

# MINUTES

## Annual Electors' Meeting

14 December 2015

The Mayor and Councillors

Here within are the Minutes of the Annual Electors' Meeting of the City of South Perth Council held Monday 14 December 2015.

A handwritten signature in black ink, appearing to be 'G. Glass', with a stylized, looping flourish.

GEOFF GLASS  
CHIEF EXECUTIVE OFFICER

15 December 2015

# Our Guiding Values

## **Trust**

Honesty and integrity

## **Respect**

Acceptance and tolerance

## **Understanding**

Caring and empathy

## **Teamwork**

Leadership and commitment

## Disclaimer

The City of South Perth disclaims any liability for any loss arising from any person or body relying on any statement, discussion, recommendation or decision made during this meeting.

Where an application for an approval, a licence or the like is, discussed or determined during this meeting, the City warns that neither the applicant, nor any other person or body, should rely upon that discussion or determination until written notice of either an approval and the conditions which relate to it, or the refusal of the application has been issued by the City.

## Further Information

The following information is available on the City's website.

- **Council Meeting Schedule**

Ordinary Council Meetings are held at 7.00 pm in the Council Chamber at the South Perth Civic Centre on the fourth Tuesday of every month between February and November.

Members of the public are encouraged to attend open meetings.

- **Minutes and Agendas**

As part of our commitment to transparent decision making, the City makes documents relating to council and its committees' meetings available to the public.

- **Meet Your Council**

The City of South Perth covers an area of around 19.9km<sup>2</sup> divided into four wards. Each ward is represented by two councillors, presided over by a popularly elected mayor. Councillor profiles provide contact details for each elected member.

[www.southperth.wa.gov.au/Our-Council/](http://www.southperth.wa.gov.au/Our-Council/)

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# 2015 Annual Electors' Meeting - Minutes

Minutes of the Annual Electors' Meeting of the City of South Perth Council held in the Council Chamber, Sandgate Street, South Perth, Monday 14 December 2015

## 1. DECLARATION OF OPENING

The Presiding Member opened the meeting at 7.02pm and welcomed everyone in attendance. He then acknowledged we are meeting on the lands of the Noongar/Bibbulmun people and that we honour them as the traditional custodians of this land.

## 2. ANNOUNCEMENTS FROM THE PRESIDING MEMBER

### 2.1 AUDIO RECORDING OF COUNCIL MEETING

The Presiding Member requested that all mobile phones be turned off. He then reported that the meeting is being audio recorded in accordance with Council Policy P673 "Audio Recording of Council Meetings" and Clause 6.16 of the Standing Orders Local Law 2007 which states: "A person is not to use any electronic, visual or vocal recording device or instrument to record the proceedings of the Council without the permission of the Presiding Member" and stated that as Presiding Member he gives permission for the Administration to record proceedings of the Council meeting.

### 2.2 FORMAT OF MEETING

The Presiding Member outlined the format of the meeting.

## 3. ATTENDANCE

Cr G Cridland Deputy Mayor and Presiding Member

### Councillors (as observers)

Cr J Black	Mill Point Ward
Cr C Cala	Manning Ward
Cr S Hawkins-Zeeb	Manning Ward
Cr C Irons	Mill Point Ward
Cr K Manolas	Mill Point Ward

### Officers

Mr G Glass	Chief Executive Officer
Mr M Kent	Director Financial and Information Services
Ms V Lummer	Director Development and Community Services
Mr M Taylor	Director Infrastructure Services
Mr P McQue	Manager Governance and Administration
Ms S Kent	Governance Officer

### Gallery

There were four members of the public (as listed below) and no members of the press present.

Mr Robert Simper	32 Sandgate Street, South Perth
Ms Clare McBeath	5/202 Coode Street, Como
Mr Roger Atkinson	5/202 Coode Street, Como
Mr Geoff Defrenne	24 Kennard Street, Kensington

### 3.1 APOLOGIES

Cr T Burrows Moresby Ward

### 3.2 APPROVED LEAVE OF ABSENCE

S Doherty Mayor  
Cr F Reid Moresby Ward

## 4. CITY OF SOUTH PERTH PRESENTATION OF THE 2014/2015 YEAR

The Presiding Member spoke to slides, highlighting the year's achievements and covered the following topics:

#### **City Snapshot**

• Current population	46,113
• Employees (FTE)	214
• Rate revenue	\$31.29M
• Street and reserve trees planted	2,344
• Calls received by the Customer Contact Centre	53,157
• Attendance at the City's Australia Day and Fiesta Events	120,000
• Waste (tonnes) processed through the Waste Transfer Station	2,715
• Visitors to the South Perth Library	338,752
• Visitors to the Manning Library	52,555

#### **Strategic Directions**

##### **Strategic Plan 2015-2025**

##### **1. Community**

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

##### **2. Environment**

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

##### **3. Housing and Land Uses**

Accommodate the needs of a diverse and growing population.

