

# CITY OF SOUTH PERTH

ANNUAL REPORT 2014/15  
BUILDING A SENSE OF PLACE



City of  
SouthPerth





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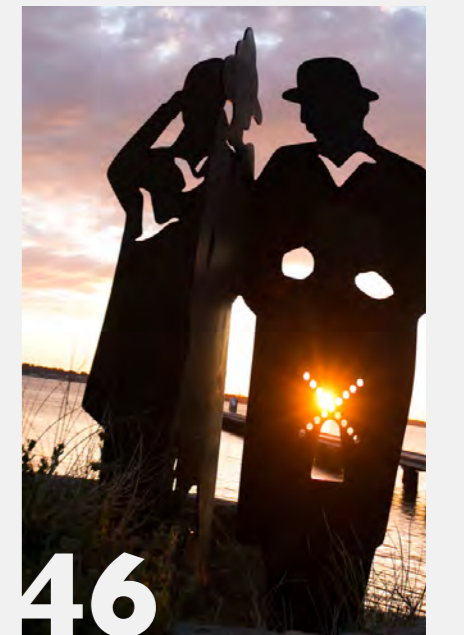
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# OVERVIEW



# WELCOME

OUR THEME FOR 2014/15 IS 'BUILDING A SENSE OF PLACE', AS THE CITY CONTINUES TO BUILD A STRONG AND SUSTAINABLE FOUNDATION FOR THE FUTURE.



This report aims to give you an open and accountable insight into how we have progressed our vision and strategic objectives outlined in our Strategic Community Plan 2013-2023, including our main achievements and challenges, our financial performance and our key targets for the year ahead.

Our theme for 2014/15 is 'Building a Sense of Place', as the City continues to build a strong and sustainable foundation, even during a period of uncertainty, with the State Government announcing in February 2015 that the proposed amalgamation between the City of South Perth, Town of Victoria Park and the northern portion of the City of Canning would not proceed.

This report is produced in accordance with the *Local Government Act 1995*, which requires our Council to adopt an Annual Report by 31 December each year. It has been reviewed by the City's Management Team to ensure its accuracy and authenticity.

Thank you for taking the time to read this Annual Report. We welcome any feedback on our performance or 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, printed on 100 per cent recycled paper in line with our ongoing commitment to sustainability.

This Annual Report can be viewed by:

- Visiting the City of South Perth website at [www.southperth.wa.gov.au](http://www.southperth.wa.gov.au)
- Visiting or writing to the Administration Office at the Civic Centre, corner Sandgate St and South Tce, South Perth WA 6151
- Emailing [enquiries@southperth.wa.gov.au](mailto:enquiries@southperth.wa.gov.au)
- Phoning the Customer Focus Team on (08) 9474 0777.

## Our City

Proclaimed a City in July 1959, the City of South Perth covers nearly 20 square kilometres and is situated two kilometres across the Swan River from the Perth Central Business District. Widely recognised for its aesthetic appeal and amenity, the City is bounded by the Swan and Canning Rivers – offering around 660 hectares of public open spaces. Major attractions include Sir James Mitchell Park, Perth Zoo, Royal Perth Golf Club, Collier Park Golf Course, 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 predominantly residential but also accommodates around 10,000 employees each day at small to medium sized businesses, specialised service providers and educational institutions.

## Our services

Managed across 15 different Business Units, the City is a Local Government agency that provides a range of community services and facilities including:

- Cultural programs and community events
- Recreation facilities and sporting club support
- Collier Park Golf Course
- Collier Park Village
- South Perth and Manning Libraries
- Stakeholder engagement
- Customer relations
- Infrastructure planning, design and construction
- Infrastructure asset management and capital works
- Heritage and sustainability matters

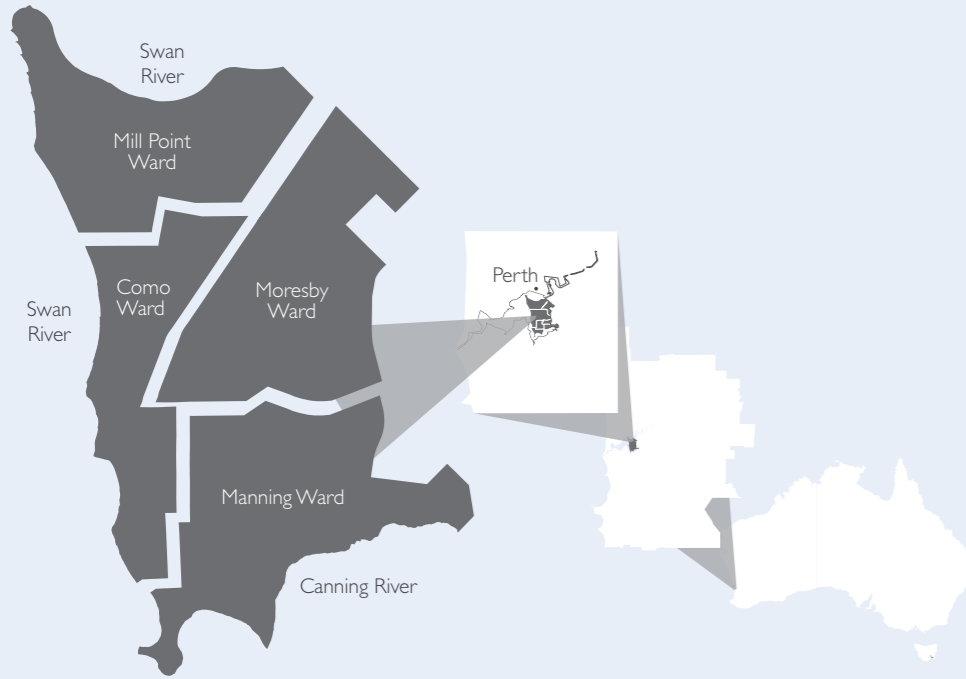
- Public open spaces, streetscapes, foreshores and natural areas management
- Marketing and communications
- Legal, advocacy, and governance support
- Animal and bushfire control.

## Our future is exciting

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

The City's new Chief Executive Officer (CEO) Geoff Glass commences in October 2015 and will lead the City into the future, after replacing former CEO Cliff Frewing who will bid farewell to the City on 31 July 2015.





46,113 POPULATION

# 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
- Libraries: South Perth and Manning
- Senior citizens centres: South Perth and Manning
- Child health clinics: 2
- Kindergartens: 3
- Primary schools: 12
- Secondary colleges (government): 1
- Secondary colleges (private): 3
- Sporting clubs: 29
- City employees: 214 (full-time equivalent)
- Rate revenue 2014/15: \$31,293,887

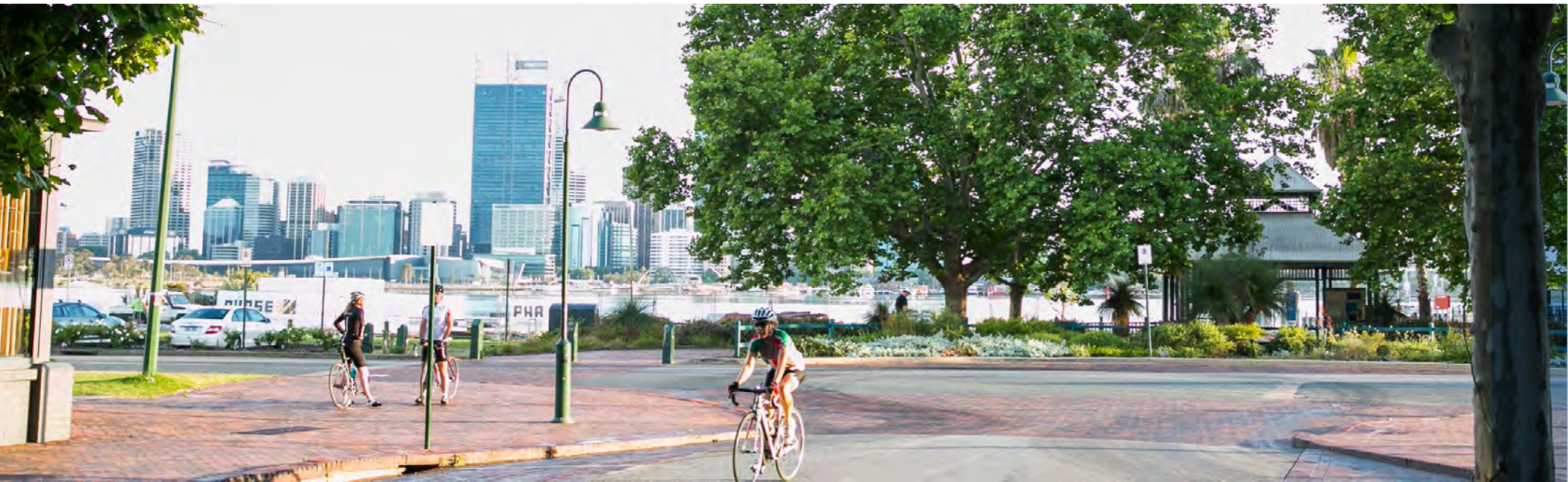
## OUR LAND

- Length of roads: 203km
- Length of pathways: 268km
- Bus shelters: 160
- Street signs: 5134
- Street trees: 20,752
- Streetscape gardens: 4.96ha
- Total reserve area: 466ha
- Total developed reserves: 376ha
- Active sports fields: 12
- Reserve trees: 7567
- 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%





# A SNAPSHOT OF OUR YEAR

## 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 Community 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.

### Our 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.

### Our strategic directions

This Annual Report aims to outline our performance, achievements and challenges during 2014/15, based on these six strategic directions from the Strategic Community Plan 2013-2023, and the Corporate Business Plan 2013-2017:

#### 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.

### Our key achievements

- \$27.5 million Civic Triangle land sale completed
- Construction on the \$17.5 million Manning Community Hub commenced
- New state of the art Animal Care Facility opened
- South Perth Foreshore River Wall Replacement project completed
- Kwinana Freeway Management Plan developed
- Manning Men's Shed completed
- Successful Fiesta and Australia Day events held
- Community Safety and Crime Prevention Plan 2015-2018 adopted
- Australasian Reporting Awards Silver Award for the 2013/14 Annual Report received
- Canning Bridge Structure Plan adopted
- South Perth Foreshore Strategy and Management Plan developed
- Parks and Leisure Australia (WA) Award for Leisure and/or Open Space Planning for the South Perth Foreshore Strategy and Management Plan received.

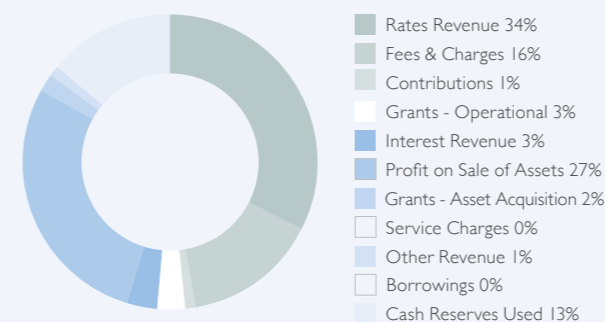
### Our key challenges

- Participation in the State Government's Local Government Reform process
- South Perth Train Station Precinct Scheme Amendment
- Review of the Collier Park Golf Course
- Rivers Regional Council Tender for an Alternative Waste to Energy Plant
- Waterford Triangle Scheme amendments
- Sir James Mitchell Park Promenade Path completion
- Old Mill Redevelopment - Millers Pool design
- Ernest Johnson Oval Masterplan implementation.

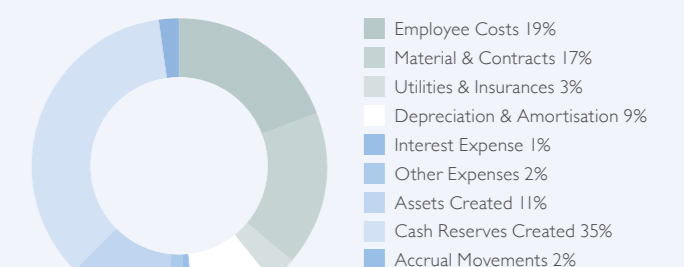
## FINANCIAL HIGHLIGHTS

### Funding and Expenditure Profile

#### Funding Sources



#### Expenditure Types







# CITY INITIATIVE STATUS OVERVIEW

This table shows the status of each City initiative during 2014/15. 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.

## Community

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED
✓	Animal Care Facility	
✓	Manning Men's Shed	
✓	Mosquito Management Plan 2014/15 activities	
✓	Development of Community Safety and Crime Prevention Plan 2015-2018	
✓	Australia Day 2015 event	
✓	Fiesta 2015 events	
✓	Provide a range of community, cultural and civic events	
✓	Supporting and recognising community and volunteer groups and sporting clubs	
✓	May and Herbert Gibbs art collection condition report and maintenance	
>	Collier Park Waste Transfer Station upgrades	
>	Contribute to Regional Waste Management Strategy	
↻	Facility, disability access and water saving upgrades for reserves	
↻	Disability Access and Inclusion Plan initiatives	
↻	Alternative Waste Treatment Facility Planning	

Summary: **104** initiatives

✓ **43** Completed
> **13** Commenced
↻ **41** Ongoing
✗ **7** Deferred

## Key focus areas

- ✓ Forward action from 2013/14 Annual Report achieved
- ✗ Forward action from 2013/14 Annual Report not achieved

STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED
↻	Ernest Johnson Reserve Master Plan design and consultation	
↻	Aboriginal Engagement Strategy initiatives	
↻	Public Open Space Strategy implementation	
↻	Karawara Public Open Space Masterplan and Collaborative Action Plan lighting upgrades	
↻	Community Safety seminars and education initiatives	
↻	Plan for the new Manning Library	
↻	High-quality library services and programs	
↻	Collier Park Golf Course Review Plan	
↻	Program of community consultation initiatives	
↻	Community access and participation in decision making process	
↻	Variety of external communication channels	
✗	Sustainable Living Strategy	
✗	Review and implement Local Emergency Management Plan	





## Environment

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED	STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED
✓	Green Plan works and events		➤	Reticulation Replacement Program	
✓	Annual Weed Mapping Program		➤	Climate Change Foreshore Vulnerability Assessment and Adaptation Plans	
✓	Drainage Infill and Upgrade Program 2014/15 activities		➤	Climate Change Strategy implementation	
✓	Integrated Catchment Management Plan 2014/15 activities		➤	South Perth Foreshore Path replacement project	
✓	Water Action Plan 2014/15 activities		↻	Capital Works Program	
✓	Pollutant traps implementation strategy		✗	Street Tree Management Plan Review	
✓	Parks and Reserves 2014/15 Capital Works Program		✗	Climate Change consultant engagement	✗
✓	Remaining Parks and Reserves 2013/14 Capital Works Program	✓	✗	Sustainable Energy Strategy	
✓	South Perth Foreshore Strategy and Management Plan				
✓	South Perth Foreshore River Wall replacement				

## Housing and Land Uses

Accommodate the needs of a diverse and growing population

STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED
↻	Local Planning Strategy	✓
↻	Canning Highway #ShapeOurPlace project	
↻	Town Planning Scheme amendments	✓
↻	Establish new and amend existing Council planning policies	✓
✗	Waterford Triangle Scheme Amendment	

## Places

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED
✓	Bentley-Curtin Specialised Activity Centre and Structure Plan	
✓	South Perth Foreshore Strategy and Management Plan consultation	
✓	South Perth Civic Triangle Precinct land sale	✓
➤	Manning Community Hub Construction	
➤	Sale of portion of Manning Hub Reserve 24331	
➤	New South Perth Urban Walkabout Edition 2	
↻	Old Mill Precinct Redevelopment	
↻	Mends Street Precinct Upgrade and Redevelopment planning	✓
↻	Hosting Business Enterprise Foundations workshops	
↻	Land Management Strategy implementation	
↻	Economic Development Strategy 2013-2016	
↻	Maintain and foster key partnerships and stakeholder relationships	
↻	Marketing and promoting the City	



## 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 2013/14 ACHIEVED	STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED
✓	Canning Bridge Structure Plan	✓	✓	Bike Plan annual works	
✓	Five Year Road Rehabilitation Program annual works		✓	Cycling infrastructure audit around Kensington Primary School	
✓	Five Year Traffic Management Program annual works		✓	South Perth Foreshore River Wall and Path Replacement project	✓
✓	Integrated Transport Plan annual works		↻	Kwinana Freeway Foreshore Management Plan design	✓
✓	Footpath, Shared Path and Cycle Path Program annual works		↻	Advocate and lobby for state-wide and significant infrastructure	✓

## Governance, Advocacy and Corporate Management

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

STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED	STATUS	INITIATIVES	FORWARD ACTION FROM 2013/14 ACHIEVED
✓	Five year Plant and Fleet Program review		↻	Occupational Health and Safety Policy, Practice and System review	
✓	Governance Framework reviews		↻	Deliver Information Technology initiatives	
✓	Integrated Planning and Reporting Framework Ratio submission		↻	State of Sustainability Report	✓
✓	2013/2014 Statutory Annual Report and Annual Compliance Audit Return		↻	Fully integrated robust governance framework	
✓	Human Resource Policies and Practices review		↻	Provide effective knowledge management services	
✓	Risk Management Plan review		↻	Corporate Asset Management System	
✓	Online InfoCouncil meeting software	✓	↻	Information Technology Strategy Initiatives	
✓	Risk Management Strategy initiatives		↻	Asset Management and Renewal Program	
✓	Executive reporting system for customer service staff performance	✓	↻	Transparent, accountable and effective decision making	
✓	Mystery shopper customer service evaluation	✓	↻	Online Building, Planning and Development Application system	
✓	National Broadband Network (NBN) transition		↻	Online facility bookings system	
✓	Local Government Reform process		↻	Culture Optimisation Program	✓
>	Preparation for Local Government Elections		↻	Inter-governmental relations and allied organisations	
>	Long Term Financial Plan 2015/2016–2024/2025 and 2015/2016 Annual Budget		✗	Sustainability Assessment Framework	
>	Annual Reviews of Integrated Planning and Reporting Framework Plans				
>	Customer Relationship Management system upgrade				







# MESSAGE FROM THE MAYOR

THE COUNCIL MOVED AHEAD WITH A DIVERSE MIX OF STRATEGIC PROJECTS DURING 2014/15, WHICH WILL ADD TO THE VIBRANCY AND SUSTAINABILITY OF OUR COMMUNITY.



On behalf of my fellow councillors, I take great pleasure in presenting the City of South Perth's 2014/15 Annual Report.

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

We have endeavoured to present some of our more complex information in an easy to understand manner, so you have a real sense of how we have fared. As always, we welcome suggestions for service improvements and our future direction, so please continue to contact us with any feedback.

The past year saw the Council continue to not only focus on the City's performance but also provide strategic guidance. With so much transpiring, strategic documents like this Annual Report are crucial in capturing and reflecting upon milestones, lessons learned, and our future direction. One of the aspects you will undoubtedly take away from this Annual Report is that 2014/15 was a year when a great deal of progress was made in realising our strategic vision and progressing major projects.

### Our key challenges

We rose to the challenge this year, particularly through the State Government's Local Government Reform process. Before the plans to amalgamate the City with the Town of Victoria Park and an area of the City of Canning were cancelled by the State Government, a significant amount of time and resources were focused on ensuring our community had its say, and also planning for synergies and alignment

between all organisational policies, systems and cultures.

This included an important poll, where the majority of our community members united to vote against the move. In this respect, I commend the outstanding efforts of all elected members, City staff and the community.

### Our key achievements

The Council moved ahead with a diverse mix of strategic projects during 2014/15, which will add to the vibrancy and sustainability of our community. The \$27.5 million sale of the iconic South Perth Civic Triangle land, leading the way for a new 38 storey mixed use development in the heart of South Perth, which will dramatically change the skyline and amenity of the Mends Street precinct.

With such development underway, it was more important than ever to continue our strong engagement with the community. In addition to our regular advertisements and newsletters, we continued our Facebook and Instagram pages, and joined Twitter and LinkedIn.

The Council also adopted key strategic plans to ensure responsible management of our precious foreshore areas into the future. The South Perth Foreshore Strategy and Management Plan (SPF Plan) was adopted by Council in September 2014 and aims to balance the competing demands for use, development and management of the regional public open space from the Narrows Bridge to Ellam Street. Covering the area from the Narrows Bridge to the Mount Henry Bridge, the Kwinana Freeway Foreshore Management Plan (KFFMP) identifies and prioritises projects to address issues the western foreshore will be facing in the future, including climate change impacts.

We also saw the final results of our lobbying come to fruition, with the State Government re-committing its \$1.35 million election funding promise allowing us to replace the river walls either side of Mends Street Jetty.

### Looking forward

During the year ahead, the Council plans to progress significant projects outlined in this Annual Report, including ongoing construction of the Manning Community Hub, Canning Bridge Structure Plan, Canning Highway #ShapeOurPlace project, Ernest Johnson Reserve Master Plan design development, South Perth Foreshore Strategy and Management Plan implementation, Millers Pool landscape design, Mends Street Precinct upgrade and Waterford Triangle Scheme.

To conclude, I would like to thank my fellow Councillors and all City staff for their expertise and passion during the year. Your combined efforts have helped maintain our exciting and inclusive community, and will ensure our City remains in good financial stead for the future.

I would like to formally thank the outgoing Chief Executive Officer Cliff Frewing for his dedication and commitment during his 10-year service. In the year ahead, I look forward to working with the new CEO Geoff Glass, who brings to the City a wealth of strategic development and government experience.

Sue Doherty  
Mayor





# MESSAGE FROM THE EXECUTIVE MANAGEMENT TEAM

Reflecting on 2014/15, this year's Annual Report provides an insight into the work the City carried out in the best interest of the community.

The best example in this respect is the planning that went into the State Government's Local Government Reform Process and the consultation and lobbying efforts.

The City worked closely and co-operatively with the Town of Victoria Park towards an effective amalgamation, due to come into effect 1 July 2015. However, an elector's poll was held in February 2015, where elector's voted against the amalgamation, effectively causing the State Government to cease the proposed amalgamation that same month. One of the positives to come out of the process was it helped the City identify a number of opportunities for future collaboration with the Town of Victoria Park.

2014/15 saw the City engage extensively with the community in relation to our various Town Planning Scheme amendments and local planning policies, as well as our major projects such as the Public Open Space Strategy, South Perth Foreshore Strategy and Management Plan, Canning Bridge Structure Plan, Karawara Public Open Space Masterplan and Collaborative Action Plan, Manning Community Hub, Canning Highway #ShapeOurPlace project, and the Ernest Johnson Reserve Master Plan.

## Our key achievements

The City continued 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, governance, advocacy and corporate management.

Construction began on the long awaited \$17.5 million Manning Community Hub, which will create a new 'heart' for Manning and provide the community with a vibrant, connected and attractive precinct integrating community services and social activities.

We opened our new state of the art Animal Care Facility, capable of housing more than 60 animals and completed some important recycling and storage upgrades at the Collier Park Waste Transfer Station.

The year saw more than 120,000 people attend Fiesta and Australia Day events, while planning continued for the Old Mill Redevelopment and Mends Street Precinct Upgrade and Redevelopment.

The historic South Perth Civic Triangle Precinct land sale was also finalised and we came one step closer to developing our new online Building, Planning and Development Application system after selecting a software vendor.

## Our key challenges

Our main challenges included a small number of project delays due to important stakeholder engagement needs, budget reviews and financial adjustments, as well as the State Government's Local Government Reform process.

As part of our due diligence, we carried out a review of the Capital Works Program during the year. While the majority of the Program was completed, some traffic signal upgrades and intersection works will be finalised in 2015/16. We also took further time to progress the South Perth Foreshore Path Replacement project.

## 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 2015, the City's financial position remained strong with more than \$695 million of community assets under its stewardship and an annual operating budget in excess of \$97 million in total expenditure.

We commenced planning for an Australian Business Excellence Framework (ABEF) self-assessment. We look forward to receiving the results and developing an implementation plan that will create an environment of aligned continuous improvement at all levels of the organisation.

We acknowledge the significant contribution of the former CEO Cliff Frewing and look forward with anticipation to the arrival of the new CEO Geoff Glass in October 2015.

THE CITY CONTINUES TO SHOW STRONG FINANCIAL MANAGEMENT AND HAS IN PLACE A ROBUST PROCESS OF LONG-TERM PLANNING AND ANNUAL BUDGETING.

The Executive Management Team



# CHIEF FINANCIAL OFFICER'S REPORT



THE CITY WILL SEE ITSELF IN A STRONG FINANCIAL POSITION AT THE CONCLUSION OF THE 2015/16 YEAR – A SIGN THAT CONTINUES TO AUGUR WELL FOR OUR FINANCIAL FUTURE.

## Financial philosophy

The City's financial management philosophy continues to deliver an industry-leading and sustainable approach. Our sophisticated strategic financial planning model 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 and 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 2014/15 year, the value of community assets (our net asset position) had improved from \$569.45 million to \$644.229 million. This increase is primarily attributable to a \$41 million increase in the value of our infrastructure and a \$6 million increase in the value of City buildings. 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 remaining increase reflects the cash inflow from the sale of the City's major strategic land asset - the Civic Triangle, for \$27 million in September 2014.

The positive trend of a strengthening net asset position (shown in the Financial Snapshot below) reflects 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 \$52.26 million against a budget of \$52.25 million. Operating revenue was in line with budget targets. This was despite a 13 per cent shortfall in anticipated parking revenues and an unbudgeted decrease in the value of the City's equity investment in the WALGA Local Government House Trust. Operating grant revenues were 52 per cent ahead of budget due to the prepayment of next year's general grants. Investment revenues were strong at 5 per cent ahead of budget. Golf course green fees were some 2 per cent ahead of budget as were planning revenues ahead by 11 per cent, whilst building license revenues for the year were 10 per cent over budget expectations.

Capital revenue of \$26.83 million was 2.6 per cent ahead of budget expectations after receiving a prepayment of \$600,000 of 2015/16 capital grants relating to building and environmental projects.

Total expenditure on operating items and capital projects of \$63.46 million was 92 per cent of the \$69.04 million budget allocation. Operating expenditure was \$51.86 million against a budget target of \$55.13 million with most operational areas close to budget. The difference related primarily 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 fair value asset management guidelines.

Non recurrent maintenance expenditure associated with grants received on 28 June contributed most of the remaining under expenditure with the balance relating to the book value of assets identified for disposal in 2014/15, but deferred into the new year. Salaries and associated costs were within 0.1 per cent of budget expectations at year end.

Capital projects completed represented 80 per cent of budget expectations at 30 June 2015. At year end there were some planned but incomplete capital items (in progress but unfinished works) that are to be carried forward into the 2015/16 year.

## Capital program

80 per cent of the value of the planned capital program was completed by 30 June with \$14.46 million worth of projects being delivered. Of this, \$11.38 million of assets was capitalised or recorded as capital work in progress. The remainder was expensed (and is included in the operating expenditure figures shown right). This expenditure includes creation of new assets as well as maintenance and renewal of existing ones.

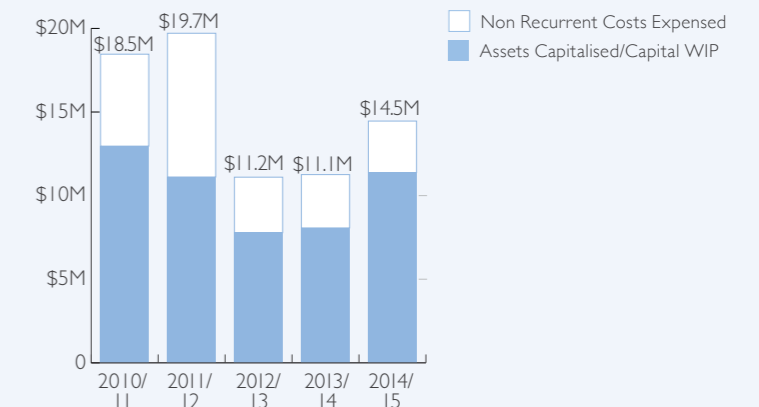
Major categories of expenditure represented in the capital expenditure program were:

- Roads, Paths & Drains \$ 3.38M
- Natural Environment \$ 0.92M
- Community Buildings \$ 0.24M
- Plant, Equipment and Technology \$ 1.64M
- Work in Progress – Foreshore Assets \$ 3.12M
- Work in Progress Buildings \$ 1.88M
- Software Capitalised \$ 0.20M

As detailed above, monies associated with incomplete capital infrastructure works of approximately \$3.70 million in value have been carried forward into 2015/16 to complete the approved capital program. Work completed plus the carry forward component represent the full planned capital program.

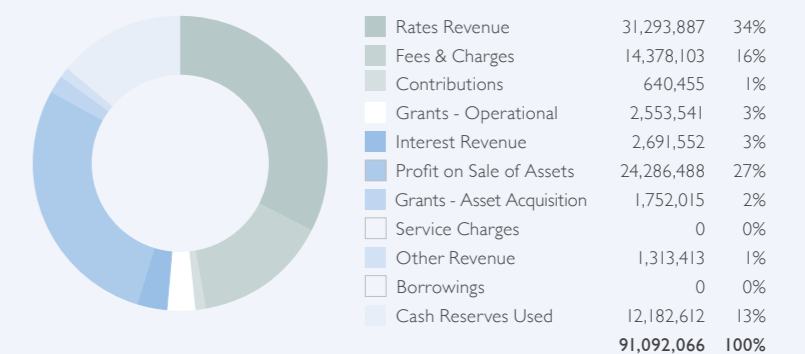
## Capital Program

### Capital Works Delivered by Year

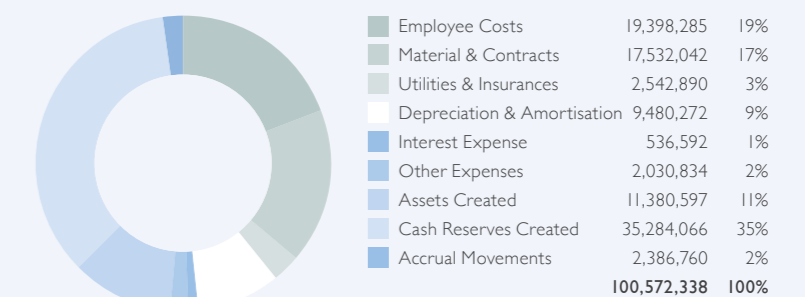


## Funding and Expenditure Profile

### Funding Sources



### Expenditure Types



Add back Non Cash Items	(9,480,272)
Net Cash Expenses	91,092,066
Net Operating Position	27,040,890

## Financial Snapshot - 2014/15

	2014/15
Operating Revenue	\$51.263M
Profit on Sale of Assets	\$24.286M
Operating Expenditure	\$51.868M
Operating Result	\$27.890M
Capital Program Delivered (Assets Capitalised)	\$11.380M
Cash Reserves - Quarantined	\$26.249M
Cash Reserves - Discretionary	\$33.079M
<b>Net Assets</b>	<b>\$644.229M</b>



## 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 better or is very close to the preferred industry benchmarks for all measures in 2014/15.

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 Table 1 below.

The current ratio of 193 per cent 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 ratio trend that comfortably exceeds industry benchmarks.

The own source revenue ratio of 143.8 per cent reflects the City's continuing strong financial autonomy - although the 2014/15 figure is favourably distorted by the profit on a major land sale and will return to the long term

trend in the 90 per cent to 95 per cent range next year.

The City's borrowings program reflects a debt service ratio of 16.28 which is well ahead of the industry benchmark level of more than 5.00. This will reduce in the 2015/16 year as planned borrowings relating to the Manning Community Hub project are undertaken although this will not lessen the City's capacity to comfortably make the loan repayments.

