



Agenda

Ordinary Meeting of Council

Wednesday 26 July 2023 6pm



Notice of an Ordinary Meeting of Council

Elected Members

An Ordinary Meeting Council of the City of Fremantle will be held on **Wednesday 26 July 2023** in the Council Chamber at the Walyalup Civic Centre, located at 151 High Street, Fremantle commencing at 6.00 pm.

A handwritten signature in black ink, appearing to read "Glen Dougall".

Glen Dougall
Chief Executive Officer

20 July 2023



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1. Official opening, welcome and acknowledgement

Ngala kaaditj Whadjuk moort keyen kaadak nidja Walyalup boodja wer djinang Whadjuk kaaditjin wer nyiting boola yeye.

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 leave of absence

Cr Fedele Camarda– Leave of Absence

Cr Andrew Sullivan– Leave of Absence

3. Applications for leave of absence

Elected member may request leave of absence.

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

The following questions were taken on notice at the Ordinary Meeting of Council held on 28 June 2023.

Ian Ker asked the following questions in relation to item C2306-1:

Question 1:

Tonight's budget item states that no specific consultation has occurred on the draft budget, which it attempts to justify by saying that community consultation and engagement has previously occurred during development of the strategic community plan from which the corporate business plan was developed. Given that the very nature of the annual budget makes it high impact and city wide, why did council not engage at all four levels identified in its own community engagement policy for such issues, namely inform, consult, involve, and collaborate?

Response:

Officers consult on the budget via engagement with elected members in a series of budget workshops between January and June. Council is open to exploring alternative ways to engage the community in relation to the annual budget and will work with elected members in the forthcoming budget process to assess



whether there are any suitable approaches to achieving increased engagement with the community.

Question 2:

Elected Members have no doubt had confidential briefings, but it's difficult for an outsider to weigh through the details in the short time available. Why does the City of Fremantle not publish the agendas of council briefing meetings open to the public, and livestream and post them on YouTube as the City of Vincent does, for example?

Response:

The briefings are informal and conversational in nature and do not include formal agenda papers for every single item.

Question 3:

Why has the 2023-2024 annual budget been buried in an unusually large agenda, instead of being discussed at a special council meeting as last year?

Response:

The budget was presented within the council delegation section of the agenda as it was an item requiring council delegation.

Where possible council seeks to adopt the budget prior to 30 June in order to provide certainty on budget as early in the new financial year as possible, and the OCM on the 28th of June provided this opportunity.

Question 4:

I ask for assurance that the annual budget has been adjusted to include \$84,000 for the additional three months of the CAT service, as resolved by Council at its meeting of 24th May 2023.

Response:

Yes, the additional three months of the CAT service has been budgeted for in the 2023/24 financial year.

Question 5:

The budget includes \$2,150,000 from municipal funds for the South Beach toilets and change rooms. If this was funded by borrowings as a capital project as the Leighton Beach ones were, the rate rise would be reduced from 9% to 5.4%. Why is the City of Fremantle forcing the rate payers of today to fund the decades of benefits for residents of the future?

Response:

The South Beach Changerooms was just one of many projects that has been workshopped and prioritised by council prior to being included in the 2023/24 draft budget. The city has made good progress in finalising a number of existing loans and will be in a position to consider additional borrowing programs when interest rates begin to stabilise.



Paul Jones asked the following questions in relation to item C2306-1:

Question 1:

Will the council support short term solutions to the street flooding from the storm water pipe connected to the Swan River?

Response:

Engineering will commence designing civil engineering options for Johannah Street that protect residential housing from flooding. These options will be presented in the annual capital works planning process and inputted into the 10-year capital works programme. The project will then be subject to Council approval.

Question 2:

Will the council undertake long term solutions to combat rising sea levels inundating Johannah Street?

Response:

Yes, the Council will engage with State Government and other adjoining Councils to establish a working group to collectively identify long term solutions that combat rising sea levels.

Cisca Spencer asked the following question in relation to item P2306-10:

Question 1:

Can we have more information on traffic management in the McCabe Street/Stirling Highway area?

Response:

The City recently commissioned Stantec to undertake a Traffic Study for the McCabe Street area, North Fremantle. The report titled McCabe Street Area Traffic Study dated September 2022, assessed the impacts of demand growth along both Stirling Highway and McCabe Street in the context of traffic congestion and multi-modal provision. The scenarios investigated include the full redevelopment potential for the Matilda Bay and OneSteel sites in addition to the projected growth of Stirling Highway. The full report may be viewed [here](#) (pages 1337-1456 inclusive) on the Department of Planning, Land and Heritage website.

Question 2:

What powers do the City of Fremantle have to compel applicants for the development, to consider the whole area when it comes to traffic management and congestion?

Response:

Traffic Impact Assessments typically model future scenarios based on a growth assumption. In this case the Traffic Impact Assessment report dated April 2023, submitted by the applicant in support of the 140 Stirling Highway Structure Plan, considered 'traffic likely to be generated by surrounding developments'. It has been incorporated into background volumes, see [Traffic Impact Assessment](#)



Part 6.2 – Key Assumptions Page 21. However, there is no statutory power that allows the City to make applicants consider the cumulative impacts or whole area in terms of traffic management and congestion.

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

8. Deputations

8.1 Special deputations

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.

9. Confirmation of minutes

OFFICER'S RECOMMENDATION

Council confirm the minutes of the Ordinary Meeting of Council dated 28 June 2023.

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 5 July 2023**

Nil.



11.2 Finance, Policy, Operations and Legislation Committee 12 July 2023

FPOL2307-7 TOWARDS NET ZERO 2050

Meeting date:	12 July 2023
Responsible officer:	Manager Strategic Planning and City Design
Decision making authority:	Committee
Attachments:	Nil

SUMMARY

The purpose of this report is to recommend Council commit to a 'Net Zero' climate change position and to renew policies and strategies to reduce emissions to net zero by 2050, with an interim target of 43% reduction by 2030.

The City has been committed to being a carbon neutral organisation, largely through the purchase of carbon credits to offset its corporate emissions. The price of carbon credits has been steadily rising since offsets were first purchased by the City in the 2009/10 financial year (FY). In 2021, the City's carbon offset budget was \$25,000, well below what would be needed to purchase the required offsets. With insufficient budget, carbon credits were last purchased in the FY2019/20.

A Net Zero approach prioritises actions towards eliminating our carbon footprint and relies less on carbon offsets to compensate for our greenhouse gas emissions. This is a transition away from a carbon neutral approach and will align the City with current local, state, national and international policy directions.

It is proposed that the City prepares a Net Zero Roadmap and to outline a pathway to reduce emissions across the organisation to reach net zero by 2050. This will include:

- Preparation of a Carbon Emission Reduction Strategy.
- Identification of carbon reduction initiatives and projects with costings, calculations of return on investments and carbon abatement.
- Preparation of a Climate Policy to establish net zero principles, targets, and set criteria for purchasing suitable offsets where practical.
- Creation of a reserve fund to enable investment in carbon reduction projects and initiatives.

Transition towards a Net Zero approach will be complemented by broader review and renewal of the City's sustainability framework, including:



- **Preparation of a Climate Risk Framework.**
- **Updating Local Planning Policy 2.13 (Sustainable Buildings Design Requirements).**
- **Phasing out of the City's One Planet Living annual certification and membership.**

BACKGROUND

Climate change mitigation is set within the City's SCP key focus area of Environmental Responsibility. An objective under the renewable energy and efficiency outcome is to "continue carbon neutral status with less reliance on offsets". Its target is for "all buildings, structures and activities within the City's operational control will be net zero carbon by 2025 with a substantially reduced reliance on off-sets".

The One Planet Living Action Plan transferred these SCP commitments as actions and targets to support a transition to low carbon. The Zero Carbon principle in the Action Plan refers to the need for energy efficient buildings and power sourced via renewable technologies, with the aim of all corporate buildings being powered by 100% renewable energy by 2025.

Council adopted a Climate Emergency Position Statement at its Council meeting on 24 March 2021. The Statement acknowledged the Intergovernmental Panel on Climate Change (IPCC) climate assessment and advocated for a "clear strategy with a well-defined pathway to state-wide net zero-carbon before 2050". Also that "the City will continue to demonstrate corporate responsibility and leadership in its operations." This built on the May 2019 statement when Council declared that the world is in a climate and biodiversity emergency.

On 11 August 2021 at Finance, Operations and Legislation Committee (FPOL) meeting, Council voted to "reiterate its climate change response to focus on advocacy, adaptation, corporate carbon reduction initiatives, and encouraging community carbon reduction initiatives."

The Corporate Energy Plan 2017 set out a pathway to power corporate operations with 100% renewable electricity prior to 2025. Some actions relied on contractual reforms with utility providers or initiatives such as the South Fremantle Solar Farm that were no longer pursued.

Council previously adopted a Low Carbon City Plan 2011-2015 that set out actions to achieve a 40% corporate greenhouse gas reduction targets by 2020. The plan set out a target of 20% reduction from efficiency gains and 20% from on-site and off-site renewable energy projects.

It included advocacy of net zero emissions for all new developments built in Fremantle by 2030, and a minimum of 5 Star Green Building Council of Australia (GBCA) buildings. The complementary adopted Climate Change Adaptation Plan



2019 sets out actions to adapt to key climatic changes. Both pieces of work included community actions and advocacy.

WHAT IS NET ZERO?

Net zero means cutting greenhouse gas emissions to as close to zero as possible. This is attempting to eliminate the carbon footprint altogether with any minor residual emissions re-absorbed in the atmosphere. It can be achieved through changed practices, low carbon technology, increased efficiencies, alternative energy supplies, and greening our supply chains.

In contrast, the aim of carbon neutrality is to balance emissions with carbon sinks to absorb emissions. This relies on purchasing carbon credits as offsets to compensate for greenhouse gases. However, purchasing offsets alone cannot achieve the rapid cut in emissions that is required.

Net zero typically has several key directives prioritised in an ordered hierarchy:

1. Avoid emissions and consider all options to eliminate carbon.
2. Reduce emissions across all sources as much as possible.
3. Optimise energy efficiencies and demand management.
4. Substitute with renewable energy and maximise on-site renewables.
5. Offset with high-quality carbon credits to compensate for residual emissions.



Figure 1. Net Zero Hierarchy

The climate science is clear. Global warming is accelerating at faster rates at any point in recorded history. Therefore, the pace of emission reductions is too slow, and net zero is the current approach to limit global warming.



POLICY CONTEXT

IPCC Findings

The 2022 IPCC Sixth Assessment Report (AR6) estimated global warming is tracking 2°C above pre-industrial levels. This will cause irreversible impacts such as extinction of biodiverse species, sea level rise, and extreme climatic events impacting human settlements, food security and biosecurity.

The six key findings of the IPCC 2022 Report on Climate Impacts, Adaptation Vulnerability Report are as follows (<https://www.ipcc.ch/report/ar6/wg2/>):

1. Climate impacts are already more widespread and severe than expected.
2. We are locked into even worse impacts from climate change in the near term.
3. Risks will escalate quickly with higher temperatures, often causing irreversible impacts of climate change.
4. Inequity, conflict and development challenges heighten vulnerability to climate risks.
5. Adaptation is crucial. Feasible solutions already exist, but more support must reach vulnerable communities.
6. Some impacts of climate change are already too severe to adapt to. The world needs urgent action now to address losses and damages.

Limiting global warming to 1.5°C is increasingly difficult without large-scale, rapid, deep, and immediate emission reductions. This is considering the cumulative emissions that are already in the atmosphere and the time lag of its climate impacts.

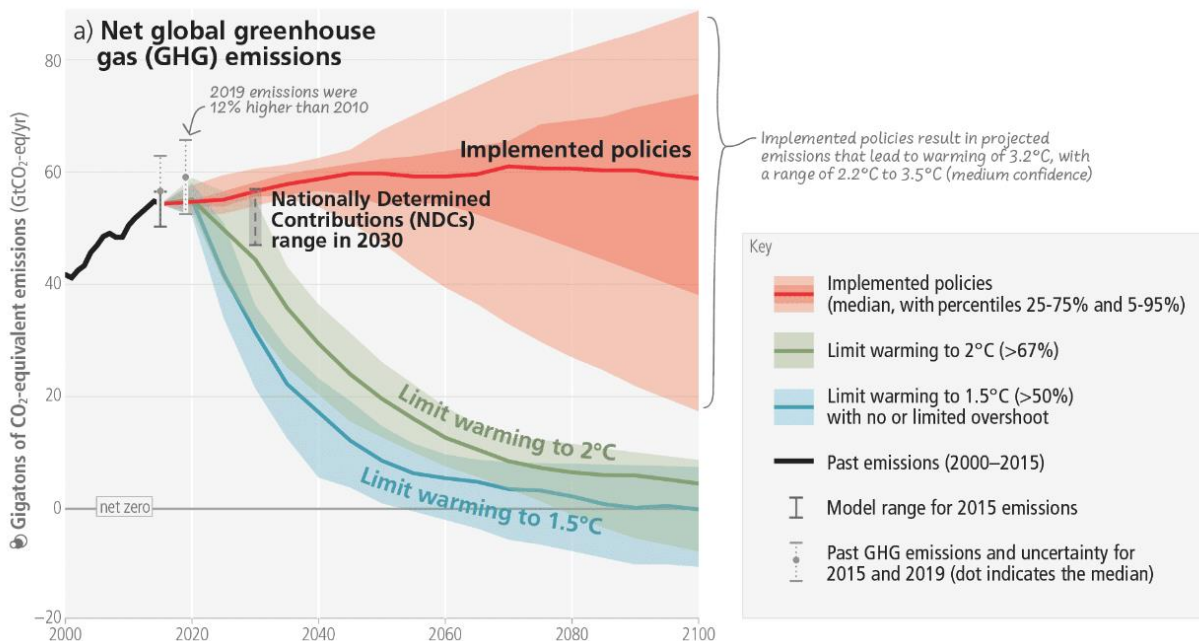


Figure 2. IPCC Rapid decarbonisation is needed to limit warming (Source: IPCC AR6)



Australian Government

Australia signed the legally binding Paris Climate Agreement 2016 following the UN Climate Change Conference (COP21) in France. This agreement pledges to hold the increase in the global average temperature to well below 2°C above pre-industrial levels and to limit the temperature increase to 1.5°C above pre-industrial levels.