##### **4. Places**

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

##### **5. Infrastructure and Transport**

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

##### **6. Governance, Advocacy and Corporate Management**

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

#### **Community Highlights**

- New Animal Care Facility was officially opened by the Minister for Local Government and Communities
- Manning Men's Shed was officially opened
- Community Safety and Crime Prevention Plan adopted by Council
- City's Facebook page achieved 2,598 likes

### ***Environment Highlights***

- 85% of the City's 2014/2015 Capital Works Program was completed representing \$4.6M in projects. Including:
  - Animal Care Facility
  - Manning Men's Shed
  - Sir James Mitchell Park – River walls either side of Mends Street
  - Doneraile Reserve
- South Perth Foreshore Strategy and Management Plan adopted by Council.

### ***Housing and Land Use Highlights***

- Further development of Local Planning Strategy
- Canning Highway #ShapeOurPlace project consultation
- A number of scheme amendments initiated or progressed. Including:
  - Amendment 34 – Telstra site
  - Amendment 44 – Rezoning of portion of Aquinas College
  - Amendment 45 – Rezoning of Southcare
  - Amendment 47 – Provision for development zone Structure Plan and creation of development Area for Canning Bridge Activity Centre
  - Amendment 48 – Revised care bay sizes

### ***Places Highlights***

- Demolition of the Manning Hub site
- Land Management Strategy adopted by Council
- Project plan and project team established for Mends Street Precinct upgrade and redevelopment
- 3 year sponsorship agreement with Perth Zoo
- Sale of Civic Triangle to Finbar Group Ltd (\$27.5m)

### ***Transport and Infrastructure Highlights***

- Local Area Traffic Survey undertaken and as a result, installed speed reducing devices in a number of locations
- Under the Bike Plan 2011-2016 Network study completed (50% funded by the Department of Transport)
- Under the 5 year Road Rehabilitation Program, 28,574m<sup>2</sup> of road was resurfaced

### ***Governance, Advocacy and Corporate Management Highlights***

- Long Term Financial Plan comprehensively reviewed
- Online *InfoCouncil* software
- Ballot for amalgamation held February 2015
- Australasian Reporting Awards – Silver Award for 2013/2014 Annual Report
- 2014/2015 Annual Financial Report - refer slides presented at Appendix One outlining:
  - the financial overview
  - financial highlights
  - key financial indicators
  - funding sources
  - expenditure type
  - audit report
  - other legal and regulatory matters

## 5. PRESENTATION OF THE ANNUAL REPORT, ANNUAL FINANCIAL STATEMENTS AND AUDITORS REPORT FOR THE YEAR ENDED 30 JUNE 2015

The Presiding Member then called on the Director Financial and Information Services to provide an overview of the Annual Report, Financial Statements and Auditors Report for the Year Ended 30 June 2015.

### MOTION TO RECEIVE ANNUAL REPORT INCORPORATING THE 2014/2015 FINANCIAL STATEMENTS AND THE AUDITORS REPORT FOR THE YEAR ENDED 30 JUNE 2015

The Presiding Member called for a 'Procedural Motion' from the Public Gallery to receive the Annual Report for the year ended 30 June 2015.

#### Motion AND ELECTORS' DECISION

**Moved:** Roger Atkinson of 5/202 Coode Street, Como  
**Seconded:** Clare McBeath of 5/202 Coode Street, Como

That the Annual Report for the City of South Perth for the year 2014/2015 incorporating the 2014/2015 Annual Financial Statements and the 2014/2015 Auditor's Report, be ACCEPTED.

