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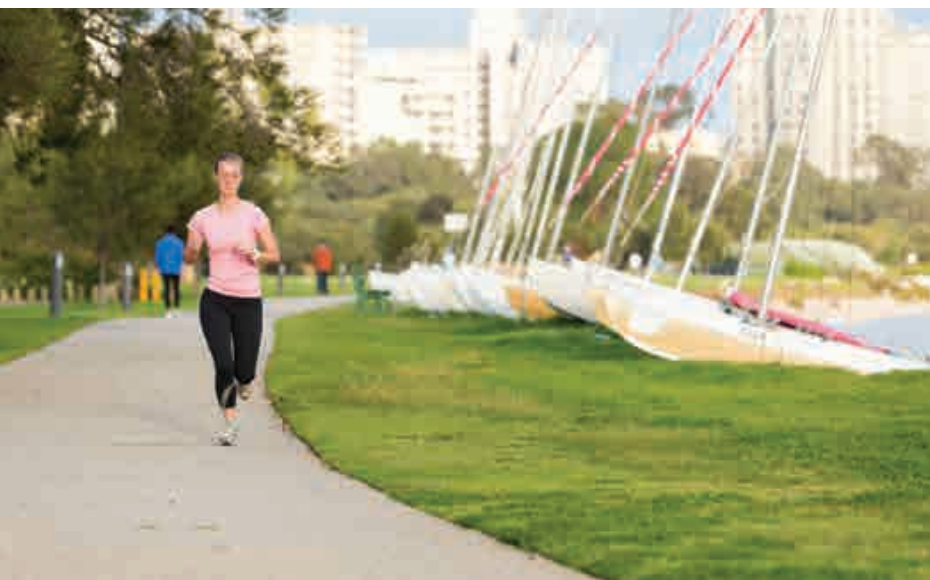


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OVERVIEW

WELCOME TO THE CITY OF SOUTH PERTH ANNUAL REPORT 2012/2013

Purpose

The City of South Perth is an inner-city metropolitan local government that provides a range of services and facilities for its community, as outlined in the City's newly adopted Strategic Community Plan 2013-2023 and Corporate Business Plan 2013-2017.

The City is committed to transparency and accountability. This Annual Report aims to outline to the City of South Perth community the performance, achievements and challenges of the City during the 2012/2013 financial year, based on the six strategic directions in the Strategic Community Plan 2013-2023.

The *Local Government Act 1995* requires the City to report on an annual basis to each community via the production of this Annual Report. Incorporating the key operational activities across the organisation, this Report demonstrates the City's commitment to being a leading Perth metropolitan local government recognised for efficiency, accountability and financial sustainability.

This Report is designed for a broad ranging audience, including Council, community, staff, government agencies and City stakeholders.

Reporting Framework

The Western Australian State Government recently introduced new 'Planning for the Future' legislation into the *Local Government Act 1995*, requiring all local governments to adopt a new 10-year Community Strategic Plan and four-year Corporate Business Plan by 30 June 2013. This transition resulted in this reporting cycle and Annual Report being subject to two Strategic Community Plans and two Corporate Business Plans. Further details on this transition are provided on page 44.

The City was guided by the Strategic Plan 2010-2015 for the period June 2012 to December 2012 and the new Strategic Community Plan 2013-2023 for the period January 2013 to June 2013.

The Strategic Plan 2010-2015 and Strategic Community Plan 2013-2023 are both based on six strategic directions, Community, Environment, Housing and Land Uses, Places, Infrastructure and Transport, and Governance, Advocacy and Corporate Management. These six strategic directions form the basis of this reporting framework. Further detail on the development of the new Community Strategic Plan 2013-2023 can be found at page 44.

Underpinning the Strategic Planning Framework and this Annual Report is the City's Corporate Business Plan 2012-2014 for the period June 2012 to December 2012 and the Corporate Plan 2013-2017 for the period January 2013 to June 2013. Both Corporate Business Plans outline how we will implement projects, operations and provide services in order to meet the direction set by Council in the Strategic Community Plan 2013-2023. Key activities and operations, the majority of which are contained in both Corporate Business Plans, form the basis of the initiatives reported on in this Annual Report.

Division 5 of the *Local Government Act 1995* requires each local government to prepare an Annual Report for submission to the Department of Local Government by 31 December of each year which reports on a number of prescribed activities, as provided within this Annual Report.

ABOUT US

Our Mission

Working Together to Create a City for Everyone

Our mission statement outlines the purpose and core business of the City of South Perth. This statement identifies the important roles of the community, the Council and the staff in ensuring that the strategies outlined in the Strategic Plan 2013-2023 can be achieved.

Our Vision

“We belong to an engaged and cohesive community that is linked by vibrant local centres and shared spaces. We live and travel in ways that nurture our environment; and our housing and amenities meet the diverse needs of a changing society.”

Our vision statement describes how the City of South Perth will respond to the community's aspirations and priorities for the future.

Values

The City of South Perth conducts its business based on its corporate values:

Trust

Honesty and Integrity

Respect

Acceptance and Tolerance

Understanding

Caring and Empathy

Teamwork

Leadership and Commitment

Acknowledgement

The City of South Perth respectfully acknowledges the Noongar Wajuk people and Elders as the traditional owners and custodians of the land on which Council meets.

Ngala kaaditj Noongar moort keyen kaadak nidja boodja.



ABOUT THIS ANNUAL REPORT

How to Read this Annual Report

The Annual Report 2012/2013 is divided into three main sections:

City, Council and Organisation

This section provides an overview of the City of South Perth community as well as the Council and its organisational structure and function. This section includes messages from the Mayor and Chief Executive Officer, a financial snapshot, details of the City's governance framework, Council activities, staff profiling and community initiatives.

Strategic Directions

The City's Strategic Community Plan 2013-2023 has six key strategic directions as outlined on page 6. This section reports on the progress of key initiatives contained within the six strategic directions.

The City's progress on each initiative is illustrated using the following key:

Financial Statements

The healthy financial position of the City as reflected in the financial statements for 2012/2013 demonstrates the City's commitment to financial sustainability and accountability to our community.

Where You Can Find this Annual Report

Copies of this Annual Report can be obtained by:

- Visiting the City of South Perth website www.southperth.wa.gov.au
- Visiting or writing to the **Administration Office** at the **Civic Centre, corner Sandgate Street and South Terrace, South Perth WA 6151**
- Emailing enquiries@southperth.wa.gov.au
- Phoning Customer Focus on **08 9474 0777**.

STATUS



Completed



Commenced



Deferred



Ongoing

RESPONSIBILITY



CEO Office

Financial and Information Services

Infrastructure Services

Development and Community Services



Governance and Administration



Finance Services



Engineering Infrastructure



Development Services



Human Resources



Information Services



City Environment



Community, Culture and Recreation



Sustainability



Library and Heritage Services



Strategic Urban Planning

ABOUT OUR CITY

The City of South Perth is a unique, charming and popular local government located two kilometres across the Swan River from the capital city of Western Australia, Perth.

Our strength is our strategic location with well-established connections, a variety of transport modes and immediate access to important social, commercial and leisure infrastructure.

The City is widely recognised and regarded for its aesthetic appeal, care of the environment, extensive parks and gardens, and leafy environment, all of which complement the unique and vibrant urban village atmosphere cherished by its community.

With an area of approximately 20 square kilometres, the City offers a highly urbanised environment, dominated by residential land uses and a number of village precincts.

Providing a range of dwelling types often found in a conventional garden city suburb, and a mix of medium to high density housing types, the City supports a population of approximately 45,000 residents with a diverse mix of age groups and cultural backgrounds.

Approximately 10,000 people choose to work in the City every day, in a range of small to medium size businesses and specialised service providers, as well as a number of educational institutions.

With our natural environment bounded by the Swan River to the north and west and the Canning River to the south, the City has substantial river foreshore and public open space of approximately 660 hectares amounting to one third of its total area, drawing local, national and international visitors to the City to enjoy all that it has to offer.



Major attractions of the City include the Swan and Canning rivers, Sir James Mitchell Park, Perth Zoo, Royal Perth Golf Club, Collier Park Golf Course as well as the Mends Street Precinct, Angelo Street precinct, Preston Street precinct and Waterford shopping complex.

Our History

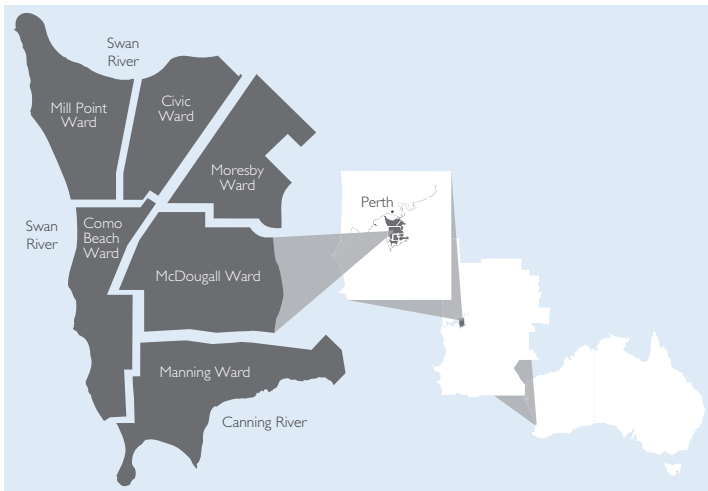
South Perth was first gazetted as a Roads Board on 19 June 1892 and held its first meeting on 19 September 1892. Ten years later the Roads Board became a Municipality before reverting back to its original status as a Roads Board in 1922. South Perth was proclaimed as a City on 1 July 1959.

Substantial residential growth took place in the 1950s and 1960s, aided by improvements in access from the construction of roads and bridges across the Swan and Canning rivers.

Our Future

Given its inner city location, immediately adjacent to the Perth Central Business District, the City of South Perth is preparing for significant and sustained growth over the next 20 years via a number of studies, such as the Local Housing Strategy and the Canning Bridge Precinct Structure Plan. The State Government's Department of Planning has identified a target of 6000 additional dwellings, representing a 30 per cent increase in the existing number of dwellings within the City.

OUR CITY SNAPSHOT



OUR CITY

Population: 46,000 (est)

Area: 19.9sq km

Area of parks and gardens: 4.66sq km

Suburbs: Como, Karawara, Kensington, Manning, Salter Point, South Perth and Waterford

Postcodes: 6151, 6152, 6951, 6952

Library branches: South Perth (Civic Centre) and Manning

Senior citizens centres: South Perth and Manning

Child health centres: 2

Kindergartens: 3

Primary schools: 12

Secondary schools (government): 1

Secondary colleges (private): 3

City of South Perth employees: 229.2 (full time equivalent)

Rate revenue 2012/2013: \$25.35 million

OVERVIEW



OUR LAND

Length of roads: 203km

Length of pathways: 256km

Bus shelters: 160

Street signs: 4973

Street trees: 17,599

Streetscape gardens: 5.5ha

Total reserve area: 466ha

Total developed reserves: 376ha

Active sports fields: 42

Park trees: 5400 (approx.)

Playgrounds: 49 sites

Gardens: 54 sites

OUR RESIDENTS AT A GLANCE

Median age: 36

Median weekly household income: \$1,606

Couples with children: 22%

Medium and high density housing: 52%

Households with a mortgage: 26%

Households renting: 38%

Non-English speaking backgrounds: 22%

Unemployment: 5%

A YEAR IN OUR CITY

- Year 12 student Emily Renner-Shao from Perth College won the Christobel Mattingley Bronze Medallion for outstanding prose for her entry, *Progress*, the highest honour in the 2012 Young Writers Awards.
- The City received almost \$70,000 in grant funding from the Disability Services Commission to embark on two exciting new disability projects.
- Councillors and staff planted 450 Eucalyptus seedlings at New Norcia for National Tree Day.
- The City held a flag raising ceremony at the South Perth Civic Centre to celebrate NAIDOC Week.

- The City's Events team received three awards at the annual Parks and Leisure Australia (WA) awards ceremony for the McDougall Farm Community Garden, Secret Event and the Australia Day Celebration Zone.
- The City hosted the Sustainable Living Fair as part of Sustainable September.
- The Cygnet Cinema hosted the free Morning Melodies seniors' concert, featuring the Cover Girls.



- The City hosted a stakeholder function for approximately 150 guests at the Royal Perth Golf Club in relation to the draft Strategic Community Plan 2013-2023 and draft Economic Development Strategy 2013-2016.
- The City hosted the annual Pets in the Park event at Sir James Mitchell Park on Sunday, 25 November 2012, inviting local dog and cat owners to have their pets microchipped at a discounted rate.
- The State Government's recommendations on Metropolitan Local Government Reform were released for public comment.

2012

JULY

- City of South Perth CEO, Cliff Frewing, received an Eminent Service Award from the Western Australian Local Government Association (WALGA). The award recognises personal commitment, eminent service and contribution to WALGA as an executive member.
- City officers planted more than 17,000 native seedlings across bushland, waterways and foreshore areas.
- Council resolved to lease the iconic Heritage House to the South Perth Historical Society on a five-year lease.

AUGUST

- The City hosted a Community Safety Day at Sir James Mitchell Park on Sunday 21 October, to raise awareness about crime prevention and promote safety.
- Tessa McOnie was awarded the 2012 City of South Perth Emerging Artist Award \$4000 acquisitive prize for her piece, *Caleb*.
- A new beach wheelchair ramp was installed in Sir James Mitchell Park, with the assistance of funding from the Disability Services Commission.



Tessa McOnie and her artwork *Caleb*.

SEPTEMBER

OCTOBER

NOVEMBER

DECEMBER

- Council adopted the Strategic Community Plan 2013-2023.
- New bicycle rails were installed on Mends Street enabling parking for 26 bicycles.
- The City hosted a morning tea to celebrate International Day of People with Disability, with keynote speaker, Access Ambassador Kerry-Allan Zinner.
- The Council resolved to undertake a strategic aged care review of the Collier Park Retirement Village complex.
- The City's Annual Christmas Appeal saw a very substantial donation of toys, non-perishable goods, food, clothing and Christmas gifts donated to local community group Southcare for members of our community in need.

OVERVIEW

- More than 50,000 people visited the 100,000 square kilometre Celebration Zone at Sir James Mitchell Park to enjoy the Australia Day festivities and fireworks.
- The City welcomed 88 people representing 30 countries as new Australian citizens on Australia Day.
- The City commenced visioning for the revitalisation of the South Perth foreshore.
- Amendment 25 to the Town Planning Scheme No.6 was approved by the State Government, enabling development opportunities in the South Perth Station Precinct.

- The Council adopted the Corporate Business Plan 2013-2017.
- The City launched the new e-newsletter South Perth In Focus.
- ABBA tribute band Bjorn Again! launched the 19th Fiesta.
- Construction on the National Broadband Network (NBN) commenced for almost 18,000 homes and businesses across South Perth.
- The City's Aboriginal Engagement Strategy was endorsed by Council.



- The City partnered with publisher Urban Walkabout to launch the first South Perth cultural guide and map covering local shopping, dining and tourism attractions.
- The City hosted the two-day Millennium Kids' Swan Canning River Park Forum, which offered youth leadership training program for environmental projects.
- A Joint Taskforce was established between the City of South Perth and the Town of Victoria Park, examining resource sharing, boundary adjustments, and different scenarios for the possible joining of the local governments.

2013

JANUARY

- The City received \$256,000 from the State Government to upgrade the dog pound into a state of the art Animal Care Facility.
- The City launched the innovative *Report It* app, enabling community members to report a problem in the City from their computer, tablet or mobile device.
- The City hosted a CEO Best Practice Group Forum.

FEBRUARY

- The Council endorsed the City's submission to the Minister for Local Government regarding Metropolitan Local Government Reform.
- Manning Primary student, Tayla Nielsen, won the City's Reduce, Reuse, Recycle competition. Her artwork now covers the side of one of the City's waste recycling trucks.
- South Perth Youth Network (SPYN) organised a range of events for young people to celebrate National Youth Week, including dance workshops, photography competition and Lasertag.



MARCH

APRIL

- Salter Point resident Peter Gray, who re-vegetated a City drainage sump behind his house, was featured on ABC1 program, *Gardening Australia*.
- The City embarked on Water Sensitive Urban Design (WSUD) projects in two local parks, Neil McDougall Park in Como and Doneraile Reserve in Waterford, to improve and maintain the popular local water bodies.
- The City improved cycle paths from Canning Bridge Train Station to Curtin University, with the help of funding from the Department of Transport.
- The City received a Bronze Award for the Annual Report 2011/2012 at the Australasian Reporting Awards in Melbourne.
- The State Government approved the City's purchase of the Reserve 24331 for the Manning Community Hub project.

MAY

JUNE

MESSAGE FROM THE MAYOR

IT IS WITH PLEASURE ON BEHALF OF MY FELLOW COUNCILLORS I PRESENT TO THE SOUTH PERTH COMMUNITY, THE COUNCIL'S HIGHLIGHTS OF THE 2012/2013 FINANCIAL YEAR.

This Annual Report details Council's achievements, performance and challenges during the 2012/2013 year. As a Council it is our responsibility to plan for the future in creating a City of South Perth for everyone. We acknowledge the challenges given the City of South Perth's prominence as an inner city location and will respond to these through hard work, careful planning and a united approach.

We hope you find out more about what has been achieved in South Perth as you read on. We are always happy to take on board suggestions for improvement in the services we offer so please continue to ring and email us with your ideas and feedback. Any ideas or feedback on how this Annual Report can be improved upon are most welcome.

This year was one of transition with the Council adopting a new Integrated Planning and Reporting Framework in December 2012 which came into effect in January 2013. As part of the City's new Integrated Planning Framework, the City produced the new Strategic Community Plan 2013-2023, Corporate Business Plan 2013-2017 and the Long Term Financial Plan 2013-2023, Workforce Plan 2013-2017 and the Asset Management Plan 2013-2023.

This suite of plans will ensure that the City remains sustainable into the future with the vision and capacity to deliver a diverse range of services, programs and facilities.

Council has a diverse mix of strategic projects planned for the next ten years that will see the South Perth community develop and thrive through further residential, retail and commercial development, adding to the vibrancy and sustainability of the South Perth community. Strong leadership, advocacy and community engagement are central to the development of this strategy that will guide our direction for the next ten years.

Engagement and consultation with our community continues to be a key focus of our Council this year and beyond. We are working to adopt and implement more effective and contemporary community engagement practices and processes, to ensure we hear as many views and opinions as possible from members of our community when making strategic decisions. This year saw a strong emphasis on technology, communications and social media to increase our engagement with the community.

The City released the innovative and unique *Report It* application, which enables residents to report on-the-spot issues and problems from their tablet or mobile device. We continue to increase our range of communication methods and have introduced a new e-newsletter and started exploring social media.

“SIGNIFICANT CHANGES TO THE CITY OF SOUTH PERTH’S TOWN PLANNING SCHEME ARE SET TO REVITALISE AND REGENERATE THE AREA ...CREATING A VIBRANT, ATTRACTIVE HUB WITH NEW OPPORTUNITIES TO INCREASE COMMERCIAL, RESIDENTIAL AND RETAIL DEVELOPMENT.”



Council continues to advocate and lobby on behalf of its community for key infrastructure projects of state-wide significance such as funding for the Swan River walls, the Manning Road off-ramp and South Perth Railway Station. This year saw parts of the Swan River fenced off by the City to protect the community from the dangers presented by these ageing walls. The City has indicated to the State Government that it will not remove these fences until funding is provided to assist in the replacement of these river walls.

Significant changes to the City of South Perth's town planning scheme are set to revitalise and regenerate the area known as the South Perth Station Precinct, creating a vibrant, attractive hub with new opportunities to increase commercial, residential and retail development. The South Perth Station Precinct is ideally situated two kilometres across the Swan River from the Perth CBD. It is well serviced by excellent transport networks, including the freeway, and bus and ferry services. Amendment No.25 to Town Planning Scheme No.6 was approved by the State Government in January 2013 and provides for an increase in commercial and multiple residential development, which in turn will promote employment opportunities. It promotes lively street frontages with shops, restaurants and other non-residential land uses at ground floor levels; and encourages the use of public transport in a pedestrian friendly environment. We believe that Amendment No.25 will attract significant new investment and development to the area, creating a prosperous and thriving inner-city precinct.

The biggest challenge this year has been responding to the State Government's ongoing metropolitan local government reform process. The Council has been recognised for its leadership and vision in forming a Joint Taskforce with our neighbour, the Town of Victoria Park, to explore opportunities for boundary adjustments, resource sharing and identifying scenario planning for a joint City of South Perth and Town of Victoria Park. The Joint Taskforce are now working on preparing a Joint Submission to the Local Government Advisory Board recommending the amalgamation of the City of South Perth and Town of Victoria Park in 2015. An integral part of this Joint Submission is that the proposed new local government must retain the Burswood Peninsula in order for this new local government to be sustainable into the future. Further details on this proposed amalgamation can be found on page 81.

This year sees us in the final term of our current Council before all 12 elected member positions are spilled in October 2013 and elections held for eight elected member positions. This Council is very proud to say that its legacy to the community has been setting the strategic vision and direction for the next ten years, initiating and progressing key community projects and also ensuring the ongoing financial capacity and sustainability of the City.

Looking ahead, Council plans to progress significant key projects, including the Manning Community Hub development, progressing the sale of the Civic Triangle, implementing the findings of the strategic review of the Collier Park Village and Hostel, constructing the new state of the art Animal Care Facility, and progressing the South Perth Foreshore 2013 and Beyond project.

I would like to thank my fellow councillors and all Council staff for their wonderful efforts, commitment, expertise and passion over the past year. Your combined efforts have assisted in creating the vibrant and colourful community that is the City of South Perth.

A handwritten signature in black ink, reading "Sue Doherty". The signature is fluid and cursive, written on a light-colored background.

Sue Doherty
Mayor

MESSAGE FROM THE CEO

ON BEHALF OF THE CITY OF SOUTH PERTH, IT IS MY PRIVILEGE TO PRESENT OUR ANNUAL REPORT 2012/2013.

We live in a highly regarded location with abundant green outdoor spaces, thriving local precincts and diverse local neighbourhoods. We are committed to ensuring that everyone can continue to enjoy the benefits of living in our City, embracing the rich and rewarding lifestyle that the City of South Perth offers. We want to ensure that we continue to grow and adapt to meet the changing needs and demands of our community, whilst balancing the unique heritage, identity and village atmosphere of our suburbs.

The 2012/2013 year has continued to see progress and achievements that enhance the liveability and wellbeing of the South Perth community. The City continues to deliver on implementing the vision, directions and priorities as outlined in our Strategic Plans, focusing on the key themes of community, environment, housing and land uses, places, infrastructure and transport, and governance, advocacy and corporate management. We have successfully delivered over 100 services and programs and 94 per cent of our capital works program to our community whilst recording no areas of non-compliance in the City's 2012 Statutory Compliance Return.

The City continues to show strong financial management and has in place a robust and integrated process of long term planning and annual budgeting. At the end of June 2013, the City's financial position remained strong with more than \$515 million of community assets under its stewardship and an annual operating budget in excess of \$50 million per annum. Next year, there are significant land sales with anticipated revenue in excess of \$20 million planned to fund long-term strategic projects such as the Manning Community Hub redevelopment.

Sustainability is at the core of the City's environmental and planning framework. We continue to protect and enhance our natural and built environment through capital project works and implementation of our Public Open Space Strategy, Green Plan, Street Tree Management Plan, Water Action Plan, Integrated Catchment Management Plan and Climate Change Strategy 2010-2015, all of which form part of the Council's strategic vision in relation to the environment. This year we also undertook Water Sensitive Urban Design projects in Neil McDougall Park and Doneraile Reserve. In June 2013, the City successfully completed Milestone 5 of the Water Campaign™ program ahead of schedule with the corporate goal of reducing water consumption by 50 per cent. Focusing on water conservation and water quality improvement will result in the City being more sustainable and resilient to anticipated climate change impact.

“SUSTAINABILITY IS AT THE CORE OF THE CITY’S ENVIRONMENTAL AND PLANNING FRAMEWORK. WE CONTINUE TO PROTECT AND ENHANCE OUR NATURAL AND BUILT ENVIRONMENT THROUGH CAPITAL PROJECT WORKS.”



The City adopted its inaugural Economic Develop Strategy 2013-2016 this year. The Strategy focused on economic development leadership and facilitation, urban place making and revitalisation, marketing and promotion, and strategic property management. In a new initiative, the City partnered with Urban Walkabout to produce the first edition of the South Perth Urban Walkabout guide. The guide was produced with a focus on promoting the three South Perth local shopping precincts, Mends Street, Angelo Street and Preston Street, as attractive places for people to visit for retail, dining and entertainment. An official stakeholder launch was held in May 2013, with 40,000 copies of the South Perth edition distributed throughout metropolitan Perth. In another first, the City entered into a partnership with Business Enterprise Foundations in April 2013 to conduct sponsored business workshops for small to medium enterprises located within the City of South Perth. Funded by the Federal Government, this partnership has proven extremely successfully with Finance, Marketing and Business Planning workshops held at the City.

Other key highlights during this year under review included the upgrade to facilities at the Bill Grayden Pavilion in Como, Manning Men's Shed and Salter Point Sea Scouts. The development of an Aboriginal Engagement Strategy, completion of a feasibility study on the George Burnett Leisure Centre (GBLC), completion of the Strategic Aged Care Review of Collier Park Village and Hostel and the purchase of Reserve 24311 in Manning to facilitate the Manning Community Hub project were also highlights.

The City is well placed to deal with pending legislative change, including the introduction of the *Cat Act 2011* in November 2013, amendments to the *Dog Act 1995* in November 2013 and proposed amendments to the *Local Government Act 1995*.

The City received the largest grant awarded by the Department of Local Government during the Cat Act Grant Program. The City will receive \$256,000 towards the new Animal Care Facility in Como. In a commitment to resource sharing, this new Animal Care Facility will house dogs and cats from the City and the Town of Victoria Park and cats from the City of Armadale and City of Canning. The new state-of-the-art Animal Care Facility is expected to be completed and operational by June 2014.

It gives me great pleasure to advise that the City received a number of awards this year. The City won three awards and received one high commendation at the Parks and Leisure WA Regional Industry Awards in September 2012. The City won the Inclusive and Connected Community Category for the McDougall Farm Community Garden and the Events Category for both the Australia Day Celebration Zone and the Secret Event. The Secret Event also received a high commendation in the Events Category at the National Parks and Leisure Australia Awards. The City was awarded a Bronze Award for the Annual Report 2011/2012 at the Australasian Reporting Awards in June 2012.

We trust that this year's Annual Report builds upon the success of last year's Report in documenting our achievements, performance and challenges during the 2012/2013 financial year.

Looking ahead, the City will be faced with the challenge of responding to the State Government's metropolitan local government reform process. The City and the Town of Victoria Park will be forming a Local Implementation Committee, charged with the significant responsibility of developing and implementing the new local government, to come into effect in July 2015. Central to this, the City will be focusing on preparing a proposal, business case and communications strategy to ensure that the Burswood Peninsula is retained as part of the new local government.

I would like to take this opportunity to formally recognise and thank the Council and staff for their valued contribution and many achievements during this year, and I look forward to building upon this success and progress next year.

A handwritten signature in black ink, appearing to read 'Cliff Frewing'. The signature is fluid and cursive, written on a white background.

Cliff Frewing
Chief Executive Officer



COMMUNITY
FINANCIAL

R E P
O R T

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A guide to some of the terminology contained in the statutory financial statements and the financial report are detailed in the Understanding Our Financials section on page 84.

Financial Philosophy

The City prides itself on its financial management philosophy. Our sophisticated strategic financial planning approaches ensure that our services and capital projects are properly funded and appropriately resourced whilst dynamic treasury management and effective operational financial management deliver best value from the use of our financial resources. Regular detailed financial reporting provides accountability for the use of our financial resources as well as informing future financial planning activities.

Together, these financial management initiatives provide a well-structured framework for responsible, sustainable financial management that ensures the effective stewardship of our financial and community assets.

Net Assets

At the conclusion of the 2012/2013 year, the value of community assets (our net asset position) had improved from \$282.18 million to \$515.59 million. This increase is largely attributable to a significant (\$220 million) revaluation increment relating to the value of land assets as part of our transition to fair value accounting for assets. It also reflects an ongoing capital investment in enhancing our other infrastructure such as our road, path and drainage networks, parks and major community buildings. Importantly, the increase in net asset value provides convincing evidence that the City is maintaining and enhancing its community infrastructure at a faster rate than it is being depreciated (consumed). This is essential to ensure the City's long-term financial sustainability. The positive trend of a strengthening net asset position (shown in the Financial Summary Table on page 21) reflects a very commendable stewardship result despite the challenging economic climate that prevailed once again during the year.

Financial Snapshot - 2012/2013

	2012/2013
Operating Revenue	\$52.820M
Operating Expenditure	\$52.481M
Operating Result	\$0.339M
Capital Program Delivered (Assets Capitalised)	\$7.781M
Cash Reserves - Quarantined	\$26.604M
Cash Reserves - Discretionary	\$9.238M
Net Assets	\$515.598M

Financial Performance

Annual revenue for the year reached \$52.82 million against a budget of \$49.37 million, although this included \$3.0 million non-cash revenue from the initial recognition of the fair value of controlled (Crown) land as required under new accounting regulations. Excluding that abnormal transaction, operating revenue was 1.2 per cent ahead of budget targets whilst capital revenue fell just 3 per cent short of budget expectations after some proposed grant funded capital works were unable to be completed before 30 June 2013.

The early payment of a portion of the 2012/2013 general-purpose administration and road grants by the Local Government Grants Commission added an unbudgeted \$0.70 million to the anticipated revenue result. Golf course green fees were 2 per cent ahead of budget and planning and building license revenues for the year were in line with budget expectations.

Total expenditure (including operating expenditure and capital projects) of \$60.26 million reached 97.2 per cent of the \$62.00 million budget allocation. Operating expenditure was \$52.48 million against a budget of \$53.71 million with most operational areas close to budget. Salaries and associated costs were within 1.59 per cent of budget expectations at year-end.

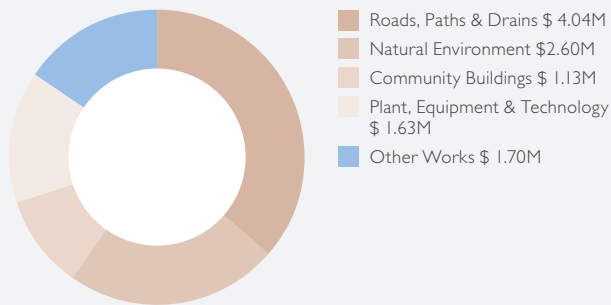
Capital projects completed represented 94 per cent of budget expectations at 30 June 2013. At year end there was some \$1.40 million of planned but incomplete capital items (unfinished works and incomplete capital revenue transactions) that are to be carried forward to 2013/2014.

Capital Program

Ninety-four per cent of the value of the planned capital program was completed by 30 June 2013, with \$11.10 million worth of projects being delivered. Of this, \$7.78 million of assets was capitalised and the remainder

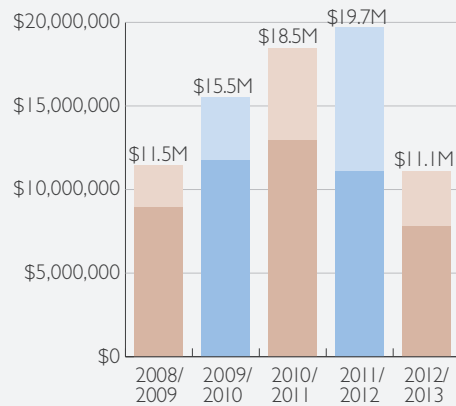
was expensed (and is included in the operating expenditure figures shown in the Financial Summary table on page 21). This expenditure includes creation of new assets as well as maintenance and renewal of existing ones.

Major Categories of Expenditure



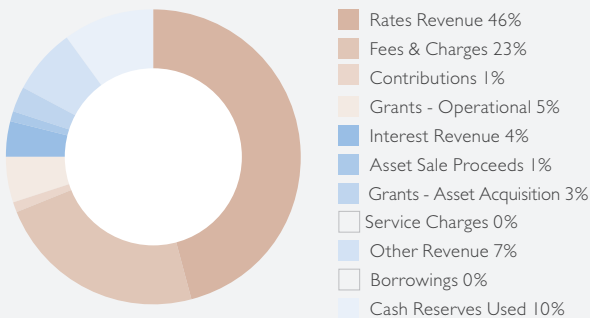
As detailed above, monies associated with incomplete capital infrastructure works of approximately \$1.40M in value have been carried forward into 2013/2014 to complete the approved capital program.

Capital Works Delivered by Year

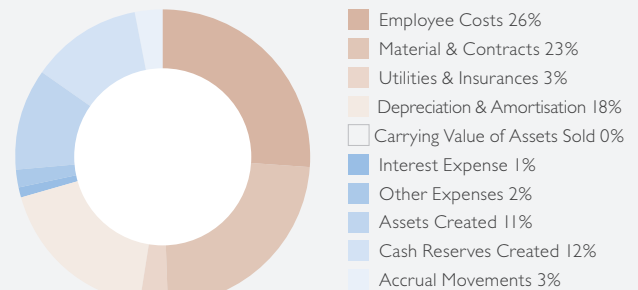


Funding and Expenditure Profile

Funding Sources



Expenditure Types



R E P O R T

Financial Ratios

The long-term strength of the City's financial position is reflected in the financial ratios disclosed in the annual financial statements. Both the new financial ratios associated with the integrated planning and reporting framework for local government and the pre-existing financial ratios show that the City betters or is very close to the preferred industry benchmarks for all measures, with the exception of the operating surplus ratio.

