



# Agenda

## Ordinary Meeting of Council

Wednesday 27 November 2024 6:00 pm



## **Notice of an Ordinary Meeting of Council**

Elected Members

An Ordinary Meeting of Council of the City of Fremantle will be held on **27 November 2024** in the Council Chamber (Bibbool Room) at the Walyalup Civic Centre, located at 151 High Street, Fremantle commencing at 6:00 pm.

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

Glen Dougall  
**Chief Executive Officer**

20 November 2024



## Table of Contents

Official opening, welcome and acknowledgement .....	5
Attendance, apologies and leave of absence.....	5
Apologies .....	5
Leave of absence .....	5
Applications for leave of absence .....	5
Disclosures of interest by members .....	5
Responses to previous public questions taken on notice.....	5
Public question time .....	5
Petitions.....	6
Deputations.....	6
Presentations.....	6
Confirmation of minutes .....	6
Elected member communication .....	6
Reports and recommendations from officers.....	7
<b>Planning reports .....</b>	<b>7</b>
<b>Strategic and general reports .....</b>	<b>8</b>
C2411-10 ADOPTION OF THE FREMANTLE OVAL REDEVELOPMENT PRECINCT MASTERPLAN .....	8
C2411-11 DRAFT LOCAL PLANNING POLICY 2.26: TREE RETENTION .....	20
C2411-12 FCC665/24 - 38-40 HENRY STREET FACADE STABILISATION .....	25
C2411-13 P-12242 BUILDINGS - BEACH ST - TOILETS - SOLE SOURCE OF SUPPLY .....	34
C2411-14 WASTE MANAGEMENT COLLECTIVE - AGREEMENT PROPOSAL (REGIONAL RESOURCE RECOVERY CENTRE).....	41
<b>Committee and working group reports .....</b>	<b>49</b>
<b>Statutory reports .....</b>	<b>50</b>
C2411-16 STATEMENT OF INVESTMENTS - OCTOBER 2024.....	50
C2411-17 SCHEDULE OF PAYMENTS - OCTOBER 2024.....	57
C2411-18 MONTHLY FINANCIAL REPORT - OCTOBER 2024.....	60
Motion of which previous notice has been given .....	68
Urgent business .....	68

**City of Fremantle**  
**Ordinary Meeting of Council - Agenda**  
**27 November 2024**



Late items .....68  
Confidential business .....68  
Closure .....68



## **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.

## **Attendance, apologies and leave of absence**

### **Apologies**

There are no previously received apologies.

### **Leave of absence**

There are no previously received leave of absence.

### **Applications for leave of absence**

Elected members may request leave of absence.

### **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.

### **Responses to previous public questions taken on notice**

There are no responses to public questions taken on notice at a previous meeting.

### **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.



## **Petitions**

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

## **Deputations**

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

## **Presentations**

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

## **Confirmation of minutes**

### **OFFICER'S RECOMMENDATION**

**Council confirm the minutes of the Ordinary Meeting of Council dated 13 November 2024.**

## **Elected member communication**

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



## **Reports and recommendations from officers**

### **Planning reports**

Nil.



## Strategic and general reports

### **C2411-10 ADOPTION OF THE FREMANTLE OVAL REDEVELOPMENT PRECINCT MASTERPLAN**

<b>Meeting date:</b>	27 November 2024
<b>Responsible officer:</b>	Manager Strategic Planning and City Design
<b>Voting requirements:</b>	Simple Majority Required
<b>Attachments:</b>	<ol style="list-style-type: none"><li>1. Fremantle Oval Redevelopment Masterplan Report</li><li>2. Fremantle Oval Masterplan Public Comment Report</li></ol>

#### **SUMMARY**

**At the 9 October 2024 Ordinary Meeting of Council, the Fremantle Oval Redevelopment Precinct Masterplan was endorsed by Council for public advertising to seek further community comment and to conclude the consultation process for the project.**

**Public advertising and the compilation of community comment has now been completed, and the Fremantle Oval Redevelopment Precinct Masterplan (the Masterplan), as provided in Attachment 1, has been finalised.**

**This report recommends that Council endorse the prepared masterplan for the Fremantle Oval Redevelopment Precinct. The Masterplan will provide the framework for the project to be developed in more detail. The document will be used to support engagement with government to help secure funding commitments and guide ongoing project planning.**

#### **BACKGROUND**

Since April 2023, the City has been working with key partners South Fremantle Football Club (SFFC), Fremantle Football Club (FFC) and the Western Australian Football Commission (WAFC) on preparing a renewed vision for Fremantle Oval's redevelopment. As the vision has developed in scope and complexity a broader association of consultants, stakeholders and City-staff has been brought together to prepare a masterplan (Attachment 1).

##### Previous Planning Studies

Since 2014, numerous studies have been undertaken to prepare a masterplan for the oval and secure substantial funding for its redevelopment. These studies varied in focus and are summarised below:





2016 Masterplan – driven by the potential co-location of SFFC and East Fremantle Football Club to the site.

2018 Masterplan – led by Development WA (then LandCorp) and driven by an intent to deliver integrated housing and mixed-use development across the Fremantle Hospital and oval sites.

2020 Masterplan – driven by the need for new SFFC facilities, stronger heritage outcomes, an active community space in the City and unlocking a future housing development on free-hold land adjacent to the oval.

Despite their differences, each previous planning study shared consistent attributes and objectives, including:

- Intention to reorientate the playing field to optimise the planning of the site and heritage outcomes.
- Introduction of new uses including community facilities and housing.
- Opening up the oval to more community use and event opportunities.
- Seeking improvement of site/precinct connectivity within the surrounds and CBD.

While these planning studies were unable to attract the required funding and commitments needed to achieve their implementation, they increased the City's, stakeholders and community's understanding of the oval's challenges, and the expectation and anticipation that action is needed to improve the facility.

#### A Renewed Masterplan

The commitment to a renewed effort from the City and its partners was confirmed in April 2023, driven by:

- Acknowledgement of the poor condition of Fremantle Oval compared to other facilities.
- Expansion of women's sport, particularly women's football and the inadequacy of current facilities compared to contemporary standards.
- Opportunity for a precinct with more diverse uses, better community access and connection to the city centre.
- New funding opportunities at the Federal Government level.
- Learning from previous master planning initiatives.

A Request for Tender was released in June 2023 to seek strategic advisory services in master planning, business case development and advocacy. In August 2023, City Collective was appointed to lead the preparation of a spatial plan for the oval and an advocacy strategy to promote and gain support for the project.



Working with the Project Partners, key aims for the project were identified, including:

- A football facility with a capacity of 10,000 – 15,000 patrons (Consistent with AFL’s ‘Category 4’ and the State Government’s ‘Tier 2’ designation)
- An accessible and inclusive community green space in the city centre, capable of hosting major events
- A visitor experience that is community friendly and encourages a ‘day out’ in Fremantle
- Upgrades and conservation of significant heritage places such as the Victoria Pavilion
- Support for a revitalised Fremantle Hospital and improved visitor experience for Fremantle Prison
- Recognition of Aboriginal people in their contribution to sport at Fremantle Oval and as Traditional Owners of the site
- Support the oval’s current tenants SEDA College and the Stephen Michael Foundation, and attract other education providers
- New, safe pedestrian connections through the precinct
- Development opportunities for new uses that leverage the precinct’s city centre location and complement the precinct’s heritage, sport, health and tourism functions.

The Fremantle Oval Redevelopment Precinct Masterplan (‘the Masterplan’ – please refer to Attachment 1) has successfully incorporated these aims within a holistic vision for the precinct.

### Community Engagement

The masterplanning process has included two phases of community engagement over the last 9 months. Phase 1 of public engagement on this project took place from 14 March 2024 to 14 June 2024 with a series of in-person, local media, and digital community engagement activities. It sought community input regarding the vision and values of the precinct and confirmation of key development principles that should underpin the project (please refer to the Community Consultation Report included as an attachment to the Masterplan).

Phase 2 of public engagement shared the Draft Masterplan with the community to receive further input from 10 October to 6 November, 2024. A summary of the outcomes of this recent engagement process is provided below and in detail within Attachment 2 of this report.



### Conservation Management Plan

Independent of work to prepare the Masterplan, the Fremantle Oval Conservation Management Plan (CMP) was prepared by Griffiths Architects between January 2022 and May 2024, culminating in Council endorsement on 22 May 2024. The CMP describes the major historic and heritage characteristics of the oval and provides guidance regarding how these characteristics can be protected, conserved and interpreted through any future planning and works. The CMP underwent rigorous community and peer review during its preparation. It has since provided important guidance to the preparation of the Masterplan and will continue to be an active document in any further planning and implementation as part of the oval's redevelopment.

### Business Planning

In parallel with the preparation of the Masterplan, business planning has been led by the consultants City Collective, with quantity surveying services provided by DCWC. This work has explored capital expenditure, life cycle and operating costs. Since July 2024, additional financial modelling has been undertaken by the Paatsch Group to investigate the financial implications for the City of Fremantle to operate the redeveloped oval and its facilities and consider the outcome if no redevelopment is undertaken. This work is ongoing and will be concluded as part of negotiations with government over funding and used to support the Western Australian Treasury Business Case development as part of the state government approval process.

## **FINANCIAL IMPLICATIONS**

A Business Case will be developed through a process set by State Treasury. Details of the formal Treasury Business Case will be shared with Council for endorsement prior to its finalisation.

The business case will support the Masterplan with the intent to identify the total costs of delivery, life cycle (site/facility management and maintenance) and operations for the oval. The Business Case will be carefully considered to ensure a financially responsible and sustainable facility for the City as well as SFFC, FFC and content provision for the facility.

The Business Case will assume major contributions from State and Federal Government towards the capital costs of redeveloping the oval. The City will also contribute to the project's capital costs. Capital cost contributions may also be sourced from investors in the delivery of commercial opportunities identified in the Masterplan.



Redevelopment of the site will provide new revenue generating opportunities for the City which will allow for the ongoing, sustainable management of the oval. Revenue generation is expected from hospitality and commercial tenancies, parking, as well as new content (sports and community events) and major event hosting. Housing development opportunities are envisaged to generate a long-term leasing income.

All revenue generated from the site's activities will be re-invested into the site's management and maintenance, consistent with the land management conditions of the site as a Crown Reserve managed by the City.

If funding agreements can be reached with State and Federal governments, additional reporting to Council will be undertaken to seek funds to resource further project planning activity.

### **LEGAL IMPLICATIONS**

There are no direct legal implications of the Masterplan. To enable a future housing development opportunity at the oval, the City will work with the State Government's Department of Planning, Lands and Heritage to resolve any land tenure and zoning issues.

### **STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:

#### **Liveable City - Sustainable growth in city centre population**

- The matters contained in this report align to the intent of this theme's outcome.

#### **Liveable City - Liveable and socially connected neighbourhoods**

- The matters contained in this report align to the intent of this theme's outcome.

#### **Liveable City - Connected city**

- The matters contained in this report align to the intent of this theme's outcome.

#### **Liveable City - Sustainably designed and optimised urban and natural environments**

- The matters contained in this report align to the intent of this theme's outcome.



**Liveable City - Functional and inclusive recreational facilities**

- The matters contained in this report align to the intent of this theme's outcome.

**Liveable City - A unique built heritage and history that is preserved, protected and shared**

- The matters contained in this report align to the intent of this theme's outcome.

**Thriving City - Attraction and retention of diversified investment and talent**

- The matters contained in this report align to the intent of this theme's outcome.

