



# AGENDA

## Strategic & General Services Committee

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Wednesday, 11 August 2010, 6.00 pm

**CITY OF FREMANTLE**  
**NOTICE OF A STRATEGIC AND GENERAL SERVICES**  
**COMMITTEE MEETING**

Elected Members

A Strategic and General Services Committee Meeting of the City of Fremantle will be held on Wednesday, 11 August 2010 in the Council Chamber, Town Hall Centre, 8 William Street, Fremantle (access via stairs, opposite Myer) commencing at 6.00 pm.

Glen Dougall  
**DIRECTOR CORPORATE SERVICES**

5 August 2010

# **STRATEGIC AND GENERAL SERVICES COMMITTEE**

## **AGENDA**

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### **DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

### **NYOONGAR ACKNOWLEDGEMENT STATEMENT**

"We acknowledge this land that we meet on today is part of the traditional lands of the Nyoongar people and that we respect their spiritual relationship with their country. We also acknowledge the Nyoongar people as the custodians of the greater Fremantle/Walyalup area and that their cultural and heritage beliefs are still important to the living Nyoongar people today."

### **ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**

### **RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

### **PUBLIC QUESTION TIME**

### **DEPUTATIONS / PRESENTATIONS**

### **DISCLOSURES OF INTEREST BY MEMBERS**

### **LATE ITEMS NOTED**

### **CONFIRMATION OF MINUTES**

That the Minutes of the Strategic and General Services Committee dated 14 July 2010 be confirmed as a true and accurate record.

### **TABLED DOCUMENTS**

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## REPORTS BY OFFICERS (COMMITTEE DELEGATION)

The following items are subject to clause 1.1 and 2.1 of the City of Fremantle Delegated Authority Register

### SGS1008-1 ACCEPTANCE OF TENDER NUMBER FCC350/10 - CONSTRUCTION OF INSITU CONCRETE FOOTPATHS

<b>DataWorks Reference:</b>	135/001
<b>Disclosure of Interest:</b>	Nil
<b>Meeting Date:</b>	11 August 2010
<b>Previous Item:</b>	Nil
<b>Responsible Officer:</b>	Peter Pikor, Director Technical Services
<b>Actioning Officer:</b>	Lionel Nicholson, Manager City Works
<b>Decision Making Authority:</b>	Committee
<b>Agenda Attachments:</b>	Nil

## EXECUTIVE SUMMARY

Following an evaluation of tender submissions, it is recommended that the tenders submitted by BT Concrete and Techsand be accepted as a panel for the laying of insitu concrete footpaths. The tenderers have the necessary experience and resources to perform the works, complying with the tender specifications.

## BACKGROUND

Tenders were invited from suitably qualified and experienced contractors to lay insitu concrete footpaths within the City of Fremantle. The invitation closed on 2<sup>nd</sup> July 2010.

## COMMENT

Tenders were advertised in the West Australian on Wednesday 16<sup>th</sup> June 2010 and closed at 2:00pm Friday 2<sup>nd</sup> July 2010 requesting the construction of insitu concrete footpaths within the City of Fremantle.

Three tenders were received by the tender closure.

The specifications and accompanying documents stated the criteria upon which the evaluation of the tenders would be based, namely;

1. Tendered price
2. Methodology
3. Skills and experience of key personnel
4. Resources
5. References

Tenderers were asked to submit written details of how they would achieve the requirements of the selection criteria.

### Tender Evaluation

Tenders were received from the following three contractors:

- BT Concrete
- Techsand
- Riverlea

All three tenderers are considered to have submitted conforming tenders.

All tenderers satisfactorily addressed the selection criteria. The evaluation of the tenders submitted is tabulated below:

		BT Concrete	Techsand	Riverlea
Assessment Criteria	Weighting Factor	Weighted Score	Weighted Score	Weighted Score
a) Price	40%	39.7	40	25.6
b) Methodology	15%	15	15	12
c) Skills & experience of personnel	15%	15	15	10
d) Resources	15%	15	15	15
e) References	15%	15	15	8
<b>Total</b>	<b>100%</b>	<b>99.7</b>	<b>100</b>	<b>70.6</b>

All below prices are quoted per square metre including GST unless otherwise noted and display the most commonly used path products by the City. The current pricing column represents BT Concrete existing tender pricing as the cheapest and most used tenderer for the period of the previous contract.

	Current	BT Concrete	Techsand	Riverlea
Footpath 1.5m new	33.00	38.50	39.60	55.00
Footpath 1.5m repl	38.50	38.50	39.60	56.00
Dual Use 2m new	33.00	38.50	39.60	58.00
Dual Use 2m repl	38.50	38.50	39.60	57.00
Crossover 100mm	38.50	44.00	42.35	54.00
Kerb Ramps	44.00	49.50	165.00 (each)	64.30
Decorative in-situ	77.00	82.50	66.00	88.95

In the evaluation above, it is noted:

- BT Concrete are the current contractors for insitu concrete and have been providing a good service.
- Riverlea are the current contractor for kerbing.
- Techsand have been used previously by the City for insitu footpath laying

The intention in this instance is to create a panel of acceptable tenderers in order to allow easy access to quality suppliers in a timely manner.

