AGENDA

Ordinary Meeting of Council

Wednesday, 22 March 2017, 6.00pm
CITY OF FREMANTLE
NOTICE OF AN ORDINARY MEETING OF COUNCIL

Elected Members

An Ordinary Meeting of Council of the City of Fremantle will be held on Wednesday, 22 March 2017 in the Council Chamber, Town Hall Centre, 8 William Street, Fremantle (access via stairs, next to the playground in Kings Square) commencing at 6.00 pm.

Philip St John
CHIEF EXECUTIVE OFFICER

17 March 2017
ORDINARY MEETING OF COUNCIL
AGENDA

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

DISCLOSURES OF INTEREST BY MEMBERS

RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

PUBLIC QUESTION TIME

At the February meeting Mr John Dowson presented questions on behalf of the Fremantle Society. Responses to these questions have been provided by officers, and are as follows:

Q1. What are the total fees being paid to Sirona Capital for managing the demolition of the current administration building and the construction of a new one? (Commercial confidentiality concerning ratepayer assets should not be an issue now that decisions have been made to go ahead).

A1. Project management fees will be based on 3% actual project cost and are in line with industry standards for project management services for high quality, complex architecture. The actual fee will be calculated once final design has been established.

Q2. The Fremantle Society objects to the idea and location of the proposed $500,000 playground in King's Square on the grounds that we consider it to be:

a) a misuse of a highly significant public open space

b) an idea that has not come from any long term mature planning for the square
c) an expense the community cannot afford.

d) *where is the money coming from?*

*It would be inconceivable in any mature European town for their town’s Town Square to be given over for such a large project as envisioned by Fremantle Council.*

A2. Parts 2a to 2c noted. The funding for the playground will be considered as part of the capital works program in the annual budget process. Council will need to determine the year it is allocated as part of this consideration.

Q3 *The magnificent Moreton Bay fig trees in Kings Square appear to be dying. This is sadly ironic under a council which expresses interest in green and sustainable issues.*

a) *Why weren’t the restricting electrical cords around the tree east of the church removed months ago when it became apparent they were causing stress to the tree?*

A3 a) Unfortunately, some of the Moreton Bay fig trees have been in decline for a number of years. They have been monitored and reported on by independent Arborists over that time. The Christmas lights are not considered a cause of the issue, however the City has approved their removal and the Contractor will undertake these works as a precautionary measure to reduce possible damage to new growth.

b) *What has been the watering program for the trees in recent months?*

A3 b) Over the winter months a contractor was engaged to flood the declining trees with 3000lt of water per week (p/w). Over summer months the automatic reticulation was increased from 9,000lt p/w to 30,000lt p/w throughout the Kings Square figs.

c) *Why are the root beds of the trees so severely paved over?*

A3 c) From an urban context, the roots are not thought to be “severely paved over”. The City made a conscious decision in the past to provide a large, unpaved area underneath the tree. It is unlikely that the hard paving around the tree is responsible for the recent decline in health, however, as part of the new landscape design for Kings Square, full consideration will be given to the physical environment around the tree, including how much hard paving versus soft landscaping will be used.

Q4 *Why has the council not done a detailed heritage report on its administration building before giving architects the go ahead to finalise*
A4. A heritage assessment will be undertaken as part of the process of finalising the design.

Q5 What reports have been done on the current condition of the administration building? The building, which was built by the same builders who constructed the Fremantle Port Authority building, appears to be in a serviceable and good condition.

A5. The City regularly monitors the condition and functionality of its built assets. Generally, the formal Asset Management condition for the administration building is currently rated as a 2 (for reference - condition 5 = brand new & condition 1 = failure/unfit). There are a number of issues with the current structure – there is concrete failure to a number of external elevations, the extent of asbestos that encompasses the building is intense and impossible to remove without demolition of parts or the whole building. A number of services require upgrade / renewal, unfortunately they are encapsulated within asbestos friable material. There are also numerous Disability access challenges and issues where the building is not compliant with current standards.

Q6 How does demolition of a reusable building fit with One Planet and other sustainability criteria?

A6. One planet is a holistic sustainability framework which seeks to achieve an overall reduction in the consumption of resources and emission of pollution such as greenhouse gases over time. The benefits over a number of years of a new building which can achieve much higher performance in terms of reduced energy and water consumption and provides major opportunities for additional renewable energy generation (e.g. large scale solar PV arrays on the roof) will outweigh the contribution which continued use of the existing administration building could make towards One Planet targets.

Q7. What are the carbon costs of demolition?

These cannot be quantified ahead of demolition, but it is anticipated that a significant amount of the material in the existing building fabric will be suitable for recycling. This will mitigate carbon emissions by reducing the amount of demolition material exposed to landfill.

Q8 The Fremantle Society is concerned to hear that Fremantle Council may be paying the Fremantle Dockers around $1.5 million to move out of their lease position. Given that the Dockers are the ones breaking the lease, the Fremantle Society believes there should not be any payment to the Dockers. Has a decision been reached?

A8. A decision on the surrender of this lease was made at the Council meeting in February, 2017.
Q9  In regards to the Fremantle Oval lease with the Dockers, is the lease technically valid? It is a lease for 50 years requiring government approval because it is over 21 years in length, but apparently that government approval was never sought?

A9.  The City received legal advice on this matter. Legal advice did not provide any clear mechanism to simply break or end the lease.

Q10  When the current administration building is vacated, what provisions will be made for the public to access the highly valuable Local History Library for the next few years while a new administration building is built?

A10.  We are currently undertaking a review of the usage of our History Collection, including examining what items and information are most requested by our user groups. This information will be used to prioritise what aspects of the collection will be kept onsite at a temporary premise and what will be kept in storage taking into consideration access to stored items and specialised storage requirements during that period.

Prior to the move to temporary premises and during the interim period, staff will continue a project to digitalise as much of the collection as possible, increasing the accessibility of the collection to the public.

APPLICATIONS FOR LEAVE OF ABSENCE

PETITIONS / DEPUTATIONS / PRESENTATIONS

CONFIRMATION OF MINUTES

That the minutes of the Ordinary Meeting of Council dated 22 February 2017 be confirmed as a true and accurate record.

ANNOUNCEMENTS BY THE MAYOR

QUESTIONS OR PERSONAL EXPLANATIONS BY MEMBERS

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AUDIT AND RISK MANAGEMENT COMMITTEE 15 MARCH 2017

AC1703-1  REVIEW OF THE AUDIT AND RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE

AC1703-2  ADOPTION OF THE 2016 COMPLIANCE AUDIT RETURN

AC1703-3  WRITE OFF OF BAD AND DOUBTFUL DEBTS FEBRUARY 2017

AC1703-4  ADOPTION OF THE CITY OF FREMANTLE AND THE TOWN OF EAST FREMANTLE RECOVERY ARRANGEMENTS

MOTIONS OF WHICH NOTICE HAS BEEN GIVEN

REPORTS BY THE MAYOR OR OFFICERS OF COUNCIL

STATUTORY COUNCIL ITEMS

COUNCIL ITEMS

C1703-1  BUDGET REVIEW - FEBRUARY 2017

C1703-2  MONTHLY FINANCIAL REPORT - FEBRUARY 2017

C1703-3  INFORMATION REPORT - FEBRUARY 2017

C1703-4  ALLEGED ARTIFICIAL DISPLAY LIGHT POLLUTION FROM LOTS301 AND 771 NO: 52 QUEEN VICTORIA STREET, FREMANTLE

CONFIDENTIAL MATTERS

FPOL1703-11  CONFIDENTIAL REPORT - PROPOSED LAND ACQUISITION - ELDER PLACE

AGENDA ATTACHMENTS

C1703-1  BUDGET REVIEW - FEBRUARY 2017

C1703-2  MONTHLY FINANCIAL REPORT - FEBRUARY 2017

C1703-4  ALLEGED ARTIFICIAL DISPLAY LIGHT POLLUTION FROM LOTS301 AND 771 NO: 52 QUEEN VICTORIA STREET, FREMANTLE
COMMITTEE REPORTS

PLANNING SERVICES COMMITTEE 1 MARCH 2017

PC1703-8 KNUTSFORD STREET EAST LOCAL STRUCTURE PLAN AMENDMENTS - APPROVAL TO ADVERTISE

ECM Reference: 115/084
Disclosure of Interest: Nil
Meeting Date: 1 March 2017
Previous Item: Nil
Responsible Officer: Manager Strategic Planning
Actioning Officer: Senior Strategic Projects Officer
Decision Making Authority: Council
Agenda Attachments: Knutsford Street East Structure Plan with draft amendments

EXECUTIVE SUMMARY

The Knutsford Street East Local Structure Plan was adopted under the provisions of Local Planning Scheme No. 4 in February 2008. While the vision and intent of the Structure Plan are still valid, some of the provisions are worded in such a way as to inadvertently hinder development and due to its age some aspects of the plan are no longer consistent with the current Planning and Development Regulations 2015, the local planning scheme or the Residential Design Codes.

The City convened a workshop discussion with precinct landowners and other stakeholders on 27 October 2016. The meeting resulted in general support for changes to be made to the structure plan which would make development under the plan’s provisions both more sustainable and more viable. Officers have drafted amendments based on the matters discussed at the workshop, including amendments to the provisions which mandate commercial uses, clarification of public open space requirements and a more uniform application of maximum building heights and densities. These amendments to the structure plan are now presented to Council for approval to advertise for public comment.

PROJECT BACKGROUND

The area known as Knutsford Street East (bounded by Blinco, Montreal, Amherst and Stack Streets) is zoned ‘Development Zone’ under the City’s Local Planning Scheme No.4 (LPS4.) A structure plan is required to coordinate and guide redevelopment of the land. The Knutsford Street East Structure Plan (the Structure Plan) was originally prepared prior to the gazettal of LPS4 and Council resolved to adopt the plan, subject to certain modifications, in January 2006. After LPS4 was gazetted, the Structure Plan was formally adopted under the provisions of LPS4 in February 2008. It functions as a guiding document to facilitate future redevelopment within the designated area.

The vision of the Structure Plan is:
To redevelop an aging underutilised industrial area through the introduction of a mix of residential and commercial uses supported by a neighbourhood centre and integrated with the surrounding community via the application of sustainable planning principles which retain the historic character of its former industrial use without compromising the amenity of existing and future residents and workers.

The intent of the Structure Plan vision is still valid. However the Structure Plan was written in a time of more conservative development expectations and the pace of development in the area has been slow. It is now evident that some of the Structure Plan provisions are worded such that they actually hinder development and encourage ‘under development’ (especially on the fringes of the development area). Precinct landowners and stakeholders met at the City on 27 October 2016 to discuss development in the structure plan area, which includes the City’s depot site. Several elected members also attended. The meeting involved much constructive discussion and resulted in general support for changes to the structure plan intended to make development both more sustainable and more viable.

Changes suggested include amendments to the provisions which mandate commercial uses, clarification of public open space requirements and a broader application of maximum heights and densities. There was also support for communication of the vision for the wider Swanbourne St and Knutsford St precincts along with the potential to develop design principles for the overall precinct. In response to this, changes to the Structure Plan have been drafted and are now presented to Council for approval to advertise. Overall the changes proposed simplify the document, encourage optimum development outcomes within the allowable density and height, and allow for discretionary consideration of exceptional development proposals.

STATUTORY AND POLICY ASSESSMENT

The Deemed Provisions in Schedule 2 of the Planning and Development (Local Planning Schemes) Regulations 2015 (the P&D Regulations) provide for the amendment of a structure plan by the Western Australian Planning Commission at the request of the local government (clause 29). Prior to submitting the request to the WAPC the local government is required to follow the same procedures in terms of advertising proposed amendments as apply to a new structure plan.

CONSULTATION

Should Council resolve to proceed to advertise the proposed amendments to the Structure Plan, the amendments will be advertised in accordance with the requirements of the P&D Regulations and the City’s Local Planning Policy 1.3 Public Notification of Planning Proposals. This provides for a period of up to 28 days within which submissions may be made. The proposed amendments will be advertised in the press and by individual notification to property owners and occupiers within and surrounding the structure plan area. The local precinct group(s) will also be notified and a community information session will be held during the advertising period, providing a further opportunity to engage with stakeholders who participated in the October 2016 discussions with City officers and some elected members.
PLANNING COMMENT

The vision of the Structure Plan remains relevant and the ‘bones’ of the document are still considered to be sound. The amendments proposed are designed to simplify and clarify the provisions and to bring the document up to date in such a way as to better encourage development of the precinct in line with the vision. The full text of the amended Structure Plan is attached, with the amendments marked-up. A summary of the changes proposed is tabled below.

<table>
<thead>
<tr>
<th>Subject/section</th>
<th>Existing text/provisions</th>
<th>Outline of proposed changes</th>
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<tr>
<td>PART 1 CONTEXT</td>
<td>Refers to early version of Swanbourne St Structure Plan and Network City documents.</td>
<td>Updated to refer to latest version of Swanbourne St Structure Plan, Perth and Peel at 3.5m suite of documents and Design WA.</td>
</tr>
<tr>
<td>PART 2 – STRUCTURE PLAN</td>
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<tr>
<td>1.4 Detailed Area Plan (DAP) Precincts</td>
<td>Defines 5 precincts based on land ownership and requirement for DAPs to be provided for each.</td>
<td>Separation of precincts and requirement for DAPs (now called Local Development Plans) removed. Land use and planning requirements for each precinct were the same except for interface requirements (see below). Also the requirement for DAP’s added an unnecessary approval layer (which was difficult to achieve with diverse land ownership.) The design detail required can still be dealt with at subdivision or development approval stage on a site by site basis.</td>
</tr>
<tr>
<td>2.2 Interface considerations</td>
<td>2 storey max. building height facing Blinco and Stack St. 4 storey max. elsewhere. 2 Storey min. for single residential</td>
<td>4 storey allowable across the area as long as development is sensitive to context. Above 4 storeys – will be considered at Council’s discretion for an exceptional proposal on an exception site (e.g. demonstration of leading edge sustainability and/or exceptional architectural merit and provision of high amenity e.g. by taking advantage of topography/views)</td>
</tr>
</tbody>
</table>
2.3 Residential Density

- R40 facing Blinco and Stack Streets
- R60 generally
- R100 if a high standard of sustainability offered

Delete R40 minimum
R60 new minimum
R100 allowed across all sites as long as development is sensitive to context.
Above R100 – will be considered at Council’s discretion for development demonstrating qualities as referred to in 2.2 above.

2.4 Non-residential land uses

The final location and configuration of a neighbourhood centre to be identified during preparation of the DAP for precinct 3 (depot site)

Commercial activity and cottage industry allowed/encouraged across the whole area. A preference for commercial to be focussed on Knutsford St with a possible future hub at/near the golf course end potentially involving the clubhouse and café facilities.

Requirement for a minimum 5% component (based on site gross development area) for separately titled, non-residential purposes to council satisfaction

All ground floors to be adaptable for non-residential uses in place of mandating non-residential uses. The area has developed some quirky uses and flexibility should be given to allow these to ‘pop up’ organically.

Table 1 Land use and development requirements

Table 1 contains 5 sub tables, one for each of 5 precincts. Table sets out permitted and discretionary land uses, density, height and built form requirements reflecting the Structure Plan provisions above

Apart from interface requirements which have been deleted in changes described above (see 2.2) the tables were largely repetitive. Requirements are now the same across all precincts and so have been consolidated into a single table.
Table 1 still sets out permitted and discretionary land uses, density, height and built form requirements but now reflects the changes noted above.

2.5 Public open Space

Allows for a variation to the usual 10% or a cash in lieu payment due to the large amount of POS already in the vicinity.

Provision remains unchanged although the section has been rewritten to improve clarity.

2.7 Built Form

Refers to DAPs and design guidelines

Minor amendments to stress the desired industrial character of the built form.
Reference to DAPs deleted, reference to (future) design guidelines changed to design principles.

2.8 Development Outcomes and Incentives

In order to facilitate timely development and achieve mixed use residential outcomes - sets out possible variations to R Code and scheme requirements.

Formatting changed for clarity.
Reference to DAPs, plot ratio and site coverage bonuses deleted. These matters are in any event dealt with as part of current version of R-Codes for multiple dwellings/mixed use development.

2.9 Staging

Refers to likely staging based on service provision.

Section deleted, no longer relevant.

3.0 Movement systems

Sets out pedestrian, cyclist and vehicular access.

Minor amendments to correct street names, update bus route #s and to mention Knutsford St as green link.

5.0 Population

Table 2 dwellings and population based on expected densities for each precinct

Table 2 updated to reflect minimum densities as amended above and to show total only across entire Structure Plan area.

PART 3 IMPLEMENTATION

Requires a cost sharing agreement

Section amended to reflect subsequent Council decision not to pursue a contribution agreement.
3.0 Stage 2 - Infrastructure contribution Agreement

| 4.0 Stage 3 Detailed Area Plans & 5.0 Stage 4 Subdivision and/or development |
|-------------------------------------------------|-------------------------------------------------|
| Sets out requirements for Detailed Area Plans   | Sections amended to delete DAPs and require subdivision and development application plans to address the requirements previously to be addressed by DAPs. |

Some landowners in the structure plan area have expressed dissatisfaction with the current provisions stating that they make development difficult or unviable. While the role of the City is to apply the provisions of the Structure Plan in support of the overall vision for the area, it is the view of City officers that some of the provisions of the Structure Plan as written actually work against redevelopment. The changes proposed reduce impediments to development and the prospect of residential development outcomes (especially in Blinco Street and Stack Street) that by contemporary standards would be regarded as unduly low density and an ineffective use of urban land.

Should the currently proposed Roe 9/Perth Freight Link tunnel be developed, it is expected to emerge in the vicinity of the Structure Plan area. However resolution of this may not be known for some time and redevelopment of the area is still to be encouraged. Officers consider that the recommended structure plan amendments will still be relevant regardless of whether the tunnel is built or not.

**STRATEGIC IMPLICATIONS**

The Structure Plan, including the recommended amendments, is intended to assist in achieving the following objectives of the Strategic Community Plan 2015-15 ('Places for people' focus area):

- Increase affordable, adaptable, accessible and diverse housing.
- Redeveloped urban density to be achieved with improvement to green spaces.

The One Planet Fremantle Strategy 2014/15 – 2019/20 identifies as one of the five top corporate short-term action points for the City of Fremantle: “Investigation of sustainable development potential for the Knutsford St. City Works Depot site with a view to negotiating positive sustainability outcomes for any development on the site.” Separate from the Structure Plan, the City has been negotiating sustainability outcomes as part of a future development agreement with LandCorp. Outside of the statutory structure plan framework, the City has also been working in partnership with LandCorp to prepare high level design principles with input from the broader Knutsford and Swanbourne St communities. The aim of these principles is to demonstrate and encourage industrial design and character and high performance sustainability across the whole district, not just the Knutsford St East Structure Plan area.
CONCLUSION

The intent of the vision of the Structure Plan is still considered valid, however the Structure Plan was written over 10 years ago times and some of the provisions are worded such that they now inadvertently hinder development in line with the vision.

Accordingly officers have prepared some relatively minor amendments to the structure plan provisions, having regard to feedback from precinct landowners and other stakeholders, to simplify the document and encourage development within the allowable density and height and allow for consideration of exceptional development proposals. Council is recommended to approve the amendments for the purposes of formal public consultation. Following the conclusion of the consultation period a further report will be presented to Council including details of any submissions received.

COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr J Strachan

That Council resolves to advertise for public comment the draft changes to the Knutsford Street East Local Structure Plan contained in Attachment 1 to the item considered by the Planning Committee on 1 March 2017 in accordance with the requirements of the Planning and Development (Local Planning Schemes) Regulations 2015 and the City of Fremantle Local Planning Policy 1.3 ‘Public Notification of Planning Proposals’.

CARRIED: 6/0

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<td>Cr Simon Naber</td>
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<td>Cr Bryn Jones</td>
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<td>Cr Hannah Fitzhardinge</td>
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<tr>
<td>Cr Ingrid Waltham</td>
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<td>Cr Jeff McDonald</td>
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This report on Kings Square Precinct Redevelopment covers the following detailed aspects associated with the new Civic Building:

- Community feedback on universally accessible change facility
- Public toilet facilities
- Multi-faith prayer room
- 3rd floor office space analysis
- Process for approving schematic design

BACKGROUND

Over the past few months Kerry Hill Architects (KHA) and the sub-consultant team have been refining the schematic design in consultation with the City of Fremantle and an independently appointed quantity surveyor. At the time of writing this report, a comprehensive set of draft schematic drawings and consultant reports were being assembled by KHA to be submitted to the City.

OFFICER COMMENT

During the development of the schematic plans, various items have been raised between the architects and the City that will need to be resolved as the plans progress into design development. These items are presented below for discussion and decision as the project approaches this important milestone that concludes the schematic design stage.

Universally accessible change facility

A universally accessible change facility enables people of various age and physical ability/condition to have a publicly available room to change, toilet and shower in a safe fully equipped facility. Such a facility was not planned for in the original brief for the new civic building.

The City recently commenced a community survey to investigate the potential demand for such a facility. Out of the 81 people who have so far completed our survey, 98.75% said ‘there is a need for an adult changing facility as part of Fremantle Kings Square redevelopment.’ An earlier survey conducted by the Disabilities Services Commission and National Disability Services identified Fremantle as the 7th most popular location for...
one of these facilities. This was the only specific metropolitan location identified in the top 10 priority locations in the survey.

People with disability or other continence needs and their families and friends may not currently visit Fremantle or may only visit for a short time. People with disability who need assistance using a bathroom, who use continence aids, ostomy bags and associated equipment need to be able to get changed to remain comfortable and clean in a way that also protects their dignity. 47% of people who responded to the above survey were family members or friends of someone with disability and 20% were people with disability.

There is an opportunity to provide new opportunities for people with disability to get out and about and participate in community life as well as to support employment of people with disability and continence needs. A changing facility would allow more people to stay in Fremantle longer, resulting in personal benefits for them and social and economic benefits to the community.

Disability services and organisations would be more likely to establish in, and visit Fremantle which will enhance social inclusion and benefit the local community who access these services. This is supported by 33% of the survey respondents working within the disability service sector.

A changing facility in Fremantle would encourage a wider range of people to visit the region for travel and leisure. A network of changing facilities is currently being developed around Western Australia ('Changing Places') which means that an increased number of visitors would be likely if a facility is included at Kings Square. Local and regional businesses would benefit from this as people with disability, their family, friends and carers would be able to participate economically.

**Cost Implication:** The full cost of installing a facility is not known, however, there are clear cost benefits in integrating one into a new building rather than build a ‘stand-alone’ facility or trying to retrofit one into an existing structure. It is estimated that the order of magnitude would be approximately $250,000.

