



A CITY ON THE MOVE

CITY OF SOUTH PERTH
ANNUAL REPORT 2013/14

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01 OVERVIEW

WELCOME TO THE CITY OF SOUTH PERTH ANNUAL REPORT 2013/14



Welcome

Here at the City of South Perth, we want to ensure people in our community can easily understand 'the year that was'. This 2013/14 Annual Report has been carefully prepared to give you a clear insight into how we've performed – including our main achievements and our key challenges throughout the year. It also aims to give you a simple understanding of our key targets for the year ahead.

The City's theme for 2013/14 is 'A City on the move'. This theme is apt as a new era is dawning with the proposed amalgamation with the neighbouring Town of Victoria Park and the northern area of the City of Canning, northwest of Leach Highway.

The 2013/14 Annual Report is produced in accordance with the *Local Government Act 1995*, which requires a Council to adopt an Annual Report by 31 December each year.

Thank you for taking the time to read our 2013/14 Annual Report. We welcome any feedback on our performance or on where you'd like us to focus in the future.

Where you can find this Annual Report

The City produces a limited number of hard copies of the Annual Report, in line with its ongoing commitment to sustainability. This Annual Report can be viewed by:

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

A SNAPSHOT



Our City

The City of South Perth is an inner-city metropolitan local government agency that provides a range of community services and facilities, covering areas such as community development, recreation, infrastructure, transport, governance, advocacy and corporate management. The City was first gazetted as a Roads Board on 9 June 1892 and proclaimed a City on 1 July 1959.

Our location and demographics

Covering nearly 20 square kilometres, the City is situated two kilometres across the Swan River from the Perth CBD. Widely recognised for its aesthetic appeal, the City is bounded by the Swan and Canning Rivers – offering around 660 hectares of public open spaces.

Major attractions 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, Angelo Street and Preston Street precincts, and the Waterford Plaza Shopping Complex.

Home to more than 46,000 residents from a diverse range of ages and cultural backgrounds, the City is dominated by residential land uses. On a daily basis, it accommodates around 10,000 employees from small to medium sized businesses, specialised service providers and educational institutions.

Our future is exciting

The City is preparing for significant and sustained growth during the next 20 years. The West Australian Department of Planning estimates the City will accommodate an additional 6000 dwellings by 2031, representing a 30 per cent increase.

The City is also preparing to amalgamate with the neighbouring Town of Victoria Park and the northern part of the City of Canning, which will see our population double to approximately 95,000 residents on 1 July 2015.

Our key achievements:

- Animal Care Facility construction commencement
- Collier Park Waste Transfer Station review
- Australia Day and Fiesta events
- Council elections
- South Perth Civic Triangle Precinct land sale preparations
- Community Perceptions Survey
- Bill Grayden Pavilion upgrade
- New Facebook page
- Drainage Infill and Upgrade Program
- Old Mill Redevelopment
- Manning Community Hub
- Five Year Road Rehabilitation Program
- Footpath, Shared Path and Cycle Path Program.

Our key challenges:

- Capital Works Program review
- State Government's Local Government Reform process
- Collier Park Golf Course review
- Regional Waste Management Strategy
- Collier Park Hostel closure
- George Burnett Leisure Centre redevelopment
- Waterford Triangle Scheme amendments
- Online tracking system for development applications.

FAST FACTS



OUR CITY

Area: 19.9sq km

Area of parks and gardens: 4.66sq km

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

Library branches: South Perth and Manning

Senior citizens centres: South Perth and Manning

Child health centres: 4

Kindergartens: 3

Primary schools: 12

Secondary schools (government): 1

Secondary colleges (private): 3

Sporting clubs: 14

City employees: 231 (full time equivalent)

Rate revenue 2013/14: \$28.58M



4.6SQ KM OF PARKS
AND GARDENS



42 PLAYGROUNDS



46,113 POPULATION

OUR LAND:

Length of roads: 203km

Length of pathways: 267km

Bus shelters: 160

Street signs: 5134

Street trees: 20,021

Streetscape gardens: 4.96ha

Total reserve area: 466ha

Total developed reserves: 376ha

Active sports fields: 12

Reserve trees: 7506

Playgrounds: 42 sites

Gardens: 54 sites

OUR PEOPLE:

Population: 46,113

Median age: 36

Median weekly household income: \$1606

Couples with children: 22%

Medium and high density housing: 52%

Households with a mortgage: 26%

Households renting: 38%

Non-English speaking backgrounds: 22%

Unemployment: 4.7%

WHAT GUIDES US

Our Mission

'Working together to create a City for everyone'

This statement identifies the important role of the community, Council and staff in ensuring that the strategies outlined in the Strategic Plan 2013-2023 are 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.'

This statement describes how the City will respond to the community's aspirations and priorities in the future.

Values

Our values are linked to the way we conduct our business and include:

Trust

Honesty and Integrity

Respect

Acceptance and Tolerance

Understanding

Caring and Empathy

Teamwork

Leadership and Commitment

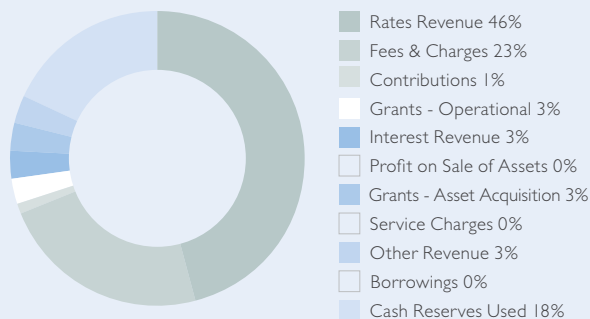
Acknowledgement

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.

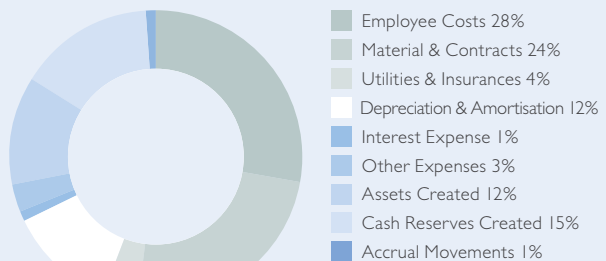
Ngala kaaditj Noongar moort keyen kaadak nidja boodja.

FINANCIAL HIGHLIGHTS

Our sources of revenue 2013/14



Our expenses 2013/14



CITY INITIATIVE STATUS OVERVIEW

The following on pages 12–15 shows the status of each City initiative during 2013/14. These initiatives fall under our six key strategic directions; community, environment, housing and land uses, places, infrastructure and transport, and governance, advocacy and corporate management.

Each initiative has been assessed as being completed, commenced, ongoing or deferred and is illustrated using the key below. For any initiative that has been deferred, a risk assessment is undertaken outlining the current situation and the proposed actions to rectify it. Detailed information on our initiatives is provided in the following chapters of this Annual Report.



Summary:



39 Completed



21 Commenced



35 Ongoing



9 Deferred

Key focus areas



Forward action from 2012/13 Annual Report achieved



Forward action from 2012/13 Annual Report not achieved



Community

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Collier Park Hostel closure	
	Safe and well attended Australia Day and Fiesta events	
	Social Media Strategy and Social Media Guidelines	
	Canning Bridge Precinct Vision consultation	
	Local Government Reform Process consultation	
	Manning Community Hub consultation	
	Environmentally Sustainable Building Design consultation	
	Scheme Amendment No.30 for cash in lieu of parking consultation	
	Ernest Johnson Reserve Master Plan consultation	
	Public Open Space Strategy consultation	
	Local Planning Strategy consultation	
	South Perth Foreshore Strategy and Management Plan consultation	
	Community Perceptions Survey	

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Bill Grayden Pavilion Upgrade	
	Community Safety and Crime Prevention Group	
	Facebook page	
	Animal Care Facility construction	
	Public Open Space Strategy	
	Collier Park Waste Transfer Station review	
	Disability Access and Inclusion Plan 2012-2016	
	Aboriginal Engagement Strategy roll out	
	Mosquito Management Plan	
	Ernest Johnson Reserve Master Plan	
	Disability Access and Inclusion Plan	
	Community Safety and Crime Prevention Plan	
	Karawara Public Open Space Masterplan and Collaborative Action Plan	
	Operate Clubs Conference	

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	KidSport Program funding facilitation	
	High quality library services	
	Thank a Volunteer Breakfast	
	Citizenship Ceremonies and Active Citizenship Awards	
	Emerging Artist Award	
	South Perth Urban Walkabout Map	
	Fortnightly <i>South Perth In Focus</i> e-newsletter	
	Bi-monthly <i>Peninsula</i> newsletter	
	Fortnightly <i>Peninsula Snapshot</i> advertisement	
	Sustainable Living Strategy awareness campaign	
	May and Herbert Gibbs art collection condition report	
	Regional Waste Management Strategy finalisation	
	Collier Park Golf Course Review Plan	
	George Burnett Leisure Centre Redevelopment	

Environment

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Weed Mapping Program	
	Sir James Mitchell Park Promenade Precinct tender process	
	Street Tree Management Plan Review	
	Drainage Infill and Upgrade Program	
	Water Action Plan	
	Integrated Catchment Management Plan	
	Green Plan	
	Install gross pollutant traps at drainage outfall systems	
	Adaptation Action Plan	
	Underground power supply analysis	
	South Perth Foreshore Strategy and Management Plan	
	Climate Change consultant engagement	
	Sustainable Energy Strategy development	
	Full completion of 2013/14 Parks and Reserves Capital Works Program	











Housing and Land Uses

Accommodate the needs of a diverse and growing population.

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Local Planning Strategy	
	Waterford Triangle scheme amendments	

Places

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Mends Street Car Park 1 – free morning parking	
	Bike Plan 2011-2016 consultation	
	South Perth Foreshore Strategy and Management Plan consultation	
	Ernest Johnson Reserve Master Plan consultation	
	Lot 800 Ray Street South Perth land sale	
	Local Chambers Business Excellence Award sponsorship	
	Urban Development Institute of Australia	
	High level Local and State Government agency meetings	
	South Perth Civic Triangle Precinct land sale preparations	
	Economic Development Strategy	

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Curtin University Precinct and Bentley Technology Park Precinct input	
	Planning for Mends Street Precinct Upgrade and Redevelopment	
	Old Mill Redevelopment	
	Manning Community Hub development	
	Manning Hub Reserve subdivision	

Infrastructure and Transport

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Canning Bridge Structure Plan project	
	Kwinana Freeway Foreshore Management Plan review	
	Integrated Transport Plan implementation and review	
	Five Year Road Rehabilitation Program	
	Footpath, Shared Path and Cycle Path Program	
	Bike Plan 2011-2016	



STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Perth Waterfront development ferry traffic and mooring area destination data	
	Five year Traffic Management Program	
	Perth Waterfront development coordinated planning advocacy	
	Infrastructure of metropolitan significance lobbying	

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 Plan.

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	Five year Plant and Fleet Program review	
	Governance Framework update	
	Councillor Induction Manual update	
	Council elections	
	Occupational health and safety policy, practice and system review	
	Information Technology Strategy process mapping	
	Integrated Planning and Reporting Framework submission	

STATUS	INITIATIVES	FORWARD ACTION FROM 2012/13 ACHIEVED
	2012/13 Annual Report adoption	
	2013 Compliance Audit Report review and adoption	
	2012/13 Annual Report entry to Australasian Reporting Awards	
	10 Year Long Term Financial Plan review	
	Human Resources' policy and practice review	
	Electronic Council Agendas and Minutes	
	Risk Management Plan review	
	Customer Relationship Management (CRM) system initiatives	
	National Broadband Network (NBN) installation	
	Corporate Asset Management System	
	State of Sustainability Report	
	State Government lobbying for Swan River Walls	
	Lobbying Members of Parliament for Burswood Peninsula	
	State Government Local Government Reform process	
	Online tracking system for development applications	

MESSAGE FROM THE MAYOR



IT IS WITH GREAT PLEASURE ON BEHALF OF MY FELLOW COUNCILLORS I PRESENT THE CITY OF SOUTH PERTH 2013/14 ANNUAL REPORT.

This Annual Report outlines the year's achievements through major redevelopments, strong financial management and advocacy. It also examines our key challenges in the areas such as the Local Government Reform process, along with project delays and challenges.

We have prepared this Annual Report with the everyday community member in mind, hoping to present sometimes-complex information in a simplified manner. We are always happy to receive suggestions for improvements in the services we offer, so please continue to contact us with your ideas and feedback. We also encourage you to contact us if you have any ideas and feedback as to how this Annual Report can be improved upon.

The past year saw the Council seek to strike a balance between focusing on future planning, as well as our current performance and challenges. This feat played out on a daily basis, and it is through important documents like this Annual Report that we reflect on 'the year that was' - celebrating our milestones, taking stock and acknowledging lessons learned, as well as revisiting our plans for the year ahead.

Throughout 2013/14, we have made significant headway in realising our strategic vision and progressing major projects and initiatives to provide benefits to our community.

Our key challenges

The State Government Local Government Reform process has throughout this year proved to be incredibly challenging. The proposal to amalgamate the City of South Perth with the Town of Victoria Park (Town) and the area of the City of Canning, northwest of Leach Highway, has consumed substantial time and resources both at an elected member and officer level.

Preliminary work focused on ensuring all Local Government policies, systems and cultures would be complementary in the planned amalgamation. Crucial aspects such as new Local Government and Ward naming proposals were also considered. As part of our Joint Submission with the Town to the Local Government Advisory Board, our Council supported the amalgamation on the basis that the Burswood Peninsula was retained by the new local government entity and the State Government provides adequate funding for the Reform Program.

In June 2014 the City joined with the City of Subiaco, Shire of Serpentine/Jarrahdale and City of Vincent resident Ian Ker in a legal challenge against the Minister for Local Government and Communities' proposal to extend the Town of Victoria Park's boundaries, and abolish and disestablish our City.

“THROUGHOUT 2013/14, WE HAVE MADE SIGNIFICANT HEADWAY IN REALISING OUR STRATEGIC VISION AND PROGRESSING MAJOR PROJECTS AND INITIATIVES TO PROVIDE BENEFITS TO OUR COMMUNITY.”



Our key achievements

Despite these challenges, it was business as usual for the Council during the year. As part of our recent commitment to the Integrated Planning and Reporting Framework, we submitted our key strategic community and corporate business plans to the State Government for compliance checking.

All documents including the Strategic Plan 2013–2023, Long Term Financial Plan 2013–2023, Corporate Plan 2013–2017, Asset Management Plan 2013–2023 and Workforce Plan 2013–2017 were assessed and commended by the Department of Local Government and Communities.

I am also pleased to announce all Council agenda papers began being distributed electronically during the year, producing nearly \$9000 in cost savings.

The Council also moved ahead with a diverse mix of strategic projects during 2013/14, which will add to the vibrancy, vitality and sustainability of our community.

The City has been working with JLL over the year to finalise the sale of the iconic South Perth Civic Triangle. The Council is presently negotiating with the preferred tenderer with the sale anticipated to be concluded in September 2014. This sale will ultimately see a vibrant mixed use ‘civic heart’ development that incorporates retail, residential, commercial and public open space on this strategic landmark location. The community will benefit from the sale of this significant site, with the proceeds delivered to the development of the Manning Community Hub facility and the planned redevelopments of the Old Mill Precinct and Mends Street Precinct.

Along with development, we continued to engage and include the community in the journey – a key role of local government, as the level of government closest to the people. In addition to our regular advertisements and newsletters, we launched our popular new Facebook page.

Advocacy remained important and we actively lobbied the State Government to re-commit its \$1.35 million election funding promise to our Swan River walls, and lobbied many Members of Parliament in relation to the retention of the Burswood Peninsula in the planned amalgamation between the City, the Town of Victoria Park and the area of the City of Canning, northwest of Leach Highway.

Looking forward

The Council plans to progress significant key projects outlined in this Report, including the implementation of recommendations from the Collier Park Waste Transfer Station review, and the development of other key projects such as the Manning Community Hub, Karawara Public Open Space Masterplan and the George Burnett Leisure Centre redevelopment.

I would like to thank my fellow Councillors and all Council staff for their tireless efforts, commitment, expertise and passion during the year. Your combined efforts have helped maintain our vibrant and well-connected community, and will ensure the City of South Perth remains in good financial stead for the future.

A handwritten signature in black ink, which reads "Sue Doherty". The signature is fluid and cursive.

Sue Doherty
Mayor

MESSAGE FROM THE CEO



WELCOME TO OUR 2013/14 ANNUAL REPORT – AN IMPORTANT HISTORICAL RECORD THAT ALLOWS READERS TO DETERMINE WHETHER WE ARE MEETING, EXCEEDING OR FALLING SHORT OF COMMUNITY EXPECTATIONS AND NEEDS.

It is important we catalogue the year's achievements and challenges, giving community members a deeper understanding of why things occurred the way they did, whether good or bad, and where we are headed in the future.

This Report provides an in-depth look at the work we undertook during 2013/14 to maximise benefits for our community's future. There is no better example of this than the thorough planning, consultation and lobbying that went into the State Government's Local Government Reform process. As part of this, our City offered its conditional support to the proposed amalgamation between the City, the Town of Victoria Park and the area of the City of Canning, northwest of Leach Highway during the year. We considered naming proposals for this new Local Government entity, proposed Ward names and boundaries, and fought to retain our Burswood Peninsula by holding a rally, distributing promotional materials and carrying out extensive lobbying with politicians, and State and

Local Government representatives. City officers were extensively involved with officers from the Town of Victoria Park in planning and progressing the reform agenda.

We also engaged extensively with the community during the year, particularly in relation to various Town Planning Scheme amendments and local planning policies. Consultation was carried out for major projects such as the Canning Bridge Precinct Vision, Manning Community Hub and the South Perth Foreshore Strategy and Management Plan. As part of this community engagement, we launched our new Facebook page, which is averaging around 15 new 'likes' a week.

We gained insight through our biennial Community Perceptions Survey, which saw more than 400 City residents examine our performance. Twenty-one other metropolitan local government organisations participated in the survey, and it is very pleasing to note that our City ranked the second best when it came to resident satisfaction. It was also pleasing our street lighting, parks and sporting grounds, as well as facilities, services and care for seniors, returned satisfaction rates between 83 and 93 per cent.

However, we will remain focused on our verge-side bulk rubbish collections, which had a satisfaction rating of 71 per cent, 20 percentage points lower than the previous Survey. Other areas requiring attention included our planning and building approvals and the need for tighter parking controls. This Report provides information on all such areas in the pages ahead.

“2013/14 SAW THE CITY CONTINUE TO ROLL OUT A WIDE RANGE OF INITIATIVES TO ENHANCE COMMUNITY SERVICES, INFRASTRUCTURE AND FACILITIES, FOCUSING ON OUR KEY THEMES OF COMMUNITY, ENVIRONMENT, HOUSING AND LAND USES, PLACES, INFRASTRUCTURE AND TRANSPORT, AND GOVERNANCE, ADVOCACY AND CORPORATE MANAGEMENT.”



Our key achievements

2013/14 saw the City continue to roll out a wide range of initiatives to enhance community services, infrastructure and facilities, focusing on our key themes of community, environment, housing and land uses, places, infrastructure and transport, and governance, advocacy and corporate management.

We commenced construction of our new Animal Care Facility during the year, with a \$663,000 upgrade to our Dog Pound.

We also completed an important review into bulk waste collection practices, prompting plans for greater green and general waste recycling.

2013/14 once again saw safe and well attended Fiesta events, which attracted nearly double the amount of people as the previous year. For the first time, our Australia Day event offered 'home pick-up' transportation for people with disabilities and better access to Sir James Mitchell Park through the installation of two kilometres of temporary path structures.

In other achievements, we completed the Bill Grayden Pavilion upgrade, while Council endorsed the Karawara Public Open Space Masterplan and Collaborative Action Plan.

The consolidation of land within the South Perth Civic Triangle Precinct for the ultimate purpose of sale was progressed, as part of our plan to generate significant funds for future community facility developments. We ran an extensive international marketing campaign to attract mixed use development proposals for the Precinct site and have now identified a preferred tenderer we are presently negotiating with.

Our key challenges

Our main 2013/14 challenges related to a small number of project delays due to important consultation needs, budget reviews and financial adjustments, as well as the State Government Local Government Reform process.

As part of our due diligence, we carried out a review of the Capital Works Program during the year. While 94% of the Program was completed, several traffic signal and intersection upgrades will be finalised in 2014/15.

The Collier Park Golf Course Review Plan was put on hold while we carry out further financial analysis, and the Regional Waste Management Strategy is set for completion in the year ahead, following further investigation into different domestic waste treatment processes.

Following careful consideration, 2013/14 also saw the closure of Collier Park Hostel, which required the City to take great care when helping residents source alternative accommodation.

Looking ahead

The City continues to show strong financial management and has in place a robust process of long term planning and annual budgeting. At the end of June 2014, the City's financial position remained strong with more than \$567.9M million of community assets under its stewardship and an annual operating budget in excess of \$55M million.

I would like to take this opportunity to formally recognise and thank the Council and City staff for their valued contributions during the year, and I look forward to driving continual improvements and working on the proposed amalgamation in the year ahead.

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

CHIEF FINANCIAL OFFICER'S REPORT



Financial Philosophy

The City prides itself on its financial management philosophy. Our sophisticated strategic financial planning approach ensures that the services and capital projects delivered to our community are properly funded and appropriately resourced. Proactive treasury management and effective operational financial management deliver best value from the use of the City's financial resources. Regular detailed financial reporting provides accountability for the use of those 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 2013/14 year, the value of community assets (our net asset position) had improved from \$515.59M to \$569.451M. This increase is partly attributable to a significant (\$17M) revaluation increment relating to the value of building assets as part of our transition to fair value accounting for assets. It also reflects a \$36M increase in the value of our infrastructure. This has resulted from our ongoing capital investment in enhancing important community 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 below in Table 1) reflects

Financial snapshot - 2013/14

	2013/14
Operating Revenue	\$51.034M
Operating Expenditure	\$50.370M
Operating Result	\$0.665M
Capital Program Delivered (Assets Capitalised)	\$8.066M
Cash Reserves - Quarantined	\$24.319M
Cash Reserves - Discretionary	\$11.907M
Net Assets	\$569.451M

a very commendable stewardship result despite the challenging economic climate that prevailed once again during the year.

Financial Performance

Annual revenue for the year reached \$51.03M against a budget of \$51.42M. Operating revenue was in line with budget targets whilst capital revenue fell just 1% short of budget expectations after some proposed contributions towards the construction of the Manning Men's Shed and Animal Care Facility were deferred into the 2014/15 year - these funds but will still be received, albeit later than was planned.

Operating revenue was on budget overall with the receipt of an unbudgeted \$50,000 grant towards local government reform due diligence activities and an unbudgeted gain in the value of the City's equity investment in the WALGA Local Government House Trust. Golf course green fees were 1% ahead of budget as were planning revenues ahead by 13%, whilst building license revenues for the year were 1% under budget expectations.

Total expenditure on operating items and capital projects of \$58.49M was 92% of the \$63.36M budget allocation. Operating expenditure (excluding capital expenditure) was \$47.24M against a budget target of \$50.15M with most operational areas close to budget. The difference related almost entirely to non-cash items with a significant reduction in depreciation costs after re-assessing the depreciation rates used for road, path and drainage infrastructure in line with approved asset management guidelines. The remaining difference related to the book value of assets identified for disposal in 2013/14, but deferred into the new year. Salaries and associated costs were within 1% of budget expectations at year end.

Capital projects completed represented 85% of budget expectations at 30 June 2014. At year end there was some \$1.95M of planned but incomplete capital items (unfinished works and incomplete capital revenue transactions) that are to be carried forward into the 2014/15 year.



Capital Program

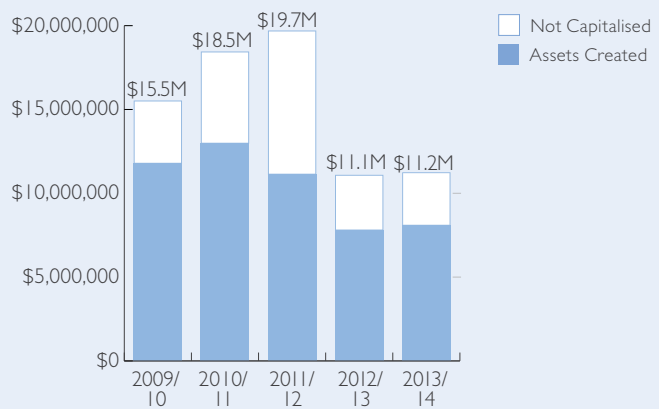
94% of the value of the planned capital program was completed by 30 June with \$11.10M worth of projects being delivered. Of this, \$8.06M of assets was capitalised and the remainder was expensed (and is included in the operating expenditure figures shown above). This expenditure includes creation of new assets as well as maintenance and renewal of existing ones.

Major categories of expenditure represented in the capital program were:

- Roads, Paths & Drains \$4.79M
- Natural Environment \$0.76M
- Community Buildings \$1.08M
- Plant, Equipment & Technology \$1.43M

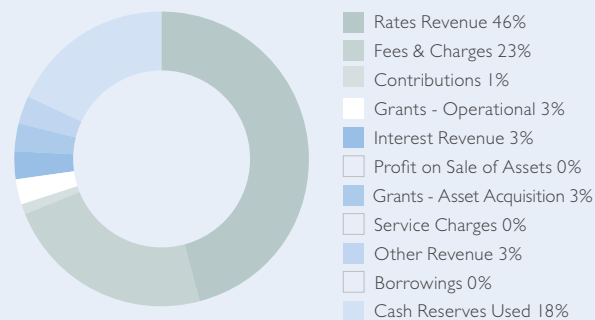
As detailed above, monies associated with incomplete capital infrastructure works of approximately \$1.95M in value have been carried forward into 2014/15 to complete the approved capital program. Work completed plus the carry forward component represent 100% of the planned capital program.

