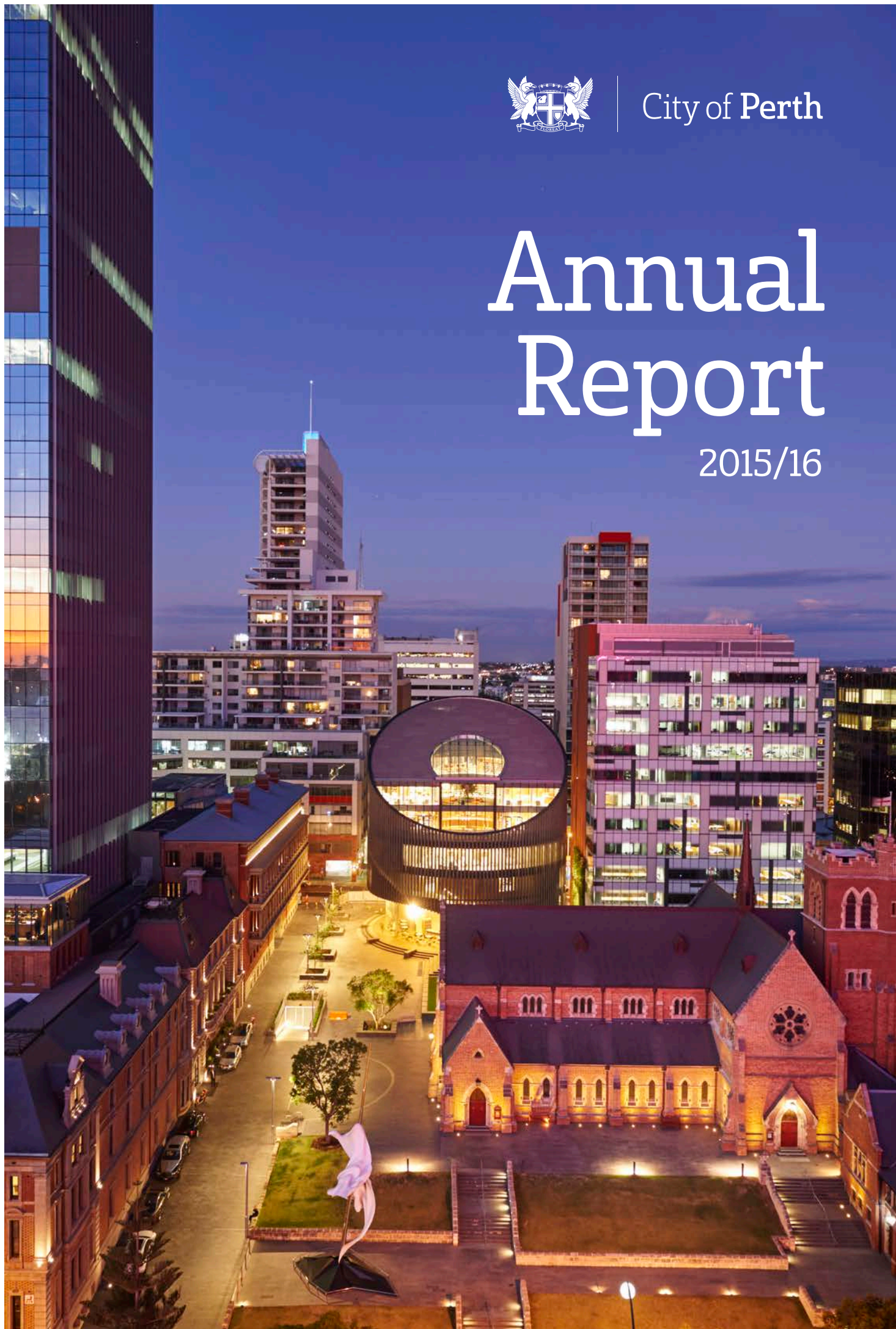




City of Perth

Annual Report

2015/16



VISION STATEMENT

Perth is renowned as an accessible City. It is alive with urban green networks that are safe and vibrant. As a global City, there is a diverse culture that attracts visitors. It provides City living at its best. Local and global businesses thrive here. Perth honours its past, while creating a sustainable future.



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Wherever possible the City of Perth prints with environmentally certified print suppliers, on environmentally friendly and recyclable paper stocks. This year, the Annual and Financial Report has been designed for digital viewing, and therefore limited print copies were produced. Printed copies can be borrowed, or viewed, at the City Library on request.

OUR ANNUAL REPORT

REPORTING

The *Local Government Act 1995* requires local governments to produce an Annual Report by 31 December each year. The City of Perth reports to our community and stakeholders in a number of ways, and goes beyond statutory requirements by producing a dynamic report.

Our Annual Report focuses on the financial and operational performance of the City of Perth in 2015/16, documenting our performance against the 2015/16 Budget, and our progress in line with our Strategic Community Plan, Vision 2029+.

Adopted in June 2013, Vision 2029+ outlines the City's long-term strategic direction and expresses our community's vision for the future, together with strategies to deliver community outcomes.

Vision 2029+ is guided by the following themes:

- Major Strategic Investments
- Getting Around Perth
- Perth as a Capital City
- Living in Perth
- Perth at Night
- Healthy and Active in Perth
- Capable and Responsive Organisation

The City's Annual Report includes a snapshot of our performance, and an overview of our outlook for the future. It includes our plans to ensure the sustainability of our organisation, our City, and the community we serve.

It also provides our people with information about how well we have performed over the year and how all our efforts have contributed to achieving our vision.

The City's Annual Report is produced in-house and is reviewed by the Chief Executive Officer to ensure its accuracy.

Our financial statements have been certified by an independent auditor.

Our Annual Report can be downloaded through our website as we only produce a limited number of hard copies.

Thank You

Thank you for taking the time to read our 2015/16 Annual Report.

We hope you find this information useful and gain valuable insight into the City's achievements for the 2015/16 financial year.

Contact Us

If you have any enquiries, please contact us on 9461 3333.

If you are representing the media, please contact our media team on 9461 3425.

Acknowledgement

The City of Perth acknowledges the Noongar people as the traditional custodians of this land.

This document is available in other formats on request.

OUR STATISTICS

Western Australia (WA) Area	2,525,500km ²
City of Perth Area	8.10km ²
WA Estimated Residential Population	2.61 million, ABS, March 2016
Greater Perth Estimated Residential Population	2.04 million, ABS, June 2016
Forecast Residential Population	23,065, ID Forecast, June 2016
Median Resident Age	31 years, ABS, August 2011
Residents Born Overseas	53%, ABS, August 2011
Residents Who Speak Non-English at Home	33%, ABS, August 2011
Daily Workforce Population	134,459, ABS, 2011
Number of Households	10,350, ABS, August 2011
Average Household Size	1.83 persons, ABS, August 2011
Predominant Household Types	One person – 33%, Couples without children – 26%, ABS, August 2011
Daytime Population	205,750, City of Perth Daytime Population Study, April 2015
Tertiary Student Population	58,000, City of Perth Daytime Population Study, April 2015
Total Private Dwellings	10,975, ABS, August 2011
Dwelling Tenure	Private rental – 56%, Owner occupied – 29%, ABS, August 2011
Total Floorspace	1,999,831m ² , Department of Planning Land Use and Employment Survey, 2015
Total Office Floorspace in Perth CBD	1,768,137m ² , Property Council of Australia, August 2016
Total Office Floorspace in West Perth	425,555m ² , Property Council of Australia, August 2016
Top 3 Land Uses by Floorspace	Office/Business – 31%, Residential – 17%, Health/Welfare/Community – 16%, Department of Planning Land Use and Employment Survey, 2015
Gross Regional Product	\$41.8 billion or 26% of Greater Perth, REMPLAN, 2015
Economic Output	\$80.1 billion, REMPLAN, 2015
Top 3 Industry Sectors by Economic Output	Mining – 40.6%, Professional, Scientific & Technical Services – 11.9%, Financial & Insurance Services – 11.4%, REMPLAN, 2015
Top 3 Industry Sectors by Employment	Professional, Scientific & Technical Services – 21.3%, Public Administration & Safety – 13.7%, Health Care & Social Assistance – 11.15%, REMPLAN, 2015
Registered Businesses	14,000 or 5,500 providing employment, ABS 2016
Total Length of Roads	95km
Total Area of Parkland and Reserves	188ha
Number of Parkland Areas and Reserves	26
River Frontage	11.25km
Largest Building (by floor area)	Brookfield Place, 75,000m ² of office space
Tallest Building	Central Park, 261.7 metres (51 floors)
Sister Cities	Kagoshima, Japan (1974), Houston, Texas, USA (1984), Rhodes, Greece (1984), Megisti, Greece (1984), San Diego, California, USA (1987), Vasto, Italy (1989), Nanjing, China (1998), Taipei, Taiwan (1999)
Charters of Mutual Friendship	Grenoble, France (inactive 1985), Perth, Scotland (2006), Seocho City, Seoul Metropolitan Government, Republic of Korea (2008), Chengdu City, China (2012)
Council Composition	Lord Mayor and 8 Elected Members
Annual Revenue Budget (including capital grants)	\$196.7 million (2015/16)

OUR CITY



The State Capital

Perth is Western Australia's vibrant and rapidly growing Capital City. Located on the Indian Ocean Rim within the Asia Pacific region, Perth is one of the world's fastest growing and developing economic zones.

Perth is also one of Australia's fastest growing local government areas and ranks consistently among the Top 10 most liveable cities in the world, as surveyed by The Economist Intelligence Unit.

Most of Western Australia's 2.61 million people live in the greater metropolitan area, of which Perth is the nucleus.

The City is a centre for government, commerce, culture, education, sports, recreation, shopping and entertainment.

It is set along the beautiful Swan River and a large proportion of the City's 8.1km² area is public open space.

Perth has a Mediterranean climate and enjoys more hours of sunshine than any other Capital City in the country.

The City of Perth

The City of Perth is a dynamic statutory entity constituted under the *Local Government Act 1995* to provide

services and facilities to a broad range of City stakeholders including residents, commercial and retail business, workers, and local, national and international visitors.

With approximately 700 people working at the City located across Council House, our depot, parks and gardens, community centres, Library, Surveillance Centre, car parks, and the Northbridge Piazza, our workforce is diverse and multi-skilled.

The City of Perth has origins from 1829 when the Swan River Colony was established by the British Government. The City was named after Perth in Scotland.

For thousands of years prior, the area had been an important meeting place for the Indigenous Noongar people who have lived in the south-west region of Western Australia for more than 35,000 years.

Perth formally attained 'city' status in 1856 when it was declared a Bishop's See by Queen Victoria. The first meeting of the Perth City Council was held on 10 December 1858. It was not until the Centenary of Foundation in 1929 that the position of Mayor was elevated to Lord Mayor.

The Council has met at a number of locations over the years, moving to its current home, Council House, in 1963.

In 1994, the sprawling local government area was split into four separate authorities with the creation of the Towns of Vincent, Victoria Park and Cambridge. The City of Perth remained as the Capital City of Western Australia.

In February 2015, the State Government announced that plans to halve the number of metropolitan councils in WA through amalgamation would not proceed. However, it would continue with expanded boundaries for the City of Perth and the development of Capital City Legislation.

In May 2015, a Bill was introduced in State Parliament to establish the *City of Perth Act 2016* to recognise Perth as the Capital City of Western Australia, and to establish Perth City Council as the State's pre-eminent local government authority. This came into effect on 1 July 2016.

City Crest

The City of Perth crest features the red cross of Saint George on a white background. Two black swans support a crown in copper, gilt and bronze, set on granite from London's old Waterloo Bridge. The bottom of the crest reads "Floreat" which means to flourish or prosper in Latin, and is fitting for Perth as a dynamic and vibrant City.





"The prize of all history
is the understanding
of modern times."
Frank K. Crowley

MISS MONKEY
HOTEL



LORD MAYOR'S MESSAGE

With a vast array of new and developing precincts continuing to emerge, Perth is beginning to reap the rewards of an unprecedented period of growth in recent years.

Despite a challenging economic climate, Perth consistently ranks highly as a dynamic and attractive City, scoring in the top ten liveable cities in the world for the 12th consecutive year.

The face of our Capital City has matured in recent years – particularly in the past 12 months – with the opening of Elizabeth Quay, the City of Perth Library and Cathedral Square precinct and the refinement of Perth's hospitality, retail and arts sectors.

A Metropolitan Redevelopment Authority project built on land contributed by the City of Perth, Elizabeth Quay symbolises what can be achieved through a collaborative process and it sends a strong message to developers that Perth is not only open for business but attractive to investors.

The City worked closely alongside the State Government on this large-scale development and we continue to look forward to the delivery and handover of exciting new projects such as Perth City Link and Waterbank.

These developments provide stellar opportunities for local and international investors, driving further economic growth, job creation and stimulating commerce in all industries.

As the first major civic construction project in 40 years, the City of Perth Library and Public Plaza is a key element in the revitalisation of the historic Cathedral Square.

Part of the renaissance of the east end of Perth, the stunning architectural design of the Library has created a genuine sense of place, offering opportunities for vibrant community interaction as well as quiet, reflective spaces.

The contemporary aesthetics are complemented by the heritage façade of the revitalised State Buildings and the modern Mirvac tower, a collaborative project in which the City has played a key role, breathing new life into this urban neighbourhood.

In February 2016, the passing of the landmark *City of Perth Act* by the Western Australian Parliament signalled a new beginning in the State's history, with Perth confirmed as a leading performer on the world stage.

The *Act* will provide greater opportunity for collaboration with the State Government on key issues to ensure Perth continues to grow, building a stronger future for our Capital City.

Through the establishment of the City of Perth Committee, the City of Perth and the State Government can oversee the needs of key business and economic drivers, promoting Perth on an international platform for the ultimate benefit of Western Australia.

Perth's growing international profile as a highly liveable City and economic leader in regard to its robust resources sector, agriculture, forestry, fishing, construction, education, and medical and scientific research is attracting significant attention from other global cities.

Sharing similar time zones with key markets in Asia, Perth is able to take full advantage of our location and connect with many emerging economies across the Indian Ocean Rim, allowing us to capitalise on growing industries and trade opportunities.

The City of Perth's vision for economic development is to enhance Perth's status as a connected and informed Capital City with a unique identity and an economy that is diverse, resilient and adaptable.

It is our priority as a Capital City to develop a more robust platform for economic growth and we will endeavour to ensure Perth remains a major destination of choice as we continue to diversify our City economy and deliver a strong, vital future for the community.

The Right Honourable the Lord Mayor

LISA-M SCAFFIDI

1 July 2016



CEO'S MESSAGE

Throughout the 2015/16 financial year, the City of Perth accomplished significant achievements, the most notable of which was the passing of the landmark City of Perth Bill.

On 25 February 2016, the Bill became an Act, recognising the City of Perth as a Capital City Council and acknowledging our central role in tourism, business and economic development.

From 1 July 2016, leading educational and medical institutions such as University of Western Australia, QEII Medical Centre, Perth Children's Hospital, the iconic Kings Park and the Royal Perth Yacht Club were incorporated into the City of Perth boundary.

We also welcomed 1,508 new ratepayers formerly from the City of Subiaco and the City of Nedlands.

The *Act* brings Perth into line with major Australian capital cities and provides structure to enhance:

- Our relationship with the State Government and its agencies, to plan and manage the City.
- Our capacity to undertake Capital City civic duties (particularly in relation to visits by foreign dignitaries and trade missions).
- International city-to-city relationships and benefits to City stakeholders.
- Our capability to meet the needs of a growing City with an expanding role in the Asia region.

- Arrangements for partnerships with State and Federal governments and the private sector to meet Perth's future needs.

The Act will unlock opportunities for the development of new industry sectors and the City will be proactive in engaging with key stakeholders and industry to leverage these opportunities to the benefit of Perth and the greater Western Australian economy.

In 2016, the City of Perth initiated a number of transparency measures in an on-going effort to lead the sector in governance.

The City introduced the following measures:

- Discontinuing the practice of accepting bulk ticket and hospitality packages as part of sponsorship arrangements.
- Publishing online Travel and Gift Registers for Elected Members and staff with Delegated Authority.
- Facilitating the preparation of reports by Elected Members and Officers for all conferences and speaking engagements attended in an official capacity.
- Uploading audio recordings of Council Meetings to the City's website the day after the meeting.
- An online travel register, updated monthly.
- That travel paid for by a third party is approved at Council.
- A register of interests for Elected Members and staff.

The City of Perth continues to address a challenging economic and leasing climate with a range of initiatives and incentives, not just in direct contributions and planning bonuses, but in activation, innovation and built development.

The City upgraded Barrack Street after completing a major undertaking of converting the formerly northbound street to two-way traffic in November 2015.

Our two-way conversion projects align with the City's Strategic Community Plan, Vision 2029+ to prioritise pedestrians in the City and confirms our commitment to improve accessibility, with a strong focus on thoroughfares to new and developing precincts.

The project was completed to accommodate increased traffic ahead of the January opening of the State Government's centrepiece, Elizabeth Quay. The completion of this major tourism attraction has demonstrated an excellent partnership between the City and the State Government.

The past year has seen the delivery of \$42 million in major capital works projects, with a focus on the highly anticipated new City of Perth Library, which opened in March 2016.

Our \$60 million, purpose-built Library was the first civic building to be constructed since the Perth Concert Hall in 1973 and it soon received national and international acclaim for its design excellence.

The new City Library covers 3,500 square metres and showcases a range of modern features over seven levels, including collections, reading rooms, AV multi-function rooms, a master staircase and contemporary spaces for interaction and reflection.

In 2015/16, significant work was undertaken for a \$3.1 million upgrade to the Supreme Court Gardens, funded by the State Government to upgrade park memorials, create a meandering pathway, formal garden entrances, upgrades to lighting, drainage and irrigation systems and a refurbished public toilet facility.

This year also saw Perth become the only City in the world to host the International Conference and Exhibition on Liquefied Natural Gas a second time, bringing 5,000 participants from more than 65 countries and delivering an economic return of \$45 million to our Capital City.

Looking forward, the City's Strategic Community Plan, Vision 2029+ continues to inform City policies and activities as we strive for the highest level of service delivery for our ratepayers, residents and visitors into the future.



Chief Executive Officer

MARTIN MILEHAM

3 October 2016



OUR ELECTED MEMBERS



Lisa Scaffidi

LORD MAYOR

Ms Scaffidi was elected to the City of Perth as a Councillor in July 2000 and as Lord Mayor in October 2007. Ms Scaffidi is in her third term as Lord Mayor and is a City resident.

Working in a full-time capacity as the Lord Mayor, Ms Scaffidi is focused on Perth's growth, yet is keen to deliver good vitality, maintain amenity and to improve the liveability of the Capital City.

Ms Scaffidi is active in the area of economic development, and works with the creative sectors to enhance the City's diversity.

As Lord Mayor, Ms Scaffidi is a member of various external committees and boards including the Central Perth Planning Committee and the Taxi Council of Western Australia.

Ms Scaffidi chairs the Lord Mayor's Distress Relief Fund and is also Patron of the Perth Public Art Foundation. Additionally, Ms Scaffidi is also Patron for a number of other Western Australian charities and is the Perth Fashion Festival Ambassador.

Ms Scaffidi represents the City of Perth on the Council of Capital City Lord Mayors and is a Past President of the World Energy Cities Partnership, a group of 21 cities around the world whose economy is largely based on the oil and gas industry.



James Limnios

DEPUTY LORD MAYOR

Councillor James Limnios was elected to Council in October 2009. He is Chair of the Council's Works and Urban Development Committee and is a member of the Marketing, Sponsorship and International Engagement Committee. During 2012/13 he was also a member of Council's General Purposes Committee and Parking Committee.

Councillor Limnios is the Council's delegate to the Local Chambers Perth City Executive Committee, Perth SafeCity Working Group and the Metropolitan Regional Road Group. He is also Chair of the Perth Liquor Accord (Perth Liquor Accord Sub Committee) and a member of the Rotary Club of Perth.

Councillor Limnios won a WA Business News "40under40" award in 2004 as one of Western Australia's top 40 entrepreneurs under the age of 40. Councillor Limnios was the Chief Executive Officer of Limnios Property Group, a family owned and managed, City-based business specialising in property.

Councillor Limnios is now the Director of Limnios & Johns, a Project and Development Management Business. In 2006, Councillor Limnios completed an Executive Masters of Business Administration through the University of Western Australia and has a Diploma in Property and Real Estate.



Jim Adamos

COUNCILLOR

Councillor Jim Adamos was elected to Council in October 2011 and is a member of the Council's Planning Committee.

Councillor Adamos represents the City of Perth on the Perth Theatre Trust, Perth Public Art Foundation, the Local Development Assessment Panel and is also a Councillor of Tamala Park Regional Council. Councillor Adamos serves on the WA State Committee of White Ribbon Australia and is also a member of the Australian Institute of Company Directors.

Councillor Adamos holds a Bachelor of Business Degree with a major in Accounting, and his focus is management consulting and business improvement strategies for various organisations.

A father of two young children, Councillor Adamos is a long-time resident of the City. He brings to Council an interest in culture and the arts, sustainability, community safety and security and is keen to encourage further business investment in the City.



Lily Chen

COUNCILLOR

Councillor Lily Chen was elected to the City of Perth Council in 2011 and is chair of the Council's Marketing, Sponsorship and International Engagement Committee, and a member of the Finance and Administration Committee. Councillor Chen represents the Council on the Perth Convention Bureau and Heirisson Island Sculpture Park Committee.

Councillor Chen's interests have been in promoting the City of Perth and WA as a tourism and investment destination. Councillor Chen has also been involved in facilitating business deals between local businesses and overseas investors, and assisting stakeholders to resolve problems in her capacity as a Councillor and as a legal practitioner.

Councillor Chen is also interested in promoting renewable energy and green coverage in City developments. She believes that local governments should work with the State Government hand in hand to resolve transport and parking issues.



Janet Davidson, OAM JP

COUNCILLOR

Janet Davidson has been a Councillor at the City of Perth since 1998 and held the office of Deputy Lord Mayor from 2011 to 2013, and in 2009. During 2015/16, Councillor Davidson continued to chair the City of Perth's Finance and Administration Committee, and is a member of the Audit and Risk Committee.

Councillor Davidson is a member of Tamala Park Regional Council, Perth Local Chambers, Perth Theatre Trust, Library Board of WA (past Chairman) and the Australia Day Council of WA.

She is a State Councillor on the WA Local Government Association (WALGA) and is the Chairperson for the Central Metropolitan Zone. Councillor Davidson held the position of National Vice-President of ALGWA (Australian Local Government Women's Association) for seven years (2004-2011) and remains the WA delegate to the National Board. Councillor Davidson is also President of ALGWA WA.

Councillor Davidson's background is in education, training and quality assurance/human resource management. She is currently the Executive Officer to the WA Regional Office of the Royal Australian and New Zealand College of Obstetricians and Gynaecologists.

With a Masters Degree in Management from the University of Western Australia and a GAICD (Graduate of the Australian Institute of Company Directors), Councillor Davidson is also a trained teacher and a Justice of the Peace. She is a member of the Australian Institute of Management and the Australian Institute of Company Directors.



Jemma Green

COUNCILLOR

Councillor Jemma Green was elected as a Councillor in October 2015.

Born and raised in Perth, Jemma is a passionate and vocal advocate for making our City a more lively and liveable place for everyone. She is committed to the City becoming more economically diverse and is a member of the Audit and Risk Committee.

Having owned a City apartment since 2007, Jemma has long advocated the need to make living and working in Perth an attractive option for people from all walks of life.

With a Masters Degree in Sustainability from Cambridge University, Jemma has a wealth of knowledge and practical experience gained from working across the world in her chosen career. She also holds a Bachelor of Commerce in Finance from Murdoch University.

Jemma's career has taken her around the world, working for J.P. Morgan's Global Environmental and Social Risk Management Office, which she helped establish. She has a strong track record in ethical and socially responsible development with a particular interest in sustainable finance.

Jemma is a Research Fellow and PhD candidate at Curtin University, where her focus is on sustainable cities, disruptive innovation and solar storage. She is also a member of the advisory board of Carbon Tracker, and cofounder and chair of blockchain energy company Power Ledger.

OUR ELECTED MEMBERS

CONTINUED



Reece Harley

COUNCILLOR

Reece Harley was elected to Council in October 2013 and is a resident of West Perth.

Reece serves as a member of the Council's Finance and Administration Committee, and serves as Deputy on the Audit and Risk Committee, and Works and Urban Development Committee. He is a Director of Heritage Perth.

Prior to his election to Council, Reece ran weekly history walking tours of the City, sharing his knowledge of and passion for Perth. He is committed to making the City a more walkable, well-designed, economically successful, environmentally sustainable and safer place for everyone to enjoy.

While studying for his Bachelor Degree in Communications at Murdoch University, Reece worked at the University of Western Australia in the Office of Governance Services. He is also involved in a number of community organisations including the Rotary Club of Crawley, the White Ribbon Foundation, and is Chair and Founder of the Museum of Perth.



Judy McEvoy

COUNCILLOR

Councillor Judy McEvoy was first elected to the Council of the City of Perth in 1997 and has been re-elected each four years since. Councillor McEvoy is a long term member of the Council's Planning Committee (now Chairperson) and the Works and Urban Development Committee, which she feels is very important for the presentation of the City.

Councillor McEvoy was a business owner/operator in Perth for more than 30 years, and was involved with Council in the major upgrade of King Street in the 1990s prior to running for Council. Councillor McEvoy has been a residential owner occupier in West Perth since selling her business in the City in 2004.



Keith Yong

COUNCILLOR

Councillor Keith Yong was elected to Council in October 2013 and appointed as a member of the Finance and Administration Committee. In 2015, he was appointed as a member of the Planning Committee, and Marketing, Sponsorship and International Engagement Committee.

Councillor Yong is also a Council delegate to the East Perth Community Safety Group, StudyPerth Board Member, Chamber of Commerce and Industry - WA Tourism Committee, City of Perth and Kings Park & Botanic Gardens Local Emergency Management Committee (LEMC), Western Australia Local Government Association (WALGA) Central Metropolitan Zone and Perth Safe City Working Group, which works with the community to reduce crime and improve the quality and security of life for the people of Perth.

He promotes a safer and cleaner City, and the Council's continuing efforts to make the City a more dynamic, vibrant, connected and sustainable place to live. He believes this can be achieved by encouraging business and leisure, promoting local and foreign ventures, investment and encouraging education, domestic and international tourism to the City.

Councillor Yong is a lawyer and senior associate in a law firm in the City. He is the President of the Hakka Association of Western Australia, legal consultant to various Asian community associations, and is actively involved in voluntary and charitable organisations. He is a strong advocate for a safer and business-friendly community in the City.

ELECTED MEMBERS MEETING ATTENDANCE

Committee	Members	Ordinary Meetings Held	Number of Ordinary Meetings Attended	Special Meetings Held	Number of Special Meetings Attended
<i>Marketing, Sponsorship and International Relations</i>	Cr Yong	13	10	N/A	N/A
	Cr Chen	13	12	N/A	N/A
	Cr Limnios	13	10	N/A	N/A
<i>Works and Urban Development</i>	Lord Mayor Scaffidi	12	10	N/A	N/A
	Cr Limnios	12	8	N/A	N/A
	Cr McEvoy	12	12	N/A	N/A
<i>Finance and Administration</i>	Cr Butler*	15	5	1	N/A
	Cr Davidson	15	14	1	1
	Cr Yong*	15	5	1	N/A
	Cr Chen**	15	8	1	1
	Cr Harley**	15	8	1	1
<i>Planning</i>	Cr Butler*	14	5	N/A	N/A
	Cr McEvoy	14	14	N/A	N/A
	Cr Harley*	14	4	N/A	N/A
	Cr Adamos**	14	8	N/A	N/A
	Cr Yong**	14	7	N/A	N/A
<i>Audit and Risk</i>	Lord Mayor Scaffidi	3	3	N/A	N/A
	Cr Davidson	3	3	N/A	N/A
	Cr Green**	3	3	N/A	N/A
	Cr Harley*	3	N/A	N/A	N/A
	Mr Linden	3	3	N/A	N/A
<i>CEO Performance Review</i>	Lord Mayor Scaffidi	0	0	1	1
	Cr Butler*	0	0	1	N/A
	Cr Davidson	0	0	1	1
	Cr Limnios**	0	0	1	1
<i>Design Advisory</i>	Ciemitis	13	10	N/A	N/A
	Karotkin	13	6	N/A	N/A
	Mackay	13	9	N/A	N/A
	Kerr	13	7	N/A	N/A
	Sharp	13	8	N/A	N/A
	State Govt. Architect/Nominee	13	10	N/A	N/A
	Director Planning and Development	13	7	N/A	N/A
<i>Council</i>	Lord Mayor Scaffidi	16	16	4	4
	Cr Adamos	16	15	4	4
	Cr Butler*	16	5	4	1
	Cr Chen	16	15	4	3
	Cr Davidson	16	15	4	3
	Cr Green**	16	10	4	3
	Cr Harley	16	15	4	4
	Cr Limnios	16	14	4	3
	Cr McEvoy	16	16	4	4
	Cr Yong	16	15	4	4

*term concluded in October 2015

**term commenced October 2015

OUR COMMITTEES

In accordance with the *Local Government Act 1995* (the Act), Council has established a number of Committees to support the operations of Council. With the exception of the Design Advisory Committee, the membership of all of the Committees comprises a number of Elected Members as determined and appointed by Council. The following information provides a brief description of the role of each of these Committees during the 2015/16 financial year.

Finance and Administration Committee

This Committee oversees and makes recommendations to Council on the following matters:

- The financial management of the City, including budgeting, payment of accounts, the collection of debts, investment of funds, write-offs and setting of fees and charges.
- The City's Strategic Community Plan, Corporate Business Plan and strategic enabling documents.
- Local government property, including issues relating to the City's civic buildings (Council House, Perth Town Hall, Perth Concert Hall and the City of Perth Library).
- Business opportunities and proposals, including those related to parking.
- Elected Members, including protocols and procedures, benefits and allowances.
- Council Policies, Local Laws and the Register of Delegations.
- Management and enforcement of on-street parking.
- Any other matters that require a decision of Council and are not specifically defined in the Terms of Reference.

The Finance and Administration Committee is open to the public to attend.

Audit and Risk Committee

This Committee, which includes an external independent member, provides guidance and assistance in regards to:

- Risk management.
- Internal controls.
- Legislative compliance.
- Internal and external audit planning and reporting.

The Audit and Risk Committee is open to the public to attend.

Planning Committee

This Committee oversees and makes recommendations to Council on the following matters:

- Development, building, demolition, subdivision or amalgamation.
- City planning scheme and planning policies.
- Identification of long term planning opportunities and major projects (e.g. Elizabeth Quay, Perth City Link and Waterbank).
- Strategic town planning initiatives, economic development and heritage matters.
- Transport and traffic network planning issues.
- Environmental improvement strategies, including noise management.
- Liquor licensing and land administration issues.
- Legislation and compliance in relation to land use planning.

The Planning Committee is open to the public to attend.



Marketing, Sponsorship and International Relations Committee

This Committee oversees and makes recommendations to Council on the following matters:

- Marketing of the City, including marketing of the City's car parks.
- Initiatives to promote Perth as a tourist and investment destination.
- Events held in Forrest Place, Hay and Murray Street Malls and other Council reserves and parks.
- International relations, Sister City relationships, US Naval visits, World Energy City Partnerships and other City partnerships.
- Christmas decorations strategy, Australia Day celebrations, street busking and the use of the City's banner and flag sites.

The Marketing, Sponsorship and International Engagement Committee is open to the public.

Works and Urban Development Committee

This Committee oversees and makes recommendations to Council on the following matters:

- Works required to construct, upgrade or maintain streets, footpaths, thoroughfares and other public places, including streetscape upgrades, landscaping initiatives and direction signage and graffiti.
- Design, construction and upgrading of parks, reserves, recreational and civic amenities, facilities and Council owned buildings.
- Implementation of the lighting strategy and waste management.

The Works and Urban Development Committee is not open to the public.

CEO Performance Committee

This Committee undertakes the following:

- Establishes annual performance objectives of the Chief Executive Officer (CEO).
- Annual performance review of the CEO.
- Reports the outcome of the review to Council.

The CEO Performance Review Committee is not open to the public.

Design Advisory Committee

The Design Advisory Committee provides independent technical advice and recommendations to Council in respect to applications requesting a Plot Ratio Bonus in the City as well as advising on design issues on other applications referred to it for consideration.

The Committee membership comprises of:

- Two architects selected from a panel of five nominations presented by the Australian Institute of Architects.
- Two town planners selected from a panel of four nominations from the Planning Institute of Australia.
- One landscape architect selected from a panel of two nominations presented by the Landscape Architects Institute of Australia.
- One State Government architect or their nominee.
- The City of Perth's Director Planning and Development.

The Design Advisory Committee is not open to the public.

OUR GOVERNANCE

Council Structure

The Council at the City of Perth consists of a popularly elected Lord Mayor and eight Councillors (collectively known as Elected Members), each elected for a term of four years.

The local government elections are held every two years with half the Elected Member positions being contested at each election. The next local government election will be conducted in October 2017.

For more information on elections, visit the West Australian Electoral Commission (WAEC) www.elections.wa.gov.au

Council's role is to provide for good governance and management of the local government district, set the strategic direction and make responsible and well-informed decisions that focus on serving the needs and interests of both the local and State community.

Register of Complaints

Section 5.121 of the *Local Government Act 1995* requires a local government to maintain a register of complaints that result in an action under Section 5.110(6)(b) or (c).

There were no complaints reported to the Local Government Standards Panel during 2015/16 financial year.

Council and Committee Meetings

The Council, being the decision-making body for the City of Perth, meets on the third Tuesday in a continuous three week cycle. Council Meetings are open for the public to attend and ask questions during Public Question Time.

Agendas for Council and Committees, that are open to public, are available on the City's website for inspection prior to the meeting. Minutes of all Council and Committee Meetings are also available to the public: <http://www.perth.wa.gov.au/council/council-and-committee-meetings/meetings-calendar>

Decision-Making Process

Reports to the Council and its Committees are the formal method by which the administration provides advice to Elected Members. Committees consider matters relevant to their role and subsequently make recommendations to Council. Where a Committee has been provided Delegated Authority to make decisions on behalf of the Council, the Committee can make determinations without the matter being referred to the Council.