**Additional public toilet facilities**

The current building design has public toilets - including wheelchair accessible and baby change facilities – in multiple locations in the new civic building:

<table>
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<th>Location</th>
<th>Hours of use</th>
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<td>Lower Ground Floor / Library / Community Hub</td>
<td>9am-6pm, Mon to Thurs 9am-5pm, Fri and Sat 12noon-4pm, Sunday</td>
</tr>
<tr>
<td>Ground Floor Exhibition Space / Customer Service</td>
<td>8am-5pm, Mon to Fri (standard) Has potential to be opened at other times, independent of Library and Customer Service.</td>
</tr>
<tr>
<td>Café, Ground Floor</td>
<td>Same hours as café.</td>
</tr>
<tr>
<td>First Floor Civic Spaces</td>
<td>Open when civic/public events are being held.</td>
</tr>
</tbody>
</table>
These toilets will be accessible to the public during times that the facilities are open.

In addition to the City of Fremantle’s public toilets, the new buildings along Newman Court being developed by Sirona will also have multiple public toilet facilities.

Various suggestions have been made regarding additional public toilet facilities as part of this project, including the idea of building a staffed facility similar to CitiPlace at Perth’s main train station. It is noted that this type of facility was not included in the original architectural brief.

**Cost Implications:** The upfront capital cost is estimated to be in the order of $1m and the ongoing management and maintenance cost in excess of $1m over a 10 year period.

It is considered that such a facility would only be warranted if the demand for public toilets could be demonstrated to be significantly higher than what the proposed provision of public toilets could deliver. There is no current evidence to support this. The only times that demand for public toilets is likely to exceed provision is during major events. During such occasions, temporary portable toilets will be used.

In conclusion, it is considered that the proposed toilet facilities in the new civic building will more than adequately meet demand. If over time there is a compelling case for a larger, fully staffed ‘stand-alone’ public toilet facility, the City could consider taking over one of the retail tenancies proposed in the new civic building, along Newman Court.

**Anti-Social Behaviour:** There have been various observations and comments made regarding the existing public toilets in Kings Square and the desire to ‘design-out’ any perceived anti-social behaviour with the new building.

The current public toilet facility is poorly located and ‘tucked around the side’ of the main pedestrian flow in Kings Square. This will be addressed in the new building design where people will need to enter the customer service area within the new building to access public toilets.

If, once built, management issues start appearing in relation to anti-social behaviour or perceived safety issues then steps could be taken to modify the access to the ground floor toilets and consideration given to introducing a small entrance charge or having customer service officers monitor people coming to/from the building. However, it is only recommended that such options are looked at, if a management issue emerges in the future.

**Multi-faith prayer room**

Recent discussions have raised an issue as to whether a multi-faith prayer room should be included in the new civic building. It is noted that this item was not included in the original brief. To date, there is little data or evidence that might assist in understanding the future level of demand for such a facility. It is therefore proposed to ensure that there is a sufficient number of meeting rooms adjacent to the public spaces within the new building to cater for peoples’ needs for worship during the day in a safe and dignified manner. In response to community demand, it would be relatively simple to convert a meeting room to a multi-faith prayer room in the future.
3rd floor office space analysis

The original design for the civic building, as selected by the Competition Jury and then endorsed by Council, includes a third floor in its overall configuration and built form. Over the past few months it has been determined that the base office accommodation needs for the City of Fremantle can fit within all other floors. This presents an opportunity for the Council to investigate an option of leasing this floor space for commercial use, whilst keeping its long-term options open or removing it to reduce costs.

The current design for the administration building includes a third floor with approximately 900 sqm of net lettable A Grade office space in addition to the council, library and civic areas. A commercial analysis has been undertaken, including consideration of:

1. alignment with the City of Fremantle’s strategic goals, and
2. the financial return on investment

This analysis does not explore in detail the future growth in the office requirements of the City of Fremantle or the potential impacts of future Local Government reform.

Alignment with strategic goals: there is a clear and direct link between the option to build additional floor space within Kings Square and the articulated goals of the City’s Strategic Plan and Economic Development Strategy. As well as providing office space for 70-90 workers, the space may be used to achieve the City’s economic development objectives by curating or theming the space to attract particular knowledge-based businesses (e.g. marine technology companies).

The addition of 900 sqm of A Grade office stock will contribute to meeting the following measures of success as identified in the City’s Strategic Community Plan 2015-25:

- ‘More people live in, work in and visit Fremantle
- ‘Increase the number of people working in Fremantle (up to 7% by 2020)
- Increase in commercial and retail development within 800 metres of Fremantle train station
- Increase the net lettable area of A-Grade and B-Grade office space by at least 70,000 sqm over 2015 levels

Financial return on investment: The expected financial impact of the proposition has been explored in the discounted cash flow analysis in the attachment. The assumptions behind the analysis are:

- 1,200sqm gross floor area (plants, non-lettable circulation and core) with a net lettable area of 900 sqm.
- The space is leased for $450 per sqm from day one (a conservative estimate based on recent market values);
- The lease includes 25% lease incentives over the first seven year lease term.
- Construction costs are $5.84 million.
- All outgoings will be the responsibility of the tenant and therefore do not affect financial modelling for the City.
- The additional space is fully leased.

The analysis shows that the proposition is likely to hit financial break-even point between years 23 and 24.

**Summary:** when all factors are considered the proposition of attaining additional office space within the civic building of Kings Square is an attractive one. While the prospect is unlikely to deliver a financial return on investment for the City of Fremantle until year 24, the initial cost is considered acceptable when the strategic opportunities and reputational benefits of building the additional space are considered.

In addition, the possibility of 3rd floor office space provides some future-proofing for the City of Fremantle by making the building more resilient and capable of adaptation into the future. Should the workforce of the organisation increase, possibly due to future local government reform, additional office space will be required. The right to take back parts of the leased area for City operations would need to be included in the lease agreement.

Once complete, this office space could form part of the City’s investment property portfolio.

*It is recommended that the City proceed with the development of the additional office space.*

**Process for approving the schematic design**

The City anticipates receiving a full set of draft schematic plans and technical reports in the first week of March 2017. These documents will be quite extensive and will require considerable time to go through and review. It is therefore suggested that a workshop be arranged for Elected Members to go through the overall plans before presenting the schematic design to Council for formal consideration.

It is noted that any resolution to the issues raised in this report regarding specific elements of the building design will also be incorporated into the design by the architects as part of the design development stage.

**Conclusion**

The architects are close to completing the draft schematic design for the new civic building. Prior to the Council being briefed by the architects on the overall scheme, certain design elements have emerged over the past few months that require resolution. This report concludes with the following suggested actions on these specific items:
Universally accessible change facility
That a facility is designed into the current plans for the civic building, noting that the architects will be requested to find a suitable location to incorporate this. It is anticipated that the cost of this facility will be able to be offset by further savings being investigated in the estimate for the base-build. The City will also investigate external funding opportunities to further offset the additional costs.

Public toilet facilities
It is noted that the new civic building as well as Sirona’s commercial buildings will have multiple public toilet facilities that will adequately serve community demand. There is no current evidence to support the construction of a large, staffed facility in addition to what is currently being proposed.

Multi-faith prayer room
The current building design will have a sufficient number of meeting rooms that would allow one to be used as a multi-faith prayer room on an ‘as needs’ basis. Over time, in response to community demand, one of the meeting rooms could easily be converted to a dedicated multi-faith prayer room on a permanent basis.

3rd floor office space
The original competition design by Kerry Hill Architects included 3 levels (lower ground; ground floor; 1st; 2nd; and 3rd floor). The overall built form and height has been supported by the Design Advisory Committee. As a result of more detailed work around the base needs for the City’s own office space, it has been determined that the 3rd floor could be made available for office use by others – especially in the short to medium term. Not only does this present the City with an opportunity to stimulate further business growth in the city centre, it builds flexibility and resilience into the civic building over the long term.

Process for approving schematic design
Prior to the Council formally considering the schematic design, it is suggested that Elected Members receive a full briefing of the project by the architects at a workshop. This would also create an opportunity to have further discussion around environmental sustainability design options. To ensure that the design development remains on program, it would be necessary to conduct this workshop this month, before the Council Meeting on 22nd March.

FINANCIAL IMPLICATIONS
See under comments.

LEGAL IMPLICATIONS
Nil

CONSULTATION
Nil
VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

OFFICER’S RECOMMENDATION

MOVED: Cr D Thompson

That Council:

1. includes a universally accessible change facility as part of the building design brief;

2. notes that the funding of item 1 above, estimated at $250,000, will be included within the current base-build budget, noting that:
   
   2.1 the project team anticipates further savings in the base-build budget that will cover this additional item; and
   
   2.2 the City will investigate external funding / grant opportunities to further offset the cost of this facility;

3. notes that there are sufficient public toilet facilities in the schematic design to adequately cater for community demand and that a large, fully staffed facility similar to CitiPlace in Perth is not proposed in the current plans;

4. notes that a dedicated space for a multi-faith prayer room was not included in the original brief or proposed in the current plans, noting that the new building will have a sufficient number of publicly accessible rooms and spaces to respond to future demand on an ‘as needs’ basis;

5. supports the proposal to find a suitable commercial tenant for the 3rd floor of the civic building in the short to medium term, noting that this will give the City of Fremantle a revenue opportunity and flexibility regarding accommodation needs into the future.

Cr D Coggin MOVED an amendment to the Officer’s Recommendation to replace recommendation 3 with the following:

3. Request a further report on options for fully staffed public toilets in the Kings Square development

CARRIED: 9/0

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COMMITTEE RECOMMENDATION

MOVED: Cr D Thompson

That Council:

1. includes a universally accessible change facility as part of the building design brief;

2. notes that the funding of item 1 above, estimated at $250,000, will be included within the current base-build budget, noting that:
   2.1 the project team anticipates further savings in the base-build budget that will cover this additional item; and
   2.2 the City will investigate external funding / grant opportunities to further offset the cost of this facility;

3. request a further report on options for fully staffed public toilets in the Kings Square development

4. notes that a dedicated space for a multi-faith prayer room was not included in the original brief or proposed in the current plans, noting that the new building will have a sufficient number of publicly accessible rooms and spaces to respond to future demand on an ‘as needs’ basis;

5. supports the proposal to find a suitable commercial tenant for the 3rd floor of the civic building in the short to medium term, noting that this will give the City of Fremantle a revenue opportunity and flexibility regarding accommodation needs into the future.

CARRIED: 9/0

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SPD1703-2  KINGS SQUARE PROJECT - PROPOSED PLAYGROUND

Meeting Date: 7 March 2017
Responsible Officer: Director City Business
Decision Making Authority: Council
Agenda Attachments: Indicative location of future playground

SUMMARY

This update report on Kings Square Precinct Redevelopment presents an option for the design of a playground that does not go through a public competition process, but still provides opportunity for community input of ideas and high quality design as an integrated part of the concept development.

BACKGROUND

At its meeting on 7 February 2017 the Strategy and Project Development Committee considered the merits of holding a public design competition for the proposed playground in Kings Square. A key aspect to this was how this presented an opportunity to engage with the Fremantle community over the design.

At the Council Meeting on 22 February 2017, the part of the recommendation regarding the playground was amended to read:

That the Council supports the idea of integrating a bespoke ‘playscape’ into the overall urban design of Kings Square and requests that the Strategy and Project Development Committee considers various options regarding the procurement of design services, noting that the process used for the development of the Youth Plaza on the Esplanade is regarded as a ‘best practice’ example of gaining community input at the early stages of design.

OFFICER COMMENT

Alternative playground design process

As an alternative to holding a public design competition, the following process has been developed for consideration. Essentially, it follows a more standard approach to consultant procurement but builds in a significant component of community engagement, similar to the process adopted for the design of the Youth Plaza on the Esplanade:

<table>
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<th>Activity</th>
<th>Estimated timelines in 2017/18</th>
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<tr>
<td>Advertise for expressions of interest from play space designers. EOI to provide skills and experience of proposed design team.</td>
<td>March/April 2017</td>
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<tr>
<td>Shortlisted teams invited to respond to an RFQ with a more detailed submission including design approach and fee proposal.</td>
<td>April</td>
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<td>Assess shortlisted submissions, select and appoint preferred</td>
<td>May</td>
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design team.

Project initiation.  
May/June

Stage 1 Community Engagement - Develop creative design ideas through: 
Community workshop, particularly involving local primary school students; 
Online involvement.  
June/July

Play space design team to prepare draft concept design based on stage 1 engagement, and cost estimate.  
August/September

Council review  
October/November

Stage 2 Community Engagement on draft concept design, via:  
Community information session (encourage involvement from stage 1 participants); 
Display, online information and feedback.  
November/December

Finalise concept design  
January 2018

Council consideration for approval of concept design  
February 2018

Project integration with Kings Square public realm detailed design and delivery.  
February 2018 onwards

Benefits over a design competition

The design process outlined above has the potential to bring the following benefits to the project, compared with a design competition:

- **Less expensive**, as it will not require fees for a professional jury or honorariums for the shortlisted teams that are not ultimately successful;
- **Improved community engagement**, as the community – including children will be asked for their ideas and thoughts before design work is undertaken;
- **Improved project integration** – as the Kings Square Project Team for the public realm can be more engaged throughout the design process by working alongside the specialised playground designers.

Conclusion

The design of the proposed playground in Kings Square presents a great opportunity for community engagement. The proposed design process, as presented in this report, will enable the design to be heavily influenced by the aspirations of the community – including the children who will ultimately use the facility.

Following the inputs and ideas from the community, a professional team will develop the playground design and present this back to the community for review, prior to finalising the design and integrating it fully with the broader design of the public realm for Kings Square.

FINANCIAL IMPLICATIONS

To be considered during budget deliberations.

LEGAL IMPLICATIONS
CONSULTATION
Nil

VOTING AND OTHER SPECIAL REQUIREMENTS
Simple Majority Required

COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr D Thompson

That Council:

1. supports the proposed design process for the playground in Kings Square, as generally described in this report, noting that the community engagement period is programmed to commence in June, to run concurrently with broader consultation on the Kings Square masterplan;

2. authorises the Chief Executive Officer to refine the details of this process in a manner that ensures the design of the Playground is fully integrated with the broader urban design of the Kings Square public realm.

CARRIED: 9/0

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SUMMARY

Sirona Capital has formally requested a 12 month extension of time to the Spicer Sunset Date within the Project Development Deed (PDD) for the Kings Square precinct redevelopment. The request effectively asks to delay the deadline for the settlement date for the Spicer site by 12 months from 9 May 2017 to 9 May 2018. Sirona’s request is considered to be reasonable and consistent with the intent of the PDD and development staging.

It is recommended that Council approve Sirona’s request to extend the Spicer Sunset Date to 9 May 2018. On that basis, the Spicer Substantial Commencement Date will be no later than 12 months from that point, being 9 May 2019 or earlier. These revised dates align more favourably with the intended development staging.

The current market valuations obtained in February 2017 are consistent with the Spicer Purchase Price of $6.65 million.

BACKGROUND

At its meeting on 26 October 2016 Council approved a variation to the sunset dates set out in the PDD between Sirona Capital and City of Fremantle for the Kings Square Precinct Redevelopment, from 9 November 2016 to 9 May 2017.

That resolution meant that the settlement dates for both the Queensgate Development and the Spicer Development were extended to 9 May 2017. However, it is the intent of the PDD that settlement for the Spicer Development occurs later than Substantial Commencement of the Queensgate property (no later than 12 months after).

The PDD defines Substantial Commencement in relation to the Queensgate Development and the Spicer Development as:

a) ‘in the case of the Queensgate Centre and the Spicer Property, demolition of existing Buildings and Improvements;
b) (if the development is to include a basement) completion of the site works, including excavation to basement level and completion of construction works to a ground floor slab level (including the pouring of a ground floor slab); and

c) (if the development is not to include a basement) completion of the site works and completion of the structural works to a first floor level (including the pouring of a first floor slab)’
The PDD defines the Spicer Development as ‘development to be undertaken on the Spicer Property that is:

a) in a manner that is not significantly different from the relevant ‘development objectives’ outlined in the Business Plan;
b) in accordance with the Spicer Development Approval; and
c) otherwise in accordance with the requirements of this document’.

OFFICER COMMENT

Sirona’s request effectively asks to delay the deadline for the settlement date for the Spicer site by 12 months from 9 May 2017 to 9 May 2018. Sirona’s request is considered to be reasonable and consistent with the intent of the PDD and development staging.

Officers sought updated market valuations for the Spicer site to determine whether or not the City may be in a position to receive a greater sales price if the property were sold to an alternative buyer rather than the Spicer Purchase Price of $6.65 million. Current market valuations are consistent with the agreed purchase price when consideration is given to the Development Objectives outlined in the Kings Square business plan – these affect the sale price. Updated market valuations are included as a confidential attachment to this report.

FINANCIAL IMPLICATIONS

The Spicer Purchase Price is $6,650,000. Settlement should occur late in the 2017/18 financial year should the recommendation of this report be approved.

LEGAL IMPLICATIONS

The decision to grant the extension is a decision of Council. However, the PDD clearly intends that settlement for the Spicer site occur no later than 12 months after Substantial Commencement of the Queensgate property. Therefore, Sirona’s request is considered reasonable and consistent with the intent of the PDD and development staging.

CONSULTATION

Nil (for this specific request for variation to the Spicer Sunset Date).

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required
COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr D Thompson

That Council approves a variation to the Spicer Sunset Date set out in the Project Development Deed between Sirona Capital and City of Fremantle for the Kings Square Precinct Redevelopment, from 9 May 2017 to 9 May 2018.

CARRIED: 9/0

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SPD1703-4 PERTH FREIGHT LINK REPORT - MARCH 2017

Meeting Date: 07 March 2017
Responsible Officer: Director Strategic Planning and Projects
Decision Making Authority: Council
Agenda Attachments: Nil

SUMMARY

Key updates on the Perth Freight Link (PFL) include the release of the final version of the WA State Government’s Perth Transport Plan and the release of some of the planning documents and correspondence between the Main Roads WA and the Federal Government for the planning phase of Roe 8.

This report recommends that Council: receive and note this report.

BACKGROUND

In June 2015 the Council adopted a position to not support the State Government proposals for Sections 1 and 2 of the PFL as currently proposed, due to insufficient planning and inadequate analysis of the implications associated with the current proposal. Since this time, the Council has been calling on the State and federal governments to put the current proposal on hold until further long-term freight planning and better options are developed. This report follows on from the prior update reports to Council.

OFFICER COMMENT

This project relates to the Strategic Community Plan 2015 – 25, One Planet Living and Integrated Transport Strategy.

The State Government released the final version of their transport plan (Transport @ 3.5 Million; ‘Plan’) on 1 February 2017, which has been little altered from the draft (see: http://www.transport.wa.gov.au/projects/perth-transport-plan-for-3-5-million.asp and SPD1609-09 for Council’s September 2016 submission). The key points are:

- There was no change to the transport mode share goals, despite the final Plan acknowledging that “many stakeholders” had a “desire” for the Plan to “aim for higher public and active transport mode share” (p. 5).
- The Plan states that sub regional transport plans will be developed to “coincide with release of the final Perth and Peel @ 3.5 Million planning frameworks” and that “a new household travel survey is planned, using data from the 2016 census, and will run from 2017 to 2021 and will be used “to inform modelling for the next review of Transport @ 3.5 Million in five years’ time” (p.13).
- The Plan brings forward (in population timeframe targets) a number of small rail extensions (none in the City of Fremantle area) and extends the reach of the inner ‘subway’ line. The bus rapid transit / light rail line planned from Murdoch Station to Cockburn Coast via Fremantle is still listed as for the “beyond 3.5 million” people timeframe (p.15).
Fremantle Port Connect (Canning Highway to the Port) is still listed as “by 2.7 million” people timeframe (p. 35). The construction of a dedicated freight rail bridge over the Swan River is still listed for the “by 3.5 million” people timeframe, however the Plan now mentions that this could possibly be brought forward if “higher frequency passenger rail services are brought forward” (p. 36).

Some of the correspondence and planning documents between Main Roads WA and the Federal Government for the planning of Roe 8 and to a lesser extent Roe 9 have been released under the Freedom of Information Act to applicant Alannah MacTiernan. Whilst the documents are from correspondence and planning in 2014, they hold some interest. Points of note include:

- There is mention of several different options for ‘Roe 9’ including a tunnel from Stock Rd to East Fremantle, combinations of surface and tunnel options and a surface option (April 2014, Document 8). An option using upgrades to the existing road network and Roe 8 extension (Roe 8 to Stock, Stock Rd to Leach Hwy, Leach Hwy to Stirling Hwy) is explored further (16 April 2014, Document 17; 2 May 2014, Document 52).

- The growth profile for Fremantle Port used in one of the discussion documents equates to about a 5% annual growth rate in container trade until 2031 and a 3% annual long term growth rate (presumably for Fremantle Port inner and outer harbours; 16 April 2014, Document 17, p. 1; 2 May 2014, Document 52, p.1).

- The traffic analysis for ‘Roe 8’ discusses that approximately 40,000 additional vehicles (presumed to be vehicles per day and 2021) would be attracted to the study area because of Roe 8 and that the extension would result in varying levels of decreases and increases in vehicles per day and levels of service measurements on some road segments in the vicinity. For example, the discussion states that Roe 8 would result in marginal decreases in traffic on parts of Leach Highway, larger reductions of traffic in parts of South Street and that Stock Road would receive greater demand and would experience deterioration in intersection performance, presumably due to transfer of traffic from Kwinana Freeway to Stock Road (Draft Reform and Investment Framework, attachment to email sent 19 March 2014, Document 2, p.36). Further modelling discussed notes that the scenario with Roe Highway extension (Roe 8) shows that total volumes of traffic in the area, as measured in traffic volumes forecast to cross the ‘screen-line’, increases by about 10% or about 14% by 2031 compared to the scenario without Roe Highway extension (16 May 2014, Document 53, p. 1; Document 54; Document 56).

Much of the information in the planning documents is dated and relative to the particular scenarios/options discussed. Given recent decisions in relation to the options and route of the project and the uncertainty provided by the forthcoming Western Australian state government election on 11 March 2017, it is hard to know the applicability of much of the discussion contained within them. Officers will continue to review these documents pending the outcome of the election.

In regards to connecting Roe 9 to the Port, Jandakot MP and minister Joe Francis told 6PR radio on 28 February 2017 that "we'll find a solution that will no doubt probably go underneath the river". The Premier, however, stated to the media that the final stage of the freight link would not involve a tunnel and that the bridge would be “fine for a while”. The Premier furthered "we're not going under the river, we're not going over the river".
an extra lane may be added to the Stirling Bridge sometime in the future and intersection works would be needed to avoid congestion.

FINANCIAL IMPLICATIONS
No impacts to adopted budget.

LEGAL IMPLICATIONS
Nil

CONSULTATION
Nil

VOTING AND OTHER SPECIAL REQUIREMENTS
Information only no decision required

OFFICER'S RECOMMENDATION

MOVED: Cr D Thompson


Cr D Thompson MOVED an amendment to the Officer’s Recommendation to include the follow recommendation 2:

2. Notes a need for a comprehensive review of the Perth Freight Link and other key priorities immediately after the State Elections.

CARRIED: 9/0

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COMMITTEE RECOMMENDATION

MOVED: Cr D Thompson

That Council:


2. Notes a need for a comprehensive review of the Perth Freight Link and other key priorities immediately after the State Elections.

