



City of Perth

Annual Report

2016/17



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.



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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 Report has been designed for digital viewing and limited print copies were produced. Printed copies can be borrowed, or viewed, at the City of Perth Library on request.

City of Perth 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 its community and stakeholders in a number of ways and goes beyond statutory requirements by producing a dynamic report.

This Annual Report focuses on the City of Perth's financial and operational performance during 2016/17. It documents the City's performance against the 2016/17 Budget and its progress in line with the Strategic Community Plan, Vision 2029+.

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

Vision 2029+ is guided by these 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 Annual Report includes a snapshot of the City's performance and an overview of its outlook for the future. It includes the City's plans to ensure the sustainability of the organisation, Perth city and the community it serves.

It also provides City of Perth employees with information about how well the City performed over the year and how their efforts have contributed to achieving the Strategic Vision.

To ensure it's accuracy, this Annual Report was reviewed by the Chief Executive Officer. The financial statements were certified by an independent auditor.

Only a limited number of hard copies have been produced. However, it can be downloaded through the City's website.

Thank You

Thank you for taking the time to read the 2016/17 Annual Report.

The City of Perth hopes you find this information useful and that you gain valuable insight into the City's achievements for the 2016/17 financial year.

Contact Us

If you have any enquiries, please contact us on (08) 9461 3333.

If you are representing the media, please contact the media team on (08) 9461 3425.

Acknowledgement

The City of Perth acknowledges the Traditional Owners of the land on which the city is built, the Whadjuk Nyoongar people. The City of Perth pays its respects to Elders past, present and emerging. It is a privilege to stand on Whadjuk Nyoongar Country.




Statistics

GEOGRAPHICAL COORDINATES
Latitude 31S
Longitude 115E

ALTITUDE
11.2
metres above sea level

CLIMATE
Mediterranean

AVERAGE TEMPERATURE
Summer 30°C (max) 17°C (min) | **Winter** 18°C (max) 8°C (min)



WESTERN AUSTRALIA (WA) AREA
2,525,500 km²

GREATER PERTH AREA
64.1786 km²

CITY OF PERTH AREA
26.93 km²

TIME
Western Australian Time (GMT +8)

CITY OF PERTH FOUNDATION DAY
12 August 1829

ESTIMATED WA RESIDENT POPULATION
2.47 million

ESTIMATED GREATER PERTH RESIDENT POPULATION
1.94 million

ESTIMATED CITY OF PERTH RESIDENT POPULATION
24,975



MEDIAN RESIDENT AGE
30-31 years old


RESIDENTS BORN OVERSEAS
53.56%

RESIDENTS WHO SPEAK NON-ENGLISH AT HOME
36.94%

DAILY WORKFORCE POPULATION
134,459

DAYTIME POPULATION
205,750

TERTIARY STUDENT POPULATION
58,000

<p>NUMBER OF HOUSEHOLDS</p> <p>12,963</p> <hr/> <p>AVERAGE HOUSEHOLD SIZE</p> <p>1.92 persons¹</p>		<p>PREDOMINANT HOUSEHOLD TYPES</p> <p>32.4% lone person</p> <p>27.9% couples without children</p>
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TOTAL PRIVATE DWELLINGS

13,310

DWELLING TENURE

52.9% rental

28.7% owner occupied




TOTAL FLOOR SPACE

1,999,831 m²

TOTAL OFFICE FLOOR SPACE

1,768,137 m²



TOP THREE LAND USES BY FLOOR SPACE

31% office and business	17% residential	16% health, welfare and community
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GROSS REGIONAL PRODUCT

\$39.7 billion
or 26% of greater Perth

ECONOMIC OUTPUT

\$75.2 billion

TOP INDUSTRY SECTORS BY ECONOMIC OUTPUT

Mining, 39.3%
Professional, scientific and technical, 12.0%
Finance and insurance, 12.0%

TOP INDUSTRY SECTORS BY EMPLOYMENT

Professional, scientific and technical, 21.4%
Public administration and safety, 13.7%
Health care and social assistance, 11.1%

TOTAL LENGTH OF ROADS

95km

TOTAL AREA OF PARKLAND AND RESERVES

153.5ha

NUMBER OF PARKLANDS AND RESERVES

26



¹ ABS 2016 data relating to household size was not available at the time this report was compiled.

Statistics CONTINUED

RIVER FRONTAGE

11.25km

LARGEST BUILDING (BY FLOOR AREA)

75,000 m²
Brookfield Place

TALLEST BUILDING

261.7 metres
(51 floors)
Central Park



OLDEST BUILDING

**The Old Court,
1836**

OLDEST PARK

**Stirling
Gardens,
1845**



SISTER CITIES

Kagoshima

JAPAN (1974)

Megisti

GREECE (1984)

Nanjing

CHINA (1998)

Houston

UNITED STATES (1984)

San Diego

UNITED STATES (1987)

Taipei

TAIWAN (1999)

Rhodes

GREECE (1984)

Vasto

ITALY (1989)

CHARTERS OF MUTUAL FRIENDSHIP

Grenoble, France
(inactive 1985)

Perth, Scotland (2006)

Seochon City, Seoul
Metropolitan Government,
Republic of Korea (2008)

Chengdu City, China (2012)



COUNCIL COMPOSITION

**Lord Mayor
and 8 Elected Members**

ANNUAL REVENUE BUDGET

\$205.9 million
(including capital grants)



Statistics CONTINUED



NEIGHBOURHOOD SNAPSHOTS

WEST PERTH	
Area	127.2ha
Estimated residential population	2,641
Median resident age	31–32 years
Residents born overseas	57%
Residents who speak non-English at home	33.20%
Number of households	1,520
Average household size	1.7 persons
Predominant household type	Lone person, 37.37% Family with children, 26.58%
Total number of private dwellings	1,799
Dwelling tenure	Rental, 50.97% Owner occupied, 20.23%

CENTRAL BUSINESS DISTRICT	
Area	232.9ha
Estimated residential population	5,225
Median resident age	31–32 years
Residents born overseas	54.16%
Residents who speak non-English at home	37.45%
Number of households	2,795
Average household size	1.87 persons
Predominant household type	Lone person, 33.27% Couple with no children, 24.22%
Total number of private dwellings	3,323
Dwelling tenure	Rental, 53.93% Owner occupied, 23.53%

NORTHBRIDGE	
Area	61.32ha
Estimated residential population	1,313
Median resident age	30–31 years
Residents born overseas	46%
Residents who speak non-English at home	33.13%
Number of households	799
Average household size	1.64 person
Predominant household type	Other household, 43.55% Lone person, 18.02%
Total number of private dwellings	799
Dwelling tenure	Rental, 40.71% Owner occupied, 23.06%

**STIRLING**

Area	39.8ha
Estimated residential population	601
Median resident age	29–30 years
Residents born overseas	57%
Residents who speak non-English at home	48.10%
Number of households	375
Average household size	1.60 persons
Predominant household type	Other household, 28.72% Lone person, 28.46%
Total number of private dwellings	369
Dwelling tenure	Rental, 57.51% Owner occupied, 19.28%

CLAISEBROOK

Area	112.4ha
Estimated residential population	3,644
Median resident age	35–36 years
Residents born overseas	47.17%
Residents who speak non-English at home	28.73%
Number of households	2,138
Average household size	1.7 persons
Predominant household type	Couple with no children, 28.72% Lone person, 26.24%
Total number of private dwellings	2,134
Dwelling tenure	Rental, 38.61% Owner occupied, 35.30%

NEDLANDS AND CRAWLEY

Area	200ha
Estimated residential population	4,782
Median resident age	23–24 years
Residents born overseas	58%
Residents who speak non-English at home	44.85%
Number of households	1,876
Average household size	2.55 persons
Predominant household type	Lone person, 24.68% Other household, 23.13%
Total number of private dwellings	1,841
Dwelling tenure	Rental, 48.96% Owner occupied, 27.99%

EAST PERTH

Area	128ha
Estimated residential population	6,759
Median resident age	31–32 years
Residents born overseas	59.33%
Residents who speak non-English at home	43.27%
Number of households	3,460
Average household size	1.95 persons
Predominant household type	Lone person, 32% Couple with no children, 27.97%
Total number of private dwellings	4,338
Dwelling tenure	Rental, 68.17% Owner occupied, 31.82%

Perth 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. Perth ranks consistently among the Top 10 most liveable cities in the world, as ranked by The Economist Intelligence Unit.

Most of Western Australia's 2.47 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.

Set along the beautiful Swan River, a large proportion of the city's 26.93km² 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 stakeholders including residents, commercial and retail business, workers, and local, national and international visitors.

With more than 700 employees located across Council House, the City's depot, parks and gardens, community centres, library, surveillance centre and car parks, the City's 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 and was named after Perth in Scotland. For tens of thousands of years prior, the area had been an important meeting place for the Whadjuk Nyoongar people who have lived in the south-west region of Western Australia for more than 40,000 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. However, it was not until the Centenary of Foundation in 1929 that the position of Mayor was elevated to Lord Mayor.

The Council has met at 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 the capital city local government for Western Australia.

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

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

The City of Perth Crest

The full colour 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.





Lord Mayor's Message

The City of Perth has renewed its focus on enhancing Perth's liveability by stimulating economic activity to achieve its vision for a vibrant, connected and progressive capital city.

Positioned as a global destination of choice, Perth has continued to score highly in liveability rankings over the past decade, maintaining its status as the seventh most liveable city in the world.

Acknowledging its role in tourism, business and economic development, the *City of Perth Act 2016* came into effect on 1 July 2016, formally recognising the City of Perth as the State's capital city local government authority, with a greater responsibility not only to its ratepayers, but to the Western Australian community.

In addition to Perth's established sectors, the City's role in industry sector development will help bolster Perth's international profile as a liveable and attractive city. This will be achieved by ongoing support for emerging industries such as education, agribusiness, medical research, technology and innovation.

With an overall sponsorship budget of more than \$4.5 million, the City continued to invest in major events, the arts and business sector development over the past year, improving the cultural vibrancy of the city and delivering significant measureable economic benefits.

The City has also progressed with implementation of the Urban Forest Plan, which will deliver increased canopy cover and reduced temperatures, and provide more sustainable water management. The Urban Forest Plan will capitalise on Perth's natural assets and deliver lasting environmental, economic and social benefits to ratepayers and the community.

Over the next five years, revitalisation of Perth's East End will be a priority for the City, with medium and long-term plans already underway and continuing to improve the area.

Characterised by landmarks such as the Perth Town Hall, Cathedral Square (including the new City of Perth Library) and St Mary's Cathedral, the East End is home to significant historic sites and buildings.

Strategies to improve this precinct commenced several years ago, with the City's \$61 million investment to build the award-winning City of Perth Library within the revitalised Cathedral Square Precinct.

The City of Perth's vision for the East End incorporates plans to enhance the public realm, as well as working collaboratively with stakeholders to improve the private realm. With Council approval, \$14.8 million in planned projects will deliver enhanced accessibility and create more walkable, attractive and activated streets.



Council's decision to extend the highly successful Barrack Street Improvement Model will provide opportunities for businesses to capitalise on streetscape enhancements and activate public spaces.

Following on from the success of the Barrack Street two-way conversion, Hay Street will be upgraded from Barrack Street to Victoria Avenue in the coming years. This includes two-way conversion around Victoria Square, a significant lighting upgrade and new streetscapes.

Similar enhancements will be made to Murray Street between Pier Street and Irwin Street. The City's plan also includes significant investment in the Wellington Square neighbourhood precinct and an enhancement program for McLean Lane to activate and modernise the space.

The City also remains focused on improvements to community safety infrastructure, with the expansion of its CCTV network to include McLean Lane, Pier Street and Wellington Square. New lighting, street furniture and urban interventions will assist with place activation in these areas.

Landmark State Government projects such as Elizabeth Quay, Perth City Link, the new Perth Stadium and the WA Museum redevelopment will continue to elevate Perth's status as a truly global city with premium tourism offerings.

Major international investors have also recognised the CBD's rich potential as a contemporary retail and entertainment precinct, with redevelopments collectively worth \$350 million to transform the Hay and Murray Street Malls.

To complement significant retail and infrastructure investment, the City's continued support of emerging industries will help build a stronger and more resilient economy for ratepayers and the community in years to come.

The Right Honourable the Lord Mayor

LISA-M SCAFFIDI

1 July 2017



CEO's Message

Throughout the 2016/17 financial year, the City of Perth continued to place a significant focus on establishing and maintaining sector-leading governance and transparency measures.

In March 2017, the City announced it had appointed Deloitte Touche Tohmatsu to conduct a comprehensive and independent assessment of its legislative compliance, transparency measures and organisational capability.

In early June, the results of the Organisational Capability and Compliance Assessment (OCCA) were received and the City made the full report available to the public. Following this, the City developed a comprehensive action plan to implement the report's recommendations.

Over the 2017/18 financial year, the City will drive an organisation-wide transformational program to address the OCCA's recommendations and in doing so, will strive to ensure that the City exceeds the community's expectation of good governance and delivery of value-for-money services.

One such action includes the development of the City's Corporate Business Plan. This plan will align the City's strategic priorities with the community's aspirations, as defined in the Strategic Community Plan. It will help the City continue to achieve its goal of leading the local government sector in transparency and accountability, and will support the open government deliberative democracy approach endorsed by Council.

The interests of Perth city ratepayers and the community are at the forefront of all City of Perth activities. The City is committed to deliver the best services possible and in the coming years the City will embrace technology to achieve this.

Integrating the world's best technologies into the City's operations will futureproof Perth. The City is excited about the potential benefits, ranging from smart irrigation to digital CCTV video analytics.

Throughout 2016/17, the City invested in technology, partnerships and prototypes that will not only improve service provision but will have a positive impact on policies and governance. An example is the use of 3D computer modelling to support robust decision-making about proposed developments and enable the City to more effectively discuss these decisions with the community.

Perth city is experiencing one of the most significant redevelopment programs in a decade, signalling the start of a new era for the capital city. Confidence in Perth's commercial future is ascendant and developers have chosen to invest in Perth over other prime economic centres in Australia and the world.

Two major projects worth \$350 million will see new cinemas at Raine Square and a reinvigorated Forrest Chase. These large scale redevelopments of Perth's iconic shopping precincts are poised to transform the way visitors, residents and workers interact with the city.

Throughout the year, the City of Perth has maintained the importance of its core services and worked hard to ensure it remains in a position to continually enhance the quality of services.

The City's rates and programs are reflective of Perth's challenging economic environment. In support of its ratepayers, the City of Perth increased rates only by the Consumer Price Index (CPI) in 2016/17. This was maintained for the second consecutive year in 2017/18, with an overall increase of 1.5 per cent.



In considering the challenges facing the Western Australian economy, the City has avoided where possible passing on additional costs to ratepayers by overhauling its finances and streamlining business practices to reduce operating expenditure.

Priorities for the 2017/18 financial year include investment in major infrastructure and developments, creating integrated transport options to ensure accessibility and positioning Perth as a centre of business excellence and opportunity.

The City will continue to collaborate with stakeholders about major State Government infrastructure projects such as Perth City Link, Elizabeth Quay, the new Perth Stadium and the WA Museum redevelopment to achieve positive outcomes for the community and maximise benefits for ratepayers.

In 2016/17, the City invested in a diverse range of arts, cultural and sporting events to ensure Perth continues to grow as a dynamic and contemporary city. With a total sponsorship budget of \$4.5 million, the City continued to enhance Perth's rich cultural landscape, with a broad spectrum of entertainment to appeal to residents, visitors and tourists.

Through encouraging and promoting innovative experiences that breathe new life into Perth, the City is proud to support local businesses in established and emerging industries to create the vitality and diversity people rightfully expect to see in a capital city.

The City of Perth has also paved the way to invest almost \$15 million to reinvigorate the City's East End over the next five years, incorporating medium and long-term strategic planning to enhance walkability, accessibility and activation.

In addition to approved capital works, the City's Urban Forest Plan will see hundreds more trees planted throughout the city to increase canopy cover, reduce temperatures and manage water more sustainably to deliver environmental, economic and social benefits for the community.

The City will continue to prioritise high level services to its ratepayers, residents and businesses, while supporting growth that will encourage a robust and diverse city economy, securing a stronger future for ratepayers and the community.

Chief Executive Officer

MARTIN MILEHAM

1 July 2017

Elected Members



LISA-M. SCAFFIDI

LORD MAYOR

Lord Mayor Lisa-M. Scaffidi was elected to the City of Perth as a Councillor in July 2000 and as Lord Mayor in October 2007. She is now in her third term as Lord Mayor and is also an inner-city resident.

Working in a full-time capacity as the Lord Mayor of Perth, Ms Scaffidi is focused on the capital city's growth and is passionate about vitality, city amenity and overall liveability. Ms Scaffidi is active in the areas of economic development and investment attraction.

Ms Scaffidi is a member of various external committees and boards including the Central Perth Planning Committee and the Local Redevelopment Committee (LRC) of the MRA. In her role as Lord Mayor, Ms Scaffidi chairs the Lord Mayor's Distress Relief Fund and is also Patron of the Perth Public Art Foundation. Additionally, she is Patron and Ambassador for a number of other Western Australian charities.

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, representing a group of 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 Relations 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 also 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 consulting and management business in the built environment sector. In 2006, he 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. He serves on the WA State Committee of White Ribbon Australia and is 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. She is Chair of the Council's Marketing, Sponsorship and International Relations 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 Perth city and Western Australia as a tourism and investment destination. She has been involved in facilitating business deals between local businesses and overseas investors, 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 local governments should work with the State Government hand in hand to resolve transport issues as well as parking problems.



JANET DAVIDSON, OAM JP
COUNCILLOR

Councillor Janet Davidson has served on the City of Perth Council since 1998 and held the position of Deputy Lord Mayor in 2009 and 2011–2013. She is a member of the Audit and Risk Committee, and chairs the Finance and Administration Committee and the CEO Performance Review Committee.

Her background is in education, training, quality assurance and human resource management. For 13 years, she was the Executive Officer to the WA Regional Office of The Royal Australian and New Zealand College of Obstetricians and Gynaecologists. With a Master's Degree in Management from the University of Western Australia and a Graduate of the Australian Institute of Company Directors (GAICD), Councillor Davidson is also a trained teacher and a Justice of the Peace.

Councillor Davidson is a member of the Perth Theatre Trust and a State Councillor for the WA Local Government Association, chairing the Central Metropolitan Zone. She is a past Chair/Vice Chair/member of the WA Library Board having served for 16 years, and served nine years as a member of the Australia Day Council of WA.

Councillor Davidson was the National Vice President for Australian Local Government Women's Association (ALGWA) from 2004–2011 and serves on the National Board as ALGWA WA's President. In 2011, she received the Order of Australia in the Queen's Birthday Honours for service to local government and to women.



JEMMA GREEN
COUNCILLOR

Councillor Jemma Green was elected to the City of Perth Council in 2015. Born and raised in Perth, Jemma is a passionate and vocal advocate for making Perth city a livelier and more liveable place for everyone. She is committed to the city becoming more economically diverse. 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.

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 to establish. As the Chair of Power Ledger – an energy blockchain company she co-founded in 2016 – Jemma is a speaker, author and consultant with special expertise on energy and the sustainable economy.

Councillor Green is also a Research Fellow at the Curtin University Sustainability Policy Institute, where she completed a PhD in Disruptive Innovation. Her research focused on citizen utilities, the emerging power paradigm and sustainable cities. She also received a Master's degree and two postgraduate diplomas from Cambridge University. Presently, she is the Chair of Climate-KIC Australia and is a board member for the Water Corporation.

Elected Members CONTINUED



REECE HARLEY
COUNCILLOR

Councillor Reece Harley has served on the City of Perth Council since October 2013. During this time he has served on a number of committees and external boards including the Finance and Administration Committee, Planning Committee, Perth Public Art Foundation, Perth Convention Bureau and Heritage Perth.

Councillor Harley bought his first property in the city in 2010. Since his election, Reece has championed a range of reforms to support city business, residents and property owners, and has prided himself on his commitment to open and accountable decision making. He campaigned for and achieved reform to the City of Perth's Media Policy and has moved a range of amendments to Council policies and processes, which have helped improve the operations of the City.

Prior to his election to Council, Mr Harley worked at a number of Western Australian Universities, ran small bar and history walking tours of the city and managed a state-wide mentoring program for Indigenous high school students. He has an abiding passion for the city's history and in 2016 founded the Museum of Perth where he now serves as Executive Director. Councillor Harley is a founding member of the Rotary Club of Crawley and has served on a range of committees, working groups and advisory boards in the community sector.



JUDY MCEVOY
COUNCILLOR

Councillor Judy McEvoy was first elected to the Council of the City of Perth in May 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. She 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. He is also a member of the Planning Committee and the Marketing, Sponsorship and International Engagement Committee.

Councillor Yong is the Council delegate to the East Perth Community Safety Group, State Library WA Board Member, StudyPerth Board Member, Chamber of Commerce and Industry – WA Tourism Committee, and City of Perth and Kings Park and Botanic Gardens Local Emergency Management Committee. He also serves on the Western Australia Local Government Association for the Central Metropolitan Zone and Perth SafeCity Working Group.

He promotes the Council's continuing efforts to make the city a more dynamic, connected and sustainable place to live. He believes this can be achieved by encouraging business and leisure, promoting local and foreign ventures, 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, a 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 Member Attendance 2016/17

Committee	Members	Ordinary Meetings Held	Ordinary Meetings Attended	Special Meetings Held	Special Meetings Attended
<i>Marketing, Sponsorship and International Engagement Committee</i>	Councillor Chen	13	9	N/A	N/A
	Deputy Lord Mayor Limnios	13	9	N/A	N/A
<i>Works and Urban Development Committee</i>	Councillor Yong	13	11	N/A	N/A
	Deputy Lord Mayor Limnios	13	10	N/A	N/A
	Lord Mayor Scaffidi	13	12	N/A	N/A
<i>Finance and Administration Committee</i>	Councillor McEvoy	13	13	N/A	N/A
	Councillor Davidson	13	13	N/A	N/A
	Councillor Chen	13	7	N/A	N/A
<i>Planning Committee</i>	Councillor Harley	13	10	N/A	N/A
	Councillor McEvoy	12	12	N/A	N/A
	Councillor Yong	12	12	N/A	N/A
<i>Audit and Risk Committee</i>	Councillor Adamos	12	11	N/A	N/A
	Lord Mayor Scaffidi	4	3	1	1
	Councillor Davidson	4	3	1	1
	Councillor Green	4	3	1	1
	Mr Linden*	4	1	1	0
<i>CEO Performance Review</i>	Mr Maurich**	4	1	1	0
	Lord Mayor Scaffidi	1	1	N/A	N/A
	Councillor Davidson	1	1	N/A	N/A
<i>Design Advisory Committee</i>	Deputy Lord Mayor Limnios	1	1	N/A	N/A
	Mr Karotkin	9	8	N/A	N/A
	Mr Ciemitis	9	4	N/A	N/A
	Mr Mackay	9	6	N/A	N/A
	Mr Kerr	9	2	N/A	N/A
	Mr Sharp	9	2	N/A	N/A
	State Govt Architect/Nominee	9	5	N/A	N/A
<i>Council</i>	Director Planning and Development	9	1	N/A	N/A
	Lord Mayor Scaffidi	13	12	3	3
	Councillor Adamos	13	12	3	3
	Councillor Chen	13	12	3	2
	Councillor Davidson	13	12	3	3
	Councillor Green	13	12	3	3
	Councillor Harley	13	12	3	1
	Deputy Lord Mayor Limnios	13	12	3	2
	Councillor McEvoy	13	13	3	3
Councillor Yong	13	12	3	3	

Meeting	Member	Council Briefings Held	Council Briefings Attended
<i>Council Briefing Session</i>	Lord Mayor Scaffidi	21	20
	Councillor Adamos	21	18
	Councillor Chen	21	14
	Councillor Davidson	21	19
	Councillor Green	21	15
	Councillor Harley	21	16
	Deputy Lord Mayor Limnios	21	15
	Councillor McEvoy	21	19
	Councillor Yong	21	14

* denotes term concluded 1 November 2017

** denotes term commenced 22 May 2017

Committees

In accordance with the *Local Government Act 1995* (the Act), Council has established a number of committees to support its operations.

With the exception of the Design Advisory Committee, the membership of all 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 2016/17 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 from 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 (for example, 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 Engagement Committee

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

- The City's marketing including marketing of the City of Perth'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 City reserves and parks.
- International relations, Sister City relationships, US Naval visits, World Energy City Partnerships and other 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 City owned buildings.
- Implementation of the lighting strategy and waste management.

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

CEO Performance Review 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

This 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.

Governance

Council Structure

The Council consists of a popularly elected Lord Mayor and eight Councillors (collectively known as Elected Members) who are each elected for a term of four years.

Local government elections are held every two years. Half of the Elected Member positions are contested at each election. The next election will be conducted in October 2017.

For more information on elections, please visit the Western Australian Electoral Commission (WAEC) website: 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.

Council and Committee Meetings

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

Agendas for Council and Committee Meetings that are open to the 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 on the City of Perth's website: 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 determines the outcome.