Australia committed to achieve net zero emissions by 2050. Australia’s Long-Term Emissions Reduction Plan 2022 sets out greenhouse gas emission reduction targets of 43% below 2005 levels by 2030, and net zero by 2050. The *Climate Change Bill 2022* legislated these targets. Australia also lodged these targets as its Nationally Determined Contribution (NDC) with the United Nations Framework Convention on Climate Change (UNFCCC) secretariat committing the nation to decarbonising.

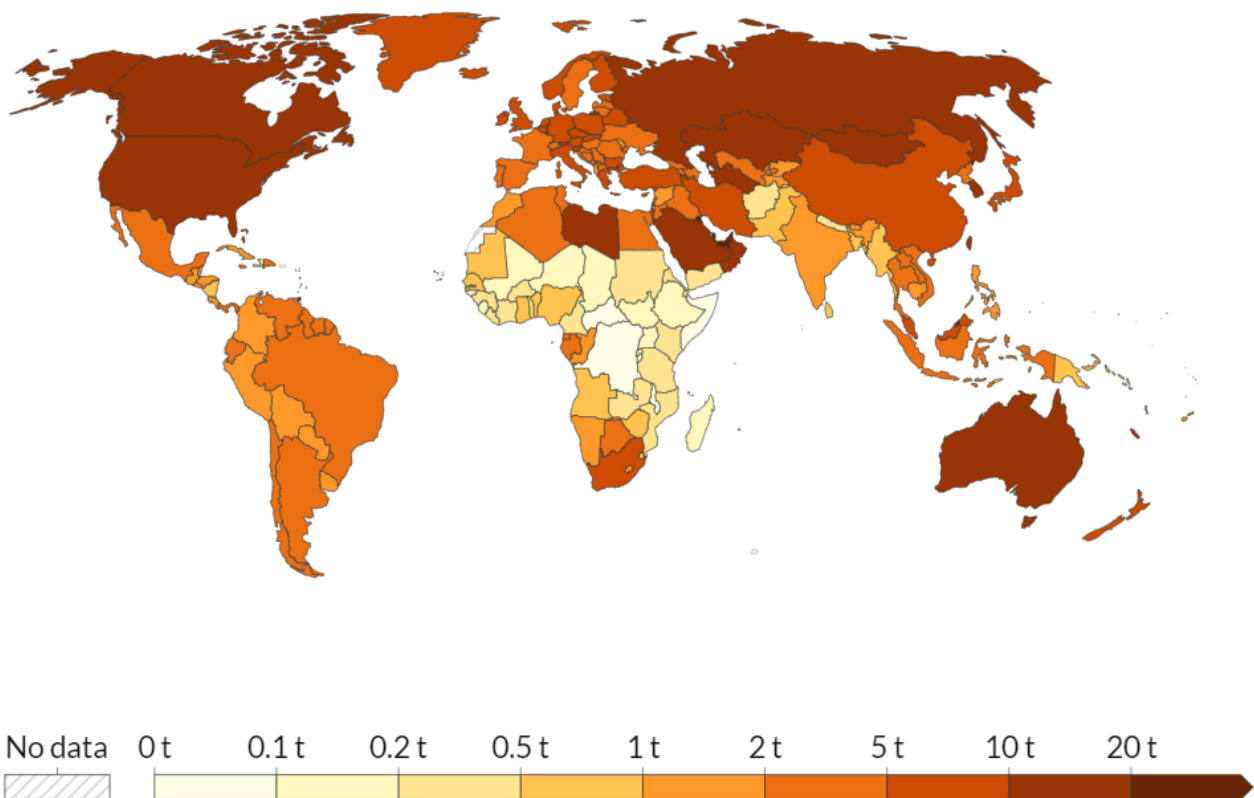


Figure 3. Per capita CO₂ emissions from fossil fuels and industry, not including land use change (Source: Our World in Data based on the Global Carbon Project 2022)

WA State Government

The WA State Government committed to net zero emissions by 2050, and an interim target to reduce Government agency emissions by 80% below 2020 levels. Legislation to formalise these targets will be introduced in late 2023.



The WA government pledged to invest in renewable energy infrastructure, increasing energy efficiency measures, electric fleet vehicles and procurement of local carbon offsets.

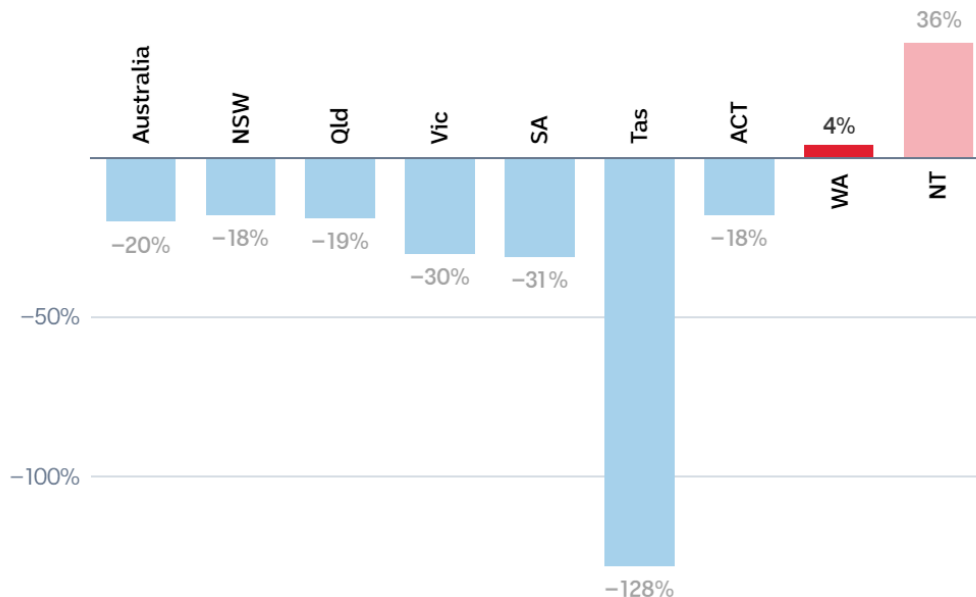


Figure 4. WA Emission increases compared to 2005 levels (Source: Department of Climate Change, Energy, the Environment and Water)

Local Government

Many Local Governments have set more ambitious targets of net zero by the year 2030. Many have included community emissions in their reduction targets, and some have net zero corporate and community targets as well as being carbon neutral certified. Even more ambitious approaches aim for Climate Positive and Nature Positive outcomes.

In 2012, the Council of Australian Governments (COAG) formally agreed on the roles and responsibilities of Commonwealth, State, and Local governments in climate-change adaptation. Specifically, Local Governments are responsible for ensuring policies and regulations under their jurisdiction, including local planning and development regulations, incorporate climate change considerations and are consistent with State and Commonwealth Government adaptation approaches.

City of Fremantle

The City’s Strategic Community Plan 2015-2025 (SCP) focus area of Environmental Responsibility is supportive of the net zero approach. It states the aim to increasingly harness renewable energy technologies, increase building energy efficiencies, and continue carbon neutral status with less reliance on offsets. The success measure is for all City owned buildings, structures, and activities will be net zero carbon by 2025 with a substantially reduced reliance on off-sets. Net zero is also identified in the One Planet Living Action Plan 2020-2025 that contains a ‘Zero Carbon Energy’ principle.



Therefore, existing strategies and plans refer to the net zero approach but new up-to-date targets and supporting strategy is needed to strengthen the City's response to climate change.

CARBON OFFSETS

An annual budget for offsets of \$50,000 was previously used to purchase a combination of local and international credits. The proportion of local versus international credits varied according to market prices to optimise the allocated budget. The last purchase of carbon offsets was in FY2019/20 with a budget of \$46,000 for about 7,000 tCO₂-e. The offsets were a mix of WA and international credits at a 30%/70% split, respectively, for revegetation in the Wheatbelt and a wind power project in India.

Since the 2021 United Nations Climate Change Conference of Parties (COP26) in Glasgow, the economic market for carbon offsets has accelerated following various regulatory changes. In April 2023, prices for Australian carbon credits were quoted at \$30-\$42+GST/tCO₂-e and International at \$7-27+GST /tCO₂-e. By comparison, these prices in 2020 were \$12-14+GST/tCO₂-e and \$2-4+GST/tCO₂-e respectively. This is a significant rise, and roughly equates to an average increase of between 300-500%. Analysis from leading market researchers estimated that the market price of carbon offsets will continue to rise.

In 2021, the City's budget for purchasing offsets was halved to \$25,000. However, a budget of \$50,000 is the minimum needed to purchase the cheapest international credits to offset the City's annual greenhouse gas emissions. This is investing in a wind power project in China priced at \$7 per credit (exclusive GST).

This minimum budget would not be enough to include local WA credits in carbon sequestration that have been previously purchased. In FY2019/20, these were purchased at \$14/credit but are now in excess of \$35/credit (excl. GST) (as of April 2023). In order to maintain carbon neutrality for the two years FY2020/21 and FY2021/22 purchasing a mix of 15% WA credits and 85% international credits, an offset budget of nearly \$164,000 is needed, plus consultant fees of \$30,000 to carry out the carbon inventories. This offset budget will also need to increase each year as carbon credit prices increase.

The spot price of Australian Carbon Credit Units (ACCU) was \$16.55 in December Quarter 2020, and by the March Quarter 2023 it had risen to about \$38 (according to the Australian Government Clean Energy Regulator). The outlook for the price of ACCUs is that it will continue an upward trend.

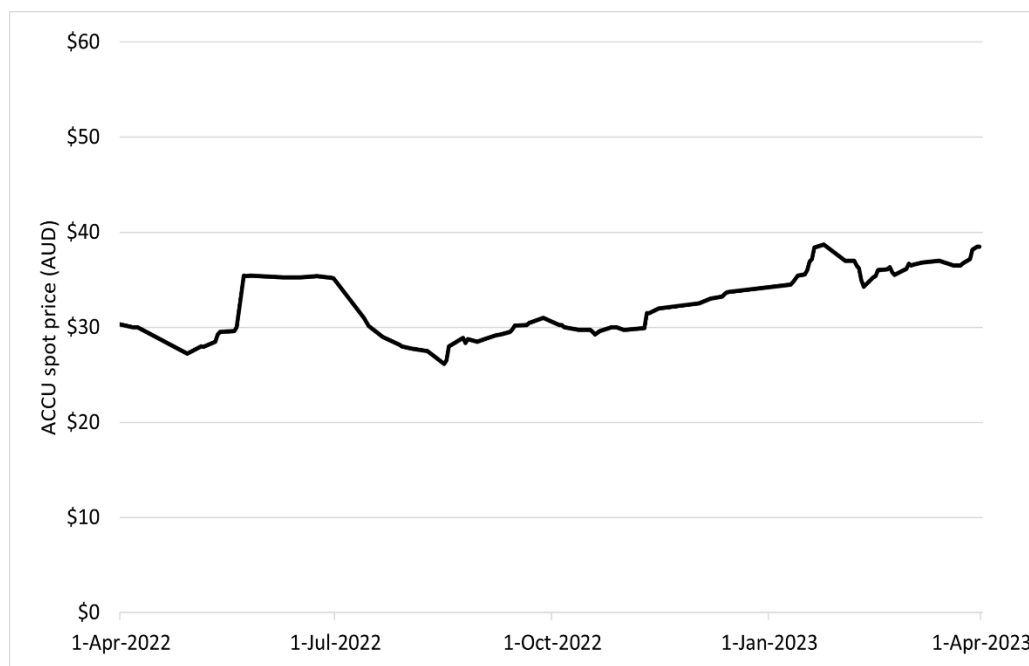


Figure 5. Generic ACCU spot price March Quarter 2023 (Quarterly Carbon Market Report March Quarter 2023, Clean Energy Regulator)

Furthermore, most carbon credits available are for 'avoiding' carbon being emitted but do not actually remove these greenhouse gases from our atmospheric system. Some offsets are low-quality projects with unverified environmental impacts where one tonne of carbon emitted may not equate to one tonne absorbed or removed. Although some international offsets may be cheaper than Australian credits, these do not contribute to Australia meeting its emission targets nor contribute to local environmental benefits or generate local employment.

CITY'S ANNUAL GREENHOUSE GAS EMISSIONS

In the FY2007/08, the City's emissions were estimated at 7,320 tCO₂-e. Over the years, much work has been done to improve corporate energy efficiency's and supply renewable energy. For example, LED light upgrades, electric vehicle charging station, solar photovoltaic panels on the rooftops of ten City buildings, and geothermal heat pump and natural gas co-generation at the Fremantle Leisure Centre. However, the City's annual emissions have not achieved the 40% reduction as outlined in the Low Carbon City Plan.