## **RISK AND OTHER IMPLICATIONS**

### **Financial**

The City expended approximately \$430,000 in the 2009/10 financial year on insitu concrete laying as part of the footpath program and crossover constructions. The preferred tenders are valued at approximately \$260,000 for the 2010/11 footpath program and crossover constructions.

### **Legal**

Having a systematic approach to replacing slabbed sections of footpath with insitu concrete will reduce Council risk to safety issues, particularly those arising from trip hazards.

### **Operational**

Use of insitu concrete as a replacement for slabbed footpaths will considerably reduce footpath maintenance resource requirements in the medium to long term. This will provide much higher sustainability in infrastructure provision.

### **Organisational**

Nil

## **CONCLUSION**

The City has utilised both BT Concrete and Techsand for laying of insitu concrete footpaths and received good service from both. The pricing of these two companies is competitive and fits within budget expectations.

Riverlea are a new contractor being used for kerbing works but have not previously been used for insitu concrete footpaths in the City. Given the lack of references provided for this specific type of work and the higher quoted pricing it would be imprudent to include the company in this panel contract.

## **STRATEGIC AND POLICY IMPLICATIONS**

This item has a connection to the Strategic Plan through Strategy 6.3 Fremantle recognised as a pedestrian and cycle-friendly city.

**PRECINCTS AND OTHER COMMITTEES RECOMMENDATIONS PLUS OTHER CONSULTATION**

Nil

**VOTING AND OTHER SPECIAL REQUIREMENTS**

Simple Majority Required

**OFFICER'S RECOMMENDATION**

**That Tender Number FCC350/10 for the construction of insitu concrete footpaths be accepted from BT Concrete and Techsand in accordance with their submitted tender offer for a period of two years to 31 July 2012.**

## REPORTS BY OFFICERS (COUNCIL DECISION)

### SGS1008-2 APPOINTMENT OF WORKING GROUP MEMBERS FOR DIFFERENTIAL RATE WORKING GROUP

<b>DataWorks Reference:</b>	039/070
<b>Disclosure of Interest:</b>	Nil
<b>Meeting Date:</b>	11 August 2010
<b>Previous Item:</b>	C1005-7
<b>Responsible Officer:</b>	Andrew Eastick, Manager Economic Development and Marketing
<b>Actioning Officer:</b>	Andrew Eastick, Manager Economic Development and Marketing
<b>Decision Making Authority:</b>	Council
<b>Agenda Attachments:</b>	Differential Rate Area Working Group Instrument of Appointment & Project Delegation for the formation of a Differential Rate Area Working Group

## EXECUTIVE SUMMARY

**Public nominations for membership for the Differential Rate Area Working Group has closed. Two representatives are recommended for appointment to the committee as well as one representative from the Fremantle Chamber of Commerce.**

**Appointment of elected members is also being sought.**

## BACKGROUND

At the May 2010 Ordinary meeting Council adopted the Instrument of Appointment and Project Delegation for the Differential Rate Area Working Group and authorised advertising for two representatives from the differential rate area and one representative from the Fremantle Chamber of Commerce.

Advertising in the Fremantle Gazette and on Council's website for the two positions took place in June 2010. Two nominations were received.

A copy of the Instrument of Appointment is attached with this agenda for reference.

## **COMMENT**

The following nominations are recommended to be endorsed as members of the working group;

Fremantle Chamber of Commerce (1 representative):  
*CEO Peter Nolin*

Differential rate area representatives (two representatives)  
*Graham Bolton, Char Char Bull*  
*Kelsie Johnston, Esplanade Hotel Fremantle*

The Instrument also requires the appointment of two elected members to the Differential Rate Area Working Group. As with previous (committee) appointments for elected members it is suggested that any elected members wanting to nominate should do so prior to the commencement of the Council meeting by placing their name on the white board for consideration. If there is a greater number of elected members' wishing to become members than places available it is anticipated that a ballot will occur unless otherwise directed by Council.

## **RISK AND OTHER IMPLICATIONS**

### **Financial**

Nil

### **Legal**

Appointment of this Working Group is in Accordance with the Local Government Act 1995

### **Operational**

Nil

### **Organisational**

Nil

## **CONCLUSION**

It is recommended that the nominations put forward for endorsement be adopted by Council.

## **STRATEGIC AND POLICY IMPLICATIONS**

The Council began levying a differential rate on the commercial sector in 2008/2009 for the purposes of supporting business activity through increased and targeted marketing. The council also established a committee to make strategic recommendations to the council on how best to allocate the funding for maximum benefit. That Committee was disbanded following the council elections in October 2009. The funds raised in 2008/9 and 2009/10 were allocated for this purpose in accordance with the advertised notices.