The outstanding rates ratio of just 0.7 per cent reflects another excellent collection result during 2014/15. Maintaining this ratio at such a consistently low level ensures that the City has reliable cash inflows to export its planned expenditure programs.

The operating surplus ratio is well above the industry benchmark in 2014/15 at 33.9 per cent - although this figure is favourably distorted by the profit on sale of a major strategic land asset. Removing the impact of that transaction would have generated a ratio of 1.3 per cent which is much more in line with industry benchmarks.

Encouragingly, this ongoing improvement in the ratio over the last three years reflects the success of the strategy in the Long Term Financial Plan to improve this financial indicator.

Structural changes made during the 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.

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

As can be seen from Table 2 on the next page, the City meets or better 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.

Table 1

Financial Summary	2010/11	2011/12	2012/13	2013/14	2014/15
Total Revenue	45,951,031	53,488,482	52,820,434	51,034,862	78,909,454
Total Operating Expenditure	39,929,176	57,186,497	52,480,864	50,369,974	51,868,564
Total Assets	305,047,510	333,082,335	565,909,446	619,643,384	695,329,572
Total Liabilities	43,286,915	50,899,293	50,311,448	50,192,274	51,100,090
Equity / Net Assets	261,760,595	282,183,042	515,597,998	569,451,110	644,229,482
Net Cash from Operating Activities	7,268,987	4,614,833	8,137,206	9,905,677	10,969,107
Current Ratio (ideally should be greater than 1.00:1)	85%	115%	160%	170%	193%
Rates Outstanding Ratio (ideally less than 5%)	1.30%	1.20%	1.00%	0.50%	0.70%
Operating Surplus Ratio (ideally positive between 0% and 15%)	-3.90%	-9.10%	-2.50%	-2.60%	33.90%
Own Source Revenue Ratio (ideally greater than 40%)	91.60%	86.20%	91.60%	93.80%	143.80%
Debt Service Ratio (ideally greater than 2.00:1)	6.8	4.5	4.4	2.95	16.28
Asset Consumption Ratio (ideally between 50% and 70%)	54.50%	54.10%	55.90%	61.30%	70.20%
Asset Sustainability Ratio (ideally greater than 90%)	82.50%	84.20%	85.10%	94.00%	100.00%
Asset Renewal Funding Ratio (ideally between 95% and 100%)			98.90%	94.40%	95.10%

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



Table 2

Key Financial Indicator	2014/15	Benchmark	Achieved
Current Ratio	193%	100%	✓
Rates Outstanding Ratio	0.70%	Less than 5%	✓
Operating Surplus Ratio	33.90%	0% - 5.0%	✓
Own Source Revenue Ratio	143.80%	More than 40%	✓
Debt Service Ratio	16.28	5.0:1	✓
Asset Consumption Ratio	70.20%	50.00%	✓
Asset Sustainability Ratio	100.00%	90.00%	✓
Asset Renewal Funding Ratio	95.10%	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 Hub, Ernest Johnson Reserve upgrade and other major community infrastructure projects would not be able to be delivered without major impost on ratepayers.

At 30 June 2015, a total of \$59.33 million was held in cash backed reserves. Of this, \$26.25 million is quarantined reserves relating to waste management, the Collier Park Retirement Village and the Collier Park Golf Course. The remaining \$13.08 million 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 84 to 149 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 2015/16 budget is another landmark budget - in that it is the City's most ambitious ever capital expenditure program. 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 the delivery of eagerly awaited major community facilities.

Responsible financial planning in past years has resulted in profits from several carefully considered strategic land sales being quarantined in cash backed reserves to be used to deliver identified major capital works initiatives in 2015/16 and later years. 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 2015/16 budget adopted on 13 July 2015 provides for total revenue of \$61.56 million including \$5.23 million from strategic land asset sales, \$3.75 million other capital revenue, \$20.0 million in fees and charges and investment and rates revenue of \$32.68 million.

Operating expenses are budgeted at \$53.90 million (of which \$10.44 million are non-cash items). The proposed capital expenditure program is \$31.69 million excluding carry forward works.

Adjusting for reserve funds and accrual funding movements results in a budget that generates a healthy, but financially responsible surplus. This will result in an operating surplus ratio for 2015/16 that meets industry benchmarks.

There are proposed City borrowings of \$5.0 million for this year with these funds forming a part of the proposed funding model for the \$18.5 million Manning Community Hub.

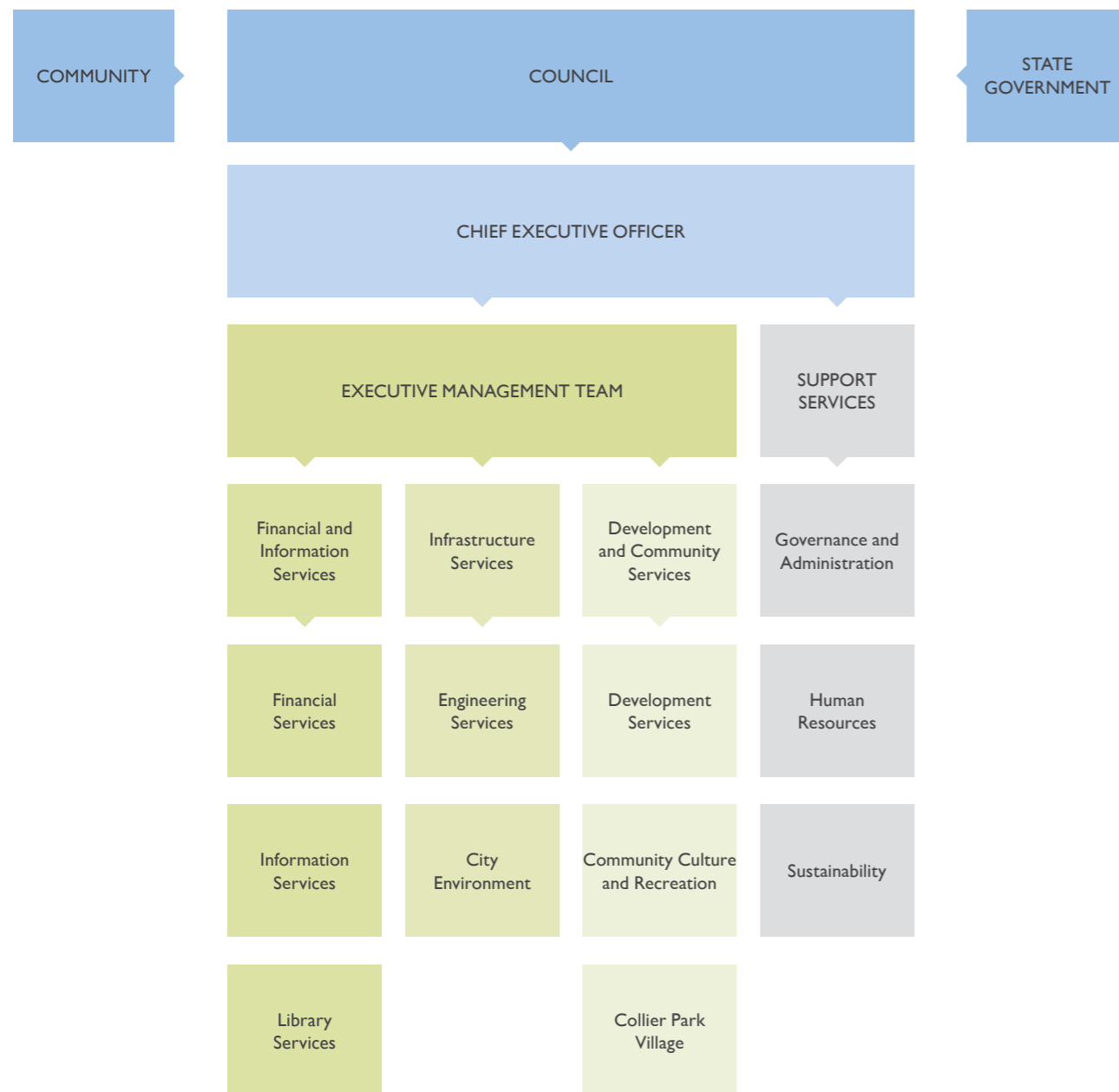
The 2015/16 Annual Budget reflects and respects the financial parameters and forward planning estimates contained in the City's 10 year Long Term Financial Plan.

The City will see itself in a strong financial position at the conclusion of the 2015/16 year - a sign that continues to augur well for our financial future.

Michael Kent  
Chief Financial Officer



# OUR STRUCTURE



## 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 140 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 agency 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 organisation 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 of Sandgate St and South Tce 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 public Agenda Briefing a week prior to the Council Meeting, allowing Councillors to hear deputations from the public and ask questions of staff. The final Council Agenda is made available on the Friday before each Council Meeting.

## Council elections

The next Council election will take place on 17 October 2015.





# OUR COUNCIL

# OUR 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 in local areas; exploring options for economic development; promoting arts, culture and heritage; volunteering with non-profit organisations; and mentoring young leaders

### Mayor Doherty

T (08) 9474 0720

M 0411 681 049

E [mayordoherty@southperth.wa.gov.au](mailto:mayordoherty@southperth.wa.gov.au)

### *Qualifications*

Bachelor of Education and Member of the Australian Institute of Company Directors

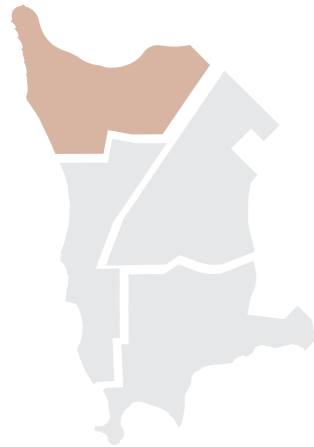
### *Current term*

2011 – 2015 (4 years).



# OUR COUNCILLORS

## MILL POINT WARD



**Councillor Michael Huston**

*History at the City*

Elected Councillor in 2013; owns a construction, landscaping and investment business operated from premises in South Perth and Bibra Lake

*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

*Qualifications*

Bachelor of Agricultural Science

*Current term*

2013 – 2015 (2 years).



**Councillor Cheryle Irons**

*History at the City*

Elected Councillor in 2013

*Background*

Building business enterprises

*Interests*

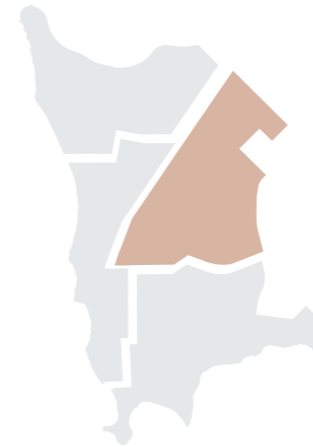
Working with the community to preserve local lifestyle and character

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

*Current term*

2013 – 2017 (4 years).

## MORESBY WARD



**Councillor Fiona Reid**

*History at the City*

First elected Councillor in 2011 and life-long resident

*Background*

Not for profit senior manager; and counsellor and family therapist

*Interests*

Not for profit; community health; capacity building; and environmental issues

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

*Qualifications*

Masters Social Sciences and Australian Institute of Company Directors graduate

*Current term*

2013 – 2017 (4 years).



**Councillor Kevin Trent OAM RFD JP**

*History at the City*

Re-elected in 2013; 39-year resident; and served as Councillor from 1980 to 1999 and 2002 to 2013

*Background*

42 years' service with Main Roads in Western Australia

*Interests*

Services for veterans, river protection and learning

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

*Qualifications*

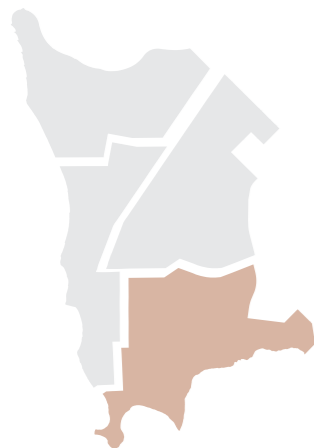
Bachelor of Arts and Bachelor of Commerce; Justice of the Peace; Medal of the Order of Australia; and Reserve Force Decoration

*Current term*

2013 – 2015 (2 years).



## MANNING WARD



**Councillor Colin Cala**

*History at the City*  
Councillor since 1995 and former Deputy Mayor; 27-year resident

*Background*  
Architect

*Interests*  
Shaping building and planning policy

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

*Qualifications*  
Curtin Registered Architect of Western Australia and Member of the Royal Australian Institute of Architects

*Current term*  
2013 – 2015 (2 years).



**Councillor Sharron Hawkins Zeeb**

*History at the City*  
Elected Councillor in 2011

*Background*  
International lecturer in business, management and marketing; owner of training and consulting firm hawkinsenterprises.org; community engagement consultant; communications; occupational health and safety, performance and human resource management; change management; team management systems profiling; Neuro-Linguistic processing coach; 360 degree leadership coach; and negotiation and sales training

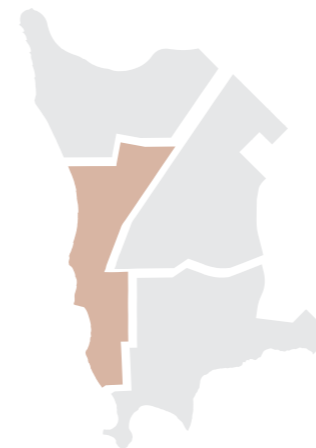
*Interests*  
Supporting community groups, businesses and schools; advocating for residents rights, public safety and consultation; emergency management; good governance; and volunteering for not for profit boards

Cr Hawkins Zeeb  
T (08) 6162 0438  
M 0451 461 703  
E crhawkinszeeb@southperth.wa.gov.au

*Qualifications*  
Masters of Business Administration; Diploma in Local Government; International Association for Public Participation Australasia certification in public participation; Team Management Systems certified; Company Directors' graduate; CAN Western Australia Community Engagement and Cultural Planner; accredited LEADR Association of Dispute Resolvers' Mediator; and Bachelor of Business

*Current term*  
2013 – 2017 (4 years).

## COMO WARD



**Councillor Glenn Cridland**

*History at the City*  
Elected Councillor in 2009 and current Deputy Mayor, and resident since 1999

*Background*  
Barrister in Western Australia; practising in environmental, administrative, commercial and criminal law; and admitted to practice law in Queensland, Victoria and Western Australia, and the High Court

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

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

*Qualifications*  
Bachelor of Laws; Bachelor of Arts; Post Graduate Diploma in Laws; Master of Laws; Post Graduate Diploma in Aquaculture; Masters in Aquaculture; accredited LEADR Association of Dispute Resolvers' Mediator; Law of War; and Law of Sea

*Current term*  
2013 – 2017 (4 years).



**Councillor Veronica Lawrance**

*History at the City*  
First elected Councillor in 2009; first became resident in 1985

*Background*  
Public relations, marketing and communications consultant; and Curtin University sessional academic teaching public relations and communication in business

*Interests*  
Volunteering and motivational issues in the non-profit sector; community engagement; strategic planning and stakeholder engagement; and Advocare Inc Board member

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

*Qualifications*  
Justice of the Peace; Bachelor of Arts; Member of the Public Relations Institute of Australia; Member of the Australian Institute of Company Directors; Master of Philosophy; and Justice of the Peace

*Current term*  
2013 – 2015 (2 years).



# COMMITTEES

## COUNCIL MEETINGS

### Councillor meeting attendance in 2014/15

In 2014/15, 11 Ordinary Council Meetings, seven Special Council Meetings, two Special Electors' Meetings, two CEO Evaluation Committee Meetings, three CEO Recruitment Committee Meetings, two Audit and Governance Committee Meetings and one General Electors' Meeting were held.

The Special Council Meetings were as follows:

- 8 July 2014 - To consider a report on a proposed contractual arrangement following a tender for an alternative waste treatment plant
- 14 July 2014 - To adopt the 2014/15 Budget
- 4 November 2014 - To discuss the Local Government Reform process
- 11 November 2014 - To adopt the 2013/14 Annual Report and Financial Statements

- 22 December 2014 - To consider a motion put forward by an elector for funding for community groups to campaign in the 'yes/no' poll for amalgamation
- 12 March 2015 - To discuss a confidential staff matter
- 20 May 2015 - To discuss motions carried at the 6 May 2015 Special Electors' Meeting considering recommendations from the 13 May 2015 CEO Recruitment Committee.

See the table below for details of the number of meetings attended by each Councillor during the year.

### Meeting Attendance | July 2014 - 30 June 2015

	ORDINARY COUNCIL MEETINGS (11)	SPECIAL COUNCIL MEETING (CR AS ELECTORS) (7)	SPECIAL ELECTORS' MEETING (2)	GENERAL ELECTORS' MEETING (1)	CEO EVALUATION COMMITTEE MEETING (2)	AUDIT AND GOVERNANCE COMMITTEE MEETING (2)	CEO RECRUITMENT COMMITTEE MEETING (3)
Mayor Doherty	10	7	2	1	1	2	3
Cr Cridland	10	6	0	1	1	0	1
Cr Lawrance	8	6	2	0	0	Not a Member	Not a Member
Cr Hawkins-Zeeb	10	7	2	1	1	1	2
Cr Cala	11	4	2	1	2	2	3
Cr Irons	8	4	1	1	1	2	1
Cr Huston	11	7	2	0	2	2	3
Cr Reid	8	7	1	1	2	2	3
Cr Trent	11	7	2	0	2	2	3

### Audit and Governance Committee

#### Chair

Councillor Glenn Cridland

#### Deputy Chair

Councillor Sharon Hawkins-Zeeb

#### 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

### Chief Executive Officer (CEO) Evaluation Committee

#### Chair

Councillor Fiona Reid

#### Deputy Chair

Councillor Kevin Trent

#### Responsibilities

- Performance area reviews and recommendations
- Quarterly review period timelines
- Achievement of Performance Focus Areas timelines
- First quarterly Evaluation Committee meetings

- 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

### CEO Recruitment Committee

#### Chair

Councillor Michael Huston

#### Deputy Chair

Councillor Kevin Trent

#### Responsibilities

- Engage recruitment consultant
- Assist in new CEO selection process
- Appoint new CEO

#### Members

- Mayor Sue Doherty
- Councillor Fiona Reid
- Councillor Glenn Cridland
- Councillor Sharron Hawkins-Zeeb
- 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

Delegate: Councillors Colin Cala and Kevin Trent

Deputy delegates: Councillors Sharron Hawkins-Zeeb and Fiona Reid

#### West Australian Local Government Association State Council

Delegate: Councillor Fiona Reid

#### South East Metropolitan Zone

Delegates: Councillors Fiona Reid and Sharron Hawkins-Zeeb

Deputy delegates: Mayor Sue Doherty and Councillor Colin Cala

#### Perth Airports Municipalities Group

Delegate: Councillor Cheryle Irons

Deputy delegate: Councillor Kevin Trent

#### Two Rivers Catchment Group

Delegate: Councillor Michael Huston

Deputy delegate: Councillor Fiona Reid

#### South East Regional Centre for Urban Landcare

Delegate: Councillor Sharron Hawkins-Zeeb

Deputy delegate: Councillor Cheryle Irons

#### Local Emergency Management Committee

Delegate: Councillor Veronica Lawrance

Deputy delegate: Councillor Kevin Trent

#### Development Assessment Panel

Delegate: Councillors Colin Cala and Glenn Cridland

Deputy delegates: Councillors Sharron Hawkins-Zeeb and Kevin Trent





# OUR EXECUTIVE MANAGEMENT TEAM

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  
Concludes with City on 31 July 2015

#### 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.



## Director Infrastructure Services

### Mark Taylor

Commenced position in 2015

#### 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
- Local Government Managers Association board member
- Australian Institute Company Directors Graduate.



## 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 in Business Administration
- Bachelor of Commerce
- Diploma in Business Administration
- Certified Practising Accountant
- Local Government Managers Australia Member.





### 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, bullying and harassment and has implemented preventative measures including awareness and induction training for new employees.

### Work/life balance

The City recognises that balancing work and personal commitments is important for our staff. We provide 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 generous paid maternity leave and study assistance schemes.

### Training

To improve workplace practices and develop skills, the City provided employees with a wide range of training opportunities in 2014/15, such as:

- Diploma of Project Management
- Diploma of Management
- Traffic management
- Change management
- Equal employment opportunity
- Disability access and inclusion
- Fire warden
- First aid
- Technology applications
- Front end loader
- HP TRIM record management
- Managing employees and workplace conflict
- Manual handling
- Microsoft Office Suite 2010
- New supervisor
- Performing under pressure
- Telephone courtesy and etiquette
- Workers compensation and injury management.

Throughout the year, a number of employees also attended various workshops and conferences to keep abreast of legislative changes and increase their specialist knowledge.

The City provided 2951 specialised training hours during the year for 166 staff members across individual and group programs. These training programs were identified during annual performance reviews and support the City's ongoing commitment to providing a safe place to work, high customer service standards and legislative framework compliance.

Eleven employees participated in the Diploma of Management Course, which offers training for management skills and how to review management practices. Furthermore, seven employees participated in the Diploma of Project Management Course, to further develop project management skills and knowledge.

### Conditions of employment

During the year, the City continued to uphold the Inside and Outside Workforce Enterprise Agreements 2013-2016. This ensured the City remained competitive and attractive within the Western Australian employment market.

### Health and wellbeing

As part of the City's health and wellbeing program, 34 employees participated in health risk assessments, 68 underwent skin cancer screenings and 76 received flu vaccinations from March to April 2015. The Employee Assistance Program, in partnership with Optum, also offered all staff and members of their immediate family four free online, telephone or face-to-face counselling sessions.

### Our Occupational Safety and Health (OSH) Vision

Our vision is to 'achieve best practice in Occupational Safety and Health (OSH) through building a safety culture dedicated to minimising risk and preventing injuries and ill health to employees, contractors and the general public'. 2014/15 saw the City continue working to ensure all parties operated in a safe and healthy environment. The City worked towards achieving Gold Status for its OSH achievements by Local Government Insurance Services in 2016.

### Central Safety Committee

The Central Safety Committee met bi-monthly to review the City's OSH performance and to discuss issues and initiatives. Safety representatives, who play an important role on the Committee, also met bi-monthly to discuss operational and 'hands on' safety measures and controls, such as workplace inspections and hazard reporting. This allowed safety representatives to network and provide input and recommendations to the Central Safety Committee.

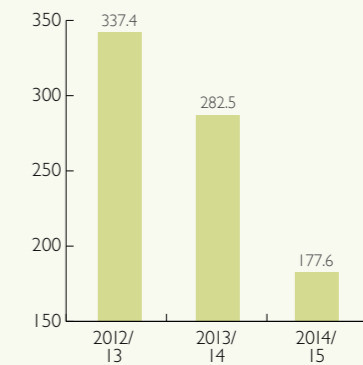
### Lead Indicators

The City continued to monitor its lead indicators, measuring proactive actions taken to improve OSH. One such measure is the number of OSH workplace inspections completed each month. A new schedule of workplace inspections was implemented to maximise the inspections that were carried out and focus on high-risk areas. 145 inspections were undertaken in 2014/15, offering advice and rectifying all issues.

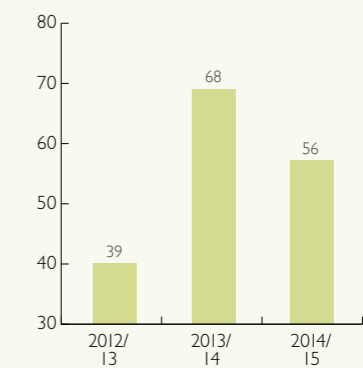
### Lag Indicators

The City continued to monitor injury and Workers' Compensation statistics, to measure our safety performance. While 2014/15 saw a similar number of injuries and lost time injuries as 2013/14 and 2012/13, there was a significant decrease from the previous two financial years when it came to hours and days lost to injury (including Workers' Compensation). This can be attributed to the nature of the injuries and a decrease in the complexity of the claims.

Days lost to injury



Incidents







# OUR WORKFORCE

## Our workforce

During 2014/15, staff numbers decreased by about seven per cent as a consequence of the City closing the Aged Care Hostel at Collier Park Village. This also reflects the 50 per cent drop in the number of temporary employees. The City had been using a significant number of temporary staff at the hostel in preference to permanent staff appointments, to assist with a smoother transition towards closure of the facility.

Excluding the changes relating to the hostel closure, the City's staff base remained similar to the previous year's figures, with 214.2 full time equivalent staff (FTE).

During the year, the ratio of occupied positions relative to the total number of FTE returned to its historical level of around 90 per cent, up from 80 per cent the previous year.

Within our workforce, there was a male to female ratio of 53 per cent to 47 per cent, representing a 1.5 per cent increase in female representation in the City's workforce.

The leadership team was made up of a 65 per cent male to 35 per cent female membership.

There was significant female representation in part-time roles, considered to be largely attributable to the City's family-friendly working arrangements. This was particularly evident in areas such as customer focus, libraries and community services. Importantly, these initiatives allow the City to access an under-utilised section of the potential workforce, assisting women with children to balance family responsibilities with work opportunities.

Analysis of the City's permanent workforce reveals 18.1 per cent of the workforce was under 29 years of age, 45.9 per cent were between 30 and 49 years, 23.6 were between 50 and 59 years of age, and 12.2 per cent were in excess of 60 years of age.

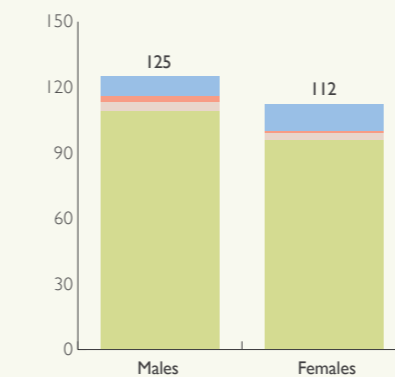
This data highlights the importance of capturing the corporate knowledge held by a number of long-serving employees who may choose to leave the workforce in the short term. Transition to retirement and succession planning are identified as important considerations for the City in its future workforce planning, to be undertaken as part of the Integrated Planning and Reporting Framework.

DURING THE PAST 15 YEARS, THE NUMBER OF FEMALE EMPLOYEES AT THE CITY HAS INCREASED BY NEARLY 30 PER CENT FROM 89 TO 115, WITH MALE EMPLOYEE NUMBERS REMAINING STEADY FROM BETWEEN 120 TO 140. THE COUNCIL INCLUDES FOUR MALE COUNCILLORS, AS WELL AS FIVE FEMALE COUNCILLORS – A 10 PER CENT INCREASE SINCE 2000.

## Workforce Composition - over the last three years

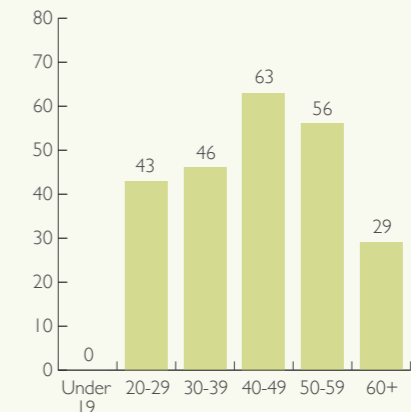
MALES	2012/13	2013/14	2014/15
<b>Total</b>	<b>137</b>	<b>122</b>	<b>125</b>
Full Time	110	115	110
Part Time	5	4	6
Casual	22	3	9
FEMALES	2012/13	2013/14	2014/15
<b>Total</b>	<b>133</b>	<b>102</b>	<b>112</b>
Full Time	67	67	67
Part Time	45	31	33
Casual	21	4	12
TOTAL POSITIONS	2012/13	2013/14	2014/15
Occupied Positions	270	224	237
Temporary Staff / Vacant Positions	37	57	28
<b>Total Staff Headcount</b>	<b>307</b>	<b>281</b>	<b>265</b>
FTE (Equivalent full time employees – including casual and temporary staff)	229.2	231.2	214.2

## Workforce Composition 2014/15 - Position



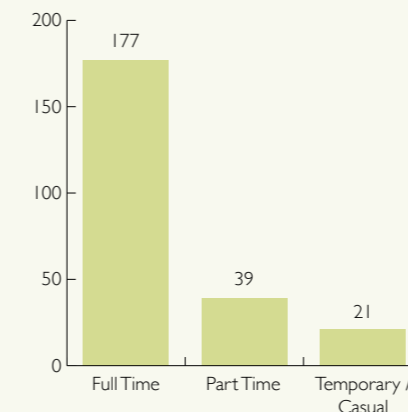
■ CEO / Executive Management Team 4  
■ Operational Management 7  
■ Operational, Administration & Field staff 205  
■ Casual staff 21  
 Total Staff Headcount 265\*

## Workforce Composition 2014/15 - Age



Total Staff Headcount 265\*

## Workforce Composition 2014/15 - Work Status



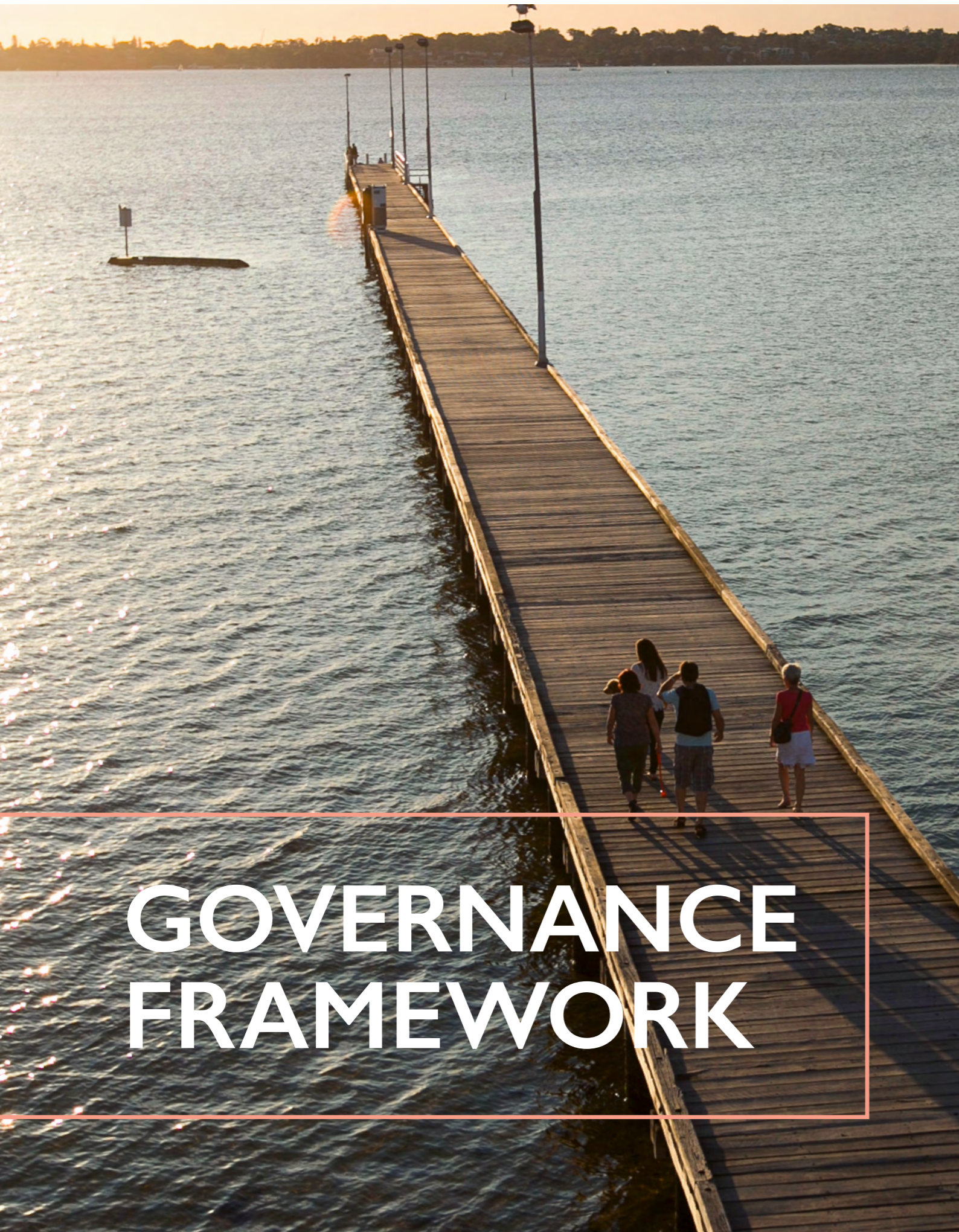
Total Staff Headcount 265\*

## Workforce Composition 2014/15 - Salaries in excess of \$100,000

Salary Band	NUMBER	BAND
\$100,000 - \$110,000	4	1
\$110,000 - \$120,000	1	2
\$120,000 - \$130,000	3	3
\$130,000 - \$140,000	0	4
\$140,000 - \$150,000	0	5
\$150,000 - \$160,000	0	6
\$160,000 - \$170,000	0	7
\$170,000 - \$180,000	2	8
\$180,000 - \$190,000	1	9
\$190,000 - \$200,000	0	10
\$200,000 - \$210,000	0	11
\$210,000 - \$220,000	0	12
\$220,000 - \$230,000	0	13
\$230,000 - \$240,000	1	14
\$240,000 - \$250,000	0	15

\*Including 28 Temporary Staff / Vacant Positions





# GOVERNANCE FRAMEWORK

## Our governance framework

The City has a comprehensive and integrated Corporate Governance Framework that helps us operate 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. The City has committed itself to best practice through engaging the Australian Business Excellence Framework and promoting continuous improvement for staff and other participants. This framework extends these principles to ensure 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. This is further outlined in Council Policy P691 'Australian Business Excellence Framework'.