The City's annual emissions measured in the last carbon inventory for the FY2020/21 were approximately 7,166 tCO₂-e. The major sources of emissions were waste at 25%, streetlights at 19%, electricity consumption at 25%, and fleet at nearly 12.5%. The other minor sources were gas consumption, provision of water, staff commuting, refrigerants, catering and our procurement supply chain.

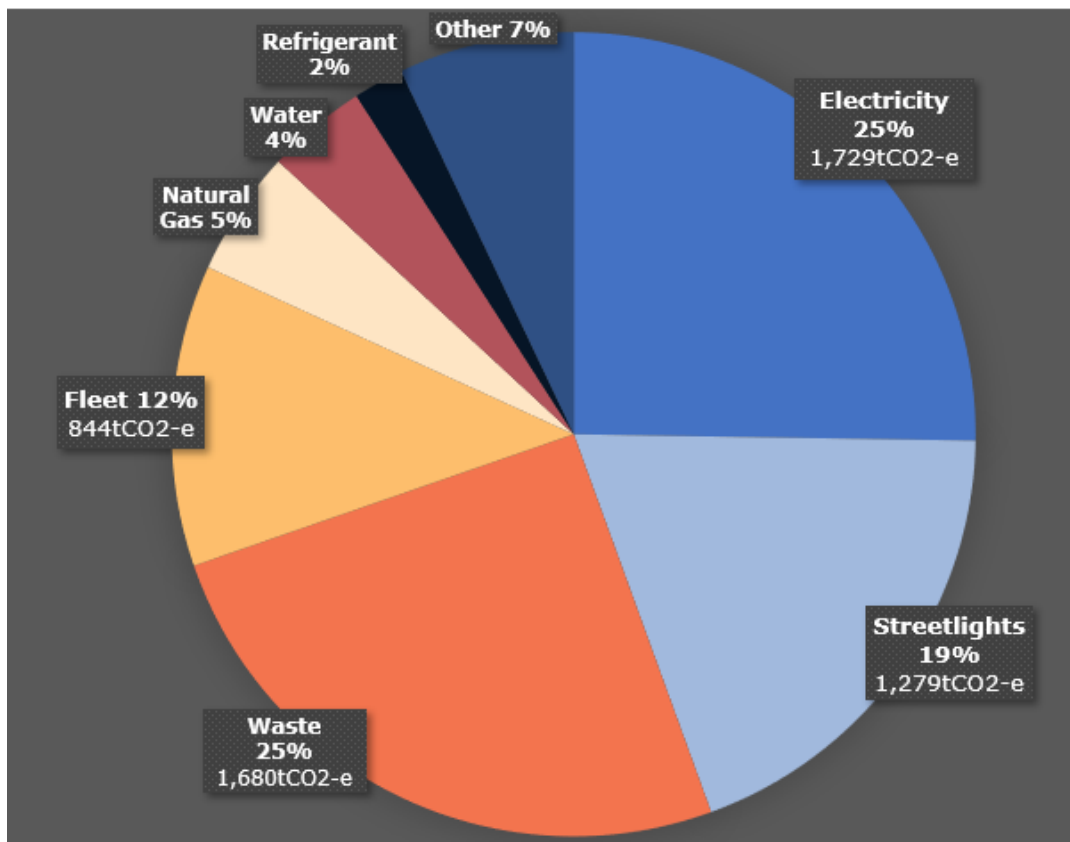


Figure 6. FY2020/21 Emissions by source - Carbon Inventory

Not all greenhouse gases are equal in their global warming potential (GWP). Methane from decaying organic matter in landfills is about 86 times more powerful than carbon dioxide (CO₂) over a 20-year timeframe.

Hydrofluorocarbons, for example in air-conditioning, can have a GWP up to 6,000 more powerful than CO₂. Building up the density of harmful gases trapping in heat is like a blanket warming the planet.

NET ZERO ROADMAP

To align with state and national net zero directions, a net zero by 2050 target and an interim target of 43% emission reduction by 2030 is recommended. These are minimum targets, noting that other governments have more ambitious targets. These are considered 'keeping pace' as the world moves to rapidly decarbonise. Pledging consistency with state and national policy settings is an important factor in securing funding, support and coordination from these levels of government. It also confirms the City of Fremantle as a leader in climate action.

The transition to net zero will refocus action across all of the City's sources of emissions and corporate practices. It will take a concerted and comprehensive effort across the whole organisation, its projects, services, buildings, facilities, infrastructure, assets, procurement, and day to day decision making.



It involves changing the way we operate, investing in low carbon technology and sourcing renewable energy. Importantly, it firmly directs investment in resilient infrastructure and sustainable practices. Higher prices of fossil fuel electricity and gas, combined with falling renewable energy technology present new opportunities to be investigated. A Systems Thinking approach will be used to address the interdependencies and interactions between carbon reduction activities across all of the City's operations.

Achieving 43% emission reduction by 2030 will need to see emissions cut by about 3,500 tCO₂-e over the next seven years. The WALGA Sustainable Energy Project may reduce the City's emissions by an estimated 1,000 tCO₂-e per year or 15% of our total emissions. This project is supplying wind powered energy from WA wind farms into the Perth metropolitan electricity grid. The wind renewable energy will displace 100% of our electricity use at 14 of City's larger (contestable) building sites, including the Fremantle Leisure Centre and Walyalup Civic Centre. This project took effect as of July 2022 and will be reflected in our carbon inventory for FY2022/23. This is a major step towards powering the City's buildings with 100% renewable electricity by 2025.

Net zero has a hierarchy of directives to firstly prioritise avoidance of emissions, then reduced consumption, optimised efficiencies, substituting with renewables, and lastly to offset any residual emissions. To clarify, carbon credits still play a role in the net zero approach as the last step to offset the City's unavoidable emissions that cannot be otherwise eliminated. Furthermore, a net zero approach does not preclude the City from being carbon neutral and applying for certification.

To achieve net zero, the City needs to prepare a Net Zero Roadmap setting a credible pathway forward to reduce greenhouse gas emissions. This should include:

- A Carbon Emission Reduction Strategy to identify carbon reduction initiatives and emission savings, and calculate return on investment, costs and net savings.
- A Performance-Achievement Matrix to prioritise initiatives based on the impact of investment.
- An Implementation Plan that has considered City budgetary processes, resourcing, and integration into existing activities.
- A Climate Policy to set out principles and commitments to guide decision making and include criteria for the purchase of suitable high-quality offsets.
- Investigation of external grants, co-funding, in-kind contributions, and sponsorship of carbon reduction initiatives, for example the WA Climate Action Fund of \$1.25 billion.
- An Annual report on the City's carbon inventory and progress of emissions reduction.
- A Project Governance Group for advocacy, reporting, accountability and transparency.



- The establishment of a sustainability reserve as an accumulating fund for investment in programs and projects that reduce greenhouse gas emissions.
- Continued funding of the purchase of carbon offsets for the residual 'unavoidable' emissions.
- Consultation and engagement plan with key stakeholders.
- Public communications of the new net zero statement of claim.

It is recommended that a media release be prepared to outline the new net zero targets and approach. This will clarify the carbon neutral status over the last two financial years in the context of a transition. The messaging will address the City's refocus on working towards genuine reductions in emissions, going beyond carbon neutral.

Demonstrating accountability and transparency is important. Annual reporting is recommended on the corporate carbon inventory, disclosure of the purchase of carbon credits, and progress of emissions reduction.

In summary, the main drivers of this recommend change in position to net zero are threefold:

- i) The price of carbon credit offsets has significantly increased and will continue to rise.
- ii) Local government climate change policies should align with State and National climate change legislation and commitments.
- iii) IPCC science indicates that greenhouse gas emissions are not being reduced fast enough to limit global warming and more needs to be done.

Achieving net zero will be a challenge, especially for a small/medium local government authority such as Fremantle, which has many other pressures on its annual budget for investment in city development, community services and maintenance of assets. However, the longer that action is delayed, the worse the climate outcome will be and the more it will cost. This cost of climate risk is currently unquantified, but it will impact our infrastructure, community, economy and environment. In terms of the rate and scale of decarbonisation that is needed, every year of inaction will result in more rapid and drastic action that is required. If Fremantle wants to remain active in the climate action space for the benefit of our local community, then net zero is the responsible pathway forwards to create a better future.

CITY OF FREMANTLE SUSTAINABILITY FRAMEWORK AND ONE PLANET LIVING

Since 2014 the City has used the One Planet Living ® framework to influence and track the sustainability of its operations and how it works with the community. This involves maintenance of a 5-year Action Plan and preparation of Annual Reports which are peer reviewed by Bioregional UK.

The City pays an annual fee of £5,000 (approximately \$10,000 AUD) to Bioregional UK for annual certification verifying the City as a One Planet Living Leader (OPL). An additional \$5,000-6,000 membership fee is paid to



Bioregional Australia, an Australian subsidiary. Through this certification process the City has been accredited by Bioregional UK as a One Planet 'Global Leader' up until FY2019/2022.

The City has not been certified as a OPL Leader for the last two financial years. Our status has been on hold/deferred since FY2019/2020. Resourcing challenges means the City has not been able to demonstrate leadership and innovation achieving aspirational performance benchmarks delivering fully realised, consistent, and regular transformative change. Also, there is a lack of continual monitoring data with fit for purpose indicators being collected to fully understand the impact of activities as evidence of the achievement of outcomes. The most recent review from Bioregional UK stated that our Global Leader status will be discontinued unless the City can demonstrate tangible improvements in its sustainability outcomes in the last FY2022/2023. Therefore, the City would no longer be able to call itself a 'Global Leader' in OPL.

The transition to a net zero approach provides an opportunity to review and renew the City's broader sustainability framework and reporting system, so that the city's approach to climate action as well as sustainability (environmental, social, economic, cultural) is focused, holistic and coordinated. To date, the One Planet Living has provided a valuable framework for the City. However, given the aspirational performance and data requirements of OPL, resources may be better directed towards prioritisation of initiatives aimed at 'net zero', such as developing a Corporate Emissions Reduction Strategy and implementing projects and policies that reduce the City's carbon footprint. Furthermore, the One Planet Framework and Action Plan could be replaced by an alternate sustainability framework and reporting mechanism that is integrated with the SCP and corporate business plan. **Phasing out of the OPL framework in anticipation of the development of a new sustainability strategy, policy and management system** would provide financial savings, focus organisational capacity on implementing climate change priorities, and enable alignment of corporate policy with emerging sustainability megatrends. It is noted that the City's current OPL Action Plan 2025 can still be progressed and the OPL framework and principles still be implemented free of charge without the annual certification process.

FINANCIAL IMPLICATIONS

There are nominal direct financial implications to this report. There will be a minor cost to updating or removing 'carbon neutral' logos and statements on existing street and carparking City of Fremantle signs. A budget from existing funds will be used to continue carrying out carbon inventory reporting and to prepare the Carbon Emission Reduction Strategy.

Financial savings from withdrawing from annual certification with Bioregional UK and membership subscriptions with Bioregional Australia would be up to \$16,000, which could be directed towards sustainability projects and initiatives.



Once the Carbon Emission Reduction Strategy is completed, the City will prioritise key projects and direct actions to achieve net zero targets. These will be costed and considered as part of the City’s corporate planning and budgeting process. Funding will be needed to support the rollout of corporate carbon reduction initiatives and upfront capital investments. It is anticipated that there will be long term financial and environmental savings.

A Sustainability Reserve has been established that will receive an annual budget allocation to build up funding for programs and projects that reduce greenhouse gas emissions.

LEGAL IMPLICATIONS

If Council confirms cessation of its carbon neutrality statement of claim, then all references to this will need to be removed in its promotional documents, its website, use of logos, as well as signage in streets and carparks.

CONSULTATION

The City is currently consulting with the community on its long-term vision as part of the new SCP. Climate change and sustainability is expected to be a key feature in the feedback received from the community. This will be incorporated in the future planning of activities that follow the Carbon Emission Reduction Strategy. It is anticipated that specific sustainability projects may require targeted consultation or engagement with the community. A plan of consultation and engagement will be prepared in due course.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required.

OFFICER’S RECOMMENDATION

Moved: Cr Jenny Archibald

Seconded: Cr Rachel Pemberton

Council:

1. Notes the Intergovernmental Panel on Climate Change renewed urgency of limiting global warming and the nation-wide net zero policy context.
2. Supports a position of net zero emissions by 2050 to guide future climate change mitigation planning, with an interim corporate carbon emissions reduction target of 43% by 2030.
3. Support the preparation of a Net Zero Roadmap to provide a credible costed pathway to lower emissions and guide investment in programs and projects. This includes:



- a. A Carbon Emission Reduction Strategy identifying initiatives to reduce emissions, increase efficiencies and source renewable energy set out on a four yearly basis. The initiatives will include estimated levels of carbon reduction, net costs and savings, and be prioritised to optimise investments.
 - b. A Climate Change Policy establishing guiding principles, setting commitments, and criteria for purchasing suitable high-quality offsets.
 - c. Carbon Inventory Reporting to demonstrate emissions reduction and impact of investment.
4. Supports the preparation of public communications on the net zero targets, developing the City's comprehensive sustainability framework, and transitioning away from carbon neutral.
 5. Supports discontinuing the City's annual certification peer review with Bioregional UK and Bioregional Australia membership.
 6. Note the adopted 2023/24 budget includes the transfer of \$250,000 to the Sustainability Investment Reserve for investment into carbon reduction initiatives, projects and programs.

