



Agenda

Ordinary Meeting of Council

Wednesday, 22 July 2020, 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 July 2020** in the North Fremantle Community Hall, located at 2 Thompson Road, North Fremantle commencing at 6.00 pm.



Philip St John
Chief Executive Officer

17 July 2020

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CITY OF FREMANTLE

Ordinary Meeting of Council

Agenda

1. Official opening, welcome and acknowledgement

We acknowledge the Whadjuk people as the traditional owners of the greater Fremantle/Walyalup area and we recognise that their cultural and heritage beliefs are still important today.

2. Attendance, apologies and leaves of absence

There are no previously received apologies or approved leave of absence.

3. Applications for leave of absence

_____ requests a leave of absence from _____ to _____ inclusive.

4. Disclosures of interest by members

Elected members must disclose any interests that may affect their decision-making. They may do this in a written notice given to the CEO; or at the meeting.

5. Responses to previous public questions taken on notice

Mr Mark Woodcock submitted questions in writing, relating to item SC2007-2 on the Agenda, at the Special Meeting of Council held on 8 July 2020. Mr Woodcock will be provided a response to his questions in writing, and a summary of that response will also be made available on the City's website.

6. Public question time

Members of the public have the opportunity to ask a question or make a statement at council and committee meetings during public question time.

Further guidance on public question time can be viewed [here](#), or upon entering the meeting.

7. Petitions

Petitions to be presented to council.

Petitions may be tabled at the meeting with agreement of the presiding member.

8. Deputations

8.1 Special deputations

A special deputation may be made to the meeting in accordance with the City of Fremantle Meeting Procedures Policy 2018.

There are no special deputation requests.

8.2 Presentations

Elected members and members of the public may make presentations to the meeting in accordance with the City of Fremantle Meeting Procedures Policy 2018.

9. Confirmation of minutes

OFFICER'S RECOMMENDATION

Council confirm the minutes of the Ordinary Meeting of Council dated 24 June 2020.

OFFICER'S RECOMMENDATION

Council confirm the minutes of the Special Meeting of Council dated 8 July 2020.

10. Elected member communication

Elected members may ask questions or make personal explanations on matters not included on the agenda.

11. Reports and recommendations from committees

11.1 Planning Committee 1 July 2020

Nil

11.2 Finance, Policy, Operations and Legislation Committee 8 July 2020

FPOL2007-3 CONSIDERATION OF A MOTION CARRIED AT THE ANNUAL GENERAL MEETING OF ELECTORS MEETING REGARDING THE WALYALUP CIVIC CENTRE

Meeting date:	22 July 2020
Responsible officer:	Director Community Development
Decision making authority:	Council
Agenda attachments:	Nil
Additional information:	Nil

SUMMARY

This report considers a motion moved at the Annual General Meeting of Electors (AGME) on 9 March 2020.

This report recommends that Council receives the information in this Report as a response to all matters raised, noting that no further action is proposed.

BACKGROUND

The City of Fremantle held its 2019 Annual General Meeting of Electors on 9 March 2020 and nine motions were carried at the meeting.

At the Ordinary Meeting of Council held on 15 April 2020, it was resolved that a report on each motion would be brought back to Council individually for consideration by no later than July 2020. This report considers the following motion:

That Council engage the community regarding details of the final fit out and facilities for the new civic building (recently named Walyalup without community consultation)

The new civic building has been promoted in council documents as a 'cultural centre' and the Fremantle Society seeks, among other things:

- a) That the number of books intended for the new library be greater than the previous one in William Street.
- b) That the Local History Library be at least as well-resourced as the previous one, with the reinstatement of the second local history librarian dispensed with last year.
- c) That adequate permanent displays feature in the new building to showcase Fremantle's history, and the gifts given to Council over the years, for example by the Fremantle family.
- d) That there be adequate exhibition space to display, for example, part of the extensive Fremantle Art Collection.

FINANCIAL IMPLICATIONS

There are no financial implications to this report.

LEGAL IMPLICATIONS

There are no legal implications to this report.

CONSULTATION

There has been no consultation undertaken as a direct response to the specific issues raised at the AGME. See officer comment below regarding the extensive consultation surrounding the Kings Square project.

OFFICER COMMENT

The following paragraphs provide responses to the various issues raised in this particular motion passed at the AGME 2019, on 9 March 2020:

“That Council engage the community regarding details of the final fit out and facilities for the new civic building (recently named Walyalup without community consultation)”

COMMENT:

The Council has consulted extensively with the community over many years regarding the development of the new civic building and Kings Square, including:

- Kings Square Business Case;
- Urban Design Strategy for Kings Square;
- Architectural competition for New Civic Building;
- Public realm Concept Plan;
- Children’s Playscape;
- Fig Tree removal.

The design of the building – including all details of the final fit out and facilities – is documented, tendered, procured and in the stage of delivery. Revisiting these detailed elements as part of a new community engagement process would generate contractual (and financial) risks that should be avoided at this late stage of the process. It is also worth noting that since the Council consulted with the community over the key decisions around project design and finances it has engaged a highly skilled professional team of designers – led by Kerry Hill Architects – to deliver on the detail. This team is comprised of specialised consultants who bring an appropriate level of expertise to the project to ensure that all the final details of this complex building are coordinated and integrated whilst retaining the overall architectural design intent.

“The new civic building has been promoted in council documents as a ‘cultural centre’ and the Fremantle Society seeks, among other things:

- a) **That the number of books intended for the new library be greater than the previous one in William Street.”**

COMMENT:

The library currently has 27,000 items which is a reduction from the collection housed at William Street because the opportunity was taken to systematically weed the collection for items with no borrowing history, were in poor /damaged condition or significantly dated to ensure the library collection was current, relevant and in good condition before moving to the temporary location at Fremantle Oval. A stocktake also took place and collection size was further adjusted for lost or missing stock.

The intention in the short term is to progressively increase the collection size through both budget allocation and negotiations with the State Library of Western Australia to supplement the state funding allocation to the City of Fremantle. In the longer term, the collection size will continue to be revised and adjusted subject to budget and council policy, as well as usage trends locally, nationally and internationally. Currently we anticipate the collection will be in the order of 35,000 items when we open the new building.

It should be noted that the smaller collection size is also a strategic approach to ensure that the library is not 'just about books on shelves' but the equally essential role of providing a community space that is safe and welcoming; bringing people together and facilitating literacy, learning and 21st century skills so they can grow, learn and succeed at school life and work. Therefore, complementing the traditional collection, are meeting spaces, multipurpose areas, children's and work zones, private study, reading and activity areas, all of which reflect the diverse reasons why people that visit and need public libraries.

Further supporting this contemporary approach to library service delivery, there is also an increased focus on digital collections services with the library having free access to 82,000 + digital items (books, magazines, movies, music and audiobooks). The uptake of digital services is gradually increasing, and this was particularly noticeable through Covid-19 when usage increased dramatically (e.g. magazines by 235%, audiobooks by 20% and films by 50%).

The vision for the new building is to deliver a vital social hub for the community that supports and celebrates social interaction as well as empowers individuals and communities through access to information, technology, lifelong learning and cultural and leisure opportunities.

- b) That the Local History Library be at least as well-resourced as the previous one, with the reinstatement of the second local history librarian dispensed with last year.**

COMMENT:

The new library will house a larger local history centre dedicated to customer service, local history books, microfilm and other materials. The space will be 18% larger than in the previous library because staff work areas are no longer part of this footprint allowing more space for services and stock. The new local history centre will also have a specialised climate-controlled storage area in an environmentally monitored space.

The new Local History Centre will include digital microfilm reader/printers and a large screen where digitised materials such as photographs and maps can be displayed for the enjoyment and use of the community. There will also be a large work area where customers can sit and read or undertake research using our materials. Our local history librarian as well as the library customer service team will continue to provide support for local history enquiries and research.

The Kings Square library, inclusive of the Local History Centre will be an important new piece of community infrastructure providing a space for people to meet, socially interact and participate in community life as well as explore the local history, literacy and learning resources provided. Ongoing monitoring of customer service needs and responses will be part of commissioning and operating the new building and may result in fine-tuning and adjustments to resourcing.

- c) That adequate permanent displays feature in the new building to showcase Fremantle's history, and the gifts given to Council over the years, for example by the Fremantle family.**

COMMENT:

All the gift and historical materials are currently in storage. The City intends to develop a Civic Collection Policy to detail procedures and standards by which the collection is managed. This will determine where and how items will be publicly displayed

- d) That there be adequate exhibition space to display, for example, part of the extensive Fremantle Art Collection.**

COMMENT:

There are some limited spaces to display the City's art collection. Over a period of time we are intending to provide some exhibition display panels/plinths to further provide opportunity for displays and small exhibitions. Digital opportunities for interactive displays will also be explored.

The Fremantle Arts Centre will continue to be the primary exhibitor of the Collection with its dedicated gallery and program of Collection Exhibitions.

It is also interesting to note that the entire Fremantle Art Collection will be available digitally in the near future through an innovative project called Collections WA. This will be an online portal, launched later this year, resulting from a collaboration between Australian Museums and Galleries Association (AMaGA), Lotterywest, WA Museums, and Department of Local Government, Sport and Cultural Industries (DLGSC).