**Thriving City - A resilient seven-day economy**

- The matters contained in this report align to the intent of this theme's outcome.

**Thriving City - A thriving and supportive ecosystem for start-ups and small businesses**

- The matters contained in this report align to the intent of this theme's outcome.

**Thriving City - Vibrant and active city centre**

- The matters contained in this report align to the intent of this theme's outcome.

**Creative City – 50,000 years of First Nations culture and heritage is recognised, celebrated and embraced**

- The matters contained in this report align to the intent of this theme's outcome.

**Creative City – Events and programming celebrate Fremantle’s unique and diverse creative and cultural identity**

- The matters contained in this report align to the intent of this theme's outcome.

**Resilient City – A future-proofed asset base that remains functional and accessible to the community**

- The matters contained in this report align to the intent of this theme's outcome.

**Resilient City – Availability of services and support for the most vulnerable members of the community**



- The matters contained in this report align to the intent of this theme's outcome.

**Inclusive City – A clear and respectful path towards reconciliation and truth telling for First Nations people**

- The matters contained in this report align to the intent of this theme's outcome.

**Inclusive City – A safe and accessible community for all abilities**

- The matters contained in this report align to the intent of this theme's outcome.

**Inclusive City – A welcoming and inclusive City for all members of community**

- The matters contained in this report align to the intent of this theme's outcome.

**Inclusive City – A platform for engagement and participation for our youth and next generation of community leaders**

- The matters contained in this report align to the intent of this theme's outcome.

**Inclusive City – Genuine and productive partnerships with members of the community**

- The matters contained in this report align to the intent of this theme's outcome.

**Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'**

- The matters contained in this report align to the intent of this theme's outcome.

**CONSULTATION**

As part of Phase 2 of the project's community engagement process, the Draft Masterplan was publicly advertised for community comment from 10 October to 6 November, 2024. A summary of Phase 1 engagement with the community was reported to Council on 24 July 2024 and is included in the Masterplan (Attachment 1).

Community engagement was undertaken consistent with the City of Fremantle's community engagement policy and the International Association of Public Participation's spectrum of public engagement. The engagement program aimed



to 'Consult & Involve' the community throughout the project to this point has been extensive.

The City of Fremantle conducted a series of in-person, local media, and digital community engagement activities and precinct group presentations to collect submissions and feedback for this program. The City and its Project Partners looked for the community's support in developing the Masterplan. The community's input helped inform the Masterplan's vision, its guiding principles, and assisted the City in developing partnerships and attracting funding.

Phase 2 of community engagement regarding the Masterplan reached 1,900 people through face-to-face conversations and online visits to the City's MySay portal. This resulted in more than 1,001 individual pieces of information collected through the engagement program.

In total 50% of respondents were familiar with this project and had submitted feedback to the project team in other rounds of engagement. The project team was also able to reach a new audience of people in this public comment round, with 45% of respondents interacting with the project and its information for the first time.

Community feedback has provided confidence that the Masterplan's vision is well-directed and responds appropriately to community values and needs. In total, 43% of respondents said they "somewhat support" the Draft Masterplan and 33% of respondents said they fully support the Draft Masterplan.

Further consultation has also been undertaken with State Government representatives since the last report to Council on 9 October 2024. This includes engagement with:

- State Treasury
- Department of Local Government, Sports and Cultural Industries
- Fremantle Prison
- Fremantle Hospital

Ongoing consultation is expected to be undertaken with government stakeholders, particularly State Government to gain support for the project. Responses from the community regarding the Masterplan have been compiled and will inform the next phase of the project which includes the preparation of a formal Treasury Business Case and the refinement of the project scope within a Project Definition Plan.



## **OFFICER COMMENT**

As noted in the consultation section above, several matters were raised in public submissions in response to the Masterplan which have been given consideration by City officers. These matters will be given further consideration in more detailed planning work that is required for the project in its next phase.

The 33% of people from the community who were 'supportive' of the Masterplan provided feedback emphasising the urgent need to upgrade and modernise facilities and the support this would provide to women's sports; the broad community and economic benefits presented by the project and increased activity at the oval; and, the benefits of a mixed-use development and housing opportunity.

When considering the 43% of people who were 'somewhat supportive' of the Masterplan, the issues that generated the highest number of comments were the scale and nature (e.g. extent of social housing) of residential development, and the potential impact of Oval's redevelopment on the heritage values of the precinct.

The 24% of people who 'do not support' the Masterplan identified issues including opposition to high-rise development; the need to preserve Fremantle's unique heritage, particularly the prison's world heritage values; and, objections to social housing due to perceived negative impacts on the city's vibrancy and safety.

Feedback from the community engagement process overall has been consistent with expectations. There is strong sentiment regarding the need to urgently upgrade the oval to a facility commensurate with its historical legacy and South Fremantle Football Club's needs, as well as the oval's opportunity as a community hub and centre for women's sports. The community broadly recognise the social, economic and cultural benefits of the Masterplan.

There are a broad range of views regarding the potential for housing within the precinct, with strong support for and strong opposition to. Opposition to housing typically identifies the scale of housing development and its nature as predominantly social housing, as proposed in the Masterplan. Support for housing identifies the benefit of activating the precinct and city by creating residential development opportunities, noting the need for diversity in housing types and occupants.

It's recognised that social housing can be an emotive issue in the community. However one of the key project objectives, supported by the Strategic Community





Plan as well as State and Federal policy, is to investigate the opportunity for affordable housing development within the city centre. The housing component of the Masterplan is considered critical to diversifying the use and activity of the precinct, and drive economic and social benefits for the city.

A range of responses both supporting and opposing the Masterplan identified the importance of conserving and respecting the site's heritage significance to varying degrees. This emphasises the need to ensure that the project continues to prioritise heritage outcomes, and works with key stakeholders such as the State Heritage Office and Fremantle Prison in this regard.

In addition to anticipated statutory processes to assess heritage impacts of future development at key milestones, engagement with the State Heritage Office and Fremantle Prison has signalled support to develop a process for the strategic review of project documents and concepts throughout the course of the project. This will ensure heritage values and the significance of the site are being appropriately embedded in the project and its documentation. It will also ensure the City is proactive in its engagement with heritage stakeholders, and its response to heritage issues, ahead of the commencement of formal approvals processes.

The feedback from the community has provided useful direction for actions and next steps in the project. Detailed take-aways from the community consultation feedback, include:

- Undertake further concept development, testing and consultation regarding the housing development component of the Masterplan.
- Ensure prioritisation of universal access throughout the project.
- Prepare traffic and transport studies to identify infrastructure needs and strategies (e.g. for public transport) to improve public access to the oval.
- Ensure project procurement processes and future briefing documents appropriately prioritise good design and sensitivity to Fremantle's heritage and character.
- Ensure amenity is prioritised through commitment to greening the precinct, and improving pedestrian and cyclist access and infrastructure.
- Further integrate the project with other work being prepared by the City, such as the City Plan, to ensure prioritisation of Fremantle's future as a liveable city.



### Next Steps

The next step in the project will be to develop project planning documentation to seek funding commitments, incorporating recent feedback from stakeholders and community (such as that identified above).

This work must align with State Government asset planning processes, such as those set out in the Strategic Asset Management Framework (SAMF). This is essential to ensure that the project meets State Government expectations for sound strategic asset planning and funding requirements.

The formal Treasury Business Case process will be approximately 6 months in length. The City will be the owners of the Business Case but will work with State Treasury and the Department of Local Government Sports and Cultural Industries (DLGSC) in this process, as well as Project Partners.

In parallel, the City will refine the scope of the Masterplan through the preparation of a Project Definition Plan (PDP). The PDP phase is a critical step in State Government's SAMF process when a major project's business case assumptions are tested and refined. The intent of the PDP phase is to prepare a clear package of documents to guide future asset development. A PDP typically includes:

- a refined master plan
- functional requirements and layouts (e.g. detailed Schedule of Areas)
- design criteria and standards
- initial technical description/specifications for key elements
- detailed cost planning.

To support the preparation of a Treasury Business Case and PDP, the City will continue project activities, including:

- further engagement with key stakeholders
- undertake preliminary site investigations
- document project risks, procurement options and approval processes
- build project administration systems and capability.

### Future Engagement

Following the completion of the Treasury Business Case, the City in collaboration with funding partners, will undertake further engagement with the community.

With confirmation of funding commitments, the City and its project partners will initiate a comprehensive engagement program with Traditional Owners and First Nations people. The oval has immense importance as Whadjuk Nyoongar boodjar. It also has deep associations with First Nations people from across Western



Australia and Australia as a place where the sporting talents of First Nations people were and still remain admired.

## **VOTING AND OTHER REQUIREMENTS**

Simple Majority Required

## **OFFICER'S RECOMMENDATION**

### **Council:**

- 1. Receive the Community Engagement Report, as provided in Attachment 2.**
- 2. Adopt the Fremantle Oval Redevelopment Masterplan, as provided in Attachment 1.**
- 3. Request that the Chief Executive Officer commence preparation of a formal Treasury Business Case and a Project Definition Plan, working with State Government, to refine the financial implications and scope/functional brief of the project.**
- 4. Note the following process that the project will go through before the built-form and land uses of the development(s) at the southern end of the Oval are finalised:**
  - a. Seek funding, then develop detailed plans**
  - b. Seek community input**
  - c. Undertake Heritage Impact Assessment (HIA) regarding the Fremantle Prison**
  - d. Lodge DA and HIA for determination**
  - e. Seek community feedback on DA plans**
  - f. Refer to State Heritage Office for assessment**
  - g. Refer to Federal Government for heritage assessment**
  - h. Adjust plans in response to DA feedback**
  - i. Obtain final approvals, based on the above process**



## **C2411-11 DRAFT LOCAL PLANNING POLICY 2.26: TREE RETENTION**

<b>Meeting date:</b>	27 November 2024
<b>Responsible officer:</b>	Manager Strategic Planning and City Design
<b>Voting requirements:</b>	Simple Majority Required
<b>Attachments:</b>	1. DRAFT Local Planning Policy 2.26 Tree Retention

### **SUMMARY**

**This report introduces the draft Local Planning Policy 2.26: Tree Retention (LPP 2.26), which aims to retain existing mature canopy trees on private property. The policy is proposed to apply to all land coded R30 and below and Development Areas. The policy requires a development application be submitted for the damage or removal of large canopy trees.**

**This report recommends that Council supports the draft policy for the purposes of community consultation.**

### **BACKGROUND**

Trees and natural vegetation provide a range of social and environmental benefits including providing biodiversity, beautification, health benefits, reduced energy consumption, and reducing the urban heat island effect. A core objective of the City's Urban Forest Plan is to work towards increasing the amount of tree cover up to 20% and encourage landowners to retain vegetation, including protecting trees on private property. According to the Plan, the current canopy coverage ranges from 7% in the northern part of the local government area to up to 15% in the south and west. While the City is planting on verges and open spaces, a substantial amount of land within the City is private property.

At the 10 July 2024 Ordinary Council Meeting, it was resolved that Council:

- 2. Request officers prepare a draft tree retention/protection policy, with consideration of the WALGA Tree Retention Model Local Planning Policy; and prepare any proposed revisions to Local Planning Policies 1.7, 2.10 and 2.23; to be brought back to Council for further consideration.*

A number of other local governments have recently implemented or are considering a local planning policy for tree retention based on a recently released Western Australian Local Government Association (WALGA) template. This report discusses implementation of a policy based on an amended version of the WALGA template.