AMENDMENT 1

Moved: Cr Rachel Pemberton

Seconded: Cr Frank Mofflin

Council:

- 1. Notes the Intergovernmental Panel on Climate Change renewed urgency of limiting global warming and the nation-wide net zero policy context.**
- 2. Supports a position of net zero emissions by 2050 to guide future climate change mitigation planning, with an interim corporate carbon emissions reduction target of **at least** 43% by 2030.**
- 3. Support the preparation of a Net Zero Roadmap to provide a credible costed pathway to lower emissions and guide investment in programs and projects. This includes:**
 - a. A Carbon Emission Reduction Strategy identifying initiatives to reduce emissions, increase efficiencies and source renewable energy set out on a four yearly basis. The initiatives will include estimated levels of carbon reduction, net costs and savings, and be prioritised to optimise investments.**
 - b. A Climate Change Policy establishing guiding principles, setting commitments, and criteria for purchasing suitable high-quality offsets.**



- c. **Annual Carbon Inventory Accounting Reporting to report on greenhouse gas emissions and progress towards achieving emission reduction targets. ~~demonstrate emissions reduction and impact of investment.~~**
 - d. **Notes the preparation of a Net Zero Roadmap will show due regard for, and build upon, existing climate change strategies, plans and policies.**
- 4. **Supports the preparation of public communications on the net zero targets, developing the City’s comprehensive sustainability framework, and transitioning away from carbon neutral.**
- 5. **Supports discontinuing the City’s annual certification peer review with Bioregional UK and Bioregional Australia membership.**
- 6. **Note the adopted 2023/24 budget includes the transfer of \$250,000 to the Sustainability Investment Reserve for investment into carbon reduction initiatives, projects and programs.**

Amendment carried: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Marija Vujcic, Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin**

Reason for change:

The target is a base, not a ceiling. The Climate Council recommends 75% decrease on emissions by 2030 so we really need to aim as high as we can get.

We also need to continue on and build upon the work that has already been done. Plus we need transparent regular reporting and monitoring so as not to allow the ball to be dropped on this important issue (as happened with the energy plan).

COMMITTEE DECISION ITEM FPOL2307-7
(Amended officer’s recommendation)

Moved: Cr Jenny Archibald

Seconded: Cr Rachel Pemberton

Council:

1. **Notes the Intergovernmental Panel on Climate Change renewed urgency of limiting global warming and the nation-wide net zero policy context.**
2. **Supports a position of net zero emissions by 2050 to guide future climate change mitigation planning, with an interim corporate carbon emissions reduction target of *at least* 43% by 2030.**



- 3. Support the preparation of a Net Zero Roadmap to provide a credible costed pathway to lower emissions and guide investment in programs and projects. This includes:**
 - a. A Carbon Emission Reduction Strategy identifying initiatives to reduce emissions, increase efficiencies and source renewable energy set out on a four yearly basis. The initiatives will include estimated levels of carbon reduction, net costs and savings, and be prioritised to optimise investments.**
 - b. A Climate Change Policy establishing guiding principles, setting commitments, and criteria for purchasing suitable high-quality offsets.**
 - c. *Annual Carbon Inventory Accounting to report on greenhouse gas emissions and progress towards achieving emission reduction targets.***
 - d. *Notes the preparation of a Net Zero Roadmap will show due regard for, and build upon, existing climate change strategies, plans and policies.***
- 4. Supports the preparation of public communications on the net zero targets, developing the City's comprehensive sustainability framework, and transitioning away from carbon neutral.**
- 5. Supports discontinuing the City's annual certification peer review with Bioregional UK and Bioregional Australia membership.**
- 6. Note the adopted 2023/24 budget includes the transfer of \$250,000 to the Sustainability Investment Reserve for investment into carbon reduction initiatives, projects and programs.**

Carried: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Marija Vujcic, Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin**

Moved by Cr Jenny Archibald and seconded by Mayor Hannah Fitzhardinge that this item be referred to the Ordinary Council Meeting to be held on 26 July 2023.



FPOL2307-8 GRANT APPLICATION - DICK LAWRENCE OVAL LIGHTING

Meeting date:	12 July 2023
Responsible officer:	Manager Parks and Landscape
Decision making authority:	Council
Attachments:	1. 2023-2024 CNLP Application - Dick Lawrence Oval

SUMMARY

This report seeks Council’s support and endorsement of the grant funding application for Department of Local Government Sport and Cultural Industries current round of Club Night Lights Program for lighting upgrades at Dick Lawrence Oval. Upgrading the lighting will maximise the use of the reserves and support the clubs in expanding their membership and providing active opportunities for the City’s residents.

BACKGROUND

The Club Night Lights Program (CNLP) is a program administered by the Department of Local Government Sport and Cultural Industries (DLGSC) providing financial assistance to community sporting groups and local government authorities (LGA) to develop sports lighting infrastructure that maintains or increases participation in sport and recreation with an emphasis on physical activity, through rational development of good quality, well-designed and well-utilised facilities.

There are two types of grants available throughout each financial year that are:

- Small Grants for projects costing from \$7,500 to \$500,000 are available from February and July each year.
- Annual Grants Round Club Night Light Program (CNLP)
- Forward Planning Grants are available in July each year for projects with a total expenditure of either \$300,000 - \$500,000, or above \$500,000 respectively.

Successful applicants can receive up to one third of the eligible project costs as prioritised by DLGSC, with the remaining project costs to be funded from other sources such as the LGA and community sporting group.

Dick Lawrence Oval is located within Hilton Park operated and managed by the City of Fremantle. The oval is home to Fremantle City Dockers Junior Football Club and Hilton Park Junior Cricket Club in summer.

The reserve is also used for smaller sporting activities, passive recreation and is the local public open space for residents in Hilton. Existing lighting of Dick Lawrence Oval restricts the use of the oval due to poor light uniformity.



FINANCIAL IMPLICATIONS

The Dick Lawrence Oval Lighting Project is classed as a CNLP Small Grant project and requires having a completed application (Attachment 1) approved by Council and submitted to the DLGSC by 31 August 2023.

The total project cost is estimated at \$117,174.86 (ex GST). The grant request will be for \$39,058.28 (which equates to one third of the project cost) with the City required to contribute \$78,116.58 as the remaining two thirds of the project costs in the 2023/24 financial year. A summary of the budget is as follows:

Budget	Income	Municipal
P-12084 Design and construct - Dick Lawrence - Lighting		\$60,000.00
P-11989 - Design and construct - Hilton Reserve		\$18,116.58
Club Night Light Program Grant	\$39,058.28	
Total Project Budget	\$117,174.86	

As part of the grant submission process, Council must show endorsement by way of budget allocation and a letter of endorsement.

LEGAL IMPLICATIONS

Nil

CONSULTATION

Ongoing consultation with sporting clubs regarding the project has been undertaken, with further engagement with clubs and residents to occur ahead of works. Broad scale engagement activities are currently underway as part of the Hilton Precinct Planning Project.

A Hilton Park site visit with DLGSC Grants Team was held 16 February 2023 to present the site and discuss future master planning aspirations and CSRFF / CNLP grant funding opportunities.

OFFICER COMMENT

The existing floodlighting at Dick Lawrence Oval were installed in 2013 and are 50 LUX metal-halide luminaries. Through discussion with clubs, spatial analysis and review of oval specifications by City Officers, and subsequent investigations by lighting design consultants, Dick Lawrence Oval has been found to have the ability to host senior Australian rules football and night games with an increase in lighting to 100 LUX. Upgrading further to 150 LUX was initially considered, however did not allow for a further increase in games schedules nor broader user groups/teams.



The project involves the replacement of 50 LUX metal-halide luminaires on all towers, to 100 LUX LED luminaires consistent with the following two Standards:

- AS2560.2.3 *Sports lighting Part 2.3: Specific applications— Lighting for football (all codes)*, and
- AS/NZS 4282:2019 *Control of the obtrusive effects of outdoor lighting*

The proposed lighting system will maximise use of the entire playing surface and provide a larger training area. The system will also permit the use of the reserve for scheduled night fixtures increasing the capacity of the ground to hold additional matches outside the traditional weekend schedule.

Concurrently with the lighting upgrade, the Australian rules football field will be realigned and extended to cater for senior football.

The Hilton Precinct Masterplan project is currently underway and aims to set the foundations for the future of Hilton Sports Precinct becoming the City’s premier community sports and recreation precinct. While this project is reviewing the precinct holistically, it is not anticipated that the use of Dick Lawrence will change significantly from the cricket (summer) and Australian rules football (winter) use due to existing site constraints and location of the Brad Hardie Clubrooms. However, should a change of use or ground dimensions become apparent during the planning, a variation to this project may be sought to move the locations of the light poles to accommodate changes.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required.

COMMITTEE RECOMMENDATION ITEM FPOL2307-8 (Officer’s recommendation)

Moved: Cr Jenny Archibald

Seconded: Cr Rachel Pemberton

Council:

- 1. Prioritise the Dick Lawrence Oval Floodlighting Upgrade Project as 1 of 1 CNLP applications received.**
- 2. Rate the Dick Lawrence Oval Floodlighting Upgrade Project as “Well planned and needed by municipality”.**
- 3. Endorse the submission of the CNLP grant application for the Dick Lawrence Oval Floodlighting Upgrade Project seeking a one-third contribution towards its implementation.**



- 4. Confirm the City's financial contribution of two-thirds of project costs as set out in the CNLP application.**

Carried en bloc: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Marija Vujcic, Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin**



FPOL2307-9 COMMUNITY FUNDING AGREEMENTS 2023-24

Meeting date: 12 July 2023
Responsible officer: Manager Community Development
Decision making authority: Council
Attachments: Nil

SUMMARY

Four community organisations including Imagined Futures, Fremantle Men’s Shed, Fremantle Foundation and Fremantle Surf Life Saving Club have requested funding, in line with existing community funding agreements for 2023 – 24. The groups provided submissions which are evidence based and demonstrate significant community benefits aligned with the City’s Strategic Community Plan.

This report recommends that Council endorse four community funding agreements for the 2023-24 financial year:

- 1. Imagined Futures**
- 2. Fremantle Men’s Shed**
- 3. Fremantle Foundation**
- 4. Fremantle Surf Life Saving Club**

BACKGROUND

The City delivers funding assistance (grants, sponsorships, donations, rebates, fees and charges) programs to implement its broader strategic goals and provide, integrated, creative and effective opportunities for community engagement and participation.

Subject to Council’s budgetary process community funding may be provided as a financial contribution to Fremantle based community organisations who have established exceptional programs and services that enhance Fremantle’s social capital and strengthen community.

Community funding agreements with the four community organisations including the Men’s Shed, Imagined Futures, Fremantle Foundation and Fremantle Surf Life Saving Club expire 30 July 2023.

FINANCIAL IMPLICATIONS

Funding assistance (grants, sponsorships, donations, rebates, fees, and charges) are set through the annual Council budgetary process or as varied by Council resolution. The community funding allocations 2023 -24 budget is outlined in the table below.



As outlined in the Grants and Sponsorship Policy, the outcome of all community funding programs, are reported through the Audit and Risk Management Committee on a biannual basis.

LEGAL IMPLICATIONS

Nil

CONSULTATION

The four community groups receiving funding support from the City presented the outcomes from the funding received, demonstrating their alignment with strategic goals, and evidencing clear strategies that build and strengthen community, redress disadvantage and / or address community need.

The City is currently reviewing its community funding programs with the view of developing a policy framework based on the new Strategic Community Plan vision, with clear goals, objectives, and priorities for funding to guide the application, selection, approval, and acquittal process.

The new framework is aligned with best practice grants management and will be implemented for the 2024-25 financial year. Therefore, all community funding agreements will cease on 30 July 2024. All community groups, who meet the new framework requirements will be able to apply for funding support.

The City will continue to consult and engage with Fremantle based community groups in the development of new framework.

OFFICER COMMENT

The community funding program is responsive to community needs and aims to build successful partnerships with community-based organisations to increase resources and promote community leadership. All four groups have demonstrated an exceptional level of organisational governance and local leadership and have put forward high quality evidence-based submissions.

The City has an established community funding agreement with each funded organisation which details the purpose and condition of the funds, monitoring and evaluation requirements, agreed timelines and accountability requirements. At the conclusion of the agreement the City will collect relevant and meaningful evidence of the outcomes/results of the agreement.

The table below provides information on the sponsorship agreement for each group with the recommendation for funding allocations in 2023 -24.