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, Council endorsed an Accountability and Governance page on the City of Perth's website to display a range of information of public interest including the following:

- The 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.
- Senior City of Perth staff salary information.
- The City's Code of Conduct, which was recently updated and 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

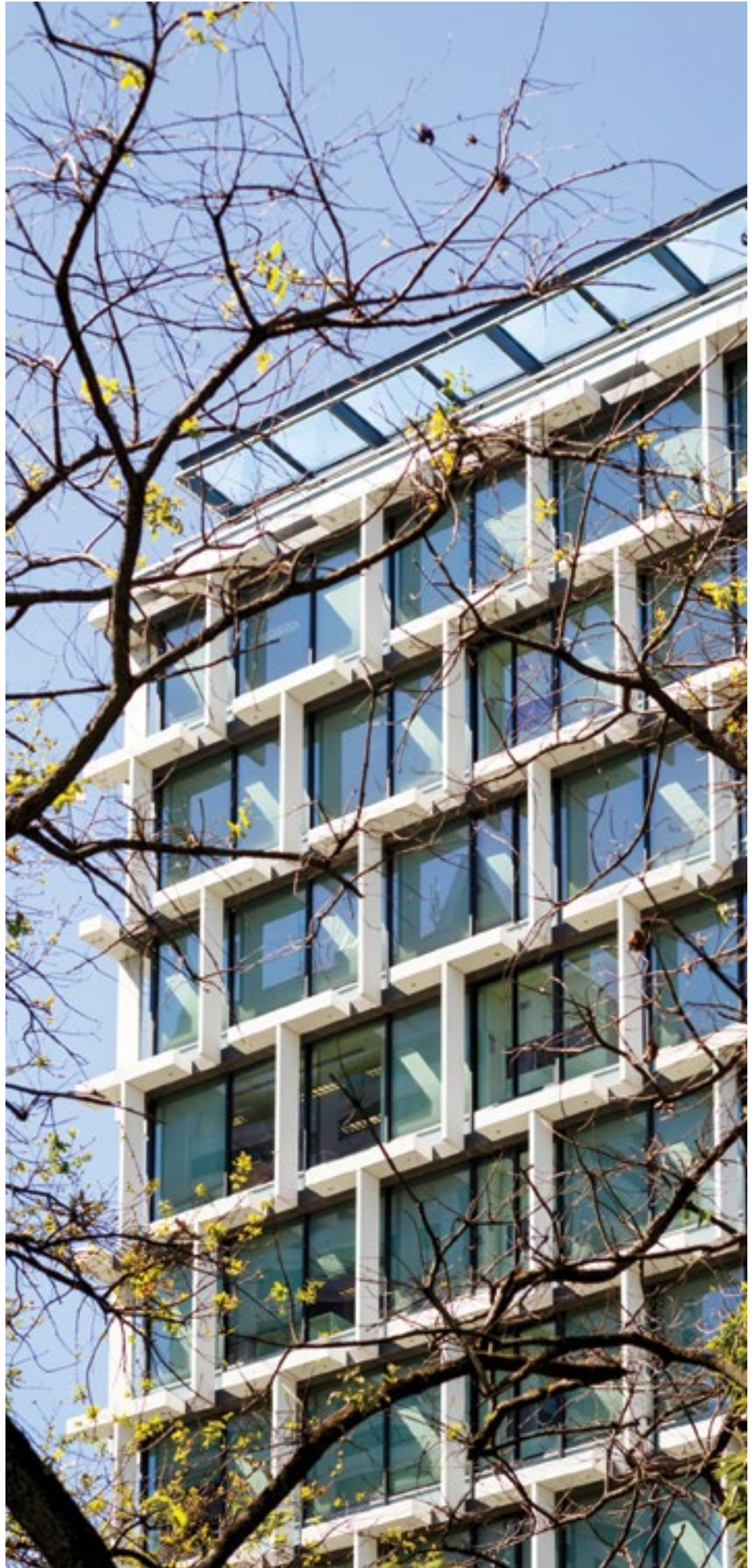
Each year, local governments must complete a Compliance Audit Return for the Department of Local Government and Communities. The Audit Return provides prompts in relation to the local government's statutory obligations in a number of areas such as tenders, meetings, disclosure of financial interests 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 14 March 2017.

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

Section 5.18 of the *Local Government Act 1995* requires the City's Delegations of Authority Register be reviewed annually.

The City continues to review its local laws to ensure it remains a capable, flexible and sustainable organisation. In 2016/17, the City reviewed and repealed the Parking Local Law 2017 and the Thoroughfares and Public Places Local Law 2017. A review is currently underway for a new Standing Orders Local Law.



Governance

CONTINUED

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).

The three complaints below were received and upheld by the Standards Panel in 2016/17.

Affected Elected Member*	Description of Panel Findings of Minor Breach**	Details of Action Taken under 5.110 (6)(b)***
<i>Lord Mayor Scaffidi</i>	The Local Government Standards Panel has found that The Right Honourable the Lord Mayor Lisa Scaffidi of the City of Perth breached regulation 7(1)(b) of the Local Government (Rules of Conduct) Regulations 2007 at an ordinary Council Meeting on 17 May 2016. The Lord Mayor allowed Councillor Janet Davidson to move a motion of no confidence in the Deputy Lord Mayor, Councillor James Limnios, as a matter of urgent business to be considered by Council without notice to the Deputy Lord Mayor or other Councillors, thereby making improper use of her office as a Council member to cause detriment to the Deputy Lord Mayor. The Panel censures the Lord Mayor for this breach of regulation 7(1)(b).	Notice of Public Censure in the West Australian on 5 May 2017 and in the Perth Voice on 6 May 2017.
<i>Cr Janet Davidson</i>	The Local Government Standards Panel has found that Councillor Janet Davidson, a City of Perth Councillor, breached regulation 7(1)(b) of the Local Government (Rules of Conduct) Regulations 2007 at an ordinary Council Meeting on 17 May 2016 by making improper use of her office as a Council member to cause detriment to the Deputy Lord Mayor, Councillor James Limnios, by: (i) seeking the Lord Mayor's approval to move a motion of no confidence in the Deputy Lord Mayor as a matter of urgent business to be considered by Council without notice to the Deputy Lord Mayor or other Councillors, and (ii) moving the motion of no confidence as a matter of urgent business to be considered by Council without notice to the Deputy Lord Mayor or other Councillors. The Panel censures Councillor Davidson for this breach of regulation 7(1)(b).	Notice of Public Censure in the West Australian on 5 May 2017 and in the Perth Voice on 6 May 2017.
<i>Cr Judy McEvoy</i>	The Local Government Standards Panel has found that Councillor Judy McEvoy, a City of Perth Councillor, breached regulation 7(1)(b) of the Local Government (Rules of Conduct) Regulations 2007 at an ordinary Council Meeting on 17 May 2016 by seconding Councillor Janet Davidson's motion of no confidence in the Deputy Lord Mayor, Councillor James Limnios, the motion having been moved as a matter of urgent business to be considered by Council without notice to the Deputy Lord Mayor or other Councillors. In seconding the motion Councillor McEvoy made improper use of her office as a Council member to cause detriment to the Deputy Lord Mayor. The Panel censures Councillor McEvoy for this breach of regulation 7(1)(b).	Notice of Public Censure in the West Australian on 5 May 2017 and in the Perth Voice on 6 May 2017.

*5.121(2)(a)

**5.121(2)(c)

***5.121(2)(d)

People

The City of Perth has undergone a significant restructure, resulting in five directorates with 29 business units. The operations of each unit have been reviewed and opportunities for streamlining unit structures were finalised in November 2016.

Since then, the City has transitioned to a rebuilding phase, focusing on business processes and introducing new and innovative ways of operating to improve productivity and reduce costs.

This has included a review of all systems, technologies, capabilities and skills required and identification of what to introduce, improve or remove. This evaluation will refocus the City's efforts to activities that return the largest investment to the community.

The City of Perth's workforce is diverse and dedicated, comprising:

- Approximately 742 employees.
- Representation of many different cultures and nationalities.
- A wide range of ages (20-77), with an average employee age of 47 years.
- A balanced gender mix: 48 per cent female and 52 per cent male.

- Strong representation of females in management positions: 50 per cent of executives and 47 percent of managers.
- Established tenure in some units, with the average being more than six years.

The wealth of knowledge and expertise displayed by staff has enabled the City to service the community during a significant growth period.

As the City continues to grow, the administration will adapt to meet new and emerging priorities.

Executive Leadership Group



MARTIN MILEHAM

CHIEF EXECUTIVE OFFICER



ANNALIESE BATTISTA

DIRECTOR ECONOMIC DEVELOPMENT AND ACTIVATION



ERICA BARRENGER

DIRECTOR PLANNING AND DEVELOPMENT



PAUL CROSETTA

DIRECTOR CONSTRUCTION AND MAINTENANCE



REBECCA MOORE

DIRECTOR COMMUNITY AND COMMERCIAL SERVICES



ROBERT MIANICH

DIRECTOR CORPORATE SERVICES



The Administration

Executive Support Office

Chief Executive Officer:
Martin Mileham

Executive Support provides administrative support to the Lord Mayor, Councillors and Chief Executive Officer to perform their statutory roles. The unit also builds and maintains relationships with Federal, State and other local governments.

Economic Development and Activation

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, COMMUNICATIONS AND ENGAGEMENT

Marketing, Communications and Engagement is responsible for promoting the city by activating spaces and developing, implementing and managing events that position Perth as a capital city. The unit is responsible for the City's community engagement, 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 arts, culture and heritage projects.

BUSINESS SUPPORT AND SPONSORSHIP

Business Support and Sponsorship is responsible for developing, implementing and managing the City's Business Support Strategy. The unit is responsible for developing and managing business information and support programs.

Planning and Development

Director: Erica Barrenger

CITY PLANNING

City Planning is responsible for the long-term planning of Perth city. The unit ensures growth achieves liveable and sustainable outcomes for the community. They develop strategies and plans that focus 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. The unit is responsible for the City's Urban Design Strategy and works closely with the State Government and Metropolitan Redevelopment Authority to develop Perth's identity and create the best for the city overall.

TRANSPORT

Transport provides 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.

HEALTH AND ACTIVITY APPROVALS

Health and Activity Approvals is the first point of contact for activities in the city's public realm. On behalf of stakeholders, this unit obtains and facilitates all relevant technical and legislative advice, as well as approvals for events, obstruction permits, bonds, and activities.

DEVELOPMENT APPROVALS

Development Approvals is responsible for administering the statutory obligations of local government in terms of town planning and building matters. The unit manages all development approvals and plays a strategic role in the development of the city's landscape.

SUSTAINABILITY

Sustainability leads the development, implementation, integration and evaluation of strategies and programs that improve the City's sustainable performance; ensuring they are in line with the City of Perth's vision and direction.

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 Perth city.

STREET PRESENTATION AND MAINTENANCE

Street Presentation and Maintenance is responsible for the preservation and rehabilitation of assets including roads, stormwater facilities, pedestrian pavements and access ways.

WASTE AND CLEANSING

Waste and Cleansing provides essential street cleaning, waste collection and waste disposal services. The unit actively promotes responsible waste minimisation, re-use and recycling. The unit champions good sanitation and is committed to sustainable environmental management of waste.

PARKS

Parks is responsible for the horticultural presentation of the city; managing 153.5 hectares of open parkland including reserves, boutique gardens, streetscapes and pocket parks. The unit creates horticultural displays to compliment major events in the city, and ensures a level of service and quality worthy for Perth as the capital city.

PROPERTIES

Properties is responsible for the management, maintenance and development of the City's portfolio of property assets. The unit provides expert advice on effective property management and ensures 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 plant, fleet and equipment. The unit is responsible for depot operations, purchasing and stores, fleet procurement, fleet maintenance, electrical engineering, mechanical engineering and street lighting.

Community and Commercial Services

Director: Rebecca Moore

CUSTOMER SERVICE

Customer Service provides 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 City of Perth directorates to ensure the community is provided with relevant and accurate information.

PARKING SERVICES

Parking Services provides street patrolling services, and manage infringement processing and events parking. The unit is responsible for ensuring traffic continues to move, and that buildings and offices can be accessed by the necessary services when required.

The Administration CONTINUED

COMMERCIAL PARKING

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

LIBRARY

The City of Perth Library provides a range of services to the community. 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 residents, visitors and workers. The unit also manages several facilities including Citiplace Childcare Centre, Citiplace Community Centre, Citiplace Rest Centre and Perth Town Hall.

Corporate Services

Director: Robert Mianich

GOVERNANCE

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

HUMAN RESOURCES

Human Resources supports the City to make informed decisions about the management and development of its organisational capabilities (people, processes and structures). The unit is responsible for workforce planning, talent management, recruitment and selection, and ensures employee performance is optimised to meet the City's strategic objectives.

FINANCE

Finance is responsible for the effective management of the City's financial performance and resources. The unit provides accurate, timely and meaningful financial information that is used for robust decision-making and to meet the City's statutory financial obligations.

INFORMATION TECHNOLOGY

Information Technology (IT) provides necessary hardware and software. The unit is 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 enables enhanced decision-making and generates value for the City. Partnering with the business to provide strategic, analytical, and technical direction, the 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 asset portfolio.

INTERNAL AUDIT

Internal Audit provides an effective internal audit function, enhances risk management and identifies process improvement opportunities within the City.



Planning and Reporting

INTEGRATED PLANNING AND REPORTING FRAMEWORK

The City of Perth's Integrated Planning and Reporting Framework establishes the interaction between the organisation's various strategic documents with emphasis given to a mutual informing relationship to the framework. As a result, 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 the 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 key strategic enablers show how the City of Perth is equipped to deliver on the commitments made in the Corporate Business Plan.

These key strategic enablers are:

WORKFORCE PLAN

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

LONG-TERM FINANCIAL PLAN

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

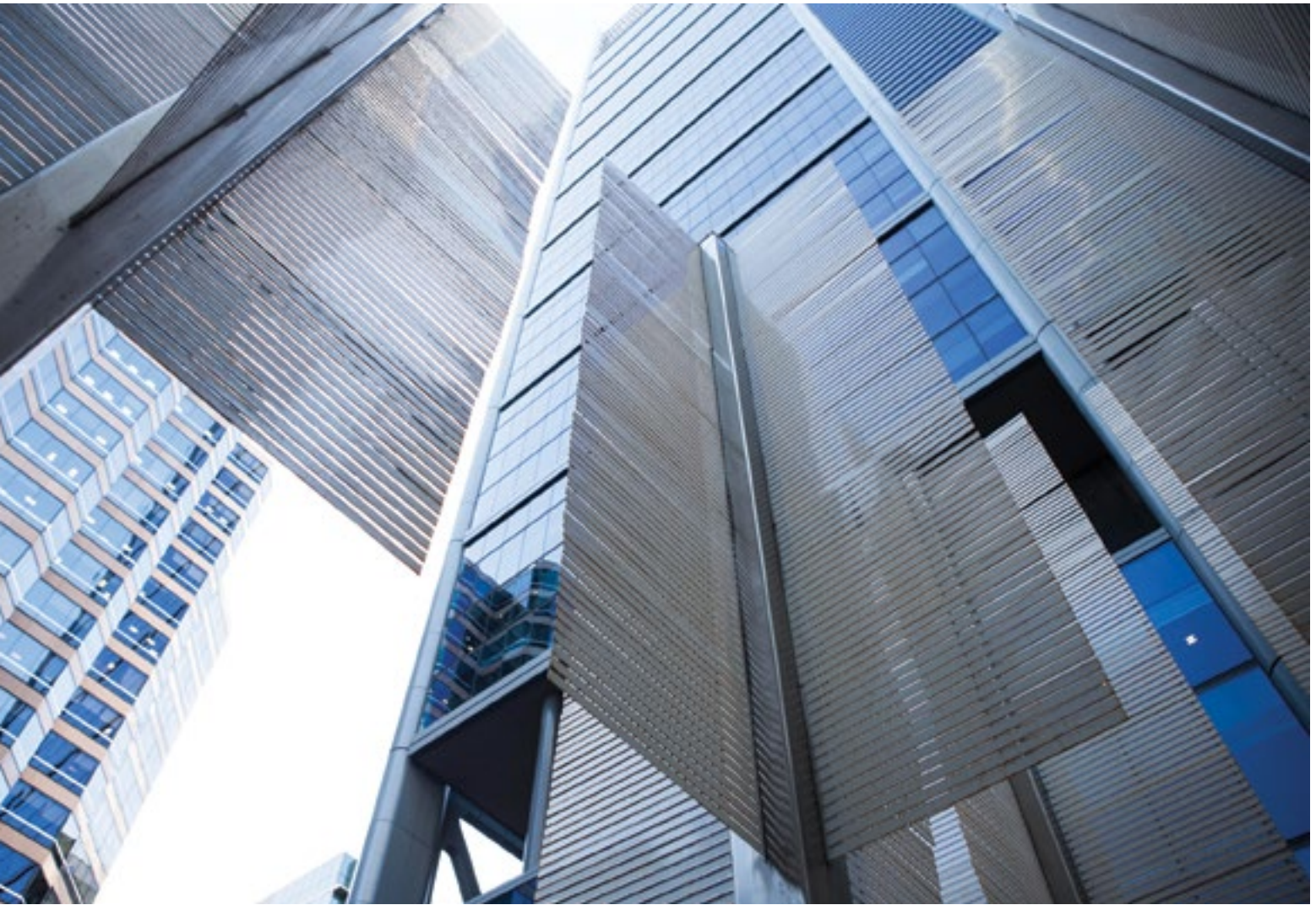
CORPORATE ASSET MANAGEMENT PLAN

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

ANNUAL BUDGET

The Annual Budget is 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 best outcomes are delivered for the community.



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 and ensure the City's strategic direction reflected the community's views. This provided the basis for the City's 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 the strategic vision, the below themes were identified to guide the City's priorities:

- 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 initiatives outlined overleaf were identified in the 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. On the following pages is an overview on the annual status of each initiative.

Planning and Reporting CONTINUED

Corporate Business Plan Key Initiatives

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

MAJOR STRATEGIC INVESTMENTS

NO.	PROJECT/INITIATIVE	STATUS
S1	Ensure that major developments effectively integrate into the City with minimal disruption and risk	
1.1	Prepare a City Planning Strategy to guide the long-term development of the city	On target
1.2	Establish site specific agreements and manage staged transition of Elizabeth Quay Precinct	On target
1.3	Establish site specific agreements and public asset agreement for Perth City Link Precinct and manage staged transition of public realm	On target
1.4	Manage staged transition of public realm at Waterbank Precinct/Riverside Project Area	On target
1.5	Establish site specific agreements and manage transition of the Swan River Pedestrian Bridge Landing and Event Bus Stand	On target
1.6	Manage the transition of the <i>City of Perth Act 2016</i> and boundary adjustments	On target
S2	Optimise the commercial and community outcomes within the property portfolio	
2.1	Develop a framework for the management of the City of Perth's property that addresses opportunities for growth, de-accession/accession and ownership needs	On target
2.2	Develop a concept plan for the long-term vision of the Perth Concert Hall precinct, including options for the revitalisation of the forecourt	On target

GETTING AROUND PERTH

NO.	PROJECT/INITIATIVE	STATUS
S3	Proactive planning for an integrated transport system, including light rail, that meets community needs and makes the sustainable choice the easy choice	
3.1	Finalise the City of Perth Transport Strategy	Completed
S4	Enhanced accessibility in and around the City including parking	
4.1	Deliver the two-way street program	On target
4.2	Implement the City of Perth Cycle Plan	On target

PERTH AS A CAPITAL CITY

NO.	PROJECT/INITIATIVE	STATUS
S5	Increased place activation and use of under-utilised space	
5.1	Review and explore opportunities for adaptability associated with occupancy rates	On target
5.2	Develop a precinct and place management approach for the City	On target
S6	Maintain a strong profile and reputation for Perth as a city that is attractive for investment	
6.1	Develop an Economic Development Strategy	On target
6.2	Undertake a review of the City's Tourism Framework	On target
6.3	Support the development of a 2029 initiative for the 200 th year of the City of Perth	Yet to commence
6.4	Drive and manage the Capital City Committee	On target
6.5	Implement the International Engagement Strategy	On target
S7	Collaborate with the private sector to leverage city enhancements	
7.1	Develop a City of Perth Public Wi-Fi Strategy	Behind schedule
7.2	Review the Destination Perth Marketing Strategy	Behind schedule
7.3	Develop a strategy for implementing Smarter Cities report initiatives	Behind schedule
7.4	Establish business information and support program	Completed
S8	Collaborate with private sector to leverage city enhancements	
8.1	Develop a City Achievement and Service Promotion Strategy	Yet to commence

LIVING IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
S9	Promote and facilitate CBD living	
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	Completed
9.3	Develop Noise Management Framework for managing noise in Northbridge	On target
9.4	Develop a system to gather and respond to information collected, assisting the enhancement of the presentation of the City	Behind schedule
9.5	Develop a Social Strategy to define social wellbeing outcomes and priorities	Yet to commence
S10	Improve the diversity in housing stock	
10.1	Investigate the feasibility of affordable housing delivery mechanisms, including the City of Perth's role	Yet to commence
10.2	Develop Housing Concept Plan(s) with options for each identified site	Yet to commence
S11	Increase community awareness of environmentally sustainable ways of living	
11.1	Conduct a green infrastructure study	On target
11.2	Deliver the Environment Strategy and Implementation Plan	On target
11.3	Develop the Foreshore Preservation Plan	Behind schedule
S12	Provide facilities to cater for the growth of the residential community	
12.1	Develop the Wellington Square Masterplan	Behind schedule
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	Development of a healthy night time economy	
13.1	Develop a Night Time Economy Strategy	On target
S14	Further improve safety and security	
14.1	Review and implement the Community Safety and Crime Prevention Plan	On target
14.2	Identify and commit to key stakeholders, with a focus on communication relationship building to address social issues	On target

Planning and Reporting CONTINUED

HEALTHY AND ACTIVE IN PERTH

NO.	PROJECT/INITIATIVE	STATUS
S15	Reflect and celebrate the diversity of Perth	
15.1	Undertake a full review of grants, donations sponsorships and event funding policies	Completed
15.2	Develop the Arts and Cultural Development Strategy	Behind schedule
15.3	Develop the Public Art Strategy and Implementation Plan	Behind schedule
15.4	Develop a Community Development Strategy	Behind schedule
15.5	Develop a Heritage Strategy and Implementation Plan	Behind schedule
S16	Increase accessibility to green networks in the city	
16.1	Finalise and implement the Urban Forest Plan	On target
S17	Recognition of Aboriginal culture and strong relationships with the Indigenous community	
17.1	Develop the Reconciliation Action Plan	Behind schedule

CAPABLE AND RESPONSIVE ORGANISATION

NO.	PROJECT/INITIATIVE	STATUS
S18	Strengthen the capacity of the organisation	
18.1	Implement the organisational structure reform	Behind schedule
18.2	Greater emphasis on the diversification of revenue	On target
18.3	Develop an Enterprise Performance Model	Yet to commence
18.4	Develop a Continuous Improvement Strategy	Yet to commence
18.5	Develop the Asset Management Strategy	On target
18.6	Review the Corporate Strategic Framework	On target
18.7	Develop the Organisational Development Strategy	Behind schedule
S19	Improve the customer focus of the organisation	
19.1	Review and update the City of Perth Emergency Management Plan	On target
19.2	Implement the Project Portfolio Management Project	On target
19.3	Develop a Customer Service Strategy and Contact Centre	On target
19.4	Conduct a review of the Strategic Community Plan	Completed
19.5	Deliver online customer service systems (including approvals)	Behind schedule
S20	Meaningful and contemporary community engagement and communications	
20.1	Develop community engagement capability	On target
20.2	Develop an Information and Communications Infrastructure Strategy	On target
20.3	Develop an Information and Communications Data Strategy	On target
20.4	Develop a plan to engage with new communities in response to transition of boundary adjustments	Completed
20.5	Develop a Social Media Usage Framework	Behind schedule
20.6	Investigate digital signage to replace existing banners	Completed



Awards

Gold Waterwise Council

Showing commitment to a sustainable future, the City of Perth earned Gold Recognition as a Waterwise Council in 2016/17. Recognised by the Water Corporation and the Department of Water, the City of Perth was awarded for its efforts to implement seven water efficient actions, over and above the requirements for participating councils.

Bronze Waterwise Office Award

In 2016/17, the Properties Unit received a Bronze Waterwise Office Award recognising their efforts in improving water efficiency at Council House. Launched in 2012, the Waterwise Office Program informs and supports building owners to improve their water use performance. The recognition levels are based on quantitative benchmarks. Plans are in place to improve Council House's ranking to silver and then gold.

Library Design Award

In 2016/17, the City of Perth Library received another accolade winning its category in the Australian Library and Information Association's (ALIA) inaugural Library Design Awards. The Library opened to the public in March 2016 and is the largest civic building project undertaken by the City of Perth since the Perth Concert Hall. The Library has been extremely well received and is a true focal point in the community with more than 600,000 visitors through the door since it opened.

Urban Forest Plan

The City of Perth's Urban Forest Plan received the award for Best Leisure and Open Space Planning initiative for its planning excellence and the vital community benefits it delivers. Parks and Leisure Australia WA recognised the Urban Forest Plan's ability to enrich and revitalise the community, improve city liveability, enhance community health and help to manage climate change. This accolade is the second the Urban Forest Plan received in 2016/17, also winning a Good Design Selection Award from Good Design Australia.



The Community

Residents

Perth’s residential population has increased by 3,355 people, from 21,353 residents in 2011 to 24,975 residents in 2016. This represents a steady increase of 15.7 per cent over the past five years.

Over the next 20 years, an additional 15,000 people are expected to make Perth their home. It is projected by 2036 the population will reach over 39,500 and in 2050 it will exceed 50,000 people.

Perth city comprises of a number of identified neighbourhoods. These all have their own identity, culture and composition of people. They include:

- Claisebrook
- East Perth
- Perth CBD
- Stirling
- Northbridge
- West Perth
- Crawley – Nedlands.

The population has continued to grow in the majority of these areas, with major growth occurring in the Stirling neighbourhood (north of the railway line between Beaufort Street and Lord Street). This neighbourhood has seen an increase in residents from 179 in 2011 to 601 in 2016.

Similar growth has continued in the Perth CBD neighbourhood, with an increase of approximately 1,000 residents to a total of 5,225 people.

The city attracts the largest concentration of people in the Greater Perth Region on any given day, reflecting its capital city status and the wide variety of opportunities for work, access to services, and social and cultural activities.

The number of new residents and visitors to the city continues to grow, which is a testament to a number of successful developments, programs and strategies facilitated or implemented by the City.

Households

The trend towards households comprising of couples and lone persons has continued over the past five years, with the predominant age profile of residents ranging between 23–32 years.

These groups continue to have a significantly higher representation when compared to the Greater Perth Region average, as shown below.

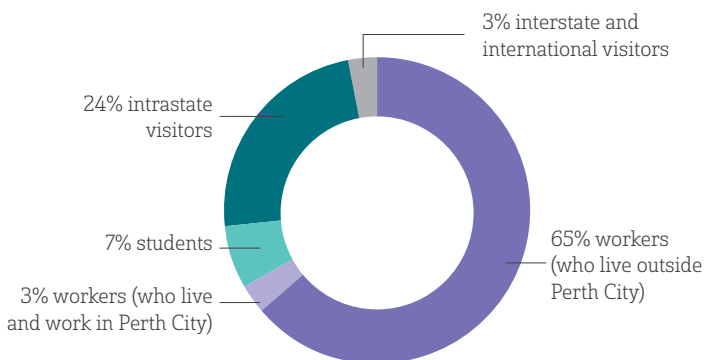
Age	Perth City	Greater Perth Region
20–24	13%	6.9%
25–29	18.8%	7.7%
30–34	16.8%	8%

There has been a small growth in the number of households containing children, accounting for 10.62 per cent of the household population. However, a decline in families with school aged children has continued to occur. Overall, a significantly lower percentage of families with children are living in Perth city compared to the wider Greater Perth Region.



Workers and Visitors

In 2015, it was identified an estimated 205,750 people come into Perth CBD on a typical weekday. This group is comprised of:



The highest proportions of city workers are in the 25–34 and 35–44 year age groups, representing 52.8 per cent of the workforce.