The later ratio, whilst below the benchmark, is not considered to pose a long-term threat given the significant improvement over recent years and the clear strategy in the Long Term Financial Plan 2013-2023 to continue to improve this indicator.

The own source revenue ratio reflects the City's continuing strong financial autonomy with only a minimal dependence on grant funding, whilst the current ratio shows an improving short-term liquidity that comfortably exceeds industry benchmarks.

At the conclusion of its planned City borrowings program, the debt service ratio of 4.4:1 remains well within the industry benchmark level of between 2.0:1 and 5.0:1.

The outstanding rates ratio of just 0.9 per cent reflects another excellent collection result during 2012/2013.

The asset consumption, asset sustainability and asset renewal ratios

are all within the preferred industry benchmark ranges and indicate that Council's stewardship of community assets is resulting in appropriate and sustainable levels of funding being allocated to this important local government responsibility.

Overall, the headline financial ratios provide convincing evidence of the City's continued commitment to responsible and sustainable financial management. Trends in the key financial ratios can be seen in the Financial Summary table below.

Financial Summary

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Total Revenue	40,550,349	45,137,073	45,951,031	53,488,482	52,820,434
Total Operating Expenditure	43,182,211	40,333,657	39,929,176	57,186,497	52,480,864
Total Assets	227,496,908	244,451,732	305,047,510	333,082,335	565,909,446
Total Liabilities	35,942,748	40,986,877	43,286,915	50,899,293	50,311,448
Equity / Net Assets	191,554,160	203,464,855	261,760,595	282,183,042	515,597,998
Net Cash from Operating Activities	4,875,268	9,106,264	7,268,987	4,614,833	8,137,206
Current Ratio (ideally should be greater than 1.00:1)	1.66:1	1.91:1	0.85:1	1.15:1	1.60:1
Rates Outstanding Ratio (ideally less than 5%)	1.70%	1.40%	1.30%	1.20%	0.09%
Operating Surplus Ratio (ideally positive between 0% and 15%)		5.00%	-3.90%	-9.10%	-2.50%
Own Source Revenue Ratio (ideally greater than 40%)		105.30%	91.60%	86.20%	91.60%
Debt Service Ratio (ideally greater than 2.00:1)		10.2:1	6.8:1	4.5:1	4.4:1
Asset Consumption Ratio (ideally between 50% and 70%)			54.50%	54.10%	55.90%
Asset Sustainability Ratio (ideally greater than 90%)			82.50%	84.20%	85.10%
Asset Renewal Funding Ratio (ideally between 95% and 100%)					98.90%

* Note that 2008/2009 and 2011/2012 revenues and expenditures are distorted by the impact of the UGP program



Cash Reserves

Cash backed reserves, which play an important role in ensuring our long-term financial sustainability, are used to responsibly accumulate funds for projects in future years. Without these accumulated cash reserves, major community building projects such as the Manning Community Hub would not be able to be delivered.

At 30 June 2013, a total of \$35.84 million was held in cash backed reserves. Of this, \$26.60 million is quarantined reserves relating to waste management, the Collier Park Retirement Complex and the Collier Park Golf Course. The remaining \$9.24 million represents accumulated funds for future projects, including \$7.27 million in the Future Fund and \$1.97 million in general discretionary cash reserves.

Accountability for Use of Financial Resources

The audited financial statements shown on pages 82 to 146 include disclosures that exceed statutory requirements and demonstrate the City's ongoing commitment to financial accountability to our community.



Looking Ahead

Looking forward to the new year, the 2013/2014 budget builds upon our sound financial foundations to ensure that our City remains one that is financially, socially and environmentally sustainable.

It is an important foundation year for our City's future, with planned major land sales expected to generate in excess of \$20 million, which will be quarantined in cash backed reserves to be for specified major capital works initiatives in future years. These land disposals and the related funding for major community projects are all carefully balanced in the City's Long Term Financial Plan 2013-2023. Thoughtful forward financial planning such as

this ensures that the burden for funding major community projects is equitably distributed among present and future ratepayers.

The 2013/2014 budget provides for total revenue of \$73.88 million including the land sales proceeds, \$1.81 million other capital revenue and rates revenue of \$28.50million. Operating expenses are budgeted at \$58.23million (of which \$17.97million are non-cash items). Proposed capital expenditure is \$14.36 million (excluding carry forward works).

Reserve funds, accrual funding movements and planned borrowings result in a balanced budget. There are no proposed City borrowings for 2013/2014 as the current borrowings

program was completed last year. The City may act as guarantor for a self-supporting loan for a community group in the 2013/2014 year - but that association will be responsible for all payments of principal and interest relating to those loans.

The 2013/2014 annual budget is consistent with the financial parameters and forward planning estimates contained in the City's 10-year Long Term Financial Plan 2013-2023 and it reflects initiatives contained in the City's Strategic Plan.





OUR CITY

OUR COUNCIL

Role of Local Government

The third level of government after federal and state, local government is the closest linked to the community. The City of South Perth is one of 141 local governments in Western Australia.

The *Local Government Act 1995* provides for the system of local government in Western Australia by outlining the executive functions and framework by which a local government may operate.

Part I of the *Local Government Act 1995* requires each local government to use its best endeavours to meet the needs of current and future generations through integration of environmental protection, social advancement and economic prosperity.

The general function of a local government is to provide for the good government of the people in its district, which is achieved by a system of governance that provides:

- Good decision making
- Community participation in decisions and affairs of the local government
- Operational transparency
- Accountability to the community
- An efficient and effective local government.

South Perth Council

In Western Australia, voting in local government elections is voluntary and councillors are usually elected for four-year terms with council elections held every two years on the third Saturday in October.

The City of South Perth Council comprises 12 councillors and Mayor

at large who are elected by the community to govern the City of South Perth. Two councillors represent each of the six wards, with each councillor serving for a term of four years.

As part of the State Government's local reform program, the Council resolved in August 2011 to reduce the number of councillors from 12 plus a popularly elected Mayor to eight councillors plus a popularly elected Mayor, effective October 2013. This will also see all six ward boundaries abolished, with four new wards of Mill Point, Manning, Moresby and Como to come into effect for the next ordinary Council election, scheduled for October 2013. The Council resolved to declare all offices of Councillor vacant at the 2013 ordinary elections with elections to be held for the eight vacant offices. The Mayor, elected at the 2011 ordinary election, continues in her term of appointment until the 2015 ordinary election.

Council Elections

For more information about local government elections in WA visit the Western Australian Electoral Commission (WAEC) website: www.waec.wa.gov.au.

Role of the Council

The *Local Government Act 1995* prescribes the role of the Council, Mayor, Councillors and Chief Executive Officer. The role of the Council is to govern the affairs of the local government and be responsible for the performance of the local governments function.

Role of the Mayor

The Mayor's role is to provide leadership and guidance to the community, carry out civic and ceremonial duties, speak on behalf of the City, preside at meetings and

liaise with the Chief Executive Officer on the affairs and performance of the local government.

Role of Councillors

Council members represent the interests of the community, facilitate communication between the community and the Council, and participate in the City's decision making processes, translating the community's needs and aspirations into the future direction of the City.

Role of the Chief Executive Officer

The principle role of the Chief Executive Officer is to advise the Council in relation to the functions of the local government, ensure advice and information is available for informed decisions to be made, cause Council decisions to be implemented, manage the day-to-day operations of the local government, liaise with the Mayor on the performance of the local government, and be responsible for the employment and management of staff.

Council Decision Making Process

Ordinary Council Meetings are generally held on the last Tuesday of every month at the Civic Centre, corner Sandgate Street and South Terrace, South Perth. These meetings commence at 7pm and are open to the public.

The draft Council Agenda is presented to the Council by staff at an informal and public Agenda Briefing a week prior to the Council Meeting, allowing Councillors the opportunity to hear deputations from members of the public on agenda items and to also discuss agenda items with staff. The final Council Agenda is made available the Friday before the Council Meeting.

OUR CITY

Meet Your Council as at 30 June 2013

Mayor Sue Doherty

Contact sued@southperth.wa.gov.au

Elected Mayor in 2011, Mayor Sue Doherty is a long-time resident of South Perth, and her family has lived in Kensington and Como for two generations. She entered local government in 2002, when elected to the Moresby Ward, and then moved into the position of Deputy Mayor in 2009.

She received a Distinguished Service Award from the Western Australian Local Government Authority (WALGA) in 2010 for the significant role she played in promoting the City's plan to build a vibrant and sustainable vision over the next 20 years.

Mayor Doherty holds a Bachelor of Education from the University of Melbourne, qualifications in early childhood and aged care, and is a trained mediator. She is a member of the Australian Institute of Company Directors.

She has public and non-government sector experience in social services, education, alternative dispute resolution, direct service delivery, contract management, research, community engagement, corporate strategic planning and change management.

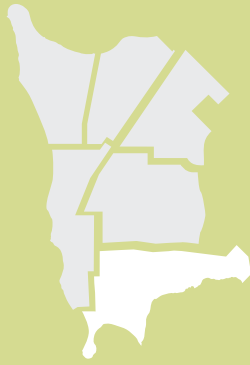
She is committed to engaging and working collaboratively with members of the community and government to achieve the best outcomes for all whom live and work in the City.

Keen to promote more vibrancy in the community, she seeks a greater emphasis on arts, culture and heritage.

As Mayor and a member of the following boards and committees, she promotes and furthers the interests of the City:

- Chair, City of South Perth Inclusive Community Action Group
- Member of the City of South Perth Audit and Governance Committee (previous Chair for two years)
- Member of the City of South Perth CEO Evaluation Committee
- Member of the City of South Perth Aboriginal Engagement Strategy Group
- Member of WALGA South East Metropolitan Zone





Manning Ward

Sharron Hawkins-Zeeb

Contact crhawkinszeeb@southperth.wa.gov.au

Elected in 2011, Councillor Sharron Hawkins-Zeeb is a lecturer in Business, International Marketing, Culture and Communications, and is a Corporate Management Trainer, Associate Fellow of the Australian Institute of Management and Australian Institute of Training & Development and on the State Council of the Australian Marketing Institute.

Cr Hawkins-Zeeb holds degrees in Business and Linguistics, an MBA specialising in International Marketing, and is a qualified Team Management Systems Practitioner. She is also a Certified Practising Marketer (CPM) from the Institute of Marketing. Since being elected, she also completed a Diploma of Local Government and graduated from the Australian Institute of Company Directors. A resident of South Perth on and off since 1994, Cr Hawkins-Zeeb believes in promoting and supporting local business and community services. She is a strong voice in and for her community.

She is a member of the Manning Community Association (MCA), Soroptimist International, Graduate Women WA and UN Women.

She is also a member of the City's Audit and Governance Committee and Aboriginal Engagement Strategy Group.

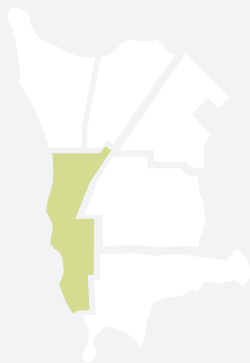
Christopher McMullen

Contact crmcmullen@southperth.wa.gov.au

Elected in 2012, Councillor Christopher McMullen is a Certified Practising Accountant with a Bachelor of Business from Edith Cowan University.

Cr McMullen is a business analyst in a major international resources company operating in Perth.

He is passionate about communication and community engagement.



Como Beach Ward

Glenn Cridland

Contact ccridland@southperth.wa.gov.au

Elected in 2009, Councillor Glenn Cridland has lived in the City of South Perth since 1999.

A lawyer since 1990, Cr Cridland is a Barrister practising in environmental, administrative, commercial and criminal law. He has undergraduate degrees in Law and Arts as well as various postgraduate qualifications including a Masters in Laws and a Masters in Aquaculture.

Cr Cridland is passionate about maintaining the amenity of our public open spaces and supporting local schools, community groups and sporting clubs. He is a delegate to the State Government Development Assessment Panel (DAP).

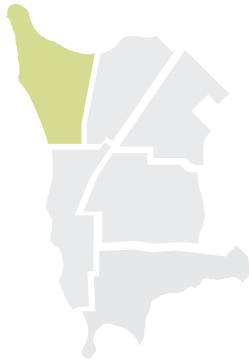
Bill Gleeson

Contact crgleeson@southperth.wa.gov.au

Councillor Bill Gleeson has been a local small businessman for 50 years.

During that time he has been an elected City of South Perth Councillor for 25 years and he has represented the former Kensington Ward (now Moresby Ward), Civic Ward and Como Beach Ward.

Cr Gleeson has a personal, open door approach.



Mill Point Ward

Rob Grayden

Contact crgrayden@southperth.wa.gov.au

A life-long resident of South Perth, Councillor Rob Grayden was first elected a Councillor for Mill Point Ward in 2007.

Cr Grayden holds a Bachelor of Arts in Literature and Journalism, Diploma of Education, Dip of Business and Bachelor of Law.

He currently operates his own legal practice, practising in civil and commercial law.

He is a member of the City's Audit and Governance Committee.

Betty Skinner

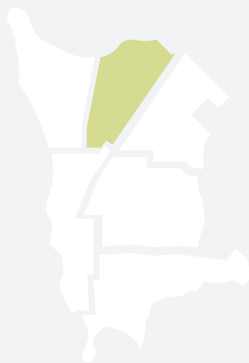
Contact crskinner@southperth.wa.gov.au

Elected in October 2009, Councillor Betty Skinner brings more than 25 years executive management experience in local government to her current role. Cr Skinner is a pioneer of women in local government senior management. In 1985 she was the first woman to qualify as a local government practitioner in Western Australia.

Cr Skinner is a member of the Institute of Company Directors and a deputy representative on the Perth Airports Municipalities Group and the State Government Development Assessment Panel (DAP).

Cr Skinner is passionate in promoting the preservation of our history and heritage, as well as promoting the economic development of our shopping precincts.

She is also a member of the City's Audit and Governance and CEO Evaluation Committee.



Civic Ward

Ian Hasleby

Contact crhasleby@southperth.wa.gov.au

Councillor Ian Hasleby is a journalist and former radio broadcaster, government media adviser and has experience as a small business operator in the food and hospitality industries.

Elected to the Civic Ward in 2002, Cr Hasleby encourages business and residential development and the preservation of our heritage and natural environment.

He is Deputy Chairman of the Perth Airports' Municipalities Group and also Chairman of the City's CEO Evaluation Committee.

Veronica Lawrance

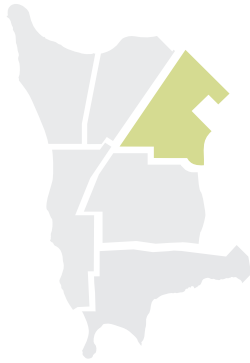
Contact crlawrance@southperth.wa.gov.au

Elected in October 2009, Councillor Veronica Lawrance holds a Bachelor of Communications (Public Relations) from Curtin University and is undertaking a Master of Philosophy (Public Relations) research degree at Curtin University. Her research focus is on culture, change and professionalisation in the non-profit sector.

She is also a member of the Australian Institute of Company Directors. Cr Lawrance has extensive experience in public relations in the non-profit, corporate and government sectors. She is a sessional academic at Curtin University, Justice of the Peace and a board member of Advocare WA, a leading non-profit dedicated to the cause of older people and people with disabilities.

Cr Lawrance has lived in South Perth almost exclusively since she migrated from the UK in 1985.

She is a member of the City's Audit and Governance Committee.



Moresby Ward

Fiona Reid

Contact crreid@southperth.wa.gov.au

Elected in October 2011, Councillor Fiona Reid is a lifetime resident of South Perth.

With more than 15 years of experience working in the non-profit sector, she holds a Masters in Social Sciences (Counselling and Psychotherapy) and is currently managing regional health and capacity building programs.

Kevin Trent RFD OAM JP

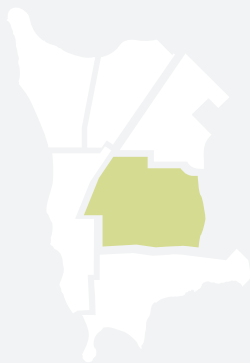
Contact crtrent@southperth.wa.gov.au

Re-elected in October 2011, Deputy Mayor Kevin Trent is a highly active, participating member of the local community. A Kensington resident for 37 years, he has been a popular representative, serving as a member of Council from 1980 to 1999 and then from 2002 to 2013. He is a member of the Rivers Regional Council, and is involved in many local community groups such as Rotary and the Returned and Services League.

Cr Trent holds a Bachelor of Commerce (Policy Science) and is retired following 42 years service with Main Roads, Western Australia.

He was awarded an Order of Australia Medal in the 2012 Australia Day Honours List for services to the community and veterans. He was appointed a Justice of the Peace in 2012.

He is a member of the City's CEO Evaluation Committee.



McDougall Ward

Colin Cala

Contact crcala@southperth.wa.gov.au

A long-serving Councillor since 1995 and a former Deputy Mayor of the City of South Perth, Councillor Colin Cala has initiated many policy changes in the building and planning area of the City.

He has lived with his family in Karawara for 25 years and is an architect by profession.

He is a member of the Rivers Regional Council, a delegate to the State Government Development Assessment Panel (DAP) and a member of the South Perth Historical Society. He is also a member of the City's CEO Evaluation Committee.

Peter Howat

Contact crhowat@southperth.wa.gov.au

Councillor Peter Howat has a long record of community involvement as a member of many civic, sporting, cultural and professional groups, and has been a Councilor since 2010.

He strongly supports residents in maintaining a high level of amenity for their area including minimising traffic problems, inappropriate building developments and crime.

He has a Doctorate and Master of Science in public health and is Professor and Director of a Cancer Research Centre.

He serves on several local, national and international committees; and is a member of the City's Audit and Governance Committee.

Council Meeting Schedule July 2012-June 2013

Eleven Ordinary Council Meetings and five Special Council Meetings were held in 2012/2013.

The Special Council Meetings were as follows:

- Adoption of the 2011/2012 Budget in July 2012
- Manning Community Facility in November 2012
- Adoption of Annual Report and Financial Statements in December 2012
- Local Government Reform Submission in April 2013
- Local Government Reform, Establishment of Joint Taskforce City of South Perth and Town of Victoria Park in May 2013.

Council Meeting Attendance

See the table below for details of the number of meetings attended by each Councillor during the year, in line with Section 534(1) (h) of the *Local Government Act 1995*.

Councillor Committees

Councillors represent the community on a number of internal and external committees throughout the year.

The City of South Perth Council has two internal committees, the Audit and Governance Committee and the CEO Evaluation Committee. Membership is reviewed by Council following elections with the most recent appointments to the Committees occurring after the October 2011 ordinary election.

Audit and Governance Committee

Part 7 of the *Local Government Act 1995* requires the City to have an Audit Committee to exercise and discharge a number of prescribed functions.

The City's Audit and Governance Committee oversees the City's audit process and also deals with a range of prescribed governance issues.

This Committee is responsible for providing guidance, assistance and oversight to the Council on the audit and review of the City's processes and performances in relation to:

- The annual Financial Audit
- The City's Risk Management Framework
- The annual Statutory Compliance Audit
- The Code of Conduct
- Access to information
- Policy and delegation reviews
- The Australian Business Excellence Framework
- The City's local laws.

Meeting Attendance

July 2012-June 2013

	11 ORDINARY COUNCIL MEETINGS	5 SPECIAL COUNCIL MEETINGS	NIL CEO EVALUATION COMMITTEE MEETING	3 AUDIT AND GOVERNANCE COMMITTEE MEETING
Mayor Doherty	10	5	0	3
Cr Hasleby	11	3	0	n/a
Cr Lawrance	9	2	n/a	3
Cr Cridland	10	4	n/a	n/a
Cr Gleeson	11	4	n/a	n/a
Cr Hawkins-Zeeb	10	4	n/a	2
Cr McMullen	11	3	n/a	n/a
Cr Cala	10	5	0	n/a
Cr Howat	11	5	n/a	3
Cr Grayden	10	4	n/a	3
Cr Skinner	11	5	0	2
Cr Reid	11	3	n/a	n/a
Cr Trent	11	5	0	3



(left to right) Cr Fiona Reid, Cr Rob Grayden, Cr Bill Gleeson, Cr Christopher McMullen, Cr Sharron Hawkins-Zeeb, Cr Betty Skinner, Mayor Sue Doherty, Cr Colin Cala, Cr Peter Howat, Cr Ian Hasleby, Cr Glenn Cridland, Cr Kevin Trent, Cr Veronica Lawrence.

The Committee meets as needed with the timing of each meeting coinciding with a particular aspect of the City's audit and governance cycle. The Committee does not have delegated authority and all recommendations made by the committee are referred to Council for consideration.

The membership of the committee presently comprises the Mayor, Deputy Mayor and five councillors.

Members of the Audit and Governance Committee as at 30 June 2013 are:

- Mayor Doherty
- Councillor Trent (Chair)
- Councillor Hawkins-Zeeb
- Councillor Howat
- Councillor Grayden
- Councillor Lawrence
- Councillor Skinner.

CEO Evaluation Committee

Part 5 of the *Local Government Act 1995* requires the Council to review the performance of the Chief Executive Officer annually. The Council has established a CEO Evaluation Committee to oversee the quarterly review of the CEO's performance and conduct annual performance reviews for the CEO. The functions of the CEO Evaluation Committee are to:

- Review agreed performance areas
- Establish timelines for quarterly review periods
- Establish timelines for achievement of Performance Focus Areas
- Conduct first quarterly Evaluation Committee meetings
- Conduct annual Performance Reviews
- Review the remuneration package of the CEO
- Discuss performance issues with the CEO
- Make recommendations and establish outcomes.

The Committee meets as needed. The Committee does not have delegated authority and all recommendations are referred to Council for consideration.

Members of the CEO Evaluation Committee as at 30 June 2013 are:

- Mayor Doherty
- Councillor Cala
- Councillor Hasleby
- Councillor Skinner
- Councillor Trent.

External Committees

Council members are appointed as delegates and representatives of the City of South Perth to attend meetings of a range of special interest networks and committees. Council representatives attended meetings and provided delegate reports to Council on the following external committees during the year under review:

- Rivers Regional Council
- Western Australian Local Government Association (WALGA) – South East Metropolitan Zone
- Perth Airports Municipalities Group – Airports
- Two Rivers Catchment Group
- South East Regional Centre for Urban Landcare (SERCUL)
- Local Emergency Management.

OUR SERVICES

OUR CITY



PLANNING AND DEVELOPMENT

INFRASTRUCTURE

WASTE AND RECYCLING

PARKING

LIBRARIES

TREE MANAGEMENT

LOCAL LAWS

ANIMAL SERVICES

GRAFFITI MANAGEMENT

PARKS

RECREATION

FACILITY HIRE

ECONOMIC DEVELOPMENT

COMMUNITY AND CULTURAL DEVELOPMENT

COLLIER PARK VILLAGE

OUR MAJOR PROJECTS

South Perth Foreshore 2013 and Beyond

In response to the Strategic Community Plan 2013-2023, the City commenced a community visioning process to guide future activities on the South Perth Foreshore.

The revitalisation visioning began in late 2012 with meetings with various stakeholder groups. In January and February 2013, the City conducted further consultation to get residents, businesses and visitors thinking about the potential for improvements.

The consultation was aimed at collating ideas and comments from the many varied stakeholders, to ensure balanced and all-encompassing input was provided. City of South Perth staff and external consultants collated the ideas put forward to create the draft South Perth Foreshore 2013 and Beyond.

Engagement with relevant external stakeholder groups such as the Sir James Mitchell Park and Sustainability Community Advisory groups, State Government agencies (Swan River Trust), Aboriginal groups, local business, schools and youth, residents and the wider community, also took place during this stage of the project.

Looking Ahead

Further community consultation is planned for July 2013, with the results of the consultation to be presented to Council for consideration in November 2013.

Old Mill Redevelopment

The City of South Perth's Old Mill Precinct is an historic area situated on the northern peninsula of the City. Constructed in 1835, the Old Mill is one of Perth's best-known landmarks. It was granted to the City of South Perth in 1982 to commemorate the centenary of the founding of Local Government in South Perth in 1892.

The Council has developed a long term vision and plan for the Old Mill Precinct that aims to maximise the areas foreshore position, recognise its rich history and complement Perth City's riverside development.

Dormant for many years, the eastern and western sides of the Narrows Bridge are proposed to be transformed into a heritage, cultural, recreational and adventure destination for locals and visitors. This includes renovations to the historic Old Mill; construction of a museum, restaurant, cafe and supporting retail outlet; restoration of Millers Pool; and the addition of a flying fox and pedestrian bridge to Kings Park.

The City is currently completing environmental, built heritage and Indigenous consultation studies, essential to progressing the project. When these are completed, the Council will consider approving various aspects of the project, such as the construction of a shelter for the heritage tram and the redevelopment of Millers Pool. (For more information, see page 68.)

Manning Community Hub

The Manning Community Hub is a \$14 million project to develop a new civic and commercial precinct bounded by Bradshaw Crescent, Conochie Crescent and Welwyn Avenue in Manning. It is intended to be a landmark and iconic precinct for Manning and Salter Point residents, as well as the broader community.

This project was initiated by the City in response to consultation studies undertaken which demonstrated that the existing community facilities were ageing and reaching the end of their useful life.

In April 2013, Council approved a development application lodged by the City's architects, Bollig Design Group Pty Ltd, for the long-awaited Manning Community Hub proposal located between Bradshaw Crescent and Conochie Crescent, Manning. The facility includes a number of community buildings including a new library, hall, sports club, child health clinic, early years facility and Moorditj Keila Aboriginal Centre.

The exciting community project has also involved a complicated land component with the City having the A-Class classification removed from the Reserve 24331 by the Minister for Lands in 2012.

The City also presented a submission to the Minister for Lands to purchase the majority of Reserve 24331 for 5 per cent of its value from the State Government. This sale was approved by the Minister for Lands in June 2012. The City will submit a subdivision application to the Western Australian Planning Commission in July 2013 for the subdivision of this Reserve into two lots which will be disposed of for commercial purposes. The proceeds from the disposal of these two lots will assist in funding the Manning Community Hub project.

Ernest Johnson Reserve

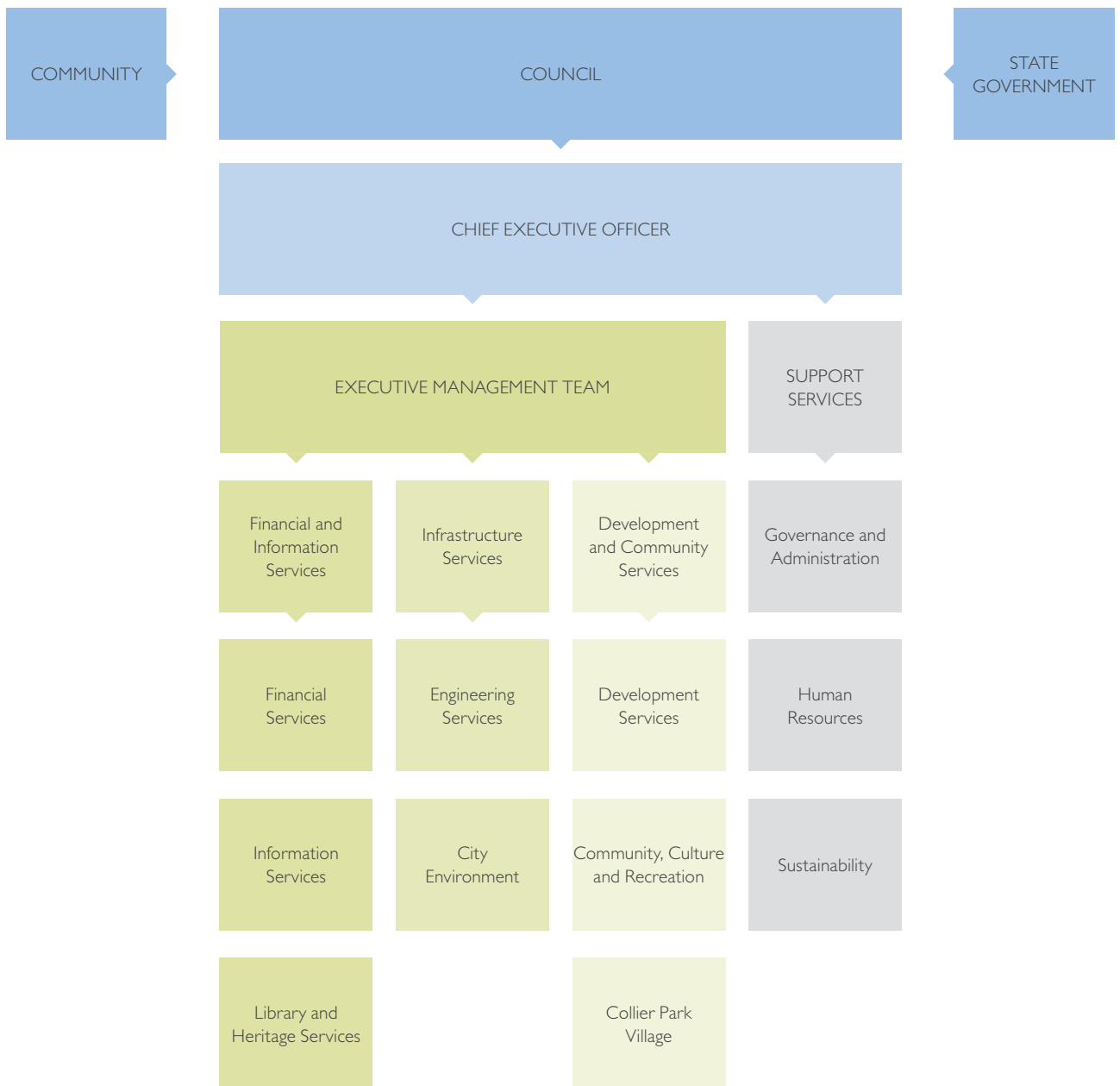
Situated in the civic heart of the City, Ernest Johnson Reserve is one of the City's most utilised and spacious reserves within the City. The City's master plan for the redevelopment of Ernest Johnson Reserve and its associated buildings aims to accommodate the needs of relevant sports clubs, community groups, the local community and the City, to produce a contemporary, functional and sustainable multi-purpose facility.

Stage One of the project was completed in 2012, and involved user group and community consultation, which was collated and presented in a report to the City with recommendations.

Stage Two commenced in early 2013 and involved structural assessments of the buildings, a review of services such as irrigation and sewerage, assessment of trees, vegetation, topography and overall costings.

Once Stage Two has been completed, recommendations will be made with a five-year concept plan, and a final report will be considered by Council and made available for community comment.

OUR ORGANISATION





Cliff Frewing



Michael Kent



Stephen Bell



Vicki Lummer

Executive Management Team

There are three directorates reporting to the Chief Executive Officer – Infrastructure Services, Development and Community Services and Financial and Information Services. Each director is responsible for different key areas of the City's administration and operations.

Cliff Frewing

Chief Executive Officer – Office of the CEO

CPA, B.Bus. Local Government (Clerk) (Treasurer), FLGMA

Cliff joined the City as acting Chief Executive Officer from 2001-2003, on secondment from the City of Swan, where he was Treasurer and Executive Manager between 1986 and 2001. Cliff was also Treasurer at the City of Subiaco from 1980-1986 and is a former State President and National & State Director of Local Government Managers Australia (LGMA).

Cliff has been awarded the LGMA Medal and WALGA Eminent Persons Award for his services and contribution to Local Government. He has been the Chief Executive Officer of the City since 2005.

Cliff is responsible for:

- Council liaison
- Governance and statutory compliance
- Organisational development
- Inter-government relations
- Sustainability
- Human resource management
- Council minutes and agendas
- Public relations.

Michael Kent

Director Financial and Information Services

Post Grad. Dip Bus B.Comm, Dip Bus Admin, CPA, MLGMA

Michael commenced employment with the City of South Perth in 1997 in the financial services area and has served in an executive role since 2001. During that time he has been responsible for introducing a number of innovations in the technology and customer service areas. He was also the project manager for the award winning \$12 million South Perth Library and community facility project. Prior to his employment at the City he held a senior accounting role at the City of Melville for three years and he has extensive experience in accounting in private practice.

Michael plays an active role in industry advisory committees relating to financial management and improving local government financial capacity. He is also regarded as a thought leader in the local government digital service delivery area.

Michael is responsible for:

- Financial services
- Information services
- Customer service.

Stephen Bell

Director Infrastructure Services

B.Surv, BE (Civil), Grad Cert (Eng), Grad Dip LGE, Adv Dip Bus Mgt (AIM)

Stephen commenced employment with the City of South Perth in June 2008. He has 28 years experience as a Civil Engineer in both the private and public sectors, including 15 years experience in various senior management roles within local government.

In 2011, Stephen was elected to the position of Deputy President of the Institute of Public Works Engineering Australia (IPWEA) WA Branch.

Stephen is responsible for:

- Engineering survey and design
- City environment
- Construction and maintenance
- Waste management
- Collier Park Golf Course
- Emergency management
- Asset management
- Traffic management.

Stephen resigned in June 2013.

Vicki Lummer

Director Development and Community Services

BA (HONS) in Geography (UCT), Grad. Dip. Urban and Regional Planning (Curtin), MPIA

Vicki commenced employment with the City in August 2009. Vicki has extensive international experience with 25 years in local government town planning in South Africa, England and Australia.

Vicki has previously held management roles at the City of Nedlands and the City of Cockburn.

Vicki is responsible for:

- Sustainable development
- City projects
- Town planning
- Building control
- Community, culture and recreation
- Health services
- Aged care.