During development of the council's 2010-2015 strategic plan, economic development was identified as an area in need of attention. Given the focus on economic development through the strategic planning process, council's SGS Committee agreed in May 2010 to a revised purpose for the differential rate to focus on economic development rather than marketing.

The new committee is established with an ongoing role to make recommendations to council on the best use of the funds raised through the differential rate. It is appropriate to have this committee take an oversight and review responsibility after budgets have been adopted by council.

## **PRECINCTS AND OTHER COMMITTEES RECOMMENDATIONS PLUS OTHER CONSULTATION**

Nil

## **VOTING AND OTHER SPECIAL REQUIREMENTS**

Absolute Majority Required

## **OFFICER'S RECOMMENDATION**

- 1. The following elected members are appointed to the Differential Rate Area Working Group;**  
Cr \_\_\_\_\_, and  
Cr \_\_\_\_\_.
- 2. The following members are appointed to the Differential Rate Area Working Group;**  
  
**Fremantle Chamber of Commerce (1 representative): CEO Peter Nolin**  
**and**  
**Differential rate area representatives (two representatives)**  
**Graham Bolton, Char Char Bull**  
**Kelsie Johnston, Esplanade Hotel Fremantle**

## **SGS1008-3 INFORMATION REPORT FOR JULY 2010**

### **COMMERCIAL PROPERTY UPDATE**

**DataWorks Reference:** 049/008  
**Author:** Glen Dougall, Director Corporate Services  
**Agenda Attachments:** Attachment - Confidential Property Report (Under Separate Cover)

Attached is the Commercial Property Report detailing lease contracts for the City of Fremantle Commercial Properties and any pertinent information relating to current issues in relation to these leases as at 30 June 2010. This report is for information to keep council informed as to the status of these leases.

### **FREMANTLE MARKETS WORKING GROUP MINUTES**

**DataWorks Reference:** L074 & 049/008  
**Author:** Glen Dougall, Director Corporate Services  
**Agenda Attachments:** Attachment 1 and 2 - Minutes of the Working Group for April and May 2010.

Attached are copies of minutes for committee information. It is anticipated that work will commence on the corner façade in the near future to coincide with the new tenant entering into the corners shops over the next two months.

### **CULTURAL DEVELOPMENT WORKING GROUP MINUTES**

**DataWorks Reference:** 039/064  
**Author:** Glen Dougall, Director Corporate Services  
**Agenda Attachments:** Attachments 3 and 4 - Minutes of the Cultural Development Working Group (20 July & 3 August)

All Working Groups have either commenced or about to commence meetings. The minutes of these groups will be provided through this information report each month. If consideration of an action is required by Council, a specific item will be forwarded to council for consideration.

### **OFFICER'S RECOMMENDATION**

**The information report for July 2010 be received.**

## **SGS1008-4 POLICY - COMMUNITY DEVELOPMENT FUNDING - UPDATED**

<b>DataWorks Reference:</b>	013/001;035/005
<b>Disclosure of Interest:</b>	Nil
<b>Meeting Date:</b>	11 August 2010
<b>Previous Item:</b>	SGS0906-13;
<b>Responsible Officer:</b>	Marisa Spaziani, Director Community Development
<b>Actioning Officer:</b>	Marisa Spaziani, Director Community Development
<b>Decision Making Authority:</b>	Council
<b>Agenda Attachments:</b>	Attachment 1 - Policy Community Development Funding

### **EXECUTIVE SUMMARY**

**An updated Community Development Funding policy has been developed to implement a Community Development Sponsorship category commencing for the 2010/2011 financial year.**

### **BACKGROUND**

In June 2009, Council resolved to adopt the Community Development Funding Policy SG22. The objectives of this policy was to achieve:

- A clear policy position for all community development funding.
- Link funding to the strategic direction of community development.
- Effective and transparent administration of the funding.
- Clear financial accountability processes.
- Clearly defined funding definitions and funding levels.

There have been two funding rounds since this policy was adopted with 9 community organisations benefiting from the funds in 2009/10. There has been an increase in applications for 2010 and the administration of the process is working well. In 2009/10 approximately \$55,000 of financial support was provided to community organizations for specific projects.

Funds have been provided for a range of eligible community activities and events and all organisations that applied were rated against the range of eligibility criteria. The types of activities funded were:

- Artsource – Studio Open Day
- North Fremantle Community Centre – Comedy Night and Children’s Choir
- Feeling Freo – Community Movie Night
- Museum of Motion Pictures – History of TV Exhibition
- WAMI – Indigenous Music Festival
- Army Museum – Radio Signals History Display
- Freo Hawks – Club Coach Accreditation
- Soroptimists – Uthando Project – Community leaders workshop
- Fremantle MultiCultural Centre – Water Aerobics

Fundamental to this program are concepts of community wellbeing, community connectedness, cohesiveness and participation. This program does not include rental subsidies for eligible community organisations. There is a subsidised rental policy that covers this.