CARRIED: 9/0

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SPD1703-5   FUTURE OF FREMANTLE PORT REPORT - MARCH 2017

Meeting Date: 07 March 2017
Responsible Officer: Director Strategic Planning and Projects
Decision Making Authority: Council
Agenda Attachments: Nil

SUMMARY

There have been no new key recent developments in regards to the sale of Fremantle Port. This report recommends Council: receive and note the report

BACKGROUND

This report is a continuation of the prior update reports presented to Council which established a base for future discussion. The City of Fremantle has identified the redevelopment of South Quay as a priority project to revitalise the city. This includes the progressive redevelopment of the southern portion of Fremantle Port (South Quay; 15.7 ha) into a high quality integrated commercial and tourism precinct. The area is currently used for low-value activities. A better connection between the Fremantle Passenger Terminal and the Fremantle city centre is needed. See http://www.fremantle.wa.gov.au/council/port-city-priorities-oval-ocean/south-quay-redevelopment.

OFFICER COMMENT

This project relates to the Strategic Community Plan 2015 – 25: Victoria Quay – reconnecting the port to the city.

There have been no new key recent actions in regards to the potential sale of the Fremantle Port, with the Fremantle Port Assets (Disposal) Bill 2016, introduced to Parliament in May 2016, yet to be debated in the Legislative Assembly. The outcomes of the State Government election in March 2017 continue to be the primary issue.

FINANCIAL IMPLICATIONS

None at this stage.

LEGAL IMPLICATIONS

Nil

CONSULTATION

Nil
VOTING AND OTHER SPECIAL REQUIREMENTS

Information only no decision required

COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr D Thompson


CARRIED: 9/0

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SUMMARY

On 23 March 2016, Council considered the assessment of redevelopment options for the depot site and authorised the CEO to negotiate a development agreement with LandCorp. The City is keen to realise the maximum value from the land, as soon as possible, while still achieving key sustainability initiatives.

On 3 February 2017 LandCorp advised the City that: “It is not anticipated that the valuation of the englobo site be reduced in order to deliver a sustainable development.” At the same time LandCorp provided for the City's consideration a set of proposed sustainability targets and objectives to be applied to future development on the site under the agreement. These were considered by Council at the Ordinary Meeting on 22 February 2017, when Council resolved to confirm the acceptability of the targets subject to clarification of some aspects of the targets relating to sustainable transport and water. A proposal on terms for the purchase of the site from the City by LandCorp is expected to be presented to the City by the end of March 2017.

Council is recommended to receive and note this update report on the Knutsford Street Depot site redevelopment project.

BACKGROUND

On 23 March 2016, Council considered the assessment of redevelopment options for the depot site and authorised the CEO to negotiate a development agreement with LandCorp. A business plan would also be subject to Council approval. A CEO working of the Mayor, two elected members and chaired by the Director of Strategic Planning and Projects has been established. This working group met with LandCorp on 4 November 2016 to identify desired sustainability outcomes under the One Planet Framework. Officers have worked with LandCorp to better understand the additional cost of the desired sustainability outcomes, the capacity of the market to bear these costs and the likely impact on the valuation / sale price for the land.

LandCorp’s initial comments on these issues, dated 3 February 2017, were tabled at the February meeting of this Committee. The advice included suggested sustainability targets and objectives set against outcomes defined at a joint meeting of LandCorp and the City on 4 November 2016. With this was a letter which stated: “It is not anticipated that the valuation of the englobo site be reduced in order to deliver a sustainable development.”
During the discussion on the item at Committee, further information was requested regarding the acceptability to the City of the sustainability outcomes proposed by comparison to the desired outcomes identified on 4 November 2016; this was reported to the Ordinary Council meeting on 22 February 2017.

OFFICER COMMENT

The majority of outcomes and targets proposed by LandCorp have met or exceeded those drafted on 4 November 2016. In February Council resolved to:

…..confirm the acceptability of suggested sustainability targets and objectives proposed by LandCorp on 3 February 2017 subject to comment and clarification of the targets for Sustainable Transport and Sustainable Water.

Additional information on transport and water has been requested from LandCorp. In addition (though not referred to in Council’s resolution) City officers consider it would be beneficial to also obtain further information on the definition and verification methodology for the ‘Zero Energy Buildings’ target, and have requested LandCorp to provide this at the same time as the other information referred to above. Confirming these targets will enable the required sustainability outcomes to be ‘locked in’ in order that a clear and consistent set of assumptions can be applied to the valuation of the land as part of the process of finalising the terms of the land sale agreement.

In parallel with this work a review of some of the provisions in the Knutsford Street East Structure Plan has been undertaken. Draft amendments to the structure plan will be presented to Council for approval to advertise via the Planning Committee in March 2017.

FINANCIAL IMPLICATIONS

The City is keen to realise the maximum value from the land as soon as possible while still achieving sustainability initiatives. To this end a proposal from LandCorp to the City for purchase of the site is expected to be received by the end of March 2017.

LEGAL IMPLICATIONS

Future contracts will be required when terms for the sale of the land are finalised.

CONSULTATION

Precinct and structure plan landowners have been (and will continue to be) involved in the review of structure plan provisions, precinct design principles and low carbon living initiatives.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required
COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr D Thompson


CARRIED: 9/0

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SUMMARY

The purpose of this report is to formally present the schematic design for the new civic building to Council for consideration.

This report recommends that Council approves the schematic design, subject to conditions, enabling the project to proceed with:

- referrals to relevant departments and agencies;
- release of the plans on the City of Fremantle website to inform the community of the progress being made with the design;
- commencement of the next stage of design development.

BACKGROUND

The design for the new civic building is the result of open public design competition, conducted by the City of Fremantle in 2013, followed by the formal appointment of Kerry Hill Architects in August 2014.

Progress of the design and construction of the new civic building is linked with the overall development of Kings Square, a $270m investment in the city centre to inject substantial commercial activity as well as additional businesses from the retail and hospitality sectors. Following the decision in November 2016 by the State Government to relocate significant sections of the public service into the Kings Square redevelopment, the design of the new civic building has been further refined.

OFFICER COMMENT

Schematic Design

The current set of plans submitted by Kerry Hill Architects represent the schematic design stage of the process. Since the conclusion of the architectural competition, Kerry Hill Architects have developed the concept of the winning design, the most notable developments are:

- Reduced area of lower ground floor together with a greater separation of this element from the structure of the historic Fremantle Town Hall;
- Improved circulation and legibility of the ground floor public spaces;
- Refinement (reduction) of the overall space requirement for the City of Fremantle administrative offices;
- An increase in publicly available meeting rooms;
- Architectural refinement of elevational treatments.

**Design Advisory Committee**
The Design Advisory Committee (DAC) provided preliminary feedback to the architects in October 2016. DAC provided general support for the project - acknowledging the concept development work that the architects had undertaken to ensure the scheme was within original budget.

DAC is scheduled to meet on 13 March 2017 to provide final comment on the schematic plans. These final comments will be made available to elected members before the March council meeting.

**FINANCIAL IMPLICATIONS**
A full project budget review is currently underway in liaison with the City of Fremantle’s independently appointed quantity surveyor. Preliminary advice on the draft schematic design indicates that savings have been made to the base-build estimates that have previously been considered by the Council.

**CONSULTATION**
The City undertook an extensive public consultation period to develop the Kings Square Urban Design Strategy which was adopted in June 2012. The consultation included workshops, walking tours and a citizen's jury. Public comment was also sought on the Kings Square Project Business Plan, which was adopted in February 2013.

The Council resolved to hold an Architectural Design Competition for the design of the civic building which was to be in accordance with the Kings Square Project Business Plan. The competition was conducted in accordance with the Australian Institute of Architects Competition Guidelines. The final winning design, by Kerry Hill Architects, along with other entries formed part of a public exhibition.

The design refinement that has occurred since has largely been a technical exercise, coupled with a cost control process.

**Library / ‘Community Hub’**
The detailed brief for the ground floor areas and library that will constitute the future ‘community hub’ is currently being refined. It is considered essential that these spaces are highly legible, functional and resilient to change over time. The City has engaged a specialist to assist with this brief refinement and has undertaken consultation with user groups and service providers as an integral part of this process. Once completed, this part of the design will be presented back to Council for consideration.

Based on the above, it is considered that further community engagement on the overall building design is not required. It is proposed to display the current schematic plans on the City’s website to inform the community of the design progress, thus far. Once more
design work is completed and approved by council on the library / ‘community hub’, this too will be made available on the City’s website.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

COMMITTEE AND OFFICER'S RECOMMENDATION

MOVED: Cr R Pemberton

Council:

1. approves the Schematic Design for the new civic building for the purpose of progressing the project, as detailed on plans from Kerry Hill Architects dated 7 March 2017, subject to including a Universally Accessible Change Facility in the brief, noting that further work will be undertaken and brought back to Council for consideration on the following specific matters:

   a) analysis and options regarding public toilet facilities across the Kings Square Precinct;

   b) finalisation of the Environmentally Sustainable Design aspects of the building performance;

   c) refinement of estimated building costs based on approved schematic design, noting that preliminary advice from the quantity surveyor indicates savings from previously considered estimates;

   d) refinement of the design for the library / ‘community hub’ on the ground floor and lower ground floor - that constitute the main public spaces of the building;

2. approves the display of the schematic design on the City's website to inform the community of the progress being made on the civic building design;

3. notes that the current set of plans will be referred to relevant departments and agencies for information and comment;

4. notes that further reports will be presented to Council on the project, including matters raised in item 1 above, as well as details of the overall building design at the completion of the Design Development stage.
CARRIED: 8/0

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FPOL1703-3  SUPPORT FOR A LOCAL GROUP OF ELDERS TO DEVELOP A PROPOSAL FOR LEASE OF 21 BEACH STREET, FREMANTLE

### SUMMARY

This report seeks Council’s consideration to support a process by a local group of Elders, referred to in this report as “the Eldership” to develop a proposal to enable them to be in a position to seek access via a lease to the 21 Beach Street, Fremantle site for their purposes.

It is proposed that the Eldership be given adequate time by way of deferring any Expression of Interest process for lease of the site for a period of up to six months and that the local group be empowered to undertake any necessary community engagement and work to develop a proposal for consideration.

This report also recommends that provision of funding up to $20,000 be made available to the group to support that process, including for the use of consultants or resources that may be required.

### BACKGROUND

At the Ordinary Council Meeting held 22 February 2017, Council endorsed an Alternative Officer’s Recommendation in regard to F-POL item 1702-3, 21 Beach Street, Fremantle – Request for Proposals, as follows:

“The Request for Proposals for 21 Beach Street be referred back to the F-POL committee for further consideration and within delegation to approve associated expenditure up to $20,000 from the City’s business consultancy budget, if required. The reason for this alternative recommendation was to allow the F-POL committee to determine the process and planning on the alternative uses for 21 Beach Street and allow the Eldership an opportunity to explore potential uses of the site”.

The Eldership, a group of local Aboriginal Elders, has expressed interest in accessing the 21 Beach Street site for the purposes of an Aboriginal cultural/community centre. This group recently made application to Impact100 for funding, with a proposal to deliver a range of programs, activities and services in the community. Whilst that application was unsuccessful, they continue to be keen to deliver what was proposed and consider 21 Beach Street a suitable site for their purposes.

As yet it is unclear what specific purposes and uses the Eldership would propose for 21 Beach Street, something which can be clarified through development of their proposal. As a result of development of the proposal by the Eldership a review of Council’s current position in relation to support for the Walyalup Aboriginal Cultural Centre (WACC) may
be triggered. Council currently provides a building in the Arthur’s Head precinct and financial support for it to function as an Aboriginal Cultural Centre, which has delivered a range of cultural and visitor programs since 2014. In the view of some members of the local Aboriginal community, this site is not inclusive of all and an alternative location would better serve the Aboriginal community. In the absence currently of any formal proposal by the Eldership, it is unclear whether the intention is to replace the current WACC at 21 Beach Street, perform a different function, or complement the WACC. This should become clearer through the proposal to be developed.

The recommendations contained in this report aim to provide a culturally appropriate process in support of a marginalised sector of the community whilst at the same time achieving an open and transparent process for the lease of 21 Beach Street, Fremantle. The City has already progressed positively down a path to more meaningful dialogue with the Aboriginal community through its adoption of an Aboriginal Engagement Plan and more recently its decision to commit to development of a Reconciliation Action Plan.

The Aboriginal Engagement Plan endorsed by Council in 2015 (refer to attachment 1) included as an objective to “adopt best practise engagement and consultation with ‘Traditional Owners’’. Specific objectives of the plan were to implement best practice community engagement to:

- Inform decisions, by providing opportunities for Aboriginal people to contribute to the City’s decision-making process.
- Build the capacity of the City and Aboriginal community to engage effectively on issues of shared importance.
- Strengthen relationships, by building new relationships and improving existing relationships between the City and the Aboriginal community.

Based on this it is therefore appropriate for Council to now challenge the processes and the way decisions are made that impact on the Aboriginal community as a marginalised group.

What is proposed by the Officers in recommending that this item be referred back to the F-POL committee is a process that allows some time and support for the local Eldership to work with their community, their way, to develop a proposal that potentially creates a community and cultural centre that will be widely used and accepted.

The prospect of the former DADAA building at 21 Beach Street becoming available has attracted quite a bit of interest and attention, with some organisations already expressing their interest to Council when the report to proceed to Expression of Interest was tabled in February 2017.

Specifically what is recommended at this stage as part of allowing the Eldership up to 6 months to develop a proposal is to provide funding in support of the process and establish clear deliverables to be contained in the proposal for it to be considered by Council.

These deliverables, which may then form criteria for Council’s future consideration, include:

- demonstrated broad engagement with the Aboriginal community
• an inclusive model that is widely supported
• clearly defined concept and purpose for a facility at 21 Beach Street
• robust governance structure
• financially sustainable business model
• clearly defined objectives and measures for success

It is recommended that at the end of the period the Eldership would deliver to Council a comprehensive proposal responding to the identified deliverables for subsequent consideration through an Expression of Interest process. Arguably, this enables Council to conduct its standard EOI process with the Eldership then in a better position to have a competitive submission. Whilst acknowledging that this might meet the standards of transparent and open business, alternatively Council may for justifiable reason choose not to conduct an EOI process should it be satisfied with the submission provided and ultimately determine to allocate 21 Beach Street directly to the Eldership, on the basis of its strategic outcomes.

FINANCIAL IMPLICATIONS

This report recommends an allocation of up to $20,000 from the current financial year’s City business consultancy budget to support the development of a proposal as outlined.

Council currently provides funding of approximately $180,000 (2016-17) for the WACC, which includes the Aboriginal Engagement Officer’s salary as that role performs a significant function in support of the WACC. Based on a previous Council report when the WACC was planned, it was always intended that over a period of time the WACC would transition to a self-sustaining, locally managed model.

LEGAL IMPLICATIONS

Nil

CONSULTATION

The Eldership has engaged over the past months with Elected Members and the City’s senior Executive, with dialogue being both positive and promising in regard to working together to deliver community outcomes in Fremantle in support of the Aboriginal community.

The 21 Beach Street site has been raised specifically by the Eldership in expressing their desire to utilise it for their purposes.

OFFICER COMMENT

It could reasonably be assumed that it may be unlikely for the Eldership to be competitive in a standard Council Expression of Interest (EOI) process and therefore had the EOI process been approved by Council as originally recommended, it likely that this group would not have been in a position to submit a successful application. The intergenerational disadvantage suffered by Aboriginal people, including those in the Fremantle and broader community, warrants consideration of a better supported process to ensure what might then be viewed as ‘a level playing field’. It is with this in mind that
the Officer’s recommendations in this report are intended to provide support to this group as well as clear expectations that guide development of a proposal that can then be duly considered by Council.

The risk of the recommended approach is that it delays an Expression of Interest process for 21 Beach Street by six months and impacts on other groups who have an interest in a future lease. It may need to be considered how the site can remain activated to avoid any damage or vandalism if it is not occupied during the six month period. Additionally, it is worth noting that engagement with the broader Aboriginal community to ensure all feel adequately engaged and to gain wide acceptance may be challenging to achieve, although this in itself should not necessarily be seen as reason not to provide the opportunity outlined in this report.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

OFFICER’S RECOMMENDATION

That the Finance, Policy, Operations and Legislation committee acting under delegation 1.1 supports:

1. The local Eldership to develop a proposal for 21 Beach Street, Fremantle, allowing them up to six months to complete their proposal, with Council funding of up to $20,000 on the basis that:

2. The development of a proposal by the local Eldership addresses the following key deliverables:

   a) demonstrated broad engagement with the Aboriginal community
   b) an inclusive model that is widely supported
   c) clearly defined concept and purpose for a facility at 21 Beach Street
   d) robust governance structure
   e) financially sustainable business model
   f) clearly defined objectives and measures for success

3. Regular ongoing discussion by the Eldership with Council at 2 and 4 month stages to hear and discuss their progress in development of a proposal.

4. An Expression of Interest process for 21 Beach Street, Fremantle, being undertaken following finalisation of the Eldership’s proposal at the end of the six month period, or earlier should it be completed earlier or not progressed.
Cr S Wainwright MOVED amendments to the Officer’s Recommendation to remove part wording of Parts 1, 2 and delete part 4 as shown below:

That the Finance, Policy, Operations and Legislation committee acting under delegation 1.1 supports:

1. The local Eldership to develop a proposal for 21 Beach Street, Fremantle, an indigenous cultural centre allowing them up to six months to complete their proposal, with Council funding of up to $20,000 on the basis that:

2. The development of a proposal by the local Eldership addresses the following key deliverables:
   a) demonstrated broad engagement with the Aboriginal community
   b) an inclusive model that is widely supported
   c) clearly defined concept and purpose for an indigenous cultural centre facility at 21 Beach Street
   d) robust governance structure
   e) financially sustainable business model
   f) clearly defined objectives and measures for success

3. Regular ongoing discussion by the Eldership with Council at 2 and 4 month stages to hear and discuss their progress in development of a proposal.

4. An Expression of Interest process for 21 Beach Street, Fremantle, being undertaken following finalisation of the Eldership’s proposal at the end of the six month period, or earlier should it be completed earlier or not progressed.

COMMITTEE DECISION

MOVED: Cr A Sullivan

1. The local Eldership to develop a proposal for an indigenous cultural centre allowing them up to six months to complete their proposal, with Council funding of up to $20,000:

2. The development of a proposal by the local Eldership addresses the following key deliverables:
   a) demonstrated broad engagement with the Aboriginal community
   b) an inclusive model that is widely supported
   c) clearly defined concept and purpose for an indigenous cultural centre
   d) robust governance structure
   e) financially sustainable business model
   f) clearly defined objectives and measures for success

3. Regular ongoing discussion by the Eldership with Council at 2 and 4 month stages to hear and discuss their progress in development of a proposal.
CARRIED: 4/3

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FPOL1703-5 LEASE - LEVEL 1, 13 SOUTH TCE, FREMANTLE

Meeting Date: 22 March 2017  
Responsible Officer: Manager of Economic Development and Marketing  
Decision Making Authority: Council  
Agenda Attachments: 
Attachment 1 - Terms Sheet – Leve 1, South Terrace, Fremantle – Tim Monaghan and Catherine Clough (Mitchelstown Pty Ltd)  
Attachment 2 - Expression of Interest – Level 1, 13 South Terrace, Fremantle  
Attachment 3 - Applicant submission

SUMMARY

The City advertised the availability of Level 1, 13 South Terrace, Fremantle by an Expression of Interest (EOI) process and selected Tim Monaghan and Catherine Clough (Mitchelstown Pty Ltd) as the preferred candidate to lease the premises.

This report recommends that Council:

1. Delegate to the Chief Executive Officer the power to finalise the lease between the City and Mitchelstown Pty Ltd for Level 1, 13 South Terrace, Fremantle based on the Terms Sheet attached to this Item.

2. That the applicant must submit a Development Application to the City by no later than 60 days from Council approval of the lease terms.

3. That the applicant must sign the lease for Level 1, 13 South Terrace, Fremantle no later than 30 days from approval of the Development Application.

4. That the applicant must submit a liquor licence application within 30 days of signing the lease.

5. That tenant fit-out must be completed no later than 6 months from the date the unconditional liquor licensing is granted to the applicant.

6. Delegate to the Chief Executive Officer the power to not execute the lease if the above timeframes are not complied with.

If the lease is not executed, the City will then commence steps to release the property under the City’s Policy – Leasing of City Property in a competitive manner.

BACKGROUND

The property was advertised by an expression of interest (EOI) in March 2015 with submissions closing 8 April 2015. This submission date was extended until 6 May 2015.
due to the lack of submissions received by the City. The property was advertised in an “as is” condition with all required fit out the responsibility of the selected applicant.

It was determined from the two applications received that the application from Tim Monaghan and Catherine Clough (Mitchelstown Pty Ltd) had the potential for further negotiation. The proposal was for a bar and music venue under a restrictive tavern licence.

As part of their submission Mr Monaghan and Ms Clough requested that a period of due diligence was allowed at the commencement of the lease so that adequate investigations for the costs of acoustic works and fit out could be undertaken.

To accommodate this request without the constraints of a lease it was proposed that the City enter into a six month licence with Tim Monaghan and Catherine Clough. Approval of this Licence was granted by Delegated Authority Notice to Elected Members in October 2015 with the Licence effective from 1 December 2015.

During the term the applicant was able to hold a maximum of six events subject to City approval. These were to assist in the applicant’s assessment of the premises when considering fit out and required redevelopment.

The assessment found that the compliance of the building under the Building Code Australia was far from what was required for the applicant to deliver their business model, in particular the music venue component. As a result the applicant was required to scale back their original concept to include more weight on the restaurant provision of their application and look at acoustic music as an accompaniment, rather than “music events” as included in their submission.

City Officers also recognised that although the premises had been advertised “as is” in the EOI the property did not allow for universal access which is mandatory for liquor licensing. The property has only 272m2 of internal space and the applicant will be required to invest in a substantial fit out beyond the universal access requirements, including a full kitchen and bar. It would be difficult for any applicant to finance both fit out and universal access while still maintaining a feasible business plan to recoup the set up costs.

Without the installation of a lift and universal toilet provisions it would be unlikely that the property could be activated in a way that would offer economic benefit to the City. The property’s location on a first floor does little to assist it in being a draw card regardless of it being on one of the City’s busiest streets. Added to this, the potential heritage and building permit complexities meant that it was in the City’s best interest to undertake these works as opposed to passing them to an applicant.

The broad provisions that are being undertaken by the City to bring the building in line with Class 6 BCA compliance are:

1. A lift compliant to disabled standards and new stairs located in the south east corner. This will become the principal entrance to the first floor accessed from Collie Street. The existing AC condensers and cool room to be relocated.
2. The existing internal stairs to be modified to be a second fire escape.
3 A universal access toilet and cleaner’s recess to be installed in the present kitchen
4 Access to grease trap provisions.

Funds were secured for these works in the 2016/17 budget. The works have now commenced with completion due by the end of June 2017.

FINANCIAL IMPLICATIONS

- Rental income of $55,000pa + GST.
- Council Rates will be approx. $4,280 per annum.
- The City’s works costs in the 2016/17 budget totals $392,000.