City jobs are largely office based with approximately 40 per cent of workers classed as professionals. A further 23.9 per cent are classed as clerical and administrative workers. Managers comprise 14.3 per cent of the workforce.

Students are a growing segment of the visitor population, particularly with the addition of the University of Western Australia to the City of Perth’s boundaries.



Major Projects

In 2016/17, exciting metropolitan projects continued and many private developments progressed or reached completion.

During the year, the Perth City Link project advanced with the new underground Perth Busport facility and completion of the access dive structure on Wellington Street. Construction of Yagan Square is also on schedule.

Due to open early 2018, Yagan Square is expected to become an iconic destination. Uniquely Western Australian, it will boast Aboriginal art, a permanent food market, native gardens, play areas, cafés and restaurants.

On the foreshore, Elizabeth Quay hosted a wide range of events throughout the year. Together with the permanent food and beverage outlets, it attracted a significant number of visitors.

Construction began on the 28-storey Ritz-Carlton Hotel and apartment towers located on the eastern side of Elizabeth Quay. Due to be completed in 2019/20, this development will provide 200 hotel rooms and 380 apartments.

In East Perth, the Riverside Waterbank project has also progressed. The project combines substantial public open space with two residential tower developments. Approved in the past year, the final tower designs are currently being further developed.

The above projects are all being undertaken by the Metropolitan Redevelopment Authority on behalf of the State Government and in close consultation with the City of Perth.

In addition to these projects there was steady development within the city.

At the former Greater Union site on the corner of Barrack Street and Murray Street, a 21-level mixed-use development including residential apartments and a hotel is due for completion by early 2018. While at the former Department of Fire and Emergency Services building on Irwin Street, the Westin Hotel and commercial podium buildings are nearing completion.

Construction commenced on the podium building, public plaza and 30-level office tower at the former Emu Brewery site located at Mounts Bay Road, Spring Street and Mount Street adjacent to the Mitchell Freeway. This will be the new home of Woodside Petroleum.

The site will ultimately consist of two additional towers: a 35-level tower including 120 hotel rooms and 200 apartments and a 41-level residential building including 68 apartments.

On the corner of Stirling Street and Aberdeen Street, the 22-level Oracle residential tower with 130 apartments is nearing completion. At the eastern end of Adelaide Terrace on the former ABC site, the 38-storey Concerto residential tower consisting of 226 apartments is complete.

In East Perth, the pedestrian bridge providing a link to the new Perth Stadium is expected to be completed in mid-2018.

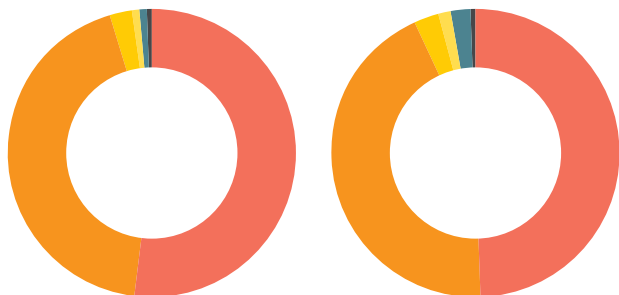
Financial Highlights

OPERATING REVENUE

from ordinary activities

2015/16

2016/17



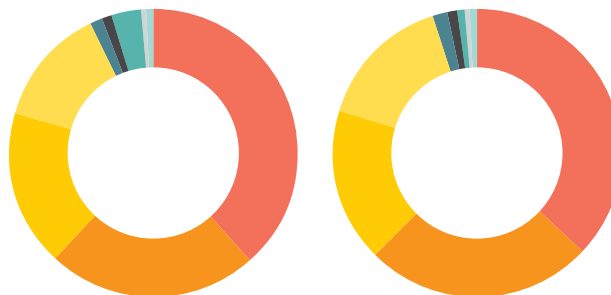
2015/16	2016/17	
52.0%	49.5%	Fees and Charges
43.5%	43.8%	Rates
2.5%	2.6%	Investment Income
0.8%	1.4%	Grants and Contributions
0.9%	2.3%	Other Revenues
0.3%	0.4%	Donations and Reimbursements
0.0%	0.0%	Gain from Disposal of Assets

OPERATING EXPENDITURE

from ordinary activities

2015/16

2016/17



2015/16	2016/17	
38.6%	37.0%	Employee Costs
23.4%	25.6%	Material, Contractors and Suppliers
17.7%	17.3%	Depreciation and Amortisation
13.2%	15.2%	Other Expenses
1.5%	1.8%	Utilities
0.9%	0.9%	Interest
3.5%	0.9%	Loss on Disposal of Assets
0.6%	0.6%	Insurance
0.6%	0.7%	Expense Provision

Income

- Operating revenue amounted to \$201.1 million in 2016/17. This is an increase of 5.1 per cent on the previous year.
- The City raised \$88.2 million in rates, an increase of 6 per cent from 2015/16. This was due to growth in the rates base from new completions and an increase in the rate in the dollar to cover the consumer price index (CPI) and fund programmed capital works.
- The City collected \$72.7 million from parking fees through the City's parking business. High office vacancy rates in the city impacted patronage to these carparks and as a result revenue decreased by \$0.6 million in 2016/17.
- Investment income increased by \$0.5 million to \$5.2 million in the year. This was mainly due to the performance of a balanced fund investment.

Expenses

- Operating expenditure for the year amounted to \$197.4 million. This represented a 7.3 per cent increase on last year.
- The increase in operating expenditure was predominantly due to employee costs (increase of \$8.4 million), depreciation and amortisation (increase of \$3.3 million) and a \$5.2 million increase in the loss on disposal of assets.

Significant Items

- The revaluation of assets resulted in a profit of \$53.8 million on land and buildings and losses of \$3.8 million on investment properties.
- As a result of the *City of Perth Act 2016*, the City's boundary was expanded on 1 July 2016 to incorporate an area previously administered by the City of Subiaco. As a result of this, assets to the value of \$32.5 million were recognised.

Funding Capital Expenditure

- During the year, \$25.3 million was expended in cash on capital expenditure.
- 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 \$2.1 million, a \$3.3 million decrease on the prior year.
- In 2016/17, \$3.8 million was drawn down from reserves to fund capital expenditure.





City Business

Local businesses make important contributions to Perth city. As such, the City of Perth provides a range of promotional activities, incentives and advocacy.

International Scope

The City received a large number of international business enquiries and provided support to international companies with investment interests in Perth. In addition, the City also supported several international industry conferences and events including the Australian Oil and Gas Conference, the Australian Indonesian Business Council's national conference and the inaugural Festival of the Web, which included the World Wide Web 2017 Conference.

Throughout 2016/17, the City conducted economic and investment briefings for international business delegations and dignitaries from Vietnam, Indonesia, China, Hong Kong, Malaysia, Japan and the United Arab Emirates, providing information on Perth's economic growth and investment opportunities.

The City of Perth hosted delegations and visits from Sister Cities including the Deputy Director of Chengdu Municipal Foreign and Overseas Chinese Affairs Office, as well as welcoming visiting students from Kastellorizo, Nanjing and Kagoshima to Perth.

International Education

The City continued its support for the international education sector in 2016/17, supporting the work of StudyPerth in promoting Perth as an ideal student location. The City provided briefings and presentations to international education agents and promoted the economic opportunities associated with providing student accommodation within the city.

Business Support

In 2016/17, the City hosted six retail workshops. These provided opportunities for local businesses to be briefed on upcoming City campaigns and activations.

Additionally, two dedicated Business Support Officers employed by the City undertook almost 1,000 face-to-face engagements with local businesses.

Seven editions of the City's business e-newsletter, Inside Perth, were published and distributed to approximately 4,500 recipients. This newsletter is an important tool for the City to communicate with businesses.

Supporting Innovation

The City recognises the growing importance of promoting innovation and supporting the development of new jobs and industries.

In 2016/17, the City continued to encourage the development and growth of the local innovation and entrepreneurial sector by supporting a range of initiatives and programs such as We Connect the Dots, Startup Weekend, Founder Institute and Uearthed.

In addition to these programs, the City expanded its support for the West Tech Fest, an annual event celebrating and showcasing local innovation and technology entrepreneurs.

The City also continued its support for co-working spaces and early stage companies through continued promotion of the various co-working spaces within the city. A three-year sponsorship arrangement was entered into with Studio Startup, a co-working space and incubator focused on social impact and education based start-ups, creative sector ventures and youth entrepreneurs.

In recognition of the vital role funding plays in the success of start-up companies, the City partnered with Perth Angels to sponsor the second annual Angel Investing Breakfast and deliver a number of masterclass events about angel investing.

Business Grants

In 2016/17, the City awarded a total of eleven grants to local businesses, with a combined value of \$66,861 comprised of matched funding and small business grants.

MATCHED FUNDING GRANTS

In the 2016/17 funding round, matched funding business grants were awarded to four projects with a total funding allocation of \$51,676. These grants contributed to private sector investment in city-based projects with an estimated value of more than \$422,000.

SMALL BUSINESS GRANTS

A total of seven small business grants were claimed, representing a financial contribution of \$15,185 to assist local small businesses.

Public Realm and Streetscapes

The City of Perth works with the private sector to deliver improved public realm and streetscapes. The Barrack Street Improvement Model continued in 2016/17. More than 55 per cent of the dilapidation issues identified in a previous audit were addressed in the first two years of the three year program. The City invested \$334,498 in grants for 19 sites, attracting private investment of more than \$4.1 million.

Vibrancy and Vitality

The City of Perth continued to support events and activities that add to the city's appeal, and that support local businesses by increasing visitation. The City also recognises public art has a key role to play in supporting a healthy community and reflecting Perth's unique identity.



CowParade Perth

In 2016, Perth played host to CowParade, the world's largest public art event. The event was recognised as a unique and engaging way to activate city spaces and encourage people to explore the changed landscape. In partnership with the Perth Public Art Foundation, including support from Lexus Perth and Telethon, 40 cows arrived as blank canvases to be crafted and reconstructed by some of Western Australia's most captivating artists and fashion designers.

During November and December, these sculptures could be seen in malls, laneways, and at notable city precincts. Members of the public sought out and stumbled upon the colourful, life-sized cows in surprising locations, attracting an unprecedented number of visitors to the city. Independent research estimates the initiative delivered a city-wide economic return of \$13.2 million.



The City at Christmas

The City's annual festive campaign was relaunched in 2016 with The City at Christmas creative. Starting in early-November with an event to turn on the Christmas lights, the campaign promoted more than 12 free events to entice visitors to the city. Events included an Outback Christmas, enhanced activations around the GPO Projections and the popular Christmas Nativity. Previously held over three nights, the Christmas Nativity was extended to four performances. A significant increase in attendance was noted at these events compared to previous years with a 66 per cent increase in attendance at the turning on of the Christmas lights.



The City at New Year's Eve

Launching mid-December, The City at New Year's Eve campaign primarily promoted the high-quality, family event hosted in Northbridge by the City of Perth. This included two stages of family entertainment with children's shows, bands, roving performers and two countdowns. New in 2016, the campaign was extended to include promotion of the city as a whole, including activities occurring in city venues. Independent market research on The City at Christmas and The City at New Year's Eve measured a combined city-wide economic return of \$29 million.



City of Perth Australia Day Skyworks 2017

The 33rd City of Perth Australia Day Skyworks was cancelled at 6pm on the day following a plane crash into the Swan River and the resulting tragic fatalities. The City of Perth worked closely with key agencies to manage this cancellation, resulting in a safe departure from the city for attendees. The actions following the cancellation were met with positive support from the community.



Let's Thursday Like We Friday

A ratepayer initiative to revitalise Thursday nights in the city led the City of Perth to develop the Let's Thursday Like We Friday marketing campaign. Taking place across 52 venues, visitors to the city were offered experiences, masterclasses, meal deals, drink specials and more. The campaign saw venues come together like never before to encourage new Thursday night habits and increase city visitation and spend. Third party market research estimates a city-wide economic return of \$7.76 million, which was spread beyond the participating venues.



Eat Drink Perth

Back for its 13th year, the Eat Drink Perth campaign was rebranded in 2017 and saw the 'foodies take over the city' as they immersed themselves in more than 100 food and beverage events and offers. Part of the refresh included the development of 12 new and exciting categories including The Brunch Club, Sunday Funday and Nightcaps. Nine content videos were developed to showcase the festival. These were shared across the City of Perth's social channels and contributed to 1.1 million social impressions. Third party market research estimates a city-wide economic return of \$50 million with 87 per cent of attendees very or extremely satisfied with the event.

Vibrancy and Vitality CONTINUED



Winter Arts Season

The City of Perth Winter Arts Season (formerly the Winter Arts Festival) was a three-month program of activities that encouraged the people of Perth to 'embrace the elements' and experience the great things happening in the city during winter. This included 16 headline artworks, more than 150 art events, five place-making activations and 60 food and beverage offers across 30 venues. Local arts organisations were invited to submit proposals for engaging public art activations responding to the theme of dynamic winter weather. Highlights included The Lodge in collaboration with 140 Perth and the launch of artwork, Sky, in Forrest Place. In addition, Perth Pinwheels and the Hay Street Umbrellas installation brought splashes of colour to the city.



Twilight Hawkers Market

The Twilight Hawkers Market returned to Forrest Place during the warmer months, running from October to April from 4.30pm to 9.30pm. The Friday market was again extremely successful, offering international cuisine and attracting evening crowds to the CBD with more than 150,000 enjoying the 2016/17 season. Third party market research indicated that in 2016, eight per cent of the general population travelled into the city specifically for the Twilight Hawkers Market.



Perth Home Grown Market

The City held Sunday markets year round under the banner of Perth Home Grown 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

The City of Perth hosted a public celebration in Forrest Place for the Perth Wildcats, who became NBL Champions in 2016/17 at the Perth Arena. The event was held to congratulate the team with the Lord Mayor speaking on behalf of the City, and also to provide the public with an opportunity to meet the team and celebrate with them.



Olympic Athletes Welcome Home Presentation

The City of Perth hosted an official congratulations and welcome home event in Forrest Place for the medallists and athletes who competed in the Rio 2016 Olympics. The Lord Mayor spoke on behalf of the City of Perth and the public had the opportunity to meet the athletes and congratulate them on their efforts.



School Holidays

Each school holidays in July and October, the City presents free events to entertain thousands of families that come into the city. In July, the popular Perth City Snow Slide was in Forrest Place. In October, *The Strange Creature: A Storytelling Adventure* was presented at Cathedral Square during the first week of the school holidays and *The Urban Garden* was presented in Forrest Place in the second week.



Northbridge Piazza

In 2016/17, the Northbridge Piazza hosted regular film screenings and other entertainment events. These included:

- **Free Flicks for Kids:** Specially chosen films on Saturday afternoons.
- **Festive Flicks:** Christmas film season in December.
- **Eat Drink Perth:** Foodie films accompanied by cooking demonstrations on Tuesdays and children's activities on Sundays during Eat Drink Perth.



Arts and Cultural Sponsorship

In 2016/17, the City of Perth supported 39 arts and cultural organisations and independent artists through the Arts and Cultural Sponsorship program. The City partnered with 12 of the State's major cultural organisations to present annual events including the Perth International Arts Festival, the Black Swan Prize for Portraiture, Awesome Festival and Fringe World.

The City's support for individual artists, arts organisations and community groups through Arts Grants and Sponsorship rounds encompassed the following art forms:

- theatre
- ballet
- opera
- classical music
- contemporary music
- jazz music
- visual arts
- photography
- digital game development
- public art
- poetry
- film
- contemporary dance.

More than 1.5 million people attended the range of arts and cultural activities supported through this program.



Event Sponsorship

The City supported 40 unique events under the Event Sponsorship program in 2016/17, including six major partnership sponsorships. The program continues to be oversubscribed with more than double the available funding requested annually.

In 2016/17, the City supported a range of new events including the City of Perth Festival of Sail as well as a new partnership with Netball WA to support the West Coast Fever. The City boosted its support of the IGA Carols by Candlelight, enabling the event to be free for the public to attend for the first time. In addition, the City continued its support of key annual events including Perth Chinese New Year Fair, the Telstra Perth Fashion Festival, PrideFest and the Hopman Cup.

Vibrancy and Vitality CONTINUED



City Arts Space

Located under the Northbridge Piazza Superscreen, City Arts Space provides the community with a flexible and affordable facility to develop and showcase their creativity. The multipurpose arts venue hosted 17 exhibitions and a wide variety of arts and entertainment events in its first year, with interest in the space from artists and creative groups continuing to grow.

Highlights from 2016/17 included:

- Two exhibitions of works from the City of Perth's Art Collection.
- The Gelo Company using the space as a venue during Fringe World 2017.
- Propel Youth Arts presenting two exhibitions of emerging artists works during National Youth Week.
- Country Arts Network presenting an exhibition celebrating the lives of Nyoongar Elders during NAIDOC Week.

Errichetti Lane Mural

In February 2017, the City of Perth commissioned a project to paint a mural behind The Game Sports Bar in Northbridge. The purpose of the project was to reduce graffiti and improve the area's appearance.

Local artist Mel McVee created a design based on historical photos of Northbridge and the City's waste management vehicles and infrastructure throughout the ages. The community were invited to help the artist complete the mural and a large number of enthusiastic community members made their mark on the wall. The resulting vibrant and detailed mural was then photographed and printed onto vinyl wraps to cover the bins lining the street. The project was successful in preventing graffiti, with no tagging of the wall or bins recorded since the mural was installed.

Fanny Balbuk Yooreel

In September 2016, the City of Perth partnered with the National Trust of WA to deliver a project honouring the life of Whadjuk woman Fanny Balbuk Yooreel. Balbuk's story highlights the intersection of Perth's colonisation and the local Aboriginal people in the 19th Century and how this manifested socially, politically and in the natural landscape. During April and May, publically accessible activations were delivered for the 2017 National Trust Heritage Festival. These included:

- A display of Fanny Balbuk inspired quilts created by the WA Inspired Art Quilters at the City of Perth Library.
- An academic symposium led by the Australian Research Council Centre of Excellence for the History of Emotions (The University of Western Australia).
- Production and screening of a documentary about Balbuk's life and how her story resonates with Whadjuk Elder women and their families.
- Publication of a brochure and accompanying guided walk with Whadjuk Elder women that traced Balbuk's enduring connections to Perth's landscape.

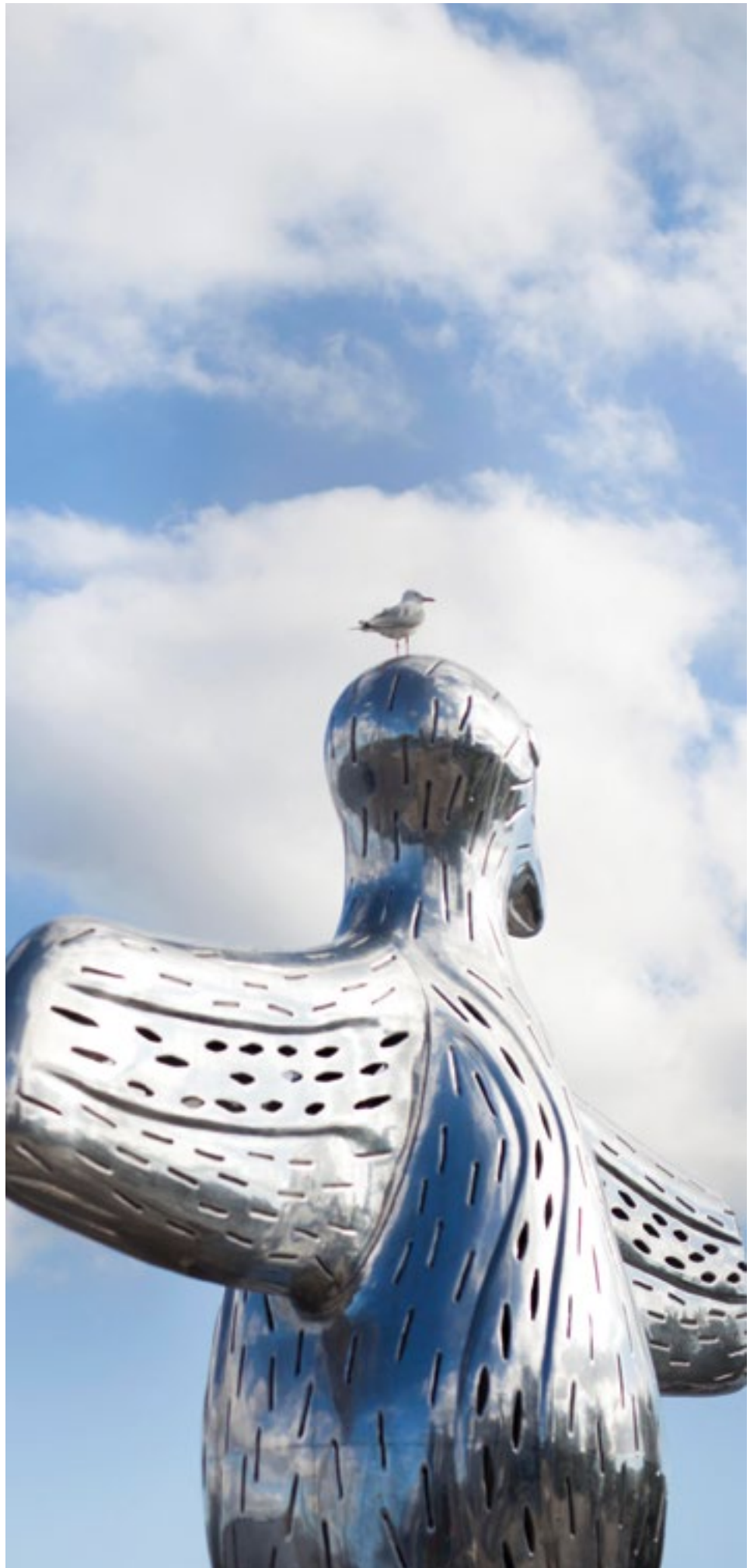
The City responded to the project through a collection of displays at Council House and the City of Perth Library, featuring works by prominent Nyoongar artists from the City of Perth Art Collection. This project was informed by new research into the life of Fanny Balbuk and was guided by Whadjuk women and their extended families. The project has since been recognised for its successful contribution to the preservation of Aboriginal culture and heritage.



Activity Approvals

In 2016/17, the City approved 286 events on city roads and reserves, and approval was given to 316 events to be held within the malls.

Some of the major events within the city included in the Christmas Pageant (200,000 people), Carols by Candlelight (22,000 people), Symphony in City (20,000 people) and HBF Run for a Reason (36,000 people). Large events requesting use of the space within city malls included the Young Butchers Picnic and Perth Fashion Festival.





Environmental Sustainability

Strategic Environmental Framework

The City of Perth continues to work towards achieving the objectives and targets outlined in its Environment Strategy. Endorsed in March 2015, the strategy aims to create a sustainable future for the city. Focus areas include environmental sustainability and health, climate response, energy resilience, water and waste.

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 are measured at appropriate intervals and reviewed every four years to ensure the organisation remains ambitious in its pursuit of being a leading Council in environmental sustainability. The City also outlines its progress on environmental and sustainability initiatives to the community through its biannual Environment Snapshot. This is available on the City's website.

SUSTAINABILITY REPORTING PLATFORM

The City has developed a new tool for measuring, monitoring and reporting its corporate and city-wide sustainability progress. The Sustainability Reporting Platform collects, analyses and visualises the City's energy, water and emissions data helping us understand progress towards the targets outlined in the Environment Strategy. The platform provides visualisation of the effects of urban development on city-wide emissions, and energy and water use. The platform will be used to communicate progress of the City's actions to the community.

COMMUNITY EDUCATION

A number of events were held at the City of Perth Library to educate the community on sustainability related issues. The events highlighted issues such as buying food with less packaging, wasting less food and keeping bins empty, and soil management to enhance the growth of gardens.

Throughout the year, the City of Perth and Switch Your Thinking continued to roll out the national Responsible Cafés program, which aims to reduce the use of takeaway coffee cups and encourages the use of reusable coffee cups. Following the War on Waste TV series, interest in the program has heightened and the Responsible Cafés program continues to be promoted on the City's website and social media channels. In the last six months, participation in Perth city has grown from two to 15 cafés.

PUBLIC HEALTH

The Public Health and Wellbeing Plan 2014–2016 provided a framework for addressing public health issues in the city. The four priority areas included environment and health, healthy lifestyles, social health and emergency management.

Health and wellbeing improvements were achieved by addressing a number of factors such as the social and economic environment, the physical environment (natural and built) and the individual characteristics and behaviour of the community. Most of actions in the plan were successfully achieved.

SUSTAINABLE TRANSPORT

Following extensive public consultation, the City of Perth developed a Transport Strategy to articulate its long-term aspirations for transport and highlight how progress towards the future of a more vibrant, sustainable and liveable Perth will be achieved.

The Transport Strategy builds on the Strategic Community Plan, Vision 2029+. It takes the vision and guiding principles and applies them to how the city's transport systems are managed and planned. Six focus areas have been identified within the Transport Strategy to achieve an efficient and sustainable transport system for Perth.

Within each focus area are several objectives. These objectives are further articulated in the Implementation Plan, specifically those regarding the deliverables the City will undertake.

The Transport Strategy was adopted by Council in December 2016 and will be assessed every two years to ensure current transport trends are understood and progress towards targets is reported.

LOCAL FLORA AND FAUNA

The presence of two threatened ecological communities listed under the *Environment Protection and Biodiversity Conservation Act 1999* were recorded in the City. These are:

- Banksia Woodland of the Swan Coastal Plain
- Subtropical and Temperate Coastal Saltmarsh.

The Subtropical and Temperate Coastal Saltmarsh at Heirisson Island supports two ant species and a butterfly that are only present in this region because of the saltmarsh.

In June 2017, the City completed a Green Infrastructure and Biodiversity Study. Some interesting findings include a Brush-tailed Possum, *Trichosurus vulpecula*, known to the Nyoongar people as Coomal and five birds of national significance including the distinctive Forest Red-tailed Black Cockatoo, *Calyptorhynchus banksii naso*, known to the Nyoongar people as Karrak.

POINT FRASER RESERVE

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. Results did not demonstrate a significant difference in success rates for the species monitored in the trial. Inundation depth had a more pronounced impact on survival, with the species *Juncus kraussii* performing best under temporary inundation. Self-recruitment of Chenopod species was observed in the coir material. Additional gap-up planting with sedges behind the gabions is planned.

The City is also concluding part one 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 trialled and demonstrated improved wetland hydraulic performance. The changes will be implemented permanently through additional planting. Investigations into catchment connectivity are continuing.

