage buildings by incentivising upgrades, particularly in the central city malls and the East End of the city.
- With many heritage buildings in Perth's retail heart, the City will offer significantly reduced rates to encourage owners of key under-utilised heritage sites to repair, upgrade and activate their buildings.
- The coming year is set to be a busy one.

- The City of Perth has launched into the new year with a sense of optimism and continued emphasis on strong governance, transparency and delivery of quality services to the City's stakeholders.
- Throughout the current financial year, the City will invest $56.3 million in capital expenditure.
- Asset renewals, including parks and landscaping, roads, CCTV, public Wi-Fi and amenities, will receive $13.8 million.
- A new parking system will be implemented and Smart Cities projects, involving electronic data collection to monitor and manage assets more efficiently, will be rolled out.
- I would like to thank everyone who works at the City of Perth for the valuable contribution they make to this city, for confidently reaffirming our commitment to service excellence for ratepayers, stakeholders and the community.
- As the City's Chair Commissioner, I am committed to ensuring all ratepayers and stakeholders are satisfied with the services and the responses the City provides.
- The City of Perth looks forward to delivering a continued high-quality service to the community in the coming years, and we thank you for your interest and attendance tonight.

3. 2017/18 Annual Report, Financial Statements and Auditor's Report

The Director Corporate Services provided an overview of the financial statements for the year ended 30 June 2018 and spoke on the following matters contained in the Annual Report.

- A copy of the 2017/18 Annual Financial Statements is included in the Annual Report.
- Revenue for the Financial Year was $202.0m excluding capital grants and contributions.
- Revenue mix was as follows:

	2017/18	**2016/17**
Rates	44.3%	43.8%
Parking Revenue	36.7%	36.1%
Fines & Costs	4.3%	4.4%
Rubbish Collection Fees	4.2%	4.2%
Other Fees & Charges	4.5%	3.2%
Investment Income	2.7%	2.6%
Grants & Contributions	1.2%	1.4%
Other Income	2.1%	4.3%

- The number of rateable properties in the City grew to 18,734 of which 1,506 paid the minimum rate. The breakdown of property types was as follows:

Type	**2017/18**	**2016/17**
Commercial	2,512	2,466
Office	2,419	2,414
Residential	13,715	13,260
Vacant Land	88	82
	18,734	18,222

- Operating Expenditure for the year was $191.6m.
- The City's operating expenses included employee costs $74.7m, parking levies paid to the State Government of $17.6m and donations and sponsorships of $4.7m.
- The net result for the year was a surplus of $24.3m which included non-operating grants and subsidies of $3.1m and contributed assets of $6.9m.
- The balance sheet net assets decreased to $1.25 billion for 2017/18 due mainly to a reduction in the asset revaluation reserve.
- The City's cash reserves increased by $7.2m to $100.4m. The reserves figure included the asset enhancement reserve $30.6m, parking facilities development reserve $23.9m and the parking levy reserve $21.27m.
- Fixed Asset additions for the year were $41.5m.
- The City's Fixed Assets were valued at over $1.14 billion.
- The amount owing for rates debtors at the end of the year was $709,923 which is 0.8% of rates revenue.
- The City had liabilities of $12.6m for employee benefits at 30 June 2018 a $1.1m increase from the previous year.
- The City had a net cash inflow of $4.7m for the year.

5:47pm Commissioner Hammond departed the meeting and returned at 5:51pm.

4. General Business – Opportunity for questions

4.1 Question Time for the Public

4.1.1 Question from Ms Jackie McKay, 5/1 Shenton Street, Northbridge, WA, 6003.

Question:	Who do residents and shop owners go to in order to have the streetscape and lighting in Northbridge rectified?
Answer:	The Director Construction and Maintenance offered to meet with Ms McKay to identify and work through the problem areas.

4.1.2 Question from Mr Greg Johnson, 127 Hill Street, East Perth, WA, 6004.

Question:	i. Can the City provide an update on the implementation of the Wellington Square Improvement Strategy – when will the first component commence and what is estimated completion timeframe for the whole project? ii. Can the project be fast tracked, especially the toilet block, to avoid delays if there is a change of government at the next election and potentially a change of policy resulting the City going back to an election phase and the Commissioners, having completed their task and handed over to a Council who are not familiar with this case and may decide to change the strategy already in place?
Answer:	i. The Commissioners have identified the Wellington Square as a key priority for consideration to be implemented. Master planning is now complete and the project is moving from concept to delivery phase. Phasing will be over four years, down from five, commencing next financial year. Phase 1 includes pathways, children's playground and basketball court. ii. The Commissioners are yet to consider the 2019/20 budget and will take Mr Johnson's views on board. The desire is to finish the project as soon as practicable and not to extend.

4.1.3 Question from Mr Richard Sellers - Chair, East Perth Community Group, WA, 6004.

Question:	i. The $100m in cash reserves. Do you have an upper band for that, and if so, what is it and what happens when it is reached? ii. What will be the effect in implementing the Parking Strategy on the income and expenditure for next year?

Answer:	i. The City doesn't have any imposed limits on total cash reserve holdings. Cash reserves did increase during the year. The $21m held in the parking levy reserve account will be paid to the State Government early in the new financial year, so those funds will move out of the cash reserves. The other two reserves represent longer term capital type finding i.e. part of the asset enhancement reserve will be partly used to fund Wellington Square and the parking facilities enhancement reserve will be used to enhance the city's parking facilities. ii. Over the next 12 months the City will be reviewing the parking conditions with considerations by neighbourhood. The Administration will then work with the Commissioners on modelling changes and cost impact. It will be a fit for purpose by neighbourhood, not a blanket approach.

4.1.4 Question from Ms Liliana Djordjevic, Victoria Avenue, Perth, WA, 6000.

Question:	Expressed concern about the number of apartment buildings with short term accommodation which is not congruent with the level of enjoyment residents expect. Can the City's Policy on short term accommodation be communicated to owners so they are aware of their obligations?
Answer:	In 2007, a Special Residential (Serviced and Short Term Accommodation) Policy was implemented under City Planning Scheme No. 2. The Policy provides clear guidelines on short stay accommodation. This is also communicated on the City of Perth website. The Acting Director Planning and Development indicated he is happy to meet with Ms Djordjevic to discuss how to manage the situation in her building.

The Chair Commissioner announced that as there is a Special Council Meeting scheduled for 6:00pm, it is necessary to adjourn the Annual General Meeting (AGM), then open and adjourn the Special Council Meeting and reconvene the AGM.

Moved Commissioner Hammond, seconded Commissioner McMath

That Council <u>ADJOURN</u> the Annual General Meeting of Electors.

The motion was put and carried

The votes were recorded as follows**:**

For: Commissioners Lumsden, Hammond and McMath

Against: Nil

At 6.02pm the Chair Commissioner call the meeting to order.

Moved Commissioner Hammond, seconded Commissioner McMath

That Council <u>RECONVENE</u> the Annual General Meeting of Electors.

The motion was put and carried

The votes were recorded as follows**:**

For: Commissioners Lumsden, Hammond and McMath

Against: Nil

4.1 Question Time for the Public (continued)

4.1.5 Question from Mr Tony Ransom**,** 453 Murray Street, Perth, WA, 6000.

Question:	i. Is there consideration to open the short stretch of Wittenoom Street between Hill and Lord Streets as a two-way configuration? ii. How many trees will be removed in the Wellington Square redevelopment? iii. A two-unit block of flats has been approved on the corner of Wellington and Bennett Streets which has tall trees. If the corner was truncated with a taller building, that would help Wellington Square.
Answer:	i. The Acting Director Planning and Development will meet with Mr Ransom to discuss. ii. The City's Tree Policy strongly enforces retention of trees before development. At this stage and at concept stage there is no removal of trees at Wellington Square. iii. The Director of Construction and Maintenance will speak to Mr Ransom on this matter.

4.1.6 Question from William Walter, 90 Terrace Road, East Perth, WA, 6004.

Question:	i. Can you explain why we had to close one meeting and open another? ii. Expressed concerned with the increased level of homelessness, and associated problems, in the City. Is the City looking at the issue and taking action or hoping for the government to come to the party?

Answer:	i. The Special Council meeting was published to commence at 6:00pm and there is a legislative requirement to open a meeting at the published time. The process we just underwent was to open and adjourn that meeting until the conclusion of this meeting to meet our legislative obligations. ii The Commissioners are aware of the homelessness issue and this requires a whole of government approach. It is not something the City alone can resolve. The issue has been raised with both the Premier and Minister for Local Government. Commissioner McMath chairs a joint piece of work with John Carey, Member for Perth, to take a State and Local Government approach in developing a long-term strategy to end homelessness in the next 10 years. The work done over the past 12 months has resulted in 40 actions which have been consulted with the broader care community with a view of coming back with a prioritisation of actions and decision making with respect to and resource allocation. The City has identified the services available for homeless people to access and is working with both the State Government and community groups to address the problem. The City is having significant input to a State Government homelessness strategy.

4.1.7 Question from Philip Owen, 22/190 Hay Street, East Perth, WA, 6004.

Question:	What is happening with the former Rod Evans Community Centre in Hay Street? It has been vacant for a number of years.
Answer:	Following a review, the services at the Rod Evans Community Centre were consolidated to the Citiplace Community Centre two years ago. At that time, an expression of interest went out for a group to take over the centre. That has not progressed. As a result of the City's planning strategy, land use by neighbourhood is being investigated and that area is part of the consideration as is the future, potential and short-term use.

4.2 Notice of Motions from the Public

4.2.1 <u>Motion 1</u>

Moved Mrs Jane Boxall, seconded Mr Tony Ransom

That Council:

1. ***Resolves to make an annual payment, in perpetuity, to the West Australian Ratepayers and Residents Association Incorporated;***
2. ***Such payment to be the same dollar for dollar amount as the subscription fee paid by this City to the West Australian Local Government Association (WALGA) in the applicable year; and***
3. ***Authorises the CEO to immediately implement this resolution.***

The motion was put and carried

4.2.2 Motion 2

Moved Mr Brian Langenber, seconded Mrs Jane Boxall

That the Commissioners explain the legislative authority they have to make major Planning decisions in their 'Caretaker' role.

The motion was put and carried

4.2.3 Motion 3

Moved Mr John Boxall, seconded Mr Geoff Robey

That Item 3.7 of the City of Perth parking bylaws be renumbered to item 3.7 (1) and that a new item 3.7 (2) be inserted as follows:

Where a property is single residential, a person may park on a driveway (clear of footpaths) if he or she is the owner or occupier of the property or is a person authorised by the occupier of those premises.

The motion was put and carried

4.2.4 Motion 4

Moved Dr Sue Graham-Taylor, seconded Ms Stephanie Robey

That Perth City Council:

1. ***Investigates problems associated with traffic, illegal parking, personal and property safety in the streets around the Blue Boatshed Crawley, including Kings Park Avenue, Park Avenue and Crawley Avenue, related in particular to the increase in tourist numbers in recent years;***

2. ***Prepares a report that indicates what the City is proposing to do to improve a situation where human safety and residents' well-being are at risk; and***

3. ***Ensures that any actions to be taken are discussed fully with the community before implementation.***

The motion was put and carried

5. Closure

6.37pm The Chair Commissioner declared the meeting closed.

Agenda Item 13.14 **Nomination of Commissioners to the Metropolitan Redevelopment Authority Central Perth Land Redevelopment Committee**

Recommendation:

That Council NOMINATES three members for the consideration of the Minister for Planning to appoint one member to the Metropolitan Redevelopment Authority Central Perth Land Redevelopment Committee.

FILE REFERENCE:	P1030366
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
REPORT AUTHOR	Nil
DISCLOSURE OF INTEREST:	
DATE:	7 February 2019
ATTACHMENT/S:	Attachment 13.14A – Request for Nominations and Metropolitan Redevelopment Authority Central Perth Land Redevelopment Committee Charter

Council Role:

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

Legislation / Strategic Plan / Policy:

Legislation	Section 80(1) of the *Metropolitan Redevelopment Authority Act 2011*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 8 - A city that delivers for its community
Policy Policy No and Name:	10.2 – Delegates on Boards, Authorities and Committees

Purpose and Background:

In accordance with Section 80(1) of the *Metropolitan Redevelopment Authority Act 2011* (the Act), a Metropolitan Redevelopment Authority Land Redevelopment Committee is comprised of five members. Its composition has up to two being a member(s) of the Metropolitan Redevelopment Authority (MRA Board), one local government representative nominated under section 81 of the Act and the remaining two members are appointed at the discretion of the Minister.

At the Special Council Meeting held **15 March 2018**, Council nominated Chair Commissioner Eric Lumsden for consideration of the Minister for Planning to appoint one Commissioner to the Central Perth Land Redevelopment Committee (CPLRC).

On 8 August 2018, the Minister for Planning appointed Chair Commissioner Lumsden as the City of Perth representative.

Chair Commissioner Lumsden's term is due to expire on 28 February 2019.

Details:

The role of the CPLRC is to determine significant Development Applications relevant to the Redevelopment Area(s) the Land Redevelopment Committee (LRC) is responsible for, as well as approve amendments to Planning Policies, Design Guidelines and the Heritage Inventories, in accordance with Parts 5 and 6 of the Act and the relevant Redevelopment Areas. Matters to be determined by LRC's are defined in accordance with the Schedule of Delegation adopted by the Board. Where matters relevant to Parts 5 and 6 of the Act are to be determined by the Board, LRCs shall first consider those matters and make recommendations to the Board.

The Board may refer any relevant matter(s) to LRCs for consideration and/or determination and a LRC is to consider any relevant item at the specific request of the Board.

Financial Implications:

There are no financial implications related to this report.

Comments:

It is recommended Council nominate three Commissioners for consideration of the Minister for Planning.

Minister for Transport; Planning

RECEIVED 30 JAN 2019

Our ref: 72-16804

Mr Murray Jorgensen
Acting Chief Executive Officer
City Of Perth
GPO Box C120
PERTH WA 6839

Dear Mr Jorgensen

METROPOLITAN REDEVELOPMENT AUTHORITY CENTRAL PERTH LAND REDEVELOPMENT COMMITTEE MEMBERSHIP

The Metropolitan Redevelopment Authority (MRA) has established Land Redevelopment Committees (LRC) for each of its redevelopment areas to enable the community and local government to be involved in the development and delivery of urban renewal projects.

In accordance with Section 80(1) of the Metropolitan Redevelopment Authority Act 2011 (the Act), an MRA LRC is comprised of five members, up to two being a member(s) of the MRA Board, one is a local government representative nominated under section 81 of the Act and the remaining member(s) appointed at the discretion of the Minister.

The MRA is currently seeking suitable local government representative candidates to be nominated to its Central Perth LRC. Chair Commissioner Eric Lumsden is currently the local government representative sitting on the Central Perth LRC and his term is due to expire on 28 February 2019. Chair Commissioner Lumsden is eligible to be renominated for reappointment.

Section 81 of the Act refers to nominations for appointment from the relevant local government in whose district there is a redevelopment LRC. Upon receipt of this letter, your local government has 42 days to nominate three persons for appointment to the Central Perth LRC. Subsequent to these nominations, the Minister will determine the final appointment to the Central Perth LRC.

It would be appreciated if you could suggest three appropriate nominees for consideration with a background in urban renewal and planning and a strong understanding of local community needs.

Level 9, Dumas House, 2 Havelock Street, West Perth, Western Australia, 6005
Telephone: +61 8 6552 5500 Facsimile: +61 8 6552 5501 Email: minister.saffioti@dpc.wa.gov.au

COP Imaged Record - 30/01/2019

I encourage you to also consider the Government's commitment to ensuring diversity on Committees, particularly focusing on women's representation on Committees increasing to 50 per cent.

Please find attached the MRA LRC Charter to assist in your consideration of this matter.

Yours sincerely

HON RITA SAFFIOTI MLA
MINISTER FOR PLANNING

CC George McCullagh, MRA Chairperson
Sean Henriques, MRA A/Chief Executive Officer
Att MRA Land Redevelopment Committee Charter

25 JAN 2019

COP Imaged Record - 30/01/2019

COP Imaged Record - 30/01/2019

METROPOLITAN REDEVELOPMENT AUTHORITY

LAND REDEVELOPMENT COMMITTEE CHARTER

Adopted:	December 2011
Last Amended:	January 2018
Reference:	MRA- 00237/615836

COP Imaged Record - 30/01/2019

1. Introduction

The purpose of the Metropolitan Redevelopment Authority (MRA) Land Redevelopment Committee (LRC) Charter is to explain, in one document, not only the obligations and responsibilities of the MRA's LRCs but also how the LRCs choose to fulfil those obligations.

This Charter does not remove the responsibility for LRC members to be fully informed of relevant acts and the obligations that arise from these acts that apply to MRA LRC members.

2. Role of The Land Redevelopment Committees

The role of LRCs is to determine significant Development Applications relevant to the Redevelopment Area(s) the LRC is responsible for, as well as approve amendments to Planning Policies, Design Guidelines and the Heritage Inventories, in accordance with Parts 5 and 6 of the *Metropolitan Redevelopment Authority Act 2011* (the Act) and the relevant Redevelopment Scheme(s) applying to the Redevelopment Areas. Matters to be determined by LRCs are defined in accordance with the Schedule of Delegation adopted by the Board. Where matters relevant to Parts 5 and 6 of the Act are to be determined by the Board, LRCs shall first consider those matters and make recommendations to the Board.

The Board may refer any relevant matter(s) to LRCs for consideration and/or determination and an LRC is to consider any relevant item at the specific request of the Board.

3. Membership

Membership Appointment

In accordance with section 80 of the Act, the LRC will consist of five members appointed by the Minister for Planning as follows:

"(a) one is to be a member of the Authority's board of management nominated by the Authority; and

(b) one is to be a person nominated in accordance with section 81; and

(c) each of the others is to be a person who in the opinion of the Minister has a relevant qualification."

Officers of the MRA are not eligible to be appointed to an LRC.

In making these appointments, the Minister for Planning shall be satisfied that each member is independent of management and does not have any business or other relationship which could interfere with, or be reasonably perceived to have the potential to interfere with their capacity to exercise independent judgement.

LRC members should have the appropriate levels of skill and business experience relevant to the consideration of planning, development, design and / or statutory policy matters.

The Minister for Planning may designate a member to be the Chairperson or Deputy Chairperson of the LRC. Such appointment is to be designated in the instrument of appointment of that member. If the Minister does not designate a Chairperson under section 80(2)(7) of the Act, the member of the MRA's Board who is nominated to the LRC by the Board is the Chairperson of the LRC (s80(2)(8)). If the Minister does not designate a Deputy Chairperson under section 80(2)(7) of the Act, the members of the LRC are to appoint one of their number as the Deputy Chairperson (s80(2)(9)). If the LRC Chairperson is unavailable, and the Deputy Chairperson is unable for any cause to act as Chairperson, the LRC must elect a meeting Chairperson from among those members present.

In accordance with section 90 of the Act, the Minister may appoint an alternate member to act temporarily in a member's place, excluding the Chairperson, should that member be unable to act as a member of the LRC for any cause.