LEGAL IMPLICATIONS

The Lease must comply with the requirements of Section 3.58 of the Local Government Act 1995 and the Commercial (Retail) Tenancy Act 1985.

CONSULTATION

The property was advertised by an expression of interested advertised in March 2015 with the City receiving two submissions.

Should Council approve the lease, details of the agreement will be advertised in a State newspaper in line with the Section 3.58 of the Local Government Act 1995 giving the members of the community 14 days to submit any reasonable objections in the writing to the City.

OFFICER COMMENT

The applicant has proven records in the industry with ownership and management of two successful venues in Subiaco. Although, due to the BCA requirements, the applicant is unable to deliver the exact business model outlined within their original submission their scaled back version will still provide a unique offering to South Terrace and greater Fremantle.

The proposed lease term allows the applicant to recoup the cost of fit out and set up required to deliver their proposed business plan.

The liquor licence will be a restrictive tavern allowing for small events and functions at the premises which could not occur within the restrictions of a restaurant liquor licence.

To ensure the project is progressed by the applicant in a reasonable time frame, cut off dates are proposed within the Officer’s recommendation. These cover the submission of the applicants Development Application, signing of the lease, submission of liquor license application, and the completion of redevelopment of the site.
OFFICER’S RECOMMENDATION

That Council:

1. Delegate to the Chief Executive Officer the power to finalise the lease between the City and Mitchelstown Pty Ltd for Level 1, 13 South Terrace, Fremantle based on the Terms Sheet attached to this Item.

2. That the applicant must submit a Development Application to the City by no later than 60 days from Council approval of the lease terms.

3. That the applicant must sign the lease for Level 1, 13 South Terrace, Fremantle no later than 30 days from approval of the Development Application.

4. That the applicant must submit a liquor licence application within 30 days of signing the lease.

5. That tenant fit-out must be completed no later than 6 months from the date the unconditional liquor licensing is granted to the applicant.

6. Delegate to the Chief Executive Officer the power to not execute the lease if the above timeframes are not complied with.

COMMITTEE DECISION

Cr D Coggin MOVED to refer the item to the March Ordinary Meeting of Council to allow time to reconsider the impact of building works at the rear of the building on proposed options to activate the rear.

CARRIED: 7/0
ADDITIONAL OFFICER INFORMATION

Immediate site works: the City has been undertaking site works on the Evan Davies building for several months. Initial work, now completed, included restoration of heritage facades, work to allow bricks to ‘breathe’ and work to ensure the structural integrity of the balcony area fronting South Terrace. Current work focuses on the upper floor tenancy (Level 1, 13 South Terrace) and includes additional heritage restoration work, installation of a universal access toilet, fire compliance and universal access via a lift to the upper floor. This work is in accordance with the Building Code of Australia and is a requirement for the future use of the building regardless of the future tenant and use. The prospective tenant has been provided with detailed plans of the City’s works.

Long-term development options: Officers are currently exploring options for the long-term development of the back area of the Evan Davies building, mainly used for Dome staff parking and bin storage at present. It is planned that an item will be presented to Council for consideration in the coming months with options that aim to deliver a higher value (community outcomes and financial) from that portion of the property.

The completed and current site works take these long-term considerations into account - they are considered by Officers to complement future site development while not limiting Council’s options for future use. The works also maintain current and future servicing and access to the rear of the existing premises.

Updated market valuation: The proposed rent of $55,000 is consistent with market conditions at the conclusion of the EOI process (April 2015). It includes general consideration for compliance work that the City was due to undertake, but at the time the work had not yet been fully scoped or designed. It is appropriate to validate that the proposed rent of $55,000 is consistent with 2017 market conditions and considers the expected positive impact of the City’s improvement works. It is expected that the updated market rent may be higher than the proposed rent of $55,000, now that the full scope and design of the compliance work is known and therefore it is in the City’s interest to seek an updated market valuation. The Officer’s recommendation has been updated (below) to account for this.

ALTERNATE OFFICER RECOMMENDATION

That Council:

1) Delegate to the Chief Executive Officer the power to finalise the lease between the City and Mitchelstown Pty Ltd for Level 1, 13 South Terrace, Fremantle based on the Terms Sheet attached to this Item and on the condition that the annual rent be based on an updated market valuation that considers the improvements planned for the building.
2) That the applicant must submit a Development Application to the City by no later than 60 days from Council approval of the lease terms.
3) That the applicant must sign the lease for Level 1, 13 South Terrace, Fremantle no later than 30 days from approval of the Development Application.
4) That the applicant must submit a liquor licence application within 30 days of signing the lease.
5) That tenant fit-out must be completed no later than 6 months from the date the unconditional liquor licensing is granted to the applicant.
6) Delegate to the Chief Executive Officer the power to not execute the lease if the above timeframes are not complied with.
FPOL1703-6 TREE MAINTENANCE SERVICES TENDER EXTENSION FCC460/15

Meeting Date: 8 March 2017
Responsible Officer: Manager Parks and Landscapes
Decision Making Authority: Council
Agenda Attachments: Nil

SUMMARY

The purpose of this report is to consider the extension of the Contract for the previously awarded tender number FCC460/15 Tree Maintenance Services.

This report recommends that Council extends the existing contract with Dependable Tree Services for a period of 1 year in accordance with the recommendation of the City's Officers in the tender evaluation report.

BACKGROUND

At the council meeting held 20 January 2016, the Council awarded a tender to Dependable Tree Services to provide tree maintenance services to the City based on a 1 year contract with an option for extension, the motion adopted by Council was as follows;

1. The tender from Dependable Tree Services for tree maintenance services (FCC 460/15) from 1 February 2016 to 31 January 2017.

2. An option for a one year extension, followed by a second one year extension period, exercisable at the absolute discretion of the City.

As no delegation was given to the Chief Executive Officer to approve a further 1 year extension of the contract, the Council is required to adopt the extension of the contract period.

FINANCIAL IMPLICATIONS

The budget allocation for programmed and reactive tree maintenance for 2016/17 is $499 000 (ex GST). To date $320 000 (ex GST) has been spent on this contract during this financial year and is expected to reach $600 000 (ex GST) by the end of the financial year.

The estimated contract price for the 1 year period is approximately $600 000 (ex GST). As the contract period will span into the next financial year, Council will be required to make a commitment to provide around $100 000 (ex GST) in the 2017/18 budget to maintain the contract into the next financial year. If the required funds for contracted works are not allocated within the mid-year budget review, any further works will be placed on hold.
LEGAL IMPLICATIONS

In accordance with regulation 11(2)(j) of the Local Government (Functions and General) Regulations 1996, the City is not required to call for tenders when extending the term of the contract if the original contract contained an option for an extension of its terms.

In accordance with regulation 21A(b) of the Local Government (Functions and General) Regulations 1996, the City may extend the terms of the contract if the original contract contained an option for an extension of its terms.

CONSULTATION

No consultation was undertaken as part of the original tender. As part of the tender extension process, the City has been working with Dependable Tree Services to improve customer service through enhanced notification and correspondence. This includes online notification through the City of Fremantle website to residents about upcoming tree pruning to improve community awareness.

OFFICER COMMENT

At the completion of the first year of the Contract, the City’s officers have reviewed the performance of the Contractor and found they have:

- Complied with the City’s tender specification for the effective pruning of street trees and various other trees in parks and gardens;
- Developed and effectively managed notification to residents for sensitive streets. This has been undertaken in their time with no price claims to ensure a higher level of service for the City;
- Proven to be reliable with their service offering and attendance on site;
- Completed required work in a timely manner;
- Provided a dedicated crew for the City of Fremantle works ensuring good working knowledge of the City and our practices;
- Had no days lost from injuries;
- Complied with AS4373-2007 Pruning of Amenity Trees and Tender specifications, unless advised otherwise by the City for special works; and
- Undertaken works to the Tendered Price and Schedule of Rates.

The City is currently working with the Contractor to develop additional service improvements including:

- Ensuring Contractor employees undertake ongoing training in Arborist courses to ensure competent workforce; and
- Improving notification and correspondence, including online, to residents about upcoming tree pruning to inform and manage community expectation.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required
COMMITTEE AND OFFICER'S RECOMMENDATION

MOVED: Cr A Sullivan

That Council:

1. Approve the extension of the existing contract with Dependable Tree Services for a period of 1 year being 1 February 2017 to 31 January 2018 in accordance with the motion adopted by Council dated 20 January 2016.

2. Delegate to the Chief Executive Officer the power to grant a further 1 year extension of the contract terms being 1 February 2018 to 31 January 2019.

CARRIED: 7/0

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FPOL1703-7 COMMUNITY SPORT AND RECREATION FACILITY FUND (CSRFF) SMALL AND ANNUAL GRANTS 2017

Meeting Date: 8 March 2017
Responsible Officer: Manager Community Development
Decision Making Authority: Council
Agenda Attachments: Fremantle Districts Cricket Club - CSRFF Application
Proposed cricket nets - Fremantle Districts Cricket Club

SUMMARY

This report seeks Council’s consideration of the application that has been received from the Fremantle Districts Cricket Club (FDCC) for the Department of Sport and Recreation (DSR) Community Sport and Recreation Facility Fund (CSRFF) Small and Annual Grants round which closes in March 2017, of which the City would submit on behalf of FDCC.

The proposal and needs of Fremantle Districts Cricket Club have been supported by the peak body, the West Australian Cricket Association (WACA), whom are also providing some financial assistance.

To meet the DSR March 2017 deadline, this request needs to be considered prior to the completion of the community facilities review that is due to be presented to Council in May 2017. The relocation and enclosure of the cricket nets has been a long term goal for Fremantle Districts Cricket Club at Stevens Street Reserve and is consistent with the demand on improving local cricket facilities.

This report recommends that Council endorse the Fremantle Districts Cricket Club CSRFF Small Grant Application along with the allocation (one third of the expenditure) of $67,058 in the 2017/2018 budget process, as per the City’s contribution to the project.

BACKGROUND

The Community Sport and Recreation Facility Fund (CSRFF) is a program that provides Western Australian Government financial assistance to community groups and local government authorities (LGA) to develop sport and recreation infrastructure.

There are three types of grants available throughout the year. Small grants for projects costing up to $200,000 are available in February and July each year. Annual grants and forward planning grants are available in July each year for projects with a total expenditure of $200,000 to $500,000, or above $500,000 respectively.

Successful applicants are able to receive up to one third of the eligible project costs as prioritised by the Department of Sport and Recreation (DSR), with the remaining project costs to be split between the LGA and community sporting group.
The Fremantle Districts Cricket Club (FDCC) approached the City in 2016 to discuss the possibility of relocating the cricket training nets to the south east corner of the reserve and upgrading the nets to a fully enclosed double ended facility.

Stevens Street Reserve is ranked as one of the best match wickets and grounds outside the WACA by the Western Australian Cricket Association and often hosts higher level games such as state seconds XI. FDCC who calls Stevens Street Reserve home is a club responsible for developing the cricket talent of the future and currently has two members listed in the Australian team and numerous players listed with the Perth Scorchers.

The training nets at Stevens Street Reserve are no longer meeting the needs of the club’s current players as well as restricting the opportunity to expand with the establishment of female cricket teams.

**FINANCIAL IMPLICATIONS**

Council would be required to contribute $67,058 (ex gst) towards the construction of this training facility and supporting infrastructure in the 2017/2018 financial year.

**LEGAL IMPLICATIONS**

Nil

**CONSULTATION**

Community engagement has taken place with the key stakeholders concerned with the project. Should the Department of Sport and Recreation’s (DSR) application be successful, then wider community consultation will take place in line with the City’s community engagement policy.

The City would work closely with the project team at Fremantle Districts Cricket Club (FDCC) whilst project managing the construction of the new enclosed cricket nets and associated works.

**OFFICER COMMENT**

Stevens Street Reserve is held in high regard for both cricketers and the local community; however the inadequate training facilities are limiting the capacity of the club’s growth and development. The City is currently undertaking a review of the City’s community facilities and this project would be captured as part of the feedback from the club in developing the community facilities plan future directions plan.

Fremantle Districts Cricket Club (FDCC) is proposing to relocate the net training facility to the southeast corner of the reserve. The new facility has been designed to minimise impact on the natural environment and active playing fields, ensuring the reserve can co-share the grounds for multiple sports as well provide aesthetically pleasing and functional open space for local residents (refer attachment 1).
The proposed facility consists of a custom built fully enclosed double end turf cricket wicket training nets which will increase the number of available nets from four to ten (refer attachment 2). This will allow more teams to train at any given time and the club can start to pursue the long term goal of developing female teams. It will also allow the club to rotate through the wickets which will minimise the wear of the wickets and associated maintenance. The relocation to the southeast corner also improves natural lighting for the facility which will allow the club to use the nets for a longer period of time during the early evening hours. This location also lends itself to the possibility of improved flood lighting at a later stage.

Cricketers of this club’s standard are capable of bowling and hitting cricket balls at great speeds and distances, so to ensure the safety of all park users, the club has opted for a fully enclosed structure using soft netting curtains. This will not only protect members whilst training, but also general users of the park, their dogs and surrounding property.

The City would submit the application for the CSRFF Small Grant on behalf of the Fremantle Districts Cricket Club (FDCC) to assist with construction of the training facility. As the recognised experts in the area the Fremantle Districts Cricket Club (FDCC) working group sourced the quotes required to apply for the grant and it is estimated that the total project will cost $190,012.00 (ex gst).

The City will be applying for approximately $55,900 from the Department of Sport and Recreation’s (DSR) grant, being just under one third of the total project cost after other external grants, donated materials and volunteer labour has been removed from the total cost. Should the application be successful it is expected that the remaining $134,112 be split between the City and Fremantle Districts Cricket Club (FDCC), with the City’s contribution being $67,058.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required
COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr A Sullivan

That Council:

  a) Endorses the Fremantle District Cricket Club CSRFF small and annual
      grant application that will be submitted to the Department of Sport and
      Recreation (DSR) by the City on behalf of the club, for the relocation and
      upgrade of turf cricket training nets and enclosure at Stevens Street
      Reserve.
  b) Allocates $67,058 for consideration in the draft 2017/2018 capital budget
      as the City’s contribution to the project ID 10882.

CARRIED: 7/0

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SUMMARY

The Strategy and Project Development Committee (SPD) was created to oversee the progress and development of strategic projects for the City. The City has reviewed the terms of reference for this committee and made amendments to incorporate strategic projects adopted within the Strategic Community Plan 2015-25.

This report recommends that Council:

Adopt the amended terms of reference for the Strategy and Project Development Committee to incorporate strategic projects from the Strategic Community Plan 2015-25.

BACKGROUND

In November 2015 the committee structure and terms of reference for each committee were reviewed to clarify the type of matters each committee were to consider. The outcome from this review resulted in the Special Projects Committee being renamed the Strategy and Project Development Committee (SPD) and the following matters were appointed to the committee to oversee and make recommendations to Council.

1. Strategic and Corporate Plans and associated planning
2. Development of all strategic projects
3. Long Term Financial Planning
4. Development of Conservation, Master and Urban Design Plans
5. Community engagement and advertising of any matters listed in 1-4 above.

A second review of the terms of reference for the SPD committee was undertaken and adopted by Council in June 2016. The terms of reference for the committee were amended to change the committee focus to the following matters;

1. Freight link
2. New operations centre
3. Port future
4. Boundary reviews
5. Knutsford street redevelopment (current depot)
6. Point street redevelopment

A further review has recently been undertaken as outlined within this report.
FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

Pursuant to Part 5, Division 2, Subdivision 2 of the *Local Government Act 1995* the Council may establish a committee and the committee may be made up of three of more members in accordance with section 5.8 and 5.9 of the Act.

CONSULTATION

Nil

OFFICER COMMENT

The intent of amending the terms of reference for the SPD Committee is to clarify the purpose of the committee, to deal with larger and more strategic matters associated with the progress and development of the City’s key strategic projects and make recommendations to Council where action is required.

Inclusion of strategic projects will enable committee members to be more informed of the progress and development of the key strategic projects that were adopted in the Strategic Community Plan and assist the City to remain focused on delivering our vision for the future and achieving our long term goals for Fremantle.

To help improve the way information is provided to the committee, a consolidated information report will be prepared by officers each month to provide a summarised update of each strategic project, which will give priority to matters that require committee consideration.

There are no changes to the schedule or format of the committee meetings, therefore the meetings will continue to be held behind closed doors at 6pm on the Monday of week two of the monthly meeting cycle.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

OFFICER’S RECOMMENDATION

MOVED: Cr Andrew Sullivan

That Council:

1. Adopt the amended terms of reference for the Strategic and Project Development Committee as follows;
TERMS OF REFERENCE

Strategy and Project Development Committee (SPD)

1.0 INTRODUCTION

The Council of the City of Fremantle (the "Council") establishes this committee under the powers given in Section 5.8 of the Local Government Act 1995, the committee to be known as the Strategy and Project Development Committee, (the "Committee").

The Council appoints to the Committee the persons as listed in Section 4.0. Membership of the Committee shall, unless otherwise specified, be for a term ceasing on the first Saturday in October in the year the City's local government elections are held, after which time the Council may appoint members for a further term.

The Committee shall act for and on behalf of Council in accordance with provisions of the Local Government Act 1995, local laws and policy of the City of Fremantle and any powers delegated under section 8.0 of this document.

2.0 NAME AND REPORTING RESPONSIBILITY

The name of the Committee is the Strategy and Project Development Committee and reports to the Council.

3.0 OBJECTIVES

The primary focus of the Committee is to deal with strategic matters associated with the progress and development of the City’s key strategic projects and make recommendations to Council where action is required.

The Committee will oversee the following strategic projects adopted within the Strategic Community Plan 2015-25. These projects are considered largescale, high-impact projects aimed at delivering on multiple components of the strategic community plan and often comprises of a number of interrelated operational projects.

- Kings Square development  (*Rejuvenating the central hub*)
- Fremantle Oval redevelopment  (*better utilising a key city facility*)
- Station Precinct redevelopment  (*connecting the railway to the city centre*)
- Fishing Boat Harbour Precinct redevelopment  (*expanding a much-loved visitor precinct*)
- Northern Gateway  (*a bold entry statement*)
- Victoria Quay  (*reconnecting the port to the city*)
- Light rail  (*connecting Fremantle with regional growth areas*)
- Greater Fremantle parking plan
- One Planet annual review  (*results-driven sustainability*)
- Integrated road hierarchy  (*a focus on safety and shared-use*)
- Urban forest strategy
- Biodiversity and green linkages  (*reconnecting the environment*)
- Green spaces
- Climate change adaptation framework
- Fremantle energy plan
- Strategic waste management plan

The Committee may also oversee the progress and development of the following projects:

- Freight link
- New operations centre
- Port future
- Boundary reviews
- Knutsford street redevelopment (current depot)
- Point street redevelopment

4.0 MEMBERSHIP

The membership of the Committee shall consist of the Mayor and Councillors only.

5.0 PRESIDING MEMBER

The Committee shall appoint a Presiding Member and Deputy Presiding Member to conduct its business. The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the City of Fremantle Standing Orders. The CEO or delegated employee will attend the first meeting to conduct the election of the Presiding Member or at a subsequent meeting if a new Presiding Member is to be elected.

6.0 MEETINGS

7.1 The Committee shall be held on the Monday of week 2, of the Council monthly meeting cycle.

7.2 Notice of meetings including an agenda shall be given to members at least 72 hours prior to each meeting.

7.3 If any member is absent from 3 consecutive meetings without leave of the Committee, they shall forfeit their position on such Committee. The Council shall be informed, and the Council may appoint a replacement for the balance of the term of appointment.

7.4 The Presiding member shall ensure that detailed minutes of all meetings are kept and shall, not later than 5 days after each meeting, provide the Committee members and Council with a copy of such minutes. Minutes shall record all decisions and actions of the Committee.

7.5 All members of the Committee shall have one vote. If the votes of the members present are equally divided, the person presiding may exercise the right to use a ‘casting vote’ in accordance with the City of Fremantle Standing Orders.
7.0 QUORUM

Quorum for a meeting shall be at least 50% of the number of offices, whether vacant or not. A decision of the Committee does not have effect unless it has been made by a simple majority.

(Note – Council may, at the request of the Committee, agree to set the quorum at a lesser number. However in such circumstances any recommendation on expenditure of monies or on forming policy positions that is being made to Council or the CEO, the Committee must have at least 50% of the members present to make a valid recommendation/s.)

8.0 DELEGATED POWERS

The Committee has no delegated powers under the Local Government Act and is to advise and make recommendations only.

9.0 TERMINATION OF COMMITTEE

Termination of the Committee shall be:
9.1 in accordance with the Local Government Act 1995; or
9.2 at the direction of Council.

10.0 AMENDMENT TO THE INSTRUMENT OF APPOINTMENT AND DELEGATION

This document may be altered at any time by the Council.

11.0 COMMITTEE DECISIONS

Committee decisions shall not be binding on Council.

12.0 OFFICER(S) RESPONSIBLE FOR MANAGEMENT OF COMMITTEE

Chief Executive Officer
Cr D Thompson MOVED an amendment to the Officer’s Recommendation to renumber section 6 and remove part 6.3.

CARRIED: 7/0

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REASONS FOR CHANGE TO OFFICER’S RECOMMENDATION

there are no similar rules forfeiting of committee positions on absence in other committees and if the position is forfeited by absence - the Council may appoint a replacement for the balance of the term. As the committee is made up of all councillors, there is no suitable replacement.

Cr D Thompson MOVED an amendment to Part 6.1 of the Officer’s Recommendation to include the words shown in bold and italics below:

6.1 The committee shall be held on the Monday of week 2 of the Council monthly meeting cycle and be open to the public.

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That Council:

1. Adopt the amended terms of reference for the Strategic and Project Development Committee as follows;

CARRIED: 6/1

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TERMS OF REFERENCE

Strategy and Project Development Committee (SPD)

1.0 INTRODUCTION

The Council of the City of Fremantle (the "Council") establishes this committee under the powers given in Section 5.8 of the Local Government Act 1995, the committee to be known as the Strategy and Project Development Committee, (the "Committee").

The Council appoints to the Committee the persons as listed in Section 4.0. Membership of the Committee shall, unless otherwise specified, be for a term ceasing on the first Saturday in October in the year the City’s local government elections are held, after which time the Council may appoint members for a further term.

The Committee shall act for and on behalf of Council in accordance with provisions of the Local Government Act 1995, local laws and policy of the City of Fremantle and any powers delegated under section 8.0 of this document.

2.0 NAME AND REPORTING RESPONSIBILITY

The name of the Committee is the Strategy and Project Development Committee and reports to the Council.

3.0 OBJECTIVES

The primary focus of the Committee is to deal with strategic matters associated with the progress and development of the City’s key strategic projects and make recommendations to Council where action is required.
The Committee will oversee the following strategic projects adopted within the Strategic Community Plan 2015-25. These projects are considered large-scale, high-impact projects aimed at delivering on multiple components of the strategic community plan and often comprises of a number of interrelated operational projects.

