



CITY of PERTH

MINUTES

FINANCE AND ADMINISTRATION COMMITTEE

8 MARCH 2016

THESE MINUTES ARE HEREBY CERTIFIED AS
CONFIRMED

PRESIDING MEMBER'S
SIGNATURE

I. E. Davidson

DATE: *29/3/2016.*

FINANCE AND ADMINISTRATION COMMITTEE

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Minutes of the meeting of the City of Perth **Finance and Administration Committee** held in Committee Room 1, Ninth Floor, Council House, 27 St Georges Terrace, Perth on **Tuesday, 8 March 2016**.

MEMBERS IN ATTENDANCE

| | | |
|-------------|---|---------------------------------|
| Cr Davidson | – | Presiding Member |
| Cr Chen | | |
| Cr Harley | | (Entered the meeting at 4.18pm) |

OFFICERS

| | | |
|-------------|---|--|
| Mr Mileham | – | Chief Executive Officer |
| Mr Mianich | – | Director Corporate Services |
| Ms Moore | – | Director Community and Commercial Services |
| Mr Farley | – | Acting Director Planning and Development |
| Mr Richards | – | Manager Finance |
| Mr Ridgwell | – | Manager Governance |
| Ms Denton | – | Governance Coordinator |
| Mr White | – | Chief Accountant |
| Ms Ferreira | – | Senior Management Accountant |
| Mr Clohesy | – | Senior Property Officer |
| Ms Emmons | – | Governance Officer |

FA45/16 DECLARATION OF OPENING

4.00pm The Presiding Member declared the meeting open.

FA46/16 APOLOGIES AND MEMBERS ON LEAVE OF ABSENCE

Nil

FA47/16 QUESTION TIME FOR THE PUBLIC

Nil

FA48/16 CONFIRMATION OF MINUTES

Moved by Cr Chen, seconded by Cr Davidson

That the minutes of the meeting of the Finance and Administration Committee held on Tuesday, 16 February 2016 be confirmed as a true and correct record.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson and Chen

Against: Nil

FA49/16 CORRESPONDENCE

Nil

FA50/16 DISCLOSURE OF MEMBERS' INTERESTS

Nil

**FA51/16 MATTERS FOR WHICH THE MEETING MAY BE
CLOSED**

Nil

**FA52/16 PAYMENTS FROM MUNICIPAL AND TRUST FUNDS –
JANUARY 2016**

Meeting Note: The Chief Executive Officer advised that this item is deleted from the agenda as it has been previously considered by Council at its meeting held on 27 February 2016 (refer Minute Item 49/16). The Presiding Member agreed to proceed to the next item of business.

**FA53/16 FINANCIAL STATEMENTS AND FINANCIAL ACTIVITY
STATEMENT FOR THE PERIOD ENDED 31 JANUARY
2016**

BACKGROUND:

| | |
|--------------------------|---|
| FILE REFERENCE: | P1014149-25 |
| REPORTING UNIT: | Finance |
| RESPONSIBLE DIRECTORATE: | Corporate Services |
| DATE: | 17 February 2016 |
| MAP / SCHEDULE: | Schedule 1 – Financial Statements and Financial Activity Statement for the Period Ended 31 January 2016 |

LEGISLATION / STRATEGIC PLAN / POLICY:

| | |
|--------------------|---|
| Legislation | Section 6.4(1) and (2) of the <i>Local Government Act 1995</i> Regulation 34(1) of the <i>Local Government (Financial Management) Regulations 1996</i> |
|--------------------|---|

| | |
|---|---|
| Integrated Planning and Reporting Framework Implications | Strategic Community Plan Council Four Year Priorities: Community Outcome Capable and Responsive Organisation A capable, flexible and sustainable organisation with a strong and effective governance system to provide leadership as a capital city and deliver efficient and effective community centred services |
|---|---|

DETAILS:

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

FINANCIAL IMPLICATIONS:

There are no direct financial implications arising from this report.

COMMENTS:

The Financial Activity Statement commentary compares the actual results for the seven months to 31 January 2016 with the revised budget approved by Council on **3 November 2015**.

Moved by Cr Chen, seconded by Cr Davidson

That Council approves the Financial Statements and the Financial Activity Statement for the period ended 31 January 2016 as detailed in Schedule 1.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson and Chen

Against: Nil

**FA54/16 THE LITTLE FERRY COMPANY – DEDICATED
BERTHING ACCESS AT CLAISEBROOK COVE, EAST
PERTH**

BACKGROUND:

| | |
|--------------------------|---|
| FILE REFERENCE: | P1024168 |
| REPORTING UNIT: | Properties |
| RESPONSIBLE DIRECTORATE: | Construction and Maintenance |
| DATE: | 2 February 2016 |
| MAP / SCHEDULE: | Schedule 2 – Little Ferry Company Proposal Schedule 3 – Jetty Licence 1582 |

At its meeting on **5 August 2009**, Council approved the general conditions of a licence for the private use of boat pens in Claisebrook Cove.

Private use of the jetties was later abandoned and conditions of non-commercial use of the jetties and the provision to allow the public unrestricted use of the jetties were inserted into the licence.

In November 2012, the City of Perth (the City) entered into a Licence Agreement (Schedule 3 with the Department of Transport (DoT) for the management of the Claisebrook Cove Jetties identified as Jetty 1582.

LEGISLATION / STRATEGIC PLAN / POLICY:

| | |
|---|---|
| Legislation | Section 7 of the <i>Jetties Act 1926</i> Section 3.57 of the <i>Local Government Act 1995</i> Part 7 – Jetties and Bridges – <i>City of Perth Local Government Property Local Law 2005</i> |
| Integrated Planning and Reporting Framework Implications | Strategic Community Plan Council Four Year Priorities: Community Outcome Getting Around Perth An effective pedestrian friendly movement system integrating transport modes to maintain a high level of accessibility to and within the City |

DETAILS:

In December 2015 the Little Ferry Company wrote to the City outlining details of a new ferry service on the Swan River and seeking Council approval for a dedicated berthing site at Claisebrook Cove.

The City holds a licence over the jetty complex which currently prohibits any commercial use of the jetties and provides that the City will allow the general public to have unrestricted access to the jetties at all times.

Recent discussions with the DoT have resulted in the DoT giving in principle support to have both of these clauses removed from the Licence Agreement. This would allow the City to enter into an agreement with the Little Ferry Company for a dedicated berthing site.

Claisebrook Cove jetties are well used during the weekend periods and somewhat less from Monday to Friday. Without a dedicated berthing site, the company is not able to promote the exact landing position or for that matter be able to guarantee that there will be a berth available to them at specified times.

It is proposed that the ferry service will initially operate between Elizabeth Quay, the Old Swan Brewery and Claisebrook Cove, with plans to expand and take in Point Fraser, Perth Stadium, the Riverside Commercial Development and others.

The applicant is also required to apply for the City's consent under Part 7 – Jetties and Bridges of the *City of Perth Local Government Property Local Law 2005*.

The Department of Parks and Wildlife (Swan River Trust) has advised that a sea bed lease is not required for the proposal.

FINANCIAL IMPLICATIONS:

There are no specified charges in the City's budget for the mooring of boats. It is proposed that no fees are charged in the first 12 months of the Licence agreement as it is on a trial basis to ascertain public support of the project and to allow the operator time to evaluate its financial position.

The City currently pays an annual licence fee to the DoT of \$34.94. Should the City decide to impose a mooring fee on the jetty, this fee would rise to \$663 per annum.

COMMENTS:

While the Claisebrook Jetty Complex is well utilised on weekends it is underused during the week. This service would assist in raising the profile of the area and provide a welcome transport option for both the local community and tourists.

The proposal is supported.

Moved by Cr Chen, seconded by Cr Davidson

That Council:

- 1. agrees to provide a dedicated berthing facility at Claisebrook Cove Jetty to the Little Ferry Company for the purpose of passenger embarkation and disembarkation for a trial period of 12 months, subject to approval by the Department of Transport;***
- 2. authorises the Chief Executive Officer to finalise the terms and conditions of a licence for dedicated berthing at Claisebrook Cove Jetty; and***
- 3. agrees to advertising under Section 3.57 of the Local Government Act 1995 for the disposition of property and in the event that no submissions are received authorises the Chief Executive Officer to enter into a licence with the Little Ferry Company for dedicated berthing at Claisebrook Cove Jetty.***

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson and Chen

Against: Nil

**FA55/16 CREATION OF CROWN RESERVE OVER PIAZZA
NANNI – NORTHBRIDGE**

BACKGROUND:

FILE REFERENCE: P1022452
REPORTING UNIT: Properties
RESPONSIBLE DIRECTORATE: Construction and Maintenance
DATE: 16 February 2016
MAP / SCHEDULE: Schedule 4 – Survey Plan
 Schedule 5 – Aerial View

Piazza Nanni was constructed by East Perth Redevelopment Authority (EPRA) in the year 2000. In January 2001 the City of Perth (the City) received advice (TRIM 2140/01) that the piazza was to be vested to the City for care, control and management. The vesting did not occur, however the City has maintained the piazza since that time.

The land is Unallocated Crown Land being Lot 1105 on DP 193440.

LEGISLATION / STRATEGIC PLAN / POLICY:

Legislation Section 42 of the *Land Administration Act 1997*

**Integrated Planning
and Reporting
Framework
Implications** **Corporate Business Plan**
Council Four Year Priorities: Major Strategic Investments
S2 Optimise the commercial and community outcomes
 within the property portfolio
2.1 Develop a Strategy for the management of City of
 Perth Property that addresses opportunities for
 growth, de-accession/accession and ownership
 needs.

Policy
Policy No and name CP 9.15 – Contributed Asset Policy

DETAILS:

MRWA is looking to rationalise tenure and to resolve outstanding issues regarding access to the rear car park to St Brigid's Church and management of the adjoining area known as Piazza Nanni.

The main issue for the church is to have legal access to the car park at the rear of the church. The church currently accesses their car park from Fitzgerald Street

through the Piazza. St Brigid's have installed a drop chain security gate at the entry of the car park however formal access from Fitzgerald Street has not been resolved.

Prior to the church accessing from Fitzgerald Street, MRWA provided access to the car park from John Street across MRWA land. That access ceased due to unauthorised parking and anti-social behaviour.

MRWA plans to construct a bus lay down over the land that formerly contained the access from John Street. The church has made it a condition on MRWA that an easement is registered over the Piazza to protect their interest for access to the car park. MRWA have no objections to St Brigid's request.

As the land is Unallocated Crown Land being Lot 1105 on DP 193440, approval is required from the Department of Lands and the City of Perth. The Department of Lands have no objections to the proposal, subject to the City's support and consent.

MRWA is proposing to create a Crown Reserve over the Piazza area with a management order in favour of the City, and create an easement over the area that is utilised by the church.

The northern part of the Piazza land is currently dedicated road and the land beneath forms part of the Graham Farmer Freeway Tunnel. Consequently a road closure to a depth of 0.2 meters pursuant to Section 58 of the *Land Administration Act 1997* is required to create the reserve.

FINANCIAL IMPLICATIONS:

MRWA have advised that they will meet all costs associated with the proposal.

There is \$35,748 allocated for Other Northbridge Reserves in the 2015/16 budget. The budget does not itemise amounts for each individual reserve.

COMMENTS:

Although there are no new benefits to the City in taking on the Management Order over this proposed Reserve, the City has maintained the property since construction in 2000.

The proposal is supported in that it formalises the land tenure and responsibilities over this property.

Moved by Cr Chen, seconded by Cr Davidson

That Council:

- 1. agrees to the creation of and to accept a management order of a Crown Reserve for the purpose of Recreation as shown on Main Roads Plan 1660-003, Schedule 4 and known as Piazza Nanni in Northbridge;***
- 2. agrees to consent to the registration of a Crown Easement on the reserve for the provision of vehicle access, car parking and specialist vehicle access for church ceremonies from time to time in favour of St Brigid's Church;***
- 3. in accordance with Section 58 of the Land Administration Act 1997, agrees to advertise its intention to seek the Minister of Lands approval to close approximately 581 square metres to a depth of 0.2 meters as detailed in Schedule 4 and in the event that no submissions are received allows the Chief Executive Officer to request the Minister of Lands to permanently close the section of road; and***
- 4. notes that all costs pursuant to the closure of the section of road and the creation of the Crown Reserve are to be borne by Main Roads Western Australia (MRWA).***

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson and Chen

Against: Nil

**FA56/16 FEBRUARY BUDGET REVIEW 2015/16 – FORECAST
OF THE OPERATING AND CAPITAL BUDGET FOR THE
YEAR ENDING 30 JUNE 2016**

BACKGROUND:

| | |
|--------------------------|---|
| FILE REFERENCE: | P1031135 |
| REPORTING UNIT: | Finance |
| RESPONSIBLE DIRECTORATE: | Corporate Services |
| DATE: | 25 February 2016 |
| MAP / SCHEDULE: | Schedule 6 – Operating Statement by Nature and Type Schedule 7 – Operating Statement by Directorate and Unit 2015/16 Schedule 8 – Capital Works Schedule 9 – Revised Rate Setting Statement |

The City of Perth (the City) has conducted a budget review to forecast its results to the end of the financial year and to approve changes to the budget emerging from the review. The February Review is based on the actual results to 31 January 2016.

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

The budget has the following objectives:

- To project the results to 30 June 2016;
- To identify surplus resources;
- To redeploy resources to new projects and projects that generates scope increments; and
- To allocate surplus funds to reserves where they are identified.

LEGISLATION / STRATEGIC PLAN / POLICY:

| | |
|--------------------|--|
| Legislation | Section 6.8 of the <i>Local Government Act 1995</i> Regulation 33A of the <i>Local Government (Financial Management) Regulations 1996</i> |
|--------------------|--|

| | |
|---|--|
| Integrated Planning and Reporting Framework Implications | Strategic Community Plan Council Four Year Priorities: Community Outcome S18 Strengthen the capacity of the organisation |
|---|--|

Policy

Policy No and Name: 9.6 – Budget Variations

DETAILS:

The net income of the City will fall by (\$375,000) to \$7.7 million. Operating revenue is projected to fall by (\$0.9 million) to \$193 million. Capital Grants and Subsidies are expected to reduce by (\$1.3 million). This is mainly due to a reduction in grant income for the Perth Concert Hall as a result of the timing of capital works. Operating expenditure has decreased by (\$0.5 million) to \$185.3 million.

Revenue by Nature and Type

- Rates have been forecast to increase by \$447,000. Interim rates earned to date have been higher than forecast due to the completion of a number of significant buildings including the Old Treasury Building.
- Parking fees have been reduced by (\$280,000). Due to slower economic conditions and the ongoing construction activity in the City. Kerbside parking revenue was reduced by (\$550,000) which was partly offset by higher demand due to an increased number of events at the Convention Centre and Elder Street car parks.

The International Conference and Exhibition on Liquefied Natural Gas (LNG 18) will be held from 11 to 15 April 2016 at the Perth Convention and Exhibition Centre. The exterior Car Parking area will be used by the conference to house catering, function and break out areas. Extensive temporary infrastructure will be put in place which will occupy 223 Car Bays for a period of 55 Days.

Council has agreed that the car bays utilised during this event would be provided for as an in kind contribution from the City. The estimated loss of parking revenue for this event is \$364,000, and has not been accounted for in this budget review process. Therefore it is likely parking revenue could fall below the revised budget taking into account this event but other parking venues may have increased patronage as a result.

- Licence and Registration Fees reduced by (\$217,000), mainly due to planning fees forecasted to be lower by (\$300,000) and partly offset by building licence fees expected to be higher by \$99,000.
- Fines and costs have been adjusted down by (\$83,000) mainly due to fewer projected Health Act fines.
- Community service fees have been reduced by (\$54,000), mainly due to the decreased demand for casual day care services.
- Investment income has been adjusted downwards by (\$281,000) due to the volatility of the Colonial Share Index fund and low interest rates.

- Other revenue is forecast to fall by \$175,000 mainly due to the Lotterywest Christmas Pageant grant funding of \$300,000 being withdrawn subsequent to the cancellation of the event.

Operating Expenditure (by Nature and Type)

- Employee costs remain in line with both the October budget review and the original budget. Year to date employee costs savings have been achieved, however costs associated with the continued implementation of the New City of Perth structure have been accounted for over the remainder of the financial year.
- Materials and contracts were \$854,000 less than previously forecast with major reductions in external contract labour, infrastructure and property maintenance. These savings were partly offset by higher software licencing (i.e. Microsoft) and street tree maintenance.
- Utilities and insurance were both close to budget.
- Depreciation and amortisation is (\$184,000) above the previous.
- Interest expenses are (\$203,000) higher than the revised budget with variances in the loans for the new Perth City Library, the Convention Centre and Elder Street car parks.
- Other expenditure has decreased by \$54,000.

Non-Operating Financing Activities

- Capital Grants have decreased by (\$1.3 million) as a result of the delay in work on the Perth Concert Hall. The City will not be in a position to invoice the State Government for a contribution to the works in this financial year.

Operating Expenditure (by Directorate and Unit)

In this breakdown the accompanying schedule includes a comments column which briefly explains the reason for increases and decreases.

Capital Expenditure

- The capital budget has reduced by a net \$357,300.
- Project savings of \$3.2 million have been identified and released where projects have been reprogrammed or are near complete and savings have been realised.
- A summary of "New Projects Requiring Funds":

| Project | \$000's |
|--------------------------------|----------------|
| CCTV | 76 |
| Streetscape – various projects | 680 |
| Wellington Square | 100 |
| Disaster Recovery | 200 |
| Parking Equipment & System | 220 |
| Trafalgar Bridge Lighting | 350 |
| Narrows Footpaths and Kerbs | 60 |
| TOTAL | 1,686 |

- Forecasts have also indicated the need for an additional budget of \$2.9 million to fund scope changes, increased costs or variations to contracts.
- These adjustments to the previously adopted October revised budget bring the total capital expenditure budget to \$68.6 million.
- The funding impact of the change arising from the review is:

| Funding Impact | Total \$000's | Municipal \$000's | Reserves \$000's | Grant \$000's |
|---|--------------------------|------------------------------|-----------------------------|--------------------------|
| Ongoing Projects with Surplus Funds available | (3,239) | (922) | (1,049) | (1,268) |
| Ongoing Projects Requiring Additional Funds | 1,196 | 1,196 | | |
| New Projects Requiring Funds | 1,686 | 1,686 | | |
| Total (Saving)/ Deficit | (357) | 1,960 | (1,049) | (1,268) |

Revised Rate Setting Budget Statement

This statement details the impact on the closing funds of the changes above. There is a net decrease of (\$1,435,629) in closing funds. These have arisen from the savings in operating expenditure of \$695,903 (excluding depreciation and disposals of assets) and a decrease in revenue, other than rates, of (\$1,334,109) resulting in an operating deficit of \$638,206 (excluding the change in depreciation). The amount sourced from rates has increased by \$447,160. Additionally there are changes to capital and funding activities. Transfers to and from reserves reflect changes to capital spending.

FINANCIAL IMPLICATIONS:

The budget review has changed the overall financial position of the City. Operating Income has fallen by (\$0.9 million) and net capital expenditure requirements have been reduced by \$357,000.

COMMENTS:

The City remains in a strong financial position.

Moved by Cr Chen, seconded by Cr Davidson

That Council:

- 1. in accordance with Regulation 33A(3) of the Local Government (Financial Management) Regulations 1996 (as amended) approves BY AN ABSOLUTE MAJORITY:***
 - 1.1 the February Budget Review 2015/16 as detailed in Schedules 6, 7, 8 and 9 noting the impact of reduced operating revenue and operating expenditure excluding depreciation;***
 - 1.2 capital expenditure of \$1,196,349 for work on projects as listed in Schedule 8 as "Ongoing Projects Requiring Additional Funds" and \$1,685,821 for "New Projects Requiring Funding" respectively, which will be provided out of the savings of (\$3,239,477) on "Ongoing Projects that have been reprogrammed";***
- 2. notes that:***
 - 2.1 the budgeted net result from operations has decreased by \$375,354;***
 - 2.2 net savings of \$357,307 on capital projects; reduced funding required from reserves of \$1,049,000 and from contributions of \$1,267,985 with additional Municipal funds of \$1,959,678 required; and***
 - 2.3 the net cash surplus in accordance with the revised Budget has been reduced by (\$1,435,629) and this will be carried in the Accumulated Surplus.***

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson and Chen

Against: Nil

4.18pm Cr Harley entered the meeting.

FA57/16 COUNCIL POLICY 9.7 – PURCHASING (REVISED)

BACKGROUND:

| | |
|--------------------------|--|
| FILE REFERENCE: | P1005611-1 |
| REPORTING UNIT: | Finance |
| RESPONSIBLE DIRECTORATE: | Corporate Services |
| DATE: | 24 February 2016 |
| MAP / SCHEDULE: | Schedule 10 – Revised Council Policy 9.7 – Purchasing Schedule 11 – Current Council Policy 9.7 – Purchasing Policy |

LEGISLATION / STRATEGIC PLAN / POLICY:

| | |
|--------------------|--|
| Legislation | Part 4 of the <i>Local Government (Functions & General) Regulations 1996</i> |
|--------------------|--|

| | |
|---|---|
| Integrated Planning and Reporting Framework Implications | Strategic Community Plan Council Four Year Priorities: Capable and Responsive Organisation S18 Strengthen the Capacity of the Organisation |
|---|---|

Policy

Policy No and Name: 9.7 – Purchasing

At its meeting held on **15 December 2015**, Council adopted a revised Council Policy 9.7 – Purchasing to increase the tender threshold from \$100,000 to \$150,000 to align legislated monetary values and noted that additional amendments would follow in early 2016.

This report recommends those additional amendments for approval.

DETAILS:

Amendments to the Local Government (Functions and General) Regulations 1996 were published in the Government Gazette on 18 September 2015 to be effective from 1 October 2015.

The main amendments to the legislation are:

- A new Division in the Regulations for the introduction of 'Panels of Pre-Qualified Suppliers'.

- Introduction of additional tender exemptions for – Australian Disability Enterprises and Registered Aboriginal Enterprises
- Technical drafting amendments to improve understanding of the Regulations

The Western Australian Local Government Association (WALGA) issued a Model Purchasing Policy in December 2015 to assist local governments in complying with the amended regulations and this model has been used as a reference for the City's policy.

There are a number of areas that have been amended or included to strengthen the Policy and provide guidance which may have been lacking previously.

In summary the changes to the Policy are:

Policy Objective

Additional point to strengthen compliance with the State Records Act 2000.

Policy Statement

Includes additional reference to the City's Statement of Business Ethics adopted by Council **24 November 2015**.

Value for Money

Additional references to highlight 'risk factors', 'compliance levels' safety requirements' and 'sustainable benefits'.

Sustainable Procurement

Additional wording to capture 'positive economic, environmental and social outcomes'.

Purchasing Limits

Increase in the limit for obtaining verbal or 1 written quotation from \$1,000 to \$5,000.

Additional sub-clauses added relating to: 'existing contracts', 'insufficient suppliers', 'term of contracts', 'long term contracts', 'selection criteria', 'contract reviews', 'tendering exemptions', 'sole source of supply' and re-formatting and re-wording of the 'purchasing thresholds' including consideration of the purchasing value.

Purchasing from Legal Service Providers

Additional clause on the purchase of legal services through the WALGA preferred supplier panel.

Panels of Pre-Qualified Suppliers

New clauses relating to establishing and operating panels of pre-qualified suppliers.

FINANCIAL IMPLICATIONS:

There are no direct financial implications with this change in Policy.

All figures quoted in this report are exclusive of GST.

COMMENTS:

The amendments to the policy achieve compliance with the *Local Government (Functions & General) Regulations 1996* published in the Government Gazette on 18 September 2015.

Additional amendments have been made to enhance internal control and governance.

To improve and strengthen accountability reference has been made to the WALGA Model Purchasing Policy and the guidance provided by the City's Audit and Risk Committee in November 2015.

Moved by Cr Harley, seconded by Cr Chen

That Council adopts the revised Council Policy 9.7 – Purchasing, as detailed in Schedule 10.

The motion was put and carried

The votes were recorded as follows:

For: Crs Davidson, Chen and Harley

Against: Nil

**FA58/16 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN
GIVEN**

Nil

FA59/16 GENERAL BUSINESS

Responses to General Business from a Previous Meeting

Nil

New General Business

Nil

FA60/16 ITEMS FOR CONSIDERATION AT A FUTURE MEETING

Outstanding Items:

Nil

FA61/16 CLOSE OF MEETING

4.25pm There being no further business the Presiding Member declared the meeting closed.

SCHEDULES
FOR THE MINUTES OF THE
FINANCE AND
ADMINISTRATION
COMMITTEE MEETING
HELD ON
8 MARCH 2016

FINANCIAL ACTIVITY STATEMENT FOR THE SEVEN MONTHS TO 31 JANUARY 2016

REPORT OF VARIANCES TO BUDGET

This report compares the actual performance for the seven months to 31 January 2016 compared to the revised budget approved by Council on 3 November 2015.

Operating Revenue

- Parking revenue was \$60,000 above the revised budget for the month of January. On a year to date basis however, parking revenue was \$(280,000) below the revised budget, with Kerbside Parking's below budget performance being the main reason. The year to date variance consisted of \$(50,000) for Undercover Car Parks, \$11,000 for Open Air Car Parks and \$(241,000) for Kerbside Parking.