**CARRIED (4/0)**

## 6. OTHER BUSINESS

### 6.1 QUESTIONS FROM THE PUBLIC GALLERY

The Presiding Member opened the meeting to questions from the Gallery. The following is a summary of questions and responses received at the meeting:

**Roger Atkinson of 5/202 Coode Street, Como**

#### Questions

- a) Where will the City of South Perth be targeting the next wave of urban renewal, high density and mixed use developments (ie. Canning Highway corridor, Canning Bridge Precinct, Curtin to Canning Bridge transport corridor)?
- b) Which localities will be targeted for urban renewal?
- c) How can the electors be informed about where the locations will be?

Response – Vicki Lummer, Director Development and Community Services

You have correctly pinpointed all areas the City is looking at. The next area will most likely be the Canning Bridge Precinct and Council has already completed the Structure Plan and Scheme Amendment for this area – the City is now waiting on approval by the Department of Planning.

With regards to Canning Highway this is a longer term project.

**Geoff Defrenne of 24 Kennard Street, Kensington**

Question

- a) With regard to the Station Street Precinct, when are they going to build the station?

Response – Vicki Lummer, Director Development and Community Services

It is not on any state government forward estimates so is impossible to say.

Question

- b) Is it deceptive of Council to refer to it as a 'station'?

Response – Vicki Lummer, Director Development and Community Services

No it is not. There will eventually be a station; the freeway has been constructed to allow for the station platforms. The area already has high frequency bus transport.

Question

- c) With regards to Canning Highway who does Council believe are the major stakeholders in that area?

Response – Vicki Lummer, Director Development and Community Services

The stakeholders are the Department of Housing, Department of Transport, Main Roads, Land Owners and Ratepayers.

Question

- d) What weighting would you allocate as a % to each stakeholder (ie. who is more influential?)

Response – Vicki Lummer, Director Development and Community Services

Each group has different interests. We do not weigh each against the other but take into consideration all feedback from all stakeholders when community consultation is sought.

**Roger Atkinson of 5/202 Coode Street, Como**

Question

- a) Will the local residents hold any veto power over any developments?

Response – Vicki Lummer, Director Development and Community Services

Development decisions are made by Council, not the Community so no they could not veto any decision of Council. Community Consultation is sought before Council decisions are made and before any decision is forwarded to the Minister for approval.



**Geoff Defrenne of 24 Kennard Street, Kensington**

Question

- a) Does the parcel of land within the Department of Agriculture belong to the City of South Perth or the State?

Response – Councillor Glenn Cridland, Deputy Mayor and Presiding Member

The City is not aware of any interests in the Department of Agriculture but will endeavour to investigate.

## 7. CLOSURE

The Presiding Member thanked everyone for their attendance and wished everyone a good Christmas and a prosperous new year and closed the meeting at 7.46pm.

These Minutes were confirmed at the Ordinary Council Meeting of 23 February 2016

Signed \_\_\_\_\_

Presiding Member at the meeting at which the Minutes were confirmed.

## CITY OF SOUTH PERTH

### 2014/2015 Annual Financial Report

Presented by: Michael J Kent

Director Financial & Information Services



# Financial Overview - 2014/2015

## Financial Results

- Major land disposal transaction (\$27M) completed in Sep 2015.
- All assets and infrastructure now valued and recorded at 'Fair Value'.
- All financial KPIs exceed industry benchmarks.
- Demonstrated improvement in the strength of the Balance Sheet.
- The value of community assets has increased significantly in 2014/2015.
- Effectiveness of operations is demonstrated through the improvement in the City's operating financial performance.
- Asset portfolio has been effectively managed.
- The 2014/2015 Annual Report demonstrates value for money outcomes.
- The City's longer term financial sustainability is evident through its Long Term Financial Plan (LTFP).