- Kings Square development *(Rejuvenating the central hub)*
- Fremantle Oval redevelopment *(better utilising a key city facility)*
- Station Precinct redevelopment *(connecting the railway to the city centre)*
- Fishing Boat Harbour Precinct redevelopment *(expanding a much-loved visitor precinct)*
- Northern Gateway *(a bold entry statement)*
- Victoria Quay *(reconnecting the port to the city)*
- Light rail *(connecting Fremantle with regional growth areas)*
- Greater Fremantle parking plan
- One Planet *(results-driven sustainability)*
- Integrated transport strategy *(a focus on safety and shared-use)*
- Urban forest strategy
- Biodiversity and green linkages *(reconnecting the environment)*
- Green spaces
- Climate change adaptation framework
- Fremantle energy plan
- Strategic waste management plan

The Committee may also oversee the progress and development of the following projects:

- Freight link
- New operations centre
- Port future
- Boundary reviews
- Knutsford street redevelopment *(current depot)*
- Point street redevelopment

5.0 **MEMBERSHIP**

The membership of the Committee shall consist of the Mayor and Councillors only.

5.0 **PRESIDING MEMBER**

The Committee shall appoint a Presiding Member and Deputy Presiding Member to conduct its business. The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the City of Fremantle Standing Orders. The CEO or delegated employee will attend the first meeting to conduct the election of the Presiding Member or at a subsequent meeting if a new Presiding Member is to be elected.

6.0 **MEETINGS**
6.1 The Committee shall be held on the Monday of week 2, of the Council monthly meeting cycle.

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8.0 DELEGATED POWERS

The Committee has no delegated powers under the Local Government Act and is to advise and make recommendations only.

9.0 TERMINATION OF COMMITTEE

Termination of the Committee shall be:
9.1 in accordance with the Local Government Act 1995; or
9.2 at the direction of Council.

10.0 AMENDMENT TO THE INSTRUMENT OF APPOINTMENT AND DELEGATION

This document may be altered at any time by the Council.

11.0 COMMITTEE DECISIONS

Committee decisions shall not be binding on Council.

12.0 OFFICER(S) RESPONSIBLE FOR MANAGEMENT OF COMMITTEE

Chief Executive Officer
FPOL1703-9  1 MILLION WOMEN APP AND ROADSHOW

Meeting Date: 8 March 2017
Responsible Officer: Manager Strategic Planning
Decision Making Authority: Council
Agenda Attachments: 1 Million Woman’s Local Government Partnership Proposal – An Overview
Supporting Document for Local Government Council Proposal

SUMMARY

The purpose of this report is to enable Council to consider whether the City of Fremantle should become a foundation partner with 1 Million Women in launching their new App and Roadshow. The App is free to download, and offers users a choice of daily climate actions and tools to reduce carbon pollution. Becoming a foundation partner will enable the City to use the App to capture data on community climate actions and the actual reduction in carbon emissions as a result of those actions. There is a $5,000 annual subscription fee payable if the City decides to become a foundation local government partner.

Under the One Planet Fremantle Strategy, the Zero Carbon Energy Community target aims to support the community in becoming zero carbon by 2025. However, the City currently has no baseline data and no way to measure progress against the target. The App would provide both the data and a way to encourage the community to take action on climate change and reduce their carbon emissions.

This report recommends that the City becomes a foundation partner, subject to Council approving inclusion of the $5,000 subscription fee in the 2017/18 budget.

BACKGROUND

1 Million Women is a Not for Profit organisation that is seeking 15+ councils from across Australia to be foundation members of their local government partnership model.

1 Million Women is not a start-up. They already have a following of 600,000 people from around the world. Their vision is a world where millions of women live net zero carbon lives and influence those around them (males and females) to do the same. They focus on women because they make 85% of household purchasing decisions, and their lifestyle choices have an enormous influence on household carbon footprints.

To achieve their vision, 1 Million Woman is launching their new App and Roadshow which is due for release in mid-2017. The free to download App will provide users with daily carbon reduction tips around everyday lifestyle choices, in the key areas of home energy reduction and clean energy options, minimising food waste, reducing overconsumption, sustainable fashion and low-impact travel. The App is aimed at women but is also available to men.
The App will track the actions that are undertaken, and will showcase individual and collective impact through real time measures, including a ‘map’ showing where users are carrying out the same activities and how much carbon is being saved by both individual and collective efforts.

1 Million Women sees incredible power in collaborating with local governments. Their new local government partnership model includes (but is not limited to) the following package:

1. A City of Fremantle dedicated group page within the App (including logo)
2. Regular reports capturing valuable data for the City of Fremantle area, including the number of people downloading the app, the number and type of climate actions undertaken and the reduction in carbon emission associated with the action taken.
3. A social media feed on the City’s group wall where we can upload stories and events and initiatives in our council area.
4. A Communications plan, including design, content and images for website and social media
5. The 1 Million Women Roadshow template and training, which is designed to promote the App and engage the community on climate change. Information included in the Roadshow includes one hour of content, run-sheet and notes; supporting slides and video message; a point by point guide on how to conduct a roadshow event; and a webinar training and support session.
6. Social media support through 1 Million Women’s own social media channels – Facebook, Twitter and Instagram. 1 Million Women will celebrate the council’s partnering with the App, showcasing all logos and collective impact. Notable community milestones will also be celebrated.
7. The City of Fremantle’s logo will be showcased on the Council Partnership Page of the 1 Million Women’s website.
8. On-going support from the 1 Million Women team.

For further information on the 1 Million Women App and Roadshow and the local government partnership model, please refer to Attachments 1 and 2.

FINANCIAL IMPLICATIONS

A $5000 annual subscription fee is payable to 1 Million Women to become a local government partner. For the first 15 foundation councils, the Year 2 subscription will be discounted by 50%. There is no current provision in the City’s approved 2016/17 budget to cover the cost of the City becoming a partner. If Council is supportive of the principle of becoming a partner, consideration could be given to including the annual subscription cost as an item in the 2017/18 budget when the budget is adopted by Council in mid-2017.

LEGAL IMPLICATIONS

Nil
CONSULTATION

No consultation undertaken to date. If Council approves the City becoming a partner a community engagement program could be carried out utilising the ‘Roadshow’ resources provided by 1 Million Women.

OFFICER COMMENT

Under the One Planet Fremantle Strategy, the Zero Carbon Energy Community target aims to support the community in becoming zero carbon by 2025. However, the City currently has no baseline data and no way to measure progress against the target. The App would provide the City with both the data and a way to encourage the community to take action on climate change and reduce their carbon emissions. This information could then be included in the City’s One Planet Annual Report as evidence of performance against the community target.

The One Planet Fremantle Strategy is a key informing strategy for the Strategic Community Plan 2015-25. The Zero Carbon Energy principle directly aligns with the environmental responsibility outcomes of the Strategic Community Plan.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr A Sullivan

That Council:

1. Supports the City of Fremantle becoming a foundation partner in the 1 Million Women local government partnership program, subject to the inclusion of the annual subscription cost as an item in the 2017/18 budget.

2. Gives consideration to inclusion of a sum of $5,000 for the purpose of payment of the annual subscription to the 1 Million Women local government partnership program as part of the 2017/18 budget preparation and adoption process.

CARRIED: 7/0

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FPOL1703-10 INNOVATIVE HOUSING GROUP

Meeting Date: 8 March 2017
Responsible Officer: Manager Strategic Planning
Decision Making Authority: Council
Agenda Attachments: Nil

SUMMARY

The purpose of this report is to update Council on the Innovative Housing Group which Council resolved to establish in early 2016, and for Council to endorse revisions to the Project Initiation Document for the group to enable it to operate in a slightly different manner to that originally envisaged. This revised approach is recommended in recognition of several innovative housing initiatives which have progressed since Council’s original resolution to establish the group. Rather than potentially duplicate work on these initiatives, after consultation with the elected members appointed to the group officers consider there would be more value in the group functioning as a broader reference group providing expert advice and feedback on projects already initiated or planned by others. This would still provide valuable input to innovative housing projects consistent with the overall objectives for the group.

Council is also recommended to confirm the participation of individuals who submitted nominations through an expression of interest process to be community and development/design industry representatives on the group.

BACKGROUND

In February 2016 Council resolved to establish an Innovative Housing Working Group to:

- Identify innovative, sustainable and/or affordable housing propositions for consideration in future reviews of the City of Fremantle’s local planning strategy and local planning scheme.
- Identify innovative mechanisms for the provision of affordable housing in Fremantle.
- Identify a demonstration project that combines affordable housing with sustainability outcomes.

At the same time Council resolved to appoint Councillors Pemberton and Waltham to the working group, and endorsed an Instrument of Appointment and Project Delegation document for the group. This document stated that a Project Initiation Document (PID) was required to be prepared by the councillor members of the group to scope out the project including the nomination of other members of the group. The Project Delegation also stated that the working group was to develop its own approach in delivering the objectives referred to in Council’s resolution.
The PID was subsequently prepared and approved by Council in April 2016. In approving the PID, Council added a fourth objective to the objectives referred to in Council’s February 2016 resolution (see dot points above) as follows:

- To provide advice and expert opinion on any potential demonstration projects that are brought to Council that facilitate the development of innovative housing during the term of the Working Group.

The Project Approach section of the PID outlined an Expressions of Interest process to call for nominations from persons interested in serving as design and development industry specialists and community representatives on the working group.

The expressions of interest for nominations took place in mid-2016 and resulted in 16 nominations being received. The calibre of all nominations was high, and collectively nominees offered a broad range of expertise and experience relevant to the objectives of the working group. This made the selection of only 5 non-councillor members to serve on the working group, as envisaged in the PID, challenging.

At the same time as the process for calling for nominations was taking place, several innovative housing initiatives made significant progress as a result of decisions by the Council or other agencies. These included:

- Council’s decision to undertake an expression of interest process to select a purchaser of a City-owned site at 7 Quarry Street to carry out a ‘Baugruppen’ style cooperative housing development, as an affordable housing demonstration project.
- Construction of the ‘Gen Y’ demonstration homes by LandCorp at the WGV development, and a decision by LandCorp to also promote a Baugruppen style demonstration project at the same site in collaboration with the University of WA.
- A major community engagement process – the ‘Freo Alternative’ – on the City’s draft statutory planning provisions to facilitate smaller and more diverse housing forms in established residential areas.

These projects already address a significant proportion of the scope of work originally envisaged to be carried out by the Innovative Housing Working Group. Consequently, after consultation with the two councillor members of the group, officers consider that rather than directly duplicate work which is already under way it would be more productive for the group to operate in a slightly different manner to the project approach outlined in the original PID.

**FINANCIAL IMPLICATIONS**

Council has already approved a budget adjustment to reduce the budget allocated to facilitation of the Innovative Housing Group in 2016/17 from $30,000 to $10,000. The revised approach to the operation of the group recommended in this report would not create any additional financial implications, and would likely further reduce any requirement to pay for external consultancy advice.

**LEGAL IMPLICATIONS**

Nil
CONSULTATION

The recommended revised approach to the operation of the group (see Officer Comment section below) would provide for more inclusive participation by a larger number of community members.

OFFICER COMMENT

When the Innovative Housing Group was first proposed, it was envisaged that the group might undertake direct research to identify and scope up innovative housing concepts and write reports on how such projects might be promoted. A budget was approved by Council (originally $30,000 in 2016/17) to enable technical advice to be bought-in if required.

However, as outlined above a number of projects of this nature have already commenced in the past few months. Therefore officers consider that there would be more value in the group functioning as a broader reference group that could review and offer feedback on specific projects already initiated or planned by others. The group could act as a sounding board and, due to the broad range of experience and interests in different aspects of housing amongst nominees to the group, a number of different perspectives could be provided in feedback.

In conjunction with the two Council-appointed elected members of the group, officers informally discussed this revised approach with all nominees to the group in late 2016. All nominees indicated that they would be willing to participate in a group operating on this basis, meeting as required or communicating electronically as appropriate.

Feedback on the community engagement outcomes of the ‘Freo Alternative’ diverse housing project is one issue the group could make a valuable contribution to in the near future.

The focus of work undertaken by the group would remain consistent with the ‘Places for people’ strategic focus area of the Strategic Community Plan 2015-25.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr A Sullivan

That Council approves an amendment to the Project Approach section of the Project Initiation Document for the Innovative Housing Working Group previously approved on 27 April 2016, to provide for:

a) The group to operate primarily as a reference group providing expert advice and opinion on innovative housing initiatives proposed or already commenced by other parties.
b) The following persons, who fulfil the nomination criteria for membership of the group, to participate as community and development/design industry representatives:

- David Barr
- Steve Burdett
- Garry Ellender
- Pauline Farrell
- Sean Gorman
- Kate House
- Glenn Howe
- Julian Ilich
- Dimitri Kapetas
- Meghan Lewis
- Geoffrey London
- Melinda Marshall
- Cynthia Mathelot
- Kitt Scott
- Patrick Shoesmith
- Sarah Stark

CARRIED: 7/0

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AUDIT AND RISK MANAGEMENT COMMITTEE 15 MARCH 2017
AC1703-1 REVIEW OF THE AUDIT AND RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE

Meeting Date: 15 March 2017
Responsible Officer: Director City Business
Decision Making Authority: Council
Agenda Attachments: Nil

SUMMARY

The City has reviewed the terms of reference for the Audit and Risk Management Committee (ARMC) and has made the following amendments to the terms of reference:

- Review and make recommendations to the Council regarding procurement reports
- Review and make recommendations to the Council regarding Chief Executive Officer Performance

This report recommends that Council:

Adopt the amended terms of reference for the Audit and Risk Management Committee.

BACKGROUND

The Audit and Risk Management Committee acts in accordance with the provisions of the Local Government Act 1995, the Local Government (Audit) Regulations 1996 and the City of Fremantle local laws and policies. The current objectives are set out below:

1. Providing guidance and assistance to the Council in relation to:
   - The process for the selection and appointment of external auditor;
   - Recommending to the Council the person or firms to be appointed as auditor;
   - Develop and recommend to the Council a written agreement for the appointment of the auditors including conditions.

2. Reviewing the annual audit plan with the external and internal auditors to consider its scope and effectiveness and relationship to Council's Strategic risks.

3. Reviewing the information and recommendations provided by external and internal auditors including the responses of management.

4. Reviewing any unresolved issues between management and the external and internal auditors and actions planned to obtain resolution.

5. Reviewing the performance of any contracted external and internal audit firms.
6. Ensuring that the procedures established to monitor compliance with statutory requirements, regulations and contractual obligations are appropriate.

7. Reviewing the annual Statutory Compliance Return and make recommendations to the Council on acceptance.

8. Review and make recommendations to the Council regarding the City’s risk management framework and policies.

9. Review and make recommendations to the Council regarding the adequacy of the City’s risk management systems and practices.

10. Review and make recommendations to the Council regarding the management of strategic risks, identifying as appropriate, specific risks for more detailed review and response.

11. Undertake a risk assessment of major projects i.e. Local Government Reform, Kings Square Redevelopment etc.

12. Ensuring business continuity and disaster recovery plans are in place and reviewed as required.

13. Meet with the City’s External Auditor at least once per year on behalf of Council.

The Audit and Risk Management Committee’s role, in accordance with regulation 16 of the *Local Government (Audit) Regulations 1996*, is to provide guidance and assistance to council regarding:

- matters to be audited;
- the scope of audits;
- financial, risk and compliance management functions as prescribed in the *Local Government Act 1995*;
- other matters specified in the instrument of appointment

This Committee does not have any decision making authority and therefore may only make recommendations to council for consideration.

**FINANCIAL IMPLICATIONS**

Nil

**LEGAL IMPLICATIONS**

Pursuant to Part 5, Division 2, Subdivision 2 of the *Local Government Act 1995* the Council may establish a committee and the committee may be made up of three of more members in accordance with section 5.8 and 5.9 of the Act.

**CONSULTATION**

Nil
The review of these terms of reference focuses on improving the oversight function of the committee to enhance the committee’s due diligence responsibilities ensuring significant matters are considered through the Council meeting cycle.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

OFFICER’S RECOMMENDATION

That Council:

1. Adopt the amended terms of reference for the Audit and Risk Management Committee as follows;

TERMS OF REFERENCE

1.0 INTRODUCTION

The Council of the City of Fremantle (the "Council") establishes this committee under the powers given in Section 5.8 of the Local Government Act 1995 and the committee will be known as the Audit and Risk Management Committee, (the "Committee").

The Council appoints to the Committee the members as outlined in Section 4.0 below. Membership of the Committee shall, unless otherwise specified, be for a term ceasing on the first Saturday in October of the Local Governments ordinary election year, after which time the Council may appoint members for a further term.

The Committee shall act in accordance with the provisions of the Local Government Act 1995, the Local Government (Audit) Regulations 1996 and the City of Fremantle local laws and policies.

2.0 NAME

The name of the Committee shall be the Audit and Risk Management Committee.

3.0 OBJECTIVES

1. Providing guidance and assistance to the Council in relation to:
   - The process for the selection and appointment of external auditor;
   - Recommending to the Council the person or firms to be appointed as auditor;
   - Develop and recommend to the Council a written agreement for the appointment of the auditors including conditions.

2. Reviewing the annual audit plan with the external and internal auditors to consider its scope and effectiveness and relationship to Council’s Strategic risks.

3. Reviewing the information and recommendations provided by external and internal auditors including the responses of management.
4. Reviewing any unresolved issues between management and the external and internal auditors and actions planned to obtain resolution.

5. Reviewing the performance of any contracted external and internal audit firms.

6. Ensuring that the procedures established to monitor compliance with statutory requirements, regulations and contractual obligations are appropriate.

7. Reviewing the annual Statutory Compliance Return and make recommendations to the Council on acceptance.

8. Review and make recommendations to the Council regarding the City’s risk management framework and policies.

9. Review and make recommendations to the Council regarding the adequacy of the City’s risk management systems and practices.

10. Review and make recommendations to the Council regarding the management of strategic risks, identifying as appropriate, specific risks for more detailed review and response.

11. Undertake a risk assessment of major projects i.e. Local Government Reform, Kings Square Redevelopment etc.

12. Ensuring business continuity and disaster recovery plans are in place and reviewed as required.

13. Meet with the City’s External Auditor at least once per year on behalf of Council.

14. Review and make recommendations to the Council regarding procurement reports.

15. Review and make recommendations to the Council regarding Chief Executive Officer Performance.

4.0 MEMBERSHIP

The committee shall be made up of the following members:

a) Mayor (as ex-officio)

b) 3 Councillors

c) 1 external member.

Members of the Committee will be appointed by Council. If the Mayor of the City of Fremantle indicates an intention to be a member of the committee under section 5.10 (4), then he/she will be a member of the committee.

The committee will evaluate all candidates for the external member position against the selection criteria as per Schedule A. The committee will forward their evaluation and recommendation to Council for consideration when appointing the external member to the committee. The external member appointed to the committee will be given an allowance of up to $250.00 per committee meeting for the reimbursement of meeting related expenses.

Note: Under section 7.1A (3) of the Act the CEO is cannot be a member of an audit committee and may not nominate a person to represent him or her as a member of an audit committee. Under section 7.1A (4) of the Act an employee is not to be a member of an audit committee.
5.0 PRESIDING MEMBER
The Committee shall appoint a Presiding Member and Deputy Presiding Member to conduct its business. The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the City of Fremantle Standing Orders. The CEO or delegated nominee will attend the first meeting to conduct the election of the Presiding Member or at a subsequent meeting if a new Presiding Member is to be elected.

6.0 MEETINGS
6.1 The Committee shall meet quarterly or as required.

6.2 Notice of meetings including an agenda shall be given to members at least 3 days prior to each meeting.

6.3 The Presiding member shall ensure that detailed minutes of all meetings are kept and shall, not later than 5 days after each meeting, provide the members and Council with a copy of such minutes.

6.4 All members of the Committee shall have one vote. If the vote of the members present are equally divided, the person presiding can cast a second vote.

7.0 QUORUM
Quorum for a meeting shall be at least 50% of the number of offices, whether vacant or not. A decision of the Committee does not have effect unless it has been made by a simple majority.

(Note – Council may, at the request of the Committee, agree to set the quorum at a lesser number. However in such circumstances any recommendation on expenditure of monies or on forming policy positions that is being made to Council or the CEO, the committee must have at least 50% of the members present to make a valid recommendation/s.)

8.0 DELEGATED POWERS

8.1 General Powers
The Advisory Committee shall have the power to appoint working parties as required to examine specific issues and report back to the Committee.

The Advisory Committee has the power to co-opt persons to attend the Committee meetings from time to time to assist the Committee in its functions, but does not have the power to appoint members to the Committee. Co-opted persons do not have voting rights.

8.2 Specific Powers
The Committee has no other specific powers under the Local Government Act and is to advise and make recommendations to Council only.

8.3 Delegated Authority by Council
The Council provides authority for the Committee to fulfill the duty of the Council to meet with the City’s External Auditor at least once per year as required in section 7.12A(2) of the Act.

9.0 TERMINATION OF COMMITTEE
Termination of the Committee shall be:
9.1 in accordance with the Local Government Act 1995; or
9.2 at the direction of Council.

10.0 AMENDMENT TO THE INSTRUMENT OF APPOINTMENT AND DELEGATION
This document may be altered at any time by the Council on the recommendation of the Committee, or after giving 14 days notice to the Committee.

11.0 COMMITTEE DECISIONS
This Committee does not have any decision making authority and therefore may only make recommendations to Council for consideration.

12.0 History of Council Resolutions
COUNCIL RESOLUTION NUMBER: C3 14 May 2001
C0305-18 – 19 May 2003
AC1403-6 – 26 March 2014

13.0 Officer(s) Responsible for Management of Committee
Manager Corporate Services
Director City Business

Schedule A
Selection criteria to be used for advertising and appointment of an external member to the Audit and Risk Management Committee

- Business or financial management/reporting knowledge and experience and be conversant with financial and other reporting requirements.
- Current occupation or past vocation experience related to financial management, audit processes and/or risk analysis.
- Familiarity with local government financial management and reporting requirements whilst not essential will be highly regarded.
- Relevant experiences, skills, attributes or qualifications.
- Experience with Boards/Committees in relation to corporate governance, financial reporting or risk management.
Phillip Draber MOVED an amendment to part 3 objectives, point 10 of the Officer’s Recommendation to include the following wording as shown in italics:

10. Review and make recommendations to the Council regarding strategic risk management, identifying as appropriate, strategic risks for more detailed review and response.

CARRIED: 5/0

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REASON FOR CHANGE TO OFFICER’S RECOMMENDATION
To better imply the committee’s responsibility.

Phillip Draber MOVED an amendment to part 3 objectives, point 14 of the Officer’s Recommendation to include the following wording as shown in italics:

14. Review and make recommendations on probity, compliance, and governance to the Council regarding procurement.

CARRIED: 5/0

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REASON FOR CHANGE TO OFFICER’S RECOMMENDATION
This allows the Committee to focus on the probity, compliance, and governance of the procurement process.

Cr A Sullivan MOVED an amendment to part 3 objectives, point 15 of the Officer’s Recommendation to include the following wording as shown in italics:

15. Establish a framework, process and tools regarding the performance evaluation of the Chief Executive Officer and review recommendations of the Chief Executive Officer’s performance.
CARRIED: 5/0

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REASON FOR CHANGE TO OFFICER'S RECOMMENDATION

To more accurately reflect the role of the Committee.

