



Agenda

Ordinary Meeting of Council

Wednesday, 27 October 2021, 6.00pm

CITY OF FREMANTLE
NOTICE OF AN ORDINARY MEETING OF COUNCIL

Elected Members

An Ordinary Meeting of Council of the City of Fremantle will be held on **Wednesday, 27 October 2021** in the North Fremantle Community Hall, located at 2 Thompson Road, North Fremantle commencing at 6.00 pm.

Glen Dougall
A/Chief Executive Officer

22 October 2021

Table of Contents

Contents	Page
1. Official opening, welcome and acknowledgement	1
2. Attendance, apologies and leave of absence	1
3. Applications for leave of absence	1
4. Disclosures of interest by members	1
5. Responses to previous public questions taken on notice	1
6. Public question time	2
7. Petitions	2
8. Deputations	2
8.1 Special deputations	2
8.2 Presentations	2
9. Confirmation of minutes	2
10. Elected member communication	2
11. Reports and recommendations from officers	3
C2110-1 APPOINTMENT OF MEMBERS TO COMMITTEES AND GROUPS	3
C2110-2 TENDER FCC567/21 - CLEANING SERVICES WALYALUP CIVIC CENTRE	13
C2110-3 MONTHLY FINANCIAL REPORT - SEPTEMBER 2021	19
C2110-4 STATEMENT OF INVESTMENTS – SEPTEMBER 2021	32
C2110-5 SCHEDULE OF PAYMENTS SEPTEMBER 2021	37
C2110-6 PERTH GLORY FOOTBALL CLUB LICENSE - 70 PARRY STREET, FREMANTLE	39
12. Motions of which previous notice has been given	46
13. Urgent business	46
14. Late items	46
15. Confidential business	46
16. Closure	46

CITY OF FREMANTLE

Ordinary Meeting of Council

Agenda

1. Official opening, welcome and acknowledgement

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

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

2. Attendance, apologies and leave of absence

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

3. Applications for leave of absence

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

4. Disclosures of interest by members

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

5. Responses to previous public questions taken on notice

The following questions were taken on notice at the Ordinary Meeting of Council held on 22 September 2021:

Elizabeth Megroz asked the following question

In relation to the notes relating to the financial report, it is column 4 you have reported figures here that do not add up. I wish to know why they don't add up.

Response:

Below is the calculation of the reconciliation figure described as the Gross Carrying Amount in the fourth column from the left of note 9 – Property Plant and Equipment on page 28 of the City of Fremantle Annual Financial Statements for the year ended 30 June 2020.

The Gross carrying amount at the bottom of the page is not part of the table immediately above it, it is a reconciliation of the “carrying amount” as at 30 June 2020 and reflects the values based on the revaluation of this asset class, the replacing the June, 2019, figure with the revaluation figure of \$226,650,800. Accumulated Depreciation is therefore also adjusted to \$107,821,000 reflect the new carrying amount.

6. Public question time

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

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

7. Petitions

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

The City has received the following two petitions

1. Received from Cheynee Cullen requesting Harbour Road, South Fremantle become residents only parking. The petition contains 15 signatures.
2. Received from Murray and Sue Slavin requesting the city develops a program to target the area bound by Quarry, Barnett and Shuffrey Street. The petition contains 29 signatures.

8. Deputations

8.1 Special deputations

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

8.2 Presentations

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

9. Confirmation of minutes

OFFICER'S RECOMMENDATION

Council:

1. **confirms the minutes of the Ordinary Meeting of Council dated 13 October 2021.**
2. **confirms the minutes of the Special Meeting of Council dated 18 October 2021.**

10. Elected member communication

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

11. Reports and recommendations from officers

C2110-1 APPOINTMENT OF MEMBERS TO COMMITTEES AND GROUPS

Meeting Date:	27 October 2021
Responsible Officer:	Manager Governance
Decision Making Authority:	Council
Attachments:	Council Committees and Groups Register

SUMMARY

Following the ordinary elections, positions on committees of Council and other groups become vacant and the members need to be appointed by Council.

The City has developed a **Council: Committees and Groups Register**, which contains the terms of reference for each committee or group, membership information relating to committees, working groups and external groups where nominees are appointed by Council.

The purpose of this report is to appoint members to these committees and groups and to approve the terms of reference for each committee or group by adopting the **City of Fremantle Council: Committees and Groups Register**.