Environmental Sustainability CONTINUED



NATURAL AREAS MANAGEMENT

The City has carried out a number of initiatives to protect and enhance natural areas within its jurisdiction. The City hosted two community based clean up events, two corporate based clean up events and one school planting event.

At two key locations, 10,000 native plants and 20 microbat nesting boxes were installed as part of the Green Army program to create habitat. Surface water and sediment quality monitoring was implemented for all surface water bodies, as well as the continued delivery of the soil and tissue nutrient analysis program. Riverbank remediation totalling 400 linear metres was undertaken over two locations. Additionally, a feasibility study on alternative water sources for irrigation was completed and is currently under review.

Climate Response

URBAN FOREST PLAN

The Urban Forest Plan is a strategic action plan for integrated management of the city's urban forest. It recognises and values the urban forest as an important asset and a key element of infrastructure capable of delivering a range of benefits. These benefits include community physical and mental wellbeing, overall liveability, landscape character, biodiversity and climate resilience.

The plan received the award for Best Leisure and Open Space Planning initiative from Parks and Leisure Australia WA for its planning excellence and the vital community benefits it delivers. The accolade is the second recognition the Urban Forest Plan has received, winning a Good Design Selection Award from Good Design Australia earlier in the year.

WALGA'S DECLARATION ON CLIMATE CHANGE

In September 2015, the City became a signatory to the Western Australia Local Government Association's (WALGA) 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 participate in a sector wide leadership approach.

GLOBAL COVENANT OF MAYORS

In 2016, the City completed its first year requirements for the Global Covenant of Mayors (formerly the Compact of Mayors). This included the development of a community wide greenhouse gas inventory and the identification of local climate hazards. A review of greenhouse gas emission targets will be undertaken and a Climate Change Risk Assessment will be developed as part of the City's second year requirements.

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 of Perth reports annually to the Carbon Disclosure Project alongside its reporting for the Global Covenant of Mayors.

Energy Resilience

CITYSWITCH GREEN OFFICE PROGRAM

CitySwitch is a free service that supports commercial office tenants to improve energy efficiency, reduce carbon emissions, manage office waste and create buildings conducive to human health, wellness and productivity. Through the program, signatories aim to achieve a 4.5 star or higher National Australian Built Environment Rating System (NABERS) energy rating.

As of 30 June 2017, there were 63 CitySwitch signatories in the city with combined coverage of 328,893.25 square metres of commercial office space.

CITY OF PERTH CAR PARKS

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, aside from the parking fee, charging is free.

In 2016/17, the City continued to make sustainable improvements in the operation of its car parks. A solar grid power supply supports the Elder Street car park with an output of 27,040 kWh per year and CO₂ emissions savings of 24,218kg per year.

At the Perth Convention and Exhibition Centre a parking bay location indicator system continued to reduce emissions by creating efficient vehicle movement within the car park. Improvements have also been made to wind turbine and solar powered lighting of car parks, as well as the electrical charging points and ventilation.

In preparation for the building management system installation, the carbon monoxide (CO) monitoring and mechanical ventilation systems in all City of Perth car parks were upgraded. This included replacement of all CO sensors and replacement of some variable speed drives (VSD). Integration of carbon monoxide monitoring and mechanical ventilation into building management systems will provide major benefits including improved tracking of energy consumption, effective response by early detection of problems and efficient maintenance.

LIGHTING

Lighting is a major consumer of energy in Perth city with the interior lighting of commercial buildings accounting for 35 per cent of greenhouse gas emissions. While street lighting is less than one per cent of city-wide total greenhouse emissions, it is a significant component of the City's corporate emissions (21 per cent). The Lighting Master Plan and Good Lighting Practice Guide will provide guidance to ensure future projects align with objectives of the Lighting and Environment Strategies.

Environmental Sustainability CONTINUED

A Waterwise City

WATERWISE COUNCIL PROGRAM

Showing commitment to a sustainable future, the City of Perth earned Gold Recognition as a Waterwise Council in May 2017. Recognised by the Water Corporation and the Department of Water, the City was awarded for its efforts to implement seven water efficient actions in the previous financial year, over and above the requirements for participating councils.

In 2016/17, scheme water consumption increased from the introduction of new areas within the City's local government area. Consumption from the City's owned and managed properties equated to an approximate scheme water consumption of 94,000kL, while community consumption was approximately 5,044,000kL.

The City was also 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

Alongside the Water Corporation and the Property Council of Australia, the City of Perth recognised the achievements of 10 city-based buildings participating in the Waterwise Office Program.

Additionally, a program led by the Water Corporation in partnership with the City of Perth and the Property Council of Australia was successful at the Australian Water Association's WA Water Awards in October 2016. The Waterwise Office Program received the Program Innovation Award recognising its achievements as Western Australia's first free and voluntary initiative that informs building owners about water use performance and identifies opportunities for optimum sustainability.

WATER SENSITIVE TRANSITION

The City of Perth completed a Water Sensitive Transition Study in 2016/17, which identified opportunities to transition the city to an urban hydrological cycle. Within the city, approximately 56 per cent of all water use is from the Integrated Water Supply Scheme, 41 per cent is from groundwater and approximately three per cent is from stormwater reuse.

Under a Memorandum of Understanding with the Cooperative Research Centre for Water Sensitive Cities, the City of Perth completed the Water Sensitive City Indexing project and identified the city performs well in Ecological Health and Equity of Essential Services. The City will use this information to develop priority areas and initiatives.





City of Perth Services

The City of Perth is committed to providing high quality services to residents, visitors and other City stakeholders.

iCity Kiosk

Located in the Murray Street Mall at the intersection of Forrest Place, the iCity Kiosk is open daily. It is manned by a group of trained volunteers who share their knowledge and help visitors discover the city.

The friendly team is equipped to deliver all the latest information on city events, activities, shopping and attractions. Qualified volunteer tour guides also offer interactive tour experiences for visitors to learn more about Perth's history, arts and culture.

The volunteers are a mix of local city and metropolitan residents, as well as international students and visitors. The volunteers collectively contributed more than 800 hours each month in 2016/17 by offering information, direction and guided tours to make visitors' experiences interesting and memorable.

History Centre

In 2016/17, the History Centre moved to the new Arts, Culture and Heritage Unit. This resulted in the amalgamation of the City's historic paper and object collections. It also provided new opportunities to promote Perth's history and heritage through interpretive initiatives and community-focused activations.

Key projects delivered include:

- Digitisation of 1910-1925 City of Perth Rate Books.
- Publication and launch of the book *Carlotta's Perth*, by Malcolm Allbrook and Mary Anne Jebb.
- Provision of historic research and collection access to internal and external stakeholders.

Homeless Guide

The Homeless Services in the Inner City Guide continues to be a popular resource for ratepayers and service providers operating within the city and the wider Perth area. It was updated in 2016/17 to ensure identified service providers were included.

The brochure is intended to assist people who are experiencing homelessness or at risk of experiencing homelessness to ensure they are treated respectfully and appropriately. It also ensures they are able to request and receive access to the services they require.

In 2016/17, more than 40 organisations across the Perth metropolitan area requested and received this brochure to use as a resource in assisting those experiencing homelessness.

Homeless Connect Perth

The City of Perth partners with Volunteering WA to deliver Homeless Connect Perth. The project provides a one stop shop of essential and ongoing services to homeless people or those at risk of homelessness. Sponsored by the City of Perth, this annual initiative connects government, community, businesses and volunteers to provide valuable support services.

The project aims to:

- Provide immediate services and support to meet a wide range of needs.
- Empower guests and provide awareness of longer term opportunities.
- Increase community and business understanding and support through involvement.
- Enable better connection of services to meet the holistic needs of the guests.
- Create a day of celebration, home, fun and social connection.

Since 2008, the City of Perth has presented nine Homeless Connect events in partnership with Volunteering WA. In 2016, more than 1,500 homeless and marginalised people attended. This project would not be possible without the invaluable assistance of more than 450 volunteers and supporters.

Library

The award-winning City of Perth Library has continued to attract a high number of visitors and new members. Since opening to the public on 1 March 2016, the library has welcomed more than 600,000 visitors to the building, with 436,469 visiting during the 2016/17 financial year. This reflects growth of 89 per cent on the previous year.

Throughout the year, more than 11,000 new members joined the library. This is 14 per cent higher than the previous year and takes the total number of new members since the building opening to 19,268.

The number of weekly Storytime and Rhymetime sessions increased to accommodate growing demand, with more than 12,000 children and their carers enjoying 178 sessions. Attendance of school holiday and other special programs has also grown from 577 to 1,710.

In December, the library launched its own publication, *Delight and Hurt Not*, to highlight the artwork in the ceiling and raise awareness of Western Australia's endangered native flora and fauna.

Over the last 12 months, the library has successfully forged partnerships with leading Western Australian organisations including the University of Western Australia, Boffins Books, Curtin University, Telethon Kids, the Fogarty Foundation, the International Centre for Radio Astronomy Research, the McCusker Centre for Citizenship and the Knowledge Society. These partnerships have assisted the library to present a diverse and engaging range of events.

Community Centre

The Citiplace Community Centre provides services to meet the needs of people aged 55 and over, and people with disabilities. The centre provides meals and refreshments, podiatry and hairdressing services, computer training and social and leisure activities. In 2016/17, an estimated 180,000 to 200,000 services were provided to people who visited the centre.

Rod Evans Centre

Located at 160 Hay Street, at the eastern end of the city, the Rod Evans Centre offered a range of services, including centre-based and delivered meals, social and exercise opportunities, podiatry, hairdressing and support for city residents. In 2016/17, seniors' services were transferred to Citiplace Community Centre. The City of Perth is finalising an expression of interest process that will see an incorporated not-for-profit community service provider lease the building for a peppercorn rent.

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 2016/17, 186,700 people visited the facility. During November, the Rest Centre was closed for five weeks for a minor refurbishment.

City of Perth Services CONTINUED



Child Care Centre

In 2016/17, the Citiplace Child Care Centre provided long-term day care for 135 children (123 families) and occasional care for 62 children (52 families).

Town Hall

The Perth Town Hall handled 200 bookings in 2016/17, totalling 1,783.5 hours. These included weddings, corporate and civic functions, exhibitions and the Holly Wood Tuesday Morning Show, a regular free concert.

Digital Services

In late 2016, the City of Perth's Marketing, Communications and Engagement Unit merged a number of social media accounts to create a strong and consistent brand message on each of its primary social media channels: Facebook, Twitter, Instagram and LinkedIn.

As part of this, five Twitter profiles were amalgamated and followers increased by 183 per cent from 32,096 to 91,115. Facebook followers increased from 77,474 to 145,314, and as of 30 June 2017 the City had 49,936 Instagram followers and 8,137 LinkedIn followers.

Traffic to the www.visitperthcity.com website increased from 91,421 monthly visitors to 138,824.

Drainage Works

In 2016/17, the City of Perth relined 572m and replaced 25m of stormwater pipes of various sizes within the Northbridge area.

Graffiti Removal

There were 4,872 recorded instances of graffiti in the City's graffiti management system in 2016/17. All instances were removed and recorded in accordance with the City's policies and procedures. Each week, instances of graffiti are photographed and reported to the Western Australian Police through their online portal. Graffiti can be reported to the State Graffiti Hotline: 1800 442 255.





The Built Environment

The City of Perth strives for excellence in providing facilities and streetscapes that enhance Perth city's appearance and functionality.

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. An interactive public artwork was completed in June 2017. Entitled 'Ambit', the work displays a subtle wash of colour across a screen, creating an interactive experience for people who walk past.

Minor Urban Interventions Program

Minor Urban Interventions continued to be introduced around the city, focusing on the West Perth town centre. An outdoor dining room was installed on the corner of Hay Street and Colin Street to facilitate more activity.

Lighting Master Plan

The draft Lighting Master Plan was completed and visually translated the unique day-time features and qualities of Perth into the night-time environment for residents, workers, tourists and local visitors alike. The lighting of Perth will reveal its character after dark, promote safety and connect the night economy with an innovative and holistic approach.

Way-finding Signage

Way-finding signage was extended into new areas such as Crawley, Nedlands and the Narrows Bridge in May 2017. This navigation system picked up key sites such as the University of Western Australia and Queen Elizabeth II Medical Centre, as well as identifying local precincts.

Mount Street Node

Completed in June 2017, this small project reinforces the city's connection with Kings Park. The entrance to the bridge was enhanced with new landscaping influenced by plantings in Kings Park. New seating, lighting and future artwork will further enhance the space.



City Transport

The City of Perth plans, designs and manages the city's streets and transport networks. Working closely with State Government agencies ensures movement to, from, and within the city is efficient and sustainable.

Improving Pedestrian Movement

In 2016/17, the City of Perth undertook a study about changing the timings at traffic signals in the CBD to reduce waiting times for pedestrians when crossing the road. The City prepared for an on-street trial of the new signal timings at intersections around Elizabeth Quay, as well as preparing for new timings at all signalised intersections in the CBD in the 2017/18 financial year.

Improving Transport Safety

The City continued an ongoing program of traffic management plan assessment and approvals. This ensures the city's transport network continues to operate at an optimal level during development and maintenance activities. Safety on the city's streets is of paramount importance when assessing Traffic Management Plans.

Improving Connectivity

The City continued to design and develop its Two-Way Street Program, which is intended to improve safety and connectivity on city streets. The key focus of the program has been design development for Hill Street and portions of Wittenoom Street and Lord Street.

Facilitating Active Travel

The City of Perth Cycle Plan continued to be implemented with the focus being on design development and consultation with key community stakeholders. The needs of pedestrians, including those with mobility impairment, are important considerations for the City when ensuring a 'pedestrian first' approach.

Future Transport Needs

Significant progress was made with Council endorsement of the City's Transport Strategy following successful public consultation. The City has also looked at existing and future requirements on the streets with kerbside parking reviews in consultation with community stakeholders. Coordination with Main Roads WA and other State Government partners was also undertaken to ensure the City of Perth is prepared for the opening of the Perth Stadium and associated pedestrian bridge.

Health and Safety

Smoke-free Malls

In 2016/17, City of Perth Rangers issued 15 fines and on average cautioned 8–10 people each day for smoking in the 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, 12 samples were collected and only one was found non-compliant when assessed against the guidelines for microbiological examination of ready-to-eat foods.

Health Inspections

There are 1,016 registered food businesses in the city and in 2016/17 the City of Perth conducted 1,792 inspections or assessments. A total of 17 Food Act Improvement Notices and seven Food Act Infringements were issued. One business was prosecuted for non-compliance to the *Food Act 2008*.

Noise Incidents

The City of Perth received 564 registered noise complaints in 2016/17, compared to 367 in 2015/16. This included 130 for construction noise, 66 for amplified music, 310 for other types of noise, 32 for concert/event noise, 12 relating to air-conditioning and 14 for noisy alarms.

Obstruction Permits

Following the implementation of a new e-lodgement system in October 2016, the City processed 2,227 applications and issued 1,856 permits to the public and internal parties for works throughout the city.

This year, the City focused on improved stakeholder engagement and standardising processes and procedures. This created greater visibility for the end-to-end obstruction process and will drive confidence that the City of Perth's duty to the public is upheld to the highest degree.

Community Safety

The SafeCity Strategy 2016-2020 guides the City's safety focus. The five focus areas for delivery are safe environments, surveillance and monitoring, homelessness, drugs and alcohol, and emergency management. A community safety survey was completed to learn more about community attitudes and concerns.

An extensive review of emergency management resulted in the development of the Emergency Management Plan 2017-21. This supports the coordination of emergency management activities and strong partnerships with emergency agencies and the community. General response and welfare plans were also developed. To support preparation and mitigation of emergency situations, risk planning of key hazards was undertaken.

The City of Perth worked with the Department of Communities to facilitate Emergency Welfare Centre training and conducted Emergency Management Awareness training for key officers. The City also developed and exercised critical incident control and crisis management team plans and is now better prepared for incidents impacting operations.

Throughout 2016/17, the City continued to engage with stakeholders and agencies to ensure community safety objectives were met and coordinated. Consultation is ongoing with the Metropolitan Redevelopment Authority (MRA) and developers about planning and design for safety in the new areas of the city, including Yagan Square, Elizabeth Quay and Perth City Link.

The City of Perth also developed operational strategies about CCTV and graffiti, and reviewed data and trends on alcohol impacts in Perth.



Surveillance Operations (Citywatch)

Citywatch continues to expand and this year has seen further growth in staff and resources. The City is committed to using the latest technology and the expertise of its staff to provide a safer city.

The third stage of the City's digital migration is now underway with all cameras in the system being upgraded from analogue to digital and operating platforms being upgraded to a more streamlined and flexible system.

When Yagan Square is completed, it is expected Citywatch will monitor the cameras and help points in the area. This will take the City's surveillance network to more than 400 CCTV cameras.

During 2015/16, a trial of licence plate recognition and mobile CCTV trailers was conducted. These trials have now been put into action, with three trailers already purchased and licence plate recognition being installed before the end of the calendar year.

Rangers and Security

City Rangers provide a highly visible, prompt and reliable service while carrying out patrols of public spaces.

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.

They are 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.

The City's Rangers have strong working relationships with other agencies, in particular the WA Police and Department of Fire and Emergency Services.

Toilets

The City of Perth aims to increase the number of public toilets in the city. New accessible public toilets have been installed in Terrace Road and facilities in the Supreme Court Gardens have been refurbished. In 2016/17, a Toilet Strategy was prepared to identify toilets available for public use and areas where additional facilities would be beneficial. In the coming financial year, the City has planned installations for the area around the Old Swan Brewery and in the vicinity of McIver Train Station.

Risk Management

In 2016/17, the City continued to implement the findings and recommendations of the 2015/16 Risk Management Maturity Assessment Report.

This included the endorsement of a new Risk Management Framework in early 2017, which is designed to support the City in recognising and managing risks strategically and operationally. During the same period, a Crisis and Business Continuity Management Framework was developed, which is now being implemented.



Disability Access and Inclusion Plan

The City of Perth's Disability Access and Inclusion Plan (DAIP) 2016-2020 was formally endorsed by Council on 9 August 2016. Extensive consultation was undertaken with internal and external stakeholders. Their feedback, views and aspirations were incorporated and are reflected throughout.

Since formal endorsement of the DAIP, the City has worked to improve access and inclusion by executing key actions as a part of the DAIP Implementation Plan. Throughout 2016/17, the City continued to improve access, information and awareness of the needs of people with disability and their families.

Some key successes since implementing the DAIP include:

- Reconvening the City's Access and Inclusion Advisory Group with 15 active members who either have disability, care for someone with disability or are passionate about universal access and inclusion.
- Aligning the City's visual identity guidelines with the Accessible Information Policy to ensure City publications are provided in the most accessible format possible.
- Reviewing the event sponsorship application process to ensure applicants provide additional information about proposed accessibility and inclusion initiatives at sponsored events.

- Progression of a large scale ACROD project involving an audit of all ACROD parking bays in the City of Perth including on-street parking and City of Perth Parking (CPP) car parks.
- Significant capital improvements to pedestrian ramps and crossings in West Perth.

The implementation of the DAIP is being monitored through the establishment and facilitation of an internal DAIP Working Group. The group meets regularly and reports back on any actions being undertaken in their area to ensure the City of Perth keeps access and inclusion at the forefront of its decision-making processes.

Record Keeping Statement

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

Record Keeping Plan

The City's Record Keeping Plan RKP2009049 was due for review in 2016/17. Taking into account the significant organisation-wide structural changes and the City of Perth's boundary changes in 2016, the new Record Keeping Plan was submitted for approval.

Information and Records Management Environment

In mid 2016, the City of Perth created a new Data and Information Unit encompassing information management, analysis and engagement, and information delivery teams. This has seen a clearer information and records management landscape introduced.

The unit aims to provide the business with easy-to-use, intuitive information and data management systems that deliver meaningful insights to support the City of Perth's operations.

Record Keeping Systems

In 2017, the City of Perth undertook a corporate systems review. This project evaluated a number of the City's core business systems.

The City also commenced plans to upgrade its core record keeping system (TRIM) to Content Manager and a number of digital workplace projects are underway.

In November 2016, the City's Record Keeping Policy was reviewed and published.

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 – 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 awareness by holding record keeping forums, broadcasting record keeping tips and providing content for the internal newsletter on good record keeping practices.

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

Sponsorships

Event Sponsorship and Partnership	\$
Hopman Cup	\$95,380
Channel Seven Christmas Pageant	\$150,000
Pride Festival	\$55,000
IGA Carols by Candlelight	\$60,000
Netball WA	\$85,000
Arcadia	\$50,000
Telstra Perth Fashion Festival	\$269,314
Perth Convention Bureau	\$280,652
Perth Chinese New Year Fair	\$70,000
Perth Heritage Days	\$100,000
City to Surf for Activ	\$20,000
Perth Upmarket	\$15,000
QUIT Targa West Tarmac Rally	\$47,500
Bonjour Perth	\$5,000
Color Run Perth	\$20,000
Perth Science Festival	\$25,000
Open House Perth	\$40,000
Swan Festival of Lights	\$25,000
City of Perth Miss West Coast Registration Day	\$15,000
Brookfield Winter Lights Festival	\$20,000
Festival Italia	\$4,750
International 14ft Skiff Championships	\$5,000
Perth Greek Glendi Festival	\$25,000
Perth 2016 World Masters Athletics Championship	\$15,000
HBF Run for a Reason	\$35,000
Perth Chinese New Year Fair	\$70,000
Buddha's Birthday and Multicultural Festival	\$39,000
City of Perth Festival of Sail	\$40,000
Perth International Jazz Festival	\$25,000
Mothers Day Classic	\$10,000
Young Butchers Picnic	\$20,000
Japan Festival	\$10,000
Perth Ramble	\$5,000
City of Perth Triathlon	\$5,000
State Tee-Ball Championships	\$5,000
Weet-Bix Kids TRYathlon	\$12,500
Festival Fromage	\$10,000
Sorry Day Commemorative Event	\$5,000
NAIDOC Week Opening Ceremony	\$8,714
WALGA Banners in the Terrace	\$3,812
TOTAL	\$1,801,622

Arts Grants and Sponsorship	\$
Opera in the Park	\$160,000
Perth International Arts Festival	\$360,000
WASO Symphony in the City	\$195,000
Fringe World	\$100,000
Awesome	\$100,000
Blue Room Theatre - Summer Nights	\$72,351
WA Ballet - Great Leaps Program	\$55,000
Co3 Community Access Program	\$30,250
Black Swan Prize for Portraiture	\$41,000
WAMFestival	\$40,000
PICA: Pip and Pop - When Happiness Ruled	\$30,000
Black Swan Theatre Company Open Day	\$30,000
Shakespeare 400	\$15,000
Paper Mountain	\$5,000
Mandorla Centre for Inner Peace	\$5,000
Feast of Bacchus	\$6,000
WA Youth Jazz Orchestra	\$3,000
Music Book Stories Inc. - Teacup	\$7,000
Uniting Church in the City - Stations of the Cross	\$10,000
Revelation Perth International Film Festival	\$20,000
Ausdance WA, CO3, Performing Lines - Moveme Festival	\$10,000
Strut Dance	\$12,500
RTRFM - In the Pines	\$5,000
The Last Great Hunt	\$15,000
Centre for Stories	\$6,000
As We Are Art Awards	\$8,250
Disrupted - Festival of Ideas	\$5,000
St George's Cathedral Foundation for the Arts	\$5,000
Perth Games Festival	\$10,000
Perth Symphony Orchestra	\$5,000
Australian Dance Week	\$9,500
Camera Story	\$9,000
Badlands Bar - City Limits Festival	\$9,000
Mahatma in Me	\$2,000
Etnia Latina Festival	\$2,000
WA Youth Theatre Company - Crave Production	\$8,000
Art Ball 2017	\$1,500
Barking Gecko	\$3,750
NAIDOC Opening Ceremony	\$30,000
TOTAL	\$1,441,101

Corporate Sponsorship	\$
TedX Perth Conference	\$24,000
West Tech Fest	\$20,000
Startup Weekend	\$5,500
Australian University Games	\$20,000
Unearthed Conferences	\$25,000
We Connect the Dots Hackathon	\$1,000
World Wide Web Conference	\$20,000
State of Mind: Knowledge Week	\$2,000
StudioStartup (Innovation Cluster)	\$25,000
40under40 Awards	\$20,000
Small Business Grants	\$2,000
Matched Funding Grants	\$83,000
AHA WA Awards	\$4,855
AHA Accommodation Industry Awards for Excellence	\$5,000
WA Tourism Conference	\$4,650
WA Tourism Awards	\$6,000
Western Australian Aboriginal Tourism Operators Council (WAITOC)	\$15,000
StudyPerth	\$198,000
St Andrews Student Exchange	\$5,000
Kastellorizo Exchange	\$5,000
FACET Calendar Year of Events	\$5,000
National Economic Development Conference	\$5,000
Australasian Oil and Gas Conference	\$50,000
United Nations Youth Conference	\$15,000
FilmCom DownUnder	\$15,000
W3Events Festival of the Web	\$20,000
Sparklab	\$70,000
Perth Angels	\$16,000
Economic Development Australia - Striking a Balance	\$1,500
Urban Development Institute of Australia - 2017 National Conference	\$5,000
CIT - What If Exhibition 2016	\$5,000
Australia Indonesia Business Council	\$6,500
Turner Galleries Taipei Exhibition	\$10,000
Australia-China Conference on Science, Technology and Innovation	\$5,000
Council of International Students Western Australia (CISWA) Student of the Year	\$1,500
Council for Economic Development Australia	\$4,500
TOTAL	\$726,005



Performance Indicators

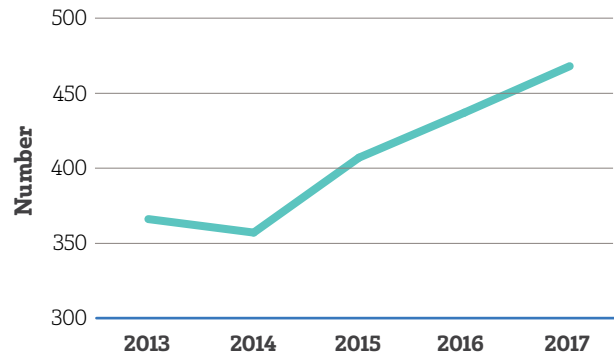
For 2016/17, the City of Perth's performance indicators are presented to reflect progress towards the outcomes listed in the Strategic Community Plan, Vision 2029+ and Four Year Strategic Plan.

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 and a spirit of innovation.
- Increased city vibrancy while maintaining a high ranking as a liveable city.