The main variances for Undercover Car Parks were His Majesty's, which performed under the revised budget by \$(95,000) due to less patronage in line with the high vacancy rates in the City. Also under budget was the Concert Hall \$(94,000) due to fewer events at the venue and patrons using the Terrace Road car park instead. These adverse variances were partly offset by higher than expected revenue for Elder Street of \$131,000 due to more events at the Arena and utilisation of a CPP special block rate. Additionally, the Convention Centre Car Park raised \$54,000 more than expected, mainly due to more events being held such as the Titanic Exhibition and the opening of Elizabeth Quay.

- Fines and Costs were \$(128,000) below the revised budget mainly due to parking fines being below the budget by \$(102,000), in line with the lower level of parking generally within the City.
- Investment income fell short of the revised budget for the year to date by \$(45,000). This was mainly due to the performance of the Colonial Share Index fund which had a negative return in January. Investment returns from this fund have reflected the volatility of the ASX 200.
- Rubbish collection yielded \$(109,000) less than anticipated compared to the revised budget.
- Rentals and Hire Charges were under the revised budget by \$(66,000), mainly due to lower than expected revenue for Parks, Gardens and Reserves \$(20,000) and Forrest Place Mall \$(11,000).
- Recurrent Grants were \$322,000 above the revised budget as a result of the timing of receipts. During January \$500,000 was received for the Australia Day Skyworks being the main contributor to this variance.
- Contributions, Donations and Reimbursements ended the seven month period \$135,000 above budget, mostly due to the timing of funds received. During January Main Roads contributed \$24,000 for

**FINANCIAL ACTIVITY STATEMENT FOR THE SEVEN MONTHS TO
31 JANUARY 2016**

REPORT OF VARIANCES TO BUDGET

the Narrows Interchange and \$3,000 towards the Heirisson Island project.

- Other Income was \$146,000 above target, predominantly due to the above target Building Licence Fees of \$77,000 and an unbudgeted Local Government Insurance Scheme dividend of \$143,000 received during November. The positive variance was partly offset by lower than anticipated revenue for Planning Fees of \$(145,000).

Operating Expenditure

- The favourable variance for Employee costs increased by \$330,000 in January; resulting in \$782,000 below the revised budget on a year to date basis. The main reason for this variance was due to vacancies throughout the organisation. Additionally, lower than anticipated Staff Recruitment Costs and Corporate Training added to the variance.
- Materials and Contracts were \$3,932,000 below the revised budget. The favourable variance included Infrastructure Maintenance which was lower than the target by \$1,039,000; mainly consisting of the River Wall \$530,000, Footpaths \$212,000 and Murray Street Mall general maintenance \$98,000. Property Maintenance was also lower than budget by \$733,000, covering Council House \$250,000, various car parks \$257,000 and a number of other buildings. Other accounts that added to the variance were Consultancy \$386,000, Other Professional Fees \$305,000 and smaller variances spread throughout the organisation.
- Utilities were \$67,000 below the revised budget with lower than expected power costs of \$48,000 and Water, Rates and consumption of \$16,000.
- Depreciation was \$(195,000) over the estimate with Buildings \$(55,000), Computers \$(54,000) and Fixed Plant \$(44,000) being the main reasons to this variance.
- Interest expense was \$(203,000) over the revised budget, predominantly due to the actual interest on Elder Street Undercover Car Park \$(88,000), Convention Centre Car Park \$(58,000) and the Perth City Library loan \$(53,000) being higher than expected.
- Loss on disposal of assets was \$641,000 below the revised budget. Due to the slower than anticipated close out of capital projects, there is a delay in the write-off of assets being replaced or renewed.
- Other Expenditure was \$376,000 below the revised budget at the end of January. This was mainly due to budget timing for Donations and Sponsorship within the Economic Development and Activation Directorate being \$244,000 underspent. This Directorate was

FINANCIAL ACTIVITY STATEMENT FOR THE SEVEN MONTHS TO 31 JANUARY 2016

REPORT OF VARIANCES TO BUDGET

established as part of the recent City of Perth restructure and is not yet fully resourced.

Investing Activities

- Capital expenditure was \$10.8 million less than the revised budget. The following projects have significant annual budgets with year to date spend as follows: New Perth City Library \$6.3 million; Council House upgrade \$582,000; Streetscape Museum Street \$1.07 million and 2-Way Barrack Street construction \$1.1 million.
- Transfers to Reserves are running marginally lower than the revised budget.

Financing Activities

- Transfers from Reserves are below the revised budget by \$(3.9 million). This is due to slower than anticipated progress on capital expenditure.
- Funding from carry forwards expected in the revised budget is dependent on the progress of the capital works program and as a result was \$(3.8 million) below budget.
- Proceeds from the disposal of assets or investments realised \$(603,000) less funds than anticipated in the revised budget.
- Capital Grants ended the seven month period on \$914,000 above the revised budget. During January a capital grant of \$2.8 million was received earlier than anticipated from State Government for the Supreme Court Gardens capital works.

Amounts sourced from Rates

- Rates revenue raised was running relatively close to the revised budget and ended January \$447,000 higher than expected. This is mainly due to more interim rates raised than originally anticipated.

CITY OF PERTH

FINANCIAL ACTIVITY STATEMENT - for the period ended 31 January 2016

| | Revised Budget 2015/16 | Budget YTD 31-Jan-16 | Actual YTD 31-Jan-16 | Variance YTD 31-Jan-16 |
|--|---------------------------|-------------------------|-------------------------|---------------------------|
| | \$ | \$ | \$ | \$ |
| Proceeds from Operating Activities | | | | |
| Operating Revenue | | | | |
| <i>Nature of Income</i> | | | | |
| Parking Fees | 75,778,365 | 43,113,369 | 42,832,967 | (280,402) |
| Fines and Costs | 9,458,652 | 5,495,923 | 5,368,176 | (127,748) |
| Investment Income and Interest | 4,835,983 | 2,853,966 | 2,808,362 | (45,605) |
| Community Service Fees | 1,646,654 | 944,312 | 935,230 | (9,081) |
| Rubbish Collection | 7,638,983 | 7,579,180 | 7,470,168 | (109,012) |
| Rentals and Hire Charges | 5,208,233 | 3,048,075 | 2,982,284 | (65,792) |
| Recurrent Grants | 1,483,539 | 483,464 | 805,454 | 321,991 |
| Contributions, Donations and Reimbursements | 474,671 | 271,201 | 405,870 | 134,669 |
| Other Income | 4,862,690 | 3,029,809 | 3,176,287 | 146,478 |
| | 111,387,769 | 66,819,300 | 66,784,797 | (34,503) |
| Less: Operating Expenditure | | | | |
| <i>Nature of Expenditure</i> | | | | |
| Employee Costs | 69,255,187 | 38,796,677 | 38,014,889 | 781,787 |
| Materials and Contracts | 53,613,031 | 31,424,187 | 27,491,940 | 3,932,247 |
| Utilities | 3,258,341 | 1,840,850 | 1,774,091 | 66,759 |
| Insurance Expenditure | 1,104,573 | 657,476 | 688,717 | (31,241) |
| Depreciation and Amortisation | 30,002,334 | 17,661,076 | 17,855,922 | (194,846) |
| Interest Expenses | 1,156,345 | 659,319 | 862,032 | (202,712) |
| Expense Provisions | 962,345 | 562,803 | 555,334 | 7,468 |
| Loss on Disposal of Assets | 1,766,210 | 1,116,938 | 476,356 | 640,582 |
| Other Expenditure | 24,741,295 | 14,834,640 | 14,458,708 | 375,932 |
| | 185,859,661 | 107,553,966 | 102,177,990 | 5,375,975 |
| Add back Depreciation | (30,002,334) | (17,661,076) | (17,855,922) | 194,846 |
| (Loss) / Profit on Disposals | (1,766,210) | (1,116,938) | (476,356) | (640,582) |
| | 154,091,116 | 88,775,952 | 83,845,712 | 4,930,240 |
| Net Surplus/(Deficit) from Operations | (42,703,347) | (21,956,652) | (17,060,915) | 4,895,737 |
| Investing Activities | | | | |
| Capital Expenditure | (69,049,135) | (35,511,420) | (24,733,923) | 10,777,497 |
| Repayment of Borrowings | (6,441,707) | (4,184,303) | (4,184,303) | - |
| Transfers to Reserves | (28,095,017) | (2,482,368) | (1,992,145) | 490,223 |
| | (103,585,859) | (42,178,091) | (30,910,371) | 11,267,720 |
| Financing Activities | | | | |
| Transfer from Reserves | 30,752,812 | 27,098,714 | 23,207,904 | (3,890,810) |
| Carry Forwards | 21,681,358 | 11,150,550 | 7,366,427 | (3,784,123) |
| Proceeds from Disposal of Assets/Investments | 1,729,345 | 1,523,000 | 920,140 | (602,860) |
| Distribution from TPRC | 1,833,333 | - | - | - |
| Capital Grants | 7,757,850 | 2,535,600 | 3,449,865 | 914,265 |
| | 63,754,698 | 42,307,864 | 34,944,336 | (7,363,528) |
| Add: Opening Funds | 636,302 | 636,302 | 636,302 | - |
| Net Surplus/(Deficit) before Rates | (82,534,508) | (21,826,879) | (13,026,951) | 8,799,928 |
| Amount Sourced from Rates | 82,681,632 | 81,293,492 | 81,740,652 | 447,160 |
| Closing Funds | 783,426 | 60,102,915 | 69,350,003 | 9,247,089 |

| | | | | |
|------------------------------------|--------------------|--------------------|--------------------|------------------|
| Net Cash on Hand | | | | |
| Cash On Hand | 5,321,032 | 10,216,381 | 10,096,255 | (120,126) |
| Money Market Investments | 106,330,600 | 131,060,000 | 130,428,638 | (631,362) |
| Funds on Hand | 111,651,632 | 141,276,381 | 140,524,893 | (751,488) |
| Analysis of Funds on Hand | | | | |
| Reserves | 86,669,717 | 63,974,136 | 63,665,950 | (308,186) |
| Provisions | 11,525,004 | 12,658,972 | 10,942,661 | (1,716,311) |
| Carry forwards | - | 9,725,500 | 8,801,357 | (924,143) |
| Restricted Grants not yet utilised | 437,037 | 141,042 | 202,122 | 61,080 |
| General Funds | 13,019,874 | 54,776,733 | 56,912,803 | 2,136,070 |
| Funds on Hand | 111,651,632 | 141,276,381 | 140,524,893 | (751,488) |

CURRENT POSITION AS AT THE END OF THE PERIOD 31-January-2016

| | 2015/16 Revised Budget | 2015/16 Budget YTD | 2015/16 Actual YTD | 2015/16 Variance |
|---|-----------------------------------|-------------------------------|-------------------------------|-----------------------------|
| Current Assets | \$ | \$ | \$ | \$ |
| Cash and Cash Equivalents | 5,321,032 | 10,216,381 | 10,096,255 | (120,126) |
| Deposits and Prepayments | 1,783,674 | 9,582,981 | 9,402,969 | (180,012) |
| Money Market Investments - Municipal Funds | 19,660,883 | 67,085,864 | 66,762,688 | (323,176) |
| Money Market Investments - Restricted Funds | 86,669,717 | 63,974,136 | 63,665,950 | (308,186) |
| Trade and Other Receivables | 10,243,590 | 16,168,755 | 18,056,615 | 1,887,860 |
| Inventories | 2,865,990 | 3,196,566 | 1,172,650 | (2,023,916) |
| Total Current Assets | 126,544,886 | 170,224,683 | 169,157,127 | (1,067,556) |
| Current Liabilities | | | | |
| Trade and Other Payables | 27,342,738 | 33,347,619 | 24,392,865 | (8,954,754) |
| Employee Entitlements | 11,525,004 | 11,032,891 | 10,942,661 | (90,230) |
| Provisions | 224,001 | 1,626,080 | 603,526 | (1,022,554) |
| Borrowings | 6,771,075 | 5,995,542 | 6,075,006 | 79,464 |
| Total Current Liabilities | 45,862,818 | 52,002,134 | 42,014,058 | - 9,988,076 |
| Working Capital Position Brought Forward | \$ 80,682,068 | \$ 118,222,550 | \$ 127,143,069 | \$ 8,920,519 |
| Deduct Restricted Cash Holdings | (86,669,717) | (63,974,136) | (63,665,950) | 308,186 |
| Deduct Unspent Borrowings | - | (141,042) | (202,122) | (61,080) |
| Deduct Restricted Capital Grants | - | | | |
| Add Current Borrowings | 6,771,075 | 5,995,542 | 6,075,006 | 79,464 |
| Current Funds Position Brought Forward | \$ 783,427 | \$ 60,102,915 | \$ 69,350,003 | \$ 9,247,089 |

EXPLANATORY NOTES – FINANCIAL ACTIVITY STATEMENT

BACKGROUND

- Regulation 34 of the Local Government (Financial Management) Regulations 1996 was amended effective from 1 July 2005.
- The amendment prescribes a monthly Financial Activity Statement (FAS) reporting the sources and application of funds, as set out in the Rate Setting Statement which is included in the Annual Budget.

PURPOSE

- The FAS reports the actual financial performance of the City in relation to its adopted budget, which has been structured on financial viability and sustainability principles.
- The FAS is intended to act as a guide to Council of the impact of financial activities and the reasons for major variances to the annual budget estimates.

PRESENTATION

- Regulation 34 prescribes the minimum detail to be included in the FAS. These are listed below.
 - Annual Budget estimates, and approved revisions to these, are to be included for comparison purposes.
 - Actual amounts of income and expenditure to the end of the month of the FAS.
 - Material variances between the comparable amounts and commentary on reasons for these.
 - The net current assets at the end of the month to which the FAS relates.
- An explanation of the composition of the net current assets at the end of the month to which the FAS relates; less committed and restricted assets.
- Councils are given the option of adopting a format which is considered most appropriate to their needs. These options are listed below.
 - According to nature and type classification,
 - by program, or
 - by business unit.
- It is recommended that while the information presented by cost objects (programs and activities) or by cost centres (business units) are useful for expense allocation and cost centre accountability purposes, they are less informative and difficult to comprehend in matters of disclosure and less effective in cost management and control.
- The FAS has therefore been presented in the format using nature and type classification as the most meaningful disclosure to the Council and public.

FORMAT

- The FAS is formatted to align with the Rate Setting Statement.
- The first part deals with operating income and expenditure, excluding rate revenue.
- The next classification is the amount spent on capital expenditure and debt repayments.
- The classification 'Financing Activities' provides a statement of sources of funds other than from operating or rates revenue, which are usually associated with capital expenditure.
- Attached to the FAS is a statement of 'Net Current Assets' for the budget and actual expenditure to the end of the month to which the FAS relates.
- Opening and closing funds represent the balance of 'Net Current Assets', not including any funds which are committed or restricted.
- "Committed assets" means revenue unspent but set aside under the annual budget for a specific purpose.
- "Restricted assets" means those assets the uses of which are restricted, wholly or partially, by regulations or other externally imposed requirements", e.g. reserves set aside for specific purposes.
- To avoid duplication in calculating 'Closing Funds on hand', certain balances, such as provisions and borrowings, are also deducted.
- The total Closing Funds on hand are to be taken into account when calculating the amount to be raised by rates each year.
- The classification "Net Cash on Hand" represents the balances of funds held in cash or invested and the analysis into those funds reserved, carried forward or remaining unspent at the end of the month to which the FAS relates.



CITY of PERTH

CITY of PERTH

Financial Statements

For the 7 months ended 31 January 2016

**CITY OF PERTH
MUNICIPAL**

**Statement of Comprehensive Income for the 7 months ended 31 January 2016
(By Program)**

| | <i>Note</i> | Budget 2015/2016 | Revised Budget YTD | Actual YTD 31/01/2016 | YTD Variance | |
|--|-------------|-----------------------------|-------------------------------|----------------------------------|---------------------|--------------|
| OPERATING REVENUE | | \$ | \$ | \$ | \$ | % |
| General Purpose Funding Rates | | 83,567,338 | 82,153,651 | 82,601,604 | 447,953 | 0.5% |
| General Purpose Funding Other | | 5,735,976 | 2,841,609 | 2,591,857 | (249,752) | -8.8% |
| Law, Order, Public Safety | | 46,225 | 19,473 | 9,146 | (10,327) | -53.0% |
| Health | | 864,920 | 736,146 | 793,285 | 57,139 | 7.8% |
| Education and Welfare | | 2,153,539 | 1,267,738 | 1,246,102 | (21,636) | -1.7% |
| Housing | | 656,190 | 470,241 | 460,389 | (9,852) | -2.1% |
| Community Amenities | | 10,294,628 | 9,292,561 | 9,056,104 | (236,457) | -2.5% |
| Recreation and Culture | | 1,859,860 | 661,778 | 1,270,062 | 608,284 | 91.9% |
| Transport | | 90,764,129 | 49,854,882 | 49,453,348 | (401,534) | -0.8% |
| Economic Services | | 1,093,247 | 412,574 | 535,885 | 123,311 | 29.9% |
| Other Property and Services | | 717,071 | 401,867 | 507,393 | 105,526 | 26.3% |
| Total Operating Income | | 197,753,123 | 148,112,791 | 148,525,446 | 412,655 | 0.3% |
| OPERATING EXPENDITURE | | | | | | |
| Governance | | 11,262,129 | 7,041,970 | 6,843,177 | 198,793 | 2.8% |
| General Purpose Funding | | 3,089,672 | 2,164,929 | 2,178,621 | (13,693) | -0.6% |
| Law, Order, Public Safety | | 3,868,851 | 2,007,933 | 2,129,343 | (121,410) | -6.0% |
| Health | | 1,884,897 | 1,733,381 | 1,502,199 | 231,182 | 13.3% |
| Education and Welfare | | 3,870,122 | 2,189,401 | 2,032,918 | 156,483 | 7.1% |
| Housing | | 563,144 | 356,796 | 325,510 | 31,286 | 8.8% |
| Community Amenities | | 28,558,870 | 16,288,986 | 15,452,802 | 836,184 | 5.1% |
| Recreation and Culture | | 32,248,092 | 19,361,956 | 17,992,243 | 1,369,713 | 7.1% |
| Transport | | 85,571,552 | 47,576,279 | 45,811,265 | 1,765,014 | 3.7% |
| Economic Services | | 9,744,103 | 5,828,911 | 5,259,812 | 569,099 | 9.8% |
| Other Property and Services | | 7,266,137 | 1,682,168 | 2,035,567 | (353,399) | -21.0% |
| Total Operating Expenditure | | 187,927,571 | 106,232,711 | 101,563,457 | 4,669,254 | 4.4% |
| NET FROM OPERATIONS | | 9,825,552 | 41,880,081 | 46,961,989 | 5,081,909 | 12.1% |
| GRANTS/CONTRIBUTIONS | | | | | | |
| For the Development of Assets | | | | | | |
| - General Purpose Funding | | 80,200 | 75,600 | 75,600 | - | 0.0% |
| - Recreation and Culture | | 3,207,250 | 1,790,000 | 2,790,000 | - | 0.0% |
| - Transport | | 3,555,000 | 670,000 | 584,265 | (85,735) | -12.8% |
| Total Grants/Contributions | | 6,842,450 | 2,535,600 | 3,449,865 | 914,265 | 36.1% |
| DISPOSAL/WRITE OFF OF ASSETS | | | | | | |
| Gain/(Loss) on Disposal of Assets | 2 | (1,558,253) | (1,116,938) | (476,357) | 640,581 | -57.4% |
| Change in net assets resulting from operations before significant items | | 15,109,749 | 43,298,743 | 49,935,497 | 6,636,755 | 15.3% |
| SIGNIFICANT ITEMS | | | | | | |
| Distribution from TPRC | | 1,833,333 | - | - | - | 0.0% |
| (Loss) on Disposal of Investments | | - | (3,655) | (3,655) | - | 0.0% |
| Change in net assets resulting from operations after significant items | | 16,943,082 | 43,295,088 | 49,931,842 | 6,636,755 | 15.3% |

**CITY OF PERTH
MUNICIPAL**

**Statement of Comprehensive Income for the 7 months ended 31 January 2016
(By Nature)**

| | Note | Budget 2015/2016 | Revised Budget YTD | Actual YTD 31/01/2016 | YTD Variance | |
|---|-------------|-----------------------------|-------------------------------|----------------------------------|---------------------|----------|
| OPERATING REVENUE | | \$ | \$ | \$ | \$ | % |
| Rates | | 82,692,367 | 81,293,492 | 81,740,652 | 447,160 | 0.6% |
| Grants and Contributions for Non Capital Purposes | | 1,508,499 | 483,464 | 805,454 | 321,990 | 66.6% |
| Donations and Reimbursements | | 452,347 | 271,201 | 405,870 | 134,669 | 49.7% |
| Fees and Charges | | 105,979,915 | 62,346,970 | 61,797,465 | (549,505) | -0.9% |
| Interest and Investment Income | | 5,157,319 | 2,853,966 | 2,808,360 | (45,606) | -1.6% |
| Other Revenue | | 1,962,676 | 863,699 | 967,646 | 103,947 | 12.0% |
| Total Revenue from Operating Activities | | 197,753,123 | 148,112,791 | 148,525,446 | 412,655 | 0.3% |
| OPERATING EXPENDITURE | | | | | | |
| Employee Costs | | 69,135,566 | 38,677,044 | 38,014,889 | 662,155 | 1.7% |
| Materials and Contracts | | 52,838,709 | 31,424,187 | 27,491,940 | 3,932,247 | 12.5% |
| Utilities | | 3,069,080 | 1,840,850 | 1,774,091 | 66,759 | 3.6% |
| Depreciation and Amortisation | | 34,211,101 | 17,661,076 | 17,855,920 | (194,844) | -1.1% |
| Interest | | 1,836,750 | 659,319 | 862,032 | (202,713) | -30.7% |
| Insurance | | 1,166,259 | 657,476 | 688,717 | (31,241) | -4.8% |
| Expenses Provision | | 962,345 | 562,803 | 555,333 | 7,470 | 1.3% |
| Other Expenses from Ordinary Activities | | 24,707,761 | 14,749,958 | 14,320,535 | 429,423 | 2.9% |
| Total Expenses from Ordinary Activities | | 187,927,571 | 106,232,711 | 101,563,457 | 4,669,254 | 4.4% |
| Change in Net Assets from Ordinary Activities before Capital Amounts | | 9,825,552 | 41,880,080 | 46,961,989 | 5,081,909 | 12.1% |
| GRANTS/CONTRIBUTIONS | | | | | | |
| Grants and Contributions- Capital | | 6,842,450 | 2,535,600 | 3,449,865 | 914,265 | 36.1% |
| NET OPERATING SURPLUS | | 16,668,002 | 44,415,680 | 50,411,854 | 5,996,174 | 13.5% |
| DISPOSAL/WRITE OFF OF ASSETS | 2 | (1,558,253) | (1,116,938) | (476,357) | 640,581 | -57.4% |
| SIGNIFICANT ITEMS | | | | | | |
| Distribution from TPRC | | 1,833,333 | - | - | - | 0.0% |
| (Loss) on Disposal of Investments | | - | (3,655) | (3,655) | - | 0.0% |
| Change in net assets resulting from operations after capital amounts and significant items | | 16,943,082 | 43,295,088 | 49,931,842 | 6,636,755 | 15.3% |

**CITY OF PERTH
MUNICIPAL**

Statement of Financial Position as at 31 January 2016

| | Note | 31/01/2016 | 30/06/2015 |
|--------------------------------------|-------|------------------------|------------------------|
| CURRENT ASSETS | | \$ | \$ |
| Cash and Cash Equivalents | 11 | 10,096,255 | 21,164,777 |
| Deposits/Prepayments | 4 | 9,402,969 | 1,339,244 |
| Investments | 3, 11 | 130,428,638 | 91,045,389 |
| Trade and Other Receivables | 5 | 14,116,375 | 8,355,249 |
| Rates Receivable | 1 | 3,940,240 | 64,096 |
| Inventories | | 1,172,650 | 1,394,201 |
| TOTAL CURRENT ASSETS | | 169,157,127 | 123,362,956 |
| NON CURRENT ASSETS | | | |
| Investments | 3 | 6,507,868 | 7,110,313 |
| Trade and Other Receivables | 5 | 32,434 | 39,567 |
| Property, Plant and Equipment | 8 | 653,007,732 | 659,937,053 |
| Infrastructure | 8 | 473,225,719 | 480,607,504 |
| Capital Work in Progress | 8 | 88,991,441 | 69,215,093 |
| TOTAL NON CURRENT ASSETS | | 1,221,765,194 | 1,216,909,530 |
| TOTAL ASSETS | | 1,390,922,321 | 1,340,272,486 |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 6 | 24,392,865 | 19,155,304 |
| Employee Benefits | 7 | 10,942,661 | 11,405,126 |
| Provisions | 7 | 603,526 | 703,725 |
| Loan Liability | 9 | 6,075,006 | 6,441,709 |
| TOTAL CURRENT LIABILITIES | | 42,014,058 | 37,705,864 |
| NON CURRENT LIABILITIES | | | |
| Employee Benefits | 7 | 1,891,737 | 1,891,737 |
| Provisions | 7 | 4,097,062 | 3,869,667 |
| Loan Liability | 9 | 32,509,402 | 36,327,002 |
| TOTAL NON CURRENT LIABILITIES | | 38,498,201 | 42,088,406 |
| TOTAL LIABILITIES | | 80,512,259 | 79,794,270 |
| NET ASSETS | | \$1,310,410,062 | \$1,260,478,216 |
| EQUITY | | | |
| Accumulated Surplus | | 683,256,224 | 612,108,619 |
| Asset Revaluation Reserve | 10 | 560,795,095 | 560,795,095 |
| Reserves | 10 | 66,358,743 | 87,574,502 |
| TOTAL EQUITY | | \$1,310,410,062 | \$1,260,478,216 |