## **FINANCIAL IMPLICATIONS**

It is anticipated that most requests for tree removal will be submitted as part of an application that includes other development and will therefore not require additional officer resources. Review of arborist reports can be done in-house with the assistance of other City teams and it is anticipated the limited number of applications will keep the workload manageable with the existing resources. Should the policy be adopted, the resource use will be monitored.

## **LEGAL IMPLICATIONS**

Nil

## **STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:

### **Liveable City - Sustainably designed and optimised urban and natural environments**

- Urban development and public realm enhancement is coordinated, design-led, and sympathetic to surrounding natural environments.
- An increasing tree canopy that enhances biodiversity and helps cool our urban environments.

## **CONSULTATION**

Consultation will be undertaken for a minimum of 21 days in accordance with the *Planning and Development (Local Planning Schemes) Regulations 2015* and the City's local planning policy 1.3 - Community Consultation on Planning Proposals.

## **OFFICER COMMENT**

Large trees in urban environments are most likely to be removed during subdivision and demolition stages when land tends to be clear-felled to make way for new development. The primary purpose of LPP 2.26 is to retain mature canopy trees during the subdivision and demolition stages, as well as encourage proponents to consider design that responds to existing trees on site. Generally, where trees are located in setback areas or where relatively minor modifications to a development can be made to retain a tree, such trees should be retained.



LPP 2.26 defines a regulated tree, sets out exemptions for requiring development approval for their removal, and sets out criteria to use when determining whether removal of a regulated tree should be supported.

#### Definition

The policy defines a regulated tree as a living tree that:

- a) is 8m or more in height; and / or
- b) has an average canopy diameter of at least 6m; and / or
- c) has a trunk circumference of at least 1.5m, measured 1.4m above the ground; and
- d) is of a species that is not included on State or local area weed register.

LPP 2.26 requires a development application for damage or removal of a regulated tree by defining such actions as 'works' or 'development' that requires planning approval. Because damage and removal of a regulated tree are works and development in their own right, a development application would be required for tree removal even in cases where the corresponding development is otherwise exempt from planning approval, as in the case of a deemed-to-comply single house.

#### Exemptions

LPP 2.26 contains a number of exemptions from the requirement for development approval, notably for maintenance pruning. Maintenance pruning is defined as pruning that:

- a) involves removing dead or diseased wood only; or
- b) is of a fruit tree and done for fruit production; or
- c) is otherwise minor maintenance or thinning of the crown that does not adversely affect the health, stability or general appearance of the tree or is to balance the tree.

The WALGA template narrows maintenance pruning to only permit a certain percentage of the canopy to be cut each year, and limits cuttings to branches less than 100mm. Including such provisions would catch a large number of residents who are trimming their trees in good faith and would be likely to create a significant financial burden on the City in terms of officer assessment time. As the purpose of the policy is to retain mature trees, the proposed wording seeks to strike a balance to allow pruning, but not in a way that kills the tree. This modification is consistent with that adopted or under consideration by other local governments including Nedlands, Bassendean, and Peppermint Grove.



### Criteria

The Policy includes a set of criteria for decision-makers to consider in determining whether to support the removal of a tree. The considerations include, among other things:

- the health, maturity and location of the tree;
- ecological, biodiversity and environmental values of the tree;
- the contribution of the tree to the streetscape;
- the location of the tree on the site;
- safety risks; and
- recommendations of an arborist's report.

Should a tree be approved for removal, a provision in the Policy requires it be replaced at a rate of 2:1 with new trees that are capable of reaching a minimum 8m height.

### Application Area

LPP 2.26 is proposed to only apply to land coded R30 and below and Development Areas. This is because low-density residential development currently lacks criteria for consideration of existing trees, whereas higher density development under Part C of R-Codes Volume 1 and Volume 2 already include provisions and incentives for retention of trees. Setting the limitation at R30 land captures areas of the City with single houses and existing mature trees where such trees could be reasonably expected to be retained during redevelopment. This land constitutes the bulk of the City of Fremantle area. Further, as density increases, lot size decreases, making it more difficult to retain mature trees within any new development on higher density land.

By capturing Development Areas, the policy ensures that any structure plan created for an area must take into account any existing mature trees on site.

### Amendments to Other Policies

Currently, all tree and vegetation removal is exempt from requiring planning approval under LPP 1.7: Development Exempt from Approval Under Local Planning Scheme No. 4 (LPP 1.7). Should LPP 2.26 be adopted, LPP 1.7 will be modified concurrently to make the exemption consistent with the new Policy.

Likewise, during the consultation period, City Officers will take the opportunity to review Local Planning Policy 2.10 - Landscaping of Development and Existing Vegetation on Development Sites (LPP 2.10) to revise it and ensure consistency with the new Policy. A modified version of existing clause 3.21 within LPP 2.10 is proposed to be carried over into LPP 2.26. This clause states:



*"Where necessary to retain a regulated tree, the City may consider variations to provisions of the Scheme, Residential Design Codes (R-Codes), or local planning policies where these provisions may be lawfully varied and are acceptable on planning grounds."*

Should LPP 2.26 be adopted, it will also be an opportunity to review the significant tree register and consider other strategies for encouraging the growth of the City's urban forest, which will be explored in a future report.

## **CONCLUSION**

It is recommended that Council endorses draft LPP 2.26 for purposes of community consultation.

## **VOTING AND OTHER REQUIREMENTS**

Simple Majority Required

## **OFFICER'S RECOMMENDATION**

### **Council:**

- 1. Endorses draft Local Planning Policy 2.26: Tree Retention as provided in Attachment 1 for the purpose of advertising, in accordance with Schedule 2, Clause 4 and 87 of the *Planning and Development (Local Planning Schemes) Regulations 2015*.**
- 2. Notes that any submissions received during the advertising period will be presented to Council for consideration.**
- 3. Notes that other strategies for encouraging the growth of urban forest on public and private land will be explored and will be subject to a separate report, brought to Council in early 2025.**





## **C2411-12 FCC665/24 - 38-40 HENRY STREET FACADE STABILISATION**

**Meeting date:** 27 November 2024  
**Responsible officer:** Manager Building, Facilities and Sustainable Services  
**Voting requirements:** Simple Majority Required  
**Attachments:** 1. CONFIDENTIAL - FCC665/24 Pricing Matrix

### **SUMMARY**

**The purpose of this report is to consider tender number FCC665/24 for 38-40 Henry Street Facade Stabilisation and Conservation Works.**

**This report recommends that Council accepts the tender submitted by Kilmore Group Pty Ltd in accordance with the tender evaluation undertaken as per the selection criteria.**

### **BACKGROUND**

Fowlers Warehouse was designed by Frederick William Burrell and commenced construction in 1899 on the 38 – 40 Henry Street Fremantle site. It was purchased by the City of Fremantle (CoF) in 1971 and leased to a wool stores company. Restoration work was undertaken in 1991-1992 and it was listed as a State Registered Place in 1993 with Place Number 00889.

During the 1990's the building was occupied by the Fremantle Furniture Factory before being leased by the City to the current tenants, Notre Dame University in 2005. Notre Dame carried out an extensive internal fitout and it has housed the university's School of Medicine since that time.

As part of the City's Heritage Asset Management Programme, capital renewal works have been identified for the building. Structural investigations have determined that the façade of 38-40 Henry Street is leaning and that a holistic approach to façade stabilisation and general remediation is required.

The tendered works consisted of three sections; Base Works and two optional portions, to be completed subject to budget availability.

Base Works - Structural façade support works, roof plumbing, waterproofing and partial roof safety systems



Additional Scope Options

- Additional Scope 1 - Lintel replacements, crack repairs and masonry conservation.
- Additional Scope 2 – Additional roof plumbing, roof safety system upgrade, window refurbishment and general external refurbishment.

The tender was released via TenderLink on 12<sup>th</sup> September 2024 and closed on 17<sup>th</sup> October 2024.

The construction period identified in the tender was 25<sup>th</sup> November 2024 until 20<sup>th</sup> March 2025.

**FINANCIAL IMPLICATIONS**

The table below summarises the available budget, current expenditures, recommended tender price by **Kilmore Group Pty Ltd** for the **Base Works and Additional Scope 1** and associated expenses:

<b>Description</b>	<b>Expenditure</b>	<b>Budget</b>
<b>Budget</b>		
Allocated budget for FY 23/24 (carry forward) & FY24/25 - P11944		\$800,000
<b>Expenditure</b>		
Expenditure incurred to date: Architectural, Structural and Certifier Consultancy	\$84,000	
Investigative forward works	\$4,000	
Activities <ul style="list-style-type: none"> <li>• Tender number FCC665/24 - 38-40 Henry St Facade Stabilisation and Conservation Works</li> </ul>	\$1,023,717.52	
- Base Works and Additional Scope 1	\$141,282.48	
• <i>Contingency @ 13.8%</i>		
Project management costs – N/A CoF Superintendency	\$0	
<b>Total expenditure</b> (estimated)	\$1,253,000	
<b>Balance</b>		-\$453,000

A budget amendment of \$453,000 will be required, transferring the funds from FY24/25 P-12240 Capital Renewal Program – Buildings, IP300421.

Due to the urgency of Additional Scope 1 and the cost advantages achieved by executing more than one tender portion at a time, it is recommended to complete



Base Works and Additional Scope 1 at the same time with the budget deficit mitigated from the Capital Renewal Program - Buildings. It is also logical to minimise disruption to tenants, surrounding businesses and residents by not staggering works and to take advantage of the tendered cost in a highly inflationary market.

The change in scheduling will likely see this project only part completed at the end of the financial year so will be a project carried into the beginning of the next financial year.

### **LEGAL IMPLICATIONS**

Tenders were invited in accordance with section 3.57 of the *Local Government Act 1995* and the tendering procedures and evaluation complied with part 4 of the *Local Government (Functions and General) Regulations 1996*.

### **STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:

#### **Liveable City - A unique built heritage and history that is preserved, protected and shared**

- Our built heritage is central to our character and sense of place, and is retained and protected for future generations to enjoy.
- Adaptive re-use of heritage buildings is enabled through supporting private investment, renewal and innovation.

#### **Thriving City - Vibrant and active city centre**

- The amenity and infrastructure that services our inner-city neighbourhoods reflect that of a modern and global city.
- Key city centre places are activated by a diverse program of both programmed and community-driven events and activities.
- A coexistence of residents, visitors and workers creates a desirable environment in which to live, work, and visit.
- The matters contained in this report align to the intent of this theme's outcome.

#### **Resilient City – A future-proofed asset base that remains functional and accessible to the community**

- An asset renewal program supports a growing population and roadmap to Net Zero.
- Investment in the ongoing maintenance and adaptation of assets that ensures quality and continuity of service delivery.



- The City’s facilities are functional and fit for purpose and contribute to improving community well-being.
- The matters contained in this report align to the intent of this theme's outcome.

**CONSULTATION**

Notre Dame University have been engaged throughout the design and tender period and are currently working with the City and the recommended tenderer to identify a mutually agreeable construction period and methodology.

Coordination with surrounding business and residents will commence following schedule confirmation and tender award.

**OFFICER COMMENT**

**Detail**

Tender for 38-40 Henry Street Façade Stabilisation and Conservation Works was advertised on 12<sup>th</sup> September 2024 and closed on 17<sup>th</sup> October 2024.

The tender requirements did not align with the available suppliers in the WALGA Preferred Supplier Program. The project requires specialist heritage building contractor services and these suppliers are not available through WALGA.