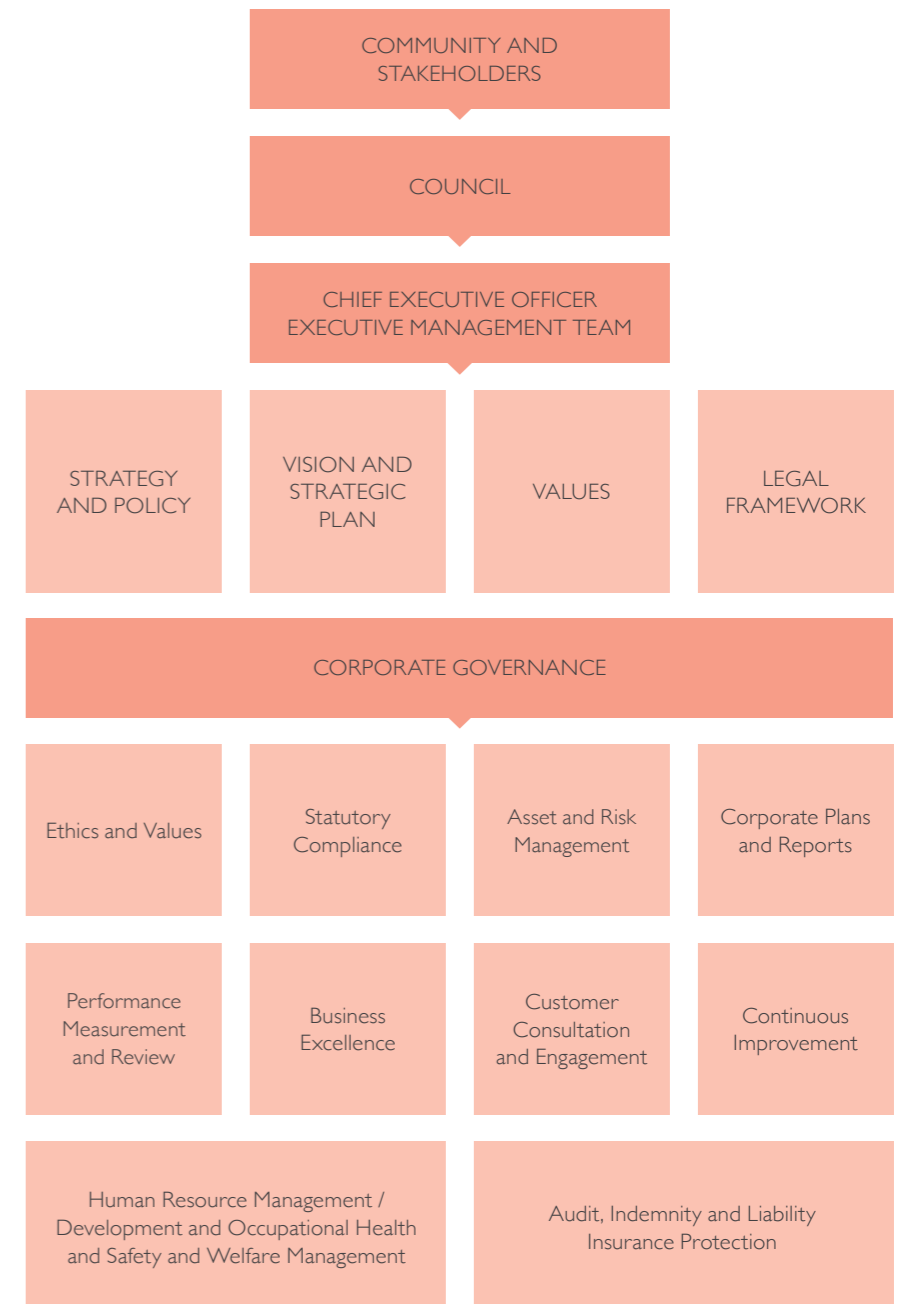
## Statutory compliance

All Western Australian Local Government organisations are required to complete an annual Statutory Compliance Audit Return that audits their legislative requirements, including tenders, disposal of property, elections, commercial enterprises, delegations, disclosure of interests, finance, human resources and audits.

In March 2015, the City's Audit and Governance Committee considered the 2014 Compliance Audit Return, revealing a high level of legislative and statutory compliance. There was one area of non-compliance, with one Councillor incorrectly submitting their Annual Return on 12 September 2014, rather than the required 31 August 2014 deadline.

As required by statute, the Chief Executive Officer advised the Department of Local Government and the Corruption and Crime Commission of this late submission. The City has since received advice from the Department of Local Government that it has considered the matter and no further action will be taken.

Section 5.53 of the *Local Government Act 1995* requires City to detail in its Annual Report details of any complaints of minor breaches recorded in the register of complaints where the breach involves an order requiring a public censure, public apology or specific training. There were no such complaints of minor breach recorded in the City's register of complaints for the year under review.





# INTEGRATED PLANNING AND REPORTING FRAMEWORK



In accordance with the *Local Government Act 1995* the City is required to implement an Integrated Planning and Reporting Framework. In 2014/2015, the City continued to implement this framework which closely aligns to the principles of the Australian Business Excellence Framework (ABEF). The ABEF intends to facilitate best practice and continuous improvement throughout the organisation.

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 2014-2024.

At the core of this planning framework is the Corporate Business 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.

## Financial sustainability

The City's 10 year Long Term Financial Plan plays a major role in aligning the community's aspirations, Council's desired service provision model and our financial capacity. It provides an \$800 million financial blueprint for the City's operations over the 10 year period.

The Long Term Financial Plan integrates projects and activities arising from the City's Strategic Community Plan, Asset Management Plans, Service Delivery Plans and other informing strategies. It also guides the effective management of our financial resources to ensure that proposed services can be delivered and that infrastructure renewals and community facilities can be funded as and when required.

The Plan includes detailed funding models for major new community facilities – identifying strategic land sales, grant funding opportunities and responsible use of debt to fund long-lived community assets. It also provides a balanced and sustainable funding

model into the future with all proposed initiatives being fully funded and provision made in the second half of the plan for new initiatives or projects to emerge.

During 2014/15, the City's Long Term Financial Plan was comprehensively reviewed and updated to reflect the current economic circumstances in a post-reform environment.

The revised Long Term Financial Plan substantially influenced the development of the 2015/16 Budget, which will be presented to Council for adoption in early July 2015.

Accountability for delivering against what was proposed to be delivered is effected through the disclosures contained in the 2014/15 Annual Financial Statements.

## Corporate Business Plan

The Corporate Business Plan 2013-2017 is the City's project and service delivery plan. Aligned to the Strategic Community Plan 2013-2023, it translates the strategic direction of the City to 95 specified actions and priorities at an operational level.

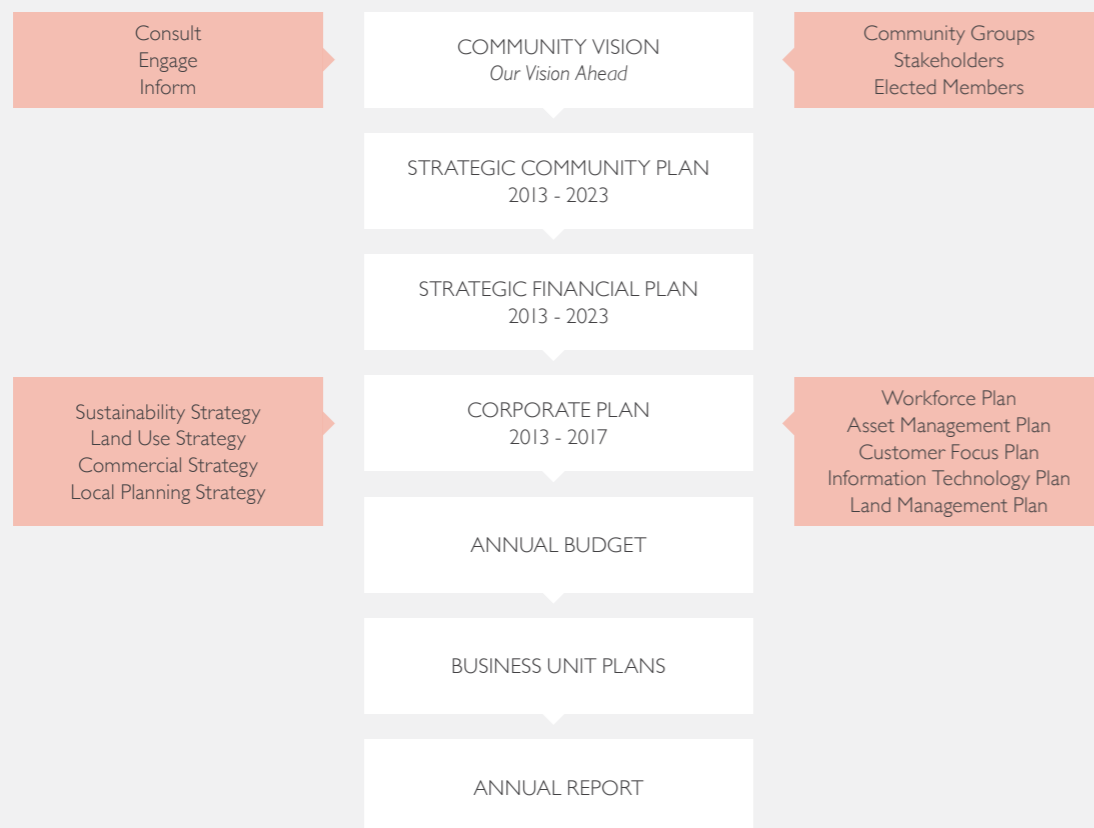
## Workforce Plan

The Workforce Plan 2013-2017 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 \$613 million in assets, which are used to deliver a variety of services and facilities to the community. The City endeavours to 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.

## Integrated Planning and Reporting Framework



THE CITY HAS IN EXCESS OF \$613 MILLION IN ASSETS, WHICH ARE USED TO DELIVER A VARIETY OF SERVICES AND FACILITIES TO THE COMMUNITY.





# OUR STRATEGIC DIRECTIONS

The Strategic Community Plan 2013-2023 outlines the City's six key strategic directions (shown below). The Corporate Business Plan 2013-2017 is aligned to the Strategic Community Plan 2013-2023, translating these strategic directions into specific actions and priorities at an operational level. The following section summarises our progress towards achieving these actions.

## 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 Community Plan 2013-2023.



# 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
✓	Animal Care Facility
✓	Manning Men's Shed
✓	Mosquito Management Plan 2014/15 activities
>	Collier Park Waste Transfer Station upgrades
↻	Facility, disability access and water saving upgrades for reserves
↻	Disability Access and Inclusion Plan initiatives
↻	Alternative Waste Treatment Facility Planning
↻	Ernest Johnson Reserve Master Plan design and consultation
↻	Aboriginal Engagement Strategy initiatives
↻	Public Open Space Strategy implementation

### Achievements

#### Looking after residents' health and wellbeing

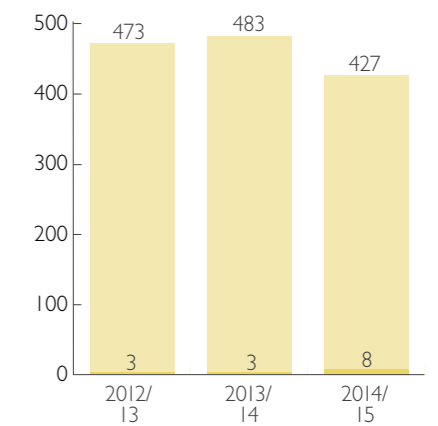
A Mosquito Management Program was carried out in Waterford during the year, to improve outdoor life for residents adjacent to wetlands. This included regular wetland inspections for larvae, residual barrier treatments of strategic bushland areas, multiple street drain treatments, spot larvicide treatments, mosquito trapping and identification and fogging treatments. The number and species of mosquitoes were monitored at six trapping sites across the foreshore from Bodkin Park to Salter Point Lagoon. The average number of mosquitoes trapped was less than the previous two seasons. Only 15 residents lodged complaints about mosquitoes in 2014/15, compared to 21 in the previous year.

To further mosquito management, the City together with the Cities of Canning, Melville and Perth, formed the Swan and Canning Rivers Contiguous Local Authorities Group to discuss shared concerns and work together to facilitate mosquito management across borders. The Group allowed the City of South Perth to apply for and receive Department of Health funding for up to 50 per cent of the cost of larvicides for annual aerial and ground activities.

A survey was also conducted to seek Waterford residents' opinions about mosquito management in their area in July 2014, with nine in 10 indicating they were satisfied with their overall quality of life, and one in two residents stating a reduction of mosquitoes in the area was key to improving their quality of life during dusk and dawn across the summer months.

Food safety inspections continued, with Officers carrying out nearly 430 inspections during the year, issuing eight 'improvement notices'.

Food Safety Inspections



■ Food safety inspections  
■ Improvement notices





## INTERESTING FACTS:

The Collier Park Waste Transfer Station received 18,107 visitations in 2014/15, nearly 4000 more than 2013/14

69 littering investigations were carried out in 2014/15, a significant decrease from the 201 investigations carried out in 2013/14

Graffiti cleanups decreased in 2014/15, with 1507 cleanups required, compared to 1789 in 2013/14

### Caring for our animals

The new state-of-the-art Animal Care Facility was officially opened by the Minister for Local Government and Communities in December 2014. The facility is also used by the Town of Victoria Park and is now capable of housing more than 60 animals, including cats, which will assist the City in enforcing the newly introduced *Cat Act*. The building includes isolation areas for infection, quarantine and assessment, while other features include an office and waiting room, new shower facilities, and a secure loading area.

### Manning Men's Shed

Three years ago, Manning Senior Citizens Board of Management recognised the potential to build a community Men's Shed on a large site in Manning. After many months of research, meetings and site visits, the City and Manning Senior Citizens Centre Board of Management submitted a joint funding application to Lotterywest to assist with construction costs for the shed.

The application was successful and funding was provided by Lotterywest, together with the City of South Perth, Manning Senior Citizens Centre, Royal Perth Golf Club, City of South Perth RSL Club, Southcare, IGA Preston Street, Rotary Club of Como, Manning Lions Club, South Perth Lions Club, local businesses and Shed Patron John McGrath MLA.

The Manning Men's Shed was officially opened in March 2015 and has proven to be a popular place for men in the South Perth Community to come together and spend their time post-retirement in a social, purposeful, secure and productive environment.

### Animal Statistics

	2012/13	2013/14	2014/15
Dog infringements	65	65	58
Dogs in pound	164	106	89
Dogs released to owner	140	84	71
Dogs re-homed	19	19	16
Dogs euthanised	5	3	2
Dog attack Investigations	43	34	42
Dog barking investigations	63	63	64
Cat infringements	0	0	1
Cats in pound	0 (did not impound Cats)	10	46
Cats released to owner	0	1	8
Cats re-homed	0	9	33
Cats euthanised	0	0	5

### Our public spaces

As part of the Public Open Space Strategy, planning and early work continued on the Manning Community Hub project, while facility, disability access and water saving upgrades were made to Bill McGrath Reserve, Isabella Reserve, Craigie Reserve and Bradshaw/Conochie Reserve.

In other progress, Bollig Design was engaged to prepare a concept design for the Ernest Johnson Reserve Master Plan, with NS Projects appointed as Project Manager in April 2015.

### An inclusive community

In order to meet the needs of people with disability, key strategies from the Disability Access and Inclusion Plan 2012-2016 were implemented. The Inclusive Communities Advisory Group and the City continued to guide the City on upgrades to its facilities and open spaces, as well as customer service and public events. A wheelchair access upgrade began on the viewing platform at Sir James Mitchell Park, while a series of speakers gave presentations highlighting 'invisible disabilities' during Disability Awareness Week in December 2014. New staff induction packs continued to provide relevant policy and management practices, and recreation staff received Western Australian Disabled Sports Association training. The City's website continued to promote and facilitate disability access and inclusion feedback and complaints, while a team began advocacy work with Australia Post to improve disability access to the Post Office on Angelo Street, South Perth.

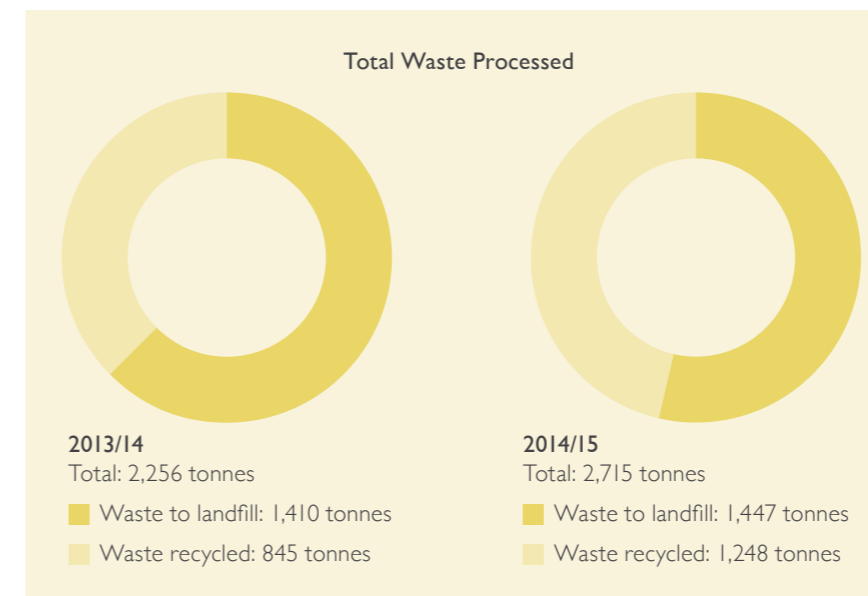
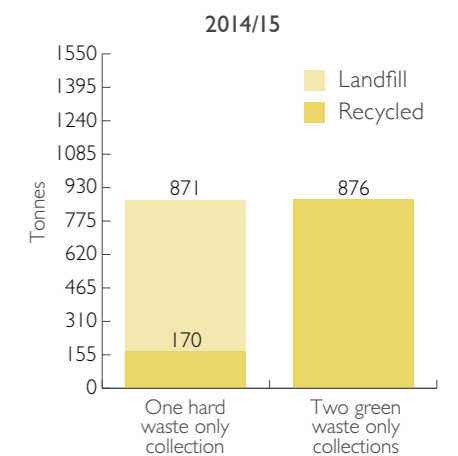
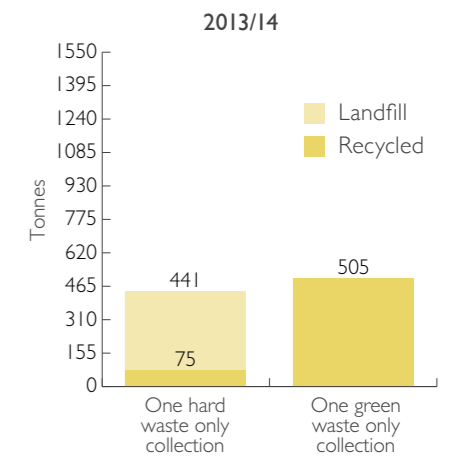
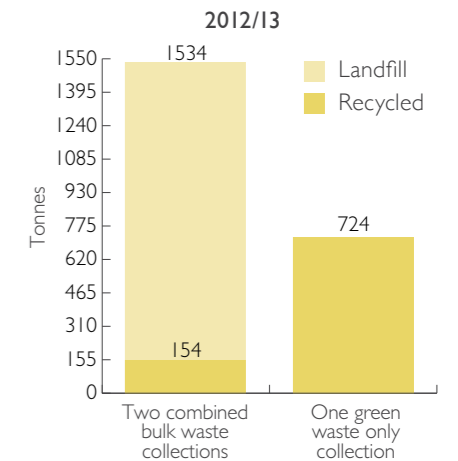
As part of the Aboriginal Engagement Strategy, the Aboriginal Reference Group continued to meet bi-monthly, to build better relations between Aboriginal and Torres Strait Islander and non-Aboriginal people, and support the advancement of Aboriginal and Torres Strait Islander residents. To coincide with the annual National Aboriginal and Islander Day Observance Committee (NAIDOC) Week, a Flag Raising Ceremony was held, along with children's arts and craft activities.

### Our Approach to Regional Waste Management

The City is a founding member of the Rivers Regional Council, formed with the primary Waste Management Strategy of developing and managing an Alternative Waste Treatment Facility.

Throughout 2014/15, the City continued to be an active participant in developing tender documentation to construct and operate a new Alternative Waste Treatment Facility. This Facility will have the Rivers Regional Council members as its primary customers, and will aim to convert approximately 90 percent of its waste to viable energy products such as electricity. The tender process is scheduled to be finalised by December 2015.

The Collier Park Waste Transfer Station Review resulted in improvements to the Transfer Station. Three new bin bays for recyclables, a storage area for drop offs and reuse, and a sorting area for reuse materials were built, while upgrades to the main gate and fence commenced. A 'mandalay' refuse monitoring system was also installed, which enables more accurate tracking of different materials through the Transfer Station. Since its installation, entries recorded are higher than any previous year. The year also saw the Transfer Station take 'separate load' recyclable products such as metals, white goods, cardboard, paper and E-waste for free from City residents, as well as those from the Town of Victoria Park.







**Facilitate and foster a safe environment for our community**

**STATUS INITIATIVES**

-  Development of Community Safety and Crime Prevention Plan 2015-2018
-  Karawara Public Open Space Masterplan and Collaborative Action Plan lighting upgrades
-  Community Safety seminars and education initiatives
-  Review and implement Local Emergency Management Plan

**Achievements**

**Boosting community safety**

The Council adopted the Community Safety and Crime Prevention Plan 2015-2018 in April 2015. This plan was developed in partnership with the City, Kensington Police, state government agencies and our community. It identifies community safety and crime prevention priorities for the City, along with corresponding strategies, actions, implementation and evaluation processes. The plan is underpinned by a community development approach and seeks to build social cohesion and community connections. In addition, place making principles are utilised to instil community ownership and participation in public places, leading to increased activity and an increased feeling of safety.

Under the Karawara Public Open Space Masterplan and Collaborative Action Plan, the City started pathway lighting upgrades between the Gowrie Early Childhood Care and Education Centre at Lowan Loop and the nearby central playground, as well as development of a shared use zone along Walanna Drive.

The first It's Your Place Program project was launched in May 2015, supporting the Gowrie Community Centre in Karawara to introduce a mobile playgroup program.

The It's Your Place Program encourages community-led projects in the City's public places. The 2014/15 project involved the acquisition of children's play equipment that could be easily transported to different public park locations. The aim of the project is to set up a regular schedule of pop-up playgroups for local families.

The Streets Alive Program also continued, with six residents hosting gatherings with their neighbours across the City during the summer. Events included a Christmas party, busy bee, lunch and games day, sports day, morning tea and a barbecue.

The City continued its community safety seminars, in conjunction with the City of Canning, Town of Victoria Park, City of Gosnells and City of Melville – hosting workshops titled 'Who You Gonna Call?' in June 2015. Community safety seminars were also held on the topics of home security and women's personal safety in 2014, attracting approximately 50 people.

The Neighbourhood Watch program continued to offer talks relating to general community safety, with the committee holding six meetings and attending the Neighbourhood Watch State Conference in March 2015.

A safety information stall was held at the Waterford Plaza Christmas event in November 2014, while bi-monthly café coffee mornings also took place. The Neighbourhood Watch Program also produced its bi-monthly newsletter within the City's Peninsula newsletter.

The City continued its partnership with Neighbourhood Watch and Kensington Police, publishing the monthly eWatch newsletter, with 300 subscribers, highlighting local community safety events and promoting crime prevention strategies.

In June 2015, a special Community Safety and Crime Prevention Group meeting established a community action group to deliver community safety improvements in Karawara, in response to crime and antisocial behaviour at a local park. Meetings were held with various stakeholders including Kensington Police, Waterford Plaza and the Gowrie Community Centre to identify the issues and develop a coordinated response. A voluntary group was formed and a number of community-building events have occurred in the location, in partnership with the Gowrie Community Centre.

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

**STATUS INITIATIVES**

-  Australia Day 2015 event
-  Fiesta 2015 events
-  Provide a range of community, cultural and civic events
-  Supporting and recognising community and volunteer groups and sporting clubs
-  May and Herbert Gibbs art collection condition report and maintenance
-  Plan for the new Manning Library
-  High-quality library services and programs
-  Collier Park Golf Course Review Plan

**Achievements**

**A focus on art**

The City's 2014 Emerging Artist Award received 177 entries, with 80 submissions selected for exhibition. The \$4000 Acquisitive Award was presented to Matthew McAlpine for his 'The Dark Heart of the Land' acrylic and pigment on board piece, while six other artists took out the seven other categories.

In 2014, support program 'Evolve' was added to the Emerging Artist program. The program delivered a series of workshops and seminars tailored to help emerging artists, including the 'Brilliant Acrylics' workshop in November 2014, which taught attendees how to experiment with different techniques of blending colours and shapes on canvas. The 'Your Art and Your Rights' workshop by Delwyn Everard from the Arts Law Centre of Australia was also held in October 2014, instructing how to own your copyright as a professional artist and use the online space to your advantage. The same month saw the 'Maximise Your Pitch' event with West Australian curator, artist and writer, Louise Morrison, offering tips for CVs, artist statements and image portfolios.

The City undertook a condition report of the May and Herbert Gibbs collection, finding most pieces in good condition.

**Safe and well attended events**

The City's two flagship events, Australia Day and Fiesta, were successfully held. The January 2015 Australia Day celebration attracted more than 60,000 people to the City's alcohol-free 120,000 square metre Celebration Zone on Sir James Mitchell Park. The City increased the availability of accessible grass tracks and doubled the number of buses for the free shuttle service from the George Burnett Leisure Centre to the Celebration Zone, with more than 5000 people using this service.

Fiesta celebrated its 21-year anniversary, attracting a record 60,000 attendees. A total of 24 events, workshops and activities were held from 7 to 21 March, with support totalling \$66,000 in cash, and in-kind funding and sponsorship. Seven citizenship ceremonies were held, attended by 1094 people, with 407 City residents naturalised.

Other events included Morning Melodies concerts, 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 service ANZAC Day service and NAIDOC Week flag raising ceremonies and family fun day.





### Giving back to the community

As part of our Corporate Social Responsibility Program, the City supplied 20 iPads to its senior citizens centres and libraries for residents to use. The City helped both senior citizens centres hold classes, teaching its more elderly residents how to use iPads.

The Program also saw the City install videoconferencing facilities in South Perth Library's Function Room in May 2015. This new service increases community engagement, enabling City Officers and community groups to meet with other people who may not have the opportunity or capability to visit in person. It also increases efficiency by eliminating the need for additional cost and travel. Additionally, staff and residents have the opportunity to increase their skill level as they are trained and become familiar with operating the new videoconferencing equipment.

### Sport and recreation management

The 2015 Clubs Conference provided 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 \$29,000 was distributed to assist 151 local children with their sport and recreation fees.

As part of the Collier Park Golf Course Review Plan, a consultant was engaged to review all aspects of the course operations to provide a summary report. This report will guide future infrastructure improvements and increase the financial viability of the course.

### Cultural and educational services

High quality services and programs were provided through the South Perth and Manning Libraries. The libraries offered five programs delivered across 125 events for adults in 2014/15, attracting 1201 attendees. For children, 246 activities were held for 10,249 attendees. While new memberships reduced by 14 per cent to around 2600, visitations to South Perth Library increased by 47 per cent from 229,780 to 338,752, with visitations to Manning Library remaining steady.

The borrowing of items at both Libraries dropped by around 10 per cent, however, there was a shift to the Libraries' eResources online programs, which were accessed 28,627 times – including 6017 for Zinio and 10,661 for OverDrive ebooks. This marked a 59 per cent increase from 2013/14. The new libraries' website was launched in October 2014 and received over 85,000 page visits during 2014/15.

Planning for the new state of the art Manning Library commenced as part of the Manning Community Hub development.

## INTERESTING FACTS:

10 sporting clubs regularly used the City's 12 main reserves in 2014/15, for a total of 14,410 hours (six per cent increase from 2013/14)

29 sporting clubs operated in the City in 2014/15, compared to 14 in 2013/14

Your Libraries	2012/13	2013/14	2014/15
Visitors to South Perth Library	255,340	229,780	338,752
Visitors to Manning Library	64,428	52,292	52,555
Items borrowed at South Perth Library	213,982	208,166	188,216
Items borrowed at Manning Library	88,212	78,873	68,916
New members at South Perth Library	2561	2348	2033
New members at Manning Library	681	730	609

eResources – Total Loans/Usage	2013/2014	2014/2015
OverDrive ebooks	5881	10,661
Axis 360 – started June 2015	N/A	70
OverDrive eaudio	246	273
BorrowBox – started May 2015	N/A	190
Zinio	7017	6017
Thecomputerschool	1731	3145
Transparent Language Online - number of sessions	227	230
Good Reading Magazine – page views	2317	2097
Choice Online - number of individual sessions	320	175
IELTS since June 2014 - number of sessions	83	307
The West Australian archive	41	38
World Book Online	5400	5280
IndieFlix	47	144

Encourage the community to embrace sustainable and healthy lifestyles

#### STATUS INITIATIVES

- Contribute to Regional Waste Management Strategy
- ✕ Sustainable Living Strategy

#### Achievements

##### Sustainability Awareness Campaign

Sustainability guidance continued to be given to the community through the City's bi-monthly Peninsula newsletter and fortnightly Peninsula Snapshot advertisement. This included advice on how to live and work in ways that meet and integrate existing environmental, economic and social needs, without compromising future generations.