Capital Works Delivered by Year

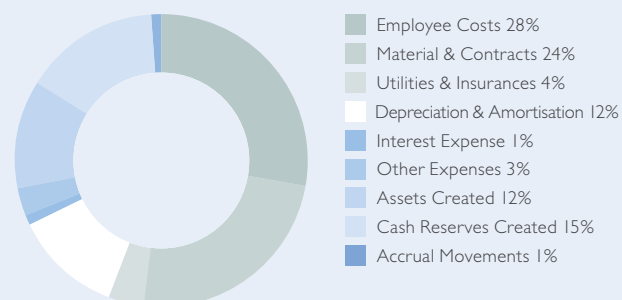


Funding and Expenditure Profile

Funding Sources



Expenditure Types



Financial Ratios

The long term strength of the City's financial position is reflected in the financial ratios disclosed in the annual financial statements. The 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.

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 table below.

The current ratio of 1.70:1 demonstrates the City's effective management of its cash liquidity ensuring that it has the financial capacity to meet its financial obligations as and when they become due. This ratio shows an improving short term liquidity that comfortably exceeds industry benchmarks.

The own source revenue ratio of 93.8% reflects the City's continuing strong financial autonomy. At the conclusion of its planned City borrowings program, the debt service ratio of 2.95:1 remains ahead of the basic industry benchmark level of more than 2.0:1. This has been affected by the change in depreciation expense which is part of the calculation rather than any lessening of capacity to make the loan repayments.

The outstanding rates ratio of just 0.5% reflects another excellent collection result during 2013/14.

The operating surplus ratio, whilst below the suggested 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 to continue to improve this financial indicator.

Structural changes made during the 2013/14 year will have a significant positive impact on this ratio in future

years. This is as a consequence of the re-assessment of depreciation rates to more accurately reflect consumption of the service potential provided by the City's infrastructure and also because of the closure of the hostel facility (which had had a major adverse impact on the calculation of this financial ratio for many years).

The asset consumption, asset sustainability and asset renewal ratios are all within the preferred industry benchmark ranges. The ideal industry benchmark is a combination of these three key asset ratios.

As can be seen from the graphic below, the City meets or betters all three of these ratios individually and achieves the desired asset management tri-part combination. This indicates that Council's stewardship of community assets is resulting in appropriate and sustainable levels of funding being allocated to this important local government area of responsibility.

Financial Summary	2009/10	2010/11	2011/12	2012/13	2013/14
Total Revenue	45,137,073	45,951,031	53,488,482	52,820,434	51,034,862
Total Operating Expenditure	40,333,657	39,929,176	57,186,497	52,480,864	50,369,974
Total Assets	244,451,732	305,047,510	333,082,335	565,909,446	619,643,384
Total Liabilities	40,986,877	43,286,915	50,899,293	50,311,448	50,192,274
Equity / Net Assets	203,464,855	261,760,595	282,183,042	515,597,998	569,451,110
Net Cash from Operating Activities	9,106,264	7,268,987	4,614,833	8,137,206	9,905,677
Current Ratio (ideally should be greater than 1.00:1)	1.91:1	0.85:1	1.15:1	1.60:1	1.70:1
Rates Outstanding Ratio (ideally less than 5%)	1.40%	1.30%	1.20%	1.00%	0.50%
Operating Surplus Ratio (ideally positive between 0% and 15%)	5.00%	-3.90%	-9.10%	-2.50%	-2.60%
Own Source Revenue Ratio (ideally greater than 40%)	105.30%	91.60%	86.20%	91.60%	93.80%
Debt Service Ratio (ideally greater than 2.00:1)	10.2:1	6.8:1	4.5:1	4.4:1	2.95:1
Asset Consumption Ratio (ideally between 50% and 70%)		54.50%	54.10%	55.90%	61.30%
Asset Sustainability Ratio (ideally greater than 90%)		82.50%	84.20%	85.10%	94.00%
Asset Renewal Funding Ratio (ideally between 95% and 100%)				98.90%	94.40%

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

Key Financial Indicator	2013/14	Benchmark	Achieved
Current Ratio	1.70:1	1.1:1	✓
Rates Outstanding Ratio	0.50%	Less than 5%	✓
Operating Surplus Ratio	-2.60%	0% - 5.0%	✗
Own Source Revenue Ratio	93.80%	More than 40%	✓
Debt Service Ratio	2.95:1	2.0:1	✓
Asset Consumption Ratio	61.30%	50.00%	✓
Asset Sustainability Ratio	94.00%	90.00%	✓
Asset Renewal Funding Ratio	94.40%	95.00%	✓

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 Facility would not be able to be delivered without major impost on ratepayers.

At 30 June 2014, a total of \$36.23M was held in cash backed Reserves. Of this, \$24.32M is quarantined reserves relating to waste management, the Collier Park Retirement Village and the Collier Park Golf Course. The remaining \$11.89M represents accumulated funds for future projects - and is specifically identified as contributing to the funding models for major discretionary projects in the City's Long Term Financial Plan.

Accountability for Use of Financial Resources

The audited financial statements shown on pages 80–87 of this annual report 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 2014/15 budget is a landmark budget - in that it is the City's most ambitious budget ever. This budget not only builds upon our sound financial foundations to ensure that our City remains financially, socially and environmentally sustainable, but it provides funding for an impressive line-up of eagerly awaited major community facilities.

This is an important year for our City's future with major land sales expected to generate in excess of \$25M which will be quarantined in cash backed reserves to be for specified major capital works initiatives. These land disposals and the related funding models for major community projects are all carefully balanced in the City's Long Term Financial Plan. 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 2014/15 budget adopted on 14 July 2014 provides for total revenue of \$74.90M including the \$22.85M from strategic land asset sales, \$1.55M other capital revenue and rates revenue of \$31.10M. Operating expenses are budgeted at \$83.80M (of which \$15.69M are non-cash items). The proposed capital expenditure program is \$28.35M excluding carry forward works.

Adjusting for Reserve funds and accrual funding movements results in a budget that generates a healthy, but financially responsible surplus - which will result in a significant improvement in the operating surplus ratio for 2014/15.

There are no proposed City borrowings for this year as the current borrowings program was completed last year. The City will act as guarantor for a small self-supporting loan for a community group in the 2014/15 year, but that association will be responsible for all payments of principal and interest relating to that loan.

The 2014/15 annual budget reflects and respects the financial parameters and forward planning estimates contained in the City's 10 year Long Term Financial Plan.

The City will see itself in a strong financial position at the conclusion of the 2014/15 year - a sign that augers well for our financial future.



Michael Kent
Chief Financial Officer





02 OUR CITY

YOUR COUNCIL

Role of Local Government

As 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 139 local governments in Western Australia.

The *Local Government Act 1995* prescribes the role of the Council, Mayor, Councillors and Chief Executive Officer. Part 1 of the *Local Government Act 1995* requires each Local Government to meet the needs of current and future generations by integrating environmental protection, social advancement and economic prosperity.

The general function of a Local Government is to provide good governance for its community members, involving efficient and effective decision making, community participation, operational transparency, and accountability.

Role of the Chief Executive Officer

The 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; implement Council decisions; manage daily operations; liaise with the Mayor regarding performance; and manage staff.

Role of the Council and Mayor

The role of the Council is to govern the affairs and be responsible for the performance of the Local Government. Council members represent community interests; facilitate communication; participate in decision-making processes; and guide future direction.

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.

Council decision making process

Ordinary Council Meetings are generally held on the fourth Tuesday of every month at the Civic Centre, on the corner Sandgate Street and South Terrace in 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 to hear deputations from the public and discuss agenda items with staff. The final Council Agenda is made available on the Friday before each Council Meeting.

Council elections

In Western Australia, voting in Local Government elections is voluntary, with Council elections held every two years on the third Saturday in October.

A Local Government Ordinary Election was held on Saturday 19 October in 2013, effecting recommendations from a review into elected members and Ward boundaries – reducing the number of Councillors from 12 to eight, in addition to the Mayor. Two Councillors now represent each of the City's four wards, with each Councillor serving terms between two to four years. The review took into account community of interest, physical and topographic features, demographic and economic trends, and ratio of Councillors to Ward electors.

YOUR MAYOR



Your Mayor

Mayor Sue Doherty

History at the City:

Elected Councillor in 2002, Deputy Mayor from 2009 and Mayor from 2011; long-term resident

Background

Social services, education, alternative dispute resolution, direct service delivery, contract management, research, community engagement, corporate strategic planning and change management

Interests

Working collaboratively with community and government; generating vibrancy and supporting local business initiatives; and developing and promoting arts, culture and heritage

Mayor Doherty

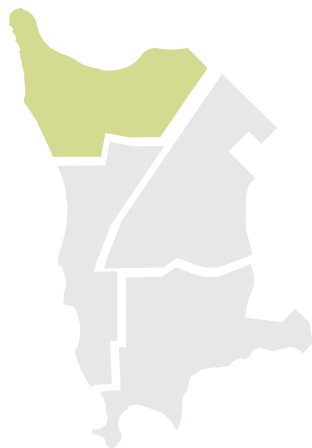
T (08) 9474 0720

M 0411 681 049

E mayordoherty@southperth.wa.gov.au

YOUR COUNCIL

MILL POINT WARD



Councillor Michael Huston

History at the City
Elected Councillor in 2013;
owns Labouchere Road construction,
landscaping and investment business

Background
Former City of Subiaco Councillor and
City of Perth Accounting Finance and
Investments Manager

Interests
Keeping rates low; and rejuvenating
foreshores, parks and recreational spaces

Cr Huston
M 0477 862 133
E crmichael.huston@southperth.wa.gov.au



Councillor Cheryle Irons

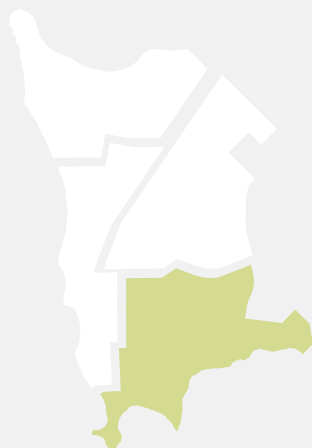
History at the City
Elected Councillor in 2013

Background
Building business enterprises

Interests
Working with the community to
preserve local lifestyle and character

Cr Irons
M 0412 343 344
E crirons@southperth.wa.gov.au

MANNING WARD



Councillor Colin Cala

History at the City
Councillor since 1995 and former
Deputy Mayor; 25-year resident

Background
Architect

Interests
Shaping building and planning policy

Cr Cala
T (08) 9313 2683
E crcala@southperth.wa.gov.au



Councillor Sharron Hawkins Zeeb

History at the City
Elected Councillor in 2011; first became
resident in 1994

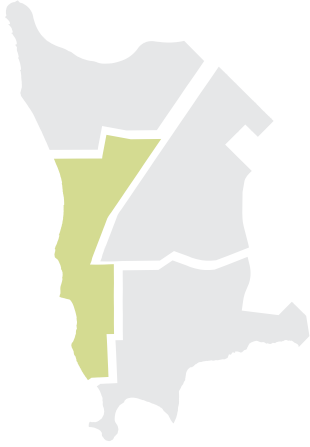
Background
Marketing consultancy director; business,
international marketing, culture and
communications university lecturer

Interests
Mental health, children's safety and public
consultation advocacy; promoting and
supporting local business and community
services; and defending residents' rights
through competent governance

Cr Hawkins Zeeb
T (08) 6162 0438
E crhawkinszeeb@southperth.wa.gov.au



COMO WARD



Councillor Glenn Cridland

History at the City

Elected Councillor in 2009 and current Deputy Mayor; resident since 1999

Background

Barrister practising in environmental, administrative, commercial and criminal law

Interests

Maintaining public open spaces; and supporting local schools, community groups and sporting clubs

Cr Cridland
M 0438 686 175
E crcriidland@southperth.wa.gov.au



Councillor Veronica Lawrance

History at the City

Elected Councillor in 2009; first became resident in 1985

Background

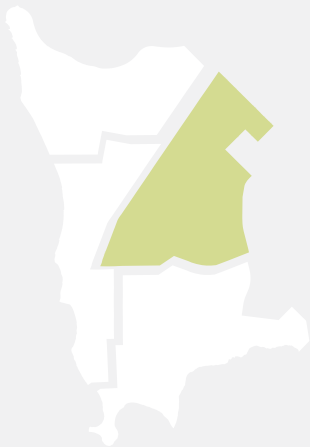
Public relations specialist and sessional academic

Interests

Volunteering and motivational issues in the non-profit sector; providing strong support to older people and people with disabilities

Cr Lawrance
T (08) 9474 3835
E crclawrance@southperth.wa.gov.au

MORESBY WARD



Councillor Fiona Reid

History at the City

First elected Councillor in 2011; lifetime resident

Background

Counselling and psychotherapy

Interests

Not-for-profit, community health and environmental issues

Cr Reid
M 0422 037 630
E crreid@southperth.wa.gov.au



Councillor Kevin Trent OAM RFD JP

History at the City

Councillor from 1980 to 1999, 2002 to 2013 and re-elected 2013; 40-year resident

Background

Retired following 42 years with Main Roads

Interests

Services for veterans and river protection

Cr Trent
T (08) 9367 7794
E crtrent@southperth.wa.gov.au

YOUR COUNCIL



Election results

Results of the 2013 Local Government Ordinary Election are as follows:

Manning Ward

Nominating uncontested, Councillors Sharron Hawkins Zeeb and Colin Cala were elected as the new Councillors for the Manning Ward. Councillor Sharron Hawkins Zeeb will serve a four-year term, while Councillor Colin Cala will sit for two years.

Moresby Ward

Councillor Fiona Reid was elected for a four year term, with a two-year term assigned to Councillor Kevin Trent

TOTAL VOTES	2987
Fiona Reid	1188
Kevin Trent	1106
Rob Ramsden	688
Informal	5

Mill Point Ward

Councillor Cheryle Irons was elected for a term of four years, with Councillor Michael Huston elected for two years.

TOTAL VOTES	4161
Cheryle Irons	1050
Michael Huston	776
Peter Howat	627
Ian Hasleby	617
Betty Skinner	592
Peter Best	494
Informal	5

Como Ward

Councillor Glenn Cridland will serve a four year term, while Councillor Veronica Lawrance will serve two years.

TOTAL VOTES	3142
Glenn Cridland	921
Veronica Lawrance	843
Bill Gleeson	688
Les Ozsdolay	446
Hermes Martini	241
Informal	3

Councillors prior to election

The Ward boundary review meant six Councillors served until October 2013. This included former Como Beach Ward Councillor Bill Gleeson, former Mill Point Ward Councillor Rob Grayden, former Mill Point Ward Councillor Betty Skinner, former Manning Ward Councillor Christopher McMullen, former Civic Ward Councillor Ian Hasleby and former McDougall Ward Councillor Peter Howat.

The City acknowledges these former Councillors for their invaluable civic contribution.

Councillor meeting attendance - July 2013-June 2014

Eleven Ordinary Council meetings, six Special Council meetings, three CEO Evaluation Committee meetings and one Audit and Governance Committee meeting were held in 2013/14.

The Special Council Meetings were as follows:

- 16 July 2013 – Annual Budget
- 2 October 2013 – Local Government Reform Submission
- 22 October 2013 – Swearing-in
- 9 December 2013 – Special Electors' Meeting
- 19 May 2014 – Considering Stage 1 Civic Triangle EOI Process
- 30 June 2014 – Considering Stage 2 Civic Triangle Private Tender Process

There was an election in October 2013 so the following statistics have been split into two tables, representing those Councillors in office from July 2013 – 22 October 2013 and those in office from 22 October 2013 – 30 June 2014.

See the tables 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*.

July 2013 – October 2013

	4 X ORDINARY COUNCIL	2 X SPECIAL COUNCIL	2 X CEO EVALUATION COMMITTEE	0 X AUDIT AND GOVERNANCE COMMITTEE
Mayor Doherty	3	1	2	0
Cr Hasleby	4	2	2	n/a
Cr Lawrance	3	0	n/a	0
Cr Cridland	4	1	n/a	n/a
Cr Gleeson	4	2	n/a	n/a
Cr Hawkins Zeeb	4	1	n/a	0
Cr McMullen	4	2	n/a	n/a
Cr Cala	4	2	2	n/a
Cr Howat	4	2	n/a	0
Cr Grayden	4	1	n/a	0
Cr Skinner	4	2	2	0
Cr Reid	4	2	n/a	n/a
Cr Trent	4	2	2	0

October 2013 – 30 June 2014

	7 X ORDINARY COUNCIL MEETINGS	4 X SPECIAL COUNCIL MEETINGS	1 X CEO EVALUATION COMMITTEE MEETING	1 X AUDIT AND GOVERNANCE COMMITTEE MEETING
Mayor Doherty	7	4	1	1
Cr Cridland	6	4	1	1
Cr Lawrance	5	2	1	n/a
Cr Hawkins Zeeb	6	4	0	1
Cr Cala	7	4	1	1
Cr Irons	7	3	1	0
Cr Huston	7	3	1	1
Cr Reid	7	4	1	1
Cr Trent	7	4	1	1

OUR COMMITTEES



Audit and Governance Committee

Chair

Councillor Glenn Cridland

Responsibilities

- Annual Financial Audit
- Risk Management Framework
- Annual Statutory Compliance Audit
- Code of Conduct
- Access to information
- Policy and delegation reviews
- Australian Business Excellence Framework
- Local laws

Members

Mayor Sue Doherty
Councillor Glenn Cridland
Councillor Sharron Hawkins Zeeb
Councillor Colin Cala
Councillor Cheryle Irons
Councillor Michael Huston
Councillor Fiona Reid
Councillor Kevin Trent

CEO Evaluation Committee

Chair

Councillor Fiona Reid

Responsibilities

- Performance area reviews and recommendations
- Quarterly review period timelines
- Achievement of Performance Focus Areas timelines
- Annual performance reviews
- Chief Executive Officer performance and remuneration package review

Members

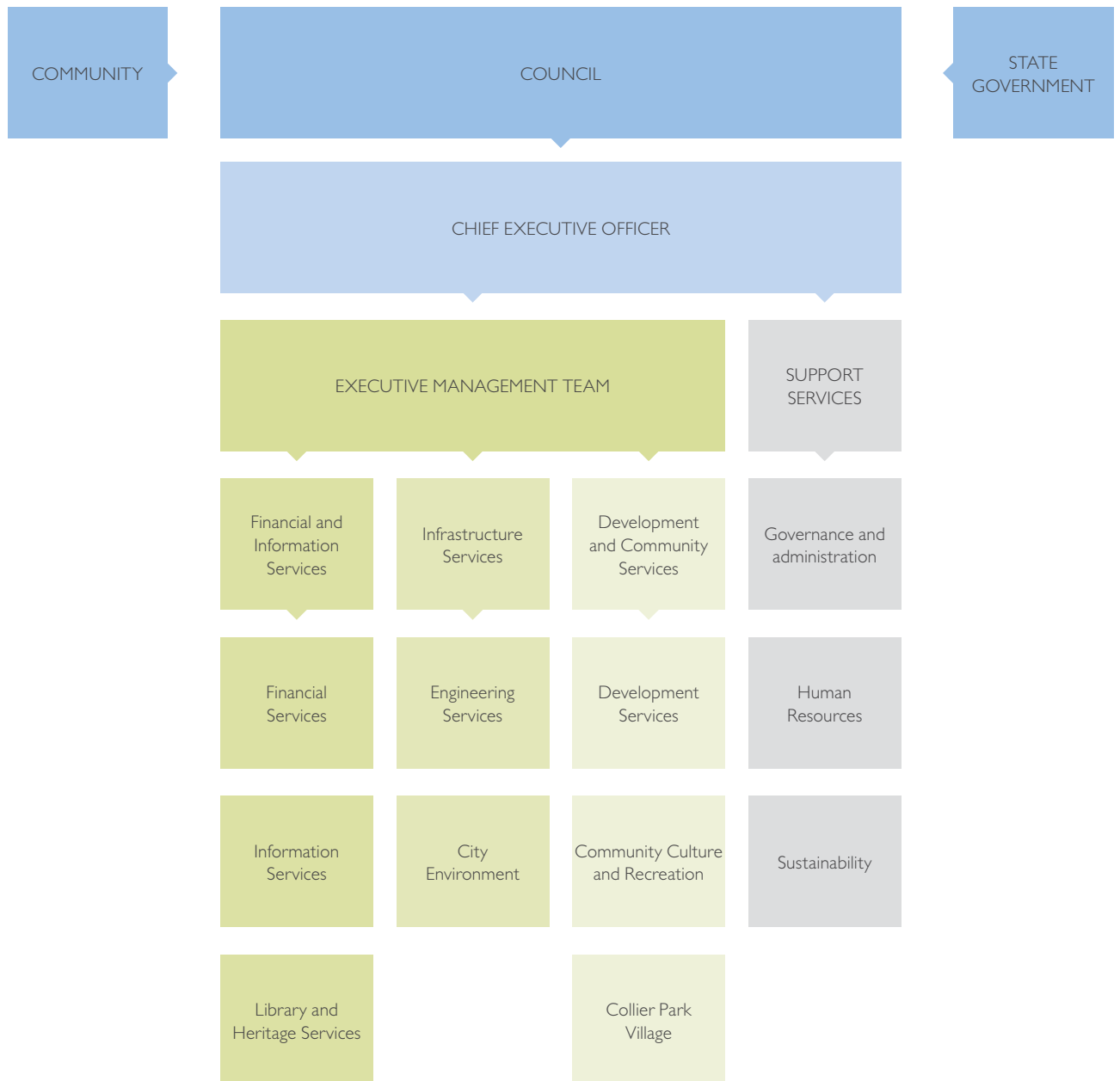
Mayor Sue Doherty
Councillor Fiona Reid
Councillor Glenn Cridland
Councillor Sharron Hawkins Zeeb
Councillor Veronica Lawrance
Councillor Colin Cala
Councillor Cheryle Irons
Councillor Michael Huston
Councillor Kevin Trent

External committees

Councillors attend meetings and provide delegate reports on the following external committees:

- Rivers Regional Council
- West Australian Local Government Association
- South East Metropolitan Zone
- Perth Airports Municipalities Group
- Two Rivers Catchment Group
- South East Regional Centre for Urban Landcare
- Local Emergency Management

OUR ORGANISATION



OUR EXECUTIVE MANAGEMENT TEAM



Cliff Frewing



Mark Taylor



Vicki Lummer



Michael Kent

The Executive Management Team provides high-level strategic direction and decision-making skills to City and Council. Reporting to the Chief Executive Officer, the team operates under three directorates, Infrastructure Services, Development and Community Services, and Financial and Information Services.

Chief Executive Officer

Cliff Frewing

Commenced position in 2005

Responsibilities

- Council liaison
- Governance and statutory compliance
- Organisational development
- Inter-government relations
- Sustainability
- Human resource management
- Communications and public relations

Qualifications

- Certified Practising Accountant
- Bachelor of Business
- Local Government Clerk and Treasurer
- Local Government Managers Australia Fellow.

Acting Director Infrastructure Services

Mark Taylor

Commenced position in 2013

Responsibilities

- Infrastructure survey and design
- Parks, engineering and building construction and maintenance

- Waste management
- Collier Park Golf Course management and maintenance
- Emergency management
- Asset management
- Traffic management
- Foreshore management

Qualifications

- Bachelor of Environmental Science.

Director Development and Community Services

Vicki Lummer

Commenced position in 2009

Responsibilities

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

Qualifications

- Bachelor of Arts in Geography
- Graduate Diploma in Urban and Regional Planning.

Director Financial and Information Services

Michael Kent

Commenced position in 2001

Responsibilities

- Financial services
- Information technology
- Libraries
- Customer service
- Records management

Qualifications

- Post Graduate Diploma of Business Administration
- Bachelor of Commerce
- Diploma in Business Administration
- Certified Practicing Accountant
- Local Government Managers Australia Member.

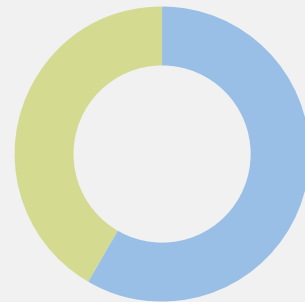
OUR WORKFORCE



Senior officers' remuneration

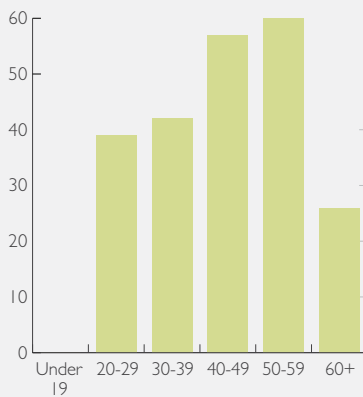
SALARY BAND	NUMBER OF OFFICERS
\$210,000 - \$220,000	1
\$160,000 - \$170,000	1
\$120,000 - \$130,000	3
\$110,000 - \$120,000	1
\$100,000 - \$110,000	4

Senior Management by Gender

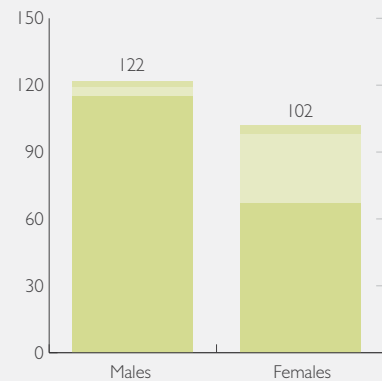


■ Females 5
■ Males 7

Age Profile of Employees



Workforce Composition 2013/14



■ Full Time 182
■ Part Time 35
■ Casual 7

See page 36 for more information in 'Our People' section.