BACKGROUND

The City has five **committees of Council**, established under the *Local Government Act 1995* (the Act):

1. Planning Committee
2. Finance, Policy, Operations and Legislation Committee
3. Strategic Planning and Transport Committee
4. Audit and Risk Management Committee
5. CEO Performance Committee

Four of these committees, as listed below, are made up of six members and six deputy members. One elected member from each ward is appointed as a member of each committee while the second elected member for that ward is appointed as the deputy member:

1. **Planning Committee**
2. **Finance, Policy, Operations and Legislation Committee**
3. **Strategic Planning and Transport Committee**
4. **Audit and Risk Management Committee**

In addition, the **Audit and Risk Management Committee** Terms of Reference include conditions for the appointment of an external member to that committee that is appropriately qualified and is independent from the City. Appointment of an independent member will be considered by the Committee at the first meeting of the Committee held following the ordinary election.

The **CEO Performance Committee** is made up of the Mayor and three elected members.

The **Chief Executive Officer recruitment and selection panel** is made up of the Mayor, four elected members and an independent member.

There are currently 2 **Working Groups** that have members who must be approved by Council in accordance with the City's Internal Groups Policy:

1. Destination Marketing Working Group
2. International Relations Working Group

The **Destination Marketing** Working Group does not have elected members as members of the working group.

The **International Relations** Working Group is made up of a maximum of 6 elected members as members of the group.

The City nominates membership for six **external groups** as follows:

1. Metro Inner-South JDAP
2. Resource Recovery Group
3. Western Australian Local Government Association South Metropolitan Zone
4. South West Group Board
5. South West Corridor Development Foundation / South West Reference Group

The **Metro Inner-South JDAP** members are nominated by Council for approval by the Minister for Planning and the term of membership for this group runs for two years from January to January. The current term will expire in January 2022.

Existing members will remain where possible and any new members, if approved by the Minister, will have a short term, expiring in January 2022.

The **Resource Recovery Group** (previously the South Metropolitan Regional Council) has one member appointed by Council after each local government ordinary election.

The **Western Australian Local Government Association South Metropolitan Zone** has three members appointed by Council after each local government ordinary election.

The **South West Group Board** is made up by the Mayor and Chief Executive Officer from each of the member councils.

The **South West Corridor Development and Employment Foundation** and the **South West Reference Group** has one member and one deputy member appointed in a combined capacity.

FINANCIAL IMPLICATIONS

There are no financial implications identified as a result of this report.

LEGAL IMPLICATIONS

Part 5, Subdivision 2, of the *Local Government Act 1995*, outlines the requirements for the establishment of committees of Council.

Councils may delegate some of their decision-making powers to committees of council, within the limitations of the Act.

CONSULTATION

Elected members were consulted in relation to membership nominations.

OFFICER COMMENT

Elected members are given the opportunity to express a preference to nominate for committees and groups prior to the council meeting at which membership of these committees and groups is established by council.

Where more nominations are received than positions are available a ballot may be held to determine the appointments to be made by council.

The **Presiding Member** for each committee and group will be determined by that committee or group at the first meeting held following the appointment of its members.

The **Terms of Reference** for each committee and group have been reviewed and the following minor amendments have been proposed:

Group / Committee	Clauses	Action	Change	Reason
Delegated Committees of Council	3, 4, 6, 7	Amend	“... is dealt with will be in accordance with the City’s Meeting Procedures Policy.”	To improve wording.
Audit and Risk Management Committee	1. Objectives	Amend	1.1 The primary objectives of the Audit and Risk Management Committee is are to:	To amend grammatical error.

Group / Committee	Clauses	Action	Change	Reason
Audit and Risk Management Committee cont.	2. Functions	Amend	<p>2.1 The Audit and Risk Management Committee An audit committee has the following functions –</p> <ul style="list-style-type: none"> a. To guide and assist the local government in carrying its functions relating respect to audits and other matters related to financial management. b. To guide and assist the local government in carrying out the local government's functions in relation to other audits and reviews of systems and procedures. c. To receive reports prepared by the CEO in relation to audits, system and procedural reviews, and compliance audit returns, and review the findings before requesting they be forwarded to Council. review a report given to it by the CEO relating to a review of the certain systems and procedures and to give a copy of the report of the review to council; 	To improve readability.
		Add clause	<ul style="list-style-type: none"> m. To monitor the progress and implications of any major projects being delivered by or affecting the local government. 	To list explicitly the risk management functions of the committee
	3. Powers of the Audit and Risk Management Committee	Amend	<p>3.4 The committee does not have any management functions and cannot involve itself in management or administrative processes or procedures.</p>	To improve clarity.