AS PART OF THE BIKE PLAN 2011-2016, CITY OFFICERS ATTENDED LOCAL BICYCLE USERS GROUP MEETINGS TO ENSURE PROGRAMS AND MINOR WORKS MET EXPECTATIONS.

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

STATUS INITIATIVES



Program of community consultation initiatives



Community access and participation in decision making process



Variety of external communication channels

Achievements

Stakeholder engagement initiatives

2014/15 was a busy year for stakeholder engagement in the City. One of the largest consultation efforts involved the Canning Highway #ShapeOurPlace project. To manage high density development along Canning Highway and the adjacent low density residential areas, the first phase of stakeholder and community consultation involved a Facebook conversation, community workshop and email submissions between March and April 2015.

The aim of this consultation was to understand what elements of buildings the community liked and did not like, and where they wished to see certain types of development within the study area.

A summary of feedback provided is below.

People liked:

- Large setbacks (the distance between the building and the lot boundary)
- Vegetation, landscaping and greenery
- New and modern building styles
- Large balconies and eaves
- Varied facades, different textures and sustainable design of the building.

People did not like:

- Garages that dominate the street frontage
- Developments that were too bulky for the street or too large for the block
- A lack of car parking
- A lack of privacy in buildings
- Buildings over six storeys high.

People wanted these changes:

- Greater heights on Canning Highway, particularly at key intersections
- Character areas, particularly in Kensington
- Areas of single houses and grouped dwellings behind Canning Highway
- A green buffer adjacent to Campbell Street along Canning Highway
- A heritage protection area to preserve character homes.

The first phase of community consultation ended on 28 March 2015 with a successful community workshop held at the South Perth Community Hall. Approximately 100 residents attended the workshop and contributed their ideas. This information has been analysed and will be incorporated into the second 'modelling' phase of the Project.

Developing our public spaces

Extensive community engagement was required to complete the South Perth Foreshore Strategy and Management Plan. This commenced with "Start the Conversation". 377 comments were received from face to face information sessions and on site. This informed the first stage of the plan called "My Foreshore Our Future". A feedback survey was created for on-line and paper response and a postcard was prepared and mailed to every City resident and ratepayer advising them of the process.

2,632 people visited the dedicated page on the City's website during the feedback period. 978 people provided feedback either by completed on-line survey forms or formal submissions.

This highly successful engagement was used to guide the completion and provide Council with confidence to adopt the SPF Plan.

The success of this engagement was recognised at the 2015 Parks and Leisure Australia (WA) Awards of Excellence, with the City winning the Award for Leisure and/or Open Space Planning for the South Perth Foreshore Strategy and Management Plan (SPF Plan). The award recognises well planned open space or leisure facilities by rewarding outstanding examples of strategic planning that enrich and revitalise communities.

Extensive community and stakeholder consultation was also undertaken to help shape the Ernest Johnson Reserve Master Plan. This included engaging with all stakeholders who use the various facilities on the reserve to ensure their needs were being met.

As part of the Karawara Public Open Space Masterplan and Collaborative Action Plan, residents close to the Yallabee Place and Koolunda Court were consulted about whether the nearby Pedestrian Access Way should be closed due to safety concerns. City residents were also asked for their input to help select the material palette in the park area adjacent to the Gowrie Centre.

Managing our lifestyle and safety

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

The City commenced the development of a City-wide Parking Strategy along with a Local Area Traffic Management Study for the suburb of Kensington. Initial stages for both projects included wide spread public consultation that comprised of a series of community workshops, on-line and posted surveys, wide spread media coverage and one-on-one engagement with interested stakeholders as requested. Both of these strategic projects are due for completion next financial year and will ultimately assist in populating the five year capital works program with appropriate projects.

Local consultation was also undertaken prior to the construction of traffic management devices on McDonald Street between the intersections with South Terrace and the Preston Street roundabout. The works consisted of the installation of a number of raised plateaus that will effectively reduce both the speed and volume of through traffic that utilise this road section to bypass congestion on Canning Highway.

Our infrastructure

Extensive preliminary consultation was carried out for the Canning Bridge Structure Plan, with the Draft Structure Plan advertised for public submissions during October to December in 2014.

Two community information sessions were held for the Manning Community Hub in September 2014, with approximately 130 people attending. The information sessions provided the community with an opportunity to hear about the project design and ask questions from City staff and architects, Bollig Design. In March 2015, the City invited the community to be part of interactive place making sessions and an online survey, to learn how they would like the Hub's new outdoor public space area to feel, look and be used.

THE SUCCESS OF THIS ENGAGEMENT WAS RECOGNISED AT THE 2015 PARKS AND LEISURE AUSTRALIA (WA) AWARDS OF EXCELLENCE, WITH THE CITY WINNING THE AWARD FOR LEISURE AND/OR OPEN SPACE PLANNING FOR THE SOUTH PERTH FORESHORE STRATEGY AND MANAGEMENT PLAN (SPF PLAN).



ON THE MEDIA FRONT, 55 MEDIA RELEASES WERE ISSUED IN 2014/15, ALONG WITH 66 UPDATES AND 61 MEDIA RESPONSES.

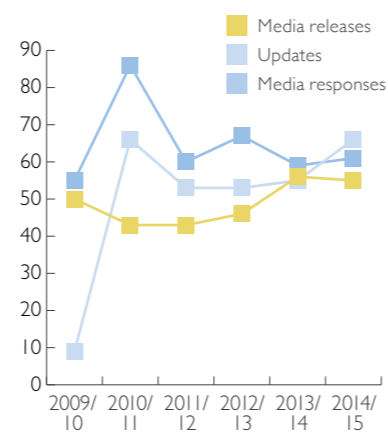
#### Marketing and promotion

The City continued its social media activation, achieving 2,598 likes on Facebook, 270 followers on Twitter (after joining in January 2015), 173 followers on Instagram, and 65 followers on LinkedIn (after joining in February 2015). The success of the Fiesta events in February 2015 also drew the most attention to the City's online channels, receiving over 500 Facebook likes that month.

A range of other communications continued including the fortnightly South Perth In Focus e-newsletter, which achieved an average 54 per cent open rate for each issue, while the industry average open rate is 19.8 per cent. The South Perth InFocus e-newsletter also achieved a 15 per cent click through rate to the City website, against an industry average of 2.4 per cent. The City continued its fortnightly Peninsula Snapshot, a one-page summary of community activities and initiatives in local newspaper, The Southern Gazette.

The bi-monthly Peninsula newsletter was distributed to 24,000 households, keeping the community informed about local activities and initiatives. A special Budget Peninsula newsletter was published, outlining funding for the year ahead. On the media front, 55 media releases were issued in 2014/15, along with 66 updates and 61 media responses.

#### Marketing and promotion numbers



#### Challenges

- Plans to close the Yallabee Place and Koolunda Court pedestrian access way were delayed, as Council did not unanimously support the move
- The Local Emergency Operational Emergency Management Plan review was deferred to 2015/16, due to the delayed release of National Emergency Risk Assessment Guidelines
- Seeking increased State Government KidSport funding to meet interest and demand
- Upgrades to Collier Park Waste Transfer Station's main gate and fencing were deferred to 2015/16, due to a lengthy design process
- The tender process for the proposed Resource Recovery Facility was delayed until 2015/16, as the contractor requested additional changes to documentation
- Keeping the project scope within budget for the Ernest Johnson Reserve Master Plan.

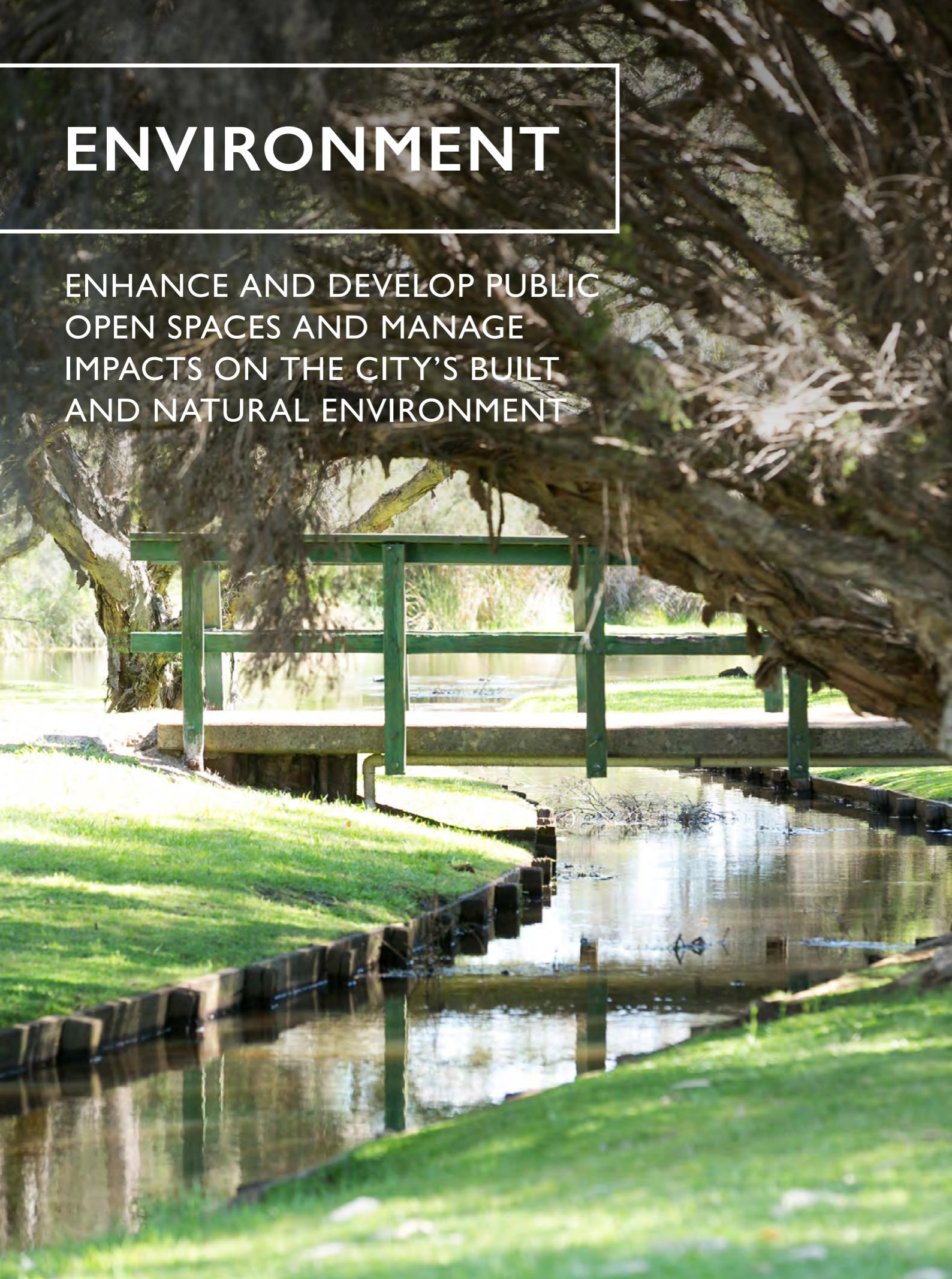
#### Actions for 2015/16:

- Investigate the number of KidSport participants that have re-joined a club with or without KidSport funding by June 2016
- Secure further funding from Department of Sport and Recreation for 2016 KidSport
- Develop the 2015/16 Project Plan for the Collier Park Golf Course Review
- Finalise stage three of Walanna Drive streetscape and upgrade the Kwell Court playground and lighting for the Karawara Public Open Space Masterplan and Collaborative Action Plan
- Identify another potential Karawara pedestrian access way for closure in early 2015/2016 and commence consultation
- Begin Local Emergency Operational Emergency Management Plan Review and consultation
- Hold Community Safety and Crime Prevention Group meetings to identify actions and timelines for the Community Safety and Crime Prevention Plan
- Launch video conferencing facilities in the Council Chambers in November 2015
- Continue bi-monthly community-building events with the Gowrie Community Centre, under the Community Safety and Crime Prevention Plan
- Commence phase two of community engagement for the Canning Highway #ShapeOurPlace project
- Continue place making for the public outdoor space at the new Manning Community Hub
- Finish replacing the main gate and sections of fencing at Collier Park Waste Transfer Station
- Provide assistance to the Regional Rivers Council in reviewing the Services Agreement for the Resource Recovery Facility
- Finalise the Ernest Johnson Reserve Master Plan design; continue engagement; submit the development application to Council for approval by late 2015; and begin construction in mid 2016
- Review the 2015/16 Mosquito Management Plan in August 2015
- Review the 2012-2016 Disability Access and Inclusion Plan to develop the forthcoming Disability Access and Inclusion Plan 2017-2020
- Complete the wheelchair access upgrade on the viewing platform at Sir James Mitchell Park
- Continue Peninsula newsletter, Peninsula Snapshot, Facebook, Twitter, YouTube, Instagram, LinkedIn, South Perth In Focus e-newsletter, Budget Peninsula, and media releases, responses and updates.



# 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
✓	Green Plan works and events
✓	Annual Weed Mapping Program
✗	Street Tree Management Plan Review

### Achievements

#### Maintaining and protecting our environment

As part of the Green Plan, the Weed Mapping Program identified priority weed management areas and changes in weed distribution, density and control methods at foreshores areas across the Como Sea Scouts Precinct, Sir James Mitchell Park Melaleuca Grove, Kwinana Freeway Foreshore groynes, and the foreshores at Mount Henry and Salter Point. Chemical and non-chemical weed control in all managed natural foreshore areas and inland reserves was undertaken, with schedules for weed species identified in weed mapping reports.

Revegetation occurred at Neil McDougall Lake and Island, while environmentally significant areas along western southern and northern foreshores, Collier Park Golf Course sanctuary areas and Hogg Reserve were restored. Interpretive signage to inform the public about rules relating to flora and fauna, domestic animal control, bird feeding and water quality measures was installed at various reserves. These included Cygnia Cove foreshore and wetland reserves, Davilak Reserve, Goss Avenue Reserve, Bodkin Park, Lake Gillon, Hayman Road Reserve, Cloisters Reserve, Mount Henry Spit, McDougall Park, Salter Point Lagoon, Sandon Park Foreshore Reserve, Sir James Mitchell Park Lakes, Melaleuca Grove, Waterford Foreshore Reserve, Clontarf foreshore reserve, Sulman Slope Reserve and Doneraile Reserve. Other activities as part of the Green Plan included events such as National Tree Day, Grab a Gladdie Day, Millennium Kids and school tree planting days.

Foster and promote sustainable water and energy management practices

STATUS	INITIATIVES
✓	Drainage Infill and Upgrade Program 2014/15 activities
✓	Integrated Catchment Management Plan 2014/15 activities
✓	Water Action Plan 2014/15 activities
✓	Pollutant Traps Implementation Strategy
➔	Reticulation Replacement Program
✗	Sustainable Energy Strategy

### Achievements

#### Focus on drainage and water

As part of the Drainage Infill and Upgrade Program, works were carried out on detention tanks in Victoria Street in South Perth and the duplication drain in Sulman Avenue in Salter Point.

Under the Integrated Catchment Management Plan, the drainage basin within Doneraile Reserve underwent a transformation with \$305,000 in major works. This included the installation of a gross pollutant trap at the Doneraile Reserve outfall drain, to capture pollutants before entering the water body and revegetation of the whole basin to ensure effective nutrient stripping.

As part of implementation of the Water Action Plan, the City's libraries were provided with water conservation educational material for pre-school children, including songs on CD and hand puppets.

Two water audits were carried out on high consuming facilities, the City's Operations Centre and the Olive Street and Garden Street Park. The Park audit involved analysing historical water use and undertaking an electronic data logging investigation, as well as a visual site inspection. Based on the water audit findings, a range of immediate, ongoing and optional recommendations were developed to improve water conservation at the Park. The key recommendations were to re-program the irrigation system and reduce the run times on each station gradually while monitoring plant health. This should ensure a potential saving of 335 kilolitres per year, which is around one third of the Park's previous average annual use.

#### Re-thinking 'retic'

As part of the Reticulation Replacement Program, irrigation upgrades occurred at George Burnett Leisure Centre and Collier Reserve, and electrical cabinet upgrades to control water were made at George Burnett Park and Davilak Reserve. Two new reticulation controllers were installed at Sir James Mitchell Park, while new bore and pumps were installed at South Perth Lawn Tennis Club and Davilak Reserve.

2,344 STREET AND RESERVE TREES HAVE BEEN PLANTED SINCE 2012/13, WITH 731 IN 2014/15.





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

STATUS	INITIATIVES
	Climate Change Foreshore Vulnerability Assessment and Adaptation Plans
	Climate Change Strategy implementation
	Climate Change consultant engagement

**Achievements**

**Climate change**

As part of the Climate Change Strategy 2010-2015, a first phase project brief has been drafted for the River Foreshore Vulnerability Assessment, which will examine the possible effects of global warming on rising river water levels.

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

STATUS	INITIATIVES
	Parks and Reserves 2014/15 Capital Works Program
	Remaining Parks and Reserves 2013/14 Capital Works Program
	Capital Works Program

**Achievements**

**Parks and power**

The Parks and Reserves 2014/15 Capital Works Program saw major works completed, including playground shade shelter upgrades at Jan Doo Park, Comer Reserve, Moresby Reserve and Bodkin Park, as well as additional park furniture at Windsor Park, Comer Reserve and Como Beach. The City completed its pick up of reserve trees and master-planning work commenced for the South Perth foreshore. Works also included tree planting and horticultural upgrades of garden beds at the Bill McGrath, Isabella-Craigie and Bradshaw-Conochie Reserves.

**Our Capital Works Program**

The City's 2014/15 Capital Works Program is worth \$5.3 million. The City completed approximately 85 percent of

this program, representing \$4.6 million in projects. Approximately \$800,000 in projects will be carried forward to the first quarter of 2015/2016.

There are 15 specific categories falling under the Infrastructure Services Directorate (consisting of Engineering Infrastructure and City Environment). More information on the Engineering Infrastructure projects can be found under the Strategic Initiatives of Rehabilitation, Infill Drainage and the Paths actions. Within City Environment, there are number of significant projects that were completed by the end of quarter two and another one which is still ongoing. There were a significant number of smaller projects costing up to \$100,000 that were undertaken and completed in 2014/15.

Other Capital Works Program projects costing more than \$100,000 completed during 2014/15 include:

- Animal Care Facility (completed December 2014)
- Manning Men's Shed (completed December 2014)
- Sir James Mitchell Park – river wall either side of Mends Street Jetty (completed December 2014)
- Doneraile Reserve – Stormwater treatment and wetland revegetation (substantially completed June 2015)
- Sir James Mitchell Park – promenade along River wall (substantial progress to June 2015 with completion expected August 2015).

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

STATUS	INITIATIVES
	South Perth Foreshore Strategy and Management Plan
	South Perth Foreshore River Wall replacement
	South Perth Foreshore Path replacement project

**Achievements**

**The foreshore front**

Replacing the Sir James Mitchell Park Foreshore Management Plan, the South Perth Foreshore Strategy and Management Plan was adopted by Council in September 2014, before being reviewed by the Swan River Trust Board and the Minister for Environment. The Plan will provide clear direction for foreshore improvements, and create accessible, inclusive and well connected spaces.

As part of the South Perth Foreshore River Wall and Path Replacement project, the river walls on both sides of the Mends Street Jetty were replaced with a wave deflector capping block, while the promenade path installation commenced in April 2015.

**Challenges:**

- While the Climate Change Strategy 2010-2015 was due to be reviewed and updated in 2014/15, time allocated to the Local Government Reform process meant this was not carried out
- Progress was not made on stage six of the Underground Power Project, managed by the State Government
- Delays occurred with the South Perth Foreshore River Wall and Path Replacement project
- Due to the Local Government Reform process, plans were deferred to develop a Sustainable Energy Strategy – which includes retrofitting LED lighting, and installing solar panels and lighting on buildings
- The Street Tree Management Plan review to create the Urban Forest Plan was deferred, due to lack of available resources.

**Actions for 2015/16:**

- Launch the 2015/16 Capital Works Program for Parks and Reserves
- Carry out Weed Mapping Program works
- Begin work on the new Urban Forest Plan, to replace the Street Tree Management Plan – preventing the loss of canopy cover from private developments
- Roll out activities for the 2015/16 Capital Works Program for Parks and Reserves
- Continue the Reticulation Replacement Program
- Implement the South Perth Foreshore Strategy and Management Plan
- Complete the South Perth Foreshore Path Replacement project, including the new promenade path, lighting and seating
- Carry out Water Action Plan audit recommendations for the Olive Street and Garden Street Park.



# 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



Canning Highway #ShapeOurPlace project

## Achievements

### Identifying local planning needs

Further development went into the Local Planning Strategy, which will form the basis of a new Town Planning Scheme and sets out objectives for future planning and development. A review of dual density codes in Town Planning Scheme No. 6 commenced in June 2015. The Planning Policy for Environmentally Sustainable Building Design was also reviewed, with a revised policy adopted in August 2014.

To manage current and future high-density development along Canning Highway with the adjacent low density residential areas, consultation continued on the Canning Highway #ShapeOurPlace project. The project aims to review the existing and future built form along Canning Highway and informs the development of the Local Planning Strategy.

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 processed during the year. Final determination by the Minister for Planning was not made by 30 June 2015 for the following amendments:

- Amendment No. 34 – Telstra Site
- 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
- Amendment No. 47 – Provisions for development zone Structure Plan and creation of development Area for Canning Bridge Activity Centre
- Amendment No. 48 – Revised car bay sizes

## Council Planning Policies

The following Council Planning Policies were progressed during the year:

- Policy P316 – Developer Contribution for Public Art – adopted by Council in July 2014
- Policy P317 – Licensed Premises – Draft endorsed by Council in May 2015
- Policy P350 – Residential Design Policy Manual – a review continued during the year. When complete, the draft revised policies will be presented to Council for endorsement prior to advertising for community comment.
- Policy P350.01 – Environmentally Sustainable Building Design – adopted by Council in August 2014

A report was presented at the March 2015 Council Meeting, outlining actions to be taken to update and review the existing suite of Planning Policies. This report recommended that several planning policies be rescinded and others reviewed. The relevant actions have been undertaken to rescind the following policies:

- Policy P350.6 – Safety and Security
- Policy P350.8 – Visual Privacy
- Policy P350.10 – Ancillary Accommodation
- Policy P350.11 – Aged or Dependent Persons Dwelling
- Policy P350.12 – Single Bedroom Dwellings.

97 DEMOLITION PERMITS WERE ISSUED IN 2014/15, AT AN ESTIMATED VALUE OF \$1.16 MILLION





## PLANNING APPROVALS UNDER DELEGATED AUTHORITY

Planning applications approved in 2012/13: 573

Planning applications approved in 2013/14: 594

Planning applications approved in 2014/15: 684

### Did not require consultation:

81 per cent of the 291 planning applications that did not require consultation in 2014/15 were approved within the targeted timeframe of 60 days.

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.

### Required consultation:

73 per cent of the 394 planning applications that required consultation in 2014/15 were approved within the targeted timeframe of 90 days.

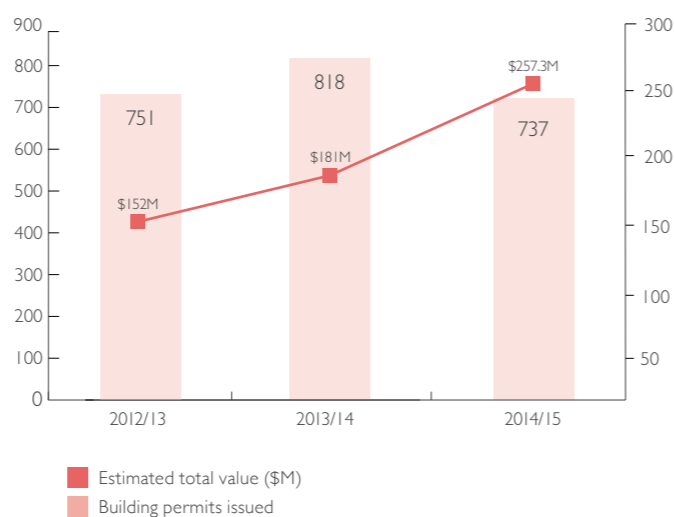
79 per cent of the 331 planning applications that required consultation in 2013/14 were approved within the targeted timeframe of 90 days.

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

	2013/14	2014/15
Single houses	139	405
Grouped dwellings	20	153
Multiple dwellings	2	18
Mixed developments	1	13

Building Permits Issued and Estimated Total Value (\$M)



### Challenges:

- Ensuring the Local Planning Strategy is developed to meet current and future community needs
- Amending Town Planning Schemes and existing Council planning policies in a timely fashion
- The Waterford Triangle Scheme Amendment is on hold due to difficulties in determining the infrastructure costs for development contributions.

### Actions for 2015/16:

- Commence phase two of the community engagement for the Canning Highway #ShapeOurPlace project, aiding the final report by GHD
- Progress the amendments to the Waterford Triangle Scheme to create a Special Control Area
- Develop new and amend existing Council planning policies
- Present submissions on Draft Planning Policy P317 for 'Licensed Premises' to Council in August 2015
- Present amended Policy P350 on 'Residential Design Policy Manual' to Council prior to seeking community comment
- Continue progressing Town Planning Scheme amendments and follow up amendment progress with the Department of Planning on a regular basis.



# 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
	Manning Community Hub Construction
	Sale of portion of Manning Hub Reserve 24331
	Old Mill Precinct Redevelopment
	Mends Street Precinct Upgrade and Redevelopment planning

### Achievements

#### An important community hub

Detailed design work continued on the Manning Community Hub, to create a 'heart' for the suburb and cater for a wide range of groups. Located between Bradshaw Crescent and Conochie Avenue in Manning, the project will include Manning Library, halls and group spaces, new mixed commercial and residential lots, as well as an upgrade to James Miller Sports Oval. The demolition of the existing structures was undertaken in September 2014. At the December 2014 Council meeting, a tender for project management services was awarded to NS Projects, before a construction tender to the value of approximately \$17.5 million was awarded to PACT Construction at the April 2015 Council meeting. On 5 June 2015, the first soil was turned at the site, allowing construction works to begin.

The City engaged JLL to assist with the sale of Lots 801 and 802 in the Manning Hub, with sale proceeds to be used towards the Manning Community Hub project.

#### Public open spaces

The redevelopment of the Old Mill precinct into a heritage, cultural and recreational destination progressed, with design work to upgrade Millers Pool progressing in 2014/15.

A project plan and project team were established for the Mends Street Precinct Upgrade and Redevelopment, developing a stakeholder engagement plan. The project team will work on bringing the development to fruition, including the construction on the road reserve on Mends Street, between Mill Point Road and the Mends Street Jetty.

Encourage and facilitate economic development

STATUS	INITIATIVES
	Hosting Business Enterprise Foundations workshops
	Land Management Strategy implementation
	Economic Development Strategy 2013-2016
	Maintain and foster key partnerships and stakeholder relationships
	Marketing and promoting the City
	New South Perth Urban Walkabout Edition 2

### Achievements

#### Economic development

As part of the Economic Development Strategy 2013-2016, the City continued its partnership with Business Enterprise Foundations, hosting monthly workshops for local businesses on leadership, social media, networking, business models, and cashflow.

#### Partnerships and stakeholder relationships

The City entered a three year sponsorship agreement with one of its key stakeholders, the Perth Zoo.

The City continued to sponsor the Local Chambers of Commerce and Industry's Business Excellence Award and is a corporate member with the Urban Development Institute of Australia, Australian Institute of Management and Committee for Economic Development of Australia. See details relating to community consultation on page 56 for more information.

#### Promoting the City

The City has contributed \$33,000 towards a new South Perth Urban Walkabout, due to be released in November 2015. This features South Perth restaurants, cafes, bars, fashion retail, gifts and homeware retail and entertainment venues within the City's three urban village precincts of Mend St, Angelo St and Preston St.

DETAILED DESIGN WORK CONTINUED ON THE MANNING COMMUNITY HUB, TO CREATE A 'HEART' FOR THE SUBURB AND CATER FOR A WIDE RANGE OF GROUPS.







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

**STATUS INITIATIVES**



Bentley-Curtin Specialised Activity Centre and Structure Plan

**Achievements**

**Crucial input for technology**

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 Western 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. City Officers attended regular working group meetings at the Department of Planning, and provided comment on the Structure Plan relating to the Design Guidelines and Public Realm Structure and Concept.

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

**STATUS INITIATIVES**



South Perth Foreshore Strategy and Management Plan consultation

**Achievements**

**Strong liaison**

The community was engaged extensively to allow the City to plan for vibrant activities and uses on and near foreshore areas and reserves.

Facilitate optimal development of the Civic Triangle Precinct

**STATUS INITIATIVES**



South Perth Civic Triangle Precinct land sale

**Achievements**

**Managing our land**

The City commenced strategically acquiring the Civic Triangle lots in 1986 with the longer term objective and vision to facilitate and enable a vibrant mixed use 'civic heart' development that incorporates retail, residential, commercial and public open space on this strategic landmark location.

After many years of planning, significant progress was made on the sale of the South Perth Civic Triangle Precinct land, which spans 7133 square metres and is bounded by Mends Street, Labouchere Road and Mill Point Road.

Following an exhaustive Expression of Interest process and Private Tender process, a Contract of Sale was signed between the City and Finbar Group Limited in August 2014, with settlement occurring in September 2014. The City received approximately \$27.5 million from the sale, well above the anticipated price, with these funds used for capital projects such as the Manning Community Hub.

Finbar Group Limited submitted a Development Application to the City in January 2015, which was approved by the Joint Development Assessment Panel in May 2015. This development promises to be an iconic mixed use development of 38 storeys incorporating retail, residential, commercial and public open space on this strategic 'civic heart' landmark location.

Develop and implement a Land Management Strategy for City land

**STATUS INITIATIVES**



Land Management Strategy

**Achievements**

Council adopted the Land Management Strategy in December 2014. This strategy identifies freehold and crown reserves that could raise significant long-term income and deliver community services. Prior to this, a comprehensive review of all City-owned and managed properties was undertaken, resulting in these changes:

- Established a strategic Land Project Team
- Inspected and classified all City owned and managed properties
- Developed property management criteria and a decision making framework for disposing, purchasing and retaining property
- Identified land holdings with development potential and generating income for the community
- Developed a model to measure values and financial performance.

**Challenges:**

- Progress on the Old Mill Redevelopment was delayed, including work on the Tramhouse and Old Mill Precinct, as additional community feedback was required prior to submitting for approval from the Swan River Trust.
- The concept plan for Millers Pool had to be redesigned due to budget constraints
- Ensuring the needs of the local and wider community are balanced against those of the Mends Street traders in the Mends Street Precinct Upgrade and Redevelopment.

**Actions for 2015/16:**

- Progress the construction of the \$17.5 million Manning Community Hub
- Continue planning work for the Mends Street Precinct Upgrade and Redevelopment
- Review the Curtin Precinct Planning and Bentley Technology Park Precinct Draft Structure Plan released by the Department of Planning
- Collate all outcomes and feedback from the Old Mill Redevelopment's revised Millers Pool concept plan consultation and seek Council endorsement for State Government approval, prior to construction commencing in mid 2016.

THE COMMUNITY WAS ENGAGED EXTENSIVELY TO ALLOW THE CITY TO PLAN FOR VIBRANT ACTIVITIES AND USES ON AND NEAR FORESHORE AREAS AND RESERVES.