Terms of Appointment

The term of appointment to LRCs is to be fixed in the instrument of appointment and is to be no longer than two years. Appointees must confirm their written acceptance of an appointment to the Minister. The Act provides that if the office of a member becomes vacant because their term expires by effluxion of time, unless the member resigns or is removed by the Minister, the member continues in office until the date on which the vacancy is filled by reappointment of the member or appointment of a successor, for up to a maximum period of three months.

Role of the LRC Members

LRC members are responsible collectively for LRC decisions and should support and adhere to all decisions made by their specific LRC.

LRC members:

- Will keep confidential, information received in the course of the exercise of their duties. Such information remains the property of the MRA and must not be disclosed, or allowed to be disclosed, unless the MRA has authorised disclosure or it is required by law;
- Must act honestly; exercise reasonable care and diligence; and not make improper use of information or their positions;
- Will undertake diligent analysis of all proposals placed before the LRC;
- Will act with a level of skill expected from LRC members of a statutory authority;
- Will demonstrate commercial reasonableness in decision making;
- Will not disclose information except where disclosure is authorised or legally mandated;
- Will not use their position or the MRA's property for personal gain or to compete with the MRA;

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- Will appropriately care for and use the MRA's assets for purposes related to the MRA;
- Have an obligation to be independent in judgement and actions and take all reasonable steps to be satisfied LRC decisions are sound;
- Will make reasonable enquiries to ensure the MRA is operating efficiently, effectively and legally towards achieving its goals;
- Will not engage in conduct likely to discredit the MRA;
- Will encourage fair dealing by all employees with the MRA's customers, suppliers, competitors and other employees;
- Will encourage the reporting of unlawful/unethical behaviour and actively promote ethical behaviour and protection for those who report violations;
- Will give their specific expertise generously to the MRA; and
- Have an obligation, at all times, to comply with the law and relevant codes and standards.

The WA Public Sector Commission has developed *Principles of Good Corporate Governance for Western Australian Public Sector Boards and Committees*, applicable to agencies such as the MRA.

4. LRC Remuneration & Protection

LRC Member Remuneration

LRC Member remuneration and other allowances are determined by the Minister after consultation with the Public Sector Commissioner. A member who holds a full-time office on the public payroll or is a former Member of Parliament with less than 12 months having passed since sitting in Parliament, is not eligible for remuneration (Premiers Circular 2017/08 State Government Board and Committees).

Deeds of Access, Insurance and Indemnity

The MRA provides the opportunity for all LRC members to enter into a Deed of Access, Insurance and Indemnity (Deed). The MRA considers it reasonable and in the best interests of the MRA to:

a) indemnify the LRC member to the extent specified in the Deed and permitted by law against certain liabilities and legal costs incurred by the person as a member of the MRA;

b) maintain, and pay the premium on, a Directors and Officers Policy in respect of the member; and

c) provide the member with access to the papers and other documents provided or available to the person as a member of the LRC, both during the time that the person holds office and after the person ceases to be a member of the LRC.

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Independent Legal Advice

The LRC is authorised to obtain outside legal or other independent professional advice and to source the attendance of external parties with relevant experience if it considers it necessary. The LRC is entitled to sufficient resources from the MRA to undertake its duties.

The LRC has the right to obtain all information it requires and request reports from management which it considers necessary for the performance of its objectives and responsibilities.

Conflicts of Interest

As soon as practicable after appointment, each Committee member should disclose all actual or potential conflicts of interest.

At each Committee meeting, each member should be asked to advise if any matter the subject of the agenda for the meeting is affected by the general disclosure already made or a potential conflict that has not been the subject of a general disclosure. The minutes should record that this was raised and whether or not any disclosure was forthcoming.

5. Administration

Minutes

Formal minutes of each meeting will be taken by the Committee Secretary and distributed to the Board on a timely basis.

Quorum

Quorum is three nominated members.

Normally, decisions of the LRC would be reached by consensus, however, in the event of disagreement; decisions on any matter are made by the majority, with the Chairperson only having a deliberative vote.

Out of Session Resolutions

Resolution of items outside of meetings must be done in accordance with the requirements of section 107 of the Act. The resolution must be in writing, signed by the member voting and passed unanimously.

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Frequency of Meetings

The LRC shall meet as and when required. Any LRC member in consultation with the Chairperson, may request additional or special meetings if they consider it necessary. Should there be insufficient business for a scheduled meeting, the Chairperson in consultation with the Executive Director Planning, may cancel a meeting.

In the event of a cancelled meeting, LRC members will be sent a newsletter update.

6. Relationship between the MRA and the Government

The MRA is responsible to the Minister for Planning (Minister).

The Minister reports to Parliament and is accountable to the Parliament for the MRA.

The MRA has responsibility for administering the Act, and is subject to the direction of the Minister. There may be occasions where the Minister will give direction in writing to the MRA on matters of general or specific nature with respect to the performance of its functions, powers or duties.

Although acting under a Ministerial directive, members still retain their legal and statutory obligations to act in good faith and for the purposes and functions of the agency and are still liable for any actions taken.

7. Contact between LRC members and MRA staff

The primary contact between the LRC and the MRA staff is via the CEO and the Chairperson of the Board. The LRC should direct queries or give instructions through the Chairperson to the CEO rather than directly to MRA staff. If circumstances arise where advice from a particular officer is required then the Chairperson of the Board should inform the CEO of the request as a matter of protocol.

Legal and Governance Services

The Legal and Governance Services Directorate of the MRA services the administrative needs of the Board, its Committees and the LRCs. Should members wish to contact the Directorate, they can do so via the MRA Governance email (governance@mra.wa.gov.au) or by contacting the Director of Legal and Governance Services directly.

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8. Review and Approval of Charter

The Charter shall be reviewed at least annually by the Board to ensure that the Charter is operating effectively and fulfilling its functions. The charter and any amendments to it require approval of the Board.

Land Redevelopment Committee Charter approved.

_____

Chairperson of the Board

Date of Issuance: _____/_____/_____

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Report to the Audit and Risk Committee

Agenda Item 13.15 **Risk Management Quarterly Update**

Recommendation:

That Council RECEIVES the Risk Management Quarterly Update for February 2019.

FILE REFERENCE:	P1013822-3
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Corporate Services
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	31 January 2019
ATTACHMENT/S:	Attachment 13.15A - High and Extreme Risks Quarterly Report Confidential Attachment 13.15B - High and Extreme Risks Quarterly Report Attachment 13.15C - Medium Risks with Inadequate controls Attachment 13.15D - City of Perth Risk Assessment Criteria *(Confidential Attachments are distributed to Commissioners under separate cover)*

Council Role:

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

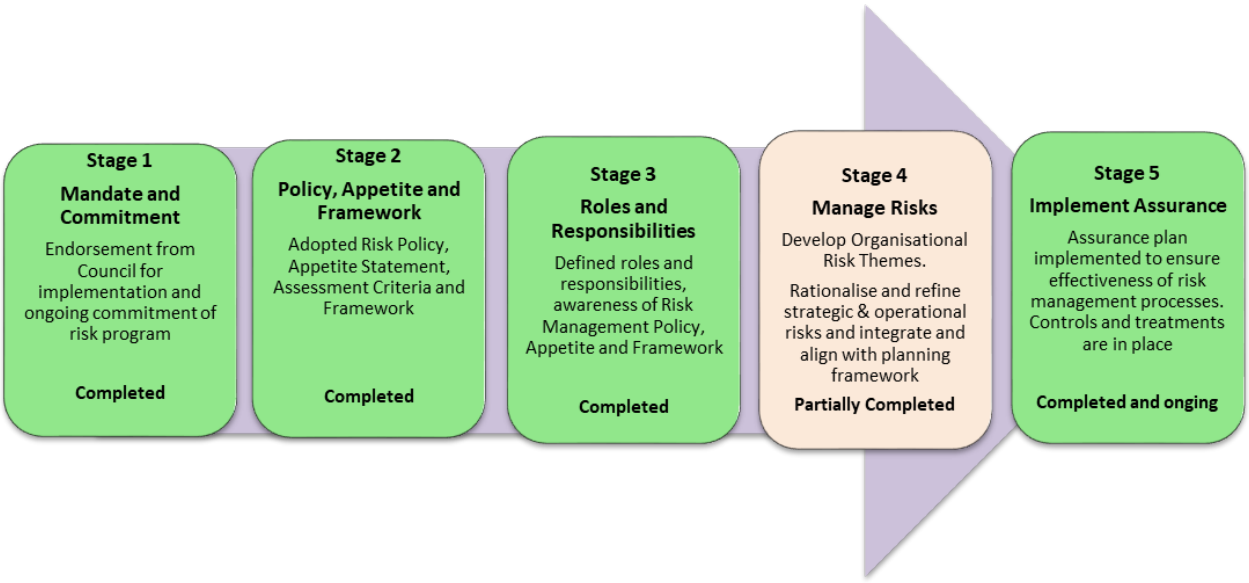
Legislation / Strategic Plan / Policy:

Legislation	*Local Government Act 1995* Regulation 17 of the *Local Government (Audit) Regulations 1996*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 7 - An open and engaged city
Policy Policy No and Name:	19.1 – Risk Management

Purpose and Background:

As reported at the November meeting, the City has completed the implementation of the majority of the recommendations in the "2016-2018 Risk Maturity Road Map", with the finalisation of risk themes, linkage to the Occupational Safety and Health Policies, pending.

The following table is a summary of the progress made:



In line with Regulation 17 of the *Local Government (Audit) Regulations 1996*, the City conducted a subsequent risk management maturity assessment in October 2018. The assessment was completed by Riskwest with the report contained the findings and a new road map 2019-2021, presented to the Audit and Risk Committee in November 2018.

The Governance Unit is reviewing the proposed road map and recommendations, with the view of obtaining approval from the Executive Leadership Team on which items are to be incorporated into the 2019-2021 road map for implementation. The 2019-2021 road map will be included in the risk management quarterly report at the next Audit and Risk Committee.

This report details the City's operational risks and the associated risk mitigation actions. The risks are subject to ongoing review and reporting to the Corporate OSH and Risk Management Committee and the Audit and Risk Committee as per the City's Risk Acceptance Criteria (Attachment 13.15D).

Details:

OPERATIONAL RISK PROFILE

Figure 1 demonstrates the overall summary of the City's operational risks categorised into Low, Medium, High and Extreme risks.

The status updates for the two-new high operational risks (below) identified as part of the rollout of the Risk Management Maturity Assessment Road Map, and are included in the High and Extreme Risk Quarterly Report (Attachment 13.15A and Confidential Attachment 13.15B) of this report. The two risks are summarised below;

1. **Risk Name:** Event Management
   Risk Owner: Manager Marketing, Activation and Business Support and Sponsorship - Economic Development and Activation Directorate
   Key Service: Plan and deliver internally run city events to deliver social cultural and economic benefits to the community through increase in vibrancy, visitation, activation of the City, and meeting legislative requirements

   The above risk is adequately addressed through robust event risk management plans. It has only recently been assessed to align with the City's Risk Management Framework.

2. **Risk Name:** Facilities Management – Perth Convention and Exhibition Centre (PCEC) Car Park
   Risk Owners: Manager Commercial Parking - Community and Commercial Services Directorate; Manager Properties – Construction and Maintenance Directorate
   Key Service: The management of off street car park facilities infrastructure through maintenance to achieve optimal performance to support car park operations

The above risk is being addressed through the reactive maintenance, with the project to address the car park subsidence issues currently undergoing approval processes. It has also only recently been assessed to align with the City's Risk Management Framework.

Attachment 13.15A and Confidential Attachment 13.15B of this report provided the details for all high and extreme risks including the status update for the corresponding risk treatment action plans.

OPERATIONAL RISK SUMMARY

As at 31 January 2019, there are 148 operational risks which make up the City's Risk Profile in figures 1 and 2 below:

Figure 1: Distribution of risk ratings as at 31 January 2019

	As at 30 January 2018	As at 31 January 2019
Extreme Risks	1.79%*	0.006 %
High Risks	14.29%	15 %
Medium Risks	69.64%	68 %
Low Risks	14.29%	17 %

**The risk on the financial sustainability of assets was previously rated as Extreme, however the incorporation of Asset Management Plans enabled better understanding of the health of the City's asset portfolio and the 10-year forecast renewals required. The risk was subsequently reviewed down to High.*

Figure 2: Distribution of risk ratings against controls' effectiveness as at 31 January 2019

	Adequate Controls	Inadequate Controls
Extreme Risks – 1 risks	0	100%
High Risks – 22 risks	37 %	63 %
Medium Risks* – 101 risks	79 %	21 %
Low Risks* – 25 risks	100 %	0%

**the medium and low risks will be reviewed with risk owners as part of the rollout of the new risk, safety and compliance system. A list of the medium risks (Attachment 13.15C) is provided within this report as a once off, as per the request of the Audit and Risk Committee in November 2018.*

Figure 3: City of Perth Risk Profile (as at 31 January 2019)

	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	M	1 Risk(s)	4 Risk(s)	E	E
Likely	M	3 Risk(s)	8 Risk(s)	1 Risk(s)	E
Possible	L	2 Risk(s)	54 Risk(s)	9 Risk(s)	E
Unlikely	3 Risk(s)	19 Risk(s)	23 Risk(s)	12 Risk(s)	1 Risk(s)
Rare	L	2 Risk(s)	1 Risk(s)	6 Risk(s)	M

L	Low	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring
M	Medium	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring
H	High	Risk acceptable with effective controls, managed by senior management / executive and subject to quarterly monitoring. Quarterly reports will be provided to Council on all high risks
E	Extreme	Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to monthly continuous monitoring. Quarterly reports will be provided to Council on all Extreme Risks.

NEW RISK, SAFETY AND COMPLIANCE SYSTEM

The new risk, safety and compliance system (CGR) is currently being configured and will be rolled out in July 2019.

The system will enable automation of risk reviews, tracking of risk actions and risk reporting, thereby increasing accountability and transparency with the review and monitoring of the City's operational and strategic risks.

STRATEGIC RISK

The status updates on the strategic risks and associated risk treatment actions plans is provided every six months, with the next update due in May 2019.

Stakeholder Engagement

No stakeholder engagement was undertaken in relation to this report.

Financial Implications:

There are no financial implications related to this report.

Comments:

Quarterly updates will be provided to both the Corporate OSH and Risk Management, and Audit and Risk Committee, on the key milestones achieved against the 2019-2021 Road Map for Continuous Improvement.

HIGH AND EXTREME RISKS QUARTERLY REPORT FEBRUARY 2019

RISK ID 18

RISK NAME: Safety Related Incidents during delivery of Civil Construction projects	**ASSESSMENT DATE**: 10 September 2017
KEY SERVICE: Engineering Consultancy Services and Coordination of construction Works (detailed design though to construction, inclusive of procurement, tenders and contract management)	**RISK OWNER:** Manager Construction – Construction & Maintenance Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Project execution and delivery fails to meet safety standards and expectations	Site Inspections OSH Team support and collaboration Reactive safety improvements Contractor Inductions Pre-contract reviews Imbedding of Budget float Contractor Safety Management Procedure Incident Reporting Procedure Project review and lessons learnt process (with standard template used) with the Project Team and OSH Team Job Safety Analysis and Safe Work Method Statements Scheduling of high risk projects appropriately and in consultation with key stakeholders	Adequate	**People – Worker Safety & Wellbeing** **Major / Possible** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. Specifications to be provided for Key Performance Indicators (KPI's) for safety inspections for Project managers	**ON TARGET** - Construction team members and been provided with lead indicator KPIs for their relevant projects. As there are currently no projects under way these KPIs have not been	July 2019

	tested. Feedback will be provided as soon as projects are underway.	
2. Capturing of past performance of contractors via project reviews	**ON TARGET** - A project specific template for a Project Contractor Performance Rating Form is being reviewed by the Construction Unit Manager for implementation on standalone contracts. This template will be included in the Project closure processes.	July 2019
3. Formalisation of Project Teams and relevant structures (multi-disciplinary across the organisation) for each new project to consider safety in delivery of the project	**COMPLETE** – This is now part of project delivery processes.	Completed

RISK ID 25

RISK NAME: Delivery of Civil Engineering Projects	**ASSESSMENT DATE**: 15 September 2017
KEY SERVICE: Delivery of Construction Capital Works (detailed design though to construction, inclusive of procurement, tenders and contract management)	**RISK OWNER:** Manager Construction – Construction & Maintenance Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Ineffective and Inadequate budget allocation, scheduling and management of Civil Engineering Projects, such that investment does not achieve the objectives of the projects	Set up of new Program and Project Management System, and relevant processes, templates and procedures is currently underway Project Management Skills Centre Stakeholder Consultation Internal Working Group Project reviews and ongoing lessons learnt Contract performance at the end of each project Open and frank discussions Early engagement of the procurement representatives at tendering stage of projects	Inadequate	**Financial – Management of Budget** **Major / Possible** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. **Project Portfolio Management System (PPMS) Project –** This project is to provide a system to raise the City's Project Management Capability. Improvements have now been identified as being required to: skills gaps, systems gaps and processes and procedures.	**ON TARGET** - The PPMS project is now at tender phase. The tender is expected to be awarded in March 2019, with a go live and rollout to commence in July 2019.	July 2019

RISK ID 35

RISK NAME: Management of City Leases, Licences and Legal Agreements	**ASSESSMENT DATE**: 15 November 2017
KEY SERVICE: Estate Management – Management of leasing, acquisitions, disposals within the Properties' Portfolio	**RISK OWNER:** Manager Properties – Construction & Maintenance Directorate

Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to effectively and appropriately manage the City's leases, licences and legal agreements to set income budget	Experienced personnel within the Unit Register of leases, licences and legal agreements. Investigation process – lessons learnt Council policy – Delegated authority and associated procedures Direct Manager oversight of this function Internal Audit of leasing function, major financial transactions, debt management (through the Financial Management Taskforce) External legal advice and support The City's Lease Register	**Adequate**	**Legal & Regulatory - Compliance with contractual requirements** **Catastrophic / Unlikely** **HIGH RISK**

Treatment Action Plans	**Current Progress** (On target / Overdue / On hold / Ahead of target / Complete)	**Approved Completion Date**
1. **Arrears Recovery Plan –** The plan enables the City to track and recover debt from tenants.	**ON TARGET** - The Arrears recovery plan continues to progress showing a stabilised trend. Current debt as follows: 30 Days $88K 60 Days $48K 90 Days $110K	March 2019

	Arrears recovery plan and systems are subject to annual reviews, with the next review due in March 2019.	
2. Lease Register – tracks the status of the City's leases	**ON TARGET** - An audit of the tenancy schedule is being undertaken. The information pertaining to high risk properties is being validated. Information is captured in Hansen after being validated. This will allow the City to have a single system to manage both community property and commercial property, minimising risk of duplication thereby future-proofing existing processes.	March 2019
3. Commercial Property Strategy – decision-making guidelines for the acquisition, retention, growth, redevelopment and disposal of property assets.	**ON TARGET** - The Commercial Property Review has been advertised and a joint venture between JLL and EY has been selected as the preferred option. Further to the plan being completed, a gap analysis will be conducted, with the results of the analysis incorporated into the strategic component of the Properties Unit Business Plan.	June 2019

RISK ID 60

RISK NAME: Maintenance of City Assets	**ASSESSMENT DATE**: 17 September 2017
KEY SERVICE: Asset Data Governance – Establishing maintenance schedules for assets (standards, performance and coverage)	**RISK OWNER:** Manager Asset Management – Corporate Services Directorate

Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to maintain assets in a systematic manner which aligns to agreed service levels	City's Asset register is up to date Asset condition surveys by asset custodian Known risk (custodian unit managers recognise the inadequacies in managing this risk. Asset Management Unit (AMU) will be working with asset custodians to address the inadequacies) Asset Management Unit has investigated Hansen8 capabilities to manage this risk issue Current reliance on reactive maintenance	**Inadequate**	**Financial – Management of budget** **Moderate / Likely** **HIGH RISK**

Treatment Action Plans	**Current Progress** (On target / Overdue / On hold / Ahead of target / Complete)	**Approved Completion Date**
1. **Asset Componentisation -** This involves breaking large assets down into their maintainable components and loading them into the corporate asset management system, so maintenance can be planned at a more precise level.	**ON TARGET** - This is progressing as below: ▪ Infrastructure assets – complete ▪ Building assets – complete ▪ Open air carparks – complete ▪ CCTV – complete ▪ CPP equipment – December 2019 ▪ Plant & Equipment – June 2020 ▪ Artwork – investigating feasibility	June 2020

	Interior Furniture and IT General Assets – currently considered not feasible for componentisation.	
2. Work Orders – Work orders capture all the operational / maintenance work done on assets. They are also used to record time and costs for reporting purposes.	**ON TARGET** - A pilot project for a work order management system is being trialled for select assets as of early 2019 to mid-2019. This pilot project included the development of a work management user interface using the Geographical Information System (GIS) software ESRI with automatic linkages established in the background to the asset management system Hansen8 to store work order information. Trial expected to be complete June 2019.	June 2019
3. Maintenance Performance Reporting – Maintenance performance reporting is commonly done to measure / analyse the progress completion of required maintenance plans throughout the year for assets, the cost tracking, the amount of reactive work, and other KPIs associated with maintenance.	**ON TARGET** - Dashboards projects for the trial work order management system are currently being developed. If a full work management system is deemed necessary for the City, then maintenance performance reporting will be delivered as part of the new system.	December 2020* *dependant on the ERP delivery date.