Cr D Thompson MOVED an amendment to part 6.1 of the Officer's Recommendation to include the following wording as shown in italics:

6.1 The Committee shall meet *every second month, on specific dates to be advised.*

CARRIED: 5/0

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REASON FOR CHANGE TO OFFICER'S RECOMMENDATION

The Committee prefers to meet more regularly.

Cr J McDonald MOVED an amendment to part 6.2 of the Officer's Recommendation to include the following wording as shown in italics:

6.2 Notice of meetings including an agenda shall be given to members at least 1 week prior to each meeting.

CARRIED: 5/0

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REASON FOR CHANGE TO OFFICER'S RECOMMENDATION

Giving a weeks notice to distribute the agenda ensures members have time to read the detail of the agenda.
Cr D Coggin MOVED an amendment to add part 3 to the Officer's Recommendation as shown below:

3. The Chief Executive Officer provides a report to the next Audit and Risk Management Committee meeting to evaluate the performance of the Committee.

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REASON FOR CHANGE TO OFFICER’S RECOMMENDATION
The Committee believes an evaluation of its performance should be part of its responsibility.

Cr D Coggin MOVED an amendment to add part 2 to the Officer's Recommendation as shown below:

2. A proposed framework and process for the Chief Executive Officer performance will be brought back to the Audit and Risk Management Committee at the May 2017 meeting.

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REASON FOR CHANGE TO OFFICER’S RECOMMENDATION
To allow the Committee to develop an appropriate Chief Executive Officer performance review process.

COMMITTEE RECOMMENDATION

MOVED: Cr D Coggin

That Council:

1. Adopt the amended terms of reference for the Audit and Risk Management Committee as follows;
TERMS OF REFERENCE

1.0 INTRODUCTION
The Council of the City of Fremantle (the "Council") establishes this committee under the powers given in Section 5.8 of the Local Government Act 1995 and the committee will be known as the Audit and Risk Management Committee, (the "Committee").

The Council appoints to the Committee the members as outlined in Section 4.0 below. Membership of the Committee shall, unless otherwise specified, be for a term ceasing on the first Saturday in October of the Local Governments ordinary election year, after which time the Council may appoint members for a further term.

The Committee shall act in accordance with the provisions of the Local Government Act 1995, the Local Government (Audit) Regulations 1996 and the City of Fremantle local laws and policies.

2.0 NAME
The name of the Committee shall be the Audit and Risk Management Committee.

3.0 OBJECTIVES
1. Providing guidance and assistance to the Council in relation to:
   - The process for the selection and appointment of external auditor;
   - Recommending to the Council the person or firms to be appointed as auditor;
   - Develop and recommend to the Council a written agreement for the appointment of the auditors including conditions.

2. Reviewing the annual audit plan with the external and internal auditors to consider its scope and effectiveness and relationship to Council’s Strategic risks.

3. Reviewing the information and recommendations provided by external and internal auditors including the responses of management.

4. Reviewing any unresolved issues between management and the external and internal auditors and actions planned to obtain resolution.

5. Reviewing the performance of any contracted external and internal audit firms.

6. Ensuring that the procedures established to monitor compliance with statutory requirements, regulations and contractual obligations are appropriate.

7. Reviewing the annual Statutory Compliance Return and make recommendations to the Council on acceptance.
8. Review and make recommendations to the Council regarding the City’s risk management framework and policies.

9. Review and make recommendations to the Council regarding the adequacy of the City’s risk management systems and practices.

10. Review and make recommendations to the Council regarding strategic risk management, identifying as appropriate, strategic risks for more detailed review and response.

11. Undertake a risk assessment of major projects i.e. Local Government Reform, Kings Square Redevelopment etc.

12. Ensure business continuity and disaster recovery plans are in place and reviewed as required.

13. Meet with the City’s External Auditor at least once per year on behalf of Council.

14. Review and make recommendations on probity, compliance, and governance to the Council regarding procurement.

15. Establish a framework, process and tools regarding the performance evaluation of the Chief Executive Officer and review recommendations of the Chief Executive Officer’s performance.

4.0 MEMBERSHIP
The committee shall be made up of the following members:
   d) Mayor (as ex-officio)
   e) 3 Councillors
   f) 1 external member.

Members of the Committee will be appointed by Council. If the Mayor of the City of Fremantle indicates an intention to be a member of the committee under section 5.10 (4), then he/she will be a member of the committee.

The committee will evaluate all candidates for the external member position against the selection criteria as per Schedule A. The committee will forward their evaluation and recommendation to Council for consideration when appointing the external member to the committee. The external member appointed to the committee will be given an allowance of up to $250.00 per committee meeting for the reimbursement of meeting related expenses.

Note: Under section 7.1A (3) of the Act the CEO is cannot be a member of an audit committee and may not nominate a person to represent him or her as a member of an audit committee. Under section 7.1A (4) of the Act an employee is not to be a member of an audit committee.

5.0 PRESIDING MEMBER
The Committee shall appoint a Presiding Member and Deputy Presiding Member to conduct its business. The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the City of Fremantle Standing Orders. The CEO or delegated nominee will attend the first meeting to conduct the election of the Presiding Member or at a subsequent meeting if a new Presiding Member is to be elected.

6.0 MEETINGS

6.1 The Committee shall meet *every second month, on specific dates to be advised*.

6.2 Notice of meetings including an agenda shall be given to members at least 1 week prior to each meeting.

6.3 The Presiding member shall ensure that detailed minutes of all meetings are kept and shall, not later than 5 days after each meeting, provide the members and Council with a copy of such minutes.

6.4 All members of the Committee shall have one vote. If the vote of the members present are equally divided, the person presiding can cast a second vote.

7.0 QUORUM

Quorum for a meeting shall be at least 50% of the number of offices, whether vacant or not. A decision of the Committee does not have effect unless it has been made by a simple majority.

(Note – Council may, at the request of the Committee, agree to set the quorum at a lesser number. However in such circumstances any recommendation on expenditure of monies or on forming policy positions that is being made to Council or the CEO, the committee must have at least 50% of the members present to make a valid recommendation/s.)

8.0 DELEGATED POWERS

8.1 General Powers

The Advisory Committee shall have the power to appoint working parties as required to examine specific issues and report back to the Committee.

The Advisory Committee has the power to co-opt persons to attend the Committee meetings from time to time to assist the Committee in its functions, but does not have the power to appoint members to the Committee. Co-opted persons do not have voting rights.

8.2 Specific Powers

The Committee has no other specific powers under the Local Government Act and is to advise and make recommendations to Council only.

8.3 Delegated Authority by Council
The Council provides authority for the Committee to fulfill the duty of the Council to meet with the City’s External Auditor at least once per year as required in section 7.12A(2) of the Act.

9.0 TERMINATION OF COMMITTEE
Termination of the Committee shall be:
9.1 in accordance with the Local Government Act 1995; or
9.2 at the direction of Council.

10.0 AMENDMENT TO THE INSTRUMENT OF APPOINTMENT AND DELEGATION

This document may be altered at any time by the Council on the recommendation of the Committee, or after giving 14 days notice to the Committee.

11.0 COMMITTEE DECISIONS

This Committee does not have any decision making authority and therefore may only make recommendations to Council for consideration.

12.0 History of Council Resolutions

COUNCIL RESOLUTION NUMBER: C3 14 May 2001
C0305-18 – 19 May 2003
AC1403-6 – 26 March 2014

13.0 Officer(s) Responsible for Management of Committee

Manager Corporate Services
Director City Business

Schedule A

Selection criteria to be used for advertising and appointment of an external member to the Audit and Risk Management Committee

- Business or financial management/reporting knowledge and experience and be conversant with financial and other reporting requirements.
- Current occupation or past vocation experience related to financial management, audit processes and/or risk analysis.
- Familiarity with local government financial management and reporting requirements whilst not essential will be highly regarded.
- Relevant experiences, skills, attributes or qualifications.
- Experience with Boards/Committees in relation to corporate governance, financial reporting or risk management.
2. A proposed framework and process for the Chief Executive Officer performance will be brought back to the Audit and Risk Management Committee at the May 2017 meeting.

3. The Chief Executive Officer provides a report to the next Audit and Risk Management Committee meeting to evaluate the performance of the Committee.

CARRIED: 5/0

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<td>Mr Phillip Draber</td>
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</table>
AC1703-2  ADOPTION OF THE 2016 COMPLIANCE AUDIT RETURN

Meeting Date: 15 March 2017
Previous Item: Nil
Responsible Officer: Director City Business
Decision Making Authority: Council
Agenda Attachments:
1. Summary report by Peyton Consultancy
2. Compliance Audit Return 2016
3. Confidential auditors report (under separate cover)

SUMMARY

The 2016 Compliance Audit Return (CAR) has now been completed by an independent auditor and is presented to Council for adoption in accordance with the requirements set by the Department of Local Government and Communities.

It is recommended that Council:

1. Accept and receive the Compliance Audit Return 2016 summary report by Peyton Consultancy, as shown in Attachment 1 of this agenda item.

2. Council adopt the 2016 Compliance Audit Return as shown in Attachment 2 of this agenda item, to be signed by the Mayor and CEO and submitted to the Department of Local Government and Communities before 31 March 2017.

BACKGROUND

In accordance with the Act, each local government authority is required to carry out a compliance audit for the period 1 January to 31 December of each year as instructed by the department. The return consists of 87 questions relating to the local government’s compliance with the requirements of the Act and its Regulations, concentrating on areas of compliance considered “high risk”. Questions are generally asked in a positive phrase where a ‘yes’ response indicates compliance and a ‘no’ response indicates non-compliance. In some cases an ‘NA’ response may be recorded which indicates that the question did not apply to the City during the return period.

The audit and risk committee is required under section 14 (3A) of the Local Government (Audit) Regulations 1996 to review the compliance audit return and make recommendations to Council on any action required in response to the audit findings. The Council are required to adopt the CAR prior to the return being submitting to the department before the due date, 31 March 2017.

Last year the City engaged an independent consultant to undertake the 2015 CAR to ensure a transparent and a more rigorous assessment of the City’s compliance, and Peyton Consulting were appointed. In accordance with council decision of the last compliance return, the City undertook the same process to ensure improvements have been appropriately addressed and Peyton Consulting were again appointed as the independent consultant to undertake the 2016 CAR.
FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

In accordance with section 7.13 (i) of the Local Government Act 1995 and regulations 13, 14 and 15 of the Local Government (Audit) Regulations 1996, local governments are required to carry out an audit of compliance for the period 1 January to 31 December in each year. After carrying out the compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.

A compliance audit return is to be:

(a) Presented to the council at a meeting of the council;
(b) Adopted by the council; and
(c) Recorded in the minutes of the meeting of which it is adopted.

The return is to be signed by the Mayor and Chief Executive Officer and is to be submitted to the Executive Director of the Department of Local Government and Communities by 31 March next following the period to which the return relates.

CONSULTATION

In order to provide an appropriate response to each question, the auditor consulted with a variety of officer within the City seeking information and evidence in relation to the questions asked in the return.

OFFICER COMMENT

In response to the 87 questions presented in the CAR, the auditor has examined the City’s documents and records relevant to the questions in the return and recorded responses based on these findings. Three questions of non-compliance were recorded in the CAR, below outlines the details of the response to these questions;

<table>
<thead>
<tr>
<th>Question</th>
<th>Auditors findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disclosure of Interest (Q5) — Was a primary return lodged by all newly designated employees within three months of their start day?</td>
<td>One primary return was not submitted by a Designated Officer within three (3) months of the officer’s start date.</td>
</tr>
</tbody>
</table>

Officer response

The primary return that was not submitted within the required timeframe was due to an administrative error. A letter of appointment and primary return form was sent to the officer close to the due date and on receiving the appointment letter the officer requested that his designation be re-examined to determine if the position was correctly delegated. It was found that one of the delegations was an authorisation and the other delegation was designated correctly. Therefore the officer was required to complete the primary return and subsequently the return was submitted two months after of the return was
Tenders for providing goods and services (Q1) –

Did the local government invite tenders on all occasions (before entering into contracts for the supply of goods or services) where the consideration under the contract was, or was expected to be, worth more than the consideration stated in Regulation 11(1) of the Local Government (Functions & General) Regulations (Subject to Functions and General Regulation 11(2)).

There were three instances where repeat contracts were awarded via RFQ’s and the total consideration exceeded $150,000.

Officer response

The three instances of non-compliance were noted during the year and presented to the independent consultant undertaking the review of the CAR.

The City spent $382,442 with Perth Recruitment Services for temporary personnel at the depot. The breach was noted in June 16. No further expenditure was incurred with Perth Recruitment from this time. The mitigation strategy put in place was the use of the WALGA Temporary Personnel Panel which as per Regulation 11(2) makes expenditure with this Panel, tender exempt. The arrangement is on-going.

The City spent $248,022 with Horizon West on various contracts for the provision of landscaping services to the City. A landscaping maintenance tender (FCC483/16) is now in operation, and as a result there is no need to issue multiple scopes of work for landscaping services.

The City spent $311,124 with the Trustee for the G & N Italiano Family Trust for numerous scopes of work all related to the relocation of the Fremantle Men’s Shed. The project costs were underestimated for the amount of work required and multiple scopes of work for the project were issued.

The City has notified officers involved in the above areas of non-compliance and issued advice to ensure this does not occur again in the future. As part of the improvement process within purchasing, a report is presented to managers on a monthly basis informing the group of the purchasing levels for non-tender contractors. Managers of business units who use contractors that are reaching the tender threshold limits are notified prior to it occurring and appropriate options are discussed with them so as to ensure the City meets the requirements of the Act.

Local government employees (Q5) -

Did the CEO inform council of each proposal to employ or dismiss a designated senior employee. Section 5.37(2) of the Local Government Act 1995

No evidence available to establish that Council was informed in relation to two proposals during 2016 to employ a designated senior employee.
Officer response
Since the auditor's report was received by the City, officers found evidence of an information report that went to Council during the return period relating to the appointment of one of the senior employee positions which met the requirements of the Act however no evidence has been found for the second appointment. An email was sent to Elected Members informing them of the appointment of the senior employee however this format may not meet the requirements of the Act.

To ensure compliance in the future, an internal process will be put in place for the appointment of a senior employee to ensure a formal process is followed and the City meets the requirements of the Act.

As indicated above the City has recorded 3 non-compliance answers from a total of 87 questions which represents 96.5% compliance rating, which is above the required target of 95%. The City's compliance rate has improved by 1% compared to the previous return where the City achieved 95.4%. Two areas of non-compliance were from the same section as the previous year, however this year the City failed to comply with one question within the Local Government Employees section.

The City acknowledges that process and procedural improvement is required to reduce the risk and address the matters that have been raised during the audit process and will take the auditor's comments and recommendations into consideration when addressing the areas of non-compliance and other areas of legislative compliance that require improvement.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required
COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr D Coggin

That Council:

1. Accept and receive the Compliance Audit Return (2016) summary report by Peyton Consultancy, as shown in Attachment 1 of this agenda item.

2. Council adopt the 2016 Compliance Audit Return as shown in Attachment 2 of this agenda item, to be signed by the Mayor and CEO and submitted to the Department of Local Government and Communities before 31 March 2017.

CARRIED: 5/0

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AC1703-3  WRITE OFF OF BAD AND DOUBTFUL DEBTS FEBRUARY 2017

Meeting Date: 9 March 2017
Responsible Officer: Manager Business Support
Decision Making Authority: Council
Agenda Attachments: Debts for Write off February 2017 (Confidential under separate cover)

SUMMARY

This report recommends that council write off debts of $47,056 as they are considered unrecoverable. All outstanding debtors have been reviewed. A confidential attachment has been provided to the council with details of overdue debts that exceed a threshold value of $10,000 as at 30 September 2016. The city has exhausted all methods of communication with these debtors. Efforts of the collection agency have not resulted in the recovery of the debts.

BACKGROUND

Where credit is extended to debtors, some debts can become unrecoverable due to a variety of circumstances. Under the Local Government Act 1961 (section 6.12(1) (c)) a local government may write off any amount of money.

FINANCIAL IMPLICATIONS

The budget implications can be addressed in two parts:-

1. **Cost of Credit Management.** If an organisation does not have good credit management then it will have negative budgetary impacts as cash will not be collected for the sales of goods and services made. It should be noted that even with good credit management, bad debts can still be incurred, but they normally arise within an environment where the risk and reward factors have been balanced to try and achieve the best outcome for the organisation. It is a requirement for completing annual financial statements that any potential bad debts are provisioned for and that is a cost to the budget in the year in which the provision is made.

2. **Cost to Budget of Writing off Bad Debts.** Generally this is budget neutral as the city provisions for potential bad and unrecoverable debts and the city has been doing so for many years in accordance with accounting standards. As a consequence, approvals to write off bad debts will generally result in the cost being written back against the provision with no net impact to the current budget.

LEGAL IMPLICATIONS

Section 6.12 (1) (c) of the Local Government Act 1995 provides authority for the Council to write off outstanding monies.
CONSULTATION

The invoice detail is generated by the relevant service unit who manage the service and provide the detail of client(s) to be invoiced.

The Finance section generates the invoices from the information provided and sends out statements for outstanding accounts and maintains the Debtors Control Account. For most categories of debtors Finance also handles referral of debts to the debt collection agency.

OFFICER COMMENT

The confidential attachment provides additional comments against each debt. These comments have been provided by relevant service unit officers and finance officers who maintain the sundry debtors control account.

The values of debts listed are GST inclusive and if the debt is approved for write off any GST component is recoverable from the Australian Taxation Office.

Any rate debts listed relate to government land leased from the City of Fremantle where the city as the rating authority has no lien over the land concerned.

In instances where individuals have gone into bankruptcy or incorporated entities into liquidation, any future distribution that the city might receive from the liquidator will be credited to revenue at the time it is received. Any such distributions are only likely to be minor, as the debts are only submitted for approval to write off where it appears unlikely that any distribution will be received by the city.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr D Coggin

That Council:

1. Write off debts of $47,056 detailed below as they are considered unrecoverable:

<table>
<thead>
<tr>
<th>Reference Number</th>
<th>Debtor Name</th>
<th>Amount</th>
<th>Service</th>
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<tbody>
<tr>
<td>2092447</td>
<td>Anytime Fitness Fremantle</td>
<td>$147.51</td>
<td>Waste Management-2015/16</td>
</tr>
<tr>
<td>2092435</td>
<td>The Trustees for Aliment Unit Trust</td>
<td>$1,034.25</td>
<td>Waste Management-2015/16</td>
</tr>
</tbody>
</table>
### T/A Frisco’s Bistro & Grill

<table>
<thead>
<tr>
<th>2011007</th>
<th>The Ajrak Restaurant</th>
<th>$520.43</th>
<th>Waste Management-2015/16</th>
</tr>
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<tbody>
<tr>
<td>2010390</td>
<td>Umi Umi</td>
<td>$725.65</td>
<td>Waste Management-2016/17</td>
</tr>
<tr>
<td>2091083</td>
<td>Hazel Orme Kindergarten</td>
<td>$13,601.57</td>
<td>Commercial Property-2011/12 to 2016/17</td>
</tr>
<tr>
<td>2090126 and 2091019</td>
<td>Colin Edward Flack trading as Scoot Freo</td>
<td>$9,074.25</td>
<td>Commercial Property &amp; Marketing &amp; Economic Development -2011/12 to 2013/14</td>
</tr>
<tr>
<td>2091818</td>
<td>Suzanne Palmer</td>
<td>$19.00</td>
<td>Commercial Property-2016/17</td>
</tr>
<tr>
<td>2091935</td>
<td>Sumitra Truslove</td>
<td>$530.88</td>
<td>Commercial Property-2016/17</td>
</tr>
<tr>
<td>2090089</td>
<td>Skyside Holdings</td>
<td>$132.00</td>
<td>Commercial Property-2016/17</td>
</tr>
<tr>
<td>2090857</td>
<td>The Western Australian Aids Council</td>
<td>$5,121.38</td>
<td>Commercial Property-2013/14 to 2014/15</td>
</tr>
<tr>
<td></td>
<td>Various members</td>
<td>$3,299.54</td>
<td>Fremantle Leisure Centre 2014 - 2015</td>
</tr>
<tr>
<td></td>
<td>Various members</td>
<td>$43.70</td>
<td>Fremantle Leisure Centre Swimming School 2014 - 2015</td>
</tr>
<tr>
<td></td>
<td>Various members</td>
<td>$12,805.84</td>
<td>Fremantle Library 2010 - 2016</td>
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<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>$47,056.00</strong></td>
<td>**</td>
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**CARRIED: 5/0**

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AC1703-4 ADOPTION OF THE CITY OF FREMANTLE AND THE TOWN OF EAST FREMANTLE RECOVERY ARRANGEMENTS

Meeting Date: 9 March 2017
Responsible Officer: Director City Business
Decision Making Authority: Council
Agenda Attachments: Recovery Arrangements for the City and Town of East Fremantle

SUMMARY

In Western Australia all emergency events are dealt with by The Emergency Management Act 2005 (EM Act). More specifically section 41 (4) of the act prescribes to ensure that recovery arrangements are prepared and available. The recovery arrangements form one part of a suite of documents collectively referred to as the COF and TOEF emergency management arrangements.

This report recommends that Council adopts the City of Fremantle and Town of East Fremantle recovery arrangements as shown in attachment 1 of this report.

BACKGROUND

Local governments have a supporting role in emergency management. Emergency management means the management of the adverse effects of an emergency including:

a) Prevention - the mitigation or prevention of the probability of the occurrence of, and the potential adverse effects of, an emergency;

b) Preparedness - preparation for response to an emergency;

c) Response - the combating of the effects of an emergency, provision of emergency assistance for casualties, reduction of further damage, and help to speed recovery; and

d) Recovery - the support of emergency affected communities in the reconstruction and restoration of physical infrastructure, the environment and community, psychosocial and economic wellbeing;

A unified approach from the COF and TOEF in relation to recovery arrangements will provide both entities and their respective communities with a comprehensive, coordinated cost effective model which will enable both communities to recover from the effects of a man made or natural event.

Recovery is a partnership between the COF, TOEF, the affected community, the broader community, non- government agencies and the private sector. Recovery is a coordinated process of supporting the affected community in:

• the reconstruction of damaged physical infrastructure; and
• restoration of the community’s emotional, social, economic, psychosocial and physical wellbeing.

FINANCIAL IMPLICATIONS

The COF have taken into consideration the listed activities below to ensure they are prepared financially to undertake recovery activities should the need arise:

• Understanding and treating risks to the community through an appropriate risk management process;

• Ensuring assets are recorded, maintained and adequately insured;

• Apply section 6.8(1) (b) or (c) of the Local Government Act 1995. Under this section, expenditure not included in the annual budget can be authorised in advance by an absolute majority decision of the Council, or by the mayor in an emergency and then reported to the next ordinary meeting of the Council;

• Apply section 6.11(2) of the Local Government Act 1995 to utilise a cash reserve established for another purpose, subject to one month’s public notice being given of the use for another purpose. Local Government Financial Management Regulations 1996 – regulation 18(a) provides an exemption for giving local public notice to change the use of money in a reserve where the mayor has authorised expenditure in an emergency. This would still require a formal decision of the Council before money can be accessed.