Accountability and Governance

The City of Perth is committed to being a leader in the areas of transparency, disclosure and public accountability. In line with this commitment, the Council endorsed an 'Accountability and Governance' page on the City of Perth's website that displays a range of information of public interest including the following:

- City of Perth's Gift and Travel Contributions, Declaration Interests and Interstate and International Travel Registers.
- Statement of Business Ethics to provide guidance on the City's ethical standards and expectations that all employees, Elected Members, Committee members, contractors, and goods and service suppliers must adhere to.
- Public Interest Disclosure forms and information in line with the *Public Interest Disclosure Act 2003*.
- Information on Elected Member sitting fees, allowances and meeting attendances.
- City of Perth senior staff salary information.
- The City's Code of Conduct, which is designed to assist Elected Members, Committee members and employees in maintaining the highest standards of conduct and behaviour.

The City of Perth is continually looking for new opportunities to adopt best practice in the area of good governance.

Compliance and Legal

Each year, local governments must complete a Compliance Audit Return for the Department of Local Government and Communities. The Audit Return provides prompts in relation to the local government's statutory obligations in a number of areas such as tenders, meetings, disclosure of financial interests and financial management.

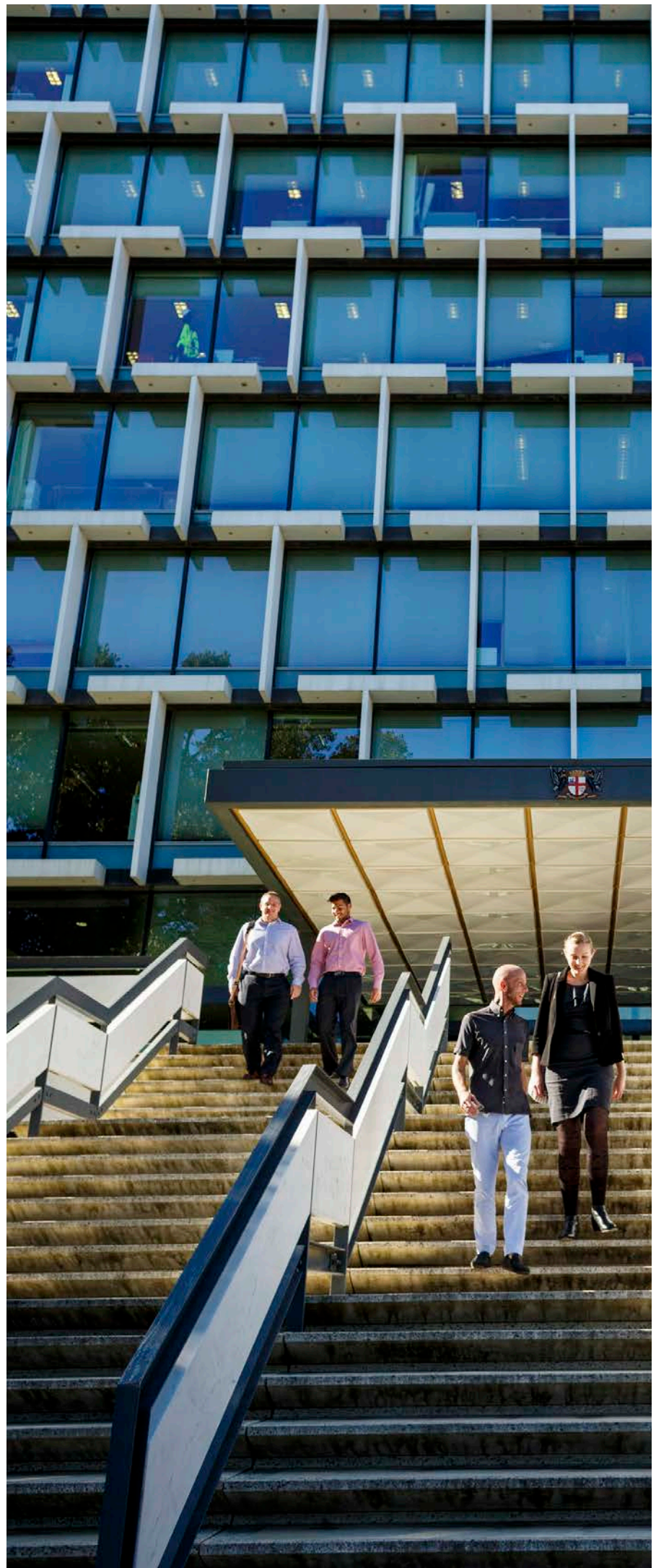
Matters identified as non-compliant were reported to the Audit and Risk Committee and subsequently to Council at its meeting held on 15 March 2016.

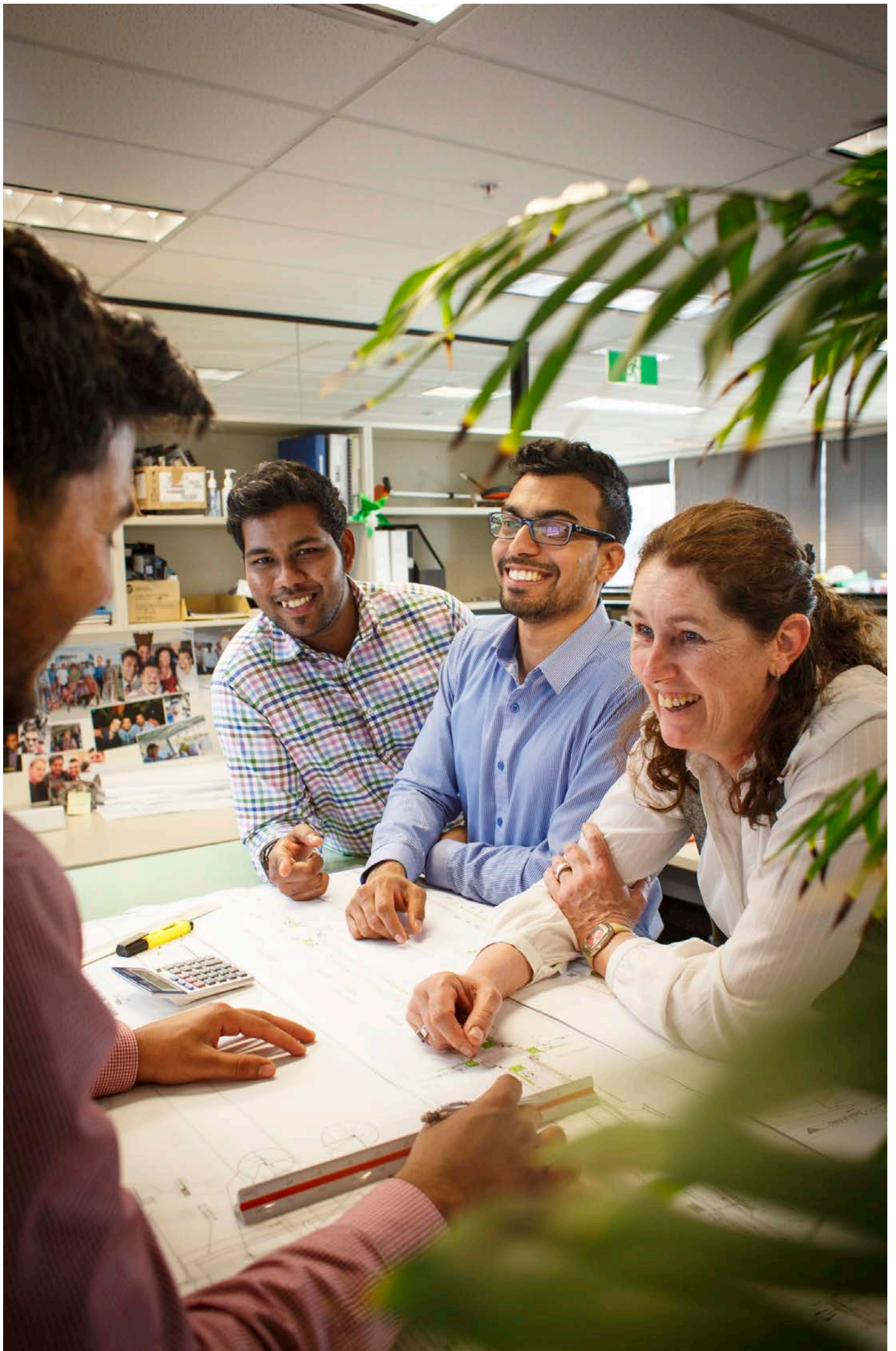
The annual Audit Return provides the City with the opportunity to review practices and implement improvements that contribute to the long-term capacity of the City to operate in accordance with *Local Government Act 1995* requirements.

Sections 5.18 and 5.46 of the *Local Government Act 1995* require that the City's Delegations of Authority Register be reviewed annually. A report on the review of the Council's statutory delegations was considered by the Council at its meeting held on 28 June 2016.

The City continues to review its Local Laws to ensure that it remains a capable, flexible and sustainable organisation. In 2015/16 the City reviewed and repealed the Signs Local Law 2007 and Fencing Local Law 2005, and reviewed and amended its City's Thoroughfares and Public Places Local Law 2007.

The City also endorsed a new Fencing Local Law 2015. Reviews are currently underway for a new Thoroughfares and Public Places Local Law, and Parking Local Law.





OUR PEOPLE

Our people are innovative and creative, trusted and respected. We strive for excellence in everything we do. With approximately 700 people working at the City located across Council House, our depot, parks and gardens, community centres, Library, Surveillance Centre, car parks, and the Northbridge Piazza, our workforce is diverse and multi-skilled. We are one team, working together towards our shared vision, which is outlined in our Strategic Community Plan, Vision 2029+.

Our Values

TRUST AND RESPECT

At the City of Perth we are honest, we keep our promises, we respect others, we are fair, and we support each other and appreciate each other's contributions. We recognise that we are all different, and we share information and communicate openly.

STRIVE FOR EXCELLENCE

At the City of Perth we do our best, we are enthusiastic, we are outcome-focused, we take ownership through accountability and responsibility. We are proud of our City and the work we do.

BE CREATIVE

At the City of Perth we look for new ways, we think laterally, we seek opportunities, we are flexible and adaptable, and we are receptive to ideas and feedback.

The City strives to be a workplace which understands what our employees value.

We support professional development, and the personal endeavours of our people, by offering a range of staff amenities and benefits.

With a large number of projects under way in a variety of fields, we offer a diverse selection of career paths to suit many types of skills.

Our people help to shape the City of Perth, the heart of WA, in a rewarding and exceptional working environment.

Our Executive



ACTING DIRECTOR
OF PLANNING &
DEVELOPMENT

Erica Barrenger



DIRECTOR OF
CORPORATE SERVICES

Robert Mianich



ACTING DIRECTOR
OF ECONOMIC
DEVELOPMENT & ACTIVATION

Annaliese Battista



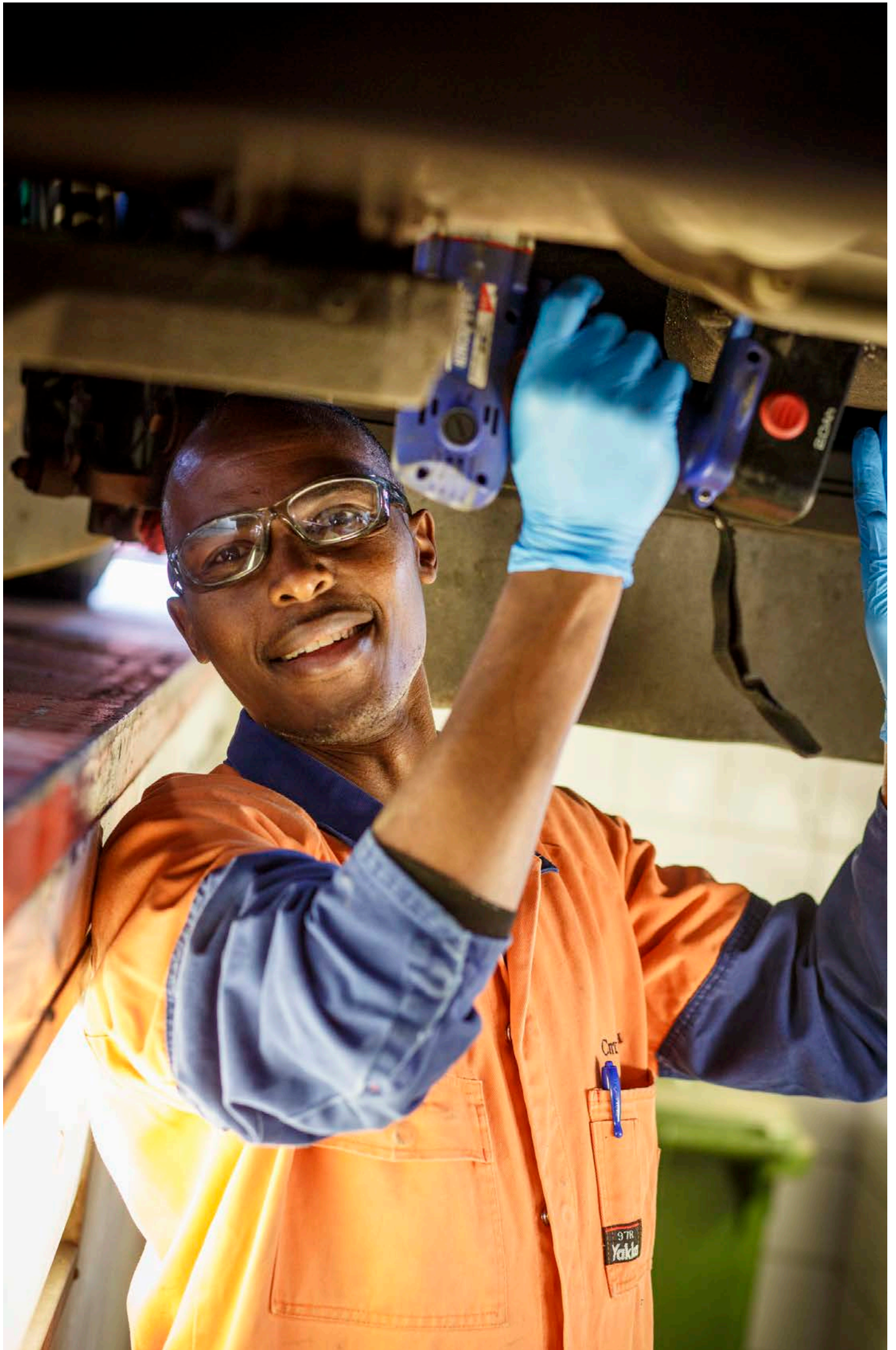
DIRECTOR OF COMMUNITY
& COMMERCIAL SERVICES

Rebecca Moore



DIRECTOR OF CONSTRUCTION
& MAINTENANCE

Paul Crosetta



OUR ADMINISTRATION

Corporate Services

Director: Robert Mianich

INTERNAL AUDIT

To provide an effective internal audit function, enhance risk management and identify process improvement opportunities within the City.

GOVERNANCE

Governance effectively manages the Council's governance responsibilities to ensure legislative compliance. They are responsible for risk management, business continuity, corporate planning and performance, as well as electoral and legal matters.

HUMAN RESOURCES

Human Resources is responsible for supporting the City in making informed decisions about the management and development of its organisational capabilities (people, structures and processes). They provide practical and effective services to enable Units to meet their goals.

FINANCE

Finance is responsible for the effective management of the City's financial performance and resources. They provide accurate, timely and meaningful financial information which is used for decision-making and to meet the City's statutory financial obligations.

INFORMATION TECHNOLOGY

Information Technology provides necessary hardware and software. They are responsible for maximising the value of IT services, driving improvements across an experienced service delivery function, and maintaining excellent customer service standards.

DATA AND INFORMATION

Data and Information provides solutions and access to information that enable enhanced decision-making and generate additional value for the City. Partnering with the business to provide strategic, analytical, and technical direction, this Unit ensures accurate and relevant data is accessible to all users to drive performance and achieve goals.

ASSET MANAGEMENT

Asset Management is responsible for delivering the City's integrated Corporate Asset Management Plan; a key component of the Integrated Planning and Reporting Framework. The Unit is responsible for developing asset management strategies and operational practices to effectively manage the City's \$1.4 billion asset portfolio.

Planning and Development

Acting Director: Erica Barranger

STRATEGIC PLANNING

Strategic Planning is responsible for the long-term planning of the City. The Unit ensures growth achieves liveable and sustainable outcomes for the community. They develop strategies and plans, focusing on the needs of the community, strategic environmental issues, and contemporary development management.

COORDINATION AND DESIGN

Coordination and Design is responsible for the design, coordination and delivery of projects and programs within the City's public realm. They are responsible for the City's Urban Design Strategy and work closely with the State Government and Metropolitan Redevelopment Authority to develop our identity and create the best for the City overall.

TRANSPORT

Transport provides innovative direction and advice on a range of traffic and transport issues. In addition to setting the strategic direction for the City's transport, this Unit is also responsible for delivering transport solutions on a range of matters including network management, transport modelling and active transport plans.

ENVIRONMENT AND PUBLIC HEALTH

Environment and Public Health is responsible for the management and safety of the public realm through the inspection and auditing of community and commercial venues. They are the City's custodians of sustainability, with an integrated approach encompassing a multi-disciplinary team of professionals committed to managing health risks to the community.

DEVELOPMENT APPROVALS

Development Approvals is responsible for administering the statutory obligations of local government in terms of town planning and building matters. They manage all development approvals, and play a strategic role in the development of the City's landscape as well as the image the City is working to portray.

ACTIVITY APPROVALS

Activity Approvals is responsible for all event applications within the City. They regulate the impacts of activities that occur in our public places in an integrated manner. Their functions include event approvals, event compliance, obstruction approvals and mall entry approvals.

Community and Commercial Services

Director: Rebecca Moore

CUSTOMER SERVICE

Customer Service is responsible for providing a central point for all customer enquiries. The Unit provides advice and information on the City's operations, processes and events. They work with all Units to ensure that the community is provided with relevant information.

PARKING SERVICES

Parking Services provide street patrolling services, and manage infringement processing and events parking. They are also responsible for ensuring traffic continues to move, and that buildings and offices can be accessed by the necessary services when required.

COMMERCIAL PARKING

The Commercial Parking Unit operates under the business name City of Perth Parking (CPP) and is leading provider of parking services. They are responsible for the operation and management of 34 car parks, totalling 10,892 bays. They are also responsible for machine maintenance and the financial management of 6,000 on-street bays.

LIBRARY

The City's Library provides a range of services to the community from their new and award-winning building in the centre of the City. Services include the loaning of books, access to a range of data and information, computer, internet and Wi-Fi access, photocopying and printing, as well as providing a calm and peaceful environment for visitors to relax in.

COMMUNITY, AMENITY AND SAFETY

Community Amenity and Safety works closely with key stakeholders to make the City safe and secure while maintaining a lifestyle at the highest possible level. The Unit is made up of the key functions of the Surveillance Centre, Ranger Services, Community Development and Support, Public Safety and Disaster Management.

COMMUNITY SERVICES

Community Services provides diverse community, customer and cultural services that contribute to the wellbeing of City residents, visitors and workers. They also manage several City facilities including Citiplace Childcare Centre, Citiplace Community Centre, Citiplace Rest Centre and Public Amenities, Perth Town Hall and Rod Evans Community Centre.

Construction and Maintenance

Director: Paul Crosetta

CONSTRUCTION

Construction is responsible for the City's construction project activities. The Unit delivers projects and essential building services to provide infrastructure that contributes to the growth and development of the City.

STREET PRESENTATION AND MAINTENANCE

Street Presentation and Maintenance is responsible for the preservation and rehabilitation of the City's physical assets including roads, stormwater facilities, pedestrian pavements and access ways. The Unit provides cost-effective and customer-focused services for the City.

WASTE AND CLEANSING

Waste and Cleansing provides essential street cleaning, waste collection and waste disposal services. They actively promote responsible waste minimisation, re-use and recycling.

The Unit champions good sanitation and are committed to sustainable environmental management of waste. The Unit is commercially sustainable.

PARKS

Parks is responsible for the horticultural presentation of the City, managing 140 hectares of open parkland including reserves, boutique gardens, streetscapes, and pocket parks. They create horticultural displays to compliment major events in the City, and ensure a level of service and quality commensurate with Perth as a City for people and the Capital City.

PROPERTIES

Properties is responsible for the management, maintenance and development of the City's portfolio of property assets. They provide expert advice on effective property management and ensure that the City's assets are managed to the highest safety and maintenance standards.

PLANT AND EQUIPMENT

Plant and Equipment is responsible for the management and technical maintenance of the City's owned plant, fleet and equipment. The Unit is responsible for depot operations, purchasing and stores, fleet procurement, fleet maintenance, electrical engineering, mechanical engineering, street lighting and Christmas decorations.

Economic Development and Activation

Acting Director: Annaliese Battista

ECONOMIC DEVELOPMENT

Economic Development is responsible for the planning, review and implementation of the City's Economic Development Strategy. This strategy is designed to guide the economic development of the City, and provide support to all stakeholders to progress the goals of the City's Strategic Community Plan Vision 2029+.

MARKETING AND COMMUNICATIONS

Marketing and Communications is responsible for promoting the City through developing, implementing and managing the City's destination marketing, City events and civic events to position Perth as a Capital City. They are responsible for the City of Perth's Community Engagement Strategy, Corporate Image and Communication Strategies.

ARTS, CULTURE AND HERITAGE

Arts, Culture and Heritage is responsible for developing, implementing, advocating for and managing the City's comprehensive and integrated arts, culture and heritage projects. They facilitate and promote the arts, cultural and heritage focus of the City, supporting community health, cohesion and activity within the City's jurisdiction for the benefit of the community.

BUSINESS SUPPORT AND SPONSORSHIP

Business Support and Sponsorship is responsible for developing, implementing and managing the City's Business Support Strategy to position Perth as a Capital City, and to deploy a precinct and place management approach for the City. The Unit is responsible for developing and managing business information and support programs.

INTERNATIONAL ENGAGEMENT

International Engagement is responsible for developing, implementing and managing the City's International Engagement strategy to position Perth as a Capital City and a regional hub for trade, investment and international engagement.

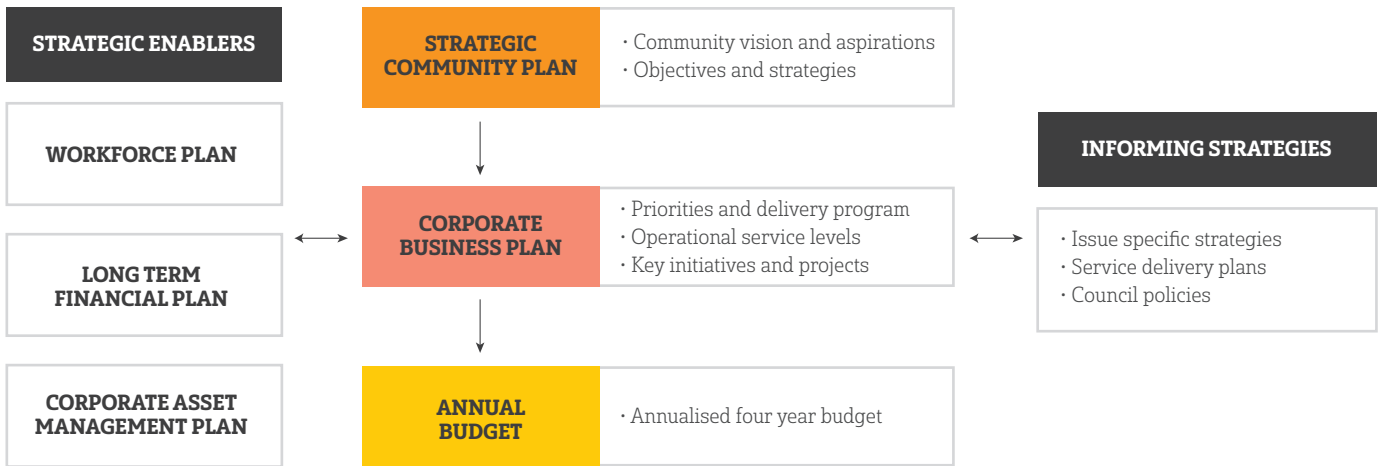
Executive Support

Executive Support provides administrative support to the Lord Mayor, Councillors and Chief Executive Officer to perform their statutory roles, and to build and maintain relationships with Federal, State and other Local Governments.

OUR PLAN

INTEGRATED PLANNING AND REPORTING FRAMEWORK

The City of Perth's Integrated Planning and Reporting Framework establishes the interaction between the City's various strategic documents with emphasis given to a mutual informing relationship to the framework, which works to ensure that priorities and services provided by the City are aligned with community needs and aspirations.



Strategic Community Plan, Vision 2029+

The Strategic Community Plan, Vision 2029+, is the City's long-term strategic direction that expresses our community's vision for the future, together with strategies to deliver community outcomes.

Vision 2029+ drives the City's Corporate Business Plan, which is a detailed implementation plan for services, key projects and capital investments over the next four years.

The City's key strategic enablers show how we are equipped to deliver on the commitments made in Corporate Business Plan.

These key strategies are:

LONG-TERM FINANCIAL PLAN

This plan allows for appropriate decision-making with emphasis on financial sustainability.

WORKFORCE PLAN

This plan identifies the workforce requirements needed for current and future operations.

CORPORATE ASSET MANAGEMENT-PLAN

This plan provides guidance on service provision to inform the City's financial and key service needs.

The Annual Budget is then created based on the projected costing of year one in the Corporate Business Plan, with opportunity to review during the mid-year budget review processes.

The implementation of this framework ensures the City continuously works towards delivering the best outcomes for the community.

OUR PLAN - DELIVERING VISION 2029+

Extensive community engagement was conducted to develop the City's Strategic Community Plan, Vision 2029+, which was adopted in June 2013. A variety of methodologies were used to gather information from the community to ensure the creation of the City's strategic direction reflected their views. This provided the basis for our strategic vision.

Strategic Vision

Perth is renowned as an accessible City. It is alive with urban green networks that are safe and vibrant. As a global city, there is a diverse culture that attracts visitors. It provides City living at its best. Local and global businesses thrive here. Perth honours its past, while creating a sustainable future.

To help deliver our strategic vision, the below themes were identified to guide the City:

- Major Strategic Investments
- Getting Around Perth
- Perth as a Capital City
- Living in Perth
- Perth at Night
- Healthy and Active in Perth
- Capable and Responsive Organisation

The following initiatives were identified in our Corporate Business Plan as opportunities to activate the strategic community inspired themes. Over the course of the year, these initiatives have been progressed, with reporting provided to Council for monitoring purposes. Below is an overview on the annual status of each initiative.

Corporate Business Plan's Key Initiatives

The monitoring and reporting of the Corporate Business Plan's key initiatives will continue on a quarterly basis to the Elected Members to ensure the organisation continues to work towards meeting the community's aspirations.

MAJOR STRATEGIC INVESTMENTS

NO.	PROJECT/INITIATIVE	STATUS
S1	<i>Ensure that major developments effectively integrate into the City with minimal disruption and risk.</i>	
1.1	Strategic Review of the City's Planning approach (Local Planning Strategy)	On Target
1.2	Establish site specific agreements and manage transition of Elizabeth Quay Precinct	On Target
1.3	Establish site specific agreements and manage transition of Perth City Link Precinct	Yet to commence
1.4	Establish site specific agreements and manage transition of Waterbank/Riverside Precinct	Completed
1.5	Establish site specific agreements and manage transition of connection points in the Stadium Precinct	On Target
S2	<i>Optimise the commercial and community outcomes within the property portfolio</i>	
2.1	Develop a Strategy for the management of City of Perth Property that addresses opportunities for growth, de-accession/accession and ownership needs	On Target
	Develop Implementation Plan for the Strategic Community Infrastructure Study 2031	Completed

GETTING AROUND PERTH

NO.	PROJECT/INITIATIVE	STATUS
S3	<i>Proactive planning for an integrated transport system, including light rail, that meets community needs and makes the sustainable choice the easy choice</i>	
3.1	Develop an Integrated Transport Strategy	Behind Schedule
S4	<i>Enhanced accessibility in and around the City including parking</i>	
4.1	Develop Business Plan for future car park development	Yet to commence
4.2	Deliver Two-Way Street Program	On Target
4.3	Implement City of Perth Cycle Plan	On Target

PERTH AS A CAPITAL CITY

NO.	PROJECT/INITIATIVE	STATUS
S5	<i>Review and explore opportunities for adaptability associated with occupancy rates</i>	
5.1	Develop a precinct and place management approach for the City	On Target
5.2	Contribute to and facilitate the activation and use of vacant private and public space.	Yet to commence
S6	<i>Maintain a strong profile and reputation for Perth as a city that is attractive for investment</i>	
6.1	Develop an Economic Development Strategy	On Target
6.2	Undertake a review of the City's Tourism Framework	On Target
6.3	Drive the development of a 2029 initiative for the 200th year of City of Perth	Behind Schedule
6.4	Drive and manage the Capital City Committee	On Target
6.5	Implement the International Engagement Strategy	On Target
S7	<i>Collaborate with private sector to leverage city enhancements</i>	
7.1	Review City of Perth Public Wi-Fi Strategy	Yet to commence
7.2	Review Destination Perth Marketing Strategy	On Target
7.3	Develop a Strategy for Implementing Smarter Cities Report Initiatives	Behind Schedule
7.4	Establish business information and support program	Yet to commence
S8	<i>Contribute to a strong service culture and an attitude of gratitude in the private sector</i>	
8.1	Develop a City Achievement and Service Promotion Strategy	Yet to commence

LIVING IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
S9	<i>Promote and facilitate CBD living</i>	
9.1	Review and manage the interface between the growing residential population and the City of Perth	On Target
9.2	Review the City's approach to Conservation of Heritage Places	On Target
9.3	Develop Noise Management Strategy	On Target
9.4	Develop a system to gather and respond to information collected assisting the enhancement of the presentation of the City	On Target
9.5	Promote the new City of Perth Library with emphasis on utilising its state of the art facilities	Completed
S10	<i>Improve the diversity in housing stock</i>	
10.1	Develop an affordable housing choice	Yet to commence
S11	<i>Increase community awareness of environmentally sustainable ways of living</i>	
11.1	Implement Energy Resilient City Plan	Behind Schedule
11.2	Develop the Environmental Strategy and Implementation Plan	On Target
11.3	Develop Foreshore Preservation Plan	Completed
S12	<i>Provide facilities to cater for the growth of the residential community</i>	
12.1	Develop East Perth infrastructure and land use plan	Yet to commence
12.2	Implement the Waste Strategy, with a view to consider longer term future treatment options	On Target

PERTH AT NIGHT

NO.	PROJECT/INITIATIVE	STATUS
S13	<i>Development of a healthy night time economy</i>	
13.1	Develop a Night Time Economy Strategy	On Target
13.2	Develop a laneways and key public realm strategy	On Target
S14	<i>Further improve safety and security</i>	
14.1	Review and implement the Community Safety and Crime Prevention Plan	Yet to commence
14.2	Identify and commit to key stakeholders with a focus on communication relationship building, to address social issues	Behind Schedule

HEALTHY AND ACTIVE IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
S15	<i>Reflect and celebrate the diversity of Perth</i>	
15.1	Undertake full review of Grants, Donations Sponsorships and Event Funding Policies	Behind Schedule
15.2	Develop Arts and Cultural Development Strategy	Behind Schedule
15.3	Develop Public Art Strategy and implementation Plan	On Target
15.4	Develop a Community Development Strategy	Yet to commence
S16	<i>Increase accessibility to green networks in the city</i>	
16.1	Finalise the development of the Urban Forest Strategy	Behind Schedule
S17	<i>Recognition of Aboriginal culture and strong relationships with the Indigenous community</i>	
17.1	Develop Reconciliation Action Plan	Yet to commence

CAPABLE AND RESPONSIVE ORGANISATION

NO.	PROJECT/INITIATIVE	STATUS
S18	<i>Strengthen the capacity of the organisation</i>	
18.1	Implement Organisational Structure Reform	Behind Schedule
18.2	Greater emphasis on the Diversification of Revenue for Sustainability Management	On Target
18.3	Develop Enterprise Performance Model	Behind Schedule
18.4	Develop Continuous Improvement Strategy	Behind Schedule
S19	<i>Improve the customer focus of the organisation</i>	
19.1	Review and Update the City of Perth Emergency Management Plan	Behind Schedule
19.2	Implement Organisational Project Management Framework (including Gateways)	On Target
19.3	Develop a Customer Service Strategy and Contact Centre	Yet to commence
19.4	Conduct a review of the Strategic Community Plan	On Target
19.5	Deliver Online Customer Service systems (including Approvals)	Yet to commence
S20	<i>Meaningful and contemporary community engagement and communications</i>	
20.1	Develop Community Engagement Capability	On Target
20.2	Develop a Information and Communications Infrastructure Strategy	Yet to commence
20.3	Develop a Information and Communications Data Strategy	Yet to commence
20.4	Develop a plan to engage with new communities in response to transition of boundary adjustments	On Target
20.5	Develop Social Media Usage Framework	On Target

OUR AWARDS

Penny Lane Apartments

The City's affordable rent apartments, Penny Lane in East Perth, were recognised in the Australasian Housing Institute Awards for Professional Excellence in Housing.

In August 2015, the apartments won the Award for 'Excellence in Social Housing - WA Division' and in October, they were Highly Commended in the National Division.

The Institute recognised the City's unique partnership with Access Housing on the project, citing it as a great example of local government

City of Perth Library

The City of Perth Library and neighbouring State Buildings triumphed at the WA Architecture Awards, receiving the award's highest honour – the George Temple Pool Award.

Designed by acclaimed architect Kerry Hill, our state-of-the-art Library and the historic State Buildings – the latter designed jointly with Palassis Architects – have become the first projects in the awards' history to jointly receive this award.