**Agenda – Ordinary Meeting of Council
26 July 2023**



Name of Organisation	23/24 (exc GST)	Primary Service / Program	Primary Target Group	Agreement deliverables
Imagined Futures	\$10,000	To mobilise the collective resources of not-for-profit organisations, local, state and commonwealth government agencies, business, and community members to provide all individuals and families in the Southwest Metropolitan region with the opportunity to enjoy quality of life.	Not-for-profit organisations, local, State and Commonwealth government agencies providing human services in the South West Metropolitan region (comprising the local government areas of Fremantle, Melville and Cockburn) as well as business (including for-profit service providers) and community members (including consumers), to be engaged in Imagined Futures	<p>The Imagined Futures project seeks to address the challenge of fragmented service delivery by:</p> <ul style="list-style-type: none"> - bringing together various actors in the local area to leverage resources (human and financial) and expertise to contribute to resolving complex social issues in a more effective way. - supporting governance and leadership - promoting Information sharing, strategic direction of project activities and ongoing alignment of local priorities - providing project management and oversight of the Alliance Against Depression Project, Davis Park and Youth Initiative projects and compliance with delivery and reporting requirement for funding sources.
Men's Shed	\$20,000	<p>Provide a wood and metal workshop space for participants of all ages for projects that can benefit both themselves and the community.</p> <p>Link participants to services and support structures to enhance their health and well-being.</p>	<p>Men, women, and carers. Children can attend with a guardian or parent present.</p> <p><i>No age limit</i></p>	<ul style="list-style-type: none"> - Provide activities and programs which contribute to participants health and wellbeing; - Provide activities and programs which provide opportunities to foster, maintain and expand participants social and educational networks;



		<p>Foster, maintain and expand participant’s social and educational networks.</p> <p>Support women in the community by offering access to the Shed to pursue their interest in wood & metal work and gain independent living skills and connect socially.</p>		<ul style="list-style-type: none"> - Provide activities in an environment where people feel welcome and safe; - Provide activities which are inclusive, and support connection of diverse community members.
Fremantle Foundation	\$15,000	<p>Is to facilitate building a permanent endowment to create a thriving community that embraces diversity and is engaged in community building at all levels. We are a community-owned philanthropic organisation working in the for-purpose sector. We operate as a registered charity and public ancillary fund bringing together the financial resources of individuals, families, and businesses to support effective not-for-profit organisations dedicated to improving the lives of people in our community.</p>	Not for profit organisations	<p>Objectives for the organisational relationships include:</p> <ul style="list-style-type: none"> - Benefit more broadly with a local community foundation, namely Fremantle Foundation partnering with their local government provider, seeking new and innovative means of supporting its community - Through ongoing work of the Foundation providing research and data that can be used by Council to assist its own planning and strategic decision making regarding the community. <p>Success factors for the Activities will be measured through an annual report and dashboard update that includes specifically for Fremantle:</p> <ul style="list-style-type: none"> - Grants distributed - Programs and projects supported. - Community engagement activities - Economic contribution - Focus areas of impact.



Fremantle Surf Life Saving Club	\$34,500	Located in North Fremantle, they actively patrol beaches, provide community support, have an excellent junior development and nipper program, and encourage members to reach their full potential through education and surf sports.	All ages / Community	Objectives for the Activities are: a. To ensure the safety of all visitors to Leighton and Port Beaches b. To enhance the health and wellbeing of people who live, work and visit Fremantle. c. To support formal and informal sporting activities.
Total	\$79,500			

The City has commenced a review of its community funding program and will seek to develop a policy framework aligned with the new Strategic Community Plan Vision, with clear program goals and objectives and priorities for funding. The new framework will be implemented at the beginning of the 2024-25 financial year.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required.

OFFICER'S RECOMMENDATION ITEM FPOL2307-9

Moved: Cr Jenny Archibald

Seconded: Cr Doug Thompson

Council:

1. Endorse the following community funding agreements (exc GST) for the period 30 July 2023 – 30 July 2024 for:
 - a. Imagined Futures - \$10,000
 - b. Fremantle Men’s Shed - \$20,000
 - c. Fremantle Foundation - \$15,000
 - d. Fremantle Surf Life Saving Club - \$34,500

2. Note that these community funding agreements will cease on 30 July 2024 coinciding with the commencement of the community funding policy framework.

AMENDMENT 1

Moved: Cr Jenny Archibald

Seconded: Cr Doug Thompson

To amend the Officer’s recommendation as follows:



Council:

1. Endorse the following community funding agreements (exc GST) for the period 30 July 2023 – 30 July 2024 for:
 - a. Imagined Futures - \$10,000
 - b. Fremantle Men's Shed - \$20,000
 - ~~c. Fremantle Foundation - \$15,000~~
 - d. Fremantle Surf Life Saving Club - \$34,500
- ~~2. Note that these community funding agreements will cease on 30 July 2024 coinciding with the commencement of the community funding policy framework.~~
- ~~4.~~ 3. Note that these community funding agreements will cease on 30 July 2024 coinciding with the commencement of the community funding policy framework.

Amendment carried: 7/0

Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Marija Vujcic, Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin

Reason for change:

The Fremantle Foundation recently announced that it is suspending Impact100 which the City funds and is a key deliverable of the of the agreement. Therefore, it is prudent for Council to consider suspending the decision to fund the Foundation until there is clarification on the funding agreement between the City and the Fremantle Foundation.

AMENDMENT 2

Moved: Cr Doug Thompson

Seconded: Cr Frank Mofflin

Replace part 2 of the Officer's recommendation and part 2 becomes part 3:

2. Delegate authority to the Chief Executive Officer for the decision on the funding allocation of \$15,000 after consideration of further information from the Fremantle Foundation.

Amendment carried: 7/0

Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Marija Vujcic, Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin



Reason for change:

The issue requires a judgement call that does not need to come back to Council for formal consideration and can be addressed (if necessary) with further information provided at IEM.

AMENDMENT 3

Moved: Cr Rachel Pemberton

Seconded: Mayor Hannah Fitzhardinge

Add a new part 4 to the Officer's recommendation as follows:

- 4. Requires the funding recipients to:**
- a) acknowledge the financial contribution from the city, as per the sponsorship policy, and**
 - b) provide an acquittal at the conclusion of the agreement that provides meaningful evidence of the outcomes / results of the agreement**

Amendment carried: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Marija Vujcic, Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin**

Reason for change:

To ensure good governance, accountability and acknowledgement in a consistent manner when community groups receive city funds.

COMMITTEE RECOMMENDATION ITEM FPOL2307-9
(Amended officer's recommendation)

Moved: Cr Jenny Archibald

Seconded: Cr Doug Thompson

Council:

- 1. Endorse the following community funding agreements (exc GST) for the period 30 July 2023 – 30 July 2024 for:**
 - a. Imagined Futures - \$10,000**
 - b. Fremantle Men's Shed - \$20,000**
 - c. Fremantle Surf Life Saving Club - \$34,500**
- 2. Delegate authority to the Chief Executive Officer for the decision on the funding allocation of \$15,000 after consideration of further information from the Fremantle Foundation.**
- 3. Note that these community funding agreements will cease on 30 July 2024 coinciding with the commencement of the community funding policy framework.**



- 4. Requires the funding recipients to:**
- a) acknowledge the financial contribution from the city, as per the sponsorship policy, and**
 - b) provide an acquittal at the conclusion of the agreement that provides meaningful evidence of the outcomes / results of the agreement.**

Carried: 7/0

**Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Marija Vujcic, Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin**



FPOL2307-10 PERTH GLORY SPONSORSHIP CONSIDERATION

Meeting date: 12 July 2023
Responsible officer: A/Manager Economic Development & Marketing
Decision making authority: Council
Attachments: Nil

SUMMARY

The purpose of this report is for Council to consider entering into a sponsorship agreement with Perth Glory Football Club.

The proposal seeks to enter into a 3-year sponsorship agreement with the Club which requests the provision of in-kind sponsorship support.

This report recommends that Council authorise the Chief Executive Officer to negotiate a 3-year sponsorship agreement with Perth Glory Football Club which considers costs associated with venue hire for a three year term which is in line with their current licence agreement for a portion of 70 Parry Street (2022, 2023, 2024).

BACKGROUND

On 27 October 2021, Council agreed to essential terms for the licence of a portion of 70 Parry Street, Fremantle to Perth Glory Football Club.

Perth Glory Football Club (Perth Glory) entered into a licence agreement with the City on 2 February 2022 for 1,528m² at 70 Parry Street, Fremantle.

Since Perth Glory relocated their headquarters to the City of Fremantle, the club have been utilising the southern pitch at Ken Allen in Hilton for their A-league men's team to train.

The club commenced training at Ken Allen in July 2022. When the club are at home, and in season, they generally train on weekdays between 10am – 2pm and then utilise their changing facilities at 70 Parry Street.

Over the 2022/2023 financial year, the club has accumulated a total of \$8,910 worth of venue hire which consists of \$2,930 in seasonal hire bookings at the Ken Allen South pitch and an additional \$5,980 in ad hoc bookings for media events at the Walyalup Civic centre, school holiday clinics, additional training sessions, and top up and conditioning sessions for the A-league women's team at other City of Fremantle facilities including Fremantle Park and Fremantle Oval.

These fees have been accounted for but not yet invoiced as it is intended that this value forms part of this proposed in-kind sponsorship agreement. If Council does



not approve this proposed in-kind sponsorship agreement, these fees will be payable by the club.

The City maintains the grounds at its sporting fields at a suitable level for community and sporting groups to train and play sport.

The City maintains the southern pitch at Ken Allen and the Fremantle Oval playing field at a higher standard to provide high-level playing fields within the City of Fremantle. This level of playing field has attracted international teams such as the England Rugby team, Leeds Football Club, and interstate football teams such as Adelaide Football Club in recent years and retains sporting activity such as the AFLW and WAFL content.

The cost difference between the standard ground maintenance service level, and the higher level of ground maintenance that the southern pitch at Ken Allen is currently being maintained at is \$53,191.

The higher-level servicing at Ken Allen consists of a variety of upgrades including playing surface inspections and turf repairs, playing surface compaction and traction testing, irrigation inspection and testing and turf renovation including top dressing.

It should be noted that this report and recommendation refers to a sponsorship agreement only. Venue usage and hire is managed through the City's standard bookings/seasonal hire process in consultation with all regular users of the reserve.

FINANCIAL IMPLICATIONS

The total annual cost for Perth Glory to hire the southern pitch at Ken Allen on a seasonal basis in line with the 23/24 fees and charges schedule is \$3,020. This cost comprises of:

Winter season (April – September): \$1,510

Summer season (October – March): \$1,510

The total annual cost for the City to upgrade the maintenance of the southern pitch at Ken Allen to a higher playing level is \$53,191.

The total estimated annual cost for Perth Glory to casually hire other city venues and playing fields for school holiday sporting clinics, additional training sessions and media and community events is \$6,000.

These combined costs total \$62,211.

The proposed sponsorship agreement and associated sponsorship benefits to be received by the City have been determined in line with the City's Grants and Sponsorship Policy.



Perth Glory have agreed to make an annual contribution of \$25,000 towards the total value of their use of the southern pitch at Ken Allen, grounds maintenance and additional casual hire.

An overview of the total financial contribution by way of fee waiver and cash contribution proposed over the three-year term is provided below.

Value of Sponsorship	Year 1 (2022/2023)	Year 2 (2023/2024)	Year 3 (2024/2025)	Total
Seasonal venue hire fee	\$3,020	\$3,020	\$3,020	\$9,060
Additional casual bookings	\$5,980	\$6,000	\$6,000	\$17,980
Grounds maintenance upgrade	\$53,191	\$53,191	\$53,191	\$159,573
Total Fees	\$62,191	\$62,211	\$62,211	\$186,613
Perth Glory cash contribution	\$25,000	\$25,000	\$25,000	\$75,000
Total in-kind sponsorship value <i>(fees proposed to be waived)</i>	\$37,191	\$37,211	\$37,211	\$111,613

In addition to the proposed \$25,000 cash contribution, Perth Gory also currently pays \$283,000 per annum to the City for the licence of space at 70 Parry Street.

LEGAL IMPLICATIONS

Sponsorship will be provided under a contractual agreement between the Perth Glory Football Club and the City. The City will be recognised as a club sponsor.

Provision of sponsorship will be subject to execution of the agreement, and Perth Glory seeking all other necessary approvals and complying with bookings and venue hire terms and conditions.

CONSULTATION

Perth Glory have agreed to the terms outlined in this report, including the \$25,000 per annum cash contribution to be provided to the City by Perth Glory.



OFFICER COMMENT

Perth Glory Football Club have been based at 70 Parry Street for their training and administration functions and have made a positive addition to the precinct.

The Club have approximately 20 administration and coaching staff that are based at the facility with a further 70 players from their mens, womens, and youth teams.

As part of the provision of this in-kind sponsorship, the following sponsorship deliverables have been negotiated:

- a. LED advertising at all Perth Glory Home Games across the East, North and South sides of the ground equating to \$50k retail value.
- b. 5 x player appearances (min of 2 players for 1 hour)
- c. City of Fremantle logo to feature on Perth Glory website
- d. Permission to use Perth Glory logo and images
- e. At least one Perth Glory Freo Family Day to be held in Fremantle
- f. Free girls clinic held in Fremantle together with Perth Glory women's players
- g. Production of a minimum of 5 x Perth Glory videos in Fremantle shot in key locations to be featured across both City of Fremantle and Perth Glory channels
- h. 20 x tickets per game to all Mens & Womens games for the City to utilise for marketing and promotional purposes
- i. Discounted tickets for Fremantle ratepayers
- j. Discounted membership offer (members renewal rate) for Fremantle ratepayers
- k. 12 weeks of Perth Glory website advertising
- l. Monthly inclusion in eNews ads
- m. 2 x stand-alone e-newsletters to the Perth Glory database per annum
- n. Big screen TV Screens at home games - 2 x 30sec City of Fremantle features per game
- o. Access to competition and prize partnerships, signed merchandise and club memorabilia for City initiatives and activities.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required.