**CITY OF PERTH
MUNICIPAL**

Statement of Changes in Equity for the 7 months ended 31 January 2016

| | Accumulated Surplus | Asset Revaluation Reserve | Cash Backed Reserves | Total Equity |
|---|------------------------|---------------------------------|-------------------------|------------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2014 | 587,289,902 | 372,942,447 | 85,605,577 | 1,045,837,926 |
| Change in net assets resulting from operations | 214,640,290 | - | - | 214,640,290 |
| Transfer to Cash Backed Reserves | (25,386,259) | - | 25,386,259 | - |
| Transfers to Asset Revaluation Reserve | (189,027,761) | 189,027,761 | - | - |
| Transfers from Asset Revaluation Reserve | 1,175,113 | (1,175,113) | - | - |
| Transfer from Cash Backed Reserves | 23,417,344 | - | (23,417,344) | - |
| Balance at 30 June 2015 | \$612,108,629 | \$560,795,095 | \$87,574,492 | \$1,260,478,216 |
| Balance at 1 July 2015 | \$ | \$ | \$ | \$ |
| Change in net assets resulting from operations | 612,108,629 | 560,795,095 | 87,574,492 | 1,260,478,216 |
| Transfer to Cash Backed Reserves | 49,931,842 | - | - | 49,931,842 |
| Transfers to Asset Revaluation Reserve | (1,992,145) | - | 1,992,145 | - |
| Transfers from Asset Revaluation Reserve | - | - | - | - |
| Transfers from Cash Backed Reserves | 23,207,904 | - | (23,207,904) | - |
| Balance at the end of the reporting period | \$683,256,229 | \$560,795,095 | \$66,358,734 | \$1,310,410,058 |

**CITY OF PERTH
MUNICIPAL**

Statement of Cash Flows for the 7 months ended 31 January 2016

| | Note | Budget 2015/2016 | YTD Actual 31/01/2016 | YTD Variation | |
|---|------|---------------------|--------------------------|---------------|---------|
| | | \$ | \$ | \$ | % |
| Cash Flows from Operating Activities | | | | | |
| Receipts | | | | | |
| Rates | | 82,681,333 | 76,813,353 | (5,867,980) | -7.1% |
| Fees and Charges | | 104,237,072 | 57,415,261 | (46,821,811) | -44.9% |
| Interest | | 5,009,468 | 2,388,851 | (2,620,617) | -52.3% |
| Other | | 5,485,536 | 1,213,378 | (4,272,158) | -77.9% |
| | | 197,413,411 | 137,830,843 | (59,582,568) | -30.2% |
| Payments | | | | | |
| Employee Costs | | (68,531,216) | (38,304,479) | 30,226,737 | 44.1% |
| Materials and Contracts | | (50,557,095) | (30,433,050) | 20,124,045 | 39.8% |
| Interest | | (1,686,749) | (985,749) | 701,000 | 41.6% |
| Other | | (24,363,418) | (16,980,823) | 7,382,595 | 30.3% |
| | | (145,138,478) | (86,704,101) | 58,434,377 | 40.3% |
| Net Cash Flows from Operating Activities | 12 | 52,274,932 | 51,126,742 | (1,148,190) | 2.2% |
| Cash Flows from Investing Activities | | | | | |
| Receipts | | | | | |
| Distribution from TPRC | | 1,833,333 | - | (1,833,333) | -100.0% |
| Proceeds from Disposal of Assets | | 1,523,000 | 321,350 | (1,201,650) | -78.9% |
| Proceeds from Disposal of Investments(Non Current) | | - | 598,790 | 598,790 | 0.0% |
| Payments | | | | | |
| Purchase Land and Buildings | | (13,036,542) | - | 13,036,542 | -100.0% |
| Purchase Infrastructure Assets | | (37,840,203) | (438,644) | 37,401,559 | -98.8% |
| Purchase Plant and Mobile Equipment | | (3,347,436) | (1,084,321) | 2,263,115 | 67.6% |
| Purchase Office Furniture and Equipment | | (561,648) | (7,919) | 553,729 | -98.6% |
| Work in Progress | | - | (22,432,426) | (22,432,426) | 0.0% |
| | | (54,785,829) | (23,963,310) | 30,822,519 | 56.3% |
| Net Cash Flows from Investing Activities | | (51,429,496) | (23,043,170) | 28,386,326 | 55.2% |
| Cash Flows from Financing Activities | | | | | |
| Repayment of Borrowings | | (6,441,707) | (4,184,303) | 2,257,404 | 35.0% |
| | | (6,441,707) | (4,184,303) | 2,257,404 | 35.0% |
| Cash Flows from Government and Other Parties | | | | | |
| Receipts from Appropriations/Grants | | | | | |
| Recurrent | | 1,760,075 | 965,592 | (794,483) | -45.1% |
| Capital | | 6,842,450 | 3,449,865 | (3,392,585) | -49.6% |
| | | 8,602,525 | 4,415,457 | (4,187,068) | -48.7% |
| Net Increase (Decrease) in Cash Held | | 3,006,254 | 28,314,726 | 25,308,472 | 841.9% |
| Cash at 1 July 2015 | | 107,033,620 | 112,210,166 | 5,176,546 | 4.8% |
| Cash at 31 January 2016 | 11 | 110,039,874 | 140,524,893 | 30,485,019 | 27.7% |

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Notes to the Balance Sheet for the 7 months ended 31 January 2016

1 Rates Receivable

| | Actual YTD 31/01/2016 | 2014/15 YTD 31/01/2015 |
|---------------------------------------|----------------------------------|-----------------------------------|
| | \$ | \$ |
| Outstanding Amount at 30 June 2015 | 64,096 | 52,088 |
| Rates Levied for the Year | 81,770,515 | 75,920,139 |
| Late Payment Penalties | 94,875 | 74,975 |
| Ex Gratia Rates | 17,464 | 10,283 |
| Rates Administration Fee | 283,060 | 284,223 |
| Rates Instalment Interest | 341,842 | 317,571 |
| Back Rates | (47,327) | (147,341) |
| Bins Levy | 93,898 | 35,825 |
| | 82,618,423 | 76,547,763 |
| Amount Received during the Period | 78,678,183 | 72,839,058 |
| Outstanding Amount at 31 January 2016 | \$3,940,240 | \$3,708,705 |

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

| | Annual Budget | Actual YTD 31/01/2016 |
|--|--------------------------|----------------------------------|
| | \$ | \$ |
| Land and Buildings | | |
| Proceeds on Disposal | - | - |
| Less: Carrying amount of assets sold/written off | - | 14,969 |
| (Loss) on Disposal/Write Off | - | (14,969) |
| Infrastructure | | |
| Proceeds on Disposal | - | - |
| Less: Carrying amount of assets written off | 1,721,201 | 471,046 |
| (Loss) on Write Off | (1,721,201) | (471,046) |
| Plant and Mobile Equipment | | |
| Proceeds on Disposal | 1,523,000 | 320,660 |
| Less: Carrying amount of assets sold/written off | 1,360,052 | 311,013 |
| Profit on Disposal/Write Off | 162,948 | 9,647 |
| Furniture and Equipment | | |
| Proceeds on Disposal | - | 690 |
| Less: Carrying amount of assets sold /written off | - | 679 |
| Profit on Disposal/Write Off | - | 11 |
| Gain/(Loss) on Disposal/Write off of Assets | (\$1,558,253) | (\$476,357) |

3 Investments

| | 31/01/2016 | 30/06/2015 |
|--------------------------------------|----------------------|---------------------|
| Current | | |
| Short Term Cash Investments * | \$ | \$ |
| Call Funds | 5,055,090 | 23,629 |
| Bank/Term Deposits | 121,500,000 | 83,900,000 |
| Managed Funds | 3,873,548 | 4,118,105 |
| Floating Rate Notes (FRN) | - | 3,003,655 |
| Total Current Investments | \$130,428,638 | \$91,045,389 |

* Short Term Cash Investments as stated in Note 11.

| | 31/01/2016 | 30/06/2015 |
|--|--------------------|--------------------|
| Non Current Investments | \$ | \$ |
| Mortgage Backed Securities (MBS) | 2,692,784 | 2,766,406 |
| | 2,692,784 | 2,766,406 |
| Equity in Local Government House | 10,000 | 10,000 |
| Equity in Mindarie Regional Council | 398,074 | 398,074 |
| Equity in Tamala Park Regional Council | 3,407,010 | 3,935,833 |
| | \$6,507,868 | \$7,110,313 |

MUNICIPAL

Notes to the Balance Sheet for the 7 months ended 31 January 2016

4 Deposits/Prepayments

| | 31/01/2016 | 30/06/2015 |
|----------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Prepaid Insurance | 994,158 | - |
| Prepaid Parking Bay Licence Fees | 7,113,606 | 91,560 |
| Other | 1,295,205 | 1,247,684 |
| | \$9,402,969 | \$1,339,244 |

5 Trade And Other Receivables

| | 31/01/2016 | 30/06/2015 |
|---|---------------------|--------------------|
| Current | \$ | \$ |
| Emergency Services Levy (ESL) | 1,234,309 | 63,463 |
| Accrued Interest and Investment Income | 1,019,806 | 600,296 |
| Accrued Income | 2,207,917 | 1,251,900 |
| Modified Penalties/Fines and Costs | 7,529,531 | 7,156,124 |
| Debtors - General | | |
| Australian Taxation Office - GST Refundable | - | 479,963 |
| Works and Services | 22,500 | 156,225 |
| Other Debtors | 5,255,381 | 1,701,472 |
| | 17,269,444 | 11,409,443 |
| Less: Provision for Doubtful Debts | (3,153,069) | (3,054,194) |
| | \$14,116,375 | \$8,355,249 |
| Non Current | | |
| Pensioners' Rates Deferred | 32,434 | 39,567 |
| | \$32,434 | \$39,567 |

6 Trade And Other Payables

| | 31/01/2016 | 30/06/2015 |
|--|---------------------|---------------------|
| Current | \$ | \$ |
| Trade Creditors | 4,311,146 | 13,260,443 |
| Emergency Services Levy | 9,950,616 | - |
| Interest Payable on Loans | 117,298 | 241,015 |
| Accrued Expenses - Operating | 5,909,427 | 2,617,565 |
| Accrued Expenses - Capital | 646,343 | 360,328 |
| Advances Received for Recoverable Works | 48,870 | 77,424 |
| Income Received / Raised in Advance | 815,838 | 871,600 |
| Australian Taxation Office - GST Payable | 321,117 | - |
| Other Creditors | 2,272,210 | 1,726,929 |
| | \$24,392,865 | \$19,155,304 |

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Notes to the Balance Sheet for the 7 months ended 31 January 2016

7 Employee Benefits

| | 31/01/2016 | 30/06/2015 |
|---|---------------------|---------------------|
| Current | \$ | \$ |
| Leave Entitlements | | |
| Annual Leave | 4,454,270 | 4,795,260 |
| Self Funded Leave | 227,260 | 270,891 |
| Long Service Leave | 6,126,907 | 6,189,337 |
| Recognition of Employees- Presentations | 134,224 | 149,638 |
| | \$10,942,661 | \$11,405,126 |
| Non Current | | |
| Annual Leave | 838,090 | 838,090 |
| Long Service Leave | 1,053,647 | 1,053,647 |
| | \$1,891,737 | \$1,891,737 |

Provisions

| | 31/01/2016 | 30/06/2015 |
|--|--------------------|--------------------|
| Current | \$ | \$ |
| Workers Compensation | 603,526 | 703,725 |
| | \$603,526 | \$703,725 |
| Non Current | | |
| Provision for Equipment Replacement PCEC | 4,097,062 | 3,869,667 |
| | \$4,097,062 | \$3,869,667 |

8 Property, Plant and Equipment and Work in Progress

| | 31/01/2016 | 30/06/2015 |
|--|------------------------|------------------------|
| | \$ | \$ |
| Land and Air Rights - at cost/fair value | 380,366,193 | 380,366,194 |
| Less: Accumulated Depreciation | (2,901,998) | (2,570,139) |
| | 377,464,195 | 377,796,055 |
| Buildings - at fair value | 380,100,248 | 379,893,679 |
| Less: Accumulated Depreciation | (150,779,473) | (146,015,858) |
| | 229,320,775 | 233,877,821 |
| Improvements - at fair value | 8,010,840 | 8,010,841 |
| Less: Accumulated Depreciation | (4,727,887) | (4,564,395) |
| | 3,282,953 | 3,446,446 |
| Infrastructure Assets - at cost/fair value | 741,820,348 | 741,999,706 |
| Less: Accumulated Depreciation | (268,594,629) | (261,392,201) |
| | 473,225,719 | 480,607,505 |
| Plant and Mobile Equipment - at cost/fair value | 46,643,585 | 45,505,811 |
| Less: Accumulated Depreciation | (27,611,183) | (25,351,476) |
| | 19,032,402 | 20,154,335 |
| Office Furniture and Equipment - at cost/fair value | 37,174,630 | 36,740,437 |
| Less: Accumulated Depreciation | (14,062,494) | (12,873,309) |
| | 23,112,136 | 23,867,128 |
| Agricultural - at cost | 795,271 | 795,271 |
| Less: Accumulated Depreciation | - | - |
| | 795,271 | 795,271 |
| Property, Plant and Equipment | 1,126,233,451 | 1,140,544,561 |
| Work in Progress - at cost | 88,991,441 | 69,215,093 |
| | 88,991,441 | 69,215,093 |
| Total Property, Plant and Equipment and Work in Progress | \$1,215,224,892 | \$1,209,759,650 |

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Notes to the Balance Sheet for the 7 months ended 31 January 2016

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

| | Balance 30/06/2015 | Acquisitions Actual YTD 31/01/2016 | Transfers Actual YTD 31/01/2016 | Disposals/ Write off/ Actual YTD 31/01/2016 | Revaluation Actual YTD 31/01/2016 | Balance 31/01/2016 |
|--------------------------------|------------------------|--|---------------------------------------|--|---|------------------------|
| | \$ | \$ | \$ | \$ | | \$ |
| Land and Air Rights | 380,366,194 | - | - | - | - | 380,366,194 |
| Buildings | 379,893,679 | - | 245,870 | (39,300) | - | 380,100,249 |
| Improvements | 8,010,841 | - | - | - | - | 8,010,841 |
| Infrastructure Assets | 741,999,706 | 438,644 | 1,204,297 | (1,822,298) | - | 741,820,349 |
| Plant and Mobile Equipment | 45,505,811 | 1,084,321 | 805,178 | (751,725) | - | 46,643,585 |
| Office Furniture and Equipment | 36,740,437 | 7,919 | 556,292 | (130,018) | - | 37,174,630 |
| Agricultural | 795,271 | - | - | - | - | 795,271 |
| Work in Progress | 69,215,093 | 22,718,441 | (2,942,093) | - | - | 88,991,441 |
| | \$1,662,527,032 | \$24,249,325 | (130,456) | (\$2,743,341) | - | \$1,683,902,560 |

9 Loan Liability

| | 31/01/2016 | 30/06/2015 |
|---|------------|------------|
| Current | \$ | \$ |
| Loans - Western Australian Treasury Corporation | 6,075,006 | 6,441,709 |
| Non Current | | |
| Loans - Western Australian Treasury Corporation | 32,509,402 | 36,327,002 |

10 Reserve Funds

| Purpose of Reserve Fund | Balance 30/06/2015 | Transfer from Accumulated Surplus | Transfer to Accumulated Surplus | Balance 31/01/2016 |
|---|-----------------------|---|---------------------------------------|-----------------------|
| | \$ | \$ | \$ | \$ |
| Refuse Disposal and Treatment | 2,843,524 | 45,516 | - | 2,889,040 |
| Concert Hall - Refurbishment and Maint. | 4,826,518 | 68,500 | (34,748) | 4,860,270 |
| Asset Enhancement | 29,008,935 | 370,590 | (5,758,348) | 23,621,177 |
| Street Furniture Replacement | 540,334 | 7,694 | - | 548,028 |
| Parking Levy | 17,132,501 | 1,708 | (17,012,592) | 121,617 |
| Art Acquisition | 315,397 | 4,172 | (5,900) | 313,669 |
| Heritage Incentive | 587,371 | 11,562 | - | 598,933 |
| Parking Facilities Development | 23,952,738 | 339,210 | (396,316) | 23,895,632 |
| Employee Entitlements | 1,053,647 | 861,611 | - | 1,915,258 |
| David Jones Bridge | 277,223 | 3,954 | - | 281,177 |
| Bonus Plot Ratio | 595,996 | 8,488 | - | 604,484 |
| PCEC Fixed Plant Replacement | 3,869,667 | 227,395 | - | 4,097,062 |
| Enterprise and Initiative | 2,570,651 | 41,745 | - | 2,612,396 |
| | 87,574,502 | 1,992,145 | (23,207,904) | 66,358,743 |
| * Asset Revaluation | 560,795,095 | - | - | 560,795,095 |
| | \$648,369,597 | \$1,992,145 | (\$23,207,904) | \$627,153,838 |

* The Asset Revaluation Reserve is a non cash backed reserve and cannot be used ,except for adjustments to fixed assets on their revaluation, disposal or write off

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Notes to the Balance Sheet for the 7 months ended 31 January 2016

11 Cash Reconciliation

| | 31/01/2016 | 30/06/2015 |
|-----------------------------|----------------------|----------------------|
| | \$ | \$ |
| Cash and Cash Equivalents | 10,096,255 | 21,164,777 |
| Short Term Cash Investments | 130,428,638 | 91,045,389 |
| | \$140,524,893 | \$112,210,166 |

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

| | 31/01/2016 | 30/06/2015 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Change in Net Assets Resulting from Operations | 49,935,497 | 18,136,854 |
| Adjustment for items not involving the movement of Funds: | | |
| Depreciation | 17,855,920 | 29,115,795 |
| Doubtful Debts | 98,875 | 267,593 |
| (Gain)/Loss on Disposal/Write off/Contribution of Assets | 476,357 | 2,584,345 |
| | 68,497,105 | 50,104,587 |
| Revenues Provided By : | | |
| Government Grants | (4,365,567) | (4,039,166) |
| Contribution from Other Parties | (49,890) | (15,000) |
| | (4,415,457) | (4,054,166) |
| Change in Operating Assets and Liabilities | | |
| Add Back | | |
| Decrease in Inventories | 221,551 | 713,171 |
| Decrease in Deposits and Prepayments | - | 81,566 |
| Decrease in Accrued Interest and Dividend Income | - | 749,725 |
| Decrease in Debtors | - | 1,650,216 |
| Decrease in Deferred Debtors | 7,133 | 4,638 |
| Increase in Income Received /Raised in Advance | - | 21,429 |
| Increase in Accrued Expenses | 3,291,862 | - |
| Increase in Provisions | - | 1,084,280 |
| Increase in Trade and Other Payables | 1,867,717 | - |
| Deduct | | |
| Decrease in Trade and Other Payables | - | (836,489) |
| Decrease in Income Received /Raised in Advance | (84,316) | - |
| Decrease in Accrued Interest Payable | (123,717) | (43,792) |
| Decrease in Provisions | (335,269) | - |
| Decrease in Accrued Expenses | - | (201,269) |
| Increase in Trade and Other Receivables | (8,360,619) | - |
| Increase in Prepayments | (8,063,725) | - |
| Increase in Accrued Income | (956,017) | (420,854) |
| Increase in Accrued Interest and Investment Income | (419,509) | - |
| | (12,954,909) | 2,802,621 |
| Net Cash Provided by Operating Activities | \$51,126,742 | \$48,853,042 |

MUNICIPAL

Notes to the Balance Sheet for the 7 months ended 31 January 2016

13 Ratios

| | 31/01/2016 | 30/06/2015 |
|---|------------|------------|
| 1 Current Ratio | | |
| <u>Current Assets minus Restricted Assets</u> | | |
| <u>Current Liabilities minus Liabilities</u> | 2.51 | 1.02 |
| associated with Restricted Assets | | |
| 2 Debt Ratio | | |
| <u>Total Liabilities</u> | | |
| <u>Total Assets</u> | 5.79% | 5.95% |
| 3 Debt Service Ratio | | |
| <u>Debt Service Cost</u> | | |
| Available Operating Revenue | 3.69% | 4.48% |
| 4 Rate Coverage Ratio | | |
| <u>Net Rate Revenue</u> | | |
| Operating Revenue | 55.61% | 40.92% |
| 5 Outstanding Rates Ratio | | |
| <u>Rates Outstanding</u> | | |
| Rates Collectable | 4.77% | 0.08% |
| 6 Untied Cash to Unpaid Creditors Ratio | | |
| <u>Untied Cash</u> | | |
| Unpaid Trade Creditors | 17.83 | 2.07 |
| 7 Gross Debt to Revenue Ratio | | |
| <u>Gross Debt</u> | | |
| Total Revenue | 25.98% | 22.93% |
| 8 Gross Debt to Economically Realisable Assets Ratio | | |
| <u>Gross Debt</u> | | |
| Economically Realisable Assets | 4.20% | 4.98% |

Restricted Assets includes reserve funds and tied contributions not utilised at 31.01.2016

CITY OF PERTH

FAS GRAPHS

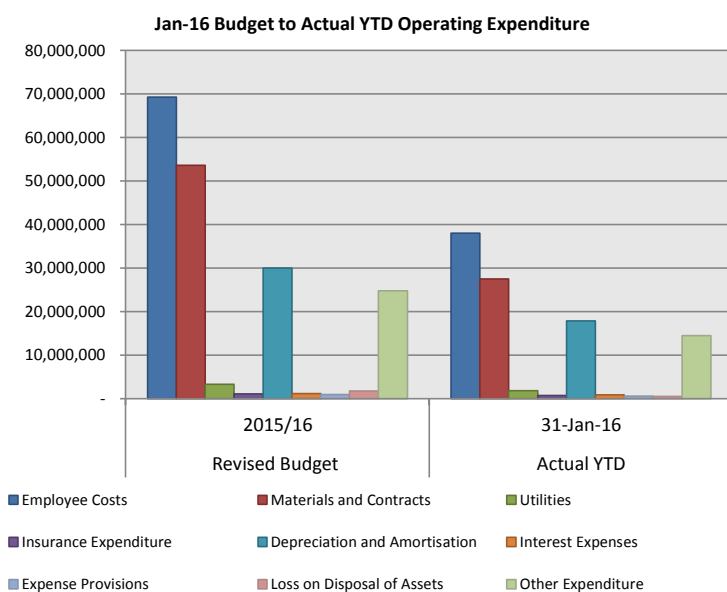
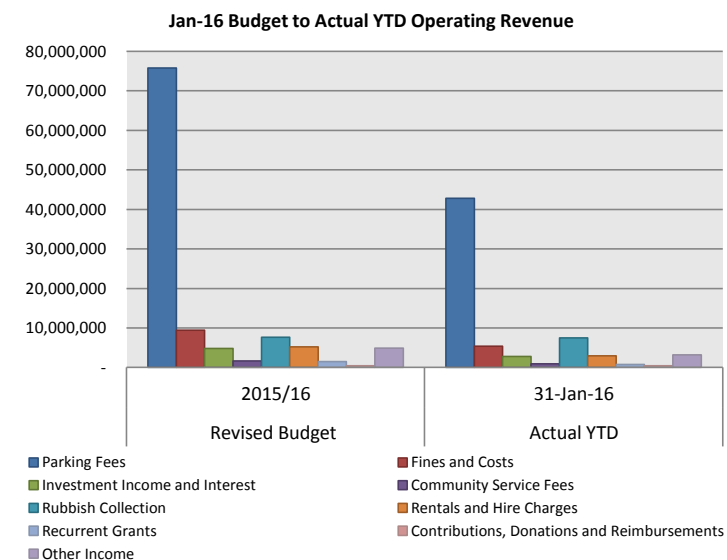
Jan-16

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| 3 | Summary Operating Statement | 5 |
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Financial Activity Statement

| | Annual | Year To Date Jan-16 | | |
|--|-------------------------------|---------------------|----------------|-----------------|
| Proceeds from Operating Activities | Revised Budget 2015/16 \$000s | Budget YTD \$000s | Actual \$000s | Variance \$000s |
| Operating Revenue | 111,388 | 66,819 | 66,785 | -34 |
| Less: Operating Expenditure | 185,860 | 107,554 | 102,178 | 5,376 |
| Add back Depreciation | -30,002 | -17,661 | -17,856 | 195 |
| (Loss)/Profit on Disposals | -1,766 | -1,117 | -476 | -641 |
| Net Surplus/(Deficit) from Operations | -42,703 | -21,957 | -17,061 | 4,896 |
| Investing Activities | | | | |
| Capital Expenditure | -69,049 | -35,511 | -24,734 | 10,777 |
| Repayment of Borrowings | -6,442 | -4,184 | -4,184 | 0 |
| Transfers to Reserves | -28,095 | -2,482 | -1,992 | 490 |
| Financing Activities | | | | |
| Transfers from Reserves | 30,753 | 27,099 | 23,208 | -3,891 |
| Carry Forwards | 21,681 | 11,151 | 7,366 | -3,785 |
| Proceeds from Disposal of Assets | 1,729 | 1,523 | 920 | -603 |
| Distribution from TPRC | 1,833 | 0 | 0 | 0 |
| Capital Grants | 7,758 | 2,536 | 3,450 | 914 |
| Net Surplus/(Deficit) before Rates | -82,535 | -21,827 | -13,027 | 8,800 |
| Add: Opening Funds | 636 | 636 | 636 | 0 |
| Less: Closing Funds | 783 | 60,103 | 69,350 | 9,247 |
| Amount Sourced from Rates | 82,682 | 81,293 | 81,741 | 447 |