Number of Planning Applications Received

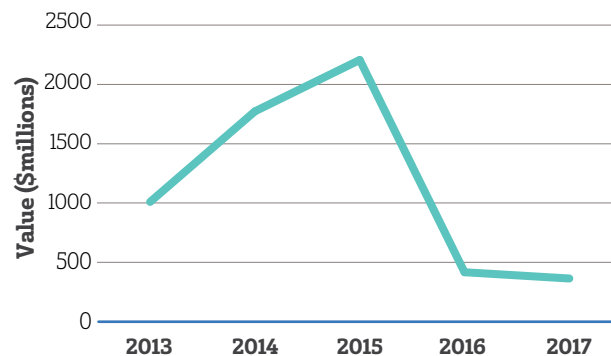
2016/17: 468



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 third year in a row. This also reflects the additional applications received from the Nedlands/Crawley areas that came under the City's Planning control from 1 July 2016 in accordance with the *City of Perth Act 2016*.

Value of Planning Applications Determined

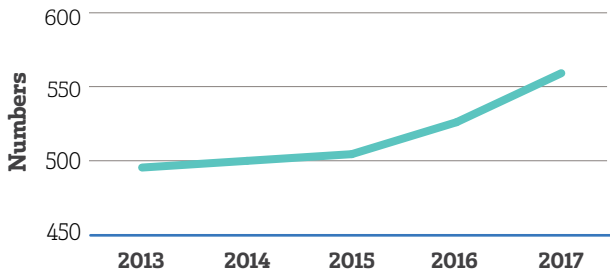
2016/17: 368.3 (\$ millions)



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

Number of Building Licences Issued

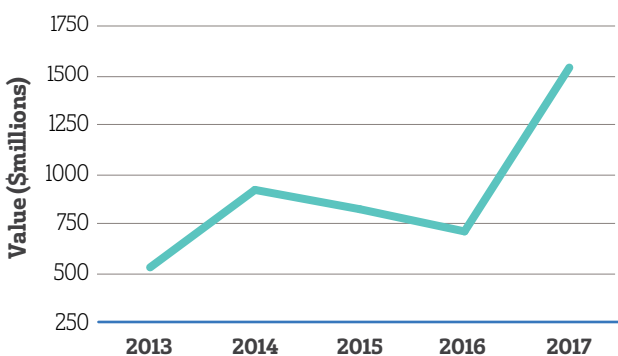
2016/17: 618



The number of building permits issued this year is elevated from previous years and continues the upwards trend seen over the past four years. It is boosted by office and retail fit outs and refurbishments.

Value of Building Licences Issued

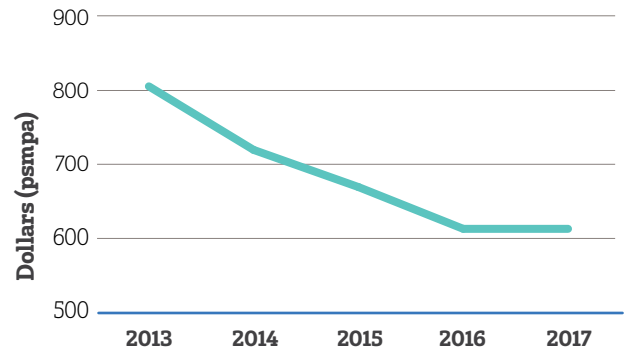
2016/17: 1,542 (\$ millions)



Following a downward trend in values for the past three years, 2016/17 saw the value of works for which building permits were issued more than double. This was elevated by a major office fit out for the new Woodside Tower, as well as new hotel and residential developments.

Average Office Rent

2016/17: \$612.5/sqm per annum

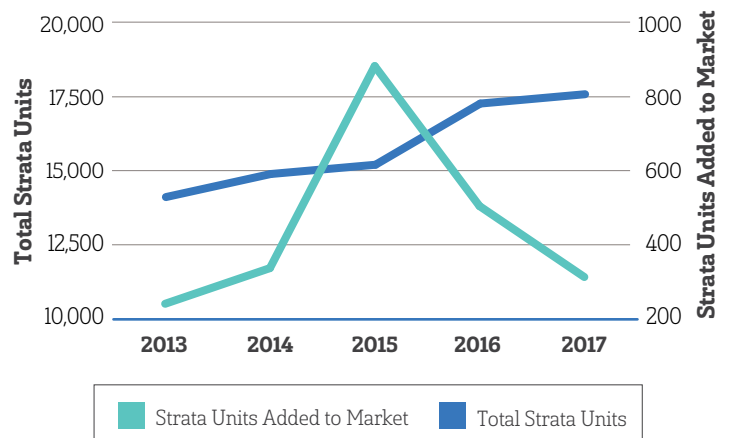


As at June 2017, net face rents in Perth typically ranged from \$600 to \$725 per square metre per annum for Premium grade, \$475 to \$650 per square metre per annum for A grade and \$250 to \$475 per square metre per annum for B grade. There has been no change in the year to June 2017.

Data Source: Savills Research, WA

Residential Strata Units

2016/17: 314



The number of approved residential strata lots within the city continued to grow, although there was a reduced rate of new dwellings entering the market as developments were completed. This is reflective of the softening market over the last few years.

Data Source: Landgate

Performance Indicators CONTINUED

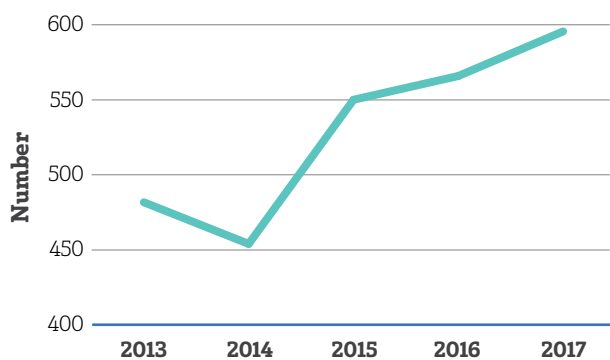


Community Outcomes

- 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

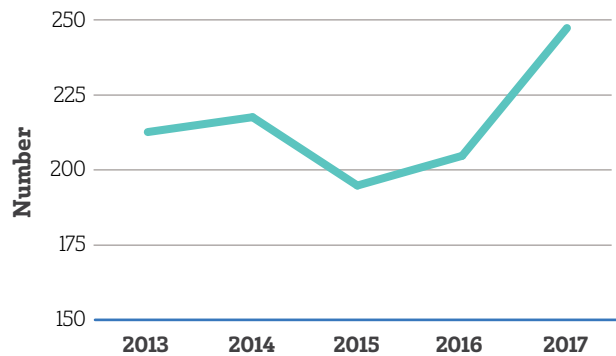
2016/17: 597



The City had a total of 597 customer requests (complaints) in 2016/17. The top three categories related to noise, food and health nuisance type complaints.

Events Approved

2016/17: 248

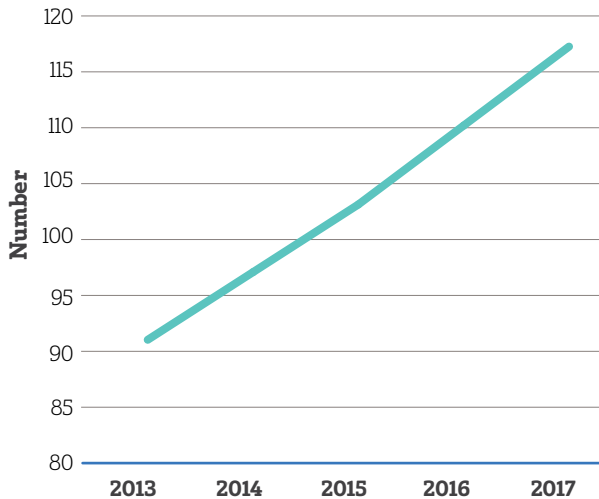


The activation of new public spaces has seen a variety of events being conducted in different areas of the city. This has resulted in a substantial increase in events.

Events play an important part in city activation and approvals are carefully managed to balance activation with potential impacts for residents, ratepayers and other stakeholders.

Events Sponsored by the City

2016/17: 117



The City of Perth continued its important sponsorship of events throughout the year, ensuring a lively and enjoyable city for the people of Perth. This year, 39 organisations/ independent artists were supported through the City’s arts and culture program. Approximately 1.5 million people attended the arts and cultural activities that were supported by this program.

Corporate Sponsorship

In 2016/17, the City supported various events and conferences that aligned with its strategic economic priorities. These included technology, knowledge exchange and innovation. The events elevated the profile of Perth as a destination for business and investment, continuing the development of a genuine 18-hour economy and capitalising on Perth’s geographic advantage of being Australia’s only Indian Ocean capital city. The City also continued to expand 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 2016/17, including six major partnership sponsorships. A range of new events were supported including the City of Perth Festival of Sail and a partnership with Netball WA to support the West Coast Fever. The City also boosted its support of the IGA Carols by Candlelight, enabling the event to be free for the public to attend for the first time.



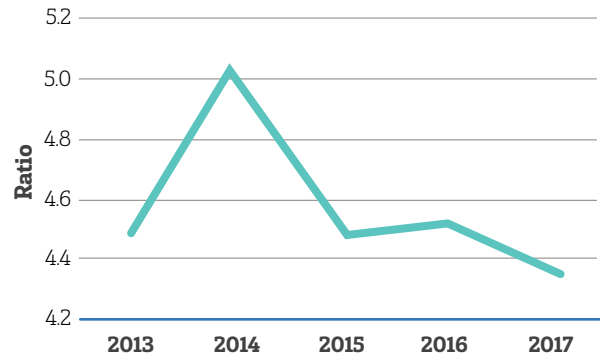
Performance Indicators CONTINUED

Capable and Responsive Organisation Outcomes

- A high standard of governance is maintained and is seen to be upheld 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

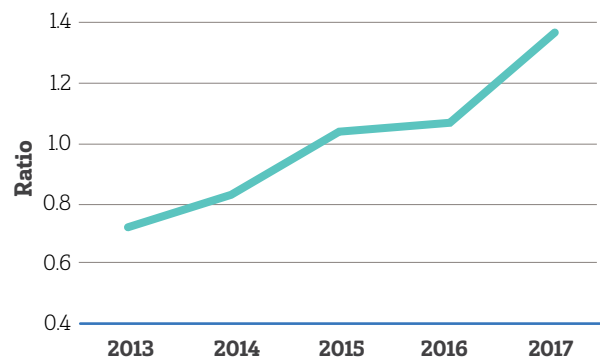
2016/17: 4.3 per cent



The Debt Service Ratio measures the City's ability to service debt (principal and interest) from available operating revenue. The lower the ratio, the greater the ability of the City of Perth to service the debt. The Debt Service Ratio has decreased marginally from 2015/16. There were increases in capital and decreases in interest repayments made in 2016/17 due to borrowings reducing and available operating income increasing by \$9.8 million during the year.

Current Ratio

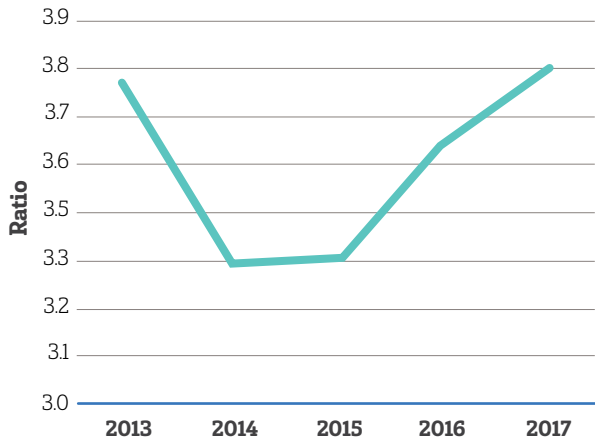
2016/17: 1.33



The current ratio is an indication of the City's 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 ratios is mainly due to a substantial increase of \$13.3 million in current assets, with a more modest increase in current liabilities of \$3.6 million during the year.

Liquidity Ratio

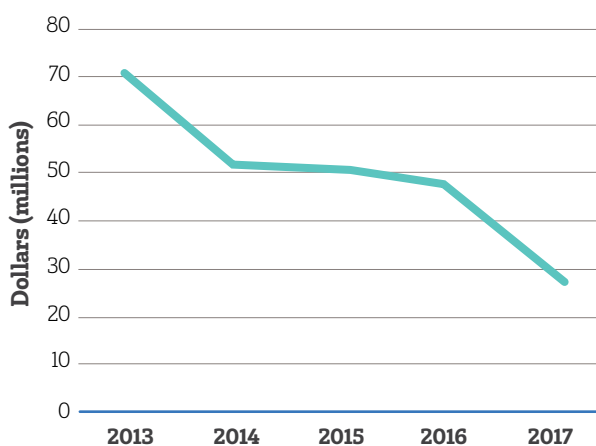
2016/17: 3.8



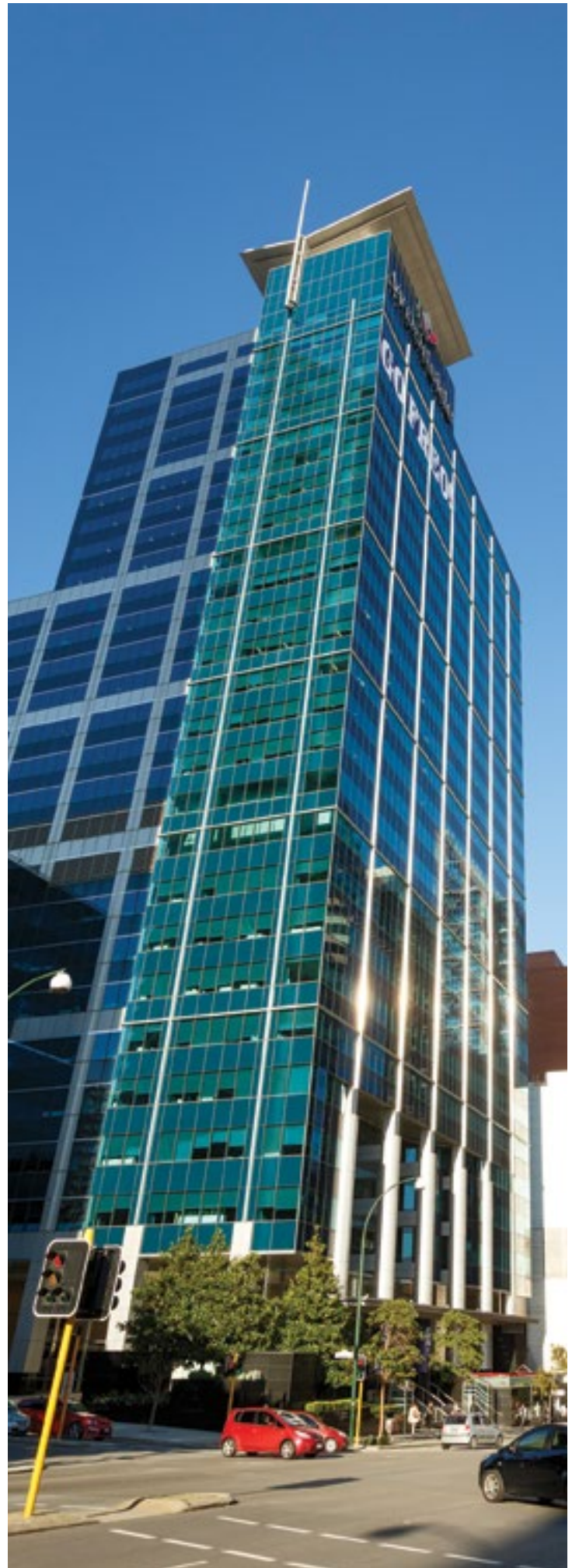
The liquidity ratio shows the City’s liquid assets in relationship to its liquid liabilities. There has been an increase in the liquidity ratio this financial year. This is mainly due to an increase in trade and other receivables of \$1.7 million and a decrease in trade and other payables of \$3.5 million.

Capital Expenditure

2016/17: \$27 million



Capital expenditure decreased by \$19.4m from 2015/16 expenditure of \$46.4 million. The main items of expenditure were \$3 million for the Wellington Street upgrade as part of the Perth City Link project stage 2B, \$2.7 million for the City’s plant replacement program and \$2.2 million down payment on the pedestrian walkways upgrade to Forrest Place.



Performance Indicators CONTINUED

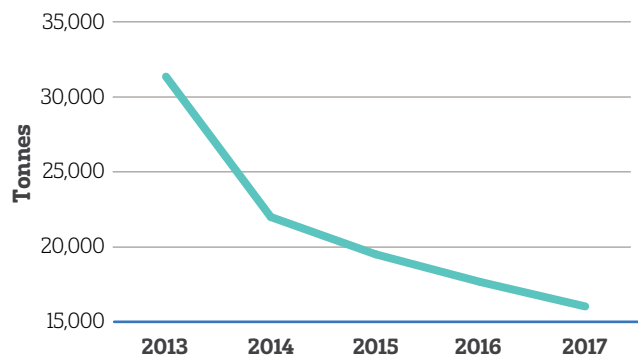


Environment Outcomes

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

Waste

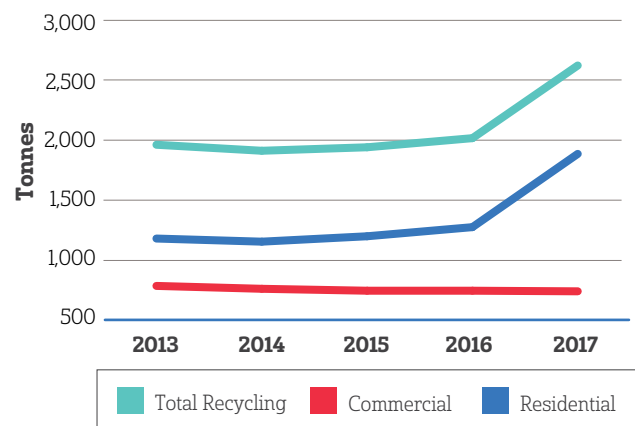
2016/17: 15,948 tonnes



The decrease in landfill over the last five years is due to a reduction of Council construction and maintenance projects. There was a loss of commercial work until 2016. This has since stabilised, but occupancy rates are still low. Therefore the quantity of waste generated is lower. In 2016/17, the reported figure shows municipal solid waste only.

Recycling

2016/17: 2,620 tonnes



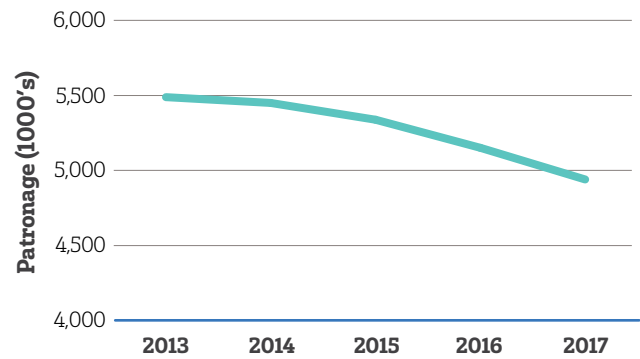
In 2016/17, there was an increase in the amount of recycling due to the introduction of 1,300 residential ratepayers from Crawley/Nedlands. A new three bin system to divert green waste from landfill was introduced, as was an organic waste stream for commercial businesses to divert food waste from landfill. This was introduced in June 2017.

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 the City’s 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

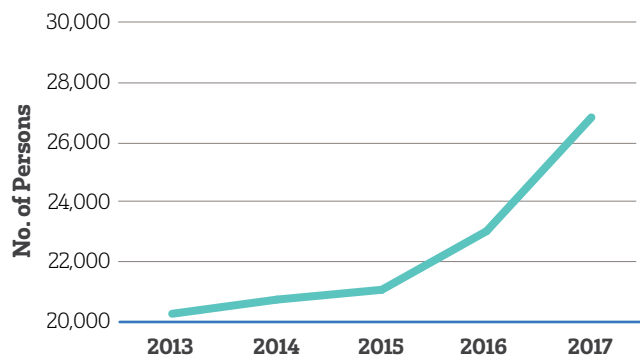
2016/17: 4.93 million



In 2016/17, on-street patronage was 3,553,310. This is an increase of 15,876 from the previous year (0.44%) and is due to an increased number of attendees at Elizabeth Quay. Off-street patronage was 4,932,388. This is a reduction of 209,393 from the previous year (-4.07%) and is due to a downturn in the economy, lower commercial occupancy, higher unemployment and low inflation.

City Population

2016/17: 24,975



As of June 2017, the estimated residential population of the city was 24,975. This is an increase of 1,910 residents, which includes the areas of Crawley and Nedlands that became part of the city as a result of the *City of Perth Act 2016*.



City of **Perth**

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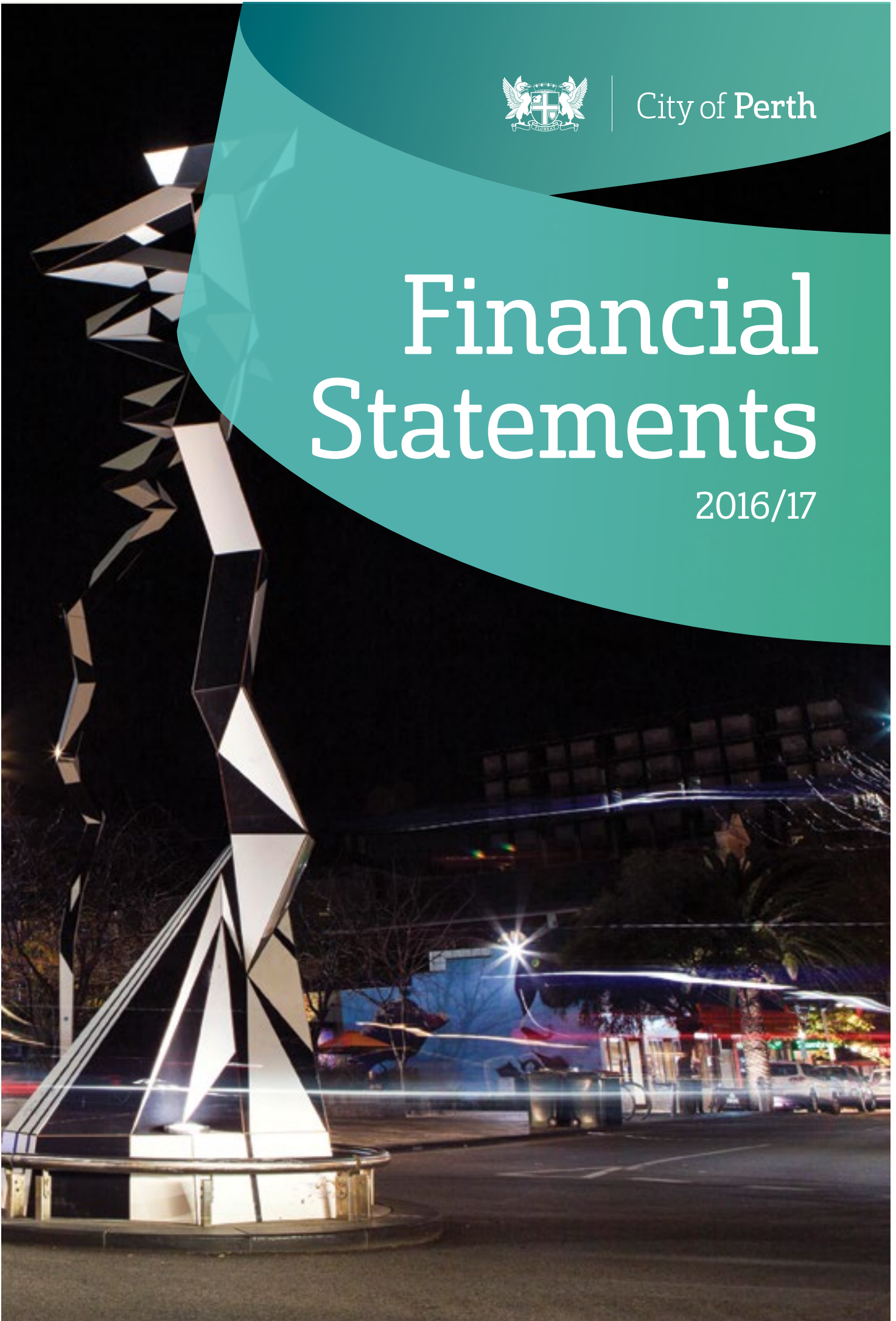
ABN 83 780 118 628



City of Perth

Financial Statements

2016/17





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Understanding the Financial Report

CITY OF PERTH

Understanding the Financial Report and General Purpose Financial Statements

The City's financial report and general purpose financial statements are prepared in accordance with the Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations.

The financial report and general purpose financial statements are audited by independent auditors and are accepted by Council at the annual Electors General Meeting.

Financial Statements

The financial statements consist of four financial reports, explanatory notes supporting the reports and endorsement from the Chief Executive Officer and the independent auditor.

The four financial reports are:

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows

The explanatory notes detail the City's accounting policies and the make-up of the values contained in the statements.

Statement of Comprehensive Income

The Statement of Comprehensive Income measures the City's performance over the year.

It lists the sources of the City's revenue under various income headings and the expenses incurred in running the City during the year. The expenses relate only to the 'operations' and do not include the cost associated with the purchase or the building of assets. Expenses do include an item for depreciation and amortisation which is the value of the assets used up during the year.

Statement of Financial Position

The Statement of Financial Position shows the assets the City owns and what it owes (liabilities) as at 30 June 2017.

The assets and liabilities are separated into 'current' and 'non-current'. Current refers to assets or liabilities that will fall due within the next 12 months (except for some portions of provisions for annual and long service leave and fixed plant replacement - refer note 14 within the Notes to the Accounts).

Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in value of total ratepayers equity.

The value of equity can only change as a result of:

- The profit or loss from operations described as surplus or deficit in the income statement
- The use of monies from the City's reserves
- A change in the value of non-current assets resulting from a revaluation of these assets

Statement of Cash Flows

The Statement of Cash Flows summarises the City's cash payments and receipts for the year and the level of cash at the end of the financial year.

Cash in this statement refers to bank deposits and investments capable of being quickly converted to cash.

The City's cash arises from, and is used in, two main areas:

- Cash flows from operating activities – summarises all income and expenses relating to City operations, including service delivery and maintenance

- Cash flows from Investing Activities - relates to capital works payments recorded as assets in the Statement of Financial Position as well as receipts for the sale of assets

Notes to the Statements

The Notes to the Statements are an informative section of the report and enable the reader to understand the basis on which the values shown in the statements are established.

The notes also advise if there has been any change to the Accounting Standards, Policy or Legislation that has impacted on the preparation of the statements.

Within the four Financial Statements, there is a 'Note' column to indicate which Note the reader can refer to for additional information. This is particularly useful where there has been a significant change from the previous year's comparative figure.