Essential details of the contract are outlined below:

<b>Contract type</b>	AS2124 - 1992
<b>Contract duration</b>	15 weeks
<b>Commencement date</b>	To be agreed between Contractor, Tenant and CoF; provisionally June 2025 <i>(original date untenable due to long lead procurement items)</i>
<b>Completion date</b>	To be agreed between Contractor, Tenant and CoF; provisionally September 2025

**Tender evaluation**

Tender submissions were received from the following contractors and evaluated by the tender evaluation panel:

- ICS Australia Pty Ltd
- Kilmore Group Pty Ltd



The tender evaluation panel establishes whether the tender submissions conform to the conditions for tendering and selects a suitably qualified and experienced contractor.

The tender evaluation panel comprised:

- Gena Binet, Heritage Coordinator
- Georgina Lewis, Building Project Manager
- Neill Laurenson, Building Team Leader Project Delivery

Tenderers were required to disclose information that might be relevant to an actual or potential conflict of interest and disclose if they had any relationship with City of Fremantle employees involved in the tender process. Members of the tender evaluation panel are required to disclose any actual or perceived interest with any of the tenderers. No disclosures were made.

To obtain the broadest possible comparison base, each of the tenders was evaluated against the following tender selection criteria and was in turn graded in the tender evaluation matrix.

<b>Item No</b>	<b>Description</b>	<b>Weighting</b>
1	Price for services offered	35%
2	Relevant Experience	15%
3	Key Personnel, Skills and Resources	20%
4	Demonstrated Understanding	20%
5	Sustainability and Corporate Social Responsibility	10%

The two tender submissions received were conforming, and no tender submissions received were non-conforming.

The tender submitted by Kilmore Group scored the highest rating with 25.33 points, followed by ICS Australia with 17.33 points.

The results of the evaluation for delivery of tender number FCC665/24 – 38-40 Henry Street Façade Stabilisation are shown in the table below.



3.0		Relevant Experience of Delivering Similar Services	Key Personnel Skills & Resources	Demonstrated Understanding	Sustainability and Local Economic Benefit	Total Score	
Consensus/Average Score Qualitative Criteria (out of 9)		5.00	3.33	5.33	3.67	17.33	
ICS Australia Pty Ltd		7.00	7.67	7.33	3.33	25.33	
Kilmore Group Pty Ltd							

4.0		Relevant Experience of Delivering Similar Services	Key Personnel Skills & Resources	Demonstrated Understanding	Sustainability and Local Economic Benefit	Price	Total Score	Rank
Overall Weighted Score Including Pricing		15.00	20.00	20.00	10.00	35.00	100	
Tenderer		8.33	7.41	11.85	4.07	30.74	62.41	2
ICS Australia Pty Ltd		11.67	17.04	16.30	3.70	35.00	83.70	1
Kilmore Group Pty Ltd								

Kilmore Group, the recommended tenderer, was assessed as having the Relevant Experience, Key Personnel, Skills and Resources, Demonstrated Understanding and Sustainability and Corporate Social Responsibility to safely undertake the works and deliver the level of service described in the specification, in accordance with the terms of the tender document.

**Environmental considerations**

The project has minimal wastage and focuses on sustainable practices achieved through preservation of heritage buildings.

**Risk consideration**

A third-party credit check was performed through Illion, in order to determine the financial stability of Kilmore Group. The report states a risk of failure within the next 12 months of **Very Low Risk**, and a risk of late payment to sub-contractors and suppliers of **Minimal**.



Kilmore Group has been added to a continuous monitoring program, whereby the City will be advised as to any changes to the above ratings, in a positive or negative manner, any court actions or changes of directorship.

There are no strategic or corporate risks within the City's existing risk registers which relate to the issues contained in this report.

Kilmore Group have identified a construction period from 8th April 2025 to 28th July 2025, advising that the previously identified construction period is unachievable due to a 3-4 month lead time of a specific product.



Project specific risk assessments have been developed and will be used in the management of this project. This includes detailed communication and liaison with surrounding businesses and residences of the 38-40 Henry Street property.

## **References**

The City has received references in respect to the recommended tenderer, as follows:

Reference 1 – Tom Scalise, Project Manager Scalise Property.

Project: 22 Queen St, Fremantle - Façade and Steelworks Refurbishment

Project: 216 Stirling Highway Claremont - Façade and Window Refurbishment

*"Good project team who were easy to deal and had a solution-based mindset. Kilmore carried out most of the works themselves, only sub-contracting the roof awning. Their quality is exceptional. I would recommend them."*

Reference 2 – Ben Holloway, City of Vincent

Project: Leederville Oval Remediation

*"Oran was excellent to deal with and were responsive if there were any issues on site. The quality their work was also excellent. We would engage Kilmore on future projects."*

## **Comment**

Kilmore Group demonstrated the ability to satisfy the requirements of the Tender to a high standard and clearly demonstrated strong and recent experience in completing multiple façade and heritage projects evidencing similarity of structural scope, concrete and façade remediation within complex environments.

Kilmore's Project Team evidenced relevant experience and qualifications and the detailed the role each team member in the Henry St project. Their in-house trade capacity and sub-contractor identification was highly regarded.

The 38-40 Henry Street project has challenging access and stakeholder considerations which Kilmore addressed in their capacity as head contractor. Identification of critical issues and methodology was excellently detailed and provided the evaluation panel with strong confidence that Kilmore would be able to complete the project and manage the site to a high standard.



Kilmore Group clearly conveyed their strong interest in the 38-40 Henry St Façade Stabilisation project and demonstrated ability to achieve a high-quality outcome at a lower price than ICS Australia for Base Works and Additional Scope 1. The evaluation panel advised that Kilmore Group provide the best quality and value-for-money offer.

### **Schedule**

The Tender identified a construction schedule from Monday 25th November 2024 to 20th March 2025. This schedule reflected Notre Dame University's Christmas holidays which are 25th November to 8th February, noting that less invasive parts of the project works were allowable whilst the building is occupied by tenant.

Kilmore Group advised that this construction period is unachievable due procurement issues.

Negotiations with the tenant, Kilmore Group and the City are currently underway with a likely construction timeframe to now take place from June to September 2025. This will allow for the timing of supply chain events and for suitable timetable allowance with Notre Dame operations.

### **VOTING AND OTHER REQUIREMENTS**

Absolute Majority Required





**OFFICER'S RECOMMENDATION**

**Council:**

- 1. Accept the tender from Kilmore Group Pty Ltd as the most suitable tenderer for Base Works and Additional Scope 1.**
- 2. Approve the following amendment to the 2024/25 Annual Budget:**

Item	Account	Account Details	2024/25 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2024/25 Amended Budget
<b>1.1</b>	<b>Accept the budget amendment of \$453,000 from P-12240 Capital Renewal Program – Buildings, IP300421, currently allocated to conservation works on the Naval Store, and accepts deferral of conservation works to the Naval Store, to be reviewed as part of 24/25 Budget review or 25/26 Capital Renewal Program – Buildings adopted budget.</b>					
	<b>300421.1600</b>	<b>Program - Building renewals Capital WIP- Contract Labour and Materials</b>	<b>(600,000)</b>		<b>453,000</b>	<b>(147,000)</b>
	<b>300167.1606</b>	<b>Design and construct – 38-40 Henry Street – Façade’ Capital WIP- Contract Labour and Materials</b>	<b>(800,000)</b>		<b>(453,000)</b>	<b>(1,253,000)</b>



## **C2411-13 P-12242 BUILDINGS - BEACH ST - TOILETS - SOLE SOURCE OF SUPPLY**

**Meeting date:** 27 November 2024  
**Responsible officer:** Manager Building, Facilities and Sustainable Services  
**Voting requirements:** Absolute Majority Required  
**Attachments:** 1. Exeloo - Sole Source of Supply

### **SUMMARY**

**The purpose of this report is to seek approval from Council to enter a sole source of supply contract with the suitable supplier, namely W.C. Convenience Management Pty Ltd (trading as WC Innovations), to complete the Project P-12242 Buildings - Beach St – Toilets works and approval of a budget amendment for the delivery of the project.**

### **BACKGROUND**

The Beach Street Amenities project will bring a new public toilet facility to Fremantle. Designed to serve all members of the community, including city commuters, skate park users, and those utilising essential services operating out of the Beach Street location. Public toilets are a vital component of the City's infrastructure, supporting public health, accessibility, and quality of life for everyone. This facility will provide a safe, accessible, and dignified space, reinforcing Fremantle's commitment to inclusivity and a welcoming city environment.

### **FINANCIAL IMPLICATIONS**

Project P-12242 Buildings - Beach St – Toilets has been approved by Council in the 2024/25 Annual Budget with a budget of \$170,000. Market research has determined the proposed purchase is within the allocated budget.

The total estimated project budget is \$360,000-380,000 including the Exeloo unit purchase. This includes services and sewer connection, civil works, CCTV and lighting, Exeloo installation and landscaping. The following budget amendment will be required for the 2024/25 Annual Budget for Council consideration:



Item	Account	Account Details	2024/25 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2024/25 Amended Budget
1.1	Accept the budget amendments of \$210,000 to expenditure on IP300423 Buildings – Beach St Toilets, offset by an increase to the budgeted revenue for IP100108 Operate on street paid parking, trending over budget as at November.					
	300423.1606	P-12242 Buildings Beach St – Toilets Asset WIP Contracts	(170,000)		(210,000)	(380,000)
	100108.4561	Operate on street paid parking Revenue Fee Parking	4,557,750	210,000		4,767,750

**LEGAL IMPLICATIONS**

The ability for Council to enter into sole source of supply agreements in accordance with the City of Fremantle Purchasing Policy, which states:

*...“For purchases where the total contract value exceeds \$50 000 (and is under \$250,000) the decision to purchase goods or services from a sole must be approved by Council.”*

**STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle’s Strategic Community Plan 2024 – 2034:

**Liveable City - Sustainable growth in city centre population**

- Infrastructure, services and facilities meet the needs of a growing residential population, and contribute to making the city centre a safe and desirable place to live.

**Liveable City - Sustainably designed and optimised urban and natural environments**

- Urban development and public realm enhancement is coordinated, design-led, and sympathetic to surrounding natural environments.

**Thriving City - Vibrant and active city centre**

- The amenity and infrastructure that services our inner-city neighbourhoods reflect that of a modern and global city.



**Resilient City – A future-proofed asset base that remains functional and accessible to the community**

- The City's facilities are functional and fit for purpose and contribute to improving community well-being.

**Resilient City – Availability of services and support for the most vulnerable members of the community**

- A caring community supports, protects and accepts those who are most vulnerable.

**Inclusive City – A safe and accessible community for all abilities**

- The matters contained in this report align to the intent of this theme's outcome.

**Inclusive City – A welcoming and inclusive City for all members of community**

- The matters contained in this report align to the intent of this theme's outcome.

**CONSULTATION**

An engagement plan has been developed and is being implemented for the project, and includes local consultation with:

- Public Transport Authority
- St Patrick's Community Support Centre
- Outreach services
- Local businesses
- Residents

Consultation has occurred St Patrick's Community Support Centre and they have indicated a high level of support for the project.

**OFFICER COMMENT**

Project P-12242 Buildings - Beach St – Toilets was approved by Council in the 2024/25 Annual Budget. The following project objectives have been developed by the project team in consultation with St Patrick's Community Support Centre and outreach services:

- Inclusivity: The City of Fremantle is committed to inclusivity by providing a public toilet facility that serves all members of the community, including commuters, skate park users, and those utilising essential services.