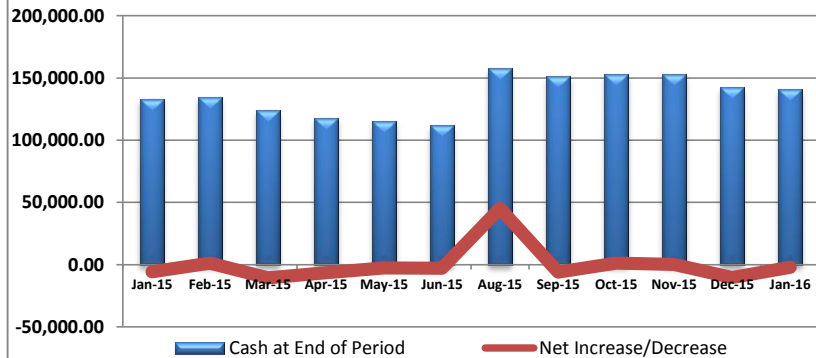


Cash

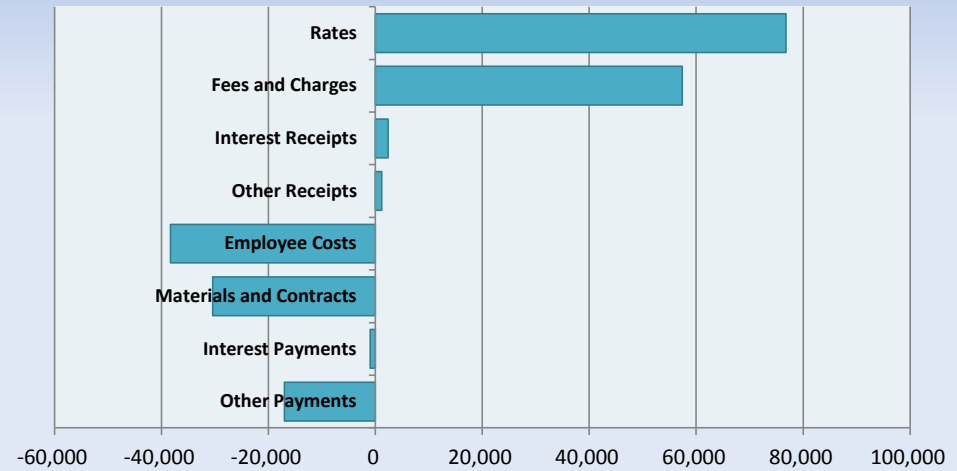
SUMMARY CASH FLOW STATEMENT

| | Budget \$'000s 2015/2016 | YTD Actual \$'000s Jan-16 |
|---|-----------------------------|---------------------------------|
| Receipts from Customers | 197,413 | 137,831 |
| Payments to Suppliers and Creditors | -145,138 | -86,704 |
| Net Cash Inflow/Outflow from Operating Activities | 52,275 | 51,127 |
| Net Cash Inflow/Outflow from Investing Activities | -51,429 | -23,043 |
| Net Cash Inflow/Outflow from Financing Activities | -6,442 | -4,184 |
| Cash Flows from Government and Other Parties | 8,603 | 4,415 |
| Cash at 1 July 2015 | 107,034 | 112,210 |
| Net Increase (Decrease) in Cash Held | 3,006 | 28,315 |
| Cash at 31 January 2016 | 110,040 | 140,525 |

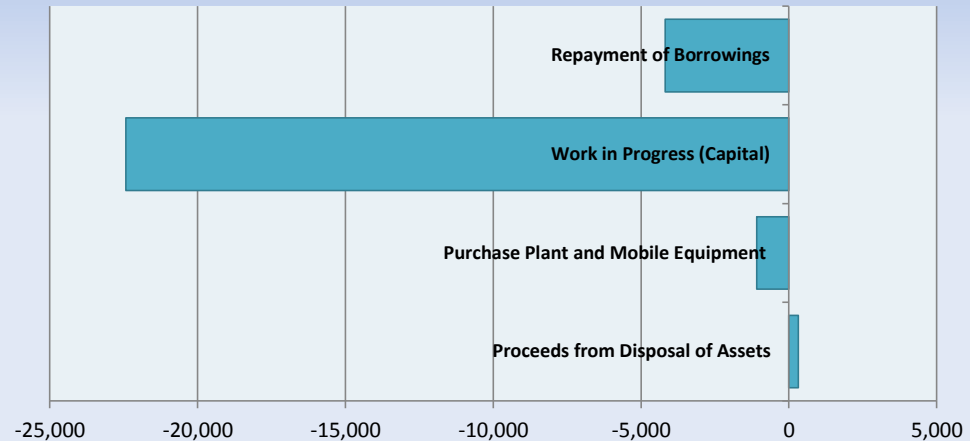
Monthly Cash Movements to Jan-16 \$'000s



Cash Flows from Operating Activities \$'000s



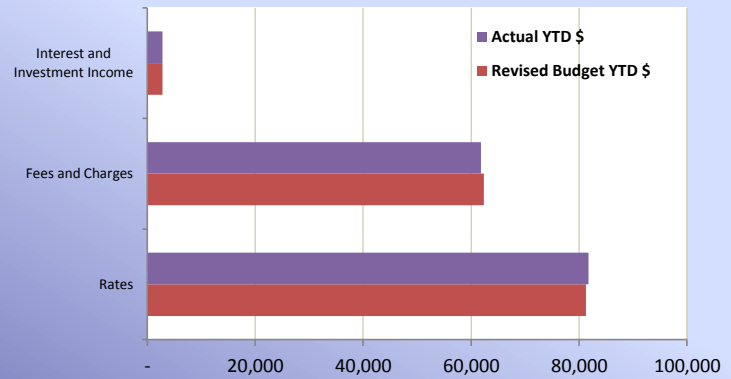
Cash Flows from Investing Activities \$'000s



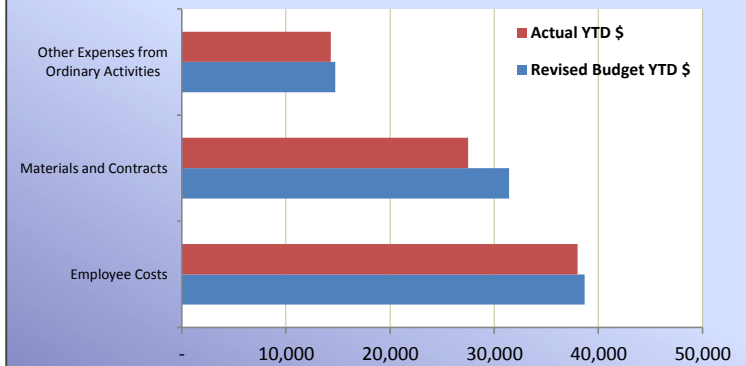
Summary Operating Statement

| | 2015/2016 | Year To Date | | |
|--|-----------------------|-----------------------|---------------|-----------------|
| | Original Budget \$000 | Revised Budget \$000s | Actual \$000s | Variance \$000s |
| Operating Revenue | 197,753 | 148,113 | 148,525 | 412 |
| less Operating Expenses | -151,880 | -87,912 | -82,846 | 5,066 |
| Earnings before Interest and Depreciation (EBID) | 45,873 | 60,201 | 65,679 | 5,478 |
| less Interest Expense | -1,837 | -659 | -862 | -203 |
| less Depreciation | -34,211 | -17,661 | -17,856 | -195 |
| Operating Surplus/(Deficit) | 9,825 | 41,881 | 46,961 | 5,080 |
| Grants and Contributions- Capital | 6,842 | 2,536 | 3,450 | 914 |
| NET OPERATING SURPLUS | 16,667 | 44,417 | 50,411 | 5,994 |
| DISPOSAL/WRITE OFF OF ASSETS | -1,558 | -1,117 | -476 | 641 |
| Distribution from TPRC | 1,833 | 0 | 0 | 0 |
| (Loss) on Disposal of Investments | 0 | -4 | -4 | 0 |
| Change in net assets resulting from operations after capital amounts and significant items | 16,943 | 43,295 | 49,932 | 6,637 |

Operating Revenue YTD Jan-16 \$'000s



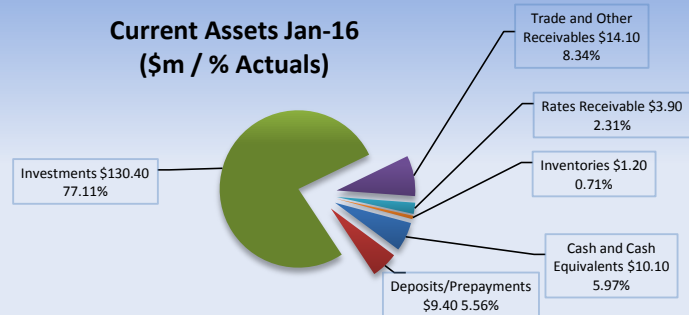
Operating Expenditure YTD Jan-16 \$'000s



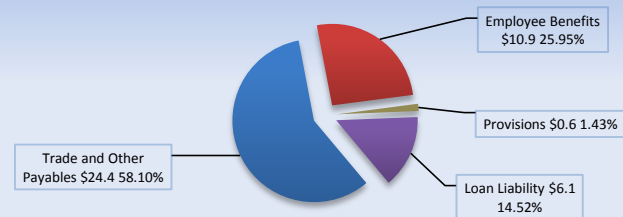
Summary Statement of Financial Position

| | 31-Jan-16 | 30-Jun-15 |
|-------------------------------|------------------|------------------|
| | Actual \$000s | Actual \$000s |
| Total Current Assets | 169,157 | 123,363 |
| Total Non Current Assets | 1,221,765 | 1,216,910 |
| TOTAL ASSETS | 1,390,922 | 1,340,273 |
| Total Current Liabilities | 42,014 | 37,706 |
| Total Non Current Liabilities | 38,498 | 42,088 |
| TOTAL LIABILITIES | 80,512 | 79,794 |
| NET ASSETS | 1,310,410 | 1,260,478 |
| COMMUNITY EQUITY | | |
| Accumulated Surplus | 683,256 | 612,109 |
| Asset Revaluation Reserve | 560,795 | 560,795 |
| Reserves (Cash Backed) | 66,359 | 87,575 |
| TOTAL EQUITY | 1,310,410 | 1,260,478 |

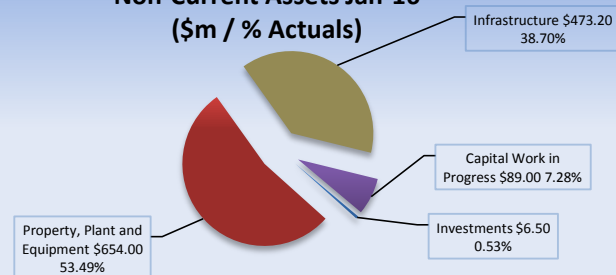
Current Assets Jan-16
(\$m / % Actuals)



Current Liabilities Jan-16
(\$m / % Actuals)



Non-Current Assets Jan-16
(\$m / % Actuals)

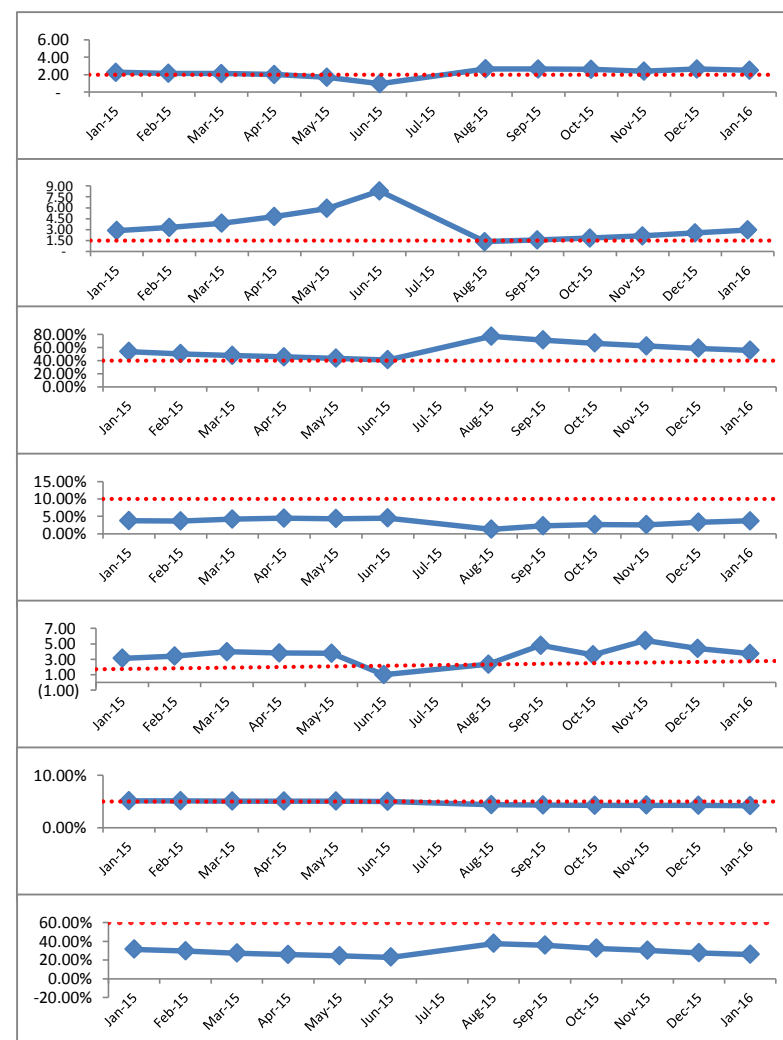


Non-Current Liabilities Jan-16
(\$m / % Actuals)



Ratio Analysis

| | Jan-16 |
|---|--------|
| Current Ratio (Current Assets minus Restricted Assets/Current Liabilities minus Liabilities associated with Restricted Assets) | 2.51 |
| Ability to generate working capital to meet our commitments | |
| Target is greater than 2.00 | |
| Operating Surplus Ratio (Revenue YTD/Operating Surplus YTD) | 2.95 |
| Ability to fund capital and exceptional expenditure | |
| Target is greater than 1.5 | |
| Rate Coverage Ratio (Net Rate Revenue/Operating Revenue) | 55.61% |
| Ability to reduce rates to ratepayers | |
| Target is less than 40.00% - The percentage will diminish as the bulk of the rates are raised in July | |
| Debt Service Ratio (Interest and principal repayments/Available Operating Revenue) | 3.69% |
| Ability to service loans including principal and interest | |
| Target is less than 10.0% | |
| Cash Capacity in Months (Cash < 90 days invest / (Cash Operating Costs divided by 7 months) | 3.74 |
| Ability to manage cashflow | |
| Target is greater than 2.0 months | |
| Gross Debt to Economically Realisable Assets Ratio (Gross Debt / Economically Realisable Assets) | 4.20% |
| Ability to retire debt from readily realisable assets | |
| Target is greater than 5.0% | |
| Gross Debt to Revenue Ratio (Gross Debt / Total Revenue) | 25.98% |
| Ability to service debt out of total revenue | |
| Target is less than 60.0% | |



SCHEDULE 2



Little Ferry Company
PO Box 1026
South Perth
WA 6951
ABN 51 604 421 552

Thursday 3rd December 2015

Chief Executive Officer,
City of Perth, GPO Box C120,
Perth WA 6839.

Attention: **Gary Stevenson**

Dear Sir,

Dedicated Berthing Access to Claisebrook Cove, East Perth

I am writing to request from the City of Perth a dedicated berthing jetty at Claisebrook Cove for the *Little Ferry Company*. In support of this request I have attached a brief overview of our operations and, a summary proposal as an addendum to this letter.

The underlying challenge that the *Little Ferry Company* faces at Claisebrook Cove is having the ability to consistently dock at one of the jetties. During the week the recreational boat traffic is reasonably light but in the weekends there is increased traffic in/out of the inlet - on some occasions there is no vacant jetty available for our vessels to dock against.

Whilst we understand that Claisebrook Cove is a public facility, there are some very tangible benefits for the city in providing unfettered access for our small ferries - with minimal impact to recreational users.

We are very keen to get our fledgling business up and running on the right foot. By securing dedicated access to Claisebrook Cove we know that we will provide locals and visitors to our city a quality alternative connect with East Perth.

We ask for your consideration and advice on the attached proposal. Please advise if further information or clarity is required.

Yours sincerely



Kevyn Townley
Managing Director

CC Rt Hon Lord Mayor, Lisa Scaffidi

www.littleferryco.com.au
Phone: 0488 777 088

kevyn@littleferryco.com.au



Little Ferry Company
PO Box 1026
South Perth
WA 6951
ABN 51 604 421 552

Addendum – Proposal for dedicated berthing jetty at Claisebrook Cove

PROPOSAL

- Provide a dedicated jetty access to the Little Ferry Company at Claisebrook Cove. The nominated jetty would be clearly sign-posted advising the exclusive use of the jetty to the Little Ferry Company
- The Little Ferry Company will upgrade the allocated jetty by providing permanent fendering around the pylon supports

BACKGROUND

The Little Ferry Company has been in the establishment phase for the past two years. During this time we have designed, built and are currently trialling our unique, historically designed electric ferries on the Swan River. We have received all appropriate licenses and permits to operate the business as outlined in the attached document – ***Little Ferry Company: Operational Profile***

The ferries are designed to carry up to eleven passengers. A one and a half hour cruise based out of Elizabeth Quay will take passengers up to the Old Swan Brewery and then back along the city foreshore to Claisebrook Cove and then back to Elizabeth Quay. This route will be expanded as some of the riverside developments mature over upcoming years, eg Fraser Point, Riverside commercial/residential development, Perth Stadium and others.

A critical element of the operational model is the ability to provide an alternative commute between the City and East Perth – both from a public transport and, a visitor/tourist service perspective.

The majority of the time [particularly during weekdays] our ferries will be able to dock at Claisebrook Cove against one of the three finger jetties. However, there are occasions when all the finger jetties are occupied leaving no option but for our little ferries to turnaround and head back to Elizabeth Quay.

We cannot advertise a pick-up/drop-off service to East Perth unless we can guarantee that service. Providing an 80% option is not a sustainable option for us.

LITTLE FERRY COMPANY – PROPOSED ACTIONS

- Identify preferred Jetty, refer *Attachment 1.0*
- Upgrade allocated jetty with fendering to main pylons
- Erect informational signage at jetty [approved by CoP]

CITY of PERTH – PROPOSED ACTIONS

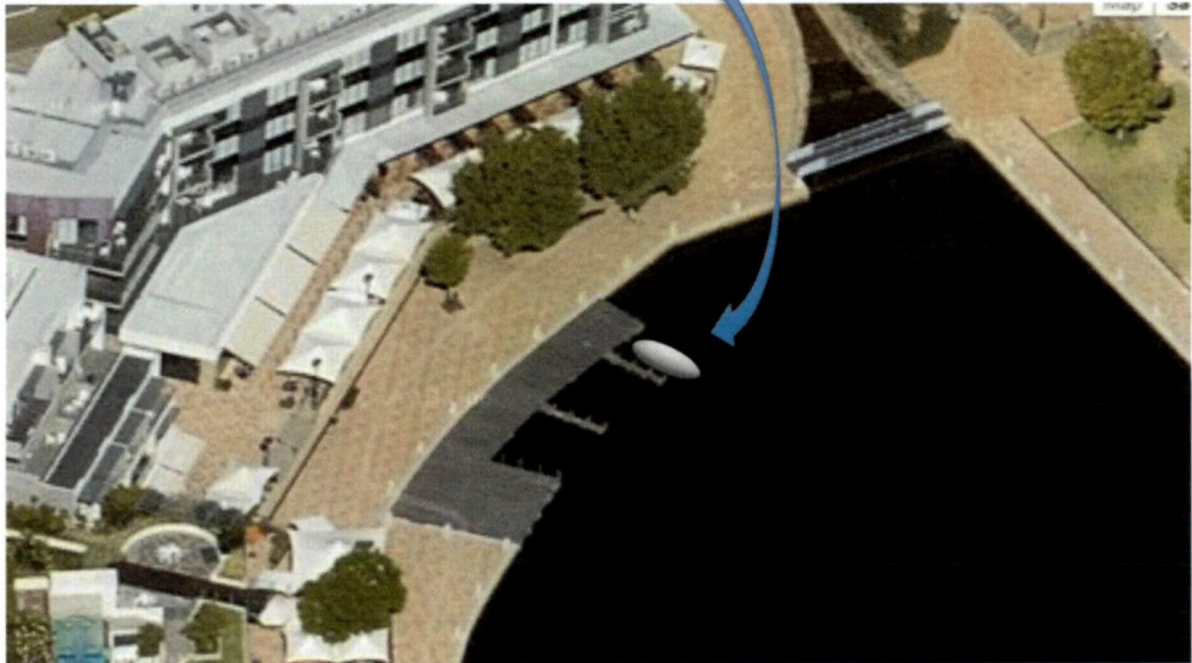
- Allocate a dedicated jetty for the use of the Little Ferry Company at Claisebrook Cove



Little Ferry Company
PO Box 1026
South Perth
WA 6951
ABN 51 604 421 552

Attachment 1.0 Preferred Jetty

Proposed 'Finger Jetty' for dedicated access:



Little Ferry Company: Operational Profile



Prepared by:

Kevyn Townley

November 2015

Little Ferry Company

Introduction

The Little Ferry Company [LFC] will operate from Elizabeth Quay and initially provide the following services;

Daily River Cruises

Regular and scheduled cruises will be provided daily, showcasing the central Swan River waterway. The route outlined in Appendix 1.0 shows;

- Embarkation at Elizabeth Quay
- A detour up to the Narrows Bridge to showcase Kings Park and the Old Swan Brewery
- Drop-off/pick-up at Old Perth Port
- Cruise along the city waterfront, under the Causeway and around into Claisebrook Cove for drop-off/pick-up
- Return to Elizabeth Quay.

The Skipper of each vessel will provide a live commentary on the history of the City and Swan River as the boat travels around its route.

The round trip is scheduled at 80mins. Two vessels in service will provide a 45min break between trips.

The daily river cruises will provide a unique experience of the Swan River with passengers enjoying an historical profile of the city in unparalleled comfort.

The long-term plan is to extend the fleet of vessels and develop the operation to include stop-offs in South Perth [Coode and Mends St Jetties] and other developments around the CBD waterway as they come online, eg Riverside, Fraser Point, Perth Stadium etc.

Small Group Charter [Evenings]

The vessels will also be marketed for small group charters after 1700hrs up and down the Swan River to include:

- Sandalford Winery/Wine Tours
- Personalised cruises around the Swan River CBD area including; birthday celebrations, social groups, family gatherings etc
- Dinner cruises to selected destinations such as; JoJos, Raffles, Old Swan Brewery, Fremantle
- Corporate functions
- Support service to the upcoming new Perth Stadium, ie compliment the Corporate Box guest services by offering a pick-up and drop-off prior to any function/game at the stadium

The chartered cruises will address a vacant niche in the current market enabling small groups [less than 12] to get out on the water and experience the city by lights in a very personalized manner.

All evening cruises will be pre-booked. There will be a small range of hot & cold canapés available on request and BYO beverage.

The Boats

We have delivery of our first boat, currently undergoing boat trials. The second boat is scheduled to arrive early in the New Year.

They are 10m, purpose designed Edwardian styled boats, **electrically** powered.

The hull is fibre-glass with cedar wood superstructure.

Stored power from the 8 x 24V 200AH li-ion batteries is complimented by 16 x 120-watt ultralight PV panels – the net result is that around 40% of the power required to drive the vessels is supplied by the sun.

The boats are beautifully appointed inside with Apple Green marine quality upholstered seating offset with Royal Red trim and Silky Oak joinery.

Appendix 2.0 shows a recent photo of the boat conducting trials in Claisebrook Cove.

The design of the vessel will distinguish it from the standard and larger ferry services operating on the Swan River.

The Operation

Schedule: The daily river cruises will operate on the following schedule:

Table 1 Daily River Cruise Schedule

| Vessel | Departure Times | | | | | |
|----------------------|-----------------|------|------|------|------|------|
| <i>Ellie J</i> | 0830 | 1000 | 1130 | 1300 | 1430 | 1600 |
| <i>Jessica Leigh</i> | 0915 | 1045 | 1215 | 1345 | 1515 | 1645 |

Fares: The fare structure for the daily river cruises targets two separate markets. Visitors and tourists will have the option of purchasing an **All Day Ticket** which enables them to get on and off the ferry at any time during daily operations. Pricing shown in Table 2 below.