OUR PEOPLE

Our people

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 2013/14, such as:

- First aid
- Manual handling
- Fire warden training
- Equal employment opportunity
- Disability access and inclusion
- Diploma of Management
- White card
- OHS representative

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 6184 specialised training hours in 2013/14. During this time, 199 employees participated in both individual and group training programs.

In a new initiative, one City employee is participating in a 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.

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.



Health and wellbeing

As part of the City's Health and Wellbeing Program, a number of health related initiatives are provided to employees annually. These include injury prevention, health assessments, skin cancer screenings and flu vaccinations. The program carried out in the 2013/14 financial year provided 30 employees with health risk assessments, 8 employees undertook skin cancer screenings, 55 employees participated in injury prevention initiatives and 23 undertook flu vaccinations. Another health and wellbeing initiative is the use of the Employee Assistance Program. The City, in partnership with the Optum Group, offers a professional, confidential and free counselling service for staff and immediate family.

Occupational Safety and Health (OSH)

The City's OSH vision is to achieve best practice in occupational safety and health through building a safety culture dedicated to minimising risk and preventing ill health to employees, contractors, volunteers and visitors.

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 a Silver Diligence Award for its OSH achievements by Local Government Insurance Services in 2013.

Central Safety Committee

The City's Central Safety Committee meets bi-monthly to review the City's OSH performance and to discuss OSH issues and initiatives. OSH representatives, who play an integral role on the Committee, have the opportunity to discuss operational and hands on OSH measures and controls that are in place across the City, such as OSH workplace inspections and hazard reporting. This forum of management and employee representatives remains focused on the task of leading, promoting and coordinating OSH activities to aim for a zero harm environment for employees, 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. The 2013 LGIS OSH Audit indicated the City had achieved a 10 per cent reduction over a three year period in the incidence rate and frequency rate of lost time injury.

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 by OSH Representatives. A schedule of workplace inspections is maintained to maximise the quality of the inspections carried out to ensure they include all areas of the workplace and include high risk work activities and tasks. The results of OSH inspections are maintained and reviewed and appropriate changes implemented to ensure safe workplaces are maintained.

OUR GOVERNANCE FRAMEWORK



The City has a comprehensive and integrated Corporate Governance Framework that guides us in operating in an efficient and accountable manner, while ensuring effective management of our 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.

This framework extends these principles to the continued good governance, 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.

Our Governance Framework



INTEGRATED STRATEGIC PLANNING AND REPORTING FRAMEWORK

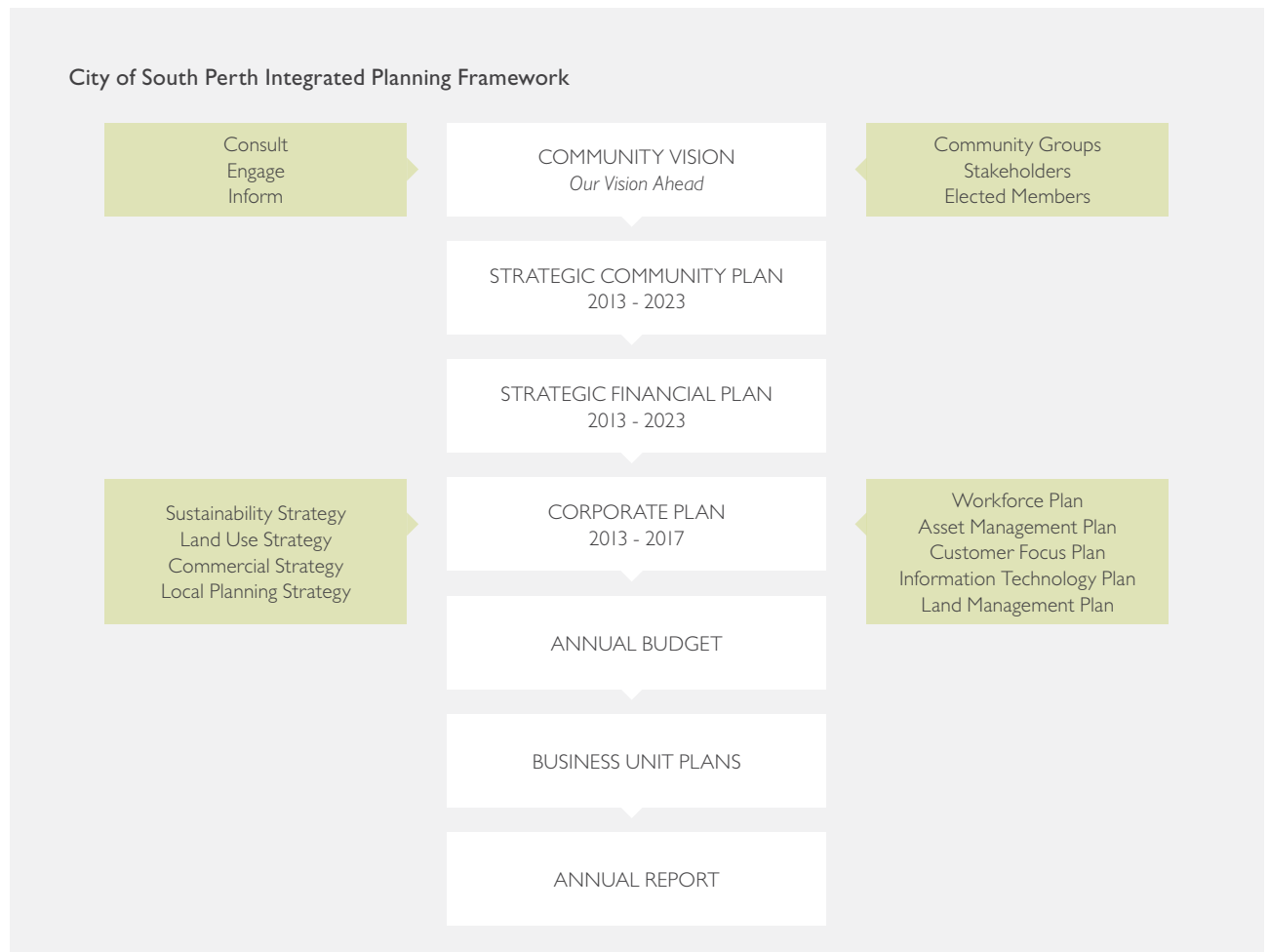
In accordance with the *Local Government Act 1995*, the City has developed an Integrated Planning Framework that will allow us to sustainably and strategically meet the needs of our community. The City has developed a Corporate Planning Model to assist in effectively and efficiently achieving the vision, mission and goals of the Council. 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 100 community members attending a key stakeholders forum. 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.





Corporate Plan

The Corporate Business Plan 2013-2017 is the City's four-year project and service delivery plan. 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.

Workforce Plan

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

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 our network of 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 our commitment to managing our operations in a responsible and sustainable manner avoiding dramatic fluctuations in rates while building a legacy for our community.

OUR KEY FOCUS AREAS



The City has six key strategic directions that are linked to key objectives contained in the City's Corporate Plan 2013-2017. The following section summarises our progress towards these objectives.

COMMUNITY

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

ENVIRONMENT

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

HOUSING AND LAND USES

Accommodate the needs of a diverse and growing population.

PLACES

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

INFRASTRUCTURE AND TRANSPORT

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

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 Plan.





03 OUR STRATEGIC DIRECTIONS



COMMUNITY

CREATE OPPORTUNITIES
FOR AN INCLUSIVE,
CONNECTED, ACTIVE
AND SAFE COMMUNITY



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

STATUS	INITIATIVES
✓	Collier Park Hostel closure
>	Public Open Space Strategy
>	Collier Park Waste Transfer Station Review
>	Animal Care Facility construction
↻	Aboriginal Engagement Strategy
↻	Mosquito Management Plan
↻	Disability Access and Inclusion Plan 2012-2016
↻	Ernest Johnson Reserve Master Plan
↻	Disability Access and Inclusion Plan
✗	Regional Waste Management Strategy

Achievements

Improving our open spaces

The Public Open Space Strategy was implemented, offering improved disability access for Mackie Street Reserve; hydro-zoning for Axford Barker Reserve and hydro-zoning and eco-zoning for David Vincent Reserve. A draft master plan for the Ernest Johnson Reserve upgrade – including concept plans, draft costings and timelines – was presented to Council and opened for community comment.

Animal welfare

Due to increased standards following the implementation of the *Cat Act 2011*, a \$663,000 upgrade of the Dog Pound began which will lead to the completion of an expanded new Animal Care Facility by December 2014. Partly funded by a grant from the Department of Local Government and Communities, the new state of the art facility that is also used by the Town of Victoria Park will be capable of housing over 60 animals. The facility will also include infection isolation, quarantine and assessment areas, as well as a new office, waiting room, toilet and shower areas, and a secured unloading zone.

RANGER SERVICES	2013/14	2012/13
Dog infringements	65	65
Dogs in pound	106	164
Dog re-homed	19	19
Dogs euthanised	3	5
Dog attack Investigations	34	43
Dog barking/ nuisance complaint investigations	63	63

An inclusive community

As part of the Aboriginal Engagement Strategy, an Aboriginal Reference Group was established. The group meets bi-monthly, 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 group monitors the City's Aboriginal Engagement Strategy and is guiding the development of a Reconciliation Action Plan.

An Aboriginal Education Forum or information day for local primary school and community representatives was held, offering advice regarding scholarships and programs for Aboriginal secondary students.

To coincide with the annual National Aboriginal and Islander Day Observance Committee Flag Raising Ceremony, the stories of local elder Yurleen Dorothy Winmar (RIP) were filmed with support from the Film and Television Institute's Indigenous Community Stories initiative. The Fiesta event saw local Yorga Kerry-Ann Winmar lead a guided tour explaining the significance of the Derbal Yerrigan (Swan River).

In order to ensure the needs of people with disabilities were met, key strategies from the Disability Access and Inclusion Plan 2012-2016 were rolled out. This included access and inclusion suggestions from the Inclusive Communities Advisory Group (ICAG) relating to City facilities, customer service and public events.

Looking after residents' health

A mosquito management treatment program was carried out from August 2013 to April 2014, improving outdoor life for residents adjacent to wetlands. A survey of Waterford residents was conducted, with one in two residents indicating a reduction of mosquitoes in the area was crucial during summer dusk and night time periods.

Waste management

An external review was completed to improve efficiency and services at the Collier Park Waste Transfer Station, recommending greater recycling, as well as additional tipping bays for segregated materials.

The City processed 2256.43 tonnes of waste during 2013/14, equivalent to 22 small cars. This included 25.9 tonnes of paper and cardboard, 185 tonnes of metals, 575.3 tonnes of green waste, 34 tonnes of e-waste, 3.6 tonnes of oil and 21.8 tonnes of other materials such as glass and mattresses. 62.53% went to landfill, with the remaining 37.46% being recycled.

INTERESTING FACTS:

There were 431 abandoned vehicle complaint investigations in 2013/14, 58 less than 2012/13

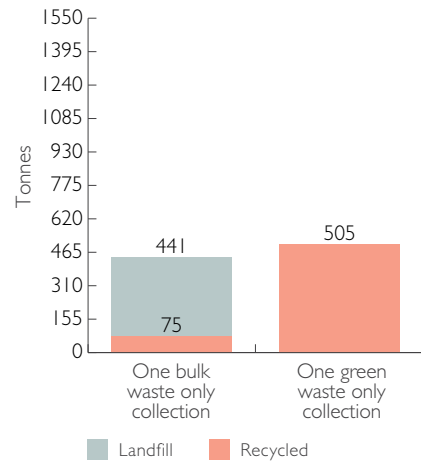
Twelve fire infringements were issued in 2013/14 and 2012/13

In 2013/14, 159 firebreaks inspections were carried out, three more than the previous year

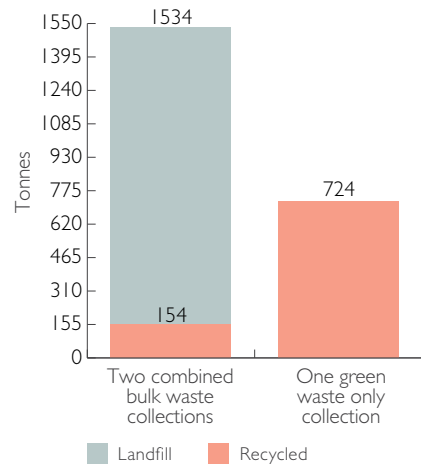
Eight littering fines were issued in 2013/14, up from two in 2012/13

1789 graffiti clean ups occurred in 2013/14, 110 more than the previous year

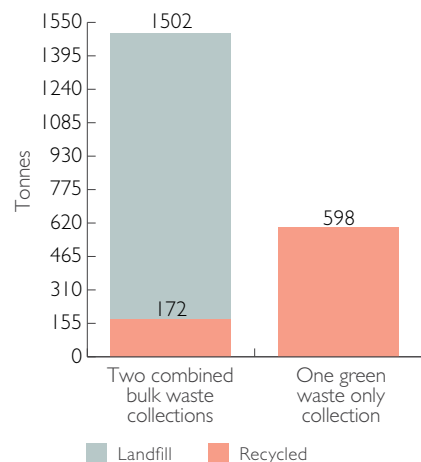
2013/14



2012/13



2011/12





Facilitate and foster a safe environment for our community.

STATUS	INITIATIVES
	Community Safety and Crime Prevention Group
	Community Safety and Crime Prevention Plan
	Karawara Public Open Space Masterplan and Collaborative Action Plan

Achievements:

Boosting community safety

A Community Safety and Crime Prevention Group was established to help develop and monitor the Community Safety and Crime Prevention Plan, bringing together representatives from the City, WA Police, State Government agencies and key stakeholder groups. Neighbourhood Watch continued to offer litter prevention and reduction programs, as well as talks relating to general community safety – focusing on the internet, young people, women, homes and security.

The Karawara Public Open Space Masterplan and Collaborative Action Plan were endorsed by Council in December 2013, following significant community engagement. Preliminary plans include lighting and pedestrian facility upgrades around Lowan Loop and Walanna Drive.

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

STATUS	INITIATIVES
	Produce safe and well attended Australia Day and Fiesta events
	Progress Karawara Public Open Space Masterplan and Collaborative Action Plan
	Operate Clubs Conference
	Facilitate funding through KidSport Program
	Offer high quality suite of library services
	Thank a Volunteer Breakfast
	Citizenship Ceremonies and Active Citizenship Awards
	Art Award
	Collier Park Golf Course Review Plan
	Undertake condition report of the May and Herbert Gibbs art collection

Achievements:

Safe and well-attended events

The year's two flagship events, Australia Day and Fiesta, were successfully held. The January 2014 Australia Day celebration attracted more than 60,000 people to the City's alcohol-free 12,000 square metre Celebration Zone at Sir James Mitchell Park. For the first time, the City offered pre-arranged 'home pick-up' transportation for people with disabilities to the event. Another first for the event was the introduction of two kilometres of temporary path structures.

Fiesta celebrated its 20th anniversary, offering 22 events at various venues throughout March 2014. Supported by \$128,000 in funding and sponsorship, Fiesta attracted a record attendance of 57,980 patrons – a significant increase from approximately 30,000 patrons the previous year.

In addition, seven citizenship ceremonies were held, attracting more than 1100 attendees and seeing 470 City residents naturalised, an increase of 182 from 2012/13.

The City's Emerging Artist Award received 160 entries, with 91 submissions selected for exhibition. The \$4000 Acquisitive Award was given to Steve Dyer for his 'Incidental Landscape' piece, while six other artists took out seven additional category awards – including the new Aboriginal Artist Award.



Other events included Morning Melodies concerts, South Perth Young Writers' Award, Pioneers and Elders Luncheon, Premier's Australia Day Active Citizenship Awards, Thank a Volunteer Breakfast and Volunteer of the Year Awards, as well as the Remembrance Day, Anzac Day and NAIDOC Week flag raising ceremonies.

The 2014 Clubs Conference provided more than 100 sport and recreation club volunteers with guidance relating to legal matters, marketing, bookkeeping, volunteer and meeting management, and strategic planning. Through the KidSport program, more than \$9300 was distributed to assist 64 local children with their sport and recreation fees.

INSIDE SPORT

59% of 2013/14 KidsSport applicants joined a sporting club for the first time

19 sporting groups regularly used the City's 12 main reserves during the summer, with 16 in winter – totalling 13,485 hours' use

14 sporting clubs operated with 2609 members – including 1921 junior members and 688 senior members

470 CITY RESIDENTS WERE NATURALISED IN 2013/14, 182 MORE THAN 2012/13

Cultural and educational services

High quality services and programs were provided through the South Perth and Manning Libraries. For the first time, the Libraries set up four 'book stops' during March 2014 to encourage people to read at City bus stops – shelving for which was designed and constructed by the Manning Men's Shed.

An online collection of 1600 images dating back to the 1870s was also launched in April 2014 as part of 'Picture South Perth', receiving more than 26,000 web page visits. The Libraries' eResources online programs were accessed 17,933 times, including 7017 for Zinio and 5881 for OverDrive ebooks.

YOUR LIBRARIES	2013/14	2012/13
Visitors to South Perth Library	229,780	255,340
Visitors to Manning Library	52,292	64,428
Items borrowed at South Perth Library	208,166	213,982
Items borrowed at Manning Library	78,873	88,212
New members at South Perth Library	730	681
New members at Manning Library	2348	2561

Encourage the community to embrace sustainable and healthy lifestyles.

STATUS INITIATIVES



Bill Grayden Pavilion Upgrade



George Burnett Leisure Centre Redevelopment



Sustainable Living Strategy

Achievements:

Bill Grayden Pavilion upgrade

This upgrade was finished in June 2014 and includes refurbished change rooms, toilets, and an upgraded kitchen. New home and away change rooms were constructed, allowing the Pavilion to now be used by men, women and children at the same time.

Sustainable Living Strategy awareness campaign

This campaign was rolled out to encourage community members to live and work in ways that meet and integrate existing environmental, economic and social needs, without compromising future generations. Sustainability guidance was given to the community through the City's *Peninsula* newsletter and the 2013 Sustainable September event.

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

STATUS	INITIATIVES
✓	Community Perceptions Survey
✓	Facebook page established
↻	South Perth Urban Walkabout Map
↻	InFocus e-newsletter
✓	New Social Media Strategy and Social Media Guidelines
✓	Canning Bridge Precinct Vision consultation
✓	Local Government Reform Process consultation
✓	Manning Community Hub consultation
✓	Environmentally Sustainable Building Design consultation
✓	Scheme amendment #30 for cash in lieu of parking consultation
✓	Local Planning Strategy consultation
✓	South Perth Foreshore Strategy Management Plan consultation
✓	Ernest Johnson Reserve Master Plan consultation
✓	Public Open Space Strategy consultation
↻	Peninsula newsletter
↻	Peninsula Snapshot

Achievements:

Marketing and promotion

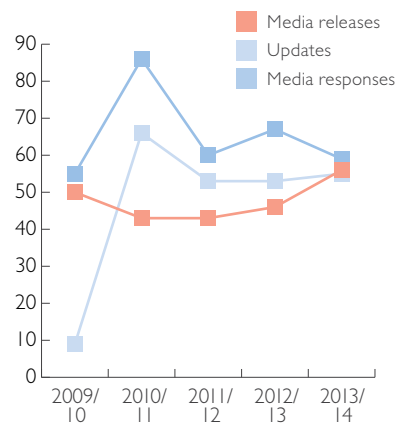
The City launched its new Facebook page in August 2013, which now averages around 15 new 'likes' a week. Fifty-six media releases were issued in 2013/14, along with 55 updates and 59 media responses.

A range of other communications continued including the fortnightly South Perth InFocus e-newsletter, as well as the fortnightly Peninsula Snapshot – a one-page summary of community activities and initiatives in local newspaper, the Southern Gazette.

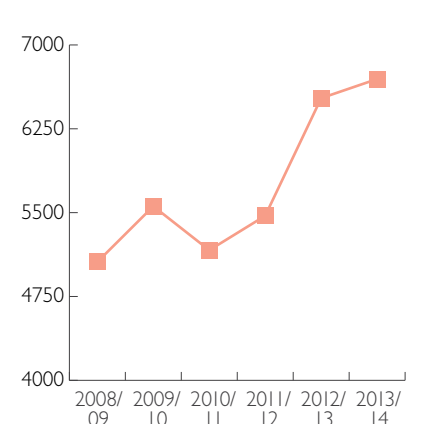
A bi-monthly Peninsula newsletter was also distributed to 46,000 residents, keeping the community informed about local activities and initiatives. A special Budget issue of this newsletter was also published, outlining funding for the year ahead.

Forty-five thousand copies of South Perth Urban Walkabout map were distributed throughout the Perth metropolitan area, promoting the three South Perth local shopping precincts, Mends Street, Angelo Street and Preston Street, as attractive retail, dining and entertainment destinations.

Marketing and promotion numbers



Parking infringements issued





483 FOOD SAFETY INSPECTIONS WITH 3 IMPROVEMENT NOTICES IN 2013/14, WITH 473 FOOD SAFETY INSPECTIONS AND 3 IMPROVEMENT NOTICES IN 2012/13

Community Perceptions Survey 2014

In April 2014, the biennial Community Perceptions Survey was undertaken through an independent consultant to better understand resident needs and evaluate our performance. A survey was conducted with 402 randomly selected residents from South Perth, Kensington, Como, Manning, Karawara, Salter Point and Waterford. Results were compared to those of 21 other local government organisations who participated in the Survey, with the City ranked second best out of 21 when it comes to resident satisfaction.

Overall, the City's average satisfaction score was 65 per cent, 14 percentage points higher than the average Survey score. Out of 45 areas surveyed, 19 areas received a satisfaction score of more than 80 per cent from City respondents.

Areas performing well

The Survey results indicate our community is particularly satisfied with facilities, services and care available for seniors, as well as street lighting, and parks and sporting grounds.

Satisfaction with facilities services and care available for seniors
84 per cent – Increase of 7 percentage points from 2012

Satisfaction with street lighting
83 per cent – Increase of 2 percentage points from 2012

Satisfaction with parks and sporting grounds
93 per cent – Increase of 5 percentage points from 2012

Satisfaction with Peninsula newsletter
85 per cent – Increase of 11 percentage points from 2012

Satisfaction with City as a place to live
97 per cent – Increase of 2 percentage points from 2012

Satisfied with City staff and Council governance performance
88 per cent – Increase of 7 percentage points from 2012

Satisfied with value for money from rates
73 per cent – Increase of 6 percentage points from 2012

Satisfied with how the community is informed about local issues
73 per cent – Increase of 8 percentage points from 2012

Satisfied with local law enforcement relating to food, health, noise and pollution
74 per cent – Increase of 5 percentage points from 2012

Areas most improved

Respondents acknowledged the City had significantly improved in the services and facilities it offers youth, as well as street and public art, activities for improving health and wellbeing, and economic development, tourism and job creation.

Satisfaction with youth services and facilities
74 per cent – Increase of 13 percentage points from 2012

Satisfaction with street artworks and public art
64 per cent – Increase of 13 percentage points from 2012

Satisfaction with health and wellbeing improvements
80 per cent – Increase of 14 percentage points from 2012

Satisfaction with economic development, tourism and job creation
65 per cent – Increase of 14 percentage points from 2012

Satisfaction with Council leadership
72 per cent – Increase of 13 percentage points from 2012

Areas decreasing in satisfaction

Community members indicated more attention needed to be paid to streetscapes and verge-side bulk rubbish collections. The verge-side bulk rubbish collection program has since been the subject of a review by the Council with a view to increasing resident satisfaction with this service.

Satisfaction with verge-side bulk rubbish collections
71 per cent – Decrease of 20 percentage points from 2012

Satisfaction with streetscapes
83 per cent – Decrease of 5 percentage points from 2012

Areas of low satisfaction

Only 54 per cent of respondents believed a clear vision for the City had been developed and communicated. Just 58 per cent indicated they believed City staff had a good understanding of their needs, while only 53 per cent stated Councillors had a good understanding of their needs.

Another area that requires attention is planning and building approvals, with just 56 per cent of respondents suggesting they were satisfied. In regards to sustainable living information provided by the City, only 62 per cent of respondents were satisfied.

Additional comments from respondents:

Community members indicated they would like traffic congestion reduced, particularly along Mill Point and Labouchere Roads. Residents also suggested providing more parking in residential and commercial areas, particularly around Angelo Street and Canning Bridge Train Station, and local schools and shopping centres. Tighter on-street parking controls were also recommended to reduce congestion.

Consultation initiatives

Work continued on the Canning Bridge Precinct Vision's Draft Structure Plan, which will involve studies into traffic, urban design and climate change, as well as the preparation of built form and landscape design guidelines, and a heritage protection plan. Extensive consultation and planning was carried out in conjunction with study partners, the City of Melville and the West Australian Departments of Planning and Transport. A transport workshop and reference group meeting was held, along with a community information session and a joint Council briefing.

The City continued to respond to the State Local Government Reform process, holding a community rally and town hall gathering, and meetings with key government representatives (see page 73 for more information).

As part of the Bike Plan 2011-2016, City officers attended local Bicycle Users Group meetings to ensure programs and minor works met expectations.

To notify residents regarding forthcoming demolition works for the Manning Community Hub, a report was published in the Southern Gazette and all major stakeholders and affected residents received letters.