- Essential City Infrastructure: As the only 24-hour amenity in the City, this facility underscores the importance of accessible public infrastructure that meets the needs of everyone, day and night. It should feel like an integrated part of the urban fabric.
- Public Health: Providing essential amenities in a safe and private environment, the facility supports public health for all users.

To achieve the project objectives, officers have determined the following specification requirements for the toilet:

- 24-Hour Operation: Facility to be accessible 24/7 to serve public needs consistently.
- Vandal Resistance: All fixtures to be recessed where feasible, preventing removal or damage. Exterior and interior surfaces are constructed with durable, vandal-resistant materials, including toughened front exterior walls and graffiti-resistant grout on wall tiles.
- Automated Cleaning System: The facility to include a fully automated floor and seat wash, deodorising, and drying system to maintain a high level of cleanliness and hygiene, supporting uninterrupted 24-hour operation.
- Automated Door Functions: The facility to have an automated door with programmable locking/unlocking and emergency release ensures safety and prevents anyone from locking themselves in overnight.
- Automated Fixtures: For enhanced public health, all main fixtures are "Touch Free," including toilet flushing, toilet paper dispenser, hand soap, washing, and drying station, reducing contact points and promoting hygiene.
- Timed Use Control: Maximum occupancy time is set to 10 minutes per user, aiming to reduce misuse, loitering, and potential for anti-social behaviour.
- Universal Accessibility: Facility to meet AS1428.1 standards for universal access, equipped with an accessible layout, a backrest behind the toilet seat, a hearing-impaired indicator light, and motion detection for seamless usability.

### **Sole Manufacturer**

Officers have researched the market and benchmarked against other Local Governments, and Exeloo are recommended as a sole source of supply for the toilet unit. Exeloo is a New Zealand-based company specialising in the design, manufacturing, and installation of automated public toilet systems. Exeloo meet the demand for hygienic, accessible, and vandal-resistant public toilet facilities across urban landscapes where its toilets are commonly found in parks, transportation hubs, and other high-traffic public spaces, often commissioned by local councils and municipalities. Exeloo's toilets incorporate a variety of automated features, including touch-free flushing, hand washing, drying, and door



operations, as well as programmable cleaning systems that ensure cleanliness and hygiene. The company focuses on durability, with designs that use vandal-resistant materials and recessed fixtures to discourage damage and maintain safety.

## **Competitors**

Provider 1: Provider 1 offers semi-automated toilets tailored to specific community needs. They prioritise AS1428 accessibility standards, vandal resistance, and low environmental impact, focusing on modular, prefabricated solutions that are adaptable for various urban and remote environments. Their units can incorporate automation, such as touch-free fixtures, but they do not currently include fully automated self-cleaning functionality.

Provider 2: Provider 2 specialises in modular construction and provides a variety of amenity solutions. Their modular restroom facilities are generally designed for rapid deployment and are built to withstand heavy use, often catering to public amenities and community requirements. The modular units are made for efficient installation and reduced environmental impact but lack specific automation features commonly associated with advanced self-cleaning toilets.

Provider 3: While Provider 3 is more known for outdoor advertising, in some locations they provide public toilets as part of broader street furniture contracts. These units include automated elements however not fully automated, though their availability is often limited, little information is provided on the units as they seem more common in Europe. Not commonly providing public toilets.

## **Product Specification**

The final product specification will be determined by the project team to align with the City's requirements. The proposed product specification is:

- Fully Automated Public Toilet: Bondor insulated skillion roof with automated features.
- "Touch-Free" Toilet Flushing: Activated when hands are washed or door is opened.
- "Touch-Free" Stainless Steel Door: Programmable locking and unlocking system.
- "Touch-Free" Toilet Paper Dispenser
- "Touch-Free" Hand Soap, Washing, and Drying Station
- Automated Floor & Seat Wash, Deodorising, and Drying System
- Motion Detection Sensor



- Emergency Door Release
- Hearing Impaired Indicator Light
- Back Rest: Behind the toilet seat for added comfort.
- Non-Slip Flooring: R10 grey ceramic tiles for slip resistance.
- Internal Wall Finish: 600mm x 300mm white ceramic tiles with graffiti-resistant grout.
- Recessed Stainless Steel Sani-Pad Chute and flame-retardant bin.
- Recessed Stainless Steel Needle Disposal Chute and bin.
- Internal Shelf and Coat Hooks: Stainless steel for durability.
- Mirror: Stainless steel for vandal resistance.
- Front Exterior Wall: Vandal-resistant, toughened 18mm compressed sheet.
- Side and Rear Exterior Walls: Concrete structure, prepared for council-provided graphics.
- Roof, Guttering, Fascia: Bondor insulated skillion roof.
- Drinking Fountain: Wall-mounted, stainless steel, for public use.

### **Sole Provider**

WC Innovations: WC Innovations is the exclusive distributor of Exeloo automated public toilets in Western Australia. In collaboration with the Western Australian installer West Coast Construction & Demolition (WCCD), WC Innovations ensures seamless installation tailored to the unique requirements of each site. Additionally, WC Innovations provides ongoing maintenance services for units.

The lead time for the manufacture and delivery of the Exeloo is estimated at 22 weeks. The procurement and delivery of forward works for the services and sewer connection, civil works, CCTV and lighting, Exeloo installation and landscaping will be scheduled in advance of unit delivery. The estimated date for the toilet being publicly available is July 2025, pending confirmation of product lead time.

### **VOTING AND OTHER REQUIREMENTS**

Absolute Majority Required



**OFFICER'S RECOMMENDATION**

**Council:**

- 1. Approves to enter into a contract with W.C. Convenience Management Pty Ltd (trading as WC Innovations), as the suitable sole supplier for the supply and installation of an automated toilet unit, in accordance with the City of Fremantle Purchasing Policy.**
  
- 2. Approve the following amendment to the 2024/25 Annual Budget:**

Item	Account	Account Details	2024/25 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2024/25 Amended Budget
<b>1.1</b>	<b>Accept the budget amendments of \$210,000 to expenditure on IP300423 Buildings – Beach St Toilets, offset by an increase to the budgeted revenue for IP100108 Operate on street paid parking, trending over budget as at November.</b>					
	<b>300423.1606</b>	<b>P-12242 Buildings Beach St – Toilets Asset WIP Contracts</b>	<b>(170,000)</b>		<b>(210,000)</b>	<b>(380,000)</b>
	<b>100108.4561</b>	<b>Operate on street paid parking Revenue Fee Parking</b>	<b>4,557,750</b>	<b>210,000</b>		<b>4,767,750</b>





## **C2411-14 WASTE MANAGEMENT COLLECTIVE - AGREEMENT PROPOSAL (REGIONAL RESOURCE RECOVERY CENTRE)**

<b>Meeting date:</b>	27 November 2024
<b>Responsible officer:</b>	Director Infrastructure
<b>Voting requirements:</b>	Simple Majority Required
<b>Attachments:</b>	<ol style="list-style-type: none"><li>1. CONFIDENTIAL - Heads of Agreement - RRRRC Transition - final - execution 08.11.2024</li><li>2. CONFIDENTIAL - WMC - Rolling Risk Register</li><li>3. CONFIDENTIAL - WMC Contracts and Financial Summary</li></ol>

### **SUMMARY**

**This report provides a progress update and seeks Council endorsement to enter a formal, legally binding Heads of Agreement with the Cities of Melville and Canning to confirm and consolidate a joint way forward in respect to the future of the Regional Resource Recovery Centre and waste disposal/recycling provisions for the parties to the agreement.**

**The report recommends that Council:**

- 1. Note the progress made by the Waste Management Collective, including the options and scenarios that have been jointly developed and the risk management approach adopted for the project.**
- 2. Endorse the Heads of Agreement for 'Regional Resource Recovery Centre Transition' at the Canning Vale site, and the progression of either:**
  - a. Scenario 1: Preferred option - (GO) progress with continued services at the Regional Resource Recovery Group site through a suitable Operation and Maintenance arrangement, managed by the City of Canning, or**
  - b. Scenario 2: (NO GO) – agree to discontinue services and close the Regional Resource Recovery Centre Site.**
- 3. Subject to the Cities of Melville and Canning Councils' endorsement of the agreement and the scenarios as detailed in item 2; authorise the Mayor and Chief Executive Officer to execute the formal Heads of Agreement and the relevant sub agreements with the cities of Melville and Canning and relevant parties.**



4. **Request that the Chief Executive Officer continues to actively engage with the Waste Management Collective in pursuit of the project objectives and support the Resource Recovery Group in their planning and the execution of the transitional process.**
  
5. **In accordance with the Lending Agreement between the Western Australian Treasury Corporation (WATC) and the Resource Recovery Group and its remaining participants, the City of Fremantle gives its consent for the Town of East Fremantle to be released from its obligations under the \$2 million secured lending facility agreement (known as the Office Project Loan) (hereinafter referred to as “the loan agreement”) with the WATC with effect from 1 July 2024, and**
  - a. **Endorse that the Resource Recovery Group shall deliver a revised Exhibit B Certificate to WATC as required under the provisions of the loan agreement to notify WATC of the new percentages of the Resource Recovery Group debt being apportioned to the remaining participants following the withdrawal of Town of East Fremantle from the Resource Recovery Group effective 1 July 2024.**

## **BACKGROUND**

The City of Fremantle, at its meeting of 22 May 2024 resolved as follows:

**COUNCIL DECISION C2405-20**  
**(Officer’s recommendation)**

**Moved: Mayor Hannah Fitzhardinge**

**Seconded: Cr Jenny Archibald**

**Council:**

1. **Give formal notice to the Chief Executive Officer at the Resource Recovery Group of the City of Fremantle’s intention to withdraw as a member and project participant of the Resource Recovery Group, effective from 1 July 2025.**
  
2. **Provide delegated authority to the Chief Executive Officer to approve an extended membership period for the City of Fremantle in collaboration with the City of Melville (beyond 1 July 2025) should the need arise for the purpose of ensuring service continuity during an extended managed transitional or decommissioning phase of the RRG windup process.**
  
3. **Note the Officers progress update for the Waste Management Collective Working Group in respect to its due diligence review and in assessing opportunities a new service model at the Regional Resource Recovery Centre at Canning Vale.**
  
4. **Request that Officers report back to Council with a proposal for a preferred action moving forward in terms waste disposal arrangements for the City of Fremantle by December 2024.**



Subsequent to this resolution and the completed actions therein, Council at its meeting on 25 September 2024 further resolved as follows:

**COUNCIL DECISION ITEM C2409-13**

**Council:**

- 1. Note the officers update in respect to recent progress with the Waste Management Collective Working Group and the ongoing risk analysis and workshopping in respect to the two possible operational scenarios for the Waste Collective, the remaining member withdrawal provisions, waste to energy progress and the town of East Fremantle exit.**
- 2. Note that whilst the City of Fremantle's effective withdrawal date is currently 1 July 2025, it is anticipated that the Chief Executive Officer (in accordance with Council Decision C2405-20, part 2) will be required to authorise an extended membership period of up to 31 December 2025 to ensure service continuity and to accommodate a managed project closure and a transitional decommissioning and wind-up phase.**
- 3. Authorise the CEO to agree and execute the Deed of Settlement with final terms for the Town of East Fremantle's exit from the Resource Recovery Group.**

Officers (Melville and Fremantle) have remained actively engaged with the Resource Recovery Group (RRG) in preparing windup and transitional arrangements, including the process and the associated activities and timeframes.

The 'Waste Management Collective Project Group' (WMCPG), (inc – the Resource Recovery Group (RRG), City of Melville, City of Fremantle and City of Canning) continue to meet regularly and have concluded the risk assessment and option analysis with regard to the evaluation of service models options going forward.