The Community Development Funding budget in 2009/10 was \$110,000 and the same amount has been budgeted in 2010/11.

The City also has a sponsorship program operated by City Events for provision of funds specifically for activities and events that meet the objectives of Economic Development and Tourism.

Recently, Elected Members requested that funding include a program that funds local not for profit organisations who provide community services, rather than specific projects that may not be eligible under the current funding criteria.

## **COMMENT**

The most common requests to the City for funds that do not fit the eligibility criteria of the community development funding programme, are those organisations that request money not for a specific activity, event or project, but rather for money that supports their day to day charitable and/or community services.

This can be best described as a donation – defined as the provision of money with no specific benefits required. The money is accepted by the organisation and forms part of its day to day operations.

The City has a Donations to Disaster Relief Appeals policy, limited to events that are considered a natural disaster. An amount was provided recently under this policy in relation to the mud slides in Italy with the unanimous vote of Council.

There are many worthy charities and local community groups that provide services to the broader community that would all welcome the provision of funds to assist with day to day operations. The City through the Mayor, elected members or staff, receive numerous requests for donations of this kind. The difficulty is deciding how limited funds are best applied. The City does not have the funds to provide a positive response to all these requests and neither is its role to financially support community organisations.

In response to Elected Members request for a policy to enable the provision of funds for organisations who provide community services, a Community Sponsorship funding round has been added to the policy.

## **RISK AND OTHER IMPLICATIONS**

### **Financial**

The operating budget is currently included in the recurrent 2010/11 budget. The distribution of City funds needs to be transparent and based upon agreed policy and procedure, in line with good financial management practices.

## **Legal**

Nil

## **Operational**

The funding rounds allow for ease of administration and also require objectivity with decisions being made by a panel of staff.

## **Organisational**

The organisation demonstrated its support for both community projects and events as well as ongoing services provision.

## **CONCLUSION**

The current SG22 policy has been amended to allow a community sponsorship category as requested by elected members. The policy and process will be administered by Community Development staff. The budget is set annually and the application process communicated to the community via newspaper and website information.

## **STRATEGIC AND POLICY IMPLICATIONS**

Nil

## **PRECINCTS AND OTHER COMMITTEES RECOMMENDATIONS PLUS OTHER CONSULTATION**

Nil

## **VOTING AND OTHER SPECIAL REQUIREMENTS**

Council

## **OFFICER'S RECOMMENDATION**

**The updated SG22 Community Development Funding Policy and attached with the Strategic and General Services Committee of 11 August 2010 be adopted.**

**SGS1008-5 COMMUNITY SPORT AND RECREATION FACILITIES FUND 2011/12  
RECREATION PROJECTS**

**DataWorks Reference:** 156/001;106/003; Fremantle Leisure Centre  
**Disclosure of Interest:** Nil  
**Meeting Date:** 11 August 2010  
**Previous Item:** C0910-2  
**Responsible Officer:** Marisa Spaziani, Director Community Development  
**Actioning Officer:** John East, Leisure Centre Manager  
**Decision Making Authority:** Council  
**Agenda Attachments:** Nil

**EXECUTIVE SUMMARY**

The Fremantle Leisure Centre is the City's recommended priority in applying for funding under the Department of Sport and Recreation's Community Sport and Recreation Facilities Fund (CSRFF) 2011/12 for two projects; – Scheduled for 2011 - 2013 (Forward Planning Grant).

**Project 1**

Re-surfacing swimming pool floor, walls and edge coping of the 50m pool at the Fremantle Leisure Centre, 2011/12.

**Project 2**

Re-surfacing swimming pool floor, walls and edge coping of the 25m pool at the Fremantle Leisure Centre, 2012/13.

Allocation of City funds would need to be made in line with estimates provided in the 2011/12 and 2012 /13 financial years.

**BACKGROUND**

The Department of Sport and Recreation's Community Facilities Fund (CSRFF) provides up to 1/3 funding of total project costs for eligible projects.

Project 1 & 2 - Re-surfacing swimming pool floor, walls and edge coping of the 50metre and 25 metre swimming pools at the Fremantle Leisure Centre.

Both the 50m and 25m swimming pools were constructed in 1969 and are tired in appearance, have increasing maintenance issues and efficiency concerns. The swimming pools are extremely popular all year round with swimming lessons, coaching, programming and general recreational activities. Over the past several years both pools have shown significant evidence of deterioration due to the ageing structure and wear and tear. The swimming pools are considered to be sub-standard compared with industry standards, which is impacting on programming, safety and cost efficiency. The need to improve both swimming pools structures will benefit the community and the City.

It is planned that this project would be completed over two financial years, commencing in 2011/12 and completed by 30 June 2013.