Statement by Chief Executive Officer

The Annual Financial Report and supporting notes require certification under the Local Government Act 1995. The certifications are made by the Chief Executive Officer on behalf of the City as a written undertaking to the Statements being correct and not misleading.

Independent Auditors Report

This document provides a written undertaking of the accuracy, fairness and completeness of the statements.

The audit report provides an independent view of the statements and advises the reader if there are any issues of concern.

Statement by the Chief Executive Officer

CITY OF PERTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

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 2017 are, in my opinion, properly drawn up to present fairly the financial position of the City of Perth at 30 June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed on the 24th day of NOVEMBER 2017



Martin Mileham
Chief Executive Officer

Independent Auditor's Report



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Independent Auditor's Report to the Rate Payers of City of Perth

Auditor's Opinion

We have audited the financial report of City of Perth, which comprises the statement of financial position as at 30 June 2017, 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, and comprising notes to the financial statements, including a summary of significant accounting policies and the Chief Executive Officer's statement.

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

- a presents fairly, in all material respects, the City of Perth's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended; and
- b complies with Australian Accounting Standards (including the Australian Accounting Interpretations),
- c are prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended) and Regulations under the Act.

Basis for Auditor's Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the City of Perth in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
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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.

Responsibility of the Chief Executive Officer for the Financial Report

The Chief Executive Officer of the City of Perth is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and 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.

The Council is responsible for overseeing the City of Perth's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_files/ar3.pdf.

This description forms part of our auditor's report.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Patrick Warr
Partner - Audit & Assurance

Perth, 24 November 2017

Financial Statements

CITY OF PERTH				
Statement of Comprehensive Income (Classification by Nature or Type)				
for the year ended 30 June 2017				
	Note	Budget 2016/17 \$	Year Ended 30/06/2017 \$	Year Ended 30/06/2016 \$
Revenues From Ordinary Activities				
Rates	3(b)	85,143,608	88,150,746	83,185,009
Grants and Contributions for Non-Capital Purposes		1,514,031	2,860,970	1,591,766
Donations and Reimbursements		585,576	667,896	633,923
Fees and Charges	8(c)	105,213,130	99,595,463	99,492,236
Investment Income	8(d)	4,672,819	5,218,660	4,721,559
Other Revenues		1,953,314	4,569,755	1,643,675
Gain from Disposal of Assets	11	202,802	40,704	74,738
Total Revenue from Ordinary Activities		199,285,280	201,104,194	191,342,906
Expenses From Ordinary Activities				
Employee Costs		(77,205,335)	(76,219,264)	(67,777,965)
Materials, Contracts and Suppliers		(53,092,963)	(46,187,804)	(46,858,159)
Utilities		(3,596,588)	(3,061,958)	(3,257,122)
Depreciation and Amortisation	8(b)	(33,144,020)	(34,855,597)	(31,545,687)
Interest		(1,562,208)	(1,780,695)	(1,684,433)
Insurance		(1,197,885)	(1,111,032)	(1,181,682)
Expense Provision		(998,010)	(1,254,694)	(1,224,237)
Other Expenses from Ordinary Activities	9(a)	(25,085,422)	(26,098,405)	(27,818,947)
Loss on Disposal/Write off of Assets	11	(1,640,250)	(6,841,764)	(1,644,028)
Total Expenses from Ordinary Activities		(197,522,681)	(197,411,213)	(182,992,260)
Operating Results from Continuing Operations		1,762,599	3,692,981	8,350,646
Grants and Contributions - Capital		5,768,315	2,145,078	5,443,092
Revaluation of Investment Properties	17(a)	-	(3,836,524)	(2,100,600)
Changes on Revaluation of Plant and Equipment	16	-	-	(1,265,679)
Initial Recognition of Assets – City of Subiaco	16	-	32,489,177	-
Contributed Assets		-	5,093,408	-
Disposal of Development Land at Tamala Park	27(c)	-	98,705	1,137,566
Impairment of Investments	27(b)	-	(94,163)	85,190
Distribution from TPRC		1,000,000	-	-
Profit on Disposal of Investments		-	-	(3,655)
		1,000,000	33,750,603	(2,147,178)
Net Result		8,530,914	39,588,662	11,646,560
Other Comprehensive Income				
Changes on Revaluation of Land and Buildings	16	-	53,843,718	-
Total Other Comprehensive income		-	53,843,718	-
Total Comprehensive Income		8,530,914	93,432,380	11,646,560

The Statement of Comprehensive Income Classification by Nature or type should be read in conjunction with the notes to and forming part of the Financial Statements set out on pages 15 to 83

CITY OF PERTH

**Statement of Comprehensive Income by Program
for the year ended 30 June 2017**

	Note	Budget 2016/17 \$	Year Ended 30/06/2017 \$	Year Ended 30/06/2016 \$
OPERATING REVENUE				
Governance		-	564	405
General Purpose Funding		91,113,063	95,340,620	88,799,780
Law, Order, Public Safety		23,178	99,684	28,850
Health		780,345	1,004,301	916,475
Education and Welfare		2,105,728	2,251,908	2,057,629
Housing		781,872	1,293,355	1,257,328
Community Amenities		10,789,799	11,196,828	10,158,745
Recreation and Culture		1,732,910	1,673,303	1,724,517
Transport		90,120,021	85,526,154	84,463,827
Economic Services		831,710	1,037,007	1,032,072
Other Property and Services		803,852	1,639,766	828,541
		<u>199,082,478</u>	<u>201,063,490</u>	<u>191,268,169</u>
OPERATING EXPENDITURE				
Governance		(10,394,320)	(10,479,736)	(11,587,805)
General Purpose Funding		(6,128,645)	(3,059,950)	(3,884,158)
Law, Order, Public Safety		(3,758,622)	(5,236,240)	(3,794,754)
Health		(4,603,806)	(2,947,931)	(2,684,543)
Education and Welfare		(3,688,491)	(3,906,339)	(3,594,175)
Housing		(554,156)	(645,863)	(634,180)
Community Amenities		(30,384,835)	(28,840,830)	(27,945,962)
Recreation and Culture		(35,350,738)	(34,589,341)	(30,622,629)
Transport		(85,682,324)	(80,914,348)	(80,542,289)
Economic Services		(10,316,035)	(12,336,751)	(9,285,326)
Other Property and Services		(5,020,459)	(7,612,119)	(6,772,412)
		<u>(195,882,431)</u>	<u>(190,569,448)</u>	<u>(181,348,233)</u>
Operating Results from Continuing Operations		<u>3,200,047</u>	<u>10,494,042</u>	<u>9,919,936</u>
GRANTS/CONTRIBUTIONS				
For the Development of Assets				
General Purpose Funding		-	96,780	75,600
Law, Order, Public Safety		240,150	40,000	-
Recreation and Culture		2,693,400	510,581	2,726,087
Transport		2,834,765	1,497,717	2,641,405
		<u>5,768,315</u>	<u>2,145,078</u>	<u>5,443,092</u>
Disposal/Write Off/Contribution of Assets				
Gain/(Loss) on Disposal of Assets	11	(1,437,448)	(6,801,061)	(1,569,290)
<i>Change in net assets resulting from operations before Significant Items</i>		<u>7,530,914</u>	<u>5,838,059</u>	<u>13,793,738</u>
				<i>(...continued)</i>

Financial Statements CONTINUED

CITY OF PERTH

Statement of Comprehensive Income by Program for the year ended 30 June 2017 (...continued)

	Note	Budget 2016/17 \$	Year Ended 30/06/2017 \$	Year Ended 30/06/2016 \$
Significant Items				
Revaluation of Investment Properties	17(a)	-	(3,836,524)	(2,100,600)
Changes on Revaluation of Plant and Equipment		-	-	(1,265,679)
Initial Recognition of Assets – City of Subiaco	16	-	32,489,177	-
Contributed Assets		-	5,093,408	-
Disposal of Development Land at Tamala Park	27(c)		98,705	1,137,566
Impairment of Investments	27(b)	-	(94,163)	85,190
Distribution from TPRC		1,000,000	-	-
Profit on Disposal of Investments		-	-	(3,655)
		1,000,000	33,750,603	(2,147,178)
Net Result		8,530,914	39,588,662	11,646,560
Other Comprehensive Income				
Changes on Revaluation of Land and Buildings	16	-	53,843,718	-
Total Other Comprehensive Income		-	53,843,718	-
Total Comprehensive Income		8,530,914	93,432,380	11,646,560

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 15 to 83

CITY OF PERTH

Statement of Financial Position as at 30 June 2017

	Note	30/06/2017	30/06/2016
		\$	\$
Current Assets			
Cash and Cash Equivalents	20	16,126,364	10,063,697
Investments	13,20	112,454,335	100,249,402
Trade and Other Receivables	12	12,435,267	11,460,259
Inventories	14	918,639	1,016,223
Total Current Assets		<u>141,934,605</u>	<u>122,789,581</u>
Non-Current Assets			
Investments	13	6,339,449	7,162,072
Trade and Other Receivables	12	46,356	32,434
Property, Plant and Equipment	16	1,264,266,147	1,193,313,849
Investment Property	17(a)	20,172,299	18,590,999
Total Non-Current Assets		<u>1,290,824,251</u>	<u>1,219,099,354</u>
Total Assets		<u>1,432,758,856</u>	<u>1,341,888,935</u>
Current Liabilities			
Trade and Other Payables	15(a)	21,463,928	16,363,985
Financial Liabilities	18,23	6,423,187	6,772,073
Employee Benefits	15(b)	9,917,287	11,051,588
Total Current Liabilities		<u>37,804,402</u>	<u>34,187,646</u>
Non-Current Liabilities			
Financial Liabilities	18,23	23,131,742	29,554,929
Employee Benefits	15(b)	1,616,251	1,762,097
Provisions	15(c)	4,649,307	4,259,487
Total Non-Current Liabilities		<u>29,397,300</u>	<u>35,576,513</u>
Total Liabilities		<u>67,201,702</u>	<u>69,764,159</u>
Net Assets		<u>1,365,557,154</u>	<u>1,272,124,776</u>
Equity			
Accumulated Surplus		659,485,259	623,860,831
Asset Revaluation Reserve	19	612,865,897	560,035,698
Other Reserves	19	93,205,998	88,228,247
Total Equity		<u>1,365,557,154</u>	<u>1,272,124,776</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 15 to 83

Financial Statements CONTINUED

CITY OF PERTH

Statement of Changes in Equity for the year ended 30 June 2017

	Note	Accumulated Surplus \$	Asset Revaluation Reserve \$	Cash Backed Reserves \$	Total Equity \$
Balance at 1 July 2015		612,108,629	560,795,095	87,574,492	1,260,478,216
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	19	623,860,830	560,035,698	88,288,247	1,272,124,776
Balance at 1 July 2016		623,860,830	560,035,698	88,228,247	1,272,124,775
Net Results		93,432,380	-	-	93,432,380
Other Comprehensive Income		-	-	-	-
Transfers to Cash Backed Reserves		(26,090,751)	-	26,090,751	-
Transfers to Asset Revaluation Reserves		(53,920,101)	53,920,101	-	-
Transfers from Asset Revaluation Reserves		1,089,903	(1,089,903)	-	-
Transfers from Cash Backed Reserves		21,113,001	-	(21,113,001)	-
Balance at 30 June 2017	19	659,485,262	612,865,896	93,205,998	1,365,557,155

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 15 to 83

CITY OF PERTH

Statement of Cash Flows for the year ended 30 June 2017

	Note	30/06/2017 \$	30/06/2016 \$
Cash Flows from Operating Activities			
Receipts			
Rates		87,987,047	83,127,320
Fees and Charges		101,007,968	97,523,691
Interest and Investment Income		5,049,812	4,785,187
Other		3,877,940	2,256,773
Total Receipts		197,922,767	187,692,971
Payments			
Employee Costs		(77,499,411)	(68,261,143)
Materials, Contracts and Suppliers		(43,927,451)	(49,122,720)
Interest and Financing Costs		(1,824,096)	(1,725,600)
Other		(31,136,269)	(33,092,168)
Total Payments		(154,387,227)	(152,201,631)
Net Cash Inflow from Operating Activities	21	43,535,540	35,491,340
Cash Flows from Investing Activities			
Receipts			
Proceeds from Disposal of Assets		1,145,765	1,054,963
Contributions from Other Parties		-	49,890
Proceeds from Disposal of Investments (Non-Current)		1,000,290	1,364,454
Total Receipts		2,146,055	2,469,307
Payments			
Purchase of Land and Buildings		(552,352)	(8,914,811)
Purchase of Infrastructure Assets		(2,188,991)	(11,853,722)
Purchase of Plant and Mobile Equipment		(4,863,411)	(3,291,055)
Purchase of Office Furniture and Equipment		(2,596,743)	(2,402,905)
Work in Progress		(15,054,890)	(13,743,191)
Purchase of Investments (Non-Current)		(23,721)	(22,337)
Total Payments		(25,280,108)	(40,228,021)
Net Cash Outflow from Investing Activities		(23,134,053)	(37,758,714)
Cash Flows from Financing Activities			
Payments			
Repayment of Borrowings		(6,772,073)	(6,441,709)
Total Payments		(6,772,073)	(6,441,709)
Net Cash Outflow from Financing Activities		(6,772,073)	(6,441,709)

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

Statement of Cash Flows for the year ended 30 June 2017 (...continued)

	30/06/2017	30/06/2016
Cash Flows from Government		
Receipts from Appropriations/Grants/Contributions	\$	\$
Recurrent	2,493,108	1,418,814
Capital	2,145,078	5,393,202
Total Receipts	<u>4,638,186</u>	<u>6,812,016</u>
Net Cash Outflow from Appropriations/Grants/Contributions	<u>4,638,186</u>	<u>6,812,016</u>
Net Increase/(Decrease) in Cash Held	18,267,600	(1,897,067)
Cash at 1 July 2016	110,313,099	112,210,166
Cash at 30 June 2017	20 <u>128,580,699</u>	<u>110,313,099</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 15 to 83

CITY OF PERTH

Rate Setting Statement for the year ended 30 June 2017

	Budget 2016/17	Actual 2016/17	Actual 2015/16
	\$	\$	\$
Proceeds from Operating Activities			
Operating Revenue			
<i>Nature of Income</i>			
Parking Fees	76,573,664	72,662,787	73,218,814
Fines and Costs	10,610,604	8,868,561	8,928,308
Investment Income and Interest	4,672,819	5,218,660	4,721,559
Community Service Fees	1,577,941	1,436,884	1,498,061
Rubbish Collection Fees	8,071,814	8,300,126	7,457,048
Rental and Hire Charges	5,251,214	5,039,988	5,127,908
Recurrent Grants and Contributions	1,514,031	2,860,970	1,591,766
Donations and Reimbursements	585,576	667,896	633,923
Other Income	5,081,207	7,856,874	4,905,772
Gain from Disposal of Assets	202,802	40,704	74,738
	114,141,672	112,953,450	108,157,897
Less: Operating Expenditure			
<i>Nature of Expenditure</i>			
Employee Costs	(77,205,335)	(76,219,264)	(67,777,965)
Materials and Contracts	(53,092,972)	(46,187,804)	(46,858,159)
Utilities	(3,596,588)	(3,061,958)	(3,257,122)
Depreciation and Amortisation	(33,144,020)	(34,855,597)	(31,545,687)
Interest Expenses	(1,562,208)	(1,780,695)	(1,684,433)
Insurance Expenditure	(1,197,885)	(1,111,032)	(1,181,682)
Expense Provisions	(998,010)	(1,254,692)	(1,224,237)
Other Expenditure	(25,085,414)	(26,098,405)	(27,818,947)
Loss on Disposal / Write-Off of Assets	(1,640,250)	(6,841,765)	(1,644,028)
	(197,522,682)	(197,411,212)	(182,992,260)
Non-Cash Adjustments			
Depreciation of Non-Current Assets	33,144,020	34,855,597	31,545,687
Loss on Disposal of Assets	1,437,448	6,801,061	1,569,290
Movement in Accounts Receivables and Accrued Income	-	(1,138,354)	(1,686,144)
Movement in Employee Entitlements	-	(1,280,147)	(483,178)
Movement in Accounts Payables and Accruals	-	1,180,536	(3,238,911)
Movement in PCEC Provision	-	389,820	389,820
Impairment of Investments	-	94,163	85,190
Non-Capitalised WIP Written-Off	-	1,671,437	4,620,525
	34,581,468	42,574,113	32,802,279
Net Surplus / (Deficit) from Operations	(48,799,542)	(41,883,649)	(42,032,084)
Investing Activities			
Capital Expenditure	(62,731,135)	(25,256,387)	(40,205,684)
Repayment of Borrowings	(6,111,896)	(6,772,073)	(6,441,709)
Purchase of Investment (Non-Current)	-	(23,721)	(22,337)
Transfers to Reserves	(27,749,201)	(26,090,751)	(24,631,265)
	(96,592,232)	(58,142,932)	(71,300,995)

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

Rate Setting Statement for the year ended 30 June 2017 (...continued)

	Budget 2016/17	Actual 2016/17	Actual 2015/16
	\$	\$	\$
Financing Activities			
Transfer from Reserves	34,323,351	21,113,001	23,977,510
Contributions from Other Parties	-	-	49,890
Proceeds from Disposal of Assets	1,280,000	1,145,765	1,054,963
Distribution from Tamala Park Regional Council	1,000,000	916,666	1,249,999
Proceeds on Sale of Investments (Non-current)	-	1,000,290	1,364,454
Capital Grants and Contributions	5,768,315	2,145,078	5,393,202
	42,371,666	26,320,800	33,090,018
Net Surplus / (Deficit) before Rates	(103,020,108)	(73,705,781)	(80,243,061)
Add: Opening Funds	24,907,540	21,140,731	18,198,783
Net Surplus / (Deficit) before Rates	(78,112,568)	(52,565,050)	(62,044,278)
Amount Sourced from Rates	85,143,609	88,150,746	83,185,009
Balance of Closing Funds	7,031,041	*35,585,696	21,140,731

*The balance of closing funds figure of \$35,585,696 at 30 June 2017 includes amounts set aside of \$16,867,173 as adjusted carried forward capital commitments for the 2017/18 budget year.

The calculation of the closing funds at 30 June 2017 differs from the estimated figure in the Rate Setting Statement adopted in the Annual Budget 2017/18. In accordance with Regulation 33A, reports detailing additional capital commitments carried forward are to be approved by Council.

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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 28.

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...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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
<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...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 20171. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)
(c) Depreciation and Amortisation (...continued)

Asset Categories	Life Expectancy Years	Residual Values
<i><u>Plant and Mobile Equipment</u></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><u>Office Furniture/Equipment</u></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.

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

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

(e) Employee Entitlements (...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 22.

(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...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. 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 2017, 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.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

(j) Revenue Recognition (...continued)

(iii) Sale of Assets

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

(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. (continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

(p) Land Under Roads (...continued)

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.

(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.
- Leasehold improvements are determined by a professionally qualified external Valuer using depreciated current replacement cost approach.
- Infrastructure is determined internally and externally 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. *(continued...)*

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

(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.

(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.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

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.

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 or 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 2017 was carried out by Landgate – Property and Valuation Services through Mr Stephen Fern, AAPI Certified Practising Valuer, Specialist Valuer. Changes to fair value are recorded in the Statement of Comprehensive Income. Investment properties are not depreciated. *(continued...)*

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

(y) Disclosures of Changes in Accounting Policy

(i) **New Accounting Standards and Interpretations for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods some of which are relevant to the City.

Management's assessment of the new and amended pronouncements that are relevant to the City, applicable to future reporting periods and which have not yet been adopted are set out as follows:

- **Title:** AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)

Issued / Compiled: December 2014 **Applicable:** 1 January 2018

Impact: Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the Standard will have any material effect.

- **Title:** AASB 15 Revenue from Contracts with Customers

Issued / Compiled: December 2014 **Applicable:** 1 January 2019

Impact: This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.

- **Title:** AASB 16 Leases

Issued / Compiled: February 2016 **Applicable:** 1 January 2019

Impact: Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

(y) Disclosures of Changes in Accounting Policy (...continued)

Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact could be significant but that is yet to be quantified.

- **Title:** AASB 1058 Income of Not-for Profit Entities (Incorporating AASB 2016-7 and AASB 2016-8)

Issued / Compiled: December 2016 **Applicable:** 1 January 2019

Impact: These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:

- Assets received below fair value;
- Transfers received to acquire or construct non-financial assets;
- Grants received;
- Prepaid rates;
- Leases entered into at below market rates; and
- Volunteer services.

Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the City's operations.

(ii) Adoption of New and Revised Accounting Standards

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is as follows:

- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- [AASB 10, 124 & 1049]
The objective of this Standard was to extend scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017*1...STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (...continued)**(z) 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.

(z1) Functional Currency

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

(z2) 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.

(z3) 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.

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 CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF OBJECTIVES

In order to discharge its responsibilities to the community, City of Perth Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's Community Vision, and for each of its broad activities/programs.

COMMUNITY VISION

The City's Corporate Business Plan identifies result areas that it must focus on to achieve its Vision.

To achieve this, the City provides a broad range of services and maintains and improves its infrastructure including roads, parks and public areas.

The City adopted the Integrated Planning and Reporting Framework and developed a set of operational and financial objectives in consultation with the community to establish its 'Vision 2029+ Strategic Community Plan'. A framework was established to meet these objectives and is contained in the City of Perth Corporate Business Plan and a series of strategic enabling documents for preparation and enhanced visibility of priority areas in its Corporate Business Plan.

The 2016/17 City of Perth budget was developed in consideration with the updated Corporate Business Plan (2016-2020) and associated Long Term Financial, Corporate Asset Management and Workforce Plans.

GOVERNANCE

Objective:

To provide a decision making process for the efficient allocation of limited resource.

Activities:

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

Objective:

To collect revenue to allow for the provision of services.

Activities:

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

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF OBJECTIVES (...continued)

*LAW, ORDER, PUBLIC SAFETY***Objective:**

To provide services to help ensure a safer and environmentally conscious community.

Activities:

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

*HEALTH***Objective:**

To provide an operational framework for environmental and community health.

Activities:

Preventive services including, food control, health inspections, pest control, other health.

*EDUCATION AND WELFARE***Objective:**

To provide services to disadvantaged persons, the elderly, children and youth.

Activities:

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

*HOUSING***Objective:**

To provide and maintain elderly or affordable housing to residents.

Activities:

Maintain and administer affordable housing.

*COMMUNITY AMENITIES***Objective:**

To provide services required by the community.

Activities:

Rubbish collections, recycling, refuse site operations, 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***Objective:**

To establish and efficiently manage infrastructure and resources to help the social wellbeing of the community.

Activities:

Public halls, civic centre, parks, sports grounds, community recreation programs, cycle ways, library, community arts program, Concert Hall, Perth Town Hall, donations to cultural institutions, parades and festivals, Christmas decorations, event and corporate sponsorship, Skyworks, state and precinct events.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. STATEMENT OF OBJECTIVES (...continued)

TRANSPORT

Objective:

To provide safe, effective and efficient transport services to the community.

Activities:

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

ECONOMIC SERVICES

Objective:

To help promote the Capital City of Perth and improve its economic wellbeing.

Activities:

Tourism and promotions, Perth Convention Bureau subsidies, building control, retail marketing, Christmas events and destination promotions.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control Council's overheads and operating accounts.

Activities:

Public works overheads, plant/vehicle operations, sundry property 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 2016/17 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.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 20173. RATING INFORMATION
(b) Differential General Rates (...continued)

The City has previously rationalised its rates differential categories with Hotel, Retail and Commercial ratepayer classes consolidated as the Commercial category. This followed a review of costs attributable to each class and took into account the triennial revaluation of gross rental values pertaining to each category conducted by Landgate Valuation Services in 2014.

None of the differential general rates was more than twice the lowest differential general rate, as proposed in the 2016/17 Annual Budget.

Differential General Rates details are as follows:

Total General Rates Revenue	Budget 2016/17	Actual 30 June 2017	Actual 30 June 2016
	\$	\$	\$
Commercial	20,754,099	21,324,568	20,664,159
Office	46,558,717	47,810,085	43,015,700
Residential	14,523,837	15,564,367	13,894,847
Vacant Land	1,316,233	1,203,357	1,234,450
Total	83,152,886	85,902,377	78,809,156

General Rates Information	No. of Properties	Rate in the dollar	Gross Rental Values
			\$
Commercial	1,951	5.08334	421,313,282
Office	2,210	2.95448	1,620,689,933
Residential	12,050	4.48135	350,007,554
Vacant Land	80	5.90855	20,366,400
Total	16,291		2,412,377,169

Total General Rates Revenue from	Budget 2016/17	Actual 30 June 2017	Actual 30 June 2016
	\$	\$	\$
General Rates	84,163,608	87,244,422	79,867,068
Interim Rates	1,100,000	936,438	3,387,797
Back rates	(120,000)	(30,113)	(69,856)
Total	85,143,608	88,150,746	83,185,009

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

(continued)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

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 5.08334 cents in the dollar of GRV was considered reasonable, given the general nature of this classification compared to other specifically identified sectors.

Office

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

The rate of 2.95448 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 4.48135 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 5.90855 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 slight increase in the number of vacant properties, being 82 in 2016/17 as compared to 81 in 2015/16.

(c) Minimum Rate

The City imposed one general minimum rate of \$695. 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.

(continued)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

Minimum rate details are as follows:

Minimum Rate Revenue	Budget	Actual	Actual
	2016/17	30 June 2017	30 June 2016
	\$	\$	\$
Commercial	349,625	357,925	411,000
Office	132,130	141,780	130,835
Residential	527,577	840,950	514,707
Vacant Land	1,390	1,390	1,370
Total	1,010,722	1,342,045	1,057,912

Minimum Rates Information	No. of Properties	Minimum	Gross Rental
		Payment	Values
		\$	\$
Commercial	515	695	5,476,653
Office	204	695	3,757,825
Residential	1210	695	16,038,106
Vacant Land	2	695	2,850
Total	1,931		25,275,434

(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	0.012672	\$71	\$375	\$71	\$213,000

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.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. RATING INFORMATION (...continued)

(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 19 August 2016.

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

First instalment	on 19 August 2016
Second instalment	on 18 October 2016

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

First instalment	on 19 August 2016
Second instalment	on 18 October 2016
Third instalment	on 19 December 2016
Fourth instalment	on 20 February 2017

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 \$46.00.

An administration fee of \$46.00 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 \$709,540 (30 June 2016 - \$645,062). The original budget estimate was \$630,178 (30 June 2016 - \$650,943).

(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 19 August 2016) were entered into a draw to win a prize as follows:

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 20173. *RATING INFORMATION (...continued)*
(g) Rates Early Payment Incentive Scheme (...continued)

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

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.