The WMCPG consultants (Deloitte) continue to support in terms scenario testing and risk assessments and option analysis.

**FINANCIAL IMPLICATIONS**

Costs for advice and consultant services are currently being split between the Cities of Fremantle, Melville and Canning.

The City of Fremantle portion of the costs are accommodated as part of the operational budget.



The WMC discussions and negotiations in respect to an agreement are predicated on the basis of an outcome that provides cost neutral outcome for the remaining member Councils. Provision for wind up and transitional arrangements are anticipated to be accommodated through the appropriate RRG reserves.

### **LEGAL IMPLICATIONS**

There are several legislative requirements and legal issues to negotiate for the stakeholders as part of the process. Council members have retained lawyers to provide legal advice and guidance during the review process.

The RRG also retains legal advice separate to the members. It is anticipated that significant legal advice will continue to support the agreed objective.

### **STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle's Strategic Community Plan 2024 – 2034:

#### **Liveable City - Sustainable growth in city centre population**

- Infrastructure, services and facilities meet the needs of a growing residential population and contribute to making the city centre a safe and desirable place to live.

#### **Resilient City – An educated and empowered community that seeks to mitigate the causes and effects of climate change**

- The matters contained in this report align to the intent of this theme's outcome.

#### **Resilient City – A focus on planning for a stronger and more resilient future**

- A roadmap to Net Zero emissions guides the protection of our community for future generations.
- A financially resilient City meets the service delivery needs of the community.

#### **Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'**

- Improve organisational performance and capability.
- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.



## **CONSULTATION**

Officers continue to engage key stakeholders during the review process, these include:

- Western Australia State government, inc:
  - Minister for Environment
  - Senior Department of Water and Environmental Regulation (DWER) staff
  - Minister for Local Government
  - Senior Department of Local Government Sport and Cultural Industries (DLGSC) staff
- The Resource Recovery Group (RRG) and its staff
- The RRG members and other potential prospective regional partners – these would include but are not limited to, the City of Melville, Town of East Fremantle, City of Canning and more lately the City of Cockburn.

The City, as part of the Waste Management Collective, remains in active and constructive discussion with the RRG, the City of Melville and the City of Canning.

## **OFFICER COMMENT**

### **Waste Management Collective / Heads of Agreement:**

The WMCPG has made good progress and continues to work constructively and collaboratively. The group have now jointly developed a Heads of Agreement (see confidential attachment 1).

The RRG is a party to the WMC and is required to provide advice and support in respect to the obligations and requirements of the RRG whilst continuing to focus on the important operational requirements of the RRRC at Canning Vale.

The Heads of Agreement is a legally binding document provides clarity and certainty for the remaining members and the City of Canning as to the way forward, namely progressing with either:

- Scenario 1 - (GO) progress with continued services at the RRRC site with and a suitable Operation and Maintenance Contractor, or
- Scenario 2: (NO GO) agree to discontinue services and decommission/close the RRRC site.



It is currently anticipated that, subject to positive Council decisions (of the parties), the City of Canning would subsequently progress with the preferred option and formal Request for Proposal to market for a suitable proponent to 'Operate and Maintain' the MRF (including an option for FOGO pre-sorting) in or around November/December 2024.

It is currently anticipated that the closure and/or transitional arrangements for the RRRC will likely occur between July and December 2025.

### **Remaining member withdrawal provisions**

The Cities of Melville and Fremantle's formal withdrawal from the RRG takes effect (1 July 2025); both remaining Council members have subsequently resolved to extend their respective memberships by up to a further six months (until 31 December 2025) to ensure suitable arrangements for a managed transition and windup process. This arrangement is also necessary to ensure a greater level of certainty for the operational management requirements of the RRG.

### **Materials Recovery Facility (MRF) Upgrade**

The WMCPG continues to liaise with the Department of Water and Environmental Regulation (DWER) in respect to the 'Recycling Modernisation Fund' (RMF) grant funding application for the upgrade of the Materials Recycling Facility at the RRRC, Canning Vale. Upgrades are required to accommodate increased paper and cardboard export quality standards, expected to be effective from July 2026.

### **Town of East Fremantle Exit**

The Town of East Fremantle's withdrawal took effect on 30 June 2024. A formal exit agreement has been developed and the RRG Council have now received Member Council approval of the terms of the proposed exit arrangements for the Town of East Fremantle. The RRG are now liaising with the Town of East Fremantle with a view to formally execute the exit agreement.

One implication of the exit of the Town of East Fremantle is that the current lending agreement for the Office Accommodation Project will need to be amended with the Western Australina Treasury Corporation (WATC) by the Resource Recovery Group to accommodate the Town of East Fremantle being released from its obligations. As such, the remaining Member Councils are required to pass a resolution giving consent to this provision. Council approval is therefore included in the officers recommendation below.



## **Waste to Energy**

The new Waste to Energy plant at Kwinana is nearing operational certification. The City (via the RRG) has commenced the delivery of commissioning waste. Once the plant is certified as operational, the RRG and the member supply contracts (for all residual waste) will be formally committed. Subject to a successful commissioning phase, it is anticipated that the plant will commence full operation from November 2024.

Irrespective of the wind up of the RRG and the WMC progressing with either Scenario 1 or 2 under the Heads of Agreement, the City of Fremantle (and Melville) will continue to supply its residual waste to the Waste to Energy facility.

## **RISK**

The WMCPG have recently (October 24) workshopped, reviewed and updated the risk analysis, including the outcomes/scenarios being proposed under the Heads of Agreement (see confidential attachment 2).

The risks continue to be monitored, reviewed and updated.

City of Fremantle officers have reviewed the key risks, financial and contractual arrangements and provisions, the transitional arrangements and key processes in conjunction with the WMCPG and its members. A summary of the key considerations for the City of Fremantle as a member is detailed in confidential attachment 3.

## **Summary**

It is anticipated that the parties execution of the Heads of Agreement and the two scenarios included, as proposed for moving forward, will be suitable to provide continued waste/recycling services to an acceptable level, be cost effective and will manage existing risks to the City as an remaining member of the RRG.

Subject to Council alignment and successful execution of the Heads of Agreement, it is currently anticipated that officers at the City of Canning will progress to a Request for Proposal in November/December 24, with a view to a closing date, evaluation and preferred proponent in February/March 25.

## **VOTING AND OTHER REQUIREMENTS**

Simple Majority Required





## **OFFICER'S RECOMMENDATION**

### **Council:**

- 1. Note the progress made by the Waste Management Collective, including the options and scenarios that have been jointly developed and the risk management approach adopted for the project.**
- 2. Endorse the Heads of Agreement for 'Regional Resource Recovery Centre Transition' at the Canning Vale site, and the progression of either:**
  - a. Scenario 1: Preferred option - (GO) progress with continued services at the Regional Resource Recovery Group site through a suitable Operation and Maintenance arrangement, managed by the City of Canning.**
  - b. Scenario 2: (NO GO) – agree to discontinue services and close the Regional Resource Recovery Centre Site.**
- 3. Subject to the Cities of Melville and Canning Councils' endorsement of the agreement and the scenarios as detailed in item 2; authorise the Mayor and Chief Executive Officer to execute the formal Heads of Agreement and the relevant sub agreements with the cities of Melville and Canning and relevant parties.**
- 4. Request that the Chief Executive Officer continues to actively engage with the Waste Management Collective in pursuit of the project objectives and support the Resource Recovery Group in their planning and the execution of the transitional process.**
- 5. In accordance with the Lending Agreement between the Western Australian Treasury Corporation (WATC) and the Resource Recovery Group and its remaining participants, the City of Fremantle gives its consent for the Town of East Fremantle to be released from its obligations under the \$2 million secured lending facility agreement (known as the Office Project Loan) (hereinafter referred to as "the loan agreement") with the WATC with effect from 1 July 2024, and**
  - a. Endorse that the Resource Recovery Group shall deliver a revised Exhibit B Certificate to WATC as required under the provisions of the loan agreement to notify WATC of the new percentages of the Resource Recovery Group debt being apportioned to the remaining participants following the withdrawal of Town of East Fremantle from the Resource Recovery Group effective 1 July 2024.**





## **Committee and working group reports**

Nil.



## Statutory reports

### **C2411-16 STATEMENT OF INVESTMENTS - OCTOBER 2024**

**Meeting date:** 27 November 2024  
**Responsible officer:** Manager Financial Services  
**Voting requirements:** Simple Majority Required  
**Attachments:** 1. Investment Report - 31 October 2024

#### **SUMMARY**

**This report outlines the investment of surplus funds for the month ending 31 October 2024 and provides information on these investments for Council consideration.**

**This report recommends that Council receive the Investment Report for the month ended 31 October 2024, as provided in Attachment 1.**

**The investment report provides a snapshot of the City's investment portfolio and includes information as at 31 October 2024 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's investment policy 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 \$912,108 against a full year budget of \$1,618,500. Interest earnings year to date are over the YTD budget by \$336,408. The strong investment performance is due to the attractive interest rates in the current market.

The Reserve Bank of Australia's (RBA) current official cash rate is 4.35%, following a November 2023 hike that kept rates at their highest level since 2012. Inflation is now showing signs of cooling, with recent CPI data indicating a reduction to around 4.3%. However, underlying inflation remains elevated due to strong population growth, housing-related costs, and other non-discretionary expenses.

Given these dynamics, major banks such as ANZ, Commonwealth Bank, NAB, and Westpac predict that the RBA is unlikely to cut rates until early to mid 2025. Economists suggest the earliest potential rate cut could come in 2025 if inflation stabilises within the RBA's 2-3% target range and if the job market shows signs of easing. This cautious approach reflects a continued focus on curbing inflationary pressures, especially from sectors affected by strong population growth, tight housing markets, and elevated service costs.

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 4.96% for the month of October 2024. The City's actual portfolio return in the last 12 months is 4.28%, comparing on par with the benchmark Bloomberg AusBond Bill Index reference rate of 4.45% (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).



## **STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle’s Strategic Community Plan 2024 – 2034:

### **Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'**

- Enable the City to maintain legislative compliance and accountability for organisational decision making.
- Improve organisational performance and capability.
- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

## **CONSULTATION**

Nil.

## **OFFICER COMMENT**

The City’s Investment Portfolio Manager has provided a comprehensive Investment Report for the month ending 31 October 2024 which can be viewed in Attachment 1. A summary of the investment report is provided below.

### **1. Portfolio Details**

As at 31 October 2024, the City’s investment portfolio totalled \$66,572,414. The market value of this investment was \$67,471,266 at that time, which takes into account accrued interest.

The investment portfolio is made up of:

Cash Investments (<= 3 months)	\$8.07m
Term Deposits (> 3 months)	\$58.50m
TOTAL	\$66.57m

Of which:

Unrestricted cash	\$49.58m
Restricted cash (Reserve Funds)	\$16.99m
TOTAL	\$66.57m



The current amount of \$49.58m held as unrestricted cash represents 51.27% of the total adopted budget for operating revenue (\$96.71m).