RISK 61

RISK NAME: Maintenance of City Assets	**ASSESSMENT DATE**: 17 September 2017
KEY SERVICE: Asset Management Partnership Program – Establishment of partnerships to improve organisational asset management practices	**RISK OWNER:** Manager Asset Management – Corporate Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Failure to maintain assets in a systematic manner which aligns to agreed service levels	City's Asset register is up to date Asset condition surveys by asset custodian Known risk (custodian unit managers recognise the inadequacies in managing this risk. Asset Management Unit (AMU) will be working with asset custodians to address the inadequacies) Asset Management Unit has investigated Hansen8 capabilities to manage this risk issue Current reliance on reactive maintenance Asset Management Partnership Program Best Practice Asset Management Plans (AMPs)	**Inadequate**	**Financial – Unforeseen expenditure** **Major / Possible** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. **Asset Management Strategy** - a high level document that communicates the vision and best practices for the management of the City's assets to ensure financial sustainability and maximum service provision to the community for the lowest cost.	**ON TARGET** - The Asset Management Strategy is developed and adopted annually as part of the Integrated Planning & Reporting Framework. The 2018/19 update will be completed by April 2019 in preparation for council adoption in June 2019.	June 2019
2. **An Asset Management Framework** (AMF) – A procedural document that embeds standard asset management processes in the City to ensure consistency and repeatability so that results are relevant over a long term for analysis.	**ON TARGET** - The asset management framework is currently being developed, and will be finalised by July 2019. The framework will be revised annually to reflect any changes in process and structure.	July 2019

3. Asset Management Plans – A document that outlines the service levels, inventory, maintenance tactics and operational / capital budgets required to carry out the tactics and meet service levels.	**COMPETE -** While the improvements to the asset management plans were completed in 2017/18, the asset management plans are currently being updated City-wide for the 2019/20 budget. This asset management planning process has carried on the improvements made last financial year, embedding the new processes into the organisation.	Annually - February 2019
4. New Asset Readiness – A process to be financially and operationally ready to assume ownership of an asset. This includes estimated forecast impacts to budget and workforce, as well as the setup of all operational / maintenance plans to ensure the asset is assimilated into the City's work planning.	**ON TARGET** - This function is currently at low maturity. Discussions have commenced internally within AMU on the best way to advance this, and it has been planned that a life-cycle costing template and procedure will be developed to support business cases for new asset projects. Work will need to be done to imbed the new processes to all relevant units.	December 2019

Once the Asset Management Framework and Strategy is in place, this risk will be downgraded to medium risk, adequately managed.

Once New Asset Readiness is in place, this risk will be considered a low risk.

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RISK ID 94

RISK NAME: Records Management	**ASSESSMENT DATE**: 8 February 2018
KEY SERVICE: Information Management - Management of digital and physical records in accordance with legislative requirements	**RISK OWNER:** Manager Data and Information – Corporate Services Directorate

Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to appropriately manage the City's records physical and digital, in line with the City's Record Keeping Plan and relevant legislative requirements	Records Keeping Plan - Kept up to date and reviewed externally by State Records Dedicated Information Management Support Team and Helpdesk Information Management Training and Induction Program (Records Awareness, Focal Point and Module Owner Training, Overall System Training) Records Operations Team undertake Auditing and Compliance checks Digital Workplace Program currently under development to address manual handling, simplify processes and procedures and the complexities of the classification scheme Information Governance Framework currently under development to control ownership and governance of information tools, resources and guidance available on City's intranet Regular liaison with internal and external stakeholders	Inadequate	**Legal & Regulatory / Ethical** **Moderate / Likely** **HIGH RISK**

Treatment Action Plans	**Current Progress** (On target / Overdue / On hold / Ahead of target / Complete)	**Approved Completion Date**
1. **Implementation of the Information Governance Framework** (IGF) – the framework components include defined levels of authority, accountability, including up-	**ON TARGET** – The below milestones have been achieved: • New Recordkeeping Awareness Training has been incorporated into the HR onboarding process:	June 2019

to-date records-compliant processes, procedures and systems to enable the City to record and store corporate records in line with relevant legislative requirements and the City's Records Keeping Plan	- All new starters in the City undertake as mandatory course - Independent Health-check of CM9 successfully completed in December 2018 - Covering IT infrastructure, CM application layer & CM configuration: - Internal review of recommendations underway for Actions Revisions to the key IGF documents were completed, with the below outcomes expected in the first half of 2019; - Council approval of the Information Governance Policy - March 2019 - ELT approval of the IGF and Roadmap - June 2019; - The IGF Implementation Business Case has been has been approved by Director Corporate Services. To be presented ELT for approval March 2019.	

RISK ID 95

RISK NAME: Food Act enforcement	**ASSESSMENT DATE**: 8 February 2018
KEY SERVICE: Oversight of the Inspection of Food Premises Contract	**RISK OWNER:** Manager Health and Activity Approvals – Community & Commercial Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Failure to undertake sufficient risk assessments of registered food businesses, in accordance with the City's obligations under the Food Act 2008.	Tender Qualitative Selection Criteria applied through the Tender The selected tenderer is Food Technology Services (FTS). Process Performance training and assessment checks on the inspections to ensure consistency Inspection forms linked into City systems including records from iPads and paper Australian Food Safety Assessment (AFSA) report sheets available Contingencies on place to support data capture processes Customer Service expectations as the tenderers represent the City Contractor dress code consistent with the City's environmental health officers (EHOs) Key Performance Indicators (KPIs) and reporting on performance. Contingency plans in place to employ temporary staff to perform the required inspections in case of early termination of contract. Induction and ongoing training for contractors provided by the City (including code of conduct) Audits will be carried out of inspections completed by the contractor	**Adequate**	**People – Public Safety** **Major / Possible** **HIGH**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. Performance monitoring of contract	**ON TARGET** - Ongoing performance review of current contract including: • Regular review of Contractor's inspection results	January 2021

	• Monthly meetings with Contractor • Live tracking of completed inspections • Continuous monitoring of performance against agreed KPI's The performance was reviewed in October 2018 resulting in the contract being extended for a further 2 years.	
2. Performance training and assessment checks to ensure consistency	**COMPLETE** - Action now included in risk controls	Complete
3. Inspection forms linked into City systems including records from iPads and paper inspection AFSA report sheets available	**COMPLETE** - Action now included in risk controls	Complete

RISK ID 101

RISK NAME: Procurement	**ASSESSMENT DATE**: 17 April 2018
KEY SERVICE: Acquisition of goods and services on behalf of the city	**RISK OWNER:** Manager Finance – Corporate Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
The City's procurement policies and procedures fail to manage compliance with legislation (Local Government Act, Financial Regulations and Consumer Competition Law,) and achieve best commercial practice.	Reporting and oversight (contract expenditure report, contract expiry, guidance to internal auditor for reviews) Power BI reporting being established to provide greater reporting and oversight Currently developing procurement strategy to centralise procurement Procurement processes and procedures Providing information on intranet on procurement policies and procedures Mentoring of stakeholders Internal and External audits Dedicated procurement team Program for system upgrades scheduled to commenced July 2018 Fraud and misconduct policy Delegated Authority process currently under review Decision making on procurement based on delegated authority Education and training of relevant staff on procurement process	**Inadequate**	**Legal & Regulatory / Ethical** **Moderate / Likely** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. Adoption and implementation of the Procurement Strategy – aims to implement a centralised procurement model.	**ON TARGET** - The Procurement Plan has been endorsed by ELT and the Commissioners. The City's current software will not support the centralisation of procurement and two specific projects have been identified to address this issue. A	July 2020

	budget for the streamlining of the accounts payable process was approved in the September budget review and has now commenced. An upgrade to procurement systems which includes implementation of a contract management module has been proposed as part of the 2019/20 budget process. The City is currently recruiting a Procurement Specialist who will review the endorsed Procurement Plan as well as propose a procurement model and implementation plan for the project. The current target date for the City to have a centralised procurement model with adequate systems to support its operation is July 2020.	

RISK ID 102

RISK NAME: Recruitment	**ASSESSMENT DATE**: 11 April 2018
KEY SERVICE: Timely recruitment of suitably qualified and capable employees to deliver against the City's objectives	**RISK OWNER:** Manager Human Resources - Corporate Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Failure to attract, and select suitable candidates to enable the City to effectively deliver the corporate business plan objectives as well as meet legislative requirements	Probationary period reviews Internal promotions process Review of position description prior to advertisement Assessment of requirement of position prior to advertising Reclassification and classification process / Standardisation of position description Utilisation of external agencies and job boards Pre-employment checks and verification of Identity Reference checks for particular roles Utilisation of interview panels (mostly with Human Resources attendance) Internal candidate appointments Promotion of the City as a great place to work	Inadequate	**Legal & Regulatory / Ethical** **Major / Possible** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. **Promotion of the City as a great place to work** – this is set to achieve the below outcomes; - Improve the City's online presence as an employer of choice - Improving the City's profile with prospective employees	**ON HOLD** – The HR Business Unit is holding off on implementation of any strategies or initiatives to address this risk. A strategy and plan based on the recommendations of the HR review will be developed to address various matters including this risk.	To be confirmed.

2. **Employee Commencement Program** - E-learning tailored specifically for the onboarding and training new employees.		
3. **Onboarding Program –** inclusive of candidate profiling, pre-employment psychometric testing, induction and training		

RISK ID 105

RISK NAME: Electrical / Lighting / Christmas - Electrical infrastructure	**ASSESSMENT DATE**: 10 April 2018
KEY SERVICE: Management of the City's Electrical / Lighting / Christmas - Electrical infrastructure	**RISK OWNER:** Manager Street Presentation & Maintenance

Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to provide an electrical infrastructure that meets community expectations and safety standards and compliance to ensure safety of public and network	Visual inspections and condition surveys (fortnightly) Budget processes for electrical assets inspections and maintenance based on historical data. Currently recording and updating assets (old and new) Reactive rectification of non-compliance, incorrect installations, non-rated materials, products, aging assets Access to current standards Limited specialised resources in place to address risk issues Reactive maintenance of the electrical infrastructure Limited proactive quality assurance of new electrical assets to the city	**Inadequate**	**Legal & Regulatory / Ethical** **Major / Possible** **HIGH RISK**

Treatment Action Plans	**Current Progress** (On target / Overdue / On hold / Ahead of target / Complete)	**Approved Completion Date**
Asset Componentisation - This involves breaking large assets down into their maintainable components and loading them into the corporate asset management system, so maintenance can be planned at a more precise level, through the below activities; ▪ Update of the Electrical Infrastructure Asset Management Plan ▪ Proactive compliance inspections and testing for new assets (including during construction) ▪ Review resourcing levels (internal and external)	**ON TARGET** - The business case to investigate feasible methodologies and obtain accurate cost estimations for the implementation of the full project to address the risk, is underway. An Electrical Project Manager has been appointed to undertake a review of the East Perth lighting infrastructure as well as assist in progressing the business case. The project completion is provisionally set as end of September 2019, subject to the recommendations of the initial review of existing data.	September 2019

RISK ID 106

RISK NAME: Management of new assets (projects) handed over from State Government	**RE-ASSESSMENT DATE**: February 2019
KEY SERVICE: Design reviews, site monitoring and inspection of existing and new assets - (Ensure all public assets to be transferred to the City are constructed for longevity of service, to high quality and workmanship, ease of future operation and maintenance)	**RISK OWNER:** Manager Street Presentation & Maintenance – Construction & Maintenance Directorate Manager Asset Management – Corporate Services

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Failure of new assets (State Government Projects) which are handed to the city, to meet desired and required standards (quality, workmanship, ease of future operations and maintenance, suitability of public use)	Steering groups to increase communication with the State Government - Metropolitan Redevelopment Authority (MRA) Dedicated resources to address the risk Open channels of communication between city and MRA on issues (defects, vesting) Continuous negotiations with MRA regarding maintenance costs of handed assets	**Inadequate**	**Financial – Management of budget** **Major / Likely** Legal / Regulatory/ Ethical Moderate / Possible Public Safety Major / Unlikely **EXTREME RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. **Risk Assessment –** process involves the reviewing the risks with the lack of information, practical completion and	**COMPLETE –** For Elizabeth Quay. This was presented to the CEO, DCS and CMD on the 17th of December 2018. Risk reviews for other sites (such as Perth City Link, Waterbank	COMPLETED

estimation of the financial and operational impacts of the assets to be handed over to the City by the State Government	etc) will be reviewed as and when required when handover information is available. The risk review showed that there were unacceptable risks and issues needed Executive level support to resolve.	
2. **Executive Engagement** – improvement of the channels of communication between the CEOs of the City of Perth and the MRA.	**ON TARGET** - A letter from the Chief Executive Officer of the City of Perth was sent to the MRA on the 11th of January providing a status update of some of the key issues around asset handover, particularly referring to Elizabeth Quay. This includes the provision of all required design verification documentation and relevant handover documentation as well as other specific requirements to be provided to the City after reviewing the Issue Register with the MRA during a meeting in December 2018. The letter invited the MRA Executive to meet with the City of Perth Executive to begin formal channels of communication to resolve outstanding issues and to understand responsibilities and due processes going forward.	March 2019 – *this is highly dependent on the availability of MRA and COP Executives to meet*
3. **Process Mapping and Reporting** – documentation and formalisation of internal processes and development of reporting protocols on the status of MRA handed assets	**ON TARGET** – The Asset Management Framework (AMF) will be the official container for this process documentation so that the handover of high risk contributed assets are guided by a process map and checklist. The AMF is currently being drafted. Reporting protocols are being formalised through a combination of monthly updates to the relevant Directors, contentious issue monthly reports and the audit & risk committee.	July 2019

This was an existing High risk but has been escalated to Extreme due to faults and issues in assets occurring at Elizabeth Quay recently. The new to-be-constructed assets within the area are following the same pattern and the likelihood of this issues to occur again is high. There was a lack of clarity in assumed responsibilities for the repair and maintenance of these assets and misunderstandings between the MRA and the City during the middle of the

handover phase. To meet legislative and proper project management processes, there is a high urgency to resolve these queries with the MRA to ensure that community expectations continue to be met.