THE CITY'S AIM IS TO ATTRACT, RETAIN AND DEVELOP TALENTED AND COMMITTED EMPLOYEES THROUGH THE CONTINUOUS IMPROVEMENT OF ITS HUMAN RESOURCES, ORGANISATIONAL DEVELOPMENT AND OCCUPATIONAL SAFETY AND HEALTH PROGRAMS AND INITIATIVES.

Equal Employment Opportunity

The City applies Equal Employment Opportunity practices in managing staff and the recruitment process, with the following policies in place:

- Elimination of Harassment
- Grievance Procedures
- Prevention of Bullying in the Workplace.

The City is committed to providing a safe, harmonious work environment free from discrimination and harassment and has implemented preventative measures including awareness training, induction training for new employees and ongoing review of policies and procedures.

Work/Life Balance

The City recognises that balancing work and personal commitments is important for our staff with increasingly busy lives. The City provides a flexible working environment including the ability to work towards a 19-day month for inside workers and nine-day fortnight for our outside workers. The City also has a generous paid maternity leave scheme and study assistance scheme.

Training

To improve workplace practices and develop skills, the City provided employees with a wide range of training opportunities in 2012/2013, such as:

- First aid
- Manual handling
- Fire warden training
- Verbal Judo (complaints management)
- Equal employment opportunity
- Disability access and inclusion
- Diploma of Management.

Throughout the year a number of employees attended various workshops and conferences to keep abreast of legislative changes and to increase their knowledge base in their specific areas of expertise.

In addition to the required orientation and induction training for new employees, the City provided 3,349 specialised training hours in 2012/2013. During this time, 210 employees participated in both individual and group training programs.

In a new initiative, three employees of the City are currently participating in a Federal Government-funded Diploma in Management Course. This course aims to provide participants with fundamentals in managerial work disciplines with an emphasis on continuous improvement systems.

The training programs undertaken throughout the year were identified during the performance review process, on the job skills development and professional development. The programs support the City's ongoing commitment to providing a safe place to work, a high standard of customer service and compliance with legislative framework.

LGMA Management Challenge

The LGMA Management Challenge is a professional development activity undertaken by Local Government Managers Australia (LGMA) for local government staff across Australia, and the Society of Local Government Managers (SOLGM) in New Zealand.

For over 10 years, the City of South Perth has encouraged staff participation in the LGMA Management Challenge. In 2013, the City sent a team of six officers to participate in the state-based regional round of the Management Challenge.

Prior to the regional challenge, the City's team, South Perth All Stars, prepared a pre-challenge task to develop strategies for the challenge. The theme for the 2013 Management Challenge was 'Shaping Communities', which explored the relevancy of local government and contemporary community engagement practices.



Health and Wellbeing

As part of the City's Health and Wellbeing program, a number of health related benefits are provided to employees annually. These include health assessments, skin cancer screenings and flu injections. The program was carried out from April to May 2013, with 34 employees participating in the health risk assessments, 94 undergoing skin cancer screenings and 75 having a flu vaccination.

Another health and wellbeing initiative offered to employees is the use of the Employee Assistance Program. The City, in partnership with PPC Group, offers all employees and members of their immediate family four counselling sessions per year, at no cost to the employee.

Occupational Safety and Health (OSH)

The City's Occupational Safety and Health (OSH) vision is:

"To achieve best practice in occupational safety and health through building a safety culture dedicated to minimising risk and preventing injuries and ill health to employees, contractors and the general public."

The continuing improvement of our safety culture ensures that all parties operate in a safe and healthy environment in the workplace. The City was awarded Silver Status for its OSH achievements by Local Government Insurance Services in 2010. The City is working towards the achievement of Gold Status for 2013/2014.

Central Safety Committee

The City's Central Safety Committee meets bi-monthly to review the City's OSH performance and to discuss safety issues and initiatives. Safety representatives, who play an important role on the committee, also meet bi-monthly to discuss operational and hands on safety measures and controls that are in place across the City, such as workplace inspections and hazard reporting.

The committee of management and employee representatives remains focused on the task of leading, promoting and coordinating safety and health activities to aim for a Zero Harm environment for staff, contractors, volunteers and visitors.

Lag Indicators

The City monitors and maintains injury and workers compensation statistics to provide a measure of our safety performance. The number of lost time injuries and the days lost related to injury at work are two of the measures that the City monitors.

In comparison with other councils of similar size, our results are very favourable.



Lead Indicators

Lead indicators allow the City to measure proactive actions taken to improve OSH. One such measure is the number of OSH workplace inspections completed each month. A new schedule of workplace inspections has been implemented to maximise the inspections that are carried out and to focus on high-risk areas in the workplace.

The results of the inspections have been recorded and relevant changes have been implemented in order to achieve a safer workplace.

In 2012/2013 the executive and management team participated in spot workplace inspections to help identify, manage and control hazards in the workplace.

Conditions of Employment

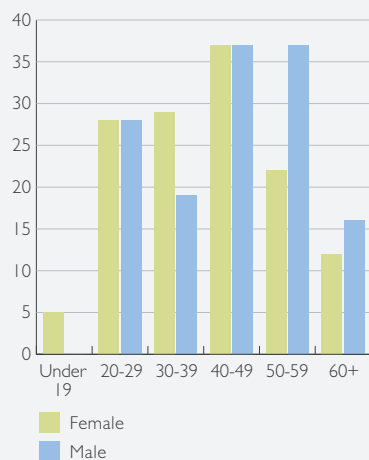
In 2013, the City was successful in renegotiating the Inside Workforce Enterprise Agreement 2013-2016 which will ensure the City remains competitive and attractive within the highly buoyant Western Australian employment market.

Senior Officers' Remuneration

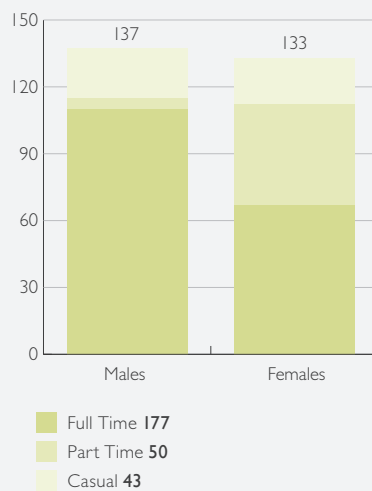
In accordance with Regulation 19B of the *Local Government (Administration) Regulations* the City is required to disclose the number of employees with an annual cash salary of more than \$100,000.

SALARY BAND	NUMBER OF OFFICERS
210,000 - 220,000	1
160,000 - 170,000	1
150,000 - 160,000	2
120,000 - 130,000	1
110,000 - 120,000	3
100,000 - 110,000	2

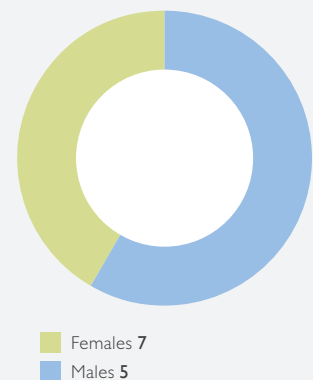
Age Profile of Employees



Workforce Composition 2012/2013



Senior Management by Gender



OUR COMMUNITY

The City works with the community in a number of ways for future planning and promoting their activities and achievements.

Customer Service

The City recognises the importance of consistent, equitable and responsive service in managing the customer experience.

The City delivers a wide range of services to our community and visitors, and receives well over 100,000 direct contacts a year from our customers by telephone, in writing or in person.

Throughout the year, the City has progressed a range of upgrades to its customer service delivery, including:

- Electronic development applications (see page 78)
- A new Customer Request Module integrated with an application that enables customers to log and track requests from a PC or mobile device (see page 79).

Community Advisory Groups

The City has three advisory groups which draw their membership from the community.

Sir James Mitchell Park Community Advisory Group

The Sir James Mitchell Park Community Advisory Group was established in 2000 to oversee the implementation of the Sir James Mitchell Park Management Plan, jointly developed with the Swan River Trust.

During 2012/2013, the group met to discuss:

- Sir James Mitchell Park Foreshore vision and master plan
- Perth Water Vision
- Old Mill redevelopment
- The role of the group and feedback mechanisms

Community Sustainability Advisory Group (CSAG)

Established in 1999 and previously known as the Environmental Advisory Group, the Community Sustainability Advisory Group focuses on strategic sustainability issues.

During 2012/2013, the group met regularly to discuss:

- Sustainable Awareness Campaign
- Sustainable September

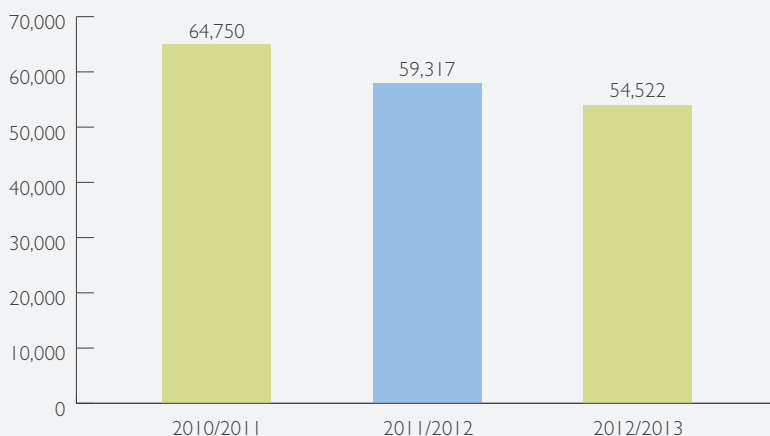
South Perth Youth Network (SPYN)

Previously known as the South Perth Youth Advisory Council, the South Perth Youth Network (SPYN) focuses on local strategic youth issues. It consists of members aged 13-25 years with meetings coordinated by the City's Youth and Children's Officer.

In 2012/2013, the group were involved in:

- Creating a new magazine for local young people
- Planning Australia Day 2013
- Planning Secret Event 2013
- Planning Youth Week 2013, including the annual SPYN Photography Competition.

Number of Customer Phone Calls



OUR COMMUNITY PLAYS A VITAL ROLE IN THE CITY'S DECISION-MAKING PROCESS, ADVOCATING ON BEHALF OF THE CITY AND HELPING US TO ACHIEVE OUR GOALS AND SHARED VISION FOR THE FUTURE.

Access and Inclusion

The City strives to improve access to its services for all community members, including people with disabilities.

In compliance with the *Western Australian Disability Services Act (1993)*, the City's Disability Access and Inclusion Plan (DAIP) 2012-2016 identifies key strategies in addressing the needs of people with disabilities.

The DAIP is reviewed every five years and progress is reported to the Disability Services Commission by 31 July each year.

Key achievements during the year include:

- Partnering with the Disability Services Commission's AccessWA program to conduct an access audit of public facilities and reserves
- Purchasing a beach wheelchair for community use at Sir James Mitchell Park
- Installing accessible concrete pathways in McDougall Farm Community Garden
- Rolling out the Perth Transport Authority's access improvements to bus stops
- Providing information in alternative formats and making a list of translation services and alternative format providers available to all staff via the intranet
- Arranging staff training on disability awareness
- Securing \$70,000 in external funds for inclusion projects
- Organising the City's inaugural Disability Awareness Week event in December 2012.

Volunteers

Volunteers make a significant contribution to the City by supporting the City's programs and giving their time and skills to help carry out a range of services.

Some of the programs that rely on volunteers are:

- **Senior Citizens Centres (Manning and South Perth).**
Volunteers provide transport, home help, Meals on Wheels and computer training courses for seniors. They also help in the Home and Community Care Centres (HAC).
- **Home Readers Service.**
A program provided by the City's Libraries that is available to housebound residents. This service is valued by people recovering from an illness, the frail and elderly. Volunteers deliver and exchange library books on a fortnightly basis.
- **Justice of the Peace (JP) Services.**
Available at the South Perth and Manning libraries, a JP is in attendance from 11.30am-1pm on Mondays and Wednesdays at the South Perth Library and Civic Centre Administration and 11.30am-1pm on Thursdays at the Manning Library.
- **Old Mill Guides.**
Volunteer guides show visitors around the historic tourist attraction, the Old Mill, four days a week in morning and afternoon shifts. The Old Mill is open Tuesday to Friday, 10am-4pm and Saturday and Sunday 1pm-4pm.



- **Australia Day.**
In 2013, Australia Day celebrations in South Perth involved more than 250 volunteers from Baptist Churches WA, Drug Arm WA Inc., Girl Guides Western Australia Inc., Lifestreams Christian Church, Rotary Clubs of South Perth, Burswood and Como, and Soroptimist International of South Perth. Volunteers managed the event parking, monitored the free family activities and generally oversaw operations on the day.

The Council is extremely grateful for the significant contribution of our volunteers and thanks them for their assistance in 2012/2013.



Community Awards

The City honours the remarkable achievements and significant contributions of its community members by presenting a range of awards throughout the year.

2013 Australia Day Awards

As part of the City's Australia Day 2013 celebrations, the City awarded the Premier's Active Citizenship Awards to a selection of well-deserving community members.

Award Recipients:

- Premier's Australia Day Active Citizenship Award: Lyndon Lewis
- City of South Perth Young Citizen of the Year and Premier's Australia Day Active Young Citizenship Award: Cynthia Sasongko
- City of South Perth Premier's Australia Day Active Community Group or Event Award: Rotary Clubs of Como, Mill Point and South Perth Burswood.

2012 Volunteer of the Year

Volunteers were recognised for the significant contribution they make to the community at the City of South Perth's annual Thank a Volunteer Breakfast on 5 December 2012.

Award Recipients:

- Volunteer of the Year Award: Len Cannell
- Young Volunteer of the Year Award (18–25 years old): Laura Roberts
- Junior Volunteer of the Year Award (under 18 years old): Paulo Velho

2012 Emerging Artist Award

The annual Emerging Artist Award was presented on 25 October 2012. The winner of the 2012 Acquisitive City of South Perth Emerging Artist Award, worth \$4000, was Tessa McOnie for her work, *Caleb*.

The category winners, sponsored local businesses and individuals, were:

- Liquor Barons on Angelo, Best Work on a Local Theme Award Winner: Hannah Farleigh, *South Perth Bowling Club*
- John McGrath MLA, Young Artist Award Winner: Imogen Kotsoglo, *Up in the Air*
- Como IGA, Secondary School Student Award Winner: Rakeem Pickett, *Dancing our Stories*
- Real Return Realty, Best Local Artist Award Winner: Jean-Louis Diaz, *Paris Respite*.

2012 Young Writers Award

Talented young writers in the City of South Perth were celebrated at the 2012 Young Writers Award ceremony held on 26 July 2012. Fifteen winners were announced, selected from six age categories for prose.

The Christobel Mattingley Bronze Medallion, for the most outstanding entry, was awarded to Year 12 student Emily Renner-Shao from Perth College for her entry, *Progress*.

Community Funding

The City of South Perth recognises the importance of supporting community development and offers a regular grants program for individuals and groups.

The types of funding the City offered in 2012/2013 included:

- Individual Development Program: Open to individuals who are residents of the City of South Perth and have been selected to represent the state or country in interstate or overseas championships and competitions.
- Community Development Program: Open to incorporated non-profit community organisations whose proposed projects are beneficial to the City of South Perth community.
- Community Grants Program: Designed to provide a quick response fund for minor projects that fall within the guidelines of the Community Funding Program but cannot be completed successfully within the time frame of the Community Funding Program rounds or submitted by the closing dates.

GOVERNANCE FRAMEWORK

THE CITY HAS A COMPREHENSIVE AND INTEGRATED CORPORATE GOVERNANCE FRAMEWORK THAT GUIDES THE CITY OPERATING IN AN EFFICIENT AND ACCOUNTABLE MANNER, WHILST ENSURING EFFECTIVE MANAGEMENT OF THE CITY'S FINANCIAL, PHYSICAL AND COMMUNITY ASSETS.

The Corporate Governance Framework provides elected members and staff with a framework that links their role under the *Local Government Act 1995* and relevant legislation, the suite of governance documents and the functions performed by the City. Reviewed annually, this framework underpins and supports the Council achieving its mission, vision and goals in an open and transparent manner.

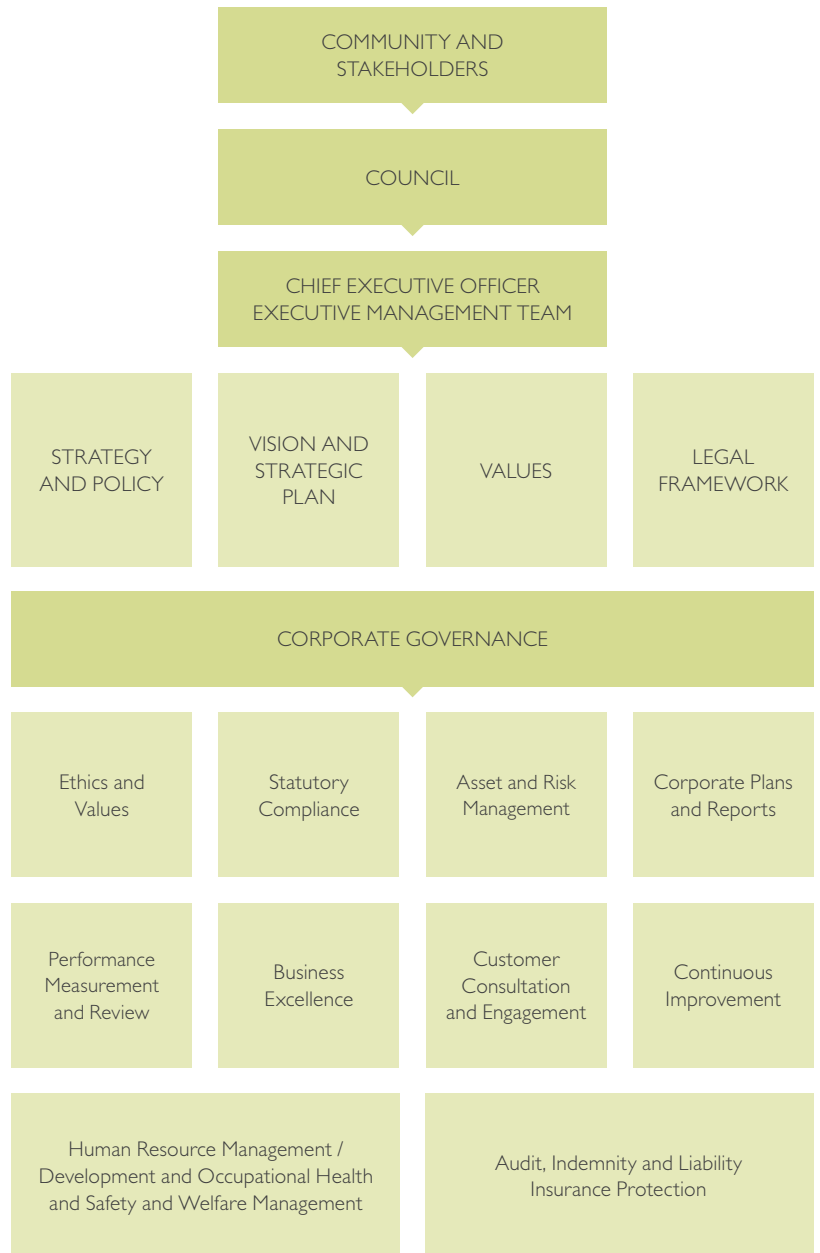
Australian Business Excellence Framework

The City embraces the Australian Business Excellence Framework to enhance our systems and processes with the objective of achieving sustainable performance and success for our community.

The City has committed itself to best practice through engaging the Australian Business Excellence Framework and promoting continuous improvement for staff and other participants.

This framework extends these principles to the continued good governance of the City by outlining structures and processes through which members and staff can achieve positive outcomes by professionally fulfilling their duties. The framework sets out clear boundaries for the role of each of the participants, which determines the extent of their responsibilities and provides clarity of purpose. It also allows for the accurate measurement of the performance of the organisation in achieving defined strategic goals.

Corporate Governance Framework



Statutory Compliance

All Western Australian local governments are required to complete an annual statutory Compliance Audit Return that audits the City's legislative requirements, including tenders, disposal of property, elections, commercial enterprises, delegations, disclosure of interests, finance, human resources and audits.

The City's Audit and Governance Committee considered the City's 2012 Compliance Audit Return in February 2013. The City's 2012 Compliance Audit Return revealed an exceptionally high level of legislative and statutory compliance with no areas of non-compliance.

Integrated Strategic Planning and Reporting Framework

In accordance with the *Local Government Act 1995*, the City has developed an Integrated Planning Framework that will allow us to sustainably and strategically meet the needs of our community.

The objective of this framework is to have a stronger focus on place shaping and wellbeing with an increased level of community engagement.

The Strategic Community Plan 2013-2023 is the overarching Plan to guide the Council over the next 10 years. The Plan is broad with a long-term focus and strong emphasis on the community's aspirations, priorities and vision for the future. The Strategic Community Plan 2013-2023 informs our Long Term Financial Plan 2013-2023.

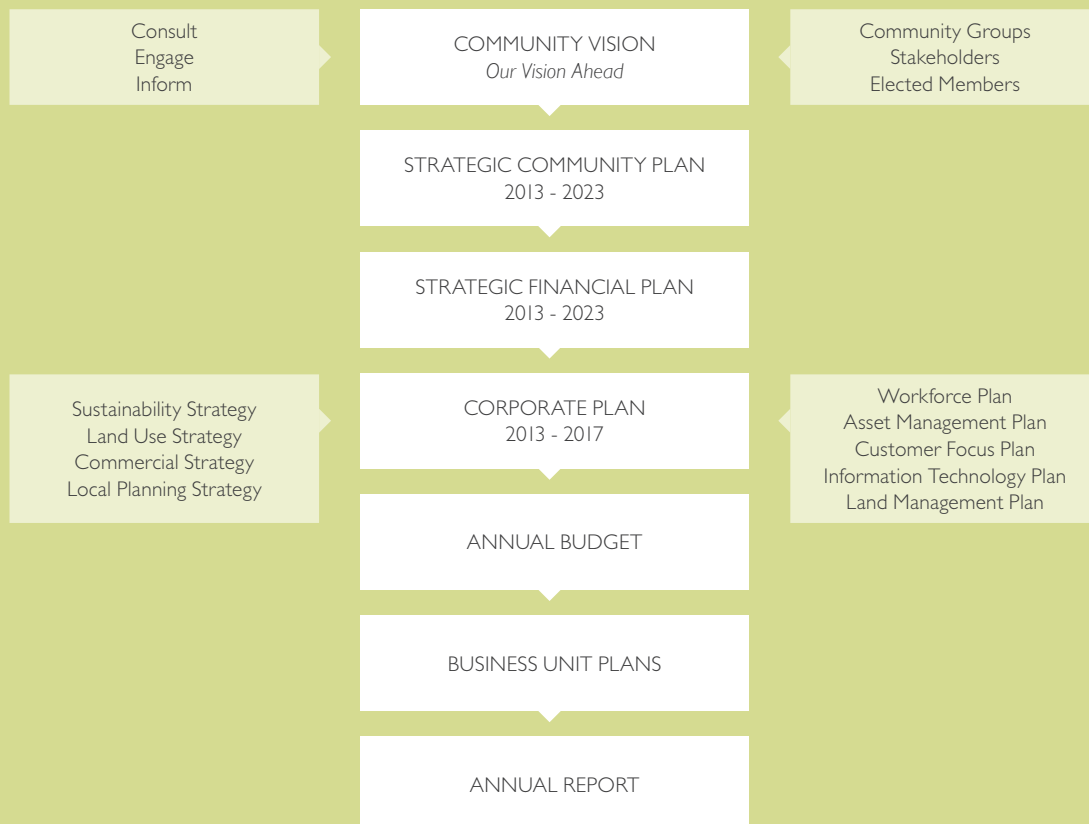
At the core of this planning framework is the Corporate Plan 2013-2017, which outlines in detail the projects, services, operations and performance measurements required to deliver on the priorities identified in the Strategic Community Plan 2013-2023.

The consultation process for this Strategic Community Plan 2013-2023 involved 529 community members participating in a survey and approximately 150 community members attending a key stakeholders forum.

Council endorsed the Strategic Community Plan 2013-2023 in December 2012. This Plan encapsulates our community's aspirations and vision for the future and outlines the Council's strategic directions and 29 strategic priorities for the next 10-year period to deliver on this vision.

The Strategic Community Plan 2013-2023 builds on the key themes identified in the *Our Vision Ahead* community visioning process and the success of the previous Strategic Plan 2010-2015.

City of South Perth Integrated Planning Framework





Corporate Plan

The Corporate Business Plan 2013-2017 is the City of South Perth's four-year project and service delivery plan. Adopted by Council in March 2013, it is aligned to the Strategic Community Plan 2013-2023 translating the strategic direction of the City to 95 specified actions and priorities at an operational level.

Corporate Plan Snapshot

- 95 projects and services
- 46 informing plans/strategies/legislation

Workforce Plan

The City has developed a Workforce Plan 2013-2017 which assists in planning and shaping the City's workforce to ensure that it is capable of delivering on community expectations and organisational objectives now and in the future.

Workforce Plan Snapshot

- 311 employees
- 14% turnover rate

Asset Management Plan

The City has in excess of \$515 million in assets which are used to deliver a variety of services and facilities to the community. In doing so, the City must ensure that the assets supporting these services are managed in a way that guarantees maximum performance for the lowest whole of life cost. The Asset Management Plan 2013-2023 provides core resource information for service providers and users of the City's network of facilities.

City Assets Snapshot

- 203km of roads
- 256km of pathways
- 74 public open spaces
- 91 building and facilities

Long Term Financial Plan

The Long Term Financial Plan 2013-2023 guides the City's approach to delivering infrastructure and services to the community in a financially sustainable and affordable manner. The plan demonstrates the City's commitment to managing its operations in a responsible and sustainable manner avoiding dramatic fluctuations in rates whilst building a legacy for our community.

See Financial Snapshot on page 18.



The Council has six key strategic directions: Community, Environment, Housing and Land Uses, Places, Infrastructure and Transport, and Governance, Advocacy and Corporate Management.

Each theme identifies key objectives, which are addressed

by the City's Corporate Plan 2013-2017 to implement projects, conduct operations and provide services.

The following section summarises the City's progress towards meeting its objectives, and highlights key projects during the year.



OUR STRATEGIC DIRECTIONS



COMMUNITY

STRATEGIC DIRECTION I – COMMUNITY















Create opportunities for an inclusive, connected, active and safe community

- I.1 Develop and facilitate services and programs in order to meet changing community needs and priorities
- I.2 Facilitate and foster a safe environment for our community
- I.3 Create opportunities for social, cultural and physical activity in the City
- I.4 Encourage the community to embrace sustainable and healthy lifestyles
- I.5 Develop effective processes to listen, engage and communicate with the community



Our Progress

The following tables report against our Corporate Plan 2013-2017, which sets out to meet the key directions of the Strategic Community Plan 2013-2023 in order to achieve the City's vision.











I.1 Develop and facilitate services and programs in order to meet changing community needs and priorities

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop a Public Open Space Strategy			The Council adopted the Public Open Space Strategy in November 2012, delivered under budget. (See page 51)
Implement stage two of master planning for Ernest Johnson Reserve			A draft report and concept plan has been prepared. The master plan will be considered by Council in September 2013.
Aboriginal Engagement Strategy Stage Two			The Council endorsed the final strategy in March 2013. (See page 51)
Implement and review the City's Mosquito Management Program			The Mosquito Management Plan is currently being reviewed in preparation for the upcoming 2013/2014 mosquito season.
Undertake a future usage review for Heritage House			The City and the South Perth Historical Society (SPHS) have entered into a lease for Heritage House.
Develop a strategy to improve the ongoing financial sustainability of the Collier Park Village and Hostel			A proposal for a submission to the Minister for Lands to acquire the conditional freehold title is being prepared. (See page 52.)
Undertake a feasibility study of the Animal Care Facility			Tenders for the construction of the Animal Care Facility are scheduled for November 2013, with construction expected to be completed by June 2014. (See page 52.)
Review of Collier Park Waste Transfer Station			This project has experienced some minor delays. The report will be presented to Council for consideration in September 2013. (See page 53.)








I.2 Facilitate and foster a safe environment for our community

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Karawara Greenway Master Plan			The Draft Public Open Space Master Plan and Collaborative Action Plan will be presented at a community and stakeholder presentation in July 2013.




I.3 Create opportunities for social, cultural and physical activity in the City

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop a business plan to ensure the ongoing financial viability of the Collier Park Golf Course			No budget was provided for this project and as a result it was deferred. It has been carried into the Corporate Plan 2013-2017.
Manage and deliver Australia Day (Celebration Zone)			50,000 people attended the Celebration Zone, up 20,000 from last year. This project, significantly subsidised by a grant of \$350,000 from Lotterywest, came in on budget.
Manage and deliver Fiesta			The attendance figures increased from 20,000 in 2012 to 30,000 in 2013. Whilst the budget of approximately \$280,000 was not exceeded, the budgeted revenue target of \$75,000 was not met due to difficulties associated with attracting commercial sponsorship.
Review and expand a Public Art Policy			This Policy was reviewed and approved by the Council in December 2012.
Mends Street Wi-Fi			Free Wi-Fi courtesy of the City (provided by an independent provider under the sponsorship of the City) went live in the popular Mends Street commercial precinct in December 2012.

I.4 Encourage the community to embrace sustainable and healthy lifestyles

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop a redevelopment project plan for the George Burnett Leisure Centre			A feasibility study was completed in November 2012.
Complete the redevelopment of the Bill Grayden Pavilion	 		Construction of this facility commenced on time in February 2013. (See page 53)
Implement the City's Asset Renewal Building Program			A budget of \$760,000 was provided for a series of projects approved by Council, including the upgrade to Bill Grayden Pavilion, Manning Men's Shed, Salter Point Sea Scouts and George Burnett Leisure Centre lighting retrofit.

I.5 Develop effective processes to listen, engage and communicate with the community

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop and implement electronic community newsletter	 		An e-newsletter, South Perth In Focus, was successfully implemented in March 2013

KEY PROJECTS

Planning for the Future of Our Public Open Spaces

Adopted by Council in November 2012, the Public Open Space (POS) Strategy provides the direction for the development of more detailed plans, policies and actions relating to sport and recreation, the natural environment, community development and land use planning.

The Strategy aims to provide clear direction on the purpose, level of provision, and management of POS across the City well into the future.

A budget of \$95,000 was allocated towards this project initially as part of the 2011/2012 Capital Works program. The remaining \$17,000 was carried over into the 2012/2013 Capital Works program to complete the project, which was delivered under budget.

Building Better Relationships

The Council endorsed the final Aboriginal Engagement Strategy in March 2013 after extensive community consultation during 2012.

The Strategy builds on the community's desire to build better relationships between Aboriginal and non-Aboriginal people, and supports the advancement of Aboriginal residents.

The consultation process was conducted by City staff and members of the Aboriginal Engagement Strategy Working Group. Key stakeholders consulted included Aboriginal groups, service providers, schools and residents, as well as internal staff.

The methods of engagement and feedback opportunities included the City's website, displays in shopping centres and community facilities, distribution of an information flyer, an Elders' morning tea, media coverage.

The implementation of the Strategy involved establishing an Aboriginal Reference Group with the following objectives:

- To provide a mechanism for discussion on issues that are relevant to the City of South Perth and the local Aboriginal and Torres Strait Islander community
- To monitor the City's progress on the Aboriginal Engagement Strategy under the four guiding principles of connection/inclusiveness, advancement, relationship and visibility
- To provide advice on the need for the development of a Reconciliation Action Plan to help build better relations between Aboriginal and Torres Strait Islander and non-Aboriginal people, and support the advancement of Aboriginal and Torres Strait Islander residents.

The Aboriginal Reference Group had its inaugural meeting in June 2013, with the intention of meeting bimonthly. City staff continue to implement the Aboriginal Engagement Strategy and will monitor its progress against its goals outlined in the Strategy.

Improving Mosquito Management

With nearly three quarters of the City's boundary surrounded by the Swan and Canning Rivers, mosquito management is an important and ongoing program for the City. For the 2012/2013 season, the City implemented a treatment program from August 2012 to April 2013 based on testing and monitoring numbers around wetland hotspots the previous year.

This comprehensive program was developed with the aim of balancing the following priorities:

- Meeting the requirements of Section IX of the *Health Act 1911* with respect to vector borne diseases.
- Meeting the requirements of the residents and visitors adjacent to wetlands to have a reasonable quality of outdoor life.

- Protecting the environment (natural habitat), while prioritising mosquito management.

During the 2012/2013 season, the City introduced aerial treatments and budgeted for eight treatments to be undertaken. Due to the favourable conditions that presented this year, the City was only required to undertake four aerial treatments, which provided a significant saving.

The City was also prepared to fog once the threshold was exceeded. Fortunately, fogging was not required due to the salt marsh breeding mosquito numbers being kept to a reasonable level.

Although numbers of fresh water mosquitoes did slightly exceed the defined threshold, they are considered less of a nuisance, which was reflected in fewer complaints received by the City during this season.

During the 2012/2013 season, the Department of Health undertook a survey of strategically located mosquito breeding sites to further investigate the theory that mosquitoes can breed within one location and then impact on another. For example, mosquitoes can breed within one local government area and impact residents within another. The results of this survey are yet to be published.

Looking Ahead

The next stages of this project will be to undertake the community survey.

The Mosquito Management Plan will then be reviewed in preparation for the 2013/2014 mosquito season. Once reviewed, the consultation process will begin with the Waterford Mosquito Working Group and the Department of Health.

Following this, the plan will be implemented throughout the 2013/2014 season commencing in the last week of August 2013.