COMMITTEE RECOMMENDATION ITEM FPOL2307-10 **(Officer's recommendation)**

Moved: Cr Jenny Archibald

Seconded: Cr Geoff Graham

Council:

- 1. Authorise the Chief Executive Officer to negotiate and enter into a three-year sponsorship agreement between the City of**



Fremantle and Perth Glory that includes the following essential terms:

- a. Year 1 (2022/2023 Financial Year)**
 - i. The City will provide a \$37,191 waiver for casual bookings and costs associated with venue hire and grounds maintenance fees for the use of the southern pitch at Ken Allen.**
- b. Year 2 (2023/2024 Financial Year)**
 - i. The City will provide a \$37,211 waiver for casual bookings and costs associated with venue hire and grounds maintenance fees for the use of the southern pitch at Ken Allen.**
- c. Year 3 (2024/2025 Financial Year)**
 - i. The City will provide a \$37,211 waiver for casual bookings and costs associated with venue hire and grounds maintenance fees for the use of the southern pitch at Ken Allen.**

2. Note the sponsorship agreement will be subject to Perth Glory agreeing to the City of Fremantle receiving the following benefits annually:

- a. LED advertising at all Perth Glory Home Games across the East, North and South sides of the ground equating to \$50k retail value.**
- b. 5 x player appearances (min of 2 players for 1 hour)**
- c. City of Fremantle logo to feature on Perth Glory website**
- d. Permission to use Perth Glory logo and images**
- e. At least one Perth Glory Freo Family Day to be held in Fremantle**
- f. Free girls clinic held in Fremantle together with Perth Glory women's players**
- g. Production of a minimum of 5 x Perth Glory videos in Fremantle shot in key locations to be featured across both City of Fremantle and Perth Glory channels**
- h. 20 x tickets per game to all Mens & Womens games for the City to utilise for marketing and promotional purposes**
- i. Discounted tickets for Fremantle ratepayers**
- j. Discounted membership offer (members renewal rate) for Fremantle ratepayers**
- k. 12 weeks of Perth Glory website advertising**
- l. Monthly inclusion in eNews ads**
- m. 2 x stand-alone e-newsletters to the Perth Glory database per annum**



- m. **Big screen TV Screens at home games - 2 x 30sec City of Fremantle features per game**
- n. **Access to competition and prize partnerships, signed merchandise and club memorabilia for City initiatives and activities.**

Carried: 6/1

For:

Mayor Hannah Fitzhardinge, Cr Jenny Archibald, Cr Rachel Pemberton
Cr Doug Thompson, Cr Geoff Graham, Cr Frank Mofflin

Against:

Cr Marija Vujcic

Additional Officer Comment

Following feedback from the FPOL Committee, the following amended recommendation is proposed to include reference to the additional \$25,000 annual contribution from Perth Glory.

Officer's Amended Recommendation

Council:

1. **Authorise the Chief Executive Officer to negotiate and enter into a three-year sponsorship agreement between the City of Fremantle and Perth Glory that includes the following essential terms, *and is subject to an annual contribution of \$25,000 to be provided by Perth Glory:***
 - a. **Year 1 (2022/2023 Financial Year)**
 - i. **The City will provide a \$37,191 waiver for casual bookings and costs associated with venue hire and grounds maintenance fees for the use of the southern pitch at Ken Allen.**
 - b. **Year 2 (2023/2024 Financial Year)**
 - i. **The City will provide a \$37,211 waiver for casual bookings and costs associated with venue hire and grounds maintenance fees for the use of the southern pitch at Ken Allen.**
 - c. **Year 3 (2024/2025 Financial Year)**
 - i. **The City will provide a \$37,211 waiver for casual bookings and costs associated with venue hire and grounds maintenance fees for the use of the southern pitch at Ken Allen.**



- 2. Note the sponsorship agreement will be subject to Perth Glory agreeing to the City of Fremantle receiving the following benefits annually:**
- a. LED advertising at all Perth Glory Home Games across the East, North and South sides of the ground equating to \$50k retail value.**
 - b. 5 x player appearances (min of 2 players for 1 hour)**
 - c. City of Fremantle logo to feature on Perth Glory website**
 - d. Permission to use Perth Glory logo and images**
 - e. At least one Perth Glory Freo Family Day to be held in Fremantle**
 - f. Free girls clinic held in Fremantle together with Perth Glory women's players**
 - g. Production of a minimum of 5 x Perth Glory videos in Fremantle shot in key locations to be featured across both City of Fremantle and Perth Glory channels**
 - h. 20 x tickets per game to all Mens & Womens games for the City to utilise for marketing and promotional purposes**
 - i. Discounted tickets for Fremantle ratepayers**
 - j. Discounted membership offer (members renewal rate) for Fremantle ratepayers**
 - k. 12 weeks of Perth Glory website advertising**
 - l. Monthly inclusion in eNews ads**
 - m. 2 x stand-alone e-newsletters to the Perth Glory database per annum**
 - n. Big screen TV Screens at home games - 2 x 30sec City of Fremantle features per game**
 - o. Access to competition and prize partnerships, signed merchandise and club memorabilia for City initiatives and activities.**



12. Reports and recommendations from officers

C2307-1 STATEMENT OF INVESTMENTS – JUNE 2023

Meeting date:	26 July 2023
Responsible officer:	Manager Financial Services
Decision making authority:	Council
Attachments:	1. Statement of Investments – June 2023

SUMMARY

This report outlines the investment of surplus funds for the month ending 30 June 2023 and provides information on these investments for Council consideration.

This report recommends that Council receive the Investment Report for the month ended 30 June 2023, as provided in Attachment 1.

The investment report provides a snapshot of the City’s investment portfolio and includes information as at 30 June 2023 in relation to:

- **Portfolio details;**
- **Portfolio credit framework;**
- **Portfolio liquidity;**
- **Portfolio fossil fuel summary;**
- **Interest income; and**
- **Investing activities.**

BACKGROUND

In accordance with the Investment Policy adopted by Council, the City of Fremantle 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 into appropriately rated and liquid investments, until the City requires the money for operational expenditure.

The City seeks to ensure its financial investments consider the City’s One Planet Fremantle Strategy. The City therefore seeks to limit investments in financial institutions which support, either directly or indirectly, fossil fuel companies, while balancing compliance with the Investment Policy, and achieving a suitable return on those investments.



FINANCIAL IMPLICATIONS

Investment interest earned year to date is \$1,538,779 against a full year amended budget of \$1,110,950. Interest earnings year to date are higher than budget by \$427,829, with \$142,511 being earned in June. The current cash rate is 4.1%, which is the highest since April 2012. Current investment markets continue to offer attractive interest rates.

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 3.55% for the month of June 2023. The City's actual portfolio return in the last 12 months is 2.75%, which compares on par with the benchmark Bloomberg AusBond Bill Index reference rate of 2.89% (refer to Attachment 1 point 8).

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 which are overviewed by the Australian Prudential Regulation Authority (APRA).

CONSULTATION

Nil

OFFICER COMMENT

The City's Investment Portfolio Manager has provided a comprehensive Investment Report for the month ending 30 June 2023 which can be viewed in the Attachment. A summary of the investment report is provided below.

1. Portfolio Details

As at 30 June 2023, the City's investment portfolio totalled \$37.19m. The market value of this investment was \$37.54m at that time, which takes into account accrued interest.

The investment portfolio is made up of:

Cash Investments (<= 3 months)	\$ 10.69m
Term Deposits (> 3 months)	\$ 26.50m
TOTAL	\$ 37.19m



Of which:

Unrestricted cash	\$ 26.88m
Restricted cash (Reserve Funds)	\$ 10.31m
TOTAL	\$ 37.19m

The current amount of \$26.88m held as unrestricted cash represents 32.27% of the total adopted budget for operating revenue (\$83.31m).

2. Portfolio Credit Framework

The City’s Investment policy determines the maximum amount to be invested in any one Tier, or any one financial institution within a Tier, based on the credit rating of the financial institution. Council adopted amendments to this policy at its Ordinary Council Meeting held on 25 November 2020, and the current adopted Counterparty Credit Framework is noted below.

Portfolio Credit Framework limits

The Portfolio Credit Framework limits prescribe the limit of investments that may be made within any Tier of financial institutions. The maximum allocation to be invested in each Tier, and the City’s actual investment allocation in those Tiers as at 30 June 2023, is outlined below. It shows that the distribution of the City’s investments across the four Tiers is compliant with the City’s investment policy.

Tier	Allocation	Allocation %	Maximum Allocation %	% Used of Maximum Allocation	% Available of Maximum Allocation	% Exceeded of Maximum Allocation
Tier 1	9,517,843.39	25.59%	100.00%	25.59%	74.41%	0.00%
Tier 2	19,172,242.07	51.55%	60.00%	85.92%	14.08%	0.00%
Tier 3	8,500,000.00	22.86%	35.00%	65.31%	34.69%	0.00%
Tier 4	0.00	0.00%	15.00%	0.00%	100.00%	0.00%
37,190,085.46						
Values used in the above calculations exclude interest for term deposits and other simple interest securities.						

Within each Tier, the Counterparty Credit Framework limits prescribe the limit of investments that may be made with any one financial institution. The maximum percentage of investments to be held with any one financial institution, within a given Tier, are outlined below.



Counterparty credit framework

Investments are not to exceed the following percentages of average annual funds invested with any one financial institution 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) AAA to AA-	45%
Tier 2 A+ to A-	25%
Tier 3 BBB+ to BBB-	10%
Tier 4 Unrated	(\$1m)

The City’s funds invested as at 30 June 2023, relative to the Counterparty Credit Framework limits were as follows:



As highlighted in the chart above, the City’s portfolio of investments as at 30 June 2023 is compliant with the City’s investment policy.

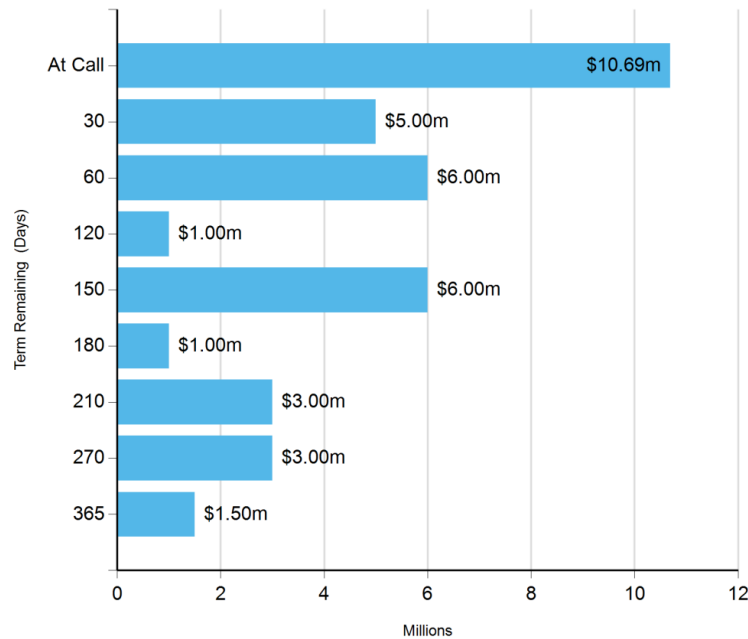
3. Portfolio Liquidity Indicator

The City’s 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.

The below graph provides details on the maturity timing of the City’s investment portfolio as at 30 June 2023. Currently, all investments will mature in one year or less.



Face Value by Term Remaining

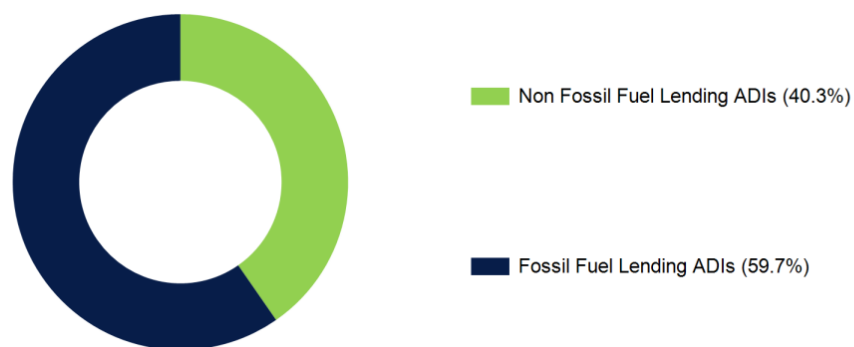


4. Portfolio Summary by Fossil Fuels Lending Authorised Deposit-Taking Institutions (ADIs)

To support the City’s ability to undertake greater fossil fuel divestment, a review of the Investment Policy was presented and adopted by Council on 25 November 2020 which incorporated a minor change to the investment framework to increase the percentages allocated to Tier 3 and Tier 4 categories, allowing greater flexibility. Since December 2020 investments have been made in accordance with the revised policy to increase the percentage invested in “Green Investments”; being ADIs that do not lend to industries engaged in the exploration for, or production of, fossil fuels (Non-Fossil Fuel Lending ADIs).

As at 30 June 2023, \$15m (40.3%) of the City’s portfolio was invested in “Green Investments”.

Fossil Fuel vs Non Fossil Fuel Lending ADI





Refer to Attachment 1 (Note 7) for details on which financial institutions these investments are held in.

Noting the intent of the policy, the City continues to monitor risk associated with current global economic conditions and the impact this may be having on the solvency of some banks, and subsequent security of the City's investments. As a result the City is currently prioritising higher rated banks (Tier 1 & 2) when it comes to investment activity. If a non-fossil fuel lender is providing competitive rates that will generate a suitable return, and fall within a tier 1 or 2 category, these lenders will be prioritised. Outside of this the City will continue to prioritise low risk investment activity across higher tier banks.

5. Interest Income for Matured Investments

Per Attachment 1 (Note 9), interest income earned during June 2023 from matured investments was \$143,897.

6. Investing Activities

In June 2023, seven term deposits totalling \$7.5m matured and out of a total of \$0.5m were reinvested across 1 term deposit. \$7m was transferred back to operation account for EOY cashflow purpose.

Full details of the institutions invested in, interest rates, number of days and maturity date for investments held as at 30 June 2023 are provided in Attachment 1.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required.

OFFICER'S RECOMMENDATION

Council receive the Investment Report for the month ending 30 June 2023, as provided in Attachment 1.