RISK ID 107

RISK NAME: Media Relations	**ASSESSMENT DATE**: 07/08/2018
KEY SERVICE: Perform proactive and reactive media management activities to enhance and protect the reputation and brand of the City of Perth	**RISK OWNER:** Manager Corporate Communications – Community and Commercial Services Directorate

Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to effectively perform proactive and reactive media management activities which enhance and protect the reputation and brand of the City of Perth	Specialist Media and Corporate Communications Teams Established process and procedures and internal relationships to source information, if and when required Alternates in place by delegation Advice from Governance on legal and governance matters The City of Perth Code of Conduct and Media Policy Training and Awareness on the obligations of the media policy and code of conduct Governance protocols in place Constant sourcing of positive opportunities and stories Issue specific media strategies developed as required (Inquiry Panel etc) Pre-planned annual calendar of corporate communications activities and opportunities	**Adequate**	**Reputation and External Stakeholders** **Moderate / Almost Certain** **HIGH RISK**

Treatment Action Plans	**Current Progress** (On target / Overdue / On hold / Ahead of target / Complete)	**Approved Completion Date**
1. **Inquiry Communications Plan** – corporate plan to ensure provision of clear, honest and current information to the stakeholders that clarifies the City's response during the Inquiry Process	**ON TARGET** - The Plan has now been presented and formally endorsed and approved by the CEO and Commissioners. The project team has officially met twice given developments with the Inquiry, including the opening address, and the announcement of the extension of the Inquiry time-frame.	31 January 2020 **to be reviewed pending the outcome of the inquiry*

RISK ID 108

RISK NAME: Licencing of Public Health Premises	**ASSESSMENT DATE**: 15/04/2018
KEY SERVICE: Licencing (Public Health) - Provision of a licencing control program to ensure health premises comply with relevant legislation (Health Act, Food Act etc.)	**RISK OWNER:** Manager Health and Activity Approvals(HAA) – Community & Commercial Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Failure to effectively and efficiently provide a licence control program to ensure health premises meet the requirements of the relevant legislation (Food Act, Health Act etc.)	I'm Alert education program (food safety) Information available on the City's website on start-up processes and licencing applications Relevant processes and procedures (currently under review and updating) Internal staff training, mentoring and peer reviews Pathways System for managing information from inspections Industry networks and liaison with state government agencies for advice and support Liaison with internal stakeholders (Governance) Development application and building permit process to include health premise assessments Data Cleanse processes currently underway	**Inadequate**	**Legal and Regulatory / Ethical** **Moderate / Likely** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. Monitoring and reporting of licenced premises - Set up live monitoring and reporting in Content Manager	**ON TARGET** - Internal meetings have been held to support the development of reports to enable monitoring of licenced premises.	June 2019
2. Research into an alternate database system to pathway inclusive of the below initiatives;	**ON TARGET** – research is ongoing with budgetary consideration and evaluations underway to ascertain the most suitable solution.	June 2020

3. Alignment of Licencing Program with changes in the legislation – (Public Health Act 2016)	**ON TARGET** - Work is being undertaking to develop the City's Social Strategy which will underpin the Public Health and Wellbeing Plan. The plan will aim to address the changes in the Act. The development of the Plan will commence in July 2020.	July 2020
4. Business Case Development – Research all IT platforms available as an alternative data management and process system with integration to existing City systems for managing all registered businesses (food premises, lodging houses, outdoor dining, public buildings, aquatic facilities, skin penetration).	**ON TARGET** – Quotes have been received with 2 from external providers and 1 quote from the Data and Information Unit. The quotes are being evaluated. A decision will be made by March 2019	March 2019

RISK ID 109

RISK NAME: Corporate Governance Framework	**ASSESSMENT DATE**: 09/10/2018
KEY SERVICE: Assist the City to identify, implement and monitor effective programmes to achieve and maintain good governance	**RISK OWNER:** Manager Governance – Corporate Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
The City's Governance Framework fails to demonstrate and monitor the City's progress in achieving and maintaining the identified tools to support the pillars of good governance	Strategic Community Plan Organisational Culture program established (Courage, Commitment, Respect & Teamwork) Code of Conduct Statement of Business Ethics Organisational Cultural Survey Decision Making Organisational Policy Risk Management Framework & Policy Mandatory staff Induction on the City's code of conduct and disclosures of interest, fraud & corruption training Education and Awareness initiatives on the City's compliance obligations and processes Transparency & Accountability website Establishment of City of Perth Inquiry Project Team	**Inadequate**	**Service Delivery / Strategic Objectives** **Moderate / Almost Certain** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. Develop and implementation of Governance Framework	**ON TARGET** - Presented to Executive Leadership Team in January 2019, adoption scheduled for February 2019.	February 2019
2. Develop and implementation of Compliance Policy, Framework & System	**ON TARGET** - The Governance Unit is currently undertaking research into leading practice compliance management frameworks and standards. The outcomes of this process will	March 2019

	be the development of a compliance policy, framework and implementation plan. The framework documents will be presented to the Executive Leadership Team (ELT) by 31 March 2019 for endorsement. Subsequently, endorsement by the Audit and Risk Committee and Council approval will be sought thereafter. The implementation timeframes of the new framework will be agreed and signed off by ELT as part of this process	
3. Develop and implementation of Fraud and Control Plan	**ON TARGET** - The Governance Unit is currently undertaking research into leading practice Fraud and Control Plans. The Fraud and Control Plan will be presented to the Executive Leadership Team (ELT) by 31 March 2019 for endorsement. Subsequently, endorsement by the Audit and Risk Committee and Council approval will be sought thereafter. The implementation timeframes of the new framework will be agreed and signed off by ELT as part of this process	March 2019

RISK ID 111

RISK NAME: Statutory Compliance Management	**ASSESSMENT DATE**: 16 August 2018
KEY SERVICE: Implement and monitor compliance systems to ensure statutory compliance through effective controls	**RISK OWNER:** Manager Governance – Corporate Services Directorate

Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to effectively interpret, monitor, manage and apply the City's statutory requirements and obligations in line with relevant legislative requirements	Compliance Calendar advisory processes Project currently underway to implement the new Risk, Safety and Compliance System (RSC) to enable proactive monitoring and reporting on the status of compliance obligations Documented compliance monitoring processes and procedures Monitoring of compliance obligations through state agencies compliance reviews (Department of Local Government, Sport and Cultural Industries, Public Sector Commission, Corruption and Crime Commission) Internal and External Audits Training and professional development of staff Staff Induction on the City's code of conduct and disclosures of interest RSC Project will include rescoping the city's compliance obligations and processes Education and Awareness initiatives on the City's compliance obligations and processes Access to the information bulletin produced by the State Law Publisher enables ongoing updates to the City's compliance registers Monitoring of audit action items through the Audit and Risk Committee	**Inadequate**	**Legal and Regulatory / Ethical** **Moderate / Almost Certain** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. **Statutory Compliance Policy and Framework –** the framework and policy will outline the process for identifying, recording, evaluating, prioritising, monitoring and reporting on the City's statutory compliance obligations	**ON TARGET** - The Governance Unit is currently undertaking research into leading practice compliance management frameworks and standards. The outcomes of this process will be the development a compliance policy, framework and implementation plan. The framework documents will be presented to the Executive Leadership Group Team (ELT) by 31 March 2019 for approval and endorsement. Subsequently, endorsement by the Audit and Risk Committee and Council will be sought thereafter. The implementation timeframes of the new framework will be agreed and signed off by ELT as part of this process.	May 2019
2. **Risk, Safety and Compliance System (RSC) –** the system will enhance the City's ability to monitor and report on its compliance obligations.	**ON TARGET** - The City is currently implementing a new risk, safety and compliance monitoring system, with system configuration underway. The implementation will commence in February 2019, in conjunction with the new Statutory Compliance Framework and associated procedures.	July 2019
3. **Governance Training Program (compliance management**) – the program will be relaunched and education and awareness initiatives on the City's compliance obligations and process	**ON TARGET** - The existing Governance Training Program is undergoing a comprehensive review. Awareness campaigns, guidance materials and training sessions are currently being planned and developed. The Program will be relaunched in January/February 2019.	February 2019
4. **Review and development of compliance procedures, policies, and protocols –** the review will include all statutory compliance processes and procedures and identify any gaps and improvements	**COMPLETE** - Actions addressed and reported as part of the 2018 Compliance Audit Return	Completed

RISK ID 112

RISK NAME: Event Approvals		**ASSESSMENT DATE**: 10 April 2018	
KEY SERVICE: Assessment and approval of activity applications - events public in public realm		**RISK OWNER:** Manager Health, Activity Approvals – Community and Commercial Services Directorate	
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to effectively process, assess and approve event applications in line with the City's policies and Legislative requirements (health & safety requirements, federal act crowded places, local laws, public building, food & noise legislation) and external stakeholders.	Terms and conditions of approvals given Checklists of event compliance (insurance, risk management, traffic management, waste management, noise management, parking management, music licences, community consultation, building specs, engineering sign offs, safety and security, disability access and inclusion plans, running sheets) Regulation 18 Applicant Guideline. External support from stakeholders (WAPOL, PTA, MRA, Mainroads, Health Department, Department of Water and Environmental Regulation, Department of Mines and Petroleum) Pathways for processing of applications Dedicated Compliance Officer Regular internal stakeholder meetings Site inspections and debriefs post event Pre-and post-surveys with customers Requirement of risk management plans Environmental Health Officers site inspections (before, during event) Pathways manual for system use Post event complaints process Events approval process currently under review Training and upskilling of activity approval and environmental health officers on latest policy and legislation changes.	**Inadequate**	**People** **Major/ Possible** **HIGH RISK**

Treatment Action Plans	Current Progress (On target / Overdue / On hold / Ahead of target / Complete)	Approved Completion Date
1. Implement a City of Perth Event Policy and Guideline	**ON TARGET** – The policy and guidelines was completed in November 2018, and is now undergoing internal consultation and review. The policy and guidelines will aim to provide a framework for event approvals with a level playing field for both internally-run events and external events, with more clarity provided on statutory and legal requirements versus non-legal requirements. Event organisers' responsibilities will be aligned to the requirements of the Protecting Crowded Places from Terrorism Act and Guidelines, within reasonable measure. The final draft was initially to be presented to Council for adoption in March 2019, with implementation to be completed in December 2019. However, in view of resource pressures experienced by the HAA Unit during the current peak event season (November to March), it is recommended the final policy and guideline be presented by the end of May 2019.	December 2019
2. Review the suitability of replacing the Pathway online application process with the CRM system to increase usability and processing timeframes.	**ON TARGET** - Progressing the assessment of the suitability and capability of CRM. Consultation with the Customer Services Unit on replicating the processing of weddings is underway. A decision on the suitability is anticipated to be made prior to budget setting for the 2019/20 budget. If suitable, the full system build will be included in the 2019/20 budget.	March 2019

RISK ID 120

NEW RISK IDENTIFIED

RISK NAME: Facilities Management – PCEC Car Park	**ASSESSMENT DATE**: 24 October 2018
KEY SERVICE: The management of off street car park facilities infrastructure through maintenance to achieve optimal performance to support car park operations	**RISK OWNERS:** Manager CPP - Community & Commercial Services Directorate Manager Properties - Construction and Maintenance Directorate

Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Failure to maintain the Perth Convention and Exhibition Centre (PCEC) car park facility infrastructure to achieve optimal performance of the car park operations	Daily inspections by Security and the Facilities Maintenance Team Proactive and reactive maintenance schedules 24-hour surveillance of the car park is in place 24-hour customer support provided by the Control Room Asset management plans and long term financial plans in place (assets, equipment, systems,) Fault report management system Hansen 8 PPE & equipment Safety processes and procedures and manuals Staff training and development	**Inadequate**	**People - Public Safety and Wellbeing** **Possible/ Major** **HIGH RISK**

Treatment Action Plans	**Current Progress** (On target / Overdue / On hold / Ahead of target / Complete)	**Approved Completion Date**
PCEC Remedial Works Project - repair the subsidence issues of the PCEC car park.	**ON TARGET** – Consultancy and investigations were completed in June 2018. A proposal for remedial works (investment on a page) was presented to ELT in December 2018, and supported in principle.	May 2021

	A business case for the remediation works has been developed and is to be presented to ELT January 31st for endorsement. A Commissioner briefing on the project will take place on the 19th Feb 2019, with the aim of obtaining Council approval for inclusion in the 2019/20 budget.	

CONFIDENTIAL ATTACHMENT 13.15B
ITEM 13.15 – RISK MANAGEMENT QUARTERLY UPDATE

FOR THE ORDINARY COUNCIL MEETING

26 FEBRUARY 2019

DISTRIBUTED TO COMMISSIONERS UNDER SEPARATE COVER

MEDIUM RISKS WITH INADEQUATE CONTROLS

The medium risks will be reviewed with risk owners as part of the rollout of the new risk, safety and compliance system to ensure the risk ratings and controls effectiveness' are accurate.

Business Unit	Key Service	Risk Description	Control Effectiveness	Current Risk Rating
Arts Culture & Heritage	Manage partnerships to deliver on ACH initiatives, programs, and promotion	Failure to effectively manage stakeholder partnerships for cultural engagement initiatives, and programs in line with the City's Cultural Development Plan	Inadequate	Reputation and External Partnerships
Arts Culture & Heritage	Conserve and showcase the physical and digital manifestations of the city's culture, heritage and identity through: • Collections (Asset) Management and Development, • Arts, Public Art and Cultural Heritage (History Centre & Memorabilia). • Cultural Asset Interpretation (including built form) • Public Access and Research • digital infrastructure (Arts, Culture and Heritage Portal) • Specialist advice • Collections Management framework	Failure to provide adequate public access and engagement with the City of Perth cultural and heritage assets in line with relevant policy and industry standards (Cultural Collections Policy, Public Art Collections Policy)	Inadequate	Reputation and External Partnerships
Community Services	Citiplace Community Centre - Provision of suitable subsidised facilities with a disability at Citiplace Community Centre for community meetings and activities at Citiplace Community Centre	Failure to provide suitable facilities for community meetings and activities at Citiplace Community Centre	Inadequate	Service Delivery / Strategic Objectives
Community Services	Provision of information services and support to city visitors (Local residents, extended community, city workers, tourists etc.)	Failure to provide an identifiable, safe and friendly point of contact and information service for visitors to promote the City as a highly engaging visitor destination (tours, events and activities)	Inadequate	Reputation and External Partnerships

Community Services	Providing volunteering opportunities through various City initiatives, programs and services	Failure to provide a volunteer program which meets the National Volunteer Standards and to achieve financially sustainable services that meet community needs	Inadequate	People
Community Services	Homelessness, access and inclusion, Aboriginal engagement, age friendly cities, family and children, young people, health and wellbeing, sports and recreation, community enhancement grants, cultural and linguistically diverse communities.	Failure to establish and deliver a community development framework which responds to and supports the various cohorts of the communities needs and meets internal and external stakeholder expectations.	Inadequate	Service Delivery / Strategic Objectives
Community Services	Provision of a heritage listed facility, open to the public, which hosts events (internal and external) and promotes the activation of the City.	Failure to utilise the potential of the heritage listed Town Hall to meet community needs and expectations.	Inadequate	Financial
Construction	Engineering Consultancy Services & Coordination of Construction Works	Non-existence of contract management software leading to project failures and project outcomes are compromised and legal implications.	Inadequate	Legal / Regulatory / Ethical
Customer Service	Provide a main focal point for service to rate payers, visitors and businesses to the City of Perth	Failure to provide a unique Customer Experience Centre for the City of Perth which meets and exceeds customer expectations and enhances the reputation and profile of the City	Inadequate	Reputation and External Partnerships
Data & Information	Design, management and support of the City's Data and Information Knowledge Systems	Failure to appropriately design, manage and support the City's Internally Developed Knowledge systems (People, Processes and Technology), to support business operations and projects.	Inadequate	Service Delivery / Strategic Objectives
Data & Information	Software Development Services - Maintenance and Support (Service Delivery Management - Software testing, website maintenance and development, intranet, GIS, data integration services, Business Intelligence, Process Automation)	Failure to deliver, maintain and support City software systems managed by the Data and Information Unit to meet organisational requirements and expectations	Inadequate	Service Delivery / Strategic Objectives
Development Approvals	Development Compliance - Enforcing compliance with legislative requirements and	Failure to proactively and reactively enforce compliance with legislative	Inadequate	Service Delivery / Strategic Objectives

	with the approvals and permits issued by the City	requirements and conditions in approvals / permits issued by the City		
Health & Activity Approvals	Prevent environmental vectors of disease to protect all stakeholders. (Mosquito bating, pigeon baiting, cockroach, ants, bees, wasps, monitoring)	The city's pest control program fails to meet community expectations and statutory obligations	Inadequate	Service Delivery / Strategic Objectives
Health & Activity Approvals	Activity Approval - (bonds etc.)	Failure to effectively process, assess and approve activity approvals in line with city policies, procedures and external requirements	Inadequate	People
Properties	Contract and procurement of goods and services	Failure to comply with purchasing policies and Statutory requirements / Local Government Regulations 1996 and General Function 1996 (Division 4), Local Government Act and City in the provision of contract and procurement goods and services	Inadequate	Environmental
Properties	Development and maintenance of the asset management plans for land and buildings	Inadequate condition assessment of City's Properties portfolio (Land and buildings) to support long-term strategic property portfolio and decision making on acquisitions and disposals of property assets	Inadequate	Environmental
Properties	Proactive and reactive maintenance of the City's building and contents and plant and equipment within the buildings	Failure to maintain property portfolio to an adequate standard (safety, compliance, asset preservation, asset enhancement and improvement)	Inadequate	Legal / Regulatory / Ethical
Properties	Contract and procurement of goods and services	Misalignment of procurement and contract management processes and procedures	Inadequate	Financial
Strategy and Partnership	Provide coordination and liaison services to national and local agencies (including CCCLM, WALGA and State Government Committees and Agencies)	Failure to effectively coordinate and manage the City’s Inter-Governmental Forums and Committees in line with relevant agreements	Inadequate	Financial
Sustainability	Professional Advice - Provide advice and expertise to internal (business units,) and external (community and other stakeholders)	Failure to provide adequate professional advice, integration and expertise to internal and external stakeholders to	Inadequate	Legal / Regulatory / Ethical

	stakeholders to drive sustainable practices and outcomes	enable the integration of sustainability principles into decision making.		
Sustainability	Sustainability Research - Support decision making and leadership to improve sustainable practices through effective and evidence based targeted research	Failure to adequately scope and manage and communicate targeted sustainability research which adequately supports the incorporation of sustainability practices into decision making	Inadequate	Reputation and External Partnerships
Sustainability	Provision of Advice and Expertise - Provide advice and expertise to stakeholders internal (business units) and external (community and other stakeholders) to drive sustainable practices and outcomes.	Fail to provide consistent and adequate advice and expertise on sustainability matters to drive sustainable practices and outcomes	Inadequate	Financial

MEASURES OF CONSEQUENCE

RISK ASSESSMENT CRITERIA

Measures of Consequence						
Rating	**People**	**Financial**	**Service Delivery / Strategic Objectives**	**Legal and Regulatory / Ethical**	**Reputation and External Stakeholders**	**Environmental**
Insignificant 1	Incident only, no medical treatment required	<100K recurrent reduction in Council budget<$500K one off loss (<5% overrun of project budget)	Key services disrupted for up to half a day, usual scheduled interruptions. Negligible impact on objectives	Minor breach of contractual or statutory obligations with request to comply. One off minor legal matters. Minor opportunistic incident involving a single person	Insignificant public comment or local media coverage.	Transient impact on environment, no long term effect or short term negative impact on urban design, or loss of sense of place for part of area.
Minor 2	Minor injuries treated by first aid, routine industrial issues	$100K-$1M recurrent reduction in Council budget $500K-$2M one off loss (5-10% overrun of project budget)	Key services disrupted for a full day. Isolated customer complaints. Isolated service standard failure. Minor setbacks that are easily remedied.	Minor breach of contractual or statutory obligations with request to comply. The City sued or fined or otherwise liable for up to $50K. Opportunistic incident involving several people.	Heighted concerns from a narrow group of residents, one off negative metro media coverage.	Short term effects on environment, no long term effect or short term negative impact on urban design, or loss of sense of place for part of area.
Moderate 3	Serious injury requiring medical treatment, staff turnover slightly higher than 20%, one off industrial issues	$1M-$2.5M recurrent reduction in Council budget $2M-10M one off loss (10-15% overrun of project budget)	Key services disrupted up to 2 days. Higher than normal level of one off customer complaints. One off service standard failure affecting multiple people. Some of the organisation's objectives cannot be met.	Breach of contractual or statutory obligations resulting in investigation, ongoing legal issues not easily addressed. The City sued or fined or otherwise liable for between $50K and $250K. Planned unethical action by one or more staff.	Concerns from cross section of public, ongoing negative metro media coverage.	Medium term effects on environment, long term recovery or long term negative impact on urban design, or loss of sense of place for part of area.
Major 4	Life threatening injury or multiple serious injuries requiring hospitalisation, fatality, staff turnover well above 20%, ongoing industrial action	$2.5M - $10M recurrent reduction in Council budget $10M - $25M one off loss (15-20% overrun of project budget)	Key services disrupted for between 2 and 5 days. High level of customer complaints over sustained period. Repeated service standard failure or one that affects multiple people. Some important objectives of the organisation cannot be met.	Major breach of contractual or statutory obligations resulting in significant legal action. The city sued or fined or otherwise liable for between $250K and $1M. Major one off fraud or corruption by a senior person.	Significant outcry from public, significant negative state level media coverage.	Major environmental impact, long term negative impact on urban design, or loss of sense of place for the whole area.
Catastrophic 5	Multiple Fatalities, sustained and serious industrial action, loss of multiple staff at once	>$10M recurrent reduction in Council budget >$25M one off loss (20-25% overrun of project budget)	Key services disrupted for over 5 days. Systemic customer complaints or serious complaints relating to more than one programmed area over a sustained period. Most of the organisation's objectives cannot be met.	Serious breach of contractual or statutory obligations resulting in significant prosecution and fines. The city sued or fined or otherwise liable for more than $1M. Systemic fraud and corruption, major external investigation with adverse findings.	Significant and widespread public outcry, sustained negative national media coverage.	Irreversible environmental harm or permanent negative impact on urban design.