Maximising Efficiency of Aged Care Services

The City owns and manages Collier Park Village Complex, located in Como. Commencing operations in 1986, the Village comprises 169 two bedroom independent villas whilst the Hostel comprises 40 single bedroom rooms designed for low level aged care. The City has invested considerably in the infrastructure and the provision of services to residents at the Collier Park Village Complex. The most recent resident survey highlighted a 78 per cent satisfaction rating for the Collier Park Village Complex.

Collier Park Village Complex has an annual (cash) operating budget of \$3.4 million and is serviced by 23.2 FTE staff (including administration, carers and grounds staff). The 2012/2013 Collier Park Village Complex budget comprised approximately \$2.7 million in operating revenue plus a further \$0.5 million in lease premiums and refurbishment levies from leasing of units.

The Council resolved in December 2012 to undertake a strategic review and assessment of the Collier Park Village and Hostel, with a view to recommending options to Council on its future management, service delivery models and strategic direction.

The City appointed a consultant in December 2012 to undertake the following:

- Overview of present and forecast aged care service provision in Western Australia, and specifically South Perth
- Overview of relevant Commonwealth and State legislation and proposed aged care service reforms

- Review and assess the Collier Park Village Complex operations
- Recommend options for the future management of the Collier Park Village Complex, inclusive of service delivery model options to ensure effective and efficient service provision
- Provide recommendations to Council on the role and strategic direction of the City of South Perth in the future provision of aged care services.

This project involved consultation with the Council, Collier Park Village and Hostel staff, the Resident Committee, and State Land Services.

The consultant's final report adopted by Council identified a number of challenges the City faces in relation to the future management of Collier Park Village and Hostel and its long-term sustainability. These challenges include the poor financial performance of the complex being subsidised by City of South Perth ratepayers, ageing and declining infrastructure requiring significant investment and inadequate contractual arrangements.

Looking Ahead

As Collier Park Village and Hostel is presently situated on Crown land, the City will prepare a submission to the Minister for Lands to acquire the freehold title to the land. This would enable the City to engage with a specialist aged care operator, dedicated to the delivery of quality services to older people, to maximise the potential of the facility into the future.

Resource Sharing for Animal Care

With the pending introduction of the new *Cat Act 2011* in November 2013, the City was required to upgrade its ageing dog pound into a new Animal Care Facility.

The City was successful in obtaining a grant of \$256,000 from the Department of Local Government towards the development and construction of the new Animal Care Facility. With an equivalent amount of funding matched by the City, the total budget for the facility is \$500,000.

With a view towards regional sharing and cooperation, the City entered discussions with many local governments about the possibility of sharing the proposed Animal Care Facility. These discussions have resulted in the Town of Victoria Park, City of Canning and City of Armadale agreeing to share and partner with the City in this regional facility.

Looking Ahead

The City is scheduled to call for tenders for the construction of the Animal Care Facility in November 2013 with construction expected to be completed by June 2014.

Reviewing Our Waste Facility

The City's Collier Park Waste Transfer Station has long been recognised as an under-utilised asset with declining patronage and throughput tonnes. This has been caused largely by the ongoing and increasingly costly bi-annual kerbside bulk general and green waste collections.

The City commissioned an independent review of the transfer station and the kerbside bulk collection service to recommend options for obtaining efficiencies in both.

Looking Ahead

A report reviewing our waste transfer station operations will be presented to Council in September 2013. In addition to the transfer station and changes to the kerbside collection services, the report will also make reference to early studies identifying capital works required around the transfer station to improve efficiency of operation and identify the facilities necessary to ensure the long-term retention of the Waste Facility Licence.

Upgrading Bill Grayden Reserve

The City has a Future Directions and Needs Study for Sporting and Recreational Clubs Plan to improve and upgrade its community recreational facilities. The second regional facility identified for upgrade is the Bill Grayden Pavilion on Bill Grayden Reserve.

A feasibility study for the project was completed in July 2011, which recommended the redevelopment of the Pavilion to include the following:

- Provision of adequate accessibility and facilities for people with a disability
- Provision of women's/multipurpose change room and toilet facilities
- Renovation and upgrade of men's/multipurpose change room and toilet facilities

- Increased internal storage areas for sporting and training equipment
- Renovation and upgrading of the kitchen to a standard suitable for catering activities.

Funding was secured from the Department of Sport and Recreation's Community Sporting and Recreation Facilities Fund (CSRFF) in 2012 and the project was initiated in July 2012, with construction commencing in February 2013.

The total project cost was estimated at \$870,450. The City's contribution was two thirds (\$580,300) of the project cost with the remaining one third (\$290,150) funded by CSRFF through the State Government.

Stage Two of the construction will be completed by 30 October 2013.

Expanding Communications Channels

The City is committed to communicating effectively with our customers and community members to ensure they are informed and involved.

In response to independent market research conducted in 2012, the City developed a fortnightly community e-newsletter to broaden its platform of communications. The research identified the need to maximise more economically sustainable communication platforms that embrace innovative technologies.

The new e-newsletter, *South Perth In Focus*, features up-to-date news, stories, features and events that occur across the City. Launched in March 2013, *South Perth In Focus* has proven very successful with our community, with over 1300 subscribers.

The City also developed a Social Media Strategy and Management Practice in early 2013. The launch of the City's Facebook page is scheduled for July 2013.

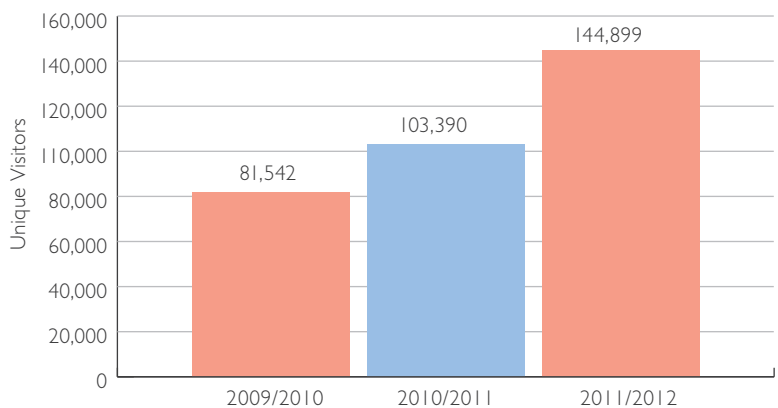
Our communications strategy is based on an integrated approach using traditional and innovative channels to reach our diverse audience.

The City's communications program includes:

- Magazine style newsletter *Peninsula* delivered to all City residents and businesses via Australia Post bi-monthly
- Fortnightly *Peninsula Snapshot* advertisement in the *Southern Gazette*
- Bi-weekly e-newsletter *South Perth In Focus*
- Media releases, events and service information posted on the homepage of the City's website
- Advertising in the local and metropolitan media outlets
- Targeted service information marketing collateral
- Call centre on-hold messages and lobby plasma presentations.

Visits to the City's website experienced steady growth over the last three years and is still a preferred method for residents to receive communication from the City.

City Website Visitors



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STRATEGIC DIRECTION 2 – ENVIRONMENT







Enhance and develop public open spaces and manage impacts on the City's built and natural environment

- 2.1 Identify and implement opportunities to improve biodiversity of the City's key natural areas and activity centres
- 2.2 Foster and promote sustainable water and energy management practices
- 2.3 Increase community awareness of climate change risk through leadership, adaptation and mitigation
- 2.4 Improve the amenity of our streetscapes and public open spaces while maximising their environmental benefits
- 2.5 Identify, develop and promote a range of sustainable uses for the Swan and Canning River foreshore reserves

Our Progress











The following tables report against our Corporate Plan 2013-2017, which sets out to meet the key directions of the Strategic Community Plan 2013-2023 in order to achieve the City's vision.

2.1 Identify and implement opportunities to improve biodiversity of the City's key natural areas and activity centres













INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Implement the City's weed mapping program			Continued mapping of Perennial Veldt Grass in natural areas was undertaken to determine effective weed control methods.
Implement the City's Green Plan			Manual and chemical weed control of remnant vegetation was undertaken in bushland, reserves and parks.
Review the City's Street Tree Management Plan			Conflicting priorities resulted in this project not being completed.











2.2 Foster and promote sustainable water and energy management practices

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Completion of the Parks and Reserves Capital Works Program			Fifty projects were originally identified as part of the City Environment component of the 2012/2013 Capital Works program. Four were deleted and one was added during the year resulting in 47 projects. City Environment achieved 93 per cent of the program budget expended by 30 June 2013.
Implement the Drainage Infill and Upgrade Program			At least 85 per cent of works were completed by June 2013.
Implement the Water Action Plan			Identified actions were completed by 30 June 2013. (See page 58.)
Review the Integrated Catchment Management Plan in conjunction with the Public Open Space (POS) Strategy and Water Sensitive Urban Design (WSUD) principles to assess at least three drainage basins for rationalisation			The design assessment was completed by March for consideration in a future budget. (See page 58.)
Locate all drainage outfall systems to the Swan River requiring pollutant traps and develop implementation strategy			The investigation was completed by December 2012. The Schedule of Works was prepared by April 2013. (See page 58.)



2.3 Increase community awareness of climate change risk through leadership, adaptation and mitigation

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Prioritise adaptation plans contained in the Climate Change Risk Assessment Report			Acquisition of digital elevation modelling for foreshore areas by June 2013.
Implement the Climate Change Strategy 2012-2015			Climate change education and awareness campaign was developed and implemented by June 2013. A greenhouse gas abatement verification process implemented by June 2013.
Develop a Sustainable Living Strategy			A community awareness campaign was implemented as part of this ongoing project. (See page 59.)
Develop a State of Sustainability Report to understand the City of South Perth's sustainability profile			Due to delays in consultant availability, the project has exceeded its completion time and the outstanding budget has been carried forward to 2013/2014.
Contribute to the development of a Regional Waste Management Strategy			A report to Council on this matter is being prepared.
Develop a Community Garden Development Policy			Research toward the formulation of this Policy is underway.

2.4 Improve the amenity of our streetscapes and public open spaces while maximising their environmental benefits

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Finalise Implementing Stage 5 of the State Underground Power Program (Salter Point)			This program was completed by the end of April 2013. (See page 58)
Complete a streetscape plan for Manning Road	 		Streetscapes were planned and installed through to and including the Kent Street intersection and Waterford Avenue entry. The improvements were recognised by the Water Corporation for their water saving benefits, while improving the overall amenity of this major transit route.
Complete a streetscape plan for Kwinana Freeway exit at Mill Point Road	 		The landscaping upgrade to this strategic gateway to the City was partly funded by Main Roads WA, and was delivered on time to the amended budget.

2.5 Identify, develop and promote a range of sustainable uses for the Swan and Canning River foreshore reserves

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Review and implement the Sir James Mitchell Park master plan			A draft document was approved by Council for consultation in May 2013. (See page 34.)

KEY PROJECTS

Finalising Underground Power for Salter Point

The City has participated in the State Underground Power Project (SUPP) since its inception in 1996. Underground power provides a secure and reliable power supply under all weather conditions, and enhances the street amenity by removing above ground wooden power poles.

Funding rounds of approximately three years duration define each successive program. The City has had projects in rounds one, two, three and five. The round five project was the Salter Point Underground Power Project and included the suburb of Salter Point and part of Manning between Challenger Avenue and Elderfield Road. The project commenced in October 2011 and progressed with few interruptions to have all works completed by the end of April 2013.

An independent survey was conducted by the former Office of Energy (now Office of Public Utilities) of all homeowners in the Salter Point Underground Power Project area prior to the acceptance of the project onto the program. The responses were very favorable with nearly 70 per cent of the survey forms returned and of the response just over 80 per cent in support of underground power and meeting a charge for the work. Prior to and during implementation of the project, residents were kept informed by newsletter or circular on the project and its progress.

Looking Ahead

The City is committed to having all of the overhead high and low voltage mains replaced with an underground power supply throughout the City and will endeavor to be a participant in round six and beyond.

Taking Action for Water

The City has been steadily progressing through the ICLEI Water Campaign™ milestone framework, in addition to working towards maintaining Waterwise Council status.

As part of this program, the City has completed a water audit of Manning Library, which is one of the high scheme water consuming facilities. Water audit recommendations will be implemented during 2013-2014.

In June 2013, the City successfully completed Milestone 5 of the Water Campaign™ program and produced a Milestone 5 report that demonstrates the City's achievement of the corporate goal to reduce water consumption by 50 per cent ahead of schedule and outlines the City's continuing commitment to sound water management.

Looking Ahead

The City will continue its ongoing commitment towards implementation of the Plan and aims to maintain waterwise council status.

The following actions are scheduled:

1. Implementation of Manning Library water audit recommendations
2. Continue implementation of Water Action Plan
3. Maintain waterwise council status by undertaking one water audit of high scheme water consuming facility.

Upgrading Storm Water Drainage Systems

The Integrated Catchment Management Plan (ICMP) aims to resolve storm water drainage issues. It addresses the need to continuously expand the drainage network by increasing its capacity, to cater for changed circumstances, and adding pipework to meet contemporary standards.

Water Sensitive Urban Design (WSUD) principles were used to assess the outfall of a number of catchments around the City to identify potential projects.

Doneraile Court Reserve and McDougall Park were selected as priority sites to carry out WSUD projects for the 2012/2013.

The City engaged consultants to undertake the design and documentation of two separate coordinated storm water treatment drains. The designs are in line with current industry standards, including the Department of Water WSUD and Storm Water Management Guidelines. With few exceptions, the projects have been substantially completed on budget.

During the design and liaison phase, input was required from environmental consultants and manufacturers of guideline compliant items. This is quite a resource intensive process and can draw resources away from other projects on the Capital Works program.

The City has created a priority list for future WSUD projects and has collated corporate documents to assist in future project planning and development.

Looking Ahead

The assessment and possible rationalisation of drainage basins remains a priority item within the ICMP and further sites will be investigated in 2013/2014.

Provision has been made 2013/2014 Budget for WUSD project initiatives and infill/upgrades to the existing drainage system.



Managing River Health

The fifth strategic priority in the City's Environment Direction is to identify, develop and promote a range of sustainable uses for the Swan and Canning River foreshore reserves.

The City is committed to taking steps to minimise the impact of land-based activities on the health of the Swan and Canning Rivers. The City has over 30 river outlets for the comprehensive drainage network of South Perth and Como in particular, as well as the river foreshore areas of Manning and Waterford.

Eighteen outlets already have pollution control measures at the outfall to limit the flow of gross pollutants into the rivers. This project is about identifying the outfalls not already treated and developing a strategy to implement appropriate measures upstream of the outfall.

A consultant surveyor was commissioned in the third quarter of 2012/2013 to identify all drainage systems immediately to the east of the Kwinana Freeway that have a river outlet. The extent of the survey was limited to Melville Parade and each of the intersecting streets. By the end of the financial year, about half the drainage system off Melville Parade from South Terrace southwards had been completed.

During 2012/2013, approximately 57 tonnes of liquid material including gross pollutants were removed from the foreshore measures.

The challenge faced is the time commitment required of the consultant surveyor to dedicate sufficient resources for the duration of the project considering the development activity, taking place within and outside the metropolitan area.

Looking Ahead

The next stages of the project are to consolidate all of the outfalls into a single document and to prepare a five-year implementation strategy. Funding carried forward from 2012/2013 will enable some outfalls to be treated in 2013/2014. The strategy will be presented to Council prior to consideration of the capital works program in May 2014 for possible inclusion in the 2014/2015 Budget.

Campaigning for Sustainability Awareness

As part of its Sustainable Living Strategy, the City developed an awareness campaign, which introduced the concept of sustainable living to the community, in a practical and achievable manner. It also incorporated the development of an awareness campaign for the business community.

The objective of the awareness campaign is to present and deliver relevant information about sustainable living, and to facilitate the community's uptake of sustainable living practices.

The outcome of the project was to:

- Raise awareness of sustainable living in the City's community
- Inform of and facilitate (where appropriate) services for community access
- Develop a sustainable lifestyles Community Awareness Campaign.

The project featured:

- Communication of sustainable living awareness published in the City's communications channels
- Sustainable September Bikes, Buildings and Broccoli event conducted on 15 September 2012
- *Living Smart* seven-week interactive course for residents and ratepayers.

This ongoing project will introduce an awareness campaign for the business community, based on a similar program.



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STRATEGIC DIRECTION 3 – HOUSING AND LAND USES



Accommodate the needs of a diverse and growing population

- 3.1 Develop a Local Planning Strategy to meet current and future community needs, cognisant of the local amenity
- 3.2 Develop integrated local land use planning strategies to inform precinct plans, infrastructure, transport and service delivery
- 3.3 Develop and promote contemporary sustainable buildings, land use and best practice environmental design standards



Our Progress

The following tables report against our Corporate Plan 2013-2017, which sets out to meet the key directions of the Strategic Community Plan 2013-2023 in order to achieve the City's vision.

3.1 Develop a local planning strategy to meet current and future community needs, cognisant of the local amenity

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Undertake a Local Planning Strategy (including a review of Local Housing Strategy and Local Commercial Strategy)			The next phase was endorsed by Council in November 2012. It involves finalising a Retail Needs Study and developing public open space, transport and environment sections of the Strategy. (See page 62.)

3.2 Develop integrated local land use planning strategies to inform precinct plans, infrastructure, transport and service delivery

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Progress the Waterford Triangle Scheme Amendment			The draft Scheme Amendment has been prepared, however this project has been placed on hold until next year due to budgetary constraints. (See page 64.)

3.3 Develop and promote contemporary sustainable buildings, land use and best practice environmental design standards.

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Facilitate Town Planning Scheme Amendments to ensure appropriate responses to community expectations			All statutory procedures were undertaken within timeframes prescribed in the Town Planning Regulations and Council Policy P301. (See page 62-63.)
Implement new council planning policies and amend existing policies to ensure appropriate responses to community expectations			All statutory procedures were undertaken within timeframes prescribed in Town Planning Scheme No.6 and Council Policy P301
Car parking amendment			Amendment No.30 was adopted by Council in May 2013. The final amendment documents were posted for State Government approval and Gazetted.
Review Sustainable Design Policy			Preliminary research is still being conducted on this Policy.

KEY PROJECTS

Identifying Local Planning Needs

The Local Planning Strategy is the major strategic planning outline for the City and is a guide for the review of the Town Planning Scheme. The development of the Strategy includes a number of different elements.

Council endorsed the next steps of the Local Housing Strategy in November 2012. Preliminary investigations have been undertaken into density increases in Manning, but have yet to be finalised pending consultation with the community.

The final Retail Needs Assessment report has been submitted by a consultant and following review will be used in the next stage of the development of the draft Local Planning Strategy.

This study has examined all of the commercial and retail centres in the City and evaluated them in terms of the hierarchy of activity centres in accordance with the State Government policy.

Other aspects of the strategy will be developed, including public open space, transport and environment.

Town Planning Scheme Amendments

The following amendments to Town Planning Scheme No.6 were implemented during the year.

Amendment No.17 Measurement of Building Height

A report on submissions was considered at the November 2012 Council meeting. Council recommended that the Minister for Planning approve the Amendment without modification.

Amendment No.30 Cash in Lieu of Car Parking Bays

The report on submissions was considered by Council at the June 2013 Council meeting. Documents were forwarded to the Western Australian Planning Commission for the Minister for Planning's approval on 5 June 2013.

Amendment No.32 Revised Shop and Consulting Rooms Definitions

At the November 2012 meeting, Council recommended that the Minister for Planning approve the Amendment without modification.

Amendment No.33 Rezoning within Cygnia Cove

Following consideration of submissions, Council recommended that the Amendment be approved. Notice of the Minister's approval was published in the Government Gazette on 11 December 2012.

Amendment No.34 Telstra Site

At the September 2012 Council meeting, Council resolved not to initiate amendment process. Following a Section 76 submission (appeal) by the applicant, the Minister for Planning ordered Council to initiate the Amendment process. The report on the new Scheme Amendment was considered at the April 2013 Council meeting. The City is awaiting clearance from Environmental Protection Authority (EPA) before initiating community consultation.

Amendment No.35 Home Occupation

The draft Amendment was withdrawn from the March 2013 Council agenda and discussed at a special Council briefing on 17 April. The Amendment was subsequently initiated at the May 2013 Council meeting.



**Amendment No.36
Manning Community Centre**

The Amendment was initiated at the September 2012 Council meeting. Following Council considered submissions at the March 2013 Council meeting and recommended to the Minister for Planning that the Amendment should be approved with modification.

**Amendment No.37
Waterford Triangle**

Work towards a future Scheme Amendment for the Waterford Triangle commenced. The purpose of the Amendment is to create a Special Control Area for the Waterford Triangle, incorporating specific planning and development contribution controls.

**Amendment No.38
Rezoning Corner Canning Highway
and Way Road**

Following community consultation, Council considered submissions at the April 2013 meeting and recommended that the Minister for Planning approve the Amendment. Documents were forwarded to the Western Australian Planning Commission on 30 April 2013.

**Amendment No.39
Increased Coding for Angelo Street
Lots Between Addison Street and
Lawler Street**

Following community consultation from 30 April to 14 June 2013, the Council considered submissions at the July 2013 Council meeting and recommended that the Minister for Planning approve the Amendment.

**Amendment No.40
Rezoning Lot 6 South Terrace
Adjoining Como Hotel**

Council initiated the Amendment at the February 2013 Council meeting. The Amendment was advertised from 30 April to 14 June 2013.

**Amendment No.41
Density Increase in Como Avenues**

Council considered the density increase request at the April 2013 Council meeting and resolved to seek comments from all affected landowners. Submissions will be considered at the July 2013 Council meeting.

**New and Amended Council
Planning Policies**

Policy P313 Local Heritage Listing

The draft Policy was endorsed for advertising at the December 2012 Council meeting. Advertising was undertaken during January and February 2013. The Council considered submissions and adopted Policy P313 at the April 2013 Council meeting.

Policy P314 Heritage List

A preliminary draft for information only was considered at the December 2012 Council meeting. The draft Policy will not be completed until the Municipal Heritage Inventory has been reviewed.

**Policy P315 Car Parking Reductions for
Non-Residential Development**

The draft Policy was endorsed for advertising at the November 2012 Council meeting. Council considered submissions and adopted Policy P315 at the May 2013 Council meeting.

**Policy P350 Residential Design Policy
Manual containing individual Policies
P350.1 to P350.15**

This review is currently underway and well advanced.

Redeveloping Waterford Triangle

Redevelopment of the Waterford Triangle area will involve the creation of new laneways and drainage that is in accordance with Water Sensitive Urban Design principles, given its proximity to the Canning River.

Work commenced on a Scheme Amendment to for the purpose of creating a Special Control Area for Waterford Triangle, incorporating specific planning and development contribution controls.

As the development of the Scheme Amendment progressed, it became evident that further consultancy work was required, however this was not budgeted for in this financial year.

As further funding is required to take the next steps in this project, it has been deferred until further funding has been made available in the Long Term Financial Plan in 2015/2016.

Development Applications in 2012/2013

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Planning applications					
Total number of applications for planning approval processed	515	558	695	610	633
Percentage processed under delegated authority	94%	93%	95%	96%	91%
Subdivisions / amalgamations					
Subdivision / amalgamation referrals from WAPC	45	37	57	29	46
Subdivision / amalgamation clearances issued	31	17	43	32	32
Building licences					
Building licences issued	725	836	919	769	766
Estimated total value of building projects	\$125,375,617	\$169,202,426	\$179,018,060	\$135,251,436	\$166,080,566



PLACES

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STRATEGIC DIRECTION 4 - PLACES











Develop, plan and facilitate vibrant and sustainable community and commercial places

- 4.1 Develop and facilitate activity centres and community hubs that offer a safe, diverse and vibrant mix of uses
- 4.2 Encourage and facilitate economic development
- 4.3 Review and manage the impact of the proposed development and transport planning for the Curtin University Precinct and Bentley Technology Park Precinct
- 4.4 Engage the community to develop a plan for vibrant activities and uses on and near foreshore areas and reserves around the City
- 4.5 Facilitate optimal development of the Civic Triangle Precinct



Our Progress

The following tables report against our Corporate Plan 2013-2017, which sets out to meet the key directions of the Strategic Community Plan 2013-2023 in order to achieve the City's vision.

4.1 Develop and facilitate activity centres and community hubs that offer a safe, diverse and vibrant mix of uses

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Progress the Old Mill Precinct Redevelopment Concept			Several studies were completed for this long-term project. (See page 68.)
Design and Construct Manning Community Hub			Several actions were completed to facilitate this long-term major project. (See page 69.)
Acquisition and partial disposal of Manning Hub Reserve 24331			The acquisition of this land was finalised in June 2013 (See page 69).
Relocation of Manning Library	  		This relocation is dependent on the disposal of land parcels in the Civic Triangle and Manning Hub, scheduled for disposal in 2014.

4.2 Encourage and facilitate economic development

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop and implement an Economic Development Strategy			The City's inaugural Strategy was adopted by Council in April 2013. (See page 68)



4.3 Review and manage the impact of the proposed development and transport planning for the Curtin University Precinct and Bentley Technology Park Precinct

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Liaise with Curtin University, Town of Victoria Park, Department of Planning and other related parties to ensure integrated planning for the region			The City is in regular liaison with Curtin University. Council received a briefing by Curtin University on the Curtin City Project in April 2013.

4.4 Engage the community to develop a plan for vibrant activities and uses on and near foreshore areas and reserves around the City

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Review and implement the Sir James Mitchell Park master plan			A draft document was approved by Council for consultation in May 2013. (See page 34.)
Progress the foreshore restoration and river walls replacement as grant funding opportunities arise			With the assistance of three grants, five of the six budgeted projects were completed. The Kwinana Freeway Foreshore Management Plan will be completed in 2013/2014.

4.5 Facilitate optimal development of the Civic Triangle precinct

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Facilitate optimal development of the Civic Triangle project			Council resolved in May 2013 to adopt the business plan for the disposal of the Civic Triangle for community consultation. (See page 70.)

KEY PROJECTS

Redeveloping the Old Mill Precinct

The Old Mill and surrounding precinct is an historic and iconic Western Australian landmark situated on the Swan River, adjacent to the Perth Central Business District. In progressing its plans to redevelop the Old Mill Precinct into a heritage, cultural and recreational destination, the City undertook a number of studies of the area.

The City completed a Heritage Conservation Plan and acid sulphate soil studies. The Section 18 Study has also been completed and submitted for approval to the Aboriginal Cultural Material Committee.

Funding has been provided in the 2013/2014 Budget to commence the rejuvenation works for Millers Pool should the Aboriginal Cultural Material Committee, the Swan River Trust and Council approve the proposed works.

Facilitating Economic Growth

Adopted by Council in April 2013, the City's inaugural Economic Development Strategy 2013-2016 aims to facilitate economic growth and investment and build more sustainable, livable and prosperous local communities within the City.

It contains 25 key actions and initiatives, all of which are aligned to the City's Strategic Community Plan 2013-2023 and Corporate Business Plan 2013-2017. The vision is for South Perth to have a more mature and diversified economy, which enhances the quality of life for residents and visitors to the City.

The Economic Development Strategy 2013-2016 is based on the four key areas of economic development leadership and facilitation, urban place making and revitalisation, marketing and promotion, and strategic property management.

The draft Economic Development Strategy was the subject of an extensive three-month community consultation period and was presented for feedback at a key stakeholders function in November 2012.

Looking Ahead

Some of the ongoing initiatives of the Economic Development Strategy 2013-2016 for the next year include:

- Marketing and promoting Amendment No.25 of Town Planning Scheme No.6 with a view to encouraging development
- Developing the Civic Triangle
- Preparing the Activity Centres Strategy
- Preparing a Retail Needs Strategy
- Ongoing promotion and marketing of the City of South Perth
- Strengthening partnerships with key stakeholders, such as the Perth Zoo
- Developing a strategic land asset management plan and portfolio
- Developing and implementing public art within the City



Building a Hub for Manning

The Manning Community Hub project involves the creation of a major integrated and cohesive community hub in Manning to replace a number of aging existing community facilities, which are no longer adequate for their intended purposes.

Primarily the project will involve the demolition of the Manning Community Hall, Child Health Clinic, old tennis clubrooms (currently accommodating Moorditj Keila Aboriginal Group) and the disused tennis and basketball courts.

The new construction will include a multi-purpose community centre housing a community health clinic, community spaces including multi-purpose hall space, playgroup room and associated outdoor space, the Manning Library, accommodation for the Moorditj Keila Aboriginal Group and an Aboriginal cultural area, and accommodation for the Manning Rippers Football Club.

During 2012/2013, the project made the following progress:

- In September 2012, Council initiated Scheme Amendment No.36 to introduce specific development provisions for lots adjacent to the community hub site
- The proposal to cancel Class A Reserve 24331 was tabled in both Houses of Parliament on 26 September 2012 in accordance with section 42(4)(c) of the *Land Administration Act*. The 14 days allowed for disallowances concluded on 27 November 2012 for the Legislative Council and 11 April 2013 for the Legislative Assembly. There were no disallowances passed during this period
- In March 2013, Council approved Scheme Amendment 36, for 9 Bradshaw and 8 Conochie Crescent, Manning
- The executed Scheme Amendment Report was forwarded to the Western Australian Planning Commission in early April, for endorsement by the Minister for Planning

- Council approved the development application for the Manning Community Facility, at the April 2013 Council Meeting
- The Minister for Regional Development and Lands (RDL) approved selling a portion of Reserve 24331 at five per cent of the current unimproved market value pursuant to RDL's 20A Recreation Reserve Disposal Guidelines in June 2013.

Looking Ahead

The City has commenced the subdivision application for Reserve 24331. The service authorities are likely to place conditions on the subdivision requiring the provision of services to each lot. The services will need to be provided before the sale process can be finalised.

The Design Guidelines for the development of the commercial lots will go to Council in July 2013, in the form of a Local Planning Policy.



Civic Heart for South Perth

The South Perth Civic Triangle is a Council-owned 7133 square metre site comprising nine separate lots bounded by Mends Street, Labouchere Road and Mill Point Road. The City commenced strategically acquiring the lots in 1986 with the longer term objective and vision to facilitate and enable a vibrant mixed use civic heart development that incorporates retail, residential, commercial and public open space on this strategic landmark location.

There have been a number of Council workshops and reports to Council in the 2012/2013 financial year in relation to the disposal of the Civic Triangle.

The City engaged architectural firms to develop concept mixed-used development proposals for maximum height and best use for this site. The preliminary development proposals developed by the City's appointed architects indicate that the highest and best use (inclusive of significant public open space) would involve construction and development costs of approximately \$175 million, representing significant investment opportunities for the South Perth community.

In accordance with the *Local Government Act 1995*, in May 2013 Council resolved to adopt the business plan for the disposal of the Civic Triangle for community consultation. Following the consideration by Council of any submissions received during this consultation period, it is then proposed to proceed to tender for the engagement of specialist real estate and property management services to dispose of the Civic Triangle.

South Perth Urban Walkabout

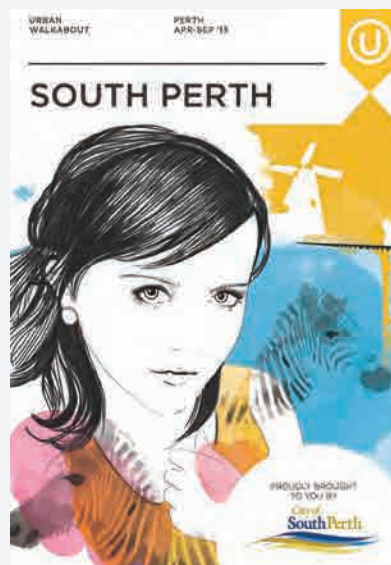
As part of the City's commitment to economic development and promotion, the City commissioned and funded renowned national publisher Urban Walkabout to produce the first edition of South Perth Urban Walkabout.

The guide has been produced with a focus on promoting the three South Perth local shopping precincts, Mends Street, Angelo Street and Preston Street, as attractive places for people to visit for retail, dining and entertainment.

Forty businesses were selected by the City to feature in the guide to assist in achieving the following objectives:

- Making visitors and residents more aware of the diverse range of culture, retail and hospitality offerings in South Perth
- Repositioning South Perth in the broader public mind as a dynamic and self-sufficient retail precinct
- Assisting local retailers increase brand awareness and sales.

The official launch of the South Perth Urban Walkabout was held in May 2013 for City stakeholders. Forty thousand copies of the guide were printed and distributed throughout the Perth metropolitan area.





INFRASTRUCTURE AND

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STRATEGIC DIRECTION 5 – INFRASTRUCTURE AND TRANSPORT




Plan and facilitate safe, efficient infrastructure and transport networks to meet the current and future needs of the community

- 5.1 Advocate for, implement and maintain integrated transport and infrastructure plans in line with best practice asset management and safe system principles
- 5.2 Provide and maintain a safe, efficient and reliable transport network based on safe systems principles
- 5.3 Facilitate a pedestrian and cycle friendly environment
- 5.4 Advocate for and facilitate effective management of Swan and Canning River foreshore infrastructure
- 5.5 Advocate for the Canning Bridge Transit Orientated Development, South Perth Railway Station and the Manning Road off-ramp











Our Progress

The following tables report against our Corporate Plan 2013-2017, which sets out to meet the key directions of the Strategic Community Plan 2013-2023 in order to achieve the City's vision.

5.1 Advocate for, implement and maintain integrated transport and infrastructure plans in line with best practice asset management and safe system principles


INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Implement the recommendations from the Canning Bridge Precinct Vision	 		This project experienced minor delays due to the need to ensure traffic modeling is correct and agreed to by all of the project partners.