C2307-2 SCHEDULE OF PAYMENTS – JUNE 2023

Meeting date:	26 July 2023
Responsible officer:	Procure to Pay Team Lead
Decision making authority:	Council
Attachments:	1. Schedule of Payments and Listings 2. Purchase Card Transactions <i>Attachments viewed electronically</i>

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 30 June 2023, as required by the *Local Government (Financial Management) Regulations 1996*.

This report recommends that Council accept the list of payments made under delegated authority and accept the detailed transaction listing of Purchase Card expenditure.

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 2023, is provided within Attachments 1 and 2.

FINANCIAL IMPLICATIONS

A total of \$9,261,399.00 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;*
 - (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 30 June 2023 by payment type:

Payment Type	Amount (\$)
Cheque / EFT / Direct Debit	\$ 7,115,248.94
Purchase card transactions	\$ 45,411.32
Salary / Wages / Superannuation	\$ 2,105,904.45
Total	\$ 9,266,564.71

Attachment 1 provides a detailed listing of the payments by Cheque, EFT and Direct Debit, while Attachment 2 provides a detailed listing of Purchase Card transactions for the month ending 30 June 2023.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required.



OFFICER'S RECOMMENDATION

Council:

- 1. Accept the list of payments made under delegated authority, totalling \$9,266,564.71 for the month ending 30 June 2023 including the Cheque /EFT/ Direct Debits as contained within Attachment 1.**
- 2. Accept the detailed transaction listing of Purchase Card expenditure, totalling \$45,411.32 for the month ending 30 June 2023, as contained within Attachment 2.**



C2307-3 MONTHLY FINANCIAL REPORT - DRAFT JUNE 2023

Meeting date: 26 July 2023
Responsible officer: Manager Financial Services
Decision making authority: Council
Attachments: 1. Monthly Financial Report – June 2023

SUMMARY

The monthly financial report for the period ending 30 June 2023 has been prepared and tabled in accordance with the *Local Government (Financial Management) Regulations 1996*.

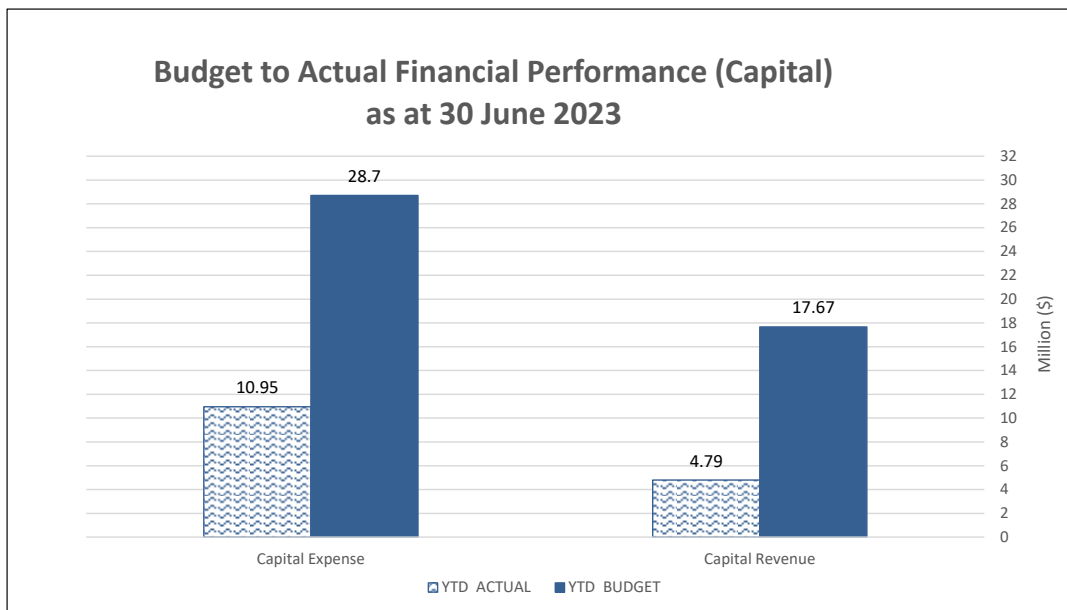
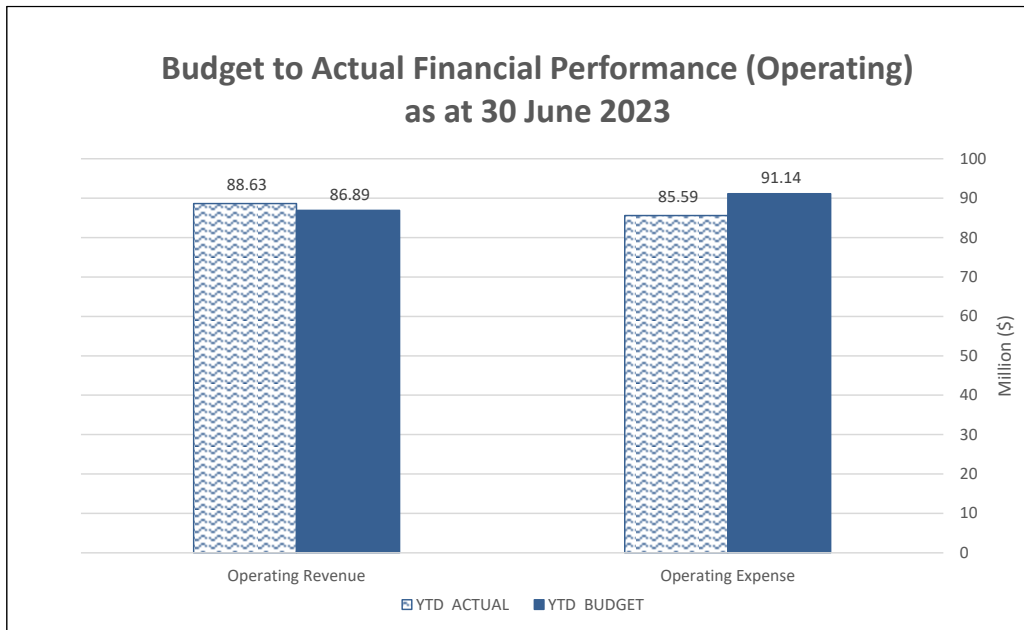
This report provides an analysis of financial performance up to June 2023 based on the following statements:

- **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.**

This financial report for the period ended 30 June 2023 is prepared considering accrued interest on borrowings (loans) and prepaid insurance premiums, also including carry forward adjustments and mid-year budget amendments. Please note figures reported for 30 June 2023 in this report are draft report subject to change with end-of-year adjustments and are as yet un-audited.

BACKGROUND

The following graph and table provide a high-level summary of the Council's year to date financial performance as at 30 June 2023.



RATE SETTING STATEMENT – BY NATURE AND TYPE FOR THE PERIOD TO 30 JUNE 2023

Below is a summary of the year-to-date Rate Setting Statement, by Nature and Type, to 30 June 2023. The detailed Statement can be found in the attached Financial Report.



Description	YTD Amended Budget	YTD Actual	Variance	Variance
	\$M	\$M	\$M	%
Opening Surplus	14.40	10.57	(3.83)	(26.55%)
Operating				
General Rate Revenue	53.19	53.22	0.03	0.05%
Revenue (Exc. Rates)	33.70	35.41	1.71	5.08%
Expenses	(91.14)	(85.59)	5.55	6.09%
Non-Cash Adj.	10.64	10.64	0.00	
	6.39	13.68	7.29	114.08%
Investing				
Capital Revenue	17.66	4.80	(12.86)	(72.86%)
Capital Expenses	(28.70)	(10.95)	17.75	61.86%
	(11.04)	(6.15)	4.89	(44%)
Financing				
Repayment Loans & Leases	(2.92)	(2.94)	0.02	(0.77%)
Reserve Transfers	(6.02)	(3.76)	2.26	(37.60%)
	(8.94)	(6.30)	2.64	(30%)
Closing Surplus/(Deficit)	0.81	11.40	10.59	1351.69%

STATEMENT OF COMPREHENSIVE INCOME – BY NATURE AND TYPE FOR THE PERIOD TO 30 JUNE 2023

As detailed in the Statement of Comprehensive Income by Nature and Type, operating income and expenses have varied to the Adopted Budget as follows:

Description	YTD Amended Budget \$	YTD Actual \$	Variance \$	Variance %
Operating Income				
Rates (including Annual Levy)	53,375,534	53,404,655	29,121	0.05%
Service Charges	1,271,375	1,199,188	(72,187)	(5.68%)
Op. Grants, Subsidies & Contributions	3,556,603	4,091,542	534,939	15.04%
Fees and Charges	23,992,232	25,714,477	1,722,245	7.18%
Interest Earnings	1,569,450	1,961,718	392,268	24.99%
Reimbursement Income	1,670,005	1,454,089	(215,916)	(12.93%)
Other Income	724,964	798,262	73,298	10.11%
Total	86,160,163	88,623,931	2,463,768	2.86%
Operating Expenses				
Employee Costs	(41,950,344)	(39,731,881)	2,218,463	5.29%



Employee costs - Agency Labour	(1,604,000)	(1,788,172)	(184,172)	(11.48%)
Materials and Contracts	(30,556,345)	(27,678,499)	2,877,846	9.42%
Depreciation – Non-Curr. Assets	(11,353,843)	(11,651,884)	(298,041)	(2.63%)
Interest Expenses	(521,843)	(509,968)	11,876	2.28%
Utility Charges	(2,117,142)	(1,808,743)	308,399	14.57%
Insurance Expenses	(1,062,250)	(1,014,402)	47,849	4.50%
Other Expenditure	(1,959,693)	(1,391,174)	568,519	29.01%
Total	(91,125,460)	(85,574,722)	5,550,738	6.09%

Further explanation of material variances can be found under Officer’s Comments below.

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

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

CONSULTATION

Nil

OFFICER’S COMMENT

Summary of financial performance

As at the end of June 2023, the City continues to perform well financially with a closing funding surplus of \$11.41m, over the year to date amended budget by \$10.59m.

There is an additional operating surplus of \$7.26m for the period ended 30 June 2023, however this is offset by audit related adjustments of \$3.82m relating to carry forward funds from the 2021-22 FY. The Net surplus attributable to operating activities is therefore \$3.44m. Capital expenditure is underspent by \$17.76m and as such some projects will be carried forward to the 2023/24FY.

Recognised capital revenue is lower than budgeted by \$7.9m. According to the accounting standard AASB 15 Revenue from Contracts with Customers, grants



income can only be recognised as revenue to the extent of the contract obligation being fulfilled and matched to the cost incurred. As such, between the grants being received and associated costs being incurred the unspent grants are recorded as a contract liability. As at 30 June 2023, the City has derecognised \$5.7m in unspent capital grants and \$0.36m in unspent operating grants. These unspent grants were transferred from the revenue account to the contract liability account.

Interest income remains higher than budget due to increasing interest rates generating strong investment returns. However, the City continues to monitor risk associated with global economic conditions and the impact this may be having on the solvency of some banks, resulting in the City tending to prioritise higher rated banks when it comes to investment activity.

Overall parking revenue continues to be the primary contributor to increased fees and charges revenue. Agency labour is used to fill in the vacant positions due to the tight labour market, funded from the salary and wages savings. Expenditure on materials & contracts has fallen behind budget mainly due to cost savings and timing difference in receipt of invoices.

In summary, year to date, as at the end of June 2023, the current surplus exceeds the YTD amended budget by \$10.59m. This is mainly due to favourable variances against the year-to-date budget in the following areas:

- Increased Fees and Charges revenue of \$1.72m;
- Increased Operating Grants Income of \$535k;
- Increased Interest Earnings of \$392k;
- Budget variance in operating expenditure of \$5.55m; and
- Budget variance in capital expenditure of \$17.76m.

These favourable variances were offset by:

- Below-budget carry forward funds from the 2021-22 financial year of \$3.82m compared to the amended budget;
- Below-budget Proceeds from Disposal of Assets of \$4.96m;
- Below-budget Capital Grants and Subsidies/ Contributions for the development of Assets of \$7.9m; and
- Below-budget Reserve Transfers (Capital and operating) of \$2.26m.

Accounting methods

The City manages its finances in line with the requirements of the Local Government Act 1995, associated regulations and Australian accounting standards.

The City carries out accounting on both an accrual basis and a cash basis.



Accrual accounting requires accounting transactions to be recognised and recorded when they occur, regardless of whether payment/receipt has been made at that time, in accordance with the Australian Accounting standards.

The City accounts for Rates, Service Charges, Interest income on term deposits, Insurance expenses and Interest expenses on borrowings (loans) & leases on an accrual basis.

The remainder of income and expenditure items are recognised and recorded at the period they are encountered.

Explanation of Material Variances & YTD Performance

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 the 2022-23 financial year for reporting material variances as 10% together with the minimum value of \$100,000 (Refer Item C2201-1 from Council meeting on 20 July 2022).