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

COMMITTEE RECOMMENDATION ITEM FPOL2007-3

(Officer's recommendation)

Moved: Cr Jenny Archibald

Seconded: Cr Geoff Graham

Council acknowledges and considers the motion passed at the Annual General Meeting of Electors on 9 March 2020 regarding the new civic building and receives the information in this report as a full and final response to matters raised.

Carried: 6/0

**Mayor Brad Pettitt, Cr Geoff Graham, Cr Jenny Archibald,
Cr Andrew Sullivan, Cr Bryn Jones, Cr Sam Wainwright**

**FPOL2007-4 CONSIDERATION OF A MOTION CARRIED AT THE ANNUAL
GENERAL MEETING OF ELECTORS MEETING REGARDING KINGS
SQUARE**

Meeting date: 8 July 2020
Responsible officer: Director City Business
Decision making authority: Council
Agenda attachments: Nil
Additional information: Nil

SUMMARY

This report considers a motion moved at the Annual General Meeting of Electors on 9 March 2020 which recommended that:

“It is proposed that the City of Fremantle engage the Auditor General to conduct a Post Investment Review of the construction of the new Civic Administration building in Kings Square, and provide a public report as to whether it has been implemented in accordance with the approved 2012 Kings Square Business Case, and whether the \$50 million project investment has been in the best interest of Fremantle ratepayers.

The report should highlight any differences between the 2012 Business Case, as approved by Council, with particular focus on the following:

- *Has the total cost of the Admin building been constrained to the cost stated in the 2012 Business Case, including all cost associated with the projects dating back to the approval of the Business Case by Council in early 2013?*
- *Has the City of Fremantle been successful in delivering on its financial risk management strategy, where it clearly stated that all cost over-runs would be managed via a fixed price contract for the building construction, where the contractor would be liable for cost overruns – not the City of Fremantle?*
- *Was the Admin building funded via Project Financing, as clearly stated in the 2012 Business Case, whereby the project would not require funds to be drawn from the City’s other sources of financing. In other words, was any debt associated with the project ring-fenced to the project itself rather than putting an additional debt burden on Fremantle ratepayers?”*

It is recommended that Council receives the information in this report as a response to the matter raised, noting that no further action is proposed.

BACKGROUND

The City of Fremantle held its Annual General Meeting of Electors on 9 March 2020 and nine motions were carried at the meeting.

At the Ordinary Meeting of Council held on 15 April 2020 it was resolved that a report on each motion would be brought back to Council individually for consideration by no later than July 2020.

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

Local Government Act 1995;

“5.33. Decisions made at electors’ meetings

- (1) All decisions made at an electors’ meeting are to be considered at the next ordinary council meeting or, if that is not practicable —
 - (a) at the first ordinary council meeting after that meeting; or*
 - (b) at a special meeting called for that purpose,*whichever happens first.*
- (2) If at a meeting of the council a local government makes a decision in response to a decision made at an electors’ meeting, the reasons for the decision are to be recorded in the minutes of the council meeting.”*

CONSULTATION

Nil.

OFFICER COMMENT

The City of Fremantle adopted the Kings Square Business Plan at a special meeting of council held on 11 February, 2013.

The motion adopted at the Annual Electors meeting held on 9 March, 2020, forwarded questions in relation to the adopted Business Plan. These questions and answers are provided below;

It is proposed that the City of Fremantle engage the Auditor General to conduct a Post Investment Review of the construction of the new Civic Administration building in Kings Square, and provide a public report as to whether it has been implemented in accordance with the approved 2012 Kings Square Business Case, and whether the \$50 million project investment has been in the best interest of Fremantle ratepayers.

The report should highlight any differences between the 2012 Business Case, as approved by Council, with particular focus on the following:

- Has the total cost of the Admin building been constrained to the cost stated in the 2012 Business Case, including all cost associated with the projects dating back to the approval of the Business Case by Council in early 2013?*

Comment:

The Kings Square Business Plan was prepared for Council and publically advertised in the second half of 2012 and adopted by Council in February, 2013. The Plan provided the following costs for the construction of the new civic building;

Civic Centre and Library	\$16,779,883
Administration	<u>\$27,564,642</u>
TOTAL	<u>\$44,344,525</u>

These costs included demolition, base build and fit-out.

When budgeting for these works in subsequent years the City applied the Consumer Price Index (Perth) increases to the figures used in the original Plan. These were applied as follows;

Year	Perth CPI	Budget
2014/15	3.3%	\$45,807,894
2015/16	1.2%	\$46,357,589
2016/17	0.5%	\$46,589,377
2017/18	0.7%	\$46,915,502

In late 2017 the City awarded a contract for the demolition of the former civic building and in late 2018 awarded a contract for the construction of the new civic, library and administration building and more recently a contract for additional furniture not contained in the construction contract. These amounts were for;

Demolition	\$ 2,383,743
Civic, Library, Administration	\$43,461,128
Additional Fitout/Furniture* \$	<u>661,000</u>
TOTAL	<u>\$46,505,871</u>

*(Not included in construction contract).

- ***Has the City of Fremantle been successful in delivering on its financial risk management strategy, where it clearly stated that all cost over-runs would be managed via a fixed price contract for the building construction, where the contractor would be liable for cost overruns – not the City of Fremantle?***

Comment:

The current cost of construction plus any variations are within the current contract with Pindan and within the contingency allowance approved by council when awarding the contract.

- ***Was the Admin building funded via Project Financing, as clearly stated in the 2012 Business Case, whereby the project would not require funds to be drawn from the City's other sources of financing. In other words, was any debt associated with the project ring-fenced to the project itself rather than putting an additional debt burden on Fremantle ratepayers?***

Comment:

The project has been funded through reserve funds generated from the sale of property and debt funding as described in the Plan as below;

Reserves	\$29,550,000
Loan	<u>\$20,000,000</u>
TOTAL	<u>\$49,550,000</u>

The resolution from the Annual Electors Meeting seeks consideration of an audit by the Office of the Auditor General (OAG) for a post investment review of the construction to consider whether it has been undertaken in accordance with the original business plan. The figures from the Plan and the actuals provided within this report provide a simple and straight-forward analysis of this. Also, as part of a change to the Local Government Act and Audit provisions in 2017, the AOG currently audit the City each financial year. Undertaking a separate audit outside of this annual process may not be necessary.

The resolution also requests that the audit consider whether the investment has been made in the best interest of Fremantle ratepayers. It is not considered that this particular matter is capable of being audited. The Business Plan process is itself designed for this purpose and is a public process for the purpose of public input. An audit of this could only consider whether the business plan process complied with the requirements of the Act in considering relevant aspects of the proposal against the interest for ratepayers.

It is recommended that based on the information provided within this report, Council note the resolution from the Annual Electors meeting from March 2020 and not take any further action.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority

COMMITTEE RECOMMENDATION ITEM FPOL2007-4
(Officer's recommendation)

Moved: Cr Jenny Archibald

Seconded: Mayor, Brad Pettitt

Council acknowledges and considers the motion passed at the Annual General Meeting of Electors on 9 March 2020 regarding the post investment review of the construction of the new Civic Administration building in Kings Square and receives the information in this report as a full and final response to matters raised.

Carried: 6/0

**Mayor Brad Pettitt, Cr Geoff Graham, Cr Jenny Archibald,
Cr Andrew Sullivan, Cr Bryn Jones, Cr Sam Wainwright**

11.3 Strategic Planning and Transport Committee 15 July 2020**SPT2007-1 REVIEW OF LOCAL PLANNING POLICY 2.21 - R60 DEVELOPMENT UNDER CLAUSE 4.3.5 OF LPS4**

Meeting Date:	15 July 2020
Responsible Officer:	Manager Strategic Planning
Decision Making Authority:	Committee
Agenda Attachments:	Revised Local Planning Policy 2.21 (Draft)
Additional Information:	Current Local Planning Policy 2.21

SUMMARY

State Planning Policy 7 – Design of the Built Environment and State Planning Policy 7.3 – Residential Design Codes Volume 2 – Apartments were gazetted in May 2019. The Residential Design Codes (R-Codes) provide the assessment framework for residential development across Western Australia.

In anticipation of gazettal of these new policies, Council resolved upon a series of steps to bring the City's local planning framework into line with them. Immediate updates to local planning policies were undertaken as an initial step, including a minor update to Local Planning Policy 2.21 - R60 Development under Clause 4.2.5 of LPS4 (LPP2.21). A more comprehensive review of LPP 2.21 was, however, noted as necessary to take into account the very different performance based assessment approach introduced by the new R-Codes Volume 2. The purpose of this report is to consider the outcomes of this review, and recommend changes to the policy to bring it into line with the new Codes.

LPP2.21 provides guidance on the assessment of development involving a density bonus under the City's Local Planning Scheme (LPS4 or the scheme) clause 4.2.5.

Clause 4.2.5 of the scheme states that residential density in the Local Centre, Neighbourhood Centre and Mixed Use zones may be increased up to R60, where:

1. residential development is part of a mixed use development; and
2. the proposal is not detrimental to the amenity of the area.

The policy sought to provide guidance on how impact on the amenity of the area was assessed by the City, including specification of a number of assessment criteria for this.

With the introduction of the new R-Codes Volume 2, many of these criteria (or similar ones) apply to all new apartment and mixed use development. This report recommends amendments to the policy to reduce duplication, overlap and inconsistency, and to clarify the relationship of the policy to the new Codes. Consultation on the revised policy is recommended to occur in accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015* and Council's Local Planning Policy 1.3.