This project was submitted in October 2009 (Council Item C0910-2). Council decision was approved in principle, however, this project was given second priority to the installation of sports lighting at Dick Lawerance Oval and upgrading of existing lighting at Hilton Upper Fields, which were subsequently approved. The funding application for resurfacing swimming pools was not submitted to the Dept of Sport & Recreation in the last round.

## **COMMENT**

The Fremantle Leisure Centre is a significant asset to the City of Fremantle, also an extremely popular recreation facility for the community with over 430,000 visits in 2009/10. Swimming will continue to be recognised as an important part of our development from early childhood through to our senior years. Swimming is encouraged by medical practitioners and sports people to deal with all forms of underlying medical conditions. With attendance levels increasing annually, it is imperative that swimming pools are available and maintained to optimum condition to provide a safe, efficient and presentable facility to enjoy.

The tables below, outlines the funding breakdown for both projects, - Re-surfacing swimming pool floor, walls and edge coping of the 50m and 25m pool at the Fremantle Leisure Centre.

<b>Project 1 - Re-surfacing swimming pool floor, walls and edge coping – 50Mrt (2011 – 12)</b>	
CSRFF contribution (subject to approval)	\$166,666
City Contribution	\$333,333
<b>Total Project Cost</b>	<b>\$500,000</b>

<b>Project 2 - Re-surfacing swimming pool floor, walls and edge coping – 25Mrt (2012 – 13)</b>	
CSRFF contribution (subject to approval)	\$100,000
City Contribution	\$200,000
<b>Total Project Cost</b>	<b>\$300,000</b>

## RISK AND OTHER IMPLICATIONS

### Financial

The swimming pools are a significant part of the Leisure Centre, if the pools were not functional, this would impact on programming, memberships and general aquatic activities, affecting loss of revenue (loss of patronage). Also increase to expenditure (additional costs are loss of water, increase heating and chemical costs).

Work would be scheduled for the winter months and would have a lesser impact to operations. It is estimated that the work could take up to three months, therefore having significant impact to operations and revenue. It is estimated that it could reduce revenue between \$50,000 to \$100,000 per swimming pool. There would be some savings from heating and chemical costs, these savings are estimated to be \$20,000 to \$40,000.

### Legal

NIL

### Operational

Impact on service delivery during scheduled works, impact to budgets

### Organisational

NIL

## CONCLUSION

The table below outlines overall funding breakdown for the Fremantle Leisure Centre Pool projects over 2011/13 financial years.

<b>Project 1 &amp; 2 – 2011/13 Allocation</b>	
CSRFF	\$266,666
City Contribution	\$533,333
<b>Total</b>	<b>\$799,999</b>

## STRATEGIC AND POLICY IMPLICATIONS

NIL

## PRECINCTS AND OTHER COMMITTEES RECOMMENDATIONS PLUS OTHER CONSULTATION

NIL

## VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

## **OFFICER'S RECOMMENDATION**

- 1. An application for funding under the Department of Sport and Recreation's Community Sport and Recreation Facility Funding grant be submitted for the resurfacing of swimming pool floor, walls and edge coping – 50m and 25m.**
- 2. Allocation of the following funding amounts in the 2011-2013 financial years:-**

**Project 1 - \$333,000 - Re-surfacing swimming pool floor, walls and edge coping – 50m, 2011/12.**

**Project 2 - \$200,000 - Re-surfacing swimming pool floor, walls and edge coping – 25m, 2012/13.**

## **SGS1008-6 LOCAL LAW REVIEW**

<b>DataWorks Reference:</b>	035/001
<b>Disclosure of Interest:</b>	Nil
<b>Meeting Date:</b>	11 August 2010
<b>Previous Item:</b>	Nil
<b>Responsible Officer:</b>	Glen Dougall, Director Corporate Services
<b>Actioning Officer:</b>	Cameron Bartkowski, Manager Community Safety and Parking
<b>Decision Making Authority:</b>	Council
<b>Agenda Attachments:</b>	Nil

### **EXECUTIVE SUMMARY**

**As per Section 3.16 of the Local Government Act, a review of all City of Fremantle Local Laws has been conducted and it is recommended that Council accept this review report.**

### **BACKGROUND**

Section 3.16 of the Local Government Act 1995 (the Act) requires that all of the local laws of local government must be reviewed at least every eight years to determine if they should remain unchanged, be repealed or amended.

The eight-year period is taken to be from either when the local law commenced or when the last review of the local law (using s3.16 of the Act) was completed.

Section 3.16 of the Act provides for reviewing the currency and suitability of gazetted local laws - this section cannot be used for amending or repealing legislation. When the outcome of the review finds that it is necessary to change an outdated aspect of the law or that the subsidiary legislation has become defunct or obsolete, the local government must then commence the process outlined in s3.12 of the Act to implement any changes.