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

Building on the favourable opening surplus for the year, the following items explain the City’s major variances in operating performance for this financial year, as highlighted in the year-to-date Rate Setting Statement as at 30 June 2023:

Description	Variance Amount (\$)	Comment
Net current assets at start of financial year - surplus/(deficit)	(3,822,299)	▼ (27%)
Major Variances:		
Carry forward funds from the 2021-22 financial year	(3,822,299)	The operating results for 30 June 2022 have been adjusted by \$4,243,000 due to the adjustment of Assets Held for Sale. The City has properties held for sale with a value of \$4,243,000. The adjustment excluded the properties from net current assets as they were



Description	Variance Amount (\$)	Comment
		reassessed to be restricted assets. The sale proceeds will be transferred to a reserve account once they are sold, which have been budgeted in 2022/23 financial year. The closing balance of net current assets is therefore reduced by \$4,243,000.
Profit on Sale of Assets	(724,215)	▼ 100%
Major Variances:		
P-10458 Disposal-7 Quarry St	(70,000)	Timing variance – The asset disposal projects are carried forward to 2023/24FY.
P-11052 Disposal-9 Quarry St	(657,000)	
Operating Grants, Subsidies and Contributions	534,939	▲ 15%
100239 - Receive general purpose grants and contributions	1,064,784	Timing variance - \$1.3m advance payment received for the 2023 - 24 Financial Assistance Grants from Department of Government, Sports and Cultural Industries. Budget amendment will be made for 23/24 general purpose grants income to be received.
Interest Income	392,268	▲ 25%
Major Variances:		
100527 - Receive investment income - Unrestricted Funds	427,829	Favourable variance - Investment interest earned is higher than budgeted. Current investment markets continue to offer attractive interest rates.
Reimbursement Income	(215,916)	▼ 13%
Major Variances:		



Description	Variance Amount (\$)	Comment
100184 - Lease Union Store 41-47 High Street Fremantle – Variable Outgoings	(379,271)	Accounting variance - Approved budget for the year is higher than actual rental income.
Employee Costs – Agency Labour	(184,172)	▼ (11%)
Major Variances:		
6500 - Parks and Landscapes	(114,005)	Agency labour is used to fill in the vacant positions due to the tight labour market. Additional spending is offset by the salary and wages savings.
6400 - Facilities and Environmental Management	(27,085)	
6100 - Infrastructure Leadership	(16,144)	
Utility Charges	308,399	▲ 15%
Major Variances:		
5821 - Electricity Expense	223,827	Mainly due to timing difference of receipt of invoices and cost savings. Actual savings will be reduced once EOY accrual process is finalised.
5822 - Gas Expense	57,264	
5823 - Water Expense	27,308	
Other Expenditure	568,519	▲ 29%
Major Variances:		
Support South Fremantle Football Club	275,000	Timing variance - sponsorship arrears will be paid on signing of agreement between CoF and South Fremantle Football Club in 23/24FY,
Support Fremantle Football Club	50,000	Timing variance - sponsorship will be paid upon receipt of invoice.
Support CAT bus service	28,304	Timing variance - Final month June invoice to be paid.
Support the mayor and councillors	64,743	Favourable variance - actual sponsorship and expenses were lower than anticipated.
Capital Grants and Subsidies/Contributions for the development of Assets	(7,914,775)	▼ 62%



Description	Variance Amount (\$)	Comment
Major Variances:		
300157 - P-11882 Design and construct - Fremantle Golf Course	(4,103,857)	Accounting variance - Unspent grants to be carried forward to 23/24 FY.
300121 - P-11843 Design and construct- Markets Building Services	(1,700,000)	
300110 - P-11823 Design and construct-Port Beach coastal adaptation	(1,102,160)	Project is carried forward and grants to be received in 23/24 FY.
300251 - P-12027 Design and construct - Griffiths Park - Upgrade	(247,000)	Timing variance – Grants from federal government to be received.
Proceeds from Disposal	(4,957,950)	100%
Major Variances:		
P-10458 Disposal-7 Quarry St	(2,720,000)	Timing variance – The disposal projects are carried forward to 2023/24FY.
P-11052 Disposal-9 Quarry St	(2,250,000)	
Capital Expense - Purchase Community Land & Buildings	7,153,801	▲ 70%
Major Variances:		
300344 - P-11989 - Design and construct - Hilton Reserve	1,000,000	Accounting variance - \$1m was transferred to reserve for the design and construction work in future.
300218 - P-11992 Design & construct-South Beach-Changerooms	586,941	Timing Variance - Year to date invoicing lower than budget due to extended schematic design phase including consultation with the Working Group. The project is carried forward to 23/24FY.
300320 - P-12112 Design and construct - Stevens Res - Facility	175,000	Timing Variance – Club’s assessment and feasibility study is in progress with remaining budget for design consultancy in 23/24.

**Agenda – Ordinary Meeting of Council
26 July 2023**



Description	Variance Amount (\$)	Comment
300342- P-12084 Design and construct - Dick Lawrence - Lighting	90,000	Timing Variance – Projects on hold to be incorporated in Hilton Park Masterplan project. These projects are carried forward to 23/24FY.
300341 - P-12082 Design and construct - Dick Lawrence - Changeroom	300,000	
300216 - P-11989 Design and construct - Ken Allen - Clubhouse	106,285	
300278 -P-12028 Program - Coastal Monitoring (South)	84,609	The final monitoring data is to be gathered following early winter storm event/s. CAP Grant approval has been given for the delay in acquittal to align with monitoring requirements.
300299 - P-12090 Fitout - WCC tenancy - Level 1,2 & 3	1,041,860	Timing Variance – The project is under evaluation process. The project is carried forward to 23/24FY.
300119 - P-11842 Design and construct-Westgate Mall courtyard	176,504	Timing Variance - project being procured – construction will commence in September. The project is carried forward to 23/24FY.
300112 - P-11829 Design and construct-Kings Square Commercial tenancy	134,779	Timing Variance - The project is carried forward to 23/24FY.
300309 - P-10223 Design and construct - Arts Centre - Roof	389,623	Timing Variance - Delays on site due to weather, and structural works requirements identified once the asbestos was removed and access to the roof void obtained. The project is carried forward to 23/24FY.
300121 - P-11843 Design and construct- Markets Building Services	2,270,133	Timing Variance - Construction project was on hold at this stage subject to Council’s decision on tenants arrangement. The project is carried forward to 23/24FY.
P-10297 Construct- Walyalup Civic Centre & Library (KS)- Extr	245,923	Remaining funding from Pindan to be carried forward to 23/24FY.
P-12145-Design and construct - North Fremantle Bowling Club	201,159	Timing Variance - The project is carried forward to 23/24FY. Works on site due to complete in August.



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Description	Variance Amount (\$)	Comment
P-12150 Design and construct - FAC Café	90,000	Timing Variance - The project is carried forward to 23/24FY. Works to be undertaken when new operator agreed.
P-12081 Design and construct - Leighton Beach - Toilets	59,300	Timing Variance - Works completed, waiting on invoices.
P-12149 Install-Leisure Centre - Air Con	55,000	
P-12074 Design + Construct Fremantle Leisure Centre Kiosk	40,000	Timing Variance - The project is carried forward to 23/24FY. Works to be undertaken when new operator agreed.
P-12151 Design and construct - Moore and Moore Café	40,000	Timing Variance - Delay due to Covid with contractor staff, fire alarm installation due to be completed in July.
P-11873 Program - Solar panels	31,510	Timing Variance - The project is carried forward to 23/24FY. Budget quarantined.
Capital Expense - Purchase Infrastructure - Roads	147,717	▲ 11%
Major Variances:		
300337 - P-12095 Resurface - MRRG - Lefroy Rd EB/WB	44,226	Favourable variance - Project completed with savings.
300303 - P-12085 Design and construct - Paget St - Streetscape	50,000	Timing Variance - The project's progress has been hindered by the developer's completion of their scope, which is to be carried forward to 23/24FY.
300321 - P-12111 Resurface - R2R - Edmund St (Samson to Watkins St)	32,193	Favourable variance - Project completed with savings.
Capital Expense - Purchase Infrastructure - Drainage	218,762	▲ 54%
Major Variances:		

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Description	Variance Amount (\$)	Comment
300349 - P-12140 Drainage – Port Beach carpark	120,000	Timing Variance - Project behind schedule, currently in procurement with works anticipated in July 2023.
300319 - P-12114 Design and construct - Notre Dame - Drainage	47,545	Timing Variance - Project to be undertaken to synchronise with university non-teaching week.
300295 - P-12119 Drainage - Jenkin and Daly St	30,458	Timing Variance - The project has been delayed due to the weather events, which is to be carried forward to 23/24FY.
Capital Expense - Purchase Infrastructure - Paths	191,299	 69%
Major Variances:		
300289 - P-12126 Footpath - Fremantle Port to Bathers Beach	45,940	Timing variance - Project design being considered by Council in July with construction works estimated to commence in October 2023.
300317 - P-12117 Footpath - Hampton Rd	85,054	Favourable variance - Project Completed. Awaiting contractor to send through final invoice.
300351 - P-12141 - Install - Walyalup Koort - Shade sail	19,441	Timing Variance - Contract awarded, building approval received with installation commenced in late May 2023.
300263 - P-12049 Footpath - Duffield Ave	16,602	Favourable variance - Project completed with savings.
Capital Expense - Purchase Infrastructure - Parks	6,609,230	 70%
Major Variances:		
300157 - P-11882 Design and construct - Fremantle Golf Course	4,381,857	Timing Variance - Tender negotiations are ongoing. The project is carried forward to 23/24FY.
300197 - P-10412 Design and construct - Booyembara Park Masterplan	401,075	Timing variance - various infrastructure renewal projects are in the design and procurement phases and have experienced delays due to resource availability. The project is carried forward to 23/24FY.
300147 - P-10077 Program-Parks-Infrastructure	193,688	

**Agenda – Ordinary Meeting of Council
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Description	Variance Amount (\$)	Comment
300332 - P-12100 Design and construct - Dick Lawrence - Irrigation	250,000	Timing variance – design phase was prolonged to ensure works align with planned Hilton Park Master Plan project.
300336 - P-12096 Design and construct - Pioneer Park - Bore	206,400	Timing variance - project awarded and works are due to commence in July. The project is carried forward to 23/24FY.
300345 - P-12148 Design and construct - Walyalup Koort Lighting	290,000	Timing Variance - The project is expected to be carried forward to 23/24FY. Currently awaiting tender to be signed off.
300262 - P-12048 Design and construct - Paddy Troy Mall - Lighting	30,352	Timing Variance - The project has been split in to two phases. Phase one is complete. Phase two is being undertaken as nightworks in order to minimise business disruption and is programmed for construction in July 23.
P-12125 Install - William, Henderson & Queen St - Lighting	116,095	Timing Variance - Awaiting quote from Western Power. The project is to be carried forward to 23/24FY.
300297 - P-12116 Install - William St – Trees	153,447	Timing Variance - Semi-mature trees ordered and selected. The project is expected to be carried forward to 23/24FY.
300291 - P-12123 Design and construct - Leighton Reserve - Playground	230,000	Timing Variance - Community Consultation finalised, head contractor under procurement and completion programmed for October 2023.
300335 - P-12097 Design and construct - South Beach - Bore	84,338	Timing Variance - Additional assessment required of the water in this part of the aquifer for irrigation purposes. Consultant has been engaged with bore construction works on hold pending the outcome of these findings.
300316 - P-12127 Design and construct - Hilton Bowling Club - Green	107,835	Timing Variance – Contract awarded, works commenced on site in May 23 after lead time for materials.



Description	Variance Amount (\$)	Comment
300305 - P-12079 Program - Dog improvements	60,450	Timing variance - project awarded and works are due to commence in July 23.
300313 - P-12129 Program - Prawn Bay - Ecological restoration	33,210	The City has appointed Coastal Engineers to undertake the riverward engineering and the design is progressing in consultation with the Riverbank branch of the Department of Biodiversity, Conservation and Attractions.
Capital Expense - Purchase Plant and Equipment	1,717,133	94%
Major Variances:		
300259 - P-12041 Program - Ticket machines	1,706,000	Timing Variance - To be carried forward to 23/24FY.
Capital Expense - Purchase Furniture and Fittings	391,137	81%
Major Variances:		
300353 - P-12159 Tenancy Fitout	100,000	Timing Variance - No further expenditure expected in 22/23FY while tender process is underway. To be carried forward to 23/24FY.
300256 - P-12036 Purchase - Parking licence plate recognition cameras	180,000	Timing Variance - No expenditure in 22/23FY. To be carried forward to 23/24FY.
300073 P-11077 Install- Kings Square Network infrastructure Queensgate	34,638	Timing Variance - This project delayed due to WCC Data Centre cooling issues not yet being resolved. To be carried forward to 23/24FY.
Capital Expense - Purchase Infrastructure - Other	1,327,096	29%
300162 - P-11878 - Design and construct -Walyalup Koort – Public Artwork	79,449	Timing Variance - Project delayed and extension/roll forward due to feasibility report of artwork concept and site currently being completed. This project is to be carried forward to 23-24FY.



Description	Variance Amount (\$)	Comment
300088 - P-11687 Install Public Art Kings Square	35,200	Timing Variance - This project is to be carried forward to 23-24FY. On track to delivery within the next 6 months.
300285 - P-12134 Program - Access and inclusion	30,000	Timing Variance - The budget was not expended because the walkway section of the South Beach Place Plan was not delivered in 2022-23 therefore delaying the commencement of the beach matting section to the water's edge. This project is to be carried forward to 23-24FY.
300110 - P-11823 Design and construct-Port Beach coastal adaptation	1,035,971	Timing Variance - sand nourishment works complete, awaiting invoice. Dune creation and revegetation works occurring in July 2023.
300310 - P-12138 Design and construct - John St Riverwall Replacement	136,552	Timing Variance - Contract awarded. On-site works re-scheduled until September 23 to avoid storm surges and adverse weather risk over winter. This project is to be carried forward to 23-24FY.
Reserve Transfers	(2,419,161)	▼ 44%
Major Variances:		
Transfer from Reserve (Restricted) – Capital	(2,899,184)	Timing variance: variance is primarily attributed to an underspend on capital works, therefore, the required funding from Reserves is less than budgeted year to date.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council receive the Monthly Financial Report, as provided in Attachment 1, 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 2023.



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.

Nil

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