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

(h) Heritage Rate Concession Scheme

The Concession assists owners of Heritage Places to continue the active use of those places and facilitate their ongoing maintenance to ensure long term conservation. The annual concession on general rates only will be equivalent to 10% of the general rates for the Heritage Place, to a maximum of \$20,000 per annum with the minimum concession being equal to the minimum rate payment \$695 (\$685 for 2015/16).

In accordance with the updated Heritage Rate Concession Policy 9.2 (14 February 2017):

- The concession will apply until the 30 June 2022, and does not apply retrospectively to previous financial years, including applications previously approved under Policy 9.2 Heritage Rate Concession adopted by the Council on 26 June 2012;
- Be reduced by an amount equivalent to any other rate concessions for which the owner of the property is eligible (seniors and pensioners);
- Applicants must be the registered rate payer of the Heritage Place and submit a completed Application Form – Heritage Rate Concession prior to the issue of the current rate notice or no later than 60 days from the issue date of the current rate notice;
- The property must be included in the City Planning Scheme Heritage Register list, be a contributory place within a Heritage Area designated under the Deemed Provisions or on the Metropolitan Redevelopment Authority Heritage Inventory;
- Applicants must provide a pest inspection report and a current full building insurance certificate dated no later than a year from the application date and must sign the City's Property Maintenance Agreement;
- The owner must not be bound by a Heritage Agreement that commits the owner to the ongoing care and maintenance of the property and/or where a development based incentive has been granted by the Council;
- There owner must not have an overdue rate debt to the City on the property;
- For strata units in complexes where the heritage floor space comprises less than 50% of the total development floor space, economic justification must be provided to demonstrate the strata fees are unduly 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.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

3. RATING INFORMATION (...continued)
(h) Heritage Rate Concession Scheme (...continued)

Revenue foregone arising from Heritage Rate Relief Scheme was \$225,861 (30 June 2016: \$227,285). The original budget estimate was \$234,580 (30 June 2016: \$230,000).

(i) 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.

(j) 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 \$154,614 in 2016/17 (2015/16 - \$152,176) 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 \$159,619 (30 June 2016 - \$112,886). The original budget estimate was \$147,043 (30 June 2016 - \$85,822).

5. BAD DEBTS

The total amount of bad debts written off during the financial year was \$730,811 (30 June 2016 \$663,957) of which \$716,873 related to parking fines and costs deemed uncollectable for a number of years (30 June 2016- \$635,548). The original budget estimate was \$608,190 (30 June 2016 - \$572,525).

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**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 2016/17	Year Ended 30/06/2017	Year Ended 30/06/2016
	\$	\$	\$
Annual Attendance Fees	298,244	297,958	293,550
Local Government Allowance	170,053	169,886	167,375
Reimbursement of Expenses	120,240	48,993	68,440
	588,537	516,837	529,365

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

7. RELATED PARTIES TRANSACTIONS**(a) Key Management Personnel (KMP) Compensation Disclosure**

The total remuneration paid to KMP of the City during the year are as follows:

	2017 Actual
	\$
Short-Term Employee Benefits	1,646,772
Post-Employment Benefits	164,471
Other Long-Term Benefits	20,349
Termination Benefits	Nil
	1,831,592

Short-Term Employee Benefits

These amounts include all salary, paid leave, fringe benefits awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 6.

Post-Employment Benefits

These amounts are the current-year's estimated cost of providing for the City's superannuation contributions made during the year.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year.

Termination Benefits

These amounts represent termination benefits paid to KMP

(...continued)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

7. RELATED PARTIES TRANSACTIONS (...continued)

(b) The City's main related parties are as follows:

Tamala Park Regional Council

The City along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. The City contributes one twelfth of any funding required for capital or operating costs and is also entitled to one twelfth of revenue from the sale of lots of land.

The City's one twelfth interest in the Tamala Park Regional Council is accounted for in the financial statements using the equity accounting method and all transactions are accounted for on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following related party transactions occurred with the Tamala Park Regional Council for the financial year ending 30 June 2017:

	2017 Actual \$
Associated Companies/Individuals:	
Sale of Goods and Services	22,052
Purchase of Goods and Services	129,418
Joint Venture Entities:	
Distributions Received from Joint Venture Entities	916,666
Reimbursements Received from Joint Venture Entities	23,174
Amounts Outstanding from Related Parties:	
Trade and Other Receivables	-
Loans to Associated Entities	-
Loans to Key Management Personnel	-
Amounts Payable to Related Parties:	
Trade and Other Payables	5,737
Loans from Associated Entities	-

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

7. RELATED PARTIES TRANSACTIONS (...continued)

Mindarie Regional Council

The City along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Mindarie Regional Council.

The City's one twelfth interest in the Mindarie Regional Council is accounted for in the financial statements using the cost accounting method and all transactions are accounted for on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following related party transactions occurred with the Mindarie Regional Council for the financial year ending 30 June 2017:

	2017
	Actual
	\$
Associated Companies/Individuals:	
Sale of Goods and Services	71,289
Purchase of Goods and Services	2,538,933
Joint Venture Entities:	
Distributions Received from Joint Venture Entities	-
Amounts Outstanding from Related Parties:	
Trade and Other Receivables	10,799
Loans to Associated Entities	-
Loans to Key Management Personnel	-
Amounts Payable to Related Parties:	
Trade and Other Payables	211,546
Loans from Associated Entities	-

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

8. STATUTORY INFORMATION

(a) Assets Classified by Program

	30/06/2017	30/06/2016
	\$	\$
Governance	135,360,816	119,179,397
General Purpose Funding	1,659,462	902,932
Law, Order, Public Safety	3,244,576	2,471,875
Health	182,780	250,692
Education and Welfare	5,236,875	3,128,913
Housing	557,147	430,821
Community Amenities	72,849,159	62,996,422
Recreation and Culture	250,147,183	254,711,668
Transport	916,859,531	858,531,667
Economic Services	4,394,262	4,815,979
Other Property and Services	42,267,065	34,468,569
	1,432,758,856	1,341,888,935

(b) Depreciation and Amortisation

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

	Budget 2016/17	Year Ended 30/06/2017	Year Ended 30/06/2016
	\$	\$	\$
Depreciation and Amortisation by Classification			
Leasehold Land	564,933	564,933	564,933
Buildings	8,418,673	8,044,200	8,045,699
Improvements	497,606	2,287,081	1,025,291
Infrastructure Assets	16,634,153	16,126,257	14,659,444
Plant and Mobile Equipment	4,908,640	4,529,472	4,599,154
Office Furniture and Equipment	2,120,015	3,303,654	2,651,166
	33,144,020	34,855,597	31,545,687
	Budget 2016/17	Year Ended 30/06/2017	Year Ended 30/06/2016
	\$	\$	\$
Depreciation and Amortisation by Program			
Governance	3,500	3,305	7,171
Law, Order, Public Safety	84,934	218,730	83,218
Health	5,256	8,026	6,160
Education and Welfare	152,201	250,264	168,142
Housing	375,316	366,243	375,316
Community Amenities	3,149,698	2,157,722	2,270,698
Recreation and Culture	5,586,324	7,374,144	5,877,111
Transport	19,630,726	19,761,388	18,394,101
Economic Services	-	-	144
Other Property and Services	4,156,065	4,715,775	4,363,626
	33,144,020	34,855,597	31,545,687

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

8. STATUTORY INFORMATION (...continued)

(c) Fees and Charges

	Budget	Year Ended	Year Ended
Fees and Charges by Program	2016/17	30/06/2017	30/06/2016
	\$	\$	\$
General Purpose Funding	381,470	425,471	375,257
Law, Order, Public Safety	22,600	52,987	28,743
Health	754,692	925,330	843,717
Education and Welfare	1,567,020	1,428,452	1,489,463
Housing	781,872	651,394	788,744
Community Amenities	10,637,367	10,659,627	10,026,961
Recreation and Culture	625,353	628,728	623,118
Transport	89,177,114	83,371,066	83,859,298
Economic Services	803,210	996,839	997,984
Other Property and Services	462,432	455,569	458,951
	105,213,130	99,595,463	99,492,236

(d) Interest and Investment Income

	Budget	Year Ended	Year Ended
Reserves	2016/17	30/06/2017	30/06/2016
	\$	\$	\$
Refuse Disposal and Treatment	81,625	105,441	95,150
Concert Hall Refurbishment and Maintenance	226,540	164,700	146,592
Asset Enhancement	935,616	895,531	737,134
Street Furniture Replacement	11,141	15,433	16,660
Art Acquisition	9,295	12,955	9,336
Heritage Incentive	17,757	21,639	21,360
Parking Facilities Development	656,660	808,864	720,224
David Jones Bridge	8,265	10,250	8,555
Bonus Plot Ratio Contribution	17,692	21,558	18,377
Employee Entitlements	55,795	62,916	54,852
PCEC Car Park-Fixed Plant Replacement	122,752	152,697	123,829
Parking Levy	193,370	63,986	17,338
Enterprise and Initiative Reserve	129,942	147,378	98,553
Public Art Reserve	5,764	7,424	210
	2,472,213	2,490,772	2,068,170
General Purpose Funds	2,200,606	2,727,888	2,653,389
	4,672,819	5,218,660	4,721,559

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

9. (a) Other Expenses from Ordinary Activities

	Budget 2016/17	Year Ended 30/06/2017	Year Ended 30/06/2016
	\$	\$	\$
Emergency Services Levy	525,341	513,468	500,248
Donations and Sponsorships	5,148,548	4,695,146	4,459,749
Parking Bays Licence Fees	17,411,930	17,362,704	16,778,171
Non Capitalised Work in Progress	-	1,671,437	4,620,525
Other	1,999,603	1,855,650	1,460,254
	25,085,422	26,098,405	27,818,947

(b) Auditors Remuneration

	Year Ended 30/06/2017	Year Ended 30/06/2016
	\$	\$
Statutory Audit	47,000	47,000
Other Services	Nil	Nil
	47,000	47,000

10. 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 30/06/2017	Year Ended 30/06/2016
	\$	\$
Grants/Contributions for Capital Works	463,279	270,512
Grants/Contributions for Other Purposes	505,259	Nil
	968,538	270,512

- (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 30/06/2017	Year Ended 30/06/2016
	\$	\$
Grants/Contributions for Capital Works	270,512	113,889
Grants/Contributions for Other Purposes	Nil	8,361
	270,512	122,250

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**11. GAIN / (LOSS) ON DISPOSAL/WRITE OFF/CONTRIBUTION OF ASSETS****(a) Gain/(Loss) on Disposal/Write Off/Contribution of Assets by Type**

	Budget 2016/17	Year Ended 30/06/2017	Year Ended 30/06/2016
	\$	\$	\$
Land and Buildings			
Proceeds on Disposal	-	-	-
Less: Carrying amount of assets sold/written off	-	(107,758)	(33,244)
Gain(Loss) on Disposal /Write off	-	(107,758)	(33,244)
Gain on Disposal	-	-	-
(Loss) on Disposal/Write off	-	(107,758)	(33,244)
Gain(Loss) on Disposal /Write off	-	(107,758)	(33,244)
Infrastructure			
Proceeds on Disposal	-	-	-
Less: Carrying amount of assets sold/written off	(1,640,250)	(6,667,618)	(1,493,417)
(Loss) on Disposal /Write off	(1,640,250)	(6,667,618)	(1,493,417)
Plant and Equipment			
Proceeds on Disposal	1,280,000	1,145,765	1,047,304
Less: Carrying amount of assets sold/written off	(1,077,198)	(1,168,834)	(1,062,948)
Gain(Loss) on Disposal /Write off	202,802	(23,069)	(15,644)
Gain on Disposal	239,579	40,704	67,079
(Loss) on Disposal/Write off	(36,777)	(63,773)	(82,723)
Gain(Loss) on Disposal /Write off	202,802	(23,069)	(15,644)
Office Furniture and Equipment			
Proceeds on Disposal	-	-	7,659
Less: Carrying amount of assets sold/written off	-	(2,616)	(34,644)
(Loss) on Disposal /Write off	-	(2,616)	(26,985)
Gain on Disposal	-	-	7,659
(Loss) on Disposal/Write off	-	(2,616)	(34,644)
(Loss) on Disposal /Write off	-	(2,616)	(26,985)
(Loss) on Disposal /Write off	(1,437,448)	(6,801,061)	(1,569,290)
Gain on Disposal	202,802	40,704	74,738
(Loss) on Disposal/Write Off	(1,640,250)	(6,841,765)	(1,644,028)
(Loss) on Disposal /Write Off /Contribution of Assets	(1,437,448)	(6,801,061)	(1,569,290)

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

11. 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	-	-	-	-
Law, Order Public Safety	-	16,351	14,000	2,351
Health	-	50,611	53,408	(2,797)
Education and Welfare	-	25,215	22,000	3,215
Community Amenities	61,972	253,449	434,674	(181,225)
Recreation and Culture	58,945	117,744	4,656,646	(4,538,902)
Transport	(1,578,104)	457,632	2,536,761	(2,079,129)
Economic Services	12,150	54,682	55,387	(705)
Other Property and Services	7,589	170,081	173,950	(3,869)
	<u>(1,437,448)</u>	<u>1,145,765</u>	<u>7,946,826</u>	<u>(6,801,061)</u>

12. TRADE AND OTHER RECEIVABLES

Current	30/06/2017	30/06/2016
	\$	\$
Rates	281,242	174,129
Bins Levy	42,671	16,686
Emergency Services Levy (ESL)	79,576	36,912
Accrued Interest and Investment Income	705,517	536,669
Accrued Income	3,173,250	1,445,677
Modified Penalties/Fines and Costs	7,859,984	7,468,902
Deposits and Prepayments	1,835,306	1,246,983
Other	2,128,508	3,958,081
	<u>16,106,054</u>	<u>14,884,039</u>
Less: Provisions for Doubtful Debts	<u>(3,670,787)</u>	<u>(3,423,780)</u>
	<u>12,435,267</u>	<u>11,460,259</u>
Non Current		
Pensioners' Rates Deferred #	46,356	32,434
	<u>46,356</u>	<u>32,434</u>

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...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

12. 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 \$864,872 (2016: \$834,416) 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	30/06/2017	30/06/2016
	\$	\$
Balance 1 July 2016	3,423,780	3,054,194
Amounts written off (uncollectable)	(732,433)	(663,957)
Impairment loss	864,872	834,416
Amounts recovered	114,567	199,127
Balance at 30 June 2017	3,670,786	3,423,780

13. 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.

	30/06/2017	30/06/2016
Current	\$	\$
Call Funds *	6,237,197	12,111,382
Bank Term Deposits *	101,500,000	84,000,000
Balanced Funds *	4,717,138	4,138,020
	112,454,335	100,249,402
Non-Current		
Structured Investments		
Mortgage Backed Securities (MBS)	2,589,685	2,743,759
	2,589,685	2,743,759

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

13. INVESTMENTS (...continued)

	30/06/2017	30/06/2016
Equity in Local Government House #	10,000	10,000
Equity in Mindarie Regional Council ‡	444,132	420,412
Equity Tamala Park Regional Council ≥	3,295,632	3,987,901
	6,339,449	7,162,072
Total Investments	118,793,784	107,411,474

* Short Term Cash Investments as stated in Note 20.

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 70 lots of land at the Tamala Park project marketed as 'Catalina' (stages 11, 12, 13B, 14, 14B, 15, 17, 18A and Elsbury).

The change of \$692,269 (30 June 2016: \$52,068) 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 70 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	30/06/2017	30/06/2016
	\$	\$
Cash Backed Reserves (Note 19)	93,205,997	88,228,257
Unspent Grants/Contributions	968,538	270,512
	94,174,535	88,498,769
Unrestricted	24,619,249	18,912,705
	118,793,784	107,411,474

*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.

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**14. INVENTORIES**

	30/06/2017	30/06/2016
	\$	\$
Stores, Raw Materials, Fuel and Sundry Stock Items	367,467	421,701
Parking Equipment, Spare Parts, Signs and Tickets	409,714	413,317
Work in Progress	141,458	181,205
	918,639	1,016,223

15. TRADE AND OTHER PAYABLES, EMPLOYEE BENEFITS AND PROVISIONS**(a) Trade and Other Payables**

Current	30/06/2017	30/06/2016
	\$	\$
Trade Creditors	11,749,668	10,591,073
Income Raised/Received in Advance	806,935	1,048,665
Accrued Interest	156,447	199,848
Accrued Expenses	6,414,639	2,303,943
Other	2,336,239	2,220,456
	21,463,928	16,363,985

(b) Employee Benefits

Current		
	\$	\$
Leave Entitlements		
Annual Leave	4,287,802	4,454,492
Long Service Leave	5,350,808	6,222,059
Self-Funded Leave	155,276	238,785
Recognition of Employees - Presentation	123,401	136,252
	9,917,287	11,051,588
Non-current		
Leave Entitlements	\$	\$
Annual Leave	383,359	629,989
Long Service Leave	1,232,892	1,132,108
	1,616,251	1,762,097

(c) Provisions

	\$	\$
Non-Current		
Provision for Fixed Plant Replacement PCEC Car Park	4,649,307	4,259,487
	4,649,307	4,259,487

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

(d) Recognition of Movements

	30/06/2017	30/06/2016
Annual Leave	\$	\$
Balance as at 1 July 2016	5,084,481	5,633,350
Additional Provisions	4,836,760	4,515,244
Amounts Utilised	(5,250,080)	(5,064,113)
Balance as at 30 June 2017	4,671,161	5,084,481
Long Service Leave		
Balance as at 1 July 2016	7,354,167	7,242,984
Additional provisions	814,412	1,227,065
Amounts Utilised	(1,584,879)	(1,115,882)
Balance as at 30 June 2017	6,583,700	7,354,167
Self-funded Leave		
Balance as at 1 July 2016	238,785	270,891
Additional Provisions	166,891	223,910
Amounts Utilised	(250,400)	(256,016)
Balance as at 30 June 2017	155,276	238,785
Recognition of Employees - Presentation		
Balance as at 1 July 2016	136,252	149,638
Additional provisions	7,909	13,728
Amounts Utilised	(20,760)	(27,114)
Balance as at 30 June 2017	123,401	136,252
Provision for Fixed Plant Replacement PCEC Car Park		
Balance as at 1 July 2016	4,259,487	3,869,667
Additional provisions	389,820	389,820
Amounts Utilised	-	-
Balance as at 30 June 2017	4,649,307	4,259,487

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

16. PROPERTY, PLANT AND EQUIPMENT

Acquisition of assets in 2016/17 are capitalised in accordance with the Australian Accounting Standards. Assets are to be depreciated in accordance with the method detailed in Note 1(c).

	30/06/2017	30/06/2016
	\$	\$
Land - at fair value	313,200,533	302,780,018
Air Rights - at cost	2,049,920	2,049,920
Land held for Redevelopment- at fair value	11,909,561	12,058,966
Heritage Land - at fair value	15,750,000	850,000
Leasehold Land - at cost/fair value	65,661,377	53,193,773
Less: Accumulated Depreciation	(7,561,377)	(3,135,072)
	58,100,000	50,058,701
Buildings - at fair value	264,954,805	266,412,536
Less: Accumulated Depreciation	(111,436,983)	(108,525,225)
	153,517,822	157,887,311
Leasehold Buildings - at cost/fair value	12,099,696	8,515,000
Less: Accumulated Depreciation	(947,200)	(581,010)
	11,152,496	7,933,990
Heritage Buildings - at fair value	121,127,499	88,955,207
Less: Accumulated Depreciation	(60,564,501)	(39,305,948)
	60,562,998	49,649,259
Leasehold Improvements - at cost/fair value	45,619,000	52,659,660
Less: Accumulated Depreciation	(773,529)	(5,565,355)
	44,845,471	47,094,305
Infrastructure Assets - at cost/fair value	823,353,969	755,794,939
Less: Accumulated Depreciation	(305,916,827)	(270,615,444)
	517,437,142	485,179,495
Plant and Mobile Equipment - at cost/fair value	50,009,822	47,541,666
Less: Accumulated Depreciation	(31,873,703)	(29,432,643)
	18,136,119	18,109,023
Office Furniture and Equipment - at cost/fair value	46,358,543	41,871,404
Less: Accumulated Depreciation	(18,360,647)	(15,155,180)
	27,997,896	26,716,224

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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

	30/06/2017	30/06/2016
	\$	\$
Agricultural - at cost	795,271	795,271
Work in Progress- at cost	28,810,918	32,151,366
Total Property, Plant and Equipment	1,264,266,147	1,193,313,849

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

Cost/Fair Value Movement – Property, Plant and Equipment

	Cost/Fair Value 30/06/2016	Additions 30/06/2017	Contributed Assets		Disposals 30/06/2017	Transfers 30/06/2017	Reclassification 30/06/2017	Revaluation 30/06/2017	Cost/Fair Value 30/06/2017
			City of Subiaco 30/06/2017	Other Contributed Assets 30/06/2017					
Land	\$ 302,780,018	4	-	-	-	-	\$ 11,870,511	\$ 313,200,533	
Air Rights	2,049,920	-	-	-	-	-	-	2,049,920	
Land held for Redevelopment	12,058,966	1,412,983	-	-	(1,415,274)	-	(147,114)	11,909,561	
Heritage Land	850,000	-	-	-	-	-	14,900,000	15,750,000	
Leasehold Land	53,193,773	-	-	-	-	-	12,467,604	65,661,377	
Buildings	266,412,536	521,311	154,008	381,019	(483,985)	1,866,247	1,990,311	264,954,805	
Leasehold Buildings	8,515,000	-	-	-	-	-	3,584,696	12,099,696	
Heritage Buildings	88,955,207	-	-	41,000	-	414,116	27,982,272	121,127,499	
Leasehold Improvements	52,659,660	31,041	-	-	(216,382)	-	1,026,904	45,619,000	
Infrastructure Assets	755,794,939	2,188,991	51,312,698	4,284,260	(11,706,478)	12,464,512	9,015,047	823,353,969	
Plant and Mobile Equipment	47,541,666	4,863,411	160,000	423,145	(3,876,881)	366,140	532,341	50,009,822	
Office Furniture and Equipment	41,871,404	2,596,743	-	-	(100,803)	1,991,199	-	46,358,543	
Agricultural	795,271	-	-	-	-	-	-	795,271	
Work in Progress	32,151,366	15,433,202	-	-	-	(18,773,651)	-	28,810,918	
	1,665,629,726	27,047,686	51,626,706	5,129,424	(17,799,803)	*(1,671,437)	73,675,184	1,801,700,914	

*Non Capitalised Work in Progress Expensed

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

Accumulated Depreciation Movements – Property, Plant and Equipment

	Accumulated Depreciation 30/06/2016	Depreciation 30/06/2017	Contributed Assets City of Subiaco 30/06/2017	Other Contributed Assets 30/06/2017	Discovered Assets 30/06/2017	Accumulated Depreciation on Disposals 30/06/2017	Transfers 30/06/2017	Reclassification 30/06/2017	Revaluation 30/06/2017	Accumulated Depreciation 30/06/2017
Land	\$ 3,135,072	564,933	-	-	-	-	-	-	3,861,372	7,561,377
Buildings	108,525,225	4,579,995	110,418	10,016	-	(397,953)	-	(1,113,640)	(277,078)	111,436,983
Buildings	581,010	86,002	-	-	-	-	-	-	280,188	947,200
Buildings	39,305,948	3,378,203	-	26,000	-	-	-	-	17,854,350	60,564,501
Improvements	5,565,355	2,287,081	-	-	-	(194,658)	-	(5,144,001)	(1,740,248)	773,529
Structure Assets	270,615,444	16,126,257	18,926,547	-	-	(5,038,858)	-	5,287,437	-	305,916,827
and Mobile Equipment	29,432,643	4,529,472	100,560	-	-	(2,708,045)	-	519,073	-	31,873,703
Furniture and Equipment	15,155,180	3,303,654	-	-	-	(98,187)	-	-	-	18,360,647
	472,315,877	34,855,597	19,137,525	36,016	-	(8,437,701)	-	(451,131)	19,978,584	537,434,767

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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

Assets Reclassification

All of the City's open air car parks classified as ground improvements with a written down value of \$2,932,009, were reclassified as infrastructure assets during the reporting period. In addition, some minor building assets with a written down value of \$795,599 were also reclassified as infrastructure assets during the corresponding period.

These reclassifications better reflect the nature and use of the assets concerned.

Initial Recognition of Assets - City of Subiaco

Assets transferred to the City from the City of Subiaco on 1 July 2016 as a result of the City of Perth Act and brought to account during the reporting period were:

	Fair Value
	\$
Building	43,590
Infrastructure	32,386,147
Plant and Equipment	59,440
	32,489,177

The City completed the appropriate due diligence on the assets handed over. This encompassed confirming the assets existence, identifying those assets not previously recorded and establishing their existing condition. All of the assets outlined above were brought to account at their deemed fair value. The City's Asset Management Unit established in house the fair value of the infrastructure and plant and equipment assets and Todd Svanberg AAPI Registered Valuer, JLL, determined the fair value of the building.

Ownership issues in relation to portion of the land adjacent to JH Abrahams Reserve that operate under the "Bruce Family Trust" and Public Art identified as "Asteroid" have as at the reporting date not been resolved and therefore have not been brought to book by the City as at 30 June 2017.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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

Contributed Assets

The following assets were transferred to the City and listed as contributed assets during the reporting period.

Contributor	Infrastructure	Plant and Equipment	Buildings	Total
	\$	\$	\$	\$
Metropolitan Redevelopment Authority	4,221,656	423,145	-	4,644,801
Main Roads WA	62,604	-	-	62,604
Lake Vasto Italian Community	-	-	371,003	371,003
Water Corporation	-	-	15,000	15,000
	4,284,260	423,145	386,003	5,093,408

Fair values for infrastructure and plant and equipment assets as contributed by the MRA and Main Roads were established in house by the City's Asset Management Unit. Fair values for the building assets contributed by Lake Vasto Italian Community and Water Corporation were as determined by Todd Svanberg AAPI, Registered Valuer, JLL.

Changes on Revaluation of Land and Buildings

The City revalued during the reporting period its Land and Buildings to fair value in accordance with the directions given by the Department of Local Government under the Local Government (Financial Management) Amendment Regulations 1996.

Land Assets with the exception of leasehold land were revalued by Landgate – Property and Valuation Services through Mr Steven Fern AAPI Certified Practising Valuer. Revaluation of leaseheld land and buildings was determined by Mr Todd Svanberg AAPI, Registered Valuer, JLL.

The revaluation surplus of \$53,843,718 (Land \$35,376,747, Buildings \$18,466,971) was credited directly to the Statement of Comprehensive Income and transferred to the relevant revaluation reserves through the Equity Statement.

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**17. INVESTMENT PROPERTY**

(a) Acquisition of assets in 2016/17 are capitalised in accordance with the Australian Accounting Standards.