BACKGROUND

Residential density codes are statutory planning controls which relate to the density (number of dwellings or floor space per hectare) at which residential development may occur within a given area. As well as controlling the number / density of dwellings permissible on a site, different development standards (relating to building height, setbacks and the like) apply to each coding, as prescribed by the Residential Design Codes ('R-Codes'). The R-Codes apply across the state.

Clause 4.2.3 of the City's Local Planning Scheme No. 4 (LPS4 or Scheme) defines the density codes which apply to land within its boundaries. The density codings vary from area to area. In general, Residential, Local/Neighbourhood Centre and Mixed Use zones outside of the city centre have densities of R20, R25, R30 or R35.

Clause 4.2.5 of the Scheme states that notwithstanding the requirements of Clause 4.2.3, residential density in the Local Centre, Neighbourhood Centre and Mixed Use zones may be increased up to R60, where:

1. Residential development is part of a mixed use* development
*'Mixed use development' is defined by the scheme as meaning development proposing at least 25% Gross Lettable Area of residential development and 25% Gross Lettable Area of commercial development.
2. In the opinion of Council the proposal is not detrimental to the amenity of the area.

Clause 4.2.5 was included in the scheme in order to encourage greater diversity and density of development in areas with good access to shops, services and transport, as usually applies within Mixed Use and Centre zones. The clause seeks to accommodate inclusion of a mixing of land uses on sites in order to both increase the residential presence within commercial areas, and to maintain high levels of activity at street level (via mandatory inclusion of non-residential uses) while balancing this change against the existing amenity of an area.

In June 2018 Council adopted LPP2.21 to guide the exercise of discretion under clause 4.2.5, including guidance on the amenity considerations in order to allow consistent assessment of proposals and communication of expectations to all stakeholders and promote better built form and community outcomes. In adopting the policy, it was noted that the gazettal of the then-draft Apartment Codes might make much of the policy superfluous; however the absence of any clear timeframe for the gazettal of the new Codes and a preceding series of challenging development applications using clause 4.2.5 prompted adoption of the policy as an interim measure.

The policy recognises that mixed use zones and local/neighbourhood centres have potential to accommodate higher density and intensity, but within which new development should acknowledge and be respectful of existing / traditional development as part of a responsible evolution. In the absence of centre-specific policies and plans, the policy seeks to provide generic guidance on how this is managed.

The policy is underpinned by the key principles that:

1. The base density and its associated standards apply unless no detrimental impact on the area can be demonstrated;

2. A number of key criteria can be used to assess the impact on amenity including:
 - a. Streetscape
 - b. Heritage character
 - c. Neighbour amenity
 - d. Traffic and safety
 - e. Trees and vegetation
 - f. Quality of the built environment.
3. Amenity impacts extend beyond that of the immediate adjoining neighbours;
4. An increase in plot ratio (floorspace area) above the 'deemed to comply' standards for R60 will not be supported as this introduces a 'bonus on a bonus' not possible or anticipated when the scheme provision was introduced.

A copy of the current policy is provided as Additional Information 1.

To assist in application of the policy and clarity, specific requirements include:

- A Deep Planting Zone - a minimum size of 12% of the development site area.
- Restrictions in the extent to which outdoor living areas are reduced.
- Fully screened balconies will not be supported; a minimum of 25% of the perimeter of each balcony must remain unscreened.
- Fully internalised habitable rooms will not be supported. Every habitable room is to have a window in an external wall with a total minimum glass area of not less than 10% of the floor area of the room. Daylight is not to be borrowed from other rooms.
- Where adjoining properties enjoy multiple living areas, highest priority should be placed on maintaining light and privacy to the primary living areas (namely any existing screened courtyard or outdoor living area, and living room areas).

LPP2.21 was adopted prior to the gazettal of State Planning Policy 7 – Design of the Built Environment and State Planning Policy 7.3 – Residential Design Codes Volume 2 - Apartments in May 2019. These State Planning Policies acknowledge the growing importance of good design in the built environment, especially in regard to multiple dwellings, and establishes the framework to define the desired design quality outcomes for new planning proposals via 10 overarching criteria.

The new State Planning Policy 7.3 Residential Design Codes Volume 2 - Apartments ('SPP7.3', 'the Apartment Code' or 'the R-Codes V2') split the previous Residential Design Codes into two volumes. Volume 1 planning provisions generally relate to Single House and Grouped Dwelling (unit / townhouse) development. Volume 2 provides new design based assessment guidance and controls for Multiple Dwellings (apartments) including mixed use development in areas coded R40 or higher.

Upon gazettal of these new state planning policies, Council resolved upon a series of steps to bring the City's planning framework into line with the new policies (refer Item SPT1905-4, May 2019). Immediate updates to local planning policy were undertaken as an initial step, including a minor modification to Local Planning Policy 2.21 to update references to the R-Codes however fuller review of LPP2.21 to align the policy with SPP7 was acknowledged as necessary.

The purpose of this report is to complete a more thorough review of LPP2.21 to bring it into line with the new state planning policies.

Maintenance of the City's planning framework assists it to deliver a number of objectives in the Strategic Community Plan including to provide high quality urban and suburban environments, and *"delivering services ... through good governance.. responsible management and excellence in delivery"*.

It also contributes to the state planning reform objectives of simplifying and increasing consistency in planning approaches, and Council's resolution of 26 February 2020 in relation to the Scheme Review Report which specified on-going policy review for the purpose of rationalising the policy framework (SPT2002-4)

OFFICER COMMENT

The new Apartment Code takes a much more sophisticated, performance based approach to development assessment than that applicable under volume 1 of the R-Codes. Most of the assessment principles specified by Local Planning Policy 2.21 are reflected in the Apartment Code, allowing context-responsive assessment of these aspects (rather than 'deemed to comply'). Amongst many others, these include (most pertinently):

1. Setbacks from the street which reinforce and / or complement the existing or proposed landscape character of the street;
2. A clear transition between public and private realm;
3. Maximising retention of existing trees, and improvement of tree canopy;
4. Street facing development retains and enhances the amenity and safety of the adjoining public domain including the provision of shade;
5. Minimising direct overlooking of habitable rooms and private outdoor living areas of neighbouring properties;
6. Mixed use development enhances the streetscape and activates the street;
7. A safe and secure living environment for residents is maintained through the design and management of the impacts of non-residential uses such as noise, light, odour, traffic and waste;
8. Waste storage facilities minimise negative impacts on the streetscape and amenity of residents;
9. Utilities are located to minimise noise or air quality impacts on habitable rooms and balconies and are visually unobtrusive from the street or open space within the development;

Removal of the duplication / overlap now occurring due to the inclusion of similar provisions in the current version of LPP 2.21 is consequently recommended.

In addition, many of the specific standards of LPP 2.21 are now addressed in the Apartment Code including:

1. Inclusion of a requirement for a site context assessment for all applications;
2. Preclusion of internalised bedrooms;
3. Specification of deep planting / soils zone;
4. Restrictions on balcony screening;

Removal of these from the policy and utilisation of the Apartment Code requirements is consequently also recommended. There are a few minor variations between the LPP requirements and the Apartment Code provisions (such as a 10% rather than a 12% deep planting zone) however such variations are relatively minor. Utilisation of the Apartment Code provisions, except where major variation exists, is recommended in the interests of consistency and simplicity.

Privacy and overshadowing controls are performance-based but guidance on potentially acceptable outcomes is provided which aligns with that applicable to lower density codes where it affects a lot coded at a lower density.

The Apartment Code also introduces assessment of a series of aspects not covered in the previous R-Codes, as follows:

- Within site building separation
- Opportunity for development incentives for community benefit
- Pedestrian access and entries
- Natural ventilation
- Size and layout of buildings
- Dwelling mix
- Universal design
- Roof design
- Mixed use
- Energy efficiency
- Water management and conservation
- Waste management

Key aspects of the local planning policy recommended for retention are:

1. Clarification of relationship of scheme and policy provisions to R-Code provisions (including the fact that R60 density is not 'as of right');
2. Confirmation of the application of Volume 2 of the Codes to all Mixed Use development assessment involving a bonus to R40 or higher (given the potential for uncertainty over its application in low density areas);
3. Confirmation of the key elements in relation to which impact on amenity will be considered;
4. A statement indicating that plot ratio in excess of the default Table 2.1 Primary Controls of the R-Codes will not be supported because this involves an increase well beyond that anticipated when the scheme provision was introduced. In exceptional circumstances, Council could vary this requirement (varying its own policy) however inclusion of the statement is recommended to confirm the general expectation for this form of development and deal with a common source of confusion / debate;
5. Retention of the side and rear setbacks applicable to the base density code of the lot for any part of the building adjoining a lot zoned and developed at this or a lower density code (unless negligible adverse impact can be demonstrated);
6. Retention of a statement confirming that the front setbacks will be assessed taking into account adjoining buildings (potentially requiring a setback in excess of the minimum 2m stated in Table 2.1 as the default).

In considering the revised policy, other questions come into play such as the circumstances in which Council might wish to more proactively support higher density (as part of a staged transition), versus the instances where the surrounding context requires a more conservative approach. As was noted in the previous report on this policy, where Council wishes to proactively pursue increases in density, upcoding would be more appropriate than utilisation of this clause: this has already been pursued in centre nodes along the South Street transit corridor as an example.