# 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 Structure Plan

#### Achievements

##### Canning Bridge Structure Plan

Following extensive preliminary consultation and planning in conjunction with partners the City of Melville and the West Australian Departments of Planning and Transport, Council adopted the Canning Bridge Structure Plan in May 2015. 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
✓	Five Year Road Rehabilitation Program annual works
✓	Five Year Traffic Management Program annual works
✓	Integrated Transport Plan annual works

#### Achievements

##### Maintaining our roads

Supported by \$1.96 million in funding under the Five Year Road Rehabilitation Program, 12 sections or 28,574 square metres of roads were resurfaced, targeting:

- Richardson Street from Melville Parade to Labouchere Road
- Vista Street from Collins Street to Dyson Street
- Walanna Drive from Melinga Court to Lowan Loop
- Marsh Ave from Griffin Crescent to Manning Road
- Melville Parade from Comer Street to Preston Street
- Alston Ave from Mary Street to Melville Parade
- Fortune St from South Street to Pilgrim Street
- Second Avenue from the Local Government boundary to Lansdowne Road

- Renwick Street from Sandgate Street to Canning Highway
- Lockhart Street from Manning Road to Davilak Street
- Onslow St from Mill Point Road to York Street
- Paterson Street from Clydesdale Street to Lockhart Street.

#### Managing traffic

As part of the Five Year Traffic Management Program, a project was undertaken for a Local Area Traffic Study, which covers an area bounded by Canning Highway, South Terrace and Kwinana Freeway. The project installed speed-reducing devices in McDonald, Gardner and Eric Streets to complement pre-existing roundabouts at the intersections with Preston Street and Comer Street. Initial civil works also commenced at the intersection of Manning Road and Ley Street to extend the turning lane in Manning Road in readiness of a substantial upgrade to the traffic signals at the intersection. The upgrade will eliminate unsafe pedestrian movements on the west side of Manning Road.

Works continued to improve pedestrian accessibility, cycling infrastructure and public transport infrastructure under the Integrated Transport Plan. Eight existing bus shelters were replaced under a shared arrangement with the Public Transport Authority, including two along Canning Highway and two on Walanna Drive.

SUPPORTED BY \$1.96 MILLION IN FUNDING UNDER THE FIVE YEAR ROAD REHABILITATION PROGRAM, 12 SECTIONS OR 28,574 SQUARE METRES OF ROADS WERE RESURFACED.



THE CITY SUCCESSFULLY LOBBIED THE STATE GOVERNMENT TO RE-COMMIT ITS ELECTION FUNDING PROMISE OF \$1.35 MILLION TOWARDS THE SWAN RIVER WALLS.

Facilitate a pedestrian and cycle friendly environment

STATUS INITIATIVES

-  Footpath, Shared Path and Cycle Path Program annual works
-  Bike Plan annual works
-  Cycling infrastructure audit around Kensington Primary School

Achievements

Benefiting cyclists and pedestrians

As part of the Footpath, Shared Path and Cycle Path Program, nearly two kilometres of new paths were built and replaced across the City. New paths were installed on Manning Road from Drogheda Way to Waterford Avenue, along the shared path through Bodkin Park and on Sulman Avenue from Hope Avenue to Letchworth Centre Avenue. Part of the path on the Manning Road shared use path near George Burnett Leisure Centre was re-aligned. The path on Manning Road from George Burnett Leisure Centre to Gillon Street was also re-aligned closer to the road, to allow cyclists to benefit from the existing street lighting.

Under the Bike Plan 2011-2016, a Network Study was completed in June 2015, to identify required cycling improvements around Curtin University under a Master Plan. The City applied for and received 50 per cent in funding from the Department of Transport for this study.

An audit of cycling infrastructure around Kensington Primary School was also completed during the year, with the shared use footpath and bicycle route on Banksia Terrace near Fourth Avenue identified as an area requiring attention. This was due to its close proximity to Kensington Primary School and ongoing conflict between cyclists and motorists during peak school traffic periods.

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

STATUS INITIATIVES

-  South Perth Foreshore River Wall and Path Replacement project
-  Kwinana Freeway Foreshore Management Plan design

Achievements

Our foreshore infrastructure


The City successfully lobbied the State Government to re-commit its election funding promise of \$1.35 million towards the Swan River walls. In December 2014, as part of the South Perth Foreshore River Wall and Path Replacement project, a new limestone block river wall either side of the Mends Street Jetty was completed.

Design work also continued on the concept plan for Millers Pool as part of the Old Mill Redevelopment, as well as the Kwinana Freeway Foreshore Management Plan.

The final version of the Kwinana Freeway Foreshore Management Plan was also presented to Council in August 2014, before being submitted to Main Roads Western Australia, the Swan River Trust Board and the Minister for Environment.

Advocate for the Canning Bridge Transit Oriented Development Infrastructure, South Perth Railway Station and the Manning Road Off-Ramp

STATUS INITIATIVES

-  Advocate and lobby for state-wide and significant infrastructure

Achievements

Advocating for significant infrastructure

The City continues to lobby for infrastructure of state-wide significance including river walls, Mends Street promenade, South Perth train station, Manning Road off-ramp and the widening of Canning Highway.



Challenges:

- Canning Bridge Structure Plan provisions were not operational, awaiting final approval of an amendment to Town Planning Scheme No. 6 by the Minister for Planning
- Coordinating traffic management in heavy use areas during Five Year Traffic Management Program works
- Ensuring between two to four per cent of the road network or around 35,000 square metres of roads are maintained under the Five Year Road Rehabilitation Program
- Major Capital Works Program 2014/15 review, deferring some traffic signal upgrades and intersection works.

Actions for 2015/16:

- Receive approval from the Minister for Planning for the Town Planning Scheme amendment for the Canning Bridge Structure Plan
- Continue works for the 2015/16 Footpath, Shared Path and Cycle Path Program – considering usage, condition, likely impact of new development and available funding
- Commence Network Study actions for the Curtin University Master Plan, as part of the Bike Plan 2011-2016
- Undertake Bike Plan 2011-2016 path upgrades at Davilak Crescent between Ley Street and Canning Bridge Station, and at South Perth Esplanade between Mill Point Road and the entrance to Sir James Mitchell Park
- Review and address recommendations in the Kwinana Freeway Foreshore Management Plan report, in partnership with key stakeholders
- Develop a new Bike Plan for beyond 2016
- Finalise the design for improvement works to the shared use footpath and bicycle route near Kensington Primary School
- Present a City wide Parking Strategy to Council in December 2015
- Finalise the Local Area Traffic Study in the second quarter of 2015/16
- Resurface 11 sections of road under the Five Year Road Rehabilitation Program
- Develop a new Integrated Transport Plan
- Complete deferred 2014/15 Capital Works, including traffic signal upgrades 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.



# GOVERNANCE, ADVOCACY AND CORPORATE MANAGEMENT

ENSURE THAT THE CITY HAS THE ORGANISATIONAL CAPACITY, ADVOCACY AND GOVERNANCE FRAMEWORK AND SYSTEMS TO DELIVER THE PRIORITIES IDENTIFIED IN THE STRATEGIC COMMUNITY PLAN

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 reviews
>	Preparation for Local Government Elections
↺	Occupational Health and Safety Policy, Practice and System Review
↺	Deliver Information Technology initiatives
↺	State of Sustainability Report
↺	Fully integrated robust governance framework
↺	Provide effective knowledge management services
✗	Sustainability assessment framework

## Achievements

### Information technology under the microscope

As part of the State Government Local Government Reform process, the City compared its various technology solutions with those used by the Town of Victoria Park and the City of Canning. The City evaluated the systems used for property management, customer relationship management, financial reporting, applications and approvals, and telephone management. Astute technology planning and responsible vendor management during the reform process allowed the City to withdraw without making any major outstanding financial commitments to technology and with some opportunities to reuse the knowledge gained.

Driven by reform-related considerations, a concept for a new website for the new Local Government entity was also developed. However, once the Reform ceased, the City's efforts were redirected towards identifying a best practice website that is mobile responsive, accessible and provides high quality information with direct interfaces into our core systems. We selected a contemporary CMS solution and undertook detailed analysis into our website content, architecture, accessibility and information gaps. This information was used to inform the strategy for our new website.

The website review was undertaken collaboratively with external technology partners to consider important areas such as mapping interfaces, user experience and digital service delivery opportunities. The purpose of this work was to ensure that the City would be maximising the benefit from each dollar of technology spend.

The City's current website was also enhanced with new topical content and editing. Areas significantly enhanced included the mobile responsive library website, major events, rates, and online payments. This content was created to allow it to be easily migrated to the new website.

### Informed and organised

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

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 in 2016.

The State of Sustainability Report, which is based on the City's sustainability commitments, activities and initiatives, was progressed.

THE CITY'S CURRENT WEBSITE WAS ENHANCED WITH NEW TOPICAL CONTENT AND EDITING. AREAS SIGNIFICANTLY ENHANCED INCLUDED THE MOBILE RESPONSIVE LIBRARY WEBSITE, MAJOR EVENTS, RATES, AND ONLINE PAYMENTS.





**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 and Reporting Framework Ratio Submission
✓	2013/2014 Statutory Annual Report and Annual Compliance Audit Return
✓	Human Resource Policies and Practices Review
✓	Risk Management Plan Review
>	Long Term Financial Plan 2015/2016–2024/2025 and 2015/2016 Annual Budget
>	Annual Reviews of Integrated Planning and Reporting Framework Plans
↻	Corporate Asset Management System
↻	Information Technology Strategy Initiatives

**Achievements**

**Tracking our performance**

The Audit and Governance Committee considered changes to the responsibilities of Audit and Governance Committee, the Auditors' Management Report, risk management, a new Draft Planning Policy, developer contributions in public art, reports on applications for planning approval determined under delegated authority, reports on Council policy reviews and delegations, Code of Conduct, question time procedure, the new community gardens policy, and reviewed planning policy P351.5 Streetscape Compatibility – Precinct 5 'Arlington' and Precinct 6 'Kensington'.

Work continued to set up the new Corporate Asset Management System, which records information on City infrastructure assets. Identified assets were recorded into the system. This will allow users to analyse asset issues, prepare reports and make decisions based on relevant, accurate and up-to-date information.

The 2013/14 Annual Report was also adopted by Council in 2014, with the final Report awarded a Silver Award at the 2015 Australasian Reporting Awards.

**Constant review**

The City continues to implement the Integrated Planning and Reporting Framework. The principles of the framework align closely with the principles of the Australian Business Excellence Framework, intended to facilitate good practice and continuous improvement.

The framework includes the following plans:

- 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 Plan informs our Long Term Financial Plan 2013-2023.
- 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.
- Annual Budget 2014/15: delivered several very significant new community assets whilst demonstrated responsible and sustainable management of the City's financial resources. It provided a range of relevant services to meet identified community needs and it included capital initiatives that delivered on our community's vision for the City.

**Reviews**

As part of the framework, the City submitted the Asset Renewal Funding Ratio to the Department of Local Government and Communities for assessment.

During the last quarter of 2014/15, the City commenced a minor review of the Strategic Community Plan 2013–2023 and major reviews to extend the following plans to new timeframes:

- Long Term Financial Plan (rolling over to 2015-2025)
- Corporate Business Plan (rolling over to 2015-2019)
- Asset Management Plan (rolling over to 2015-2025)
- Workforce Plan (rolling over to 2015-2019)

**Financial sustainability**

During 2014/15, the City's Long Term Financial Plan was comprehensively reviewed and updated to reflect the current economic circumstances in a post-Reform environment. The ten year Long Term Financial Plan plays a major role in aligning the community's aspirations, Council's desired service provision model and our financial capacity. It provides an \$800 million dollar financial blueprint for the City's operations between 2015/16 and 2024/25. It also integrates projects and activities arising from the City's Strategic Community Plan, Asset Management Plans, Service Delivery Plans and other informing strategies. The Plan guides the effective management of our financial resources to ensure that proposed services can be delivered and that infrastructure renewals and community facilities can be funded as and when required. It includes detailed funding models for major new community

facilities – identifying strategic land sales, grant funding opportunities and responsible use of debt to fund long-lived community assets. It also provides a balanced and sustainable funding model into the future with all proposed initiatives being fully funded and provision made in the second half of the plan for new initiatives or projects to emerge.

The revised Long Term Financial Plan substantially influenced the development of the 2015/16 Budget, which will be presented to Council for adoption in early July 2015. Accountability for delivering against what was proposed to be delivered is effected through the disclosures contained in the annual financial report. The 2014/15 Annual Financial Statements, including all new statutory disclosures and fair value accounting requirements, were completed in good form and in line with statutory deadlines.

**THE TEN YEAR LONG TERM FINANCIAL PLAN PLAYS A MAJOR ROLE IN ALIGNING THE COMMUNITY'S ASPIRATIONS, COUNCIL'S DESIRED SERVICE PROVISION MODEL AND OUR FINANCIAL CAPACITY.**





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

STATUS	INITIATIVES
	Online InfoCouncil Meeting Software
	Risk Management Strategy Initiatives
	Asset Management and Renewal Program
	Transparent, accountable and effective decision making

#### Achievements

##### Our approach to risk management

The City continues to be acknowledged by its Local Government industry insurers as being a leader in its risk management approach and is regularly cited as a reference site for peer Local Governments. A customised process based on the Risk Management Standard AS/NZ ISO 31000:2009 continued to be used to monitor, identify and assess emerging business, financial, physical and reputation risks. The Risk Management Committee undertook a comprehensive review of all catalogued risks and in-force risk treatments in November 2014. A detailed report identifying new, successfully treated and priority risks was provided to the Audit and Governance Committee after the annual review and a further half yearly review was undertaken in May 2015.

Several new risks associated with the delay or non-progression of major land sales, integral to the funding of a number of proposed major community infrastructure projects, were added to the Risk Register. The completion of a number of important initiatives in the customer service area and information technology area, as well as targeted workforce training, resulted in the downgrading of some previously existing risk levels.

Risks were managed using a suite of risk management treatments such as internal audits, structured maintenance programs, regular and accountable project and financial reporting, staff training, occupational health and safety initiatives, policy and governance frameworks and the Australian Business Excellence Framework. The City also maintained its comprehensive portfolio of business and professional insurances to mitigate losses due to unforeseen circumstances.

##### Online agenda and minute preparation

Building on the online meeting technology solution introduced in 2014, InfoCouncil agenda preparation software was implemented. This software centrally coordinates the preparation of agenda papers, ensuring consistent report structure, layout and formatting and delivering a better user experience to community members and Councillors participating in the meeting process. The same software solution now manages the preparation of meeting minutes and coordinates follow-up actions arising from decisions, as well as maintains status reports on all action items.

During December 2014 and January 2015, all human resource policies and practices were reviewed in line with other Councils of similar size. Benchmarking continued to be carried out to ensure the City remained competitive with comparable local governments.

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

STATUS	INITIATIVES
	Executive reporting system for customer service staff performance
	Mystery shopper customer service evaluation
	Customer Relationship Management system upgrade
	Online Building, Planning and Development Application system
	Online facility bookings system

#### Achievements

##### Customer Relationship Management system

From late February to June 2015, upgrades to the City's core property and financial systems were carried out, a major version upgrade of the Customer Relationship Management (CRM) system was initiated and with video conferencing facilities were installed at South Perth Library.

Substantial planning and design work was also undertaken in relation to the introduction of an online Building, Planning and Development Application system and an online facility bookings system. These initiatives were in progress at year-end and will go 'live' to the public after implementation and user testing is completed.

##### Improving customer service

The City investigated and evaluated technology solutions to facilitate the electronic lodgement and tracking of building, planning and development applications. The solution had to properly integrate with our property management, records management and customer relationship systems, as well as with a secure online payment gateway. It was also required to deliver a cohesive, high quality and intuitive user experience, minimise duplication of effort by staff, and complement the work of Customer Service Officers and Cashiers. Sphere Customer Connect was identified as the appropriate vendor, leading the City to work with web developers and in-house subject matter experts to design a new interface and build the supporting 'back-end' workflow processes.

The City's Customer Relationship Management system remained in high demand in 2014/15, with staff receiving 53,157 calls through the Customer Contact Centre, another 72,665 contacts in writing and an estimated 11,000 face to face customer interactions. To ensure our customer service offerings remained at an industry leading standard, a major upgrade of the Customer Relationship Management was initiated, to allow customers to lodge service requests using social media platforms such as Facebook and Twitter.

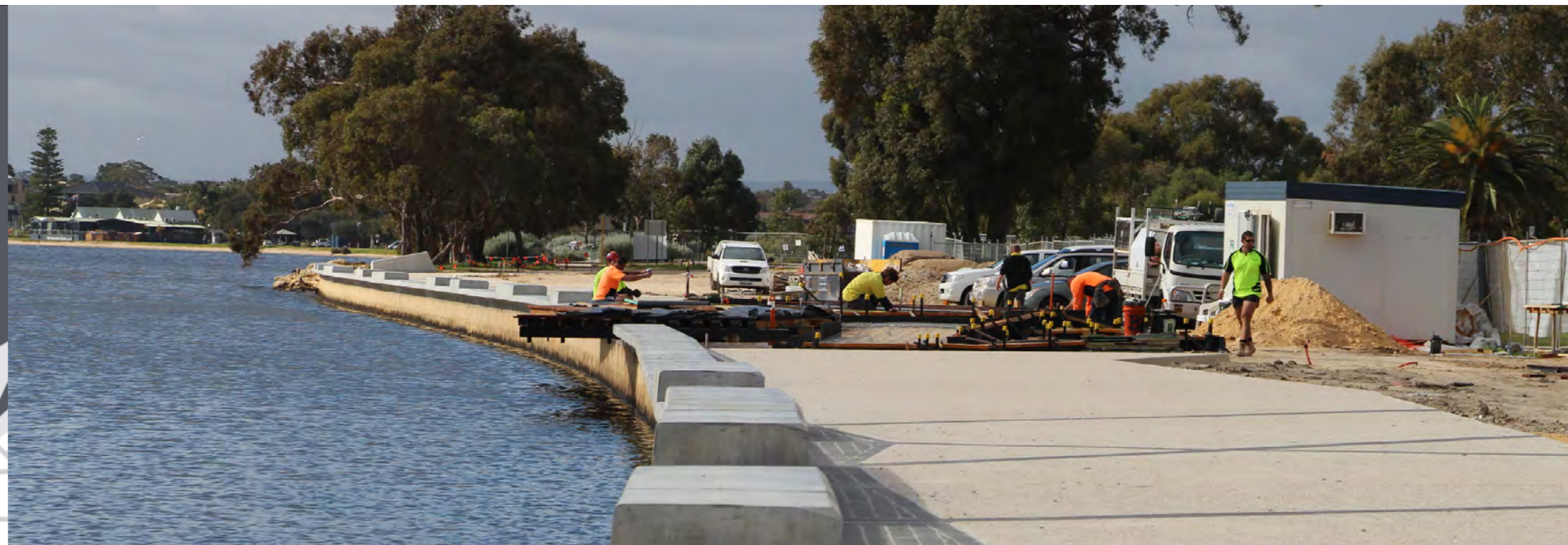
Although the upgrade was well progressed by April 2015, the project was placed on hold to investigate better links with the forthcoming online booking and application lodgement system software.

In relation to customer service, the number of repeat customer contacts on single issues reduced during 2014/15. Customers gained more confidence that their requests would be satisfactorily addressed in a timely and appropriate manner, resulting in the total number of recorded customer contacts increasing by 12 per cent. A number of our customers also chose to make use of the self-help facilities offered through the website and mobile 'Report It' application, which can be used on smartphone or tablet devices.

In addition, an executive reporting system relating to the performance of our customer service staff was also designed in 2014/15, with reports presented at periodic leadership meetings.

To evaluate the quality of customer service delivered in the year, the City conducted a mystery shopper evaluation and used the results to create specifically tailored training programs. This was crucial given the City has a customer responsiveness target of satisfactorily resolving 85 per cent or more of our customer interactions at the first point of contact.





Advocate and represent effectively on behalf of the South Perth community

STATUS	INITIATIVES
	National Broadband Network (NBN) transition
	Local Government Reform process
	Culture Optimisation Program
	Inter-government relations and allied organisations

#### Achievements

##### Lobbying and communications activities

Following lobbying that saw the State Government re-commit its election funding promise of \$1.35 million, the City was able to finish building a new limestone block river wall either side of the Mends Street Jetty in December 2014, as part of the South Perth Foreshore River Wall and Path Replacement project.

Throughout the roll out of the National Broadband Network, the City also provided resident and landlord street addresses – keeping all informed of construction dates and progress timelines.

The City's Marketing and Communications team also released information through media and publications, as well as supported resident information sessions at the Civic Centre. These were crucial as parts of the City completed their transition to the National Broadband Network in April 2015, including an area that stretched from Hopetoun Street in the east, Mill Point Road in the south and South Perth Esplanade and foreshore in the north (see image above). This work included the disconnection of some copper wires that ran home phone and Internet services.

##### Getting a true sense of 'us'

The City continued its Culture Optimisation Program in partnership with Veraison Consultants. The City's Culture Optimisation program aims to create a high performing culture that enables a great place to work. The program began in 2014 with a culture assessment known as the Organisational Culture Inventory/Organisational Effectiveness Inventory (OCI/OEI) that was delivered by Veraison. Since then, staff members throughout the organisation have made valuable contributions to shaping our culture in activities such as:

- Culture Optimisation Group
- Leadership Coaching
- Aspiring to our Team Charter
- Team Development Sessions
- Transformational Leadership Program

The City plans to undertake another OCE/OEI survey in October 2015.

The Monthly Chief Executive Officer Cultural Award, which recognises staff members' and team efforts was redesigned and a new Wellness Program was implemented.

##### Local Government Reform

The City worked collaboratively with the Town of Victoria Park and City of Canning towards an amalgamation effective 1 July 2015 for a significant period of the year under review.

The Reform process saw staff from the City and Town of Victoria Park dedicate around 8000 hours work between July 2014 and February 2015 towards an effective amalgamation, with works including:

- Reform Program Management Plan
- Amalgamation Project Plan
- Governance Framework
- 34 individual Project Plans
- Local Implementation Committee
- Reporting Framework
- Project Risk Management Register
- Internal and External Communications Strategies
- Change Management Strategy
- Due diligence
- Process mapping

In late 2014, the State Government was legislatively required to conduct an elector's poll on the proposed amalgamation. The City prepared a balanced Yes and No argument that was provided to each household. Requiring over 50% turnout for the poll to be effective together with a 50% no vote, an extraordinary community effort resulted in the amalgamation being defeated with a majority no vote.

The Council resolved in March 2015 to cease work related to local government reform and make a funding application to the Department of Local Government and Communities for the expenditure incurred with the proposed amalgamation. This funding application was not approved by the Minister for Local Government.

The City has continued to work together with the Town of Victoria Park on opportunities for collaboration, primarily around shared procurement, contract management, staff, equipment and plant, as well as joint advocacy, emergency management and technology arrangements.

##### Challenges:

- State Government Local Government Reform process
- Selecting a vendor for the online Building, Planning and Development Application system

##### Actions for 2015/16:

- Look into developing a Memorandum of Understanding with the Town of Victoria Park to identify business and partnership opportunities.
- Complete the version upgrade to the Customer Relationship Management system in September 2015
- Launch a video conferencing system in the Council Chamber by November 2015
- Finalise the online Building, Planning and Development Application system by November 2015
- Launch the online facility bookings system by February 2016
- Finalise the review of the Technology Strategy to identify contemporary trends and emerging opportunities for digital service delivery

- Implement the new Content Management System platform for the website in March 2016
- Continue offering staff performance reports to the leadership team from the new Executive Reporting System
- Undertake a second OCE/OEI survey
- Ensure the Corporate Asset Management System has the capability to plan for long-term and scheduled asset maintenance. Replace the paper system and set up an internal online program to issue immediate electronic reactive maintenance jobs to Officers working in the field
- Negotiate and develop the next Enterprise Bargaining Agreements in late 2015, in order to put in place new agreements for 2016-2019
- Review the Five Year Plant and Fleet Program, including the deferred vehicle replacements from 2014/15





# 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 90-92)

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 Australian Bureau of Statistics) and by Nature and 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 93)

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 94)

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 95)

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 96-97)

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.

# UNDERSTANDING OUR FINANCIALS

## Financial Ratios (Pages 146-147)

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

The major ratios include:

### Current Ratio

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

### Operating Surplus Ratio

This is an indicator of how well the revenue raised covers operational expenses and provides available cash for capital expenditures. Ideally the ratio should be positive and between 0% and 15% - but it is not fatal if the ratio is less than zero providing there are cash reserves to fund the deficit.

### Own Source Revenue Coverage Ratio

This indicates the extent of the City's financial autonomy. That is, it our capacity to generate revenues to meet operating costs from our own sources. The preferred ratio is a number greater than 40%.

### Debt Service Ratio

This ratio indicates our capacity to meet our debt obligations (loan repayments) as they become due and payable. Ideally the ratio should be a number larger than 5.0 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 110%.



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## 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 2015 are, in my opinion, properly drawn up to present fairly the financial position of the City of South Perth at 30 June 2015 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 9th day of November, 2015.



**GEOFF GLASS**  
CHIEF EXECUTIVE OFFICER



**MICHAEL KENT**  
CHIEF FINANCIAL OFFICER



**DEBORAH GRAY**  
MANAGER FINANCIAL SERVICES



# STATEMENT OF INCOME BY FUNCTION/ PROGRAM

FOR THE YEAR ENDED 30 JUNE 2015

DETAILS	NOTE	BUDGET \$	2015 \$	2014 \$
<b>REVENUE</b>	3,4			
General Purpose Funding		35,591,144	36,259,900	31,898,679
Governance		242,750	296,815	262,675
Law, Order & Public Safety		115,000	330,440	157,501
Education		0	0	0
Health		103,000	111,496	78,168
Welfare		0	0	275
Housing		1,396,920	1,502,515	2,652,877
Community Amenities		6,026,250	5,843,999	6,504,070
Recreation & Culture		4,999,585	5,447,859	4,273,354
Transport		2,124,400	2,246,169	2,299,802
Economic Services		663,250	647,571	508,033
Other Property & Services		177,500	184,187	87,160
		<b>51,439,799</b>	<b>52,870,951</b>	<b>48,722,594</b>
<b>EXPENSES</b>	3,4			
General Purpose Funding		361,533	323,688	275,853
Governance		6,727,221	6,334,425	5,929,507
Law, Order & Public Safety		804,821	843,358	741,418
Education		97,500	104,569	79,918
Health		463,864	482,600	527,307
Welfare		503,525	497,313	506,196
Housing		2,219,723	2,394,308	4,117,582
Community Amenities		9,345,078	8,770,866	8,404,620
Recreation & Culture		19,704,750	16,968,046	16,311,083
Transport		12,814,487	12,892,744	11,466,929
Economic Services		746,139	724,346	628,132
Other Property & Services		525,206	648,060	595,525
		<b>54,313,847</b>	<b>50,984,323</b>	<b>49,584,070</b>
<b>BORROWING EXPENSES</b>	4			
General Purpose Funding		339,987	334,313	421,298
Recreation & Culture		202,280	202,279	214,435
		<b>542,267</b>	<b>536,592</b>	<b>635,733</b>
<b>DISPOSAL OF ASSETS</b>	4			
Profit on Disposal of Assets		24,297,745	24,321,961	121,275
Loss on Disposal of Assets		(0)	(35,473)	(348)
		<b>24,297,745</b>	<b>24,286,488</b>	<b>120,927</b>
<b>PROFIT / (LOSS) ON DISPOSAL</b>				
<b>GRANTS - ASSET DEVELOPMENT</b>	4			
Grants - Asset Acquisition		1,393,000	1,752,015	1,875,969
<b>MOVEMENT IN EQUITY</b>	12			
Revaluation Decrement		0	(37,336)	165,202
<b>REVALUATION DECREMENT</b>	40			
Revaluation Decrement		0	(310,313)	0
<b>NET RESULT</b>		<b>\$22,274,430</b>	<b>\$27,040,890</b>	<b>\$664,889</b>

The accompanying notes form part of the financial statements

# STATEMENT OF INCOME BY NATURE AND TYPE

FOR THE YEAR ENDED 30 JUNE 2015

DETAILS	NOTE	BUDGET \$	2015 \$	2014 \$
<b>REVENUE</b>	3,4			
Rates Revenue		31,264,500	31,293,887	28,574,637
Fees & Charges		14,272,885	14,378,103	14,304,708
Grants & Subsidies - Operational		1,636,683	2,553,541	1,710,406
Contributions & Reimbursements		457,000	640,455	555,165
Interest Revenue		2,539,500	2,691,552	1,996,771
Service Charges		0	0	0
Other Revenue		1,269,231	1,313,413	1,580,907
		<b>51,439,799</b>	<b>52,870,951</b>	<b>48,722,594</b>
<b>EXPENSES</b>	3,4			
Employee Expenses		19,361,055	19,398,285	19,555,788
Materials & Contracts		18,936,115	17,532,042	16,836,093
Utilities & Insurances		2,555,650	2,542,890	2,661,918
Depreciation		10,358,500	9,424,260	8,536,688
Amortisation Expense		45,000	56,012	45,376
Other Expenses		3,057,527	2,030,834	1,948,207
		<b>54,313,847</b>	<b>50,984,323</b>	<b>49,584,070</b>
<b>BORROWING EXPENSES</b>	4			
Interest Expense		542,267	536,592	635,733
<b>DISPOSAL OF ASSETS</b>	4			
Profit on Disposal of Assets		24,297,745	24,321,961	121,275
Loss on Disposal of Assets		(0)	(35,473)	(348)
		<b>24,297,745</b>	<b>24,286,488</b>	<b>120,927</b>
<b>PROFIT / (LOSS) ON DISPOSAL</b>				
<b>GRANTS - ASSET DEVELOPMENT</b>	4			
Grants - Asset Acquisition		1,393,000	1,752,015	1,875,969
<b>MOVEMENT IN EQUITY</b>	12			
Revaluation Decrement		0	(37,336)	165,202
<b>REVALUATION DECREMENT</b>	40			
Revaluation Decrement		0	(310,313)	0
<b>NET RESULT</b>		<b>\$22,274,230</b>	<b>\$27,040,890</b>	<b>\$664,889</b>

The accompanying notes form part of the financial statements



# RECONCILIATION OF INCOME STATEMENT TO STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

DETAILS	NOTE	BUDGET \$	2015 \$	2014 \$
<b>NET RESULT</b>		<b>22,274,230</b>	<b>27,040,890</b>	<b>664,889</b>
(as disclosed on Income Statement)				
<b>OTHER COMPREHENSIVE INCOME</b>				
Gain (Loss) on Revaluation of Artworks	23, 39	0	9,445	0
Gain (Loss) on Revaluation of Buildings	23, 39	0	6,390,696	17,341,438
Gain (Loss) on Revaluation of Roads	23, 40	0	16,156,885	11,533,888
Gain (Loss) on Revaluation of Paths	23, 40	0	404,670	1,832,380
Gain (Loss) on Revaluation of Drainage Asset	23, 40	0	(24,895,119)	15,133,563
Gain (Loss) on Revaluation of Parks Assets	23, 40	0	49,670,906	7,741,429
Net Gain (Loss) on Revaluation of Assets		0	47,737,483	53,582,698
Revaluation Write-back on Disposal of Assets Held for Sale - Buildings	23	0	0	(394,475)
Adjustment to Retained Surplus		0	0	421,518
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>		<b>22,274,230</b>	<b>47,737,483</b>	<b>53,609,741</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>\$22,274,230</b>	<b>\$74,778,373</b>	<b>\$54,274,630</b>