• Apply section 6.20(2) of the Local Government Act 1995 to borrow funds, subject to one month’s local public notice of the proposal and exercising of the power to borrow by an absolute majority decision of the Council;

• Have knowledge of the types of assistance that may be available under the Western Australian Natural Disaster Relief and Recovery Arrangements (WANDRRA), and what may be required of local government in order to gain access to this potential assistance.

• Demonstrate knowledge of the process in accessing and managing cash flow requirements by making use of the option of submitting progressive claims for reimbursement from WANDRRA, and the Lord Mayor’s Distress Relief Fund

LEGAL IMPLICATIONS

Section 42 of the Emergency Management Act 2005 outlines the responsibilities for ensuring the arrangements are reviewed and amended as follows:

• contact lists are reviewed and updated quarterly;

• a review is conducted after training that exercises the arrangements;
• an entire review is undertaken every five (5) years, as risks might vary due to climate, environment and population changes; and

• circumstances may require more frequent reviews.

CONSULTATION
Nil

OFFICER COMMENT
Recovery activities will commence in conjunction with response. Recovery is a function that can continue for an extended period of time after response activities have concluded. It could be short term or long term, and its dependant on the severity of the emergency event.

Recovery is best achieved when the affected community is able to exercise a high level of resilience and self-determination. The COF and TOEF recovery arrangements assist the community in attaining a proper level of functioning as soon as practicable from the effects of a disaster.

VOTING AND OTHER SPECIAL REQUIREMENTS
Absolute Majority Required

COMMITTEE AND OFFICER’S RECOMMENDATION

MOVED: Cr D Coggin

That Council adopts the City of Fremantle and Town of East Fremantle recovery arrangements as shown in attachment 1 of the Audit and Risk Management Agenda of 15 March 2017.

CARRIED: 5/0

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MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
Nil.

REPORTS BY THE MAYOR OR OFFICERS OF COUNCIL
STATUTORY COUNCIL ITEMS
Nil.

COUNCIL ITEMS
C1703-1 BUDGET REVIEW - FEBRUARY 2017

Meeting Date: 22 March 2017
Responsible Officer: Director City Business
Decision Making Authority: Council
Agenda Attachments: Statement of Comprehensive Income
Statement of Financial Activity
Statement of Net Current Assets

SUMMARY

In accordance with the Local Government (Financial Management) Regulations 1996, Local Governments are required to undertake a budget review each year to ensure sound financial management.

A review of financial performance of the budget to 28 February 2017 has been completed and end of year forecasts have been prepared for all operating activities, operating projects and capital projects.

This presents the results of the Review for the period 1 July 2016 to 28 February 2017 and highlights significant positive and negative variations that require budget amendment.

This budget review forecasts:

- A municipal cash surplus of $0;
- An operating deficit of $3.873 million; and
- A reduction in capital works expenditure to $15.271 million.

This report recommends that Council adopt the review and the recommended budget amendments required to the 2016 - 2017 Budget as a result of the review.

To advertise the change of purpose for the Investment Reserve in line with the Kings Square Business Plan to allow the proceeds of the sale of property associated with the Kings Square redevelopment to be used for the project.
BACKGROUND

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires a local government to carry out a review of its annual budget between 1 January and 31 March each year.

The 2016/17 budget was adopted at a Special Meeting of Council held on 30 June 2016 with:

- A municipal cash surplus of $0; and
- An operating deficit of $2,816,122.

There are two reviews undertaken during the 2016/17 financial year.

The first review in November 2016 was to consider any errors or omissions as a consequence of introducing the new financial system and to refine the base operating budget. The review of financial performance of the budget to 31 October 2016 was adopted by Council on 23 November 2016 with:

- A municipal cash surplus of $0;
- An operating deficit of $3.526 million; and
- A reduction in capital works expenditure to $17.724 million

This mid-year budget review in March was conducted based on actual performance to 28 February 2017 for consideration by Council at the March 2017 Council meeting in accordance with regulatory requirements.

This report provides a review of the 2016/17 current budget (revised in November 2016) based on financial performance to the period ending 28 February 2017 and includes end of year forecasts for:

- Operating activities;
- Operating projects; and
- Capital projects.

This budget review forecasts:

- A municipal cash surplus of $0;
- An operating deficit of $3.873 million; and
- A reduction in capital works expenditure to $15.271 million.

COMMENT

Operating Surplus (Deficit)

The City’s operating deficit is forecast to increase from $3.526 million to $3.873 million an unfavourable variance of $0.347 million.

The variance is mainly due to a loss of parking and lease revenue of $315,000 and $85,000 respectively from Queensgate Car Park and Queensgate Complex as a result of the settlement of Queensgate building at the end of April 2017. This variance is partially offset by the increased interest income of $85,000 from the property sales. The loss of parking revenue will be funded from Parking Dividend Equalisation Reserve.
To ensure a smooth progress of Kings Square Redevelopment project, there is an additional operating expenditure of $145,000 related to Kings Square redevelopment projects submitted to Council for approval with this review.

The following comments are provided on material variances between the current budget and end of year forecasts. (Refer Attachment 1 - Statement of Comprehensive Income).

**Operating Income**

Rate income is forecast to increase from $42.509 million to $42.539 million, a favourable variance of $31,000 resulting mainly from:

- A favourable increase in interim rate income from $461,000 to $492,000.

Operating grant and contribution income is forecast to increase from $3.991 million to $4.112 million, a favourable variance of $121,000 resulting mainly from:

- An additional contribution of $25,000 for 100218 Conduct community safety patrols.
- An additional grant of $40,000 for Projects 11167 and 11168 to Provide traineeship opportunities.
- An additional grant of $39,305 for Project 10404 Prepare Northbank Foreshore stabilisation.
- An additional contribution of $19,500 for Project 100401 Street Art Festival.

Fees and charges income is forecast to decrease from $25.318 million to $23.940 million, an unfavourable variance of $1.377 million.

Property lease income is forecast to decrease from $3.311 million to $3.211 million an unfavourable variance of $100,000 resulting from:

- A loss of lease income of $81,817 from Queensgate from the anticipated settlement of Queensgate building as part of Kings Square Redevelopment.
- A reduction of lease income of $33,000 due to a vacancy in the Evan Davies Building.

Licence permit fee income is forecast to decrease from $1.360 million to $1.277 million an unfavourable variance of $83,000.

- The license permit income forecast was reduced by $80,000 and $30,000 respectively in 100500 Process Planning Application and 100490 Process Building Applications. There is a decline in major applications received to date and year end result is dependent on number and value of applications.

Parking fee income is forecast to decrease from $11.432 million to $10.696 million an unfavourable variance of $735,000:
• 100112 Operate Queensgate Car Park Fremantle: The net revenue forecast for Queensgate car park has been reduced by $282,000 as a result of selling Queensgate car park. The loss will be partially offset by the increase of investment income in May and June after the settlement of property sales.

• 100117 Operate Car Park 11 Esplanade Fremantle: The parking revenue forecast for Car park 11 was reduced by $74,000 mainly due to the partial closure of Carpark 11 in July for the Winter Garden.

• 100108 Operate on street paid parking has reduced the forecast by $37,000 due to the reduced income received during the December period.

• 100111 Operate Car Park 02 Marine Terrace Fremantle: The parking revenue forecast for Car park 02 has been reduced by $76,000.

• 100100 Operate Car Park 21 Marine Terrace Fremantle: The parking revenue forecast for Car park 21 has been reduced by $51,000.

• Most other City of Fremantle car parks are under performing against their YTD target (approximately $361,000) and consequently the revised forecast has been reduced to reflect this fall in income.

Fine penalty income is forecast to decrease from $2.136 million to $1.755 million an unfavourable variance of $381,000

• 100237 Issue Parking Infringement: The forecast for this activity was reduced from $2.05m to $1.694 million, an unfavourable variance of $355,000.

Admission and membership income was reduced from $3.393 million to $3.348 million, an unfavourable variance of $44,000.

• 100536 Conduct art centre special event: The fee income forecast is reduced by $36,000 due to the decline in numbers attending the events and a fall in merchandise sales.

• 100417 Conduct Bazaar Christmas markets: The income from this event is reduced by $7,000.

Animal registration fee income was reduced from $95,000 to $66,000, an unfavourable variance of $29,000.

• 100220 Process animal registration: The fee income was reduced by $29,000 due to less registrations received than the last financial year, which was a year for a registration for one year, three years or life time.

Hire rent income was reduced from $569,000 to $539,000, an unfavourable variance of $29,000.

• 100408 South Lawn Events have revised the forecasts down by $19,000 mainly due to the decline in numbers attending the events.
• 100420 Operate Fremantle Town Hall was forecast down by $10,000 due to the renovations to exterior building prohibiting hiring.

Merchandise income is forecast down by $23,000 from $1.081 million to $1.058 million mainly due to the reduction of income of $10,000 from Project 100414 Sunday music program and Project 100408 Conduct South lawn event respectively.

Interest earnings income is forecast to increase from $1.709 million to $1.786 million, a favourable variance of $76,000 resulting from:

• A $63,000 increase in cash investment interest revenue due to the two months interest income from the settlement of properties sales; and

• A $22,000 increase in rates penalty interest income;

Reimbursement income is forecast to decrease from $1.305 million to $1.141 million an unfavourable variance of $164,000 mainly resulting from the decreased income of $141,000 from Leasing at Queensgate Complex.

Other income is forecast to increase from $390,552 to $406,049, a favourable variance of $15,000 mainly resulting from the increased income of $22,000 from Project 100400 Conduct Fremantle festival.

Operating Expenditure

Employee costs are forecast to decrease from $37.863 million to $37.059 million, a favourable variance of $804,000 (including savings of $27,000 on agency labour).

• A $166,000 decrease is due to salary cost and oncost transferred to capital projects;
• A $267,000 decrease is from Engineering team;
• A $172,000 decrease is from Parking compliance team;
• A $77,000 decrease is from Strategic town planning management team;
• A $72,000 decrease is from Service and Information team;
• A $71,000 decrease is from Community Safety and Rangers team;

Materials and contracts expenditure is forecast to decrease from $26.570 million to $26.564 million, a favourable variance of $6,012 as a result of the new activities and increased expenditure on some of the existing activities being offset by the budget savings.

Utilities costs are forecast to increase from $2.198 million to $2.211 million an unfavourable variance of $13,620.

Insurance costs are forecast to decrease from $855,615 to $827,933 a favourable variance of $28,000 mainly due to savings of $19,000 for workers compensation.

Other expenditure is forecast to decrease from $3.482 million to $3.371 million, a favourable variance of $110,000 mainly due to the savings of $36,000 and $33,000 from reimbursement of elected members and sponsorship and donations by the mayor and councillors respectively.

Non-Operating Income and Expenditure
Non-operating grants are forecast to decrease from $3.954 million to $3.701 million, an unfavourable variance of $253,000 relating mainly due to:

- A reduction of $133,000 in forecast grants income for Cantonment Hill;
- A reduction of $100,000 in forecast grants income for Project 10171 Expand the CCTV network (the project was cancelled as a result of no funding from grants income);
- A reduction of $75,000 in forecast grants income for Project 10173 Connect CCTV cameras to the police monitoring room (the project was cancelled as a result of no funding from grants income);
- An additional income of $63,000 from Project 10250 Upgrade bike facilities at the intersection of Hampton Road and Wray Avenue.

Proceeds from the disposal of assets are forecast to decrease from $29.302 million to $22.652 million, a variance of $6.65 million resulting from the deferred settlement of sale of Spicer Site land. Profit on sale of assets is forecast to increase from $2.362 million to $5.712 million, a variance of $350,000.

Capital Expenditure

The City’s capital expenditure is forecast to decrease from $17.724 million to $15.271 million, a variance of $2.454 million. The following comments are provided on material project variances between the current budget and proposed amended budget.

Project 10259 Construct new Operations Centre 2 Jone Street – This project is deferred to with the forecast to decrease from $3 million to the YTD expenditure of $160,000, variance of $2.84 million. This is no impact on municipal surplus as it is funded from loan funds. As a result, Loan 302 for new operation centre will be deferred.

Project - 11061 Construct carpark on Stan Reilly site: Demolish the existing Stan Riley building (Project-11060) to enable the construction of a carpark, which will form part of commercial parking operations. Capital expenditure of $10,000 was scheduled in 2016/17 FY and the major work will start in 2017/18FY. There is no impact on municipal surplus as it is funded from parking reserves.

Project – 10768 Install new parking meters on Marine Terrace ($360,000): This project is subject to design investigation and feasibility and removed from this year’s budget and possibly combined with other capital projects on Marine Terrace in future years. There is no impact on municipal surplus as it is funded from parking reserves.

Project 10173 Connect CCTV cameras to the police monitoring room and Project 10171 Expand the CCTV network: Capital budget of $75,000 and $100,000 for these two projects respectively is removed from budget due to no funding received from grants income.

Project-10165 Construct new traffic calming measures: The City of Fremantle Traffic Calming Warrant System has indicated that these sites are a high priority and need traffic calming measures. The sites have issues of high speeds, high traffic volumes and there has been recorded traffic incidents. The budget is increased from $234,500 to
$309,500 by $75,000, which is funded from the cost savings from Project 10025 Update paths including South Terrace.

Project- 10591 Construct South Beach full basketball court: The forecast of this project is decreased from $200,000 to $167,000 with $33,000 deferred to 2017/18FY funded from cash in lieu.

Project- 10025 Upgrade paths including South Terrace: The forecast of this project is decreased from $150,000 to $81,000, a variance of $69,000 to be completed in 2017/18FY.

Project- 10329 Install structures –Cantonment Hill (Stage 1): The forecast of this project is decreased from $1.077 million to $0.943 million, a variance of $133,000 due to the delay of the project.

Additional Operating Projects

Funding for the following operating projects has been included in the proposed amended budget:

<table>
<thead>
<tr>
<th>Operating Projects</th>
<th>Income</th>
<th>Expenditure</th>
<th>Net Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project-11167 Provide traineeship opportunities - Community Development</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td>Project- 11168 Provide traineeship opportunities - Fremantle Leisure Centre</td>
<td>$20,000</td>
<td>$20,000</td>
<td>$0</td>
</tr>
<tr>
<td>Project - 11056 Implement OSH compliance Knutsford Street</td>
<td></td>
<td>$134,000</td>
<td>($134,000)</td>
</tr>
<tr>
<td>Project-11060 Demolish Stan Reilly (funded from reserves)</td>
<td></td>
<td>$53,490</td>
<td>$0</td>
</tr>
<tr>
<td>Project-10957 Design and run competition for Kings Square playground(Kings Square Redevelopment)</td>
<td>$20,000</td>
<td></td>
<td>($20,000)</td>
</tr>
<tr>
<td>Project-11606 Provide Rapid Response Call Centre</td>
<td>$3,600</td>
<td></td>
<td>($3,600)</td>
</tr>
<tr>
<td>Project - 11029 Increase base operating maintain median verge garden</td>
<td>$10,000</td>
<td></td>
<td>($10,000)</td>
</tr>
<tr>
<td>Project - 10404 Prepare Northbank Foreshore stabilisation option report</td>
<td>$39,305</td>
<td>$78,610</td>
<td>($31,390)</td>
</tr>
<tr>
<td>Project - 11598 Engage Sirona as project manager for Kings Square(Kings Square Redevelopment)</td>
<td>$25,000</td>
<td></td>
<td>($25,000)</td>
</tr>
</tbody>
</table>
### Operating Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Income</th>
<th>Expenditure</th>
<th>Net Budget</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reposition Kings Square trees (Kings Square Public Realm)</td>
<td>$40,000</td>
<td>($40,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grounds maintenance of Fremantle Oval from May 2017.</td>
<td>$32,000</td>
<td>($32,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocate Legal Centre from Queensgate to Paddy Troy Mall (Kings Square Redevelopment)</td>
<td>$60,000</td>
<td>($60,000)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Additional/Amended Capital Projects

Funding for the following capital projects has been included/amended in the proposed amended budget:

<table>
<thead>
<tr>
<th>Capital Projects</th>
<th>Income</th>
<th>Expenditure</th>
<th>Net Budget</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct carpark on Stan Reilly site (funded from reserve)</td>
<td>$10,000</td>
<td>$0</td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td>Construct new traffic calming measures 2016/17</td>
<td>$75,000</td>
<td>($75,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Install new parking meters on Marine Terrace (funded from reserve)</td>
<td>(360,000)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase additional CCTV equipment 2016/17</td>
<td>$50,000</td>
<td>($50,000)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocate Wireless network infrastructure Queensgate building (Kings Square Redevelopment funded from reserve)</td>
<td>$50,000</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relocate existing fibre network within the Kings Square (Kings Square Redevelopment funded from reserve)</td>
<td>$45,000</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fitout temporary accommodation at Fremantle Oval (Kings Square Redevelopment funded from reserve)</td>
<td>$95,000</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Capital Projects

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Description</th>
<th>Income</th>
<th>Expenditure</th>
<th>Net Budget Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>11602</td>
<td>Fitout temporary accommodation for Visitors Centre</td>
<td>$25,000</td>
<td>($25,000)</td>
<td></td>
</tr>
<tr>
<td>10038</td>
<td>Purchase PC's tablets printers and accessories</td>
<td>$28,000</td>
<td>($28,000)</td>
<td></td>
</tr>
<tr>
<td>10045</td>
<td>Purchase minor plant 2016/17</td>
<td>$30,000</td>
<td>($30,000)</td>
<td></td>
</tr>
<tr>
<td>10253</td>
<td>Refurbish Fremantle Boys School 92 Adelaide St (funded from grants income)</td>
<td>$43,000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>10250</td>
<td>Upgrade bike facilities at the intersection of Hampton Road and Wray Avenue (funded from grants income)</td>
<td>$63,000</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>10165</td>
<td>Construct new traffic calming measures</td>
<td>$75,000</td>
<td>($75,000)</td>
<td></td>
</tr>
<tr>
<td>10849</td>
<td>Upgrade intersection at Norfolk/Parry and South Terrace</td>
<td>$100,000</td>
<td>($100,000)</td>
<td></td>
</tr>
<tr>
<td>10296</td>
<td>Prepare detailed design for Council offices (Kings Square redevelopment funded from reserve)</td>
<td>$740,000</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

### Cash Backed Reserves

The cash backed reserve balance is forecast to decrease from $48,646,479 to $40,705,597, a variance of $7,940,882 resulting from:

- Transfer of $6.65 million to Investment reserve will be deferred to 2017/18FY due to the settlement of Spicer Site land in 17/18FY.
- Transfer of $915,000 from Investment Reserves to fund Kings Square Redevelopment project.
- Transfer of $300,000 from Parking Dividend Equalisation Reserves to fund the loss of parking revenue.
- A reduction of a transfer of $360,000 from Parking Dividend Equalisation Reserves due to the cancellation of Project 10768 Install new parking meters on Marine Terrace.
- Transfer of $53,490 from Stan Reilly Property Redevelopment Reserves to fund Project-11060 Demolish Stan Reilly.
- Transfer of $10,000 from Parking Dividend Equalisation Reserves to fund Project-11061 Construct carpark on Stan Reilly site.
- A reduction of a transfer of $87,000 from Cantonment Hill Master Plan Reserves due to the progress of Project 10992 Remediate cliffs around Naval Stores - Cantonment Hill.

Change of Investment Reserve Purpose for Kings Square Project

The Kings Square Business Plan highlighted the sale of three City properties as part of the redevelopment project. The proceeds from the sale are to be placed into the City’s Investment Reserve and then used for the implementation of the City funded parts of the redevelopment, along with the use of loan funds.

Until the announcement by state government late last year, the settlement for these properties was unconfirmed and no formal change to the purpose of the reserve had been sought. It was always considered that any change could wait until after settlement as the City project is not required to commence immediately.

The City is intending to commence the project soon to ensure that the City completes its redevelopment as close to the Sirona redevelopment as possible. To achieve this work the planning has already commenced and funds will be expended this financial year. Therefore the purpose of the reserve will need to be amended to allow funds to be drawn from the reserve to support project related expenditure.

FINANCIAL IMPLICATIONS

After taking into account the various positive and negative variances and Reserve Funds adjustments, the March Budget Review has identified a net budget variance of $0.

This budget review forecasts:

- A municipal cash surplus of $0 (no change from the original budget);
- An operating deficit of $3.873 million (an unfavourable variance of $0.347 million); and
- A reduction in capital works expenditure from $17,724 million to $15.271 million (a variance of $2.454 million)

LEGAL IMPLICATIONS

Regulation 33A of the Local Government (Financial Management) Regulations 1996 requires:

(1) Between 1 January and 31 March in each year a local government is to carry out a review of its annual budget for that year.
(2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the council.
(3) A council is to consider a review submitted to it and is to determine whether or not to adopt the review, any parts of the review or any recommendations made in the review.

Section 6.11 of the Local Government Act 1995 prescribes the way in which reserve funds are used or purpose changed. The Act prescribes that any change outside the budget setting process requires one month’s local public notice.
CONSULTATION

The Budget Review has been undertaken by Budget Responsible Officers and Managers/Team leaders of Business Units and reviewed by the Directors and Finance team. There is no external engagement in this process.

OFFICER COMMENT

This review has been undertaken to ensure that the proposed revised budget reflects current circumstances.

Forecasts prepared during this review will continue to be updated on a monthly basis and presented to Council in the monthly financial report. This will ensure that Council has relevant and timely financial information to make informed decisions.

The City of Fremantle’s cash position remains strong however there is an increase in operating deficit by $0.347 million as part of the budget review.

The purpose of the Investment Reserve be amended as follows:

“To realise and make investments in income producing assets and for the implementation of the Kings Square Project. A specified list of investment properties forms part of the investments. Funds will not be withdrawn from the reserve to subsidise operating or recurrent expenditure, nor shall funds be withdrawn for the purpose of providing community facilities that do not provide a commercial rate of return, unless specifically decided by council.”