The question of whether inclusion of a mix of uses is required in all circumstances has also been raised on a number of occasions.

These aspects and the intent and application of the Mixed Use zone have been identified for review in the Local Planning Scheme Review Report as part of the staged approach to scheme review (refer item SPT 2002-4). As the policy cannot contradict scheme provisions (but simply aid in the application of discretion), the above matters are better considered as part of the scheme review process (potentially involving amendment to the scheme). The purpose of this report is to consider the application of Clause 4.2.5 as it currently applies and the guidance provided by LPP 2.21 on this, to ensure effective assessment of any development applications lodged in the near future prior to the broader consideration of matters through the scheme review process.

A revised policy reflecting the proposed approach is provided at Attachment 1. If endorsed, consultation on the revision would be required in accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015* and Council's Local Planning Policy 1.3 Public Notification of Planning Proposals.

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

The City is required by the *Planning and Development Act 2005* to review its planning scheme (and associated planning instruments) periodically, and pay 'due regard' to state planning policies.

The process for adopting and amending local planning policies is specified in the *Planning and Development (Local Planning Schemes) Regulations 2015*.

CONSULTATION

The amendments recommended by this report to local planning policy 2.21 to maintain alignment with new State Planning Policy 7.3 are considered more than minor. Consequently consultation is required under the provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* and Local Planning Policy 1.3 Public Notification of Planning Proposals.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

That Council endorse the revised draft 'Local Planning Policy 2.21 – R60 Development under clause 4.2.5 of LPS4' provided in Attachment 1 for the purposes of advertising in accordance with the procedures set out in clause 4 of the Deemed Provisions in Schedule 2 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.

COMMITTEE RECOMMENDATION SPT2007-1 **(Alternative recommendation)**

Moved: Cr Su Groome

Seconded: Cr Sam Wainwright

Council:

- 1. In accordance with Schedule 2, Part 2, Clause 6 of the Planning & Development (Local Planning Schemes) Regulations 2015:**
 - a. Revoke '*Local Planning Policy 2.21 – R60 Development under clause 4.2.5 of LPS4*'; and**
 - b. Place a notice in the local newspaper advising of the revocations.**

Amendment carried: 7/0

**Mayor Brad Pettitt, Cr Sam Wainwright, Cr Adin Lang,
Cr Marija Vujcic, Cr Su Groome, Cr Bryn Jones, Cr Geoff Graham**

Reason for change

Most of the policy provisions are now covered by the performance based assessment process and Element Objectives of Volume 2 of the Residential Design Codes. Volume 2 of the Codes can be used to guide assessment of the acceptability of amenity impacts of proposals under Clause 4.2.5 of the scheme, and provide for more contextually appropriate design responses. Deletion of the policy and reliance on Volume 2 of the R-Codes would also simplify the City's planning framework.

**SPT2007-2 REVIEW AND REVOCATION OF LOCAL PLANNING POLICIES LPP2.1
– EXTERNAL STORAGE AREAS FOR GROUPED DWELLINGS AND
LPP2.12 – PLANNING APPLICATIONS IMPACTING ON VERGE
INFRASTRUCTURE AND VERGE TREES**

Meeting Date:	15 July 2020
Responsible Officer:	Manager Strategic Planning
Decision Making Authority:	Council
Agenda Attachments:	1. LPP 2.1 – External Storage Areas for Grouped Dwellings 2. LPP 2.12 - Planning Applications Impacting on Verge Infrastructure and Verge Trees
Additional Information:	Nil

SUMMARY

As part of the ongoing review of the City’s local planning policy manual, two policies have been identified as superfluous. These policies relate to external storage rooms for single houses and grouped dwellings (LPP 2.1), as well as planning applications which impact upon verge infrastructure (LPP 2.12).

LPP 2.1 is considered to be unnecessary as it only lightly elaborates on provisions which are already provided in the Residential Design Codes (R-Codes). LPP 2.12 details provisions and procedures which have since been superseded by newer City of Fremantle processes and standards. This report discusses these policies in further detail and recommends that they be revoked.

BACKGROUND

On 26 February 2020, Council considered a report on the status of the City’s local planning scheme. This identified (amongst other things) that the City currently has close to 100 local planning policies which cover numerous matters relating to planning and development of land within the Fremantle municipality. A number are quite dated. The scheme review report concluded that the City’s planning scheme is satisfactory in its existing form, but should be maintained based on an agreed program of projects including “*periodic / recurrent / ongoing policy review for the purpose of rationalising the policy framework*” (SPT2002-4). In addition to maintaining a robust and up to date policy framework, this recommendation responds to the State Government’s planning reform agenda which promotes a planning system that is more contemporary and easy to navigate, and more streamlined and consistent.

As part of a staged review of local planning policies, officers have identified two policies which serve little current purpose and so are recommended for revocation.

OFFICER COMMENT

Local Planning Policy 2.1 - External Storage Areas for Grouped Dwellings

This policy was first adopted by Council in 2007 and outlines when the City will waive the requirement to provide an external store room for grouped dwelling developments.

Volume 1 of the R-Codes include a 'deemed to comply' requirement for all new grouped dwellings to be provided with a store room external to the dwelling, with a minimum area of 4sqm. The 'deemed to comply' requirement represents one way to meet the 'design principle' which only requires external location of storeroom areas subject to these being convenient, screened and able to be secured and managed.

In some cases, the City has opted to waive this requirement where a store area is provided within the garage of the dwelling or where there is adequate extra space within the outdoor living area of the site to provide a store room (e.g. shed) in the future, should the householder require one. This approach also applies when a subdivision proposes a new grouped dwelling lot(s), when the City will waive the requirement to provide a store room on site at subdivision clearance stage where there is appropriate space within the created lots.

This policy essentially provides a position statement on how the City will interpret the applicable 'design principles' of the R-Codes when assessing the requirement for a store room. Whilst still relevant, the policy outlines only two of the circumstances in which the design principle requirement of the Codes will be deemed to be met, and reflects an interpretation which is now so common as to represent a default approach. The policy therefore provides little value and is consequently rarely referenced. Its deletion is consequently recommended.

Local Planning Policy 2.12 – Planning Applications Impacting on Verge Infrastructure and Verge Trees

This policy was adopted by Council in 2010 and relates to development applications which involve works in a Council verge area or road reserve (typically installation of a crossover).

The policy expands on the R-code requirements and includes minimum required clearances from driveways to verge trees, power poles, bus shelters and other verge infrastructure. The policy also outlines a process by which the City will consider applications that propose to remove or modify established verge infrastructure, including street trees.

This policy has effectively been superseded by newer policies and procedures (including the updated Crossover Policy and manual from 2018, and the Street and Reserve Tree policy) which are administered by the City's Infrastructure Services section. These outline in detail how proposals for new crossovers and street tree removal will be considered, clearance requirements, and how the impacts of development proposals on city infrastructure (such as drainage pits) will be managed. Development applications are referred to the Infrastructure team for review ensuring coordination of these matters. The policy is consequently recommended for revocation.

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

The *Planning & Development (Local Planning Schemes) Regulations 2015* include 'deemed provisions' which relate to preparing and revoking local planning policies. In order to revoke the above-mentioned policies, the City is required to publish a notice in the local newspaper. A recommendation is included to this effect.

CONSULTATION

Aside from giving notice as above, there is no requirement to consult on the revocation of a local planning policy under the *Planning & Development (Local Planning Schemes) Regulations 2015* or the City's *Local Planning Policy 1.3: Public Notice of Planning Proposals*.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

COMMITTEE RECOMMENDATION ITEM SPT2007-2 **(Officer's recommendation)**

Moved: Cr Sam Wainwright

Seconded: Cr Su Groome

Council:

1. In accordance with Schedule 2, Part 2, Clause 6 of the *Planning & Development (Local Planning Schemes) Regulations 2015*:
 - a. Revoke *Local Planning Policy 2.1 - External Storage Areas for Grouped Dwellings* as provided in Attachment 1;
 - b. Revoke *Local Planning Policy 2.12 – Planning Applications Impacting on Verge Infrastructure and Verge Trees* as provided in Attachment 2; and
 - c. Place a notice in the local newspaper advising of the revocations.

Carried: 7/0

Mayor Brad Pettitt, Cr Sam Wainwright, Cr Adin Lang,
Cr Marija Vujcic, Cr Su Groome, Cr Bryn Jones, Cr Geoff Graham

SPT2007-3 CLIMATE CHANGE ADAPTATION PLAN –UPDATE

Meeting Date:	15 July 2020
Responsible Officer:	Manager Strategic Planning
Decision Making Authority:	Council
Agenda Attachments:	1 - Climate Change Adaptation Plan – Summary Update Report
Additional Information:	1 – Climate Change Adaptation Plan 2012

SUMMARY

Council adopted the Climate Change Adaptation Plan in 2013. Since then, many of its recommendations have been advanced, and more detailed plans and strategies developed. The purpose of this report is to provide an update on the plan and confirm actions still to be undertaken.

The report recommends that Council note the progress made on the plan to date and endorse a series of next steps on those action items as yet incomplete.