A community workshop was held to advise interested parties about the South Perth Foreshore Strategy and Management Plan, while the Ernest Johnson Reserve Master Plan and Public Open Space Strategy sought community input.

The City also continued to invite comment on amendments to its Town Planning Scheme for a minimum of 42 days, while any input on draft Council Planning Policies was called for a minimum of 21 days. Community members continued to be notified about all capital works projects through the Peninsula newsletter and letter mail outs.

Challenges:

- Extensive planning and consultation was required to transfer Collier Park Hostel residents to alternative accommodation when the Hostel was closed, with the City outsourcing this project to Baptistcare to manage on its behalf
- Collier Park Golf Course Review Plan was deferred this financial year
- Attendance by the elderly, people with a disability and Aboriginal and Torres Strait Islanders remained low at the Australia Day event
- Cost reductions were made to the Ernest Johnson Reserve Master Plan, as estimates were greater than the original budget allocation
- Housing our seized dogs at the City of Vincent Pound and our seized cats at the Shenton Park Cat Haven during the new Animal Care Facility construction works
- Further work on the Regional Waste Management Strategy was deferred, as more information was needed to make an informed decision about the possible move from an aerobic/anaerobic domestic waste treatment to 'waste to energy' technologies
- The George Burnett Leisure Centre Redevelopment was deferred, due to the State Government's Local Government Reform process.

Actions for 2014/15:

- Re-appoint a dedicated Community Development Coordinator to review the Community Safety and Crime Prevention Plan and finalise the Community Safety Plan 2014–2017
- As part of the Karawara Public Open Space Masterplan and Collaborative Action Plan, upgrade pathway lighting between the Gowrie Early Childhood Care and Education Centre at Lowan Loop and the nearby central playground, and develop shared use zone along Walanna Drive
- Continue to progress plans for the George Burnett Leisure Centre Redevelopment – plans include additional full size sports courts, a fitness gymnasium, crèche and additional meeting rooms
- Award tender to progress the potential delivery of domestic waste to a privately-owned Resource Recovery Facility, as part of the Regional Waste Management Strategy
- Implement the Collier Park Waste Transfer Station Review recommendations, including increasing recycling, tipping bays and set down areas
- Carry out hydro-zoning and eco-zoning at Bill McGrath, Isabella/Craigie and Bradshaw/Conochie Reserves, under the Public Open Space Plan
- Implement the Ernest Johnson Reserve Master Plan
- Develop the Aboriginal Engagement Strategy's Reconciliation Action Plan
- Provide more information to Waterford residents about our forthcoming treatments under the Mosquito Management Plan
- Undertake a condition report on May and Herbert Gibbs art collection
- Commence the Collier Park Golf Course Review Plan.



ENVIRONMENT

ENHANCE AND DEVELOP
PUBLIC OPEN SPACES AND
MANAGE IMPACTS ON
THE CITY'S BUILT AND
NATURAL ENVIRONMENT



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

STATUS	INITIATIVES
	Weed Mapping Program
	Green Plan

Achievements:

Improving biodiversity

Two milestone projects for the Green Plan commenced, which included a Dieback Management Plan relating to vegetation management at Davilak Reserve. A Weed Mapping Program identified priority weed management areas and identified changes in weed distribution, density and control methods within natural bushland and foreshore areas. Particularly successful weed control was undertaken at McDougall Park, with contract herbicide spraying on all footpaths, cycleways, drainage sumps and kerblines.

Foster and promote sustainable water and energy management practices.

STATUS	INITIATIVES
	Street Tree Management Plan review
	Drainage Infill and Upgrade Program
	Water Action Plan
	Integrated Catchment Management Plan
	Gross pollutant trap installations
	Sustainable Energy Strategy

Achievements:

Street Tree Management Plan review

A review was completed into the Street Tree Management Plan, recommending it be replaced with an Urban Forest Plan – which would list details of all City trees in one user-friendly document. The main aim of this plan is to prevent the loss of canopy cover from private developments.

Important upgrades

Supported by \$690,000 in funding, 13 projects were carried out for the Drainage Infill Program and Upgrade Program. Some of the highlights included revegetation works at a damaged Sulman Avenue embankment, as well as the duplication of a main drain that runs from Unwin Crescent to Sulman Avenue and Pepler Avenue.

Drainage investigations and designs were also finalised for Elizabeth Street at Addison Street, Rose Avenue at York Street, Angelo Street at Tate Street, Warrego Street and Mabel Street to South Terrace, and Sulman Avenue and Unwin Crescent to River Way.

As part of the Integrated Catchment Management Plan, designs have been completed for three catchment areas. This includes stormwater retention systems to support the existing drainage network at Rose Avenue and Elizabeth Street, as well as an upgrade or duplication of the existing Mabel Street system.

As part of the City's aim to reduce waterway pollutants, the first of a series of gross pollutant traps were installed at the Amherst Street and Melville Parade outfall drain. Installation was completed with minimal inconvenience to cyclists, pedestrians and golfers at the Royal Perth Golf Club.

Water Action Plan

A water audit into Manning Library was carried out as part of the Water Action Plan, which is set to reduce the Library's annual water consumption by 542kL to around 1700kL, equating to a yearly saving of \$1,278. The audit involved logging electronic data from the meter, analysing historical water use, measuring water flow rates, checking for leaks and inspecting the site. Works included fixing a water leak, retrofitting three basin taps, and replacing all outdoor taps, as well as two basin and one sink tap, and five toilet suites.

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

STATUS	INITIATIVES
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Adaptation Action Plan



Climate Change consultant engagement

Achievements:

Adapting to change

The City began preparing an Adaptation Action Plan following its Climate Change Risk Assessment Report, to identify how vulnerable our river foreshore areas could be to extreme risks such as rising sea levels.

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

STATUS	INITIATIVES
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Progress underground power supply options



Small section of 2013/14 Capital Works Program for Parks and Reserves

Achievements:

Parks and power

The 2013/14 Capital Works Program for Parks and Reserves saw \$540,000 in works completed, including playground upgrades at Mackie Street, Mends Street, Marsh Avenue and Bill McGrath Reserve; path lighting at Sir James Mitchell Park; fitness equipment installations at Andrew Thompson Reserve; a new bore and pump for Challenger Reserve; and park furniture upgrades for Sir James Mitchell Park, Canavan Crescent and McDougall Park.

While underground power was offered to Salter Point prior to 2013/14 as part of stage five of the State Government's Underground Power Project, stage six is yet to open. The City is undertaking analysis to determine additional target areas for any future stages.

711 STREET AND RESERVE TREES WERE PLANTED IN 2013/14, FOLLOWING 902 STREET AND RESERVE TREES PLANTED IN 2012/13



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

STATUS	INITIATIVES
	Sir James Mitchell Park Promenade Precinct tender
	South Perth Foreshore Strategy and Management Plan
	Manning Road and Ley Street traffic signal upgrade, and Manning Road/ Conlon Street, Richardson Street and Vista Street intersection works

Achievements:

Adapting to change

A tender was awarded in June 2014 for the Sir James Mitchell Park Promenade Precinct, which will see the river wall on both sides of the Mends Street jetty replaced, and a promenade path, lighting and seating installed.

The South Perth Foreshore Strategy and Management Plan was progressed, to replace the Sir James Mitchell Park Foreshore Management Plan. The new Strategy which is being reviewed by the Swan River Trust will provide clear direction for foreshore improvements, and create accessible, inclusive and well connected spaces.

Challenges:

- A major budget review was undertaken in March 2014 to reassess the Capital Works Program – deferring to 2014/15 a traffic signal upgrade at Manning Road and Ley Street, and intersection works at Manning Road and Conlon Street, Richardson Street from Melville Parade to Labouchere Road, and Vista Street from Collins Street to Dyson Street
- Due to stakeholder engagement requirements, \$125,000 in irrigation upgrading at the Bill McGrath, Isabella-Craigie and Bradshaw-Conochie Reserves had to be carried forward to the 2014/15 Capital Works Program for Parks and Reserves
- The Adaptation Action Plan could take several years to complete, due to City resources and lack of similar assessments having been undertaken in the State
- Service mains were difficult to locate and drainage needed to be installed below all other services at street intersections during the Drainage Infill Program works
- The development of a new Sustainable Energy Strategy was deferred, pending the State Government's Local Government Reform process and in-depth community consultation.

Actions for 2014/15:

- Green Plan initiatives, including the control of winter grasses within natural areas
- Finalise the new Urban Forest Plan
- Drainage Infill Program and Upgrade Program works at Sulman Avenue from Unwin Street, Mabel Street at Warrego Street, Elizabeth Street at Addison Street, and Rose Avenue at York Street
- For the Integrated Catchment Management Plan, install stormwater retention systems to support the existing drainage network at Rose Avenue and Elizabeth Street; upgrade or duplicate the existing Mabel Street system; and install a gross pollutant trap at the Doneraile Reserve outfall drain
- Commence major reticulation system upgrades and replacements at Bill McGrath Reserve, Isabella Craigie Reserve, Bradshaw Conochie Reserve, George Burnett Leisure Centre, Shaftesbury and Broome Street Reserve, and Collier Reserve
- Engage a Climate Change Consultant to continue the River Foreshore Vulnerability Assessment Study, as part of the Adaptation Action Plan
- Review and update the Climate Change Strategy 2010-2015
- Complete Sir James Mitchell Park Promenade
- Seek Council feedback on the South Perth Foreshore Strategy and Management Plan.



HOUSING AND LAND USES

ACCOMMODATE THE
NEEDS OF A DIVERSE AND
GROWING POPULATION



Develop a Local Planning Strategy to meet current and future community needs, cognisant of the local amenity.

STATUS INITIATIVES



Local Planning Strategy

Achievements:

Identifying local planning needs

Work began on a new Local Planning Strategy, which could form the basis of a new Town Planning Scheme. The aim of the Strategy is to meet the combined community needs of the City of South Perth, the Town of Victoria Park and the area of Canning northwest of Leach Highway following the Local Government Reform process.

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

STATUS INITIATIVES



Amend Waterford Triangle Scheme

There was no progress in this period, due to the Waterford Triangle Scheme amendment being deferred.

Review and establish contemporary sustainable building, land use and environmental design standards.

STATUS INITIATIVES



Town Planning Scheme amendments



Establish new and amend existing Council planning policies

Achievements:

Town Planning Scheme amendments

A number of Scheme Amendments were initiated or underwent ongoing processing during the year: As of 30 June 2014, the City was awaiting the Minister for Planning's final determination for the the following amendments:

- **Amendment No. 30** – Cash in Lieu of Car Parking Bays
- **Amendment No. 34** – Telstra Site
- **Amendment No. 36** – Manning Community Centre
- **Amendment No. 39** – Increased coding for Angelo Street lots between Addison and Lawler
- **Amendment No. 41** – Increase in density coding in Como Avenues
- **Amendment No. 42** – Reduced height limit in Salter Point Parade
- **Amendment No. 44** – Rezoning portion of Aquinas College site on the corner of Roebuck Drive and Redmond Street for residential development
- **Amendment No. 45** – Rezoning and related changes to Southcare on Bickley Crescent

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

- **Amendment No. 17** - Measurement of Building Height
 - The Minister for Planning approved the amendment, which was gazetted on 30 July 2013
- **Amendment No. 32** - Revised 'shop' and 'consulting room' definitions
 - The Minister for Planning refused the amendment on 6 August 2013
- **Amendment No. 35** - Home Occupation
 - The Minister for Planning approved the amendment on 17 April 2014
- **Amendment No. 38** - Rezoning at the corner of Way Road and Canning Highway
 - The Minister for Planning granted final approval and the Amendment was gazetted on 25 October 2013
- **Amendment No. 40** - Rezoning Lot 6 South Terrace adjoining Como Hotel
 - The Minister for Planning approved the amendment without modification, becoming operational on 8 April 2014
- **Amendment No. 43** – Revised definition 'gross floor area'
 - The amendment became operational on 13 June 2014.

New and amended Council planning policies:

- **Policy P306 - Streetscape controls for River Way properties**
 - Advertising and consultation took place, before the modified Policy was adopted at the June 2014 Council meeting
- **Policy P315 - Car Parking Reductions for Non-Residential Development**
 - Council advertised Amendment No. 30 and considered submissions and is now awaiting final determination from the Minister
- **Policy P316 - Developer Contribution for Public Art**
 - Council endorsed the draft Policy and advertised for community comment, with submissions still being considered
- **Policy P350 - Residential Design Policy Manual**
 - The City reviewed individual policies comprising the Residential Design Policy Manual, with draft revised policies being prepared ahead of community comment
- **Policy P351.12 - 9 Bradshaw and 8 Conochie Design Guidelines**
 - In April 2013, Council endorsed the draft Policy for consultation
- **Policy P350.01 - Environmentally Sustainable Building Design**
 - The planning policy was reviewed against comparable policies and the energy efficiency requirements of the Building Code of Australia and the Green Star building rating tools. The results of the review were reported to Council, along with a draft planning policy to replace the existing P350.01. Council resolved to advertise the draft planning policy for community comment.

PLANNING APPROVALS UNDER DELEGATED AUTHORITY:

Planning applications approved in 2013/14: 594

Planning applications approved in 2012/13: 573

85 per cent of the 263 planning applications that did not require consultation in 2013/14 were approved within the targeted timeframe of 60 days.

88 per cent of the 253 planning applications that did not require consultation in 2012/13 were approved within the targeted timeframe of 60 days.

79 per cent of the 331 planning applications that required consultation in 2013/14 were approved within the targeted timeframe of 90 days.

84 per cent of the 320 planning applications that required consultation in 2012/13 were approved within the targeted timeframe of 90 days.



Planning approvals for new residential developments in 2013/14:

Single houses	139
Grouped dwellings	20
Multiple dwellings	2
Mixed developments	1
Single dwellings	1
Building permits issued in 2013/14	818
Building permits issued in 2012/13	751
Estimated total value of these building projects in 2013/14	\$181 million
Estimated total value of these building projects in 2012/13	\$152 million

Challenges:

- Amendments to the Waterford Triangle Scheme to create a Special Control Area for the area were deferred to 2015/16

Actions for 2014/15:

- Continue progressing Town Planning Scheme amendments
- Develop new and amend Council planning policies
- Progress draft Local Housing Strategy recommendations for the new Local Planning Strategy



PLACES

DEVELOP, PLAN AND
FACILITATE VIBRANT AND
SUSTAINABLE COMMUNITY
AND COMMERCIAL PLACES



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

STATUS	INITIATIVES
	Old Mill redevelopment
	Manning Community Hub
	Manning Hub Reserve subdivision
	Mends Street Precinct Upgrade and Redevelopment

Achievements:

Old Mill Redevelopment

Plans continued to redevelop the Old Mill precinct into a heritage, cultural and recreational destination, with conservation and design plans carried out at the Old Mill site. Aboriginal consultation was undertaken, as well as a heritage impact study, ethnographic survey, fibre optic cable realignment feasibility study and a geotechnical assessment. An acid sulphate soils assessment was performed for Millers Pool, along with a dewatering assessment and soil waste classification.

Manning Community Hub Redevelopment

Detailed design work continued on this redevelopment to create a 'heart' for the suburb and cater for a wide range of groups. The project involves demolition and subdivision of the site, before the new facility is developed. The new facility includes Manning Library, halls and group spaces, and new mixed commercial and residential lots. James Miller Sports Oval will also be upgraded.

The tender for the demolition of the existing structures was awarded at the May 2014 Council meeting, while a Project Management Plan has been created. A business plan was also developed for the proposed 2015/16 relocation of the South Perth Bridge Club to Manning Library.

Manning Hub Reserve

After receiving approval to change the land classification from 'A class' reserve to 'freehold', the City acquired Manning Hub Reserve for five per cent of the current unimproved market value. A subdivision application was submitted to the West Australian Planning Commission. Receiving conditional approval on 23 October 2013, the approval conditions, which largely relate to the provision of essential public utility services, are now being progressed. The land is not in a position to be sold until the Minister for Planning approves Town Planning Scheme Amendment No.36, which relates to design guidelines for the two commercial lots.

Mends Street Precinct Upgrade and Redevelopment

An all-inclusive Project Management Plan has been completed for the Mends Street Precinct Upgrade and Redevelopment, which aims to provide a shared environment on Mends Street from the foreshore to Mill Point Road. The project will include a full road reserve on Mends Street from the Mill Point Road intersection to the South Perth Esplanade, as well as a designated piazza area on South Perth foreshore.

With initial concept designs presented to the City's Executive Management Team for comment, 2013/14 works included the collection of traffic and parking data; a road safety audit; and Mains Roads approval for a revised 40 kilometres per hour (km/hr) Mends Street speed limit (from 50km/h). Consultants have been informally approached to provide professional advice on infrastructure requirements such as drainage and lighting upgrades.



Encourage and facilitate economic development.

STATUS	INITIATIVES
	Free morning parking at Car Park 1 on Mends Street
	Local Chambers Business Excellence Award sponsorship
	Urban Development Institute of Australia corporate membership
	High level Local and State Government meetings
	Economic Development Strategy

Achievements:

Economic development

As part of the Economic Development Strategy, a partnership was formed with Business Enterprise Foundations. The partnership facilitates business workshops for local small to medium enterprises, relating to finance, marketing, business planning and digital matters.

The City introduced free parking from 9am to 11am at Car Park 1 on Mends Street.

Work also began on a Land Asset Management Strategy to identify freehold and crown reserves that could raise significant long-term income and deliver community services.

Partnerships and stakeholder relationships

In September 2013, the City sponsored the Local Chambers of Commerce and Industry's Business Excellence Award and became a corporate member of the Urban Development Institute of Australia. To progress a number of strategic issues, a number of high-level meetings were held with key stakeholders including the Town of Victoria Park, City of Canning, West Australian Planning Commission, West Australian Department of Planning, Local Government Advisory Board and State Land Services. See details relating to community consultation on page 51 for more information.

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

STATUS	INITIATIVES
	Assist Curtin University Precinct and Bentley Technology Park Precinct planning

Achievements:

Curtin Precinct Planning

The City lodged a submission to assist with the development of a Structure Plan for the Curtin University and Bentley Technology Park Precinct, following liaison with Curtin University, the Bentley Technology Park Precinct, the West Australian Departments of Planning and Transport, and other key stakeholders. The Structure Plan will guide decision making, in order to create a centre of excellence for science, technology, education and research.



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

STATUS	INITIATIVES
✓	Bike Plan 2011-2016 consultation
✓	South Perth Foreshore Strategy and Management Plan consultation
✓	Ernest Johnson Reserve Master Plan consultation

Achievements:

Engaging our community

The community was engaged extensively to allow the City to plan for vibrant activities and uses on and near foreshore areas and reserves. Projects included the Bike Plan 2011-2016, South Perth Foreshore Strategy and Management Plan and the Ernest Johnson Reserve Master Plan. For more information on consultation relating to these and other projects, see page 51.

Facilitate optimal development of the Civic Triangle Precinct.

STATUS	INITIATIVES
✓	Lot 800 Ray Street South Perth land sale
➔	South Perth Civic Triangle Precinct land sale

Achievements:

Managing our land

Preparations were made to sell the City's South Perth Civic Triangle Precinct land, which spans 7133 square metres and is bounded by Mends Street, Labouchere Road and Mill Point Road. In December 2013, JLL won the tender to undertake the sale of the land. Interested parties were invited to submit a detailed proposal to purchase the land and deliver a mixed-use development.

An extensive Expression of Interest international marketing campaign ran from February to May 2014, with four proposal proponents then invited to participate in a private tender process. The Council has nominated a preferred tenderer and is presently in negotiations, with the sale expected to be completed by September 2014. It is anticipated that the sale price will be in the vicinity of \$27 million.

It is envisaged that an iconic mixed use development of approximately 30 stories will be developed that incorporates retail, residential, commercial and public open space on this strategic 'civic heart' landmark location.

Other land sales included Lot 800 Ray Street South Perth to the adjoining Windsor Hotel owner for \$3.7 million in August 2013. The contract of sale was finalised in March 2014, with the first instalment then received. The City will retain management and possession of the site for a further two years, when the third and final payment will be received.

Challenges:

- With a Town Planning Scheme amendment relating to the Manning Community Hub's commercial lots awaiting Department of Planning approval throughout 2013/14, lot sales were delayed

Actions for 2014/15:

- Finalise the sale of the Civic Triangle
- Complete all planning work, begin building work and progress commercial lot sales for the Manning Community Hub
- Submit revised concept designs and estimates to Council for the Old Mill Redevelopment's Millers Pool construction
- Complete the design phase of the Mends Street Precinct Upgrade and Redevelopment



INFRASTRUCTURE AND TRANSPORT

PLAN AND FACILITATE EFFICIENT
INFRASTRUCTURE AND
TRANSPORT NETWORKS TO
MEET THE CURRENT AND FUTURE
NEEDS OF THE COMMUNITY



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

STATUS	INITIATIVES
	Canning Bridge Precinct Vision Draft Structure Plan

Achievements:

Canning Bridge Precinct Vision

Following extensive preliminary consultation and planning in conjunction with partners the City of Melville and the West Australian Departments of Planning and Transport, concept plans continued to be refined for the Canning Bridge Precinct Vision's Draft Structure Plan. The Plan involves a heritage protection plan, studies into traffic, urban design and climate change, as well as the preparation of built form and landscape design guidelines.

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

STATUS	INITIATIVES
	Implement and review the Integrated Transport Plan
	Five year Road Rehabilitation Program
	Perth Waterfront Development input
	Five year Traffic Management Program

Achievements:

Our roads and traffic

Supported by \$3.3 million in funding under the five year Road Rehabilitation Program, 15 sections of roads were resurfaced, spanning 42,826 square metres or 4.3 kilometres. Areas targeted included:

- Griffin Crescent from Elderfield Road to Marsh Avenue
- Corner of Centenary Avenue and Manning Road
- Labouchere Road from South Terrace to Preston Street
- Manning Road from Elderfield Road to Gillon Street
- Landsdowne Street from Fourth Avenue to Seventh avenue
- Cloister Avenue from Duckett Drive to Welwyn Avenue
- Challenger Avenue from Griffin Crescent to Cloister Avenue
- Alston Avenue from Labouchere Road to Mary Street

- Seventh Avenue from Banksia Terrace to Landsdowne Road
- Walanna Drive from Gillon Street to Melinga Court
- Mount Henry Road from Hope Avenue to Success Court
- Birdwood Avenue from Murray Street to Bland Street
- Mary Street from Cale Street to Alston Avenue
- Ferry Street from Mill Point and a narrow public access way lane from Wooltana Street to Manning Road.

As part of the Five Year Traffic Management Program, which address street network amenity and safety issues, a Local Area Traffic Study was undertaken within an area bounded by Canning Highway, South Terrace and Kwinana Freeway.

Other works included extensive modifications to signals at the Manning Road and Ley Street intersection, as well as intersection treatments at Clydesdale Street and McDougall Street, and a set down and pick up facility in Roberts Street at Canning Highway.

The City also provided ferry traffic and mooring area information to the State Government for its Perth Waterfront development, while works continued to improve pedestrian accessibility, cycling infrastructure and public transport infrastructure under the Integrated Transport Plan.



Facilitate a pedestrian and cycle friendly environment.

STATUS INITIATIVES

- ↻
 Footpath, Shared Path and Cycle Path Program
- ↻
 Bike Plan 2011-2016
- Kwinana Freeway Foreshore Management Plan review

Achievements:

Benefiting cyclists

Additional cycling infrastructure was implemented under the Bike Plan 2011-2016, including a new cycle path connection from Davilak Street to Canning Highway to service Canning Bridge Train Station, along with a shared path at each end of Bodkin Park.

As part of the Footpath, Shared Path and Cycle Path Program, more than 1.2 kilometres of new paths were built on Manning Road from Clontarf College to Drogheda Way, Thelma Street from

Blamey Place to Hayman Road, Canning Highway for the length of the Davilak culdesac through to Bodkin Park, and on Howard Parade from Salter Point Parade to Redmond Street. The shared use path on the east side of Manning Road from Drogheda Way to Waterford Avenue was also extended.

In addition, more than 1.6 kilometres of paths were replaced at six different locations including Bland Street from South Terrace to Mabel Street, Brandon Street from Mill Point Road to Canning Highway, Anstey Street from South Terrace to Hensman Street, Addison Street from Hensman Street to Elizabeth Street, Mary Street from Henley Street to Cassey Street, and Challenger Avenue from Henning Crescent to Griffin Crescent.

To better address current and future issues related to recreation and asset protection, a draft of the Kwinana Freeway Foreshore Management Plan was also produced and reviewed.

2013/14 SAW MORE THAN 1.2KM OF NEW PATHS CONSTRUCTED AND 1.6KM OF PATH REPLACEMENTS



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

STATUS

INITIATIVES



Perth Waterfront Development planning advocacy

Achievements:

Perth Waterfront Development

The City continued to work with the State Government to maximise opportunities for its Perth Waterfront Development, providing input relating to ferry traffic and mooring areas, and liaising with the Swan River Trust.