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

OFFICER'S RECOMMENDATION

1. Council adopts the budget review for period ending 28 February, 2017, with the following variations being made to the statement of comprehensive income and financial activity statement current budget:-

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Forecast</th>
<th>Variance Forecast to Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening municipal cash surplus</td>
<td>2,135,104</td>
<td>1,663,832</td>
<td>1,663,832</td>
<td>0</td>
</tr>
<tr>
<td>(to adjust budgeted position at 30 June 2016)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General rates</td>
<td>42,347,813</td>
<td>42,508,819</td>
<td>42,539,677</td>
<td>30,858</td>
</tr>
<tr>
<td>Rates - Specified Area</td>
<td>138,951</td>
<td>139,429</td>
<td>139,756</td>
<td>327</td>
</tr>
</tbody>
</table>
Grants subsidies and contributions  | 3,810,300 | 3,990,679 | 4,112,145 | 121,466
--- | --- | --- | --- | ---
Fees and charges  | 25,525,100 | 25,317,972 | 23,940,579 | (1,377,213)
Interest earnings  | 1,834,045 | 1,709,206 | 1,785,798 | 76,592
Reimbursement income  | 1,322,950 | 1,305,107 | 1,141,425 | (163,682)
Other revenue  | 122,550 | 390,552 | 406,049 | 15,497
TOTAL OPERATING INCOME | **75,101,709** | **75,361,584** | **74,065,429** | (1,296,155)

Operating Expenses:

<table>
<thead>
<tr>
<th>Description</th>
<th>Original Budget</th>
<th>Revised Budget</th>
<th>Forecast</th>
<th>Variance Forecast to Revised Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee costs</td>
<td>(37,755,528)</td>
<td>(37,863,111)</td>
<td>(37,058,663)</td>
<td>804,448</td>
</tr>
<tr>
<td>Materials and contracts</td>
<td>(25,937,199)</td>
<td>(26,570,183)</td>
<td>(26,564,171)</td>
<td>6,012</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(685,000)</td>
<td>(684,204)</td>
<td>(670,065)</td>
<td>14,139</td>
</tr>
<tr>
<td>Utility expenses</td>
<td>(2,318,765)</td>
<td>(2,198,294)</td>
<td>(2,211,914)</td>
<td>(13,620)</td>
</tr>
<tr>
<td>Insurance expense</td>
<td>(753,470)</td>
<td>(855,615)</td>
<td>(827,933)</td>
<td>27,682</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(3,233,869)</td>
<td>(3,482,054)</td>
<td>(3,371,695)</td>
<td>110,359</td>
</tr>
</tbody>
</table>
TOTAL OPERATING EXPENDITURE (Excl. Depreciation) | (70,683,831) | (71,653,461) | (70,704,441) | 949,020 |

Capital Expenditure:

Capital expenditure  | (18,709,739) | (17,724,456) | (15,270,613) | 2,453,843
TOTAL CAPITAL EXPENDITURE  | (18,709,739) | (17,724,456) | (15,270,613) | 2,453,843

Capital Income and other revenue:

Capital grants and contributions  | 4,109,287 | 3,954,495 | 3,701,836 | (252,659) |
Proceeds from disposal of assets  | 31,852,000 | 29,302,000 | 22,652,000 | (6,650,000) |
Repayment of Debentures  | (1,571,238) | (1,571,238) | (1,571,238) | 0 |
Non - current rates debtors movement  | 0 | 25,734 | 31,635 | 5,901 |
Self - supporting loan principal income  | 54,168 | 55,000 | 54,168 | (832) |
Proceeds from new debentures  | 4,795,500 | 4,795,500 | 1,645,500 | (3,150,000) |
TOTAL CAPITAL INCOME AND OTHER REVENUE  | 39,239,717 | 36,561,491 | 26,513,901 | (10,047,590) |

Reserves fund transfer
2. To advertise the amendment in the purpose for the Investment Reserve in accordance with the Local Government Act, 1995 as below:

“To realise and make investments in income producing assets and for the implementation of the Kings Square Project. A specified list of investment properties forms part of the investments. Funds will not be withdrawn from the reserve to subsidise operating or recurrent expenditure, nor shall funds be withdrawn for the purpose of providing community facilities that do not provide a commercial rate of return, unless specifically decided by council.”

<table>
<thead>
<tr>
<th></th>
<th>Transfers to reserves</th>
<th>Transfers from reserves</th>
<th>NET FUNDS TRANSFERS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(33,570,760)</td>
<td>(30,290,760)</td>
<td>(23,640,760)</td>
</tr>
<tr>
<td></td>
<td>(33,570,760)</td>
<td>(30,290,760)</td>
<td>(23,640,760)</td>
</tr>
<tr>
<td>Transfers from reserves</td>
<td>6,487,800</td>
<td>6,081,770</td>
<td>7,372,652</td>
</tr>
<tr>
<td>NET FUNDS TRANSFERS</td>
<td>(27,082,960)</td>
<td>(24,208,990)</td>
<td>(16,268,108)</td>
</tr>
<tr>
<td>Movement in Closing</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Municipal Cash Surplus 30 June 2017</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
SUMMARY

This report provides an analysis of financial performance for February 2017 based on the following statements:

- Statement of Comprehensive Income;
- Statement of Financial Activity; and
- Statement of Financial Position.

An analysis of financial performance based on The Statement of Comprehensive Income (Attachment 1) shows an actual year to date operating surplus of $20,560,815 a favourable variance of $829,483 compared with the current budgeted surplus of $19,731,332.

The end of year forecast operating deficit of $3,873,012 is an unfavourable variance of $347,143 compared with the budgeted operating deficit of $3,525,869.

An analysis of financial performance based on The Statement of Financial Activity (Attachment 2) shows that the end of year forecast of a municipal cash surplus of $0 is no change from the current budget approved by council at October budget review.

The end of year forecast capital works expenditure of $15,270,613 is an unfavourable variance of $2,453,843 compared with the budgeted expenditure of $17,724,456.

An analysis of financial position based on Statement of Financial Position (Attachment 3) and Statement of Net Current Assets (Attachment 4) shows that the City held $50.10 million (excluding $304,452 held in trust) in cash and short term investments as at 28 February 2017, including $24.44 million in Reserves and $25.66 million in unrestricted cash.
The end of year forecast of cash and cash equivalents is $53.99 million, including $40.71 million in Reserves and $13.28 million in unrestricted cash.

The level of the City's unrestricted cash is continuing to decline on an annual basis.

BACKGROUND

The following comments are provided on the key elements of Council’s year to date financial performance as at 28 February 2017.

1. **Statement of Comprehensive Income (Attachment 1)**
   
   Actual Financial Performance to 28 February 2017
   
   - Actual operating income of $64.41 million is $769,040 less than the year-to-date budgeted income of $65.18 million (refer to explanation within the report).
   - Actual operating expenditure of $43.85 million is $1.60m less than the year-to-date budgeted expenditure of $45.45 million (refer to explanation within the report).
   - Actual operating surplus of $20.56 million is $829,494 more than the year-to-date budgeted operating surplus of $19.73 million (a favourable variance).

2. **Capital Works (The Statement of Financial Activity - Attachment 2)**
   
   - Actual capital works expenditure of $5.82 million (excluding committed expenditure) is $4.35 million less than the budgeted capital works expenditure of $10.17 million (an unfavourable variance).

COMMENT

Operating Income, Operating Expenditure and Capital Expenditure graphs provide a comparison of how actual income/expenditure compares to budget and actuals for the previous financial year. Comments are provided on each graph regarding the actual end of year financial position.
Operating Income (excluding profit on disposal of assets)

Note: Operating income includes: rates, service charges, operating grants, subsidies and contributions, reimbursement income, fees and charges, interest earnings and other revenue. Non-operating (Capital Grant) income has been excluded for operating income.

Actual operating income of $64.41 million is $769,040 less than the budgeted income of $65.18 million (an unfavourable variance).

Operating Expenditure (excluding loss on disposal of assets)

Note: Loss on sale of assets has been excluded from the Operating expenditure.
Actual operating expenditure of $43.85 million is $1.60 million less than the budgeted expenditure of $45.45 million (a favourable variance).

**Capital Expenditure**

The following graph highlights that capital expenditure is currently under budget (refer explanation within the report).

![Capital Expenditure Graph](image)

Actual capital expenditure of $5.82 million is $4.35 million less than the year-to-date budgeted expenditure of $10.17 million (an unfavourable variance).

**MAJOR VARIANCE ANALYSIS**

At its meeting on 31 June 2016 (Item SC1606-1 refers), Council adopted nature and type as the preferred reporting format with 10% and $25,000 threshold as the levels for explanation of variances.

The following is an explanation of significant Operating and Capital variances identified in the Statement of Comprehensive Income and Statement of Financial Activity:
Major Variance Items

<table>
<thead>
<tr>
<th>Operating Grants, Subsidies and Contributions</th>
<th>YTD Actual to Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Favourable variance of $294,292 is mainly due to the early receipt of the WA State Grant for the operation of Fremantle Arts Centre, $359,595. The favourable variance is temporary and receipt was forecast for later in the year.</td>
<td></td>
</tr>
<tr>
<td>Favourable $294,292 Over budget 10%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees and Charges</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial parking income is $424,204 under budget year to date. The fall in income is across all car parks in the City, main adverse variances relate to - on street paid parking, Queensgate, Beach Street, Marine Terrace and Esplanade.</td>
<td></td>
</tr>
<tr>
<td>Unfavourable $890,254 Under budget 5%</td>
<td></td>
</tr>
<tr>
<td>Income from the Parking Compliance team and other related penalty income streams are $300,302 under budget.</td>
<td></td>
</tr>
<tr>
<td>Development approvals for planning applications are $123,901 under budget.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reimbursement Income</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable outgoings at Queensgate are under budget by $91,151, partly offset by other tenant recoverables year to date</td>
<td></td>
</tr>
<tr>
<td>Unfavourable $82,861 Under budget $10%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capital Expenditure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure of $5.82 million is $4.35 million under the year to date budget of $10.17 million mainly due to delays in the following projects:</td>
<td></td>
</tr>
<tr>
<td>- Capital expenditure for Cantonment Hill Projects (Project 10329, Project 10330 and Project 10331,) is $1,638,563 under budget as the construction start date was delayed until February 2017.</td>
<td></td>
</tr>
<tr>
<td>- Capital expenditure of $121,335 for Project 10259 Construct New Operations Centre 2 Jones Street is $878,665 under the YTD budget of $1,000,000 due to the project being on hold.</td>
<td></td>
</tr>
<tr>
<td>- Capital expenditure of $1.87 million for Project 10508 Undertake external conservation works to Fremantle Town Hall Building is $282,065 under the YTD budget of $2.15 million due to the timing difference of payment to contractors.</td>
<td></td>
</tr>
<tr>
<td>- Capital expenditure of $0 for Project 100768 Install new parking meters on Marine Terrace is $360,000 under the YTD budget of $216,000 due to the project being rescheduled in 2017/18 financial year.</td>
<td></td>
</tr>
<tr>
<td>- Capital expenditure of $140,000 for Project 10056 Improve way finding and signage is $91,938 under the YTD budget of $239,493 due to the timing difference.</td>
<td></td>
</tr>
<tr>
<td>- Project 10849 Upgrade intersection at Norfolk Street is $144,474</td>
<td></td>
</tr>
<tr>
<td>Unfavourable $4.40m Under budget 42.8%</td>
<td></td>
</tr>
</tbody>
</table>
under spent YTD, excluding future commitments of $135,364 in anticipation of this work being completed in 2016/17.

- Project 10279 Installation of lights at Frank Gibson Park has yet to commence, $75,757 unfavourable variance.
- Project 10367 Design and construct gazebo at Davis Park is $50,000 underspent YTD, this project has incurred no expenditure YTD.
- Project 10253 Refurbish Fremantle Boys School is $193,378 under spent against a year to date budget of $237,000. This is expected to catch up by year end.
- Project 10028 Resurface Roads capital contract labour spend is $194,336 under spent year to date
- Project 10592 Esplanade Park bore replacement, $136,000 under spent, project has not yet started, contract is expected to be awarded in March 2017

There are other general underspends of approximately $600,000 across road, lighting and general building and facilities projects.

<table>
<thead>
<tr>
<th>Proceeds from Disposal of Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from disposal of assets of $148,771 are $101,977 over the YTD budget of $46,794 mainly due to the timing difference of disposal of vehicles. The profit/loss on sale of assets will be calculated and processed after the integration of financial assets register (TechOne) and assets management register (Assetic).</td>
</tr>
</tbody>
</table>
Cash Investments

The graph below summarises the maturity profile of the City's investments at market value as at 28 February 2017.

The chart below is showing the cash investments at the carbon support/non-support position financial institutions at 28 February 2017. There are $32.9M investments with financial institutions listed as not supporting unlocking of carbon, representing 66% of the total investments.

Counterparty Exposure


Forecast on Capital Expenditure

The full year forecast has been reviewed and updated for the latest revised budget submission. The detailed analysis has been provided in the March revised budget paper.
Purchase Card Expenditure Reports

February 2017 purchase card transaction reports will be provided at the next meeting.

FINANCIAL IMPLICATIONS

This report is provided to enable Council to assess how revenue and expenditure is tracking against the budget. It is also provided to identify any budget issues which Council should be informed of.

Year to date performance to the period ended 28 February 2017:

- A municipal cash surplus of $17.01 million (a favourable variance of $4.73 million);
- An operating surplus of $20.56 million (a favourable variance of $829,483); and
- A capital works expenditure of $5.81 million (an unfavourable variance of $4.35 million).

LEGAL IMPLICATIONS

Local Government (Financial Management) Regulation 34 requires a monthly financial activity statement along with explanation of any material variances to be prepared and presented to an ordinary meeting of council.

Under section 6.10 of the Local Government Act 1995 and Local Government (Financial Management) Regulation 12(1);

a) Council has delegated authority to the CEO under item 3.2, Accounts for Payment - Authorisation of, to make payments from the municipal fund and trust fund.

The lists of accounts paid are presented in accordance with Local Government (Financial Management) Regulations 13(1) and (3)

OFFICER COMMENT

This report is provided to Council to assess operational issues affecting the implementation of projects and activities in the 2016/17 adopted budget.

No direct impact but results year to date may highlight matters that have arisen or may need to be addressed in the future.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required
OFFICER’S RECOMMENDATION

That Council:


2. Receive the payments authorised under delegated authority and detailed in the list of invoices for February 2017, presented as per the summaries set out in the attached schedules and include creditors that have been paid in accordance with the Local Government (Financial Management) Regulations 1996.
ACCEPTANCE OF TENDER FCC484/16 NAVAL STORE – REAR CLIFF FACE SAFETY AND PROTECTION WORKS

ECM Reference: 39/073  
Author: Glen Dougall Director City Business

The CEO accepted a recommendation from the Major Procurement Approval Panel (MPAP) for Naval Store – Rear Cliff Face Safety and Protection Works to be awarded to Egan Civil for the lump sum of $79,480.00 ex Gst.

The MPAP is comprised of the Director City Business, the Director Community Development, the Director Infrastructure and Project Delivery and the Director Strategic Planning and Projects or their delegate (the delegate must be an operational manager not involved as a requestor or evaluator), and one operational manager or coordinator who is independent to the area from which the contract or tender relates.

OFFICER’S RECOMMENDATION

The information report for February 2017 be received.
C1703-4 ALLEGED ARTIFICIAL DISPLAY LIGHT POLLUTION FROM LOTS301 AND 771 NO: 52 QUEEN VICTORIA STREET, FREMANTLE

Meeting Date: 22 March 2017
Responsible Officer: Director City Business
Decision Making Authority: Council
Agenda Attachments:
1. Map showing the location of the alleged light pollution
2. Light Measurement Photos and Panoramic View from residence balcony.

SUMMARY

The City has received a complaint from a resident at 57 Beach Street Fremantle in relation to light spill from Lots 301 and 771 No 52 Queen Victoria Street, Fremantle. The car yard located on the site has several flood lights which overspill light into the rear neighbouring residential apartments at 57 Beach Street Fremantle and in the opinion of City officers create a nuisance between the hours of 7PM to 10PM. Light lux level readings confirmed that the levels exceed those as recommended by Australian Standard (AS 4282-1997). After 10PM several of the display lights are switched off by an automatic timer, and whilst the light intensity levels are less intrusive they still however exceed those as recommended in AS 4282-1997.

The owners have been requested to adjust and or modify the lights by way of shrouding to reduce the adverse impact the light overspill is having on neighbouring residential properties, however to date has declined to do so.

Section 3.25 Schedule 3.1 Division 1 (13) of the Local Government Act provides Council with the power to issue a notice that requires an owner or occupier of land to
Take specific measures to prevent —
(a) artificial light being emitted from the land; or
(b) natural or artificial light being reflected from something on the land, creating a nuisance

This report recommends that Council:
Serve a Local Government Act notice on the owners of Lots 301 and 771 No 52 Queen Victoria Street, Fremantle to comply with the above.

BACKGROUND

In August 2016 a concerned resident from 57 Beach Street, Fremantle notified the City of evening and night light overspill from the owners at Lots 301 and 771 No 52 Queen Victoria Street, Fremantle creating a nuisance to residents living at the rear. Further to an inspection by City officers it was confirmed that artificial display lights and security lights from the business were spilling into the residential balconies and various rooms at 57 Beach Street, Fremantle.
In August 2016 a City officer advised the business of the light spill concerns and also carried out a site visit of the affected residents’ apartment. Attachments 1 and 2 highlights the affected areas and light pollution intensity.

In early September 2016 the City wrote to the owners requesting the light intensity levels be reduced to lessen the impact on neighbouring residential properties. In response the owners advised that lamp attachment points had been adjusted to face downwards to address the residents concern. On 20 September 2016, a City officer reinspected the complainant’s property and observed that no visible change had occurred inside the most impacted apartment as seen in Attachment 2.

Various site visits and discussions have been held regarding this issue however the complaint remains unresolved to date. Follow up site visits to the resident’s apartment and use of a lux meter determined the light spill levels exceed those recommended in AS4282 as seen in Attachments 2 and 3. At the time of writing this report the owners have been issued two warning letters with limited response and no offer to practically resolve the matter.

FINANCIAL IMPLICATIONS

It is estimated Solicitors costs for legal advice and drafting of the local government Act notice will be up to approximately $3,000

LEGAL IMPLICATIONS

S.3.25 and Schedule 3.1 of the Local Government Act provides the City with the authority to issue a notice and require the landowner to take specific measures to prevent artificial light from being emitted from land and creating a nuisance. If a notice to this effect is served and not complied with then a breach of the Act would occur and legal action could be pursued.

The Local Government Act 1995, and its subsidiary regulations do not reference Australian Standard AS4282 – 1997 “Control of obtrusive effects of outdoor lighting”. This document and the light levels referenced in it are not “enforceable levels” but can be used as a guide when assessing light complaints.

The Local Government Act does not define “Nuisance”, however as a guide the Health Act 1911 generally requires a nuisance to be “offensive or injurious or dangerous to Health.

CONSULTATION

Nil

OFFICER COMMENT

It is the opinion of officers that the lights from the car yard are creating a nuisance. The lights are very bright and shine directly on the apartments. When looking south from the residences balcony the intensity is such that a person’s night vision is adversely affected
and the ability to enjoy the use of the southern balcony is reduced. On this basis it is considered that the service of a formal notice under the Act is reasonable.

The measured artificial light pollution levels can be reduced from 36 lux between the hours of ‘sun set’ and ‘sun rise’, typically 7PM and 7AM, to a level at or below the light lux level of 25 as recommended in AS4282. This can be achieved by adjusting the relevant lamp fixtures parallel to the horizontal plane of the ground in the vehicle display yard. This will result in a significant reduction of the overall light intensity in the residential apartments and resolve residents concern.

Alternatively, the owners can adjust the timer device settings for the artificial vehicle display lights to turn off at 8PM and only retain the security lights on from 8PM. The business does not trade after 6PM on six out of seven days each week and ceases trade at 9PM on Wednesday evenings.

**VOTING AND OTHER SPECIAL REQUIREMENTS**

Simple Majority Required

**OFFICER’S RECOMMENDATION**

That Council:

Serve notice on owners of Lots 301 and 771 No 52 Queen Victoria Street, Fremantle, under section 3.25 of the Local Government Act 1995 to comply with Schedule 3.1, Division 1, Clause 13 in relation to light overspill creating a nuisance by:

Adjusting the angle of the lights and/or modifying the lights with shrouds such that the light filament and lenses are no longer directed towards the neighbouring residential properties to reduce light overspill to levels to that Australia Standard AS4282-1997 recommends within 28 days of the date of the Notice.

Alternatively the notice may be satisfied by the owners:

Engaging a qualified lighting consultant to prepare a report identifying measures that can be implemented to reduce light overspill to levels that Australian Standard AS4282-1997 recommends and implementing these measures within 28 days of these being agreed by the Chief Executive Officer.
CONFIDENTIAL MATTERS

FPOL1703-11 CONFIDENTIAL REPORT - PROPOSED LAND ACQUISITION - ELDER PLACE

Meeting Date: 8 March 2017
Responsible Officer: Director Strategic Planning and Projects
Decision Making Authority: Council
Agenda Attachments: Nil

REASON FOR CONFIDENTIALITY

This report is CONFIDENTIAL in accordance with Section 5.23(2) of the Local Government Act 1995 which permits the meeting to be closed to the public for business relating to the following:

(e) a matter that if disclosed, would reveal -
   (ii) information that has a commercial value to a person; or
SUMMARY GUIDE TO CITIZEN PARTICIPATION AND CONSULTATION

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

Effective community engagement 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.

<table>
<thead>
<tr>
<th>How consultative processes work at the City of Fremantle</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The City’s decision makers</strong></td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td><strong>Various participation opportunities</strong></td>
</tr>
<tr>
<td>2. The City provides opportunities for participation in the decision-making process by citizens via its council appointed working groups, its community precinct system, and targeted community engagement processes in relation to specific issues or decisions.</td>
</tr>
<tr>
<td><strong>Objective processes also used</strong></td>
</tr>
<tr>
<td>3. The City also seeks to understand the needs and views of the community via scientific and objective processes such as its bi-ennial community survey.</td>
</tr>
<tr>
<td><strong>All decisions are made by Council or the CEO</strong></td>
</tr>
<tr>
<td>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).</td>
</tr>
<tr>
<td><strong>Precinct focus is primarily local, but also city-wide</strong></td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td><strong>All input is of equal value</strong></td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td><strong>Decisions will not necessarily reflect the majority view received</strong></td>
</tr>
<tr>
<td>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 clearly outline from the outset any constraints or limitations associated with the issue.</td>
</tr>
<tr>
<td>How consultative processes work at the City of Fremantle</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td><strong>Decisions made for the overall good of Fremantle</strong></td>
</tr>
<tr>
<td><strong>Diversity of view on most issues</strong></td>
</tr>
<tr>
<td><strong>City officers must be impartial</strong></td>
</tr>
<tr>
<td><strong>City officers must follow policy and procedures</strong></td>
</tr>
<tr>
<td><strong>Community engagement processes have cut-off dates that will be adhered to.</strong></td>
</tr>
</tbody>
</table>
## How consultative processes work at the City of Fremantle

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Citizens need to check for any changes to decision making arrangements made</td>
<td>13. The City will take initial responsibility 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 the City’s website, checking the Fremantle News in the Fremantle Gazette or inquiring at the Customer Service Centre by phone, email or in-person.</td>
</tr>
<tr>
<td>Citizens are entitled to know how their input has been assessed</td>
<td>14. In reporting to decision-makers, City officers will in all cases produce a community engagement outcomes report that summarises comment and recommends whether it should be taken on board, with reasons.</td>
</tr>
<tr>
<td>Reasons for decisions must be transparent</td>
<td>15. Decision-makers must provide the reasons for their decisions.</td>
</tr>
<tr>
<td>Decisions posted on the City’s website</td>
<td>16. Decisions of the City need to be transparent and 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 the City’s website under ‘community engagement’ or at the City Library or Service and Information Centre.</td>
</tr>
</tbody>
</table>
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.