5.2 Provide and maintain a safe, efficient and reliable transport network based on safe systems principles


INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop and implement the City's five-year Road Rehabilitation Program			85 per cent of works were completed by June 2013. (See page 74.)
Develop and implement the City's five-year Traffic Management Program			85 per cent of works were completed by June 2013.
Implement the agreed actions from the Integrated Transport Plan			85 per cent of works were completed by June 2013. (See page 74.)
Participate in the Canning Highway Road Reservation Corridor Study being conducted by the Department of Transport	  		Council endorsed comments to the Department of Transport regarding the final report in June 2013.





5.3 Facilitate a pedestrian and cycle friendly environment

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Implement the City's 2012/2013 footpath, shared path and cycle path program			85 per cent of works were completed by June 2013.

5.4 Advocate for and facilitate effective management of Swan and Canning River foreshore infrastructure

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Pursue grant funding opportunities for upgrading and replacement of northern and western foreshore walls.			The City has continued to lobby State Government for river wall funding.

5.5 Advocate for the Canning Bridge Transit Orientated Development, South Perth Railway Station and the Manning Road off-ramp.

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
South Perth Railway Station			A business case was released for community consultation in September 2012 and then referred to the State Government. (See page 74.)

KEY PROJECTS

Building a Case for South Perth Train Station

The South Perth Train Station business plan was developed in 2010 to advance the provision of a rail station at South Perth. There were a number of options providing differing returns to make the station more financially viable.

The options have been previously considered by Council, who resolved that more consultation should take place with the South Perth community prior to a single option being endorsed by Council.

Letters were sent to all 5,900 owners and occupiers within the area bounded by Preston Street, Coode Street, Judd Street and Harper Terrace. They were given the opportunity to provide feedback and to attend an open information session held at the WCG Thomas Pavilion, Richardson Park, in August 2012.

Council considered the community feedback and resolved to submit a proposal to the Minister for Transport to relinquish part of the A Class Reserve at Richardson Street. This action facilitates the development of a mixed-use building and improves the business case for a train station for the State Government. A letter encouraging the endorsement of the Business Case and the implementation of the proposal has been forwarded to the Minister for Transport.

Looking Ahead

The Minister for Transport has referred the business case to the Infrastructure Planning and Land Services section of the Perth Transport Authority (PTA). The PTA acknowledges that the zoning of the immediately surrounding area has been changed as a consequence of Amendment 25 to Town Planning Scheme No.6 and will now undertake a review of the outcomes for the Minister's consideration.

Improving Our Roads

With 203 kilometres of roads within the City approximating 1.3 million square metres of asphalt pavement, road rehabilitation remains a critical aspect of the Asset Management Process. With a finite life to asphalt pavement, the City must allocate funds annually to preserve this existing asset. This is achieved by identifying sections of road needing attention using a multi-criteria analysis that not only concentrates on pavement condition but also on road hierarchy purpose and function.

Twelve road sections were reconstructed under the program. The work consisted of pavement rehabilitation, re-kerbing, lifting and/or replacing surface structures forming part of the drainage system and resurfacing with Stone Mastic Asphalt. Some 3.8 kilometres of road was improved and two rights of way were constructed to full road standard.

The Roads Rehabilitation Program is ongoing and is made possible with external funding, 30 per cent of the project funds come from the federal government.

Embracing Transport Options

The City's Integrated Transport Plan is an overarching strategy embracing the principle elements of road network, public transport, pedestrians, cyclists and land use planning. This project relates to the Public Transport Bus Shelter Initiatives and the Cycling Infrastructure programs undertaken in 2012/2013.

Cycling infrastructure programs in 2012/2013 was jointly funded through the Department of Transport (DOT) Perth Bicycle Network (PBN) Grant Scheme. Required works identified in the City's Bike Plan have secured the funding and enabled the City to progress the network for the benefit of all cyclists.

During the year, shelters were replaced at two locations and a section of cyclists-only path constructed in Murray Street between Jackson Road and Henley Street as part of the Curtin University to Canning Bridge Rail Station cycle route. In addition, two bus shelters, a number of pedestrian paths and bicycle facilities were installed at Mends Street.

The City also commenced a bicycle study to determine the location and cost of providing bicycle facilities at Mill Point Road to meet the needs of high speed commuters. The study was completed to draft stage.



G O V E R N A N C E

ADVOCACY AND
CORPORATE
MANAGEMENT

STRATEGIC DIRECTION 6 – GOVERNANCE, ADVOCACY AND CORPORATE MANAGEMENT




Ensure that the City has the organisational capacity, advocacy and governance framework and systems to deliver the priorities identified in the Strategic Community Plan

- 6.1 Develop and implement innovative management and governance systems to improve culture, capability, capacity and performance
- 6.2 Develop and maintain a robust Integrated Planning and Reporting Framework comprising a 10-year Financial Plan, Four Year Corporate Plan and Workforce Plan and Asset Management Plan
- 6.3 Continue to develop best practice policy and procedure frameworks that effectively guide decision-making in an accountable and transparent manner
- 6.4 Implement a Customer Relationship Management System that provides a high level of customer responsiveness and satisfaction
- 6.5 Advocate and represent effectively on behalf of the South Perth community







Our Progress

The following tables report against our Corporate Plan 2013-2017, which sets out to meet the key directions of the Strategic Community Plan 2013-2023 in order to achieve the City's vision.






6.1 Develop and implement innovative management and governance systems to improve culture, capability, capacity and performance

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop a sustainability assessment framework for major City initiatives			This assessment is due to be developed and implemented by June 2014.
Update the City's tender process to include sustainability elements			This initiative is being progressed.
Implement best practice occupational health and safety systems			Achieved zero non-compliances.












6.2 Develop and maintain a robust Integrated Planning and Reporting Framework comprising a 10-year Financial Plan, Four Year Corporate Plan and Workforce Plan and Asset Management Plan

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Drive the implementation of the Australian Business Excellence Framework/Integrated Planning Framework			New Strategic Community Plan, Corporate Business Plan and informing strategies were completed by June 2013. (See page 44)
Implement the City's Integrated Asset Management System	  		This is progressing on schedule for September/October 2013.





6.3 Continue to develop best practice policy and procedure frameworks that effectively guide decision-making in an accountable and transparent manner

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Develop and implement mobile Agenda and Minutes	 		This will not be introduced until after the October 2013 Council elections. (See page 80.)
Complete a review of the City's Risk Register and risk management arrangements			The Risk Management Committee's ongoing review has identified new risks and reassessed the effectiveness of some priority areas from the past year.

6.4 Implement a customer relationship management system that provides a high level of customer responsiveness and satisfaction

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Implement the City's Customer Relationship Management System	 		Introduced in August 2012, this project has implemented several initiatives (See page 79.)
Implement the City's new Electronic Document Management System			Staff training and integration with other corporate systems was undertaken. (See page 80.)
Develop online tracking of development applications and make development plans available on the website	 		The first part of this project went live in September 2012. The second part is due for completion in 2013/2014. (See page 78.)
Implement further stages of the City's Content Managed website	 		New iterations of the website were successfully developed as part of this ongoing project.

6.5 Advocate and represent effectively on behalf of the South Perth community

INITIATIVES	RESPONSIBILITY	STATUS	COMMENTS
Participation in National Broadband Network rollout and integration of Digital Local Government funding			The first NBN fibre for South Perth was hauled in March 2013.
Respond to the State Government Local Government Reform process			Council resolved to establish a Joint Taskforce with the Town of Victoria Park in May 2013. (See page 81.)

KEY PROJECTS

Digitising Development Applications

The electronic development application initiative is a multi-faceted project that will ultimately conclude with the lodgement, assessment, tracking and viewing of development and building applications all being conducted online.

The project embraces four distinct phases:

- Providing a mechanism for tracking the progress of active development applications online
- Allowing applications and related plans to be viewed online by interested parties
- Facilitating online lodgment of development and building applications
- Facilitating online assessment of applications by City staff.

Each project phase involves a different technology solution that must ultimately be integrated with the electronic document management system (EDMS), website and geographic information system (GIS). They will also require business process reviews and policy decisions to support the identified changes to processes.

To date, the work on this initiative has largely been investigative in nature with site visits and research. Several potential software solutions have also been identified and evaluated for suitability, compatibility and functionality.

The first stage of the online development application initiative has been completed, with members of the public able to view the information on submitted development applications via the City website since September 2012. Through integration with the City's corporate property system, it is currently possible for developers or community members to directly track the progress of an application through the various steps in the assessment workflow.

Looking Ahead

The next project phase is scheduled for completion by December 2013. It will involve adding plans, which are out for public comment to be viewed online by interested parties – providing the copyright owner has given their consent. The plans will initially be submitted in hardcopy form and then scanned and registered into the document management system before being linked to the corporate property system and website.

In the next stage, the plans will be submitted in PDF format and then processed electronically and lodged directly into the relevant systems. The final stage in the project involves the implementation of two further software solutions to facilitate the online processing of applications by City officers. This is expected to be completed in mid to late 2014.



Keeping Track of Our Customer Contacts

The implementation and commissioning of a fully integrated multi-channel technology solution to proactively manage customer interactions is an important platform in the City's customer focus initiative.

The objectives of this initiative are to:

- Provide a single integrated view of customer contacts
- Provide a system that supports timely and responsive service delivery
- Increase the visibility of our service responsiveness
- Allow proactive and timely interventions to resolve customer issues
- Keep customers informed of the progress of their request
- Allow customers to interactively track the progress of their requests.

Supported by technology partners Datacom and Kana, the City has now implemented the Lagan Customer Relationship Management (CRM) system.

The City is the first WA local government to implement this system and the first in Australia to successfully deliver a mobile application with direct integration into its CRM.

The CRM was introduced for internal use by City staff in August 2012. Its first iteration featured many of the common infrastructure issues that customers contact local governments about including street trees, graffiti, roads, drainage and rubbish.

The CRM was then made visible to our customers so that they could lodge and track their own requests through a self-service portal via the City website. This offers transparency and visibility of the progress of service requests in a way that has not previously been possible. The customer is kept informed of the progress of their request as each task in the associated workflow is completed.

In February 2013, the City successfully launched its *Report It* mobile solution for smartphone and android devices. This allows customers to interact with the City at a time and place that suits them, using their preferred technology device.

In the final quarter of the reporting period, an expanded range of request categories, including issues relating to dogs, cats, abandoned vehicles and parking, was added to both the web self-service and mobile applications.

The City has experienced a very positive and quick uptake of this technology from the community.

The City also recognises the importance of sharing our knowledge and experiences in this area with our peers to build greater capacity across local government in terms of innovative service delivery. City officers have delivered several presentations, webinars and demonstrations of the CRM and *Report It* technology to local government peers across Australia.

Looking Ahead

In the upcoming year the City will build on the existing platform to introduce a number of new customer contact channels to deliver a multi-channel customer contact approach. The first of these will be to allow customers to make service requests using social media.

While planned ongoing development of the system will ensure it continues to deliver a customer experience that reflects best practice standards, the most exciting opportunity that the CRM offers in the next year relates to how effectively we can position ourselves for the local government reform process.

The CRM and related customer service approaches have the capacity to play an important role in demonstrating readiness to provide timely, responsive and proactively managed customer service to residents in the new merged local government.

Capturing Corporate Knowledge

The implementation of the HP Trim Electronic Document Management System (EDMS) and subsequent refinements and staff training initiatives throughout 2012/2013 have been essential to ensuring that the City not only meets its statutory record keeping obligations, but also has a complete and reliable records database to support our service delivery models.

Following the initial technical implementation of the EDMS, the City noted that one of the challenges that arose from the implementation was that its application across the organisation was not consistent, with some users adapting less quickly to the changed processes than others. To address this challenge, the City delivered ongoing training throughout the year and is forming an EDMS super users group to help build record keeping capacity across the organisation.

During the reporting period, the City also achieved successful system integration between the EDMS, GIS and its core corporate property system.

Subsequently, individual specialised work team training was undertaken to allow business units within the City to customise their business processes to leverage the opportunities that the HP Trim system offers. A new online workflow process has since been introduced for property enquiries and HP Trim workflows are currently being developed for two other processes.

A suite of record keeping key performance indicators have now been developed and are made available on a regular basis to management team members to facilitate effective management of incoming correspondence.

Looking Ahead

Informed decision-making, customer responsiveness and capturing valuable corporate knowledge all depend upon good knowledge management systems and processes. This will become even more important as the City moves into the upcoming local government reform process. Access to a centralised catalog of reliable, complete documentation such as contracts, agreements, licenses, strategies, plans and correspondence will be important as the transition to a new merged local government begins.

Mobilising Minutes

To address the challenges of finding an environmentally friendly solution that streamlines the agenda preparation and distribution process, the City has commenced a multi-stage project to move to an electronic agenda papers model.

This objective is to be achieved by introducing innovative technology solutions including the InfoCouncil agenda preparation solution and combining it with an online digital agendas module that the City has developed.

The chosen software solution for agenda preparation has been evaluated and a detailed technical specification written. The implementation is currently underway and likely to be completed in a live environment for the first Council meeting in February 2014. To support this, a review and re-design of the format of the Council agenda has also been undertaken by the Governance team.

The online agenda papers module is a secure staff and elected members portal that allows agenda papers to be electronically distributed, archived and made available on an iPad or used in conjunction with a mobile app such as iAnnotate or PDF Expert. The reader can easily search, highlight, attach notes or drawings or speech notes to their agenda papers and navigate to agenda attachments or other materials such as legislation to assist in decision-making.

Looking Ahead

Although members of the City's executive team have been testing this application for some months, the City will not introduce this initiative until after the October 2013 elections.

Responding to Local Government Reform Review

In July 2012, the Metropolitan Local Government Review Panel concluded a year-long review of metropolitan local government in Perth and presented its final report to the State Government. The final report was released for public comment in October 2012.

The report proposed two options for Perth metropolitan local governments. Both options reduced the number of local governments from 30 to 12.

The first option (Option A) was based on an amalgamation of existing entities. The second option (Option B) involved splitting some local government areas to create more strategically focused boundaries. Option B was the Panel's preferred option.

In April 2013, Council endorsed the City's submission to the Minister for Local Government regarding Metropolitan Local Government Reform. The submission outlined the City's position in response to the final report and did not support either Option A or Option B. The City's preferred course of action was to amalgamate with the Town of Victoria Park, subject to a set of conditions.

At a Special Council Meeting in May 2013, Council endorsed the immediate formation of a joint City of South Perth and Town of Victoria Park Taskforce.

Looking Ahead

The City plans to work collaboratively with the Town of Victoria Park to explore resource sharing, boundary adjustments and scenario planning for an amalgamated City of South Perth and Town of Victoria Park to come into effect July 2015.

FINANCIALS





UNDERSTANDING OUR FINANCIALS

A guide to some of the terminology contained in the statutory financial statements and the financial report.

Statement of Income (Pages 85-87)

The 'Statement of Income' shows whether the City's operations were in surplus or deficit for the year. It shows the items grouped by program (used by the ABS) and by Nature & Type classification. The net result is calculated as Total Revenue less Total Expenses.

A positive result does not necessarily mean that there are extra funds available for spending - nor does a negative result mean that there are insufficient funds providing the shortfall is made up from other sources such as existing cash reserves.

The 'Statement of Income' is reconciled to a 'Statement of Comprehensive Income' which also includes non-cash entries in our accounts to reflect the increase in value of fixed assets (buildings, roads, paths, land etc.) held by the City.

Statement of Financial Position (Page 88)

The 'Statement of Financial Position' shows what the City owns (our Assets) and what we owe (our Liabilities).

'Current Assets' are items that can be readily converted into cash within 12 months. Any other assets such as infrastructure, property and equipment are classified as 'Non Current' as it would generally take longer than 12 months to convert them to cash.

Liabilities that are expected to have to be paid within the next 12 months are classified as 'Current Liabilities' whilst all other liabilities are 'Non Current'.

Statement of Changes in Equity (Page 89)

The 'Statement of Changes in Equity' shows how much our investment in community assets is worth. Our 'Net Worth' is calculated as Total Assets less Total Liabilities.

Some of this 'Net Worth' is represented by 'Cash Backed Reserves' whilst the remainder (Retained Surplus from Prior Years and Asset Revaluation Surplus) is backed by other assets rather than by cash.

Statement of Cash Flows (Page 90)

The 'Statement of Cash Flows' indicates how cash flows into the City and what the cash outflows are over the year. It indicates our ability to pay our debts when they are due and have money left for the future.

Cash flows can occur through:

- Operating Activities (receipt of rates, fees, interest, operating grants or other revenue)
- Investing Activities (sale, purchase or construction of property, plant or equipment, capital grants)
- Financing Activities (repayment of borrowings or proceeds of new loans)

Rate Setting Statement (Page 91)

The 'Rate Setting Statement Flows' demonstrates how cash the City arrived at the amount of money required to be derived from Rates. In effect it looks at the proposed expenditures then allows for funding from all sources other than rates. The remaining portion represents the cash required to be raised from Rates.

Each of these major financial statements will have cross references to 'Notes to the Accounts' which provide more detail on how a particular number shown on the statements is made up.

Financial Ratios (Pages 142-143)

A good way to get an understanding of the City's financial health is to look at the 'Financial Ratios'. These demonstrate the relationships between key numbers in the financial reports. Each ratio has an industry benchmark that indicates a preferred measure if a local government is to be financially sustainable. It is important to look at the trends indicated by the ratios and not just at a single year in isolation.

The major ratios include:

- *Current Ratio*
This indicates our capacity to meet our short term (current) financial obligations. The preferred ratio is a number greater than 1.00 to 1.

- *Operating Surplus Ratio*
This is an indicator of how well the revenue raised covers operational expenses and provides available cash for capital expenditures. Ideally the ratio should be positive and between 0% and 15% - but it is not fatal if the ratio is less than zero providing there are cash reserves to fund the deficit.
- *Own Source Revenue Coverage Ratio*
This indicates the extent of the City's financial autonomy. That is, it our capacity to generate revenues to meet operating costs from our own sources. The preferred ratio is a number greater than 40%.
- *Debt Service Ratio*
This ratio indicates our capacity to meet our debt obligations (loan repayments) as they become due and payable. Ideally the ratio should be a number larger than 2.00 to 1.
- *Rates Outstanding Ratio*
This indicates the effectiveness of our rates collection processes. That is, how much of the rates revenue raised has been collected and converted to cash. The smaller the number indicated by this ratio - the better, but it should always be less than 5%.
- *Asset Consumption Ratio*
This ratio indicates the aged condition of our fixed assets. It shows the written down (depreciated) value of our assets today as compared to the cost of replacing them with brand new ones. The preferred ratio is between 50% and 70% of their new asset cost.
- *Asset Sustainability Ratio*
This indicates the extent to which assets are being either replaced or renewed as they reach the end of their useful lives. Ideally the expenditure on asset renewal and replacement should be more than 90% of the amount the assets depreciate by each year.
- *Asset Renewal Funding Ratio*
The ratio shows the relationship between what the City plans to spend on renewing its assets (from the Long Term Financial Plan) and what is required to be spent on renewing its assets (from its Asset Management Plans). The preferred ratio is between 95% and 100%.

STATEMENT OF INCOME BY FUNCTION / PROGRAM

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	BUDGET \$	2013 \$	2012 \$
REVENUE	3,4			
General Purpose Funding		30,796,240	31,246,475	29,998,857
Governance		90,000	75,149	74,010
Law, Order & Public Safety		46,100	58,228	46,966
Education		0	0	0
Health		71,000	75,981	57,115
Welfare		0	0	0
Housing		3,164,060	3,307,015	3,201,791
Community Amenities		5,807,745	5,883,918	5,648,207
Recreation & Culture		4,120,855	4,144,246	3,553,430
Transport		1,624,000	1,904,138	6,307,199
Economic Services		571,000	506,670	633,631
Other Property & Services		110,000	3,286,199	67,507
		46,401,000	50,488,019	49,588,713
EXPENSES	3,4			
General Purpose Funding		333,446	327,373	260,989
Governance		5,659,221	5,083,837	5,370,992
Law, Order & Public Safety		731,410	712,999	702,935
Education		71,100	68,044	83,208
Health		521,707	473,602	412,423
Welfare		446,471	485,833	440,980
Housing		3,913,193	4,080,700	3,928,338
Community Amenities		8,361,061	8,119,196	7,232,582
Recreation & Culture		15,636,766	15,568,786	14,598,367
Transport		15,331,932	15,399,913	21,563,177
Economic Services		703,379	626,193	772,696
Other Property & Services		558,349	517,837	711,266
		52,268,035	51,464,313	56,077,953
BORROWING EXPENSES	4			
General Purpose Funding		524,911	495,997	488,916
Recreation & Culture		226,941	226,003	176,755
		751,852	722,000	665,671
DISPOSAL OF ASSETS	4			
Proceeds on Disposal		927,062	820,369	3,143,362
Carrying Amount		(693,387)	(294,551)	(442,873)
		233,675	525,818	2,700,489
GRANTS - ASSET DEVELOPMENT	4			
Grants - Asset Acquisition		2,042,613	1,511,686	736,572
MOVEMENT IN EQUITY (Joint Venture)	12	0	360	19,835
NET RESULT		(\$4,342,599)	\$339,570	(\$3,698,015)

The accompanying notes form part of the financial statements

STATEMENT OF INCOME BY NATURE & TYPE

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	BUDGET \$	2013 \$	2012 \$
REVENUE	3,4			
Rates Revenue		26,938,255	26,936,112	25,356,203
Fees & Charges		13,532,885	13,699,492	12,563,720
Grants & Subsidies - Operational		2,094,000	2,785,653	3,245,346
Contributions & Reimbursements		364,000	429,276	170,674
Interest Revenue		2,492,000	2,476,717	2,850,641
Service Charges		0	0	4,422,488
Other Revenue		979,860	4,160,769	979,641
		46,401,000	50,488,019	49,588,713
EXPENSES	3,4			
Employee Expenses		18,717,482	18,630,002	18,094,571
Materials & Contracts		17,178,721	16,265,429	20,759,900
Utilities & Insurances		2,286,950	2,452,020	2,429,074
Depreciation		12,537,850	12,654,669	13,202,609
Amortisation Expense		0	11,153	0
Other Expenses		1,547,032	1,451,040	1,591,799
		52,268,035	51,464,313	56,077,953
BORROWING EXPENSES	4			
Interest Expense		751,852	722,000	665,671
DISPOSAL OF ASSETS	4			
Proceeds on Disposal		927,062	820,369	3,143,362
Carrying Amount		(693,387)	(294,551)	(442,873)
PROFIT / (LOSS) ON DISPOSAL		233,675	525,818	2,700,489
GRANTS - ASSET DEVELOPMENT	4			
Grants - Asset Acquisition		2,042,613	1,511,686	736,572
MOVEMENT IN EQUITY (Joint Venture)	12	0	360	19,835
NET RESULT		(\$4,342,599)	\$339,570	(\$3,698,015)

The accompanying notes form part of the financial statements

RECONCILIATION OF INCOME STATEMENT TO STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	BUDGET \$	2013 \$	2012 \$
NET RESULT (as disclosed on Income Statement)		(4,342,599)	339,570	(3,698,015)
OTHER COMPREHENSIVE INCOME				
Gain (Loss) on Revaluation of Buildings	23, 39	0	0	(9,572)
Gain on Revaluation of Land	23, 39	0	223,502,500	0
Gain on Revaluation of Plant & Equipment	23, 39	0	274,432	0
Gain on Revaluation of Roads	23, 40	0	15,868,175	1,930,347
Gain (Loss) on Revaluation of Paths	23, 40	0	(5,499,023)	19,088,357
Gain on Revaluation of Drainage Asset	23, 40	0	119,302	3,111,330
Net Gain (Loss) on Revaluation of Assets		0	234,165,386	24,120,462
TOTAL OTHER COMPREHENSIVE INCOME		0	234,265,386	24,120,462
TOTAL COMPREHENSIVE INCOME		(\$4,342,599)	\$234,604,956	\$20,422,477

The accompanying notes form part of the financial statements

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	2013 \$	2012 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5, 35	40,520,190	38,736,491
Trade & Other Receivables	6	3,729,944	2,839,723
Inventories - Materials	7	97,958	181,774
Inventories - Land Held for Resale	8	5,025,711	0
Other Current Assets	9	422,085	621,354
TOTAL CURRENT ASSETS		49,795,888	42,379,342
NON-CURRENT ASSETS			
Other Receivables	10	2,668,679	3,128,569
Inventories - Land Held for Resale	11	850,000	0
Investments	12	156,338	155,977
Property, Plant & Equipment	13, 39	345,698,199	127,273,000
Infrastructure	14, 40	166,305,388	160,145,447
Intangibles	15	434,953	0
TOTAL NON-CURRENT ASSETS		516,113,557	290,702,993
TOTAL ASSETS		565,909,446	333,082,335
CURRENT LIABILITIES			
Trade & Other Payables	16	3,404,705	3,018,614
Borrowings	17, 38	2,079,605	1,979,899
Provisions	18	3,207,832	3,015,737
TOTAL CURRENT LIABILITIES		8,692,142	8,014,250
NON-CURRENT LIABILITIES			
Other Payables	19	30,640,383	30,362,356
Borrowings	20, 38	10,686,826	12,279,632
Provisions	21	292,097	243,055
TOTAL NON-CURRENT LIABILITIES		41,619,306	42,885,043
TOTAL LIABILITIES		50,311,448	50,899,293
NET ASSETS		515,597,998	282,183,042
EQUITY			
Retained Surplus		107,706,216	111,351,414
Reserves - Cash Backed	22	35,842,020	33,047,253
Revaluation Surplus	23	372,049,761	137,784,375
TOTAL EQUITY		\$515,597,998	\$282,183,042

The accompanying notes form part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	RETAINED SURPLUS \$	CASH RESERVES \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2011		117,674,961	30,421,721	113,663,913	261,760,595
Comprehensive Income					
Net Operating Result		(3,698,015)	0	0	(3,698,015)
Other Comprehensive Income - Revaluation of Non Current Assets	23	0	0	24,120,462	24,120,462
Total Comprehensive Income		(3,698,015)	0	24,120,462	20,422,447
Reserve Movements					
Transfer to Reserves	22	(8,969,062)	8,969,062	0	0
Transfer from Reserve	22	6,343,530	(6,343,530)	0	0
Total Reserve Movements		(2,625,532)	2,625,532	0	0
Balance as at 30 June 2012	22, 23	\$111,351,414	\$33,047,253	\$137,784,375	\$282,183,042
Balance as at 1 July 2012		111,351,414	33,047,253	137,784,375	282,183,042
Correction for overstated Prior Year Retained Surplus	42	(1,190,000)	0	0	(1,190,000)
Re-stated Balance as at 1 July 2012		110,161,414	33,047,253	137,784,375	280,993,042
Comprehensive Income					
Net Operating Result		339,570	0	0	339,570
Other Comprehensive Income - Revaluation of Non Current Assets	23	0	0	234,265,386	234,265,386
Total Comprehensive Income		339,570	0	234,265,386	234,604,956
Reserve Movements					
Transfer to Reserves	22	(8,339,760)	8,339,760	0	0
Transfer from Reserve	22	5,544,993	(5,544,993)	0	0
Total Reserve Movements		(2,794,767)	2,794,767	0	0
Balance at 30 June 2013	22, 23	\$107,706,217	\$35,842,020	\$372,049,761	\$515,597,998

The accompanying notes form part of the financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE	Budget \$	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates Revenue	26,988,255	26,992,564	25,383,978
Fees & Service Charges	15,050,385	13,955,197	16,563,131
Interest Revenue	2,477,000	2,538,741	2,744,683
Other Revenue	1,193,860	1,360,033	517,689
Grants - Operating	2,069,000	2,625,071	3,433,292
GST Refunded	2,150,000	791,530	2,646,423
Total Operating Cash Receipts	49,928,500	48,263,136	51,289,196
Payments			
Employee Costs	(18,742,482)	(18,388,780)	(17,356,464)
Materials & Contracts	(19,588,721)	(16,746,006)	(24,627,018)
Interest Expense	(751,852)	(726,718)	(670,008)
Utilities & Insurance Costs	(2,361,950)	(2,367,280)	(2,429,074)
Other Expenses	(1,672,032)	(1,897,146)	(1,591,799)
Total Operating Cash Payments	(43,117,037)	(40,125,930)	(46,674,363)
Net Cash Flow from Operating Activities	6,811,463	8,137,206	4,614,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant & Equipment	927,062	820,369	3,143,362
Purchase / Construction of Assets	(8,344,837)	(7,334,686)	(11,111,981)
Grants for Development of Assets	2,042,613	1,140,726	714,183
Net Cash used in Investing Activities	(5,375,162)	(5,373,591)	(7,254,436)
Cash Flows from Financing ACTIVITIES			
Repayment of Borrowings	(2,011,919)	(1,993,100)	(1,428,282)
Self-Supporting Loan Receipts	227,875	235,157	209,000
Incoming CPV / CPH Contributions (Net)	700,000	278,027	1,144,721
Proceeds from Borrowings	0	500,000	7,760,000
Net Cash Flow from Financing Activities	(1,084,044)	(979,916)	7,685,439
Net Increase / (Decrease) in Cash Held	352,257	1,783,699	5,045,836
Cash & Cash Equivalents at Beginning of Year	38,736,491	38,736,491	33,690,655
Cash & Cash Equivalents at End of Year	\$39,088,748	\$40,520,190	\$38,736,491

The accompanying notes form part of the financial statements

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	BUDGET \$	2013 \$	2012 \$
OPERATING REVENUE (Excluding Rates)				
General Purpose Funding		4,110,985	4,310,724	4,642,654
Governance		90,000	75,149	74,010
Law, Order & Public Safety		49,100	58,228	46,966
Education		0	0	0
Health		58,000	75,981	57,115
Welfare		0	0	0
Housing		3,199,560	3,307,015	3,201,791
Community Amenities		5,922,100	5,883,918	5,648,207
Recreation & Culture		3,809,000	4,144,246	3,553,430
Transport		1,481,500	1,904,138	6,307,199
Economic Services		681,000	506,670	633,631
Other Property & Services		73,500	3,286,199	67,507
Total Operating Revenue Excluding Rates		19,474,745	23,551,908	24,232,510
OPERATING EXPENDITURE				
General Purpose Funding		(828,357)	(823,370)	(749,905)
Governance		(5,786,781)	(5,083,837)	(5,370,992)
Law, Order & Public Safety		(732,910)	(712,999)	(702,935)
Education		(216,100)	(68,044)	(83,208)
Health		(557,197)	(473,602)	(412,423)
Welfare		(446,471)	(485,833)	(440,980)
Housing		(3,861,207)	(4,080,700)	(3,928,338)
Community Amenities		(8,441,634)	(8,119,196)	(7,232,582)
Recreation & Culture		(15,559,721)	(15,794,788)	(14,775,122)
Transport		(16,790,565)	(15,399,913)	(21,563,177)
Economic Services		(793,379)	(626,193)	(772,696)
Other Property & Services		(2,097,849)	(517,838)	(711,266)
Total Operating Expenditure		(56,112,171)	(52,186,313)	(56,743,624)
Net Operating Result - Excluding Rates		(36,637,426)	(28,634,405)	(32,511,114)
Adjust for Cash Budget Requirements (Non Cash Items)				
Depreciation of Assets		13,533,850	12,654,669	13,202,609
Amortisation Expense		0	11,153	0
Movement in Employee Benefit Provisions		25,000	49,042	112,523
Movement in CPV / CPH Liability		700,000	278,027	1,144,722
Movement in Deferred Pensioner Rates		15,000	25,235	15,198
Movement in Other Non Current Debtors		508,758	673,150	(626,583)
Self Supporting Loan Debtors Adjustment		0	(221,956)	0
Non Cash Initial Recognition of Land Under Control		0	(3,000,000)	0
Non Cash Acquisition of Asset - Land Under Control		0	3,000,000	0
Net Non Cash Items		14,782,608	13,469,320	13,848,468

The accompanying notes form part of the financial statements

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2013

	NOTE	BUDGET \$	2013 \$	2012 \$
ACQUISITIONS - NON CURRENT ASSETS				
Purchase of Buildings & Land		(2,490,000)	(3,361,193)	(90,464)
Purchase of Furniture		(16,000)	(27,900)	(51,122)
Purchase of Technology		(377,000)	(96,732)	(250,416)
Purchase of Plant & Equipment		(299,460)	(57,000)	(111,950)
Purchase of Mobile Plant		(1,050,512)	(916,552)	(1,341,359)
Construction of Infrastructure Assets		(6,095,000)	(5,370,949)	(9,166,073)
Work in Progress		(0)	(504,358)	(100,596)
Acquisition of Software		(0)	(446,106)	(0)
Total Cash Demand for Asset Acquisition		(10,327,972)	(10,780,790)	(11,111,980)
REPAYMENT OF LOANS				
Loan Principal Repayments		(1,764,191)	(1,993,100)	(1,428,283)
Self Supporting Loan Advanced		(500,000)	(500,000)	(0)
Total Cash Demand for Loan Repayments		(2,264,191)	(2,493,100)	(1,428,283)
Total Capital Expenditure		(12,592,163)	(13,273,890)	(12,540,263)
CAPITAL REVENUES				
Proceeds from Asset Disposals		6,034,562	820,369	3,143,362
Grants for Acquisition of Assets		1,577,613	1,511,686	736,572
Proceeds of New Loans		500,000	500,000	7,760,000
Self Supporting Loan Repayments Recouped		253,593	253,156	209,000
Net Capital Revenues		8,365,768	3,085,211	11,848,934
RESERVE TRANSFERS				
Transfers to Reserves		(12,674,897)	(8,339,760)	(8,969,062)
Transfers from Reserves		7,847,983	5,544,993	6,343,530
Net Reserve Transfers		(4,826,914)	(2,794,767)	(2,625,532)
Net Funds Demand		(30,908,127)	(28,148,531)	(21,979,507)
Add				
Opening Position - Surplus (Deficit)		4,207,537	3,297,737	(78,959)
Less				
Closing Position - (Surplus) Deficit		(200,165)	(2,085,318)	(3,297,737)
AMOUNT TO BE MADE UP FROM RATES		(\$26,900,755)	(\$26,936,112)	(\$25,356,203)

The accompanying notes form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

I. SUMMARY OF ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not for profit entities), Australian Accounting Interpretations, authoritative pronouncements of the Australian Accounting Standards Board, Local Government Act (1995) and accompanying regulations.