Local residents will benefit from purchasing a **Frequent Floater** ticket which provides ten trips at a net cost of \$5.50 per trip [City-East Perth-City]

Table 2 Fare Structure

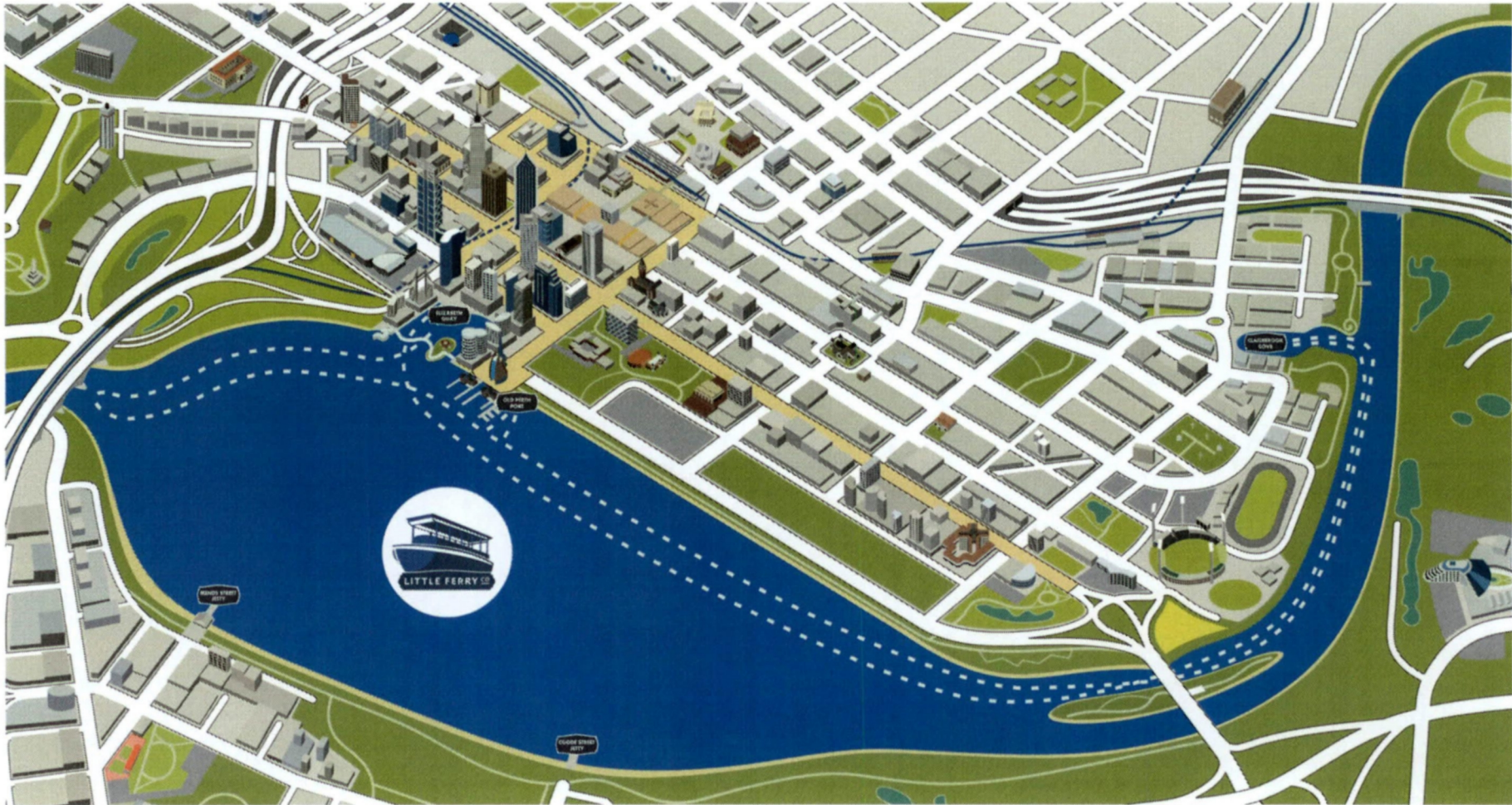
| Fare Type | Adult | Child | Family | Comment |
|-------------------|---------|---------|---------|---|
| All Day/All Stops | \$25.00 | \$18.00 | \$60.00 | May hop on and off the ferry any time during daily operations |
| Frequent Floater | \$5.50 | \$5.50 | N/A | Purchase a 'ten ticket' Frequent Floater Card for \$55.00 [10 x \$5.50]. Each trip valid from point of departure until when you disembark |

Evening Charters are priced at \$320.00 per hour with a minimum 2hr hire [maximum passenger load 12 passengers]

Monday VIP Night: Each and every Monday evening the boats will be available for not-for-profit/charity organisations. We will provide an evening cruise [1.5hrs] for these groups at no charge.

Safe Operations: All Skippers of the boats will have as a minimum a, Coxswains Grade 1 Near Coastal qualification. In addition to the appropriate Survey and Certificate Of Operation LFC will develop a specific **Risk Assessment** for the navigation into and out of Elizabeth Quay and Claisebrook Cove.

Appendix 1.0



Appendix 2.0



SCHEDULE 3

**PROPERTY SERVICES MANAGER
OF
DEPARTMENT OF TRANSPORT**

AND

CITY OF PERTH

JETTY1582

**DPI File Ref: LM1582
Prepared By: PM**

**WESTERN AUSTRALIA
DEPARTMENT OF TRANSPORT
JETTY LICENCE**

THIS Licence Agreement is made the 12th day of November 2012

BETWEEN

PROPERTY SERVICES MANAGER of Department of Transport of the State of Western Australia acting as the delegate of the Chief Executive Officer (CEO) of Department of Transport pursuant to an instrument of the delegation made under section 7(2) of the *Jetties Act* 1926 (Licensor)

AND

CITY OF PERTH of **COUNCIL HOUSE, 27 ST GEORGES TERRACE, PERTH** in the said State (Licensee)

WHEREAS:-

- (i) pursuant to section 7 of the *Jetties Act* 1926 ("Act") the CEO is empowered to grant a licence on such terms and conditions as the CEO thinks fit for the erection or construction of a jetty or for the maintenance and use of any jetty;
- (ii) the CEO has delegated to the Licensor the power to grant a licence as aforesaid; and
- (iii) upon the request of the Licensee the Licensor has agreed to grant to the Licensee a licence to construct, use and maintain **A JETTY COMPLEX** (hereinafter jointly referred to as "the Jetty") on a site within the **SWAN RIVER ADJACENT TO CLAISEBROOK INLET, EAST PERTH** which site is more particularly delineated and coloured green on the plans annexed hereto as Annexure "A" and "B" (hereinafter called "the said site") subject to and in accordance with the terms and conditions hereinafter contained.

NOW THEREFORE in consideration of the annual licence fee hereinafter reserved and on the part of the Licensee to be paid the Licensor grants to the Licensee a licence to construct and use for non-commercial purposes the Jetty in or approximately on the said site substantially in accordance with the plans and specifications presented to the Licensor by the Licensee and approved in writing by the Licensor commencing from the **1ST DAY OF AUGUST 2009** for a period of one (1) year renewable on an annual basis by the Licensee paying to the Licensor the annual licence fee as advised by the Licensor prior to the date of commencement of the next period of one (1) year and subject to the Licensee not being in breach of any of its covenants, agreements and conditions under this licence agreement and upon and subject to the terms and conditions contained in

the covenants, agreements and conditions hereinafter set out and the Licensee **PAYING THEREFOR:-**

- (i) **ONE DOLLAR AND THIRTY-FOUR CENTS (\$1.34)** in respect of the first year of this Licence if demanded; and
- (ii) **THIRTY-FOUR DOLLARS AND NINETY-FIVE CENTS (\$34.95)** or such other amount as may from time to time be notified to the Licensee by or on behalf of the Licensor in respect of each succeeding year during the continuance of this licence.

1. The Licensee to the intent that the obligations may continue throughout the continuance of this Licence **COVENANTS AND AGREES** with the Licensor as follows:-

- (a) to punctually pay the rental in the manner aforesaid;
- (b) to permit the Licensor by its agents and servants with or without appliances and equipment at all reasonable times to enter upon and to inspect the Jetty for the purpose of ensuring that the Licensee is observing performing and complying with the covenants conditions and obligations contained herein;
- (c) to make good and repair to the stipulation of the Licensor any damage to the said site caused by the entrance upon the said site by the Licensee its agents or workers;
- (d) to maintain and keep the Jetty in good proper and safe condition to the Licensor's satisfaction and in the event of the Jetty not being in that good proper and safe condition the Licensor may remove the same and any right herein granted to the Licensee shall thereupon cease and the Licensor may recover from the Licensee the total cost of such removal and any repair and incidental work thereof;
- (e) not to permit any advertisement to be exhibited on any portion of the said site or the Jetty;
- (f) in using and maintaining the Jetty not to cause unnecessary interference or nuisance to the use of adjacent jetties, waterways or property;
- (g) to the satisfaction of the Licensor display the Licence number allocated for that purpose on such part or parts of the Jetty as the Licensor directs so as to be clearly visible from the shore and the water;
- (h) to comply in all respects with the requirements of the by-laws in carrying out all works required to be done and equipment required to be used in connection with the Jetty;

- (i) to comply with all statutes from time to time in force relating to the Jetty;
- (j) not to assign or transfer the rights hereby conferred unless permission in writing is obtained from the Licensor and in the case of the Licensor so approving of the transfer or assignment the transferee or assignee shall enter into an agreement in accordance with this Agreement;
- (k) at all times during the term of this Licence or any renewal thereof to indemnify and keep indemnified:-
 - (i) the CEO, the Licensor, and relevant local government, the Crown in right of the State of Western Australia and all instrumentalities of the Crown and all officers, servants and agents of each of them from and against all destruction, loss, injury or damage of or to any person (including death) or any property of the CEO, the Licensor or of the Crown or of any instrumentality of the Crown or of anyone else caused by or arising out of or in relation to or incidental to in whole or in part any act, neglect or default of the Licensee, its servants, agents, workers, contractors, invitees, licensees or sub-licensees or the erection, construction, maintenance or use by the Licensee or by any of its servants, agents, workers, contractors, invitees, licensees or sub-licensees of the mooring area or the jetty; and
 - (ii) the CEO, the Licensor, and relevant local government, the Crown in right of the State of Western Australia and all instrumentalities of the Crown and all officers, servants and agents of each of them from and against all actions, suits, proceedings, claims, costs, expenses and demands caused by or arising out of or in relation to or incidental to in whole or in part any act, neglect or default of the Licensee, its servants, agents, workers, contractors, invitees, licensees or sub-licensees or the erection, construction, maintenance or use by the Licensee or by any of its servants, agents, workers, contractors, invitees, licensees or sub-licensees of the mooring area or the jetty.
- (l) not to without the prior written consent and approval of the Licensor:-
 - (i) make any alteration addition or extension to the Jetty or any part thereto;
 - (ii) remove demolish or take away any part of the Jetty;

- (iii) carry out any works which may have the effect of altering the character, nature or purpose of the jetty originally approved by the Licensor;
- (iv) lay, install, construct, release or place in, upon or below the surface of the water surrounding the Jetty any material, article, structure, pile, buoy or equipment;
- (m) that in the event that any of the covenants of the Licence are breached it is agreed that the Licence may be cancelled in the sole of the discretion of the Licensor by written notice to that effect to the Licensee;
- (n) that covenants herein by the Licensee (where there are more than one party comprising the Licensee) shall bind those parties jointly and each of them severally; and
- (o) that:-
 - (i) **the Licensor** gives no warranty and the Licensee hereby acknowledges that no promise, representation, warranty, assurance or undertaking has been given by or on behalf of the CEO as to the use to which the licensed area or the Jetty may be put or in respect of the suitability or fitness of the licensed area or the Jetty for any purpose or use or for any proposed development or business to be made or carried on thereon or in respect of the grant or refusal by any competent authority of approval to any development or business to be made or carried on thereon or in respect of the grant or refusal by any competent authority of approval to any development of the licensed area or the Jetty proposed by the Licensee or in respect of the time within which any such development approval may be granted or refused or in respect of the fixtures, fittings, furnishings, finish, plant, machinery and equipment of in or upon the licensed area or the Jetty;
 - (ii) **the Licensee** accepts the licensed area and the Jetty for the said term with full knowledge of and subject to the state and condition thereof and any prohibition or restriction on the use or development thereof under or pursuant to any act, statute or other legislation and if the development use

or business proposed to be carried out made or conducted by the Licensee upon the licensed area or the Jetty is permissible only with consent pursuant to any act statute or other legislation. The Licensee shall obtain that consent at its own expense and shall have or make no action, suit, claim or demand against the Licensor in respect of the need for or refusal of such consent or any delay in or conditions attached to the grant of such consent;

- (p) not to use the Jetty for any commercial activity whatsoever; and
- (q) to allow the general public to have unrestricted access to the Jetty at all times.

2. PROVIDED ALWAYS AND IT IS HEREBY EXPRESSLY AGREED AND DECLARED by and between the Licensor and the Licensee as follows:-

- (1) **UPON** the termination of this Licence by the Licensee or the Licensor the Licensee shall if requested by the Licensor within one month thereafter remove from the site the Jetty including all piles and other parts of the Jetty that are below the water level and fill in all holes and level off and consolidate the ground and leave the said site clean and free from rubbish and in default it shall be lawful for the Licensor to cause the same to be removed at the cost of the Licensee and such cost shall be a debt due and owing to the Licensor and shall be recoverable in a court of competent jurisdiction; and
- (2) **THE** Licensee or the Licensor may cancel these presents by either giving to the other at any time one month's notice in writing and at the expiry of that notice the Licence hereby granted shall cease and determine but without prejudice to the remedies of the Licensor against the Licensee in respect of any antecedent claim or breach of covenant. Such a notice shall be sufficient if signed by the Licensor and shall be held to be sufficiently given made or served if posted to the Licensee at the address first hereinbefore appearing or at the address as last known to the Licensor or if served personally and shall be deemed to be received by the Licensee on the date such letter would in the ordinary course of post reach such address or on the date such notice is served personally on the Licensee.

IN WITNESS whereof the parties hereto have executed these presents the day and year hereinbefore written:-

SIGNED BY THE SAID LICENSOR)
in the presence of:

Ronald Joseph Zappara
) RONALD JOSEPH ZAPPARA
(Property Services Manager)

Patricia Manyam
Signature of Witness

PATRICIA MANYAM
Name of Witness (please print)
WESLEY STREET
FREMANTLE, W.A. 6160
MARITIME LICENSING OFFICER
Address
Occupation

THE COMMON SEAL OF THE SAID)
LICENSEE was hereunto affixed in the) CITY OF PERTH
presence of:)

X J. E. Davidson
President ALORD MAYOR

X [Signature]
A Chief Executive Officer



Landgate

MAP VIEWER

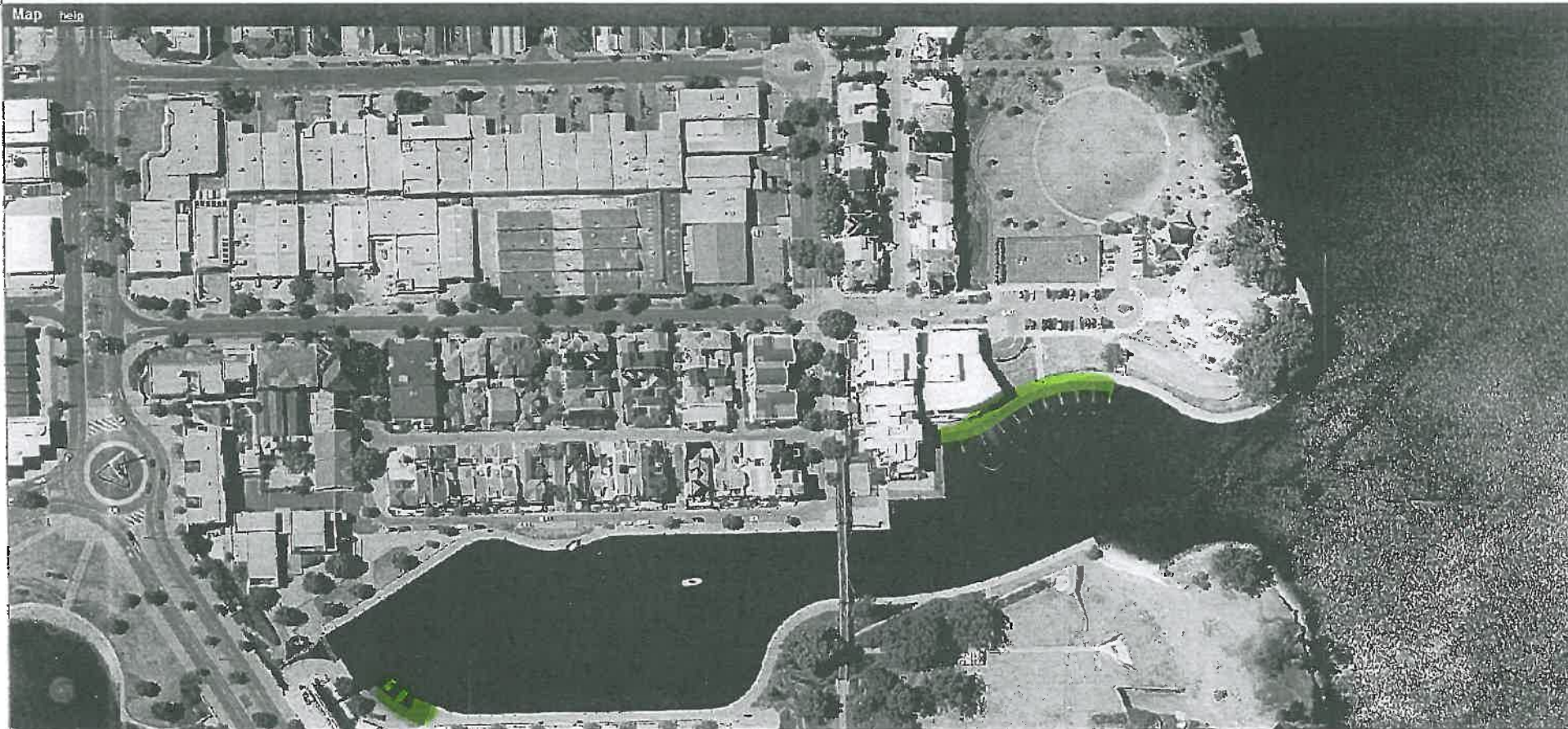
Close Window



Window Show/Hide

Cadastral Parcels

CLAISEBROOK COVE. 1582.



Scale 1:2,940 Latitude: -31.951221 Longitude 115.880030 change







0 records selected

Internet

100%

House 1582 "A"

LEGEND

-  LAND TO BE DEDICATED AS ROAD
= 1794 m²
-  ROAD CLOSURE LIMITED IN DEPTH
0.2M BELOW PIAZZA G.L. = 581 m²
-  LAND TO BE AMALGAMATED WITH
LOT 51 = 175 m²
-  RESERVE WITH M.O. TO CITY OF
PERTH TO BE CREATED = 1990 m²
-  LAND FOR ACCESS EASEMENT TO
LOT 51 DEFINED BY EDGE OF PATH
-  BOUNDARY TO BE SURVEYED.

NOTES

- 1 DIMENSIONS AND AREAS ARE APPROXIMATE ONLY AND ARE SUBJECT TO SURVEY.
- 2 S.L.K. IS A M.R. STRAIGHT LINE KILOMETRE AND IS APPROXIMATE ONLY
- 3 HORIZONTAL DATUM IS MGA 94.

INFRASTRUCTURE DELIVERY
DIRECTORATE

Telephone 9323 4636

Fax 9323 4930

APPROVED FOR IMPLEMENTATION

| FILE NUMBER | FOLIO | DATE | APPROVAL NUMBER |
|-------------|----------------------|------|-----------------|
| AUTHORISED | Paul Og 21/1/16 | | |
| APPROVED | Chris Mayhew 21/1/16 | | |


 FINANCE AND SERVICES
PROPERTY MANAGEMENT

Telephone 9323 4580

Fax 9323 4600

FILE No. 13/4313-02

DRAWN/DESIGNED W.M. ROLLINGS 15/1/16

 AUDITED IN ACCORDANCE WITH STANDARD 67-08-48 IN THE
ROAD AND TRAFFIC ENGINEERING MANUAL

GRAHAM FARMER FWY H20

LAND DEALINGS

LOTS 52, 1105 & ROAD CLOSURE, 0 SLK

LOCAL AUTHORITY (124) CITY OF PERTH

DRAWING TYPE

7200

DRAWING NUMBER

1660-003

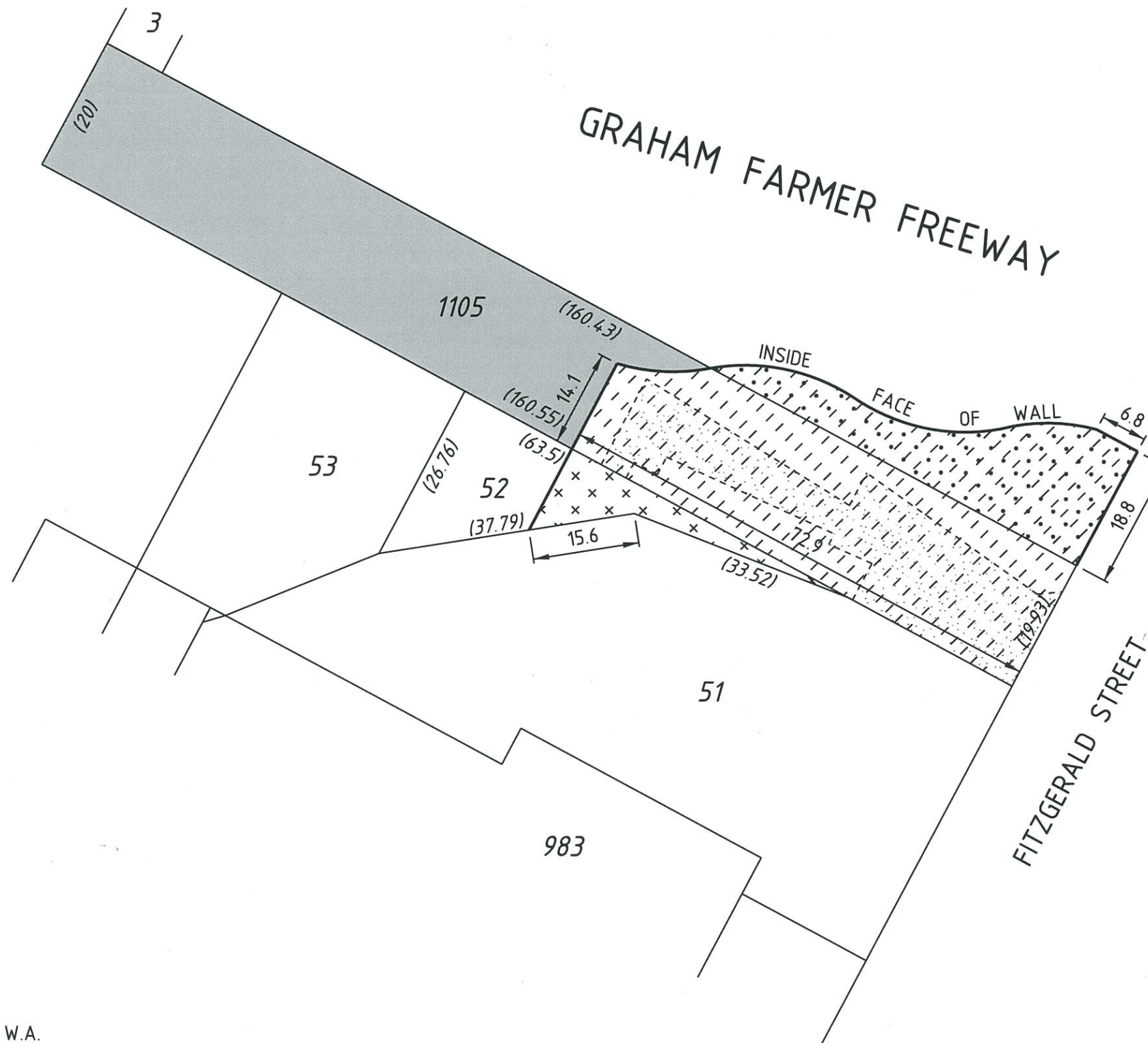
AMEND.