Challenges:

- Finalising the Canning Bridge Precinct Vision's draft Structure Plan took longer than expected, with considerable time spent on traffic modeling
- Managing traffic management in heavy use areas during Five Year Traffic Management Program works

Actions for 2014/15:

- Undertake a local area traffic study for Kensington under the Five Year Traffic Management Program
- Resurface 12 sections of roads for the Five Year Road Rehabilitation Program
- Continue cycling infrastructure upgrades to pathways, as well as public transport initiatives as part of the Integrated Transport Plan

- Present the final version of the Kwinana Freeway Foreshore Management Plan to Council in August 2015
- Monitor traffic movements on Mill Point and Labouchere Roads to determine traffic impacts caused by the closure of Riverside Drive following the Perth Waterfront Development
- Adopt the Canning Bridge Precinct Vision's final Structure Plan during the first half of 2015
- Carry out minor cycle network improvements for the Bike Plan 2011-2016, including modifications to various ramps and rail replacements



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 PLAN

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

STATUS	INITIATIVES
	Five year Plant and Fleet Program review
	Governance Framework update
	Councillor Induction Manual update
	Council elections
	Occupational health and safety policy, practice and system review
	Information Technology Strategy process mapping
	State of Sustainability Report

Achievements:

Informed and organised

The Audit and Governance Committee considered the 2013 Compliance Audit Return, Auditors Management Report, Policy Manual, Delegation, Public Question Time and Code of Conduct Review, as well as the Risk Management Strategy, Planning Delegated Authority, Audit and Governance Legislative Changes.

The City's newly elected Council was sworn in at a Special Council Meeting on 23 October 2013, with eight Councillors elected to represent four Wards.

The Governance Framework and Councillor Induction Manual were updated and circulated as part of the Councillor Induction Program.

The State of Sustainability Report, which is based on the City's sustainability commitments, activities and initiatives, was progressed. A contractor was hired to assist in the development of the first part of the Sustainability Assessment Framework, which will include a planning checklist for City projects.

Occupational health and safety policies, practices and systems were also reviewed in line with corporate governance requirements, working towards the City's aspirations of a gold Occupational Safety and Health Award.

The Five Year Plant and Fleet Program was reviewed, with replacement vehicles, and plant and equipment purchased following quotation assessments.

Information technology

More than 100 Information Technology (IT) processes were mapped and documented as part of the IT Strategy – to inform decision making when considering future initiatives. This process will enhance customer experiences, and help the City respond to emerging technologies and changing business models.

In addition, independent technology audits, environment mapping and risk mitigation initiatives occurred, to ensure that the City and its community members continue to benefit from a stable, robust and secure technology environment.

Secure remote access and mobile device management strategies were also developed and implemented, with core software applications including a document management system, property management software and desktop computer upgrades.

Develop and implement a robust Integrated Planning and Reporting Framework comprising a 10-year financial plan, four year corporate plan, workforce plan and asset management plan.

STATUS	INITIATIVES
	Integrated Planning Framework submission
	2012/13 Annual Report adoption
	2013 Compliance Audit Report review and adoption
	2012/13 Annual Report to Australasian Reporting Awards
	10 Year Long Term Financial Plan review
	Human Resources' policy and practice review
	Electronic Council agendas and minutes
	Risk Management Plan review
	Corporate Asset Management System

Achievements:

Strategic guidance for the future

Every year, the West Australian Department of Local Government and Communities calls for Local Governments to submit their strategic community plans and corporate business plans for compliance checking. This is carried out as part of the State Government's Integrated Planning Framework review process, which aims to help Local Governments meet community needs.

In 2013/14, the City submitted the below documents for compliance checking:

- Strategic Plan 2013-2023: Encapsulates the community's aspirations and vision for the future and outlines the Council's strategic directions and priorities for the next 10 years
- Long Term Financial Plan 2013-2023: Aligns community aspirations, strategic intent and organisational capacity, helping deliver infrastructure and services in a financially sustainable and affordable manner
- Corporate Plan 2013-2017: Translates the City's strategic direction to specific operational actions and priorities
- Asset Management Plan 2013-2023: Provides core resource information for service providers and facility network users, and identifies responsibilities, maintenance standards and inspection regimes
- Workforce Plan 2013-2017: Offers a snapshot of all external and internal influences, to ensure the City is capable of delivering organisational objectives.

All of these documents were assessed by the Department of Local Government and Communities and the City, which analysed areas relating to its approach, deployment, results and improvement – known as the ADRI cycle employed by the Australian Business Excellence Framework.

Tracking our performance

The 2012/13 Annual Report was adopted by Council in 2013, with the final Report awarded a Bronze Award by the Australasian Reporting Awards.

Financial sustainability

A comprehensive review was carried out into our \$800 million 10 Year Long Term Financial Plan (LTFFP), which guides effective financial management between 2014/15 and 2023/2024.

The Plan was presented to Council in April 2014 and includes detailed funding models for major new community facilities, identifying strategic land sales and grant funding opportunities. The Plan will play a critical role in protecting and preserving the City's financial position, cash-backed reserve funds and future funding models, as the Local Government Reform process gains momentum. This will ensure past equity contributed by local ratepayers is invested back into the community that provided it, following the reform. The LTFFP influenced the development of the 2014/15 Budget, which was the City's first \$100 million annual budget, following the South Perth Civic Triangle Precinct land sale.

The 2013/14 Annual Financial Statements, including all new statutory disclosures and fair value accounting requirements, were completed in good form and in line with statutory deadlines.

Other initiatives

Human resource policies and practices were reviewed in line with other Councils of similar size and status. Benchmarking was carried out while re-negotiating the City's Enterprise Agreement, to ensure the City remained competitive with comparable local governments.

A new database, called the Corporate Asset Management System (CAMS), was established, bringing information relating to all infrastructure assets to one central location. The system allows users to analyse asset issues, prepare reports and make decisions based on relevant, accurate and up-to-date information. 2013/14 saw the City enter around 90 per cent of the required data into this new database, including historical asset condition assessments.

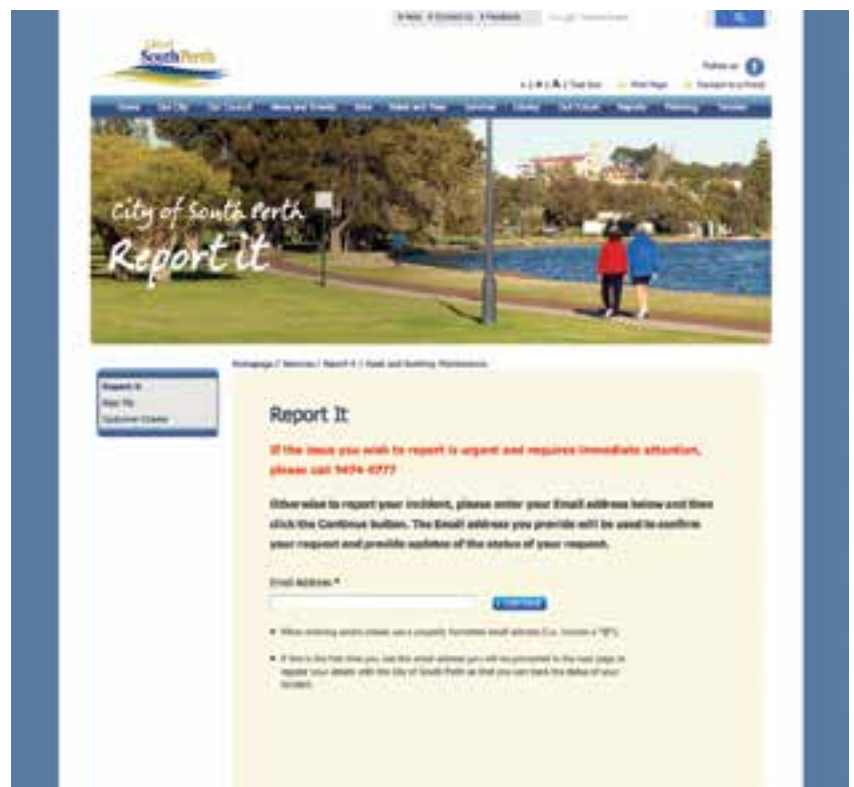
The second phase of the Online Meeting Technology Strategy was completed, to manage the preparation and distribution of Council meeting papers. In February 2014, all Council agenda papers began being distributed electronically via software called the Hub to Councillors and senior City staff. This will save the City nearly \$9000 annually in staff, paper and printing costs.

As part of the Risk Management Plan, a comprehensive annual review was undertaken in September 2013 and a half yearly review in May 2014 to assess all catalogued risks and in-force risk treatments. Several new risk exposures were identified and added to the Risk Register, including those associated with lobbying and communication during the State Government's Local Government Reform process and others relating to major land sale delays.

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

STATUS	INITIATIVES
✓	Customer Relationship Management system
↻	Electronic building permit and planning application system
✗	Development application online tracking system

Report It app



Achievements:

Boosting customer service

The Customer Relationship Management (CRM) system was established, reducing the number of repeat customer contacts on single issues, and satisfactorily resolving 85 per cent of issues at the first point of contact. Community members also chose to make use of the self-service facilities on the City's website, as well as the new 'Report It' mobile phone and tablet app, which integrates directly with the CRM.

Further investigations were carried out to identify an appropriate new electronic approvals system, to accelerate building permit and planning application assessments, with Trapeze nominated for installation.

The City's website was enhanced with new and topical content, improving the functionality of the fees, charges and administration sections. Website analysis was carried out to understand how visitors use the site, and a global best practice review benchmarked the website against others in the UK, US and Canada. The forthcoming reports from these exercises will help us improve the website in the future.

Battle for Burswood banner



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

STATUS	INITIATIVES
	National Broadband Network (NBN) South Perth O2 installation
	Battle for Burswood community rally
	Swan River wall lobbying
	Burswood Peninsula lobbying
	Local Government Reform process
	Culture Optimisation Program



Achievements:

Lobbying activities

The City actively lobbied for the State Government to re-commit its election funding promise of \$1.35 million towards the Swan River walls.

Members of Parliament were also lobbied in relation to the retention of the Burswood Peninsula and adequate funding for the State Government's Local Government Reform Process in the proposed amalgamation.

Responding to the Local Government Reform process

We continued to respond to the State Government's Local Government Reform process, with the Council resolving to adopt the joint City of South Perth and Town of Victoria Park submissions to the Local Government Advisory Board in October 2013 and March 2014.

The Council supported the amalgamation of the two local governments, together with the area of the City of Canning northwest of Leach Highway, on the condition that the Burswood Peninsula remained within the new City and there was appropriate State Government funding provided.

As part of the push to retain Burswood Peninsula, 700 residents attended the City's Battle for Burswood rally on 15 September 2013. A Battle for Burswood website was developed, as well as considerable promotional material.

A Battle for Burswood Town Hall Meeting held on 6 March 2014 was also attended by approximately 400 people.

The City conducted a Battle for Burswood campaign with nearly 1000 people participating in the survey, overwhelming wanting the Burswood Peninsula to remain within the new City.

Key stakeholder meetings were also held with approximately 20 politicians including the Premier Colin Barnett.

Throughout the year, the City and Town of Victoria Park used the State Government's Local Government Reform Toolkit, to prepare a Reform Program Management Plan to effectively deliver necessary business changes.

The City and Town of Victoria Park established a Local Implementation Committee in January 2014 as part of the Reform Toolkit, to oversee the process of amalgamating the City, Town and the northern part of the City of Canning. The City of Canning were also invited to participate in the Local Implementation Committee but declined for the moment. The Local Implementation Committee met on nine occasions.

In April 2014, the City received a \$50,000 grant from the West Australian Department of Local Government and Communities, engaging NS Projects to develop an over-arching amalgamation Project Plan.

The City and Town of Victoria Park both established a Reform Office to oversee this process. Staff time is averaging nearly 1000 hours per month on local government reform with work undertaken on the following:

- Amalgamation Project Plan
- Governance Framework
- 34 individual Project Implementation Plans
- Reporting Framework
- Project Risk Management Register
- Internal and External Communications Strategy
- Change Management Strategy
- Due Diligence
- Process Mapping

The City and Town of Victoria Park embarked on a process to develop a name for the new local government entity. A focus group with staff and community members was conducted to brainstorm ideas for the new name.

The most popular suggestions, South Bank, Yaragan, Twin Rivers and Curtin, were included in a naming survey and the community were also asked to submit new ideas and suggestions. The City's Council recommended to the Local Government Advisory Board that South Park should be the new Local Government entity's name. The City's Council also informed the LGAB it supported a six ward model, with two Councillors per ward, along with the ward name suggestions of Edwards, Collier, Mill Point, Como Beach, Canning River and Wyong.

Ahead of the proposed amalgamation, the City is continuing to implement its Culture Optimisation Program, forming a Culture Optimisation Group that consists of staff from various functions. The group meets weekly to focus on translating culture into behaviours that deliver results through effective communication and superior executive reporting.

National Broadband Network

Infrastructure was installed for the National Broadband Network (NBN) in an area known as South Perth 02 (SP02) – which is bordered by the Swan River on the north, east and west sides, and extends to Forrest Street in the west. While the area went 'live' on 15 November 2013, its 2195 homes and businesses have until April 2015 to make the switch.

National Broadband Network





Challenges:

- While submitted development applications are now available online, plans out for public comment were not uploaded to the City's website by the targeted timeframe of December 2013
- In June 2014, the City joined a legal challenge over the Minister for Local Government and Communities' proposal to abolish and disestablish the City by extending the Town of Victoria Park's boundaries

Actions for 2014/15:

- Complete the State of Sustainability Report in the first half of 2014/15
- As part of the Information Technology Strategy, implement software upgrades ahead of further upgrades to the Customer Relationship Management System, Financial Reporting System and Phone Management System
- Enter data relating to forward works modeling, and reactive and scheduled maintenance into the new Corporate Asset Management System
- Undertake the annual review of the Corporate Plan 2013-2017 and submit any modifications to Council for adoption
- Review the 2013/14 Annual Report and improve the 2014/15 Annual Report, to maintain or achieve a higher ranking in the Australasian Reporting Awards
- Implement any recommendations or improvements to strategic City documents, following the release of Integrated Planning Framework assessment results
- Establish InfoCouncil agenda preparation software, which will compile papers, and maintain consistent layout and formatting
- Review and implement findings from the global best practice review into the City's website
- Continue searching for a new electronic lodgment system for building permits and planning applications
- Engage a Customer Service Benchmarking Australia assessor to perform 'mystery shopper' benchmarking exercises to evaluate customer responsiveness and offer training tips
- Implement a reporting system that notifies the Executive Management Team about the customer contact staff performance
- Continue weekly Culture Optimisation Group meetings ahead of the State Government's Local Government Reform process outcome.





04 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 80–83)

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 83)

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 84)

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 85)

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 (Pages 86–87)

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, its 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 BY CHIEF EXECUTIVE OFFICER

FOR THE YEAR ENDED 30 JUNE 2014

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 2014 are, in my opinion, properly drawn up to present fairly the financial position of the City of South Perth at 30 June 2014 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 12th day of November, 2014.



A C Frewing
CHIEF EXECUTIVE OFFICER



M. J. Kent
DIRECTOR FINANCIAL & INFORMATION SERVICES



D. M. Gray
MANAGER FINANCIAL SERVICES

STATEMENT OF INCOME BY FUNCTION/PROGRAM

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	BUDGET \$	2014 \$	2013 \$
REVENUE	3,4			
General Purpose Funding		32,119,818	31,898,679	31,246,475
Governance		150,000	262,675	75,149
Law, Order & Public Safety		140,600	157,501	58,228
Education		0	0	0
Health		74,250	78,168	75,981
Welfare		0	275	0
Housing		2,459,800	2,652,877	3,307,015
Community Amenities		6,248,030	6,504,070	5,883,918
Recreation & Culture		4,711,690	4,273,354	4,144,246
Transport		2,227,000	2,299,802	1,904,138
Economic Services		556,000	508,033	506,670
Other Property & Services		228,327	87,160	3,286,199
		48,915,515	48,722,594	50,488,019
EXPENSES	3,4			
General Purpose Funding		292,947	275,853	327,373
Governance		6,489,693	5,929,507	5,083,837
Law, Order & Public Safety		757,941	741,418	712,999
Education		77,000	79,918	68,044
Health		528,726	527,307	473,602
Welfare		455,453	506,196	485,833
Housing		3,895,664	4,117,582	4,080,700
Community Amenities		8,940,638	8,404,620	8,119,196
Recreation & Culture		15,955,587	16,311,083	15,568,786
Transport		13,936,294	11,466,929	15,399,913
Economic Services		687,398	628,132	626,193
Other Property & Services		643,549	595,525	517,837
		52,660,890	49,584,070	51,464,313
BORROWING EXPENSES	4			
General Purpose Funding		426,305	421,298	495,997
Recreation & Culture		215,421	214,435	226,003
		641,726	635,733	722,000
DISPOSAL OF ASSETS	4			
Profit on Disposal of Assets		102,270	121,275	525,818
Loss on Disposal of Assets		(442,797)	(348)	(0)
PROFIT / (LOSS) ON DISPOSAL		(340,527)	120,927	525,818
GRANTS - ASSET DEVELOPMENT	4			
Grants - Asset Acquisition		2,194,189	1,875,969	1,511,686
MOVEMENT IN EQUITY	12	0	165,202	360
NET RESULT		(\$2,533,439)	\$664,889	\$339,570

The accompanying notes form part of the financial statements

STATEMENT OF INCOME BY NATURE & TYPE

FOR THE YEAR ENDED 30 JUNE 2014

DETAILS	NOTE	BUDGET \$	2014 \$	2013 \$
REVENUE	3,4			
Rates Revenue		28,581,754	28,574,637	26,936,112
Fees & Charges		13,980,270	14,304,708	13,699,492
Grants & Subsidies - Operational		1,743,000	1,710,406	2,785,653
Contributions & Reimbursements		721,100	555,165	429,276
Interest Revenue		2,260,000	1,996,771	2,476,717
Service Charges		0	0	0
Other Revenue		1,629,391	1,580,907	4,160,769
		48,915,515	48,722,594	50,488,019
EXPENSES	3,4			
Employee Expenses		19,496,810	19,555,788	18,630,002
Materials & Contracts		17,704,631	16,836,093	16,265,429
Utilities & Insurances		2,511,410	2,661,918	2,452,020
Depreciation		10,850,600	8,536,688	12,654,669
Amortisation Expense		44,610	45,376	11,153
Other Expenses		2,052,829	1,948,207	1,451,040
		52,660,890	49,584,070	51,464,313
BORROWING EXPENSES	4			
Interest Expense		641,726	635,733	722,000
DISPOSAL OF ASSETS	4			
Profit on Disposal of Assets		102,270	121,275	525,818
Loss on Disposal of Assets		(442,797)	(348)	(0)
PROFIT / (LOSS) ON DISPOSAL		(340,527)	120,927	525,818
GRANTS - ASSET DEVELOPMENT	4			
Grants - Asset Acquisition		2,194,189	1,875,969	1,511,686
MOVEMENT IN EQUITY	12	0	165,202	360
NET RESULT		(\$2,533,439)	\$664,889	\$339,570

The accompanying notes form part of the financial statements

RECONCILIATION OF INCOME STATEMENT TO STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

DETAILS	NOTE	BUDGET \$	2014 \$	2013 \$
NET RESULT		(2,533,439)	664,889	339,570
(as disclosed on Income Statement)				
OTHER COMPREHENSIVE INCOME				
Gain (Loss) on Revaluation of Buildings	23, 39	0	17,341,438	0
Gain on Revaluation of Land	23, 39	0	0	223,502,500
Gain on Revaluation of Plant & Equipment	23, 39	0	0	274,432
Gain on Revaluation of Roads	23, 40	0	11,533,888	15,868,175
Gain (Loss) on Revaluation of Paths	23, 40	0	1,832,380	(5,499,023)
Gain on Revaluation of Drainage Asset	23, 40	0	15,133,563	119,302
Gain on Revaluation of Parks Assets	23, 40	0	7,741,429	0
Net Gain (Loss) on Revaluation of Assets		0	53,582,698	234,265,386
Revaluation Write-back on Disposal of Buildings		0	(394,475)	0
Adjustment to Retained Surplus			421,518	0
TOTAL OTHER COMPREHENSIVE INCOME		0	53,629,741	234,265,386
TOTAL COMPREHENSIVE INCOME		(\$2,533,439)	\$54,294,630	\$234,604,956

The accompanying notes form part of the financial statements

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2014

	NOTE	2014 \$	2013 \$
CURRENT ASSETS			
Cash & Cash Equivalents	5, 35	43,717,457	40,520,190
Trade & Other Receivables	6	1,903,900	3,729,944
Inventories - Materials	7	150,168	97,958
Assets Held for Sale	8	5,243,725	5,025,711
Other Current Assets	9	662,478	422,085
TOTAL CURRENT ASSETS		51,677,728	49,795,888
NON-CURRENT ASSETS			
Other Receivables	10	2,260,808	2,668,679
Assets Held for Sale	11	946,464	850,000
Investments	12	321,541	156,338
Property, Plant & Equipment	13, 39	361,346,140	345,698,199
Infrastructure	14, 40	202,609,299	166,305,388
Intangibles	15	481,403	434,953
TOTAL NON-CURRENT ASSETS		567,965,655	516,113,557
TOTAL ASSETS		619,643,384	565,909,446
CURRENT LIABILITIES			
Trade & Other Payables	16	6,138,988	3,404,705
Borrowings	17, 38	1,629,046	2,079,605
Provisions	18	3,656,985	3,207,832
TOTAL CURRENT LIABILITIES		11,425,019	8,692,142
NON-CURRENT LIABILITIES			
Other Payables	19	29,322,346	30,640,383
Borrowings	20, 38	9,134,898	10,686,826
Provisions	21	310,011	292,097
TOTAL NON-CURRENT LIABILITIES		38,767,255	41,619,306
TOTAL LIABILITIES		50,192,274	50,311,448
NET ASSETS		569,451,110	515,597,998
EQUITY			
Retained Surplus		107,564,020	107,706,216
Reserves - Cash Backed	22	36,227,587	35,842,020
Revaluation Surplus	23	425,659,503	372,049,761
TOTAL EQUITY		\$569,451,110	\$515,597,998

The accompanying notes form part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

DETAILS	NOTE	RETAINED SURPLUS	CASH RESERVES	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2012		111,351,414	33,047,253	137,784,375	282,183,042
Adjustment to Prior Year Retained Surplus	44	(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
Balance as at 1 July 2013		107,706,217	35,842,020	372,049,761	515,597,998
Adjustment to Prior Year Retained Surplus	44	(421,519)	0	421,519	0
Re-stated Balance as at 1 July 2013		107,284,698	35,842,020	372,471,280	515,597,998
Comprehensive Income					
Net Operating Result		664,889	0	0	664,889
Other Comprehensive Income - Revaluation of Non Current Assets	23	0	0	53,188,223	53,188,223
Total Comprehensive Income		664,889	0	53,188,223	53,853,112
Reserve Movements					
Transfer to Reserve	22	(10,984,801)	10,984,801	0	0
Transfer from Reserves	22	10,599,234	(10,599,234)	0	0
Total Reserve Movements		(385,567)	385,567	0	0
Balance at 30 June 2014	22, 23	107,564,020	36,227,587	425,659,503	569,451,110

The accompanying notes form part of the financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

DETAILS	NOTE	BUDGET \$	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates Revenue		28,486,754	28,682,240	26,992,564
Fees & Charges		16,812,446	15,436,345	13,955,197
Interest Revenue		2,792,000	1,983,936	2,240,368
Other Revenue		991,888	2,133,166	1,360,033
Grants - Operating		2,226,500	1,825,389	2,625,071
Service Charges		450,000	465,886	298,373
GST Refunded by ATO		50,000	3,314,898	791,530
Total Operating Cash Receipts		51,809,588	53,841,860	48,263,136
Payments				
Employee Costs		(19,533,494)	(19,036,798)	(18,388,780)
Materials & Contracts		(19,067,073)	(19,719,977)	(16,746,006)
Interest Expense		(641,726)	(640,776)	(726,718)
Utilities & Insurance Costs		(2,443,910)	(2,590,422)	(2,367,280)
Other Expenses		(1,405,853)	(1,948,210)	(1,897,146)
GST Payable to ATO		0	0	0
Total Operating Cash Payments		(43,092,056)	(43,936,183)	(40,125,930)
Net Cash Flow from Operating Activities		8,717,532	9,905,677	8,137,206
Proceeds from Sale of Land		22,850,000	0	0
Proceeds from Sale of Property, Plant & Equipment		297,730	271,097	820,369
Deposit - Sale of Land (Deferred Settlement)		0	2,355,651	0
Purchase / Construction of Assets		(13,966,141)	(8,197,879)	(7,334,686)
Grants for Development of Assets		1,803,556	2,030,059	1,140,726
Net Cash used in Investing Activities		10,985,145	(3,541,072)	(5,373,591)
Repayment of Borrowings		(2,082,385)	(2,082,487)	(1,993,100)
Self-Supporting Loan Receipts		233,082	233,185	235,157
Incoming (Outgoing) CPV Contributions		500,000	(1,318,037)	278,027
Proceeds from Borrowings		80,000	80,000	500,000
Self Supporting Loan Advanced		(80,000)	(80,000)	0
Net Cash Flow from Financing Activities		(1,349,303)	(3,167,339)	(979,916)
Net Increase / (Decrease) in Cash Held		18,353,374	3,197,267	1,783,699
Cash & Cash Equivalents at Beginning of Year		40,687,483	40,520,190	38,736,491
Cash & Cash Equivalents at End of Year		\$59,040,857	\$43,717,457	\$40,520,190