Group / Committee	Clauses	Action	Change	Reason
Audit and Risk Management Committee cont.	4. Membership	Amend	4.1 The committee will be made up of a minimum of the following members and in accordance with <i>Local Government (Audit) Regulations 1996 regulation 17(1)</i> : <ol style="list-style-type: none"> a. The Mayor (ex-officio member); b. Three councillors; and Six councillors, one from each Ward; and c. One external independent member. 	To align membership to other committees of council for clarity.
	6. External Independent Members	Amend	6.4 Appointments of any external independent member will be made following a public advertisement period and the evaluation and recommendation of a potential external member will be submitted for Council approval. approved by council.	To improve wording and provide clarity on the selection process.
	8.1 Meetings	Amend clause 8.1	8.1 The committee shall meet quarterly bimonthly, on specific dates to be advised and more regularly as required at the discretion of the presiding member.	This reflects the current meeting schedule.
	5, 7, 9	Amend	"... is dealt with will be in accordance with..."	To improve wording.

Group / Committee	Clauses	Action	Change	Reason
CEO Performance Review Committee	2. Functions	Amend	<p>2.1 The Committee is to provide advice and recommendations to Council in relation to the following matters;</p> <ul style="list-style-type: none"> a. Appointment of an independent facilitator to assist the committee to undertake the CEO performance review. b. Development and review of Key Performance Indicators to be achieved by the CEO. c. Undertake an Annual review of the CEO's performance in accordance with the CEO's Key Performance Indicators. d. Perform Quarterly informal reviews of the CEO's performance in accordance with the CEO's Key Performance Indicators. e. Reviewing of the CEO's remuneration package. 	To improve wording.
	5, 6, 8, 9	Amend	<p>2.2 "... is dealt with will be in accordance with..."</p>	To improve wording.
CEO Recruitment and Selection Panel	New ToR	New	A CEO Recruitment and Selection panel has recently been adopted by council to coordinate and advise on the appointment of a new CEO – the ToR are now being included into the register.	To include in register.
International Relations Working Group	3. Membership	Remove City officer member	<p>b. City officers:</p> <ul style="list-style-type: none"> • Manager Governance • Senior Governance Officer 	This position is no longer current.
	5. Presiding Member	Amend	<p>5.1 The election of a presiding member and deputy presiding member is dealt with will be in accordance with the City's Meeting Procedures Policy.</p>	To improve wording.

Group / Committee	Clauses	Action	Change	Reason
Destination Marketing Working Group	1. Purpose	Amend clause 1.1	The purpose of the Destination Marketing Working Group is to provide external industry guidance and advice to officers to support the implementation of the City's Destination Marketing Strategic Plan, which develop, for council's consideration, a destination marketing plan that supports all business-to-customer industries in Fremantle. For the avoidance of doubt, this includes (but is not limited to) retail, hospitality, professional services and traditional tourism attractions.	To update and clarify the purpose.
	1. Purpose	Amend clause 1.2 to add point f.	f. Updating and renewing the Destination Marketing Strategic Plan as required at the end of its specified term/s.	The ToR is being updated to reflect new purpose.
	2. Outcome	Remove points e and f.	e. Development of a policy for consideration of sponsorship applications for private events or festival funding f. Development of a policy for consideration of sponsorship applications for activation proposals from the Fremantle business community.	These have been achieved and this ToR is now being updated.
	4. Role of the group	Amend clause 4.1	4.1. To develop and recommend a marketing plan (including updated sponsorship policies) for the coming year for council consideration as part of the normal budget process, which will typically be April / May each year.	This has been achieved.

Group / Committee	Clauses	Action	Change	Reason
	5. Presiding Member	Amend	5.1 The election of presiding members and deputy presiding members is dealt with will be in accordance with the City's Meeting Procedures Policy.	To improve wording.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

OFFICER'S RECOMMENDATION

Council:

1. Approve amendments and adopt the City of Fremantle Council: Committees and Groups Register, as attached.
2. Appoint members to each committee and group as included below:

Council Committees				
Name	Acronym	Ward	Member	Deputy Member
Finance, Policy, Operations and Legislation Committee	FPOL	Ex officio	Mayor	---
		North		
		South		
		Hilton		
		Beaconsfield		
		East City		
Planning Committee	Planning	Ex officio	Mayor	---
		North		
		South		
		Hilton		
		Beaconsfield		
		East City		
Strategic Planning and Transport	SPT	Ex officio	Mayor	---
		North		
		South		