With the exception of the cash flow and rate setting information, the report has been prepared on an accrual basis using historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

(b) The Local Government Reporting Entity

All Funds through which the City controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the local government as a single entity, all inter-fund transactions and balances have been eliminated upon consolidation.

(c) Critical Accounting Estimates

Preparation of these financial statements to conform to Australian Accounting Standards has required management to make professional judgements and estimates that may affect the application of policies and the reported amounts of assets, liabilities, revenues and expenses.

All such estimates are based on historical experience and other factors that are believed to be reasonable under the circumstances. This experience and other relevant factors combine to form the basis for making professional judgements about the carrying values of assets and liabilities that may not otherwise be readily apparent. Realised actual results may therefore differ from these professional estimates.

(d) Comparatives

Where it is applicable, prior year comparative figures have been adjusted to reflect changes in presentation for the current year. Budget comparisons (including the Rate Setting Statement) reflect the revised budget as amended by Budget Reviews conducted during the year.

(e) Rounding of Figures

Figures in this financial report, other than the rate in the \$, are rounded to the nearest dollar.

(f) Allocation of Corporate Costs

Allocation of corporate costs using Activity Based Costing principles has been included in this financial report. This allocation of costs has a neutral impact upon the overall operating result of the City but results in a more accurate reflection of the costs of providing specific services by incorporating an allocation for corporate services provided to other service areas.

(g) Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities recoverable from or payable to the ATO are classified as operating cash flows in the statement.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash held in bank accounts, deposits held at call and term deposits with financial institutions.

(i) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the City obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating year or earlier upon receipt of the rates. Control over granted assets is normally obtained upon their receipt or upon prior notification that a grant has been secured. Contributions over which the City has control but which had not been received at reporting date are accrued and recognised as receivable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

I. SUMMARY OF ACCOUNTING POLICIES (continued)

(j) Investments & Other Financial Instruments

Classification

Investments are classified into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial Assets at Fair Value through Profit and Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term. Council's investment policy specifically precludes use of derivative financial instruments.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included as Current Assets, except for those with maturities greater than 12 months after balance date - which are classified as Non-Current Assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

(iii) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities for which City management has positive intention and ability to hold to maturity. Should other than an insignificant amount of held-to-maturity financial assets be sold, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included as Non-Current Assets, except for those with maturities less than 12 months from the reporting date, which are classified as Current Assets.

(iv) Available-for-Sale Financial Assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in Non-Current Assets unless management intends to dispose of the investment within 12 months of balance date. Investments are only designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and De-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the City commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities are classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Income Statement within Other Revenue or Other Expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the Income Statement as part of revenue from continuing operations when the City's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

The City assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. Fair value of financial instruments traded in active markets is based on quoted market prices at balance date.

Fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The City uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value (less estimated credit adjustments of trade receivables and payables) are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(k) Inventories - Stores and Materials

Inventories held at reporting date have been valued at the lower of cost and net realisable value.

(l) Inventories - Land Held for Resale

Land specifically identified as 'Held for Resale' in the City's Long Term Financial Plan has been independently valued at net realisable value for disposal purposes but is recorded in the financial statements at cost - being the lower of net realisable value or cost. Revenue arising from the disposal of real property is recognised in the Statement of Comprehensive Income at the time of signing a binding contract of sale.

(m) Trade & Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods and services performed in the ordinary course of business. The receivables are carried at their nominal amounts due less a provision for impairment of debts. The likelihood of collecting debts is reviewed on an ongoing basis. Debts that are recognised as uncollectible are written off when identified. A provision for impaired debts is made when there is objective evidence that the debt will not be collectible.

(n) Infrastructure, Property, Plant and Equipment

(i) Cost and Valuation

Non-current assets are carried at either cost or at fair value assessed using an independent or City officers' valuation less, where applicable, any accumulated depreciation or amortisation. Any gain or loss on disposal of non-current assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds from disposal and is included in the operating results in the year of disposal.

(ii) Depreciation

All non-current non-monetary assets except for land are brought to account at cost or valuation and carried at net written down values. They are depreciated over their estimated useful lives in a manner which reflects the consumption of the future economic benefits embodied in such assets. Depreciation is recognised on a straight-line basis using the following useful lives:

Artwork

50 years

Buildings

40 years upwards - as assessed

Plant and Equipment

10 years

Furniture and Fittings

10 years

Computer Equipment

5 years

Mobile Plant

5 years

Infrastructure - Roads

25 - 60 years for individual components

Infrastructure - Drains

80 years

Infrastructure - Paths

20 - 40 years dependent on path type

Infrastructure - Street Furniture

20 years

Infrastructure - Parks Equipment

10 - 20 years

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

I. SUMMARY OF ACCOUNTING POLICIES (continued)

(n) Infrastructure, Property, Plant and Equipment (continued)

(iii) Capitalisation Threshold

Expenditure on any asset having a value of greater than \$1,000 is capitalised into the asset register.

(iv) Infrastructure Assets

Infrastructure assets have been valued on the basis of engineering estimates for current replacement and, having consideration for the age of such assets and the estimated remaining useful life of such assets; accumulated depreciation to date has been deducted from the current estimated replacement cost.

(v) Land Underneath Roads

The City has elected not to recognise the value of land under roads acquired on or before 30 June 2008 in accordance with AASB 1051. Land under roads acquired after 30 June 2008 is accounted for in accordance with AASB 116 - Property, Plant & Equipment. However, Local Government (Financial Management) Regulation 16 prohibits the recognition of land under roads as asset that is crown land, but is vested under the control or management of the local government.

Local Government (Financial Management) Regulation 4 states that where the Accounting Standard is inconsistent with the provisions of the regulations, the provisions of the regulations prevail to the extent of that inconsistency. Consequently, any land under roads acquired on or after 1 July 2009 is not included as an asset of the City.

(vi) Application of Fair Value to Local Government Financial Reporting

Regulation 17 of the Local Government (Financial Management) Regulations requires the measurement of non-current assets at Fair Value effective from 1 July 2012. Transitional provisions allow for the phasing in of fair value in line with the table presented below.

Latest Financial Year	Asset Category
2012/2013	Plant & Equipment
2013/2014 or 2014/2015	Land & Buildings
2013/2014 or 2014/2015 (alternate)	Infrastructure
2014/2015	Other Asset Classes

Thereafter, each class of asset is to be re-valued at least every three years in accordance with the regulation. The City has commenced its application of fair value accounting by valuing land and plant and equipment to fair value at 30 June 2013

(vi) Revaluation Methodology

The City uses a mix of both independent and management valuations for non-current assets using the following as a guide:

Re-valued assets are carried at their fair value being the value that would be expected to be received to sell the asset, in an orderly transaction between market participants at the measurement date (Level 1 inputs in the fair value hierarchy).

For land and buildings, fair value is determined based on the nature of the asset class. For land and non-specialised buildings, fair value is determined on the basis of observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use (Level 2 inputs in the fair value hierarchy).

With regards to specialised buildings, fair value is determined having regard for current replacement cost and both observable and unobservable costs. These may include construction costs based on recent contract prices, current condition (observable Level 2 inputs in the fair value hierarchy), residual values and remaining useful life assessments (unobservable Level 3 inputs in the fair value hierarchy).

For infrastructure and other asset classes, fair value is determined to be the current replacement cost of an asset (Level 2 inputs in the fair value hierarchy) less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset (Level 3 inputs in the fair value hierarchy).

Increases in the carrying amount arising on revaluation of assets are credited to a Revaluation Surplus in Equity. Decreases that offset previous increases of the same asset are recognised against Revaluation Surplus directly in Equity. All other decreases are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset.

Those assets carried at a re-valued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be re-valued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

As a minimum, all non-current assets carried at fair value will be re-valued at least every 3 years.

(o) Intangibles - Easements

Local governments are required to recognise easements in their financial statements where the asset can be identified and reliably measured. The City has easements over certain small portions of land but it is not possible to reliably measure these. Accordingly they are recognised at nil value.

Intangibles - Software

Costs incurred in developing software that will contribute to future period financial benefits through revenue generation or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of software development including consultancy, programming and data migration services. Amortisation is calculated on a straight line basis over 10 years. Technology development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the City has an intention and ability to use the asset.

(p) Impairment of Assets

In accordance with Australian Accounting Standards, the City's assets other than inventories are assessed at each reporting date to determine whether or not there is any indication that they may be impaired. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with the provisions of AASB 136 Impairment of Assets - and appropriate adjustments are made. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating capacity exceeds its recoverable amount. Impairment losses are recognised immediately in the Statement of Comprehensive Income. For non-cash generating assets such as roads, paths, drains and public buildings, value in use is represented by the written down replacement value of the asset.

(q) Trade & Other Payables

Trade and other payables represent liabilities for goods and services that are unpaid at the end of the reporting period. The liability arises when the City becomes obligated to make future payments in respect of those goods and services. These amounts are generally unsecured.

(r) Borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs. Following initial recognition, interest bearing loans and borrowings are measured at amortised cost. Fees paid on the establishment of loan facilities that are yield related are included in the carrying amount of the borrowings. Interest bearing loans and borrowings are classified as current liabilities unless the City has an unconditional right to defer settlement of that liability for at least 12 months after balance date.

(s) Employee Entitlements

Employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date are accrued annually. These benefits include wages and salaries, annual leave, long service leave and other relevant associated costs such as superannuation and workers compensation premiums.

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts. This is calculated based on the remuneration rates the City expects to pay and includes related on costs. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to government guaranteed securities which have terms to maturity approximating the terms of the related liability are used. Consideration is also given to expected future wage and salary levels and past experience with staff departures and periods of service.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

I. SUMMARY OF ACCOUNTING POLICIES (continued)

(t) Superannuation

Superannuation expense for the period reflects the City's contribution to the WA Local Government Superannuation Fund which provides benefits to the City's employees. The plan is a cash accumulation scheme and the City bears no liability for obligations that may otherwise arise if the scheme were a defined benefit scheme

(u) Trust Funds

The City is required under the Local Government Act to maintain a separate and distinct Trust Fund to account for all monies held by way of deposit or in trust for any person, all monies held on behalf of the Government for specific purposes, and all monies and property held in trust for any charitable or public purpose.

The City performs only a custodial role in respect of these monies, and they cannot be used for City purposes. All Trust funds and the related liabilities to repay those deposits and bonds are excluded from the annual financial statements.

(v) Leaseholders Liability / Accommodation Bonds

The leaseholder liability represents the City's obligation to repay the unit lease purchase price paid by residents of the Collier Park Village upon individual leaseholders relinquishing their leases. Notwithstanding that some leases within the complex will be relinquished in the next twelve months, the entire liability is disclosed in the notes to the financial statements as a non-current liability.

This treatment is adopted due to the subjectivity of establishing the rate of turnover in tenancies and the quantum of payments to individual leaseholders in different stages of the complex. Liquidity is not affected because an amount greater than the anticipated outgoing payment for the next twelve months is quarantined in a cash-backed reserve maintained exclusively for this purpose.

(w) Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(x) Interest in Joint Venture

The City's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the appropriate line items of the financial statement. Information about the joint venture is set out in Note 12. Interest in joint venture entities are recorded using the equity method of accounting.

Where the City contributes assets to, or purchases assets from the joint venture, only the portion of the gain or loss that is not attributable to the City's share of the joint venture shall be recognised. The full amount of any loss is recognised when the contribution results in a reduction in the net realisable value of current assets or an impairment loss.

(y) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale which is classified as either current or non-current based on the City's intentions to release land for sale.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the City for the annual reporting period ended 30 June 2013. The City's assessment of these new standards and interpretations is set out below.

TITLE & TOPIC	ISSUED	APPLIES	IMPACT ON STATEMENTS
AASB 9 - Financial Instruments *	Dec 09	1 Jan 13	Nil - The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Council, it is not anticipated the standard will have any material effect.
AASB 2012 - 6 Amendments to Australian Accounting Standards - Mandatory effective date of AASB 9 and Transition Disclosures	Sep 12	1 Jan 15	
AASB 2009 - 11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038, Interpretations 10 & 12]	Dec 09	1 Jan 13	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer * above).
AASB 2010 - 7 Amendments to Australian Accounting Standards arising from AASB 9 (Dec 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038, Interpretations 2, 5, 10, 12, 19 & 127]	Dec 10	1 Jan 13	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the Council (refer * above).
AASB 10 - Consolidated Financial Statements AASB 11 - Joint Arrangements AASB 12 - Disclosure of Interests in Other Entities AASB 127 - Separate Financial Statements AASB 128 - Investments in Associates and Joint Ventures AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 131, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	Aug 11	1 Jan 13	Nil - None of these except for AASB 128, are expected to have significant application to the operations of the Council. With respect to AASB 128, where the Council has an interest in a Joint Venture, the requirements of AASB 128 supersede those of the current Joint Venture Standard AASB 131. The new standard more clearly defines the accounting treatment and disclosure in relation to it. Due to the nature of the Joint Venture, it is not expected to have a significant impact on the Council.
AASB 2011 - 9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	Sep 11	1 Jul 13	The main change embodied in the standard is the requirement to group items presented in other comprehensive income on the basis of whether they are potentially re-classifiable to profit or loss subsequently. It effects presentation only and is not expected to significantly impact the Council.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

I. SUMMARY OF ACCOUNTING POLICIES (continued)

(z) New Accounting Standards and Interpretations for Application in Future Periods (continued)

TITLE & TOPIC	ISSUED	APPLIES	IMPACT ON STATEMENTS
AASB 119 - Employee Benefits AASB 2011- 10 Amendments to Australian Accounting Standards arising from AASB 119 [AASB 1, 8, 101, 124, 134, 1049 & 2011- 8, Interpretation 14]	Sep 11	1 Jan 13	The changes in relation to defined benefit plans contained in this standard are not expected to significantly impact Council nor are the changes to the AASBs in relation to termination benefits.
AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities [AASB 7 & 32]	Jun 12	1 Jan 13	Principally amends AASB 7: Financial Instruments Disclosures to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. This Standard is not expected to significantly impact on the Council's financial statements.
AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	Jun 13	1 Jan 14	This Standard adds application guidance to AASB 132: Financial Instruments Presentation to address the potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement. This Standard is not expected to significantly impact the Council's financial statements.
AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASBI, 101, 116, 132, 134 and Interpretation 2]	Jun 12	1 Jan 13	Outlines changes to the various standards and interpretations as listed. These topics are not currently relevant to Council, nor are they expected to be in the future. As a consequence, this Standard is not expected to significantly impact on the Council's financial statements.
AASB 2012-10: Amendments to Australian Accounting Standards - Transition Guidance [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Interpretation 12]	Dec 12	1 Jan 13	Mainly consequential changes relating to transition guidance. It is not expected to have a significant impact on Council.

During the current year, the Council adopted all of the new and revised Australian Accounting Standards and Interpretations which became mandatory and which were applicable to its operations. These new and revised standards were AASB 2010 - 8, AASB 2011 - 3 and AASB 2011 - 13. These standards had a minimal effect on the accounting and reporting practices of the City as they were either not applicable, largely editorial in nature, were revisions to help ensure consistency with presentation, recognition and measurement criteria of IFRSs or related to topics not relevant to operations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

2. ACCOUNTING POLICY

All accounting policies adopted are consistent with those of the previous year unless otherwise noted. Where it has been necessary to accommodate changes in disclosure requirements upon receipt of definitive guidance from the Department of Local Government, the comparative figures have been adjusted to reflect changes in presentation for the current year.

Statement of Liabilities at Net Present Value

The City has opted not to disclose the non-current liability for monies to be refunded to outgoing residents of the Collier Park Village and Hostel at their net present value preferring to continue to show them at the nominal values at which they have previously been disclosed.

The practice of disclosing these liabilities at their current nominal value is considered by the City to be a more meaningful, objective and useful disclosure to users of the financial statements - including the residents of the Collier Park Village and Collier Park Hostel for the following reasons:

- The liability to each individual resident of the Retirement Complex has no defined term - and is subject to change according to the state of health of each individual resident.
- There is therefore considerable subjectivity in determining the likely due dates for repayment of refundable monies to departing residents.
- The aggregate liability is required to be specifically 'cash backed' by quarantined Reserve Funds rather than being represented by unspecified assets.
- Statutory reporting arrangements relating the Department of Health & Ageing require that the liability to Hostel residents must be fully cashed backed at nominal values at all times.
- The difficulties in reconciling a liability recorded at Net Present Value to an associated cash backing of that liability maintained at nominal value are problematic.
- The disclosure of a lesser value of refundable monies to aged care residents than the nominal amount disclosed on their individual lease documents is sufficiently confusing to a principal group of the users of the financial statements for the disclosure to be deemed inconsistent with the desired qualitative characteristics of financial information.

3. OBJECTIVES & FUNCTIONS (PROGRAMS) OF THE CITY

Mission Statement

Our mission statement outlines the purpose and core business of the City of South Perth. This statement identifies the important roles of the community, Council and staff in ensuring that the strategies outlined in the Strategic Plan can be achieved.

The City's mission statement is: 'Working Together to Create a City for Everyone'.

Vision

Our vision statement describes how the City of South Perth will respond to the community's aspirations and priorities in the future. The community vision was identified through the Our Vision Ahead project:

'We belong to an engaged and cohesive community that is linked by vibrant local centres and shared spaces. We live and travel in ways that nurture our environment; and our housing and amenities meet the diverse needs of a changing society'.

Corporate Values

The City conducts its business based on its adopted corporate values. These govern the way in which we engage with our community, the pride with which we undertake our work and the services that we deliver to our community.

The corporate values are:

- Trust
- Respect
- Understanding
- Teamwork

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

3. OBJECTIVES & FUNCTIONS (PROGRAMS) OF THE CITY (continued)

Statement of Objective

The City of South Perth is dedicated to providing high quality customer focussed services to the community through its adoption of the principles of business excellence. Outcomes are pursued through the various service orientated programs that the City has established.

Activities relating to the components reported on the Income Statement are as follows:

Law, Order & Public Safety

This program embraces parking management, animal control, fire prevention and Safer Cities.

Education

This program includes the maintenance of pre-school facilities including the operating costs for utilities, building maintenance and grounds maintenance for each of these facilities.

Health

The health program includes food premises inspections, pest control, environmental health administration and operation and maintenance of the buildings and grounds of child health centres.

Welfare

This program includes the operation and maintenance of the buildings and grounds of senior citizens centres located at Manning and South Perth represent the major components of this program. Also included are staff costs for coordinators at the centre and other voluntary services.

Housing

The largest single component of this program is the operation and maintenance of the Collier Park Retirement Village and Hostel complex. This includes all operating costs for both facilities and the revenue streams arising from residents' fees and government subsidies in relation to both. It also includes the revenue and expenditure relating to the City's housing portfolio.

Community Amenities

This program includes household rubbish collection services, recycling collections and operation of the waste transfer station. Also embraced within this program are environmental management and noise control. The other major component of the Community Amenities program is administration of the town planning scheme and orderly planning of the district.

Recreation & Culture

This program includes operation and maintenance of our halls and recreation centre. The operation of two libraries and a local studies facility fall within this program which also includes the maintenance and upkeep of sporting and passive reserves, sporting pavilions and public facilities.

Another major component of the revenue stream for this program is the operation of a 27 hole golf course at Collier Park. The City of South Perth Fiesta forms part of the Recreation & Culture program as do activities associated with supporting community and cultural organisations.

Transport

The transport program includes the maintenance and rehabilitation of roads, drainage works, paths, parking facilities, streetscape and verge maintenance as well as maintenance of traffic devices and traffic signs and expenses relating to street lighting.

Economic Services

This program includes building control, pool inspections and the operation of the City's plant nursery.

Other Property & Services

This program includes public works overheads and operation of the City's fleet and plant services

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

4. OPERATING REVENUE & EXPENSES

Significant Revenues	2013	2012
	\$	\$
Initial Recognition of Crown (Vested) Land	3,000,000	0
Total	\$3,000,000	\$0

This significant revenue reflects the recognition at fair value of two major land parcels of Crown land for which control of the land is vested in the City. This land is recorded in the Statement of Financial Position as Land Under Control and the non-cash revenue resulting from its initial recognition is classified as Other Revenue in the Income Statement by Nature & Type. This accounting treatment is in accordance with recent amendments to the Local Government Financial Management Regulations

Fees & Charges disclosed by Program (Function)

Program Name	BUDGET	2013	2012
	\$	\$	\$
General Purpose Funding	488,125	475,265	356,709
Governance	0	0	0
Law, Order & Public Safety	45,100	51,806	42,093
Education & Welfare	0	0	0
Health	16,000	19,438	10,877
Housing	2,071,560	2,195,831	2,042,290
Community Amenities	6,013,600	6,043,527	5,697,932
Recreation & Culture	3,146,000	3,190,509	2,778,265
Transport	1,366,000	1,333,520	1,146,962
Economic Services	386,000	387,265	485,922
Other Property & Services	500	2,331	2,670
Total Fees & Charges	\$13,532,885	\$13,699,492	\$12,563,720

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

4. OPERATING REVENUE & EXPENSES (continued)

Grant Revenue by Program (Function)

Program Name	BUDGET	2013	2012
Details	\$	\$	\$
General Purpose Funding	687,500	937,993	1,142,428
Governance	0	0	0
Law, Order & Public Safety	0	0	0
Education & Welfare	0	0	0
Health	0	0	0
Housing	970,000	993,313	1,029,013
Community Amenities	0	0	0
Recreation & Culture	1,110,855	1,024,175	630,793
Transport	1,585,758	1,341,858	1,179,684
Economic Services	0	0	0
Other Property & Services	0	0	0
Total Grant Revenue	\$4,136,613	\$4,297,339	\$3,981,918

Conditions over Grants	2013	2012
	\$	\$
Opening Balance - Unexpended Grants	793,739	0
Grants recognised during the year	4,297,339	3,981,918
Grants expended as per conditions		
Operational Grants	(2,785,653)	(2,451,607)
Grants for Asset Acquisition	(1,511,686)	(736,572)
	(4,297,339)	(3,188,179)
Less prior year grants expended	(793,739)	0
Closing Balance - Unexpended Grants	\$0	\$793,739

Interest Revenue

The City invests funds awaiting dispensation in short-term financial instruments. Interest is recognised when earned rather than when received.

Details	BUDGET	2013	2012
	\$	\$	\$
Interest Revenue - Municipal	700,000	675,360	1,895,926
Interest Revenue - Reserves	1,550,000	1,534,521	722,147
Interest Revenue - Rates	242,000	266,836	232,568
Total Interest Revenue	\$2,492,000	\$2,476,717	\$2,850,641

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Internet Expense Details	BUDGET \$	2013 \$	2012 \$
General Purpose Funding	524,911	495,997	488,916
Recreation & Culture	226,941	226,003	176,755
Total	\$751,852	\$722,000	\$665,671

Assets Attributed by Function / Program

Program Name Details	2013 \$	2012 \$
General Purpose Funding	47,497,236	45,482,114
Governance	18,982,950	14,253,845
Law, Order & Public Safety	454,515	494,733
Education	1,827,625	733,250
Health	187,583	2,202,130
Welfare	4,164,335	2,185,912
Housing	22,175,836	22,655,256
Community Amenities	1,417,608	1,427,754
Recreation & Culture	249,732,870	73,432,699
Transport	194,940,415	151,763,837
Economic Services	130,658	12,840
Other Property & Services	24,397,815	18,437,965
Total	\$565,909,446	\$333,082,335

Depreciation by Asset Category

Details	2013 \$	2012 \$
Artworks	6,293	6,202
Buildings	1,344,619	1,346,755
Computer Equipment	241,517	237,900
Furniture & Fittings	131,123	130,620
Mobile Plant	1,131,516	1,034,730
Plant & Equipment	100,139	94,629
Infrastructure - Roads	6,669,310	8,314,213
Infrastructure - Paths	1,166,437	561,507
Infrastructure - Drains	553,406	471,967
Infrastructure - Street Furniture	134,479	124,909
Infrastructure - Parks	1,175,830	879,177
Total Depreciation	\$12,654,669	\$13,202,609

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

4. OPERATING REVENUE & EXPENSES (continued)

Asset Disposals by Category – Actual

Details	PROCEEDS \$	BOOK VALUE \$	PROFIT (LOSS) \$
Land	573,756	(130,000)	443,756
Buildings	0	0	0
Furniture	5,005	0	5,005
Plant & Equipment	241,608	(164,551)	77,057
Total	\$820,369	\$(294,551)	\$525,818

Asset Disposals by Category – Budget

Details	PROCEEDS \$	BOOK VALUE \$	PROFIT (LOSS) \$
Land	550,000	(430,000)	120,000
Buildings	0	0	0
Furniture	0	0	0
Plant & Equipment	377,062	(263,387)	113,675
Total	\$927,062	\$(693,387)	\$233,675

Asset Disposals by Program – Actual

Details	PROCEEDS \$	BOOK VALUE \$	PROFIT (LOSS) \$
General Purpose Funding	0	0	0
Governance	0	0	0
Law, Order & Public Safety	0	0	0
Education	0	(14,903)	(14,903)
Health	19,319	0	19,319
Welfare	0	0	0
Housing	182	(275)	(93)
Community Amenities	17,294	(15,724)	1,570
Recreation & Culture	104,553	(79,259)	25,294
Transport	105,265	(54,390)	50,875
Economic Services	0	(0)	0
Other Property & Services	573,756	(130,000)	443,756
Total	\$820,369	\$(294,551)	\$525,818

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Asset Disposals by Program – Budget

Details	PROCEEDS \$	BOOK VALUE \$	PROFIT (LOSS) \$
General Purpose Funding	0	(0)	0
Governance	73,000	(68,560)	4,440
Law, Order & Public Safety	0	(0)	0
Education	0	(0)	0
Health	25,000	(18,490)	6,510
Welfare	0	(0)	0
Housing	2,200	(264)	1,936
Community Amenities	20,482	(16,208)	4,274
Recreation & Culture	145,610	(101,568)	44,042
Transport	110,770	(58,297)	52,473
Economic Services	0	(0)	0
Other Property & Services	550,000	(430,000)	120,000
Total	\$927,062	\$(693,387)	\$233,675

Audit Expense

Details	BUDGET \$	2013 \$	2012 \$
Audit Services	30,000	27,330	38,410
Consulting Fees	0	0	0
Total	\$30,000	\$27,330	\$38,410

Significant Expenditure Items

Details	BUDGET \$	2013 \$	2012 \$
Amortisation - Software	0	11,153	0
Impaired Debts Expense	100,000	73,872	7,480
Total	\$100,000	\$85,025	\$7,480

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

5. CASH & CASH EQUIVALENTS

Cash and Cash Equivalents include cash held in bank accounts, deposits held at call and term deposits with financial institutions.

At reporting date, Cash & Cash Equivalents were represented by:

Details	2013 \$	2012 \$
Cash at Bank / On Hand	957,481	1,003,362
At Call / Term Deposits	39,562,709	37,733,129
Total Cash & Cash Equivalents	\$40,520,190	\$38,736,491

Restricted Cash

The following cash holding restrictions are imposed either by regulations or other externally imposed requirements. Restricted Cash represents the portion of the City's Net Current Asset position that must be excluded in the calculation of the Budget Opening Position. Amounts relating to cash backing for employee entitlements are not included from the calculation of the opening position.

Details	2013 \$	2012 \$
Plant Replacement Reserve	714,559	733,300
Future Municipal Works Reserve	826,651	788,210
Collier Park Village Residents Offset Reserve	18,188,429	16,786,845
Collier Park Hostel Capital Reserve	352,465	757,650
Collier Park Hostel Bonds Reserve	2,064,292	2,408,871
Collier Park Golf Course Reserve	83,057	204,888
Waste Management Reserve	4,240,259	4,320,613
Reticulation and Pump Reserve	215,721	206,280
Information Technology Reserve	519,007	449,159
Insurance Risk Reserve	141,664	38,706
Asset Enhancement Reserve	897,719	0
Footpath Reserve	147,932	141,458
Underground Power Reserve	96,669	94,002
Parking Facilities Reserve	133,245	127,413
Collier Park Village Reserve	1,675,595	1,609,666
River Wall Reserve	686,449	913,813
Railway Station Precincts Reserve	1,159,236	656,408
Future Building Projects Reserve	2,042,719	1,468,704
Future Transport Projects Reserve	479,091	554,976
Future Parks Works Reserve	93,318	89,715
Future Streetscapes Reserve	4,811	5,313
Sustainable Infrastructure Reserve	1,079,132	691,263
Sub Total - Reserve Funds	35,842,020	33,047,253
Cash provided for Specific Purpose Grants	0	117,418
Total Restricted Cash	\$35,842,020	\$33,164,671

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Reconciliation of Cash & Cash Equivalents

Details	2013 \$	2012 \$
Unrestricted Cash & Cash Equivalents	4,678,170	5,571,820
Restricted Cash & Cash Equivalents	35,842,020	33,164,671
Total Cash & Cash Equivalents	\$40,520,190	\$38,736,491

6. TRADE & OTHER RECEIVABLES - CURRENT

Details	2013 \$	2012 \$
Rates Outstanding	263,277	305,666
Loans - Clubs and Institutions	230,303	221,956
Sundry Debtors	1,278,990	800,533
Infringement Debtors	277,087	223,129
GST Receivable from ATO	1,349,495	556,962
Pensioner Rebate Receivable	22,967	11,793
Underground Power Service Charge - Stage 3 & 5	452,797	791,902
ESL Debtors	38,618	37,499
	3,913,534	2,949,440
Less: Provision for Impairment of Debts	(183,589)	(109,717)
Total Current Trade and Other Receivables	\$3,729,945	\$2,839,723

7. INVENTORIES - MATERIALS

Details	2013 \$	2012 \$
Materials and Fuel at Cost	26,760	33,624
Nursery Green Stock at Cost	71,198	148,150
Total Inventories - Materials	\$97,958	\$181,774

8. INVENTORIES - LAND HELD FOR RESALE

Details	2013 \$	2012 \$
Land Held for Resale or Development at Cost	5,025,711	0
Total Current Inventories - Land Held for Resale	\$5,025,711	\$0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

9. OTHER CURRENT ASSETS

Details	2013 \$	2012 \$
Prepayments	210,398	347,643
Accrued Income	211,687	273,711
Total Other Current Assets	\$422,085	\$621,354

10. TRADE & OTHER RECEIVABLES - NON CURRENT

Details	2013 \$	2012 \$
Commercial Lease Debtors	40,944	68,444
Deferred Ground Lease Debtor	8,000	0
Rates Outstanding - Pension Deferrals	377,262	402,498
ESL Outstanding - Pension Deferrals	49,213	48,850
Loans - Clubs and Institutions	1,966,862	1,728,365
Underground Power Service Charge - Stage 5	226,398	880,412
Total Current Trade and Other Receivables	\$2,668,679	\$3,128,569

11. INVENTORIES - LAND HELD FOR RESALE

Details	2013 \$	2012 \$
Land Held for Resale or Development at Cost	850,000	0
Total Non-Current Inventories - Land Held for Resale	\$850,000	\$0

12. INVESTMENTS - NON CURRENT

Details	2013 \$	2012 \$
Equity Share in Joint Venture - Rivers Regional Council (13.21% share of Net Assets of \$1,180,751)	0	155,977
(13.20% share of Net Assets of \$1,184,380)	156,337	0
Total Non-Current Investments	\$156,337	\$155,977

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

13. PROPERTY, PLANT & EQUIPMENT

Freehold land is recorded in the financial statements at independent valuation at 30 June 2013 based on observed open market transactions adjusted for highest and best use of the land - with the exception of land held for resale (and specifically identified as such in the City's Long Term Financial Plan) which is disclosed at the lower of cost or net realisable value under inventories at Notes 8 & 11. Four parcels of land previously recognised in the City's Asset Register and Financial Accounts have been de-recognised in the 2012/2013 year. This was necessary because, during the valuation exercise undertaken at 30 June 2013, it was discovered that the City did not have title to these parcels of land. Accordingly, corrections have been made against the current year balances of Property, Plant & Equipment (Land) and Retained Surplus.

Buildings are independently re-valued on a 5 yearly cycle and are recorded at current replacement value as at 30 June 2010 - including an allowance for the expired portion of each building's estimated useful life. These assets will be re-valued to fair value in 2014/2015. Plant and Equipment is recorded at fair value 30 June 2013 using a condition based assessment of each asset. Where this is impractical, the age of the asset relative to its expected useful life is used as a proxy to establish fair value.

Movements in classes of Property, Plant & Equipment are disclosed at Note 39.