### **COMMENT**

A working group of all officers charged with the responsibility of the Local Laws was put together to discuss the Local Law and if there was a need to repeal or amend any of the Local Laws. A number of the officers felt that some of the Local Laws they are responsible for will require amendments, another one may even be repealed. The Officer/s responsible for that particular Local Law will advise Council at a later date.

As per the Act, an advertisement, advertising and calling for public submission/s was placed in local and state papers with a copy of the ad placed on the public noticeboard. The timeframe for these submissions was as per the Act. No submissions from the public were received.

## **RISK AND OTHER IMPLICATIONS**

### **Financial**

Nil

### **Legal**

Is a requirement of the Local Government Act.

### **Operational**

This review considers the operational purpose of each local law as part of the review.

### **Organisational**

Nil

## CONCLUSION

Council accept the below schedule as the outcome of the 2010 review of the Local Laws for the City of Fremantle.

Local Law	Functional in current format	Consider Amendments	Consider Repeal
Health Local Law	X	X	
Activities in Thoroughfares and Public Places and Trading	X	X	
Building Lines			X
Outdoor Eating Areas	X	X	
Prevention and Abatement of Sand Drift	X		
Short Stay Accommodation	X		
Signs, Hoardings and Bill Posting	X	X	
Property	X		
Library Advisory Committee	X		
Street Lawns & Gardens			X
Regulating and Controlling Stormwater Drainage Affecting the City's Street Systems	X		
Relating to Dogs	X		
Parking Local Law	X	X	

## STRATEGIC AND POLICY IMPLICATIONS

Nil

## PRECINCTS AND OTHER COMMITTEES RECOMMENDATIONS PLUS OTHER CONSULTATION

Nil

**VOTING AND OTHER SPECIAL REQUIREMENTS**

Simple Majority Required

**OFFICER'S RECOMMENDATION**

That Council accepts and adopts the City of Fremantle Local Law Review 2010 in accordance with section 3.16 of the Local Government Act 1995 and the below schedule. The Local Laws identified in the schedule as requiring consideration for amendment or repeal be brought back for consideration at the appropriate time.

Local Law	Functional in current format	Consider Amendments	Consider Repeal
Health Local Law	X	X	
Activities in Thoroughfares and Public Places and Trading	X	X	
Building Lines			X
Outdoor Eating Areas	X	X	
Prevention and Abatement of Sand Drift	X		
Short Stay Accommodation	X		
Signs, Hoardings and Bill Posting	X	X	
Property	X		
Library Advisory Committee	X		
Street Lawns & Gardens			X
Regulating and Controlling Stormwater Drainage Affecting the City's Street Systems	X		
Relating to Dogs	X		
Parking Local Law	X	X	

**SGS1008-7 VARIANCE TO BE USED IN MONTHLY FINANCIAL REPORT FOR 2010/2011**

**DataWorks Reference:** 087/002  
**Disclosure of Interest:** Nil.  
**Meeting Date:** Committee 11 August 2010 and Council 25 August 2010  
**Previous Item:** SGS0907-7 of 22 July 2009  
**Responsible Officer:** Alan Carmichael, Manager Finance & Administration  
**Actioning Officer:** Alan Carmichael, Manager Finance & Administration  
**Decision Making Authority:** Council  
**Agenda Attachments:** Nil

**EXECUTIVE SUMMARY**

The recommendation is to adopt a percentage of 2.5% in combination with a threshold amount of \$150,000 below which a variance report would not be required. Compared to 2009/2010, the percentage is the same but the threshold amount represents an increase of \$25,000 to the \$125,000 that applied in 2009/2010.

**BACKGROUND**

Changes to the Financial Management Regulations under the Local Government Act 1995 were proclaimed on 31 March 2005 and they applied from 1 July 2005. The changes required a monthly financial activity report with explanations being provided for material variances between year to date (YTD) budget and YTD actual. The regulations require that Council adopt a percentage or value each financial year and that is to be used in statements of financial activity for reporting of material variances.

This item seeks to adopt a percentage or value, calculated in accordance with AASB 1031, to be used in statements of financial activity for reporting material variances in 2010/2011.

**COMMENT**

On the reporting of variances, extracts from AASB 1031 give some guidance as to what is regarded as material:-

- 15 Quantitative thresholds used as guidance for determining the materiality of the amount of an item or an aggregate of items shall, of necessity, be drawn at arbitrary levels. Materiality is a matter of professional judgement influenced by the characteristics of the entity and the perceptions as to who are, or are likely to be, the users of the financial report, and their information needs. Materiality judgements can only be properly made by those who have the facts. In this context, the following quantitative thresholds may be used as guidance in considering the materiality of the amount of items included in the comparisons referred to in paragraph 13 of this Standard:

- (a) An amount which is equal to or greater than 10 per cent of the appropriate base amount may be presumed to be material unless there is evidence or convincing argument to the contrary; and
- (b) An amount which is equal to or less than 5 per cent of the appropriate base amount may be presumed not to be material unless there is evidence, or convincing argument, to the contrary.