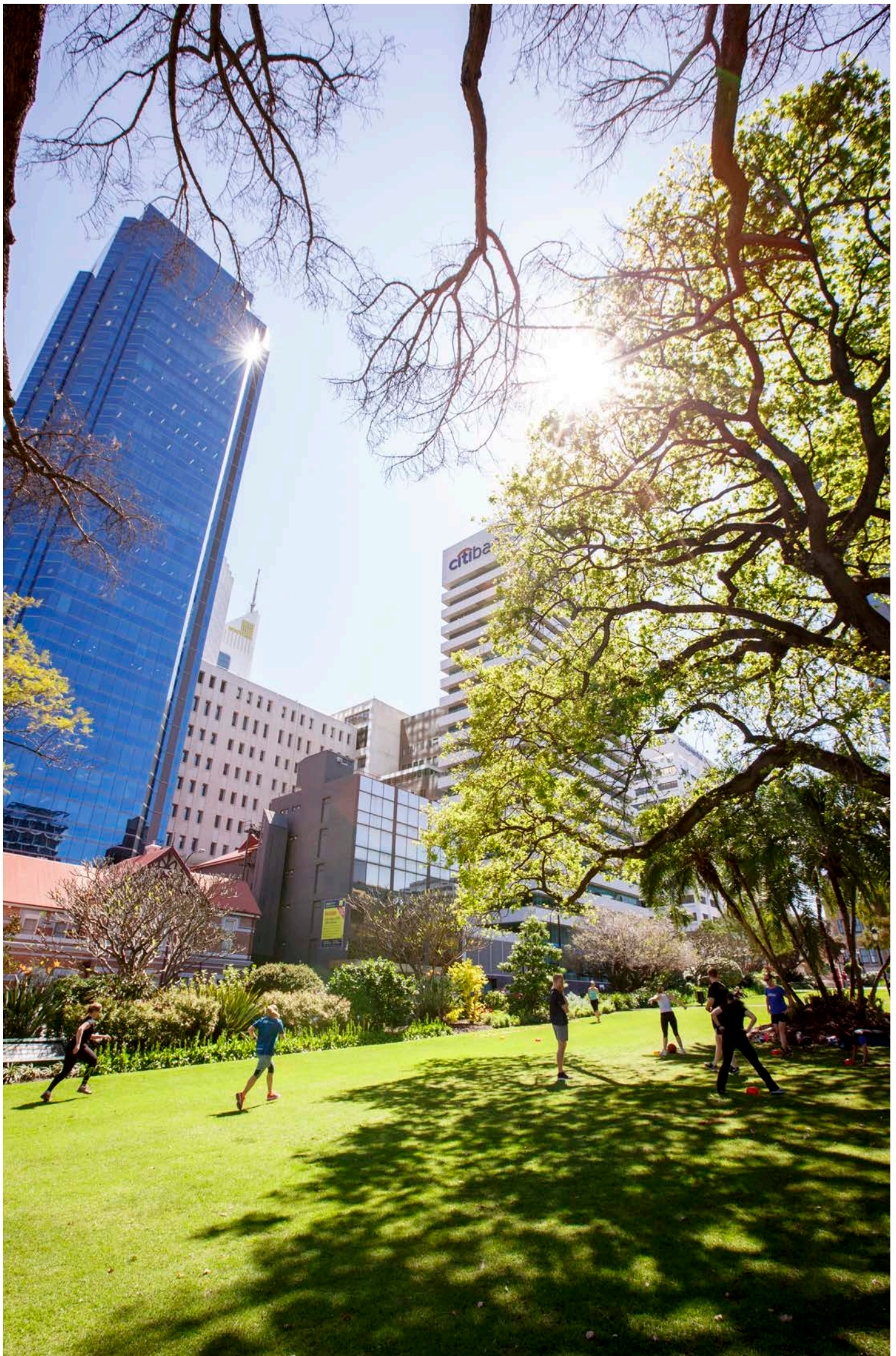
Twilight Hawkers Market

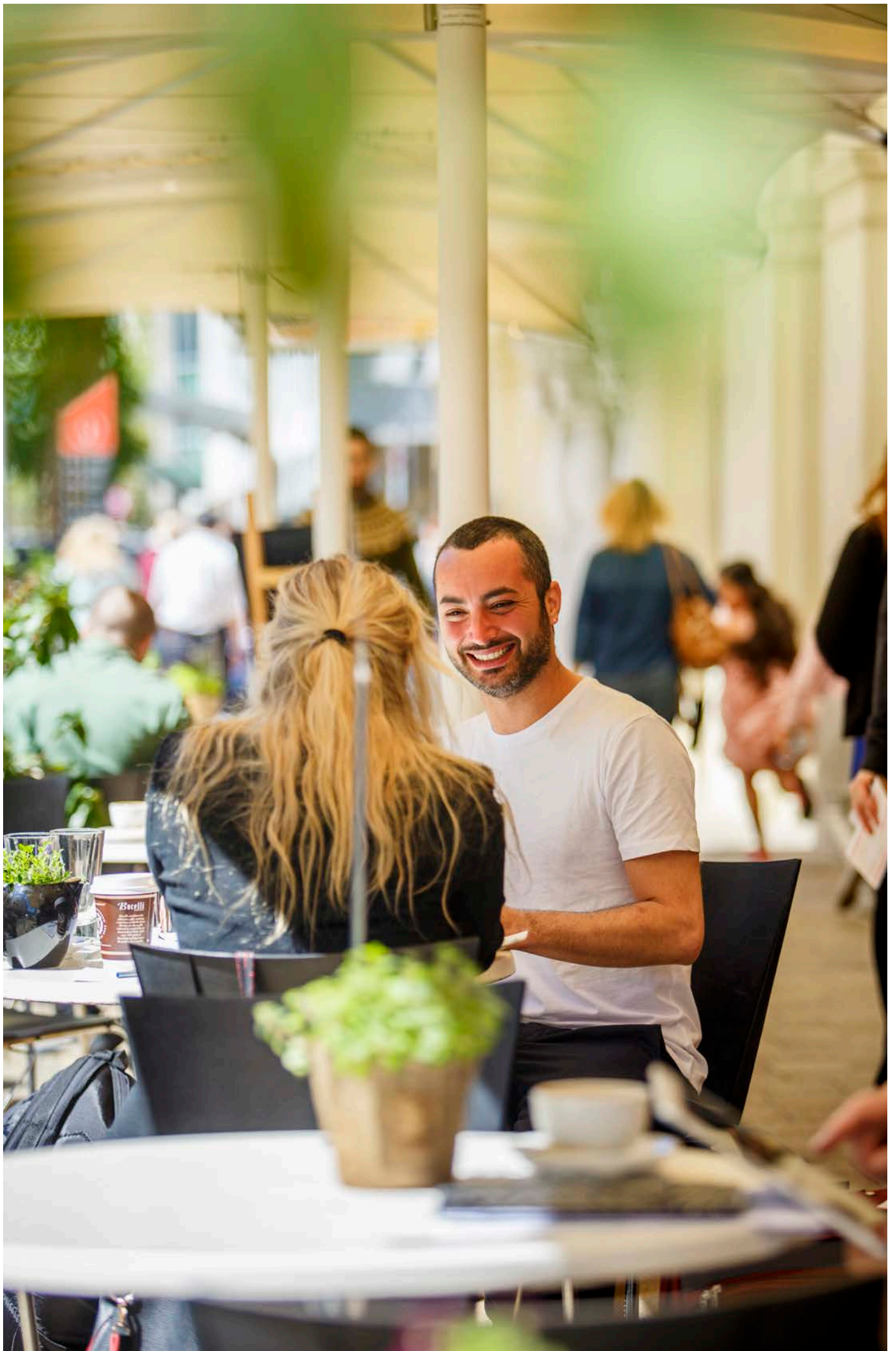
In November 2015, the Twilight Hawkers Market was recognised at the Perth Airport Western Australian Tourism Awards, receiving a silver medal in the Major Festivals and Events category.

The Markets have become a popular attraction. They attract new visitors to the City on a Friday and extend the stay of others. In 2015/16, the Markets attracted over 260,000 people.

The Twilight Hawkers Market generates spend in other areas of the City, with new visitors spending on average \$83 at City retailers.

The Markets also generate positive perceptions of Perth, with 79 per cent of attendees satisfied or very satisfied.

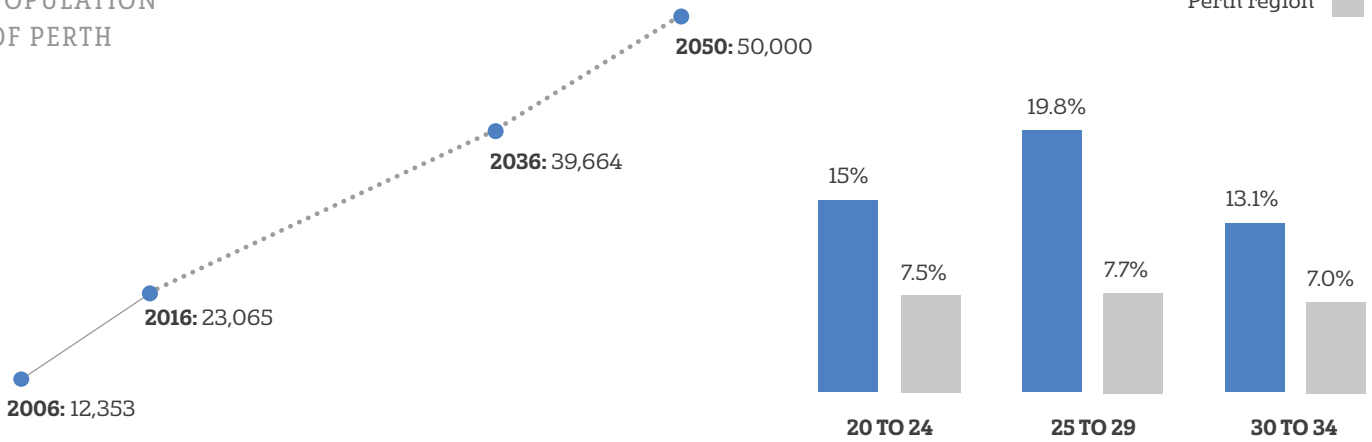




OUR COMMUNITY

RESIDENTIAL POPULATION OF PERTH

City of Perth ■
Perth region ■



Our Residents

The residential population of Perth has grown significantly from 12,353 persons in 2006 to a forecast population of 23,065 in June 2016.

This represents a 174.3 per cent increase in our residential population over the last five years.

This trend is expected to continue, with Perth likely to achieve a residential population of 39,664 persons by 2036. The growth forecasted and recent analysis and draft housing targets set by the Department of Planning, point towards a potential residential population of 50,000 by 2050.

The City of Perth includes the suburbs of Crawley (part), East Perth (part), Northbridge, Perth and West Perth (part). As of 1 July 2016 areas of Crawley and Nedlands, as well as UWA and the QEII Medical Centre, were included within the City's boundaries.

The major growth area has been Perth Central which has seen a 146 per cent increase in residents from 2,125 in 2006 to an estimated resident population of 5,226 in 2015.

Similarly the southern part of East Perth centred around Hay Street and Adelaide Terrace has seen a 106 per cent increase in residents from 2,895 in 2006 to an estimated residential population of 5,962 in 2015.

Our Households

Major population growth has been in households consisting of couples and lone persons, with the predominant age profile of residents being people aged between 20 and 34.

These groups have a significantly higher representation when compared to the Perth Region average as follows:

Age	City of Perth	Perth Region
20 to 24	15%	7.5%
25 to 29	19.8%	7.7%
30 to 34	13.1%	7.0%

This age profile extends into the types of dwellings in the City of Perth, with 94.3 per cent of dwellings considered to be medium to high density, and the highest proportion being two bedroom apartments followed by one bedroom and then three bedroom apartments.

A smaller but growing number of households containing children is evident, with these households now making up 7 per cent of all households in the City. Nonetheless, as a percentage of the population families with children are significantly lower in the City than the Perth Region average.

Population forecasts indicate that by 2036 there will be over 1,000 children under the age of 4 living in the City of Perth. Those aged over 60 are predicted to grow from 2,799 in 2011 to 5,676 in 2036.

Our Workforce

The number of people working in our City has grown 13.6 per cent between 2006 and 2011, reaching a total of 134,459 workers.

In 2015/16 the top three industries for the City of Perth workforce were:

- Professional, Scientific and Technical Services (28,713 people or 21.35 per cent).
- Public Administration and Safety (18,466 people or 13.73 per cent).
- Health Care and Social Assistance (14,992 people or 11.15 per cent).

OUR MAJOR PROJECTS

Some of the most exciting metropolitan projects in the State's history have been delivered, transforming the City.



Construction of our new City of Perth Library at 567-579 Hay Street created much interest with its unique design features. Opening to the public in March 2016, the Library includes meeting rooms, gallery space, a History Centre, and a café.

The Library forms part of the Cathedral Square precinct, which contains the historic State Buildings, Perth Town Hall, St George's Cathedral, the State Administrative Tribunal building and the David Malcolm Justice Centre.



The Perth City Link project progressed with works being carried out on the new underground Perth Busport facility. Tenants moved into Kings Square, and Doric Contractors were appointed for the construction of Yagan Square.

Yagan Square is due to open in 2017 and is set to become an iconic destination in Perth. It will be uniquely Western Australian, with a permanent food market, native gardens, play areas, cafes, restaurants and Aboriginal art.



On the foreshore, progress was evident with Elizabeth Quay opening to the public on 29 January 2016. Elizabeth Quay has attracted a significant number of visitors, and the opening of several food and beverage outlets was a key milestone in the continued growth and development of the precinct.

Over in East Perth the Riverside Waterbank Project has progressed. Within this project there is a substantial public open space that is currently in design and in consultation with the City. This space will be an asset to the City upon completion.

Elizabeth Quay, Perth City Link and the Riverside Waterbank project are all projects undertaken by the Metropolitan Redevelopment Authority on behalf of the State Government, in close consultation with the City of Perth.

In addition to these projects there has been steady development within the City. Some examples include construction commencing at the former FESA building site for a mixed-use development, and demolition at the former Greater Union site to accommodate the construction of a 21 level mixed-use development.

Construction has also commenced on the podium building, public plaza and 30-level office tower which will be the new home of Woodside Petroleum at the former Emu Brewery site. The site will ultimately consist of two additional towers being a 35 level tower including 120 hotel rooms and 200 apartments and a 41 level residential building including 68 apartments.



FINANCIAL HIGHLIGHTS

OPERATING REVENUE

from ordinary activities

2014/15

2015/16



	2014/15	2015/16	
●	53.3%	52.0%	Fees and Charges
●	40.4%	43.5%	Rates
●	3.0%	2.5%	Investment Income
●	1.8%	0.8%	Grants and Contributions
●	1.1%	0.9%	Other Revenues
●	0.3%	0.3%	Donations and Reimbursements
●	0.1%	0.0%	Gain from Disposal of Assets

OPERATING EXPENDITURE

from ordinary activities

2014/15

2015/16



	2014/15	2015/16	
●	37.9%	37.0%	Employee Costs
●	26.3%	25.6%	Material, Contractors and Suppliers
●	17.1%	17.3%	Depreciation and Amortisation
●	13.0%	15.2%	Other Expenses
●	1.8%	1.8%	Utilities
●	0.9%	0.9%	Interest
●	1.6%	0.9%	Loss on Disposal of Assets
●	0.7%	0.6%	Insurance
●	0.7%	0.7%	Expense Provision

Income

- Our operating revenue amounted to \$191.4 million in 2015/16, an increase of 2.5 per cent on last year.
- The City raised \$83.2 million in rates, an increase of 10.2 per cent from the previous year. This was due to growth in the rates base from new completions, and an increase in the rate per dollar to cover CPI and to fund programmed capital works.
- We collected \$73.2 million in parking fees through the City's parking business. High office vacancy rates impacted patronage to the City's carparks, as a result revenue decreased by \$0.1 million in 2015/16.
- The lower interest rate environment impacted our investment income which decreased by \$0.8 million to \$4.7 million.

Significant Items

- The revaluation of Plant and Equipment Assets and Investment Properties resulted in losses of \$1.3 million and \$2.1 million respectively.
- The City's share of the profit on the sale of land being developed by the Tamala Park Regional Council was \$1.1 million.

Expenses

- Our operating expenditure amounted to \$183 million, representing a 7.4 per cent increase on last year.
- The increase in our operating expenditure was predominantly due to Employee Costs (increase of \$3.3 million), Materials, Contracts and Suppliers (increase of \$2.1 million), Depreciation and Amortisation (increase of \$2.4 million) and a \$2.7 million increase in the State Parking Levy which is shown in Other Expenses.

Funding Capital Expenditure

- \$40.2 million was expended in cash on capital expenditure during the year.
- No borrowings were made to fund capital expenditure during the year, and there were no unused loan facilities at year end.
- Capital grants and contributions amounted to \$5.4 million, a \$3.7 million increase on the prior year.
- \$9.9 million was drawn down from reserves to fund capital expenditure.



OUR BUSINESS

We recognise the important contribution business makes to our City, so we provide a range of promotional activities, incentives and advocacy to support a range of local businesses.

LNG 18 Conference and Exhibition

The 18th International Conference & Exhibition on Liquefied Natural Gas (LNG18) was held in Perth in April 2016. Perth is the only City to ever hold this conference twice.

LNG18 was the largest conference that Perth has ever hosted and attracted global heads from major corporations such as Chevron, Royal Dutch Shell, Inpex, ConocoPhillips, Woodside and other companies in the industry's production and supply chain.

Recognising LNG18's importance, the City invested considerable time, resources and in-kind support into the conference, from the initial bid in 2009 through to the conclusion of the successful event in 2016.

The event attracted over 8,000 participants, including 2,000 trade delegates and an additional 6,000 visitors to the exhibition. It generated an estimated \$50 million in delegate expenditure to the local economy.

International Scope

The City received a large number of international business enquiries and provided support to international companies with investment interests in Perth. The City supported several international industry conferences and events including the Australian Oil and Gas (AOG) Conference, the Italian Chamber of Commerce and Industry's Momentum Business Forum and the 5th International Association for Energy Economics Asian Conference.

The City conducted economic and investment briefings for international business delegations and dignitaries from China, Hong Kong, India, Indonesia and Malaysia, providing information on the economic growth of Perth and investment opportunities within the City.

We also hosted delegations and visits from our sister cities including the Vice Mayor of Chengdu, a business delegation from Vasto, and a Houston Airport delegation promoting a new flight route from Perth to Houston.

Additionally, as part of our annual education exchange programs, the City welcomed visiting students from Kagoshima, Chengdu, Nanjing and Seocho to Perth, hosting courtesy calls for the visiting students at Council House.

International Education

In recognition of the growing economic importance of international education, the City entered into a three-year funding agreement with StudyPerth to assist with their ongoing work promoting Perth as a destination of choice for international education and to assist in attracting international students to study in Perth.

The City also helped promote Perth as an ideal destination for international students by hosting delegations of international education agents from source markets such as Vietnam, Africa and Japan.

Business Networking and Information Sessions

The City's Business Support and Networking Series encouraged business connections, collaboration and opportunities. In 2015/16, the City hosted a business support session with keynote speakers from Google and Yelp to inform and educate local businesses on effective online marketing strategies.

The City also collaborated with Tourism Council WA in an effort to lift customer service standards and help tourism businesses with social media. A customer service workshop, marketing with strategy workshop and a series of social media workshops were conducted with City businesses benefitting from a 50 per cent subsidy provided by the City.

Fifteen editions of the Northbridge Business Trader were disseminated in 2015/16. The trader is an e-newsletter designed to share precinct relevant information with Northbridge business owners and operators.

Perth Tourism Industry Exchange

In March 2016, the City held the second inaugural Perth Tourism Industry Exchange, an event for the tourism sector to exchange information, hear from industry relevant keynote speakers, network amongst peers and experience operators' products in an expo environment.

Moving the event to the Perth Arena allowed for an increased number of attendees and exhibitors, while a new interactive social media initiative was incorporated into the event to drive conversations and increase interaction between attendees and exhibitors.

The event also included the first Perth Tourism Industry Exchange Awards which were designed to recognise the contribution of concierges, front of house staff, visitor information staff and volunteers.

Supporting Innovation

The City recognises the growing importance of promoting innovation and supporting the development of new jobs and industries. In 2015/16, the City continued to encourage the development and growth of the local innovation and entrepreneurial sector, supporting a range of initiatives and programs such as Startup Weekend and the Founder Institute.

In addition to these programs, the City expanded its support of the sector by sponsoring the RIIT Unearthed hackathon program. Unearthed helps to develop prototype solution to problems in the mining and resources sector. The City also sponsored the 2015 OzApp Awards/West Tech Fest, which celebrates local innovation and technology entrepreneurs.

The City provided funding towards the development of the 2015 Startup WA report about the local innovation system, dedicated a section of the City's corporate website to promoting the various co-working spaces within the City, and sponsored a breakfast information session and masterclass organised by the WA Angel Investors.

Business Grants

In 2015/16, the City awarded a total of 17 business grants to local businesses, with a combined value of \$99,837 comprising of Matched Funding and Small Business Grants.

MATCHED FUNDING GRANTS

In the 2015/16 funding round, Matched Funding Business Grants were awarded to eight projects with a total funding allocation of \$84,272. These grants contributed to private sector investment in City-based projects with an estimated value of more than \$1 million.

SMALL BUSINESS GRANTS

A total of nine Small Business Grants were claimed, representing a financial contribution of \$15,565 to assist local small businesses.



OUR VIBRANCY AND VITALITY

We continue to support events and activities that add to our City's appeal, and which support our local businesses.

Twilight Hawkers Market

Our Twilight Hawkers Market returned to Forrest Place during the warmer months, running from October to April, with a longer duration, from 4.30pm to 9.30pm. The Friday market has proven extremely successful, offering international cuisine and attracting evening crowds to the CBD with approximately 260,000 enjoying the 2015/16 season. The market was recognised by the industry in November 2015 and awarded Silver in the WA Tourism Awards for the Major Events and Festivals category.

Sunday Markets

The City held Sunday markets under the banner of Perth Home Grown from March to December in the Murray Street Mall. The popular markets featured fresh, organic, and local produce including farm-fresh fruit, vegetables, free range eggs, honey, and nuts. The market also offered quality crafted homewares, art and jewellery.

Perth Wildcats Championship Presentation

We hosted a public celebration in Forrest Place for the Perth Wildcats, who became NBL Champions in 2015/16 at the Perth Arena. The event was to congratulate the team with the Lord Mayor speaking on behalf of the City, and to provide the public with an opportunity to celebrate with and meet the team.

Festival of Christmas

Our Festival of Christmas was launched in mid-November with Turning on the Christmas Lights, and continued through to the end of December with more than 20 free events to entice shoppers into our City. Events included the popular Christmas Nativity held over three nights and a new event, Christmas Place.

School Holidays

Each school holidays in July and October, we present a free event in Forrest Place to entertain thousands of families that come into the City. In 2015/16, we presented Perth City Snow Slide and Perth City Paper Pilots.

Skyworks 2016

Our City of Perth Australia Day Skyworks again attracted approximately 300,000 people to the Swan River foreshore for a truly spectacular pyrotechnic display. We organised a large range of Australia Day family events and entertainment from 3.00pm, culminating in the 32nd annual Skyworks display.

Eat Drink Perth

Perth's biggest food festival, Eat Drink Perth, was more than a month-long celebration of Perth's unique food and wine scene running from 16 March until 23 April 2016. Now in its 12th year, more than 90 of the City's culinary establishments showcased their offerings with masterclasses, markets, long table dinners, dessert degustations, food trucks, walking tours, pop-ups, progressive dinners and much more.

Innovation Month

Our Northbridge Piazza was the venue for Innovation Month in April. The event featured seminars, demonstrations, performances, art installations, films and workshops, all in the name of forward thinking.

Winter Arts Festival

The City of Perth Winter Arts Festival was a three-month program of over 130 arts and entertainment events from June to August 2015. The festival spans the genres of theatre, music, comedy, cabaret, dance, film, literature, family and visual arts, and showcases the talent and creativity of over 60 participating arts organisations and artists. It also highlights Perth's food and beverage scene, putting the spotlight on offerings from the City's restaurants, cafes and small bars.

Arts and Cultural Sponsorship

In 2015/16, 44 organisations/ independent artists were supported through this program, consisting of 12 partner organisations and 32 artists/ organisations supported through the Rounds and Fast Response programs.

The City partnered with some of the State's flagship cultural organisations to present annual cultural events including Symphony in The City, Opera in the Park, Perth International Arts Festival, Awesome Festival and Fringe World.

The City supported individual artists, arts organisations and community groups to present a broad range of one-off arts projects within a range of indoor and outdoor venues, both temporary and permanent, representing the following art forms:

- Theatre
- Ballet
- Opera
- Classical Music
- Contemporary Music
- Jazz Music
- Aboriginal Theatre
- Visual Arts
- Photography
- Digital Game development
- Public Art
- Film
- Contemporary Dance

Approximately 1,665,948 people attended more than 800 arts and cultural activities supported through this program.

Corporate Sponsorship

The City supported various events and conferences that align with our strategic economic priorities including:

- Industry sector growth and development.
- Promoting Perth as an ideal business and investment destination.
- Economic diversification.
- Increasing City vibrancy and vitality, including the development of a genuine 18-hour economy.
- Capitalising on Perth's geographic advantage of being Australia's only Indian Ocean Capital City.
- Promoting local expertise and successfully leveraging the City's international relationships for beneficial economic outcomes.

In addition to supporting traditional industry sectors such as resources and energy, tourism and property development, the City has also expanded its support for emerging sectors such as international education, and innovation and knowledge based industries.

Event Sponsorship

The City supported 40 unique events under the Event Sponsorship program in 2015/16, including five Major Partnership sponsorships. The program continues to be oversubscribed with more than double the available funding requested annually.

In 2015/16, the City supported several new events including the Italian Food and Wine Festival and the Bonjour Perth Festival, as well as a suite of key annual events such as the Telstra Perth Fashion Festival, the Christmas Pageant and the HBF Run for a Reason.

The program encompasses the following types of events:

- sporting events
- community and cultural festivals
- community fundraising events
- partner events with national and international profiles.

Northbridge Piazza

Our Northbridge Piazza continued to be a hive of activity during the year, with regular film screenings and other entertainment on offer.

These included:

- **Piazzarama:** Series of monthly, free, family activities from September to May.
- **Sunday Sounds:** Regular Sunday afternoon sessions featuring live bands and musicians in two seasons, during Spring and Autumn.
- **Free Flicks for Kids:** Specially chosen films on Saturday afternoons.
- **Date Night:** Wednesday Date Night presents a finely-tuned selection of romantic feature films and crowd favourites.
- **Festive Flicks:** Christmas film season in December.

Event Approvals

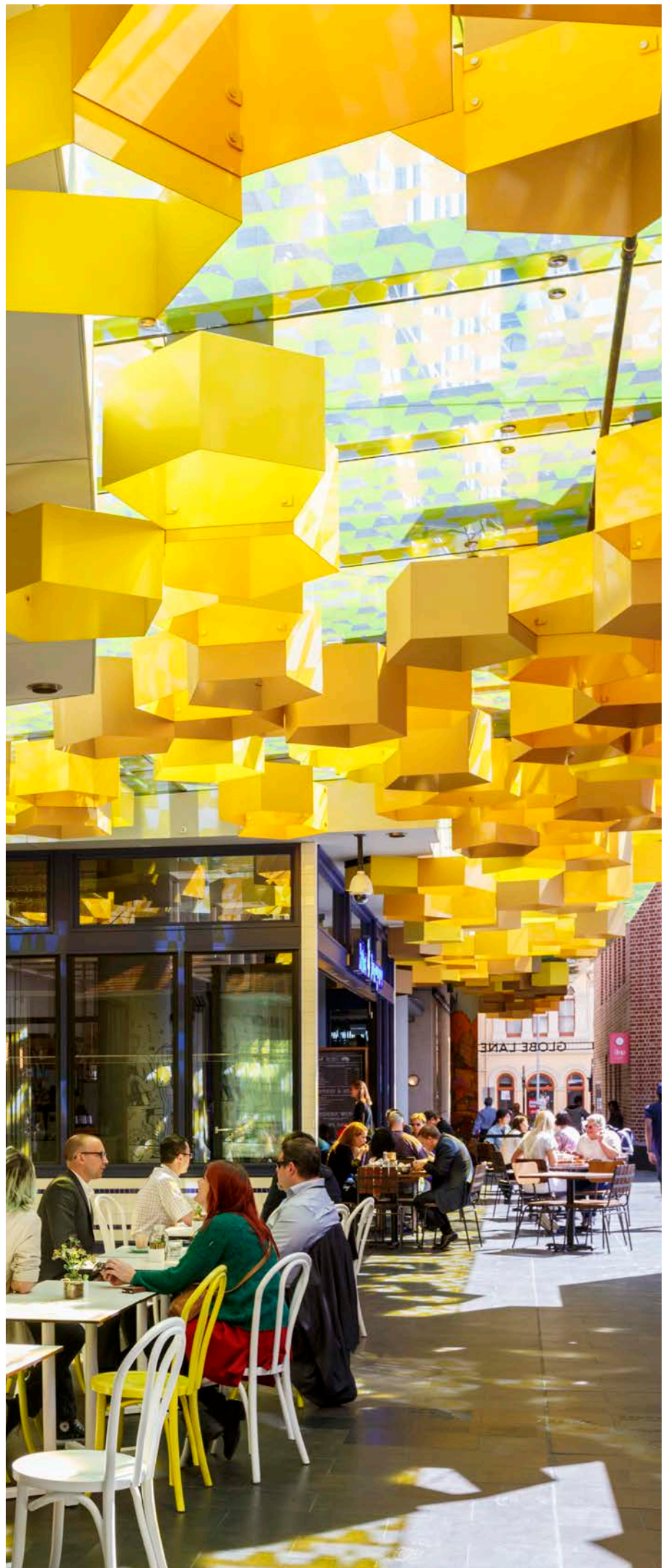
In 2015/16, we continued to attract major events to our foreshore, and approved 254 events on the City's roads and reserves including the Symphony in the City (20,000 people), Oktoberfest (10,000 people), Bonjour Perth (15,000 people), and HBF Run for a Reason (32,000 people).

Public Art Strategy

The City of Perth's Public Art Strategy was adopted by Council last financial year. This informing Strategy articulates our vision for public art, and outlines strategic objectives across three focus areas: Enduring Art; Art Interventions; and Public Art Development.

Our Public Art Strategy provides us with a firm foundation on which to develop a City-wide approach to public art, with buy-in from across the organisation, and from the full range of external stakeholders engaged in delivering public art in Perth.

It is a decisive step towards nurturing a world class collection, and in delivering inspiring, and engaging, public art, for the benefit of present and future stakeholders in Western Australia's Capital City.





OUR ENVIRONMENTAL SUSTAINABILITY

We are committed to pursuing policies that contribute to a sustainable City and to leading by example.

Strategic Environmental Framework

In March 2016, Council adopted a 15-year Environment Strategy renewing our commitment to creating a sustainable City for the future. The Strategy was developed to enable the City to achieve excellence in environmental management through working for and with the community.

Environmental Sustainability and Health

MONITORING AND REPORTING

The Environment Strategy outlines a number of targets for 2030 against which the City will measure its progress. The targets are both community and operational (corporate) in focus. They will be measured at appropriate intervals and reviewed every four years to ensure the City remains ambitious in its pursuit of being a leading Council in environmental sustainability.

An Environment Snapshot, the second of such reports, was released in December 2015 to share the City's progress on environmental initiatives with the community.

COMMUNITY EDUCATION

The Wild Life Show was held during the school holidays at the Perth Town Hall from 28 June until 20 July 2016. The event attracted 12,600 visitors and celebrated the Wild Life Shows of the 1950s and 1960s. The event featured a flora and fauna exhibition, children's workshops, and a native petting zoo.

In March 2016, the City opened its new Library which has several sustainable design features that reduce its environmental impact. These include maximising thermal efficiency, innovative high efficiency façade design, maximising thermal comfort, energy efficiency and natural daylight performance, and high efficiency water and light fittings and fixtures.

Additionally, more than 80 per cent of construction and demolition waste was recycled.

SUSTAINABLE TRANSPORT

The City released a draft Transport Strategy for community consultation in April 2016. The Strategy's vision is to articulate the City's long term aspirations for transport, and highlight how the City will progress towards that future. The final Strategy is scheduled to go to Council for approval in late 2016.

LOCAL FLORA AND FAUNA

The Department of Parks and Wildlife (DPAW) recently confirmed that the saltmarsh at Heirisson Island meets the criteria for the threatened ecological community (TEC) of a 'subtropical and temperate coastal saltmarsh,' which is listed as vulnerable under the *Environment Protection and Biodiversity Conservation Act 1999*.

If this status is formalised, it will be added to the Western Australian list of TECs and will be afforded specific protection and subjected to management implications.

POINT FRASER STORMWATER TREATMENT WETLAND

The City has come to the end of a 12-month monitoring period for the gabion sedge trial at a site on the eastern side of Point Fraser. The City is now waiting on the final report which will indicate the most successful species of sedge and method of planting out. The report will also provide guidance as to future plantings across the site.

The City is also concluding Part 1 of the Point Fraser dye tracer study, which tracked the flow of water through the wetland, measured hydraulic efficiency and produced a dispersion profile. A remediation design was then implemented and shown to improve wetland hydraulic performance. Part 2 of the dye tracer study will evaluate catchment connectivity in Winter 2017.

Climate Response

CARBON DISCLOSURE PROJECT

The Carbon Disclosure Project is an international program that partners with businesses and cities to measure their carbon footprint. It provides a platform for climate change mitigation and adaptation, reporting and benchmarking. The City has reported twice to the Carbon Disclosure Project, once privately in June 2015 and then publicly in April 2016.

WALGA'S DECLARATION ON CLIMATE CHANGE

In September 2015, the City became a signatory to the WA Local Government Association's Declaration on Climate Change. This declaration is a voluntary opportunity for local governments to demonstrate their political commitment to locally appropriate climate change management, and to participate in a sector wide leadership approach.

COMPACT OF MAYORS

In September 2015, the City of Perth became a signatory to the Compact of Mayors and is currently completing its first year requirements. The Compact of Mayors is a global coalition of Mayors and city officials committing to reduce local greenhouse gas emissions, enhance resilience to climate change and track their progress publicly. First year requirements include the development of a community wide greenhouse gas inventory and the identification of local climate hazards.