The accompanying notes form part of the financial statements

# STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

DETAILS	NOTE	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	5, 35	72,376,870	43,717,457
Trade & Other Receivables	6	2,965,050	1,903,900
Inventories - Materials	7	106,238	150,168
Assets Held for Sale	8	2,180,348	5,243,725
Other Current Assets	9	818,186	662,478
<b>TOTAL CURRENT ASSETS</b>		<b>78,446,692</b>	<b>51,677,728</b>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	10	2,091,973	2,260,808
Assets Held for Sale	11	946,464	946,464
Investments	12	284,205	321,541
Property, Plant & Equipment	13, 39	368,082,798	361,315,843
Infrastructure	14, 40	244,849,679	202,639,595
Intangibles	15	627,761	481,403
<b>TOTAL NON-CURRENT ASSETS</b>		<b>616,882,880</b>	<b>567,965,655</b>
<b>TOTAL ASSETS</b>		<b>695,329,572</b>	<b>619,643,384</b>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables	16	7,651,205	6,138,988
Borrowings	17, 38	1,149,859	1,629,046
Provisions	18	4,011,833	3,656,985
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,812,897</b>	<b>11,425,019</b>
<b>NON-CURRENT LIABILITIES</b>			
Other Payables	19	29,921,148	29,322,346
Borrowings	20, 38	8,081,397	9,134,898
Provisions	21	284,648	310,011
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>38,287,193</b>	<b>38,767,255</b>
<b>TOTAL LIABILITIES</b>		<b>51,100,090</b>	<b>50,192,274</b>
<b>NET ASSETS</b>		<b>\$644,229,482</b>	<b>\$569,451,110</b>
<b>EQUITY</b>			
Retained Surplus		110,437,627	107,564,020
Reserves - Cash Backed	22	59,329,041	36,227,587
Revaluation Surplus	23	474,462,814	425,659,503
<b>TOTAL EQUITY</b>		<b>\$644,229,482</b>	<b>\$569,451,110</b>

The accompanying notes form part of the financial statements



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

DETAILS	NOTE	RETAINED SURPLUS	CASH RESERVES	REVALUATION SURPLUS	TOTAL EQUITY
Balance as at 1 July 2013		\$ 107,706,217	\$ 35,842,020	\$ 372,049,761	\$ 515,597,998
Adjustment to Prior Year Retained Surplus		(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
<b>Comprehensive Income</b>					
Net Operating Result	23	664,889	0	0	664,889
Other Comprehensive Income - Revaluation of Non Current Assets		0	0	53,188,223	53,188,223
Total Comprehensive Income		664,889	0	53,188,223	53,853,112
<b>Reserve Movements</b>					
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
<b>Balance at 30 June 2014</b>	22, 23	<b>\$107,564,020</b>	<b>\$36,227,587</b>	<b>\$425,659,503</b>	<b>\$569,451,110</b>
Balance as at 1 July 2014		107,564,020	36,227,587	425,659,503	569,451,110
<b>Comprehensive Income</b>					
Net Operating Result	23	27,040,890	0	0	27,040,890
Other Comprehensive Income - Revaluation of Non Current Assets		0	0	47,737,483	47,737,483
Total Comprehensive Income		27,040,890	0	47,737,483	74,778,373
<b>Revaluation Writeback on Assets Held for Sale - Buildings</b>					
Revaluation Writeback	23	(1,065,828)	0	1,065,828	0
<b>Reserve Movements</b>					
Transfer to Reserve	22	(35,284,066)	35,284,066	0	0
Transfer from Reserves	22	12,182,612	(12,182,612)	0	0
Total Reserve Movements		(23,101,455)	23,101,455	0	0
<b>Balance at 30 June 2015</b>	22, 23	<b>\$110,437,627</b>	<b>\$59,329,041</b>	<b>\$474,462,814</b>	<b>\$644,229,482</b>

The accompanying notes form part of the financial statements

# STATEMENT OF CASH FLOWS

AS AT 30 JUNE 2015

DETAILS	NOTE	BUDGET \$	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates Revenue		31,262,000	31,275,198	28,682,240
Fees & Charges		17,472,885	18,017,173	15,436,345
Interest Revenue		2,434,500	2,425,261	1,983,936
Other Revenue		1,726,231	1,955,260	2,133,166
Grants - Operating		2,366,683	2,556,297	1,825,389
Service Charges		250,000	183,926	465,886
GST Refunded by ATO		0	0	3,314,898
Total Operating Cash Receipts		55,512,299	56,413,115	53,841,860
<b>Payments</b>				
Employee Costs		(19,091,055)	(18,986,443)	(19,036,798)
Materials & Contracts		(21,849,615)	(20,504,435)	(19,719,977)
Interest Expense		(545,267)	(542,162)	(640,776)
Utilities & Insurance Costs		(2,475,650)	(2,524,152)	(2,590,422)
Other Expenses		(3,012,527)	(2,030,835)	(1,948,210)
GST Payable to ATO		(250,000)	(1,611,497)	(0)
Total Operating Cash Payments		(47,224,114)	(46,199,524)	(43,936,183)
<b>Net Cash Flow from Operating Activities</b>	35	<b>8,288,185</b>	<b>10,213,591</b>	<b>9,905,677</b>
<b>Net Cash Flow from Investing Activities</b>				
Proceeds from Sale of Land		24,250,000	27,310,000	0
Proceeds from Sale of Property, Plant & Equipment		321,880	249,667	271,097
Deposit - Sale of Land (Deferred Settlement)		600,000	565,356	2,355,651
Purchase / Construction of Assets		(14,263,450)	(10,866,362)	(8,197,879)
Grants for Development of Assets		1,263,000	1,968,885	2,030,059
<b>Net Cash used in Investing Activities</b>		<b>12,171,430</b>	<b>19,227,546</b>	<b>(3,541,072)</b>
<b>Net Cash Flow from Financing Activities</b>				
Repayment of Borrowings		(1,632,642)	(1,632,687)	(2,082,487)
Self-Supporting Loan Receipts		252,116	252,160	233,185
Incoming (Outgoing) CPV Contributions		750,000	598,802	(1,318,037)
Proceeds from Borrowings		100,000	100,000	80,000
Self Supporting Loan Advanced		(100,000)	(100,000)	(80,000)
<b>Net Cash Flow from Financing Activities</b>	35	<b>(630,526)</b>	<b>(781,725)</b>	<b>(3,167,339)</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>19,829,089</b>	<b>28,659,412</b>	<b>3,197,267</b>
Cash & Cash Equivalents at Beginning of Year		43,717,457	43,717,457	40,520,190
<b>Cash &amp; Cash Equivalents at End of Year</b>		<b>\$63,546,546</b>	<b>\$72,376,869</b>	<b>\$43,717,457</b>

The accompanying notes form part of the financial statements



# RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

DETAILS	NOTE	BUDGET \$	2015 \$	2014 \$
<b>OPERATING REVENUE (Excluding Rates)</b>				
General Purpose Funding		4,126,144	4,966,013	3,489,244
Governance		125,000	296,815	262,675
Law, Order & Public Safety		106,500	330,440	157,501
Education		0	0	0
Health		71,500	111,496	78,168
Welfare		0	0	275
Housing		1,490,805	1,502,515	2,652,877
Community Amenities		6,213,250	5,843,999	6,504,070
Recreation & Culture		4,680,220	5,447,859	4,273,354
Transport		2,069,400	2,246,169	2,299,802
Economic Services		573,250	647,571	508,033
Other Property & Services		169,741	184,187	87,160
<b>Total Operating Revenue Excluding Rates</b>		<b>19,625,810</b>	<b>21,577,064</b>	<b>20,313,159</b>
<b>OPERATING EXPENDITURE</b>				
General Purpose Funding		(661,520)	(695,338)	(697,151)
Governance		(6,832,471)	(6,334,425)	(5,929,508)
Law, Order & Public Safety		(771,821)	(843,358)	(741,418)
Education		(65,000)	(104,569)	(79,918)
Health		(478,864)	(482,600)	(527,307)
Welfare		(488,525)	(497,313)	(506,196)
Housing		(2,100,723)	(2,394,308)	(4,117,582)
Community Amenities		(8,798,078)	(8,770,866)	(8,404,620)
Recreation & Culture		(16,448,402)	(17,170,326)	(16,525,519)
Transport		(15,178,737)	(13,203,057)	(11,466,929)
Economic Services		(746,139)	(724,346)	(628,132)
Other Property & Services		(1,027,706)	(648,054)	(595,524)
<b>Total Operating Expenditure</b>		<b>(53,597,986)</b>	<b>(51,868,560)</b>	<b>(50,219,804)</b>
<b>Net Operating Result - Excluding Rates</b>		<b>(33,972,176)</b>	<b>(30,291,496)</b>	<b>(29,906,645)</b>
<b>Adjust for Cash Budget Requirements</b>				
Depreciation of Assets	4	11,888,500	9,424,260	8,536,688
Amortisation Expense	4	45,000	56,013	45,376
Loss Realised on Disposal of Revalued Asset		(89,741)	0	(3,265)
Revaluation Decrement - Street Furniture		0	310,313	0
Movement in Employee Benefit Provisions		0	(25,363)	17,915
Movement in CPV / CPH Liability		750,000	598,802	(1,318,037)
Movement in Deferred Pensioner Rates		25,000	(14,578)	(18,483)
Movement in Non Current Debtors - UGP		0	13,444	226,398
Movement in Non Current Investment		0	37,336	(165,202)
Movement in Other Non Current Debtors		0	3,000	31,815
Disposal of Previously Revalued Buildings		0	0	271,736
<b>Net Non Cash Items</b>		<b>12,618,759</b>	<b>10,403,227</b>	<b>7,624,941</b>

The accompanying notes form part of the financial statements

# RATE SETTING STATEMENT

FOR THE YEAR ENDED 30 JUNE 2015

DETAILS	NOTE	BUDGET \$	2015 \$	2014 \$
<b>ACQUISITIONS - NON CURRENT ASSETS</b>				
Purchase of Buildings & Land	39	(15,825,000)	(1,979,915)	(1,050,819)
Purchase of Furniture	39	(15,000)	(7,654)	(8,604)
Purchase of Technology	39	(475,000)	(348,683)	(311,030)
Purchase of Plant & Equipment	39	(320,000)	(133,733)	(86,874)
Purchase of Mobile Plant	39	(1,513,250)	(1,252,574)	(1,018,871)
Construction of Infrastructure Assets	40	(7,920,000)	(7,425,371)	(5,555,957)
Purchase of Artworks	39	(50,000)	(36,000)	(4,545)
Acquisition of Software	15	(245,000)	(202,371)	(91,826)
<b>Total Cash Demand for Asset Acquisition</b>		<b>(26,363,250)</b>	<b>(11,386,301)</b>	<b>(8,128,526)</b>
<b>REPAYMENT OF LOANS</b>				
Loan Principal Repayments	38	(1,632,642)	(1,632,689)	(2,082,487)
Self Supporting Loan Advanced	38	(100,000)	(100,000)	(80,000)
<b>Total Cash Demand for Loan Repayments</b>		<b>(1,732,642)</b>	<b>(1,732,689)</b>	<b>(2,162,487)</b>
<b>Net Capital Expenditure</b>		<b>(28,095,892)</b>	<b>(13,118,990)</b>	<b>(10,291,013)</b>
<b>CAPITAL REVENUES</b>				
Proceeds from Disposal of Land	4	22,850,000	27,310,000	0
Proceeds from Asset Disposals	4	373,880	249,667	271,097
Cash Deposit Received - Deferred Land Sale		600,000	0	2,355,651
Grants for Acquisition of Assets	4	962,500	1,752,015	1,875,969
Proceeds of New Loans	38	100,000	100,000	80,000
Self Supporting Loan Repayments Recouped	38	252,116	252,160	233,185
<b>Net Capital Revenues</b>		<b>25,138,496</b>	<b>29,663,842</b>	<b>4,815,902</b>
<b>RESERVE TRANSFERS</b>				
Transfers to Reserves	22	(29,661,758)	(35,284,067)	(10,984,800)
Transfers from Reserves	22	26,329,200	12,182,612	10,599,234
<b>Net Reserve Transfers</b>		<b>(3,332,558)</b>	<b>(23,101,455)</b>	<b>(385,566)</b>
<b>Net Funds Demand</b>				
<b>Add</b>				
Opening Position - Surplus (Deficit)		2,865,719	2,517,574	2,085,318
<b>Less</b>				
Closing Position - (Surplus) Deficit	31	(6,330,550)	(7,366,589)	(2,517,574)
<b>AMOUNT TO BE MADE UP FROM RATES</b>		<b>(\$31,108,202)</b>	<b>(\$31,293,887)</b>	<b>(\$28,574,637)</b>

The accompanying notes form part of the financial statements



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES

### (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 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

### (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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

### *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.

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 fair value, or for assets acquired / disposed of since revaluation date at cost, 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

### **(n) Infrastructure, Property, Plant and Equipment (Continued)**

The table below indicates the City's phasing in of fair value for all asset classes:

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

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

Following the initial introduction of fair values, each asset class must be revalued at least every 3 years.

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 2012/2013 and subsequent 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.

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.

### *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 amounts of all non-infrastructure fixed assets 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. Infrastructure Assets are depreciated based on the asset component condition with some assets able to be reliably assessed by inspection and others using (reliable) age data as a proxy for condition.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

### (n) Infrastructure, Property, Plant and Equipment (Continued)

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.

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:

- 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
- 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

#### (i) 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.

#### (ii) 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

### (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.

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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

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.

### (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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

### 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.

### (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 2015. 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 (incorporating AASB 2014 - 7 and AASB 2014 - 8)	Dec 14	1 Jan 18	Nil - The objective of this standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the City's financial assets, its effect is not expected to be material.
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]	Sep 12	1 Jan 18	Nil - The revisions embodied in this standard give effect to the consequential changes arising from the issuance of AASB 9 which is not anticipated to have any material effect on the City (as noted above).
AASB 15: Revenue from Contracts with Customers	Dec 14	1 Jan 17	This standard establishes the principles for entities reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effects of this standard will depend upon the nature of future transactions between the City and those third parties.
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 other standards and amends the permissions around certain applications relating to financial liabilities reissued at fair value.  As the bulk of the changes related either to editorial or reference changes it is not expected to have a significant impact.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

TITLE & TOPIC	ISSUED	APPLIES	IMPACT ON STATEMENTS
AASB 2014 -3: Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations [AASB 1 & AASB 11]	Aug 14	1 Jan 16	This standard amends AASB 11: Joint Arrangements to require the acquirer of an interest in a joint operation in which the activity constitutes a business as defined in AASB 3 to apply all of the principles on business combinations accounting except for those principles that conflict with AASB 11.  Since the adoption of the standard would impact only acquisitions of interests in joint operations, it is impracticable to provide a reasonable estimate of the impact on the City's financial statements.
AASB 2014 - 5: Amendments to Australian Accounting Standards arising from AASB 15	Dec 14	1 Jan 17	Consequential changes to various standards arising from the issuance of AASB 15.  It will require changes to reflect the impact of AASB 15.
AASB 2014 - 4: Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation & Amortisation. [AASB 116 & 138]	Aug 14	1 Jan 16	This standard amends AASB 116 & AASB 138 to establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future benefits of an asset.  It also clarifies that the use of revenue based methods to calculate the depreciation of an asset is not appropriate nor is revenue generally regarded as an appropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.  Given that the City generally uses the expected pattern of the future benefits of an asset as the basis to calculate depreciation, it is not expected to have a significant impact.
AASB 2015 - 2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101 [AASB7, 101, 134 & 1049]	Jan 15	1 Jan 16	This standard amends AASB 101 to provide clarification regarding the disclosure requirements in AASB 101. Specifically, the standard proposes narrow focus amendments responding to concerns expressed regarding presentation and disclosure requirements to ensure that entities can use judgement when determining what to disclose in the financial statements.  The standard also makes editorial and consequential amendments as a result of changes to the standards as noted in the Title column.  It is not anticipated that this standard will have any significant impact on the City's disclosures.
AASB 2015 -3 Amendments to Australian Accounting Standards arising from the withdrawal of AASB 1031 Materiality	Jan 15	1 Jul 15	This now completes the withdrawal of references to AASB 1031 in all Australian accounting Standards and interpretations - allowing it to be completely withdrawn.
AASB 2015 - 6 Amendments to Australian Accounting Standards - Extending Related Parties disclosures to Not For Profit Public Sector Entities	Mar 15	1 Jul 16	The objective of this standard is to extend the applicability of AASB 1024 Related Party Disclosures to include Not For Profit Public Sector Entities.  This standard is expected to have a significant impact on the financial report of the City as both Elected Members and Senior Management will be deemed to be Key Management Personnel and the resultant statutory disclosures will be required.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## I. SUMMARY OF ACCOUNTING POLICIES (Continued)

### Adoption of New & Revised Accounting Standards

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.

The new and revised standards adopted by the City were:

- AASB 2001 - 7
- AASB 2012 - 3
- AASB 2013 - 3
- AASB 2013 - 8
- AASB 2013 - 9 (A & B)

Most of the Australian accounting standards adopted had a minimal impact on the accounting and reporting practices of the City as they did were not applicable, were largely editorial in nature, were revisions of existing standards to ensure consistency with presentation, recognition and measurement criteria of IFRS or were related to topics that were not relevant to the City's 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.
- 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.

### 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'.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 3. OBJECTIVES & FUNCTIONS (PROGRAMS) OF THE CITY (Continued)

### 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 City and Council share the following corporate values:

- 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 which 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. This includes all operating costs for the 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 which was terminated with the disposal of the Civic Triangle site in September 2014.

### 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 2015

## 4. OPERATING REVENUE & EXPENSES

### SIGNIFICANT REVENUES

	2015	2014
	\$	\$
Profit on Disposal of Land - Civic Triangle	24,246,623	0
<b>TOTAL</b>	<b>\$24,246,623</b>	<b>\$0</b>

### FEES & CHARGES DISCLOSED BY PROGRAM (FUNCTION)

PROGRAM NAME	BUDGET	2015	2014
	\$	\$	\$
General Purpose Funding	367,500	377,986	385,767
Governance	0	0	0
Law, Order & Public Safety	107,000	118,360	141,148
Education & Welfare	0	0	275
Health	31,500	35,601	11,489
Housing	1,290,420	1,394,202	2,053,238
Community Amenities	6,803,250	6,876,201	6,411,042
Recreation & Culture	3,758,465	3,770,791	3,420,863
Transport	1,501,500	1,349,983	1,487,586
Economic Services	408,250	454,563	381,554
Other Property & Services	5,000	416	11,746
<b>TOTAL FEES &amp; CHARGES</b>	<b>\$14,272,885</b>	<b>\$14,378,103</b>	<b>\$14,304,708</b>

### GRANT REVENUE BY PROGRAM (FUNCTION)

PROGRAM NAME	BUDGET	2015	2014
	\$	\$	\$
General Purpose Funding	985,033	1,451,324	471,261
Governance	117,750	107,055	50,000
Law, Order & Public Safety	0	200,000	7,355
Education & Welfare	0	0	0
Health	11,500	13,924	12,750
Housing	0	0	493,094
Community Amenities	0	0	0
Recreation & Culture	1,195,000	1,648,759	1,332,159
Transport	720,400	884,494	1,219,756
Economic Services	0	0	0
Other Property & Services	0	0	0
<b>TOTAL GRANT REVENUE</b>	<b>\$3,029,683</b>	<b>\$4,305,556</b>	<b>\$3,586,375</b>

### CONDITIONS OVER GRANTS DETAILS

	2015	2014
	\$	\$
Opening Balance - Unexpended Grants	0	0
Grants recognised during the year	4,305,375	3,586,375
Grants expended as per conditions		
Operational Grants	(2,553,541)	(1,710,406)
Grants for Asset Acquisition	(1,752,015)	(1,875,969)
	(4,305,375)	(3,586,375)
Less prior year grants expended	0	0
<b>CLOSING BALANCE - UNEXPENDED GRANTS</b>	<b>\$0</b>	<b>\$0</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 4. OPERATING REVENUE & EXPENSES (Continued)

### INTEREST REVENUE

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

DETAILS	BUDGET	2015	2014
	\$	\$	\$
Interest Revenue - Municipal	640,000	617,762	561,647
Interest Revenue - Reserves	1,636,500	1,781,084	1,154,650
Interest Revenue - Rates	263,000	292,706	280,474
<b>TOTAL INTEREST REVENUE</b>	<b>\$2,539,500</b>	<b>\$2,691,552</b>	<b>\$1,996,771</b>

### INTEREST EXPENSE

DETAILS	BUDGET	2015	2014
	\$	\$	\$
General Purpose Funding	339,987	334,313	421,298
Recreation & Culture	202,280	202,279	214,435
<b>TOTAL</b>	<b>\$542,267</b>	<b>\$536,592</b>	<b>\$635,733</b>

### ASSETS ATTRIBUTED BY FUNCTION / PROGRAM

PROGRAM NAME	2015	2014
	\$	\$
General Purpose Funding	79,305,225	49,347,588
Governance	21,963,504	21,616,874
Law, Order & Public Safety	1,151,622	229,628
Education	3,691,567	3,289,235
Health	63,703	258,766
Welfare	4,705,357	4,595,964
Housing	26,498,804	24,649,441
Community Amenities	3,687,080	1,370,524
Recreation & Culture	262,458,528	258,655,221
Transport	213,675,816	223,562,437
Economic Services	199,147	246,447
Other Property & Services	77,929,219	31,821,259
<b>TOTAL</b>	<b>\$695,329,572</b>	<b>\$619,643,384</b>

### DEPRECIATION BY ASSET CATEGORY

DETAILS	2015	2014
	\$	\$
Artworks	9,484	6,296
Buildings	1,553,682	1,345,304
Technology Equipment	301,796	230,098
Furniture & Fittings	127,151	130,958
Mobile Plant	1,077,549	1,235,734
Plant & Equipment	112,285	94,991
Infrastructure - Roads	3,593,372	2,459,250
Infrastructure - Paths	1,013,999	987,581
Infrastructure - Drains	432,332	679,351
Infrastructure - Street Furniture	59,693	116,679
Infrastructure - Parks	1,142,917	1,250,446
Infrastructure - Foreshore Assets	0	0
<b>TOTAL DEPRECIATION</b>	<b>\$9,424,260</b>	<b>\$8,536,688</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 4. OPERATING REVENUE & EXPENSES (Continued)

### ASSET DISPOSALS BY CATEGORY

DETAILS - ACTUAL	PROCEEDS	BOOK VALUE	PROFIT (LOSS)
	\$	\$	\$
Artworks	0	(2,400)	(2,400)
Technology Equipment	0	(30,558)	(30,558)
Furniture	0	(2,515)	(2,515)
Mobile Plant	249,667	(174,329)	75,338
Plant & Equipment	0	(0)	0
<b>TOTAL</b>	<b>\$249,667</b>	<b>(\$209,802)</b>	<b>\$39,865</b>

### ASSET DISPOSALS BY CATEGORY

DETAILS - BUDGET	PROCEEDS	BOOK VALUE	PROFIT (LOSS)
	\$	\$	\$
Artworks	0	(0)	0
Buildings	0	(0)	0
Technology Equipment	0	(0)	0
Furniture	0	(0)	0
Mobile Plant	321,880	(274,135)	47,745
Plant & Equipment	0	(0)	0
<b>TOTAL</b>	<b>\$321,880</b>	<b>(\$274,135)</b>	<b>\$47,745</b>

### ASSET DISPOSALS BY PROGRAM

DETAILS - ACTUAL	PROCEEDS	BOOK VALUE	PROFIT (LOSS)
	\$	\$	\$
General Purpose Funding	0	(0)	0
Governance	11,723	(15,481)	(3,758)
Law, Order & Public Safety	2,100	(740)	1,360
Education	0	(0)	0
Health	0	(370)	(370)
Welfare	0	(0)	0
Housing	21,185	(11,078)	10,107
Community Amenities	18,101	(17,956)	145
Recreation & Culture	105,114	(84,207)	20,907
Transport	91,444	(78,292)	13,151
Economic Services	0	(1,678)	(1,678)
Other Property & Services	0	(0)	0
<b>TOTAL</b>	<b>\$249,667</b>	<b>(\$209,802)</b>	<b>\$39,865</b>

### ASSET DISPOSALS BY PROGRAM

DETAILS - BUDGET	PROCEEDS	BOOK VALUE	PROFIT (LOSS)
	\$	\$	\$
General Purpose Funding	0	(0)	(0)
Governance	26,000	(15,850)	10,150
Law, Order & Public Safety	47,000	(44,650)	2,350
Education	0	0	0
Health	0	0	0
Welfare	0	0	0
Housing	29,750	(16,795)	12,955
Community Amenities	18,060	(15,915)	2,145
Recreation & Culture	137,960	(166,775)	(28,815)
Transport	63,110	(14,150)	48,960
Economic Services	0	(0)	0
Other Property & Services	0	(0)	0
<b>TOTAL</b>	<b>\$321,880</b>	<b>(\$274,135)</b>	<b>\$47,745</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 5. CASH & CASH EQUIVALENTS

### AUDIT EXPENSE

DETAILS	BUDGET	2015	2014
	\$	\$	\$
Audit of Financial Report	47,000	36,090	31,060
Audit of Grant Acquittals	5,500	2,800	4,700
<b>TOTAL</b>	<b>\$52,500</b>	<b>\$38,890</b>	<b>\$35,760</b>

### SIGNIFICANT EXPENDITURE ITEMS

DETAILS	BUDGET	2015	2014
	\$	\$	\$
Amortisation - Software	45,000	56,013	45,376
Impaired Debts Expense	77,500	44,377	8,742
<b>TOTAL</b>	<b>\$122,500</b>	<b>\$100,390</b>	<b>\$54,118</b>

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	2015	2014
	\$	\$
Cash at Bank / On Hand	2,831,276	531,234
At Call / Term Deposits	69,545,594	43,186,223
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>\$72,376,870</b>	<b>\$43,717,457</b>

### 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	2015	2014
	\$	\$
Plant Replacement Reserve	206,828	688,629
Future Municipal Works Reserve	361,283	349,817
Collier Park Village Residents Offset Reserve	20,907,740	19,579,542
Collier Park Golf Course Reserve	428,875	147,328
Waste Management Reserve	3,429,075	2,935,400
Reticulation and Pump Reserve	231,350	223,196
Information Technology Reserve	984,584	486,577
Insurance Risk Reserve	178,476	172,122
Asset Enhancement (Major Community Facilities) Reserve	24,697,052	3,455,685
Footpath Reserve	6,958	153,058
Underground Power Reserve	103,669	100,015
Parking Facilities Reserve	168,148	137,862
Collier Park Village Reserve	1,484,043	1,657,384
River Wall Reserve	164,191	1,449,813
Railway Station Precincts Reserve	736,187	710,236
Future Building Projects Reserve	2,950,623	2,114,882
Future Transport Projects Reserve	513,518	495,417
Future Parks Works Reserve	100,078	96,551
Future Streetscapes Reserve	5,158	4,976
Sustainable Infrastructure Reserve	1,671,205	1,269,097
<b>RESERVE FUNDS - TOTAL RESTRICTED CASH</b>	<b>\$59,329,041</b>	<b>\$36,227,587</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 5. CASH & CASH EQUIVALENTS (Continued)

### RECONCILIATION OF CASH & CASH EQUIVALENTS

DETAILS	2015	2014
	\$	\$
Unrestricted Cash & Cash Equivalents	13,047,829	7,489,870
Restricted Cash & Cash Equivalents	59,329,041	36,227,587
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>\$72,376,870</b>	<b>\$43,717,457</b>

## 6. TRADE & OTHER RECEIVABLES - CURRENT

DETAILS	2015	2014
	\$	\$
Rates Outstanding	221,509	141,227
Loans - Clubs and Institutions	263,326	248,520
Sundry Debtors	651,709	885,170
Infringement Debtors	329,379	303,659
GST Receivable from ATO	1,594,535	196,556
Pensioner Rebate Receivable	9,389	18,930
Underground Power Service Charge - Stage 3 & 5	50,275	254,039
ESL Debtors	46,113	37,580
	3,166,235	2,085,681
Less: Provision for Impairment of Debts	(201,185)	(181,781)
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>\$2,965,050</b>	<b>\$1,903,900</b>

## 7. INVENTORIES - MATERIALS

DETAILS	2015	2014
	\$	\$
Materials and Fuel at Cost	16,878	16,595
Nursery Green Stock at Cost	89,360	133,573
<b>TOTAL INVENTORIES - MATERIALS</b>	<b>\$106,238</b>	<b>\$150,168</b>

## 8. ASSETS HELD FOR SALE

DETAILS	2015	2014
	\$	\$
Assets Held for Sale at Cost	2,180,348	5,243,725
<b>TOTAL CURRENT ASSETS HELD FOR SALE</b>	<b>\$2,180,348</b>	<b>\$5,243,725</b>

## 9. OTHER CURRENT ASSETS

DETAILS	2015	2014
	\$	\$
Prepayments	327,372	437,955
Accrued Income	490,814	224,523
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>\$818,186</b>	<b>\$662,478</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 10. TRADE & OTHER RECEIVABLES - NON CURRENT

DETAILS	2015	2014
	\$	\$
Commercial Lease Debtors	0	13,444
Deferred Ground Lease Debtor	0	3,000
Rates Outstanding - Pension Deferrals	407,526	395,745
ESL Outstanding - Pension Deferrals	55,956	53,159
Loans - Clubs and Institutions	1,628,491	1,795,460
<b>TOTAL CURRENT TRADE AND OTHER RECEIVABLES</b>	<b>\$2,091,973</b>	<b>\$2,260,808</b>

## 11. ASSETS HELD FOR SALE

DETAILS	2015	2014
	\$	\$
Assets Held for Sale at Cost	946,464	946,464
<b>TOTAL NON-CURRENT ASSETS HELD FOR SALE</b>	<b>\$946,464</b>	<b>\$946,464</b>

## 12. INVESTMENTS - NON CURRENT

DETAILS	2015	2014
	\$	\$
Equity Share in Joint Venture - Rivers Regional Council (12.40% share of Net Assets of \$ 924,231)	114,604	
(12.11% share of Net Assets of \$1,177,997)		142,655
Investment in WALGA Local Govt House Trust (10 units) (Trust un-audited 2014/2015 financial statements)	169,600	178,886
<b>Total Non-Current Investments</b>	<b>\$284,204</b>	<b>\$321,541</b>

## 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 and were recorded at fair value as at 30 June 2014 - including an allowance for the expired portion of each building's estimated useful life. These assets were again re-valued to fair value at 30 June 2015.

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. These valuations were considered again at 30 June 2015.