The accompanying notes form part of the financial statements

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

DETAILS	NOTE	BUDGET \$	2014 \$	2013 \$
OPERATING REVENUE (Excluding Rates)				
General Purpose Funding		4,140,064	3,489,244	4,310,274
Governance		90,000	262,675	75,149
Law, Order & Public Safety		55,100	157,501	58,228
Education		0	0	0
Health		74,250	78,168	75,871
Welfare		0	275	0
Housing		3,317,300	2,652,877	3,307,015
Community Amenities		6,030,120	6,504,070	5,883,918
Recreation & Culture		4,358,500	4,273,354	4,144,246
Transport		1,671,500	2,299,802	1,904,138
Economic Services		556,000	508,033	506,670
Other Property & Services		134,676	87,160	3,289,199
Total Operating Revenue Excluding Rates		20,427,510	20,313,159	23,551,908
OPERATING EXPENDITURE				
General Purpose Funding		(749,252)	(697,151)	(823,370)
Governance		(5,572,239)	(5,929,508)	(5,083,837)
Law, Order & Public Safety		(777,941)	(741,418)	(712,999)
Education		(47,000)	(79,918)	(68,044)
Health		(473,823)	(527,307)	(473,602)
Welfare		(446,453)	(506,196)	(485,833)
Housing		(4,095,164)	(4,117,582)	(4,080,700)
Community Amenities		(8,336,638)	(8,404,620)	(8,119,196)
Recreation & Culture		(15,593,752)	(16,525,519)	(15,794,788)
Transport		(15,419,204)	(11,466,929)	(15,399,913)
Economic Services		(712,398)	(628,132)	(626,193)
Other Property & Services		(308,599)	(595,524)	(517,838)
Total Operating Expenditure		(52,532,463)	(50,219,804)	(52,186,313)
Net Operating Result - Excluding Rates		(32,104,953)	(29,906,645)	(28,634,405)
Adjust for Cash Budget Requirements				
Depreciation of Assets		12,475,600	8,536,688	12,654,669
Amortisation Expense		0	45,376	11,153
Gain Realised on Disposal of Revalued Asset		(39,676)	(3,265)	0
Movement in Employee Benefit Provisions		50,000	17,915	49,042
Movement in CPV / CPH Liability		114,504	(1,318,037)	278,027
Movement in Deferred Pensioner Rates		(10,000)	(18,483)	25,235
Movement in Non Current Debtors - UGP		0	226,398	673,150
Movement in Non Current Investment		0	(165,202)	0
Movement in Other Non Current Debtors		0	31,815	0
Adjustment for Self Supporting Loans		0	0	(221,956)
Non Cash Initial Recognition of Land Under Control		0	0	(3,000,000)
Non Cash Acquisition of Asset - Land Under Control		0	0	3,000,000
Disposal of Previously Revalued Buildings		0	271,736	0
Net Non Cash Items		12,590,428	7,624,941	13,469,320

The accompanying notes form part of the financial statements

RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

DETAILS	NOTE	BUDGET \$	2014 \$	2013 \$
ACQUISITIONS - NON CURRENT ASSETS				
Purchase of Buildings & Land		(5,175,195)	(1,050,819)	(3,361,193)
Purchase of Furniture		(15,000)	(8,604)	(27,900)
Purchase of Technology		(552,500)	(311,030)	(96,732)
Purchase of Plant & Equipment		(300,000)	(86,874)	(57,000)
Purchase of Mobile Plant		(1,376,446)	(1,018,871)	(916,552)
Construction of Infrastructure Assets		(6,797,000)	(5,555,957)	(5,370,949)
Purchase of Artworks		(50,000)	(4,545)	(0)
Work in Progress		0	0	(504,358)
Acquisition of Software		(90,000)	(91,826)	(446,106)
Carry Forward Works (In Opening Position)		(1,763,565)	0	0
Total Cash Demand for Asset Acquisition		(16,119,676)	(8,128,526)	(10,780,790)
REPAYMENT OF LOANS				
Loan Principal Repayments		(1,849,303)	(2,082,487)	(1,993,100)
Self Supporting Loan Advanced		(80,000)	(80,000)	(500,000)
Total Cash Demand for Loan Repayments		(1,929,303)	(2,162,487)	(2,493,100)
Total Capital Expenditure		(18,048,979)	(10,291,013)	(13,273,890)
CAPITAL REVENUES				
Proceeds from Asset Disposals		23,147,730	271,097	820,369
Cash Deposit Received - Deferred Land Sale	0	2,355,651	0	0
Grants for Acquisition of Assets		1,803,556	1,875,969	1,511,686
Proceeds of New Loans		80,000	80,000	500,000
Self Supporting Loan Repayments Recouped		230,303	233,185	253,156
Net Capital Revenues		25,261,589	4,815,902	3,085,211
RESERVE TRANSFERS				
Transfers to Reserves		(29,792,273)	(10,984,800)	(8,339,760)
Transfers from Reserves		12,009,466	10,599,234	5,544,993
Net Reserve Transfers		(17,782,807)	(385,566)	(2,794,767)
Net Funds Demand		(30,084,722)	(28,142,381)	(28,148,531)
Add				
Opening Position - Surplus (Deficit)		2,337,384	2,085,318	3,297,737
Less				
Closing Position - (Surplus) Deficit		(754,416)	(2,517,574)	(2,085,318)
AMOUNT TO BE MADE UP FROM RATES		(\$28,501,754)	(\$28,574,637)	(\$26,936,112)

The accompanying notes form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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 (excluding the Rate Setting Statement and Statement of Cash Flows) 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 2014

(j) Investments & Other Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (that is, trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount at which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amounts initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method used is to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets

(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 and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

Loss events for financial assets carried at amortised cost may include: indications that the debtors or group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions correlating with defaults.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

I. SUMMARY OF ACCOUNTING POLICIES (Continued)

(j) Investments & Other Financial Instruments (Continued)

Impairment (Continued)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses.

After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(k) Inventories - Stores and Materials

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

(l) Assets Held for Sale

Land (and the buildings affixed to it) specifically identified as 'Held for Sale' 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 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

Each class of fixed assets within the property, plant and equipment or infrastructure groupings, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Application of Fair Value to Local Government Financial Reporting

Regulation 17A of the Local Government (Financial Management) Regulations 1996 mandates the measurement of non-current assets at Fair Value effective from 1 July 2012.

The table provides the phased-in implementation of fair value in accordance with the timeframe below:

Financial Year	Asset Group - Resources
2012/13	Plant & Equipment
2013/14 or 2014/15 *	Land & Buildings
2013/14 or 2014/15 *	Infrastructure
2014/15	All other class of assets

* Land & Buildings and Infrastructure are to be revalued to Fair Value in alternate years.

Thereafter, in accordance with the regulation, each asset class must be revalued at least every 3 years. In 2013, Council commenced the process of adopting Fair Value in accordance with the Regulations.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Land Under Control

In accordance with Local Government (Financial Management) Regulation 16(a), the Council was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance. Council included such crown land (which comes under this regulation) in its 2012/13 annual financial statements.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

Revaluation

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.

Transitional Arrangements

During the time it takes to transition the carrying value of non-current assets from the cost approach to the fair value approach, the Council may still be utilising both methods across differing asset classes.

Those assets carried at cost will be carried in accordance with the policy detailed in the Initial Recognition section as detailed above.

Those assets carried at fair value will be carried in accordance with the Revaluation Methodology section as detailed above.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This action reflects the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads. Local Government (Financial Management) Regulation 16 (a)(i) prohibits local governments from recognising such land as an asset.

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

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

Major depreciation periods used for each class of depreciable asset are:

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

15 - 60 years for individual components

Infrastructure - Drains

100 years

Infrastructure - Paths

40 - 60 years dependent on path type

Infrastructure - Street Furniture

20 years

Infrastructure - Parks Equipment

10 - 20 years

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

I. SUMMARY OF ACCOUNTING POLICIES (Continued)

(n) Infrastructure, Property, Plant and Equipment

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- a) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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.

(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.

(o) 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) 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.

(q) 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.

(r) Employee Entitlements

Short-Term Employee Benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. 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.

(s) 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.

(t) 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.

(u) Leaseholders Liability

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 for this purpose.

(v) 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.

(w) Investments in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Council's share of net assets of the associate. In addition, the Council's share of the profit or loss of the associate is included in the Council's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Council and the associate are eliminated to the extent of the Council's interest in the associate.

When the Council's share of losses in an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Interests in Joint Ventures

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required. Separate joint ventures providing the joint venturers with an interest in the net assets are classified as a joint venture and are accounted for using the equity method.

(x) 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 Assets Held for Sale 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 2014

I. SUMMARY OF ACCOUNTING POLICIES (Continued)

(y) Fair Value Measurement of Assets & Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide: Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach

Valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

(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 13	1 Jan 17	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets. It is not expected to have a significant impact on Council.
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, Interpretation 2, 5, 10, 12, 19 & 127]	Dec 13	1 Jan 17	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 Council.
AASB 2011 - 7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards [Not-For-Profit entities] [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]	Dec 12	1 Jan 14	Consequential changes to various standards arising from the issuance of AASB 10, 11, 12, 127 and 128. It is not expected to have a significant impact on Council.
AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	Jun 12	1 Jan 14	This Standard adds application guidance to AASB 132 <i>Financial Instruments</i> 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 Council's financial statements.
AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets	Jun 13	1 Jan 14	This standard makes amendments to AASB 136 and includes requirements to disclose additional information when present value techniques are used to measure the recoverable amount of impaired assets.
AASB 2013-8: Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities	Oct 13	1 Jan 14	This standard adds Appendix E to AASB 10 - implementation guidance for Not-for-Profit entities regarding control criteria from the perspective of not-for-profit entities. It is not expected to have a significant impact on Council.
AASB 2013-9: Amendments to Australian Accounting Standards - Conceptual Framework (Part A)	Dec 13	1 Dec 13	Part A of this standard makes editorial corrections to various Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

I. SUMMARY OF ACCOUNTING POLICIES (Continued)

TITLE & TOPIC	ISSUED	APPLIES	IMPACT ON STATEMENTS
AASB 2013-9: Amendments to Australian Accounting Standards - Materiality (Part B)	Dec 13	1 Jan 14	Part B of this standard deletes references to AASB 1031 in various Australian Accounting Standards in advance of the withdrawal of AASB 1031.
AASB 2013-9: Amendments to Australian Accounting Standards - Financial Instruments (Part C)	Dec 13	1 Jan 15	Part C of this standard makes consequential amendments to AASB 9 and numerous other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value. As the bulk of changes related either to editorial or reference changes 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 10, 11, 12, 119, 127, 128, AASB 2011-7, AASB 2011-9, AASB 2011-10, AASB 2012-2, AASB 2012-3, AASB 2012-5 and AASB 2012-10. 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.

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 in the financial statements at their net present value preferring to continue to show them at the nominal values at which they are 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 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. (This requirement was relevant up to and including April 2014 when the facility closed. Consequently, all departing residents received their refundable bonds in cash upo departure).
- The difficulties in reconciling a liability recorded at Net Present Value to the associated cash backing of that liability maintained at nominal value are problematic.
- The disclosure of the (discounted) fair value of the refundable monies to aged care residents rather than the nominal amount disclosed on their individual lease documents is facilitated through the notes to the financial statements at Note 41.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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

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. The Hostel ceased operations in April 2014. The program 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 2014

4. OPERATING REVENUE & EXPENSES

Significant Revenues	2014	2013
	\$	\$
Initial Recognition of Crown (Vested) Land	0	3,000,000
Total	\$0	\$3,000,000

This significant revenue in 2013 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	2014	2013
	\$	\$	\$
General Purpose Funding	370,000	385,767	475,265
Governance	0	0	0
Law, Order & Public Safety	125,600	141,148	51,806
Education & Welfare	0	275	0
Health	19,250	11,489	19,438
Housing	1,855,800	2,053,238	2,195,831
Community Amenities	6,353,120	6,411,042	6,043,527
Recreation & Culture	3,443,500	3,420,863	3,190,509
Transport	1,418,500	1,487,586	1,333,520
Economic Services	383,500	381,554	387,265
Other Property & Services	11,000	11,746	2,331
Total Fees & Charges	\$13,980,270	\$14,304,708	\$13,699,492

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

4. OPERATING REVENUE & EXPENSES (Continued)

Grant Revenue by Program (Function)

Program Name	BUDGET	2014	2013
	\$	\$	\$
General Purpose Funding	487,500	471,261	937,993
Governance	0	50,000	0
Law, Order & Public Safety	7,500	7,355	0
Education & Welfare	0	0	0
Health	0	12,750	0
Housing	500,000	493,094	993,313
Community Amenities	0	0	0
Recreation & Culture	1,587,090	1,332,159	1,024,175
Transport	1,355,099	1,219,756	1,341,858
Economic Services	0	0	0
Other Property & Services	0	0	0
Total Grant Revenue	\$3,937,189	\$3,586,375	\$4,297,339

Conditions over Grants

Details	2014	2013
	\$	\$
Opening Balance - Unexpended Grants	0	793,739
Grants recognised during the year	3,586,375	4,297,339
Grants expended as per conditions		
Operational Grants	(1,710,406)	(2,785,653)
Grants for Asset Acquisition	(1,875,969)	(1,511,686)
	(3,586,375)	(4,297,339)
Less prior year grants expended	0	(793,739)
Closing Balance - Unexpended Grants	\$0	\$0

Interest Revenue

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

Details	BUDGET	2014	2013
	\$	\$	\$
Interest Revenue - Municipal	620,000	561,647	675,360
Interest Revenue - Reserves	1,385,000	1,154,650	1,534,521
Interest Revenue - Rates	255,000	280,474	266,836
Total Interest Revenue	\$2,260,000	\$1,996,771	\$2,476,717

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

4. OPERATING REVENUE & EXPENSES (Continued)

Interest Expense

	BUDGET	2014	2013
	\$	\$	\$
General Purpose Funding	426,305	421,298	495,997
Recreation & Culture	215,421	214,435	226,003
Total	\$641,726	\$635,733	\$722,000

Assets Attributed by Function / Program

Program Name	2014	2013
	\$	\$
General Purpose Funding	49,347,588	47,497,236
Governance	21,616,874	18,982,950
Law, Order & Public Safety	229,628	454,515
Education	3,289,235	1,827,625
Health	258,766	187,583
Welfare	4,595,964	4,164,335
Housing	24,649,441	22,175,836
Community Amenities	1,370,524	1,417,608
Recreation & Culture	258,655,221	249,732,870
Transport	223,562,437	194,940,415
Economic Services	246,447	130,658
Other Property & Services	31,821,259	24,397,815
Total	\$619,643,384	\$565,909,446

Depreciation by Asset Category

Details	2014	2013
	\$	\$
Artworks	6,296	6,293
Buildings	1,345,304	1,344,619
Computer Equipment	230,098	241,517
Furniture & Fittings	130,958	131,123
Mobile Plant	1,235,734	1,131,516
Plant & Equipment	94,991	100,139
Infrastructure - Roads	2,459,250	6,669,310
Infrastructure - Paths	987,581	1,166,437
Infrastructure - Drains	679,351	553,406
Infrastructure - Street Furniture	116,679	134,479
Infrastructure - Parks	1,250,446	1,175,830
Total Depreciation	\$8,536,688	\$12,654,669

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Asset Disposals by Category

Details - Actual

	PROCEEDS	BOOK VALUE	PROFIT (LOSS)
	\$	\$	\$
Artworks	0	(292)	(292)
Computer Equipment	0	(0)	0
Furniture	0	(56)	(56)
Mobile Plant	271,097	(149,822)	121,275
Plant & Equipment	0	(0)	0
Total	\$271,097	(\$150,170)	\$120,927

Asset Disposals by Category

Details - Budget

	PROCEEDS	BOOK VALUE	PROFIT (LOSS)
	\$	\$	\$
Artworks	0	(0)	0
Buildings	0	(442,797)	(442,797)
Computer Equipment	0	(0)	0
Furniture	0	(0)	0
Mobile Plant	316,230	(213,960)	102,270
Plant & Equipment	0	(0)	0
Total	\$316,230	(\$656,757)	\$340,527

Asset Disposals by Program

Details - Actual

	PROCEEDS	BOOK VALUE	PROFIT (LOSS)
	\$	\$	\$
General Purpose Funding	0	0	0
Governance	56,760	(40,723)	16,037
Law, Order & Public Safety	0	0	0
Education	0	0	0
Health	0	0	0
Welfare	45,603	(69,669)	(24,066)
Housing	4,882	(293)	4,589
Community Amenities	13,041	(11,046)	1,995
Recreation & Culture	74,030	(16,636)	57,394
Transport	76,781	(11,803)	64,978
Economic Services	0	(0)	0
Other Property & Services	0	(0)	0
Total	\$271,097	(\$150,170)	\$120,927

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Asset Disposals by Program

Details - Budget	PROCEEDS \$	BOOK VALUE \$	PROFIT (LOSS) \$
General Purpose Funding	0	(0)	0
Governance	76,500	(56,325)	20,175
Law, Order & Public Safety	0	(0)	0
Education	0	(25,000)	(25,000)
Health	0	(90,292)	(90,292)
Welfare	45,000	(69,700)	(24,700)
Housing	3,310	(125,590)	(122,280)
Community Amenities	0	(265)	(265)
Recreation & Culture	95,720	(46,325)	49,395
Transport	95,700	(41,345)	54,355
Economic Services	0	(0)	0
Other Property & Services	0	(201,915)	(201,915)
Total	\$316,230	\$656,757	(\$340,527)

Audit Expense

Details	BUDGET \$	2014 \$	2013 \$
Audit of Financial Report	35,000	31,060	26,440
Audit of Grant Acquittals	15,000	4,700	890
Total	\$50,000	\$35,760	\$27,330

Significant Expenditure Items

Details	BUDGET \$	2014 \$	2013 \$
Amortisation - Software	44,510	45,376	11,153
Impaired Debts Expense	80,000	8,742	73,872
Total	\$124,510	\$54,118	\$85,025

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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	2014 \$	2013 \$
Cash at Bank / On Hand	531,234	957,481
At Call / Term Deposits	43,186,223	39,562,709
Total Cash & Cash Equivalents	\$43,717,457	\$40,520,190

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	2014 \$	2013 \$
Plant Replacement Reserve	688,629	714,559
Future Municipal Works Reserve	349,817	826,651
Collier Park Village Residents Offset Reserve	19,579,542	18,188,429
Collier Park Hostel Capital Reserve	0	352,465
Collier Park Hostel Bonds Reserve	0	2,064,292
Collier Park Golf Course Reserve	147,328	83,057
Waste Management Reserve	2,935,400	4,240,259
Reticulation and Pump Reserve	223,196	215,721
Information Technology Reserve	486,577	519,007
Insurance Risk Reserve	172,122	141,664
Asset Enhancement Reserve	3,455,685	897,719
Footpath Reserve	153,058	147,932
Underground Power Reserve	100,015	96,669
Parking Facilities Reserve	137,862	133,245
Collier Park Village Reserve	1,657,384	1,675,595
River Wall Reserve	1,449,813	1,159,236
Railway Station Precincts Reserve	710,236	686,449
Future Building Projects Reserve	2,114,882	2,042,719
Future Transport Projects Reserve	495,417	479,091
Future Parks Works Reserve	96,551	93,318
Future Streetscapes Reserve	4,976	4,811
Sustainable Infrastructure Reserve	1,269,097	1,079,132
Sub Total - Reserve Funds	36,227,587	35,842,020
Cash provided for Specific Purpose Grants	0	0
Total Restricted Cash	\$36,227,587	\$35,842,020

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Reconciliation of Cash & Cash Equivalents

Details	2014 \$	2013 \$
Unrestricted Cash & Cash Equivalents	7,489,870	4,678,170
Restricted Cash & Cash Equivalents	36,227,587	35,842,020
Total Cash & Cash Equivalents	\$43,717,457	\$40,520,190

6. TRADE & OTHER RECEIVABLES - CURRENT

Details	2014 \$	2013 \$
Rates Outstanding	141,227	263,277
Loans - Clubs and Institutions	248,520	230,303
Sundry Debtors	885,170	1,278,990
Infringement Debtors	303,659	277,087
GST Receivable from ATO	196,556	1,349,495
Pensioner Rebate Receivable	18,930	22,967
Underground Power Service Charge - Stage 3 & 5	254,039	452,797
ESL Debtors	37,580	38,618
	2,085,681	3,913,534
Less: Provision for Impairment of Debts	(181,781)	(183,589)
Total Current Trade and Other Receivables	\$1,903,900	\$3,729,945

7. INVENTORIES - MATERIALS

Details	2014 \$	2013 \$
Materials and Fuel at Cost	16,595	26,760
Nursery Green Stock at Cost	133,573	71,198
Total Inventories - Materials	\$150,168	\$97,958

8. ASSETS HELD FOR SALE

Details	2014 \$	2013 \$
Assets Held for Sale at Cost	5,243,725	5,025,711
Total Current Assets Held for Sale	\$5,243,725	\$5,025,711

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

9. OTHER CURRENT ASSETS

Details	2014 \$	2013 \$
Prepayments	437,955	210,398
Accrued Income	224,523	211,687
Total Other Current Assets	\$662,478	\$422,085

10. TRADE & OTHER RECEIVABLES - NON CURRENT

Details	2014 \$	2013 \$
Commercial Lease Debtors	13,444	40,944
Deferred Ground Lease Debtor	3,000	8,000
Rates Outstanding - Pension Deferrals	395,745	377,262
ESL Outstanding - Pension Deferrals	53,159	49,213
Loans - Clubs and Institutions	1,795,460	1,966,862
Underground Power Service Charge - Stage 5	0	226,398
Total Current Trade and Other Receivables	\$2,260,808	\$2,668,679

11. ASSETS HELD FOR SALE

Details	2014 \$	2013 \$
Assets Held for Sale at Cost	946,464	850,000
Total Non-Current Assets Held for Sale	\$946,464	\$850,000

12. INVESTMENTS - NON CURRENT

Details	2014 \$	2013 \$
Equity Share in Joint Venture - Rivers Regional Council (12.11% share of Net Assets of \$1,177,997)	142,655	
(13.20% share of Net Assets of \$1,184,380)		156,337
Investment in WALGA Local Govt House Trust (10 units) Capitalised by the City for the first time at 30 June 2014 (Trust un-audited 2013/14 financial statements)	178,886	0
Total Non-Current Investments	\$321,541	\$156,337

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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 assets held for sale (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 Assets Held for Sale at Notes 8 & 11.

Buildings were independently re-valued on a 5 yearly cycle and were recorded at current replacement value as at 30 June 2013 - including an allowance for the expired portion of each building's estimated useful life. These assets were re-valued to fair value at 30 June 2014.

Plant and Equipment is recorded at fair value from 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 each class of Property, Plant & Equipment are disclosed at Note 39.

Asset Category	2014 \$	2013 \$
Freehold Land at Fair Value	276,402,500	276,402,500
Land under Control at Fair Value	3,000,000	3,000,000
	279,402,500	279,402,500
Buildings at Fair Value	98,240,743	0
Buildings at Management Valuation	0	104,970,942
Less Accumulated Depreciation	(21,831,297)	(44,657,435)
	76,409,446	60,313,507
Artworks at Management Valuation	321,781	321,781
Acquisitions (disposals) since valuation at Cost	3,975	0
Less Accumulated Depreciation	(59,291)	(53,272)
	266,465	268,509
Technology Equipment at Fair Value	2,158,175	2,158,175
Acquisitions (disposals) since valuation at Cost	308,879	0
Less Accumulated Depreciation	(1,745,309)	(1,517,362)
	721,745	640,813
Furniture & Fittings at Fair Value	2,425,912	2,425,912
Acquisitions (disposals) since valuation at Cost	(123,365)	0
Less Accumulated Depreciation	(1,718,709)	(1,719,663)
	583,838	706,249

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Asset Category	2014 \$	2013 \$
Mobile Plant at Fair Value	8,506,077	8,506,077
Acquisitions (disposals) since valuation at Cost	(246,547)	0
Less Accumulated Depreciation	(5,435,620)	(5,315,483)
	2,823,910	3,190,594
Plant & Equipment at Fair Value	2,377,566	2,377,566
Acquisitions (disposals) since valuation at Cost	73,837	0
Less Accumulated Depreciation	(1,888,448)	(1,806,493)
	562,955	571,073
Capital Works in Progress - Buildings		
Manning Community Facility	181,716	150,331
Animal Care Facility	332,477	0
Manning Men's Shed	30,791	0
Operations Centre Upgrade	0	83,420
Grayden Pavilion	0	371,203
Operations Centre Upgrade	30,296	0
	575,280	604,954
Total Property, Plant & Equipment	\$361,346,139	\$345,698,199

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

14. INFRASTRUCTURE

Roads, Drains, Paths & Park Infrastructure are valued by City Officers using approved valuation techniques to establish the current replacement value having regard to the condition, age and remaining useful lives of the assets. The valuation was last updated at 30 June 2014.

Movements in classes of Infrastructure during the reporting period are disclosed at Note 40. Information relating to the fair value methodology and the levels of valuation inputs for infrastructure assets is provided at Note 41.