# Financial Highlights - 2014/2015

## Summarised Financial Performance:

Details	Budget	Actual	Budget %	Change
Operating Revenue	\$ 51.25M	\$ 52.29M	102.0%	✓
Profit - Sale of Land	\$ 24.29M	\$24.29 M	100.0%	-
Non Recurrent Revenue	\$ 1.39M	\$ 1.40M	100.0%	✓
Total Revenues	\$ 76.93M	\$ 77.98M	103.7%	✓
Operating Expense	\$ 50.98M	\$ 49.00M	96.1%	✓
Capital Expense	\$ 18.06M	\$ 14.46M	80.0%	✓
Loan Capital Repayments	\$ 1.63M	\$ 1.63M	100.0%	-
Total Expenses	\$ 70.67M	\$ 65.09M	92.1%	✓
% of Capital Program Completed	> 85%	80.0%	-	✗

# Financial Highlights - 2014/2015

## Overall Financial Position :

Details	2013/2014	2014/2015	Change	Change
Financial Assets & Other Assets	\$ 55.7M	\$ 82.4M	47.9%	✓
Infrastructure, Property & Equipment	\$ 563.9M	\$ 612.9M	8.7%	✓
Total Assets	\$ 619.6M	\$ 695.3M	12.2%	✓
Total Liabilities	\$ 50.2M	\$ 51.1M	1.8%	✗
Net Community Assets	\$ 569.4M	\$ 644.2M	13.1%	✓
Cash Backed Reserves - Discretionary	\$ 11.9M	\$ 33.1M	278.1%	✓
Cash Backed Reserves - Quarantined	\$ 24.3M	\$ 26.2M	8.0%	✓
Operating Result	\$ 0.67M	\$27.04M *1		

\*1 Excluding the major land transaction, Operating Result was \$2.7M

# Key Financial Indicators - 2014/2015

Details	2012/2013	2013/2014	2014/2015	Result
Headline financial ratios show convincing evidence of our financial sustainability				
Current Ratio (Ideally more than 100%)	161%	170%	193%	✓
Own Source Revenue (Ideally greater than 40%)	92.4%	93.8%	143.8%	✓
Operating Surplus Ratio *1 (Ideally positive - 0% to 15%)	(2.5%)	(2.6%)	33.9%	✓
Debt Service Ratio (Ideally greater than 5:1)	4.5:1	3.0:1	16.3:1	✓
Rates Outstanding Ratio (Ideally less than 5%)	1.0%	0.5%	0.7%	✓

\*1 Adjusted for the major land transaction, this ratio is 1.3% in 2014/2015.

# Key Financial Indicators - 2014/2015

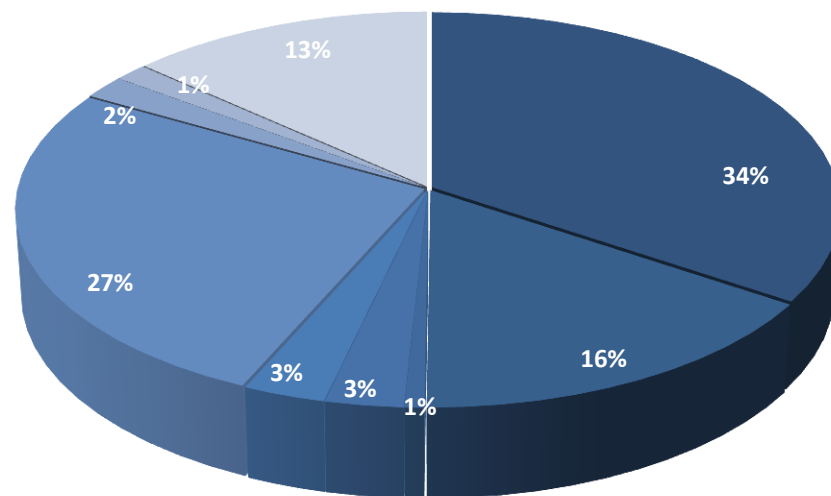
Details	2012/2013	2013/2014	2014/2015	Result
Headline financial ratios demonstrate our effective community asset management				
Asset Consumption Ratio (Ideally 50% - 70%)	55.9%	61.3%	70.2%	✓
Indicates current extent of usage of assets.				
Asset Sustainability Ratio (Ideally greater than 90%)	85.1%	94.0%	95.1%	✓
Indicates extent to which assets are replaced / renewed as they reach the end of their useful life.				
Asset Renewal Funding Ratio (Ideally 95% to 100%)	98.9%	94.4%	95.1%	✓
Indicates capacity to replace assets to preserve the current service levels.				