Having regard to the AASB 1031, the fact the financial report where the materiality is to be applied is a monthly year to date financial report (as opposed to annual report), the size of the City of Fremantle budget and the nature of the local government business, it is considered a percentage figure of 2.5% with a threshold of \$150,000 before a variance report is required would be an appropriate level. With monthly reporting, the key objective is seen as having monthly budget data so that any variance reporting is based on the planned situation. A lot of the revenue and expenditure, especially capital expenditure, does not occur in an even or proportional manner over the year. Timing differences can explain the majority of variances if the materiality is set too low. Also in relative terms, \$150,000 equates to 0.5% of rates or employee costs. With a 2.5% variance, it effectively means that budgets under \$5 million might have variances greater than 2.5% which would not require reporting as the value of the variance could be under \$150,000. However once the budget reached \$5 million, a variance greater than 2.5% would automatically trigger a variance report.

Experience from commenting on material variances during the 2009/2010 financial year has highlighted the following points:-

- If budgets are not scaled for expected activity, then material variances are generated and items unnecessarily reported.
- Where officers do not have a clear timeframe for their work program, then the budget(s) are scaled to be received or spent in the latter part of the financial year. This leads to materially increased variances in those months when it became obvious that the works will not occur and require carry forward to the next financial year. The continuing high value of carry forwards mean we are setting the budget up to produce material variances which must be reported upon. The annual budget, should be what we intend to do in the next twelve months and if that is not the case, items will be unnecessarily reported especially towards the end of the financial year.

## **RISK AND OTHER IMPLICATIONS**

### **Financial**

The item has no direct financial implications, but the reporting of variances will highlight budget issues that might need to be addressed at a later date.

### **Legal**

Financial Management Regulation 34(5) under section 6.4 of the Local Government Act 1995 refers.

### **Operational**

The item does not impose any new operational requirements.

### **Organisational**

The item does not impose any new requirements.

### **CONCLUSION**

By maintaining the 2.5% percentage variation and increasing the threshold limit slightly we are basically adjusting for inflation. This is not considered to impact on the quality of information that would otherwise have been reported.

### **STRATEGIC AND POLICY IMPLICATIONS**

The annual budget is a strategic document; therefore its ongoing monitoring should highlight any budgetary issues.

### **PRECINCTS AND OTHER COMMITTEES RECOMMENDATIONS PLUS OTHER CONSULTATION**

Nil.

### **VOTING AND OTHER SPECIAL REQUIREMENTS**

Simple Majority Required

### **OFFICER'S RECOMMENDATION**

**That the variance to be used in statements of monthly financial activity for reporting material variances under AASB 1031 be set for 2010/2011 at 2.5% with a threshold of \$150,000 below which variance reporting is not required.**

**CONFIDENTIAL MATTERS**

Nil

## SUMMARY GUIDE TO CITIZEN PARTICIPATION AND CONSULTATION

The Council adopted a Participation Policy in August 2001 to give effect to its commitment to involving citizens in its decision-making processes.

The City values citizen participation and recognises the benefits that can flow to the quality of decision-making and the level of community satisfaction.

Effective participation requires total clarity so that Elected Members, Council officers and citizens fully understand their respective rights and responsibilities as well as the limits of their involvement in relation to any decision to be made by the City.

<b>How consultative processes work at the City of Fremantle</b>	
<b>The City's decision makers</b>	1 The Council, comprised of Elected Members, makes policy, budgetary and key strategic decisions while the CEO, sometimes via on-delegation to other City officers, makes operational decisions.
<b>Various participation opportunities</b>	2 The City provides opportunities for participation in the decision-making process by citizens via its Advisory Committees and Task Forces, its Community Precinct System, and targeted consultation processes in relation to specific issues or decisions.
<b>Objective processes also used</b>	3 The City also seeks to understand the needs and views of the community via scientific and objective processes such as its annual Community Survey.
<b>All decisions are made by Council or the CEO</b>	4 These opportunities afforded to citizens to participate in the decision-making process do not include the capacity to make the decision. Decisions are ultimately always made by Council or the CEO (or his/her delegated nominee).
<b>Precinct focus is primarily local, but also city-wide</b>	5 The Community Precinct System establishes units of geographic community of interest, but provides for input in relation to individual geographic areas as well as on city-wide issues.
<b>All input is of equal value</b>	6 No source of advice or input is more valuable or given more weight by the decision-makers than any other. The relevance and rationality of the advice counts in influencing the views of decision-makers.
<b>Decisions will not necessarily reflect the majority view received</b>	7 Local Government in WA is a representative democracy. Elected Members and the CEO are charged under the Local Government Act with the responsibility to make decisions based on fact and the merits of the issue without fear or favour and are accountable for their actions and decisions under law. Elected Members are accountable to the people via periodic elections. As it is a representative democracy, decisions may not be made in favour of the majority view expressed via consultative processes. Decisions must also be made in accordance with any statute that applies or within the parameters of budgetary considerations. All consultations will