Asset Category	2014 \$	2013 \$
Infrastructure - Roads at Management Valuation	168,290,653	164,426,924
Less Accumulated Depreciation	(68,697,659)	(77,543,247)
	99,592,994	86,883,677
Infrastructure - Drainage at Management Valuation	67,935,052	45,379,296
Less Accumulated Depreciation	(23,819,318)	(16,392,613)
	44,115,734	28,986,683
Infrastructure - Paths at Management Valuation	51,217,620	51,219,444
Less Accumulated Depreciation	(17,875,597)	(19,207,291)
	33,342,023	32,012,153
Infrastructure - Street Furniture at Cost	2,688,701	2,688,701
Less Accumulated Depreciation	(1,712,702)	(1,596,024)
	975,999	1,092,677
Infrastructure - Park Assets at Management Valuation	59,102,471	0
Infrastructure - Park Assets at Cost	0	30,757,141
Less Accumulated Depreciation	(34,519,922)	(13,426,942)
	24,582,549	17,330,199
Total Infrastructure	\$202,609,299	\$166,305,388

15. INTANGIBLES

Details	2014 \$	2013 \$
Computer Software	537,931	446,106
Less Accumulated Amortisation	(56,528)	(11,153)
Easements over Land	0	0
Total Intangibles	\$481,403	\$434,953

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

16. TRADE & OTHER PAYABLES - CURRENT

Details	2014	2013
	\$	\$
Accounts Payable	3,391,503	3,019,509
Income in Advance	2,468,220	152,809
Accrued Wages	241,886	189,965
Accrued Interest Expense	37,379	42,422
Total Current Trade and Other Payables	\$6,138,988	\$3,404,705

17. BORROWINGS - CURRENT

Details	2014	2013
	\$	\$
Loans - City	1,129,311	1,610,242
Loans - Collier Park Golf Course	251,215	239,060
Loans - Self Supporting	248,520	230,303
Total Current Borrowings	\$1,629,046	\$2,079,605

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 \$0.80M repayable monthly over a 15 year term (Loan 228). 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 2014

18. PROVISIONS - CURRENT

Details	2014	2013
	\$	\$
Annual Leave	2,081,582	2,013,425
Long Service Leave	1,575,403	1,194,407
Total Current Provisions	\$3,656,985	\$3,207,832

19. TRADE & OTHER PAYABLES - NON CURRENT

Details	2014	2013
	\$	\$
Leaseholder Liability - Collier Park Village	29,322,346	28,576,091
Leaseholder Liability - Collier Park Hostel	0	2,064,292
Total Non-Current Other Payables	\$29,322,346	\$30,640,383

20. BORROWINGS - NON CURRENT

Details	2014	2013
	\$	\$
Loans - City	3,460,571	4,589,882
Loans - Collier Park Golf Course	3,878,867	4,130,082
Loans - Self Supporting	1,795,460	1,966,862
Total Non-Current Borrowings	\$9,134,898	\$10,686,826

21. PROVISIONS - NON CURRENT

Details	2014	2013
	\$	\$
Long Service Leave	310,011	292,097
Total Non Current Provisions	\$310,011	\$292,097

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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.

22.RESERVE FUNDS - PURPOSE OF RESERVES (Continued)

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 the 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 reserve is now redundant after the closure of the facility.

Collier Park Hostel Accommodation Bonds Reserve

Established to quarantine accommodation bonds refundable to departing hostel residents. This reserve is now redundant since the closure of the facility in April 2014.

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 P612.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

22. RESERVE FUNDS - PURPOSE OF RESERVES (continued)

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 (future) 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 an identified 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 the 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 City's Long Term Financial Plan details funding plans for all major discretionary capital projects. These specified funding plans incorporate funding from sources including grants, land sale proceeds, municipal funds and cash backed reserves created specifically to support those projects. In particular, the Asset Enhancement Reserve, Future Building Works Reserve, Sustainable Infrastructure Reserve, River Wall Reserve and Railway Station Precinct Reserves are relevant to these funding models.

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 2014

Details	BUDGET \$	2014 \$	2013 \$
Plant Replacement Reserve			
Balance at 1 July	714,559	714,559	733,300
Transfers from Surplus	375,519	374,070	381,259
Transfers to Surplus	(400,000)	(400,000)	(400,000)
Balance at 30 June	690,078	688,629	714,559
Future Municipal Works Reserve			
Balance at 1 July	826,651	826,651	788,210
Transfers from Surplus	29,586	23,166	38,441
Transfers to Surplus	(500,000)	(500,000)	(0)
Balance at 30 June	356,237	349,817	826,651
Collier Park Village Residents Offset Reserve			
Balance at 1 July	18,188,429	18,188,429	16,786,845
Transfers from Surplus	3,927,133	4,392,109	3,583,193
Transfers to Surplus	(2,000,000)	(3,000,995)	(2,181,609)
Balance at 30 June	22,115,562	19,579,543	18,188,429
Collier Park Hostel Capital Reserve			
Balance at 1 July	352,465	352,465	757,650
Transfers from Surplus	68,684	43,147	133,310
Transfers to Surplus	(317,849)	(395,612)	(538,495)
Balance at 30 June	103,300	0	352,465
Collier Park Hostel Bonds Reserve			
Balance at 1 July	2,064,292	2,064,292	2,408,871
Transfers from Surplus	730,000	733,944	622,000
Transfers to Surplus	(2,064,892)	(2,798,236)	(966,579)
Balance at 30 June	729,400	0	2,064,292
Collier Park Golf Course Reserve			
Balance at 1 July	83,058	83,058	204,888
Transfers from Surplus	973,995	451,650	186,521
Transfers to Surplus	(612,724)	(387,379)	(308,351)
Balance at 30 June	444,329	147,329	83,058
Waste Management Reserve			
Balance at 1 July	4,240,258	4,240,258	4,320,613
Transfers from Surplus	464,336	455,004	410,769
Transfers to Surplus	(2,065,000)	(1,759,861)	(491,124)
Balance at 30 June	2,639,594	2,935,401	4,240,258

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

22. RESERVE FUNDS - PURPOSE OF RESERVES (continued)

Details	BUDGET \$	2014 \$	2013 \$
Reticulation & Pump Reserve			
Balance at 1 July	215,720	215,720	206,280
Transfers from Surplus	11,089	7,475	9,440
Transfers to Surplus	0	0	(0)
Balance at 30 June	226,809	223,195	215,720
Information Technology Reserve			
Balance at 1 July	519,006	519,006	449,159
Transfers from Surplus	120,489	117,570	119,847
Transfers to Surplus	(150,000)	(150,000)	(50,000)
Balance at 30 June	489,495	486,576	519,006
Insurance Risk Reserve			
Balance at 1 July	141,663	141,663	38,706
Transfers from Surplus	32,965	30,458	102,957
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	174,628	172,121	141,663
Asset Enhancement Reserve			
Balance at 1 July	897,719	897,719	0
Transfers from Surplus	2,557,682	2,557,965	897,719
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	3,455,401	3,455,684	897,719
Footpath Reserve			
Balance at 1 July	147,932	147,932	141,458
Transfers from Surplus	7,604	5,126	6,474
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	155,536	153,058	147,932
Underground Power Reserve			
Balance at 1 July	96,670	96,670	94,002
Transfers from Surplus	5,053	3,345	2,668
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	101,723	100,015	96,670
Parking Facilities Reserve			
Balance at 1 July	133,245	133,245	127,413
Transfers from Surplus	6,849	4,617	5,832
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	140,094	137,862	133,245

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Details	BUDGET \$	2014 \$	2013 \$
Collier Park Village Reserve			
Balance at 1 July	1,675,595	1,675,595	1,609,666
Transfers from Surplus	584,557	738,942	574,764
Transfers to Surplus	(553,893)	(757,153)	(508,835)
Balance at 30 June	1,706,259	1,657,384	1,675,595
River Wall Reserve			
Balance at 1 July	1,159,236	1,159,236	913,813
Transfers from Surplus	543,220	540,578	245,423
Transfers to Surplus	(250,000)	(250,000)	(0)
Balance at 30 June	1,452,456	1,449,814	1,159,236
Railway Station Precincts Reserve			
Balance at 1 July	686,450	686,450	656,408
Transfers from Surplus	30,286	23,787	30,042
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	716,736	710,237	686,450
Future Building Works Reserve			
Balance at 1 July	2,042,719	2,042,719	1,468,704
Transfers from Surplus	75,176	72,163	574,015
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	2,042,719	2,114,882	2,042,719
Future Transport Works Reserve			
Balance at 1 July	479,091	479,091	554,976
Transfers from Surplus	19,589	16,326	24,115
Transfers to Surplus	(0)	(0)	(100,000)
Balance at 30 June	498,680	495,417	479,091
Future Streetscapes Works Reserve			
Balance at 1 July	93,318	93,318	89,715
Transfers from Surplus	4,823	3,232	3,603
Transfers to Surplus	(0)	(0)	(0)
Balance at 30 June	98,141	96,550	93,318
Future Parks Works Reserve			
Balance at 1 July	4,811	4,811	5,313
Transfers from Surplus	286	165	0
Transfers to Surplus	(0)	(0)	(502)
Balance at 30 June	5,097	4,976	4,811

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

22. RESERVE FUNDS - PURPOSE OF RESERVES (continued)

Details	BUDGET \$	2014 \$	2013 \$
Sustainable Infrastructure Reserve			
Balance at 1 July	1,079,133	1,079,133	691,264
Transfers from Surplus	389,352	389,964	387,869
Transfers to Surplus	(200,000)	(200,000)	(0)
Balance at 30 June	1,268,485	1,269,097	1,079,133
Total Cash Backed Reserves			
	\$39,610,759	\$36,227,587	\$35,842,020

23. REVALUATION SURPLUS

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

Details	2014 \$	2013 \$
Land		
Balance at 1 July	223,502,500	0
Current Year Revaluation Increment	0	223,502,500
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$223,502,500	\$223,502,500
Buildings		
Balance at 1 July	23,982,607	23,982,607
Adjustment to Prior Year Revaluation	421,518	(0)
Restated Balance at 1 July	24,404,125	23,982,607
Current Year Revaluation Increment	17,341,438	0
Previously Re-valued Assets De-recognised	(394,475)	(0)
Balance at 30 June	\$41,351,088	\$23,982,607
Artworks		
Balance at 1 July	151,991	151,991
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$151,991	\$151,991
Technology		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$0	\$0
Furniture & Fittings		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$0	\$0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

23. REVALUATION SURPLUS (continued)

Details	2014 \$	2013 \$
Mobile Plant		
Balance at 1 July	274,432	0
Current Year Revaluation Increment	0	274,432
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$274,432	\$274,432
Plant & Equipment		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$0	\$0
Roads Infrastructure		
Balance at 1 July	82,891,689	67,023,514
Current Year Revaluation Increment	11,533,888	15,868,175
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$94,425,577	\$82,891,689
Drainage Infrastructure		
Balance at 1 July	18,205,126	18,085,824
Current Year Revaluation Increment	15,133,563	119,302
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$33,338,689	\$18,205,126
Paths Infrastructure		
Balance at 1 July	23,041,417	28,540,440
Current Year Revaluation Increment	1,832,380	0
Previously Re-valued Asset Decrement	0	(5,499,023)
Balance at 30 June	\$24,873,797	\$23,041,417
Street Furniture		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$	\$0
Parks Infrastructure		
Balance at 1 July	0	0
Current Year Revaluation Increment	7,741,429	0
Previously Re-valued Asset Decrement	(0)	(0)
Balance at 30 June	\$7,741,429	\$0
Total Revaluation Surplus	\$425,659,503	\$372,049,761

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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	2014 \$	2013 \$
Footpath Deposits	775,105	684,105
Tender Deposits	0	0
Hall Bonds	470	4,800
Lessee Bonds	10,250	9,000
Sundry Trusts	48,244	59,045
Private Crossover Deposits	0	0
Total Trust Liabilities	\$834,069	\$756,950
Trust Assets		
Cash at Bank	234,069	156,950
Investments	600,000	600,000
Total Trust Assets	\$834,069	\$756,950
Movement in Trust Funds	2014 \$	2013 \$
Footpath Deposits		
Opening Balance	684,105	629,400
Deposits	262,300	271,505
Refunds	(170,425)	(213,055)
Retentions	(875)	(3,745)
Closing Balance	\$775,105	\$684,105
Tender Deposits		
Opening Balance	0	0
Deposits	0	0
Refunds	(0)	(0)
Retentions	(0)	(0)
Closing Balance	\$0	\$0
Hall Bonds		
Opening Balance	4,800	1,980
Deposits	5,709	13,283
Refunds	(10,039)	(9,840)
Retentions	(0)	(623)
Closing Balance	\$470	\$4,800
Lessee Bonds		
Opening Balance	9,000	8,000
Deposits	2,250	1,000
Refunds	(1,000)	(0)
Retentions	(0)	(0)
Closing Balance	\$10,250	\$9,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Movement in Trust Funds	2014	2013
	\$	\$
Sundry Trusts Deposits		
Opening Balance	59,045	51,794
Deposits	24,217	39,051
Refunds	(34,821)	(11,800)
Retentions	(197)	(20,000)
Closing Balance	\$48,244	\$59,045
Private Crossover Deposits		
Opening Balance	0	9,226
Deposits	0	0
Refunds	(0)	(0)
Retentions	(0)	(9,226)
Closing Balance	\$0	\$0

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	2014	2013
	\$	\$
Contributions by the City during Reporting Period	1,877,560	1,772,490
Number of FTE Employees at Reporting Date	214.7	229.2

26. COUNCIL MEMBERS' ENTITLEMENTS

For the year ended 30 June 2014, 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	2014	2013
	\$	\$	\$
Meeting Attendance Fees	234,833	232,230	98,000
Local Government Allowances	67,500	67,500	64,375
Technology Allowances	55,000	44,163	42,314
Other Reimbursements	8,000	7,069	7,515
Other Expenses	278,275	248,940	203,393
Total Entitlements	\$643,608	\$599,902	\$415,597

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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	2014	2013
	\$	\$
Not later than 1 Year	53,448	53,448
Later than 1 Year and not later than 5 Years	75,718	124,712
Later than 5 Years	0	0
Total Operating Lease Obligations	\$129,166	\$178,160

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 not conclude any major land transaction during the reporting period although it continued to progress the disposal of three surplus land parcels. Lot 800 Ray St was sold in March 2014 under a deferred settlement arrangement involving a \$2.50M deposit paid on settlement, a \$0.60M instalment payable after one year and a further \$0.60M instalment payable after two years. Transfer of title to that land only occurs upon receipt of the final \$0.60M instalment. Net proceeds from the deposit transaction were transferred to the Asset Enhancement Reserve awaiting future application to the Manning Community Hub project to be undertaken in the 2014/15 year.

Other 2013/14 planned land disposals included the Civic Triangle site and Manning Commercial Land. The disposal of the Civic Triangle site through an Expression of Interest process was substantially progressed at balance date and was finalised and settled in September 2014 after the conclusion of the final statutory advertising period. Net proceeds from the transaction will be transferred to the Asset Enhancement Reserve awaiting future application to major community projects to be undertaken in the 2014/15 year.

Disposal of the Manning Commercial Land parcels has been deferred into the 2014/15 year.

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	2014	2013
	\$	\$
Animal Care Facility - Tender 23/2013	410,324	0
Grayden Pavillion Upgrade	0	324,502
Total Capital Commitments	\$410,324	\$324,502

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

31. OPENING / CLOSING POSITION

Details	BUDGET \$	2014 \$	2013 \$
Current Assets			
Cash & Cash Equivalents	56,523,215	43,717,457	40,520,190
Trade & Other Receivables			
Rates	313,277	141,227	263,277
Sundry Debtors	1,552,207	885,170	1,278,990
Infringement Debtors	285,000	303,659	277,087
GST Debtors	850,000	196,556	1,349,495
Pension Rebate Receivable	20,000	18,930	22,967
UGP Debtors	150,000	254,039	452,797
ESL Debtors	40,000	37,580	38,618
Self-Supporting Loan Debtors	244,309	248,520	230,303
Provision for Doubtful Debts	(150,000)	(181,781)	(183,589)
Inventories - Materials	92,958	150,168	97,958
Inventories - Assets Held for Sale	5,025,711	5,243,725	5,025,711
Accrued Interest Revenue	263,007	224,523	211,687
Prepayments	215,188	437,955	210,398
Sub Total	65,424,872	51,677,728	49,795,889
Exclude:			
Inventories - Assets Held for Sale	(5,025,711)	(5,243,725)	(5,025,711)
Self-Supporting Loan Debtors	(244,309)	(248,520)	(230,303)
Adjusted Current Assets	60,154,852	46,185,483	44,539,875
Current Liabilities			
Trade & Other Payables			
Accounts Payable	(2,268,003)	(3,391,503)	(3,019,509)
Income in Advance	(154,809)	(2,468,220)	(152,809)
Accrued Wages	(69,460)	(241,886)	(189,965)
Accrued Interest Expense	(30,000)	(37,379)	(42,422)
Interest Bearing Liabilities	(1,629,006)	(1,629,046)	(2,079,605)
Employee Provisions - Annual Leave	(2,114,669)	(2,081,582)	(2,013,425)
Employee Provisions - Long Service Leave	(1,138,668)	(1,575,403)	(1,194,407)
Sub Total	(7,404,615)	(11,425,019)	(8,692,142)
Exclude:			
Interest Bearing Liabilities	1,629,006	1,629,046	2,079,605
Liabilities Associated with Restricted Assets	0	2,355,651	0
Adjusted Current Liabilities	(5,775,609)	(7,440,322)	(6,612,537)
(Adjusted) Net Current Assets	54,379,243	38,745,161	37,927,338
Less			
Restricted Assets - Cash Reserves	(53,624,827)	(36,227,587)	(35,842,020)
SURPLUS (DEFICIT)	\$754,416	\$2,517,574	\$2,085,318

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

31. OPENING / CLOSING POSITION (Continued)

Net current (unrestricted) assets carried forward at 1 July 2013 as disclosed for the purpose of the budget were \$2,337,384. 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 2013 of \$2,085,318.

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 16 July 2013. 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 6.5473 cents in the dollar (6.2350 cents in 2013) 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 \$825.00 Minimum Rate was applied (\$785.00 in 2013). This rate was determined to reflect the basic cost incurred in servicing lots within the district for the 2013/14 rating year. Some 13.1% 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 \$10.00 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 \$	2014 \$	2013 \$
Administration Fee - Instalments	145,000	138,140	144,892
Pre Interest on Rates Instalments	165,000	166,589	157,930
Interest on Overdue Rates	90,000	113,885	108,907
Total Charges and Interest	\$400,000	\$418,614	\$411,729

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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 2013/14 rating year. To be eligible, ratepayers were required to pay current year rates plus any arrears in full before the due date of 28 August 2013. 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 2013/14 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 2013/14 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 2014. 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

PARTICULARS	RATEABLE VALUE \$	RATE IN \$ CENTS	RATE YIELD \$	MIN NO.	MIN YIELD (\$)	TOTAL YIELD \$
General - GRV						
Residential	384,319,062	6.5473	23,510,908	2,233	1,842,225	25,353,133
Commercial	47,474,625	6.5473	3,067,750	45	37,125	3,104,875
Interim Rates	3,486,266	6.5473	113,329	4	3,300	116,629
RATE LEVIED	435,279,953		26,691,987	2,282	1,882,650	28,574,637

BUDGET

PARTICULARS	RATEABLE VALUE \$	RATE IN \$ CENTS	RATE YIELD \$	MIN NO.	MIN YIELD (\$)	TOTAL YIELD \$
General - GRV						
Residential	384,360,554	6.5473	23,513,544	2,240	1,848,000	25,361,544
Commercial	47,249,013	6.5473	3,063,085	45	37,125	3,100,210
Interim Rates	0	6.5473	119,241	0	759	120,000
RATE LEVIED	431,609,567		26,695,870	2,285	1,885,884	28,581,754

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

34. GENERAL PURPOSE FUNDING

Details	BUDGET \$	2014 \$	2013 \$
General Rate			
GRV - 17,436 Assessments Rate in \$ of 6.5473 cents	26,575,870	26,575,358	
GRV - 17,358 Assessments Rate in \$ of 6.2350 cents			24,982,193
Minimum Rate			
GRV - 2,282 Assessments at \$ 825.00	1,885,884	1,882,650	
GRV - 2,288 Assessments at \$ 785.00			1,796,080
Interim Rates			
GRV - Rate in \$ of 6.5473 cents	120,000	116,629	
GRV - Rate in \$ of 6.2350 cents			157,838
Sub Total	28,581,754	28,574,637	26,936,112
Plus - Late Payment Penalties / Interest	255,000	280,473	266,836
Plus - Admin & Legal Fees Recouped	185,000	185,150	220,108
Less - Rates Written Off	(12,250)	(12,480)	(14,201)
Total Amount from Rates	29,009,504	29,027,780	27,408,856
Grant Revenue			
General (Untied) Grant	455,000	454,020	923,636
Sub Total	455,000	454,020	923,636
Other General Purpose Income			
Pensioner's Deferred Rates Interest	32,500	17,241	14,357
Interest Revenue (Including Reserves)	1,945,000	1,656,916	2,134,876
UGP Financing Interest	40,000	45,078	107,581
ESL Transaction Processing Fee	40,000	40,610	40,900
Change in Equity - Local Govt House Trust	0	178,885	361
Other General Purpose Revenue	585,564	630,870	602,068
Sub Total	2,643,064	2,569,600	2,900,143
Total General Purpose Revenue	\$32,107,568	\$32,051,400	\$31,232,635
Expenses			
Rates Collection / Valuation Expenses	(260,805)	(270,159)	(290,164)
Interest Expense - Loans	(426,305)	(421,298)	(495,997)
Financing Expense	(40,000)	(4,604)	(41,393)
Change in Equity - Joint Venture	(0)	(13,683)	(0)
Allocated Outwards	20,108	25,073	18,385
Total General Purpose Expenses	(\$707,002)	(\$684,671)	(\$809,169)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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	2014 \$	2013 \$
Cash on Hand	3,515	3,515
Cash at Bank	527,719	953,966
Cash Equivalents	43,186,223	39,562,709
Total Cash & Cash Equivalents	\$43,717,457	\$40,520,190

RECONCILIATION - NET CASH USED IN OPERATIONS TO OPERATING RESULT

Details	2014 \$	2013 \$
Net Operating Result	664,889	339,570
Add (Less) Non Cash Items		
Depreciation	8,536,688	12,654,669
Amortisation	45,375	0
Profit on Sale of Assets	(120,927)	(525,818)
Change in Equity - Investments	(165,202)	(360)
Initial Recognition of Crown Land	0	(3,000,000)
Non Operating Items		
Grants for the Construction of Assets	(1,875,969)	(1,140,726)
Changes in Assets & Liabilities during Year		
(Increase) / Decrease in Current Receivables	1,690,171	(1,125,378)
(Increase) / Decrease in Inventory	(52,210)	83,816
(Increase) / Decrease in Prepayments	(227,558)	137,245
(Increase) / Decrease in Accrued Income	(12,836)	62,024
Increase / (Decrease) in Current Payables	708,039	361,985
Increase / (Decrease) in Income in Advance	(40,243)	28,739
Increase / (Decrease) in Accrued Expenses	51,922	(4,633)
Increase / (Decrease) in Current Provisions	449,153	192,095
(Increase) / Decrease in Intangibles	0	(434,954)
(Increase) / Decrease in Non Current Receivables	236,470	459,890
Increase / (Decrease) in Non Current Provisions	17,915	49,042
Net Cash Provided by Operations	\$9,905,677	\$8,137,206
LOAN FACILITIES		
Self Supporting Loans	2,043,980	2,197,165
Golf Course Loans	4,130,082	4,369,142
City Loans	4,589,882	6,200,124
Net Loan Liability	\$10,763,944	\$12,766,431

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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 (2013: \$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:

	CARRYING VALUE		FAIR VALUE	
	2014	2013	2014	2013
Financial Assets				
Cash & Cash Equivalents	43,717,457	40,520,190	43,717,457	40,520,190
Receivables	4,164,708	6,398,623	4,164,708	6,398,623
Total	\$47,882,165	\$46,918,813	\$47,882,165	\$46,918,813
Financial Liabilities				
Payables	35,461,334	34,045,088	29,800,655	34,045,088
Borrowings	10,763,944	12,766,431	9,042,763	11,219,880
Total	\$46,225,278	\$46,811,519	\$38,843,418	\$45,264,968

Fair value is determined as follows:

Cash and Cash Equivalents, Receivables & Current 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

37. FINANCIAL RISK MANAGEMENT (Continued)

The impact of a 1% change in interest rates on holdings of Cash & Cash Equivalents is shown below:

Details	2014 \$	2013 \$
Sensitivity Analysis - 1% Change in Interest Rate		
Equity	437,175	405,202
Income Statement	437,175	405,202

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	2014 \$	2013 \$
Rates & Charges		
Current	99.6%	99.2%
Overdue	0.4%	0.8%
Other Receivables		
Current	89.7%	96.3%
Overdue	10.3%	3.7%

Short Term Deposits

The accounting policy applied in respect of short term deposits is as stated at Note 1 (j) 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 115 days. The weighted average interest rate yield was 3.66% on investments and an average rate of 2.28% 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

37. FINANCIAL RISK MANAGEMENT (Continued)

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below.