BACKGROUND

In March 2013, Council adopted the Climate Change Adaptation Plan (CCAP) - provided as Additional Information 1 (refer Item SCS1303-1). This document sets out corporate, community and advocacy and communications actions which address the following key aspects of climate change:

- Sea level rise
- Increased temperatures
- Decreased rainfall
- Increased storm intensity

As its title suggests, the Plan primarily focusses on addressing the consequences of climate change, not efforts to reduce it (which are separately addressed in other strategic documents).

A review of progress on actions was undertaken in 2016 at which time a number of initiatives were underway including preparation of the following studies:

- Cockburn Sound Coastal Vulnerability and Flexible Adaptation Pathways Project Stage 3 Report - Coastal Adaptation Plan (GHD 2016) (CSCV&FAPP)
- Our Coastal Future - Port, Leighton and Mosman Beaches - Coastal Adaptation Plan (GHD) (PLM – CHRMAP)
- South Fremantle Coast Coastal Adaptation Plan (GHD June 2016)
- Water Conservation Strategy.

These studies (since completed) recommend a number of more detailed actions many of which have also now been completed or are in progress.

Since adoption of the plan, the Council has also completed:

- Urban Forest Plan 2017
- Various reviews of sustainable building standards and policies

- Various submissions on state government policies and proposals, and advocacy on this issue generally.

The purpose of this report is to provide an update on actions under the Climate Change Adaptation Plan, and to recommend next steps on outstanding actions.

Pursuit of responses to climate change is consistent with the Strategic Community Plan goal related to Environmental Responsibility which promotes development of *“environmentally sustainable solutions modelled on the principles of the One Planet Fremantle Strategy for the benefit of current and future generations”*

A number of Outcomes and Objectives detailed under this section of the Strategic Community Plan directly align with the recommendations of the CCAP.

OFFICER COMMENT

A review of progress on actions under the Climate Change Adaptation Plan was undertaken in 2016 and a further review undertaken in 2019, leading to this report. The status and opportunities for further action against each are outlined in Attachment 1. In summary, this shows that:

1. Sea Level Rise: The City has completed hazard assessments and adaption plans for both its northern and southern beaches. Staged implementation and ongoing monitoring of the coast is required. Some adaption works are likely to be very costly and require partnership with the state. Staged implementation of the adaption plans is being pursued based on urgency. Land use planning responses for those areas identified as at risk has been identified as a priority piece of work in the recently endorsed Local Planning Scheme Review Report (currently pending approval by the Western Australian Planning Commission).
2. Increased temperature: Most actions have been partially implemented, though with potential for further progress in:
 - a. Installation of additional drinking fountains (to be guided by the Recreation Plan and associated policy).
 - b. Advocacy for improvements to planning and building construction standards.
 - c. Increasing tree canopy to mitigate against heat island effect (in accordance with the Urban Forest Plan).
3. Decreased rainfall: This issue is largely addressed in the Water Conservation Strategy. This itself is under review and has found that reduction in water use has presented a challenge, particularly because of the high capital cost of water reduction initiatives. There are opportunities to continue to pursue reticulation system upgrades to reduce water use (a key element of the Water Conservation Strategy). The City has also introduced planning requirements to secure provision of rainwater tanks for greater resilience (e.g. through the Freo Alternative small housing planning scheme and policy provisions).
4. Increased storm intensity: Insurance and emergency response plans are in place to respond to potential increase in frequency and intensity of storms. Construction standards are reviewed periodically. Review of drainage capacity and potential upgrade requirements (and opportunities to increase ground water recharge) is planned, subject to budget availability.

Notwithstanding the progress made, further action on a number of items is still required. Retention of the plan with the review matrix providing an addendum update (see attachment 1) is consequently recommended.

In addition to these activities, the following initiatives contribute to the City's broader response to climate change, rather than adaptation specifically:

1. One Planet Strategy and associated action plans. Initiatives developed under this include:
 - Introduction of sustainability criteria in Purchasing Policy
 - Establishment of a Sustainable Events Policy
 - Implementation of a divestment policy
2. Urban Forest Plan (and target increase in urban canopy)
3. Corporate Energy Plan (and target of 100% renewable power use by 2025)
4. Water Conservation Strategy (and water reduction targets)
5. Integrated Transport Strategy (and associated reduction on private vehicle dependence)
6. Waste management and reduction initiatives (including FOGO)
7. Various planning and urban design initiatives which seek to facilitate more both sustainable urban form and more sustainable buildings
8. Ongoing advocacy and awareness raising.

Review of the One Planet Strategy and associated targets has also been scheduled given its impending expiry. This provides an opportunity for its further integration into the Strategic Planning Framework (endorsed by Council in April 2018) and will be subject to a separate report later this year.

FINANCIAL IMPLICATIONS

The financial implications of the proposed actions will need to be assessed for inclusion in future budgets as part of the City's corporate planning and prioritisation processes.

LEGAL IMPLICATIONS

Nil

CONSULTATION

Nil

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

COMMITTEE RECOMMENDATION ITEM SPT2007-3
(Officer's recommendation)

Moved: Cr Sam Wainwright

Seconded: Mayor, Brad Pettitt

Council:

- 1. Note the status update on the 2012 Climate Change Adaptation Plan outlined in Attachment 1.**
- 2. Endorse the Next Steps proposed to the 2012 Climate Change Adaptation Plan as outlined in Attachment 1, and append this to the 2012 Plan as an update.**

Carried: 7/0

**Mayor Brad Pettitt, Cr Sam Wainwright, Cr Adin Lang,
Cr Marija Vujcic, Cr Su Groome, Cr Bryn Jones, Cr Geoff Graham**

SPT2007-4 PERTH-FREMANTLE TRANSIT RESERVE AGREEMENT

Meeting date:	15 July 2020
Responsible officer:	Manager Strategic Planning
Decision making authority:	Council
Agenda attachments:	1. Perth-Fremantle Transit Reserve Agreement (Draft - June 2020)
Additional information:	Nil

SUMMARY

A voluntary agreement between the Public Transport Authority, Main Roads WA and western suburbs councils was entered into in 2008 outlining a commitment to work together to enhance the appearance and community amenity of the Perth to Fremantle Transit Reserve (subject to this not interfering with its primary function to accommodate rail services). The Agreement has expired and parties are arranging renewal. Because the corridor runs through Fremantle, the City has been approached regarding its interest in becoming a party to the renewed agreement. The purpose of this report is to consider the updated agreement and determine whether the City wishes to become a party to it.

This report recommends that Council approves the City of Fremantle being a party to the voluntary agreement.

BACKGROUND

Following development of the Western Suburbs Greening Plan in 2002, western suburbs councils entered into a voluntary agreement with the Public Transport Authority (PTA) and Main Roads WA to advance opportunities identified in the Plan for 'greening' the Perth to Fremantle rail corridor. The agreement:

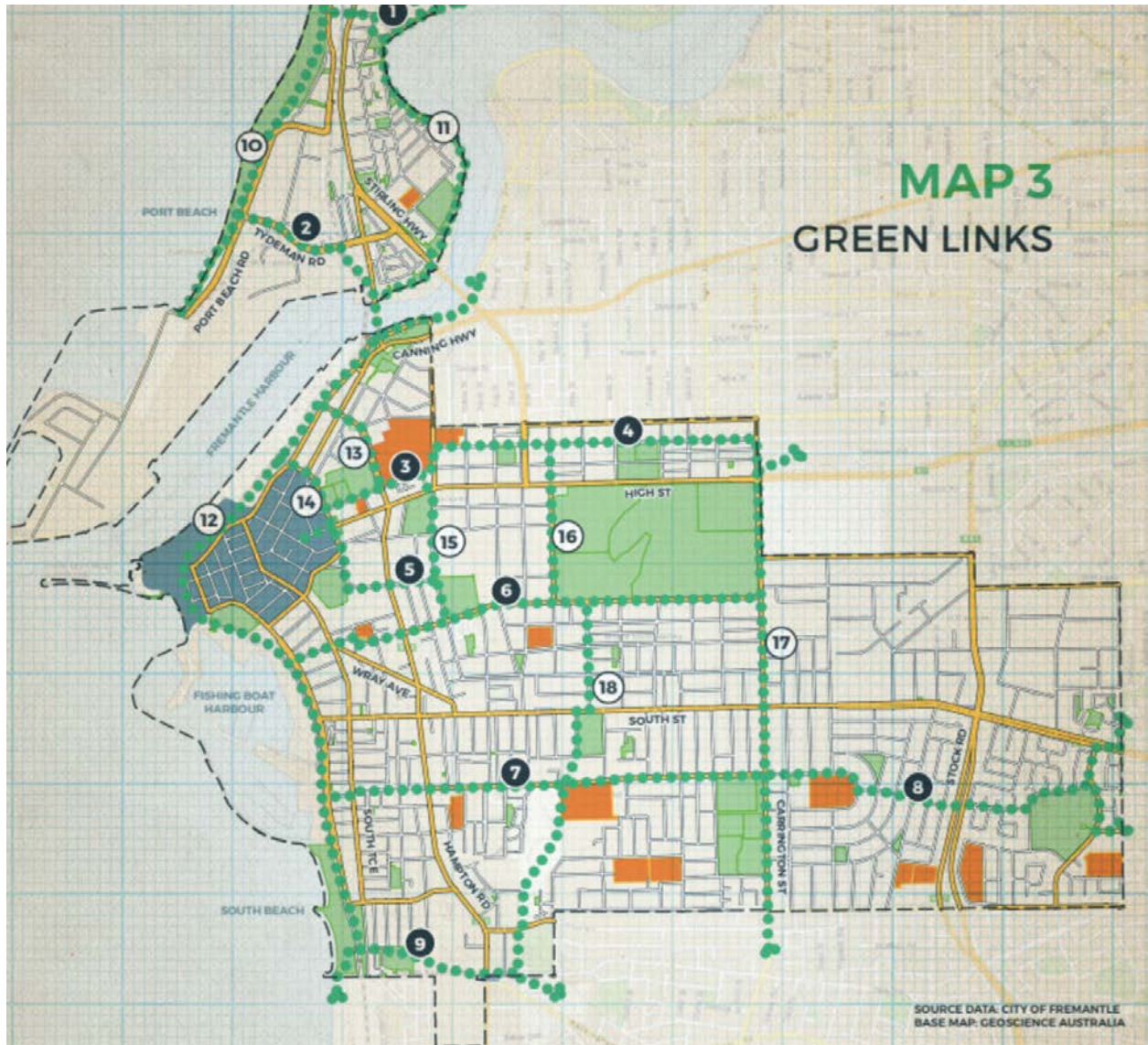
1. Acknowledged that the primary purpose of the rail corridor and adjoining road reserve is for transport and utilities but also that it has the potential to contribute in other ways to community amenity.
2. Acknowledges that the reserve could become a vegetation corridor, and expresses agreement to work together on plans for this: Specifically to:
 - a. Work together on documenting existing features and requirements;
 - b. Cooperate in preparing and implementing local enhancement plans;
3. States that funding would need to be agreed on a project by project basis.
4. Establishes a Working Group and Steering Group to oversee the agreement and its implementation.