<b>How consultative processes work at the City of Fremantle</b>	
	clearly outline from the outset any constraints or limitations associated with the issue.
<b>Decisions made for the overall good of Fremantle</b>	8 The Local Government Act requires decision-makers to make decisions in the interests of “the good Government of the district”. This means that decision-makers must exercise their judgment about the best interests of Fremantle as a whole as well as about the interests of the immediately affected neighbourhood. This responsibility from time to time puts decision-makers at odds with the expressed views of citizens from the local neighbourhood who may understandably take a narrower view of considerations at hand.
<b>Diversity of view on most issues</b>	9 The City is wary of claiming to speak for the ‘community’ and wary of those who claim to do so. The City recognises how difficult it is to understand what such a diverse community with such a variety of stakeholders thinks about an issue. The City recognises that, on most significant issues, diverse views exist that need to be respected and taken into account by the decision-makers.
<b>City officers must be impartial</b>	10 City officers are charged with the responsibility of being objective, non-political and unbiased. It is the responsibility of the management of the City to ensure that this is the case. It is also recognised that City Officers can find themselves unfairly accused of bias or incompetence by protagonists on certain issues and in these cases it is the responsibility of the City’s management to defend those City officers.
<b>City officers must follow procedures</b>	11 The City’s consultative processes must be clear, transparent, efficient and timely. City officers must ensure that policies and procedures are fully complied with so that citizens are not deprived of their rights to be heard.
<b>Consultation processes have cut-off dates that will be adhered to.</b>	12 As City officers have the responsibility to provide objective, professional advice to decision-makers, they are entitled to an appropriate period of time and resource base to undertake the analysis required and to prepare reports. As a consequence, consultative processes need to have defined and rigorously observed cut-off dates, after which date officers will not include ‘late’ input in their analysis. In such circumstances, the existence of ‘late’ input will be made known to decision-makers. In most cases where citizen input is involved, the Council is the decision-maker and this affords citizens the opportunity to make input after the cut-off date via

How consultative processes work at the City of Fremantle	
	<p>personal representations to individual Elected Members and via presentations to Committee and Council Meetings.</p>
<p><b>Citizens need to check for any changes to decision making arrangements made</b></p>	<p>1 The City will take initial responsibility, via 3 'Consultation Process notifications', for making citizens aware of expected time-frames and decision making processes, including dates of Standing Committee and Council Meetings if relevant. However, as these details can change, it is the citizens responsibility to check for any changes by visiting <b><a href="http://www.freofocus.com/projects/html/default.cfm">www.freofocus.com/projects/html/default.cfm</a></b>, checking the Port City Column in the Fremantle Herald or inquiring at the Service and Information Desk by phone or in-person.</p>
<p><b>Citizens are entitled to know how their input has been assessed</b></p>	<p>1 In reporting to decision-makers, City officers will in 4 all cases produce a Schedule of Input received that summarises comment and recommends whether it should be taken on board, with reasons.</p>
<p><b>Reasons for decisions must be transparent</b></p>	<p>1 Decision-makers must provide the reasons for 5 their decisions.</p>
<p><b>Decisions posted on <a href="http://www.freofocus.com/projects/html/default.cfm">www.freofocus.com/projects/html/default.cfm</a></b></p>	<p>1 Decisions of the City need to be transparent and 6 easily accessed. For reasons of cost, citizens making input on an issue will not be individually notified of the outcome, but can access the decision at <b><a href="http://www.freofocus.com/projects/html/default.cfm">www.freofocus.com/projects/html/default.cfm</a></b> or at the City Library or Service and Information counter.</p>

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### **Issues that Council May Treat as Confidential**

Section 5.23 of the new Local Government Act 1995, Meetings generally open to the public, states:

1. Subject to subsection (2), the following are to be open to members of the public -
  - a) all council meetings; and
  - b) all meetings of any committee to which a local government power or duty has been delegated.
2. If a meeting is being held by a council or by a committee referred to in subsection (1) (b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following:
  - a) a matter affecting an employee or employees;
  - b) the personal affairs of any person;
  - c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting;
  - d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;
  - e) a matter that if disclosed, would reveal –
    - i) a trade secret;
    - ii) information that has a commercial value to a person; or
    - iii) information about the business, professional, commercial or financial affairs of a person.Where the trade secret or information is held by, or is about, a person other than the local government.
  - f) a matter that if disclosed, could be reasonably expected to -
    - i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;
    - ii) endanger the security of the local government's property; or
    - iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety.
  - g) information which is the subject of a direction given under section 23 (1a) of the Parliamentary Commissioner Act 1971; and
  - h) such other matters as may be prescribed.
3. A decision to close a meeting or part of a meeting and the reason for the decision are to be recorded in the minutes of the meeting.