URBAN FOREST PLAN

The City released a draft Urban Forest Plan for community consultation in June 2016. The Plan's vision includes optimising canopy cover, and protecting and promoting its sustainable growth, as well as health and resilience in the face of continued urbanisation and climate change challenges.

Energy Resilience

CITYSWITCH GREEN OFFICE PROGRAM

The City's commitment to the CitySwitch Green Office Program continues to grow with 63 signatories now participating in the City of Perth and 81 across Western Australia.

In March 2016, CitySwitch expanded into office waste and recycling, adding to its energy efficiency and carbon emissions focus. It was also announced that nationally CitySwitch surpassed three million square metres of office space participation.

CITY OF PERTH CAR PARKS (CPP)

Electric vehicle charging facilities are available at 12 City of Perth car parks, three of which have dedicated electric vehicle charging bays: Elder St, Pier St and Convention Centre. These facilities have 15 amp outlets and are suitable for most Australian electric vehicles and, besides the parking fee, charging is free.

A Waterwise City

WATERWISE COUNCIL PROGRAM

The City of Perth was the first metropolitan Waterwise Council in WA, joining the program in 2009. The program focuses on operational and behavioural water efficiency and conservation. It is jointly coordinated by the Water Corporation and the Department of Water.

In 2015/16, scheme water consumption:

- Decreased by 21 per cent from City owned and managed assets, equating to total water savings of 18,846kL.
- Decreased by 21 per cent in the community, equating to a total water savings of 1,113,778kL.

The City was successful in receiving a Waterwise Council grant for 2016/17 to support an investigation into alternative water sources for irrigation within the City.

WATERWISE OFFICE PROGRAM

In 2015, a review was undertaken to compare water use by the commercial office sector using a 2012 baseline. The review identified that the industry has made significant improvement in water consumption with an average improvement of 0.17kL/m²/annum.

This improvement in performance benchmarks equates to savings of 166,000kL/annum or the equivalent of 66 Olympic sized swimming pools (estimated volume of 2,500kL/swimming pool).

In total, Waterwise Office Program participants save approximately \$315,000 per year in avoided water and wastewater charges, not including savings achieved through reduced energy requirements to heat and pump water.



OUR SERVICES

We are committed to providing high quality services to residents, visitors and other City stakeholders.

Digital Services

The average number of unique monthly visitors to the www.visitperthcity.com website increased from 77,097 to 91,421 in 2015/16.

The *Perth City* social media channels also experienced growth with Facebook followers increasing by 35 per cent from 57,470 to 77,474, and Twitter followers increasing by 81 per cent from 17,715 to 32,096.

As of 30 June 2016, there were 33,400 Instagram followers and 828 Pinterest followers recorded for *Perth City*.

Across the same time, our City of Perth (@CityofPerth) channels had 14,300 followers on Instagram, 52,225 on Facebook, and 55,329 on Twitter.

Volunteer Hosts

The iCity Visitor Information service provides a highly sought after volunteering opportunity. Recent recruits include students, City workers, semi-retired and retired individuals. The volunteers are a mix of local City and metropolitan residents, as well as international students and visitors.

The City has 82 trained and active iCity volunteers, collectively contributing over 800 hours per month. In 2015/16, 175,000 people were assisted on topics relating to way finding, tourism attractions, arts and cultural events, shopping and services.

Homeless Guide

The City's listing of homeless services in the inner-city directory continues to be a popular resource for ratepayers and service providers operating within the City and the wider Perth area. It is a one-stop-shop to help people find a variety of services and assistance. Its contents include emergency contacts and the location of support services and outreach assistance in times of need.

Homeless Connect

The City of Perth partners with Volunteering WA to deliver Homeless Connect Perth. More than 1,500 homeless and disadvantaged people attended our Homeless Connect event and were able to engage with a wide range of government and non-government service providers in the delivery of housing, legal, medical, dental, employment, and other support.

Community Centre

Our Citiplace Community Centre provides services to meet the needs of people aged 55 and over, and people with disabilities. We provide meals and refreshments, podiatry, hairdressing, computer training, social, and leisure activities. In 2015/16 an estimated 180,000 to 200,000 services were provided to people who visited the centre.

Rod Evans Community Centre

Located at 160 Hay Street, at the eastern end of the City, the Rod Evans Centre offers a range of services, including centre-based and delivered meals, social and exercise opportunities, podiatry, hairdressing, and support for City residents. In 2015/16, 1,838 services were provided on average each month.

Rest Centre

The Citiplace Rest Centre, located near the Perth Station concourse, continues to provide a valuable service to the community with 24-hour accessibility on Friday and Saturday nights. Services provided include lockers, showers, and stroller hire. In 2015/16, 212,397 people visited our facility.

Child Care Centre

In 2015/16, our Citiplace Child Care Centre provided long-term day care for 268 children (260 families) and occasional care for 95 children (90 families).

Town Hall

Our Perth Town Hall handled 289 bookings in 2015/16. These included weddings, corporate and civic functions, exhibitions, and the Holly Wood Tuesday Morning Show, a regular free concert.



Drainage Works

In 2015/16, the following storm water pipes were relined. This was completed to improve the structural integrity of existing pipes, ensuring that storm water is effectively discharged.

- Thomas Street between Rheola Street and Kings Park Road
- Rheola Street between Thomas Street and Walker Avenue
- Nelson Crescent between Plain Street and Hale Street
- Plain Street between Nelson Crescent and Hay Street

Graffiti Removal

More than 4,800 instances of graffiti were recorded in the City's graffiti management system in 2015/16. The vast majority of these were treated and removed successfully. All recorded instances of graffiti are photographed and reported weekly to the Western Australian Police Service through their online portal. Graffiti can be reported to the State Graffiti Hotline: 1800 442 255.

Library

The new City of Perth Library was opened to the public on 1 March 2016. The new facility has been eagerly anticipated, as reflected by the 323 per cent rise in memberships from 2,296 in 2014/15 to 9,711 in 2015/16. The Library also welcomed 254,793 visitors to the building, a growth of 77 per cent.

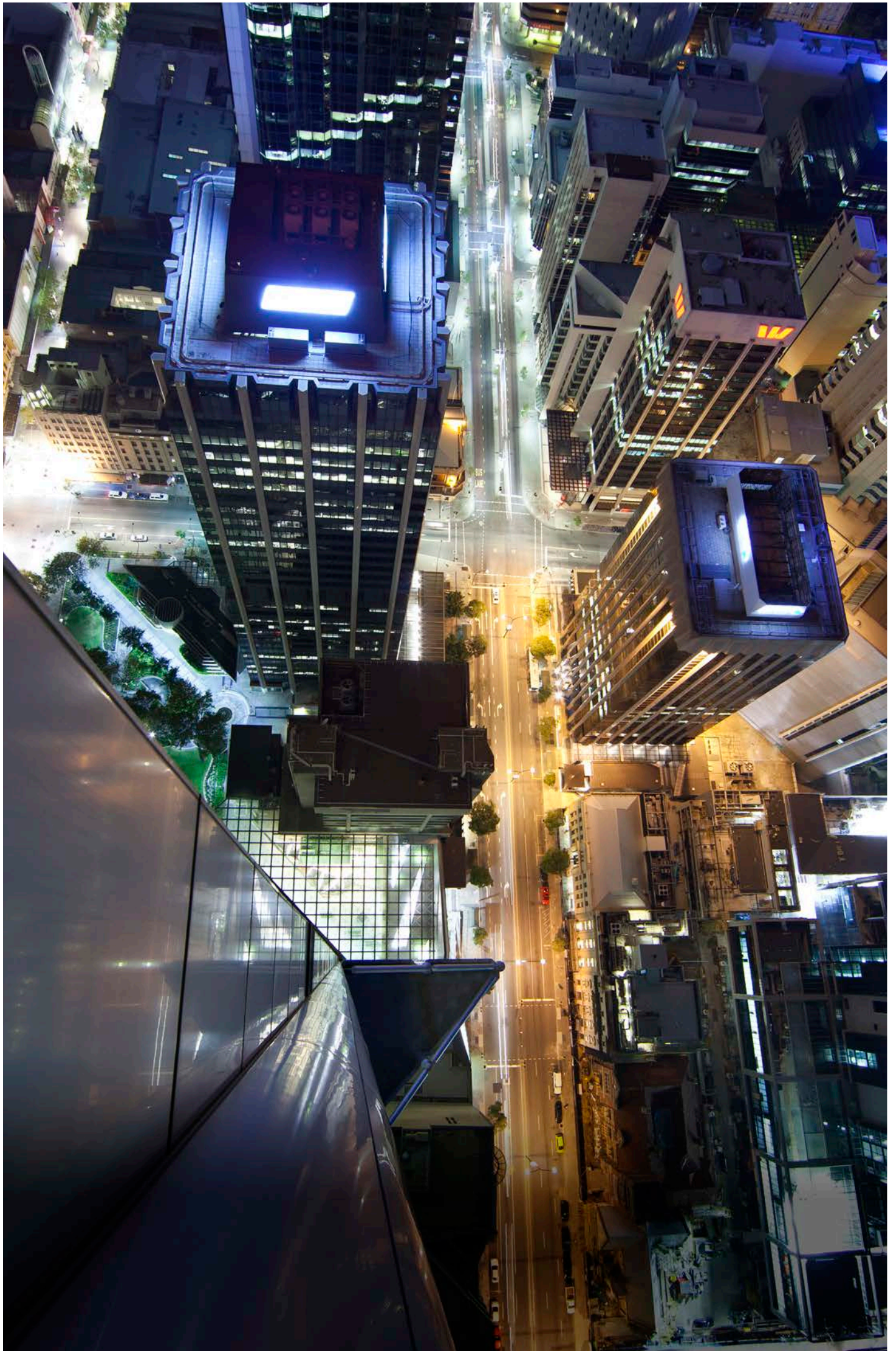
Programs such as Storytime have doubled their attendance, with more than 6,000 children and their carers enjoying 99 sessions. The busiest Rhymetime sessions attracted about 80 babies and their parents. Attendance at other special events has grown from 577 to 1,710.

Loan transactions have held steady with only a slight decrease. On average, between 25 – 33 per cent of the collection is out on loan at any time. The use of digital resources has reflected the increased interest in the Library and our collections. Loans of ebooks grew by around 56 per cent for Overdrive and 94 per cent for Axis 360. Use of online audio books supplied by BorrowBox has increased by 635 per cent with a similar increase in Beamafilm. Transparent Languages has enjoyed an 86 per cent rise in usage. The number of Library staff required to provide a seven day a week service with extended opening hours has increased by 60 per cent.

History Centre

The move to the City's new Library building has seen an increase in the use of the History Centre Collection with members of the community requesting access to the material.

The digitising of our History Centre's photograph collection continued during the year. The Centre also held workshops for two primary school classes visiting the City to learn about the history of Perth, and helped with their essays. An introductory tour of the History Centre was provided to Local History Groups and TAFE students. The Land Titles and Treasury Buildings oral history project was completed with a total of 43 interviews.



OUR BUILT ENVIRONMENT

We strive for excellence in providing facilities and streetscapes that enhance our City's appearance and functionality.



Barrack Street Enhancement

An enhancement of Barrack Street between St George's Terrace and Wellington Street, including a two-way traffic conversion, to revive the historically important precinct was completed in November 2015.

Museum Street Enhancement

Prioritising pedestrians and place activation, the City completed the enhancement of Museum Street, between Aberdeen Street and Francis Street in April 2016. The next stage of works will be an interactive public artwork which will explore the journey of learning. This significant piece will be installed in April 2017.

Supreme Court Gardens Enhancement

The upgrade of Supreme Court Gardens was completed in July 2016. The enhancement was built around the original design intent of providing a robust place for public recreation and events within our City.

Minor Urban Interventions Program

We have continued to introduce Minor Urban Interventions around the City, this time focusing on the West Perth town centre. Given the high vacancy rates that West Perth is currently experiencing, the City has a focus on engaging with this area and its stakeholders to deliver new outcomes.

Lighting Strategy Implementation Plan – Projects

The Lighting Strategy Implementation Plan identified a number of key projects to enhance and support the City's night time economy which will be rolled out before June 2017.

Urban Forest Plan

The City's Urban Forest Plan is an important strategic action plan for the protection, management and expansion of the urban forest. It recognises the urban forest as a critical element of infrastructure for its ongoing contribution to City liveability, community health and well-being, and climate resilience. The final plan was adopted in September 2016.



OUR TRANSPORT

We plan, design and manage the City's streets and transport networks. We work closely with State Government Agencies to ensure that movement to, from, and within the City, is efficient and sustainable.

Improving Transport Safety

In 2015/16, we improved pedestrian priority and safety in the City by implementing a signalised pedestrian crossing on Beaufort Street at James Street near the Cultural Centre, as well as zebra crossings on Railway Street by City West station, and on Francis Street by Central TAFE.

Improving Connectivity

We continued to design and develop our Two Way street program which is intended to improve safety and connectivity on our streets. With this in mind, the Barrack Street and Hay Street (Barrack Street to Pier Street) Two Way schemes were constructed. Design for the Murray Street Two Way (Thomas Street to Elder Street) scheme progressed.

Facilitating Active Travel

A footfall analytics trial commenced in the Hay and Murray Street malls. This trial collected movement information to form a better understanding of how people move around and use City spaces.

The Barrack Street Two Way scheme incorporated on road cycle lanes, cycle head start boxes, low level cycle lanterns, and cycle lane separators providing an important north-south cycle route in the City.

Shared paths on Railway Street and Market Street were built providing increased connectivity and capacity for cyclists in West Perth. A shared path on Harvest Terrace was also completed and further stages have been designed for a link between Kings Park Road and Murray Street.

Future Transport Needs

Progress has been made with the development of our Transport Strategy following successful public consultation. The City has also been looking at existing and future requirements on our streets with kerbside parking and loading requirements. We have also been in discussion with third parties regarding initiatives for car sharing and for autonomous vehicles.

OUR HEALTH AND SAFETY

Safety and a sense of security is our priority, as is a clean and healthy environment.

Smoke-free Malls

Our City of Perth Rangers issued 12 fines, and on average cautioned 10-12 people each day for smoking in our malls. Anecdotal evidence suggests smoking is becoming less common in the malls since bans were implemented in 2013.

Food Sampling

As part of our routine food monitoring and sampling, 89 samples were collected and 18 were found non-compliant (20 per cent) when assessed against the requirements of the Australia - New Zealand Food Standards Code. Issues included labelling, undeclared allergens, mould in food and non-compliant nutritional information.

Health Inspections

We have 945 registered food businesses in the City, and in 2015/16, 3,319 inspections/assessments were conducted (compared with 3,379 in 2014/15). A total of 31 Food Act Improvement Notices and four Food Act Infringements were issued. One business was prosecuted due to a public building overcrowding matter.

Noise Incidents

We received 367 registered noise complaints in 2015/16 (compared to 332 noise complaints for 2014/15), including 114 for construction noise, 69 for amplified music, 80 other types of noise, 57 concert/event noise, 23 air-conditioning, 16 commercial works, and eight about noisy alarms.

Community Safety

The City continued to engage with stakeholders and agencies to ensure community safety objectives were met and coordinated by many and not a few. Consultation is ongoing with the Metropolitan Redevelopment Authority (MRA) and developers regarding planning and design for safety in the new areas of the City, including Elizabeth Quay and Perth City Link.

The City also supported crime prevention through environmental design principles which will assist in the management of these areas in the future. Our initiatives included lighting, CCTV and way-finding in well activated areas.

We also developed operational strategies with regard to CCTV and graffiti, and reviewed data and trends on alcohol impacts in Perth. An extensive review of Emergency Management arrangements was conducted and strong partnerships with agencies of the Local Emergency Management Committee were fostered.

Surveillance Operations

2016 marks 25 years of CCTV in Perth. Our 24 hour surveillance operation has undergone significant change since its inception, and the last year has seen rapid change and growth. New areas and assets such as Elizabeth Quay, Kings Square, Perth City Link and the City of Perth Library have expanded our coverage and network of CCTV cameras to more than 300.

In 2015/16, the City established a strong network of large CCTV providers through the CCTV Collective. Stage two of the migration of our CCTV system to a digital platform is well underway, demonstrating the City's commitment to sustaining a strong and efficient system designed to enhance community safety. The CCTV Code of Practice has also been updated.

Our Surveillance Centre is committed to exploring new technology, and 2015/16 has seen a trial of licence plate recognition, a public address system in Forrest Chase, mobile static surveillance cameras and a project is underway to deliver three mobile CCTV towers.



Rangers and Security

City Rangers are focused on providing a highly visible, prompt and reliable service while carrying out patrols of public spaces including parks and reserves, and City streets and footpaths.

Our Rangers liaise with buskers, builders, contractors, ratepayers and the general public. They deal with a myriad of issues such as nuisance or barking dogs, complaints related to buskers, obstruction complaints, illegal camping complaints and litter complaints.

The City's Rangers are also actively involved in responding to emergencies and major events held in the City such as the Christmas Pageant, Pride Parade and SkyWorks. Rangers also provide security at Civic functions.

Toilets

We are aiming to increase the number of public toilets in the City. New accessible public toilets have been installed in Northbridge and the Urilift trial is underway. Strategic Planning are currently preparing a Toilet Strategy which will aim to identify toilets available for public use and areas where additional facilities would be beneficial.

Risk Management

In 2015/16, the City undertook an exercise to benchmark our risk management practices and framework against other Capital Cities in Australia. This exercise was done in partnership with our insurer Local Government Insurance Scheme (LGIS), with a report containing the findings and recommendations tabled at the Audit and Risk Committee.

The *City of Perth Act* passed on 1 July 2016, bestowed Capital City status onto the City of Perth. The recommendations were therefore intended to drive our risk and safety practices beyond organisational and compliance requirements, and towards WA Local Government leading practice and Capital City best practice.

In 2016/17 the City will be focused on implementing the recommendations to achieve this outcome and continuously improve our practices.

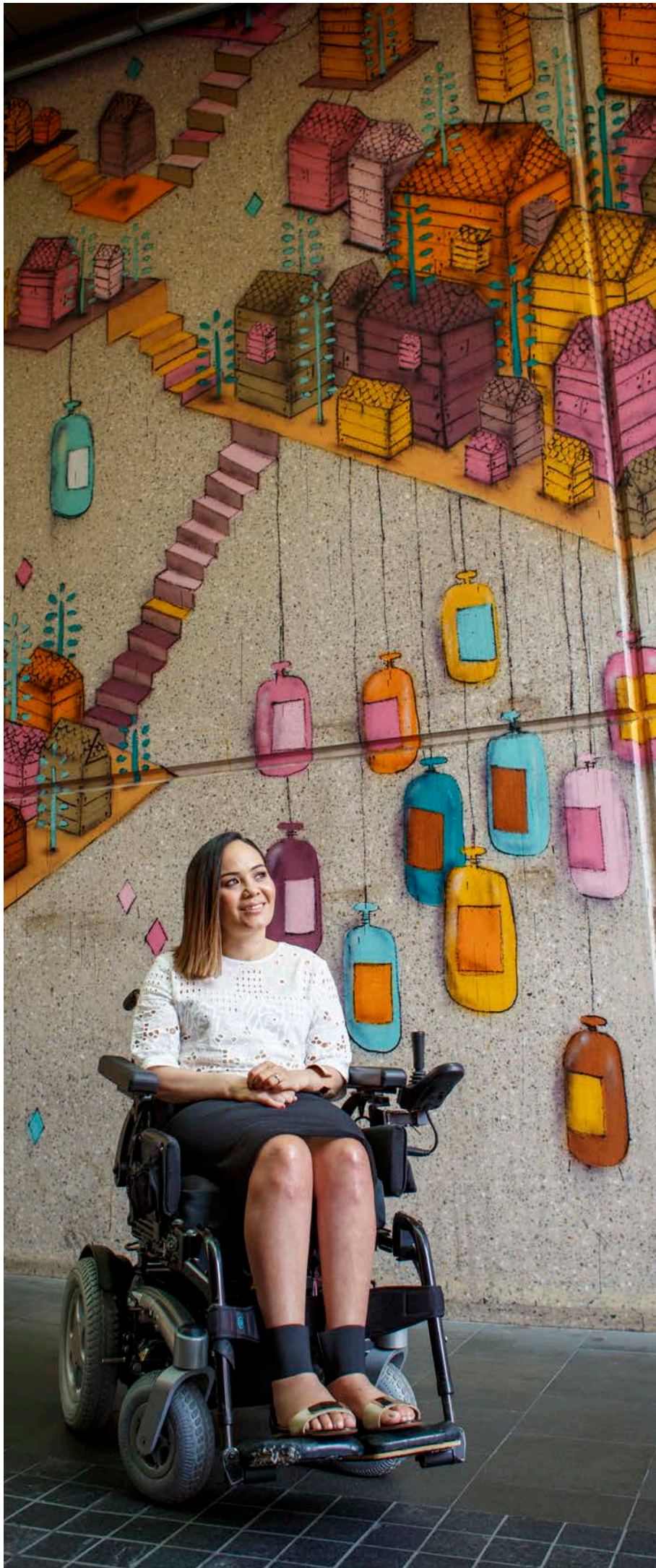
DISABILITY ACCESS AND INCLUSION

The City of Perth is committed to ensuring the City is welcoming and is inclusive for all people by supporting outcomes that improve access and participation for all citizens and visitors.

The City's Disability Access and Inclusion Plan (DAIP) 2011 - 2015 has been reviewed. A new DAIP was presented to Council for endorsement in July 2016 before it was lodged with the Disability Services Commission, as per statutory requirements.

It is the fifth plan the City has implemented under the *Disability Services Act 1993*. The DAIP is reviewed annually, with regular progress reports provided to the Disability Services Commission.

Throughout 2015/16, the City continued to improve access, information, and awareness of the needs of people with disability and their families. This resulted in greater participation and involvement in services and programs, as well as access to facilities, information and events.



RECORD KEEPING STATEMENT

The City is committed to the reliable and systematic management of government records in accordance with legislative requirements and best practice standards.

Record Keeping Plan

The City's Record Keeping Plan RKP2009049 expired in December 2014. An extension of time to submit an updated Record Keeping Plan was sought from the State Records Office of WA due to the City's decision to significantly review its organisational structure and an upcoming boundary change. An updated Plan is to be submitted by June 2017.

Record Keeping Systems

Corporate record keeping procedures were reviewed in 2015/16. The Administrative Policy on Record Keeping is currently under review as at June 2016, and the latest version will be included the updated Plan.

Work has continued with reviewing the record keeping capabilities of the City's land management system (Pathway). Findings from that review have led to further systems integration with the City's record keeping system (TRIM), with some record keeping aspects still to be addressed. Findings and changes implemented will be incorporated into the Plan when updated.

Training and Awareness Raising

The City continues to provide the following training to staff:

- Record Keeping Inductions – focusing on record keeping processes at the City.
- Record Keeping Awareness Training (RAT) – focusing on obligations under the *State Records Act 2000*.
- Record Keeping Systems Training – focusing on how to use TRIM to manage records.

The City continues to raise recordkeeping awareness by:

- Holding record keeping forums.
- Broadcasting record keeping tips.
- Providing content for the staff internal newsletter on good record keeping practices.

Improvements in record keeping practices continue to be experienced with the provision of one-to-one training with staff. Assessment of the training program reflected that the duration, content and support materials met the users' needs.

Future Plans

The City will be looking to improve its record keeping practices by focusing on in-place records management, and pairing a document management system to the record keeping system.

This report has been published in accordance with the requirements of the *State Records Act 2000*.

OUR DONATIONS AND SPONSORSHIPS

Donations	\$	Cultural Sponsorship	\$
White Ribbon Forum	\$1,908	Black Swan State Theatre Company	\$50,000
Mercedes College	\$3,000	NAIDOC Perth	\$35,000
Historical Society - Women's Auxiliary	\$510	AWESOME Arts	\$100,000
John Hughes Big Walk 2015	\$180	Artrinsic Inc	\$41,000
Special Needs Children's Christmas Party	\$350	WAM	\$40,000
Lifeline WA Lights for Lifeline	\$2,000	West Australian Ballet	\$50,000
Javelin Sailing Association	\$2,000	West Australian Opera	\$165,000
Women's Council for DV Silent March	\$1,952	Perth Institute for Contemporary Arts	\$27,400
Reconciliation WA – Run for Reconciliation	\$1,500	Blue Room Theatre	\$62,531
Hellenic Community of WA	\$15,000	West Australian Symphony Orchestra	\$195,000
JDRF Walk Cure	\$682	Perth International Arts Festival	\$365,000
Unitingcare West Christmas Party	\$2,000	Artrage Inc	\$75,000
Organisation of African Communities	\$1,517	Revelation Film Festival	\$11,000
Mission Australia Lunch in the Park	\$3,456	Youth Affairs Council of WA	\$3,000
City of Perth Band	\$11,080	St Georges Cathedral Foundation for the Arts	\$5,000
RSL WA ANZAC Day	\$67,868	Let's Make Games Inc	\$7,500
North American Veteran's Unit	\$650	WA Poets Inc	\$5,128
Hellenic Women's Association	\$1,500	Yirra Yaakin Theatre Company	\$12,150
Spirit of the Streets Choir	\$2,000	Nulsen Disability Services	\$8,000
Aust Society for Medical Research	\$1,500	Co3	\$10,000
Lions Cancer Institute	\$2,000	Australiasian Photographic Assoc.	\$4,000
John Hughes Big Walk 2016	\$189	Cinema and Cultura Latino Americana Inc	\$1,500
Mothers Day Classic	\$10,000	S. Finch	\$2,000
Royal Historical Society	\$500	F. Maydwell	\$2,000
TOTAL	\$133,342	J. Tolonen	\$1,000
		T. Pearn	\$1,000
		SymbioticA	\$2,000
		Centre for Stories	\$1,940
		Czech and Slovak Assoc.	\$2,000
		Arts Radio Ltd	\$2,000
		Disco Cantito	\$1,995
		Musica Viva	\$6,000
		Ausdance	\$9,500
		WA Youth Theatre Co	\$8,000
		Perth Jazz Society	\$2,000
		Uniting Church in the City	\$8,000
		E. Humphreys	\$5,500
		N. Aldum	\$9,860
		R. Thomas	\$6,000
		Barking Gecko Theatre Company	\$15,000
		I. Motherway	\$10,000
		Perth Centre for Photography	\$19,668
		Arts Source	\$827
		TOTAL	\$1,389,499

Event Sponsorship and Partnership	\$	Corporate Sponsorship	\$
Quit Targa West	\$50,000	Affordable Housing	\$15,000
Open House Perth	\$45,000	Momentum Business Forum 2016	\$5,000
Swan Festival of Lights	\$30,000	Annual Friends Of Kastellorizo Student Exchange Program 2016	\$5,000
Perth Science Festival	\$30,000	2016 WA Industry & Export Awards	\$5,000
Miss Universe WA 2016 Registration Day	\$20,000	In The Zone Event Series 2016	\$20,000
Santos Great Bike Ride	\$21,000	neXTek 2016 Conference	\$8,000
Perth Italian Wine and Food Festival	\$3,032	2015 West Tech Fest	\$29,000
Perth Zombie Walk	\$5,000	We Connect The Dots Hackathon	\$1,000
The Swisse Color Run	\$25,000	5th International Association For Energy Economics Asian Conference	\$10,000
Chevron City to Surf for Activ	\$35,000	2016 Business News 40under40 Awards	\$20,000
Perth Ramble 2015	\$5,000	Startup Weekend Perth 2016	\$10,000
Bonjour Perth	\$2,000	Unearthed Hackathon Perth 2016	\$5,000
WALGA Banners in the Terrace	\$4,597	Picture Yourself In Kagoshima 2015	\$11,000
2015 Buddha's Birthday and Multicultural Festival	\$39,000	International Student Of The Year Award	\$1,500
Japan Festival	\$8,400	Film-Com Down Under 2016	\$15,000
HBF Run for a Reason	\$26,500	Founder Institute Perth – 2016 Semester	\$15,000
Food Truck Rumble	\$10,000	TedxPerth Conference 2015	\$20,000
Young Butchers Picnic	\$20,000	2015 Perth Airport Wa Tourism Awards/Gala Dinner	\$20,000
Streetside	\$30,000	Chinese New Year Dragon Lantern Lighting Event And Associated 'Dragon In Perth' Documentary Filming	\$3,000
Songkran Festival Perth 2015	\$11,760	Forum Advocating Cultural And Eco-Tourism Events Program	\$5,000
Claisebrook Carnivale and Duck Derby	\$20,000	Australian CleanTech	\$2,500
Sanitarium Weet-Bix Kids TRYathlon	\$12,660	AHA 2015 Accommodation Hotels Industry Awards	\$5,700
Tee Ball State Championships	\$5,000	City Of Perth 2016 International Student Festival	\$10,000
Perth International Jazz Festival	\$20,000	Get Into Resources	\$1,600
International Squash Challenge	\$5,000	Australasian Oil And Gas Conference (AOG) 2016	\$55,000
City of Perth Triathlon	\$5,000	WA Angel Investors	\$9,900
ASICS Bridges Fun Run	\$6,750		
Hopman Cup	\$100,000	TOTAL	\$308,200
Channel Seven Christmas Pageant	\$72,000		
Pride	\$45,000		
IGA Carols	\$36,015		
Brookfield Winter Lights	\$20,000		
Telstra Perth Fashion Festival and WAFAs	\$313,000		
Perth Chinese New Year Fair 2016	\$60,000		
The Art of Street Food	\$2,000		
TOTAL	\$1,143,714		

PERFORMANCE INDICATORS

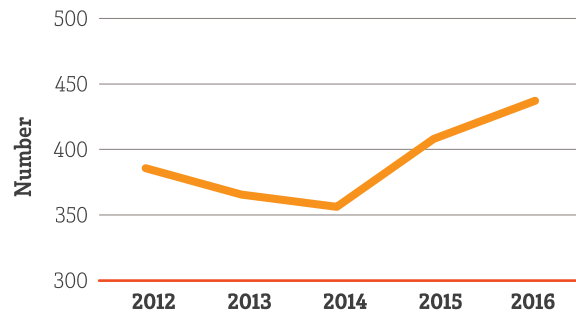
For 2015/16, our performance indicators are presented to reflect our progress towards the outcomes listed in the City of Perth's Strategic Community Plan, Vision 2029+ and Four Year Strategic Plan.

ECONOMY AND CITY VIBRANCY OUTCOMES

- A sustainable business and tourism destination recognised for distinctive qualities (including its liveability, river setting and cleanliness) and its indigenous history, heritage and people.
- A globally-connected City playing a key role in the Indian Ocean Rim and the Pacific Rim, with a diverse and resilient economy with a spirit of innovation.
- Increased City vibrancy while maintaining our high ranking as a liveable City.

Number of Planning Applications

2015/16: 437

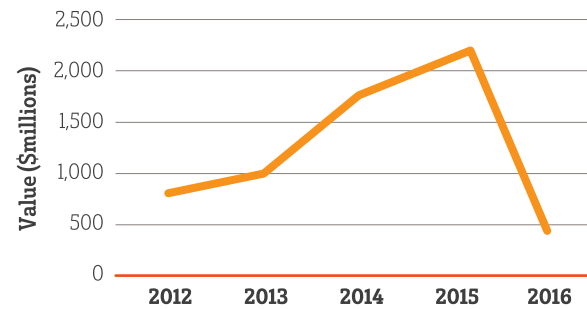


COMMENTARY

Despite a softening in the demand for new office space and residential apartments in the City, the number of applications received has seen an upward trend for the second year in a row.

Value of Planning Applications

2015/16: \$420.7 million

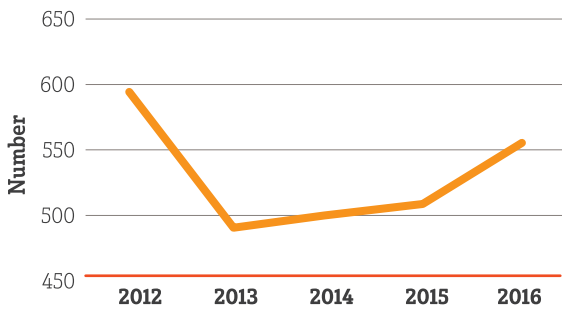


COMMENTARY

These are the lowest values recorded since 1999. The fall in the value of planning applications is a reflection of the significant reduction in major projects being proposed. There were only nine applications determined with a value over \$20 million.

Number of Building Licences

2015/16: 552

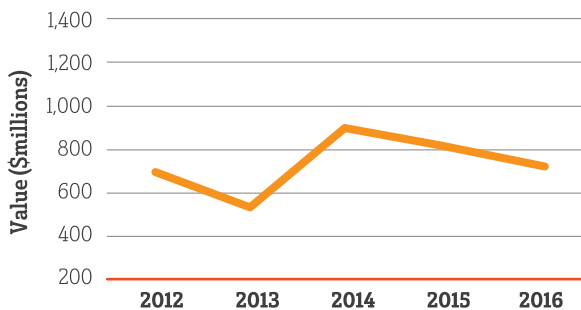


COMMENTARY

The number of building permits issued this year is elevated from previous year's figures, boosted by office fit-outs and refurbishments.

Value of Building Licences

2015/16: \$714.9 million

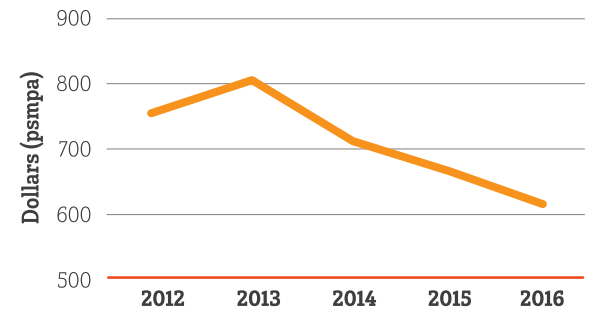


COMMENTARY

Despite an increased number of applications, the values are reduced for the third year in a row. This is a reflection of smaller developments and refurbishments occurring in place of major construction projects.