The agreement has now expired and in proposing its renewal, the signatory local governments have queried whether the City of Fremantle wishes to become a party to it, given the extension of the rail corridor to Fremantle.

OFFICER COMMENT

Public and active transport methods are stated as preferred methods of transport in the Strategic Community Plan, so preservation of the transport function of the corridor is a priority to the City. However the Strategic Community Plan also promotes high quality urban and suburb environments, better quality natural environments, environmental sustainability and implementation of the Greening Fremantle Strategy.

The Greening Fremantle Strategy 2020 outlines, amongst other things, the planting of a network of green links, as illustrated below:



This includes part of the Perth-Fremantle rail corridor. As such, the agreement provides an opportunity to advance a number of the Council's strategic objectives.

The commitments made in the Agreement (attachment 1) are relatively minor, primarily acknowledging opportunities and confirming agreement to work together. Importantly the agreement does not bind any party to funding commitments with the primary resource commitment being participation in a Working Group and, potentially, a Steering Group.

These groups only met relatively infrequently under the previous agreement and therefore the resourcing requirements of this commitment are relatively light, particularly in relation to the potential benefit.

Participation in a Steering Committee with key state agencies also provides an opportunity to advocate for progression of associated initiatives such as the Leighton Oceanside Parklands Masterplan which would provide for the greening of the Leighton Marshalling Yards, and to promote balanced decision making in relation to any plans for modification to the road network through this area.

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

The Agreement commits the City to a series of principle statements consistent with its strategic objectives, and to participation in a Working Group and, potentially, a Steering Group.

CONSULTATION

Nil

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority

COMMITTEE RECOMMENDATION ITEM SPT2007-4 **(Officer's recommendation)**

Moved: Cr Sam Wainwright

Seconded: Cr Bryn Jones

Council approves the City of Fremantle becoming a party to the voluntary agreement with the Public Transport Authority, Main Roads WA and western suburbs local governments regarding the Perth-Fremantle Transit Corridor as provided in Attachment 1.

Carried: 7/0

**Mayor Brad Pettitt, Cr Sam Wainwright, Cr Adin Lang,
Cr Marija Vujcic, Cr Su Groome, Cr Bryn Jones, Cr Geoff Graham**

12. Reports and recommendations from officers

C2007-1 MONTHLY FINANCIAL REPORT - JUNE 2020

Meeting date:	22 July 2020
Responsible officer:	Manager Finance
Decision making authority:	Council
Agenda attachments:	1. Monthly Financial Report – 30 June 2020
Additional information:	Nil

SUMMARY

The Monthly Financial Report for the period ending 30 June 2020 has been prepared and tabled in accordance with the Local Government (Financial Management) Regulations 1996.

This report recommends that Council receive an analysis of financial performance for June 2020 based on the following statements:

- Statement of Comprehensive Income by Nature & Type and by Program;
- Rate Setting Statement by Nature & Type and by Directorate; and
- Statement of Financial Position with Net Current Assets

BACKGROUND

The following table provides a high level summary of Council's year to date financial performance as at 30 June 2020.

Description	YTD Budget \$M	YTD Actual \$M	Variance \$M	Variance %	+/-
Opening Surplus	3.76	3.76	-		
OPERATING					
Rate Revenue	46.88	46.80	(0.08)	(0.17%)	
Revenue	23.58	26.01	2.43	10.31%	
Expenses	(79.67)	(71.23)	8.44	10.59%	
Non-Cash Adj.	12.43	6.38	(6.06)	(48.67%)	
	3.22	7.96	4.73	(147.20%)	
CAPITAL					
Revenue	19.06	12.49	(6.57)	(34.47%)	
Expenses	(63.37)	(27.92)	35.45	55.94%	
Financing	18.31	(1.69)	(20.00)	(109.23%)	
Reserve Transfers	19.02	17.07	(1.94)	(10.25%)	
	(6.98)	(0.05)	6.94	99.28%	
Closing Surplus	-	11.67	11.67		

Note processing of 30 June 2020 is still occurring as part of finalising end of financial year which will change the above financial performance and closing surplus. The final results will be reported in the Annual Financial Statements.

As detailed in the Statement of Comprehensive Income by Nature and Type operating income and expenses have mainly varied to the anticipated budget in the following categories:

Income	Variance	
Fees and Charges	1,301,926	
Operating Grants, Subsidies & Contributions	976,839	
Reimbursement Income	168,653	
Expenses		
Materials and Contracts	1,170,273	
Employee Costs – Agency Labour	(47,489)	
Employee Costs	961,984	

Further explanation of material variances are included under officers comments.

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.

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.

CONSULTATION

Nil

OFFICER COMMENT

The overall performance for the City of Fremantle for the period ended 30 June 2020 resulted in an additional \$11,662,538 being identified in the year to date position than anticipated, which is mainly as a result of :-

Reduction in anticipated year to date position

- Decreased general rates income of \$82,991
- Decreased capital revenue of \$6,573,720
- Decreased net transfer to/from reserve of \$1,942,228

Increase in anticipated year to date position

- Increased operating revenue (excluding general rates) of \$2,434,928
- Decreased capital expenditure of \$35,447,117
- Underspensing of operating expenditure to date of \$8,436,211

It should be noted that processing of 30 June 2020 is still occurring as part of finalising end of financial year which will change the end of year surplus for 2019-20 financial year.




Explanation of Material Variances




In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, Council adopted the level to be used in statements of financial activity in 2019-2020 for reporting material variances as 10% or \$100,000, whichever is greater (Item C1906-2 refers Council meeting on 26 June 2019).

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially. The following is an explanation of significant operating and capital variances as identified in the Rate Setting Statement by Nature and Type:

It should be noted that processing of 30 June 2020 is still occurring as part of finalising end of financial year which will change the end of year surplus for 2019-20 financial year.

Category	Variance \$	Var %	Var	Explanation of Variance
Operating Revenue				
Operating Grants, Subsidies and Contributions	976,839	32%	▲	<u>Grants received in advance</u> <ul style="list-style-type: none"> \$564,053 for the first instalment 2020-21 Financial Assistance Grants from WA Local Government Grants Commission. \$43,330 for Conduct Wardanji Festival \$84,130 for MOU Notre Dame \$112,647 for P-10848 Program-In Cahoots art exhibition \$164,830 for P-11729 Program-Reveal Aboriginal Artist 2020 \$50,000 for P-11941 Design and construct - Depot - Hazardous Waste <p>These unspent grant funds will be carried forward into the 2020/21 financial year.</p>
Reimbursement Income	168,653	24%	▲	<u>One-set Revenue / Expenditure</u> <ul style="list-style-type: none"> Reimbursement received for legal fees for \$244k which is been offset by additional expenditure for outstanding invoices. Net amount received was \$25k.
Operating Expenditure				
Loss on Sale of Assets	5,475,209	100%	▲	<u>Carried forward to 2020/21 FY</u> <ul style="list-style-type: none"> P-10458 Disposal - 7 Quarry St (Loss of \$495k) P-11052 Disposal - 9 Quarry St (Loss of \$4.1m)
Capital Revenue				
Capital Grants, Subsidies and Contributions	(1,390,126)	12%	▼	<u>Carried forward grants for receipt in 2020/21 FY</u> <ul style="list-style-type: none"> P-11852 Resurface MRRG-Parry St (\$27,761) P-11854 Resurface MRRG-South Tce (\$26,975) P-11882 -Design and construct - Fremantle Golf Course (\$1,040,925) P-11941 Design and construct - Depot - Hazardous Waste (\$50,000) <u>Project complete – Grant outstanding carried forward</u> <ul style="list-style-type: none"> P-10350 Design and construct-Fremantle Park Sport and Community Centre (\$179,390)
Proceeds from Disposal of Assets	(5,183,594)	68%	▼	<u>Carried Forward to 2020/21 FY</u> <ul style="list-style-type: none"> P-10458 Disposal - 7 Quarry St (Loss of \$2.75m) P-11052 Disposal - 9 Quarry St (Loss of \$2.25m)
Capital Expenditure				
Purchase Infrastructure – Road	692,133	34%	▲	<u>Projects Carried Forward to 2020/21 FY</u>