## 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.

Tier	Allocation	Allocation %	Maximum Allocation %	% Used of Maximum Allocation	% Available of Maximum Allocation	% Exceeded of Maximum Allocation
Tier 1	36,820,581.89	55.31%	100.00%	55.31%	44.69%	0.00%
Tier 2	22,751,832.44	34.18%	60.00%	56.97%	43.03%	0.00%
Tier 3	7,000,000.00	10.51%	35.00%	30.03%	69.97%	0.00%
Tier 4	0.00	0.00%	15.00%	0.00%	100.00%	0.00%
	66,572,414.33					

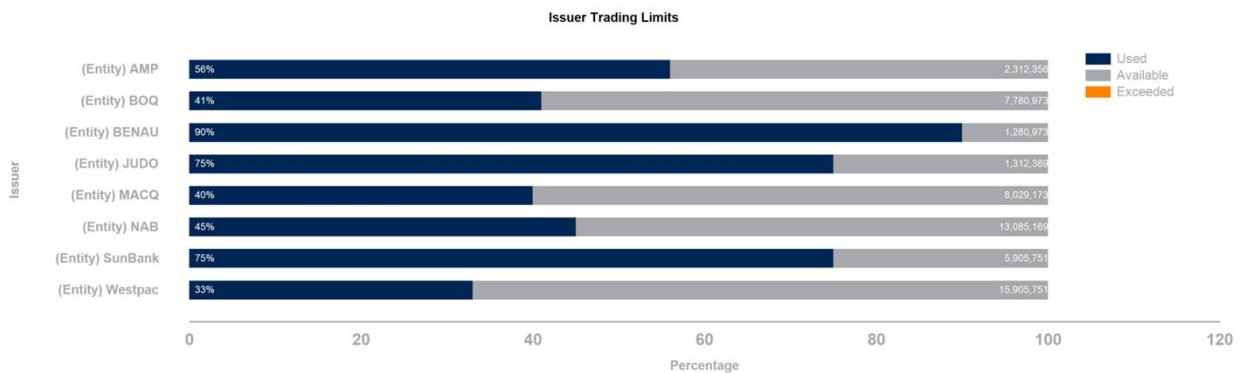
Values used in the above calculations exclude interest for term deposits and other simple interest securities.

### 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 31 October 2024, 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.

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.

The City’s funds invested as at 31 October 2024, relative to the Counterparty Credit Framework limits were as follows:



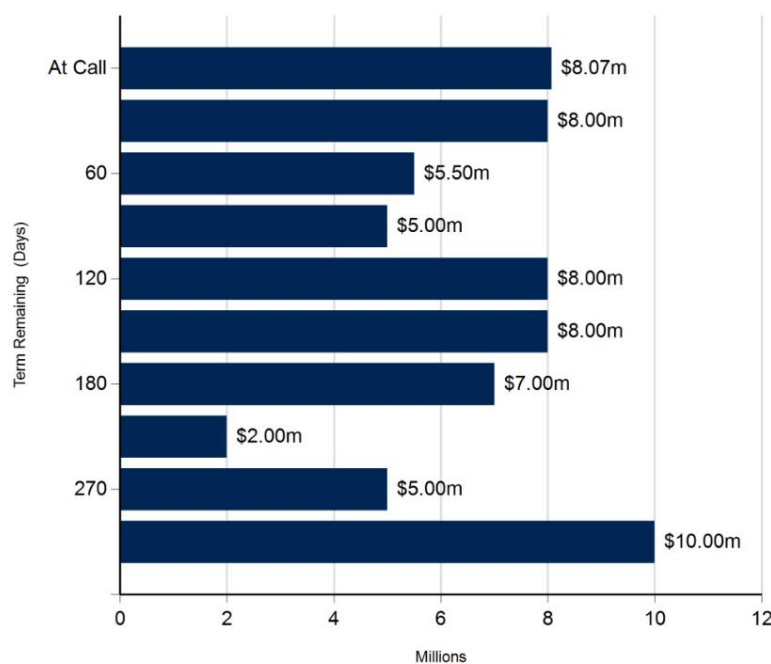
As shown in the above graph, the portfolio was compliant with the issuer trading limit.

### 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 31 October 2024. Currently, all investments will mature in one year or less.

**Face Value by Term Remaining**





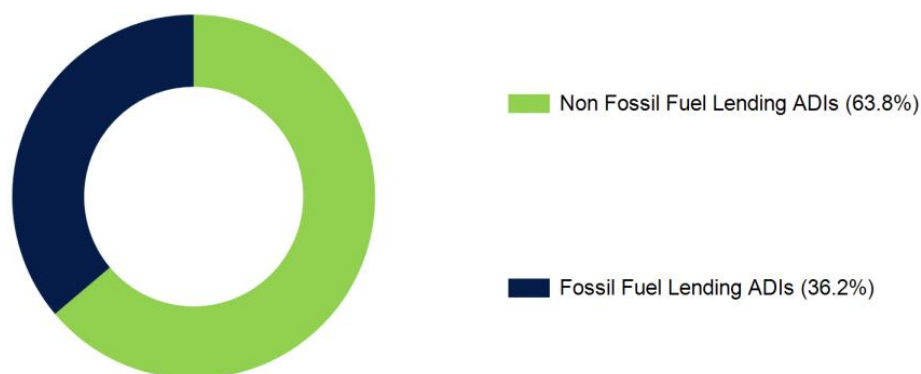
#### **4. Portfolio Summary by Fossil Fuels Lending Authorised Deposit-Taking Institutions (ADIs)**

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 31 October 2024, \$42.5m (63.8%) 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.

#### *Risk Assessment*

In line with an ongoing risk assessment of the Global and Australian banking sectors, the City continues to implement the following investment strategies:

1. Diversify investment portfolio across different banks - continue to prioritise 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.



2. Implement risk management strategies to protect the investment portfolio against downside risks - The City will prioritise low risk investment activity across higher tier banks in order to limit the City's exposure to the risk being faced across the sector.
3. Regular review and rebalance of investment portfolio to ensure alignment with the investment goals, risk tolerance and market conditions.

### **Interest Income for Matured Investments**

Per Attachment 1 (Note 9), interest income earned during 31 October 2024 from matured investments was \$215,589.

### **Investing Activities**

In October 2024, there were three new term deposits totalling \$6m. Full details of the institutions invested in, interest rates, number of days and maturity date for investments held as at 31 October 2024 are provided in Attachment 1 (Note 10).

### **VOTING AND OTHER REQUIREMENTS**

Simple Majority Required

### **OFFICER'S RECOMMENDATION**

**Council receive the Investment Report for the month ending 31 October 2024 as provided in Attachment 1.**





## **C2411-17 SCHEDULE OF PAYMENTS - OCTOBER 2024**

<b>Meeting date:</b>	27 November 2024
<b>Responsible officer:</b>	Manager Financial Services
<b>Voting requirements:</b>	Simple Majority Required
<b>Attachments:</b>	1. Schedule of Payments and Listings - October 2024 2. Purchase Card Transactions - October 2024

### **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 31 October 2024 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 31 October 2024, is provided within Attachments 1 and 2.

### **FINANCIAL IMPLICATIONS**

A total of \$10,268,012.30 in payments were made in 31 October 2024, 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.*

**STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle’s Strategic Community Plan 2024 – 2034:

**Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'**

- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

**CONSULTATION**

Nil.

**OFFICER COMMENT**

The following table summarises the payments for the month ending 31 October 2024, by payment type:

<b>Payment Type</b>	<b>Amount (\$)</b>
<i>Cheque / EFT / Direct Debit/International Payments</i>	<i>\$ 7,133,810.48</i>
<i>Purchase card transactions</i>	<i>\$ 52,437.71</i>
<i>Salary / Wages / Superannuation</i>	<i>\$ 2,829,670.84</i>
<b>Total</b>	<b>\$ 10,015,919.03</b>



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 31 October 2024.

## **VOTING AND OTHER REQUIREMENTS**

Simple Majority Required

## **OFFICER'S RECOMMENDATION**

### **Council:**

- 1. Accept the list of payments made under delegated authority, totalling \$10,015,919.03 for the month ending 31 October 2024 including the Cheque /EFT/ Direct Debits/ International Payments as contained within Attachment 1.**
- 2. Accept the detailed transaction listing of Purchase Card expenditure, totalling \$52,437.71 for the month ending 31 October 2024, as contained within Attachment 2.**



## **C2411-18 MONTHLY FINANCIAL REPORT - OCTOBER 2024**

**Meeting date:** 27 November 2024  
**Responsible officer:** Manager Financial Services  
**Voting requirements:** Simple Majority Required  
**Attachments:** 1. Monthly Financial Report - October 2024

### **SUMMARY**

**The monthly financial report for the period ending 31 October 2024 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 31 October 2024 based on the following statements:**

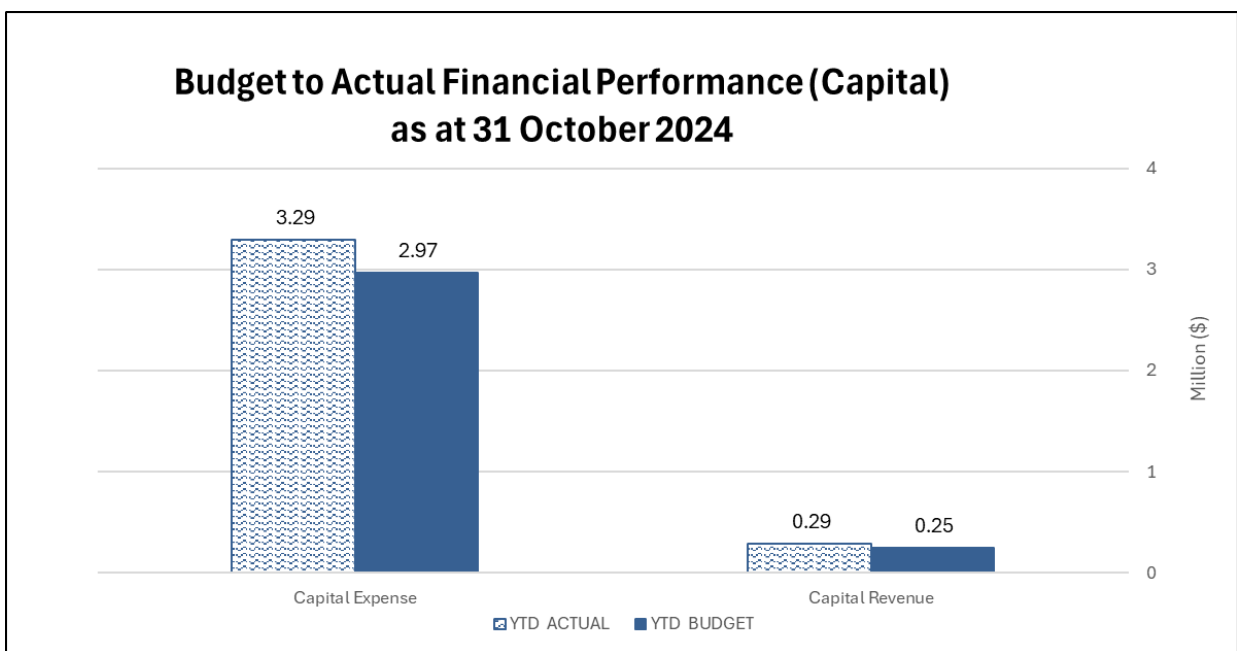
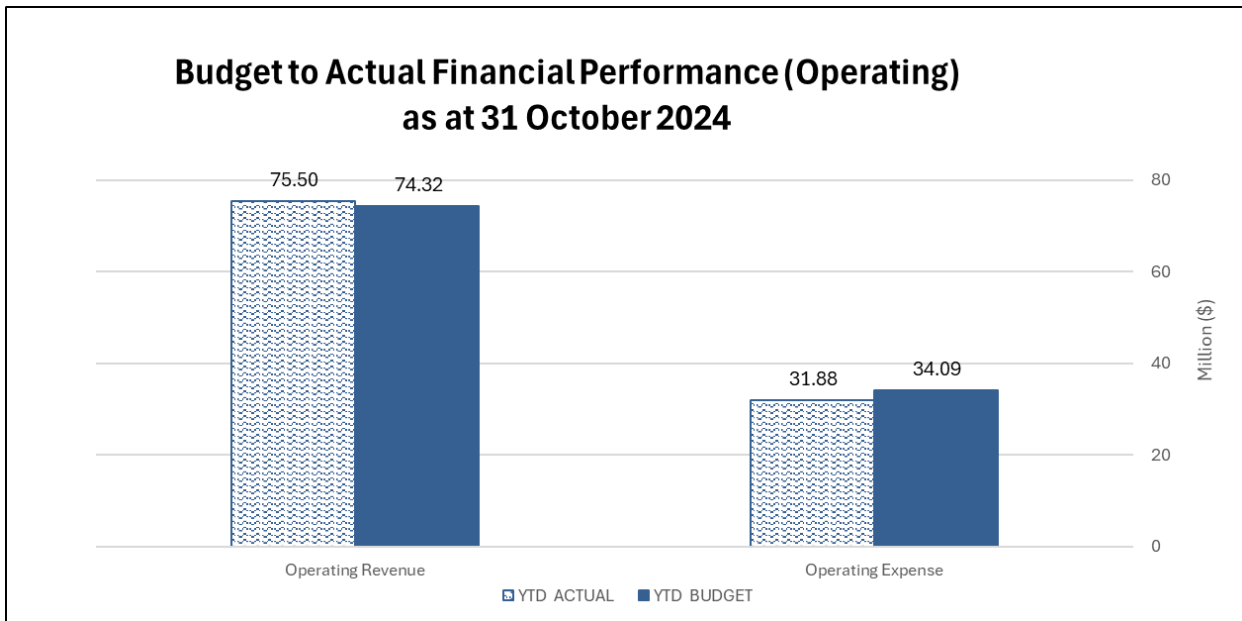
- **Statement of Comprehensive Income by Nature;**
- **Statement of Financial Activity by Nature and by Directorate; and**
- **Statement of Financial Position with Net Current Assets.**