 SCALE 1:750
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SCAN DATE

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3

SCHEDULE 4



LOT 52

C/T: 1695/431

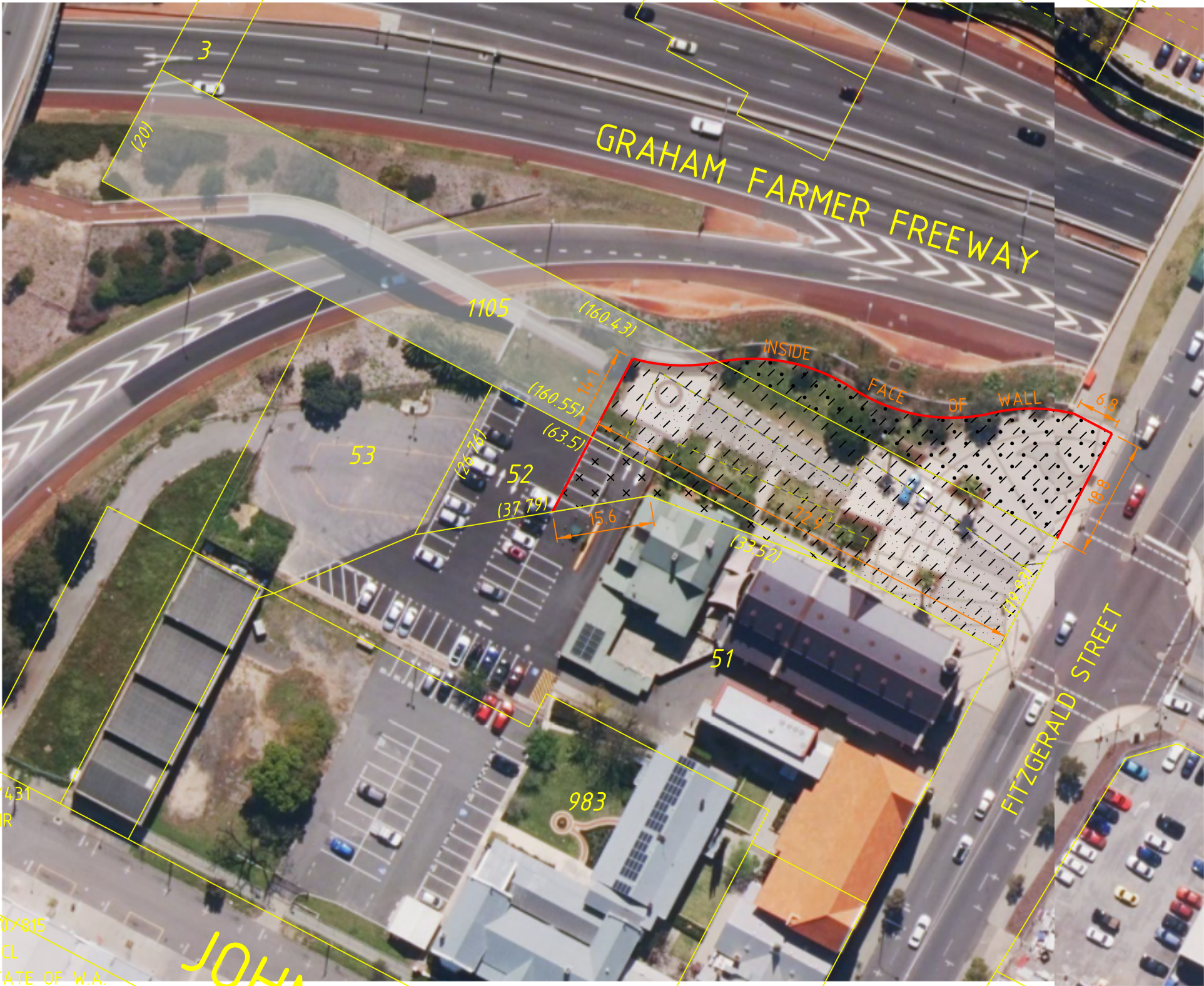
OWNER: CMR

LOT 1105

C/T: LR3110/815

STATUS: UCL

OWNER: STATE OF W.A.



LOT 52
C/T: 1695/431
OWNER: CMR

LOT 1105
C/T: LR3110/815
STATUS: UCL
OWNER: STATE OF W.A.

LEGEND

- LAND TO BE DEDICATED AS ROAD
= 1794 m²
- ROAD CLOSURE LIMITED IN DEPTH
0.2M BELOW PIAZZA G.L. = 581 m²
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- LAND FOR ACCESS EASEMENT TO
LOT 51 DEFINED BY EDGE OF PATH
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NOTES

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- S.L.K. IS A M.R. STRAIGHT LINE KILOMETRE AND IS APPROXIMATE ONLY
- HORIZONTAL DATUM IS MGA 94.

INFRASTRUCTURE DELIVERY
DIRECTORATE

Telephone 9323 4636 Fax 9323 4930

APPROVED FOR IMPLEMENTATION

| FILE NUMBER | FOLIO | DATE | APPROVAL NUMBER |
|-------------|-------|------|-----------------|
| AUTHORISED | | | |
| APPROVED | | | |



FINANCE AND SERVICES
PROPERTY MANAGEMENT

Telephone 9323 4580 Fax 9323 4600

FILE No. 13/4313-02

DRAWN/DESIGNED W.M. ROLLINGS 15/1/16

AUDITED IN ACCORDANCE WITH STANDARD 67-08-48 IN THE
ROAD AND TRAFFIC ENGINEERING MANUAL

GRAHAM FARMER FWY H20
LAND DEALINGS

LOTS 52, 1105 & ROAD CLOSURE, 0 SLK

L AL AUTH RITY (124) CITY OF PERTH

| DRAWIN TYPE | DRAWING NUMBER | AMEND. |
|-------------|----------------|--------|
| 7200 | 1660-003 | |

SCALE 1:750

SCAN DATE

A
3

SCHEDULE 6

| 2015/16 BUDGET FEBRUARY 2016 BUDGET REVIEW by NATURE and TYPE | | | |
|--|-------------------------------|--------------------------------|--------------------------------------|
| Operating Revenue | 2015/16 Revised Budget | 2015/16 Proposed Budget | Budget Adjustment Fav/(UnFav) |
| | (\$) | (\$) | (\$) |
| 6100 - Rates | 82,506,025 | 82,953,185 | 447,160 |
| 6220 - Recurrent Grants | 1,483,539 | 1,313,946 | (169,593) |
| 6300 - Contributions & Donations | 474,671 | 590,288 | 115,618 |
| 6510 - Rubbish Collection Fees | 7,638,983 | 7,574,971 | (64,012) |
| 6520 - Rental & Hire Charges | 5,208,233 | 5,082,241 | (125,992) |
| 6530 - Licence & Registration Fees | 2,101,794 | 1,885,114 | (216,680) |
| 6540 - Parking Fees | 75,778,365 | 75,497,882 | (280,483) |
| 6550 - Fines & Costs | 9,458,652 | 9,375,930 | (82,722) |
| 6560 - Community Service Fees | 1,646,654 | 1,593,139 | (53,515) |
| 6600 - Interest Earned | 4,835,983 | 4,554,961 | (281,021) |
| 6900 - Other Revenue | 2,760,896 | 2,585,188 | (175,708) |
| | | | |
| Total Operating Revenue | 193,893,795 | 193,006,845 | (886,949) |
| | | | |
| Operating Expenditure | 2015/16 Revised Budget | 2015/16 Proposed Budget | Budget Adjustment Fav/(UnFav) |
| | (\$) | (\$) | (\$) |
| 7100 - Employee Costs | 72,063,689 | 72,063,689 | 0 |
| 7200 - Material Costs | 53,613,031 | 52,758,422 | 854,609 |
| 7300 - Utilities | 3,258,341 | 3,239,008 | 19,333 |
| 7400 - Insurance Expenditure | 1,104,573 | 1,133,992 | (29,419) |
| 7510 - Amortisation | 30,002,334 | 30,186,643 | (184,309) |
| 7600 - Interest Expense | 1,156,345 | 1,359,057 | (202,712) |
| 7700 - Loss on Disposal of Assets | 1,766,210 | 1,766,210 | 0 |
| 7800 - Expense Provisions | 962,345 | 962,345 | 0 |
| 7900 - Other Expenditure | 24,704,904 | 24,650,812 | 54,093 |
| Employee cost recovery - Capital Works | (2,808,502) | (2,808,502) | 0 |
| | | | |
| Total Operating Expenditure | 185,823,271 | 185,311,676 | 511,595 |
| | | | |
| Change in Net Assets resulting from Operations - Gain/(Reduction) | 8,070,524 | 7,695,169 | (375,354) |
| | | | |
| Non Operating - Financing Activities | 2015/16 Revised Budget | 2015/16 Proposed Budget | Budget Adjustment Fav/(UnFav) |
| | (\$) | (\$) | (\$) |
| 6210 - Grants & Subsidies | 7,757,850 | 6,489,865 | (1,267,985) |

SCHEDULE 7

FEBRUARY REVIEW by Directorate and Unit

| | Year to Date Jan 2016 | | Full Year | | | Variance Forecast to Revised Budget | Variance Forecast to Revised Budget | Comments |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---|--|--|
| | Rev Budget | Actual | Original Budget | Revised Budget | February Forecast | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | % | |
| REVENUE | | | | | | | | |
| Rates | \$ 81,293,492 | \$ 81,740,652 | \$ 82,692,367 | \$ 82,506,025 | \$ 82,953,185 | \$ 447,160 | 1% | Higher interim rates than expected |
| Recurrent Grants | \$ 483,464 | \$ 805,454 | \$ 1,508,499 | \$ 1,483,539 | \$ 1,313,946 | -\$ 169,593 | -11% | Decrease in Local Road and Assistance Grants |
| Grants & Subsidies | \$ 2,535,600 | \$ 3,449,865 | \$ 6,842,450 | \$ 7,757,850 | \$ 6,489,865 | -\$ 1,267,985 | | Decrease in Concert Hall Contribution \$1,037k |
| Rubbish Collection Fees | \$ 7,579,180 | \$ 7,470,168 | \$ 7,158,186 | \$ 7,638,983 | \$ 7,574,971 | -\$ 64,012 | -1% | Decrease in additional rubbish collection charges |
| Parking Fees | \$ 43,113,369 | \$ 42,832,967 | \$ 78,153,380 | \$ 75,778,365 | \$ 75,497,882 | -\$ 280,483 | 0% | Decrease in Kerbside \$550k, increase Convention Car Park \$254k and increase in Elder Street \$231k |
| Fines & Costs | \$ 5,495,923 | \$ 5,368,176 | \$ 10,443,348 | \$ 9,458,652 | \$ 9,375,930 | -\$ 82,722 | -1% | Decrease in Health Act fines of \$67k |
| Community Service Fees | \$ 944,312 | \$ 935,230 | \$ 1,677,044 | \$ 1,646,654 | \$ 1,593,139 | -\$ 53,515 | -3% | Decrease in Occasional Day Care \$58k |
| Interest Earned | \$ 2,853,966 | \$ 2,808,362 | \$ 5,157,319 | \$ 4,835,983 | \$ 4,554,961 | -\$ 281,021 | -6% | Continuing lower interest rates & balanced funds returns |
| Other Revenue | \$ 6,349,086 | \$ 6,564,441 | \$ 10,962,981 | \$ 10,545,594 | \$ 10,142,831 | -\$ 402,763 | -4% | Christmas Pageant Grant of \$300k no longer available |
| Total | \$ 150,648,391 | \$ 151,975,313 | \$ 204,595,574 | \$ 201,651,645 | \$ 199,496,710 | -\$ 2,154,934 | -1% | |
| EXPENDITURE <small>by Directorate & Unit</small> | | | | | | | | |
| CEO | | | | | | | | |
| Executive Support | \$ 1,336,816 | \$ 1,689,846 | \$ 5,682,941 | \$ 2,341,497 | \$ 2,746,164 | \$ 404,667 | 17% | CEO termination and other adjustments |
| Communication and Engagement | \$ 812,071 | \$ 751,888 | \$ - | \$ 1,580,899 | \$ 1,517,321 | -\$ 63,578 | -4% | Decrease in employee costs \$53k |
| Total | \$ 2,148,887 | \$ 2,441,734 | \$ 5,682,941 | \$ 3,922,396 | \$ 4,263,485 | \$ 341,088 | 9% | |
| Corporate Services Directorate | | | | | | | | |
| Director of Corporate Services | \$ 352,263 | \$ 345,245 | \$ 619,491 | \$ 674,852 | \$ 694,581 | \$ 19,729 | 3% | Increase in employee costs \$19k, finalisation of restructure |
| Governance | \$ 1,083,304 | \$ 993,452 | \$ 1,657,929 | \$ 1,781,941 | \$ 1,676,667 | -\$ 105,274 | -6% | Decrease in employee costs \$100k |
| Finance | \$ 2,466,696 | \$ 2,499,248 | \$ 3,415,431 | \$ 4,209,035 | \$ 4,100,062 | -\$ 108,973 | -3% | Decrease in employee costs \$54k, contract labour \$22k and valuation fees \$13k |
| Human Resources | \$ 1,323,034 | \$ 1,240,395 | \$ 2,292,300 | \$ 2,322,912 | \$ 2,313,331 | -\$ 9,581 | 0% | Decrease in employee costs \$22k and increase in Other Professional fees \$13k |
| Data and Information | \$ 13,309 | \$ - | \$ - | \$ 79,853 | \$ 37,960 | -\$ 41,893 | -52% | Decrease in employee costs |
| Information Technology | \$ 4,319,018 | \$ 3,886,107 | \$ 7,317,252 | \$ 7,723,100 | \$ 7,787,131 | \$ 64,030 | 1% | Decrease in employee costs \$212k and increase in System Software licencing \$473k (ie Microsoft) offset by decrease in Other Professional Fees of \$112k |
| Total | \$ 9,557,624 | \$ 8,964,448 | \$ 15,302,404 | \$ 16,791,693 | \$ 16,609,731 | -\$ 181,962 | -1% | |
| Community and Commercial Services Directorate | | | | | | | | |
| Director of Community and Commercial Services | \$ 439,581 | \$ 371,466 | \$ 529,333 | \$ 763,294 | \$ 961,804 | \$ 198,511 | 26% | Increase in employee costs \$44k for finalisation of restructure and increases in contract labour (holiday cover) \$100k and Customer Services review consultant \$50k |
| Customer Service | \$ 426,678 | \$ 414,370 | \$ 657,404 | \$ 729,225 | \$ 714,406 | -\$ 14,819 | -2% | Decrease in contract labour \$17k |
| Community Facilities | \$ 5,228,603 | \$ 4,843,270 | \$ 8,663,191 | \$ 9,022,331 | \$ 8,847,788 | -\$ 174,542 | -2% | Decrease in other professional fees \$155k |
| Parking Services | \$ 3,976,240 | \$ 3,976,140 | \$ 6,937,227 | \$ 6,869,166 | \$ 7,345,831 | \$ 476,666 | 7% | Increase in employee costs \$224k and prosecution fees \$178k |
| Library | \$ 2,332,337 | \$ 2,332,339 | \$ 4,464,740 | \$ 4,128,263 | \$ 4,274,869 | \$ 146,606 | 4% | Increase in employee costs \$136k |
| Community Amenity and Safety | \$ 2,346,858 | \$ 2,388,880 | \$ 3,690,576 | \$ 4,163,102 | \$ 4,204,783 | \$ 41,682 | 1% | Increase in system software maintenance \$44k |
| Commercial Parking | \$ 20,269,380 | \$ 19,538,344 | \$ 34,439,686 | \$ 34,621,982 | \$ 34,728,180 | \$ 106,198 | 0% | Increase in employee costs \$399k and application software maintenance \$70k offset with decrease in contract labour \$413k |
| Total | \$ 35,019,679 | \$ 33,864,808 | \$ 59,382,158 | \$ 60,297,362 | \$ 61,077,662 | \$ 780,300 | 1% | |

SCHEDULE 7

| | Year to Date Jan 2016 | | Full Year | | | Variance Forecast to Revised Budget | Variance Forecast to Revised Budget | Comments |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|---|---|--|
| | Rev Budget | Actual | Original Budget | Revised Budget | February Forecast | | | |
| Construction and Maintenance Directorate | | | | | | | | |
| Director of Construction and Maintenance | \$ 319,127 | \$ 330,147 | \$ 710,423 | \$ 646,219 | \$ 675,013 | \$ 28,794 | 4% | Increase in employee costs \$30k, finalisation of restructure |
| Contracts and Asset Management Services | -\$ 721 | -\$ 1,612 | \$ 4,992,292 | -\$ 721 | -\$ 721 | \$ - | 0% | Moved due to restructure |
| Parks | \$ 4,607,952 | \$ 4,581,487 | \$ 7,934,226 | \$ 7,756,449 | \$ 8,098,094 | \$ 341,645 | 4% | Street tree maintenance contractor increase of \$317k |
| Street Presentation and Maintenance | \$ 5,213,306 | \$ 3,895,016 | \$ 9,789,918 | \$ 9,885,358 | \$ 9,183,950 | -\$ 701,409 | -7% | Decrease in employee costs \$266k and infrastructure maintenance contractor \$530k - mainly within Asset Condition Management |
| Construction | \$ 59,497 | \$ 29,292 | \$ - | \$ 359,344 | \$ 365,209 | \$ 5,865 | 2% | |
| Waste and Cleansing | \$ 5,453,879 | \$ 5,350,721 | \$ 9,777,952 | \$ 9,490,684 | \$ 9,525,412 | \$ 34,729 | 0% | Decrease in high pressure cleaning maintenance \$49k |
| Properties | \$ 6,402,489 | \$ 5,929,677 | \$ 11,137,334 | \$ 10,548,349 | \$ 10,162,420 | -\$ 385,929 | -4% | Decrease in property maintenance \$320k |
| Plant and Equipment | \$ 3,462,493 | \$ 3,613,156 | \$ 823,426 | \$ 5,314,867 | \$ 5,608,138 | \$ 293,271 | 6% | Increase in employee costs \$177k and other maintenance \$110k |
| Total | \$ 25,518,022 | \$ 23,727,884 | \$ 45,165,570 | \$ 44,000,548 | \$ 43,617,515 | -\$ 383,033 | -1% | |
| Planning and Development Directorate | | | | | | | | |
| Director of Planning and Development | \$ 847,096 | \$ 849,807 | \$ 1,677,485 | \$ 1,280,813 | \$ 1,301,300 | \$ 20,487 | 2% | Increase in employee costs \$22k, finalisation of restructure |
| Strategic Planning | \$ 1,303,284 | \$ 1,121,491 | \$ 3,231,283 | \$ 2,729,804 | \$ 2,863,156 | \$ 133,352 | 5% | Increase in consultancy \$52k and other professional fees \$41k mainly due to State of the City planning |
| Development Approvals | \$ 1,299,112 | \$ 1,260,456 | \$ 2,279,949 | \$ 2,259,465 | \$ 2,038,475 | -\$ 220,991 | -10% | Decrease in employee costs \$95k and external contract labour \$101k |
| Coordination and Design | \$ 1,765,336 | \$ 1,632,963 | \$ 4,939,127 | \$ 3,205,141 | \$ 3,056,870 | -\$ 148,271 | -5% | Increase in external contract labour \$64k and photography expense \$41k |
| Transport | \$ 887,814 | \$ 697,112 | \$ - | \$ 1,865,195 | \$ 1,911,391 | \$ 46,196 | 2% | Increase in consultancy \$45k mainly for Saturn Model development |
| Environment and Public Health | \$ 1,405,775 | \$ 1,194,465 | \$ 1,777,845 | \$ 2,851,474 | \$ 2,394,688 | -\$ 456,787 | -16% | Decrease in employee costs \$430k |
| Activity Approvals | \$ 455,771 | \$ 453,898 | \$ 841,627 | \$ 851,255 | \$ 893,246 | \$ 41,991 | 5% | Increase in employee costs \$83k decrease in external contract labour \$40k |
| Total | \$ 7,964,187 | \$ 7,210,191 | \$ 14,747,316 | \$ 15,043,147 | \$ 14,459,126 | -\$ 584,021 | -4% | |
| Economic Development and Activation Directorate | | | | | | | | |
| Director of Economic Development and Activation | \$ 278,335 | \$ 210,535 | \$ - | \$ 783,929 | \$ 1,062,488 | \$ 278,559 | 36% | Increase in employee costs \$47k, finalisation of restructure; increase in donations and sponsorships \$200k for Light Up the City |
| Economic Development | \$ 1,146,462 | \$ 972,116 | \$ 2,465,027 | \$ 2,803,849 | \$ 2,551,022 | -\$ 252,828 | -9% | Decrease in employee costs \$214k |
| Arts, Culture and Heritage | \$ - | \$ - | \$ - | \$ - | \$ 53,440 | \$ 53,440 | | Newly created unit, yet to be fully activated |
| Business Support and Sponsorship | \$ - | \$ - | \$ - | \$ - | \$ 53,440 | \$ 53,440 | | Newly created unit, yet to be fully activated |
| International Engagement | \$ 189,285 | \$ 20,368 | \$ - | \$ 425,891 | \$ 135,420 | -\$ 290,471 | -68% | Decrease in employee costs \$290k |
| Marketing and Events | \$ 8,586,259 | \$ 7,829,619 | \$ 14,347,585 | \$ 13,206,678 | \$ 12,696,774 | -\$ 509,903 | -4% | Decrease in expenditure due to Christmas Pageant not taking place |
| Total | \$ 10,200,341 | \$ 9,032,638 | \$ 16,812,612 | \$ 17,220,347 | \$ 16,552,584 | -\$ 667,763 | -4% | |
| Depreciation | \$ 17,661,076 | \$ 17,855,922 | \$ 34,211,101 | \$ 30,002,334 | \$ 30,186,643 | \$ 184,309 | 1% | Increase in buildings \$55k, computers \$54k and fixed plant \$44k |
| Total | \$ 17,661,076 | \$ 17,855,922 | \$ 34,211,101 | \$ 30,002,334 | \$ 30,186,643 | \$ 184,309 | 1% | |
| TOTAL EXPENDITURE | \$ 108,069,815 | \$ 103,097,625 | \$ 191,304,102 | \$ 187,277,828 | \$ 186,766,234 | -\$ 511,594 | 0% | |
| Employee costs capitalised | -\$ 1,532,181 | -\$ 1,174,411 | -\$ 2,808,502 | -\$ 2,808,502 | -\$ 2,808,502 | \$ 0 | 0% | |
| (Gain) / Loss on Sale of Assets | \$ 1,116,938 | \$ 476,356 | \$ 1,558,253 | \$ 1,766,210 | \$ 1,766,210 | \$ - | 0% | |
| NET INCOME/(EXPENDITURE) | \$ 43,910,485 | \$ 49,575,743 | \$ 16,375,055 | \$ 17,249,442 | \$ 15,606,101 | -\$ 1,643,341 | -10% | |