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

ASSET CATEGORY	2015	2014
	\$	\$
Freehold Land at Fair Value	276,402,500	276,402,500
Land under Control at Fair Value	3,000,000	3,000,000
	<b>279,402,500</b>	<b>279,402,500</b>
Buildings at Fair Value	101,963,006	98,240,743
Acquisitions (Disposals) since valuation at Cost	0	0
Less Accumulated Depreciation	(19,241,824)	(21,831,297)
	<b>82,721,182</b>	<b>76,409,446</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 13. PROPERTY, PLANT & EQUIPMENT (Continued)

ASSET CATEGORY	2015	2014
	\$	\$
Artworks at Independent Valuation	304,022	321,781
Acquisitions (Disposals) since valuation at Cost	33,600	3,975
Less Accumulated Depreciation	(37,595)	(59,291)
	<b>300,027</b>	<b>266,465</b>
Technology Equipment at Fair Value	1,942,496	2,158,175
Acquisitions (Disposals) since valuation at Cost	176,945	308,879
Less Accumulated Depreciation	(1,522,547)	(1,745,309)
	<b>596,894</b>	<b>721,745</b>
Furniture at Fair Value	2,216,497	2,425,912
Acquisitions (Disposals) since valuation at Cost	7,654	(123,365)
Less Accumulated Depreciation	(1,762,325)	(1,718,709)
	<b>461,826</b>	<b>583,838</b>
Mobile Plant at Fair Value	7,160,125	8,506,077
Acquisitions (Disposals) since valuation at Cost	1,078,245	(246,547)
Less Accumulated Depreciation	(5,413,764)	(5,435,620)
	<b>2,824,606</b>	<b>2,823,910</b>
Plant & Equipment at Fair Value	2,416,944	2,377,566
Acquisitions (Disposals) since valuation at Cost	133,733	73,837
Less Accumulated Depreciation	(1,966,274)	(1,888,448)
	<b>584,403</b>	<b>562,955</b>
Capital Works in Progress - Buildings		
Manning Community Facility	944,241	181,716
Ernest Johnson Oval Precinct	105,938	0
Animal Care Facility	0	332,477
Manning Men's Shed	0	30,791
	<b>1,050,178</b>	<b>544,984</b>
Capital Works in Progress - Technology		
Unified Communications Project	141,180	0
	<b>141,180</b>	<b>0</b>
<b>TOTAL PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>\$368,082,798</b>	<b>\$361,315,843</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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 2015 with the valuation methodology being independently and assessed by a licenced valuer.

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	2015 \$	2014 \$
Infrastructure - Roads at Fair Value	173,958,484	168,290,653
Less Accumulated Depreciation	(59,398,801)	(68,697,659)
	<b>114,559,683</b>	<b>99,592,994</b>
Infrastructure - Drainage at Fair Value	41,423,111	67,935,052
Less Accumulated Depreciation	(22,193,123)	(23,819,318)
	<b>19,229,988</b>	<b>44,115,734</b>
Infrastructure - Paths at Fair Value	51,494,094	51,217,620
Less Accumulated Depreciation	(18,287,059)	(17,875,597)
	<b>33,207,037</b>	<b>33,342,023</b>
Infrastructure - Street Furniture at Fair Value	1,792,090	0
Infrastructure - Street Furniture at Cost	0	2,688,701
Less Accumulated Depreciation	(1,083,709)	(1,712,702)
	<b>708,381</b>	<b>975,999</b>
Infrastructure - Park Assets at Fair Value	82,853,657	59,102,471
Less Accumulated Depreciation	(8,822,018)	(34,519,922)
	<b>74,031,639</b>	<b>24,582,549</b>
<b>CAPITAL WORK IN PROGRESS</b>		
Capital Work in Progress - Path Infrastructure	19,338	30,296
Capital Work in Progress - Park Infrastructure	842,350	0
Capital Work in Progress - Foreshore Infrastructure	2,251,265	0
	<b>3,112,953</b>	<b>30,296</b>
<b>TOTAL INFRASTRUCTURE</b>	<b>\$244,849,679</b>	<b>\$202,639,595</b>

## 15. INTANGIBLES

DETAILS	2015 \$	2014 \$
Computer Software	740,302	537,931
Less Accumulated Amortisation	(112,541)	(56,528)
Easements over Land	0	0
	<b>\$627,761</b>	<b>\$481,403</b>
<b>Movement in Carrying Amount - Intangibles</b>		
Balance at 1 July	481,403	434,953
Additions	202,371	102,978
Amortisation	(56,013)	(56,528)
Disposals	(0)	(0)
Balance at 30 June	<b>\$627,761</b>	<b>\$481,403</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 16. TRADE & OTHER PAYABLES - CURRENT

DETAILS	2015 \$	2014 \$
Accounts Payable	4,273,198	3,391,503
Income in Advance	3,021,954	2,468,220
Accrued Wages	324,243	241,886
Accrued Interest Expense	31,810	37,379
<b>TOTAL CURRENT TRADE AND OTHER PAYABLES</b>	<b>\$7,651,205</b>	<b>\$6,138,988</b>

## 17. TRADE & OTHER PAYABLES - CURRENT

DETAILS	2015 \$	2014 \$
Loans - City	622,544	1,129,311
Loans - Collier Park Golf Course	263,989	251,215
Loans - Self Supporting	263,326	248,520
<b>TOTAL CURRENT BORROWINGS</b>	<b>\$1,149,859</b>	<b>\$1,629,046</b>

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 \$0.10M repayable monthly over a 15 year term (Loan 230). 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.

## 18. PROVISIONS - CURRENT

DETAILS	2015 \$	2014 \$
Annual Leave	2,217,707	2,081,582
Long Service Leave	1,794,127	1,575,403
<b>Total Current Provisions</b>	<b>\$4,011,834</b>	<b>\$3,656,985</b>

## 19. TRADE & OTHER PAYABLES - NON CURRENT

DETAILS	2015 \$	2014 \$
Leaseholder Liability - Collier Park Village	29,921,148	29,322,346
<b>Total Non-Current Other Payables</b>	<b>\$29,921,148</b>	<b>\$29,322,346</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 20. BORROWINGS - NON CURRENT

DETAILS	2015	2014
	\$	\$
Loans - City	2,838,027	3,460,571
Loans - Collier Park Golf Course	3,614,879	3,878,867
Loans - Self Supporting	1,628,491	1,795,460
<b>TOTAL NON CURRENT BORROWINGS</b>	<b>\$8,081,397</b>	<b>\$9,134,898</b>

## 21. PROVISIONS - NON CURRENT

DETAILS	2015	2014
	\$	\$
Long Service Leave	284,648	310,011
<b>TOTAL NON CURRENT PROVISIONS</b>	<b>\$284,648</b>	<b>\$310,011</b>

## 22. RESERVE FUNDS - PURPOSE OF RESERVES

### Plant Replacement Reserve

This reserve is used to fund the balance of the purchase price of plant and equipment associated with City works (after trade-in, discounts and allowances).

### Future Municipal Works Reserve

Initially established to accumulate funds for future discretionary municipal works, the reserve is no longer active and the balance of the reserve will be transferred to the Major Community Facilities Reserve as part of the 2015/2016 Budget process.

### Collier Park Village Residents Offset Reserve

This reserve was 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

The reserve is now redundant after the closure of the facility in April 2014.

### Collier Park Hostel Accommodation Bonds Reserve

This reserve is now redundant since the closure of the facility in April 2014.

### Collier Park Golf Course Reserve

This reserve was established to quarantine funds relating to the Collier Park Golf Course, to purchase plant & equipment, reticulation equipment and to repay debt (if any) associated with the Golf Course. The reserve is funded by an amount equal to a specified percentage of the annual operating surplus excluding depreciation with the remainder returned to the City's Municipal Fund as a dividend in accordance with Council Policy P608.

### Waste Management Reserve

This reserve was established to provide for investment in new waste management initiatives and is funded by an annual allocation equal to the operating surplus (deficit) from the waste operations.

### Reticulation & Pump Replacement Reserve

This reserve was established to provide funds for the replacement of reticulation and pumps at various parks and gardens. As part of the 2015/16 Budget process, the balances of the Future Park Works and Future Streetscapes Reserves will be consolidated into this reserve.

### Information Technology Reserve

This reserve was established to finance the acquisition and enhancement of technology and digital service delivery initiatives. The municipal fund provides ongoing appropriations as and when needed.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 22. RESERVE FUNDS - PURPOSE OF RESERVES (Continued)

### 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.

### Major Community Facilities Reserve - formerly Asset Enhancement Reserve

This reserve was established to accumulate funds including those from major strategic land sales for significant discretionary community facility projects in future years; alleviating the impacts of inter-generational equity in funding major facilities.

### Path Reserve

This reserve was established to quarantine funding for path construction and replacement. The reserve will be consolidated into the Sustainable Infrastructure Reserve as part of the 2015/2016 Budget.

### Underground Power Reserve

This reserve was 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

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

### Collier Park Village Reserve

This reserve accumulates the lease premium and refurbishment levy paid by ingoing residents of the retirement village as well as the operating result (adjusted for depreciation) for the Village each year. Capital purchases and refurbishment costs associated with this complex are funded from this reserve. In the event of an operating shortfall, the reserve is expected to subsidise the difference so that the facility's operations do not impose a financial burden upon the City's ratepayers.

### River Wall Reserve

This reserve was 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

This reserve was 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

This reserve was initially established to quarantine monies to be used to support funding models for future major upgrades of City and Civic buildings to spread the burden of major community building infrastructure more equitably over the years. This reserve will be consolidated into the Major Community Facilities Reserve as part of the 2015/2016 Budget process.

### Future Transport Works Reserve

This reserve was 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. This reserve will be consolidated into the Sustainable Infrastructure Reserve as part of the 2015/2016 Budget process.

### Future Streetscape Works Reserve

Initially established to fund future streetscape projects, this reserve will be consolidated into the Reticulation & Pump Replacement Reserve as part of the 2015/2016 Budget process.

### Future Parks Works Reserve

Initially established to provide funding for future major park development works, this reserve will be consolidated into the Pump Replacement Reserve as part of the 2015/2016 Budget process.

### Sustainable Infrastructure Reserve

This reserve was created to support the financially sustainable management of our community infrastructure including roads, paths, drainage, river walls and parks. The Future Transport & Path Reserves will be consolidated into this reserve as part of the 2015/2016 budget process.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 22. RESERVE FUNDS (Continued)

### Reserve Fund Movements

All active reserves may have funds applied to projects or may be reimbursed from the Municipal Fund 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 Major Community Facilities Reserve, Sustainable Infrastructure Reserve, River Wall Reserve and Railway Station Precinct Reserves are relevant to these funding models.

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

### RESERVE FUNDS

DETAILS	BUDGET \$	2015 \$	2014 \$
<b>Plant Replacement Reserve</b>			
Balance at 1 July	688,629	688,629	714,559
Transfers from Surplus	15,500	18,199	374,070
Transfers to Surplus	(500,000)	(500,000)	(400,000)
<b>BALANCE AT 30 JUNE</b>	<b>204,129</b>	<b>206,828</b>	<b>688,629</b>
<b>FUTURE MUNICIPAL WORKS RESERVE</b>			
Balance at 1 July	349,817	349,817	826,651
Transfers from Surplus	12,500	11,466	23,166
Transfers to Surplus	(0)	(0)	(500,000)
<b>BALANCE AT 30 JUNE</b>	<b>362,317</b>	<b>361,283</b>	<b>349,817</b>
<b>COLLIER PARK VILLAGE RESIDENTS OFFSET RESERVE</b>			
Balance at 1 July	19,579,543	19,579,543	18,188,429
Transfers from Surplus	3,640,000	3,276,645	4,392,109
Transfers to Surplus	(2,000,000)	(1,948,448)	(3,000,995)
<b>BALANCE AT 30 JUNE</b>	<b>21,219,543</b>	<b>20,907,740</b>	<b>19,579,543</b>
<b>COLLIER PARK HOSTEL CAPITAL RESERVE</b>			
Balance at 1 July	0	0	352,465
Transfers from Surplus	0	0	43,147
Transfers to Surplus	(0)	(0)	(395,612)
<b>BALANCE AT 30 JUNE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>COLLIER PARK HOSTEL BONDS RESERVE</b>			
Balance at 1 July	0	0	2,064,292
Transfers from Surplus	0	0	733,944
Transfers to Surplus	(0)	(0)	(2,798,236)
<b>BALANCE AT 30 JUNE</b>	<b>0</b>	<b>0</b>	<b>0</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 22. RESERVE FUNDS (Continued)

### DETAILS

#### COLLIER PARK GOLF COURSE RESERVE

	BUDGET \$	2015 \$	2014 \$
Balance at 1 July	147,329	147,329	83,058
Transfers from Surplus	975,000	1,012,182	451,650
Transfers to Surplus	(585,000)	(730,636)	(387,379)
<b>BALANCE AT 30 JUNE</b>	<b>537,329</b>	<b>428,875</b>	<b>147,329</b>

#### WASTE MANAGEMENT RESERVE

Balance at 1 July	2,935,401	2,935,401	4,240,258
Transfers from Surplus	720,258	829,220	455,004
Transfers to Surplus	(350,450)	(335,546)	(1,759,861)
<b>BALANCE AT 30 JUNE</b>	<b>3,305,209</b>	<b>3,429,075</b>	<b>2,935,401</b>

#### RETICULATION & PUMP RESERVE

Balance at 1 July	223,195	223,195	215,720
Transfers from Surplus	7,500	8,155	7,475
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>230,695</b>	<b>231,350</b>	<b>223,195</b>

#### INFORMATION TECHNOLOGY RESERVE

Balance at 1 July	486,576	486,576	519,006
Transfers from Surplus	492,000	498,008	117,570
Transfers to Surplus	(0)	(0)	(150,000)
<b>BALANCE AT 30 JUNE</b>	<b>978,576</b>	<b>984,584</b>	<b>486,576</b>

#### INSURANCE RISK RESERVE

Balance at 1 July	172,121	172,121	141,663
Transfers from Surplus	6,000	6,355	30,458
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>178,121</b>	<b>178,476</b>	<b>172,121</b>

#### MAJOR COMMUNITY FACILITIES RESERVE

Balance at 1 July	3,455,684	3,455,684	897,719
Transfers from Surplus	25,114,500	27,691,368	2,557,965
Transfers to Surplus	(6,450,000)	(6,450,000)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>22,120,184</b>	<b>24,697,052</b>	<b>3,455,684</b>

#### PATH RESERVE

Balance at 1 July	153,058	153,058	147,932
Transfers from Surplus	5,500	3,900	5,126
Transfers to Surplus	(150,000)	(150,000)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>8,558</b>	<b>6,958</b>	<b>153,058</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 22. RESERVE FUNDS (Continued)

DETAILS	BUDGET \$	2015 \$	2014 \$
<b>UNDERGROUND POWER RESERVE</b>			
Balance at 1 July	100,015	100,015	96,670
Transfers from Surplus	3,500	3,654	3,345
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>103,515</b>	<b>103,669</b>	<b>100,015</b>
<b>PARKING FACILITIES RESERVE</b>			
Balance at 1 July	137,862	137,862	133,245
Transfers from Surplus	50,000	50,286	4,617
Transfers to Surplus	(20,000)	(20,000)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>103,515</b>	<b>103,669</b>	<b>100,015</b>
<b>COLLIER PARK VILLAGE RESERVE</b>			
Balance at 1 July	1,657,384	1,657,384	1,675,595
Transfers from Surplus	459,000	554,642	738,942
Transfers to Surplus	(733,750)	(727,983)	(757,153)
<b>BALANCE AT 30 JUNE</b>	<b>1,382,634</b>	<b>1,484,043</b>	<b>1,657,384</b>
<b>RIVER WALL RESERVE</b>			
Balance at 1 July	1,449,814	1,449,814	1,159,236
Transfers from Surplus	33,000	34,377	540,578
Transfers to Surplus	(1,320,000)	(1,320,000)	(250,000)
<b>BALANCE AT 30 JUNE</b>	<b>162,814</b>	<b>164,191</b>	<b>1,449,814</b>
<b>RAILWAY STATION PRECINCTS RESERVE</b>			
Balance at 1 July	710,237	710,237	686,450
Transfers from Surplus	25,000	25,950	23,787
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>735,237</b>	<b>736,187</b>	<b>710,237</b>
<b>FUTURE BUILDING WORKS RESERVE</b>			
Balance at 1 July	2,114,882	2,114,882	2,042,719
Transfers from Surplus	811,000	835,741	72,163
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>2,925,882</b>	<b>2,950,623</b>	<b>2,114,882</b>
<b>FUTURE TRANSPORT WORKS RESERVE</b>			
Balance at 1 July	495,417	495,417	479,091
Transfers from Surplus	17,500	18,101	16,326
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>512,917</b>	<b>513,518</b>	<b>495,417</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 22. RESERVE FUNDS (Continued)

DETAILS	BUDGET \$	2015 \$	2014 \$
<b>FUTURE STREETSCAPES WORKS</b>			
Balance at 1 July	96,550	96,550	93,318
Transfers from Surplus	3,500	3,528	3,232
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>100,050</b>	<b>100,078</b>	<b>96,550</b>
<b>FUTURE PARKS WORKS RESERVE</b>			
Balance at 1 July	4,976	4,976	4,811
Transfers from Surplus	0	182	165
Transfers to Surplus	(0)	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>4,976</b>	<b>5,158</b>	<b>4,976</b>
<b>SUSTAINABLE INFRASTRUCTURE RESERVE</b>			
Balance at 1 July	1,269,097	1,269,097	1,079,133
Transfers from Surplus	400,500	402,108	389,964
Transfers to Surplus	(0)	(0)	(200,000)
<b>BALANCE AT 30 JUNE</b>	<b>1,669,597</b>	<b>1,671,205</b>	<b>1,269,097</b>
<b>TOTAL CASH BACKED RESERVES</b>	<b>\$56,910,145</b>	<b>\$59,329,041</b>	<b>\$36,227,587</b>
<b>SUMMARY OF CASH BACKED RESERVES</b>			
<b>DETAILS</b>			
	<b>BUDGET \$</b>	<b>2015 \$</b>	<b>2014 \$</b>
Balance at 1 July	36,227,587	36,227,587	35,842,020
Transfers from Surplus	32,791,758	35,284,066	10,984,801
Transfers to Surplus	(12,109,200)	(12,182,612)	(10,599,234)
<b>BALANCE AT 30 JUNE</b>	<b>\$56,910,145</b>	<b>\$59,329,041</b>	<b>\$36,227,587</b>
<b>23. REVALUATION SURPLUS</b>			
Revaluation surpluses have arisen on revaluation of the following classes of Non Current Assets:			
<b>DETAILS</b>			
		<b>2015 \$</b>	<b>2014 \$</b>
<b>LAND</b>			
Balance at 1 July		223,502,500	223,502,500
Current Year Revaluation Increment		0	0
Previously Re-valued Asset Decrement		(0)	(0)
<b>BALANCE AT 30 JUNE</b>		<b>\$223,502,500</b>	<b>\$223,502,500</b>
<b>ARTWORKS</b>			
Balance at 1 July		151,991	151,991
Current Year Revaluation Increment		9,446	0
Previously Re-valued Asset Decrement		(0)	(0)
<b>BALANCE AT 30 JUNE</b>		<b>\$161,437</b>	<b>\$151,991</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 23. REVALUATION SURPLUS (Continued)

DETAILS	2015 \$	2014 \$
<b>BUILDINGS</b>		
Balance at 1 July	41,351,088	23,982,607
Adjustment to Prior Year Revaluation	0	421,518
Restated Balance at 1 July	41,351,088	24,404,125
Current Year Revaluation Increment	6,390,696	17,341,438
Previously Re-valued Assets De-recognised	1,065,828	(394,475)
<b>BALANCE AT 30 JUNE</b>	<b>\$48,807,612</b>	<b>\$41,351,088</b>
<b>TECHNOLOGY EQUIPMENT</b>		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$0</b>	<b>\$0</b>
<b>FURNITURE &amp; FITTINGS</b>		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$0</b>	<b>\$0</b>
<b>MOBILE PLANT</b>		
Balance at 1 July	274,432	274,432
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$274,432</b>	<b>\$274,432</b>
<b>PLANT &amp; EQUIPMENT</b>		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$0</b>	<b>\$0</b>
<b>ROADS INFRASTRUCTURE</b>		
Balance at 1 July	94,425,577	82,891,689
Current Year Revaluation Increment	16,156,884	11,533,888
Previously Re-valued Asset Decrement	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$110,582,461</b>	<b>\$94,425,577</b>
<b>DRAINAGE INFRASTRUCTURE</b>		
Balance at 1 July	33,338,689	18,205,126
Current Year Revaluation Increment	0	15,133,563
Previously Re-valued Asset Decrement	(24,895,119)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$8,443,570</b>	<b>\$33,338,689</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 23. REVALUATION SURPLUS (Continued)

DETAILS	2015 \$	2014 \$
<b>PATHS INFRASTRUCTURE</b>		
Balance at 1 July	24,873,797	23,041,417
Current Year Revaluation Increment	404,670	1,832,380
Previously Re-valued Asset Decrement	(0)	0
<b>BALANCE AT 30 JUNE</b>	<b>\$25,278,467</b>	<b>\$24,873,797</b>
<b>STREET FURNITURE</b>		
Balance at 1 July	0	0
Current Year Revaluation Increment	0	0
Previously Re-valued Asset Decrement	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$0</b>	<b>\$</b>
<b>PARKS INFRASTRUCTURE</b>		
Balance at 1 July	7,741,429	0
Current Year Revaluation Increment	49,670,906	7,741,429
Previously Re-valued Asset Decrement	(0)	(0)
<b>BALANCE AT 30 JUNE</b>	<b>\$57,412,335</b>	<b>\$7,741,429</b>
<b>TOTAL REVALUATION SURPLUS</b>	<b>\$474,462,814</b>	<b>\$425,659,503</b>
<b>SUMMARY OF REVALUATION SURPLUS</b>		
<b>DETAILS</b>		
	2015 \$	2014 \$
Balance at 1 July	425,659,503	372,049,762
Revaluation Increments	72,632,602	53,582,698
Revaluation Decrements	(24,895,119)	0
Adjustment to Prior Year Revaluation	0	421,518
Adjustment to Revaluation on Disposed Buildings	1,065,828	(394,475)
<b>BALANCE AT 30 JUNE</b>	<b>\$474,462,814</b>	<b>425,659,503</b>
<b>24. TRUST FUNDS</b>		
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.		
<b>DETAILS</b>		
	2015 \$	2014 \$
Footpath Deposits	540,200	775,105
Tender Deposits	0	0
Hall Bonds	5,932	470
Lessee Bonds	16,215	10,250
Sundry Trusts	38,853	48,244
Private Crossover Deposits	0	0
<b>TOTAL TRUST LIABILITIES</b>	<b>\$601,200</b>	<b>\$834,069</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 24. TRUST FUNDS (Continued)

### TRUST ASSETS

DETAILS	2015	2014
	\$	\$
Cash at Bank	76,200	234,069
Investments	525,000	600,000
<b>TOTAL TRUST ASSETS</b>	<b>\$601,200</b>	<b>\$834,069</b>

### MOVEMENT IN TRUST FUNDS

FOOTPATH DEPOSITS	2015	2014
	\$	\$
Opening Balance	775,105	684,105
Deposits	300,500	262,300
Refunds	(424,155)	(170,425)
Retentions	(111,250)	(875)
<b>CLOSING BALANCE</b>	<b>\$540,200</b>	<b>\$775,105</b>

### HALL BONDS

Opening Balance	470	4,800
Deposits	11,831	5,709
Refunds	(5,429)	(10,039)
Retentions	(940)	(0)
<b>CLOSING BALANCE</b>	<b>\$5,932</b>	<b>\$470</b>

### LESSEE BONDS

Opening Balance	10,250	9,000
Deposits	14,090	2,250
Refunds	(7907)	(1,000)
Retentions	(218)	(0)
<b>CLOSING BALANCE</b>	<b>\$16,215</b>	<b>\$10,250</b>

### SUNDRY TRUSTS DEPOSITS

Opening Balance	48,244	59,045
Deposits	13,633	24,217
Refunds	(15,030)	(34,821)
Retentions	(7,994)	(197)
<b>CLOSING BALANCE</b>	<b>\$38,853</b>	<b>\$48,244</b>

### PRIVATE CROSSOVER DEPOSITS

Opening Balance	0	0
Deposits	0	0
Refunds	(0)	(0)
Retentions	(0)	(0)
<b>CLOSING BALANCE</b>	<b>\$0</b>	<b>\$0</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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

	2015	2014
	\$	\$
Contributions by the City during Reporting Period	1,944,243	1,877,560
Number of FTE Employees at Reporting Date	214.0	214.7

## 26. COUNCIL MEMBERS' ENTITLEMENTS

For the year ended 30 June 2015, 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	2015	2014
	\$	\$	\$
Meeting Attendance Fees	212,000	211,665	232,230
Local Government Allowances	71,250	77,250	67,500
Technology Allowances	50,000	42,097	44,163
Other Reimbursements	10,000	5,664	7,069
Legal Expenses	90,000	95,160	0
Training & Conferences	50,000	31,329	31,286
Election Expenses	0	0	67,191
Other Expenses	151,750	146,912	150,463
<b>TOTAL ENTITLEMENTS</b>	<b>\$635,000</b>	<b>\$610,077</b>	<b>\$599,902</b>

## 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

	2015	2014
	\$	\$
Not later than 1 Year	53,448	53,448
Later than 1 Year and not later than 5 Years	22,270	75,718
Later than 5 Years	0	0
<b>TOTAL OPERATING LEASE OBLIGATIONS</b>	<b>\$75,718</b>	<b>\$129,166</b>

## 28. CONTINGENT LIABILITIES

The City has no contingent liabilities as at reporting date.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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 conclude one major land transaction during the reporting period and it continued to progress the disposal of three other surplus land parcels.

The disposal of the Civic Triangle site through an Expression of Interest process was settled in September 2014 after the conclusion of the final statutory advertising period. Net proceeds from the land sale transaction were transferred to the Major Community Facilities Reserve (formerly the Asset Enhancement Reserve) awaiting future application to fund identified major community projects.

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 use in accordance with the City's Long Term Financial Plan.

The other planned land disposal of the Manning Commercial Land has been deferred into the 2015/2016 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	2015 \$	2014 \$
Animal Care Facility - Tender 23/2013	0	410,324
Manning Community Hub Facility	15,513,068	0
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>\$15,513,068</b>	<b>\$410,324</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 31. OPENING / CLOSING POSITION

DETAILS	BUDGET \$	2015 \$	2014 \$
<b>CURRENT ASSETS</b>			
Cash & Cash Equivalents	49,517,984	72,376,870	43,717,457
Trade & Other Receivables			
Rates	161,227	221,509	141,227
Sundry Debtors	980,535	651,709	885,170
Infringement Debtors	402,299	329,379	303,659
GST Debtors	622,650	1,594,535	196,556
Pension Rebate Receivable	22,224	9,389	18,930
UGP Debtors	4,039	50,275	254,039
ESL Debtors	93,821	46,113	37,580
Self-Supporting Loan Debtors	258,286	263,326	248,520
Provision for Doubtful Debts	(181,781)	(201,185)	(181,781)
Inventories - Materials	140,168	106,238	150,168
Inventories - Land Held for Resale	2,000,000	2,180,348	5,243,725
Accrued Interest Revenue	186,326	490,814	224,523
Prepayments	321,507	327,372	437,955
<b>Sub Total</b>	<b>54,529,285</b>	<b>78,446,692</b>	<b>51,677,728</b>
Exclude:			
Inventories - Land Held for Resale	(2,000,000)	(2,180,348)	(5,243,725)
Self-Supporting Loan Debtors	(258,286)	(263,326)	(248,520)
<b>Adjusted Current Assets</b>	<b>52,270,999</b>	<b>76,003,018</b>	<b>46,185,483</b>
<b>CURRENT LIABILITIES</b>			
Trade & Other Payables			
Accounts Payable	(2,536,130)	(4,273,198)	(3,391,503)
Income in Advance	(3,068,220)	(3,021,954)	(2,468,220)
Accrued Wages	(221,886)	(324,543)	(241,886)
Accrued Interest Expense	(34,379)	(31,810)	(37,379)
Interest Bearing Liabilities	(1,144,820)	(1,149,859)	(1,629,046)
Employee Provisions - Annual Leave	(2,099,264)	(2,217,707)	(2,081,582)
Employee Provisions - Long Service Leave	(1,559,846)	(1,794,127)	(1,575,403)
<b>Sub Total</b>	<b>(10,664,545)</b>	<b>(12,812,898)</b>	<b>(11,425,019)</b>
Exclude:			
Interest Bearing Liabilities	1,144,820	1,149,859	1,629,046
Liabilities Associated with Restricted Assets	2,955,651	2,355,651	2,355,651
<b>Adjusted Current Liabilities</b>	<b>(6,564,074)</b>	<b>(9,307,388)</b>	<b>(7,440,322)</b>
<b>(Adjusted) Net Current Assets</b>	<b>45,706,925</b>	<b>66,695,630</b>	<b>38,745,161</b>
Less			
Restricted Assets - Cash Reserves	(39,376,376)	(59,329,041)	(36,227,587)
<b>SURPLUS (DEFICIT)</b>	<b>\$6,330,550</b>	<b>\$7,366,589</b>	<b>\$2,517,574</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 31. OPENING / CLOSING POSITION (Continued)

Net current (unrestricted) assets carried forward at 1 July 2014 as disclosed for the purpose of the budget were \$2,865,719. 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 2014 of \$2,517,574.