**This financial report for the period ended 31 October 2024 is prepared considering accrued interest on borrowings (loans) and prepaid insurance premiums.**

**Please note 2023/24 Financial Year figures reported in this report are draft and awaiting finalisation of the audit.**

### **BACKGROUND**

The following charts and table provide a high-level summary of the Council's year to date financial performance as at 31 October 2024.



**STATEMENT OF FINANCIAL ACTIVITY – BY NATURE FOR THE PERIOD TO 31 OCTOBER 2024**

The table to follow provides a summary of the year-to-date Statement of Financial Activity by Nature, to 31 October 2024. The detailed Statement can be found in the attached Monthly Financial Report.



Description	YTD Budget	YTD Actual	Variance	Variance
	\$M	\$M	\$M	%
<b>Opening Surplus</b>	10.89	11.57	0.68	6.27%
<b>Operating</b>				
<b>General Rate Revenue</b>	63.19	63.01	(0.18)	(0.28%)
<b>Revenue (Exc. Rates)</b>	11.13	12.49	1.36	1.59%
<b>Expenses</b>	(34.09)	(31.88)	2.21	6.51%
<b>Non-Cash Adj.</b>	7.47	7.46	(0.01)	
	47.70	51.08	3.38	7.09%
<b>Investing</b>				
<b>Capital Revenue</b>	0.25	0.29	0.04	17.50%
<b>Capital Expenses</b>	(2.97)	(3.29)	(0.32)	(10.94%)
	(2.72)	(3.00)	(0.28)	(10.34%)
<b>Financing</b>				
<b>Repayment Loans &amp; Leases</b>	(0.66)	(0.66)	0.00	(0.28%)
<b>Reserve Transfers</b>	(0.03)	0.02	0.05	178.37%
	(0.69)	(0.64)	0.05	7.25%
<b>Closing Funding Surplus/(Deficit)</b>	55.18	59.01	3.83	6.95%

**STATEMENT OF COMPREHENSIVE INCOME – BY NATURE AND TYPE FOR THE PERIOD TO 31 OCTOBER 2024**

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 Adopted Budget \$	YTD Actual \$	Variance \$	Variance %
<b>Operating Income</b>				
<b>Rates (including Annual Levy)</b>	63,191,761	63,012,308	(179,453)	(0.28%)
<b>Service Charges</b>	8,804	11,905	3,101	35.22%
<b>Grants, Subsidies &amp; Contributions</b>	1,211,789	1,147,501	(64,288)	(5.31%)
<b>Fees and Charges</b>	8,436,759	9,133,612	696,853	8.26%
<b>Interest Earnings</b>	910,800	1,358,427	447,627	49.15%
<b>Reimbursement Income</b>	380,181	440,050	59,869	15.75%
<b>Other Income</b>	177,577	393,823	216,246	121.78%
<b>Total</b>	<b>74,317,671</b>	<b>75,497,626</b>	<b>1,179,955</b>	<b>1.59%</b>
<b>Operating Expenses</b>				
<b>Employee Costs</b>	(16,082,509)	(14,208,503)	1,874,006	11.65%



<b>Employee costs - Agency Labour</b>	(217,670)	(603,859)	(386,189)	(177.42%)
<b>Materials and Contracts</b>	(8,697,428)	(8,223,295)	474,133	5.45%
<b>Depreciation - Non-Current Assets</b>	(7,448,272)	(7,432,915)	15,357	0.21%
<b>Interest Expenses</b>	(134,012)	(138,961)	(4,949)	(3.69%)
<b>Utility Charges</b>	(697,242)	(551,432)	145,810	20.91%
<b>Insurance Expenses</b>	(401,167)	(357,872)	43,295	10.79%
<b>Other Expenditure</b>	(410,011)	(351,036)	58,975	14.38%
<b>Total</b>	<b>(34,088,311)</b>	<b>(31,867,874)</b>	<b>2,220,438</b>	<b>6.51%</b>

Further explanation of material variances can be found within the Officer’s Comment section of this report.

### **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.

### **STRATEGIC IMPLICATIONS**

This item is in keeping with the City of Fremantle’s Strategic Community Plan 2024 – 2034:

#### **Corporate - Lead and empower the organisation to deliver the vision of 'strong reputation, stronger future'**

- Support the City through financial, procurement and revenue functions whilst ensuring legislative compliance and providing excellent customer service.

### **CONSULTATION**

Nil.



## **OFFICER COMMENT**

### **Summary of financial performance**

As at the end of October 2024, the City demonstrated strong financial performance with a closing funding position of \$59.01m.

In summary, as at the end of October 2024, the current closing position exceeds the YTD amended budget by \$3.84m. This is mainly due to favourable variances against the year-to-date budget across the following areas:

- Increased revenue from Fees and Charges of \$0.70m;
- Increased revenue from Interest earnings of \$0.45m;
- Operating expenditure underspend of \$1.87m from Employee Cost;
- Operating expenditure underspend of \$0.47m from Material and Contracts;
- Increased carry forward funds from the 2023-24 financial year of \$0.68m compared to the adopted budget\*;

\*It should be noted that 2023/24 FY figures are awaiting audit finalisation. The figures remain draft until such time as the process has been completed. The adopted budgeted opening position will be reviewed and any necessary adjustments made at mid year budget review.

These favourable variances are offset by:

- Increased capital expenditure of \$0.33m.

The depreciation expenditure for 2024/25 FY is calculated based on the budget amount, which will be amended to actual depreciation based on the fair value revalued as at 30 June 2024 once the audit of the 2023/24 FY is completed.





### **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 by Nature in the 2024-25 financial year for reporting material variances as 10% together with the minimum value of \$100,000 (Refer Item C2407-10 from Council meeting on 10 July 2024). 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 Statements of Financial Activity by Nature.




Building on the favourable opening net position 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 Financial Activity Statement as at 31 October 2024:





<b>Description</b>	<b>Variance Amount (\$)</b>	<b>Comment</b>
<b>Interest Earnings</b>	<b>447,627</b>	 <b>49.15%</b>
<b>Major Variances:</b>		
Receive investment income	336,408	Higher interest earning is mainly due to higher interest rates on investments along with higher cash holdings due to above budget revenue and underspends. Current investment markets continue to offer attractive interest rates.
Rates Instalment Interest	128,486	Higher number of rate payers are on Instalment options.
<b>Other Revenue</b>	<b>216,246</b>	 <b>121.78%</b>
<b>Major Variances:</b>		
Lead the organisation	125,484	Contribution received towards Court of Appeal costs. To be adjusted at budget review.
Manage destination marketing plan implementation	51,409	36k Contribution from Fremantle Business for school holiday activation. The activation expenditure will increase in line with the revenue received.
<b>Employee Costs -</b>	<b>1,874,006</b>	 <b>11.65%</b>
<b>Major Variances:</b>		
Employee Costs – Staff Establishment	1,874,006	Underspend mainly due to vacancies. Any funds to offset agency labour will be reallocated at budget review.
<b>Employee costs - Agency Labour</b>	<b>(386,189)</b>	 <b>(177.42%)</b>
<b>Major Variances:</b>		
Parks and Landscapes Team	(101,242)	Agency labour used to cover vacant positions, offset by savings in staff establishment budget.
Procurement Team	(75,876)	
Waste collection Team	(55,636)	
Construction and Maintenance Team	(36,402)	



Description	Variance Amount (\$)	Comment
<b>Utility Charges</b>	<b>145,810</b>	 <b>20.91%</b>
<b>Major Variances:</b>		
Contribute to public street lighting	31,294	Timing Variance - phasing to be reviewed at budget review.
Maintain Hard landscaping	24,976	Timing Variance - phasing to be reviewed at budget review.
Maintain Walyalup Civic Centre	16,054	Timing Variance - phasing to be reviewed at budget review.
Operate Fremantle Library	9,028	Underspend compared to budget - To be reviewed at budget review.
<b>Payment for Property, plant and equipment</b>	<b>(147,063)</b>	 <b>(10.48%)</b>
<b>Major Variances:</b>		
P-12208 Town Hall balcony	99,638	Timing Variance: The project is on track with the exception of the theatre seating that will not be installed until March next year.
P-12189 Program - Fleet replacement	(257,207)	Timing Variance: Advanced execution due to shorter delivery times of light plant, brought forward in lieu of the large paver truck / flocon for which delivery is delayed by one year.
<b>Payment for Construction of infrastructure</b>	<b>(191,784)</b>	 <b>(13.43%)</b>
<b>Major Variances:</b>		
P-12233 Program - Roads to Recovery 2024-25	263,066	Timing Variance: Roads to Recovery works are completed. Awaiting invoice to be processed. Blackspot works are scheduled in March 2025.
P-12236 MRRG - High street	(472,798)	The approved budget is based on MRWA's estimate, the budget variation is due to the recent increase in the traffic controller hourly rate proposed by MRWA. This variation has now been



Description	Variance Amount (\$)	Comment
		approved by MRWA, with MRWA funding \$146k, and an additional \$73k required from the city to be addressed at mid year budget review.

### **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.

### **VOTING AND OTHER REQUIREMENTS**

Simple Majority Required

### **OFFICER'S RECOMMENDATION**

**Council receive the Monthly Financial Reports, 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 31 October 2024.**



## **Motion 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 in accordance with the Meeting Procedures Policy.

Nil.

## **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.

## **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.

## **Confidential business**

Nil.

## **Closure**