SCHEDULE 8

Capital Works Projects - February 2016 Budget Review

Ongoing Projects That Have Been Reprogrammed

| Project Identity | | | Current Financial Year | | | Project Status |
|------------------|-----------------------------------|--|-------------------------------------|----------------|-----------------|--|
| Account Number | Unit | Project Name | Forecast Expenditure - Current Year | Revised Budget | Budget Variance | Budget Review Comments |
| 1840 | Arts, Culture & Heritage | Public Art New Commissions Aboriginal Public Art Project 1 | | 20,000 | 20,000 | Project not yet commenced - pending completion of masterplan. Also impacted by staff resources and pending establishment of Aboriginal Reference Group and Aboriginal Public Art Visioning project. |
| 1841 | Arts, Culture & Heritage | Public Art New Commissions Landmark Public Art Project 1 | | 15,000 | 15,000 | Project not yet commenced - pending completion of Masterplan. |
| 0578 | Commercial Parking | CCTV and Access Control Systems Replacement Program | | 71,843 | 71,843 | Project Complete. Request reallocation of funds to CW1806 |
| 1437 | Commercial Parking | Parking Equipment and Systems Upgrade and or Replacement of Stock Management System and Equipment | | 22,737 | 22,737 | Project Complete. Request reallocation of \$21,512 to CW1819 |
| 1659 | Commercial Parking | Parking Equipment and Systems Light Fitting Replacement | 106,338 | 294,111 | 187,773 | His Majesty's car park completed. Close out report provided Nov 2015. |
| 1803 | Commercial Parking | Carbon Offset Tree Planting Program Stage 5 | | 110,380 | 110,380 | Project not proceeding in 2015/16 |
| 1805 | Commercial Parking | CCTV and Access Control Systems Storage System | | 75,000 | 75,000 | Changes to the architecture and virtualization of the CCTV have enabled scope of storage in virtualised environment. Potential project savings and funds to be returned. |
| 1816 | Commercial Parking | Parking Equipment and Systems Automatic Car Park Floors Shutdown Equipment | | 25,000 | 25,000 | Returning \$25,000 during Feb review 2016 |
| 1820 | Commercial Parking | Parking Equipment and Systems Digital Locking Mechanisms | | 120,000 | 120,000 | Technology/ Innovation project on hold. The results from the trial conducted did not justify the feasibility of the project. ROI for the current technology does not permit justification for the expenditure. |
| 1823 | Commercial Parking | Parking Equipment and Systems Off Street Machines | | 200,000 | 200,000 | Lack of direction for the project initiation. Project to commence post building/ structure built by Construction unit. Project likely be deferred and funds returned |
| 1825 | Commercial Parking | Parking Equipment and Systems Off Street Parking System APM and CPM Internal Hardware | 63,260 | 111,000 | 47,740 | Returning \$47,740 during Feb review 2016 |
| 1826 | Commercial Parking | Parking Equipment and Systems On Street Parking Meters | | 100,000 | 100,000 | Returning \$100,000 during Feb review 2016 |
| 1831 | Commercial Parking | Parking Equipment and Systems Contingency Replacement of Parking Equipment | 26,559 | 55,000 | 28,441 | Returning \$28,441 during Feb review 2016 |
| 1835 | Commercial Parking | Parking Equipment and Systems Wheel Stop Replacement | 57,587 | 75,000 | 17,413 | Works completed, commissioning conducted. Close out report provided to CPP asset officer. |
| 1847 | Community Amenity & Safety | Rangers Two Way Radios | | 16,254 | 16,254 | The contract to supply two way radios was extended for another year with Mobile Masters to cover the 2015/16 financial year (July 2016). Request for this budget (\$16,254) will be moved to the Parking Services budget CW1846 (12334/15) so a bulk purchase can be made. |
| 1848 | Community Amenity & Safety | Surveillance Two Way Radios | | 10,072 | 10,072 | The two way radio contract was extended with Mobile Masters for another year (July 2016) to cover the 2015/16 financial year. Request for this budget (\$10,072) will be moved to the Parking Services budget (12334/15)CW1846 so a bulk purchase can be made. |
| 1756 | Construction | Urilift Toilet Install at James St Intersection of Milligan St | 140,000 | 201,080 | 61,080 | Close Out Complete- Hand Over 27/1 for operations. Currently procuring maintenance contractor |
| 1602 | Human Resources | Software HRIS Review | 297,110 | 444,971 | 147,860 | Project progressing slower than planned |
| 1685 | Information Services | Hardware Backup or archiving refresh or replacement | 31,667 | 50,000 | 18,333 | Equipment has been purchased. No further purchases are required from this cost code so the excess funds can be returned. |
| 1854 | Information Services | Software Alfresco RM or TRIM 8 - Evaluation of appropriate RK system | | 300,000 | 300,000 | Due to system reviews being planned in 2016/17, there is no longer a requirement for a separate review. Funds to be returned. |
| 1863 | Library | Library LMS software Upgrade | 103,426 | 110,000 | 6,574 | Completed |
| 0487 | Parks | Irrigation Narrows Interchange - Pumping System Intake | | 65,000 | 65,000 | Due to assets requiring full replacement, the project scope has changed, therefore a new project brief in the 2016/17 year is required. |
| 0148 | Plant & Equipment | Fleet, Plant and Equipment Health | 183,000 | 221,000 | 38,000 | \$38,000 to be reallocated to CW0264 |
| 0153 | Plant & Equipment | Fleet, Plant and Equipment Sanitation - Household Refuse | 1,257,000 | 1,393,000 | 136,000 | Manager Waste & Cleansing has advised Qty 1 x Small Sweeper No Longer required - Return of \$136,000 |
| 0264 | Plant & Equipment | Fleet, Plant and Equipment Parking Facilities | 555,496 | 597,500 | 42,004 | 2 x Vans Life Extended from 3 years to 4 years, replacement now in 2016-2017 - \$ 80,000 funds returned. Refer to CW0148 |
| 0469 | Plant & Equipment | Lighting Replacement of Bollard Lighting | | 250,000 | 250,000 | Project unable to be commenced in financial year 2015/16 due to other projects and staff changes. (Additional resources required). \$250K budget is to be fully transferred to Trafalgar Bridge project. |
| 1851 | Plant & Equipment | Lighting Replacement - Various Locations | 100,000 | 200,000 | 100,000 | No street lighting has been replaced yet. Asset identification and Hansen system registration are in progress. Budget to be transferred to Trafalgar Bridge Project (new) in Feb review. |
| 1619 | Properties | Forrest Place Loading Dock - LED Lighting | 54,343 | 100,000 | 45,657 | Project completed and closed out Surplus funds \$45,657 to be released |
| 1677 | Properties | Council House New Diesel Fire Pump | | 67,000 | 67,000 | Project is not required and has been cancelled. Funds given up. |
| 1680 | Properties | Various Locations Upgrade Air Conditioners | | 44,025 | 44,025 | All works completed. Nothing further required at this stage. Funds released. |
| 1761 | Properties | Citiwatch Surveillance Centre Car Park Resurfacing | 120,834 | 143,198 | 22,364 | Completed and closed out - to be submitted with Surveillance Centre Refurb works. Release 15/16 remaining funds of \$22,364 |
| 1884 | Properties | Depot Bin Store Roof | 25,000 | 45,000 | 20,000 | Release \$20K surplus funds. |
| 1925 | Properties | Council House Replace Office Chairs | 102,952 | 112,000 | 9,048 | Project completed - chairs purchased. |
| 1800 | Street Presentation & Maintenance | Parks & Places Minor Civil Works and Accessibility Improvements | 85,000 | 90,001 | 5,000 | |
| 1887 | Street Presentation & Maintenance | Drainage 15-16 Nelson Crescent - Plain to Hale Streets CW 1887 | 81,118 | 250,000 | 168,882 | • Started on 7.10.15 to 9.10.15 ; 30.10.15 & completed on 2.11.15. Practical completion on 5 Nov. 2015. • Pipes were relined where possible leading to budget savings. |
| 1889 | Street Presentation & Maintenance | Drainage 15-16 Thomas Street - Rheola St to Kings Park Rd CW 1889 | 171,000 | 205,000 | 34,000 | Reduced budget due to the suitability of the asset being relined rather than being replaced. |
| 1893 | Street Presentation & Maintenance | Footpath 15-16 Bennett Street - Hay St to Adelaide Tce - East Side | 105,000 | 119,245 | 14,245 | Completed |

| | | | | | | |
|------|-----------------------------------|---|---------|---------|---------|---|
| 1894 | Street Presentation & Maintenance | Footpath 15-16 DUP Replacement Program - Hackett Drive | | 65,000 | 65,000 | Funds to be utilised CW1905 |
| 1895 | Street Presentation & Maintenance | Footpath 15-16 Hill Street - Adelaide Tce to Terrace Rd - Both Sides | 190,000 | 210,144 | 20,144 | Completed |
| 1899 | Street Presentation & Maintenance | Footpath 15-16 Market Street - Freeway to Sutherland St - South Side | 73,000 | 133,788 | 60,788 | Utilise excess funds in CW1891 |
| 1900 | Street Presentation & Maintenance | Footpath 15-16 Median and Island Replacement Program | | 48,000 | 48,000 | Excess funds to be utilised CW1905 |
| 1902 | Street Presentation & Maintenance | Footpath 15-16 Milligan Street - Hay St to St Georges Tce - East Side | 87,000 | 125,441 | 38,441 | Practical completion. Closeout report in progress |
| 1903 | Street Presentation & Maintenance | Footpath 15-16 Post Construction and Crossover Replacement Program | | 122,000 | 122,000 | Excess funds to be utilised in CW1905 |
| 1904 | Street Presentation & Maintenance | Footpath 15-16 Sutherland Street - Railway Road to Freeway - West Side | 60,000 | 113,110 | 53,109 | Part of excess funds to be utilised in CW1901 |
| 1909 | Street Presentation & Maintenance | Road 15-16 City Farm Place - Lime St to Cul-de-sac | 56,600 | 87,505 | 30,905 | Closeout is in progress. |
| 1910 | Street Presentation & Maintenance | Road 15-16 Lime Street - Royal St to City Farmers Pl | | 68,365 | 68,365 | Project cancelled. Road was resurfaced by building developer. |
| 1941 | Street Presentation & Maintenance | Footpath 15-16 Plain Street - Bowling Club to Ozone Pk East Side | 32,000 | 45,000 | 13,000 | Completed |
| 1943 | Street Presentation & Maintenance | Footpath 15-16 Kerbing Thomas Street - Heytesbury Rd to Saw Ave - East Side | 75,000 | 98,000 | 23,000 | Works complete, awaiting final invoice |
| 1944 | Street Presentation & Maintenance | Footpath 15-16 Kerbing Wellington St - Pier to Barrack - South Side | 33,000 | 52,000 | 19,000 | Closeout report in progress |
| 1789 | Transport | Harvest Terrace: Phase 1 Cycle Infrastructure | 210,000 | 225,000 | 15,000 | Project was delivered within budget |

| | | | |
|----------------------------|------------------|------------------|------------------|
| Total Surplus Funds | 4,483,290 | 7,722,770 | 3,239,477 |
|----------------------------|------------------|------------------|------------------|

Capital Works Projects - February 2016 Budget Review

Ongoing Projects Requiring Additional Funds

| Project Identity | | | Current Financial Year | | | Project Status |
|------------------|-----------------------------------|---|-------------------------------------|----------------|-----------------|---|
| Account Number | Unit | Project Name | Forecast Expenditure - Current Year | Revised Budget | Budget Variance | Budget Review Comments |
| 1842 | Arts, Culture & Heritage | Public Art New Commissions Point of Interest Public Art Project 1 | 17,500 | 15,000 | (2,500) | Not commenced - pending completion of masterplan |
| 1806 | Commercial Parking | CCTV and Access Control Systems Equipment and Installation | 621,843 | 550,000 | (71,843) | Request reallocation of \$71843 from CW0578 during Feb review 2016 |
| 1819 | Commercial Parking | Parking Equipment and Systems CPAMS (Stock Job management system) | 74,512 | 53,000 | (21,512) | \$21,512 transfer from CW1437 during February review 2016 |
| 0463 | Community Amenity & Safety | CCTV Associated Equipment (Internal Requests) | 70,000 | 60,000 | (10,000) | Internal requests for CCTV cameras. Additional \$10,000 required as the quotes from Jacob's have increased for this project. |
| 1765 | Community Amenity & Safety | CCTV Network Expansion | 119,132 | 100,000 | (19,132) | Current year forecast amended to reflect actuals. |
| 1797 | Co-ordination & Design | Lighting St Georges Tce (Barrack - Irwin St) | 126,000 | 80,000 | (45,999) | Not sufficient funds in FY15/16 . The overall project budget is considered insufficient. Works ahead of schedule, next years budget can be reduced. |
| 1957 | Co-ordination & Design | Streetscapes Mount Street / Cliff Street | 194,351 | 10,000 | (184,351) | \$84,351 funds have been taken from the Minor Civil Works Project CW1800. \$100K is requested to bring forward this project to be completed this financial year. \$100K has been budgeted for the 2016/17 budget, which will be required for 2015/16 budget. |
| 1937 | Environment & Public Health | Environment Sound Level Meters and Sound Acquisition Systems | 24,677 | 21,083 | (3,594) | Current year forecast amended according to the current quoted price. |
| 1846 | Parking Services | Parking Two Way Radios | 76,200 | 52,227 | (23,973) | Rangers and Surveillance two way radios purchases have been absorbed by Parking Services so that a bulk purchase can be made. Current quote (019679/2016) received for 71 radios including base stations from Mobile Masters \$76,200.00. Refer to surplus in CW1847 and CW1848 |
| 0143 | Plant & Equipment | Fleet, Plant and Equipment Governance | 90,000 | 52,000 | (37,999) | Additional vehicle required for Manager Communications and Engagement |
| 0150 | Plant & Equipment | Fleet, Plant and Equipment Other Recreation & Sport Plant | 604,000 | 566,000 | (38,000) | Additional vehicle required for Manager Arts, Culture and Heritage |
| 0372 | Plant & Equipment | Fleet, Plant and Equipment Other Community Amenities | 140,000 | 105,000 | (35,000) | New Additional Van for PPM approved via Memo by DCM - \$35,000 |
| 0373 | Plant & Equipment | Fleet, Plant and Equipment Unclassified Fleet Purchases | 456,000 | 380,000 | (76,000) | 2 x Additional Large Sedans Required - Manager Data & Information / Manager Construction |
| 0430 | Plant & Equipment | Fleet Plant and Equipment Economic Service | 164,001 | 50,000 | (114,001) | Additional 3 x New Manager Vehicles Required - Activity Approvals, Business Support, and International Engagement |
| 1650 | Properties | Depot Resurface Hardstand Area | 336,448 | 236,448 | (100,000) | Construction commencing Monday 8/2/16 Additional \$75K for construction (quotes exceeded initial estimate) & \$25K for project contingency |
| 1675 | Properties | Council House Lift Motor Room Economy Cycle System | 70,000 | 40,000 | (30,000) | Quotations declined as only one received, does not meet policy requirement. Potential bidders to be reviewed more thoroughly. Add \$30K required to undertake consultancy process. |
| 1739 | Street Presentation & Maintenance | Road 14-15 St Georges Terrace (EB) - Mill St to William St | 229,584 | 199,584 | (30,000) | A few Water Corp Man Hole covers need lifting to match with new asphalt surface. |
| 1746 | Street Presentation & Maintenance | Road 14-15 Wellington Street (WB) - Bennett St to Hill St | 125,000 | 120,904 | (4,096) | Construction complete |
| 1891 | Street Presentation & Maintenance | Footpath 15-16 Adelaide Terrace - Bennett St to Hill St - Both Sides | 574,060 | 513,272 | (60,788) | Additional funds from CW1899 required as contingency against pit adjustment costs |
| 1901 | Street Presentation & Maintenance | Footpath 15-16 Mill Street - St Georges Tce to Mounts Bay Road - Both Sides | 275,000 | 247,954 | (27,046) | Over budget due to pit adjustments |
| 1905 | Street Presentation & Maintenance | Footpath 15-16 Victoria Avenue - Riverside Dr to Victoria Sq - Both Sides | 1,008,532 | 773,532 | (235,000) | Additional funds required due to number of pits requiring adjustment by external telco services including Telstra. Quotations from service providers received. Budget allowed for only a minimal number of pits requiring adjustment but new paving works resulted in most pits requiring adjustment. |
| 1919 | Street Presentation & Maintenance | Road 15-16 Thomas Street & Hay Street (SB) - Intersection | 66,765 | 41,250 | (25,515) | Work extended impacting on four traffic loops |

| | | | |
|----------------------------|-----------|-----------|-------------|
| Sub-Total Additional Funds | 5,463,605 | 4,267,254 | (1,196,349) |
|----------------------------|-----------|-----------|-------------|

Capital Works Projects - February 2016 Budget Review

New Projects Requiring Funds

| Project Identity | | | Current Financial Year | | | Project Status |
|------------------|-----------------------------------|--|-------------------------------------|----------------|-----------------|--|
| Account Number | Unit | Project Name | Forecast Expenditure - Current Year | Revised Budget | Budget Variance | Budget Review Comments |
| PSU4 | Community Amenity & Safety | CCTV Body Worn Cameras | 75,475 | | (75,475) | Request to bring this project forward from the 16/17 financial year. |
| CDFR1 | Co-ordination & Design | Streetscape Riverside Drive Footpath | 150,000 | | (150,000) | |
| CDFR2 | Co-ordination & Design | Streetscape Greenwall | 60,000 | | (60,000) | |
| CDFR3 | Co-ordination & Design | Streetscape Mounts Bay Road | 40,000 | | (40,000) | |
| CDFR4 | Co-ordination & Design | Streetscape Thomas Street Median | 350,000 | | (350,000) | |
| CDU48 | Co-ordination & Design | Streetscapes Gasworks - Laneways | 80,000 | | (80,000) | Preliminary work to commence in this financial year |
| CDU53 | Co-ordination & Design | Parks & Places Wellington Square | 100,000 | | (100,000) | Preliminary work to commence in this financial year |
| ITFR1 | Information Technology | Disaster Recovery Business Continuity Site(City Place) Build | 200,000 | | (200,000) | Requirement to fit out a communication room at CitiPlace as part of Business Continuity Planning |
| PSU1 | Parking Services | Parking Equipment & Systems PDA's | 125,546 | | (125,546) | Request to bring the PDA purchases forward to the 15/16 financial year for PSU and CAS. |
| PSU3 | Parking Services | Parking Equipment & Systems Vehicle Detection Sensors | 94,800 | | (94,800) | Portion of the vehicle sensors budget to be brought forward to 15/16 \$38,800 and also an additional expense of \$56,000 for a consultant. |
| PLFR1 | Plant & Equipment | Lighting Trafalgar Bridge Lighting Project | 350,000 | | (350,000) | Refer to surplus funds identified in CW0469 and CW1851 |
| SPM45 | Street Presentation & Maintenance | Footpaths and Kerbs DUP - Narrows East to MRWA | 60,000 | | (60,000) | Preliminary work to commence in this financial year ahead of the works which are identified for completion in 2016/17 |

| | | | |
|-------------------------|-----------|---|-------------|
| Total New Project Funds | 1,685,821 | 0 | (1,685,821) |
|-------------------------|-----------|---|-------------|

| | | | |
|-------------|------------|------------|---------|
| Grand Total | 11,632,716 | 11,990,024 | 357,307 |
|-------------|------------|------------|---------|

SCHEDULE 9

CITY OF PERTH

REVISED BUDGET RATE SETTING STATEMENT for the year ending 30 June 2016

| | Adopted Budget 2015/16 | Actual YTD 31-Jan-16 | Revised Budget 2015/16 | Proposed Budget 2015/16 | Revised Budget Variance |
|--|---------------------------|-------------------------|---------------------------|----------------------------|----------------------------|
| Proceeds from Operating Activities | \$ | \$ | \$ | \$ | \$ |
| Operating Revenue | | | | | |
| <i>Nature of Income</i> | | | | | |
| Parking Fees | 78,153,380 | 42,832,967 | 75,778,365 | 75,497,882 | (280,483) |
| Fines and Costs | 10,443,348 | 5,368,176 | 9,458,652 | 9,375,930 | (82,722) |
| Investment Income and Interest | 5,157,319 | 2,808,362 | 4,835,983 | 4,554,961 | (281,021) |
| Community Service Fees | 1,677,044 | 935,230 | 1,646,654 | 1,593,139 | (53,515) |
| Rubbish Collection | 7,158,185 | 7,470,168 | 7,638,983 | 7,574,971 | (64,012) |
| Rentals and Hire Charges | 5,100,956 | 2,982,284 | 5,208,233 | 5,082,241 | (125,992) |
| Recurrent Grants | 1,508,499 | 805,454 | 1,483,539 | 1,313,946 | (169,593) |
| Contributions, Donations and Reimbursements | 452,347 | 405,870 | 474,671 | 590,288 | 115,618 |
| Other Income | 5,409,678 | 3,176,287 | 4,862,690 | 4,470,302 | (392,388) |
| | 115,060,756 | 66,784,797 | 111,387,769 | 110,053,660 | (1,334,109) |
| Less: Operating Expenditure | | | | | |
| <i>Nature of Expenditure</i> | | | | | |
| Employee Costs | 69,135,566 | 38,014,889 | 69,255,187 | 69,255,187 | - |
| Materials and Contracts | 52,838,709 | 27,491,940 | 53,613,031 | 52,758,422 | 854,609 |
| Utilities | 3,069,080 | 1,774,091 | 3,258,341 | 3,239,008 | 19,333 |
| Insurance Expenditure | 1,836,750 | 688,717 | 1,104,573 | 1,133,992 | (29,419) |
| Depreciation and Amortisation | 34,211,101 | 17,855,922 | 30,002,334 | 30,186,643 | (184,309) |
| Interest Expenses | 1,166,259 | 862,032 | 1,156,345 | 1,359,057 | (202,712) |
| Expense Provisions | 962,345 | 555,334 | 962,345 | 962,345 | - |
| Loss on Disposal of Assets | 1,558,253 | 476,356 | 1,766,210 | 1,766,210 | - |
| Other Expenditure | 24,707,761 | 14,458,708 | 24,704,904 | 24,650,812 | 54,093 |
| | 189,485,824 | 102,177,990 | 185,823,270 | 185,311,676 | 511,594 |
| Add back Depreciation | (34,211,101) | (17,855,922) | (30,002,334) | (30,186,643) | 184,309 |
| (Loss) / Profit on Disposals | (1,558,253) | (476,356) | (1,766,210) | (1,766,210) | - |
| | 153,716,470 | 83,845,712 | 154,054,726 | 153,358,823 | 695,903 |
| Net Surplus/(Deficit) from Operations | (38,655,714) | (17,060,915) | (42,666,956) | (43,305,162) | (638,206) |
| Investing Activities | | | | | |
| Capital Expenditure | (59,612,596) | (24,733,923) | (68,909,919) | (68,552,612) | 357,307 |
| Repayment of Borrowings | (6,441,707) | (4,184,303) | (6,441,707) | (6,441,707) | - |
| Transfers to Reserves | (28,095,017) | (1,992,145) | (28,095,017) | (28,251,928) | (156,911) |
| | (94,149,320) | (30,910,371) | (103,446,643) | (103,246,247) | 200,396 |
| Financing Activities | | | | | |
| Transfer from Reserves | 31,752,812 | 23,207,904 | 30,752,812 | 30,575,818 | (176,994) |
| Carry Forwards | 13,979,765 | 7,366,427 | 21,681,358 | 21,681,358 | - |
| Proceeds from Disposal of Assets/Investments | 1,523,000 | 920,140 | 1,729,345 | 1,729,345 | - |
| Distribution from TPRC | 1,833,333 | - | 1,833,333 | 1,833,333 | - |
| Capital Grants | 6,842,450 | 3,449,865 | 7,757,850 | 6,489,865 | (1,267,985) |
| | 55,931,360 | 34,944,336 | 63,754,698 | 62,309,719 | (1,444,979) |
| Add: Opening Funds | 1,123,643 | 636,302 | 636,302 | 636,302 | - |
| Net Surplus/(Deficit) before Rates | (75,750,031) | (12,390,648) | (81,722,599) | (83,605,388) | (1,882,789) |
| Amount Sourced from Rates | 82,692,367 | 81,740,651 | 82,506,025 | 82,953,185 | 447,160 |
| Closing Funds | 6,942,337 | 69,350,003 | 783,426 | (652,203) | (1,435,629) |

| | | | | | |
|------------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| Net Cash on Hand | | | | | |
| Cash On Hand | 4,109,637 | 10,096,255 | 5,321,032 | 5,235,228 | (85,804) |
| Money Market Investments | 105,930,238 | 130,428,638 | 106,330,600 | 105,808,536 | (522,064) |
| Funds on Hand | 110,039,875 | 140,524,893 | 111,651,632 | 111,043,764 | (607,868) |
| Analysis of Funds on Hand | | | | | |
| Reserves | 85,600,968 | 63,665,950 | 86,669,717 | 86,889,850 | 220,133 |
| Provisions | 11,475,729 | 10,942,661 | 11,525,004 | 11,608,196 | 83,192 |
| Carry forwards | - | 8,801,857 | - | - | - |
| Restricted Grants not yet utilised | - | 202,122 | - | - | - |
| General Funds | 12,963,178 | 56,912,303 | 13,456,911 | 12,545,718 | (911,193) |
| Funds on Hand | 110,039,875 | 140,524,893 | 111,651,632 | 111,043,764 | (607,868) |

CITY OF PERTH

REVISED CURRENT POSITION for the year ending 30 June 2016

| | Adopted Budget 2015/16 \$ | Actual YTD 31-Jan-16 \$ | Revised Budget \$ | Proposed Budget \$ | Revised Budget Variance \$ |
|---|---------------------------------|-------------------------------|-------------------------|--------------------------|----------------------------------|
| Current Assets | | | | | |
| Cash and Cash Equivalents | 4,109,637 | 10,096,255 | 5,321,032 | 5,235,228 | (85,804) |
| Deposits and Prepayments | 1,539,537 | 9,402,969 | 1,783,674 | 1,655,094 | (128,580) |
| Money Market Investments - Municipal Funds | 20,329,270 | 66,762,688 | 19,660,883 | 18,918,686 | (742,197) |
| Money Market Investments - Restricted Funds | 85,600,968 | 63,665,950 | 86,669,717 | 86,889,850 | 220,133 |
| Trade and Other Receivables | 11,535,833 | 18,056,615 | 10,243,590 | 10,378,437 | 134,847 |
| Inventories | 2,737,778 | 1,172,650 | 2,865,990 | 2,721,425 | (144,565) |
| Total Current Assets | 125,853,023 | 169,157,127 | 126,544,886 | 125,798,720 | (746,166) |
| Current Liabilities | | | | | |
| Trade and Other Payables | 21,833,990 | 24,392,865 | 27,342,738 | 27,658,796 | 316,058 |
| Employee Entitlements | 10,750,892 | 10,942,661 | 11,525,004 | 11,608,196 | 83,192 |
| Provisions | 724,837 | 603,526 | 224,001 | 169,783 | (54,218) |
| Borrowings | 6,771,075 | 6,075,006 | 6,771,075 | 6,895,373 | 124,298 |
| Total Current Liabilities | 40,080,794 | 42,014,058 | 45,862,818 | 46,332,148 | 469,330 |
| Working Capital Position Brought Forward | 85,772,229 | 127,143,069 | 80,682,068 | 79,466,572 | (1,215,496) |
| Deduct Restricted Cash Holdings | (85,600,968) | (63,665,950) | (86,669,717) | (86,889,850) | (220,133) |
| Deduct Unspent Borrowings | | | | | 0 |
| Deduct Restricted Capital Grants | - | (202,122) | | | 0 |
| Add Current Borrowings | 6,771,075 | 6,075,006 | 6,771,075 | 6,771,075 | 0 |
| Current Funds Position Brought Forward | 6,942,337 | 69,350,003 | 783,426 | (652,203) | (1,435,629) |

CP 9.7 Purchasing

POLICY OBJECTIVE

The City is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:

- provides the City with an effective way of purchasing goods and services;
- ensures that purchasing transactions are carried out in a fair and equitable manner;
- strengthens integrity and confidence in the purchasing system;
- ensures that the City receives value for money in its purchasing;
- provides that the City considers the environmental and social impacts when purchasing goods and services;
- ensures the City complies with all regulatory obligations;
- promotes effective governance and definition of roles and responsibilities; and
- upholds respect from the public and industry for the City's purchasing practices that withstands probity.