				<ul style="list-style-type: none"> • 300135 - P-11854 Resurface MRRG-South Tce (\$251k) • 300003 - P-11718 Design and construct Stirling Highway crossing (\$99k) • 300132 - P-11851 Resurface MRRG-Ord St (\$91k) • 300140 - P-11857 Resurface R2R-South Tce (\$58k) • 300133 - P-11852 Resurface MRRG-Parry St (\$57k) <p><u>Projects deferred for further consideration as carried forward</u></p> <ul style="list-style-type: none"> • 300148 - P-11868 Rennie Crescent Car Parking (\$98k)
Purchase Infrastructure – Other	830,359	66%		<p><u>Projects Carried Forward to 2020/21 FY</u></p> <ul style="list-style-type: none"> • 300115 - P-10865 Construct-Fremantle Park carpark (\$450k) • 300162 - P-11878 -Design and construct- Kings Square - Windows to the past (\$144k) • 300088 - P-11687 Install Public Art Kings Square (\$100k) • 300163 - P-11879 -Design and construct -Rockwall Port Beach (\$72k) • 300110 - P-11823 Design and construct-Port Beach coastal adaptation (\$63k)
Purchase Community Land and Building	31,726,620	57%		<p><u>Projects Carried Forward to 2020/21 FY</u></p> <ul style="list-style-type: none"> • P-10297 Construct- Walyalup Civic Centre and Library (\$21.10m) • P-11882 -Design and construct - Fremantle Golf Course (\$6.656m) • P-11682 Fit out - Walyalup Civic Centre and Library (\$777k) • P-11829 Design and construct-Kings Square Commercial tenancy (\$699k) • P- 11943 - Construct - Town Hall- Fire upgrade (\$530k) • P- 10898 Relocation – AV Equipment & Installation (KS) (\$500k) • P-11814 Building development - Consultants Walyalup Civic Centre and Library (286k) • P-11843 Design and construct- Markets Building Services (230k) • P-11598 Building development - Project Management fees (KS) (\$211k) • P-11838 Design and construct-Kings Square change facility (\$150k) • P-11883 -Design and construct-Container Deposit Setup (\$62k) • P-11873 Program-Solar Panels (\$59k) • P-11670 Design and construct-Leisure Centre Pool Roof (\$58k) • P-11941 Design and construct - Depot - Hazardous Waste (\$50k) • P-11836 Design and construct-Signal Station (\$50k) <p><u>Project complete and waiting for invoices</u></p> <ul style="list-style-type: none"> • P-10350 Design and construct-Fremantle Park Sport and Community Centre (\$190k)
Purchase Infrastructure – Parks	1,724,231	61%		<p><u>Projects Carried Forward to 2020/21 FY</u></p> <ul style="list-style-type: none"> • 300085 - P-10295 Design and construct-Kings Square Public Realm Newman (\$1.498m) • 300051 - P-11680 Design and construct-Kings Square Play space (\$71k) • 300159 - P11885 -Design and Construct - Harvey Beach Jetty (\$64k) • 300144 - P-11859 Program-Parks-Irrigation (\$43k)

Purchase Furniture and Fittings	397,565	31%		<u>Projects Carried Forward to 2020/21 FY</u> <ul style="list-style-type: none"> 300102 - P-11705 Relocation- Kings Square network and communications (\$250k) 300107 - P-10897 Purchase-Wi-Fi network Infrastructure (\$50k) 300073 - P-11077 Install-Kings Square Network infrastructure (\$39k)
Finance Activities				
Proceeds from Debentures	(20,000,000)	100%		<u>Loan Proceeds to be allocated</u> Loan proceeds for Walyalup Civic Centre and Library of \$20m were received in June 2020. Final allocation of loan and reserve funding for this project is subject to receiving all 19/20 invoices and EOY reconciliation to allocate to projects.
Reserve Transfers				
Transfers from Reserves – Capital	7,023,566	27%		<u>Projects Carried Forward to 2020/21 FY</u> <ul style="list-style-type: none"> 300085 - P-10295 Design and construct-Kings Square Public Realm Newman (\$1.498m) 300000 - P-10297 Construct-Walyalup Civic Centre and Library (KS) (\$1.095m) 300100 - P-11682 Fit out - Walyalup Civic Centre and Library (\$777k) 300112 - P-11829 Design and construct-Kings Square Commercial tenancy (\$699k) 300166 - P- 11943 - Construct - Town Hall- Fire Upgrade (\$530k) 300101 - P- 10898 Relocation – AV Equipment & Installation (KS) (\$500k) 300115 - P-10865 Construct-Fremantle Park carpark (\$450k) 300086 - P-11814 Building development - Consultants Walyalup Civic Centre and Library (\$286k) 300102 - P-11705 Relocation- Kings Square network and communications (\$250k) 300121 - P-11843 Design and construct- Markets Building Services (\$230) 300087 - P-11598 Building development - Project Management fees - (KS) (\$211k) 300162 - P-11878 -Design and construct- Kings Square - Windows to the past (\$145k) 300088 - P-11687 Install Public Art Kings Square (\$100k) 300152 - P-11873 Program-Solar Panels City (\$60k) 300123 - P-11670 Design and construct-Leisure Centre Pool Roof (\$58k) 300116 - P-11836 Design and construct-Signal Station (\$50k) 300073 - P-11077 Install-Kings Square Network infrastructure (\$39k)

① Invoices to be received -Variance relates to the actual year to date expenditure being less than anticipated. Works or services are in progress and the funds are committed. Payment will be made once invoices are received.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council receive the City of Fremantle Monthly Financial Report including the Statement of Comprehensive Income, Statement of Financial Activity, Statement of Financial Position and Statement of Net Current Assets for the period ended 30 June 2020.

C2007-2 STATEMENT OF INVESTMENTS – JUNE 2020

Meeting date:	22 July 2020
Responsible officer:	Finance Manager
Decision making authority:	Council
Agenda attachments:	Investment Report – 30 June 2020
Additional information:	Nil

SUMMARY

This report outlines the investment of surplus funds for the month ending 30 June 2020 and provides information on these investments for Council consideration.

This report recommends that Council receive the Investment Report for the month ended 30 June 2020.

The investment report provides a snapshot of the City’s investment portfolio and includes:

- **Portfolio details as at June 2020;**
- **Portfolio counterparty credit framework;**
- **Portfolio liquidity with term to maturity;**
- **Portfolio fossil fuel summary;**
- **Interest income earned for the month;**
- **Investing activities for the month;**

BACKGROUND

In accordance with the Investment Policy adopted by Council, the City of Fremantle (the City) invests its surplus funds, long term cash, current assets and other funds in authorised investments as outlined in the policy.

Due to timing differences between receiving revenue and the expenditure of funds, surplus funds may be held by the City for a period of time. To maximise returns and maintain a low level of credit risk, the City invests these funds in appropriately rated and liquid investments, until such time as the City requires the money for expenditure.

The City has committed to carbon neutrality and will review and manage its investment portfolio to identify financial institutions which support fossil fuel companies (either directly or indirectly) and has limited these investments to the minimum whilst maintaining compliance with the investment policy.

FINANCIAL IMPLICATIONS

To date actual investment interest earned is \$884,874 against a year to date budget of \$900,003 which represents a negative variance of \$15,129.

Future interest earnings will be determined by the cash flows of the City’s surplus cash and the movements in interest rates on term deposits. The Reserve Bank of Australia has decided to maintain the current policy settings, including the targets for the cash rate

and the yield on 3-year Australian Government bonds of 25 basis points at its meeting on 7th July. The decision was made to support the economy as it responds to the global coronavirus outbreak and help when the recovery comes.

The City's investment portfolio is invested in highly secure investments with a low level of risk yielding a weighted average rate of return of 0.88% (refer report point 8), which compares favourably to the benchmark Bloomberg AusBond Bill Index reference rate of 0.85% as at the end of June 2020.

LEGAL IMPLICATIONS

The following legislation is relevant to this report:

- *Local Government (Financial Management) Regulations 1996* Regulation 19 – Management of Investments; and
- *Trustee Act 1962* (Part 3)

Authorised Deposit-taking Institutions are authorised under the *Banking Act 1959* and are subject to Prudential Standards oversight by the Australian Prudential Regulation Authority (APRA).

CONSULTATION

Nil

OFFICER COMMENT

A comprehensive Investment Report for the month ending 30 June 2020 can be viewed in Attachment 1 of this agenda item. A summary of the investment report is provided below.

1. Portfolio details as at 30 June 2020

At month end the City's investment portfolio totalled \$51m. The market value was \$51.1m; this value takes into account accrued interest.