Average Office Rent

2015/16: \$612

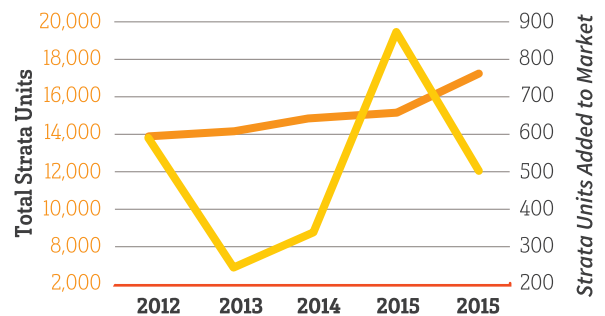


COMMENTARY

With a 20 year high vacancy rate of 21.8 per cent, the Perth CBD has the highest CBD office market vacancy rate in Australia. However, there continues to be good leasing enquiry. Savills Australia has recorded Premium Grade net face rents (as at July 2016) of \$600-\$725 per square meter, whilst A Grade rents range from \$475-\$650, and B Grade rents range from \$250-\$400. Following the completion of seven projects during 2015 (circa 128,000m²), the total office stock within the CBD stands at 1,768,137m², with only one major office building still under construction in the CBD - Capital Square.

Residential Strata Units

2015/16: 505



COMMENTARY

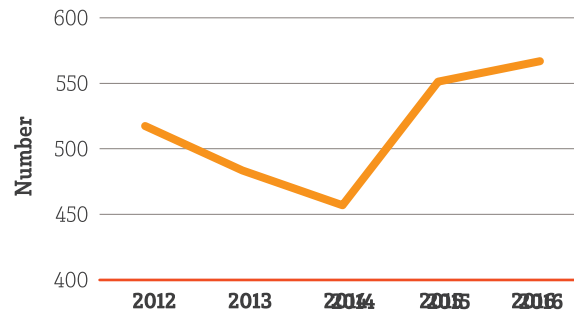
The number of approved residential strata lots within the City continued to grow, with a significant number of new dwellings entering the market as developments were completed.

COMMUNITY OUTCOMES

- The services and facilities needed by the community are planned for and provided by the City of Perth, other government and non-government organisations or the community itself.
- The physical and mental health of the community is enhanced through the City's role as regulator and service provider.
- A diverse and fair community that caters-equally for people's needs.
- Appreciation and support for the culture-and heritage value of the City.
- The City is a safe place for residents, workers and visitors.

Urban Environment Complaints

2015/16: 567

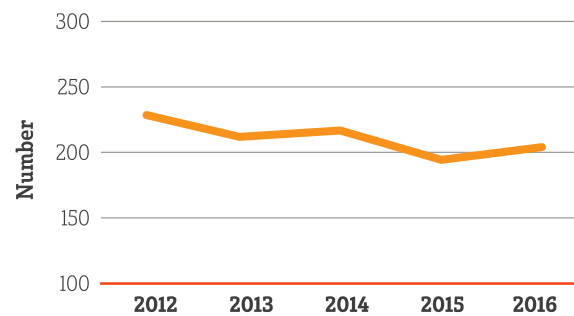


COMMENTARY

We received a total of 567 customer requests (complaints). The top three complaint types were approximately 65 per cent (367 complaints) for noise complaints, 13 per cent (79 complaints) for food complaints and 7 per cent (43 complaints) were health nuisance (rubbish, bins, laneways etc) complaints.

Events Approved

2015/16: 205



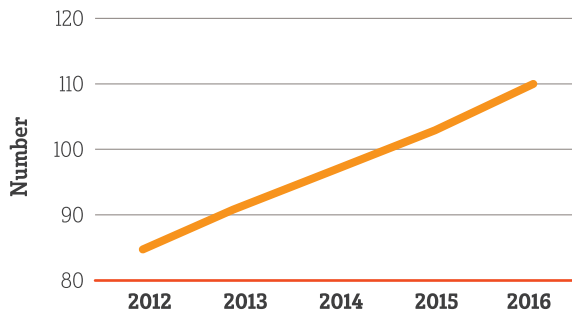
COMMENTARY

Over the past four years the number of event approvals has consistently been around 200. The activation of the City's new public spaces has seen a variety of events being conducted in new spaces all around the City.

The opening of Elizabeth Quay in January 2016 provided opportunities for more events spaces in the City. Whilst Elizabeth Quay is under the authority of the Metropolitan Redevelopment Authority (MRA), the City collaborates closely with MRA on the location of key events.

Events Sponsored by the City

2015/16: 110 events and 800+ activities



COMMENTARY

We continued our important sponsorship of events throughout the year, ensuring a lively and enjoyable City for the people of Perth. This year 44 organisations/independent artists were supported through our arts and culture program. Approximately 1,665,948 people attended more than 800 arts and cultural activities supported through this program.

Corporate Sponsorship

COMMENTARY

The City supported various events and conferences that align with our strategic economic priorities. In addition to supporting traditional industry sectors such as resources and energy, tourism and property development, the City has also expanded its support for emerging sectors such as international education, and innovation and knowledge based industries.

Event Sponsorship

COMMENTARY

The City supported 40 unique events under the Event Sponsorship program in 2015/16, including five Major Partnership sponsorships. The City also supported several new events including the Italian Food and Wine Festival and the Bonjour Perth Festival, as well as a suite of key annual events such as the Telstra Perth Fashion Festival, the Christmas Pageant and the HBF Run for a Reason.

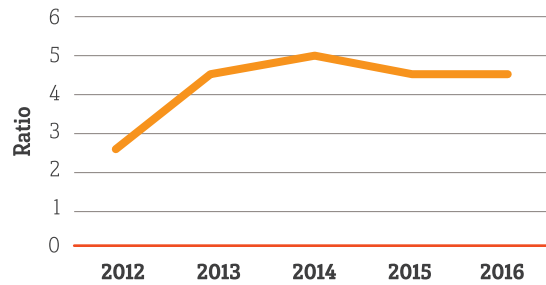


CAPABLE AND RESPONSIVE ORGANISATION OUTCOMES

- A high standard of governance is maintained and is seen to be maintained by Elected Members and staff who understand their obligations and make decisions accordingly.
- A capable and motivated workforce to deliver the City's services into the future.
- The tax regime required to fund City programs is kept to a minimum.
- A diverse revenue base with new sources of revenue.
- The utilisation of assets to produce revenue is maximised.
- Technological innovation and systems support the efficient delivery of service.
- Capital expenditure initiatives can be adequately funded.

Debt Service Ratio

2015/16: 4.5 per cent

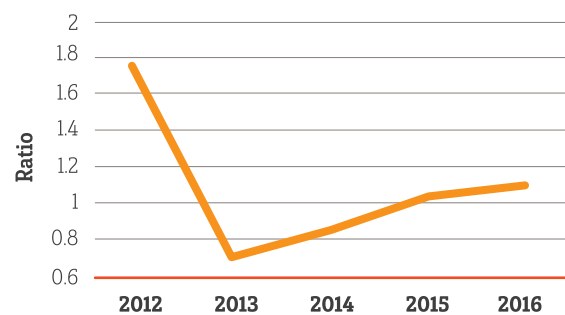


COMMENTARY

The Debt Service Ratio measures our ability to service debt (principal and interest) from available operating revenue – the lower the ratio, the greater the ability of the City to service the debt. The Debt Service Ratio increased marginally from 2014/15. There were increases in capital and decreases in interest repayments made in 2015/16 due to borrowings reducing and available operating income increasing by \$4.8 million during the year.

Current Ratio

2015/16: 1.08

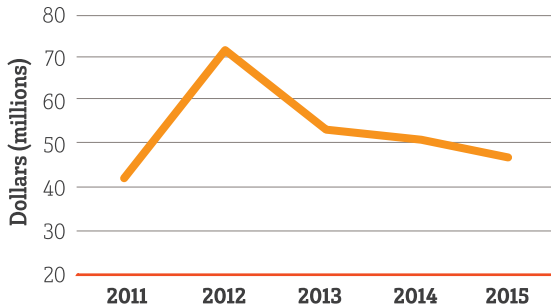


COMMENTARY

The current ratio is an indication of our short-term debt obligations – the higher the ratio, the greater the liquidity. The current ratio is equal to current assets, minus restricted assets, divided by current liabilities minus liabilities associated with restricted assets. The increase in the ratio is mainly due to a decrease in current liabilities of \$3.5 million during the year.

Capital Expenditure

2015/16: \$46.4 million

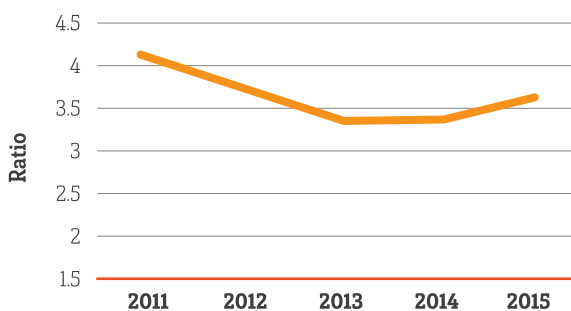


COMMENTARY

Capital expenditure decreased by \$4.4 million from 2014/15 expenditure of \$50.8 million. The main items of expenditure were \$10.1 million for the development of our new City of Perth Library and the Plaza at Cathedral Square, \$3.5 million for the upgrade to Supreme Court Gardens, \$2.6 million for the revitalisation of Museum Street, and \$2.2 million for our plant replacement program.

Liquidity Ratio

2015/16: 3.64



COMMENTARY

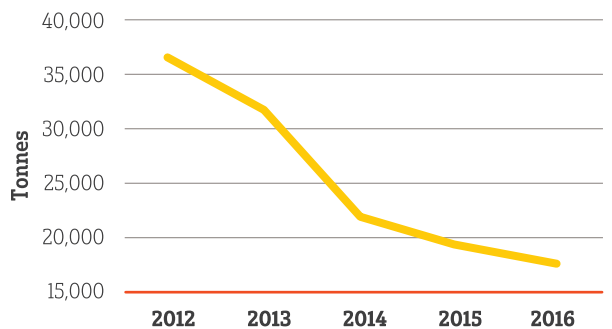
The liquidity ratio shows our liquid assets in relationship to our liquid liabilities. There has been an increase in the liquidity ratio this financial year, due mainly to a decrease in trade and other payables of \$3.5 million.

ENVIRONMENT OUTCOMES

- The City is a model of how a liveable urban environment can coexist with its natural environment and contribute to global sustainability.

Waste:

2015/16: 17,591 tonnes

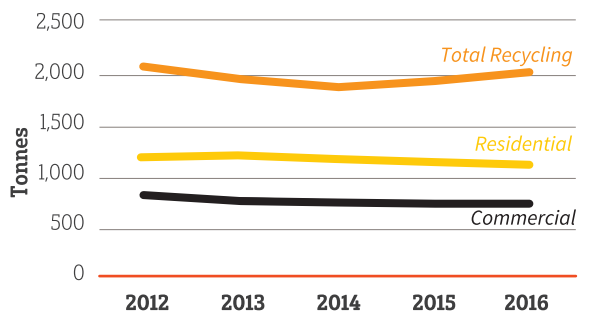


COMMENTARY

Construction and demolition waste was 4,605 tonne, down by 25.74 per cent from 2014/15. General waste was 12,986 tonne, down by 2 per cent from 2014/15. The volume was reduced due to lower building occupancy in the City.

Recycling

2015/16: 2 014 tonnes



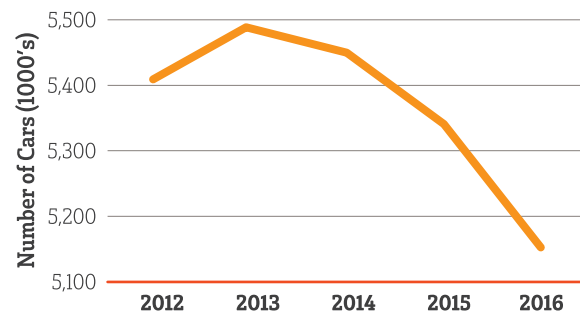
COMMENTARY

Residential recycling was 1,272 tonnes, up 6 per cent from 2014/15. Commercial recycling was 742 tonne, down 1 per cent from 2014/15. The volume was reduced due to lower building occupancy.

URBAN OUTCOMES

- A City achieving high-quality design in all projects and improving the urban and built environment to a standard comparable to the best cities in the world but unique to Perth.
- Agreement with the State Government on an overarching framework to guide the development of the City, including the river and foreshore, to achieve our long-term vision to maintain an open foreshore with nodes of development to bring people to the river.
- The City is known for a diverse range of quality public spaces that attract people to the Capital City to work, live and play. Vibrant public spaces ensure Perth is a safe and enticing destination offering a 'point of difference' from suburban experiences.
- Public places will be accessible and welcoming to all people, and provide a range of opportunities to meet and contribute to the cultural heart of Western Australia.

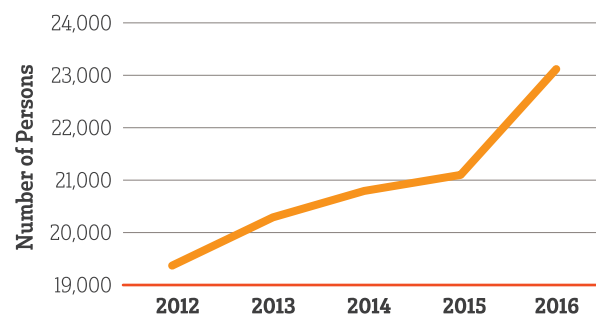
Use of City of Perth Car Parks 2015/16: 5145



COMMENTARY:

On street patronage for 2015/16 was 3,537,434. This is a reduction of 320,628 from the previous year (8.31 per cent). This is a large variance and is due to works and construction in the City, and downturn in the economy. Off street patronage for 2015/16 was 5,141,781. This is a reduction of 187,765 from the previous year (3.52 per cent). Reasons for this include the downturn in the economy, decreases in commercial rental occupancy and planned/unplanned maintenance and works in car parks. Long term parking permits as at 30/6/16 were 858. This is a reduction of 300 (25.90 per cent). This is due to unemployment and economic downturn. Parking provided for 1,288 event days. This is an increase of 97 event days (8.14 per cent).

City Population 2015/16: 23,065



COMMENTARY:

At June 2016 the forecast residential population of the City was 23,065. Over the last five years, our residential population has grown by 17.43 per cent.





City of Perth

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City of Perth

Financial Statements

2015/16



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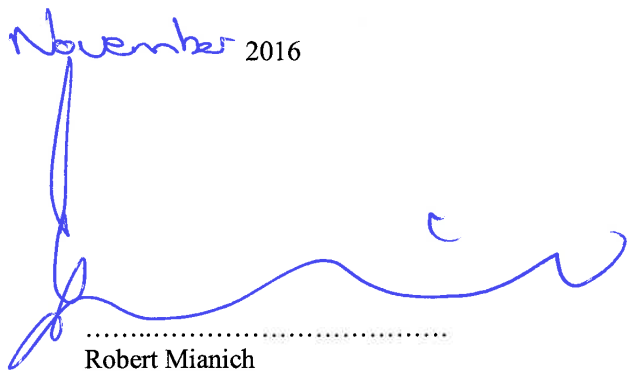
STATEMENT BY RESPONSIBLE EMPLOYEE

CITY OF PERTH

STATEMENT BY RESPONSIBLE EMPLOYEE

The attached financial report of the City of Perth being the annual financial report and supporting notes and other information for the financial year ended 30 June 2016 are, in my opinion, properly drawn up to present fairly the financial position of the City of Perth at 30 June 2016 and the results of the operation for the financial year then ended in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 9th day of November 2016


.....
Robert Mianich
Acting Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE CITY OF PERTH

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Report on the Financial Report

We have audited the accompanying financial report of the City of Perth (the "City"), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income by nature or type, the statement of comprehensive income by program, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report and the statement by responsible employee.

Council responsibility for the financial report

The Council of the City of Perth is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1995 Part 6. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

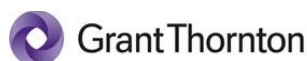
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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FINANCIAL STATEMENTS



We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Local Government Act 1995 Part 6 and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the City of Perth's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's opinion on the financial report

In our opinion, the financial report of the City of Perth:

- (i) presents fairly of the City of Perth's financial position as at 30 June 2016 and of its performance and cash flows for the financial year ended 30 June 2016;
- (ii) complies with Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (iii) are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under that Act.

Statutory Compliance

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 as they apply to financial statements.

A handwritten signature in black ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in black ink that reads "P. Warr".

P W Warr
Partner – Audit & Assurance

Perth, 9 November 2016

CITY OF PERTH

Statement of Comprehensive Income
for the year ended 30 June 2016

	Note	Budget 2015/16 \$	Year Ended 30/06/2016 \$	Year Ended 30/06/2015 \$
OPERATING REVENUE				
Governance		-	405	1,061
General Purpose Funding		89,303,313	88,799,780	82,822,282
Law, Order, Public Safety		46,225	28,850	63,320
Health		864,920	916,475	961,193
Education and Welfare		2,153,539	2,057,629	1,964,627
Housing		656,190	1,257,328	1,540,870
Community Amenities		10,294,628	10,158,745	9,239,686
Recreation and Culture		1,859,860	1,724,517	2,296,400
Transport		90,764,129	84,463,827	84,999,330
Economic Services		1,093,247	1,032,072	1,316,362
Other Property and Services		717,071	828,541	1,277,688
		<u>197,753,122</u>	<u>191,268,169</u>	<u>186,482,819</u>
OPERATING EXPENDITURE				
Governance		(11,262,129)	(11,587,805)	(9,647,600)
General Purpose Funding		(3,089,672)	(3,884,158)	(2,558,175)
Law, Order, Public Safety		(3,868,851)	(3,794,754)	(3,981,196)
Health		(1,884,897)	(2,684,543)	(1,866,350)
Education and Welfare		(3,870,122)	(3,594,175)	(3,623,704)
Housing		(563,144)	(634,180)	(723,440)
Community Amenities		(28,558,870)	(27,945,962)	(27,285,377)
Recreation and Culture		(32,248,093)	(30,622,629)	(30,343,130)
Transport		(85,571,553)	(80,542,289)	(75,125,556)
Economic Services		(9,744,103)	(9,285,326)	(9,920,934)
Other Property and Services		(7,266,137)	(6,772,412)	(2,450,275)
		<u>(187,927,571)</u>	<u>(181,348,233)</u>	<u>(167,525,737)</u>
Operating Results from Continuing Operations		<u>9,825,551</u>	<u>9,919,936</u>	<u>18,957,082</u>
GRANTS/CONTRIBUTIONS				
For the Development of Assets				
General Purpose Funding		80,200	75,600	80,200
Law, Order, Public Safety		-	-	(56,624)
Community Amenities		-	-	15,000
Recreation and Culture		3,207,250	2,726,087	24,333
Transport		3,555,000	2,641,405	1,701,223
		<u>6,842,450</u>	<u>5,443,092</u>	<u>1,764,132</u>
Disposal/Write Off/Contribution of Assets				
Gain/(Loss) on Disposal of Assets	10	(1,558,253)	(1,569,290)	(2,584,351)
<i>Change in net assets resulting from operations before Significant Items</i>		<u>15,109,748</u>	<u>13,793,738</u>	<u>18,136,863</u>
				(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

Statement of Comprehensive Income for the year ended 30 June 2016 (...continued)

	Note	Budget 2015/16 \$	Year Ended 30/06/2016 \$	Year Ended 30/06/2015 \$
Significant Items				
Changes on Revaluation of Plant and Equipment	15	-	(1,265,679)	-
Revaluation of Investment Properties	16(a)	-	(2,100,600)	1,820,350
Initial Recognition of Assets - Infrastructure		-	-	21,824
Initial Recognition of Assets – Artworks	26(c)	-	-	5,365,341
Disposal of Development Land at Tamala Park	26(d)	-	1,137,566	2,585,991
Impairment of Investments	26(b)	-	85,190	150,004
Distribution from TPRC		1,833,333	-	-
Profit on Disposal of Investments		-	(3,655)	-
Contribution to Elizabeth Quay	26(e)	-	-	(2,361,679)
		1,833,333	(2,147,178)	7,581,831
Net Result		16,943,081	11,646,560	25,718,694
Other Comprehensive Income				
Changes on Revaluation of Infrastructure	15	-	-	184,311,650
Changes on Revaluation of Artworks	15	-	-	4,609,946
Total Other Comprehensive Income		-	-	188,921,596
Total Comprehensive Income		16,943,081	11,646,560	214,640,290

The Statement of Comprehensive Income should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82

CITY OF PERTH
Statement of Comprehensive Income (Classification by Nature)
for the year ended 30 June 2016

	Budget 2015/16	Year Ended 30/06/2016	Year Ended 30/06/2015
Note	\$	\$	\$
Revenues From Ordinary Activities			
Rates	3(b) 82,692,367	83,185,009	75,465,369
Grants and Contributions for Non-Capital Purposes	1,508,499	1,591,766	3,412,959
Donations and Reimbursements	452,347	633,923	440,154
Fees and Charges	7(c) 105,979,914	99,492,236	99,533,164
Investment Income	7(d) 5,157,319	4,721,559	5,561,702
Other Revenues	1,962,676	1,643,675	2,069,471
Gain from Disposal of Assets	10 208,549	74,738	212,114
Total Revenue from Ordinary Activities	<u>197,961,671</u>	<u>191,342,906</u>	<u>186,694,933</u>
Expenses From Ordinary Activities			
Employee Costs	(69,135,566)	(67,777,965)	(64,524,948)
Materials, Contracts and Suppliers	(52,838,709)	(46,858,159)	(44,745,399)
Utilities	(3,069,080)	(3,257,122)	(3,105,828)
Depreciation and Amortisation	7(b) (34,211,101)	(31,545,687)	(29,115,795)
Interest	(1,836,750)	(1,684,433)	(1,531,216)
Insurance	(1,166,259)	(1,181,682)	(1,224,032)
Expense Provision	(962,345)	(1,224,237)	(1,100,815)
Other Expenses from Ordinary Activities	8(a) (24,707,761)	(27,818,947)	(22,177,704)
Loss on Disposal/Write off of Assets	10 (1,766,802)	(1,644,028)	(2,796,465)
Total Expenses from Ordinary Activities	<u>(189,694,373)</u>	<u>(182,992,260)</u>	<u>(170,322,202)</u>
Operating Results from Continuing Operations	8,267,298	8,350,646	16,372,731
Grants and Contributions - Capital	6,842,450	5,443,092	1,764,132
Revaluation of Investment Properties	16(a) -	(2,100,600)	1,820,350
Changes on Revaluation of Plant and Equipment	15 -	(1,265,679)	-
Initial Recognition of Assets – Infrastructure	-	-	21,824
Initial Recognition of Assets - Artworks	26(c) -	-	5,365,341
Disposal of Development Land at Tamala Park	26(d) -	1,137,566	2,585,991
Impairment of Investments	26(b) -	85,190	150,004
Distribution from TPRC	1,833,333	-	-
Profit on Disposal of Investments	-	(3,655)	-
Contribution to Elizabeth Quay	26(e) -	-	(2,361,679)
	<u>1,833,333</u>	<u>(2,147,178)</u>	<u>196,503,427</u>
Net Result	<u>16,943,081</u>	<u>11,646,560</u>	<u>25,718,694</u>
Other Comprehensive Income			
Changes on Revaluation of Infrastructure	15 -	-	184,311,650
Changes on Revaluation of Artworks	15 -	-	4,609,946
Total Other Comprehensive income	<u>-</u>	<u>-</u>	<u>188,921,596</u>
Total Comprehensive Income	<u>16,943,081</u>	<u>11,646,560</u>	<u>214,640,290</u>

FINANCIAL STATEMENTS

CITY OF PERTH

The Statement of Comprehensive Income by Nature should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82

Statement of Financial Position as at 30 June 2016

	Note	30/06/2016	30/06/2015
		\$	\$
Current Assets			
Cash and Cash Equivalents	19	10,063,697	21,164,777
Investments	12,19	100,249,402	91,045,389
Trade and Other Receivables	11	11,460,259	9,758,589
Inventories	13	1,016,223	1,394,201
Total Current Assets		<u>122,789,581</u>	<u>123,362,956</u>
Non-Current Assets			
Investments	12	7,162,072	7,110,313
Trade and Other Receivables	11	32,434	39,567
Property, Plant and Equipment	15	1,193,313,849	1,190,393,051
Investment Property	16(a)	18,590,999	19,366,599
Total Non-Current Assets		<u>1,219,099,354</u>	<u>1,216,909,530</u>
Total Assets		<u>1,341,888,935</u>	<u>1,340,272,486</u>
Current Liabilities			
Trade and Other Payables	14(a)	16,363,985	19,859,029
Financial Liabilities	17,22	6,772,073	6,441,709
Employee Benefits	14(b)	11,051,588	11,405,126
Total Current Liabilities		<u>34,187,646</u>	<u>37,705,864</u>
Non-Current Liabilities			
Financial Liabilities	17,22	29,554,929	36,327,002
Employee Benefits	14(b)	1,762,097	1,891,737
Provisions	14(c)	4,259,487	3,869,667
Total Non-Current Liabilities		<u>35,576,513</u>	<u>42,088,406</u>
Total Liabilities		<u>69,764,159</u>	<u>79,794,270</u>
Net Assets		<u>1,272,124,776</u>	<u>1,260,478,216</u>
Equity			
Accumulated Surplus		623,860,831	612,108,629
Asset Revaluation Reserve	18	560,035,698	560,795,095
Other Reserves	18	88,228,247	87,574,492
Total Equity		<u>1,272,124,776</u>	<u>1,260,478,216</u>

The Statement of Financial Position should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82

CITY OF PERTH

Statement of Changes in Equity for the year ended 30 June 2016

	Note	Accumulated Surplus \$	Asset Revaluation Reserve \$	Cash Backed Reserves \$	Total Equity \$
Balance at 1 July 2014		587,289,902	372,942,447	85,605,577	1,045,837,926
Net Results		25,718,694	-	-	25,718,694
Other Comprehensive Income		188,921,596	-	-	188,921,596
Transfers to Cash Backed Reserves		(25,386,259)	-	25,386,259	-
Transfers to Asset Revaluation Reserves		(189,027,761)	189,027,761	-	-
Transfers from Asset Revaluation Reserves		1,175,113	(1,175,113)	-	-
Transfers from Cash Backed Reserves		23,417,344	-	(23,417,344)	-
Balance at 30 June 2015	18	612,108,629	560,795,095	87,574,492	1,260,478,216
Balance at 1 July 2015		612,108,629	560,795,095	87,574,492	1,260,478,216
Net Results		11,646,560	-	-	11,646,560
Other Comprehensive Income		-	-	-	-
Transfers to Cash Backed Reserves		(24,631,265)	-	24,631,265	-
Transfers to Asset Revaluation Reserves		(3,047,888)	3,047,888	-	-
Transfers from Asset Revaluation Reserves		3,807,285	(3,807,285)	-	-
Transfers from Cash Backed Reserves		23,977,510	-	(23,977,510)	-
Balance at 30 June 2016	18	623,860,831	560,035,698	88,228,247	1,272,124,776

FINANCIAL STATEMENTS

CITY OF PERTH

The Statement of Changes in Equity should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82

Statement of Cash Flows for the year ended 30 June 2016

	Note	30/06/2016 \$	30/06/2015 \$
Cash Flows from Operating Activities			
Receipts			
Rates		83,127,320	75,422,543
Fees and Charges		97,523,691	101,230,844
Interest and Investment Income		4,785,187	6,311,427
Other		2,256,773	3,211,683
Total Receipts		<u>187,692,971</u>	<u>186,176,497</u>
Payments			
Employee Costs		(68,261,143)	(64,246,988)
Materials, Contracts and Suppliers		(49,122,720)	(44,282,898)
Interest and Financing Costs		(1,725,600)	(1,575,008)
Other		(33,092,168)	(27,218,559)
Total Payments		<u>(152,201,631)</u>	<u>(137,323,453)</u>
Net Cash Inflow from Operating Activities	20	<u>35,491,340</u>	<u>48,853,044</u>
Cash Flows from Investing Activities			
Receipts			
Proceeds from Disposal of Assets		1,054,963	1,568,519
Contributions from Other Parties		49,890	15,000
Proceeds from Disposal of Investments (Non-Current)		1,364,454	5,769,636
Total Receipts		<u>2,469,307</u>	<u>7,353,155</u>
Payments			
Purchase of Land and Buildings		(8,914,811)	(1,620,519)
Purchase of Infrastructure Assets		(11,853,722)	(7,248,204)
Purchase of Plant and Mobile Equipment		(3,291,055)	(5,762,981)
Purchase of Office Furniture and Equipment		(2,402,905)	(636,637)
Work in Progress		(13,743,191)	(34,213,698)
Purchase of Investments (Non-Current)		(22,337)	(21,063)
Total Payments		<u>(40,228,021)</u>	<u>(49,503,102)</u>
Net Cash Outflow from Investing Activities		<u>(37,758,714)</u>	<u>(42,149,947)</u>
Cash Flows from Financing Activities			
Payments			
Repayment of Borrowings		(6,441,709)	(6,128,375)
Total Payments		<u>(6,441,709)</u>	<u>(6,128,375)</u>
Net Cash Outflow from Financing Activities		<u>(6,441,709)</u>	<u>(6,128,375)</u>

(continued...)

CITY OF PERTH

Statement of Cash Flows for the year ended 30 June 2016 (...continued)

	30/06/2016	30/06/2015
Cash Flows from Government		
Receipts from Appropriations/Grants/Contributions	\$	\$
Recurrent	1,418,814	2,290,034
Capital	5,393,202	1,749,132
Total Receipts	<u>6,812,016</u>	<u>4,039,166</u>
Net Cash Outflow from Appropriations/Grants/Contributions	<u>6,812,016</u>	<u>4,039,166</u>
Net Increase/(Decrease) in Cash Held	(1,897,067)	4,613,888
Cash at 1 July 2015	112,210,166	107,596,278
Cash at 30 June 2016	19 <u>110,313,099</u>	<u>112,210,166</u>

The Statement of Cash Flows should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 14 to 82

FINANCIAL STATEMENTS

CITY OF PERTH

Rate Setting Statement for the year ended 30 June 2016

	Budget 2015/16	Actual 2015/16	Actual 2014/15
	\$	\$	\$
Proceeds from Operating Activities			
Operating Revenue			
<i>Nature of Income</i>			
Parking Fees	78,153,380	73,218,814	73,302,963
Fines and Costs	10,443,348	8,928,308	9,253,979
Investment Income and Interest	5,157,319	4,721,559	5,561,702
Community Service Fees	1,677,044	1,498,061	1,416,853
Rubbish Collection Fees	7,158,186	7,457,048	6,079,979
Rental and Hire Charges	5,100,956	5,127,908	5,468,734
Recurrent Grants and Contributions	1,508,499	1,591,766	3,412,959
Donations and Reimbursements	452,347	633,923	440,141
Other Income	5,409,678	4,905,772	6,080,140
Gain from Disposal of Assets	208,549	74,738	212,114
	115,269,306	108,157,897	111,229,564
Less: Operating Expenditure			
<i>Nature of Expenditure</i>			
Employee Costs	(69,135,566)	(67,777,965)	(64,524,948)
Materials and Contracts	(52,838,709)	(46,858,159)	(44,745,399)
Utilities	(3,069,080)	(3,257,122)	(3,105,828)
Depreciation and Amortisation	(34,211,101)	(31,545,687)	(29,115,795)
Interest Expenses	(1,836,750)	(1,684,433)	(1,531,216)
Insurance Expenditure	(1,166,259)	(1,181,682)	(1,224,032)
Expense Provisions	(962,345)	(1,224,237)	(1,100,815)
Other Expenditure	(24,707,761)	(27,818,947)	(22,177,704)
Loss on Disposal / Write-Off of Assets	(1,766,802)	(1,644,028)	(2,796,465)
	(189,694,373)	(182,992,260)	(170,322,202)
Non-Cash Adjustments			
Depreciation of Non-Current Assets	34,211,101	31,545,687	29,115,795
Loss on Disposal of Assets	1,558,253	1,569,290	2,584,351
Movement in Accounts Receivables and Accrued Income	-	(1,686,144)	3,046,055
Movement in Employee Entitlements	-	(483,178)	277,960
Movement in Accounts Payables and Accruals	-	(3,238,911)	(1,312,969)
Movement in PCEC Provision	-	389,820	389,820
Impairment of Investments	-	85,190	150,004
Non-Capitalised WIP Written-Off	-	4,620,525	-
	35,769,354	32,802,279	34,251,016
Net Surplus / (Deficit) from Operations	(38,655,713)	(42,032,084)	(24,841,622)
Investing Activities			
Capital Expenditure	(59,612,596)	(40,205,684)	(49,482,039)
Repayment of Borrowings	(6,411,707)	(6,441,709)	(6,128,375)
Purchase of Investment (Non-Current)	-	(22,337)	(21,063)
Transfers to Reserves	(28,095,017)	(24,631,265)	(25,386,259)
	(94,119,320)	(71,300,995)	(81,017,736)

(continued...)

CITY OF PERTH

Rate Setting Statement for the year ended 30 June 2016 (...continued)

	Budget 2015/16	Actual 2015/16	Actual 2014/15
	\$	\$	\$
Financing Activities			
Transfer from Reserves	31,752,812	23,977,510	23,417,340
Carry Forwards	13,979,765	-	-
Contributions from Other Parties	-	49,890	15,000
Proceeds from Disposal of Assets	1,523,000	1,054,963	1,568,519
Distribution from Tamala Park Regional Council	1,833,333	1,249,999	2,617,464
Proceeds on Sale of Investments (Non-current)	-	1,364,454	3,152,172
Capital Grants and Contributions	6,842,450	5,393,202	1,749,131
	55,931,360	33,090,018	32,519,626
Net Surplus / (Deficit) before Rates	(76,843,673)	(80,243,061)	(73,339,731)
Add: Opening Funds	1,093,643	18,198,783	16,073,145
Net Surplus / (Deficit) before Rates	(75,750,030)	(62,044,278)	(57,266,586)
Amount Sourced from Rates	82,692,368	83,185,009	75,465,369
Balance of Closing Funds	6,942,338	* 21,140,731	18,198,783

*The balance of closing funds figure of \$21,140,731 at 30 June 2016 includes amounts set aside of \$17,138,048 as adjusted carried forward capital commitments for the 2016/17 budget year.