Payables - Classified by Year

	DUE WITHIN 1 YEAR	DUE BETWEEN 1 AND 5 YEARS	DUE AFTER 5 YEARS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING VALUES
2014					
Payables	6,138,988	0	0	6,138,988	6,138,988
Leaseholder Liability (Retirement Facility)	2,052,564	8,210,256	19,059,526	29,322,346	29,322,346
Borrowings	2,168,052	6,430,143	4,857,162	13,455,357	10,763,944
	\$10,359,604	\$14,640,399	\$23,916,688	\$48,916,691	\$46,225,278
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

Carrying Amounts of Borrowings with Interest Rate Sensitivity

	< 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
2014							
Fixed Rate	1,572,843	1,067,200	1,085,387	1,107,477	1,129,982	3,079,874	9,042,763
Weighted Ave Interest Rate	5.271%	5.572%	5.574%	5.579%	5.584%	4.900%	5.120%
2013							
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%

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, 220, 224, 228 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 2014

38. INTEREST BEARING BORROWINGS (Continued)

LOAN NO	LOAN TERM	LOAN MATURITY DATE	INTEREST RATE	INSTALMENT FREQUENCY	BALANCE 1 JUL 13	NEW BORROWINGS	PRINCIPAL REPAYMENT	INTEREST REPAYMENT	TOTAL REPAYMENT	BALANCE 30 JUN 14
City Loans										
221	10 Yr	Jun 2014	6.06%	Quarterly	193,720	0	(193,720)	(7,392)	(201,112)	0
222	10 Yr	Jun 2015	5.48%	Monthly	368,911	0	(179,414)	(16,579)	(195,993)	189,497
223	10 Yr	Jun 2019	6.32%	Monthly	2,017,070	0	(286,270)	(119,059)	(405,329)	1,730,800
225A	10 Yr	Jun 2021	5.48%	Monthly	1,682,386	0	(172,316)	(89,008)	(261,324)	1,510,070
225B	10 Yr	Jun 2021	4.02%	Monthly	906,378	0	(98,035)	(35,180)	(133,215)	808,343
226	3 Yr	Dec 2014	4.23%	Monthly	1,031,659	0	(680,487)	(31,596)	(712,083)	351,172
Golf Course Loans										
227	15 Yr	Sep 2026	4.97%	Monthly	4,369,142	0	(239,060)	(214,435)	(453,495)	4,130,082
Self Supporting Loans										
218	15 Yr	Nov 2015	6.59%	Monthly	19,914	0	(7,858)	(1,078)	(8,937)	12,056
220	17 Yr	Nov 2021	6.28%	Monthly	38,510	0	(3,630)	(2,352)	(5,982)	34,880
224	10 Yr	Feb 2020	6.15%	Semi Annual	1,644,659	0	(194,480)	(99,433)	(293,913)	1,450,179
228	15 Yr	Feb 2028	4.65%	Quarterly	0	80,000	(2,883)	(2,944)	(5,827)	77,117
229	15 Yr	Feb 2028	4.42%	Quarterly	494,082	0	(24,334)	(21,720)	(46,054)	469,748
Total Borrowings					\$12,766,431	\$80,000	(\$2,082,487)	(\$640,776)	(\$2,723,264)	\$10,763,944

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

39. PROPERTY PLANT & EQUIPMENT - MOVEMENTS IN CARRYING AMOUNTS

MOVEMENT	LAND	BUILDINGS	ARTWORK	TECHNOLOGY EQUIPMENT	FURNITURE FITTINGS	MOBILE PLANT	PLANT & EQUIPMENT	WORK IN PROGRESS	\$ TOTAL
Balance - 1 July 2013	279,402,500	60,313,507	268,509	640,813	706,249	3,190,594	571,073	604,594	345,698,199
Additions	0	0	4,545	311,030	8,604	1,018,870	86,873	1,050,819	2,480,741
Disposals	(0)	(0)	(293)	0	(57)	(149,821)	0	0	(150,171)
Revaluation Increments	0	17,341,438	0	0	0	0	0	0	17,341,438
Transfer to Assets Held for Sale	(0)	(314,478)	0	0	0	0	0	0	(314,478)
Transfers from Work in Progress	0	1,080,493	0	0	0	0	0	(1,080,493)	0
Disposal of Previously Revalued Assets	(0)	(271,736)	(0)	(0)	(0)	(0)	(0)	(0)	(271,736)
Write Down / Adjustment	(0)	(394,474)	0	0	0	0	0	0	(394,474)
Depreciation Expense	0	(1,345,304)	(6,296)	(230,098)	(130,958)	(1,235,733)	(94,991)	0	(3,043,380)
Balance - 30 June 2014	\$279,402,500	\$76,984,726	\$266,465	\$721,745	\$583,838	\$2,823,910	\$562,955	\$575,280	\$361,346,139

40. INFRASTRUCTURE - MOVEMENTS IN CARRYING AMOUNTS

MOVEMENT	ROADS NETWORK	DRAINAGE NETWORK	PATH NETWORK	STREET FURNITURE	PARKS INFRASTRUCTURE	WORK IN PROGRESS	\$ TOTAL
Balance - 1 July 2013	86,883,677	28,986,683	32,012,152	1,092,677	17,330,199	0	166,305,388
Additions	3,634,679	674,839	485,072	0	761,367	0	5,555,957
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revaluation Increments	11,533,888	15,133,563	1,832,380	0	7,741,429	0	36,241,260
Revaluation Decrements	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Write Down / Adjustment	0	0	0	0	0	(0)	0
Transfers from Work in Progress	0	0	0	0	0	(0)	0
Depreciation Expense	(2,459,250)	(679,351)	(987,581)	(116,679)	(1,250,446)	(0)	(5,493,307)
Balance - 30 June 2014	\$99,592,994	\$44,115,734	\$33,342,023	\$975,998	\$24,582,549	\$0	\$202,609,299

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

41. FAIR VALUE

During the reporting period, the City has applied AASB 13 Fair Value Measurement measures which introduce a range of :

- New concepts and processes
- New disclosure requirements

The new concepts include maximising the use of relevant observable inputs and minimising the use of unobservable inputs. There are three levels of inputs:

- Level 1 are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability. Unobservable inputs include estimates of residual value, useful life, pattern of consumption, asset condition and the remaining service potential of the asset.

Where the cost of an asset can be reliably established using Level 2 inputs but other inputs require the use of extensive professional judgement, the valuation is classified as using Level 3 inputs.

The City measures the following assets and liabilities on a recurring basis:

- Land & Buildings
- Artworks
- Technology Equipment
- Furniture & Fittings
- Mobile Plant
- Plant & Equipment
- Roads
- Paths
- Drainage
- Park Assets

Assets are also measured on a non-recurring basis as a result of reclassification of assets held for sale.

The table below provides the fair values of the City's assets measured and recognised on a recurring basis after initial recognition - and their categorisation within the fair value hierarchy.

Recurring Fair Value Measurements - Non Financial Assets at 30 June 2014

ASSET CLASS	NOTE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Land	13	0	129,685,000	149,717,500	279,402,500
Buildings	13	0	0	76,409,446	76,409,446
Artworks	13	0	266,465	0	266,465
Technology Equipment	13	0	721,745	0	721,745
Furniture & Fittings	13	0	583,838	0	583,838
Mobile Plant	13	0	2,823,910	0	2,823,910
Plant & Equipment	13	0	562,955	0	562,955
Roads	14	0	0	99,592,994	99,592,994
Drainage	14	0	0	44,115,734	44,115,734
Paths	14	0	0	33,342,023	33,342,023
Park Assets	14	0	0	24,582,549	24,582,549
Total Non-Financial Assets		0	134,643,913	427,760,246	562,404,159

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

41. FAIR VALUE (Continued)

Non Recurring Fair Value Measurements - Non Financial Assets at 30 June 2014

Assets Held for Sale

ASSET CLASS	NOTE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Land	8,11	0	5,875,711	0	5,875,711
Buildings	8,11	0	314,498	0	314,498
Total Non Recurring Fair Value Assets		0	6,190,209	0	6,190,209

Recurring Fair Value Measurements - Non Financial Assets at 30 June 2013

ASSET CLASS	NOTE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Land	13	0	129,685,000	149,717,500	279,402,500
Buildings	13	0	0	0	0
Artworks	13	0	268,509	0	268,509
Technology Equipment	13	0	640,813	0	640,813
Furniture & Fittings	13	0	706,249	0	706,249
Mobile Plant	13	0	3,190,594	0	3,190,594
Plant & Equipment	13	0	571,073	0	571,073
Roads	14	0	0	86,883,677	86,883,677
Drainage	14	0	0	28,986,683	28,986,683
Paths	14	0	0	32,012,153	32,012,153
Total Non-Financial Assets		0	135,062,238	297,600,013	432,662,251

Fair values were recorded as at 30 June 2013 for the various Plant & Equipment asset classes (including Artworks, Technology, Furniture & Fittings, Mobile Plant). Fair values were not recorded as at 30 June 2013 for the Buildings or Parks Asset classes. Buildings were recorded at independent valuation whilst Park Assets and Street Furniture were recorded at cost at this date.

Non Recurring Fair Value Measurements - Non Financial Assets at 30 June 2013

Assets Held for Sale

ASSET CLASS	NOTE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Land	8,11	0	5,875,711	0	5,875,711
Total Non Recurring Fair Value Assets		0	5,875,711	0	5,875,711

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Valuation techniques / inputs used to determine fair value for each asset class are:

ASSET CLASS	INPUT	VALUATION	TECHNIQUE
Buildings - Specialised	3	Cost	Cost adjusted for estimates of unobservable inputs
Buildings - Commercial	2	Market	Comparable sales / price per square metre
Land - Freehold	2	Market	Comparable sales / price per square metre
Land - Restricted Use	3	Market	Price per square metre adjusted for restrictions in use
Land under Control	3	Market	Income approach
Artworks	3	Market	Independent specialist art valuer's assessment
Technology	3	Cost	Make, capacity, year of manufacture and condition
Furniture & Fittings	3	Cost	Make, capacity, year of manufacture and condition
Mobile Plant	3	Cost	Make, capacity, year of manufacture and condition
Plant & Equipment	3	Cost	Make, capacity, year of manufacture and condition
Roads	3	Cost	Replacement rates adjusted for unobservable inputs
Paths	3	Cost	Replacement rates adjusted for unobservable inputs
Drainage	3	Cost	Replacement rates adjusted for unobservable inputs
Parks Assets	3	Cost	Replacement rates adjusted for unobservable inputs

Transfers Policy

The City's policy is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Levels 1 & 2 or transfers out of Level 3 during the reporting period.

Highest and Best Use

There were no assets valued where it was assumed that the highest and best use was other than its current use.

Valuation Techniques Used to Derive Fair Values for Recurring Fair Value Measurement

Land

Level 2 & 3 Valuation Inputs

Where there is directly comparable market evidence, Level 2 inputs were used to value land held freehold and land used for special purposes which is restricted in use under current zoning rules. Sales of comparable land sites in close proximity were adjusted for differences in key attributes such as property size.

The most significant inputs into this valuation approach are price per square metre.

Where there was no observable market evidence for a land site due to its configuration, council zoning restrictions or due to presence of water bodies, significant professional judgement was required to be exercised in adjusting the price per square metre inputs available. This resulted in some land parcel valuations being derived using inputs at level 3 in the valuation hierarchy.

Plant & Equipment

All Plant & Equipment asset classes (Artworks, Technology, Furniture & Fittings, Mobile Plant and Plant & Equipment) were revalued to fair value at 30 June 2013 by City officers using Level 3 inputs involving the exercise of professional judgement. This exercise achieved compliance with Local Government (Financial Management) Regulation 17A.

Whilst additions since that time are shown at cost, given that they were acquired at arm's length and any accumulated depreciation reflects the usage of the service potential embodied in that asset, it is considered that the recorded written down value approximates fair value. Accordingly, it is considered that these values reflect compliance with Local Government (Financial Management) Regulation 17A.

These assets will be revalued during the year ending 30 June 2016 in accordance with statutory obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

41. FAIR VALUE (Continued)

Buildings

Level 2 Valuation Inputs

These were used to determine the fair value of a range of properties. This included the bulk of the residential and commercial properties. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Commercial buildings have been generally derived using a combination of sales direct comparison approach and capitalisation of income approach. Fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are rental yields and price per square metre.

Level 3 Valuation Inputs

Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. These include the average cost of construction and consumption score for each component. As these are supported by observable market evidence they have been classified as Level 2 inputs.

The unobservable inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition and its relationship to the assessed level of remaining service potential of the depreciable amount) required extensive professional judgement and impacted significantly on the determination of fair value.

As such, these assets were classified as having been valued using level 3 valuation inputs.

Valuation Techniques Used to Derive Fair Values for Recurring Fair Value Measurement

The quantitative disclosures of the remaining service potential relating to each corresponding condition score for each of the patterns of consumption utilised in this valuation are as follows:

Remaining Service Potential - % of Depreciable Amount

SCORE	DESCRIPTION	STRAIGHT LINE	LOW	MOD	HIGH	EXTREME
0	New or very good condition - very high level of remaining service potential.	100%	100%	100%	100%	100%
1	Not new but in very good condition with no indicators of any future obsolescence. Providing a high level of remaining service potential.	85%	92%	94%	98%	100%
2	Aged and in good condition, providing an adequate level of remaining service potential. No signs of immediate or short term obsolescence.	50%	65%	75%	85%	99%
3	Providing an adequate level of remaining service potential but there are some concern over the asset's ability to continue to provide an adequate level of service in the short to medium term. May be signs of obsolescence in short to mid-term.	25%	40%	54%	70%	90%
4	Indicators showing the need to renew, upgrade or scrap in near future. Should be recognised for the need renew or replace in short-term. Very low level of remaining service potential.	10%	20%	34%	45%	70%
5	At intervention point. No longer providing an acceptable level of service. Remedial action is required to be taken immediately to avoid the asset being decommissioned.	0%	0%	0%	0%	0%
6	Theoretical end of life.					

Fully Written Off

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Infrastructure

Infrastructure asset classes (Roads, Drainage, Paths and Parks Assets) were revalued to fair value at 30 June 2014 by City officers using the cost approach based on Level 3 inputs involving the exercise of professional judgement. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and took into account a range of factors.

Whilst the unit rates based on square metres or similar capacity could be supported by market evidence (Level 2 inputs), other factors (such as residual life, useful life pattern of consumption and asset condition) required extensive professional judgement and these impacted significantly on the final determination of fair value. These assets therefore were classified as having been valued using Level 3 valuation inputs.

During the year, a significant number of new projects were completed where the actual cost was recorded and the impact of depreciation at year end was negligible. Whilst these assets could be classified as being valued at Level 2, given the low proportion of the total portfolio that these assets represented (and the likelihood that future revaluations would result in them being valued as using Level 3 inputs, the City has adopted a policy that all infrastructure assets are deemed to be valued at Level 3.

This exercise achieved compliance with Local Government (Financial Management) Regulation 17A. It is intended that this assessment of infrastructure asset values by City officers using Level 3 inputs will occur on annual basis.

Valuation Techniques Used to Derive Fair Values for Recurring Fair Value Measurement

Valuation Techniques Used - Non Recurring Fair Value Measurement

Buildings classified as Assets held for sale during the reporting period were valued at the lower of carrying amount and the greater of 'value in use' or 'fair value less cost to sell'. The fair value of these assets was determined using the sales comparison approach.

Fair Value Sensitivity to Unobservable Inputs

ASSET CLASS	LEVEL	UNOBSERVABLE INPUTS	SENSITIVITY %		POTENTIAL IMPACT	
			LOWER	UPPER	LOWER	UPPER
Land under Control	3	Discount rate to allow for restriction in use.	(1.0%)	1.0%	(30,000)	30,000
Restricted Land	3	Discount rate to allow for restriction in use.	(1.0%)	1.0%	(1,467,175)	1,467,175
Buildings - Specialised	3	Asset consumption rating scale relative to the level of consumed service potential.	(2.5%)	2.5%	(1,910,236)	1,910,236
Artworks	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(2,665)	2,665
Technology	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(7,217)	7,217
Furniture & Fittings	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(5,838)	5,838
Mobile Plant	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(28,239)	28,239
Plant & Equipment	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(5,626)	5,626
Roads	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(99,593)	99,593
Drains	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(44,116)	44,116
Paths	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(33,342)	33,342
Parks Assets	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(24,582)	24,582

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Valuation Process

The main Level 3 inputs used are derived and evaluated as follows:

Relationship between Asset Consumption Scale & Level of Consumed Service Potential. Under the cost approach, the estimated cost to replace the asset is calculated and then adjusted to take account of any accumulated depreciation. In order to achieve this, the valuer determines an asset consumption rating scale for the asset type based on inter-relationships between a range of factors.

These factors and their relationship to fair value, require professional judgment to be exercised and include consideration of factors including (but not limited to) asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.

The consumption rating scales were based initially on the past experience of the valuation firm and industry guides that were then updated to take into account the experience and understanding of the City's engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against the City's own understanding of the assets and the (expected) level of remaining service potential.

For assets (other than those in the Building or Land Asset classes), relevant City officers have satisfied themselves that the values recorded in the financial accounts accurately reflect fair values in relation to the underlying asset, The Asset Register is considered complete and accurate for all asset classes.

In considering the validity, rigour and integrity of the Level 3 valuation inputs supplied, the City has undertaken a comprehensive analysis of results to validate the Fair Value to the (past) Written Down Value (WDV) as a percentage of gross value and then to benchmark the percentages derived therein against other local government peers.

In conducting the Fair Value exercise, the City has also undertaken comparisons between the 2014 valuation and previous comparative valuations. The object of this exercise was to identify any significant fluctuations and to ensure that the differences could be explained and substantiated.

In the 2014 Fair Value exercise, the most significant variations were as disclosed below:

Buildings

There was an increase of 5.6% overall in the written down value of building assets - but this is not considered to be material. Individually, the most significant item was a decrease of 100% in the value of the Collier Park Hostel - recognising that the building is no longer in use, is not 'fit for purpose' and is likely to be demolished at some future date to facilitate an alternative use of the site rather than being re-activated as an aged care hostel. The change in value for the buildings asset class was adjusted against the Asset Revaluation Surplus for this asset class.

Drainage

The written down value of drainage assets increased by 52% in 2014 relative to the 2013 valuation, with the difference being attributable to the application of new 'current' unit rates to the various drainage components. The change in value was adjusted against the Asset Revaluation Surplus for this asset class.

Park Assets

There was an increase of 41% overall in the written down value of park assets during the reporting period following a comprehensive field data pick-up and the application of new 'current' unit rates to the various park asset components. The change in the value of the park asset class was adjusted against the Asset Revaluation Surplus for this asset class.

Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the Statement of Financial Position but their fair values are separately disclosed in the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Borrowings

The following table provides the level of fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety as well as providing a description of the valuation technique(s) used.

DESCRIPTION	NOTE	FV LEVEL	VALUATION TECHNIQUE	INPUTS USED
Liabilities				
Borrowings	37	2	Income approach using the discounted cashflow method	Current Treasury borrowing rates for similar instruments.
Leaseholder Liability	37	2	Income approach using the discounted cashflow method	Current Treasury borrowing rates for similar instruments.

The only change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements was the Leaseholder Liability which changed in 2014 as noted above.

42. SEGMENT REPORTING - AGED CARE HOSTEL

The City operated a frail aged care hostel known as the Collier Park Hostel (CPH) until April 2014 when the facility was closed. This facility was not a separate legal or taxation entity - although the financial results of its operations were quarantined and associated monies 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 resided with the City until the date of closure. All staff engaged at the hostel were employed directly by the City which also assumed responsibility for all employee entitlements. Treasury management activities (accounts payable, accounts receivable and investment) were 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 was 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 effected through the City providing a segment reporting note reflecting the Collier Park Hostel's financial position and performance for the period up to date of closure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

42. SEGMENT REPORTING - AGED CARE HOSTEL (Continued)

Operating Performance - 2014	AGED CARE SEGMENT \$	OTHER SEGMENTS \$	2014 TOTAL \$
Revenues			
Government Grants & Subsidies	493,096	3,093,279	3,586,375
Hostel Resident Charges	435,966	0	435,966
Bond Retentions	34,454	0	34,454
Interest Income	0	1,996,771	1,996,771
Capital Grants	0	1,875,969	1,875,969
Other Revenue	0	43,105,328	43,105,328
Total Revenue	963,516	50,071,347	51,034,863
Expenditure			
Care Employee Expenditure	(1,160,630)	(0)	(1,160,630)
Other Employee Expenditure	(139,947)	(18,255,211)	(18,395,158)
Interest Expense	(0)	(635,733)	(635,733)
Depreciation Expense	(79,495)	(8,457,393)	(8,536,888)
Other Expense	(551,673)	(21,089,892)	(21,641,564)
Total Expenses	(1,931,745)	(48,438,229)	(50,369,974)
Segment Result	(\$968,231)	\$1,633,120	\$664,889
Statement of Financial Position			
	AGED CARE SEGMENT \$	OTHER SEGMENTS \$	2014 TOTAL \$
Current Assets			
Cash - Restricted *1	0	36,227,587	36,227,587
Cash - Unrestricted *2	0	7,489,870	7,489,870
Other Current Assets	0	7,960,271	7,960,271
Total Current Assets	\$0	\$51,677,728	\$51,677,728

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Statement of Financial Position	AGED CARE SEGMENT \$	OTHER SEGMENTS \$	2014 TOTAL \$
Non Current Assets			
Infrastructure, Property, Plant & Equip	0	563,955,439	563,955,439
Other Non Current Assets	0	4,001,216	4,001,216
Total Non Current Assets	\$0	\$567,965,655	\$567,965,655
Total Assets	\$0	\$619,643,384	\$619,643,384
Current Liabilities			
Other Current Liabilities	0	11,425,019	11,425,019
Total Current Liabilities	\$0	\$11,425,019	\$11,425,019
Non Current Liabilities			
Refundable Accommodation Bonds	0	0	0
Other Non Current Liabilities	0	38,767,255	38,767,255
Total Non Current Liabilities	\$0	\$38,767,255	\$38,767,255
Total Liabilities	\$0	\$50,192,274	\$50,192,274

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

42. SEGMENT REPORTING - AGED CARE HOSTEL (Continued)

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 2014

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

*1 All Accommodation Bonds held on behalf of residents of the CPH were fully cash backed in the Collier Park Hostel Accommodation Bonds Reserve - a cash reserve created exclusively for the purpose of repaying accommodation bonds refundable upon the departure of hostel residents. Funds from this reserve could not be used for any other purpose besides refunding accommodation bonds upon the departure of residents from the CPH facility.

The City took a liquidity position of 100% cash backing the liability to repay the accommodation bonds to departing residents meaning that, upon closure, all bonds could be refunded immediately.

Accountability for the proper management and application of these monies is facilitated by the City's completion of the Prudential Compliance Return which is lodged annually with the Department of Health & Ageing (Approved Provider 1109).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

43. EVENTS AFTER REPORTING DATE

On 22 October 2014, the state government of Western Australia announced the amalgamation of the Town of Victoria Park and the City of South Perth effective from 1 July 2015. The impact on the City of South Perth has not yet been specifically quantified.

44. PRIOR YEAR ADJUSTMENTS

During the reporting period it was noted that there was an incorrect accounting treatment applied in relation to previously revalued buildings that were disposed of during 2004/2005. This treatment had resulted in an incorrect disclosure between the balances of Retained Surplus and the Revaluation Surplus - Buildings, notwithstanding that the overall Total Equity was correctly stated.

Accordingly, adjustments have been made against the current year balances of the Revaluation Surplus - Buildings and Retained Surplus because it was considered to be too impractical to restate all prior year comparatives.

45. KEY PERFORMANCE INDICATORS

Performance Measure	2014	2013	2012
CURRENT RATIO	1.70	1.61	1.15
<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</i>			
Current Assets - Restricted Assets	15,450,141	13,953,868	9,214,671
Current Liabilities - Restricted Liabilities	9,069,368	8,692,142	8,014,250
OPERATING SURPLUS RATIO	(2.6%)	(2.5%)	(9.0%)
<i>Indicates the extent to which revenue covers operational expenses and capital expenditures. Preferred value is positive & between 0% and 15%</i>			
Operating Surplus	(1,211,079)	(1,172,116)	(4,434,587)
Own Source Revenue	47,133,464	48,228,184	49,043,856
OWN SOURCE REVENUE COVER RATIO	93.8%	92.4%	86.4%
<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	47,133,464	48,228,184	49,043,856
Operating Expenses	50,233,833	52,186,313	56,743,624
DEBT SERVICE RATIO	2.95	4.49	4.51
<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</i>			
Operating Surplus before Interest & Depreciation	8,006,718	12,215,706	9,433,693
Debt Service Costs - Principal & Interest	2,718,220	2,719,818	2,093,954

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Performance Measure	2014	2013	2012
RATES OUTSTANDING RATIO	0.5%	1.0%	1.2%
<i>Indicates the effectiveness of rates collection procedures. Preferred value for this ratio is less than 5%</i>			
Rates Outstanding	141,227	263,277	305,666
Total Rates Collectible	28,178,892	26,558,850	24,953,705
ASSET SUSTAINABILITY RATIO	94.0%	85.1%	84.2%
<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	8,066,375	10,780,971	11,111,980
Depreciation Expense & Ammortisation	8,582,064	12,665,822	13,202,609

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	2014	2013	2012
ASSET CONSUMPTION RATIO	61.3%	55.9%	54.1%
<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	284,459,061	232,431,086	227,407,731
Current Replacement Value of Assets	463,819,463	415,678,064	420,074,154
ASSET RENEWAL FUNDING RATIO	94.4%	98.9%	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	73,658,607	77,878,026	N/A
NPV of Required Renewal Funding	77,993,573	78,733,467	N/A

In accordance with Local Government (Financial Management) Regulation 50 (1aa), comparatives for the 2012 year has not been reported.

AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2014

MACRI

PARTNERS

Certified Practising Accountants

PARTNERS

Anthony Macri FCPA

Domenico Macri CPA

Connie De Falice 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 2014 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.



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 2014 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.

Submission of Financial Report

The annual financial report for year ended 30 June 2014 was not submitted to the auditor by 30 September 2014 as required by Section 6.4(3)(b) of the Act.

- (c) The asset consumption ratio and the asset renewal funding ratio included in the annual financial report (Note 45 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 2014

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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 2014 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 12TH DAY OF NOVEMBER 2014.



GLOSSARY

For information on financial terms, see page 78.

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 2013/14 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
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Fax 08 9474 2425
Email enquiries@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

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South Perth Library

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South Perth WA 6151
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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

Cnr Goss Ave & Manning Rd
Manning WA 6152
Phone 08 9474 0822
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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
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Phone 08 9367 9880
Email spsc@bigpond.com
Opening hours
8.30am to 4pm, seven days

Manning Senior Citizens Centre

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Opening hours
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