MEASURES OF LIKELIHOOD

CODE	LIKELIHOOD	QUALITATIVE DESCRIPTOR	PROBABILITY OF OCCURRENCE
5	Almost certain	Is expected to occur in most circumstances	Greater than 95%
4	Likely	Will probably occur in most circumstances	66% to 95%
3	Possible	Might occur at some time	36% to 65%
2	Unlikely	Could occur at some time	5% to 35%
1	Rare	May occur only in exceptional circumstances	less than 5%

RISK EVALUATION MATRIX

LIKELIHOOD		CONSEQUENCE				
		1 Insignificant	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
5	**Almost certain**	Medium	Medium	High	Extreme	Extreme
4	**Likely**	Medium	Medium	High	Extreme	Extreme
3	**Possible**	Low	Medium	Medium	High	Extreme
2	**Unlikely**	Low	Low	Medium	Medium	High
1	**Rare**	Low	Low	Low	Medium	Medium

MEASURE OF EXISTING CONTROLS

RATING	FORESEEABLE	DESCRIPTION
Effective	Doing more than what is reasonable under the circumstances	1. Existing controls exceed current legislated, regulatory and compliance requirements, and surpass relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation 2. Subject to continuous monitoring and regular testing
Adequate	Doing what is reasonable under the circumstances	1. Existing controls are in accordance with current legislated, regulatory and compliance requirements, and are aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation 2. Subject to continuous monitoring and regular testing
Inadequate	Not doing some or all things reasonable under the circumstances	1. Existing controls do not provide confidence that they meet current legislated, regulatory and compliance requirements, and may not be aligned with relevant and current standards, codes of practice, guidelines and industry benchmarks expected of this organisation 2. Controls not operating as intended and have not been reviewed or tested

RISK ACCEPTANCE CRITERIA

RISK RANK	DESCRIPTION	CRITERIA FOR RISK ACCEPTANCE	RESPONSIBILITY
EXTREME	Urgent Attention Required	Risk only acceptable with effective controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to monthly continuous monitoring Quarterly reports will be provided to Council on all Extreme Risks.	CEO
HIGH	Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to quarterly monitoring Quarterly reports will be provided to Council on all High Risks.	Director / CEO
MEDIUM	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Business Unit Manager / Director
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Business Unit Manager

Agenda Item 13.16 **Compliance Audit Return 2018**

Recommendation:

That Council ADOPTS the completed 2018 Compliance Audit Return as detailed in Attachment 13.16A for certification by the Chair Commissioner and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.

FILE REFERENCE:	P1013788-5
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Office of the Chief Executive
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	21 January 2019
ATTACHMENT/S:	Attachment 13.16A - Completed 2018 Compliance Audit Return

Council Role:

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

Legislation / Strategic Plan / Policy:

Legislation	Section 7.13(1)(i) of the *Local Government Act 1995* Regulations 13, 14, 15 and 16 of the *Local Government (Audit) Regulations 1996.*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 8 - A city that delivers for its community
Policy Policy No and Name:	19.1 - Risk Management

Purpose and Background:

Western Australian local governments are required to complete a Compliance Audit Return (CAR) annually to the Department of Local Government, Sport and Cultural Industries (DLGSCI) in accordance with the requirements of the *Local Government (Audit) Regulations 1996*.

The return is a checklist of a local government's compliance with the requirements of the *Local Government Act 1995* (Act) and its Regulations as approved by the Minister. It focuses on areas considered high risk as determined by the DLGSCI. The 2018 CAR has a total of 95 questions with 2 new questions relating to the CEO Review of Systems and Procedures (Finance section) and a question relating to elections within previous versions of the CAR not included within the 2018 CAR. Compliance with legislative requirements as listed under the following sections of the 2018 CAR was determined.

- Commercial Enterprises by Local Governments (5 questions);
- Delegation of Power / Duty (13 questions);
- Disclosures of Interest (16 questions);
- Disposal of Property (2 questions);
- Finance (16 questions);
- Integrated Planning and Reporting (7 questions);
- Local Government Employees (5 questions);
- Official Conduct (6 questions); and
- Tenders for providing Goods and Services (25 questions).

This Compliance Audit covers the period 1 January to 31 December 2018. The completed 2018 CAR is required to be:

- Presented for review by the Audit and Risk Committee before being presented for adoption by Council;
- Subsequently certified by the Chair Commissioner and the Chief Executive Officer; and
- Returned to the DLGSCI with a copy of the relevant Council minutes by 31 March 2019.

Details:

The Compliance Audit has been undertaken as an internal audit, sourcing evidence of compliance through the City's record keeping system and where required, through additional information held by respective Units. Each legislative requirement listed on the 2018 CAR has

been examined either wholly or by sample, dependent on the volume of activity and known risk factors.

This approach has been successful in achieving a more rigorous assessment of the City's compliance whilst facilitating identification of opportunities for improvement. It is important to note that where a sample has been examined the audit results are based only on that sample.

Whilst the annual Compliance Audit is compulsory, the City benefits through the carrying out of this audit as follows:

- gaining assurance that operations are compliant;
- staff increasing their knowledge and understanding of legislative frameworks and compliance obligations; and
- providing assurance that the City is working to deliver good governance.

The completed 2018 CAR is provided as Attachment 13.16A.

The following is a summary of sections reviewed as part of the 2018 CAR and includes a description of instances of non-compliances.

Commercial Enterprises by Local Governments

There was one instance of non-compliance identified during the audit period for this section of the CAR. This instance refers to question 5 below.

Question 5: s3.59(5)	*Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.*

Council did not endorse the City of Perth Parking (CPP) Business Plan at the Ordinary Council Meeting held on 31 July 2018. At this meeting Council sought a more comprehensive business plan that addresses all aspects of the CPP business.

It is understood from the Director Community and Commercial Services that a revised detailed business plan for CPP was provided to the Commissioners in September 2018. However, following discussions with the Commissioners in October 2018 a new external review was requested into on-street parking. A revised business plan for CPP taking a neighbourhood approach to parking will be completed and presented to Council post a workshop with Commissioners in February 2019.

Delegation of Power / Duty

There was one non-compliance identified during the audit period for this section of the CAR. This non-compliance refers to question 13 below.

Question 13: s5.46(3) Admin Reg 19	*Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required?*

Sample testing found 2 cases whereby a delegated authority for disposing of property did not keep a record of approval of the disposal in accordance with section 5.46(3) of the Act and regulation 19 of the *Local Government (Administration) Regulations 1996.*

One of these cases involved disposition of plant (vehicle) while the other case related to disposition of electrical/lighting assets as part of capital works undertaken within the Perth Concert Hall building.

A revised disposal of assets procedure has been drafted by the Manager Asset Management and is pending approval. The objectives of this revised procedure are to ensure that the method and authority to dispose of assets (as outlined in the City's Delegated Authority Register) are meeting legislative requirements.

Disclosures of Interest

There were three instances of non-compliance identified during the audit period for this section of the 2018 CAR. These instances refer to questions 5, 6 and 7 below.

Question 5: s5.75(1); Admin Reg 22 Form 2	*Was a primary return lodged by all newly designated employees within three months of their start day.*

One instance of non-compliance whereby a newly designated employee (from 8 January 2018) did not lodge a primary return within the required three-month period (lodged on 8 May 2018). This instance was due to a process error as reported by the City to the Corruption and Crime Commission on 24 May 2018.

Question 6: s5.76(1) Admin Reg 23 Form 3	*Was an annual return lodged by all continuing elected members by 31 August 2018.*

One instance of non-compliance whereby a suspended elected member did not lodge an annual return by 31 August 2018.

Advice was received from the DLGSCI on 31 July 2018 that although the Council was suspended, the elected members still acted in their role for a part of the relevant period and as a result it would be appropriate for an annual return to be lodged.

Based on this advice, the City (former CEO and Governance Unit) had requested the suspended elected members to lodge an annual return by the 31 August 2018. All suspended elected members lodged an annual return by this date except for one instance as described above.

Question 7: s5.76(1); Admin Reg 23 Form 3	*Was an annual return lodged by all designated employees by 31 August 2018.*

One instance of non-compliance whereby a designated employee did not lodge an annual return by 31 August 2018 (lodged on 26 November 2018). This instance was due to a process error as reported by the City to the Corruption and Crime Commission on 26 November 2018.

Disposal of Property

There was one instance of non-compliance identified during the audit period for this section of the CAR. This instance refers to question 1 below.

Question 1: s3.58(3)	*Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).*

Two anomalies were identified as described below.

At its meeting held **27 March 2018**, Council approved a new lease over Shop 1, Pier Street Car Park - 88-96 Murray Street, Perth under proposed lease terms and conditions. These lease terms and conditions included the new lessee being permitted use of a food and beverage business for a term of five years. Council also approved advertising (local public notice) under section 3.58 of the Act for the proposed new lease. Investigations have determined that a local public notice was not given in this case. The new lessee has occupied the premises without an executed lease agreement and been invoiced by the City for rent from 15 March 2018 until present. It has been advised by the Properties Unit that the local public notice and executed lease will be undertaken within the first quarter of 2019.

Another case involved a local public notice for a new lease over a Portion of Lot 9023, Marmion Avenue, Clarkson (Tamala Park) for a telecommunications base station. Tamala Park is owned jointly in freehold by seven owner Councils (including the City of Perth) as tenants in common. On 24 April 2018, the City of Perth Council approved the abovementioned lease and agreed that one of the owner Councils (City of Wanneroo) be responsible for the local public notice, negotiation and preparation of the lease on behalf of the seven owner Councils. It was observed that the City of Wanneroo local public notice for this lease did not contain details of the names of all parties concerned (owner Councils) as required under section 3.58(3) and (4) of the Act.

These two disposals of property are not excepted under section 3.58(5) of the Act.

Finance

There was one instance of non-compliance identified during the audit period for this section of the CAR. This instance refers to question 12 below.

Question 12 Audit Reg 7	*Did the agreement between the local government and its auditor include a plan for the audit.*

In accordance with regulation 7 of the *Local Government (Audit) Regulations 1996,* an agreement between a local government and its auditor is to include the following requirements:

- Objectives of the audit;
- Scope of the audit;
- Plan for the audit;
- Remuneration/expenses to be paid to the auditor; and
- The method to be used by the local government to communicate with, and supply information to, the auditor.

The above requirements except for the plan for the audit were provided within an "Arrangement for the Audit of the Annual Financial Report of the City of Perth" letter by the City's auditor (Auditor General) for the audit for the year ended 30 June 2018.

In spite of no mention of the plan for the audit within the abovementioned letter (agreement), Grant Thornton (appointed external audit contractor by the Auditor General) presented to the Audit and Risk Committee on the 7 June 2018 an Audit Planning Report for the year ended 30 June 2018.

Integrated Planning and Reporting

There were no non-compliances identified during the audit period for this section of the CAR.

Local Government Employees

There was one instance of non-compliance identified during the audit period for this section of the CAR. This instance refers to question 4 below.

Question 4 Admin Reg 18E	*Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).*

Regulation 18E of the *Local Government (Administration) Regulations 1996* states:
"A person must not, in connection with an application for the position of CEO of a local government —

(a) make a statement, or give any information, as to academic, or other tertiary level, qualifications held by the applicant that the person knows is false in a material particular; or

(b) make a statement, or give any information, as to academic, or other tertiary level, qualifications held by the applicant which is false or misleading in a material particular, with reckless disregard as to whether or not the statement or information is false or misleading in a material particular."

Evidence of referee checks for the Acting CEO appointed in November 2018 were sighted. However, evidence of checks undertaken on academic or other tertiary level qualifications prior to this appointment were not provided for this audit.

Official Conduct

There were no non-compliances identified during the audit period for this section of the CAR.

Tenders for Providing Goods and Services

There was one instance of non-compliance identified during the audit period for this section of the CAR. This instance relates to question 1 below.

Question 1: s3.57; F&G Reg 11	*Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).*

Audit identified four occasions where the procurement values exceeded the tender threshold of $150,000 during 2018 as highlighted within memorandums accompanying the quarterly Contract Expenditure Reports. Relevant suppliers are as follows:

A/C No.	Description of Goods/Services
05770	The June 2018 memorandum states "written quotes for the supply of cables and associated equipment and services." As at June 2018 expenditure with this supplier was over the $150,000 tender threshold. No contract is currently in place for these services.
01773	The June 2018 memorandum states "written quotes for traffic counting, intersection turning movement survey and parking accumulation survey." As at June 2018 expenditure with this supplier was over the $150,000 tender threshold. No contract is currently in place for these services.
07381	The June 2018 memorandum states "written quotes for Auto Electrical Services. Expenditure indicates that a formal process should be undertaken." As at June 2018 expenditure with this supplier is over $150,000 tender threshold. No contract is currently in place for these services.
07736	The December 2018 memorandum states "various written quotes for mobile welding & fabrication services – the tender threshold has been exceeded". As at December 2018 expenditure with this supplier is over $150,000 tender threshold. No contract is currently in place for these services.

As a result of a recommendation from the Compliance Audit Return Controls Review completed by Internal Audit in July 2018, a team from the Data and Information Unit is currently working on developing an improved Contract Expenditure Report using the Microsoft Power Business Intelligence (BI) data analytics tool. This report will provide more accurate and timely information for the monitoring of supplier expenditure. Development of this report is being monitored and reported on the Outstanding Audit Items Report for the Audit and Risk Committee.

Stakeholder Engagement

No stakeholder engagement was undertaken in relation to this report.

Financial Implications:

No financial implications related to this report.

Comments:

The following table provides a comparative summary of the City's compliance per sections of the CAR as evidenced in 2017 and 2018 calendar years. Total number of questions in the 2017 and 2018 CAR was 94 and 95 respectively. In the last two years the question(s) per sections of the CAR were identical except for 2 new questions relating to the CEO Review of Systems and Procedures (Finance section) and a question relating to elections within previous versions of the CAR not included within the 2018 CAR.

Section of the CAR	Non-compliances (Questions) Reported		Comparison / Comments
	2017	2018	
Commercial Enterprises by Local Governments	Nil	1	Refer to question 5 in the 2018 CAR.
Delegation of Power / Duty	1	1	Refer to questions 13 in the 2018 CAR.
Disclosure of Interest	5	3	Refer to questions 5, 6 and 7 in the 2018 CAR.
Disposal of Property	1	1	Refer to question 1 in 2018 CAR.
Elections	1	N/A	Section not included in the 2018 CAR.
Finance	1	1	Refer to question 12 in the 2018 CAR.
Integrated Planning and Reporting	Nil	Nil	
Local Government Employees	1	1	Refer to question 4 in the 2018 CAR.
Official Conduct	Nil	Nil	
Tenders for Providing Goods and Services	1	1	Refer to question 1 in the 2018 CAR.
Totals	**11**	**9**	

A comparison between 2017 and 2018 results show a decrease in a number of non-compliances reported via the CAR.

This audit has identified a noticeable improvement in compliance within the disclosure of interest section of the CAR. An analysis of individual cases of non-compliance within this section was performed. This analysis shows the total number of these cases falling from 24 in 2017 to 3 in 2018.

Each of the non-compliances reported in the 2018 CAR have been highlighted and discussed with relevant staff. As a result of these discussions, relevant staff members have increased awareness of legislative requirements as contained within the CAR.

Department of Local Government, Sport and Cultural Industries
GOVERNMENT OF WESTERN AUSTRALIA

Perth - Compliance Audit Return 2018

Certified Copy of Return

Please submit a signed copy to the Director General of the Department of Local Government, Sport and Cultural Industries together with a copy of section of relevant minutes.