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 14 July 2014. 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 6.0700 cents in the dollar (6.5473 cents in 2014) 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 \$875.00 Minimum Rate was applied (\$825.00 in 2014). This rate was determined to reflect the basic cost incurred in servicing lots within the district for the 2014/15 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 \$	2015 \$	2014 \$
Administration Fee - Instalments	140,000	143,980	138,140
Pre Interest on Rates Instalments	173,000	176,467	166,589
Interest on Overdue Rates	90,000	116,238	113,885
<b>Total Charges and Interest</b>	<b>\$403,000</b>	<b>\$436,685</b>	<b>\$418,614</b>

### 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 2014/15 rating year. To be eligible, ratepayers were required to pay current year rates plus any arrears in full before the due date of 27 August 2014. 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 2014/2015 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 2014/15 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 2015. Accordingly, the uncollected ESL funds at year end are now included in the City's Balance Sheet as a debt owing to the City.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 33. SCHEDULE OF RATES LEVIED

### ACTUAL

PARTICULARS	RATEABLE VALUE \$	RATE IN \$ CENTS	RATE YIELD \$	MIN NO.	MIN YIELD (\$)	TOTAL YIELD \$
<b>General - GRV</b>						
Residential	422,964,359	6.0700	25,800,588	2,215	1,938,125	27,738,713
Commercial	54,898,006	6.0700	3,297,867	53	46,375	3,344,242
Interim Rates	36,957,713	6.0700	210,932	0	0	210,932
<b>TOTAL</b>	<b>514,820,078</b>		<b>29,309,387</b>	<b>2,268</b>	<b>1,984,500</b>	<b>31,293,887</b>

### BUDGET

Particulars	RATEABLE VALUE \$	RATE IN \$ CENTS	RATE YIELD \$	MIN NO.	MIN YIELD (\$)	TOTAL YIELD \$
<b>GENERAL - GRV</b>						
Residential	453,297,563	6.0700	25,828,206	2,215	1,938,125	27,766,331
Commercial	54,453,194	6.0700	3,266,794	53	46,375	3,313,169
Interim Rates	0	6.0700	185,000	0	0	185,000
<b>TOTAL</b>	<b>507,750,757</b>		<b>29,280,000</b>	<b>2,268</b>	<b>1,984,500</b>	<b>31,264,500</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 34. GENERAL PURPOSE FUNDING

DETAILS	BUDGET \$	2015 \$	2014 \$
<b>GENERAL RATE</b>			
GRV - 17,593 Assessments Rate in \$ of 6.0700 cents	29,095,000	29,098,455	
GRV - 17,436 Assessments Rate in \$ of 6.5473 cents			26,575,358
<b>MINIMUM RATE</b>			
GRV - 2,268 Assessments at \$ 875.00 GRV - 2,282 Assessments at \$ 825.00	1,984,500	1,984,500	1,882,650
<b>INTERIM RATES</b>			
GRV - Rate in \$ of 6.0700 cents GRV - Rate in \$ of 6.5473 cents	185,000	210,932	116,629
<b>SUB TOTAL</b>	<b>31,264,500</b>	<b>31,293,887</b>	<b>28,574,637</b>
Plus - Late Payment Penalties / Interest	263,000	292,706	280,473
Plus - Admin & Legal Fees Recouped	205,000	223,518	185,150
Less - Rates Written Off	(7,500)	(10,052)	(12,480)
<b>TOTAL AMOUNT FROM RATES</b>	<b>31,725,000</b>	<b>31,800,059</b>	<b>29,027,780</b>
<b>GRANT REVENUE</b>			
General (Untied) Grant	952,533	1,437,647	454,020
<b>SUB TOTAL</b>	<b>952,533</b>	<b>1,437,647</b>	<b>454,020</b>
<b>OTHER GENERAL PURPOSE INCOME</b>			
Pensioner's Deferred Rates Interest	32,500	13,677	17,241
Interest Revenue (Including Reserves)	2,217,500	2,341,060	1,656,916
UGP Financing Interest	7,500	7,359	45,078
ESL Transaction Processing Fee	40,000	39,750	40,610
Change in Equity - Local Govt House Trust	0	0	178,885
Other General Purpose Revenue	608,611	610,297	630,870
<b>SUB TOTAL</b>	<b>2,906,111</b>	<b>3,012,142</b>	<b>2,569,600</b>
<b>TOTAL GENERAL PURPOSE REVENUE</b>	<b>\$35,583,644</b>	<b>\$36,249,848</b>	<b>\$32,051,400</b>
<b>EXPENSES</b>			
Rates Collection / Valuation Expenses	(330,293)	(316,337)	(270,159)
Interest Expense - Loans	(339,987)	(334,313)	(421,298)
Financing Expense	(40,000)	(16,341)	(4,604)
Change in Equity - Joint Venture	(0)	(37,336)	(13,683)
Allocated Outwards	16,260	19,042	25,073
<b>TOTAL GENERAL PURPOSE EXPENSES</b>	<b>(\$694,020)</b>	<b>(\$685,285)</b>	<b>(\$684,671)</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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	2015 \$	2014 \$
Cash on Hand	3,385	3,515
Cash at Bank	2,827,891	527,719
Cash Equivalents	69,545,594	43,186,223
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>\$72,376,870</b>	<b>\$43,717,457</b>

### RECONCILIATION - NET CASH USED IN OPERATIONS TO OPERATING RESULT

DETAILS	2015 \$	2014 \$
Net Operating Result	27,040,890	664,889
Add (Less) Non Cash Items		
Depreciation	9,424,260	8,536,688
Amortisation	56,012	45,375
Profit on Sale of Assets	(24,286,488)	(120,927)
Change in Equity - Investments	37,336	(165,202)
Revaluation Decrement of Initial Recognition Street Furniture	310,312	0
<b>NON OPERATING ITEMS</b>	<b>(1,752,015)</b>	<b>(1,875,969)</b>
Grants for the Construction of Assets		

### CHANGES IN ASSETS & LIABILITIES DURING YEAR

(Increase) / Decrease in Current Receivables	(1,263,213)	1,690,171
(Increase) / Decrease in Inventory	43,930	(52,210)
(Increase) / Decrease in Prepayments	110,583	(227,558)
(Increase) / Decrease in Accrued Income	(266,291)	(12,836)
Increase / (Decrease) in Current Payables	356,187	708,039
Increase / (Decrease) in Income in Advance	(11,618)	(40,243)
Increase / (Decrease) in Accrued Expenses	82,356	51,922
Increase / (Decrease) in Current Provisions	354,849	449,153
(Increase) / Decrease in Non Current Receivables	1,865	236,470
Increase / (Decrease) in Non Current Provisions	(25,364)	17,915

### NET CASH PROVIDED BY OPERATIONS

**\$10,213,591**      **\$9,905,677**

### LOAN FACILITIES

Self Supporting Loans	1,891,817	2,043,980
Golf Course Loans	3,878,867	4,130,082
City Loans	3,460,571	4,589,882

### NET LOAN LIABILITY

**\$9,231,255**      **\$10,763,944**



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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 (2014: \$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	
	2015	2014	2015	2014
<b>FINANCIAL ASSETS</b>	\$	\$	\$	\$
Cash & Cash Equivalents	72,376,870	43,717,457	72,376,870	43,717,457
Receivables	5,057,023	4,164,708	5,057,023	4,164,708
<b>TOTAL</b>	<b>\$77,433,893</b>	<b>\$47,882,165</b>	<b>\$77,433,893</b>	<b>\$47,882,165</b>
<b>FINANCIAL LIABILITIES</b>				
Payables	37,572,353	35,461,334	33,497,125	29,800,655
Borrowings	9,231,256	10,763,944	8,001,561	9,042,763
<b>TOTAL</b>	<b>\$46,803,609</b>	<b>\$46,225,278</b>	<b>\$41,498,686</b>	<b>\$38,843,418</b>

Fair value is determined as follows:

### Cash and Cash Equivalents, Receivables & Current Payables

Estimated as the carrying value - which approximates net market value

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 37. FINANCIAL RISK MANAGEMENT (Continued)

### 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 I9. A comprehensive Investment Register is maintained at all times and an Investment Report disclosing the composition of the portfolio, counterparty risk, credit quality and investment performance is provided to Council on a monthly basis.

The major risk associated with investments is price risk - that is, the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market. Cash and investments are subject to interest rate risk - the risk that movements in interest rates could affect returns. Cash and investments are subject to credit risk - the risk that a contracting entity may not complete its obligations under a financial instrument resulting in a financial loss to Council. Council manages these risks by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

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

DETAILS	2015	2014
	\$	\$
<b>SENSITIVITY ANALYSIS - 1% CHANGE IN INTEREST RATE</b>		
Equity	723,769	437,175
Income Statement	723,769	437,175



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 37. FINANCIAL RISK MANAGEMENT (Continued)

### 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	2015	2014
<b>RATES &amp; CHARGES</b>		
Current	99.4%	99.6%
Overdue	0.6%	0.4%
<b>OTHER RECEIVABLES</b>		
Current	95.0%	89.7%
Overdue	5.0%	10.3%

### Short Term Deposits

The accounting policy applied in respect of short term deposits is as stated at Note 1 (j). Interest is recognised as earned rather than upon receipt. The average maturity of short term investments undertaken during the reporting period was 137 days. The weighted average interest rate yield was 3.20% on investments and an average rate of 2.84% 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 2015

### 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
<b>2015</b>					
Payables	7,651,205	0	0	7,651,205	7,651,205
Leaseholder Liability (Retirement Facility)	2,094,480	8,377,921	19,448,746	29,921,148	29,921,148
Borrowings	1,671,987	6,192,931	3,795,980	11,660,899	9,231,256
	<b>\$11,417,672</b>	<b>\$14,570,852</b>	<b>\$23,244,726</b>	<b>\$49,233,252</b>	<b>\$46,803,609</b>
<b>2014</b>					
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
	<b>\$10,359,604</b>	<b>\$14,640,399</b>	<b>\$23,916,688</b>	<b>\$48,916,691</b>	<b>\$46,225,278</b>

### CARRYING AMOUNTS OF BORROWINGS WITH INTEREST RATE SENSITIVITY

2015	< 1 YEAR	1-2 YEARS	2-3 YEARS	3-4 YEARS	4-5 YEARS	> 5 YEARS	TOTAL
Fixed Rate	1,116,064	1,140,965	1,170,209	1,200,264	873,336	2,500,722	8,001,561
Weighted Ave Interest Rate	5.566%	5.568%	5.573%	5.579%	5.283%	4.955%	4.685%
<b>2014</b>							
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%



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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 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 218, 220, 224, 228, 229 and 230 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.

LOAN NO	LOAN TERM	MATURITY DATE	INTEREST RATE	INSTALMENT FREQUENCY	BALANCE 1 JUL 14	NEW BORROWINGS	PRINCIPAL REPAYMENT	INTEREST REPAYMENT	TOTAL REPAYMENT	BALANCE 30 JUN 15
<b>CITY LOANS</b>										
222	10 Yr	Jun 2015	5.48%	Monthly	189,497	0	(189,497)	(6,496)	(195,993)	0
223	10 Yr	Jun 2019	6.32%	Monthly	1,730,800	0	(304,593)	(100,736)	(405,329)	1,426,207
225A	10 Yr	Jun 2021	5.48%	Monthly	1,510,070	0	(181,200)	(79,325)	(261,324)	1,328,070
225B	10 Yr	Jun 2021	4.02%	Monthly	808,343	0	(102,049)	(31,165)	(133,214)	706,294
226	3 Yr	Dec 2014	4.23%	Monthly	351,172	0	(351,172)	(4,870)	(356,042)	0
<b>GOLF COURSE LOANS</b>										
227	15 Yr	Sep 2026	4.97%	Monthly	4,130,082	0	(251,215)	(202,279)	(453,494)	3,878,867
<b>SELF SUPPORTING LOANS</b>										
218	15 Yr	Nov 2015	6.59%	Monthly	12,056	0	(8,392)	(544)	(8,936)	3,664
220	17 Yr	Nov 2021	6.28%	Monthly	34,880	0	(3,865)	(2,117)	(5,982)	31,015
224	10 Yr	Feb 2020	6.15%	Semi Annual	1,450,179	0	(206,625)	(81,719)	(288,344)	1,243,554
228	15 Yr	Feb 2028	4.65%	Quarterly	77,117	0	(4,210)	(3,559)	(7,769)	72,907
229	15 Yr	Feb 2028	4.42%	Quarterly	469,748	0	(25,428)	(20,627)	(46,055)	444,320
230	15 Yr	Sep 2029	4.22%	Monthly	0	100,000	(3,643)	(3,156)	(6,799)	96,357
<b>TOTAL BORROWINGS</b>					<b>\$10,763,944</b>	<b>\$100,000</b>	<b>(\$1,632,689)</b>	<b>(\$536,593)</b>	<b>(\$2,169,282)</b>	<b>\$9,231,255</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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 2014	279,402,500	76,409,446	266,465	72,1745	583,838	2,823,910	562,955	544,984	361,315,843
Additions	0	237,459	36,000	207,503	7,654	1,252,574	133,733	1,883,637	3,758,560
Disposals	(0)	(0)	(2,400)	(30,558)	(2,515)	(174,329)	(0)	(0)	(209,802)
Revaluation Increments	0	6,390,697	9,446	0	0	0	0	0	6,400,143
Transfer to Assets Held for Sale	(0)	(0)	0	0	0	0	0	0	(0)
Transfers from Work in Progress	0	1,237,261	0	0	0	0	0	(1,237,261)	0
Disposal of Previously Revalued Assets	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Write Down / Adjustment	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Depreciation Expense	(0)	(1,553,681)	(9,484)	(301,796)	(127,151)	(1,077,549)	(112,285)	(0)	(3,181,946)
<b>BALANCE - 30 JUNE 2015</b>	<b>\$279,402,500</b>	<b>\$82,721,182</b>	<b>\$300,027</b>	<b>\$596,894</b>	<b>\$461,826</b>	<b>\$2,824,606</b>	<b>\$584,403</b>	<b>\$1,191,360</b>	<b>\$368,082,798</b>

## 40. INFRASTRUCTURE - MOVEMENTS IN CARRYING AMOUNTS

MOVEMENT	ROADS NETWORK	DRAINAGE NETWORK	PATH NETWORK	STREET FURNITURE	PARKS INFRASTRUCTURE	WORK IN PROGRESS	\$ TOTAL
Balance - 1 July 2014	99,592,994	44,115,734	33,342,023	975,998	24,582,549	30,296	\$202,639,595
Additions	2,403,176	441,705	444,046	102,389	921,102	3,112,953	7,425,371
Disposals	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Revaluation Increments	16,156,885	0	404,669	0	49,670,906	0	66,232,460
Revaluation Decrements	(0)	(24,895,119)	(0)	(310,313)	(0)	(0)	(25,205,432)
Write Down / Adjustment	0	0	0	0	0	(0)	0
Transfers from Work in Progress	0	0	30,296	0	0	(30,296)	0
Depreciation Expense	(3,593,372)	(432,332)	(1,013,999)	(59,693)	(1,142,918)	(0)	(6,242,314)
<b>BALANCE - 30 JUNE 2015</b>	<b>\$114,559,683</b>	<b>\$19,229,988</b>	<b>\$33,207,035</b>	<b>\$708,381</b>	<b>\$74,031,639</b>	<b>\$3,112,953</b>	<b>\$244,849,679</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 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 & Street Furniture 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 2015

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	82,721,182	82,721,182
Artworks	13	0	300,027	0	300,027
Technology Equipment	13	0	596,894	0	596,894
Furniture & Fittings	13	0	461,826	0	461,826
Mobile Plant	13	0	2,824,606	0	2,824,606
Plant & Equipment	13	0	584,403	0	584,403
Roads	14	0	0	114,559,683	114,559,683
Drainage	14	0	0	19,229,988	19,229,988
Paths	14	0	0	33,207,035	33,207,035
Park Assets	14	0	0	74,031,639	74,031,639
Street Furniture	14	0	0	708,381	708,381
<b>TOTAL NON-FINANCIAL ASSETS</b>		<b>0</b>	<b>134,452,756</b>	<b>474,175,408</b>	<b>608,628,164</b>

### NON RECURRING FAIR VALUE MEASUREMENTS - NON FINANCIAL ASSETS AT 30 JUNE 2015

Assets Held for Sale

ASSET CLASS	NOTE	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Land	8,11	0	3,030,348	0	3,030,348
Buildings	8,11	0	96,464	0	96,464
<b>TOTAL NON-RECURRING FAIR VALUE ASSETS</b>		<b>0</b>	<b>3,126,812</b>	<b>0</b>	<b>3,126,812</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 41. FAIR VALUE (continued)

### 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
Parks	14	0	0	24,582,549	24,582,549
Street Furniture	14	0	0	0	0
<b>TOTAL NON-FINANCIAL ASSETS</b>		<b>0</b>	<b>134,643,913</b>	<b>427,760,246</b>	<b>562,404,159</b>

Fair values were recorded as at 30 June 2013 for the various Plant & Equipment asset classes (including Technology, Furniture & Fittings, and Mobile Plant). Fair values were recorded as at 30 June 2015 for all Infrastructure Asset classes (Roads, Drains, Paths, Parks and Street Furniture). Buildings and Artworks were also recorded at fair value at this date.

### 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
<b>TOTAL NON-RECURRING FAIR VALUE ASSETS</b>		<b>0</b>	<b>6,190,209</b>	<b>0</b>	<b>6,190,209</b>

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	2	Market	Estimated value expected to be realised
Technology Equipment	2	Cost	Make, capacity, year of manufacture and condition
Furniture & Fittings	2	Cost	Make, capacity, year of manufacture and condition
Mobile Plant	2	Cost	Make, capacity, year of manufacture and condition
Plant & Equipment	2	Cost	Make, capacity, year of manufacture and condition
Roads	3	Cost	As detailed below *
Paths	3	Cost	As detailed below *
Drainage	3	Cost	As detailed below *
Parks Assets	3	Cost	As detailed below *
Street Furniture	3	Cost	As detailed below *

\* Estimates of residual value, useful life, pattern of consumption, asset condition and relationship to the assessed level of remaining service potential of the depreciable asset.

### 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 41. FAIR VALUE (Continued)

### 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 (Technology Equipment, Furniture & Fittings, Mobile Plant and Plant & Equipment) were revalued to fair value at 30 June 2013 by City officers using Level 2 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.

#### 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

#### Artworks

Valuation inputs and techniques used to determine the fair value for all Art work Assets have been based on Level 2 inputs – Market Based. It has been determined that there is an active market for the Art Work Assets and hence the 'market approach' has been adopted.

##### Level 2 Valuation Inputs

Market (Direct Comparison) - This approach has been applied and fair value assessed on the basis of the estimated amount which the relevant item of Art Work valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of Art work with similar characteristics. This was then adjusted to reflect conditions and comparability. As this was based on observable evidence, they have been classified as Level 2.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 41. FAIR VALUE (Continued)

### 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:

SCORE	DESCRIPTION	Remaining Service Potential - % of Depreciable Amount				
		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

#### INFRASTRUCTURE

Infrastructure asset classes (Roads, Drainage, Paths and Parks Assets) were revalued to fair value at 30 June 2015 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.

### VALUATION TECHNIQUES USED TO DERIVE FAIR VALUES FOR RECURRING FAIR VALUE MEASUREMENT

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.

The valuation methodology and assumptions underpinning the Infrastructure valuations were independently reviewed by a licensed valuer to ensure the integrity of the values determined. It is intended that this assessment of infrastructure asset values by City officers using Level 3 inputs and supplementary independent review 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.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 41. FAIR VALUE (Continued)

### 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%	(2,068,030)	2,068,030
Roads	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(1,145,597)	1,145,597
Drains	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(192,299)	192,299
Paths	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(332,070)	332,070
Parks Assets	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(740,316)	740,316
Street Furniture	3	Asset consumption rating scale relative to the level of consumed service potential.	(1.0%)	1.0%	(7,024)	7,024

### VALUATION PROCESS (LEVEL 3 INPUTS)

#### 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 valuations were further evaluated by confirmation against the City's own understanding of the assets and the (expected) level of remaining service potential.

For Non Infrastructure Assets (other than those in the Building or Land Asset classes which were valued by accredited independent external valuers), relevant City officers have satisfied themselves that the values recorded in the financial accounts accurately reflect fair values in relation to the underlying asset. Artworks having a value of over \$50,000 were valued by an independent external art valuer.

In addition, the Infrastructure Asset valuation assumptions and methodology were independently assessed through an external expert review to confirm the validity of the key inputs, unit rates, assumptions applied.

The Asset Register is considered complete and accurate for all such 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 2015 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 2015 Fair Value exercise, the most significant variations were as disclosed below:

#### Buildings

There was an increase of 8.3% overall in the written down value of building assets - but this is not considered to be significant. New buildings were created at the Manning Men's Shed and the Animal Care Facility whilst replacement values of existing buildings were indexed to reflect current replacement cost. An assessment of the building portfolios' condition rating resulted in a decrease in accumulated depreciation recorded against the building category's recorded written down value.

The change in value for the buildings asset class was adjusted against the Asset Revaluation Surplus for this asset class.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 41. FAIR VALUE (Continued)

### Roads Network

The replacement value of the road network increased by 3% over the year, largely reflecting the current year works as well as an increment in unit rates applied to the various asset components. The condition based assessment of the road network resulted in an improvement in the written down value of the asset - reflecting remedial and maintenance work undertaken. The change in value was adjusted against the Asset Revaluation Surplus for this asset class.

### Paths Network

The written down value (WDV) of the path network was largely unchanged in the year to year comparison (as expected) due to the accuracy of existing data and the modest level of remedial works - as is appropriate for a well maintained asset such as the path network. The small change in value was adjusted against the Asset Revaluation Surplus for this asset class.

### Drainage

The written down value of drainage assets decreased by 43% in 2015 relative to the 2014 valuation.

Several factors contributed to this significant change including the recognition that there was actually less pipe in the network than previously estimated, there was a changed number of drainage structures relative to the previous year and the application of new 'current' unit rates to the various drainage components also impacted the valuation. The change in value was adjusted against the Asset Revaluation Surplus for this asset class.

### Park Assets

The 2014/15 year was the first reporting period in which a complete asset pickup and valuation of park assets was included in the City's accounts. Whilst there had been some work done previously in identifying Park assets (excluding land), the register for this asset class was known to be incomplete. There was an increase of 40% in the replacement value of park assets during the reporting period following a comprehensive field data pick-up that brought the newly recognised assets to account. Some bore and pump equipment previously recognised in the Plant and Equipment category were transferred to the parks Asset category at 30 June 2015. New 'current' unit rates were also applied to the various park asset components.

The most significant change in the park asset category was in relation to the condition based assessment of accumulated depreciation of the park assets. In particular, a comprehensive review of the treatment of Park asset class revealed that turf should not be depreciated. Since this asset component (particularly in respect to the Sir James Mitchell Park foreshore area) is a very significant component of the asset class value, removal of depreciation expense on turf has reduced the accumulated depreciation by around 74%. The change in the value of the park asset class was adjusted against the Asset Revaluation Surplus for this asset class.

### Street Furniture

The 2014/15 year was the first reporting period in which a complete asset pickup and valuation of street furniture assets was included in the City's accounts. Whilst there had been limited work done previously in identifying these assets, the register for this asset class was thought to be incomplete and may have incorrectly included some prior year expenditures. There was a decrease in the replacement value of streetscape assets during the reporting period following a field data pick-up to identify the appropriate assets to be brought to account. There was a reduction in both the replacement value and accumulated depreciation values for this class of assets - resulting in a net overall decrease of 37% in the written down value of street furniture assets. The change in the value of the street furniture asset class was adjusted through the Statement of Comprehensive Income.

### 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.

### 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	37	2	Income approach using the discounted cashflow method	Current Treasury borrowing rates for similar instruments.
Borrowings				
Leaseholder Liability	37	2	Income approach using the discounted cashflow method	Current Treasury borrowing rates for similar instruments.

There was no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements during 2014/2015.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 42. KEY PERFORMANCE INDICATORS

### Performance Measure

#### CURRENT RATIO

Indicates the City's short term liquidity and capacity to meet short term obligations.

Preferred value for this ratio is greater than 1.0

Current Assets - Restricted Assets

Current Liabilities - Restricted Liabilities

#### OPERATING SURPLUS RATIO

Indicates the extent to which revenue covers operational expenses and capital expenditures.

Preferred value is positive & between 0% and 15%

Operating Surplus

Own Source Revenue

#### OWN SOURCE REVENUE COVER RATIO

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%

Own Source Revenue

Operating Expenses

#### DEBT SERVICE RATIO

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

Operating Surplus before Interest & Depreciation

Debt Service Costs - Principal & Interest

#### RATES OUTSTANDING RATIO

Indicates the effectiveness of rates collection procedures.

Preferred value for this ratio is less than 5%

Rates Outstanding

Total Rates Collectible

#### ASSET SUSTAINABILITY RATIO

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%

Capital Renewal & Replacement Expenditure

Depreciation Expense & Ammortisation

	2015	2014	2013
<b>CURRENT RATIO</b>	<b>1.93</b>	<b>1.70</b>	<b>1.61</b>
Current Assets - Restricted Assets	19,117,651	15,450,141	13,953,868
Current Liabilities - Restricted Liabilities	9,891,890	9,069,368	8,692,142
<b>OPERATING SURPLUS RATIO</b>	<b>33.9%</b>	<b>(2.6%)</b>	<b>(2.5%)</b>
Operating Surplus	25,288,874	(1,211,079)	(1,172,116)
Own Source Revenue	74,639,371	47,133,464	48,228,184
<b>OWN SOURCE REVENUE COVER RATIO</b>	<b>143.8%</b>	<b>93.8%</b>	<b>92.4%</b>
Own Source Revenue	74,639,371	47,133,464	48,228,184
Operating Expenses	51,904,038	50,233,833	52,186,313
<b>DEBT SERVICE RATIO</b>	<b>16.28</b>	<b>2.95</b>	<b>4.49</b>
Operating Surplus before Interest & Depreciation	35,305,739	8,006,718	12,215,706
Debt Service Costs - Principal & Interest	2,169,282	2,718,220	2,719,818
<b>RATES OUTSTANDING RATIO</b>	<b>0.7%</b>	<b>0.5%</b>	<b>1.0%</b>
Rates Outstanding	221,509	141,227	263,277
Total Rates Collectible	30,886,361	28,178,892	26,558,850
<b>ASSET SUSTAINABILITY RATIO</b>	<b>100.0%</b>	<b>94.0%</b>	<b>85.1%</b>
Capital Renewal & Replacement Expenditure	9,436,683	8,066,375	10,780,971
Depreciation Expense & Ammortisation	9,480,272	8,582,064	12,665,822

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

## 42. KEY PERFORMANCE INDICATORS (Continued)

### 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

#### ASSET CONSUMPTION RATIO

Indicates the aged condition of the City's physical assets.

Preferred value for this ratio is between 50% and 70%

Depreciated Replacement Cost of Assets

Current Replacement Value of Assets

#### ASSET RENEWAL FUNDING RATIO

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%

NPV of Planned Renewal Funding

NPV of Required Renewal Funding

	2015	2014	2013
<b>ASSET CONSUMPTION RATIO</b>	<b>70.2%</b>	<b>61.3%</b>	<b>55.9%</b>
Depreciated Replacement Cost of Assets	329,853,426	284,459,061	232,431,086
Current Replacement Value of Assets	469,689,823	463,819,463	415,678,064
<b>ASSET RENEWAL FUNDING RATIO</b>	<b>95.1%</b>	<b>94.4%</b>	<b>98.9%</b>
NPV of Planned Renewal Funding	94,414,592	73,658,607	77,878,026
NPV of Required Renewal Funding	99,320,725	77,993,573	78,733,467

## 43. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting period that are required to be included in the 2014/15 Annual Financial Report.





PARTNERS  
Anthony Macri FCPA  
Domenic Macri CPA  
Donnie De Felice CA

## INDEPENDENT AUDITOR'S REPORT

TO: RATEPAYERS OF CITY OF SOUTH PERTH

### Report on the Financial Report

We have audited the financial report of the City of South Perth, which comprises the Statement of Financial Position as at 30 June 2015 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 management'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 2015 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.

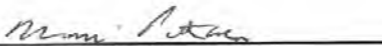
### Report on Other Legal and Regulatory Requirements

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) There are no 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.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 42 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - (i) reasonably calculated; and
  - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.

### Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the City of South Perth for the year ended 30 June 2015 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 11<sup>TH</sup> DAY OF NOVEMBER 2015.







# GLOSSARY



For information on financial terms, see page 86.

### **A** **Australian Business Excellence Framework (ABEF)**

The ABEF aligns the City's leadership and management systems and practices with the Australian Business Excellence Framework principles; and establishes the principles and practices for excellence in governance.

### **B** **Business Enterprise Foundations**

Business Foundations is a non-profit organisation delivering business assistance to small to medium businesses throughout Western Australia.

### **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.

### **Corporate Business Plan 2013-2017**

The Corporate Business Plan 2013-2017 is the City's 4 year project and service delivery plan. First adopted by Council in March 2013, it is aligned to the City's Strategic Community Plan 2013–2023, translating the strategic direction at an operational level.

### **Curtin University and Bentley Technology Park Precinct**

The Park is home to over 100 organisations representing industry, R&D, academia, government and support services, creating opportunities for strategic linkages and project collaboration for Park tenants within and external to the cluster.

### **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.

### **InfoCouncil Meeting Software**

InfoCouncil is an automated, integrated office productivity tool for the creation, publication and storage of council agendas and minutes.

### **K** **KidSport**

KidSport enables eligible Western Australian children aged 5-18 years to participate in community sport and recreation by offering them financial assistance towards club fees. The fees go directly from the local government to the registered KidSport clubs participating in the project.

### **L** **Lag Indicators**

Lag indicators are the traditional safety metrics used to indicate progress toward compliance with safety rules. These are the bottom-line numbers that evaluate the overall effectiveness of safety at a facility.

### **Lead Indicators**

A lead indicator is a measure preceding or indicating a future event used to drive and measure activities carried out to prevent and control injury.

### **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.

### **N**

#### **National Broadband Network (NBN)**

The National Broadband Network (NBN) is a government-owned company established to build infrastructure and manage the rollout of the National Broadband Network across Australia. The NBN is rolling out fibre-optic, fixed wireless and satellite infrastructure to replace the existing broadband

infrastructure for a faster and more reliable broadband service.

### **National Emergency Risk Assessment Guidelines**

The National Emergency Risk Assessment Guidelines provide a contextualised emergency risk assessment methodology consistent with the Australian/New Zealand Standard AS/NZS ISO 31000:2009 *Risk management – Principles and guidelines*.

### **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.

### **R**

#### **Residential design policy manual**

A guiding document for City wide residential policies and precinct based policies.

#### **Risk Management Standard AS/NZ ISO 31000:2009**

ISO 31000:2009 provides generic guidelines for the design, implementation and maintenance of risk management processes throughout an organization. This enables all strategic, management and operational tasks of an organization throughout projects, functions, and processes to be aligned to a common set of risk management objectives.

#### **Rivers Regional Council**

The Rivers Regional Council has responsibility for planning long-term waste management strategy, identifying issues associated with waste management and lobbying on behalf of the seven member Councils (Cities of Armadale, Gosnells, Mandurah, South Perth and the Shires of Murray, Serpentine Jarrahdale and Waroona) in the general field of waste management. It is also taking some responsibility for waste education across the region.

### **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 2569km<sup>2</sup> 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.

#### **Strategic Community Plan 2013-2023**

The Strategic Community Plan encapsulates our community's vision for the future and in response outlines the Council's strategic directions and priorities for the next 10-year period to deliver on this vision.

#### **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.

#### **Urban Walkabout**

Urban Walkabout's pocket-sized urban guides are aimed primarily at travellers, but are also used extensively by locals who are seeking a curated selection of fashion, design and food destinations.

### **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 ENJOY READING OUR ANNUAL REPORT FOR 2014/15 AND INVITE YOU TO PROVIDE FEEDBACK, BY EMAILING [ENQUIRIES@SOUTHPERTH.WA.GOV.AU](mailto: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](mailto:enquiries@southperth.wa.gov.au)  
Office hours  
Monday – Friday 8.30am to 5pm

## Operations Centre

199 Thelma St  
Como WA 6152  
Phone 08 9474 0900  
Fax 08 9367 9292  
Email [operations@southperth.wa.gov.au](mailto:operations@southperth.wa.gov.au)  
Office hours  
Monday – Friday 8.30am to 5pm

## George Burnett Leisure Centre

George Burnett Park, Manning Rd  
Karawara WA 6152  
Phone 08 9474 0855  
Opening hours  
Monday – Friday 8.30am to 9pm  
Saturday – Sunday 8.30am to 6pm

## Collier Park Golf Course

Hayman Rd  
Como WA 6152  
Phone 08 9484 1666  
Fax 08 9313 1744  
Email [collierparkgolf@inet.net.au](mailto:collierparkgolf@inet.net.au)

## Collier Park Village

16 Morrison St  
Como WA 6152  
Phone 08 9313 0200  
Fax 08 9313 0229  
Email [collierparkvillage@southperth.wa.gov.au](mailto:collierparkvillage@southperth.wa.gov.au)

## South Perth Library

Cnr Sandgate St & South Tce  
South Perth WA 6151  
Phone 08 9474 0800  
Fax 08 9474 2425  
Email [southperthlib@southperth.wa.gov.au](mailto:southperthlib@southperth.wa.gov.au)  
Opening hours  
Monday 9.30am to 5.30pm  
Tuesday – Thursday 9.30am to 7pm  
Friday 9.30am to 5.30pm  
Saturday 10am to 4pm

## Manning Library

Manning Rd  
Manning WA 6152  
Phone 08 9450 4450  
Fax 08 9450 6203  
Email [manninglib@southperth.wa.gov.au](mailto:manninglib@southperth.wa.gov.au)  
Opening hours  
Monday – Tuesday 9.30am to 5.30pm  
Wednesday 9.30am to 7pm  
Thursday – Friday 9.30am to 5.30pm  
Saturday 10am to 2pm

## South Perth Senior Citizens Centre

53 Coode St,  
South Perth WA 6151  
Phone 08 9367 9880  
Email [spsc@bigpond.com](mailto:spsc@bigpond.com)  
Opening hours  
8.30am – 4pm, seven days

## Manning Senior Citizens Centre

3 Downey Dr Manning  
Phone 08 9450 6273  
Email [manningeniors@bigpond.com](mailto:manningeniors@bigpond.com)  
Opening hours  
8.30am – 4pm, seven day