# Funding Sources - 2014/2015

Funding Source	Amount	% of Mix
Rates Revenue	31,293,887	34%
Fees & Charges	14,378,103	16%
Contributions	640,445	1%
Grants - Operational	2,553,541	3%
Interest Revenue	2,691,552	3%
Profit on Sale of Assets	24,286,488	27%
Grants - Asset Acquisition	1,752,013	2%
Other Revenue	1,313,413	1%
Borrowings	0	0%
Cash Reserves Used	12,182,612	13%
Total Funding	91,092,066	100%

Funding Sources by Type- 2014/2015

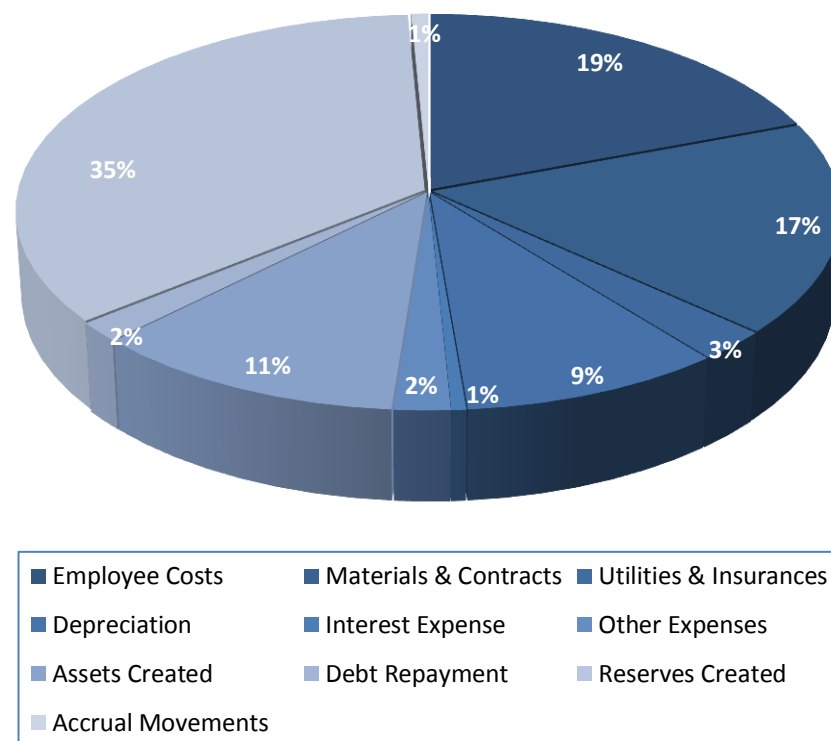


- Rates
- Fees & Charges
- Contributions
- Grants - Operational
- Interest Revenue
- Profit - Sale of Assets
- Grants - Asset Acquisition
- Other Revenue
- Borrowings
- Cash Reserves Used

# Expenditure Type - 2014/2015

Expenditure	Amount	% of Mix
Employee Costs	19,398,285	19%
Materials & Contracts	17,532,042	17%
Utilities & Insurances	2,542,890	3%
Depreciation	9,480,272	9%
Interest Expense	536,592	1%
Other Expenses	2,030,834	2%
Assets Created	11,380,597	11%
Debt Repayment	1,632,689	2%
Cash Reserves Created	35,284,066	35%
Accrual Movements	754,071	1%
Sub Total	100,572,338	100%
Add back Non Cash Item	(9,480,272)	
Net Cash Expenses	91,092,066	100%
Operating Result	\$ 27,040,890	

Expenditures by Type- 2014/2015



# Further Information on Financials

## Statutory Financial Statements

City of South Perth Annual Report

Pages 88 - 147

## Audit Report

City of South Perth Annual Report

Pages 148 - 149

## Understanding our Financial Statements

City of South Perth Annual Report

Pages 86 - 87

## Chief Financial Officer's Report

City of South Perth Annual Report

Pages 22 - 25

# Audit Report 2014/2015

## Audit Opinion

In our opinion, the Financial Report of the City of South Perth:

- 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
- Complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards.

Anthony Macri  
Macri Partners  
Certified Practising Accountants  
11 November 2015.

# Other Legal & Regulatory Matters

## Report on Other Legal & Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996, we report that:

- There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of Council.
- There are no further matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during our audit.
- Asset ratios presented at Note 42 of the Annual Financial Report are reasonably calculated and based on verifiable information.
- All necessary information & explanations were obtained by us.
- All audit procedures were satisfactorily completed in conducting our audit.