Commercial Enterprises by Local Governments

No	Reference	Question	Response	Comments	Respondent
1	s3.59(2)(a)(b)(c) F&G Reg 7,9	Has the local government prepared a business plan for each major trading undertaking in 2018.	Yes	The City has prepared a business plan for City of Perth Parking (CPP) in 2018. This business plan is in response to a finding from the Organisational Capability and Compliance Assessment completed by Deloitte and reported to Council in June 2017.	Niloha Mendoza
2	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2018.	N/A	No major land transaction that was not exempt in 2018.	Niloha Mendoza
3	s3.59(2)(a)(b)(c) F&G Reg 7,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2018.	N/A	No preparatory land transaction to entry into a major land transaction in 2018.	Niloha Mendoza
4	s3.59(4)	Has the local government given Statewide public notice of each proposal to commence a major trading undertaking or enter into a major land transaction for 2018.	Yes	Statewide public notice for the CPP Business Plan was placed in The West Australian newspaper from 23 May to 4 July 2018, as well as the Council House and City of Perth Library public notice boards.	Niloha Mendoza
5	s3.59(5)	Did the Council, during 2018, resolve to proceed with each major land transaction or trading undertaking by absolute majority.	No	Referenced in Ordinary Council Meeting (OCM) 31/07/2018 item 13.4. Council did not endorse the CPP Business Plan and seeks a more comprehensive business plan that addresses all aspects of the CPP. A revised business plan for CPP is currently being developed.	Niloha Mendoza

Delegation of Power / Duty

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No	Reference	Question	Response	Comments	Respondent
1	s5.16, 5.17, 5.18	Were all delegations to committees resolved by absolute majority.	Yes	Referenced in annual review: Ordinary Council Meeting (OCM) 26/06/2018 Item 13.5.	Niloha Mendoza
2	s5.16, 5.17, 5.18	Were all delegations to committees in writing.	Yes	Referenced in 2018/19 Delegated Authority Register.	Niloha Mendoza
3	s5.16, 5.17, 5.18	Were all delegations to committees within the limits specified in section 5.17.	Yes	Referenced in 2018/19 Delegated Authority Register.	Niloha Mendoza
4	s5.16, 5.17, 5.18	Were all delegations to committees recorded in a register of delegations.	Yes	2018/19 Delegated Authority Register.	Niloha Mendoza
5	s5.18	Has Council reviewed delegations to its committees in the 2017/2018 financial year.	Yes	Referenced in annual review: OCM 26/06/2018 Item 13.5.	Niloha Mendoza
6	s5.42(1),5.43 Admin Reg 18G	Did the powers and duties of the Council delegated to the CEO exclude those as listed in section 5.43 of the Act.	Yes	Referenced in 2018/19 Delegated Authority Register.	Niloha Mendoza
7	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO resolved by an absolute majority.	Yes	OCM 26/06/2018 Item 13.5.	Niloha Mendoza
8	s5.42(1)(2) Admin Reg 18G	Were all delegations to the CEO in writing.	Yes	As per 2018/19 Delegated Authority Register.	Niloha Mendoza
9	s5.44(2)	Were all delegations by the CEO to any employee in writing.	Yes	As per 2018/19 Delegated Authority Register.	Niloha Mendoza
10	s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority.	Yes	As per annual review OCM 26/06/2018 Item 13.5.	Niloha Mendoza
11	s5.46(1)	Has the CEO kept a register of all delegations made under the Act to him and to other employees.	Yes	Referenced in 2018/19 Delegated Authority Register.	Niloha Mendoza
12	s5.46(2)	Were all delegations made under Division 4 of Part 5 of the Act reviewed by the delegator at least once during the 2017/2018 financial year.	Yes	Referenced in CEO Annual Delegated Authority Review, Executive Leadership Group minutes (18/07/2018) as well as Delegation of Authority Register 2018/19.	Niloha Mendoza
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record as required.	No	Sample testing found 2 cases whereby a delegated authority for disposal of property did not keep a record of approval of the disposal in accordance with Admin Reg 19.	Niloha Mendoza

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Disclosure of Interest

No	Reference	Question	Response	Comments	Respondent
1	s5.67	If a member disclosed an interest, did he/she ensure that they did not remain present to participate in any discussion or decision-making procedure relating to the matter in which the interest was disclosed (not including participation approvals granted under s5.68).	Yes	Referenced in the 2018 Financial and Non-financial Interest Disclosures Register and various Council and Committee meetings.	Niloha Mendoza
2	s5.68(2)	Were all decisions made under section 5.68(1), and the extent of participation allowed, recorded in the minutes of Council and Committee meetings.	N/A	No decisions made under section 5.68(1).	Niloha Mendoza
3	s5.73	Were disclosures under section 5.65 or 5.70 recorded in the minutes of the meeting at which the disclosure was made.	Yes	Referenced in the 2018 Financial and Non-financial Interest Disclosures Register and various Council and Committee meetings.	Niloha Mendoza
4	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly elected members within three months of their start day.	Yes	3 Commissioners appointed in 2018.	Niloha Mendoza
5	s5.75(1) Admin Reg 22 Form 2	Was a primary return lodged by all newly designated employees within three months of their start day.	No	1 instance of non-compliance as per Primary and Annual Return Register.	Niloha Mendoza
6	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all continuing elected members by 31 August 2018.	No	1 suspended elected member did not lodge an annual return as per Primary and Annual Return Register.	Niloha Mendoza
7	s5.76(1) Admin Reg 23 Form 3	Was an annual return lodged by all designated employees by 31 August 2018.	No	1 instance of non-compliance as per Primary and Annual Return Register.	Niloha Mendoza
8	s5.77	On receipt of a primary or annual return, did the CEO, (or the Mayor/ President in the case of the CEO's return) on all occasions, give written acknowledgment of having received the return.	Yes	As per Primary and Annual Return Register.	Niloha Mendoza
9	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained the returns lodged under section 5.75 and 5.76	Yes	As per Primary and Annual Return Register as well as returns contained within the City's Records Keeping System.	Niloha Mendoza
10	s5.88(1)(2) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70 and 5.71, in the form prescribed in Administration Regulation 28.	Yes	As per 2018 Financial and Non-financial Interest Disclosures Register	Niloha Mendoza
11	s5.88 (3)	Has the CEO removed all returns from the register when a person ceased to be a person required to lodge a return under section 5.75 or 5.76.	Yes	As per Primary and Annual Return Register.	Niloha Mendoza

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No	Reference	Question	Response	Comments	Respondent
12	s5.88(4)	Have all returns lodged under section 5.75 or 5.76 and removed from the register, been kept for a period of at least five years, after the person who lodged the return ceased to be a council member or designated employee.	Yes	As per Primary and Annual Return Register.	Niloha Mendoza
13	s5.103 Admin Reg 34C & Rules of Conduct Reg 11	Where an elected member or an employee disclosed an interest in a matter discussed at a Council or committee meeting where there was a reasonable belief that the impartiality of the person having the interest would be adversely affected, was it recorded in the minutes.	N/A		Niloha Mendoza
14	s5.70(2)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to the Council or a Committee, did that person disclose the nature of that interest when giving the advice or report.	Yes	Based on audit sample. Only once the interest was disclosed by an employee providing advise or report to the Council or a Committee.	Niloha Mendoza
15	s5.70(3)	Where an employee disclosed an interest under s5.70(2), did that person also disclose the extent of that interest when required to do so by the Council or a Committee.	Yes	As per 2018 Financial and Non-financial Interest Disclosures Register.	Niloha Mendoza
16	s5.103(3) Admin Reg 34B	Has the CEO kept a register of all notifiable gifts received by Council members and employees.	Yes	As per Gift Register. Only once the gift has been notified.	Niloha Mendoza

Disposal of Property

No	Reference	Question	Response	Comments	Respondent
1	s3.58(3)	Was local public notice given prior to disposal for any property not disposed of by public auction or tender (except where excluded by Section 3.58(5)).	No	2 instances of non-compliance whereby no local public notice was given prior to leasing City's property.	Niloha Mendoza
2	s3.58(4)	Where the local government disposed of property under section 3.58(3), did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property.	N/A		Niloha Mendoza

Finance

No	Reference	Question	Response	Comments	Respondent

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No	Reference	Question	Response	Comments	Respondent
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Act.	Yes	An Audit Committee was established at the Special Council meeting on 11/05/2010. The Council renamed it as the Audit and Risk Committee on 4/06/2013. The Council appointed new members to the Audit & Risk Committee and re-appointed the independent member (for a term to expire 21 May 2019) at the Special Council meeting on 15/03/2018.	Niloha Mendoza
2	s7.1B	Where a local government determined to delegate to its audit committee any powers or duties under Part 7 of the Act, did it do so by absolute majority.	N/A	No change to the Audit and Risk Committee delegation 1.1.3 in 2018. OCM 26/06/18 Item 13.5.	Niloha Mendoza
3	s7.3	Was the person(s) appointed by the local government to be its auditor, a registered company auditor.	N/A	Auditor General is the City's Auditor.	Niloha Mendoza
4	s7.3, 7.6(3)	Was the person or persons appointed by the local government to be its auditor, appointed by an absolute majority decision of Council.	N/A	Auditor General is the City's Auditor.	Niloha Mendoza
5	Audit Reg 10	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government within 30 days of completion of the audit.	Yes	The City of Perth received the Auditor's report through its Audit & Risk Committee on 10/12/18 and by the Council on 18/12/18. The 2017/18 financial year audit was completed early December 2018.	Niloha Mendoza
6	s7.9(1)	Was the Auditor's report for the financial year ended 30 June 2018 received by the local government by 31 December 2018.	Yes	The Auditor's report was received by the Audit & Risk Committee on 10/12/18 item 6.1 and by the Council on 18/12/18 item 13.18.	Niloha Mendoza
7	S7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under s7.9 (1) of the Act required action to be taken by the local government, was that action undertaken.	Yes	As per management comments to findings within the Management Letter.	Niloha Mendoza
8	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a report prepared on any actions undertaken.	N/A	No report was required to be sent to the Minister. Issues raised in the auditor's report were not significant.	Niloha Mendoza

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No	Reference	Question	Response	Comments	Respondent
9	S7.12A (4)	Where the local government determined that matters raised in the auditor's report (prepared under s7.9 (1) of the Act) required action to be taken by the local government, was a copy of the report forwarded to the Minister by the end of the financial year or 6 months after the last report prepared under s7.9 was received by the local government whichever was the latest in time.	N/A	No report was required to be sent to the Minister. Issues raised in the auditor's report were not significant.	Niloha Mendoza
10	Audit Reg 7	Did the agreement between the local government and its auditor include the objectives of the audit.	Yes	The objectives of the audit were included within the Arrangements (agreement) Letter issued by the Office of the Auditor General in April 2018. These arrangements were acknowledged/signed by the City's Chair Commissioner and CEO.	Niloha Mendoza
11	Audit Reg 7	Did the agreement between the local government and its auditor include the scope of the audit.	Yes	As per the above mentioned Arrangements (agreement) Letter.	Niloha Mendoza
12	Audit Reg 7	Did the agreement between the local government and its auditor include a plan for the audit.	No	The above mentioned Arrangements (agreement) Letter from the Office of the Auditor General (OAG) did not include a plan for the audit.	Niloha Mendoza
13	Audit Reg 7	Did the agreement between the local government and its auditor include details of the remuneration and expenses to be paid to the auditor.	Yes	Details of the remuneration and expenses to be paid to the auditor was included within the Indicative Audit Fee 2018 letter provided by the Auditor General as referenced within the Arrangements (agreement) Letter from the OAG.	Niloha Mendoza
14	Audit Reg 7	Did the agreement between the local government and its auditor include the method to be used by the local government to communicate with, and supply information to, the auditor.	Yes	As per the above mentioned Arrangements for the Audit letter 2018.	Niloha Mendoza
15	Audit Reg 17	Has the CEO reviewed the appropriateness and effectiveness of the local government's systems and procedures in accordance with regulation 17 of the Local Government (Audit) Regulations 1996.	Yes	Referenced in Audit and Risk Committee meeting 5/11/2018 item 8.2 as well as OCM 27/11/2018 item 13.20	Niloha Mendoza
16	Audit Reg 17	If the CEO has not undertaken a review in accordance with regulation 17 of the Local Government (Audit) Regulations 1996, is a review proposed and when.	N/A		Niloha Mendoza

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Integrated Planning and Reporting

No	Reference	Question	Response	Comments	Respondent
1	s5.56 Admin Reg 19DA (6)	Has the local government adopted a Corporate Business Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	N/A	Corporate Business Plan adopted at OCM 6/6/2017 Item 13.20.	Niloha Mendoza
2	s5.56 Admin Reg 19DA (6)	Has the local government adopted a modification to the most recent Corporate Business Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	N/A	Modification of Corporate Business Plan adopted at OCM 19/12/2017 Item 13.29	Niloha Mendoza
3	s5.56 Admin Reg 19C (7)	Has the local government adopted a Strategic Community Plan. If Yes, please provide adoption date of the most recent Plan in Comments. This question is optional, answer N/A if you choose not to respond.	N/A	Strategic Community Plan Special adopted at OCM 28/6/2017 Item 8.3.	Niloha Mendoza
4	s5.56 Admin Reg 19C (7)	Has the local government adopted a modification to the most recent Strategic Community Plan. If Yes, please provide adoption date in Comments. This question is optional, answer N/A if you choose not to respond.	N/A	Under development for 2019.	Niloha Mendoza
5	S5.56	Has the local government adopted an Asset Management Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A	Asset Management Plan adopted at OCM 6/6/2017 Item 13.20.	Niloha Mendoza
6	S5.56	Has the local government adopted a Long Term Financial Plan. If Yes, in Comments please provide date of the most recent Plan, plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A	Long Term Financial Plan adopted at OCM 6/6/2017 Item 13.20.	Niloha Mendoza
7	S5.56	Has the local government adopted a Workforce Plan. If Yes, in Comments please provide date of the most recent Plan plus if adopted or endorsed by Council the date of adoption or endorsement. This question is optional, answer N/A if you choose not to respond.	N/A		Niloha Mendoza

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Local Government Employees

No	Reference	Question	Response	Comments	Respondent
1	Admin Reg 18C	Did the local government approve the process to be used for the selection and appointment of the CEO before the position of CEO was advertised.	N/A	The CEO position became vacant on 29 October 2018. Approval of the process to be used for the selection and appointment of the CEO before the position of CEO was advertised was not required due to an Acting CEO appointed by Council on 13 November 2018 for a term of 9 months. Confirmation of appointment title as Chief Executive Officer occurred on 27 November 2018. Refer question 2 below.	Niloha Mendoza
2	s5.36(4) s5.37(3), Admin Reg 18A	Were all vacancies for the position of CEO and other designated senior employees advertised and did the advertising comply with s.5.36(4), 5.37(3) and Admin Reg 18A.	N/A	The CEO position was not advertised due to an external candidate appointed as Acting CEO by the City on 13 November 2018 for a term not exceeding one year as per Admin Reg 18A(1)(b).	Niloha Mendoza
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position of CEO under section 5.36(4).	N/A	An Acting CEO was appointed in 2018.	Niloha Mendoza
4	Admin Regs 18E	Did the local government ensure checks were carried out to confirm that the information in an application for employment was true (applicable to CEO only).	No	Evidence of checks undertaken on academic or other tertiary level qualifications prior to this appointment were not provided for this audit.	Niloha Mendoza
5	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss a designated senior employee.	N/A	No designated senior employee employed or dismissed in 2018.	Niloha Mendoza

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Official Conduct

No	Reference	Question	Response	Comments	Respondent
1	s5.120	Where the CEO is not the complaints officer, has the local government designated a senior employee, as defined under s5.37, to be its complaints officer.	N/A	The CEO is the Complaints Officer.	Niloha Mendoza
2	s5.121(1)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that result in action under s5.110(6)(b) or (c).	Yes	As per the City of Perth Register of Complaints of Minor Breaches. There were no complaints that resulted in action under s5.110(6)(b) or (c) in 2018.	Niloha Mendoza
3	s5.121(2)(a)	Does the complaints register maintained by the complaints officer include provision for recording of the name of the council member about whom the complaint is made.	Yes	As per the City of Perth Register of Complaints of Minor Breaches.	Niloha Mendoza
4	s5.121(2)(b)	Does the complaints register maintained by the complaints officer include provision for recording the name of the person who makes the complaint.	Yes	As per the City of Perth Register of Complaints of Minor Breaches.	Niloha Mendoza
5	s5.121(2)(c)	Does the complaints register maintained by the complaints officer include provision for recording a description of the minor breach that the standards panel finds has occured.	Yes	As per the City of Perth Register of Complaints of Minor Breaches.	Niloha Mendoza
6	s5.121(2)(d)	Does the complaints register maintained by the complaints officer include the provision to record details of the action taken under s5.110(6)(b) or (c).	Yes	As per the City of Perth Register of Complaints of Minor Breaches.	Niloha Mendoza

Tenders for Providing Goods and Services

No	Reference	Question	Response	Comments	Respondent
1	s3.57 F&G Reg 11	Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).	No	Audit identified 4 occasions where the procurement values exceeded the tender threshold. Evidence sighted in the Contracts Expenditure Report.	Niloha Mendoza
2	F&G Reg 12	Did the local government comply with F&G Reg 12 when deciding to enter into multiple contracts rather than inviting tenders for a single contract.	Yes	As per Contract Expenditure Reports.	Niloha Mendoza

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No	Reference	Question	Response	Comments	Respondent
3	F&G Reg 14(1) & (3)	Did the local government invite tenders via Statewide public notice.	Yes	As per Tender Register Book, the City has advertised tenders in the West Australian newspaper. Likewise, the tenders have been displayed on the Council House and Perth City Library public notice boards.	Niloha Mendoza
4	F&G Reg 14 & 15	Did the local government's advertising and tender documentation comply with F&G Regs 14, 15 & 16.	Yes	As per Tender Register Book.	Niloha Mendoza
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents or each acceptable tenderer, notice of the variation.	Yes	Based on sample audit testing (addendum issued to tenderer).	Niloha Mendoza
6	F&G Reg 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of F&G Reg 16.	Yes	As per City of Perth Tendering for Goods and Services Procedure and review of Tender Register.	Niloha Mendoza
7	F&G Reg 18(1)	Did the local government reject the tenders that were not submitted at the place, and within the time specified in the invitation to tender.	N/A	No late tenders received as per Tender Register.	Niloha Mendoza
8	F&G Reg 18 (4)	In relation to the tenders that were not rejected, did the local government assess which tender to accept and which tender was most advantageous to the local government to accept, by means of written evaluation criteria.	Yes	Evidence sighted in sample tender files.	Niloha Mendoza
9	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of F&G Reg 17.	Yes	As per review of Tender Register Book.	Niloha Mendoza
10	F&G Reg 19	Was each tenderer sent written notice advising particulars of the successful tender or advising that no tender was accepted.	Yes	Evidence sighted in sample tender files.	Niloha Mendoza
11	F&G Reg 21 & 22	Did the local governments's advertising and expression of interest documentation comply with the requirements of F&G Regs 21 and 22.	Yes	As per the expressions of interest advertisements within Tender Register.	Niloha Mendoza
12	F&G Reg 23(1)	Did the local government reject the expressions of interest that were not submitted at the place and within the time specified in the notice.	N/A	All other expressions of interest submitted at the place and within the time specified in the notice.	Niloha Mendoza
13	F&G Reg 23(4)	After the local government considered expressions of interest, did the CEO list each person considered capable of satisfactorily supplying goods or services.	Yes	Evidence sighted in Record of Delegated Authority Decision for expressions of interest within Tender Register.	Niloha Mendoza

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No	Reference	Question	Response	Comments	Respondent
14	F&G Reg 24	Was each person who submitted an expression of interest, given a notice in writing in accordance with Functions & General Regulation 24.	Yes	Letter to successful and unsuccessful applicants were sighted for expressions of interest.	Niloha Mendoza
15	F&G Reg 24AD(2)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice.	Yes	As per Tender Register.	Niloha Mendoza
16	F&G Reg 24AD(4) & 24AE	Did the local government's advertising and panel documentation comply with F&G Regs 24AD(4) & 24AE.	Yes	As per Tender Register.	Niloha Mendoza
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of F&G Reg 16 as if the reference in that regulation to a tender were a reference to a panel application.	Yes	As per City of Perth Purchasing Policy 9.7 and review of Tender Register.	Niloha Mendoza
18	F&G Reg 24AD(6)	If the local government to sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application, notice of the variation.	Yes	As per addendum issued to applicants for tender panels.	Niloha Mendoza
19	F&G Reg 24AH(1)	Did the local government reject the applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time specified in the invitation for applications.	N/A	All submissions received at the place and time specified in the invitation as per Tender Register.	Niloha Mendoza
20	F&G Reg 24AH(3)	In relation to the applications that were not rejected, did the local government assess which application (s) to accept and which application(s) were most advantageous to the local government to accept, by means of written evaluation criteria.	Yes	As per relevant Council Reports and Records of Delegated Authority Decision Report.	Niloha Mendoza
21	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers, comply with the requirements of F&G Reg 24AG.	Yes	As per Tender Register.	Niloha Mendoza
22	F&G Reg 24AI	Did the local government send each person who submitted an application, written notice advising if the person's application was accepted and they are to be part of a panel of pre-qualified suppliers, or, that the application was not accepted.	Yes	As per letters to applicants within Content Manager (records keeping system).	Niloha Mendoza
23	F&G Reg 24E	Where the local government gave a regional price preference in relation to a tender process, did the local government comply with the requirements of F&G Reg 24E in relation to the preparation of a regional price preference policy (only if a policy had not been previously adopted by Council).	N/A	No Regional price preference given in 2018.	Niloha Mendoza

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No	Reference	Question	Response	Comments	Respondent
24	F&G Reg 24F	Did the local government comply with the requirements of F&G Reg 24F in relation to an adopted regional price preference policy.	N/A		Niloha Mendoza
25	F&G Reg 11A	Does the local government have a current purchasing policy in relation to contracts for other persons to supply goods or services where the consideration under the contract is, or is expected to be, $150,000 or less.	Yes	Corporate Policy No. 9.7 (Purchasing Policy).	Niloha Mendoza

I certify this Compliance Audit return has been adopted by Council at its meeting on _____

Signed Mayor / President, Perth

Signed CEO, Perth

Agenda Item 13.17 **Validation of Critical/Major Risk Mitigation Strategies Review – January 2019**

Recommendation:

That Council APPROVES the Validation of Critical/Major Risk Mitigation Strategies Review – January 2019 as part of the Internal Audit Plan 2018/19 as detailed in Attachment 13.17A and 13.17B.