	30/06/2017	30/06/2016
	\$	\$
Land - at fair value	11,397,500	9,201,000
Buildings - at fair value	8,774,799	9,389,999
Total Investment Property	<u>20,172,299</u>	<u>18,590,999</u>

Fair Value Movement – Investment Property

	Cost/ Fair Value 30/06/2016	Transfers 30/06/2017	Reclassification Actual YTD 30/06/2017	Revaluation Actual YTD 30/06/2017	Cost/ Fair Value 30/06/2017
	\$	\$	\$	\$	\$
Land	9,201,000	-	1,450,000	746,500	11,397,500
Buildings	14,981,999	3,932,383	486,571	(4,528,954)	14,871,999
	<u>24,183,000</u>	<u>3,932,383</u>	<u>1,936,571</u>	<u>(3,782,454)</u>	<u>26,269,499</u>

Investment Assets – Accumulated Depreciation

	Accumulated Depreciation 30/06/2016	Depreciation 30/06/2017	Reclassification 30/06/2017	Revaluation 30/06/2017	Accumulated Depreciation 30/06/2017
	\$	\$	\$	\$	\$
Land	-	-	-	-	-
Buildings	5,592,000	-	451,130	54,070	6,097,200
	<u>5,592,000</u>	<u>-</u>	<u>451,130</u>	<u>54,070</u>	<u>6,097,200</u>
TOTAL	<u>18,591,000</u>	<u>3,932,383</u>	<u>1,485,441</u>	<u>(3,836,524)</u>	<u>20,172,299</u>

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 2017 was determined by Landgate – Property and Valuation Services, through Mr Stephen Fern, AAIP Certified Practising Valuer, and resulted in the aggregated fair value of the investment property assets being stated at that date as \$20,172,299.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

17. INVESTMENT PROPERTY (...continued)

Valuation of Investment Property (...continued)

The revaluation deficit attributable to property classified as Investment Property of \$3,836,524 was debited directly to the Statement of Comprehensive Income (30 June 2016– Deficit \$2,100,600).

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 30/06/2017	Year Ended 30/06/2016
	\$	\$
Property Rental	1,783,994	1,697,574
Operating Expenses for Rental Generating Properties	797,096	477,791

Investment properties are leased out on operating leases. Rental income amounts of \$1,783,994 (2016: \$1,697,574) are included within revenue. Direct operating expenses of \$797,096 (2016: \$477,791) were reported within other expenses, of which Nil (2016: \$Nil) 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:

	Minimum Lease Income Due			
	Within 1 year	2 to 5 years	After 5 years	Total
	\$	\$	\$	\$
30 June 2017	1,482,700	2,712,030	6,058,220	10,252,950
30 June 2016	1,520,598	2,548,143	2,758,073	6,826,814

18. FINANCIAL LIABILITIES

Current	30/06/2017	30/06/2016
	\$	\$
Western Australian Treasury Corporation	6,423,187	6,772,073
	<u>6,423,187</u>	<u>6,772,073</u>
Non-Current		
Western Australian Treasury Corporation	23,131,742	29,554,929
	<u>23,131,742</u>	<u>29,554,929</u>
Total Financial Liabilities	<u>29,554,929</u>	<u>36,327,002</u>

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

18. FINANCIAL LIABILITIES (...continued)

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

No Interest on loan funds raised for the City of Perth Library project were capitalised during the reporting period (30 June 2016: \$471,766).

19. RESERVES

As at 30 June 2017 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	Opening	Amounts	Amounts	Closing
		Balance	Appropriated	Utilised	Balance
		01/07/2016	year ended 30/06/2017	year ended 30/06/2017	30/06/2017
		\$	\$	\$	\$
Refuse Disposal and Treatment	(a)	2,935,852	706,441	(4,045)	3,638,248
Concert Hall Refurbishment and Maintenance	(b)	4,835,979	1,914,700	(318,827)	6,431,852
Asset Enhancement	(c)	26,232,133	3,895,531	(1,278,251)	28,849,413
Street Furniture Replacement	(d)	371,375	60,433	(10,941)	420,867
Art Acquisition	(e)	374,845	72,955	(48,289)	399,511
Heritage Incentive	(f)	618,109	21,639	(10,979)	628,769
Parking Facilities Development	(g)	23,671,273	808,864	(2,126,358)	22,353,779
David Jones Bridge	(h)	292,382	22,644	(342)	314,684
Bonus Plot Ratio Contribution	(i)	613,782	21,558	(690)	634,650
Employee Entitlements	(j)	1,762,097	62,916	(1,983)	1,823,030
PCEC Car Park - Fixed Plant Replacement	(k)	4,244,225	410,108	(5,026)	4,649,307
Parking Levy	(l)	18,160,739	16,821,494	(17,301,409)	17,680,824
Enterprise and Initiative	(m)	3,915,439	1,064,044	(5,411)	4,974,072
Public Art	(n)	200,017	207,424	(449)	406,992
		88,228,247	26,090,751	(21,113,000)	93,205,998
Asset Revaluation		560,035,698	53,920,101	(1,089,903)	612,865,896
		648,263,945	80,010,852	(22,202,904)	706,071,893

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

19. RESERVES (...continued)

Components of Cash Reserves	30/06/2017	30/06/2016
	\$	\$
Current	90,616,312	85,484,488
Non-Current	2,589,685	2,743,759
Total	93,205,997	88,228,247

* 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.

Reserve Account Budget Information

Purpose of Reserve Fund	Opening Balance	Amounts Appropriated year ended	Amounts Utilised year ended	Closing Balance
	1/07/2016	30/06/2017	30/06/2017	30/06/2017
	\$	\$	\$	\$
Refuse Disposal and Treatment	2,832,367	682,625	-	3,514,992
Concert Hall Refurbishment and Maintenance	4,390,940	1,976,540	(2,208,400)	4,159,080
Asset Enhancement	25,525,805	3,935,616	(7,268,063)	22,193,358
Street Furniture Replacement	386,577	56,141	(100,000)	342,718
Art Acquisition	322,543	69,295	(60,000)	331,838
Heritage Incentive	616,170	417,757	(400,000)	633,927
Parking Facilities Development	22,786,062	656,660	(6,846,888)	16,595,834
David Jones Bridge	286,810	50,265	(40,000)	297,075
Bonus Plot Ratio Contribution	613,905	17,692	-	631,597
Employee Entitlements	1,936,079	107,295	-	2,043,374
PCEC Car Park Plant Replacement	4,259,487	533,572	-	4,793,059
Parking Levy	17,119,909	18,193,370	(17,400,000)	17,913,279
Enterprise and Initiative	4,508,964	1,046,609	-	5,555,573
Public Art	200,000	5,764	-	205,764
	85,785,618	27,749,201	(34,323,351)	79,211,468

Note: The opening balance at 1 July 2016 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 2016.

(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 when recycling processes are extended.

The City anticipates utilising the funds in this reserve within three years.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

19. RESERVES (...continued)

(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 a new WASO facility should that eventuate.

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.

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 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.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

19. RESERVES (...continued)

(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 three 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.

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 2015, the purpose of this reserve was changed to also include the non-current portion for annual leave entitlements. This reserve will vary from year to year but 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.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

19. RESERVES (...continued)

(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 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 in 2016 to provide sufficient financial capacity to deliver new commissions of enduring public art identified in the City's draft Public Art Strategy and any associated strategic plans developed for public art.

The Reserve is funded through an annual capital budget allocation from the City 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.

20. 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:-

	30/06/2017	30/06/2016
	\$	\$
Cash at Bank and on Hand	16,126,364	10,063,697
Short Term Cash Investments	112,454,335	100,249,402
	<u>128,580,699</u>	<u>110,313,099</u>

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

21. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS FOR THE YEAR ENDED 30 JUNE 2017

	30/06/2017	30/06/2016
	\$	\$
Change in Net Assets Resulting from Operations	5,838,059	13,793,738
Adjustment for items not involving the movement of Funds:		
Depreciation and Amortisation	34,855,597	31,545,687
Doubtful Debts	247,007	369,586
Loss/(Gain) on Disposal of Assets	6,801,061	1,569,290
	47,741,724	47,278,301
Revenues Provided By :		
Government Grants	(4,638,186)	(6,812,016)
Contribution from Other Parties	-	(49,890)
	(4,638,186)	(6,861,906)

Change in Operating Assets and Liabilities

	30/06/2017	30/06/2016
	\$	\$
Add Back		
Decrease in Deposits and Prepayments	-	92,261
Decrease in Inventories	97,584	377,978
Decrease in Accrued Interest and Investment Income	-	63,628
Decrease in Trade and Other Receivables	1,262,728	-
Decrease in Deferred Debtors	-	7,133
Increase in Income		
Raised/Received in Advance	-	99,641
Increase in Accrued Interest and Expenses	1,428,036	-
Increase in Trade and Other Payables	1,274,378	-
Deduct		
Decrease in Trade and Other Payables	-	(2,879,568)
Decrease in Accrued Interest and Expenses	-	(365,626)
Increase in Trade and Other Receivables	-	(2,033,367)
Decrease in Provisions	(890,327)	(93,358)
Increase in Deposits and Prepayments	(588,323)	-
Increase in Accrued Income	(1,727,573)	(193,777)
Increase in Accrued Interest and Investment Income	(168,848)	-
Decrease in Income		
Raised/ Received in Advance	(241,730)	-
Increase in Deferred Debtors	(13,922)	-
	432,002	(4,925,055)
Net Cash Provided by Operating Activities	43,535,540	35,491,340

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**22. SUPERANNUATION**

The City of Perth complies with the minimum obligations under federal law and contributes in respect of its employees to one of the following superannuation plans:

(a) W.A. Local Government Superannuation Plan (W.A. Super)**Accumulation Members**

The City contributes in respect of certain of its employees to an accumulated benefit superannuation fund established in respect of all Local Governments in the State. In accordance with statutory requirements, the City contributes to the W.A. Local Government Superannuation Plan (WA Super) amounts nominated by the Council. As such, assets are accumulated in the WA Super to meet members' benefits as they accrue. The latest available audited financial report of the plan, which was not subject to any audit qualification, indicates that the assets of the plan are sufficient to meet accrued benefits.

(b) City of Perth Superannuation Plan (CPSP)**Defined Benefit Members**

The City contributes in respect of certain of its employees to a defined benefit superannuation fund established for the employees of the City 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.

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 2016 was completed by the Heron Partnership in March 2017. It was agreed that it would be appropriate to continue the reduced employer contributions for defined benefit members to the Superannuation Guarantee (SG) Rate (currently 9.5%) from 1 July 2016 until at least the completion of the next actuarial investigation with an effective date of 30 June 2019 (due no later than 31 December 2019).

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

22. SUPERANNUATION (...continued)

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 \$7,142,047 (30 June 2016: \$7,199,924).

23. LOAN FACILITIES

Loan Facilities	30/06/2017	30/06/2016
	\$	\$
Current	6,423,187	6,772,073
Non Current	23,131,742	29,554,929
Total Loan Facilities in use at Reporting Date	29,554,929	36,327,002
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 2017**24. 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 2017	No. in 2016
\$100,000 - \$109,999	41	41
\$110,000 - \$119,999	19	12
\$120,000 - \$129,999	8	20
\$130,000 - \$139,999	4	3
\$140,000 - \$149,999	8	5
\$150,000 - \$159,999	4	2
\$160,000 - \$169,999	1	2
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	-	-
\$200,000 - \$209,999	2	1
\$210,000 - \$219,999	3	1
\$260,000 - \$269,999	-	1
\$270,000 - \$279,999	-	-
\$310,000 - \$319,999	1	-
	91	90

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.

25. COMMITMENTS AND CONTINGENT LIABILITIES

- (a) As at 30 June 2017 a commitment existed in respect of interest payable on loan debentures over the life of the loans.

	30/06/2017	30/06/2016
	\$	\$
Interest Payable	3,087,266	4,679,881

- (b) Lease Rental Commitments

Future operating lease rentals of property not provided for in the financial statements and payable:

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

25. COMMITMENTS AND CONTINGENT LIABILITIES (...continued)

Lease Rental Commitments	30/06/2017	30/06/2016
	\$	\$
Not later than 1 year	1,420,012	1,516,603
Later than 1 year but not later than 2 years	1,373,817	1,470,408
Later than 2 years but not later than 5 years	4,121,450	4,272,639
Later than 5 years	57,810,032	59,236,048
	64,725,311	66,495,698

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:

	30/06/2017	30/06/2016
	\$	\$
Buildings	736,015	2,219,566
Infrastructure Assets	2,454,651	612,041
Plant and Mobile Equipment	1,480,609	1,206,997
Office Furniture and Equipment	637,785	382,602
	5,309,060	4,421,206

(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 2017 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 2017**

25. 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 2017.

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

26. FINANCIAL INFORMATION BY RATIO

	2014/15	2015/16	2016/17
(a) Current Ratio			
<u>Current Assets minus Restricted Assets¹</u>			
Current Liabilities minus Liabilities ² associated with Restricted Assets	1.02:1	1.08:1	1.33:1
(b) Asset Consumption Ratio			
<u>Depreciated Replacement Cost of Assets</u>			
Current Replacement Cost of Depreciable Assets ³	61.00%	57.00%	56.00%
(c) Asset Renewal Funding Ratio			
Net Present Value of Planned <u>Capital Renewals over 10 years⁴</u>	100.00%	100.00%	100.00%
Net Present Value of Required Capital Expenditure over 10 Years ⁵			
(d) Asset Sustainability Ratio			
Capital Renewal and Replacement <u>Expenditure⁶</u>	50.00%	95.00%	60.00%
Depreciation Expense			
(e) Debt Service Cover Ratio			
Annual Operating Surplus before <u>Interest and Depreciation</u>	5.62:1	4.84:1	4.72:1
Principal and Interest			
(f) Operating Surplus Ratio			
Operating Revenue ⁷ Minus <u>Operating Expense⁸</u>	8.94%	4.40%	1.86%
Own Source Operating Revenue			
(g) Own Source Revenue Coverage Ratio			
<u>Own Source Operating Revenue⁹</u>	1.08:1	1.04:1	1.00:1
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.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

26. FINANCIAL INFORMATION BY RATIO (...continued)

- ⁵ Required capital expenditure means capital renewal and replacement expenditure as estimated in the Long Term Financial Plan.
- ⁶ Capital renewal and replacement expenditure means expenditure to renew or replace existing assets.
- ⁷ Operating revenue means that revenue that is operating revenue for the purpose of the Australian Accounting Standards (AAS) excluding Grants and Contributions for the development and acquisition of assets and other comprehensive income.
- ⁸ Operating expenses means the expense that is operating expense for the purpose of the AAS including net interest expense and depreciation.
- ⁹ Own source operating revenue means revenue from rates and service charges, fees and user charges, reimbursements and recoveries, interest income and profit on disposal of assets.

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.

27. 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 \$8,513,201 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 \$1,671,437 (30 June 2016: \$4,620,525).
- (ii) **Obsolete and Extinguished Assets**
This relates to assets deemed obsolete or are no longer in use at the reporting date. The value of these assets written off was \$6,841,764 (30 June 2016: \$1,581,354) of which \$6,667,618 (30 June 2016: \$1,493,417) relates to infrastructure assets.

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

27. SIGNIFICANT ITEMS (...continued)

(b) Impairment of Investments

The impairment charge was increased by \$94,163 at 30 June 2017 (30 June 2016: decreased by \$85,190) following a decrease in the market value of two tranches of mortgage backed securities. The mortgage backed securities continue to suffer from liquidity risk resulting in their market value at 30 June 2017 being \$2,589,685 as compared to an original cost, after redemption of a portion of the security, of \$4,308,678.

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) 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, 70 lots of land at the Tamala Park project marketed as 'Catalina' (Stages 11, 12, 13B, 14, 14B, 15, 18A and Elsbury). The amount of \$98,705 represents the City's profit on the 70 lots developed and sold during the reporting period (30 June 2016: 137 lots \$1,137,566). The City is a one twelfth equity holder in the TPRC.

(d) 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.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

27. SIGNIFICANT ITEMS (...continued)

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.

(e) Infrastructure Road Reserve Assets – Elizabeth Quay and Perth City Link

Certain infrastructure road reserve assets for Elizabeth Quay were automatically vested in the City during the previous reporting period. The City has not brought to book said assets as at balance date 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 from MRA. The value of these assets when established is not expected to be material relative to the City's total assets.

(f) City of Perth Act

The passing of the City of Perth Bill by the W.A. Parliament on 25 February 2016 signalled a new beginning in the State's history.

From 1 July 2016, the City of Perth Act brought the City of Perth in line with other Australian capital cities, recognising its capital city status and acknowledging its central role in tourism, business and economic development. It provides 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 now includes 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 has resulted in changes to revenue, expenditure and assets held by the City.

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

28. TRUST FUNDS

Funds over which the City has no control and which are not included in the Financial Statements are as follows:

Purpose for which Money Received	Opening Balance 1/07/2016	Receipts year ended 30/06/2017	Payments year ended 30/06/2017	Closing Balance 30/06/2017
	\$	\$	\$	\$
Footpath Deposits	3,695,823	1,082,131	1,551,993	3,225,961
Unclaimed Monies	1,279,785	5,339	1,269,789	15,335
Other	2,382,924	84,898	934,465	1,533,357
	<u>7,358,532</u>	<u>1,172,368</u>	<u>3,756,247</u>	<u>4,774,653</u>

A comprehensive review of the City's trust account was undertaken during the reporting period. All individual account balances were examined to determine whether ownership resided with the City or with the stated parties. Long outstanding balances covering uncashed cheques and footpath deposits were deemed forfeited as they remained unclaimed after a minimum period of seven years. Other account balances (in certain instances determined by an independent agency), ownership was deemed to reside with the City.

Should future claims be received and substantiated for any of the amounts forfeited, refunds will be made from the City's general revenue.

Amounts brought to account as general revenue during the reporting period was \$2,919,600.

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

29. 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	20	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	12	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	13	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 179 days and effective interest rates of 2.62% to 2.99% (2016: 2.91% to 3.03%)
Managed and Balanced Funds	13	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	13	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...)

Financial Statements CONTINUED

CITY OF PERTH

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

29. FINANCIAL INSTRUMENTS (...continued)

(ii) Financial Liabilities

Bank Loans	18,23	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 18. Details of the loans are set out in the Loan Liability Schedule in Note 30.
Trade and Other Payables	15	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...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

29. 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			
	2017	2016	1 year or less		Over 1 to 5 years		More than 5 years		2017	2016	2017	2016	2017	2016	2017	2016
			2017	2016	2017	2016	2017	2016								
Financial Assets																
Cash and Cash Equivalent	15,916,816	9,881,137	-	-	-	-	-	-	209,548	182,560	16,126,364	10,063,697	2.12	2.52		
Trade and Other Receivables	-	-	-	-	-	-	-	-	10,646,317	10,245,710	10,646,317	10,245,710	N/A	N/A		
Short-term Deposits	-	-	96,111,382	-	-	-	-	-	-	-	107,737,197	96,111,382	3.27	3.27		
Managed Funds	4,717,138	4,138,020	-	-	-	-	-	-	-	-	4,717,138	4,138,020				
Interest Bearing Securities	2,589,685	2,743,759	-	-	-	-	-	-	-	-	2,589,685	2,743,759				
Unlisted Shares/Equity	-	-	-	-	-	-	-	-	3,749,764	4,418,313	3,749,764	4,418,313	N/A	N/A		
Total Financial Assets	23,223,639	16,762,916	96,111,382	16,000,221	13,554,929	21,743,522	14,583,480	14,605,629	14,846,583	145,566,465	127,720,881					
Financial Liabilities																
Bank Loans	-	-	-	16,000,221	14,583,480	21,743,522	-	-	-	-	29,555,150	36,327,002	4.09	3.18		
Trade and Other Payables	-	-	-	-	-	-	-	20,656,993	15,315,320	20,656,993	15,315,320	15,315,320	N/A	N/A		
Total Financial Liabilities	-	-	-	16,000,221	14,583,480	21,743,522	13,554,929	20,656,993	15,315,320	50,212,143	51,642,322					

N/A – not applicable for non-interest bearing financial instruments.

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

29. 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	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	16,126,364	10,063,697	16,126,364	10,063,697
Trade and Other Receivables	10,646,317	10,245,710	10,646,317	10,245,710
Short-term Deposits	107,737,197	96,111,382	107,737,197	96,111,382
Managed Funds	4,717,138	4,138,020	4,717,138	4,138,020
Interest Bearing Securities	2,589,685	2,743,759	2,589,685	2,743,759
Unlisted Shares/Equity	3,749,764	4,418,313	3,894,525	4,566,470
Total Financial Assets	145,566,465	127,720,881	145,711,226	127,869,038

	\$	\$	\$	\$
Financial Liabilities				
Bank Loans	29,555,150	36,327,002	29,555,150	36,327,002
Trade and Other Payables	20,656,993	15,315,320	20,656,993	15,315,320
Total Financial Liabilities	50,212,143	51,642,322	50,212,143	51,642,322

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...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

29. 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.

Financial Statements CONTINUED

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

30. LOAN LIABILITY SCHEDULE FOR THE YEAR ENDED 30 JUNE 2017

Loan No.	Particulars	Term (Years)	Date of Issue	Original Principal \$	Rate of Interest %	Lender	Mode of Payment pa	Month & Year of Maturity	Amount of Principal Outstanding		Interest (Including Guarantee Fee)		Amount of Principal Outstanding		
									30/06/16 \$	30/06/17 \$	Budget 30/06/17 \$	Actual 30/06/17 \$	Budget 30/06/17 \$	Actual 30/06/17 \$	
	RECREATION & CULTURE														
165	Civic Library	10	June 2012	8,011,407	4.02	W.A.T.C.	4	June 2022	5,190,158	582,728	780,886	201,366	233,067	4,607,432	4,409,272
167	Civic Library	10	July 2012	23,788,520	3.63	W.A.T.C.	4	Aug 2022	15,857,529	2,302,821	2,302,821	518,778	638,165	13,554,708	13,554,708
	TRANSPORT														
160	Perth Convention Exhibition Centre	15	July 2004	29,180,000	6.15	W.A.T.C.	4	July 2019	6,559,930	1,881,708	1,881,709	341,766	379,872	4,678,221	4,678,221
164	Elder Street Car Park	10	Sept 2020	16,000,000	6.26	W.A.T.C.	4	Sept 2020	8,023,551	1,266,514	1,701,965	473,301	521,013	6,757,039	6,321,586
166	Goderich St Car Park	10	June 2012	1,074,073	4.02	W.A.T.C.	4	June 2022	695,834	78,125	104,692	26,997	31,247	617,708	591,142
TOTAL LOANS									36,327,002	6,111,896	6,772,073	1,562,208	1,803,364	30,215,108	29,554,929
Loan Interest Capitalised									\$	30/06/17	30/06/16				
Loan 167 Civic Library									Nil	471,766					

• 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

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**31. 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:

30/06/2017	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	30/06/2017	-	401,010,014	-	401,010,014
- Buildings	30/06/2017	-	-	270,078,787	270,078,787
- Infrastructure	30/06/2015	-	-	517,437,142	517,437,142
- Plant and Equipment	30/06/2016	-	18,136,119	-	18,136,119
- Furniture and Equipment	30/06/2015	-	-	27,997,896	27,997,896
Total Property, Plant and Equipment		-	419,146,133	815,513,825	1,234,659,958

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

(continued...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

31. FAIR VALUES MEASUREMENTS (...continued)

The City is committed to the further revaluation of Infrastructure and Furniture and Equipment in 2017/18 in accordance with the Local Government (Financial Management) Regulations 1996 – Reg 17A.

(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 (i.e. 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.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

31. FAIR VALUES MEASUREMENTS (...continued)

(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)

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.

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...)

Financial Statements CONTINUED

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

31. 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.

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.

(continued...)

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017*31. FAIR VALUES MEASUREMENTS (...continued)**(3) Valuation Techniques used to derive Level 2 and Level 3 Fair Values (...continued)*

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.

Five Year Statistical History

CITY OF PERTH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

CITY OF PERTH

FIVE YEAR STATISTICAL HISTORY

All dollar figures are in A\$000's

Year Ended 30 June	2017	2016	2015	2014	2013
Rates					
Rateable Properties	18,222	16,598	16,389	15,750	15,345
Rates Revenue	\$88,151	\$83,185	\$75,465	\$71,122	\$67,226
Increase in Rate Revenue	5.96%	10.23%	6.10%	5.80%	10.70%
Rate Revenue as a % of Total Revenue	43.84%	43.49%	40.47%	40.26%	39.72%
Financial	\$	\$	\$	\$	\$
Rates Revenue	88,151	83,185	75,465	71,122	67,226
Parking Fees	72,278	73,219	73,303	70,136	66,504
Other Fees and Charges	27,318	26,273	26,230	25,216	24,028
Investment Income	5,219	4,722	5,562	6,331	8,037
Other Revenue	8,097	3,869	5,923	3,867	3,444
Total Revenue	201,063	191,268	186,483	176,672	169,239
Total Operating Expenditure	190,569	181,348	167,525	151,299	141,167
Capital Grants and Contributions	2,145	5,443	1,764	2,955	2,843
Gain/(Loss) on Disposal/Write Off/Contribution of Assets	(6,801)	(1,569)	(2,584)	(6,474)	(1,561)
Operating Surplus	5,838	13,794	18,137	21,854	29,354
Capital Expenditure	27,048	41,740	50,770	52,826	70,895
Borrowings	29,555	36,327	42,769	48,897	55,259
Reserves – Cash Backed	93,206	88,228	87,574	85,606	90,493
Revaluation Reserves	612,866	560,036	560,795	372,942	377,710
Net Assets	1,365,557	1,272,125	1,260,478	1,045,838	936,566
Human Resources					
Employee Costs (including costs capitalised)	\$77,866	\$69,579	\$66,631	\$60,573	\$56,258
Number of Employees (including fulltime, part-time and casuals)	752	743	720	696	680
City Development					
Building Licences Issued	618	552	509	500	491
Value of Building Licences Issued	\$1,542,058	\$715,000	\$827,200	\$924,600	\$533,400
Planning Applications Issued	355	437	407	357	366
Value of Planning Applications Issued	\$368,276	\$420,670	\$2,206,700	\$1,774,300	\$1,012,400
Refuse					
Total Waste to Landfill (tonnes)	20,553	17,591	19,456	21,964	31,413
Recycling Tonnage	2,465	1,879	1,938	1,909	1,959
General					
Estimated Residential Population	26,893	23,065	21,092	20,762	20,282
Approved Residential Strata Lots added to Market for the Year	314	505	882	338	242

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City of **Perth**

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