The calculation of the closing funds at 30 June 2016 differs from the estimated figure in the Rate Setting Statement adopted in the Annual Budget 2016/17. In accordance with Regulation 33A, reports detailing additional capital commitments carried forward are to be approved by Council.

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

This Financial Report is a general purpose financial report that consists of a statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, rate setting statement and notes accompanying these financial statements.

The general purpose Financial Report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations, the Local Government Act 1995, and the Local Government (Financial Management) Regulations 1996.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the presentation of these financial statements are:

(a) *The Local Government Reporting Entity*

All funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

In the process of reporting on the City as a single unit, all transactions and balances between those funds have been eliminated.

Trust and other Deposits

Funds held in the trust account are on behalf of outside parties. The Council performs only a custodial role in respect of these monies, because they cannot be used for Council purposes, and therefore they are not brought to account in the financial statements, but are disclosed in Note 27.

Amounts received as tender deposits and retention amounts controlled by the Council are included in the amount disclosed as "other creditors" within current liabilities until they are refunded or forfeited.

(b) *Basis of Preparation*

The Financial Report has been prepared on the going concern basis and historical costs, except where otherwise stated, and accrual accounting principles. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Where appropriate, comparative figures have been amended to accord with current presentation and disclosure made of material changes to comparatives.

Under Australian Accounting Standards there are requirements that apply specifically to Government and not-for-profit entities. The City has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the City has elected to apply options and exemptions within the Australian Accounting Standards that are applicable to not-for-profit entities.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

- (c) **Depreciation and Amortisation**
All fixed assets and leasehold interest with the exception of Freehold Land, Air Rights, Investment Properties, Artwork, Agricultural and Work in Progress are systematically depreciated and amortised over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets. Depreciation is based on a straight line basis taking cognisance of the residual value of the asset, whilst amortisation rates are set to amortise the cost of the leasehold interest over the life of the lease. Depreciation rates and residual values are reviewed each year.

Major Depreciation and Amortisation periods used are listed below and are consistent with the prior year unless otherwise stated:

Asset Categories	Life Expectancy Years	Residual Values
<u>Land</u>		
Leasehold Interest	99 years	Nil
<u>Buildings</u>		
Buildings (including leasehold interest)	10 to 100 years	Nil
Stationary Plant in Buildings	15 years	Nil
<u>Improvements</u>		
Leasehold Improvements	Term of Lease	Nil
Ground Level Improvements	5 to 50 years	Nil
<u>Infrastructure Assets</u>		
Roads - Pavement	40 to 80 years	Nil
- Seal	25 years	Nil
Footpaths - Footpaths	20 to 50 years	Nil
- Kerbs	20 to 80 years	Nil
Street Lighting	10 to 30 years	Nil
Drainage	80 years	Nil
Reticulation	5 to 30 years	Nil
Overpasses and Underpasses	45 to 80 years	Nil

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued) (c) Depreciation and Amortisation (...continued)

Asset Categories	Life Expectancy Years	Residual Values
<i>Plant and Mobile Equipment</i>		
Major Plant and Equipment	3 to 10 years	10 to 40%
Sedans and Utilities	2 to 3 years	50 to 65%
Pumps and Bores	15 years	Nil
Minor Plant and Equipment	2 to 7 years	5% to Nil
Specialised Parking Equipment	7 to 15 years	Nil
<i>Office Furniture/Equipment</i>		
Furniture and Equipment	10 to 15 years	Nil
Computer Equipment and Software	3 to 5 years	Nil

Assets are depreciated from the date of acquisition, or in respect of assets being constructed from the time an asset is completed and held ready for use.

Following a review of the residual values of plant and mobile equipment, changes in the residual values for sedans and utilities from a range of 50% to 70% to a range of 50% to 65% took place during the reporting period.

(d) Valuation of Assets and Asset Management

Council's assets are revalued to fair value in accordance with directions given by the Department of Local Government. Fair value estimations are determined in accordance with the policy stated in paragraph (q) of Note 1 – Statement of Significant Accounting Policies.

At balance date, the following classes of property, plant and equipment were stated at their fair value:

- Land (external valuation)
- Buildings (external valuation)
- Improvements (external valuation)
- Infrastructure (internal valuation)
- Plant and Mobile Equipment (internal valuation)
- Office Furniture and Equipment including Art, Memorabilia and History Collections (internal and external valuations)

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(d) Valuation of Assets and Asset Management (...continued)

Full revaluations are undertaken for all assets shown at fair value on a minimum 3 year cycle.

Additionally a program introducing Asset Management disciplines to the City has been implemented. This included the initial recognition of additional and the completion of the revaluation of all Property, Plant and Equipment assets of the City to fair value as advised by the Department of Local Government.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the increase is first recognised in the Statement of Comprehensive Income. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the Statement of Comprehensive Income.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the City and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(e) Employee Entitlements

(i) Wages and Salaries

A liability for wages and salaries is recognised and is stated as the amount unpaid at balance date calculated at current rates of pay.

(ii) Annual Leave

Employee entitlements to annual leave are recognised as leave not taken at balance date calculated at current rates of pay plus related on-costs in accordance with Australian Accounting Standard AASB119 – Employee Benefits.

The expected amount to be paid to employees within the next twelve months (set at 6 weeks) is recognised as a current liability in the Statement of Financial Position. Amounts exceeding 6 weeks accrual is recognised and measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(iii) Long Service Leave

Employee entitlements for long service leave are accrued on a pro-rata basis from the date of commencement in accordance with Australian Accounting Standard AASB119 – Employee Benefits. Such liability is recognised and measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Estimated future outflows are discounted using average Commonwealth Government Bond rates that match as closely as possible estimated future cash outflows. The expected amount to be paid to employees within the next twelve months is recognised as a current liability in the Statement of Financial Position.

(iv) Self-funded Leave

Employee benefits to self-funded leave are recognised as leave not taken at balance date calculated at current rates of pay.

(v) Superannuation

The superannuation expense for the period is the amount of contribution the City of Perth made to the superannuation funds which provide benefits to its employees. Details of these arrangements are set out in Note 21.

(f) Receivables and Payables

Trade receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Receivables are generally settled within 30 days.

Trade creditors and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity. The amounts are unsecured and are usually settled on 30 day terms.

(g) Provision of Doubtful Debts

The collectability of debts is assessed at financial position date and specific provision is made for any doubtful accounts. All known bad debts are written off in the year in which they are recognised as such.

No provision is made for rate debtors where the debts are collectable against the property.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(h) Investments

All current investments are recorded at cost except for balanced funds which are marked to market and therefore valued at market value on 30 June 2016, to more appropriately relate the value of securities to current conditions. Realised and unrealised gains and losses arising from changes in the market value of these assets are included in the Statement of Comprehensive Income as they arise.

Structured investments, comprising of mortgage backed securities are valued at cost. Impairment charges or reduction in impairment charges against cost are taken reducing or increasing their cost base where appropriate and necessary. It is the organisation's intention to hold structured investments to maturity.

Other non-current investments are valued at cost.

(i) Leases

Operating leases are included in operating expenditures in accordance with lease arrangements.

The City has no obligations under finance leases at financial position date.

(j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the City and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured and the timing of commencement of control depends upon the arrangement that exists between the grantor and the City.

(ii) Rendering of Services

Where a contract has been completed, all related revenue is recognised when the City controls a right to be compensated for the services provided. Where a contract has not been completed revenue is recognised only to the extent of cost incurred. Contracts generally arise as a result of requests for work to be carried out at a property-owner's expense or from compulsory works carried out by the City pursuant to legislation.

(iii) Sale of Assets

Revenue is recognised when control of the assets has passed to the buyer.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(iv) *Fines*

Revenue is recognised when the City controls a right to receive consideration for the enforcement of legislation and Council local laws.

(v) *Rents, Interest and Distributions*

Revenue is recognised when the City has attained control of a right to receive consideration for the provision of, or investment in, assets.

(k) *Inventories and Work in Progress*

Inventories and work in progress are valued at the lower of cost and net realisable value.

(l) *Rounding*

Amounts shown in the Financial Statements have been rounded to the nearest dollar. This may result in minor variations between schedules.

(m) *Acquisition of Assets*

The cost method of accounting is used for the initial acquisition of assets. Cost is determined as the fair value of assets given as consideration plus costs incidental to the acquisition, including architects fees, engineering design fees, and all other costs incurred. Assets acquired at no cost, or for nominal consideration are initially recognised at their fair values as at the date of acquisition.

(n) *Non-Current Assets Constructed by the City*

The cost of non-current assets constructed by the City includes the cost of materials, direct labour, and an appropriate proportion of fixed and variable overheads. Unallocated additions to non-current assets are brought to account as works in progress and are not depreciated until completed or installed for use.

(o) *Vested Land and Crown Land held in Trust*

Land Vested in the City is recognised at a nominal value of one dollar for record purposes only. Crown Land held in Trust is recognised at fair value.

(p) *Land Under Roads*

Effective from 1 July 2008, the City elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available under Australian Accounting Standard AASB 1051 Land Under Roads and the requirement of Regulation 16(a)(i) of the *Local Government (Financial Management) Regulations* that prohibits local government from recognising such land as an asset of local government.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Regulation 16(a)(i) of the *Local Government (Financial Management) Regulations* prohibits local government from recognising such land as an asset of local government.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(q) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of non-current assets is determined as follows:

- Land and Buildings are determined by a professionally qualified external valuer.
 - from market-based evidence by appraisal, or;
 - where there is no market-based evidence because of the specialised nature of the land or building and it is rarely sold, an estimate using a depreciated replacement cost approach.
- Improvements are determined by a professionally qualified external valuer using depreciated current replacement cost approach.
- Infrastructure is determined internally using depreciated replacement cost approach after appraisal of their condition.
- Mobile plant and equipment are determined internally from market-based evidence after appraisal of their condition.
- Plant and equipment are determined as approximated by depreciated historical cost.
- Artwork is both determined by professionally qualified external valuers from market based evidence by appraisal and current replacement cost, and internally by current replacement cost.
- Office furniture and equipment are determined as approximated by depreciated historical cost.

(r) Materiality

Assets (with the exception of land and art and memorabilia) with an economic life which is determined to be longer than one year are only capitalised where the cost of acquisition/construction exceeds the materiality threshold established by Council. Council's current capitalisation policy is to expense any purchases considered to be of a capital nature that are less than \$5,000 and in the case of IT software, less than \$50,000.

(s) Taxation

The City is exempt from payment of income tax, capital gains tax and payroll tax. Payments for fringe benefits tax and goods and services tax are made in accordance with the relevant legislation.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(t) *Goods and Services Tax*

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense to which it relates. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which are recoverable from or payable to the ATO, are classified as operating cash flows.

(u) *Financial Instruments*

The City of Perth invests in a variety of interest bearing securities. The City does not directly enter into any derivative contracts to offset risk to the interest or foreign exchange rates. Additionally, to the best of its knowledge, there are no embedded derivatives in the funds or securities that the City holds that may impact materially on investment earnings. Except for structured investments, investments are marked to market. Exposure to interest and credit risk as at reporting date is as detailed in Note 29.

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial Assets at Fair Value through Statement of Comprehensive Income

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Financial Instruments: Recognition and Measurement. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Statement of Comprehensive Income in the period in which they arise.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in any active market and are stated at amortised cost using the effective interest rate method.

Available-for-Sale Financial Assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value of these assets are recorded in the Statement of Comprehensive Income.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

(v) *Impairment of Assets*

The recoverable amount of an asset is determined at the higher of net selling price and value in use.

Certain of the City's operations are conducted with a partially commercial orientation and it is necessary to test for impairment of assets on a discounted cash flow basis for each of these units. The impact of this standard (AASB139: Financial Instruments: Recognition and Measurement) may lead to some volatility in operating earnings. There was no material impact for the reporting period.

(w) *Statement of Comprehensive Income*

An additional statement of comprehensive income in nature and type format has been prepared and included to ensure the City complies with both the Local Government Act 1995 and the Australian Accounting Standards.

(x) *Investment Property*

Investment property is held to generate long-term rental yields. All tenant leases are on an arms-length basis apart from two short term tenancies that are on peppercorn rentals as they are deemed to be of benefit to the community.

Investment property is carried at fair value, being market value assuming the highest and best use permitted by the relevant land use planning provisions or existing public use whichever is the greater.

The most recent revaluation of investment properties at 30 June 2016 was carried out by Landgate – Property and Valuation Services through Mr Stephen Fern, AAPI Certified Practicing Valuer, Specialist Valuer. Changes to fair value are recorded in the Statement of Comprehensive Income. Investment properties are not depreciated.

(y) *Accounting Standards not yet effective*

The following Australian Accounting Standards which have been issued or amended and which are applicable to the City but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

- *AASB 9 Financial Instruments*

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(y) *Accounting Standards not yet effective (...continued)*

The effective date is for annual reporting periods beginning on or after 1 January 2018.

The City is yet to undertake a detailed assessment of the impact of AASB 9. However, based on the City's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

- *AASB 1057 Application of Australian Accounting Standards*
In May 2015, the AASB decided to revise Australian Accounting Standards that incorporate IFRSs to minimise Australian-specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When this Standard is first adopted for the year ending 30 June 2017, there will be no impact on the financial statements.

- *AASB 14 Regulatory Deferral Accounts*
AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of its regulatory deferral account balances. This exemption is not available to entities who already apply Australian Accounting Standards.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the City.

(continued...)

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)
(y) Accounting Standards not yet effective (...continued)

- *AASB 15 Revenue from Contracts with Customers*
AASB 15 replaces AASB 118: Revenue, AASB 111 Construction Contracts and some revenue related Interpretations. In summary, AASB 15:
 - establishes a new revenue recognition model;
 - changes the basis for deciding whether revenue is to be recognised over time at a point in time;
 - provides a new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return and warranties); and
 - expands and improves disclosures about revenue.

When this Standard is first adopted for the year ending 30 June 2018, there is not expected to be any material impact on the transactions and balances recognised in the financial statements.

- *AASB 16 Leases*

The new AASB 16:

- replaces AASB 117 Leases and some lease related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117;
- requires new and different disclosures about leases.

When this Standard is first adopted for the year ending 30 June 2020, there will be no material impact on the transactions and balances recognised in the financial statements.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued) (y) *Accounting Standards not yet effective (...continued)*

- *AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*
This amendment impacts on the use of AASB 11 when acquiring an interest in a joint operation.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

- *AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*
The amendments to AASB 116 prohibit the use of a revenue based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.

- *AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements*
The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(y) *Accounting Standards not yet effective (...continued)*

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address a current inconsistency between AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 Business Combinations. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business.

The effective date is for annual reporting periods beginning on or after 1 January 2016.

- *AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses*
AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

The effective date is for annual reporting periods beginning on or after 1 January 2017.

When these amendments are first adopted for the year ending 30 June 2018, there will be no material impact on the financial statements.

(z) *New and revised standards that are effective for these financial statements*

A number of new and revised standards are effective for the current reporting period however, there was no need to change accounting policies or make retrospective adjustments as a result of adopting these standards. Information on these new standards is presented below.

AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle

These amendments arise from the issuance of Annual Improvements to IFRSs 2012-2014 Cycle in September 2014 by the IASB.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(z) New and revised standards which are effective for these financial statements (...continued)

Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 Non-current Assets Held for Sale and Discontinued Operations does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations

The amendments to AASB 11 Joint Arrangements state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 Business Combinations, should:

- apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not re-measured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and
- provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.

AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to AASB 116 prohibit the use of a revenue based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

*(z) New and revised standards which are effective for these financial statements
(...continued)*

The amendments to AASB 138 present a rebuttable presumption that a revenue based amortisation method for intangible assets is inappropriate. The rebuttable presumption can be overcome (i.e., a revenue based amortisation method might be appropriate) only in two (2) limited circumstances:

- the intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.

The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements. The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments:

- clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information;
- clarify that AASB 101's specified line items in the statement(s) of comprehensive income and the statement of financial position can be disaggregated;
- add requirements for how an entity should present subtotals in the statement(s) of comprehensive income and the statement of financial position;
- clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order;
- remove potentially unhelpful guidance in AASB 101 for identifying a significant accounting policy.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)

(z) *New and revised standards which are effective for these financial statements (...continued)*

AASB 1057 Application of Australian Accounting Standards

In May 2015, the AASB decided to revise the Australian Accounting Standards that incorporate IFRSs to minimise Australian specific wording even further. The AASB noted that IFRSs do not contain application paragraphs that identify the entities and financial reports to which the Standards (and Interpretations) apply. As a result, the AASB decided to move the application paragraphs previously contained in each Australian Accounting Standard (or Interpretation), unchanged, into a new Standard AASB 1057 Application of Australian Accounting Standards.

AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs removes the application paragraphs from each Australian Accounting Standard.

(z1) *Critical accounting judgements and key sources of estimation uncertainty*

In application of the City's accounting policies, the City is required to make judgements, estimates and assumptions about the carrying values of certain assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of revision and future periods if the revision affects both current and future periods.

(z2) *Functional Currency*

The presentation currency of the City of Perth is the Australian dollar. The functional currency is also the Australian dollar.

(z3) *Significant Estimates and Uncertainties*

The City of Perth at balance date utilised independent investment advisors CPG Research and Advisory Pty Ltd in assessing on a monthly basis the market value of interest bearing securities.

The advisors model valuations which are derived from a number of factors including information obtained from the arrangers of individual securities and ratings agencies, reviews of the components of the relevant securities and also movements in applicable credit spreads.

(z4) *Provisions*

Provisions are recognised when the City has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)
(z4) Provisions (...continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. COMPONENT FUNCTIONS / ACTIVITIES

The Statement of Comprehensive Income is presented in a program format using the following classifications:

GOVERNANCE

Members of Council, civic receptions and functions, public relations, electoral and other issues relating to the task of assisting Councillors and the ratepayers which do not concern specific Council services.

GENERAL PURPOSE FUNDING

General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, Emergency Services Levy commission, back rates, general purpose grants, untied road grants, interest on deferred rates, investment returns, discounts received, interest on long term borrowings.

LAW, ORDER, PUBLIC SAFETY

Fire prevention, including the Emergency Services Levy, clearing for fire hazards, animal control, by-law control, public security, civil emergency services, park rangers, neighbourhood watch.

HEALTH

Maternal and infant health, preventive services including, immunisation, food control, health inspections, pest control, other health.

EDUCATION AND WELFARE

Child care centres, aged and disabled, senior citizen's centres, welfare administration, donations to welfare organisations, other welfare, education services.

HOUSING

Affordable Rental Housing.

COMMUNITY AMENITIES

Rubbish collections, recycling, refuse site operation, litter control, public litter bins, abandoned vehicles, pollution control, town planning control/studies, Citiplace administration, pedestrian malls, Forrest Place, street seats, memorials, bus shelters, rest centres, public conveniences.

RECREATION AND CULTURE

Public halls, civic centre, parks, sports grounds, community recreation programs, cycleways, library, community arts program, concert hall, donations to cultural institutions, parades and festivals, Christmas decorations, event and corporate sponsorship, Skyworks.

TRANSPORT

Roads, footpaths, rights of way, drainage, road verges, median strips, overpasses, underpasses, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities.

(continued....)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2. COMPONENT FUNCTIONS / ACTIVITIES (...continued)

ECONOMIC SERVICES

Tourism and promotions, Perth Convention Bureau subsidies, building control, undergrounding of power, retail marketing, economic development support.

OTHER PROPERTY AND SERVICES

Public works overheads, plant/vehicle operations, sundry and other outlays that cannot be assigned to one of the preceding programs.

3. RATING INFORMATION

(a) Gross Rental Values

Landgate Valuation Services provides the City with Gross Rental Values (GRV) for the purpose of rating. For the vast majority of properties values were supplied on 1 July 2014, effective for three years from that date.

(b) Differential General Rates

The City of Perth imposed differential general rates under Section 6.33 of the Local Government Act 1995 on all rateable land within the City according to the predominant purpose for which the land is held or used, as determined by the City. If the predominant land use forming the basis for the imposition of the differential rate changed during the 2015/16 financial year, the City was not required to amend the assessment of rates payable on that land on account of that change, but has chosen to do so.

The rates were set at differential levels that provided as was practically possible a fair and equitable distribution of the rate burden to each category of land having regards to its demands on the City's services.

The City has previously rationalised its rates differential categories with Hotel, Retail and Commercial ratepayer classes consolidated as the Commercial category. This followed a review of costs attributable to each class and took into account the triennial revaluation of gross rental values pertaining to each category conducted by Landgate Valuation Services in 2011.

None of the differential general rates was more than twice the lowest differential general rate, as proposed in the 2015/16 Annual Budget.

(continued ...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3. RATING INFORMATION (...continued) (b) Differential General Rates (...continued)

Differential General Rates details are as follows:

Total General Rates Revenue	Budget 2015/16	Actual 30 June 2016	Actual 30 June 2015
	\$	\$	\$
Commercial	20,336,675	20,664,159	20,668,232
Office	43,172,115	43,015,700	39,968,881
Residential	13,919,310	13,894,847	12,478,304
Vacant Land	1,261,120	1,234,450	1,215,340
Total	78,689,220	78,809,156	74,330,757

General Rates Information	No. of Properties	Rate in the dollar	Gross Rental Values
			\$
Commercial	1,893	5.0032	415,340,387
Office	2,168	2.9079	1,482,070,886
Residential	10,783	4.4107	316,440,790
Vacant Land	79	5.8157	21,202,800
Total	14,923		2,235,054,863

Total General Rates Revenue from	Budget 2015/16	Actual 30 June 2016	Actual 30 June 2015
	\$	\$	\$
General Rates	79,711,512	79,867,068	75,209,747
Interim Rates	3,130,855	3,387,797	652,940
Back rates	(150,000)	(69,855)	(397,319)
Total	82,692,367	83,185,010	75,465,368

The basis, objects and reasons for the imposition of each differential general rate are as follows:-

Commercial (Includes Hotel and Retail categories)

This classification includes a variety of land uses including transportation services, communication services, wholesalers, warehouses, laboratories, auto sales and services, entertainment services including restaurants and nightclubs, sporting facilities, banking/ATM's, laundromats, bakeries, medical laboratories, commercial educational facilities, hotels, serviced apartments, boarding, lodging accommodation, retail sales and services. The general rate for this sector of 5.0032 cents in the dollar of GRV was considered reasonable, given the general nature of this classification compared to other specifically identified sectors.

(continued ...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

3. RATING INFORMATION (...continued)
(b) *Differential General Rates (...continued)*

Office

The majority of properties within the City are used for office accommodation. The GRV of the office sector represents the largest percentage of the total rateable values.

The rate of 2.9079 cents in the dollar of GRV is seen as a fair rate of contribution by the office sector towards a reasonable level and standard of infrastructure provided by the City for the benefit of that sector.

Residential

The Residential classification covers properties that are used for single and multi-dwellings.

The residential rate of 4.4107 cents in the dollar of GRV was set at a low level to support the City of Perth's aim of encouraging living in the City. The City of Perth recognises that the benefits of increased residential population will flow to all other sectors within the district and believe a comparatively lower residential rate serves as an incentive to attract people to live in the City.

Vacant Lands

The rate of 5.8157 cents per dollar of GRV applies to all unimproved land within the district. The higher rate is imposed to discourage holdings of undeveloped land within the City, which reduce the amenity of the area. The higher rate encourages early development. There has been a decrease in the number of vacant properties, being 81 in 2015/16 as compared to 83 in 2014/15.

(c) Minimum Rate

The City imposed one general minimum rate of \$685. Recognising that the majority of properties on the minimum rate are residential properties, the minimum rate was maintained at a relatively low level to support the City's strategy of encouraging living in the City.

Minimum rate details are as follows:

Minimum Rate Revenue	Budget 2015/16	Actual 30 June 2016	Actual 30 June 2015
	\$	\$	\$
Commercial	374,010	411,000	255,060
Office	130,150	130,835	124,260
Residential	516,762	514,707	498,362
Vacant Land	1,370	1,370	1,308
Total	1,022,292	1,057,912	878,990

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3. RATING INFORMATION (...continued) (c) Minimum Rate (...continued)

Minimum Rates Information	No. of Properties	Minimum Payment		Gross Rental Values	
		\$	\$	\$	\$
Commercial	604	685		6,510,238	
Office	199	685		3,643,710	
Residential	870	685		11,414,918	
Vacant Land	2	685		2,850	
Total	1,675			21,571,716	

(d) Emergency Services Levy

The State Government introduced an Emergency Services Levy (ESL) which, from 1 July 2003, is collected by Local Governments on behalf of the Department of Fire and Emergency Services of Western Australia.

The City falls under the Career Fire and Rescue Services boundary, ESL Category 1. The Levy is based on the Property GRV's and appears as a separate charge on the Rate Notices. The applicable ESL Rates for the financial year were:

ESL Category	ESL Rate (cents per \$GRV)	Minimum and Maximum Charges by Property Use			
		Residential and Vacant Land		Commercial, Industrial and Other	
		Minimum	Maximum	Minimum	Maximum
1	0.0123	\$68	\$360	\$68	\$204,000

The interest rate imposed by the Emergency Services Legislation on ESL charges that remained unpaid after the due date was 11% pa applicable from the due date for payment.

(e) Options for Payment of Rates

The City operated an instalment option plan where the payment of rates could be made under one of the following options:

(i) by a single payment due 35 days from the date of issue of the rates notice and payable on 7 August 2015.

(ii) by two equal or nearly equal instalments payable on the following dates:

First instalment	on 7 August 2015
Second instalment	on 9 October 2015

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

3. RATING INFORMATION (...continued)
(e) Options for Payment of Rates (...continued)

(iii) by four equal or nearly equal instalments payable on the following dates:

First instalment	on 7 August 2015
Second instalment	on 9 October 2015
Third instalment	on 11 December 2015
Fourth instalment	on 12 February 2016

The first instalment was due within 35 days from the date of issue of the rate notice and comprised of any arrears, waste management charge, one quarter of current rates and ESL, plus an administration charge and instalment interest. The second, third and fourth instalments comprised of one quarter of current rates and ESL, plus an administration charge and instalment interest.

(f) Rates Instalments, Interest and Charges

The City imposed an additional charge for the payment of rates and ESL by instalments as follows:

The rate of interest charged on instalment payments was 5.5% p.a. and was only applied if either the two or the four instalments option was selected.

The administration charge on both instalment options was \$45.00.

An administration fee of \$45.00 was charged on all arrangements made for payment outside the normal terms.

The total revenue raised from the imposition of the instalment interest and charges was \$645,062 (30 June 2015 - \$619,131). The original budget estimate was \$650,943 (30 June 2015 - \$604,083).

(g) Rates Early Payment Incentive Scheme

The ANZ Bank Group Limited sponsored an early rate payment incentive scheme under which ratepayers who paid their rates and ESL in full within 35 days from the date of issue of the rate notice (payment received by 7 August 2015) were entered into a draw to win a prize as follows:

A cheque for \$1,500 in the name of the winner.

This incentive scheme excluded pensioners rates deferred under the provision of the Rates and Charges (Rebates and Deferments) Act 1992. The selection method involved a computer program that selected from all assessments eligible to be in the draw. The draw was conducted in the presence of several senior officers.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3. RATING INFORMATION (...continued) (g) Rates Early Payment Incentive Scheme (...continued)

The City of Perth incurred no cost in the operation of the early rate payment incentive scheme.

(h) Inner City Residential Rate Concession

The City of Perth operates an inner city residential rate concession scheme, under which purchasers of newly developed residential properties will qualify for three years rate concession up to \$2,000 per annum per rateable property. This is effective from the beginning of the financial year following the year in which the property was completed and purchased. The scheme applies to any type of single or multiple residential accommodation newly constructed.

The rate concession only applies to inner city developments within the area bounded by Victoria Avenue in the east, the freeway in the west, the river in the south and the railway to the north.

The rate concession is available by application from qualified first purchasers and is transferable to the next purchasers to the extent that it remains available to the original purchasers of newly developed residential properties.

In the case of a mixed development, the rate concession only applies to purchasers of the residential portion of the development.

The inner city residential rate concession was introduced to promote living in the city and encourage people to relocate and reside in the specified inner city area.

The scheme was modified to expire on 30 June 2010 but was applicable to all building applications received up to that date. The scheme was withdrawn when the existing concessions expired in 2015/16.

Revenue foregone arising from inner city residential rate concession was \$58,756 (30 June 2015 - \$144,885). The original budget estimate was \$58,969 (30 June 2015 - \$120,311).

(i) Heritage Rate Concession Scheme

The Concession assists owners of heritage places to continue the active use of those places and facilitate their ongoing maintenance to ensure long term conservation. The annual concession on general rates only will be equivalent to 10% of the general rates for the property, to a maximum of \$20,000 per annum with the minimum concession being equal to the minimum rate payment \$685 (\$654 for 2014/15).

In accordance with the Heritage Rate Concession Policy 9.2 (26 June 2012):

- The concession will apply until 30 June 2017 and does not apply to applications approved prior to 26 June 2012;
- Applications must be received within 60 days from the date of the issue of the current rate.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

3. RATING INFORMATION (...continued)

(i) *Heritage Rate Concession Scheme (...continued)*

- The property must be included in the City Planning Scheme Heritage Register list, be a contributory place within a Heritage area designated under the deemed provisions or on the Metropolitan Redevelopment Authority heritage inventory;
- Applicants must provide evidence of a current pest control contract and full building insurance for each eligible year and must sign the City's Maintenance Agreement;
- The owner must not be bound to a Heritage Agreement for the property and there must not be an outstanding debt to the City on the property;
- For strata units in complexes where heritage floor space comprises less than 50% of the total development floor space, economic justification must be provided to demonstrate the strata fees are high, due to cost of maintaining heritage fabric.

The City undertakes external building condition inspections to monitor compliance with the Maintenance Agreement, and may cancel the concession if not being suitably maintained and if supporting documents are not received.

Revenue foregone arising from Heritage Rate Relief Scheme was \$227,285 (30 June 2015 - \$232,333). The original Budget estimate was \$230,000 (30 June 2015 - \$260,000).

(j) Concessions

In accordance with the provisions of the Rates and Charges (Rebates and Deferments) Act 1992, concessions were offered to eligible persons to allow them to either defer their rates or receive a percentage of rebate on their rates. This is provided they register within the specified period and pay the balance of the rates within the year in which they are assessed. To be eligible for a concession, a ratepayer is required to be an "eligible person" in terms of the Act and to be the registered owner of the property at 1 July of the rating year. Eligible persons are also entitled to a concessional rate for a standard waste management charge.

(k) Exemption

In terms of S6.26(k) of the Local Government Act 1995, the Minister exercised his discretion in favour of the West Australian Cricket Association (WACA) in respect of rates raised of \$152,176 in 2015/16 (2014/15 - \$154,299) by granting an exemption from rates for the year for their cricket ground at Nelson Crescent, East Perth.

4. LATE PAYMENT INTEREST

The interest rate imposed by the City on rates ESL and service charges that remained unpaid after its due date was 11% p.a. applied from the due date for payment.

The amount of revenue raised from the imposition of late payment interest on unpaid rates ESL and service charges was \$112,886 (30 June 2015 - \$84,321). The original budget estimate was \$85,822 (30 June 2015 - \$107,829).

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

5. BAD DEBTS

The total amount of bad debts written off during the financial year was \$663,957 (30 June 2015 \$619,490) of which \$635,548 related to parking fines and costs deemed uncollectable for a number of years (30 June 2015 - \$604,568). The original budget estimate was \$572,525 (30 June 2015 - \$602,893).

6. ELECTED MEMBERS FEES, EXPENSES AND ALLOWANCES

Fees, expenses and allowances paid to elected members in accordance with the provisions of the Local Government Act 1995 are as follows:

	Budget	Year Ended	Year Ended
	2015/16	30/06/2016	30/06/2015
	\$	\$	\$
Annual Attendance Fees	302,357	293,550	293,550
Local Government Allowance	172,396	167,375	167,375
Reimbursement of Expenses	120,240	68,440	83,081
	594,993	529,365	544,006

Elected Members fees and allowances are determined by the Salaries and Allowances Tribunal and reviewed annually.