FILE REFERENCE:	P102969-8
REPORTING UNIT:	Governance
RESPONSIBLE DIRECTORATE:	Office of the Chief Executive
REPORT AUTHOR DISCLOSURE OF INTEREST:	Nil
DATE:	29 January 2019
ATTACHMENT/S:	Attachment 13.17A - Validation of Critical/Major Risk Mitigation Strategies Review - January 2019 Report Attachment 13.17B - Analysis of Risks Reviewed

Council Role:

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

Legislation / Strategic Plan / Policy:

Legislation	*Local Government (Audit) Amendment Regulations 2013*
Integrated Planning and Reporting Framework Implications	**Strategic Community Plan** Goal 8 - A city that delivers for its community
Policy Policy No and Name:	19.1 – Risk Management

Purpose and Background:

Approval of the Validation of Critical/Major Risk Mitigation Strategies Review – January 2019 completed in accordance with the Internal Audit Plan for 2018/19.

Details:

The findings of the review are detailed in the Attachment 13.17A and 13.17B.

Stakeholder Engagement

No stakeholder engagement was undertaken in relation to this report.

Financial Implications:

There are no financial implications related to this report.

Comments:

Nil

City of Perth

Validation of Critical/Major Risk Mitigation Strategies Review – January 2019

FINAL REPORT

Review Undertaken By:	**Mario Cheldi** **Internal Auditor**

Areas for review Critical/major risks as recorded on the City's RMSS Risk Register.

Period of Audit Field Work December 2018/January 2019.

Background

The idea for this review was proposed by the former External Member of the Audit and Risk Committee in April 2016 during the seeking of potential audit areas for inclusion within the 2016/17 Internal Audit Plan.

A recognition of the value of this review has resulted in its inclusion within the 2016/17, 2017/18 and 2018/19 Internal Audit Plans as approved by the Audit and Risk Committee and Council.

This January 2019 review is the third instalment of the Validation of Critical/Major Risk Mitigation Strategies Review.

Completion of the Validation of Critical/Major Risk Mitigation Strategies Review is supported by two Organisational Risk Management Maturity Assessments undertaken in recent years by LGIS (Local Government Insurance Services) Risk Management and Riskwest in 2016 and 2018 respectively. Each of these assessments has recommended the implementation of assurance plans to ensure the effectiveness of risk management processes, controls and treatments.

Undertaking the Validation of Critical/Major Risk Mitigation Strategies Review meets the requirement for implementation of the abovementioned assurance plans.

Objective

The objective of the review is to obtain evidence to provide assurance that mitigation strategies for key risks are in progress, adequately resourced (budget and staff) and address the underlying cause(s) of the risk.

Scope

This review examined the following high rated risks identified by the Risk Management Team during relevant business unit operational risk assessment workshops and subsequently recorded on the Risk Register.

- Risk ID 25 (Delivery of Civil Engineering Projects)
- Risk ID 112 (Event Approvals)
- Risk ID 110 (On Street Parking Compliance Management)

The above high rated risks were put forward by the Risk Management Team as being worthy of review based on consequences of these risks and importance of their effective management.

It should be noted that at the time of carrying out this review, no risks of the City were rated as "extreme" (highest risk rating) by the Risk Management Team.

A number of aspects of the above three high rated risks were reviewed i.e. existing controls, causes and treatment action plans (mitigation strategies).

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However, the focus of this review was on mitigation strategies in place to address these risks.

In addition to assigning a high risk rating, a controls effectiveness rating of "inadequate" was given by the Risk Management Team to each of the above listed risks. This review also included a reassessment of these ratings after taking into account the treatment action plans (mitigation strategies) in place.

Approach

The following steps were undertaken in completing this review:

- Abovementioned risks for review were identified from discussions with the Risk Management Team.
- Details of the risks to be reviewed including existing controls, treatment action plans (mitigation strategies) and progress, risk rating and controls effectiveness ratings were obtained from the latest Risk Management Quarterly Update Report produced by the Risk Management Team for the 5 November 2018 Audit and Risk Committee meeting. This report provides a summary on key risks of the City.
- Available documentation in relation to the mitigation strategies of the selected risks was researched and reviewed.
- Interviews were then held with the Risk Owners of the selected risks to gain further understanding of all aspects of these risks including mitigation strategies in place and their progress. Discussions were also held with other relevant staff who are involved in the mitigation of the risks under review.
- Monitoring on the progress of implementation of mitigation strategies was carried out. This involved further discussions with the Risk Owners and other relevant staff as well as examination of relevant documentation. Monitoring was carried out up until late January 2019 to enable this report to be included within the agenda for the 18 February 2019 Audit and Risk Committee meeting.
- Findings and conclusions for this review were documented within the attachment to this report.
- These findings and conclusions were discussed with the Risk Management Coordinator.
- A report (this report) was then drafted summarising the results of the findings and conclusions.
- The final report will be included in the agenda for the Audit and Risk Committee Meeting to be held on the 18 February 2019.

Conclusion

Evidence was obtained to provide assurance that mitigation strategies for risks reviewed are in progress, adequately resourced (budget and staff) as well as addressing the underlying cause(s) of these risks.

A full analysis on the risks reviewed is provided within the attachment to this report.

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Comments The Validation of Critical/Major Risk Mitigation Strategies Review provides assurance on the effectiveness of risk management processes, controls and treatments for key risks and in doing so is ensuring that the City is addressing a recommendation from the latest Organisational Risk Management Maturity Assessment carried out in 2018 by Riskwest on the implementation of assurance plans.

Acknowledgements The cooperation and assistance received from the Risk Management Team, Risk Owners as well as other relevant staff involved in the mitigation of the risks under review is appreciated.

Sign off

_____

Mario Cheldi
Internal Auditor

29 January 2019

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VALIDATION OF CRITICAL/MAJOR RISK MITIGATION STRATEGIES REVIEW – JANUARY 2019

Notes
1. The table below was obtained from the Risk Management Quarterly Update Report (October 2018) as produced by the Risk Management Team.
2. Current progress of treatment action plans within the table was provided by the Risk Owner for inclusion within the abovementioned update report.

RISK ID - 25

RISK NAME: Delivery of Civil Engineering Projects		**ASSESSMENT DATE**: September 2017	
KEY SERVICE: Delivery of Construction Capital Works (detailed design though to construction, inclusive of procurement, tenders and contract management)		**RISK OWNER:** Acting Manager Construction – Construction & Maintenance Directorate	
Risk Description	**Existing Controls**	**Controls Effectiveness**	**Risk Rating**
Ineffective and Inadequate budget allocation, scheduling and management of Civil Engineering Projects, such that investment does not achieve the objectives of the projects	Set up of new Project Management process currently underway Project Management Skills Centre Stakeholder Consultation Internal Working Group Project reviews and ongoing lessons learnt Contract performance at the end of each project Open and frank discussions Early engagement of the procurement representatives at tendering stage of projects	**Inadequate**	**Financial – Management of Budget** **Major / Possible** **HIGH RISK**

Treatment Action Plans	**Current Progress**
1. **Project Portfolio Management System (PPMS) Project –** This project is to provide a system to raise the City's Project Management Capability. Improvements have now been identified as being required to: skills gaps, systems gaps and processes and procedures.	There has been considerable progress made regarding the controls inadequacy of this risk. The Construction Unit has created a standard suite of documents for use in managing projects. These are being progressively adopted as new projects commence. There has also been increased focus on the proper use of the project handover checklist to ensure project scope, budgets and deliverables are clearly defined at handover. The oversight of the handover process has been allocated to the Directorate Accountant and relevant Project Manager.

Treatment Action Plans (continued)	Current Progress (continued)
	Formal Project reporting and scheduling are now updated monthly through the revised gateways portal. Each project now has budget, time and cost forecasting updated and reported monthly. New staff recruitment currently focuses on contract and design management experience to improve the skill set of the unit. The PPMS is also being built to improve the City's systems with a focus on consistency in project planning and delivery. The PPMS project will commence work on evaluating a project, portfolio management system in later October and this will feed in to the Operating Model and Implementation recommendation that will go to ELG for approval at the end of the year (December 2018).

Validation of risk mitigation strategies (treatment action plans) for addressing this risk was obtained via discussions with the Risk Owner and other relevant staff as well as review of applicable documentation.

Treatment Action Plans

One treatment action plan i.e. Project Portfolio Management System (PPMS) Project is described in the above table. Although it has been identified that this is the key treatment action plan, other plans for addressing this risk were also identified within the table above (refer current progress section). The analysis below covers all treatment action plans described in the same order as they are mentioned under current progress within the above table.

Standard suite of documents for managing projects

The standard suite of documents mentioned under current progress above refers to the following documents as provided by the Acting Manager Construction (Risk Owner).

- Certification of Progress Payment to Construction Contractors
- Goods receival principal supplied products
- Notice of Proposed Variation
- Construction Project Meeting Minutes Forms
- Superintendent's Direction – Extension of Time
- Superintendent's Instruction

- Variation Acceptance
- Certificate of Practical Completion

According to the Acting Manager Construction the above documents are being used by Project Managers as applicable to assist with the management of construction projects.

Standard templates for the management of projects within the City are currently being developed as part of the Project and Portfolio Management System project (refer below).

Project Handover

A Construction Unit – Project Checklist is in place to ensure all required factors for the effective management of projects have been addressed prior to proceeding to the Delivery Planning, Execution and Finalise Phases of projects. This checklist is completed as part of the project handover process from the initiating unit (Coordination & Design/Transport) to the delivery unit (Construction). Included within this checklist are project financial closing information (as at handover from Coordination & Design/Transport), Content Manager (record keeping system) reference to other handover information requirements (Time Lord Project Task Report, Detail Project Expenditure Transaction Report, Commitment Detail Report) as well as a listing on project deliverables including responsibility for these deliverables i.e initiating unit/delivery unit. Approval by relevant initiating and delivery unit staff to the project handover is noted on the checklist. This staff includes project staff and unit management as well as Directorate Accountant/Senior Financial Management Officer.

Evidence on the completion of the abovementioned checklist in recent months was sighted for two projects – East End Revitalisation Program and Hill Street Two Way.

A memorandum to the Director Planning & Development and Director Construction & Maintenance was also sighted for each of the above projects from relevant initiating and delivery unit staff confirming agreement of project budget considerations as well as roles and responsibilities for the works.

Project Reporting

Gateways is the project management methodology currently in place at the City. The Gateways Project Register Report is an excel spreadsheet which provides a summary on all projects of the City as at a certain date. This summary includes project status in relation to scheduling and budget.

Following a review of the Gateways Project Register Reports (as at 22 October 2018, 12 November 2018 and 19 November 2018) it is evident that the relevant Project Manager has been maintaining an updated status on Gateway in relation to scheduling and budget of the Construction Unit project(s) under their control.

Evidence was also obtained on the Construction Unit monthly updating and reporting on budget, time and cost forecasting for projects under their control. A project budget and finance spreadsheet is being maintained for Construction projects and monitored by the Acting Manager Construction. This spreadsheet contains worksheets which detail various budget and cost forecasting information relating to a project. The budget and finance spreadsheet for the Wellington

VALIDATION OF CRITICAL/MAJOR RISK MITIGATION STRATEGIES REVIEW – JANUARY 2019

Square Redevelopment Project currently underway was reviewed. In addition, the project schedule was reviewed for this project. This schedule is in a Gantt chart format providing duration, start and finish dates as well as progress, milestones, etc for various project tasks.

New staff recruitment

Current position description forms for staff within the Construction Unit were obtained from Human Resources and reviewed. It was evident from this review that skills and experience in contract and design management are being included as job requirements within these forms. This applies more so to the recruitment of senior positions within the unit i.e. Principal Project Manager, Senior Design Engineer (x2) and Electrical Engineer.

Project and Portfolio Management System (PPMS) project

The PPMS project is a strategic initiative being managed by a PPMS Team to improve the overall standards, processes and systems in support of the City's project execution. This initiative will take into account the varying nature of the City's projects in terms of scale, budget and type e.g. business change, technology or construction.

As part of the PPMS project in December 2017 the ELG (Executive Leadership Group) approved the completion of the following:

1. An independent assessment of the organisation's project maturity using a formal certification to enable a baseline to be set for evaluation of the organisation now and in the future.
2. Independent assessor to produce recommendations for the operating structure to support project, programme and portfolio expertise for the City's projects.

In January 2018 QVC Consulting was engaged to carry out the abovementioned independent assessment. QVC provided the results of their assessment to the City in February 2018. Central to the assessment findings is that the City's project maturity is low (did not qualify for a maturity certification) and capacity and systems need to be progressively improved.

The results of the assessment were reviewed by the PPMS Team during March and April 2018. In early June 2018, the PPMS Team provided the ELG with a report on the findings and recommendations of the independent assessment. ELG endorsement of the recommendations in support of the assessment findings was obtained as well as approval to proceed to the next stage of the PPMS project as outlined within the assessment.

The next stage of the PPMS project comprised the commencement in June 2018 of the following six work streams:

- Project Categorisation
- Project Lifecycle and Decision Points
- Gateways Quick Wins

- Launch Portal – Source of Truth
- Business Proof of Concept (Technology)
- Operating Model

Project Categorisation and Project Lifecycle and Decision Points work streams refer to development of a project management framework which includes templates, guidelines and other supporting documentation to replace the existing Gateways project management framework.

Gateways Quick Wins refers to changes made to the excel spreadsheets (as part of the existing Gateways project management system).

Launch Portal – Source of Truth refers to the establishment of an intranet site to enable the project community to have a single corporate place to go to for information on the PPMS. Following ELG approval this intranet site was launched in October 2018.

Business Proof of Concept (Technology) work stream refers to an evaluation of the suitability of a technology solution for a PPMS. The City has an existing enterprise agreement with Microsoft which has enabled it to evaluate a Microsoft Project Portfolio Management solution. This solution known as Jumpstart has been developed by Sensei Project Solutions who are a Microsoft Partner. Jumpstart was determined as "fit for purpose" subject to configuration enhancements. This evaluation was used in the preparation of a Request for Tender for a PPMS (refer below).

Finally, the Operating Model workstream involves the establishment of an "operating service function to support the project community in the City of Perth, improve the overall organisational reporting (Portfolio, Program and Project) and implement a system." A presentation was made by the PPMS Project Manager to the ELT (Executive Leadership Team, formerly Executive Leadership Group) in late November 2018 in relation to a proposed operating model. This model comprises a Project Portfolio Service Team as well as a system and processes. On the 28 November 2018, the ELT approved this operating model in principle and instructed work to commence on the recruitment of staff for this Team.

In early January 2019, a corporate intranet announcement was made to advise that the existing PPMS Team comprised of the Project Manager and two other staff members have relocated (from the Data and Information Unit) to the Construction and Maintenance Directorate (reporting to the Director). The announcement advises that the work currently being undertaken by the PPMS Team is "about establishing the project, program and portfolio systems, processes and technology to support the City of Perth. The project team is going to implement and run the day to day PPMS operational area for a period of 18 months to improve the maturity of the City and allow evaluation of an operating model".

During mid-January the City advertised a tender (68-18/19) for a Portfolio Project Management System. Closing date for this tender is the 5 February 2019. An estimated value of this tender as per the Tender Request Form is $300,000. The Request for Tender document outlines the City's preference is "for the system to be in place, configured and User Acceptance Testing completed by no later than the 15 June 2019 to enable the central office to commence loading our 2019/20 project portfolio by 30 June 2019."

A planning process for the prioritisation of 2019/20 projects was identified on the intranet site for the PPMS. It is understood from the PPMS Project Manager that this process was not previously scoped as a part of the PPMS project. This process shows that the MLT (Management Leadership Team) will complete project

templates (as developed by the PPMS Team) i.e. Investment on a Page (project plan), business case and budget justification for projects. These templates will be reviewed by the ELT for the prioritisation of projects for 2019/20. The process show that the ELT will advise projects chosen in mid-February 2019. Confirmation that this process is underway was obtained from the PPMS Project Manager.

Existing Controls

In addition to the abovementioned treatment action plans (risk mitigation strategies) this review examined existing controls for this risk.

Risk ID 25 was first identified during a risk workshop facilitated by the Risk Management Team and attended by key Construction Unit staff including the previous Manager Construction on the 6 February 2017. The existing controls for this risk as recorded within the table above were applicable at the time of this workshop, however, as determined below the majority of these controls are no longer considered to be valid.

Existing controls for Risk ID 25 were discussed with the Acting Manager Construction (Risk Owner). As a result of this discussion it was identified that the following can be classified as existing controls for this risk.

- Project Delivery Framework. This framework was developed by the previous Manager Construction and comprises a Project Delivery Flowchart as well as project templates. Use of templates that are part of this framework was sighted for recent projects. "New Project Management process" mentioned in the table above under existing controls refers to this framework. The Project Delivery Framework is being superseded by the PPMS (refer above).
- Stakeholder Consultation. Consultation with internal and external stakeholders of construction projects is evident on the Construction Unit – Project Checklist (refer Project Handover section above).
- Construction and Maintenance Directorate Consolidated Monthly Business Reports. Provided to management of the Directorate and as sighted includes a budget and progress summary on capital projects being managed by relevant units within the directorate as well as a description on the status of major construction projects.

Underlying causes

A lack of consistency in project management processes including templates/forms was identified from discussions with the Acting Manager Construction (Risk Owner) as the underlying cause of Risk ID 25.

Conclusion

The key mitigation strategy for addressing Risk ID 25 is the PPMS currently under development. Implementation of the PPMS is aimed at improving not only the management of construction projects but projects at the City in general. As demonstrated above the City is directing adequate resources to the PPMS project both in terms of personnel and budget.

Implementation of the PPMS will address the underlying cause of this risk as described above.

Considerable work is required to embed the operating model for the PPMS within the organisation. An initial timeframe of six months (i.e. January to June 2019) for the PPMS Team to "bring in the new technology and surrounding systems" was highlighted within the abovementioned presentation in November 2018. The PPMS Project Manager has estimated that raising the organisation's project maturity to an acceptable level will require around 18 months (from January 2019). The current high-risk rating and inadequate control effectiveness rating for Risk ID 25 are therefore warranted to remain at the time of this review.