Asset Category Details	2013 \$	2012 \$
Freehold Land at Independent Valuation - June 2013	276,402,500	0
Land under Control at Independent Valuation - June 2013	3,000,000	0
Land at Cost	0	59,910,120
	279,402,500	59,910,120
Buildings at Management Valuation	104,970,942	104,795,340
Less Accumulated Depreciation	(44,657,435)	(43,312,816)
	60,313,507	61,482,524
Artworks at Management Valuation	321,781	321,781
Less Accumulated Depreciation	(53,272)	(46,979)
	268,509	274,802
Technology Equipment at Fair Value	2,158,175	0
Technology Equipment at Cost	0	2,061,443
Less Accumulated Depreciation	(1,517,362)	(1,275,845)
	640,813	785,598
Furniture & Fittings at Fair Value	2,425,912	0
Furniture & Fittings at Cost	0	2,414,085
Less Accumulated Depreciation	(1,719,663)	(1,604,614)
	706,249	809,471

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

13. PROPERTY, PLANT & EQUIPMENT (continued)

Asset Category	2013	2012
Details	\$	\$
Mobile Plant at Fair Value	8,506,077	0
Mobile Plant at Cost	0	8,274,093
Less Accumulated Depreciation	(5,315,483)	(4,978,415)
	3,190,594	3,295,678
Plant & Equipment at Fair Value	2,377,566	0
Plant & Equipment at Cost	0	2,336,790
Less Accumulated Depreciation	(1,806,493)	(1,722,579)
	571,073	614,211
Capital Works in Progress		
Manning Community Facility	150,331	47,471
Grayden Pavilion Upgrade	371,203	0
Operations Centre Upgrade	83,420	53,125
	604,954	100,596
Total Property, Plant & Equipment	\$345,698,199	\$127,273,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

14. INFRASTRUCTURE

Roads, Drains and Paths Infrastructure are valued by City Officers using approved valuation techniques to establish of the current replacement value having regard to the age and remaining useful lives of the assets. The valuation was last updated at 30 June 2013. Movements in classes of Infrastructure during the reporting period are disclosed at Note 40.

Asset Category Details	2013 \$	2012 \$
Infrastructure - Roads at Management Valuation	164,426,924	165,386,198
Less Accumulated Depreciation	(77,543,247)	(90,135,478)
	86,883,677	75,250,720
Infrastructure - Drains at Management Valuation	45,379,296	44,272,484
Less Accumulated Depreciation	(16,392,613)	(15,464,396)
	28,986,683	28,808,088
Infrastructure - Paths at Management Valuation	51,219,444	58,321,838
Less Accumulated Depreciation	(19,207,291)	(20,412,643)
	32,012,153	37,909,195
Infrastructure - Street Furniture at Cost	2,688,701	2,667,158
Less Accumulated Depreciation	(1,596,024)	(1,461,545)
	1,092,677	1,205,613
Infrastructure - Park Assets at Cost	30,757,141	29,222,944
Less Accumulated Depreciation	(13,426,942)	(12,251,112)
	17,330,199	16,971,832
Total Infrastructure	\$166,305,388	\$160,145,447

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

15. INTANGIBLES

Details	2013 \$	2012 \$
Computer Software	446,106	0
Less Accumulated Amortisation	(11,153)	(0)
Easements over Land	0	0
Total Intangibles	\$434,953	\$0

Regulation 16 of the Local Government (Financial Management) Regulations requires easements over land to be recognised as assets. However, recognition of an asset requires that the asset can be identified and reliably measured. It is possible to identify easements over land held by the City but not to reliably measure them. Accordingly they are recognised in the financial statements at nil value.

16. TRADE & OTHER PAYABLES - CURRENT

Details	2013 \$	2012 \$
Accounts Payable	3,019,509	2,657,524
Income in Advance	152,809	124,070
Accrued Wages	189,965	189,880
Accrued Interest Expense	42,422	47,140
Total Current Trade and Other Payables	\$3,404,705	\$3,018,614

17. BORROWINGS - CURRENT

Details	2013 \$	2012 \$
Loans - City	1,610,242	1,530,451
Loans - Collier Park Golf Course	239,060	227,492
Loans - Self Supporting	230,303	221,956
Total Current Borrowings	\$2,079,605	\$1,979,899

The City uses loan borrowings as part of a responsibly balanced funding strategy to support the construction of long term assets or major infrastructure works.

All City borrowings relate to the General Purpose Funding program and were undertaken in accordance with Section 6.20 of the Local Government Act and City Policy P604 - Use of Debt as a Funding Option. Loans are secured over the future rate revenue of the City. There are no encumbrances on specific assets in relation to any of the loan borrowings. Details of all loan borrowings are disclosed in the Schedule of Loan Borrowings at Note 38.

The financial statements also reflect self-supporting loans to community groups. The City's role in respect of these loans is that of guarantor only. All payments are met by the relevant community group and there is no impost on City funds for repayment of the self-supporting loans. A receivable amount equivalent to the outstanding balance on the loan is recognised in the Statement of Financial Position.

During the reporting period, no new City borrowings were undertaken. However, the City acted as guarantor for a self-supporting loan on behalf of the South Perth Bowling Club. This new fixed rate City borrowing was for a principal amount of \$0.50M repayable monthly over a 15 year term (Loan 229). All payments of principal and interest associated with this loan are expected to be met directly from the beneficiary organisation's funds and, as such, there is no impost on City ratepayers.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

18. PROVISIONS - CURRENT

Details	2013 \$	2012 \$
Annual Leave	2,013,425	1,844,877
Long Service Leave	1,194,407	1,170,860
Total Current Provisions	\$3,207,832	\$3,015,737

19. TRADE & OTHER PAYABLES - NON CURRENT

Details	2013 \$	2012 \$
Leaseholder Liability - Collier Park Village	28,576,091	27,953,485
Leaseholder Liability - Collier Park Hostel	2,064,292	2,408,871
Total Non-Current Other Payables	\$30,640,383	\$30,362,356

20. BORROWINGS - NON CURRENT

Details	2013 \$	2012 \$
Loans - City	4,589,882	6,200,124
Loans - Collier Park Golf Course	4,130,082	4,369,143
Loans - Self Supporting	1,966,862	1,710,365
Total Non-Current Borrowings	\$10,686,826	\$12,279,632

21. PROVISIONS - NON CURRENT

Details	2013 \$	2012 \$
Long Service Leave	292,097	243,055
Total Non Current Provisions	\$292,097	\$243,055

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

22. RESERVE FUNDS - PURPOSE OF RESERVES

Plant Replacement Reserve

Used to fund the balance of the purchase price of plant and equipment associated with City works (after trade-in, discounts and allowances). Funded by annual allocations from the Municipal Fund.

Future Municipal Works Reserve

Established to fund significant future municipal works, this reserve receives discretionary allocations from the Municipal Fund when required to quarantine monies for major capital projects to be carried out in future years. The funds retain the nominated purpose while in the reserve and may only be applied to that specified use.

Collier Park Village Residents Offset Reserve

Established to partially cash back the loan liability due to residents on departing the village complex. The reserve is funded by the premium on the difference between the sale price of the units in the village to the ingoing resident and the amount of refund to the departing resident. Funds in the reserve are maintained at an appropriate level to ensure that the draw of funds by departing residents in any given year is fully cash backed and available on demand.

Collier Park Hostel Capital Reserve

Established to finance ongoing capital works associated with the Hostel and also applied to cover operating losses sustained by the Hostel. The annual operating result (before depreciation) of the Hostel is transferred to the reserve.

Collier Park Hostel Accommodation Bonds Reserve

Established to quarantine accommodation bonds refundable to departing hostel residents. The fully funded reserve represents quarantined ingoing accommodation bonds deposited by residents.

Collier Park Golf Course Reserve

Established to quarantine funds relating to the Collier Park Golf Course. Monies are used to finance capital expenditure associated with the Golf Course. This reserve is funded by an amount equal to the annual operating surplus of the facility before depreciation but after capital expenditure and dividends paid to the Municipal Fund in accordance with Council Policy P6I2.

Waste Management Reserve

Established to provide for investment in new waste management technology or buy into a waste management facility. It is maintained by an annual allocation, equal to the operating surplus from the waste budget. The reserve is expected to be used in the next 5 to 10 years as technologies deemed consistent with the triple bottom line perspective emerge.

Reticulation & Pump Replacement Reserve

Established to provide funds for the replacement of reticulation equipment and pumps in City parks and gardens. It is funded from annual allocations from the Municipal Fund.

Information Technology Reserve

Established to finance the acquisition and replacement of information technology across the City. Funded by annual appropriation from the Municipal Fund.

Insurance Risk Reserve

This reserve is set up to manage the 'burning cost' workers compensation premium. It meets the difference between the deposit premium and adjusted premium in the event of a significant claim.

Asset Enhancement Reserve

This reserve was established to accumulate funds for major community facility projects in future years - alleviating the impacts of inter-generational inequity in funding major facilities.

Footpath Reserve

Established to finance the replacement of existing footpaths with in-situ concrete sections rather than slabs. It may be funded by annual allocations from the Municipal Fund in years when the full Municipal Fund allocation is not deployed directly to path works within the City.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Underground Power Reserve

Established to accumulate funding to support the City's contribution to the under-grounding of existing overhead electrical cables within specified precincts in the city. The reserve is used to accumulate and quarantine cash collections from each precinct as power is undergrounded.

Parking Facilities Reserve

Used to quarantine funds contributed by developers in lieu of providing parking facilities. Funds are used to provide parking within the district in the vicinity of these developments as opportunities arise in the future.

Collier Park Village Reserve

This reserve is used exclusively to fund items associated with the Collier Park Retirement Village Complex. Funds may be applied only to capital expenditure and refurbishment of units at the village or to meet the operational losses incurred at the village.

River Wall Reserve

Established to quarantine monies to be used to attract matching funding from state government with a view towards sharing financial responsibility for maintaining the river walls.

Railway Station Precincts Reserve

Established to quarantine monies to be used to provide streetscapes and infrastructure around railway stations constructed as part of the Perth to Mandurah railway.

Future Building Works Reserve

Established to quarantine monies to be used to support identified future major upgrades of City and Civic buildings in line with approved building management strategies. The creation of this reserve represents a conscious decision to address the infrastructure funding gap.

Future Transport Works Reserve

Established to quarantine monies to be used to provide future road projects or to hold previously allocated monies for projects that are unable to be completed within the current year due to contractor or material shortages - until those shortages are addressed and the project can proceed.

Future Streetscape Works Reserve

Established to quarantine monies to be used for future streetscape works.

Future Parks Works Reserve

Established to quarantine monies to be used to provide for future major park upgrades.

Sustainable Infrastructure Reserve

Established to provide funding for sustainability aspects of major capital initiatives. Funding is derived from a component contained within the annual rates revenue.

RESERVE FUND MOVEMENTS

All active reserves other than the Collier Park Village, Collier Park Hostel, Collier Park Golf Course Reserve, Waste Management Reserve and Underground Power Reserve have funds applied to projects and may be reimbursed from the Municipal Fund on an ongoing basis each year as determined by Council during the budget process.

The current year's movements in to or out from all reserves are disclosed at Note 22 below.

Any change in the purpose of reserve funds is made in accordance with the Local Government Act and Local Government Financial Management Regulations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

22. RESERVE FUNDS - PURPOSE OF RESERVES (continued)

Details	BUDGET \$	2013 \$	2012 \$
Plant Replacement Reserve			
Balance at 1 July	733,300	733,300	1,076,182
Transfers from Surplus	386,368	381,259	457,118
Transfers to Surplus	(400,000)	(400,000)	(800,000)
Balance at 30 June	719,668	714,559	733,300
Future Municipal Works Reserve			
Balance at 1 July	788,210	788,210	177,248
Transfers from Surplus	40,943	38,441	610,962
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	829,153	826,651	788,210
Collier Park Village Residents Offset Reserve			
Balance at 1 July	16,786,845	16,786,845	15,028,367
Transfers from Surplus	3,276,688	3,583,193	3,367,890
Transfers to Surplus	(2,000,000)	(2,181,609)	(1,609,412)
Balance at 30 June	18,063,533	18,188,429	16,786,845
Collier Park Hostel Capital Reserve			
Balance at 1 July	757,650	757,650	675,803
Transfers from Surplus	146,305	133,310	170,502
Transfers to Surplus	(296,646)	(538,495)	(88,655)
Balance at 30 June	607,309	352,465	757,650
Collier Park Hostel Bonds Reserve			
Balance at 1 July	2,408,871	2,408,871	2,073,738
Transfers from Surplus	700,000	622,000	748,149
Transfers to Surplus	(500,000)	(966,579)	(413,016)
Balance at 30 June	2,608,871	2,064,292	2,408,871
Collier Park Golf Course Reserve			
Balance at 1 July	204,888	204,888	1,165,762
Transfers from Surplus	256,478	186,521	69,874
Transfers to Surplus	(458,425)	(308,351)	(1,030,748)
Balance at 30 June	2,941	83,058	204,888

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Details	BUDGET \$	2013 \$	2012 \$
Waste Management Reserve			
Balance at 1 July	4,320,613	4,320,613	3,036,206
Transfers from Surplus	363,647	410,769	1,319,108
Transfers to Surplus	(508,365)	(491,124)	(34,701)
Balance at 30 June	4,175,895	4,240,258	4,320,613
Reticulation & Pump Reserve			
Balance at 1 July	206,280	206,280	194,552
Transfers from Surplus	10,680	9,440	11,728
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	216,960	215,720	206,280
Information Technology Reserve			
Balance at 1 July	449,159	449,159	757,109
Transfers from Surplus	124,548	119,847	42,050
Transfers to Surplus	(50,000)	(50,000)	(350,000)
Balance at 30 June	523,707	519,006	449,159
Insurance Risk Reserve			
Balance at 1 July	38,706	38,706	82,285
Transfers from Surplus	101,994	102,957	56,421
Transfers to Surplus	(0)	(0)	(100,000)
Balance at 30 June	140,700	141,663	38,706
Asset Enhancement Reserve			
Balance at 1 July	0	0	0
Transfers from Surplus	948,360	897,719	0
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	948,360	897,719	0
Footpath Reserve			
Balance at 1 July	141,458	141,458	133,323
Transfers from Surplus	7,142	6,474	8,135
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	148,600	147,932	141,458

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

22. RESERVE FUNDS - PURPOSE OF RESERVES (continued)

Details	BUDGET \$	2013 \$	2012 \$
Underground Power Reserve			
Balance at 1 July	94,002	94,002	478,801
Transfers from Surplus	4,657	2,668	15,201
Transfers to Surplus	(0)	(0)	(400,000)
Balance at 30 June	98,659	96,670	94,002
Parking Facilities Reserve			
Balance at 1 July	127,413	127,413	119,816
Transfers from Surplus	6,428	5,832	7,597
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	133,841	133,245	127,413
Collier Park Village Reserve			
Balance at 1 July	1,609,666	1,609,666	1,538,338
Transfers from Surplus	476,309	574,764	552,766
Transfers to Surplus	(464,797)	(508,835)	(481,438)
Balance at 30 June	1,621,178	1,675,595	1,609,666
River Wall Reserve			
Balance at 1 July	913,813	913,813	658,901
Transfers from Surplus	246,100	245,423	444,912
Transfers to Surplus	(0)	(0)	(190,000)
Balance at 30 June	1,159,913	1,159,236	913,813
Railway Station Precincts Reserve			
Balance at 1 July	656,408	656,408	618,391
Transfers from Surplus	33,110	30,042	38,017
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	689,518	686,450	656,408
Future Building Works Reserve			
Balance at 1 July	1,468,704	1,468,704	1,404,907
Transfers from Surplus	564,077	574,015	363,797
Transfers to Surplus	(0)	(0)	(300,000)
Balance at 30 June	2,032,781	2,042,719	1,468,704

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Details	BUDGET \$	2013 \$	2012 \$
Future Transport Works Reserve			
Balance at 1 July	554,976	554,976	500,621
Transfers from Surplus	27,994	24,115	289,355
Transfers to Surplus	(100,000)	(100,000)	(235,000)
Balance at 30 June	482,970	479,091	554,976
Future Streetscapes Works Reserve			
Balance at 1 July	89,715	89,715	204,573
Transfers from Surplus	4,509	3,603	10,142
Transfers to Surplus	(0)	(0)	(125,000)
Balance at 30 June	94,224	93,318	89,715
Future Parks Works Reserve			
Balance at 1 July	5,313	5,313	182,865
Transfers from Surplus	234	(502)	7,448
Transfers to Surplus	(0)	(0)	(185,000)
Balance at 30 June	5,547	4,811	5,313
Sustainable Infrastructure Reserve			
Balance at 1 July	691,264	691,264	313,933
Transfers from Surplus	393,826	387,869	377,331
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	1,085,090	1,079,133	691,264
Total Cash Backed Reserves	\$36,389,418	\$35,842,020	\$33,047,253

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

23. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of Non Current Assets:

Details	2013 \$	2012 \$
Land		
Balance at 1 July	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	223,502,500	0
Balance at 30 June	\$223,502,500	\$0
Buildings		
Balance at 1 July	23,982,607	23,992,179
Previously Re-valued Asset Decrement	(0)	(9,572)
Current Year Revaluation Increment	0	0
Balance at 30 June	\$23,982,607	\$23,982,607
Artworks		
Balance at 1 July	151,991	151,991
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	0	0
Balance at 30 June	\$151,991	\$151,991
Technology		
Balance at 1 July	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	0	0
Balance at 30 June	\$0	\$0
Furniture & Fittings		
Balance at 1 July	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	0	0
Balance at 30 June	\$0	\$0
Mobile Plant		
Balance at 1 July	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	274,432	0
Balance at 30 June	\$274,432	\$0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Details	2013 \$	2012 \$
Plant & Equipment		
Balance at 1 July	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	0	0
Balance at 30 June	\$0	\$0
Roads Infrastructure		
Balance at 1 July	67,023,514	65,093,167
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	15,868,175	1,930,347
Balance at 30 June	\$82,891,689	\$67,023,514
Drainage Infrastructure		
Balance at 1 July	18,085,824	14,974,494
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	119,302	3,111,330
Balance at 30 June	\$18,205,126	\$18,085,824
Paths Infrastructure		
Balance at 1 July	28,540,440	9,452,083
Previously Re-valued Asset Decrement	(5,499,023)	(0)
Current Year Revaluation Increment	0	19,088,357
Balance at 30 June	\$23,041,417	\$28,540,440
Street Furniture		
Balance at 1 July	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	0	0
Balance at 30 June	\$0	\$0
Parks Infrastructure		
Balance at 1 July	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Current Year Revaluation Increment	0	0
Balance at 30 June	\$0	\$0
Total Revaluation Surplus	\$372,049,761	\$137,784,375

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

24. TRUST FUNDS

Trust transactions are required to be treated as non-controlled transactions. That is, all transactions relating to movements in trust liabilities and related trust deposits are eliminated prior to preparing the financial statements. The balances of each category of Trust Fund are recorded below.

Details	2013 \$	2012 \$
Footpath Deposits	684,105	629,400
Tender Deposits	0	96,486
Hall Bonds	4,800	1,980
Lessee Bonds	9,000	8,000
Sundry Trusts	59,045	51,793
Private Crossover Deposits	0	9,226
Total Trust Liabilities	\$756,950	\$796,885
Trust Assets		
Cash at Bank	156,950	196,885
Investments	600,000	600,000
Total Trust Assets	\$756,950	\$796,885

25. EMPLOYER CONTRIBUTIONS - SUPERANNUATION

The City contributes on behalf of its employees to a defined contribution superannuation plan established in respect of all local governments in Western Australia. In accordance with statutory requirements, the City contributes the amount required by statute to the plan. These funds accumulate in the plan to meet members' benefits as they accrue. The City has no further liability at reporting date in respect of its employee superannuation benefits.

Details	2013 \$	2012 \$
Contributions by the City during Reporting Period	1,772,490	1,643,721
Number of FTE Employees at Reporting Date	229.2	227.4

26. COUNCIL MEMBERS' ENTITLEMENTS

For the year ended 30 June 2013 meeting attendance fees, local government allowances and communications and technology allowances within the permissible limits have been paid to the City's Council Members as provided for under the Local Government Act. Fees and allowances are paid quarterly 'in advance'. As a consequence of this policy there may be a small 'overlap' in payments between incoming and outgoing Council Members in an election year.

Details	BUDGET \$	2013 \$	2012 \$
Meeting Attendance Fees	98,000	98,000	102,591
Local Government Allowances	65,125	64,375	72,690
Technology Allowances	44,200	44,200	44,200
Other Reimbursements	7,500	7,515	9,007
Total Entitlements	\$214,825	\$214,090	\$228,488

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

27. OPERATING LEASES

The City does not have outstanding obligations under non-cancellable operating leases at reporting date, other than the operating lease for rental of photocopier / printer units with Xerox Australia.

At reporting date, the City has the following obligations under non-cancellable operating leases for equipment used in administrative functions. These obligations are not recognised in the Statement of Financial Position as liabilities.

Details	2013 \$	2012 \$
Not later than 1 Year	53,448	53,448
Later than 1 Year and not later than 5 Years	124,712	213,792
Later than 5 Years	0	0
Total Operating Lease Obligations	\$178,160	\$267,240

28. CONTINGENT LIABILITIES

The City has no contingent liabilities as at reporting date.

29. TRADING UNDERTAKINGS & MAJOR LAND TRANSACTIONS

During the reporting period, the City did not engage in any trading undertakings as defined in Local Government Financial Management Regulation 45.

The City did undertake one major land transaction during the reporting period disposing of surplus land by public auction. The land sale transaction was settled on 28 June 2012. Net proceeds from the transaction have been transferred to the Asset Enhancement Reserve awaiting future application to the Manning Community Hub project to be undertaken in the 2013/2014 & 2014/2015 years.

The following disclosure is made in relation to that transaction in accordance with Local Government Financial Management Regulation 46. Other 2012/2013 planned land disposals in relation to Lot 800 Ray St and Manning Commercial Land were deferred into 2013/2014.

Details	BUDGET \$	2013 \$
Disposal of 30 Vista St, Kensington		
Disposal Proceeds	625,000	625,000
Cash Costs Associated with Sale	(66,193)	(51,699)
Carrying Value of Land (Non-Cash)	(130,000)	(130,000)
Net Disposal Proceeds (Cash)	\$558,807	\$573,301

30. CAPITAL COMMITMENTS

The City has contracted for items of capital expenditure that were not recognised as liabilities in the Statement of Financial Position at reporting date but are detailed as capital commitments because they are the subject of an irrevocable commitment for the goods or services as at reporting date.

Details	2013 \$
Grayden Pavillion Upgrade	324,502
Total Capital Commitments	\$324,502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

31. BUDGET OPENING / CLOSING POSITION

Details	BUDGET \$	2013 \$	2012 \$
CURRENT ASSETS			
Cash & Cash Equivalents	41,069,142	40,520,190	38,736,491
Trade & Other Receivables			
Rates	297,990	263,277	305,666
Sundry Debtors	352,733	1,278,990	800,533
Infringement Debtors	240,000	277,087	223,129
GST Debtors	300,000	1,349,495	556,962
Pension Rebate Receivable	15,000	22,967	11,793
UGP Debtors	300,000	452,797	791,902
ESL Debtors	40,000	38,618	37,499
Self-Supporting Loan Debtors	235,000	230,303	221,956
Provision for Doubtful Debts	(150,000)	(183,589)	(109,717)
Inventories - Materials	131,774	97,958	181,774
Inventories - Land Held for Resale	0	5,025,711	0
Accrued Interest Revenue	120,000	211,687	273,711
Prepayments	218,583	210,398	347,643
Sub Total	43,170,222	49,795,889	42,379,342
Exclude:			
Inventories - Land Held for Resale	(0)	(5,025,711)	(0)
Self-Supporting Loan Debtors	(0)	(230,303)	(0)
	43,170,222	44,539,875	42,379,342
CURRENT LIABILITIES			
Trade & Other Payables			
Accounts Payable	(1,743,093)	(3,019,509)	(2,657,524)
Income in Advance	(79,180)	(152,809)	(124,070)
Accrued Wages	(137,140)	(189,965)	(189,880)
Accrued Interest Expense	(40,000)	(42,422)	(47,140)
Interest Bearing Liabilities	(1,963,432)	(2,079,605)	(1,979,899)
Employee Provisions - Annual Leave	(2,012,711)	(2,013,425)	(1,844,877)
Employee Provisions - Long Service Leave	(1,083,767)	(1,194,407)	(1,170,860)
Sub Total	(7,059,323)	(8,692,142)	(8,014,250)
Exclude:			
Interest Bearing Liabilities	1,963,432	2,079,605	1,979,899
	(5,095,891)	(6,612,537)	(6,034,351)
(Adjusted) Net Current Assets	38,074,331	37,927,338	36,344,991
Less			
Restricted Assets - Cash Reserves	(37,874,166)	(35,842,020)	(33,047,253)
Rounding			(1)
SURPLUS (DEFICIT)	\$200,165	\$2,085,318	\$3,297,737

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

31. BUDGET OPENING / CLOSING POSITION (continued)

Net current (unrestricted) assets carried forward at 1 July 2012 as disclosed for the purpose of the budget were \$4,207,537. This amount differs from the net current (unrestricted) assets (calculated in accordance with Department of Local Government Guideline No 8) shown in the audited financial statements for the year ended 30 June 2012 of \$3,297,737.

Net current assets for the purposes of preparing the Annual Budget is calculated as the projected difference between current assets (adjusted by the exclusion of "restricted" assets - money set aside exclusively to cash back Reserves) and current liabilities as disclosed on the budgeted balance sheet (adjusted by the exclusion of current loan liabilities)

The difference arose as a consequence of the use of 'estimated' account balances to facilitate the early adoption of the Annual Budget on 10 July 2012. This has no detrimental effect on operations during the year. The practice of deriving the budget position using projected balances allows Council to adopt its Annual Budget in early July and levy its rates promptly, thereby avoiding the need to arrange short term cash accommodation with its bankers to fund Council's operations during July and August.

32. RATING INFORMATION

Rate In the Dollar

A rate of 6.2350 cents in the dollar (5.9325 cents in 2012) was applied to the Gross Rental Value (GRV) of all rateable properties in the municipality excepting for those subject to the approved minimum rate. This rate was applied to both residential and commercial property within the district

Minimum Rate

A \$785.00 Minimum Rate was applied (\$750.00 in 2012). This rate was determined to reflect the basic cost incurred in servicing lots within the district for the 2012/2013 rating year. Some 11.8% of rateable properties attracted this minimum rate - well under the allowable threshold of 50%

Instalment Options

In accordance with the statutory provisions the City offers ratepayers a choice of payment of rates by either one, two or four instalments. To offset the cost of offering the instalment payment option, the City charges a \$7.50 administration fee on the second, third and fourth instalments plus interest at the prescribed rate of 5.5% per annum on instalment payments. This fee supports the cost of administering debts, issuing instalment reminder notices and processing payments received

Penalty Interest

An interest charge of 11% was applied to all rates outstanding beyond the due date for the rates notice (excluding pensioner deferrals) as provided in the Local Government Act (1995). The rate of interest on outstanding rates is consistent with the penalty interest rate gazetted by the state government and applied to outstanding balances for the Emergency Services Levy.

Revenue from Rates Admin Fees & Interest

Details	BUDGET \$	2013 \$	2012 \$
Administration Fee - Instalments	145,000	144,892	105,688
Pre Interest on Rates Instalments	157,000	157,930	132,397
Interest on Overdue Rates	85,000	108,907	100,171
Total Charges and Interest	\$387,000	\$411,729	\$338,256

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

32. RATING INFORMATION (Continued)

Concessions

In accordance with the provisions of the Pensioner Rates Rebates and Deferrals Act, concessions were offered to eligible pensioners and seniors to allow them to either defer their rates or receive a percentage rebate of their rates provided they registered within the specified period and paid the balance of the rates within the year in which they were assessed. Eligibility for a concession is determined by meeting the requirements specified in the Pensioner Rates (Rebates & Deferrals) Act.

Incentive Scheme

An incentive scheme to encourage the early payment of rates operated in the 2012/2013 rating year. To be eligible, ratepayers were required to pay current year rates plus any arrears in full before the due date of 22 August 2012. Amounts legitimately deferred under the pensioner deferrals scheme did not need to be cleared to be eligible. Prizes offered in the incentive scheme were provided by sponsors external to the organisation.

Emergency Services Levy

During the 2012/2013 year the City was required to perform the role of third party collection agent for the Emergency Services Levy (ESL) for properties within the district. The ESL is a state government levy used to fund the operations of the career and volunteer fire brigades. For the 2012/2013 year, the City used the method of progressively remitting nominated portions of the total ESL levies to the Fire & Emergency Services Levy irrespective of whether they had been collected on not at 30 June 2013. Accordingly, the uncollected ESL funds at year end are now included in the City's Balance Sheet as a debt owing to the City.

33. SCHEDULE OF RATES LEVIED

ACTUAL

	RATEABLE VALUE \$	RATE IN \$ CENTS	RATE YIELD \$	MIN NO.	MIN YIELD (\$)	TOTAL YIELD (\$)
General - GRV						
Residential	379,291,420	6.2350	22,083,755	2,243	1,760,755	23,844,510
Commercial	47,249,013	6.2350	2,898,439	45	35,325	2,933,764
Interim Rates	5,263,654	6.2350	157,838	-	-	157,838
RATE LEVIED	431,804,087		25,140,032	2,288	1,796,080	26,936,112

BUDGET

	RATEABLE VALUE \$	RATE IN \$ CENTS	RATE YIELD \$	MIN NO.	MIN YIELD (\$)	TOTAL YIELD (\$)
General - GRV						
Residential	380,296,194	6.2350	22,098,934	2,243	1,760,755	23,859,689
Commercial	46,707,903	6.2350	2,883,241	45	35,325	2,918,566
Interim Rates	0	6.2350	160,000	-	-	160,000
RATE LEVIED	427,004,097		25,142,175	2,288	1,796,080	26,938,255

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

34. GENERAL PURPOSE FUNDING

Details	BUDGET \$	2013 \$	2012 \$
General Rate			
GRV - 17,358 Assessments Rate in \$ of 6.2350 cents	24,982,175	24,982,193	
GRV - 17,315 Assessments Rate in \$ of 5.9325 cents			23,421,641
Minimum Rate			
GRV - 2,288 Assessments at \$ 785.00	1,796,080	1,796,080	
GRV - 2,316 Assessments at \$ 750.00			1,716,750
Interim Rates			
GRV - Rate in \$ of 6.2350 cents	160,000	157,838	
GRV - Rate in \$ of 5.9325 cents			217,812
Sub Total	26,938,255	26,936,112	25,356,203
Plus - Late Payment Penalties / Interest	242,000	266,836	232,568
Plus - Admin & Legal Fees Recouped	220,000	220,108	158,149
Less - Rates written off	(10,000)	(14,201)	(5,449)
Total Amount from Rates	27,390,255	27,408,856	25,741,471
Grant Revenue			
General (Untied) Grant	440,000	923,636	1,124,090
Sub Total	440,000	923,636	1,124,090
Other General Purpose Income			
Pensioner's Deferred Rates Interest	30,000	14,357	18,338
Interest Revenue (Including Reserves)	2,170,000	2,134,876	2,521,613
UGP Financing Interest	133,125	107,581	79,530
ESL Transaction Processing Fee	40,000	40,900	41,360
Change in Equity - Joint Venture	0	361	19,835
Other General Purpose Revenue	582,860	602,068	467,005
Sub Total	2,955,985	2,900,143	3,147,681
Total General Purpose Revenue	\$30,786,240	\$31,232,635	\$30,013,242
Expenses			
Rates Collection / Valuation Expenses	(302,969)	(290,164)	(272,491)
Interest Expense - Loans	(524,911)	(495,997)	(485,845)
Financing Expense	(40,000)	(41,393)	(0)
Allocated Outwards	19,523	18,385	16,951
Total General Purpose Expenses	(\$848,357)	(\$809,169)	(\$741,385)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

35. NOTES TO THE STATEMENT OF CASHFLOWS

RECONCILIATION TO THE STATEMENT OF CASH FLOWS

For the purpose of preparing the Statement of Cash Flows, the City considers cash and cash equivalents to include cash on hand, in banks and invested in money market instruments. Cash at the end of the reporting period as shown on the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows.

Details	2013 \$	2012 \$
Cash on Hand	3,515	3,515
Cash at Bank	953,966	999,847
Cash Equivalents	39,562,709	37,733,129
Total Cash & Cash Equivalents	\$40,520,190	\$38,736,491

RECONCILIATION - NET CASH USED IN OPERATIONS TO OPERATING RESULT

Details	2013 \$	2012 \$
Net Operating Result	339,570	(3,698,015)
Add (Less) Non Cash Items		
Depreciation	12,654,669	13,202,609
Profit on Sale of Assets	(525,818)	(2,700,489)
Change in Equity - Joint Venture	(360)	(19,835)
Initial Recognition of Crown Land	(3,000,000)	0
Non Operating Items in Income Statement		
Grants for the Construction of Assets	(1,140,726)	(714,183)
Changes in Assets & Liabilities during Year		
(Increase) / Decrease in Current Receivables	(1,125,378)	(1,038,336)
(Increase) / Decrease in Non Current Receivables	459,890	(402,386)
Increase / (Decrease) in Income in Advance	28,739	46,998
Increase / (Decrease) in Current Payables	361,985	(644,829)
Increase / (Decrease) in Non Current Payables	0	0
(Increase) / Decrease in Inventory	83,816	(21,179)
Increase / (Decrease) in Non Current Provisions	49,042	112,523
(Increase) / Decrease in Prepayments	137,245	(23,334)
Increase / (Decrease) in Current Provisions	192,095	566,069
Increase / (Decrease) in Accrued Expenses	(4,633)	55,178
(Increase) / Decrease in Accrued Income	62,024	(105,958)
(Increase) Decrease in Intangibles	(434,954)	0
Net Cash Provided by Operations	\$8,137,206	\$4,614,833

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

LOAN FACILITIES

Details	2013 \$	2012 \$
Self Supporting Loans	2,197,165	1,932,321
Golf Course Loans	4,369,142	4,596,634
City Loans	6,200,124	7,730,575
Net Loan Liability	\$12,766,431	\$14,259,530

36. CREDIT STANDBY ARRANGEMENTS

An Overdraft facility exists with the Commonwealth Banking Corporation for the daily operational requirements of the City. This facility has no specific dollar value limit but is guaranteed and monitored by the level of short term deposits held with the bank. Any overdraft shown in the Statement of Financial Position exists only as a consequence of timing differences in unpresented cheques and does not represent a draw-down of funds from a facility provided by the City's bankers. The City has access to a corporate credit card facility to a potential funding limit of \$40,000 (2012: \$40,000). Any outstanding balances are settled monthly.