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

7. STATUTORY INFORMATION

(a) Assets Classified by Program

	30/06/2016	30/06/2015
	\$	\$
Governance	119,179,397	119,608,939
General Purpose Funding	902,932	1,049,522
Law, Order, Public Safety	2,471,875	2,428,617
Health	250,692	190,423
Education and Welfare	3,128,913	3,254,375
Housing	430,821	571,293
Community Amenities	62,996,422	63,742,885
Recreation and Culture	254,711,668	244,982,595
Transport	858,531,667	860,516,496
Economic Services	4,815,979	5,391,297
Other Property and Services	34,468,569	38,536,044
	1,341,888,935	1,340,272,486

(b) Depreciation and Amortisation

Depreciation and amortisation expense for the financial year was charged in respect of:

	Budget 2015/16	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$	\$
Depreciation and Amortisation by Classification			
Leasehold Land	750,773	564,933	564,933
Buildings	7,019,850	8,045,699	7,982,378
Improvements	320,087	1,025,291	461,886
Infrastructure Assets	19,593,818	14,659,444	12,897,090
Plant and Mobile Equipment	4,454,960	4,599,154	4,991,528
Office Furniture and Equipment	2,071,613	2,651,166	2,217,980
	34,211,101	31,545,687	29,115,795

	Budget 2015/16	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$	\$
Depreciation and Amortisation by Program			
Governance	9,497	7,171	14,312
Law, Order, Public Safety	99,170	83,218	83,621
Health	970	6,160	11,872
Education and Welfare	167,093	168,142	176,957
Housing	97,359	375,316	366,367
Community Amenities	3,020,825	2,270,698	2,433,672
Recreation and Culture	4,553,051	5,877,111	4,910,152
Transport	22,307,388	18,394,101	17,177,050
Economic Services	261	144	408
Other Property and Services	3,955,486	4,363,626	3,941,384
	34,211,100	31,545,687	29,115,795

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

7. STATUTORY INFORMATION (...continued)

(c) Fees and Charges

Fees and Charges by Program	Budget	Year Ended	Year Ended
	2015/16	30/06/2016	30/06/2015
	\$	\$	\$
General Purpose Funding	365,668	375,257	354,709
Law, Order, Public Safety	45,325	28,743	39,035
Health	843,720	843,717	915,691
Education and Welfare	1,654,095	1,489,463	1,398,760
Housing	656,190	788,744	762,440
Community Amenities	10,126,934	10,026,961	9,081,824
Recreation and Culture	590,145	623,118	516,984
Transport	90,139,092	83,859,298	84,193,164
Economic Services	1,060,247	997,984	1,282,797
Other Property and Services	498,498	458,951	987,760
	105,979,914	99,492,236	99,533,164

(d) Interest and Investment Income

Reserves	Budget	Year Ended	Year Ended
	2015/16	30/06/2016	30/06/2015
	\$	\$	\$
Refuse Disposal and Treatment	51,317	95,150	170,447
Concert Hall Refurbishment and Maintenance	143,522	146,592	178,024
Asset Enhancement	775,709	737,134	1,101,641
Community Recreation Centres/Facilities	-	-	7,640
Street Furniture Replacement	16,243	16,660	18,247
Art Acquisition	7,146	9,336	9,637
Heritage Incentive	28,799	21,360	42,795
Parking Facilities Development	617,984	720,224	987,141
David Jones Bridge	7,587	8,555	9,972
Bonus Plot Ratio Contribution	17,909	18,377	21,984
Employee Entitlements	33,635	54,852	39,467
PCEC Car Park Fixed Plant Replacement	135,000	123,829	138,142
Parking Levy	87,230	17,338	52,908
Enterprise and Initiative	104,980	98,553	57,680
	2,027,061	2,067,960	2,835,725
General Purpose Funds	3,130,258	2,653,599	2,725,977
	5,157,319	4,721,559	5,561,702

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

8. (a) Other Expenses from Ordinary Activities

	Budget 2015/16	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$	\$
Emergency Services Levy	430,488	500,248	430,848
Donation and Sponsorships	5,280,055	4,459,749	4,929,365
Parking Bays Licence Fees	17,136,853	16,778,173	14,018,838
Non Capitalised Work in Progress	-	4,620,525	1,014,539
Other	1,860,365	1,460,254	1,784,114
	24,707,761	27,818,949	22,177,704

(b) Auditors Remuneration

	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$
Statutory Audit	47,000	25,000
Other Services	Nil	6,000
	47,000	31,000

9. CONDITIONS OVER GRANTS/CONTRIBUTIONS

- (a) Grants/Contributions which were recognised as revenue during the current financial year and which were obtained on the condition that they be expended in a specific manner but had yet to be applied in that manner as at financial position date were:

	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$
Grants/Contributions for Capital Works	270,512	39,730
Grants/Contributions for Other Purposes	Nil	8,361
	270,512	48,091

- (b) Grants/Contributions which were recognised as revenue in a previous financial year and were expended in the current financial year in the manner specified by the grant/contribution were:

	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$
Grants/Contributions for Capital Works	113,889	201,422
Grants/Contributions for Other Purposes	8,361	161,456
	122,250	362,878

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

10. GAIN / (LOSS) ON DISPOSAL/WRITE OFF/CONTRIBUTION OF ASSETS

(a) Gain/(Loss) on Disposal/Write Off/Contribution of Assets by Type

	Budget 2015/16	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$	\$
Land and Buildings			
Proceeds on Disposal	-	-	-
Less: Carrying amount of assets sold/written off	-	(33,244)	(374,000)
Gain(Loss) on Disposal /Write off	-	(33,244)	(374,000)
Gain on Disposal	-	-	-
(Loss) on Disposal/Write off	-	(33,244)	(374,000)
Gain(Loss) on Disposal /Write off	-	(33,244)	(374,000)
Infrastructure			
Proceeds on Disposal	-	-	-
Less: Carrying amount of assets sold/written off	(1,721,201)	(1,493,417)	(2,077,691)
(Loss) on Disposal /Write off	(1,721,201)	(1,493,417)	(2,077,691)
Plant and Equipment			
Proceeds on Disposal	1,523,000	1,047,304	1,562,375
Less: Carrying amount of assets sold/written off	(1,360,052)	(1,062,948)	(1,688,233)
Gain(Loss) on Disposal /Write off	162,948	(15,644)	(125,858)
Gain on Disposal	208,549	67,079	206,283
(Loss) on Disposal/Write off	(45,601)	(82,723)	(332,141)
Gain(Loss) on Disposal /Write off	162,948	(15,644)	(125,858)
Office Furniture and Equipment			
Proceeds on Disposal	-	7,659	6,144
Less: Carrying amount of assets sold/written off	-	(34,644)	(12,946)
(Loss) on Disposal /Write off	-	(26,985)	(6,802)
Gain on Disposal	-	7,659	5,831
(Loss) on Disposal/Write off	-	(34,644)	(12,633)
(Loss) on Disposal /Write off	-	(26,985)	(6,802)
(Loss) on Disposal /Write off	(1,558,253)	(1,569,290)	(2,584,351)
Gain on Disposal	208,549	74,738	212,114
(Loss) on Disposal/Write Off	(1,766,802)	(1,644,028)	(2,796,465)
(Loss) on Disposal /Write Off /Contribution of Assets	(1,558,253)	(1,569,290)	(2,584,351)

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

10. GAIN / (LOSS) ON DISPOSAL/WRITE OFF/CONTRIBUTION OF ASSETS (...continued)
Gain (Loss) on Disposal /Write Off/Contribution of Assets by Program

	Budget Gain/(Loss) on Disposal	Proceeds on Disposals	Carrying Amount	Gain/(Loss) on Disposals/ Write Offs
	\$	\$		\$
Governance	9,371	34,532	27,629	6,903
Law, Order Public Safety	7,500	15,214	13,000	2,214
Health	6,903	99,940	102,041	(2,101)
Education and Welfare	-	-	2,968	(2,968)
Community Amenities	29,498	117,438	115,644	1,794
Recreation and Culture	22,727	89,328	387,291	(297,963)
Transport	(1,658,231)	337,992	1,627,820	(1,289,828)
Economic Services	6,983	142,917	141,608	1,309
Other Property and Services	16,996	217,602	206,252	11,350
	(1,558,253)	1,054,963	2,624,253	(1,569,290)

11. TRADE AND OTHER RECEIVABLES

Current	30/06/2016	30/06/2015
	\$	\$
Rates	174,129	82,756
Bins Levy	16,686	(18,660)
Emergency Services Levy (ESL)	36,912	63,463
Accrued Interest and Investment Income	536,669	600,297
Accrued Income	1,445,677	1,251,900
Modified Penalties/Fines and Costs	7,468,902	7,156,124
Deposits and Prepayments	1,246,983	1,339,244
Other	3,958,081	2,337,659
	14,884,039	12,812,783
Less: Provisions for Doubtful Debts	(3,423,780)	(3,054,194)
	11,460,259	9,758,589
Non Current		
Pensioners' Rates Deferred #	32,434	39,567
	32,434	39,567

Pensioners' Rates Deferred

The amounts shown relate to rates deferred by pensioners in accordance with the Rates and Charges (Rebates and Deferment Act) 1992.

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

11. TRADE AND OTHER RECEIVABLES (...continued)

All of the City's trade and other receivables have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of \$834,416 (2015: \$710,995) has been recorded accordingly within other expenses. The impaired trade receivables are mostly related to parking fines and costs outstanding for a considerable period of time and from customers in the business-to-business market that are experiencing financial difficulties.

The movement in the allowance for credit losses can be reconciled as follows:

Reconciliation of allowance credit losses	30/06/2016	30/06/2015
	\$	\$
Balance 1 July 2015	3,054,194	2,786,601
Amounts written off (uncollectable)	(663,957)	(619,490)
Impairment loss	834,416	710,995
Amounts recovered	199,127	176,088
Balance at 30 June 2016	3,423,780	3,054,194

12. INVESTMENTS

Investments are made in accordance with the Western Australia Trustee Act 1962 (as amended) and the Local Government (Financial Management) Regulations 1996 as amended. All investments are recorded at cost, less impairment where necessary except for Balanced Funds, which are marked to market.

The City amended its investment policy to adopt the new restrictions as imposed by amendments to the Local Government (Financial Management) Regulations, gazetted on 19 April 2012 and which included type and term of investments a local government may invest in.

	30/06/2016	30/06/2015
	\$	\$
Current		
Call Funds *	12,111,382	23,629
Bank Term Deposits *	84,000,000	83,900,000
Balanced Funds *	4,138,020	4,118,105
Structured Investments		
Floating Rate Notes (FRN)*	-	3,003,655
	100,249,402	91,045,389
Non-Current		
Structured Investments		
Mortgage Backed Securities (MBS)	2,743,759	2,766,406
	2,743,759	2,766,406

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

12. INVESTMENTS (...continued)

	30/06/2016	30/06/2015
Equity in Local Government House #	10,000	10,000
Equity in Mindarie Regional Council ±	420,412	398,074
Equity Tamala Park Regional Council ≥	3,987,901	3,935,833
	<u>7,162,072</u>	<u>7,110,313</u>
Total Investments	107,411,474	98,155,702

* Short Term Cash Investments as stated in Note 19.

The Western Australian Local Government Association as Trustee for the Local Government House Trust, entered into a Joint Venture arrangement with Qube Railway Parade Pty Ltd in which the Local Government House Trust holds a 60% interest. The Joint Venture arrangement was for the purchase and construction of land and building at 168-170 Railway Parade, West Leederville. The construction of the building was completed on 28 January 2014.

± The City holds a minority interest of one twelfth of the equity in the Mindarie Regional Council (MRC).

≥ The City of Perth's original share of Members Equity contributed to the Tamala Park Regional Council (TPRC) as equity investment was \$1,351,787. TPRC has subdivided, developed, and sold during the reporting period 137 lots of land at the Tamala Park project marketed as 'Catalina' (stages 6B, 10, 11, 12, 13A, 13B, 14, 15, 18A and McAllister).

The change of \$52,068 (30 June 2015: \$431,077) in the City's contributed equity in TPRC during the reporting period represents the net difference in the City's share of land development expenses and the proceeds of sale of member land relative to the 137 lots developed and sold and the receipt of dividends and rates equivalent distribution payments during the year.

The following restrictions have been imposed by regulations or other external requirements:

Investments	30/06/2016	30/06/2015
	\$	\$
Cash Backed Reserves (Note 18)	88,228,257	87,574,492
Unspent Grants/Contributions	270,512	122,250
	<u>88,498,769</u>	<u>87,969,742</u>
Unrestricted	18,912,705	10,458,960
	<u>107,411,474</u>	<u>98,155,702</u>

* For the definition of cash in this context, structured interest bearing investments which are readily convertible when reserves are scheduled to be expended, are regarded as cash.

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

13. INVENTORIES

	30/06/2016	30/06/2015
	\$	\$
Stores, Raw Materials, Fuel and Sundry Stock Items	421,701	632,733
Parking Equipment, Spare Parts, Signs and Tickets	413,317	527,801
Work in Progress	181,205	233,667
	1,016,223	1,394,201

14. TRADE AND OTHER PAYABLES, EMPLOYEE BENEFITS AND PROVISIONS

(a) Trade and Other Payables

Current	30/06/2016	30/06/2015
	\$	\$
Trade Creditors	10,591,073	13,260,443
Income Raised/Received in Advance	1,048,665	949,024
Accrued Interest	199,848	241,015
Accrued Expenses	2,303,943	2,977,893
Other	2,220,456	2,430,654
	16,363,985	19,859,029

(b) Employee Benefits

Current		
	\$	\$
Leave Entitlements		
Annual Leave	4,454,492	4,795,260
Long Service Leave	6,222,059	6,189,337
Self Funded Leave	238,785	270,891
Recognition of Employees - Presentation	136,252	149,638
	11,051,588	11,405,126
Non-current		
Leave Entitlements	\$	\$
Annual Leave	629,989	838,090
Long Service Leave	1,132,108	1,053,647
	1,762,097	1,891,737

(c) Provisions

	\$	\$
Non-Current		
Provision for Fixed Plant Replacement PCEC Car Park	4,259,487	3,869,667
	4,259,487	3,869,667

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

14. TRADE AND OTHER PAYABLES, EMPLOYEE BENEFITS AND PROVISIONS (...continued)

(d) Recognition of Movements

	30/06/2016	30/06/2015
Annual Leave	\$	\$
Balance as at 1 July 2015	5,633,350	5,611,536
Additional Provisions	4,515,244	4,401,762
Amounts Utilised	(5,064,113)	(4,379,948)
Balance as at 30 June 2016	5,084,481	5,633,350
Long Service Leave		
Balance as at 1 July 2015	7,242,984	6,948,140
Additional provisions	1,227,065	1,133,387
Amounts Utilised	(1,115,882)	(838,543)
Balance as at 30 June 2016	7,354,167	7,242,984
Self-funded Leave		
Balance as at 1 July 2015	270,891	307,440
Additional Provisions	223,910	223,355
Amounts Utilised	(256,016)	(259,904)
Balance as at 30 June 2016	238,785	270,891
Recognition of Employees - Presentation		
Balance as at 1 July 2015	149,638	151,787
Additional provisions	13,728	11,333
Amounts Utilised	(27,114)	(13,482)
Balance as at 30 June 2016	136,252	149,638
Provision for Fixed Plant Replacement PCEC Car Park		
Balance as at 1 July 2015	3,869,667	3,479,847
Additional provisions	389,820	389,820
Amounts Utilised	-	-
Balance as at 30 June 2016	4,259,487	3,869,667

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

15. PROPERTY, PLANT AND EQUIPMENT

Acquisition of assets in 2015/16 are capitalised in accordance with the Australian Accounting Standards. Assets are to be depreciated in accordance with the method detailed in Note 1(c).

	30/06/2016	30/06/2015
	\$	\$
Land - at fair value	302,780,018	304,112,018
Air Rights - at cost	2,049,920	2,049,920
Land held for Redevelopment - at fair value	12,058,966	12,288,982
Heritage Land - at fair value	850,000	850,000
Leasehold Land - at cost/fair value	53,193,773	53,193,773
Less: Accumulated Depreciation	(3,135,072)	(2,570,139)
	50,058,701	50,623,634
Buildings - at fair value	266,412,536	265,380,555
Less: Accumulated Depreciation	(108,525,225)	(102,148,571)
	157,887,311	163,231,984
Leasehold Buildings - at cost/fair value	8,515,000	8,515,000
Less: Accumulated Depreciation	(581,010)	(495,008)
	7,933,990	8,019,992
Heritage Buildings - at fair value	88,955,207	88,921,124
Less: Accumulated Depreciation	(39,305,948)	(37,790,380)
	49,649,259	51,130,744
Improvements - at cost/fair value	52,659,660	8,010,840
Less: Accumulated Depreciation	(5,565,355)	(4,564,395)
	47,094,305	3,446,445
Infrastructure Assets - at cost/fair value	755,794,939	741,999,705
Less: Accumulated Depreciation	(270,615,444)	(261,392,201)
	485,179,495	480,607,504
Plant and Mobile Equipment - at cost/fair value	47,541,666	45,505,811
Less: Accumulated Depreciation	(29,432,643)	(25,351,476)
	18,109,023	20,154,335
Office Furniture and Equipment - at cost/fair value	41,871,404	36,740,437
Less: Accumulated Depreciation	(15,155,180)	(12,873,309)
	26,716,224	23,867,128

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. PROPERTY, PLANT AND EQUIPMENT (...continued)

	30/06/2016	30/06/2015
	\$	\$
Agricultural - at cost	795,271	795,271
Work in Progress- at cost	32,151,366	69,215,093
Total Property, Plant and Equipment	1,193,313,849	1,190,393,050

Cost/Fair Value Movement – Property, Plant and Equipment

	Cost/Fair Value 30/06/2015	Additions 30/06/2016	Disposals 30/06/2016	Transfers 30/06/2016	Revaluation 30/06/2016	Cost/Fair Value 30/06/2016
	\$	\$	\$	\$	\$	\$
Land	304,112,018	-	(6,999)	(1,325,001)	-	302,780,018
Air Rights	2,049,920	-	-	-	-	2,049,920
Land held for Redevelopment	12,288,982	1,883,571	(1,887,098)	-	(226,489)	12,058,966
Heritage Land	850,000	-	-	-	-	850,000
Leasehold Land	53,193,773	-	-	-	-	53,193,773
Buildings	265,380,555	178,764	(78,749)	931,966	-	266,412,536
Leasehold Buildings	8,515,000	-	-	-	-	8,515,000
Heritage Buildings	88,921,124	34,083	-	-	-	88,955,207
Improvements	8,010,840	8,701,964	(39,300)	35,986,156	-	52,659,660
Infrastructure Assets	741,999,705	11,853,722	(6,764,835)	8,706,347	-	755,794,939
Plant and Mobile Equipment	45,505,811	3,291,055	(2,846,614)	1,591,414	-	47,541,666
Office Furniture and Equipment	36,740,437	2,402,905	(403,939)	3,132,001	-	41,871,404
Agricultural	795,271	-	-	-	-	795,271
Work in Progress	69,215,093	13,393,700	-	(50,457,427)	-	32,151,366
	1,637,578,529	41,739,764	(12,027,534)	(1,434,544)	(226,489)	1,665,629,726

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

15. PROPERTY, PLANT AND EQUIPMENT (...continued)

Accumulated Depreciation Movements – Property, Plant and Equipment

	Accumulated Depreciation 30/06/2015	Depreciation 30/06/2016	Accumulated Depreciation on Disposals 30/06/2016	Transfers 30/06/2016	Revaluation 30/06/2016	Accumulated Depreciation 30/06/2016
	\$	\$	\$	\$	\$	\$
Leasehold Land	2,570,139	564,933	-	-	-	3,135,072
Buildings	102,148,571	6,444,129	(67,475)	-	-	108,525,225
Leasehold Buildings	495,008	86,002	-	-	-	581,010
Heritage Buildings	37,790,380	1,515,568	-	-	-	39,305,948
Improvements	4,564,395	1,025,291	(24,331)	-	-	5,565,355
Infrastructure Assets	261,392,201	14,659,444	(5,271,418)	164,783	-	270,615,444
Plant and Mobile Equipment	25,351,476	4,599,154	(1,783,666)	-	1,265,679	29,432,643
Office Furniture and Equipment	12,873,309	2,651,166	(369,295)	-	-	15,155,180
	447,185,479	31,545,687	(7,516,184)	164,783	1,265,679	472,315,877

Revaluation of Plant and Equipment

The City revalued during the reporting period, its plant and equipment to fair value in accordance with the directions given by the Department of Local Government under the Local Government (Financial Management) Amendment Regulation 1996. Plant and Equipment as a class was revalued as three separate sub classes – Ticket Machines, CCTV's and other plant and equipment, fair value was determined as approximated by depreciated historical cost (Net Book Value) as there is no active market for these assets, and the City utilises these asset types until they reach the end of their useful life and are scrapped. Mobile plant and equipment was revalued internally by the Fleet Management Unit and fair value was based on market-based evidence by appraisal. The revaluation deficit of \$1,265,679 established reflects the market-based evidence at the reporting date with large deficits recorded against some major plant assets. It is anticipated that there will be recoveries of these deficits over time as the City normally achieves the residual values set, when the assets are sold.

Revaluation of Artworks (for comparative purposes only)

All of the City's Public Works of Art were revalued during the previous reporting period.

The City's Public Works of Art include memorials and monuments, artworks in the public realm and plaques. All Public Works of Art were revalued during the previous reporting period and were valued at fair value based on current replacement cost. Values were considered based on the original artist commission price plus installation costs. This is the industry standard for valuing public works of art.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

15. PROPERTY, PLANT AND EQUIPMENT (...continued)

Revaluation of Artworks (for comparative purposes only)(...continued)

The City's Public Works of Art were revalued at \$6,797,488 and the revaluation surplus of \$4,609,946 was reflected in the Statement of Comprehensive Income. The revaluations of public works of arts and plaques were completed by professional experts within the City's Community Services Unit. Dr Robyn Taylor, a professional valuer and historian for art, architecture and heritage, completed the revaluations for memorials and monuments. The City has not acquired any public works of art from Dr Taylor, therefore she remains impartial.

Revaluation of Infrastructure (for comparative purposes only)

The City revalued during the previous reporting period, its infrastructure to fair value in accordance with the staged implementation required by the Department of Local Government under the Local Government (Financial Management) Amendment Regulation 1996. Infrastructure as an asset class was revalued as separate sub classes including roads, footpaths, drainage, street and park infrastructure including lighting, furniture, landscape, irrigation, trees, features, structures and traffic control devices.

Fair value was determined as depreciated replacement cost as there is no active market for these assets, and the City has the capacity to utilise these asset types until they reach the end of their useful life and are replaced. All sub-classes of infrastructure were either revalued internally by the Asset Management Unit or externally by Griffin Valuation Advisory and fair value was based on the current replacement cost to replace the asset adjusted for depreciation based on condition assessments. The revaluation surplus of \$184,311,650 established reflected the condition based evidence at the previous reporting date with deficits recorded against four sub-classes of assets more than offset by surpluses recorded against the remaining fifteen sub-classes. The overall surplus recorded reflected the net surplus of the infrastructure asset class as a whole.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

15. PROPERTY, PLANT AND EQUIPMENT (...continued)

Revaluation of Infrastructure (for comparative purposes only) (...continued)

SUMMARY OF INFRASTRUCTURE REVALUATION

Asset Sub Class	Revaluation		Total 30/06/2015	Valuation Source
	Surplus	(Deficit)		
	\$	\$	\$	
Roads	159,082,459		159,082,459	Internal
Drainage	4,122,160		4,122,160	Internal
Street:				
Footpaths		(6,428,770)	(6,428,770)	Internal
Lighting		(2,020,061)	(2,020,061)	Internal
Furniture		(728,078)	(728,078)	Internal
Landscape	3,858,735		3,858,735	Internal
Irrigation	27,645		27,645	Internal
Trees	885		885	Internal
Features	4,928,658		4,928,658	Internal
Structures	2,320,735		2,320,735	Internal/External
Traffic Control Devices	119,944		119,944	Internal
Parks:				
Footpaths		(409,029)	(409,029)	Internal
Lighting	217,472		217,472	Internal
Furniture	195,380		195,380	Internal
Landscape	11,108,413		11,108,413	Internal
Irrigation	30,129		30,129	Internal
Trees	922		922	Internal
Features	7,075,241		7,075,241	Internal
Structures	808,810		808,810	Internal/External
	193,897,588	(9,585,938)	184,311,650	

16. INVESTMENT PROPERTY

(a) Acquisition of assets in 2015/16 are capitalised in accordance with the Australian Accounting Standards.

	30/06/2016	30/06/2015
	\$	\$
Land - at fair value	9,201,000	7,871,500
Buildings - at fair value	9,389,999	11,495,099
Total Investment Property	18,590,999	19,366,599

Fair Value Movement – Investment Property

	Cost/ Fair Value 30/06/2015	Transfers 30/06/2016	Revaluation Actual YTD 30/06/2016	Cost/ Fair Value 30/06/2016
	\$	\$	\$	\$
Land	7,871,500	1,325,001	4,500	9,201,001
Buildings	17,076,999	-	(2,095,000)	14,981,999
	24,948,499	1,325,001	(2,090,500)	24,183,000

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

16. INVESTMENT PROPERTY (...continued)

Investment Assets – Accumulated Depreciation

	Accumulated Depreciation 30/06/2015	Transfers 30/06/2016	Revaluation 30/06/2016	Accumulated Depreciation 30/06/2016
	\$	\$	\$	\$
Land	-	-	-	-
Buildings	5,581,900	-	10,100	5,592,000
	5,581,900	-	10,100	5,592,000
TOTAL	19,366,599	1,325,001	(2,100,600)	18,591,000

Valuation of Investment Property

The valuation basis of investment property is fair value based either on the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, or based on the continuation of its use, regardless of whether that represents the highest and best use of the asset.

The most recent revaluation of investment properties at 30 June 2016 was determined by Landgate – Property and Valuation Services, through Mr Stephen Fern, AAIP Certified Practicing Valuer, Specialist Valuer, and resulted in the aggregated fair value of the investment property assets being stated at that date as \$18,591,000.

The revaluation deficit attributable to property classified as Investment Property of \$2,100,600 was debited directly to the Statement of Comprehensive Income (30 June 2015 – Surplus \$1,820,350).

There was no change in the valuation method used in the valuation of Investment Properties during the reporting period.

(b) Amounts Recognised in Income Statement for Investment Properties.

	Year Ended 30/06/2016	Year Ended 30/06/2015
	\$	\$
Property Rental	1,697,574	1,692,559
Operating Expenses for Rental Generating Properties	477,791	570,109

Investment properties are leased out on operating leases. Rental income amounts to \$1,697,574 (2015: \$1,692,559) included within revenue. Direct operating expenses of \$477,791 (2015: \$570,109) were reported within other expenses, of which \$Nil (2015: \$12,608) was incurred on vacant properties that did not generate rental income.

The lease contracts are all non-cancellable for the term of each lease except for one which is subject to cancellation with six months' notice by either party. Future minimum lease rentals are as follows:

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

16. INVESTMENT PROPERTY (...continued)

	Minimum Lease Income Due			Total
	Within 1 year	2 to 5 years	After 5 years	
30 June 2016	\$ 1,520,598	\$ 2,548,143	\$ 2,758,073	6,826,814
30 June 2015	1,514,300	4,374,900	2,320,600	8,209,800

17. FINANCIAL LIABILITIES

Current	30/06/2016	30/06/2015
	\$	\$
Western Australian Treasury Corporation	6,772,074	6,441,709
	<u>6,772,074</u>	<u>6,441,709</u>
Non Current		
Western Australian Treasury Corporation	29,554,928	36,327,002
	<u>29,554,928</u>	<u>36,327,002</u>
Total Financial Liabilities	<u>36,327,002</u>	<u>42,768,711</u>

Loan Debentures issued by the City of Perth are secured over the general funds of the City.

The City developed a site for a new City of Perth Library and Public Plaza which was completed and opened in March 2016. Settlement on the purchase of the leasehold interest in land at 567/579 Hay Street, Perth, occurred in July 2012. Demolition of the existing building and construction of the new library commenced during 2012/13.

A loan of \$8,014,407 was raised by the City from the Western Australian Treasury Corporation on 21 June 2012 to partially fund the City of Perth Library Project including the purchase of the leasehold interest in the land at 567/579 Hay Street. The loan is for a period of 10 years commencing June 2012.

The City borrowed a further amount of \$23,788,520 from the Western Australian Treasury Corporation (WATC) to partially fund the construction of the City of Perth Library project.

The amount was drawn down on 31 July 2012 to take advantage of the prevailing low interest rates and was borrowed for a period of ten years. None of the loan funds raised were unutilised at 30 June 2016 (30 June 2015: \$Nil).

Interest of \$471,766 on loan funds raised for the City of Perth Library project, was capitalised during the reporting period (30 June 2015: \$704,880). The capitalisation rate used to determine the amount of costs eligible for capitalisation was:

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

17. FINANCIAL LIABILITIES (...continued)

100% of Loan 167, as all the borrowings raised, was in respect of the capital project itself.

The interest capitalised of \$471,766 (30 June 2015: \$704,880) was offset by interest earned and capitalised to the project of \$Nil (30 June 2015: \$68,579) as there were no unutilised portion of loan funds raised during the reporting period. The net amount of interest capitalised as a result of this offset was \$471,766 (30 June 2015: \$636,301).

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

18. RESERVES

As at 30 June 2016 the City of Perth maintained reserves for various purposes relating to the provision of facilities and amenities throughout the City of Perth.

Purpose of Reserve Fund	Note	Amounts		Amounts	Closing
		Opening Balance 01/07/2015	Appropriated year ended 30/06/2016	Utilised year ended 30/06/2016	Balance 30/06/2016
		\$	\$	\$	\$
Refuse Disposal and Treatment	(a)	2,843,523	95,150	(2,821)	2,935,852
Concert Hall Refurbishment and Maintenance	(b)	4,826,517	146,592	(137,130)	4,835,979
Asset Enhancement	(c)	29,008,931	4,982,635	(7,759,433)	26,232,133
Street Furniture Replacement	(d)	540,334	61,660	(230,619)	371,375
Art Acquisition	(e)	315,396	69,336	(9,887)	374,845
Heritage Incentive	(f)	587,370	231,132	(200,393)	618,109
Parking Facilities Development	(g)	23,952,736	1,273,686	(1,555,149)	23,671,273
David Jones Bridge	(h)	277,224	15,439	(281)	292,382
Bonus Plot Ratio Contribution	(i)	595,995	18,377	(590)	613,782
Employee Entitlements	(j)	1,053,647	710,271	(1,821)	1,762,097
PCEC Car Park - Fixed Plant Replacement	(k)	3,869,667	378,649	(4,091)	4,244,225
Parking Levy	(l)	17,132,501	15,099,576	(14,071,338)	18,160,739
Enterprise and Initiative	(m)	2,570,651	1,348,552	(3,764)	3,915,439
Public Art	(n)	-	200,210	(193)	200,017
		87,574,492	24,631,265	(23,977,510)	88,228,247
Asset Revaluation*		560,795,095	3,047,888	(3,807,285)	560,035,698
		648,369,587	27,679,153	(27,784,795)	648,263,945

Components of Cash Reserves	30/06/2016	30/06/2015
	\$	\$
Current	85,484,488	84,808,086
Non-Current	2,743,759	2,766,406
Total	88,228,247	87,574,492

* 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.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

18. RESERVES (...continued)

Reserve Account Budget Information

Purpose of Reserve Fund	Opening	Amounts	Amounts	Closing
	Balance	Appropriated	Utilised	Balance
	1/07/2015	30/06/2016	30/06/2016	30/06/2016
	\$	\$	\$	\$
Refuse Disposal and Treatment	2,304,883	51,317	(1,890,433)	465,767
Concert Hall Refurbishment and Maintenance	4,793,718	1,043,522	(1,795,000)	4,042,240
Asset Enhancement	31,273,047	5,775,709	(9,258,839)	27,789,917
Street Furniture Replacement	542,443	61,243	(270,000)	333,686
Art Acquisition	268,716	67,146	(60,000)	275,862
Heritage Incentive	1,162,291	428,799	(400,000)	1,191,090
Parking Facilities Development	23,323,841	2,817,984	(3,984,660)	22,157,165
David Jones Bridge	273,444	49,587	(40,000)	283,031
Bonus Plot Ratio Contribution	598,168	17,909	-	616,077
Employee Entitlements	1,124,904	84,200	-	1,209,104
PCEC Car Park Plant Replacement	3,869,667	389,820	-	4,259,487
Parking Levy	17,136,853	15,169,468	(14,053,880)	18,252,441
Enterprise and Initiative	2,586,788	1,938,313	-	4,525,101
Public Art	-	200,000	-	200,000
	89,258,763	28,095,017	(31,752,812)	85,600,968

Note: The opening balance at 1 July 2015 reflects the reserve balances at the time of drafting the Budget and before adjusting entries were processed in finalising the financial statements for the year ended 30 June 2015.

(a) REFUSE DISPOSAL AND TREATMENT RESERVE

The purpose of this reserve is to allow for the development, construction and purchase of facilities and plant for the treatment, transportation and disposal of non-industrial refuse. It may also be utilised to assist with the phasing in of significant increases in standard rubbish service charges anticipated to occur when recycling processes are extended.

The City anticipates utilising the funds in this reserve within three years.

(b) CONCERT HALL REFURBISHMENT AND MAINTENANCE RESERVE

This reserve, originally set up in 1972, provides for the future maintenance of the Perth Concert Hall, and the replacement of its existing plant, furniture and carpets. The reserve also accommodates provision for the design and construction of the new WASO facility.

The City anticipates utilising the funds in this reserve within five to ten years.

(c) ASSET ENHANCEMENT RESERVE

This reserve was established in 1998 to fund future capital expenditure for the replacement and enhancement of City assets and smooth the impact of the capital costs in any one rating year.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

18. RESERVES (...continued)

(c) Asset Enhancement Reserve (...continued)

The purpose and title of this reserve was changed from 1 July 2003 to allow for the use of these reserve funds in future financial years for the enhancement, replacement, refurbishment and purchase of new assets or project works of the City.

Additional to this purpose is that project works funded from this reserve may not necessarily belong to the City, but may be carried out for the ultimate benefit of the City.

The funds in this reserve will be utilised at the discretion of Council within ten years.

(d) STREET FURNITURE REPLACEMENT RESERVE

This reserve was established in 1999 from proceeds received from the sale of a street furniture contract negotiated by the City with Adshel. Funds held are designated to be used for the purchase and improvement of the City's street furniture, including water features.

All but \$1 million of this reserve was consolidated into the Asset Enhancement Reserve during the year ended 30 June 2007.

The remaining funds in this reserve will be utilised at the discretion of the City over an expected period of three years.

(e) ART ACQUISITION RESERVE

This reserve was established in 1999 to fund future additions to the art collection of the City. The reserve is funded from the proceeds of sale of artworks and the transfer of the unexpended annual allocation for art acquisitions.

The City anticipates utilising the funds in this reserve within five years.

(f) HERITAGE INCENTIVE RESERVE

This reserve was established in 2000 to fund heritage incentives to benefit properties on the City of Perth's heritage register.

The City anticipates utilising the funds in this reserve within two years.

(g) PARKING FACILITIES DEVELOPMENT RESERVE

This reserve was established to enable parking facilities to be developed within the City, and parking equipment to be purchased.

The City anticipates utilising the funds in this reserve over an expected period of ten years.

(h) DAVID JONES BRIDGE RESERVE

This reserve was established in 2003 to fund major repairs, renovations or replacement of the pedestrian bridge over the Murray Street Mall between David Jones and Forrest Chase.

The allocations to this reserve are the unexpended maintenance contribution from the owner of the David Jones site, at the end of each financial year.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

18. RESERVES (...continued)

(h) David Jones Bridge Reserve (...continued)

The City anticipates utilising the funds in this reserve within five to ten years.

(i) BONUS PLOT RATIO CONTRIBUTION RESERVE

This reserve was established in 2005 to hold contributions in respect of Bonus Plot Ratio entitlements, pending expenditure on relevant streetscape improvements and/or public art.

The City anticipates utilising the funds in this reserve within five years.