VALIDATION OF CRITICAL/MAJOR RISK MITIGATION STRATEGIES REVIEW – JANUARY 2019

Notes
1. The table below was obtained from the Risk Management Quarterly Update Report (October 2018) as produced by the Risk Management Team.
2. Risk ID 112 was a new risk as recorded within the abovementioned update report.
3. Current progress of treatment action plans within the table below was provided by the Risk Owner for inclusion within the update report.

RISK ID 112 — **NEW RISK IDENTIFIED**

RISK NAME: Event Approvals	**ASSESSMENT DATE**: 10 April 2018
KEY SERVICE: Assessment and approval of activity applications - events in public realm	**RISK OWNER:** Manager Health and Activity Approvals – Community and Commercial Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Failure to effectively process, assess and approve event applications in line with the City's policies and Legislative requirements (health & safety requirements, federal act crowded places, local laws, public building, food & noise legislation) and external stakeholders.	Terms and conditions of approvals given Checklists of event compliance (insurance, risk management, traffic management, waste management, noise management, parking management, music licences, community consultation, building specs, engineering sign offs, safety and security, disability access and inclusion plans, running sheets) Regulation 18 Applicant Guideline. External support from stakeholders (WAPOL, PTA, MRA, Main Roads, Health Department, Department of Water and Environmental Regulation, Department of Mines and Petroleum) Pathways for processing of applications Dedicated Compliance Officer Regular internal stakeholder meetings Site inspections and debriefs post event Pre-and post-surveys with customers Requirement of risk management plans Environmental Health Officers site inspections (before, during event) Pathways manual for system use	**Inadequate**	**People** **Major/ Possible** **HIGH RISK**

	Post event complaints process Events approval process currently under review		

Treatment Action Plans	**Current Progress**
1. Implement a City of Perth Event Policy and Guideline	The policy and guidelines are currently being draft, to be completed 30 November 2018.
2. Review the suitability of replacing the Pathway online application process with the CRM system to increase usability and processing timeframes.	A graduated approach of building Customer Relationship Management (CRM) has commenced using simple applications such as weddings, then increasing complexity through to full mass attendance community events. Suitability of the CRM solution will not be known until early 2019. If suitable, the full system build will be included in the 2019/20 budget.
3. Training and upskilling of activity approval and environmental health officers on latest policy and legislation changes.	Staff Training – Attendance at forums for Hostile Vehicle Mitigation, Crowd Science, Crowded places in February, July and September 2018 respectively. The City's Environmental Health Officers and Activity Approval Officers that deal with event approvals attended the HVM training and Crowded Places forums in July 2018. Further training opportunities will be sought for Activity Approval Officers as well in early 2019.

Validation of risk mitigation strategies (treatment action plans) for addressing this risk was obtained via discussions with the Risk Owner and other relevant staff as well as review of applicable documentation.

Treatment Action Plans

Treatment action plans are described below in the same order as they are mentioned within the table above.

City of Perth Event Policy and Guideline

A City of Perth Events Policy (Council Policy) has been drafted (sighted) by the Health & Activity Approvals Unit and contains a policy objective, scope and statement. Under policy objective the aims of this policy are listed as follows:

- Set standards for the conduct of safe, inclusive events

- Encourage events that have a strong community benefit and engagement
- Set guidelines for the approval, classification and evaluation of events

The current status of the draft policy is that it has been provided to the Governance Unit for feedback. As advised by the relevant Governance Unit Officer present focus is on the review of existing high risk rated Council Policies of the City, however, a review of the draft Event Policy is planned to be undertaken with applicable staff to be involved in the review process. The Event Policy is aimed for completion by the end of February 2019.

An Event Planning Guide has also been drafted by the Health & Activity Approvals Unit. This guide was reviewed and found to contain information on the requirements (including legislative) and considerations that event planners should include in planning for events and in applying to hold an event in the City of Perth. The guide is still in development and planned to be completed by the end of February 2019 and then made available on the City's website.

Review the suitability of replacing the Pathway online application process with the CRM system

Feedback from the Risk Owner and the Manager Customer Service suggests that the current Pathway system used for processing Health and Activity Approval applications is not considered to be "fit for purpose". It is believed that use of the Customer Relationship Management (CRM) system for processing these applications will result in an improvement in the customer experience and management of data as well as facilitate the assessment of event applications against requirements.

In April 2018 IT consultancy firm Diversus was appointed via a request for quotations under a state government common use agreement to commence a project which involved the delivery of a CRM (Microsoft Dynamics 365) Booking System for three booking types i.e feature lighting, banners and flags, busking permit application as well as scoping for an event booking solution within this system. As recorded on the approval memorandum for this request for quotations, accepted Diversus quotation of $85,300 (exc GST) was within the project budget of $100,000.

The abovementioned project was undertaken from May to July 2018. Delivery of a CRM Booking System for feature lighting, banners and flags, busking permit application was achieved by Diversus during this period. In addition, an event scoping solution specification within CRM was developed by Diversus and provided to the City. This specification was developed following a number of workshops conducted by Diversus consultants to discuss requirements for an event booking solution within CRM. Attendees at these workshops included relevant staff from Health & Activity Approvals, Customer Service and Information Technology.

Since these workshops, the City has undertaken development of its CRM system to enable the processing of wedding bookings (bookings of parks within the City for weddings). In addition, the Manager Customer Service has performed testing on the integration of event data between the Pathway and CRM systems. This testing has involved the Pathway software supplier, Infor. As a result of this testing it was found that Pathway currently does not support integration with CRM. The Manager Customer Service has been exploring options for integration of data between Pathway and CRM via other systems. One such option currently under investigation is using the Hansen system, an Infor product used by the City for asset management, to achieve this integration.

Currently, the move towards replacing Pathway with CRM has stalled due to data integration issues identified between these systems. Options are presently being explored to achieve integration between these systems via other systems such as Hansen as described above.

Training and upskilling of activity approval and environmental health officers on latest policy and legislation changes

Confirmation was obtained via discussions with the Manager, Health & Activity Approvals Unit that the Hostile Vehicle Mitigation Seminar (hosted by Main Roads) and Crowded Places Forum (hosted by WA Police) held in 2018 were attended by Environmental Health Officers and Activity Approval Officers that deal with event approvals. It was also confirmed that key Health & Activity Approvals staff attended a Crowd Risk Analysis – Crowd Safety Engineering and Crowd Management Course in February 2018. Details on the above training courses are contained on Content Manager (City's recordkeeping system). The abovementioned training is in line with a national strategy for protecting crowded places from terrorism (refer below).

Other relevant training completed in 2018 by Activity Approval Officers and Environmental Health Officers was identified from discussions with the Manager, Health & Activity Approvals Unit and confirmed on Content Manager. This includes ongoing training for Environmental Health Officers in relation to their powers and responsibilities under the Environmental Protection Act 1986 as well as training for Activity Approval Officers in the areas of work health and safety, traffic management plans, and first aid.

In August 2017 a federal strategy, "Australia's Strategy for Protecting Crowded Places from Terrorism", was published by the Australia-New Zealand Counter-Terrorism Committee, the national body responsible for coordinating an effective counter-terrorism capability across Australia and maintaining arrangements for intelligence and information sharing between all jurisdictions and relevant agencies. The objective of this strategy is "to protect the lives of people working in, using and visiting crowed places by making these places more resilient to terrorism." This strategy includes a suite of supplementary materials to assist owners and operators of crowded places to understand and implement protective security measures. Included within these supplementary materials are tools for carrying out a Crowded Places Security Audit and Self-Assessment.

Using the abovementioned tools, in late December 2018 the Community Safety and Amenity Unit completed a Security Audit and Self-Assessment on crowded places under the control of the City. Results of this Security Audit and Self-Assessment were provided by the Manager, Community Amenity and Safety and include a number of recommendations to address security issues identified. The Manager, Community Amenity and Safety has advised that ELT approval including budget for the implementation of these recommendations is to be sought as soon as practical.

Hostile Vehicle Guidelines for Crowded Places is also included as part of supplementary materials of the abovementioned federal strategy. It should be noted that Hostile Vehicle Mitigation Plans have been in place for large scale events held within the City. These events include Skyworks 2019 and New Year's Eve (31 December 2018) in Northbridge. Hostile Vehicle Mitigation Plans for these events were sighted on Content Manager.

As a result of the introduction of the federal strategy, the Health & Activity Approvals Unit have recognised that existing event approval processes need to be reviewed to include hostile vehicle and crowded places management, assessment of event risk management plans by a qualified officer and evaluation of potential risk factors which could attract terrorist attention. In December 2018, a project plan was developed by the unit which includes the engagement of services of an external consultant to provide direction and assistance with relevant training, process improvements and software to enable the City to better deal with the threat of terrorism within its crowded places. As shown on the project plan (2019/20 Investment on a Page), projected total budget for this project is $130,000 spread over the 2019/20, 2020/21 and 2021/22 financial years. The project is being considered as part of the process for the prioritisation of 2019/20 projects for the City (refer discussion on PPMS, Risk ID 25 above).

VALIDATION OF CRITICAL/MAJOR RISK MITIGATION STRATEGIES REVIEW – JANUARY 2019

Existing Controls

In addition to the abovementioned treatment action plans (risk mitigation strategies) this review examined existing controls for this risk.

The existing controls for Risk ID 112 as recorded within the above table were discussed with the Manager Health & Activity Approvals Unit (Risk Owner) and Coordinator – Activity Approvals and as a result of this discussion confirmed to be still valid.

As applicable, evidence of these controls being applied was sighted for a recently held event within the City i.e. 2018 Christmas Pageant.

Existing control of events approval processes are currently under review. This review is expected to be completed by the end of January 2019.

Underlying causes of risk

Following discussions with the Manager Health & Activity Approvals Unit (Risk Owner) and Coordinator – Activity Approvals the following were identified as underlying causes for Risk ID 112.

- Lack of an Event Policy to provide guidance to staff on the approval and management of events within the City.
- Absence of an Event Planning Guide to provide information on the requirements (including legislative) and considerations for event planners in planning for events and in applying to hold an event in the City of Perth.
- A lack of a suitable system for managing event applications.
- Internal event approval processes in need of improvement.

Conclusion

Risk mitigation strategies (risk treatment plans) are in progress and as appropriate being resourced to address this risk.

However, further work is required to address the underlying causes of this risk as outlined above. As a result, the current high risk and inadequate control effectiveness ratings for Risk ID 112 are therefore warranted to remain at the time of this review.

VALIDATION OF CRITICAL/MAJOR RISK MITIGATION STRATEGIES REVIEW – JANUARY 2019

Notes

1. The table below was obtained from the Risk Management Quarterly Update Report (October 2018) as produced by the Risk Management Team.
2. Risk ID 110 was a new risk as recorded within the abovementioned update report.
3. Current progress of treatment action plans within the table below was provided by the Risk Owner for inclusion within the update report.

RISK ID 110 — **NEW RISK IDENTIFIED**

RISK NAME: On Street Parking Compliance Management	**ASSESSMENT DATE**: 13 September 2018
KEY SERVICE: Managing of parking compliance and safety of public in on street parking through enforcement of City of Perth Parking Local Law	**RISK OWNER:** Manager Parking Services – Community & Commercial Services Directorate

Risk Description	Existing Controls	Controls Effectiveness	Risk Rating
Failure to provide an efficient and reliable enforcement management system for on street parking in line with legislative requirements (City of Perth Parking Local Law, etc.)	Integrated Parking Management System Project (IPMS) underway to replace ageing equipment and systems Critical systems have been prioritised in implementation of IPMS system Manual work arounds deployed as and if required Manual manipulation of on street parking databases to mitigate outdated technology and systems Training needs matrix for Parking Services Staff (four-week induction training and ongoing training) Monthly assessments of staff capability Supervisor coaching of staff Processes and Procedures 37 permanent parking officers Allocation of staff in line with Beat Management Procedure to meet business requirements Membership to Local Government Learning and Development Forum and Government Gazettes emailing list (e.g. Parking Australia) Auditing and exception reporting on all infringements issued	**Inadequate**	**Financial** **Major / Possible** **HIGH RISK**

VALIDATION OF CRITICAL/MAJOR RISK MITIGATION STRATEGIES REVIEW – JANUARY 2019

Treatment Action Plans	Current Progress
1. **Integrated Parking Management System (IPMS)** – implementation of integrated parking systems (new on street machines, sensors, systems and equipment) to support the efficient operations of the City's parking operations, as well as improving customer experience and engagement.	The tender for the IPMS has been awarded, with negotiations currently underway with the preferred supplier to finalise the various components of the tender. The award of the contract is expected to be finalised during the negotiation process, including a review and update to the Risk Management Plan. During the negotiations, the Contract Management Plan will also be developed by the Project Manager who has been recently appointed. The City will continue to manage and monitor the critical infrastructure during the transition period prior to the rollout of the new equipment.

Validation of risk mitigation strategy (treatment action plan) for addressing this risk was obtained via discussions with the Risk Owner and other relevant staff as well as review of applicable documentation.

<u>Treatment Action Plan</u>

The one treatment action plan for addressing this risk relates to the Integrated Parking Management System.

Integrated Parking Management System (IPMS)

On 9 December 2017, the City publicly advertised an Expression of Interest (95-17/18) allowing interested parties to participate in the process for an IPMS. At the close of the Expression of Interest period on 30 January 2018, 11 submissions had been received.

The City then proceeded to a closed Request for Tender with four shortlisted tenderers. A Request for Tender (134-17/18) was released to invited tenderers through the City's Tendering portal on 15 May 2018. Tenders closed on 26 June 2018.

As described in the report to Council on Tender 134-17/18 Integrated Parking Management System (dated 1 September 2018) the City currently uses a variety of ageing parking technologies and systems which are not integrated. This report states "In view of the common issues with ageing technology, equipment and systems it was envisaged that the possibility of the integration of all parking related systems into one modular, yet cohesive system would provide significant

benefits to the customer and the City, increasing the return on investment and substantially increase efficiencies through automation and simplification of systems".

The abovementioned report outlines a vision of the City to have a fully integrated system comprised of the following components:

- Enforcement/Infringement Management System;
- In-ground Parking Sensors;
- Multi-payment Parking Machines;
- Parking Permit and Bay Reservation System;
- Payment System;
- Digital Signage;
- Centralised Customer Database that will enable the City reporting functionality and provide information to device applications for use by external customers; and
- Car Park automation.

An enforcement system and infrastructure (on-street) is highlighted within the abovementioned report as one of the priority areas for implementation in year 1 of this project.

The Council report on Tender 134-17/18 mentions that, following an evaluation process, a tender submission for an IPMS from Australian Parking and Revenue Control Pty Ltd and Parkeon Pty Ltd (APARC) was identified as the most suitable. A report recommendation that APARC be accepted as the most suitable tender submission was accepted by Council at its meeting held on 25 September 2018. The financial implications section of the Council report shows a budget for the IPMS project (implementation of on-street components only) of $6,587,470. As outlined within this report, implementation of off-street equipment and infrastructure will be subject to a separate report to Council for approval of the City of Perth Parking Business Plan.

At present, the City and APARC are negotiating the draft contract in respect of the IPMS. In particular, the final commercial details e.g. scope, specifications and pricing are being finalised which will be included in schedules to the final contract. Contract negotiations on behalf of the City are being undertaken by the Project Lead for the IPMS Project. The City is using the services of a legal firm in relation to contract preparation and advice on contractual matters. It is anticipated by the Project Lead that the final contract will be signed by the City and APARC at the end of January 2019.

In the interim, the City has entered into an agreement with APARC to provide the products and services in respect to an enforcement management system. As sighted this agreement was signed by the City (CEO) on 2 January 2019. The products and services to be provided in relation to the enforcement management system as outlined within the agreement are summarised below:

Products

1. 64 x Personal Digital Assistants (PDAs);
2. 64 x mobile printers; and
3. Software known as "TicketOr2"

Services

1. System Integration Services;
2. Software Support Services;
3. Hosting Services; and
4. Training Services.

The agreement in respect to an enforcement management system contains the following milestone dates to be achieved by the contractor (APARC).

Event	Date
Delivery Date for the PDAs, Printer and Software	24 December 2018
Configuration of the PDAs, Printers and Software	24 December 2018
Completion of the System Integration Services and the issuing of a Certificate of Acceptance by the Customer	21 January 2019
Date for Go-Live	21 January 2019
Completion of the Training Services	Initial training to 10 Customer Personnel – by 24 December 2018. Second training to 20-30 Customer Personnel – between 14-19 January 2019. Training and administration – to be provided by 14 January 2019.

As confirmed by both the Manager Parking Services (Risk Owner for Risk ID 110) and Project Lead for the IPMS Project, the City had been progressing through the above listed events and meeting the respective milestone dates. This progression has involved relevant staff from the Parking Services and Information Technology Units in conjunction with the contractor. The Date for Go-Live of 21 January 2019 for the enforcement management system was achieved by the contractor (APARC).

Finally, it was noted that a project plan (2019/20 Investment on a Page) is in place for the on-going maintenance and support of the equipment and software associated with the IPMS (on street components). Included within this project plan is a budget for the 2019/20, 2020/21, 2021/22 financial years of $784,727, $784,727 and $824,727 respectively. This project is being included in the prioritisation process of 2019/20 projects for the City (refer discussion on PPMS, Risk ID 25 above).

VALIDATION OF CRITICAL/MAJOR RISK MITIGATION STRATEGIES REVIEW – JANUARY 2019

Existing Controls

In addition to the abovementioned treatment action plan (risk mitigation strategy) this review examined existing controls for this risk.
The existing controls for Risk ID 110 as recorded within the above table were discussed with the Manager Parking Services Unit (Risk Owner) and as a result of this discussion confirmed to be still valid.

A number of the existing controls listed within the above table for Risk ID 110 were identified during the Parking Infringements Review carried out by Internal Audit in March 2017.

Underlying causes of risk

Following discussions with the Manager Parking Services the following were confirmed as underlying causes for Risk ID 110.

- Failure of equipment and technology eg current PDAs (Personal Digital Assistants) used for issuing parking infringements.
- Lack of data/systems to inform effective decision making.
- Ageing equipment.

Conclusion

Adequate resources both budget and staff have been allocated for the implementation of the enforcement management system (risk treatment plan).

The implementation of this enforcement management system (part of the IPMS) is a significant step in addressing the abovementioned underlying causes of Risk ID 110.

It was agreed with the Risk Management Coordinator that the controls effectiveness and risk ratings for Risk ID 110 as shown within the above table remain unchanged and are to be reassessed before the next Audit and Risk Committee meeting in May 2019.

ITEM 13.18 – MEMORANDUM OF UNDERSTANDING – INNER CITY COUNCILS

FOR THE ORDINARY COUNCIL MEETING

26 FEBRUARY 2019

DISTRIBUTED TO COMMISSIONERS UNDER SEPARATE COVER