The investment portfolio is made up:

Cash Investments (<= 3 months)	\$24.52m
Term Deposits (> 3 months)	\$26.48m
TOTAL	\$51.00m

Of which:

Unrestricted cash	\$37.41m
Restricted cash (Reserve Funds)	\$12.26m
Restricted cash (Trust Funds)	\$ 1.33m
TOTAL	\$51.00m

The current amount of \$37.41m held as unrestricted cash represents 49% of the total adopted budget for operating revenue (\$76.28m)

2. Portfolio counterparty credit framework (as at 30 June 2020)

The City’s Investment policy determines the maximum amount to be invested in any one financial institution or bank based on the credit rating of the financial institution. The adopted counterparty credit framework is as below:

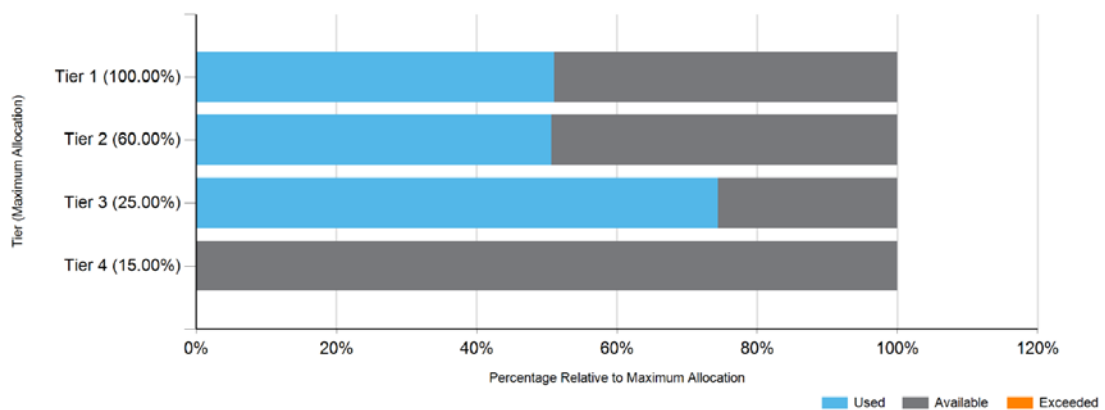
Counterparty credit framework

Investments are not to exceed the following percentages of average annual funds invested with any one financial institution or managed fund and consideration should be given to the relationship between credit rating and interest rate.

Credit quality	Maximum % of total investments
Tier 1 (excl. AAA government)	45%
Tier 2	15%
Tier 3	5%
Tier 4	(\$1m)

The following graphs provide details of the funds invested at the end of this month as per the City’s investment portfolio relative to the threshold allowed by the investment policy as below:

Portfolio Credit Framework Amounts Relative to Maximum Allocations





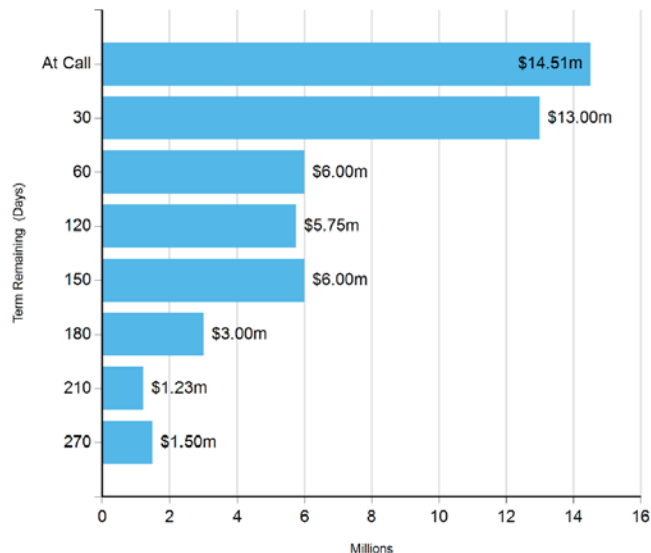
As reported in the above graph at the end of June 2020 all investments of the portfolio were compliant.

3. Portfolio Liquidity Indicator (as at 30 June 2020)

The below graph provides details on the maturity timing of the City’s investment portfolio. Currently all investments will mature in one year or less.

Investments are to be made in a manner to ensure sufficient liquidity to meet all reasonably anticipated cash flow requirements, without incurring significant costs due to the unanticipated sale of an investment.

Face Value by Term Remaining

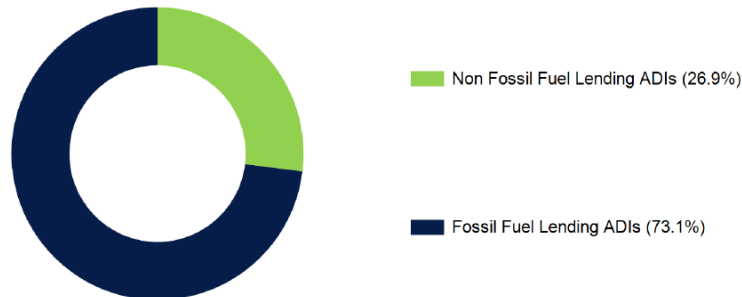


4. Portfolio Summary by Fossil Fuels Lending ADIs (As at 30 June 2020)

At the end of this month \$13.72m (26.9%) of the portfolio was invested in “Green Investments”; authorised deposit taking institutions that do not lend to industries engaged in the exploration for, or production of, fossil fuels (Non-Fossil Fuel lending ADI’s).

The current investing conditions and the institution limits in the City's investment policy are affecting the City's ability to invest in non-fossil fuel institutions. Presently many banks, and in particular, the small non-fossil fuel lending banks are not issuing new term deposits given their high liquidity. The others are at their maximum limit for investment. Officers continue to look for non-fossil fuel investment options when investments are made.

Fossil Fuel vs
Non Fossil Fuel
Lending ADI



5. Interest Income for Matured Investments (For 1 June 2020 to 30 June 2020)

During month of June \$37,934 in interest was earned from matured investments.

6. Investing Activities (For 1 June 2020 to 30 June 2020)

During this month 10 term deposits were acquired with a total value of \$17.51m invested.

Full details of the institution invested in, interest rate, number of days and maturity date are provided in the attached report.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council receive the Investment Report for the month ending 30 June 2020.

C2007-3 SCHEDULE OF PAYMENTS JUNE 2020

Meeting date:	22 July 2020
Responsible officer:	Manager Finance
Decision making authority:	Council
Agenda attachments:	1. Schedule of payments and listing 2. Purchase card transactions <i>Attachments viewed electronically</i>
Additional information:	Nil

SUMMARY

The purpose of this report is to present to Council a list of accounts paid by the Chief Executive Officer under delegated authority for the month ending June 2020, as required by the *Local Government (Financial Management) Regulations 1996*.

This report recommends that Council accepts the list of payments made under delegated authority, for the month ending June 2020, as contained within the report and associated attachments.

BACKGROUND

Council has delegated, to the Chief Executive Officer, the exercise of its power to make payments from the City's municipal or trust fund. In accordance with regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid under delegation for the month of June 2020, is provided within Attachments 1, 2 and 3.

FINANCIAL IMPLICATIONS

A total of \$9,510,187.67 in payments were made this month from the City's municipal and trust fund accounts.

LEGAL IMPLICATIONS

Regulation 13 of the *Local Government (Financial Management) Regulations 1996* states:

13. *Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.*
 - (1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —*
 - (a) *the payee's name; and*
 - (b) *the amount of the payment; and*
 - (c) *the date of the payment; and*
 - (d) *sufficient information to identify the transaction.*
 - (2) *A list of accounts for approval to be paid is to be prepared each month showing*
 - (a) *for each account which requires council authorisation in that month —*
 - (i) *the payee's name; and*

- (ii) *the amount of the payment; and*
- (iii) *sufficient information to identify the transaction; and*

(b) *the date of the meeting of the council to which the list is to be presented.*

- (3) *A list prepared under sub-regulation (1) or (2) is to be —*
- (a) *presented to the council at the next ordinary meeting of the council after the list is prepared; and*
 - (b) *recorded in the minutes of that meeting.*

CONSULTATION

Nil

OFFICER COMMENT

The following table summarises the payments for the month ending June 2020 by payment type, with full details of the accounts paid contained within Attachment 1.

Payment Type	Amount (\$)
Cheque / EFT / Direct Debit	\$8,078,654.45
Purchase card transactions	\$22,628.51
Salary / Wages / Superannuation	\$1,408,904.71
Other payments <i>(as outlined in Attachment 1)</i>	\$0.00
Total	\$9,510,187.67

Contained within Attachment 3 is a detailed listing of the purchase card transactions for the month ending June 2020.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council

1. **Accepts the list of payments made under delegated authority, totalling \$9,510,187.67 for the month ending June 2020, as contained within Attachments 1 and 2.**
2. **Accept the detailed transaction listing of credit card expenditure, for the month ending June 2020, as contained within Attachment 3.**

13. Motions of which previous notice has been given

A member may raise at a meeting such business of the City as they consider appropriate, in the form of a motion of which notice has been given to the CEO.

14. Urgent business

In cases of extreme urgency or other special circumstances, matters may, on a motion that is carried by the meeting, be raised without notice and decided by the meeting.

15. Late items

In cases where information is received after the finalisation of an agenda, matters may be raised and decided by the meeting. A written report will be provided for late items.

16. Confidential business

Members of the public may be asked to leave the meeting while confidential business is addressed.

Nil

17. Closure