Council Committees				
Name	Acronym	Ward	Member	Deputy Member
Committee		Hilton		
		Beaconsfield		
		East City		
Audit and Risk Management Committee	ARMC	Ex officio	Mayor	---
		Independent	Committee to appoint	---
		North		
		South		
		Hilton		
		Beaconsfield		
		East City		

CEO - Recruitment, Selection and Performance Review bodies			
Name	Acronym	Members	
CEO Performance Committee	CEOPC	Mayor	
CEO Recruitment and Selection Panel	CEORS	Mayor	
		Rob McDonald Independent Member	

Working Groups			
Name	Acronym	Members	
International Relations Working Group	IRWG	A maximum of 4 Elected Members	
Destination Marketing Working Group	DMWG	There are no Elected Member representatives on this working group. Qualification is to be determined to the satisfaction of the Director City Business.	
		One independent chairperson with suitable qualifications and/or experience in marketing	One representative from the Fremantle Chamber of Commerce: must be a current board member or the Chief Executive Officer.
		One representative from Fremantle's arts and culture business sector with suitable qualifications and/or experience in marketing.	One representative from Fremantle's hospitality business sector with suitable qualifications and/or experience in marketing.
		One representative from the Indigenous business sector with suitable qualifications and/or experience in marketing.	One representative from Fremantle's retail business sector with suitable qualifications and/or experience in marketing.
		One representative from Fremantle's tourism business sector with suitable	One representative from Fremantle's professional service business sector

		qualifications and/or experience in marketing.	(e.g. beauticians, banking, dentists) with suitable qualifications and/or experience in marketing.
--	--	--	--

External Groups – Members appointed by Council				
Name	Acronym	Term	Member	Deputy Member
Metro Inner-South JDAP	JDAP	Current members will remain as Term expires on 26 January 2022. New members are subject to the short term remaining.	Cr Andrew Sullivan	Cr Jenny Archibald
			Cr Rachel Pemberton	Cr Bryn Jones
South West Reference Group	SWRG	2021-2023 – In alignment with local government elections.		
South West corridor development foundation	SWCDF	Groups combined for membership purposes in 2021.		
Resource Recovery Group	RRG	2021-2023 – In alignment with local government elections.		
Western Australian Local Government Association South Metropolitan Zone	WALGA Zone	2021-2023 – In alignment with local government elections.		
South West Group Board	SWGB	Mayors and CEO's of member local governments are ex-officio members.	Mayor	
			Chief Executive Officer	

C2110-2 TENDER FCC567/21 - CLEANING SERVICES WALYALUP CIVIC CENTRE

Meeting date: 27 October 2021
Responsible officer: Manager Facilities and Environment
Decision making authority: Council
Attachments: Nil
Additional information: Confidential – Pricing Evaluation Matrix

SUMMARY

The purpose of this report is to consider tender number FCC567/21 for Cleaning Services at Walyalup Civic Centre.

This report recommends that Council accepts the tender submitted by Briteshine Cleaning and Maintenance Services Ltd in accordance with the tender evaluation undertaken as per the selection criteria included in the tender document.

The report also seeks Council approval of a budget adjustment to accommodate the adjusted scope of cleaning and amended timelines.

BACKGROUND

The City of Fremantle issued a request for tender, through the Tenderlink portal, for a suitably qualified and competent cleaning Contractor to supply plant, equipment, labour and materials to undertake cleaning services to the following City of Fremantle Sites:

- Walyalup Civic Centre (inc. public WC's)
- Fremantle Town Hall
- Fremantle Visitor Centre

The successful tenderer is required to clean the City's facilities to the documented scope of works, frequencies, and time schedules, consistently maintaining presentation to the specific standards without exception.

FINANCIAL IMPLICATIONS

The table below summarises the available budget, current expenditures, recommended tender price by Briteshine Cleaning and Maintenance Services Ltd for the cleaning services and associated expenses at Walyalup Civic Centre.

Description	Expenditure	Budget
Budget		
Allocated budget for 2021/2022 WCC cleaning contract - (6 months only)		\$124,000
Cleaning budget transfer from 70 Parry St, Fremantle Town Hall, Visitors Centre and Public Toilets (1.5 months)		\$18,569
Budget transfer from 70 Parry St (to cover additional 1.5 months)		\$19,029
Expenditure		
Expenditure incurred to date:	\$0	
Activities Tender number FCC567/21 for Cleaning Services at Walyalup Civic Centre. \$258,557 per annum.	\$161,598*	
* cost for remainder of FY		
Total expenditure (estimated)	\$161,598	161,598

Following the move from the old administration building, the amended / interim budget for cleaning services to 70 Parry St, Fremantle Town Hall, the Visitors Centre and Walyalup Koort public toilets was \$148,554 pa.