Furthermore, this policy has been created to:

- provide compliance with the *Local Government Act 1995* (the "**Act**") and Part 4 of the *Local Government (Functions and General) Regulations 1996*; (the "**Regulations**") ;
- provide compliance to the *State Records Act 2000* and adherence to records management practices and procedures at the City;
- deliver a best practice approach and procedures to internal purchasing for the City; and
- ensure consistency for all purchasing activities that integrates within all of the City of Perth operational areas.

POLICY STATEMENT

1. ETHICS AND INTEGRITY

All officers and employees of the City shall observe the highest standards of ethics and integrity in undertaking purchasing activities and act in an honest and professional manner that supports the standing of the City.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

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- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the City's policies, procedures, Code of Conduct and Statement of Business Ethics;
- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and to provide a clear audit trail;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- information provided to the City by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

2. VALUE FOR MONEY

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the City. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, risk factors, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchasing should consider the following:

- all relevant whole-of-life costs and benefits, whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal. For the disposal of any property (assets) reference shall be made to Council Policy 9.14 Disposal of Property;
- the technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality, including but not limited to an assessment of levels and currency of compliances, value adds offered, warranties, guarantees, repair and replacement policies, ease of inspection, ease of after sales service, ease of communications etc;
- financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history); and
- a strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

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- the safety requirements associated with both the product design and specification offered by suppliers and the evaluation of risk when considering purchasing goods and services from suppliers;
- purchasing of goods and services from suppliers that demonstrate sustainable benefits and good corporate social responsibility.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

3. SUSTAINABLE PROCUREMENT

Sustainable Procurement is defined as the procurement of goods and services that has positive economic, environmental and social outcomes, and fewer negative environmental and social impacts than competing products and services.

The City is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the City's sustainability objectives.

4. PURCHASING LIMITS

4.1 Purchasing from Existing Contracts

Where the City has an existing contract in place, it must ensure that goods and services required are purchased under these contracts to the extent that the scope of the contract allows. When planning the purchase, the City must consult its Contracts in the first instance before seeking to obtain quotes and tenders on its own accord.

4.2 Purchasing Thresholds

In determining the purchasing value, the following considerations are to be taken into account:

1. All values are exclusive of the Goods and Services Tax (GST);
2. The actual or expected value of a contract over the full contract period, including any and all options to extend, as well as any potential for additional goods or servicing requirements;
3. The extent to which it could reasonably be expected that the City will continue to purchase a particular category of goods, services or works and what total value is or could be reasonably expected to be purchased; and
4. Where the value is expected to be in the vicinity of \$150,000 over a three year period, a tender process must be undertaken. The determination of the commencement of a tender process shall be in collaboration with the relevant Business Unit and the Finance Unit (Contracts Administrator).

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The following quotation/tender thresholds apply to the procurement of goods and services:

| Amount of Purchase | Purchasing Requirements |
|------------------------------------|--|
| Up to \$5,000 Category A | <p>Purchase directly from a supplier using a Purchasing or Corporate Credit Card issued by the City, or obtain at least one (1) verbal or written quotation from a suitable supplier, either from:</p> <ul style="list-style-type: none"> • an existing panel of pre-qualified suppliers administered by the City; or • a pre-qualified supplier on the WALGA Preferred Supply Program or State Government Common Use Arrangement (CUA); or • from the open market. <p>The continuous use of single suppliers is to be routinely tested to ensure that the City is receiving best value for money at a competitive market price and adequately distributing market share.</p> |
| \$5,001 - \$50,000 Category B | <p>Obtain a minimum of three written quotations from suppliers using a brief outlining the specific requirement, either from:</p> <ul style="list-style-type: none"> • an existing panel of pre-qualified suppliers administered by the City; or • a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or • from the open market. <p>Notes:</p> <ol style="list-style-type: none"> 1. This category excludes quotations where the City is entering into a contract for services that are of an on-going nature and exceed one (1) year duration. Contracts with a duration of more than one (1) year are to be by Category C – Formal Quotation. 2. Consultancy services must be by formal quotation unless at the discretion of the Finance Unit (Contracts Administrator) it is deemed services are of low risk and complexity. |
| \$50,001 - \$150,000 Category C | <p>A formal quotation process is to be coordinated through the Finance Unit (Contracts Administrator) under the following guideline:</p> <p>Obtain at least three (3) written quotations from suppliers by formal invitation under a Request for Quotation, containing price and detailed specification of goods and services required. The procurement decision is to be based on pre-determined evaluation criteria that assess all value for money</p> |

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| | |
|-----------------------------------|--|
| | <p>considerations in accordance with the definition stated within this Policy.</p> <p>Quotations within this threshold may be obtained from:</p> <ul style="list-style-type: none"> • an existing panel of pre-qualified suppliers administered by the City; or • a pre-qualified supplier on the WALGA Preferred Supply Program or State Government CUA; or • from the open market. <p>Requests for quotation from a pre-qualified panel of suppliers (whether administered by the City, through the WALGA preferred supply program or State Government CUA) are not required to be invited using a Request for Quotation form, however at least three written quotes are still required to be obtained.</p> |
| \$150,001 and above Category D | <p>Where the purchasing requirement is not suitable to be met through a panel of pre-qualified suppliers, or any other tender-exempt arrangement as listed under section 4.9 of this Policy, conduct a public Request for Tender process in accordance with Part 4 of the <i>Local Government (Functions and General) Regulations 1996</i>, this policy and the City's tender procedures. The procurement decision is to be based on pre-determined evaluation criteria that assess all value for money considerations in accordance with the definition stated within this Policy.</p> |

4.3 Insufficient Suppliers

Where this policy requires a certain number of quotations to be obtained, but it is not possible to obtain that number of quotations, then best endeavours must be used to obtain as many quotes as possible.

If it is not possible to obtain the required number of quotations then:

1. the requirement to obtain that number of quotations may be waived by
 - the Procurement Officer for Category A & B quotations, and
 - the Contracts Administrator and the Procurement Officer for Category C quotations,
 with justification being provided by an officer with the appropriate authority to incur the liability; but
2. all other requirements of this policy applicable to that type or value of purchase apply.

4.4 Term of Contracts

The following table defines the term to be applied to classes of contracts established under this policy:

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| Procurement Type | Contract Period | Option Period |
|--|-----------------|---|
| Contracts with the potential for short-term change in technology, specification, availability or a new untried service. | One (1) Year | Two (2) Years, or Two (2) x One (1) Year |
| Service contracts and contracts with a medium potential for a change in technology, specification or availability. | Three (3) Years | Two (2) Years, or Two (2) x One (1) Year |
| Information Technology, Equipment and contracts where there is a high cost of contract establishment or there is low potential for a change in technology, specification or availability | Ten (10) Years | Five (5) Years |

In considering the term to be applied to a contract the following principles have been adopted:

- Short term contracts (one year) do not build the relationship that may be required to maintain an adequate level of service over time.
- Medium term contracts (three years) can discourage supplier complacency making them a useful tactic for the City.

Long Term contracts (five years and over) need to demonstrate significant benefit to the City and have mechanisms to review the adequacy of the services and ensure continued competitiveness.

4.5 Long Term Contracts

Where the City enters into a long term Contract, such as for the supply of Information Technology Software, a market test/analysis is to be carried out every five years to ensure value for money in the provided service.

4.6 Selection Criteria

Compliance and qualitative selection criteria shall apply to all formal quotations and tenders relative to the nature and complexity of the project or service.

4.7 Contract Reviews

All Contracts established by the City shall contain a requirement to review the performance of the Contractor/Supplier/Consultant at least annually and prior to the extension, if any, of the Contract term.

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4.8 Tendering Exemptions

An exemption to publicly invite tenders may apply in the following instances:

- the purchase is obtained from a pre-qualified supplier under the WALGA Preferred Supply Program or State Government Common Use Arrangement.
- the purchase is from a Regional Local Government or another Local Government;
- the purchase is acquired from a person registered on the WA Aboriginal Business Directory, as published by the Small Business Development Corporation, where the consideration under contract is worth \$250,000 or less and represents value for money;
- the purchase is acquired from an Australian Disability Enterprise and represents value for money;
- the purchase is from a pre-qualified supplier under a Panel established by the City; or
- any of the other exclusions under Regulation 11 of the *Local Government (Functions and General) 1996* apply.

4.9 Inviting Tenders under the Tender Threshold

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$150,000 threshold. If a decision is made to seek public tenders for goods/services of less than \$150,000, all of the steps of a public tender process must be followed.

4.10 Sole Source of Supply

Where the purchasing requirement is over the value of \$5,000 and of a unique nature that can only be supplied from one supplier, the purchase is permitted without undertaking a tender or quotation process. This is only permitted in circumstances where the City is satisfied and can evidence that there is only one source of supply for those goods, services or works. The City must use its best endeavours to determine if the sole source of supply is genuine by exploring if there are any alternative sources of supply. Once determined, the justification must be endorsed by the Chief Executive Officer in accordance with the applicable Corporate Procedure, prior to a contract being entered into.

From time to time, the City may publicly invite an expression of interest to effectively determine that one sole source of supply still genuinely exists.

5. PURCHASING FROM LEGAL SERVICE PROVIDERS

The City of Perth will utilise the WALGA preferred supplier contract for legal services. The selection of the service provider will be undertaken by the Chief Executive Officer, Director Corporate Services or the Manager Governance based on factors including the panel provider undertaking similar work on behalf of the City of Perth, specialist expertise as well as being based on standard contract performance. Circumstances requiring the use of a

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legal firm outside the panel may arise whereby the entire tender panel is conflicted from undertaking work for the City or that specialist skills cannot be sourced from the panel, in such circumstances procurement needs to be in accordance with the procedures contained within Clause 4.1.

6. PANELS OF PRE-QUALIFIED SUPPLIERS

6.1 Objectives

In accordance with Regulation 24AC of the *Local Government (Functions and General) Regulations 1996*, a Panel of Pre-qualified Suppliers ("Panel") may be created where most of the following factors apply:

- the City determines that a range of similar goods and services are required to be purchased on a continuing and regular basis;
- there are numerous potential suppliers in the local and regional procurement-related market sector(s) that satisfy the test of 'value for money';
- the purchasing activity under the intended Panel is assessed as being of a low to medium risk;
- the Panel will streamline and will improve procurement processes; and
- the City has the capability to establish, manage the risks and achieve the benefits expected of the proposed Panel.

The City will endeavour to ensure that Panels will not be created unless most of the above factors are firmly and quantifiably established.

6.2 Establishing a Panel

Should the City determine that a Panel is beneficial to be created, it must do so in accordance with Part 4, Division 3 the *Local Government (Functions and General) Regulations 1996*.

Panels may be established for one supply requirement, or a number of similar supply requirements under defined categories within the Panel.

Panels may be established for a minimum of two (2) years and for a maximum length of time deemed appropriate by the City.

Evaluation criteria must be determined and communicated in the application process by which applications will be assessed and accepted.

Where a Panel is to be established, the City will endeavour to appoint at least three (3) suppliers to each category, on the basis that best value for money is demonstrated.

Where less than three (3) suppliers are appointed to each category within the Panel, the category is not to be established.

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In each invitation to apply to become a pre-qualified supplier (through a procurement process advertised through a state-wide notice), the City must state the expected number of suppliers it intends to put on the panel.

Should a Panel member leave the Panel, they may be replaced by the next ranked Panel member determined in the value for money assessment should the supplier agree to do so, with this intention to be disclosed in the detailed information set out under Regulation 24AD(5)(d) and (e) when establishing the Panel.

6.3 Distributing work amongst Panel Members

To satisfy Regulation 24AD(5) of the Regulations, when establishing a Panel of pre-qualified suppliers, the detailed information associated with each invitation to apply to join the Panel must either prescribe whether the City intends to:

- i. Obtain quotations from each pre-qualified supplier on the Panel with respect to all purchases, in accordance with Clause 9.4; or
- ii. Purchase goods and services exclusively from any pre-qualified supplier appointed to that Panel, and under what circumstances; or
- iii. Develop a ranking system for selection to the Panel, with work awarded in accordance with Clause 9.3 b).

In considering the distribution of work among Panel members, the detailed information must also prescribe whether:

- a) each Panel member will have the opportunity to bid for each item of work under the Panel, with pre-determined evaluation criteria forming part of the invitation to quote to assess the suitability of the supplier for particular items of work. Contracts under the pre-qualified panel will be awarded on the basis of value for money in every instance; or
- b) work will be awarded on a ranked basis, which is to be stipulated in the detailed information set out under Regulation 24AD(5)(f) when establishing the Panel. The City is to invite the highest ranked Panel member, who is to give written notice as to whether to accept the offer for the work to be undertaken. Should the offer be declined, an invitation to the next ranked Panel member is to be made and so forth until a Panel member accepts a Contract. Should the list of Panel members invited be exhausted with no Panel member accepting the offer to provide goods/services under the Panel, the City may then invite suppliers that are not pre-qualified under the Panel, in accordance with the Purchasing Thresholds stated in section 4.3 of this Policy. When a ranking system is established, the Panel must not operate for a period exceeding 12 months.

In every instance, a contract must not be formed with a pre-qualified supplier for an item of work beyond 12 months, which includes options to extend the contract.

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6.4 Purchasing from the Panel

The invitation to apply to be considered to join a panel of pre-qualified suppliers must state whether quotations are either to be invited to every member (within each category, if applicable) of the Panel for each purchasing requirement, whether a ranking system is to be established, or otherwise.

Each quotation process, including the invitation to quote, communications with panel members, quotations received, evaluation of quotes and notification of award communications must all be captured on the City's electronic records system. A separate file is to be maintained for each quotation process made under each Panel that captures all communications between the City and Panel members

7. AUTHORISATION OF EXPENDITURE

Acceptance of tenders and quotations and the authorisation of expenditure is to comply with the City's purchasing requirements, associated policies and procedures and within the relevant delegation or limit of authority.

All purchases of goods or services other than those goods or services deemed an emergency or those outside of normal business hours are only to be purchased after the approval of an appropriate purchase requisition and the receipt of a relevant purchase order.

The confirmation of any purchase after the completion of a quotation / tender process must be authorised by an officer to whom authority to incur a liability has been delegated ensuring that sufficient funds have been provided for in the City's annual budget.

| Document Control Box | | | | | |
|----------------------------|--|---|-----------------|-----------|--------------------|
| Document Responsibilities: | | | | | |
| Custodian: | Contracts Administrator | | Custodian Unit: | Finance | |
| Decision Maker: | Policy approved by Council | | | | |
| Compliance Requirements: | | | | | |
| Legislation: | Part 4 of the <i>Local Government (Functions & General) Regulations 1996</i> | | | | |
| Industry: | | | | | |
| Organisational: | PR0106 Calling of Quotations PR0105 Tendering for Goods and Services PR0660 Evaluation Panels for assessing Tenders, Expressions of Interest and Quotations PR0957 Authorisation of Purchase Orders PR0965 Sole Supplier Justification, Application and Approval | | | | |
| Document Management: | | | | | |
| Risk Rating: | | Review Frequency: | | Next Due: | TRIM Ref: [AP####] |
| Version # | Decision Reference: | Synopsis: | | | |
| 1. | OCM 28/06/11 (317/11) | | | | |
| 2. | OCM 18/11/14 (509/14) | | | | |
| 3. | OCM 30/04/15 (161/15) | | | | |
| 4. | OCM 15/12/15 (585/15) | Amended in line with updates to Legislation | | | |

CP 9.7 Purchasing Policy

POLICY OBJECTIVE

The City is committed to setting up efficient, effective, economical and sustainable procedures in all purchasing activities. This policy:

- provides the City with an effective way of purchasing goods and services;
- ensures that purchasing transactions are carried out in a fair and equitable manner;
- strengthens integrity and confidence in the purchasing system;
- ensures that the City receives value for money in its purchasing;
- provides that the City considers the environmental and social impacts when purchasing goods and services;
- ensures the City complies with all regulatory obligations;
- promotes effective governance and definition of roles and responsibilities; and
- upholds respect from the public and industry for the City's purchasing practices that withstands probity.

Furthermore, this policy has been created to:

- provide compliance with the Local Government Act, 1995 and the Local Government (Functions and General) Regulations 1996;
- deliver a best practice approach and procedures to internal purchasing for the City; and
- ensure consistency for all purchasing activities that integrates within all of the City of Perth operational areas.

POLICY STATEMENT

1. ETHICS AND INTEGRITY

All officers and employees of the City shall observe the highest standards of ethics and integrity in undertaking purchasing activities and act in an honest and professional manner that supports the standing of the City.

The following principles, standards and behaviours must be observed and enforced through all stages of the purchasing process to ensure the fair and equitable treatment of all parties:

- full accountability shall be taken for all purchasing decisions and the efficient, effective and proper expenditure of public monies based on achieving value for money;

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- all purchasing practices shall comply with relevant legislation, regulations, and requirements consistent with the City's policies, procedures and code of conduct;
- purchasing is to be undertaken on a competitive basis in which all potential suppliers are treated impartially, honestly and consistently;
- all processes, evaluations and decisions shall be transparent, free from bias and fully documented in accordance with applicable policies and to provide a clear audit trail;
- any actual or perceived conflicts of interest are to be identified, disclosed and appropriately managed; and
- information other than pricing provided to the City by a supplier shall be treated as commercial-in-confidence and should not be released unless authorised by the supplier or relevant legislation.

2. VALUE FOR MONEY

Value for money is an overarching principle governing purchasing that allows the best possible outcome to be achieved for the City. It is important to note that compliance with the specification is more important than obtaining the lowest price, particularly taking into account user requirements, quality standards, sustainability, life cycle costing, and service benchmarks.

An assessment of the best value for money outcome for any purchasing should consider the following:

- All relevant whole-of-life costs and benefits, whole of life cycle costs (for goods) and whole of contract life costs (for services) including transaction costs associated with acquisition, delivery, distribution, as well as other costs such as but not limited to holding costs, consumables, deployment, maintenance and disposal. For the disposal of any property (assets) reference shall be made to Council Policy 9.14 Disposal of Property;
- The technical merits of the goods or services being offered in terms of compliance with specifications, contractual terms and conditions and any relevant methods of assuring quality;
- Financial viability and capacity to supply without risk of default. (Competency of the prospective suppliers in terms of managerial and technical capabilities and compliance history); and
- A strong element of competition in the allocation of orders or the awarding of contracts. This is achieved by obtaining a sufficient number of competitive quotations wherever practicable.

Where a higher priced conforming offer is recommended, there should be clear and demonstrable benefits over and above the lowest total priced, conforming offer.

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3. SUSTAINABLE PROCUREMENT

Sustainable Procurement is defined as the procurement of goods and services that have fewer negative environmental and social impacts than competing products and services.

The City is committed to sustainable procurement and where appropriate shall endeavour to design quotations and tenders to minimise environmental and negative social impacts. Sustainable considerations must be balanced against value for money outcomes in accordance with the City's sustainability objectives.

4. PURCHASING PROCEDURES AND LIMITS

The City has established administrative procedures relating to the calling of quotations and tenders for goods and services which must be adhered to when seeking quotations or the calling of tenders. These procedures have been developed to establish effective procedures for calling quotations to achieve best value for money and quality of goods and services within specified time frames. The relevant procedures that officers must refer to are listed as follows:

- PR0106 – Calling of Quotations.
- PR0105 – Tendering for Goods and Services.
- PR0660 – Evaluation Panels for Assessing Tenders, Expressions of Interest and Quotations.
- PR0957 – Authorisation of Purchase Orders.
- PR0965 – Sole Supplier Justification, Application and Approval.

The confirmation of any purchase after the completion of a quotation / tender process must be authorised by an officer to whom authority to incur a liability has been delegated ensuring that sufficient funds have been provided for in the City's annual budget.

The purchasing of goods and services can only be undertaken once a purchasing requisition has been approved and a relevant purchase order has been obtained (other than those goods or services deemed an emergency or those outside of normal business hours. In these circumstances the requisition and order is to be approved and obtained the next day).

The following quotation / tender requirements apply to the procurement of goods and services, where the value of procurement (excluding GST) for the value of the contract over the full contract period (including options to extend) is, or is expected to be the following:

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| Amount of Purchase | Purchasing Requirements |
|----------------------|--|
| Up to \$1,000 | One verbal or written quotation shall be obtained and alternative suppliers are encouraged to be used to ensure best value of money and adequate market sharing. |
| \$1,001 - \$5,000 | A minimum of three quotations (verbal or written) shall be obtained, where possible, from alternative suppliers. |
| \$5,001 - \$50,000 | Obtain a minimum of three written quotations (excluding requests for Consultancy Services where a formal quotation process is to be used at the discretion of the Manager Finance). |
| \$50,001 - \$150,000 | A formal quotation process is to be coordinated through the Contract Management Unit (other than vehicles, plant, equipment or office equipment where the items are manufactured to industry or Australian Standards). |
| \$150,000 and above | Conduct a public tender process in accordance with prevailing legislation and the City's corporate procedures. |

Where it is considered beneficial, tenders may be called in lieu of seeking quotations for purchases under the \$150,000 threshold (excluding GST). If a decision is made to seek public tenders for goods/services of less than \$150,000, all of the steps of a public tender process must be followed (see part 4.5).

The Chief Executive Officer shall develop and implement appropriate processes to monitor expenditure with individual contractors or suppliers to ensure that where it is reasonably foreseeable that expenditure with a single contractor or supplier may exceed \$150,000, tenders for the provision of those services are invited to ensure the City does not contravene the anti-avoidance provisions prescribed in Regulation 12 of the Local Government (Functions and General) Regulations 1996.

4.1 Up to \$1,000

Where the value of goods or services does not exceed \$1,000 (excluding GST), the purchase is on the basis that a verbal or written quote is obtained. The continuous use of single suppliers is to be avoided to ensure that the City is receiving best value for money at a competitive market price and adequately distributing market share.

A record of the verbal quotation must be maintained in accordance with the City's Record Keeping Plan.

4.2 \$1,001 to \$5,000

Where the value of goods or services is between \$1,001 and \$5,000 (excluding GST), the purchase is on the basis of a minimum of three quotations (written or verbal). Market testing with a greater number of suppliers or more formal forms of quotation is to be occasionally undertaken to ensure best value is maintained.

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This purchasing method is suitable where the purchase is relatively small and low risk.

Records of quotations sourced must be created and maintained in accordance with the City's Record Keeping Plan.

4.3 \$5,001 to \$50,000

This category is for the procurement of goods or services where the value ranges between \$5,001 and \$50,000 (excluding GST).

A minimum of three written quotations are required. Where this is not practical, (that is due to limited suppliers), it must be noted through records relating to the process. Where, due to the nature of the goods or services being sourced, there is unlikely to be more than one supplier, approval of that supplier as a "Sole Supplier" must be obtained in accordance with Corporate Procedure PR0965- Sole Supplier Justification, Application and Approval.

The general principles for obtaining written quotations are as follows:

- Ensure that the requirements are clearly understood by the employee seeking the quotations.
- Ensure that the requirement is clearly, accurately and consistently communicated to each of the suppliers being invited to quote.

The engagement of Consultancy Services are required to be conducted through a formal quotation process unless the Manager Finance assesses the proposed service as low risk to the City and/or is classified as a supply of service rather than a formal Consultancy Service.

Records of quotations sourced must be maintained in accordance with the City's Record Keeping Plan.

4.4 \$50,001 to \$150,000

For the procurement of goods or services where the value exceeds \$50,001 (excluding GST) but is less than \$150,000 (excluding GST), a formal quotation process is to be coordinated through the Finance Unit – Contracts Administration section in accordance with corporate procedures.

Where the supply of vehicles, plant or equipment (including office equipment) is required and the goods are manufactured to industry or Australian Standards, a minimum of three written quotations are required.

The responsible officer is expected to demonstrate due diligence and to comply with record keeping and audit requirements. Records of quotations sourced must be maintained in accordance with the City's Record Keeping Plan.

NOTES: The general principles relating to formal quotations are that they will include the following requirements:

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- a. An appropriately detailed specification to communicate requirement(s) in a clear, concise and logical fashion.
- b. The request for quotation will include as a minimum:
 - i. General Conditions of Quotation.
 - ii. General Conditions of Contract.
 - iii. Written Specification.
 - iv. Selection Criteria to be applied.
 - v. Form of Quotation/Price Schedule.
 - vi. Conditions of responding.
- c. Invitations to quote will be issued simultaneously to ensure that all parties receive an equal opportunity to respond.
- d. All prospective suppliers to be advised at the same time of any new information that is likely to change the requirements.
- e. Responses should be assessed in accordance with corporate procedures for compliance, then against the selection criteria, and then value for money. All evaluations shall be documented and maintained in accordance with the City's Record Keeping Plan.
- f. Respondents will be advised in writing as soon as possible after the final determination is made and approved.

4.5 Over \$150,000

Where the value of the goods or services is estimated to be over \$150,000 (excluding GST), or where it is considered that a public tender process for goods or services under that value should be followed, all regulatory compliance in relation to the public tender process including established City procedures and guidelines, are to be adhered to.

5. AUTHORISATION OF EXPENDITURE

Acceptance of quotations and the authorisation of expenditure is to comply with the City's purchasing requirements, associated policies and procedures and within the relevant delegation of authority.

All purchases of goods or services other than those goods or services deemed an emergency or those outside of normal business hours are only to be purchased after the approval of an appropriate purchase requisition and the receipt of a relevant purchase order.

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