(j) EMPLOYEE ENTITLEMENTS RESERVE

This reserve was established in 2013 to fund the non-current portion of employee entitlements for Long Service Leave. During the reporting period, the purpose of this reserve was changed to also include the non-current portion for annual leave entitlements. This reserve will vary from year to year but is likely to increase over time.

The City anticipates utilising these funds within ten years.

(k) PERTH CONVENTION EXHIBITION CENTRE CAR PARK – FIXED PLANT REPLACEMENT RESERVE

This reserve was established in 2013 to provide for the future replacement of existing fixed plant not owned by the City, but which the City consumes and is obliged to replace when required at the Perth Convention Exhibition Centre car park.

The City anticipates utilising the funds in this reserve within five to ten years.

(l) PARKING LEVY RESERVE

This reserve was established in 2013 to set aside funds to meet the State Government's parking levy liability.

The City anticipates utilising the funds in this reserve within one year.

(m) ENTERPRISE AND INITIATIVE RESERVE

This reserve was established in April 2014. The reserve is funded from distributions from the Tamala Park Regional Council in respect of land lots developed and sold and marketed as 'Catalina Estate', Clarkson. The purpose of the reserve is to fund strategic projects to introduce and improve efficiencies and effectiveness in the City.

The City anticipates utilising the funds in the reserve within five to ten years.

(n) PUBLIC ART RESERVE

The Public Art Reserve was established during the reporting period to provide sufficient financial capacity to deliver new commissions of enduring public art identified in the City's draft Public Art Strategy and any associated strategic plans developed for public art.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

18. RESERVES (...continued)

(n) Public Art Reserve (...continued)

Note: The Reserve will be funded through an annual capital budget allocation from the City of Perth. It is also proposed that the City of Perth adopts a percent for art schemes, as proposed in the draft Public Art Strategy. This source of funding is intended to augment or eventually replace the annual allocation to the Reserve. Monetary donations, gifts or bequests given to the City for public art may also be added to the reserve.

The City anticipates utilising the funds in the reserve within three years.

19. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows the City of Perth considers cash to include cash on hand and in banks and investments net of outstanding bank overdrafts and non cash investments. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:-

	30/06/2016	30/06/2015
	\$	\$
Cash at Bank and on Hand	10,063,697	21,164,777
Short Term Cash Investments	100,249,402	91,045,389
	<u>110,313,099</u>	<u>112,210,166</u>

20. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2016

	30/06/2016	30/06/2015
	\$	\$
Change in Net Assets Resulting from Operations	13,793,738	18,136,863
Adjustment for items not involving the movement of Funds:		
Depreciation and Amortisation	31,545,687	29,115,795
Doubtful Debts	369,586	267,593
Loss/(Gain) on Disposal of Assets	1,569,290	2,584,351
	<u>47,278,301</u>	<u>50,104,602</u>
Revenues Provided By :		
Government Grants	(6,812,016)	(4,039,166)
Contribution from Other Parties	(49,890)	(15,000)
	<u>(6,861,906)</u>	<u>(4,054,166)</u>
Change in Operating Assets and Liabilities		
Add Back		
Decrease in Deposits and Prepayments	92,261	81,566
Decrease in Inventories	377,978	713,171
Decrease in Accrued Interest and Investment Income	63,628	749,725

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**20. RECONCILIATION OF NET CASH PROVIDED BY OPERATING
ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE
2016 (... continued)**

Decrease in Trade and Other Receivables	-	1,650,216
Decrease in Deferred Debtors	7,133	4,638
Increase in Income and Investment Income Received/Raised in Advance	99,641	21,429
Increase in Provisions	-	667,780
Deduct		
Decrease in Trade and Other Payables	(2,879,568)	(420,002)
Decrease in Accrued Interest and Expenses	(365,626)	(245,061)
Increase in Trade and Other Receivables	(2,033,367)	-
Decrease in Provisions	(93,358)	-
Increase in Accrued Income	(193,777)	(420,854)
	(4,925,055)	2,802,608
Net Cash Provided by Operating Activities	35,491,340	48,853,044

21. SUPERANNUATION

The City of Perth complies with the minimum obligations under federal law and contributes in respect of its employees to one of the following superannuation plans:

(a) W.A. Local Government Superannuation Plan (W.A. Super)

Accumulation Members

The City contributes in respect of certain of its employees to an accumulated benefit superannuation fund established in respect of all Local Governments in the State. In accordance with statutory requirements, the City contributes to the W.A. Local Government Superannuation Plan (WALGSP) amounts nominated by the Council. As such, assets are accumulated in the WALGSP to meet members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

(b) City of Perth Superannuation Plan (CPSP)

Defined Benefit Members

The City contributes in respect of certain of its employees to a defined benefit superannuation fund established for the employees of the City of Perth and known as the City of Perth Superannuation Plan (CPSP). In accordance with statutory requirements, the City contributes to the plan amounts determined by the plan actuary. As such, assets are accumulated in the plan to meet the members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

The plan has a number of different participating employers contributing to the defined benefit section of the plan and as such is accounted for as a defined contribution plan.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

21. SUPERANNUATION (...continued) (b) City of Perth Superannuation Plan (CPSP) (...continued)

The defined benefit section of the plan was closed to the admission of new members from 1 July 2009.

On 31 March 2016, plan assets relating to defined benefit members were transferred from AustralianSuper to Equip Super Pty Ltd.

An Actuarial investigation of the Plan as at 30 June 2015 was completed by the Heron Partnership in March 2016. It was agreed that it would be appropriate to reduce employer contributions for defined benefit members to the Superannuation Guarantee (SG) Rate (currently 9.5%) from 1 April 2016 until at least the completion of the next actuarial investigation with an effective date of 30 June 2018 (due no later than 31 December 2018).

Accumulation Members

The City contributes in respect of certain of its employees to an accumulated benefit superannuation fund for the employees of the City of Perth and known as the City of Perth Superannuation Plan (CPSP). In accordance with statutory requirements, the City contributes to the CPSP amounts nominated by the Council. As such, assets are accumulated in the CPSP to meet members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

Effective 1 July 2009, the City of Perth Superannuation Fund was subsumed into an industry fund AustralianSuper, operated by the trustee AustralianSuper Pty Ltd.

Due to changes in legislation impacting on superannuation, AustralianSuper has moved accumulated members into a new fund called My Super. This fund is part of AustralianSuper. The change was implemented for both legislative reasons and to take advantage of lower member fees.

Total Superannuation contributions paid by the City during the reporting period was \$7,199,924 (30 June 2015: \$6,745,225).

22. LOAN FACILITIES

Loan Facilities	30/06/2016	30/06/2015
	\$	\$
Current	6,772,074	6,441,709
Non Current	29,554,928	36,327,002
Total Loan Facilities in use at Reporting Date	36,327,002	42,768,711
Unused Loan Facilities at Reporting Date	Nil	Nil

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

23. EMPLOYEE REMUNERATION

The number of employees, whose salary (excluding termination payments) exceeded \$100,000 during the financial year, is shown below in their relevant income bands:

Income Range	No. in 2016	No. in 2015
\$100,000 - \$109,999	41	33
\$110,000 - \$119,999	12	18
\$120,000 - \$129,999	20	8
\$130,000 - \$139,999	3	1
\$140,000 - \$149,999	5	9
\$150,000 - \$159,999	2	-
\$160,000 - \$169,999	2	-
\$170,000 - \$179,999	1	-
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	-
\$200,000 - \$209,999	1	4
\$210,000 - \$219,999	1	-
\$260,000 - 269,999	1	-
\$320,000 - \$329,999	-	1
	90	74

The City's current organisational structure includes a large number of Level 8 Officers which account for the significant number of employees earning more than \$100,000 per annum.

24. COMMITMENTS AND CONTINGENT LIABILITIES

- (a) As at 30 June 2016 a commitment existed in respect of interest payable on loan debentures over the life of the loans.

	30/06/2016	30/06/2015
	\$	\$
Interest Payable	4,679,881	6,602,472

- (b) Lease Rental Commitments

Future operating lease rentals of property not provided for in the financial statements and payable:

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

24. COMMITMENTS AND CONTINGENT LIABILITIES (...continued)

Lease Rental Commitments	30/06/2016	30/06/2015
	\$	\$
Not later than 1 year	1,516,603	1,482,889
Later than 1 year but not later than 2 years	1,470,408	1,437,835
Later than 2 years but not later than 5 years	4,272,639	4,313,505
Later than 5 years	59,236,048	60,582,373
	66,495,698	67,816,602

A substantial amount of the lease rental commitments relates to commitments for variable outgoings in relation to the City's 99 year leasehold interest in the Loading Dock at 100 St Georges Terrace.

At reporting date the City of Perth had no obligations under finance leases.

(c) Commitments for Capital Expenditure

Capital expenditure contracted for at the reporting date but not recognised in the financial statements as liabilities:

	30/06/2016	30/06/2015
	\$	\$
Buildings	2,219,566	3,595,629
Infrastructure Assets	612,041	2,257,290
Plant and Mobile Equipment	1,206,997	132,488
Office Furniture and Equipment	382,602	60,836
	4,421,206	6,046,243

(d) Commitment – Deed of Guarantee

In line with other equity holders in the Mindarie Regional Council (MRC) the City of Perth has guaranteed, proportionate to its equity share (one twelfth), the obligations of MRC to the contractor building and operating the Neerabup Resource Recovery Facility.

Such guarantee can be called upon in the event of a *default* event during the contractors operation of the facility. The share of the liability that could be generated by the exercise of the guarantee is estimated at an amount between \$7.21 million diminishing to \$1.5 million depending on the time of any such *default* event.

(e) Contingent Liability – Investment in Tamala Park Regional Council (TPRC).

The City of Perth, along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. As at 30 June 2016 there is an increase in the value of the City's equity share of its investment as a consequence of the development and sale of land by TPRC reduced by the distributions made by the TPRC to the participating members during the reporting period.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

24. COMMITMENTS AND CONTINGENT LIABILITIES (...continued)

(e) Contingent Liability – Investment in Tamala Park Regional Council (TPRC) (...continued)

Due to the availability of draft financial statements for Tamala Park Regional Council when the City of Perth's Financial Report was compiled, the City was able to reliably determine the value of its investment as at 30 June 2016.

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

25. FINANCIAL INFORMATION BY RATIO

	2013/14	2014/15	2015/16
(a) Current Ratio			
<u>Current Assets minus Restricted Assets</u> ¹			
Current Liabilities minus Liabilities ²			
associated with Restricted Assets	0.83:1	1.02:1	1.08:1
(b) Asset Consumption Ratio			
<u>Depreciated Replacement Cost of Assets</u>			
Current Replacement Cost of			
Depreciable Assets ³	56.00%	61.00%	57.00%
(c) Asset Renewal Funding Ratio			
Net Present Value of Planned Capital			
<u>Renewals over 10 years</u> ⁴	145.00%	100.00%	100.00%
Net Present Value of Required Capital			
Expenditure over 10 Years ⁵			
(d) Asset Sustainability Ratio			
Capital Renewal and Replacement			
<u>Expenditure</u> ⁶	46.00%	50.00%	95.00%
Depreciation Expense			
(e) Debt Service Cover Ratio			
Annual Operating Surplus before Interest			
<u>and Depreciation</u>	5.11:1	5.62:1	4.84:1
Principal and Interest			
(f) Operating Surplus Ratio			
Operating Revenue ⁷ Minus Operating			
<u>Expense</u> ⁸	10.82%	8.94%	4.40%
Own Source Operating Revenue			
(g) Own Source Revenue Coverage Ratio			
<u>Own Source Operating Revenue</u> ⁹	1.11:1	1.08:1	1.04:1
Operating Expense ⁸			

¹ Restricted Assets include reserve funds (current) and tied grants/contributions not utilised at year end.

² Liabilities associated with Restricted Assets means the lesser value of a current liability or the cash component of Restricted Assets held to fund that liability.

³ Current replacement cost of Depreciated Assets means the cost of replacing assets at current prices.

⁴ Planned capital renewals means capital renewal and replacement expenditure as estimated in the long term financial plan.

⁵ Required capital expenditure means capital renewal and replacement expenditure as estimated in the Long Term Financial Plan.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

25. FINANCIAL INFORMATION BY RATIO (...continued)

- ⁶ Capital renewal and replacement expenditure means expenditure to renew or replace existing assets.
- ⁷ Operating revenue means that revenue that is operating revenue for the purpose of the Australian Accounting Standards (AAS) excluding Grants and Contributions for the development and acquisition of assets and other comprehensive income.
- ⁸ Operating expenses means the expense that is operating expense for the purpose of the AAS including net interest expense and depreciation.
- ⁹ Own source operating revenue means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

Financial information ratios reported upon with the exception of the current ratio, are as legislated under the Local Government (Financial Management) Regulations 1996. Comparative figures for the two previous years are also provided.

26. SIGNIFICANT ITEMS

The following items are of such a size, nature or incidence that its disclosure is relevant in explaining the City's financial performance for the reporting period.

(a) Fixed Assets Write Off

During the reporting period fixed assets to the value of \$6,201,879 were written off and comprised the following.

- (i) Non Capitalised Work in Progress
This relates to costs incurred on capital projects in prior years, but now expensed, as the projects did not proceed to completion, were not closed out, or the cost of individual assets when established were under the capitalisation threshold of \$5,000 each. Amount expensed \$4,620,525 (30 June 2015 - \$1,014,539).
- (ii) Obsolete and Extinguished Assets
This relates to assets deemed obsolete or is no longer in use at the reporting date. The value of these assets written off was \$1,581,354 (30 June 2015: \$2,697,674) of which \$1,493,417 (30 June 2015: \$2,077,691) relates to infrastructure assets.

(b) Impairment of Investments

The impairment charge was reduced by \$85,190 at 30 June 2016 (30 June 2015: \$150,004) following an increase in the market value of three tranches of mortgage backed securities. The mortgage backed securities continue to suffer from liquidity risk resulting in their market value at 30 June 2016 being \$2,743,759 as compared to an original cost, after redemption of a portion of the security, of \$4,368,589.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

26. SIGNIFICANT ITEMS (...continued)

The City's investment advisors CPG Advisory Services utilises market data from Barclays Bank DCO to complete the impaired valuations of the mortgage backed securities held by the City.

(c) Initial Recognition of Assets – Works of Art (including the Memorabilia and History Collections) (for comparative purposes only)

The City during the previous reporting period completed a further reconciliation of its Works of Art Asset Register. It was established that a number of public art, the memorabilia and the History Centre collections were not reflected in the Art Asset Register. All the assets concerned were acquired by the City in previous years either by way of purchase or were contributed to the City. These assets were initially recognised at a fair value of \$5,365,341 during the previous reporting period, a value established through both external and internal valuations.

(d) Disposal of Development Land at Tamala Park

Tamala Park Regional Council (TPRC) has on behalf of its equity holders, subdivided developed and sold during the financial year, 137 lots of land at the Tamala Park project marketed as 'Catalina' (Stages 6B, 10, 11, 12, 13A, 13B, 14, 15, 18A and McAllister). The amount of \$1,137,566 represents the City's profit on the 137 lots developed and sold during the reporting period (30 June 2015: 215 lots \$2,585,991). The City is a one twelfth equity holder in the TPRC.

(e) Elizabeth Quay

The Elizabeth Quay development opened in January 2016. The development incorporates commercial, retail and cultural attractions which are set around a 2.7 hectare inlet. The Metropolitan Redevelopment Authority (MRA) will retain ownership of a number of public realm areas and assets for up to 10 years. The MRA is responsible for activation, presentation, maintenance and public services in the precinct. MRA will sell and oversee development of nine private lots over an extended period of time. A two tiered funding approach to the development is being negotiated as follows:

- Current and future rate income will be levied by the City to fund 'normal' levels of services provided by the City;
- MRA will explore alternative avenues of funding for any extraordinary or additional services required for the precinct as well as place management functions and associated costs.

The City's forecasts indicate that it will take a number of years for the revenue generated from ratepayers to cover the cost of servicing the precinct. This forecast is based on the latest development schedule provided by the MRA. If the development of the proposed residential and office buildings is delayed, then this period of deficit for the City will be extended. (continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

26. *SIGNIFICANT ITEMS (...continued)*

(f) Infrastructure Road Reserve Assets – Elizabeth Quay and Perth City Link

Certain infrastructure road reserve assets for Elizabeth Quay and Perth City Link have been automatically vested in the City during the reporting period. The City has not brought to book said assets as there is a lack of specific detail as to their quantity and value. The City is endeavouring at the reporting date to establish the requested and required details with MRA. The value of these assets when established is not expected to be material relative to the City's total assets.

(g) City of Perth Act

The passing of the City of Perth Bill by the W.A. Parliament on 25 February 2016 signals a new beginning in the State's history.

From 1 July 2016, the City of Perth Act will bring the City of Perth in line with other Australian capital cities, recognise its capital city status and acknowledges its central role in tourism, business and economic development. It will provide the necessary structure and legislation to ensure Local and State Government work together on vitally important issues.

Under the legislation, the boundaries of the City of Perth will include the University of Western Australia, Kings Park, Queen Elizabeth II Medical Centre, the Perth Children's Hospital and the transfer of 1,508 ratepayers from the Cities of Subiaco and Nedlands. This will result in changes to revenue, expenditure and assets (not at present quantifiable) held by the City.

27. TRUST FUNDS

Trust Fund Information

Purpose for which Money Received	Opening	Receipts	Payments	Closing
	Balance	year ended	year ended	Balance
	1/07/2015	30/06/2016	30/06/2016	30/06/2016
	\$	\$	\$	\$
Footpath Deposits	3,935,940	1,204,740	1,444,857	3,695,823
Unclaimed Monies	1,207,989	71,796	-	1,279,785
Other	2,151,644	231,280	-	2,382,924
	7,295,573	1,507,816	1,444,857	7,358,532

The above monies are not recognised in the financial statements as the City performs only a custodial role. These funds cannot be used by the City and are shown here for information only.

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

28. FINANCIAL INSTRUMENTS

(a) Terms, Conditions and Accounting Policies

The reporting entity's accounting policies, including the terms and conditions of each class of financial asset and financial liability recognised at the financial position date are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
(i) Financial Assets			
Cash at Bank	19	Cash at Bank is carried at the principal amount. Interest is recognised in the Statement of Comprehensive Income when earned.	Interest is earned at the Bank's benchmark rate depending on the balance in the account.
Trade and Other Receivables	11	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Receivables are on 14 to 30 day terms, depending on receivable type.
Short-term Deposits	12	Short-term deposits are stated at cost. Interest is recognised in the Statement of Comprehensive Income when earned.	Short-term deposits have an average maturity of 154 days and effective interest rates of 2.91% to 3.03% (2015: 3.34% to 4.00%)
Managed and Balanced Funds	12	Managed and Balanced Funds are marked to market. Interest and Investment earnings are reinvested in the funds and recognised in the Statement of Comprehensive Income when earned.	Holdings in managed funds are redeemable on 72 hours notice.
Mortgaged Backed Securities	12	The value of these Interest Bearing Securities is stated at cost or impaired value. Interest is recognised in the Statement of Comprehensive Income when earned.	Maturities are greater than 5 years. It is the City's intention to dispose of these securities when the most prudent and advantageous opportunity arises.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

28. FINANCIAL INSTRUMENTS (...continued)

(ii) Financial Liabilities

Bank Loans	17,22	The bank loans are carried at the principal amount. Interest is charged as an expense as it accrues.	The bank loans are repayable quarterly or on maturity with the final instalment due in August 2022. Interest is charged at a fixed rate. Details of the security over bank loans are set out in Note 17. Details of the loans are set out in the Loan Liability Schedule in Note 30.
Trade and Other Payables	14	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity.	Trade Liabilities are normally settled on 30 day terms.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

28. FINANCIAL INSTRUMENTS (...continued)

(b) Interest Rate Risk

The reporting entity's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities recognised at the financial position date are as follows:

Financial Instruments	Floating Interest Rate		Fixed Interest Rate Maturing in						Non-Interest Bearing		Total Carrying Amount as per the Statement of Financial Position		Weighted Average Effective Interest Rate				
	2016	2015	Over 1 to 5 years		More than 5 years		2016	2015	2016	2015	2016	2015	2016	2015			
			2016	2015	2016	2015									\$	\$	\$
Financial Assets																	
Cash and Cash Equivalent	9,881,137	21,016,119	-	-	-	-	-	-	-	182,560	148,658	10,063,697	21,164,777	2,52	2.19		
Trade and Other Receivables	-	-	-	-	-	-	-	-	-	10,245,710	8,458,912	10,245,710	8,458,912	N/A	N/A		
Short-term Deposits	-	-	83,923,629	-	-	-	-	-	-	-	-	96,111,382	83,923,629				
Managed Funds	4,138,020	4,118,105	-	-	-	-	-	-	-	-	-	4,138,020	4,118,105				
Interest Bearing Securities	2,743,759	5,768,573	-	-	-	-	-	-	-	-	-	2,743,759	5,768,573		3.27		4.05
Unlisted Shares/Equity	-	-	-	-	-	-	-	-	-	4,418,313	4,343,907	4,418,313	4,343,907		N/A		N/A
Total Financial Assets	16,762,916	30,902,797	96,111,382	-	-	-	-	-	-	14,846,583	12,951,477	127,720,881	127,777,903				
Financial Liabilities																	
Bank Loans	-	-	14,583,480	8,330,228	21,743,522	34,438,483	-	-	-	-	-	36,327,002	42,768,711		3.18		4.40
Trade and Other Payables	-	-	-	-	-	-	-	-	-	15,315,320	18,910,005	15,315,320	18,910,005		N/A		N/A
Total Financial Liabilities	-	-	14,583,480	8,330,228	21,743,522	34,438,483	-	-	-	15,315,320	18,910,005	51,642,322	61,678,716				

N/A – not applicable for non-interest bearing financial instruments.

(continued...)

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

28. *FINANCIAL INSTRUMENTS (...continued)*

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities recognised at the financial position date are as follows:

	Total Carrying Amount as per the Statement of Financial Position		Aggregate Net Fair Value	
	2016	2015	2016	2015
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	10,063,697	21,164,777	10,063,697	21,164,777
Trade and Other Receivables	10,245,710	8,458,912	10,245,710	8,458,912
Short-term Deposits	96,111,382	83,923,629	96,111,382	83,923,629
Managed Funds	4,138,020	4,118,105	4,138,020	4,118,105
Interest Bearing Securities	2,743,759	5,768,573	2,743,759	5,768,573
Unlisted Shares/Equity	4,418,313	4,343,907	4,566,470	4,503,502
Total Financial Assets	127,720,881	127,777,903	127,869,038	127,937,498

	\$	\$	\$	\$
Financial Liabilities				
Bank Loans	36,327,002	42,768,711	36,327,002	42,768,711
Trade and Other Payables	15,315,320	18,910,005	15,315,320	18,910,005
Total Financial Liabilities	51,642,322	61,678,716	51,642,322	61,678,716

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:

Recognised Financial Instruments:

- (i) **Cash, Short-term Deposits**
The carrying amount approximates fair value because of their relative short to medium term to maturity.
- (ii) **Managed Funds**
The carrying amount of these investments approximates fair value because they have been marked to market.
- (iii) **Interest Bearing Securities**
The carrying amount of these investments is at cost or impaired value due to the policy of holding these investments to maturity, recognising any impairment when it is warranted.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

28. FINANCIAL INSTRUMENTS (...continued)

(c) Net Fair Values (...continued)

(iv) *Trade and Other Receivables and Payables*

The carrying amount approximates fair value.

(v) *Borrowings*

The carrying amount approximates fair value because the loans were each secured at a fixed rate of interest over the term of the loans.

(d) Credit Risk Exposure

The reporting entity's maximum exposure to credit risk at financial position date in relation to each class of recognised financial assets are the carrying amount of those assets as indicated in the Statement of Financial Position.

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

29. LOAN LIABILITY SCHEDULE FOR THE YEAR ENDED 30 JUNE 2016

Loan No.	Particulars &	Term (Yrs)	Date of Issue	Original Principal \$	Rate of Interest %	Lender	Mode of Payment pa	Month & Year of Maturity	Amount of Principal Outstanding		Interest		Amount of Principal Outstanding	
									30/06/15	Actual 30/06/16	Budget 30/06/16	Actual 30/06/16	Budget 30/06/16	Actual 30/06/16
165	RECREATION & CULTURE Civic Library	10	June 2012	8,011,407	4.02	W.A.T.C.	4	June 2022	5,940,426	750,267	232,042	265,967	5,190,159	5,190,158
167	Civic Library	10	July 2012	23,788,520	3.63	W.A.T.C.	4	Aug 2022	18,078,621	2,221,091	570,092	727,193	15,857,530	15,857,529
160	TRANSPORT Perth Convention Exhibition Centre	15	July 2004	29,180,000	6.15	W.A.T.C.	4	July 2019	8,330,228	1,770,299	429,005	498,458	6,559,929	6,559,930
164	Elder Street Car Park	10	Sept 2020	16,000,000	6.26	W.A.T.C.	4	Sept 2020	9,623,015	1,599,463	574,504	628,409	8,023,552	8,023,551
166	Godetich St Car Park	10	June 2012	1,074,073	4.02	W.A.T.C.	4	June 2022	796,421	100,587	31,107	35,658	695,834	695,834
TOTAL LOANS									42,768,711	6,441,707	1,836,750	2,155,685	36,327,004	36,327,002

Loan Interest Capitalised

Loan 167 Civic Library

- Loan interest capitalised is the net of the amount of interest payable on the loans during the construction phase offset against interest earned on unutilised loan funds up to the time the asset is made available for use.

DETAILS OF LENDERS

W.A.T.C.
Loan Debentures issued by the City are secured over the general funds of the City

Western Australian Treasury Corporation

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE

30. FAIR VALUE MEASUREMENTS

The City measures the following asset and liability classes at fair value on a recurring basis:

- Property, Plant and Equipment
- Financial Assets and Liabilities

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition or measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table present all assets and liabilities that have been measured and recognised at fair values:

30/06/2016	Date of Latest Valuation	Fair Value Measurement Using:			Total
		Level 1 Quoted Prices in Active Markets	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
Property, Plant and Equipment		\$	\$	\$	\$
- Land	30/06/2011	-	367,797,605	-	367,797,605
- Buildings	30/06/2011	-	-	262,564,865	262,564,865
- Infrastructure	30/06/2015	-	-	485,179,495	485,179,495
- Plant and Equipment	30/06/2016	-	18,109,023	-	18,109,023
- Furniture and Equipment	30/06/2015	-	-	26,716,224	26,716,224
Total Property, Plant and Equipment		-	385,906,628	774,460,584	1,160,367,212

30/06/2015	Date of Latest Valuation	Fair Value Measurement Using:			Total
		Level 1 Quoted Prices in Active Markets	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs	
Property, Plant and Equipment		\$	\$	\$	\$
- Land	30/06/2011	-	369,924,554	-	369,924,554
- Buildings	30/06/2011	-	-	225,829,165	225,829,165
- Infrastructure	30/06/2015	-	-	480,607,504	480,607,504
- Plant and Equipment	30/06/2013	-	20,154,335	-	20,154,335
- Furniture and Equipment	30/06/2015	-	-	23,867,128	23,867,128
Total Property, Plant and Equipment		-	390,078,889	730,303,797	1,120,382,686

The City is committed to the further revaluation of Land and Buildings in 2016/17 in accordance with the Local Government (Financial Management) Regulations 1996 – Reg 17A.

(continued...)

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUES MEASUREMENTS (...continued)

(2) Transfers between Level 1 and Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 fair value hierarchies for recurring fair value measurements.

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values

When the City is unable to derive fair valuations using quoted market prices of identical assets (ie. Level 1 inputs), the City instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The fair valuation techniques the City has employed while utilising Level 2 and Level 3 inputs are as follows:

Property, Plant and Equipment
Land

The City's land was valued by independent valuers. Except in the circumstances of any assets being held for sale (valued in accordance with *AASB 5 Assets Held for Sale*) or in accordance with specific accounting standards (such as Investment Properties) the balance of the portfolio is valued in accordance with *AASB 116 Property Plant and Equipment* at fair value.

Depending upon the unique circumstances of each lot, land has been valued using a range of approaches. Where there is an active market the 'market approach' has been adopted. If its value is primarily dependent on its income generating capability the income approach was used. For other types of land the 'cost approach' was adopted.

Details of each approach are detailed below.

Level 2 Valuation Inputs

Market (Direct Comparison) – This has been applied to land held in freehold title and has been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

Cost (Direct Comparison) – The valuation of some restricted or otherwise non-saleable land has been valued using the cost approach. This approach was used where, assuming the City needed to purchase the land or acquire additional land from an adjoining neighbour, the value of that land could be determined based on known zoning and town planning restrictions. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability. As this was based on observable evidence they have been classified as Level 2.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUES MEASUREMENTS (...continued)

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)

Level 3 Valuation Inputs

Cost (Hypothetical Analysis) – These were determining the cost approach. However the determination of the replacement cost involved detailed analysis of a hypothetical highest alternative land use. Typically this included estimating the number of potential residential or commercial lots that could be developed on the site. These are observable based on existing relevant planning rules and have been classified as Level 2. The third input is the developer's interest which effectively is the rate of return the developer requires based on the existing market conditions. This requires the valuers to exercise professional judgement and accordingly has been classified as level 3.

Cost (Complex Analysis) – These relate to land which is unique and requires consideration of a range of alternative uses that could be used to maximise the value. Typically these include sites which would enable sub-division into lots with different zonings and uses. They require the extensive exercise of professional judgement and require determination of a range of assumptions.

Buildings

The City's buildings were valued by independent valuers. The valuation of building, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and fire fighting equipment, and general lighting).

Excluded from this report are all items of plant, machinery, equipment, cranes, tools, furniture or chattels.

Level 3 Valuation Inputs

Cost (Depreciated) – These buildings were valued using the cost approach using professionally qualified Registered Valuers.

Under this approach, the cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. The Valuer determined a value based on the inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.

(continued...)

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUES MEASUREMENTS (...continued)

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)

Plant and Equipment

The City's plant and equipment was valued by Management as at 30 June 2016. Subsequent to the 2016 revaluation the assets are reviewed to ensure that the carry amount does not vary significantly from that determination using fair value at the reporting date.

Valuations were undertaken utilising in-house professional staff, referencing market conditions, and the availability of sales evidence.

Level 2 valuation inputs have been applied having regard to the condition and the useful life of the asset class.

Furniture and Equipment

It was deemed by Management that no material variance exists between the fair value of furniture and equipment using Level 3 inputs and the carrying cost of this class. It is considered that the value disclosed is fairly stated.

Infrastructure

All the City's infrastructure has been valued at fair value utilising in-house professional Asset Management staff and an independent valuer.

All of the City's infrastructure assets were valued using a depreciated cost valuation technique. This method used assets current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect potential of the asset as established then adjusted to take into account the expired service potential of the asset.

The current replacement cost was measured by referencing the lowest cost at which the asset could be obtained in the normal course of business.

The total cost values have been calculated using unit cost rate based on current tender and general market rates.

(continued...)

FINANCIAL STATEMENTS

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

30. FAIR VALUES MEASUREMENTS (...continued)

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)

Level 2 and Level 3 valuation inputs have been applied to all infrastructure asset classes. Level 2 inputs being construction cost and current condition and Level 3 inputs being residual values and remaining useful life assessments.

The above techniques and inputs were utilised for all the following classes:

- Roads
- Drainage
- Landscape
- Lights
- Footpaths and Kerbs
- River Walls
- Other Infrastructure

(4) Highest and best use

All of City's non-financial assets are considered to being utilised for their highest and best use.

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

**CITY OF PERTH
FIVE YEAR STATISTICAL HISTORY
All dollar figures are in A\$000's**

Year Ended 30 June	2016	2015	2014	2013	2012
Rates					
Rateable Properties	16,598	16,389	15,750	15,345	15,256
Rates Revenue	\$83,185	\$75,465	\$71,122	\$67,226	\$60,747
Increase in Rate Revenue	10.23%	6.10%	5.80%	10.70%	3.86%
Rate Revenue as a % of Total Revenue	43.49%	40.47%	40.26%	39.72%	38.36%
Financial	\$	\$	\$	\$	\$
Rates Revenue	83,185	75,465	71,122	67,226	60,747
Parking Fees	73,219	73,303	70,136	66,504	62,825
Other Fees and Charges	26,273	26,230	25,216	24,028	23,339
Investment Income	4,722	5,562	6,331	8,037	7,767
Other Revenue	3,869	5,923	3,867	3,444	3,687
Total Revenue	191,268	186,483	176,672	169,239	158,365
Total Operating Expenditure	181,348	167,525	151,299	141,167	138,880
Capital Grants and Contributions	5,443	1,764	2,955	2,843	1,550
Gain/(Loss) on Disposal/Write Off/Contribution of Assets	(1,569)	(2,584)	(6,474)	(1,561)	(1,659)
Operating Surplus	13,794	18,137	21,854	29,354	19,376
Capital Expenditure	41,740	50,770	52,826	70,895	43,266
Borrowings	36,327	42,769	48,897	55,259	36,308
Reserves – Cash Backed	88,228	87,574	85,606	90,493	73,535
Revaluation Reserves	560,036	560,795	372,942	377,710	375,509
Net Assets	1,272,125	1,260,478	1,045,838	936,566	906,925
Human Resources					
Employee Costs (including costs capitalised)	\$69,579	\$66,631	\$60,573	\$56,258	\$53,380
Number of Employees (including fulltime, part-time and casuals)	743	720	696	680	668
City Development					
Building Licences Issued	552	509	500	491	593
Value of Building Licences Issued	\$715,000	\$827,200	\$924,600	\$533,400	\$706,504
Planning Applications Issued	437	407	357	366	385
Value of Planning Applications Issued	\$420,670	\$2,206,700	\$1,774,300	\$1,012,400	\$828,603
Refuse					
Total Waste to Landfill (tonnes)	13,074	13,344	21,964	31,413	36,055
Recycling Tonnage	1,879	1,938	1,909	1,959	2,079
General					
Forecast Residential Population	23,065	21,092	20,762	20,282	19,366
Approved Residential Strata Lots added to Market for the Year	505	882	338	242	454



City of Perth

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