37. FINANCIAL RISK MANAGEMENT

The City's activities may expose it to financial risks including price risk, credit risk, liquidity risk and interest rate risk. The overall risk management strategy focuses on the unpredictability of financial markets - seeking to minimise potential adverse effects on the City's financial performance. There is no exposure to foreign currency risk as the City does not engage in foreign currency transactions.

The City held the following financial instruments at balance date:

Details	CARRYING VALUE		FAIR VALUE	
	2013	2012	2013	2012
Financial Assets				
Cash & Cash Equivalents	40,520,190	38,736,491	40,520,190	38,736,491
Receivables	6,398,623	5,968,292	6,398,623	5,968,292
Total	\$46,918,813	\$44,704,783	\$46,918,813	\$44,704,783
Financial Liabilities				
Payables	34,045,088	33,380,970	34,045,088	33,380,970
Borrowings	12,766,431	14,259,531	11,219,880	13,047,937
Total	\$46,811,519	\$47,640,501	\$45,264,968	\$46,428,907

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

37. FINANCIAL RISK MANAGEMENT (continued)

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables & Payables

Estimated as the carrying value - which approximates net market value

Borrowings

Estimated future cash flows discounted by current market rates applicable to assets and liabilities having a similar risk profile.

Cash & Cash Equivalents

The City's objective is to maximise its return on cash and investments - whilst preserving capital and maintaining an adequate level of liquidity to support operational needs. The investment portfolio is managed in accordance with Policy P603 - Investment of Surplus Funds and Department of Local Government Guideline 19. A comprehensive Investment Register is maintained at all times and an Investment Report disclosing the composition of the portfolio, counterparty risk, credit quality and investment performance is provided to Council on a monthly basis.

The major risk associated with investments is price risk - that is, the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market. Cash and investments are subject to interest rate risk - the risk that movements in interest rates could affect returns. Cash and investments are subject to credit risk - the risk that a contracting entity may not complete its obligations under a financial instrument resulting in a financial loss to Council. Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

The impact of a 1% change in interest rates on holdings of Cash & Investments is shown below:

Details	2013 \$	2012 \$
Sensitivity Analysis - 1% Change in Interest Rate		
Equity	405,202	387,365
Income Statement	405,202	387,365

Receivables

The City's major receivables comprise rates, service charges and user fees & charges. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. This is managed by monitoring outstanding debts and employing timely, effective debt recovery practices.

Credit risk on Rates, Rubbish Charges and UGP Service Charges is minimised through the City's ability to recover these debts as a secured charge over the land - that is, the land can be sold to recover the debt. The City also charges interest on overdue rates and rubbish charges at higher than market rates which further encourages payment. The level of outstanding receivables is monitored against benchmarks for acceptable collection performance and reported monthly.

A suitable provision for doubtful receivables is made as required following a critical assessment of outstanding receivables by class each year. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the City's credit risk at balance date was:

Details	2013 \$	2012 \$
Rates & Charges		
Current	99.2%	98.9%
Overdue	0.8%	1.1%
Other Receivables		
Current	98.6%	93.7%
Overdue	1.4%	6.3%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Short Term Deposits

The accounting policy applied in respect of short term deposits is as stated at Note 1 (i) and Note 4. Interest is recognised as earned rather than upon receipt. The average maturity of short term investments undertaken during the reporting period was 48 days. The weighted average interest rate yield was 4.59% on investments and an average rate of 2.88% on at call funds.

Payables & Borrowings

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by dynamically monitoring its cash flow requirements and liquidity levels to ensure that an adequate cash buffer is maintained at all times.

Payments are made in accordance with agreed terms or statutory obligations - whichever is applicable. Credit terms may be extended or overdraft facilities drawn upon if required.

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing over long terms and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below.

Payables - Classified by Year

Details	DUE WITHIN 1 YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING VALUES
2013					
Payables	3,404,705	0	0	3,404,705	3,404,705
Leaseholder Liability (Retirement Facility)	2,144,827	8,579,307	19,162,249	30,640,383	30,640,383
Borrowings	2,717,436	6,961,964	6,389,315	16,068,715	12,766,431
	\$8,266,968	\$15,541,271	\$25,551,564	\$50,113,803	\$46,811,519
2012					
Payables	3,018,614	0	0	3,018,614	3,018,614
Leaseholder Liability (Retirement Facility)	2,125,365	8,501,460	19,735,531	30,362,356	30,362,356
Borrowings	2,661,328	7,787,267	7,447,956	17,896,551	14,259,531
	\$7,805,307	\$16,288,727	\$27,183,487	\$51,277,521	\$47,640,501

Carrying Amounts of Borrowings with Interest Rate Sensitivity

2013	< 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
Fixed Rate	2,079,605	1,585,676	1,084,985	1,107,297	1,130,566	4,231,751	11,219,880
Weighted Ave Interest Rate	5.169%	5.273%	5.575%	5.577%	5.828%	4.969%	5.292%
2012							
Fixed Rate	1,979,899	1,964,788	1,489,848	1,010,029	1,032,653	5,570,720	13,047,937
Weighted Ave Interest Rate	5.177%	5.179%	5.287%	5.603%	5.605%	5.285%	5.306%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

38. INTEREST BEARING BORROWINGS

The City undertakes borrowings for its own purposes as part of a balanced funding model. It also acts as a guarantor for Self Supporting Loans to a number of community groups. City borrowings are regarded as part of the overall municipal funding package and with the exception of borrowings associated with the Collier Park Golf Course (Recreation & Culture Program) are not directly attributed to operational programs other than General Purpose Revenue. They are secured against the future general revenue of the City. Loan No 221, 222, 223, 225A, 225B and 226 are City loans.

Self Supporting Loans are guaranteed by the City on behalf of a nominated community sporting group. Responsibility for all payments of principal and interest rests with the beneficiary community sporting group. All payments are reimbursed by the relevant group - meaning that there is no financial impost on the City for these loans. Loan No 214, 218, 219, 220, 224 and 229 are Self Supporting Loans. Loan 227 relates to the Collier Park Golf Course and the course is responsible for servicing all of its own loan repayments from its own sources - without impost on ratepayers.

All loans borrowings detailed below are undertaken with WA Treasury Corporation. Loan terms, payment frequencies and interest rates vary as agreed at the time of negotiating the loan. Individual loan details are as specified in the following table.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

LOAN NO	LOAN TERM	MATURITY DATE	INTEREST RATE	INSTALLMENT FREQUENCY	BALANCE 1 JUL 12	NEW BORROWINGS	PRINCIPAL REPAYMENT	INTEREST REPAYMENT	TOTAL REPAYMENT	BALANCE 30 JUN 13
City Loans										
221	10 Yr	Jun 2014	6.06%	Quarterly	376,132	0	(182,412)	(18,700)	(201,112)	193,720
222	10 Yr	Jun 2015	5.48%	Monthly	538,780	0	(169,869)	(26,125)	(195,994)	368,911
223	10 Yr	Jun 2019	6.32%	Monthly	2,286,120	0	(269,050)	(136,279)	(405,329)	2,017,070
225A	10 Yr	Jun 2021	5.48%	Monthly	1,845,533	0	(163,147)	(98,177)	(261,324)	1,682,386
225B	10 Yr	Jun 2021	4.02%	Monthly	1,000,000	0	(93,622)	(39,593)	(133,215)	906,378
226	3 Yr	Dec 2014	4.23%	Monthly	1,684,010	0	(652,351)	(59,731)	(712,082)	1,031,659
Golf Course Loans										
227	15 Yr	Sep 2026	4.97%	Monthly	4,596,634	0	(227,492)	(226,003)	(453,495)	4,369,142
Self Supporting Loans										
218	15 Yr	Nov 2015	6.59%	Monthly	27,272	0	(7,358)	(1,578)	(8,936)	19,914
219	10 Yr	Jul 2013	5.60%	Quarterly	35,421	0	(35,421)	(1,501)	(36,922)	0
220	17 Yr	Nov 2021	6.28%	Monthly	41,920	0	(3,410)	(2,572)	(5,982)	38,510
224	10 Yr	Feb 2020	6.15%	Semi Annual	1,827,709	0	(183,050)	(110,864)	(293,914)	1,644,659
229	15 Yr	Feb 2028	4.42%	Quarterly	0	500,000	(5,918)	(5,595)	(11,513)	494,082
Total Borrowings					\$14,259,531	\$500,000	(\$1,993,100)	(\$726,718)	(\$2,719,818)	\$12,766,431

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

39. PROPERTY PLANT & EQUIPMENT - MOVEMENTS IN CARRYING AMOUNTS

MOVEMENT	LAND	BUILDINGS	ARTWORK	TECHNOLOGY EQUIPMENT	FURNITURE FITTINGS	MOBILE PLANT	PLANT & EQUIPMENT	\$ TOTAL
Balance - 1 July 2012	59,910,120	61,482,524	274,802	785,598	809,471	3,295,678	614,211	127,172,404
Additions	3,185,591	175,602	0	96,732	27,901	916,551	57,000	4,459,377
Disposals	(130,000)	(0)	0	0	0	(164,551)	0	(294,551)
Revaluation Increments	220,502,500	0	0	0	0	274,432	0	220,776,932
Reclassify to Inventory - Land for Resale	(5,875,711)	0	0	0	0	0	0	(5,875,711)
Write Down / Adjustment	(1,190,000)	0	0	0	0	0	0	(1,190,000)
Initial Recognition - Changed Legislation	3,000,000	0	0	0	0	0	0	3,000,000
Depreciation Expense	0	(1,344,619)	(6,293)	(241,517)	(131,123)	(1,131,516)	(100,138)	(2,955,206)
Category Balance	279,402,500	60,313,507	268,509	640,813	706,249	3,190,594	571,073	345,093,245
Capital Work in Progress								
Balance - 1 July 2012	0	100,596	0	0	0	0	0	100,596
Additions	0	504,358	0	0	0	0	0	504,358
Capitalised Assets	0	0	0	0	0	0	0	0
Capital WIP Balance	0	604,954	0	0	0	0	0	604,954
Balance - 30 June 2013	\$279,402,500	\$60,918,461	\$268,509	\$640,813	\$706,249	\$3,190,594	\$571,073	\$345,698,199

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

40. INFRASTRUCTURE - MOVEMENTS IN CARRYING AMOUNTS

MOVEMENT	ROADS NETWORK	DRAINAGE NETWORK	PATH NETWORK	STREET FURNITURE	PARKS INFRASTRUCTURE	\$ TOTAL INFRASTRUCTURE
Balance - 1 July 2012	75,250,720	28,808,088	37,909,195	1,205,613	16,971,831	160,145,447
Additions	2,434,092	612,699	768,418	21,543	1,534,198	5,370,950
Disposals	(0)	(0)	(0)	(0)	(0)	(0)
Revaluation Increments	15,868,175	119,302	0	0	0	15,987,477
Revaluation Decrements	(0)	(0)	(5,499,024)	(0)	(0)	(5,499,023)
Write Down / Adjustment	0	0	0	0	0	0
Depreciation Expense	(6,669,310)	(553,406)	(1,166,437)	(134,479)	(1,175,830)	(9,699,462)
Category Balance	86,883,677	28,986,683	32,012,152	1,092,677	17,330,199	166,305,388
Capital Work in Progress						
Balance - 1 July 2012	0	0	0	0	0	0
Additions	0	0	0	0	0	0
Capitalised Assets	0	0	0	0	0	0
Capital WIP Balance	0	0	0	0	0	0
Balance - 30 June 2013	\$86,883,677	\$28,986,683	\$32,012,153	\$1,092,677	\$17,330,199	\$166,305,388

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

41. SEGMENT REPORTING - AGED CARE HOSTEL

The City operates a frail aged care hostel known as the Collier Park Hostel (CPH). This facility is not a separate legal or taxation entity - although the financial results of its operations are quarantined and associated monies are held discrete from the City's funds. Beneficial control of the Collier Park Hostel's assets, responsibility for its liabilities and the day to day control of its operations reside with the City. All staff engaged at the hostel are employed directly by the City which also assumes responsibility for future employee entitlements. Treasury management activities (accounts payable, accounts receivable and investment) are all performed centrally by the City on behalf of the hostel.

Accounting standards relating to segment reporting do not generally apply to the operations of local governments. Notwithstanding this, the Collier Park Hostel is required to comply with the Aged Care Act 1997 and the reporting and disclosure regimes associated with the Conditional Adjustment Payment (CAP) funding initiative. This legislation requires the City to separately identify and disclose the aggregated results of the Collier Park Hostel's operations and the assets and liabilities attributed to it in the City's general purpose financial report as though it were a separate financial entity. This financial disclosure is best effected through the City providing a reporting note that reflects the Collier Park Hostel's financial position and performance for the year as a separate operational segment.

Operating Performance - 2013	AGED CARE SEGMENT \$	OTHER SEGMENTS \$	2013 TOTAL \$
REVENUES			
Government Grants & Subsidies	993,313	1,792,340	2,785,653
Hostel Resident Charges	758,113	0	758,113
Bond Retentions	68,747	0	68,747
Interest Income	0	2,476,717	2,476,717
Capital Grants	0	1,511,686	1,511,686
Other Revenue	0	45,219,518	45,219,518
Total Revenue	1,820,173	51,000,261	52,820,434
EXPENDITURE			
Care Employee Expenditure	(1,207,478)	(0)	(1,207,478)
Other Employee Expenditure	(159,132)	(17,263,392)	(17,422,524)
Interest Expense	(0)	(722,000)	(722,000)
Depreciation Expense	(79,520)	(12,575,149)	(12,654,669)
Capital Expense - Not Capitalised	(85,932)	(0)	(85,932)
Other Expense	(712,922)	(19,675,339)	(20,388,261)
Total Expenses	(2,244,984)	(50,235,880)	(52,480,864)
Segment Result	(\$424,811)	\$764,381	\$339,570

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Statement of Financial Position	AGED CARE SEGMENT \$	OTHER SEGMENTS \$	2013 TOTAL \$
CURRENT ASSETS			
Cash - Restricted *1	2,064,492	33,777,528	35,842,020
Cash - Unrestricted *2	325,465	4,352,705	4,678,170
Other Current Assets	0	9,275,698	9,275,698
Total Current Assets	\$2,389,957	\$47,405,931	\$49,795,888
NON CURRENT ASSETS			
Infrastructure, Property, Plant & Equip	3,695,496	498,967,662	502,663,158
Other Non Current Assets	0	4,109,970	4,109,970
Total Non Current Assets	\$3,695,496	\$503,077,632	\$506,773,128
Total Assets	\$6,085,453	\$550,483,563	\$556,569,016
CURRENT LIABILITIES			
Other Current Liabilities	0	8,692,142	8,692,142
Total Current Liabilities	\$0	\$8,692,142	\$8,692,142
NON CURRENT LIABILITIES			
Refundable Accommodation Bonds	2,064,292	0	2,064,292
Other Non Current Liabilities	0	39,555,014	39,555,014
Total Non Current Liabilities	\$2,064,292	\$39,555,014	\$41,619,306
Total Liabilities	\$2,064,292	\$48,247,156	\$50,311,448

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

41. SEGMENT REPORTING - AGED CARE HOSTEL (continued)

Operating Performance - 2012

	AGED CARE SEGMENT \$	OTHER SEGMENTS \$	2012 TOTAL \$
REVENUES			
Government Grants & Subsidies	1,029,013	2,216,333	3,245,346
Hostel Resident Charges	711,035	0	711,035
Bond Retentions	68,958	0	68,958
Interest Income	0	2,850,641	2,850,641
Capital Grants	0	736,572	736,572
Other Revenue	13,561	45,862,369	45,875,930
Total Revenue	1,822,567	51,665,915	53,488,482
EXPENDITURE			
Care Employee Expenditure	(1,026,271)	(0)	(1,026,271)
Other Employee Expenditure	(195,852)	(16,872,448)	(17,068,300)
Interest Expense	(0)	(665,671)	(665,671)
Depreciation Expense	(79,243)	(13,123,366)	(13,202,609)
Capital Expense - Not Capitalised	(92,305)	(0)	(92,305)
Other Expense	(724,771)	(24,406,570)	(25,131,341)
Total Expenses	(2,118,442)	(55,068,055)	(57,186,497)
Segment Result	(\$295,875)	(\$3,402,140)	(\$3,698,015)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

Statement of Financial Position	AGED CARE SEGMENT \$	OTHER SEGMENTS \$	2012 TOTAL \$
CURRENT ASSETS			
Cash - Restricted*1	2,408,871	30,755,800	33,164,671
Cash - Unrestricted*2	757,650	4,814,170	5,571,820
Other Current Assets	0	3,642,851	3,642,851
Total Current Assets	\$3,166,521	\$39,212,821	\$42,379,342
NON CURRENT ASSETS			
Infrastructure, Property, Plant & Equip	3,775,016	283,643,431	287,418,447
Other Non Current Assets	0	3,284,546	3,284,546
Total Non Current Assets	\$3,775,016	\$286,927,977	\$290,702,993
Total Assets	\$6,941,537	\$326,140,798	\$333,082,335
CURRENT LIABILITIES			
Other Current Liabilities	0	8,014,250	8,014,250
Total Current Liabilities	\$0	\$8,014,250	\$8,014,250
NON CURRENT LIABILITIES			
Refundable Accommodation Bonds	2,408,871	0	2,408,871
Other Non Current Liabilities	0	40,476,172	40,476,172
Total Non Current Liabilities	\$2,408,871	\$40,476,172	\$42,885,043
Total Liabilities	\$2,408,871	\$48,490,422	\$50,899,293

*1 All Accommodation Bonds held on behalf of residents of the CPH are fully cash backed in the Collier Park Hostel Accommodation Bonds Reserve - a cash reserve created exclusively for the purpose of repaying accommodation bonds that will be refundable upon the departure of hostel residents. Funds from this reserve may not be used for any other purpose besides refunding accommodation bonds upon the departure of residents from the CPH facility.

The City takes a liquidity position of 100% cash backing the liability to repay the accommodation bonds to departing residents.

Accountability for the proper management and application of these monies are facilitated by the City's completion of the Prudential Compliance Return which is lodged annually with the Department of Health & Ageing (Approved Provider 1109).

*2 The results of the CPH operations and other funding allocations from the City's resources are held in the Collier Park Hostel Capital Reserve which contains funds that may be applied to offset operating deficits or to fund capital improvements at the CPH facility.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

42. CORRECTION OF PRIOR YEAR ERROR

Details

Land previously recognised now de-recognised as City does not have title.

Total Prior Year Correction

2013
\$
1,190,000
\$1,190,000

Four parcels of land previously recognised in the City's Asset Register and Financial Accounts have been de-recognised in the 2012/2013 year. This was necessary because, during the valuation exercise undertaken at 30 June 2013, it was discovered that the City did not have title to these parcels of land.

Accordingly, corrections have been made against the current year balances of Property, Plant & Equipment (Land) and Retained Surplus because it was considered to be too impractical to restate all prior year comparatives.

43. EVENTS AFTER REPORTING DATE

Subsequent to year-end, the State Government has announced the proposed amalgamation of some Metropolitan Councils in Western Australia effective from 1 July 2015. The impact on the City of South Perth has not yet been quantified.

During the 2012/2013 reporting period the City undertook a review of its role in the provision of services at the Collier Park Hostel facility. The impact of potential outcomes of the review on the City of South Perth has not yet been quantified.

44. KEY PERFORMANCE INDICATORS

Performance Measure	2013	2012	2011
CURRENT RATIO	1.60:1	1.15:1	0.85:1
<i>Indicates the City's short term liquidity and capacity to meet short term obligations. Preferred value for this ratio is greater than 1.0:1</i>			
Current Assets - Restricted Assets	13,953,868	9,214,671	5,931,978
Current Liabilities - Restricted Liabilities	8,692,142	8,014,250	6,959,862
OPERATING SURPLUS RATIO	(2.5%)	(9.1%)	(3.9%)
<i>Indicates the extent to which revenue covers operational expenses and capital expenditures. Preferred value is positive & between 0% and 15%</i>			
Operating Surplus	(1,172,116)	(4,434,587)	(1,557,291)
Own Source Revenue	47,799,268	48,893,017	39,692,670
OWN SOURCE REVENUE COVER RATIO	91.6%	86.2%	87.9%
<i>Indicates the extent of financial autonomy. That is the capacity to generate revenues to meet operating costs from its own revenue sources. Preferred value is greater than 40%</i>			
Own Source Revenue	47,799,268	48,893,017	39,692,670
Operating Expenses	52,186,313	56,743,624	45,161,432

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

43. KEY PERFORMANCE INDICATORS (continued)

Performance Measure	2013	2012	2011
DEBT SERVICE RATIO	4.4:1	4.5:1	6.8:1
<i>Indicates the capacity to generate sufficient cash to meet debt service obligations as they become due and payable. Preferred value for this ratio is greater than 2.0:1</i>			
Operating Surplus before Interest & Depreciation	12,215,706	9,433,693	6,592,112
Debt Service Costs - Principal & Interest	2,719,818	2,093,954	970,836
RATES OUTSTANDING RATIO	0.9%	1.2%	1.3%
<i>Indicates the effectiveness of rates collection procedures. Preferred value for this ratio is less than 5%</i>			
Rates Outstanding	263,277	305,666	306,925
Total Rates Collectible	27,408,856	25,741,471	23,908,796
ASSET SUSTAINABILITY RATIO	85.1%	84.2%	82.5%
<i>Indicates the extent to which assets are renewed or replaced as they reach the end of their useful lives. Preferred value for this ratio is greater than 90%</i>			
Capital Renewal & Replacement Expenditure	10,780,971	11,111,980	6,404,068
Depreciation Expense	12,665,822	13,202,609	7,762,869

Further Ratio Information

The following information relates to those ratios that require only attestation that they have been checked and are supported by verifiable information.

Performance Measure	2013	2012	2011
ASSET CONSUMPTION RATIO	55.9%	54.1%	54.5%
<i>Indicates the aged condition of the City's physical assets. Preferred value for this ratio is between 50% and 70%</i>			
Depreciated Replacement Cost of Assets	231,996,133	227,407,731	205,671,366
Current Replacement Value of Assets	415,231,958	420,074,154	377,326,571
ASSET RENEWAL FUNDING RATIO	98.9%	N/A*	N/A*
<i>Indicates the City's capacity to fund asset renewals at existing revenue and service levels. Preferred value for this ratio is between 95% and 100%</i>			
NPV of Planned Renewal Funding	77,878,026	N/A	N/A
NPV of Required Renewal Funding	78,733,467	N/A	N/A

In accordance with Local Government (Financial Management) Regulation 50 (1aa), comparatives for the 2012 and 2011 years have not been reported.

STATEMENT BY CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED 30 JUNE 2013

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

The attached financial report of the City of South Perth comprising the annual financial report and supporting notes and other information for the year ended 30 June 2013 are, in my opinion, properly drawn up to present fairly the financial position of the City of South Perth at 30 June 2013 and the results of the City's operations for the year then ended in accordance with Australian Accounting Standards and comply with the provisions of the *Local Government Act 1995* and Regulations under that act.

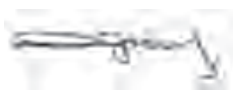
Signed as authorisation of issue on the eleventh day of November 2013.



A C Frewing
CHIEF EXECUTIVE OFFICER



M. J. Kent
DIRECTOR FINANCIAL & INFORMATION SERVICES



D. M. Gray
MANAGER FINANCIAL SERVICES

AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2013



Certified Practising Accountants

PARTNERS

Anthony Macri FCPA

Domenic Macri CPA

Connie De Felice CA

INDEPENDENT AUDITOR'S REPORT

TO: RATEPAYERS OF CITY OF SOUTH PERTH

We have audited the financial report of the City of South Perth, which comprises the Statement of Financial Position as at 30 June 2013 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional accounting bodies.



AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2013

INDEPENDENT AUDITOR'S REPORT (Cont'd)

Auditor's Opinion

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

- (a) gives a true and fair view of the financial position of the City of South Perth as at 30 June 2013 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) Except as detailed below, there are no further matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
 - (i) **Submission of Financial Report**

The accounts for year ended 30 June 2013 was not submitted to the auditor by 30 September 2013 as required by Section 6.4(3)(a) of the Act.
 - (ii) **Trust Fund Information**

In relation to the trust fund, FM Regulation 37 requires the local government in its annual financial report to include, separately for each class of trust, a statement of the opening balance, the amounts received during the financial year, the amounts paid over during the financial year and the closing balance at 30 June. The information on the movement for each class of trust has not been reported in the Council's annual financial report.
- (c) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report (Note 44 of the annual financial report) are supported by verifiable information and reasonable assumptions.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

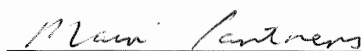


AUDITOR'S REPORT


FOR THE YEAR ENDED 30 JUNE 2013

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of City of South Perth for the year ended 30 June 2013 included on the City of South Perth's website. Management is responsible for the integrity of the City of South Perth's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
SUITE 2, 137 BURSWOOD ROAD
BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 14TH DAY OF NOVEMBER 2013.



GLOSSARY

For information on financial terms, see page 84.

C

Collier Park Golf Course

The Collier Park Golf Course is a 27-hole international standard public golf course incorporating a large driving range, huge immaculate putting greens, and three world-class nine hole courses.

Community Sustainability Advisory Group (CSAG)

The CSAG has been the City's key community advisory group on sustainability over the last five years. The group consists of up to eight community members who volunteer their time and input. Three new residents joined in March 2011.

The CSAG is called upon to review and provide feedback on City policy, strategies and other City strategic business, pertaining to community sustainability elements. For example, the City's draft Climate Change Strategy, and the draft Sustainability Strategy 2010-2015 were reviewed by the CSAG in November 2010.

Customer Relationship Management (CRM)

Customer Relationship Management (CRM) is a method of managing customer interactions by a company or organisation, utilising technology to organise, automate and synchronise business processes.

D

Directions 2031 and Beyond

Directions 2031 and beyond is the State Government's capital city strategic plan, guiding change and the growth of the city over coming decades.

I

ICLEI – Local Governments for Sustainability

ICLEI – Local Governments for Sustainability, is an association of more than 1,220 local governments from 70 different countries who demonstrate committed to sustainable development.

ICLEI provides technical consulting, training, and information services to build capacity, share knowledge, and support local government in the implementation of sustainable development at the local level.

Infrastructure Australia

Infrastructure Australia is a statutory body that advises governments, investors and infrastructure owners on a wide range of issues including Australia's current and future infrastructure needs, mechanisms for financing infrastructure investments, and policy, pricing and regulation and efficiency of the delivery, operation and use of national infrastructure networks.

L

Local Government Insurance Services (LGIS)

LGIS is the dedicated insurance service owned by the WA Local Government Association on behalf of it's members and managed by Jardine Lloyd Thompson Pty Ltd. Services include claims and risk management, legislative compliance support and general insurance broking.

Local Government Grants Scheme

Administered by the Western Australian Local Government Grants Commission, this scheme recommends and allocates 'General Purpose Grants' among 138 local governments in Western Australia, as part of the *Local Government Grants Act 1978*.

Local Government Reform

This is an initiative by the State Government, which began in February 2009, to create fewer but stronger councils in order to improve service to Western Australian communities into the future.

Lost time injuries

Number of lost time injuries/diseases incidence rate (LTI/D) is the number of lost time injuries/diseases where one day/shift or more was lost, in the financial year per 100 employees

M

Main Roads Western Australia (MRWA)

Main Roads Western Australia is responsible for Western Australia's highways and main roads which represent almost 30% of the State's total assets.

Memorandum of Understanding

A memorandum of understanding (MOU) is a document describing a bilateral or multilateral agreement between parties. It expresses a convergence of will between the parties, indicating an intended common line of action.

Millennium Kids Inc.

Established in 1996, Millennium Kids Inc. is a Perth-based collective of young people aged 10–25, which develops local, regional and international partnerships, to encourage young people to explore, identify and address environmental issues through information exchange, membership networks and on the ground action and development of youth leadership issues.

O

Our Vision Ahead

Our Vision Ahead was a City of South Perth initiative designed to explore the aspirations of the community. The aim was to create a shared vision for the future that both Council and community could work towards.

GLOSSARY

R

Residential design policy manual

A guiding document for City wide residential policies and precinct based policies.

S

Shire of Victoria Plains

The Shire of Victoria Plains is a local government area in the Wheatbelt region of Western Australia, about 160 kilometres north-west of Perth. The Shire covers an area of 2569km² and its seat of government is the town of Calingiri.

South East Metropolitan Regional Council (SMRC)

The SMRC is a statutory local government authority established by local councils in the southern part of metropolitan Perth. It is responsible for developing environmentally sustainable waste management solutions and climate change abatement measures for the communities of Cockburn, East Fremantle, Fremantle, Kwinana, Melville and Rockingham.

Swan River Trust

The Swan River Trust is a state government agency responsible for protecting and managing the Swan Canning river system.

T

Town planning scheme

Outlines state and local planning policies including zones, overlays and other provisions.

Transperth

Transperth is part of the State Government's Public Transport Authority (PTA), and is the brand name through which the Western Australian Government provides public transport services in the Perth metropolitan region. This includes Perth's public buses, trains and ferries.

U

Underground Power Program

The Underground Power Program (UPP) is a State Government initiative administered by the Public Utilities Office. Local Councils can nominate areas to be converted to underground power. Each nomination is assessed against social, economic and technical criteria by the UPP Steering Committee.

W

Ward/s

The district of a municipality, city or town for administrative or representative purposes.

Waste transfer station

Temporary storage facility situated in Como for local waste before it is recycled or transported to a landfills site.

Waterfront Development

Known as Elizabeth Quay, this development on Perth's Swan River forshore plans to revitalise central Perth. Delivered by the State Government and supported by the City of Perth, Elizabeth Quay will cover nearly 10 hectares of riverfront land between Barrack and William streets in the heart of the city. The project will create a precinct featuring a 2.7 hectare inlet surrounded by a split level promenade, shops, cafes, restaurants and other exciting entertainment venues.

Waterwise Council

The Waterwise Council program helps councils in Western Australia adhere to the State Government's water efficiency measures and encourages improved water use management at a corporate and community level. It is developed by the Water Corporation and Department of Water, with support from International Council for Local Environmental Initiatives (ICLEI) – Local Governments for Sustainability.

Western Australian Local Government Association (WALGA)

The WA Local Government Association is the voice of Local Government in Western Australia. As the peak industry body WALGA advocates on behalf of the State's 130 Local Governments and negotiates service agreements for the sector. WALGA is not a government department or agency.

Western Australian Planning Commission (WAPC)

The WAPC is the statutory authority with statewide responsibilities for urban, rural and regional land use planning and land development matters. The WAPC responds to the strategic direction of government and is responsible for the strategic planning of the State.

Western Power

Western Power is a State Government owned corporation that builds, maintains and operates the electricity network in the south west corner of Western Australia.

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**WE HOPE YOU ENJOYED
READING OUR ANNUAL
REPORT 2012/2013
AND INVITE YOU TO
PROVIDE US WITH
YOUR COMMENTS
AND FEEDBACK.**

To provide feedback please email
enquiries@southperth.wa.gov.au

USEFUL CONTACTS

Administration Office

Civic Centre
Cnr Sandgate St & South Tce
South Perth WA 6151
Phone 08 9474 0777
Fax 08 9474 2425
Email enquiries@southperth.wa.gov.au
Office hours
Monday – Friday 8.30am to 5pm

Operations Centre

199 Thelma St
Como WA 6152
Phone 08 9474 0900
Fax 08 9367 9292
Email operations@southperth.wa.gov.au
Office hours
Monday – Friday 8.30am to 5pm

George Burnett Leisure Centre

George Burnett Park, Manning Rd
Karawara WA 6152
Phone 08 9474 0855
Opening hours
Monday – Friday 8.30am to 9pm
Saturday – Sunday 8.30am to 6pm

Collier Park Golf Course

Hayman Rd
Como WA 6152
Phone 08 9484 1666
Fax 08 9313 1744
Email collierparkgolf@inet.net.au

Collier Park Village

16 Morrison St
Como WA 6152
Phone 08 9313 0200
Fax 08 9313 0229
Email collierparkvillage@southperth.wa.gov.au

South Perth Library

Cnr Sandgate St & South Tce
South Perth WA 6151
Phone 08 9474 0800
Fax 08 9474 2425
Email southperthlib@southperth.wa.gov.au
Opening hours
Monday 9.30am to 5.30pm
Tuesday – Thursday 9.30am to 7pm
Friday 9.30am to 5.30pm
Saturday 10am to 4pm

Manning Library

Manning Rd
Manning WA 6152
Phone 08 9450 4450
Fax 08 9450 6203
Email manninglib@southperth.wa.gov.au
Opening hours
Monday – Tuesday 9.30am to 5.30pm
Wednesday 9.30am to 7pm
Thursday – Friday 9.30am to 5.30pm
Saturday 10am to 2pm

South Perth Senior Citizens Centre

53 Coode St
South Perth WA 6151
Phone 08 9367 9880
Email spsc@bigpond.com
Opening hours
8.30am – 4pm, seven days

Manning Senior Citizens Centre

3 Downey Dr
Manning WA 6152
Phone 08 9450 6273
Email manning seniors@bigpond.com
Opening hours
8.30am – 4pm, seven days