Going forward, an adjusted budget of \$258,570 pa for cleaning services for the new Walyalup Civic Centre, which also includes the new Visitor Centre, Old Town Hall and Public Toilet cleaning is required.

The updated budget includes an improved service level, increased opening hours (7 days/longer hours), and coverage of a larger floor area inclusive of the civic and publicly accessible areas.

As the building is now expected to be available for use earlier than anticipated when tendering the cleaning services, an in-year budget adjustment is required. It is proposed to transfer the \$18,569 remaining budget allocated to cleaning buildings which are to be incorporated into this contract and \$19,029 from the operational budget for 70 Parry St which will be vacated earlier than expected.

This service spans multiple years therefore a commitment to suitable budget provision for future years must be considered.

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.

CONSULTATION

Nil

OFFICER COMMENT

Detail

Tender FCC567/21 for Cleaning Services at Walyalup Civic Centre was advertised on the Tenderlink portal on the 21st April 2021 and in the West Australian newspaper as per the requirements of clause 1.7 of the Act and closed on 19 May 2021.

Unfortunately, no contracts are provided by WALGA for cleaning services.

Essential details of the contract are outlined below:

Contract type	Schedule of rates
Contract duration	Duration of 2 years + 1 year + 1 year
Commencement date	On or around 15 November 2021
Completion date	On or around 12 November 2023

Tender evaluation

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

- ALLclean Property Service Plus
- Bellrock Cleaning Services Pty Ltd
- Brightmark Pty Ltd
- Briteshine Cleaning and Maintenance Services Ltd
- Charles Services Company
- DMC Cleaning
- Facilities First Australia
- GJK Facility Services
- GJK Indigenous Solutions
- HT Cleaning Services Pty Ltd
- Iconic Property Services Pty Ltd
- Intelife Group Ltd
- ISG Cleaning Pty Ltd
- OCE Corporate Cleaning
- Quayclean Australia 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:

- Manager Facilities and Environmental
- Building Services Officer
- Facility Manager
- Team Leader Building Services (non-voting)
- Procurement Officer (non-voting)

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.

Item No	Description	Weighting
1	Price for services offered	30%
2	Relevant experience	20%
3	Skills and key personnel	20%
4	Demonstrated understanding	20%
5	Sustainability and local economic benefit	10%

Fifteen (15) tender submissions received were conforming, and no non-conforming tenders were received

Tender Evaluation Matrix

Overall Weighted Score	Relevant Experience	Key Personnel Skills & Resources	Demonstrated Understanding of the Project	Sustainability	Price	Total Score
Tenderer	20	20	20	10	30	100
ALLclean Property Services Plus	11	11	9	5	16	52
Bellrock Group	16	15	15	6	20	71
Brightmark Group Pty Ltd	15	13	10	7	23	68
Briteshine	12	11	15	6	30	73
Charles Service Company	13	12	10	5	19	59
DMC Cleaning	9	11	8	4	25	57
Facilities First	12	13	11	6	27	70
GJK Facility Services	11	11	11	7	28	68
GJK Indigenous Solutions	12	11	10	8	30	71
HT Cleaning Services	11	14	15	8	21	69
Iconic Property Services	13	11	6	6	25	61
Intelife	13	11	10	5	15	55
ISG Cleaning	11	11	10	6	15	54
OCE Corporate	16	13	13	7	14	63
Quayclean	13	15	8	6	9	50

The tender submitted by Briteshine Cleaning and Maintenance Services Ltd scored the highest rating with 73 points, followed by Bellrock Group Pty Ltd and GJK Indigenous Solutions with 71 points each. The remaining tender submissions received lower scores.

Briteshine Cleaning and Maintenance Services Ltd, the recommended tenderer, was assessed as having the capacity, resources experience and management systems to safely undertake the works and deliver the level of service described in the specification, in accordance with the terms of the tender document.

The evaluation process determined that the tender from Briteshine Cleaning and Maintenance Services Ltd is a conforming tender.

Environmental considerations

In line with the Purchasing Policy, respondents to the tender were required to provide, and were assessed by the City, evidence of the use of sustainable business practices and how engaging with the supplier would benefit the local economy.

Briteshine Cleaning and Maintenance Services Ltd will utilise environmentally preferred cleaning products and have identified two cleaners from the Fremantle area they would assign to this contract and seek to employ others from the area to serve the contract if they were successful.

Risk consideration

An assessment undertaken by illion indicates that Briteshine Cleaning and Maintenance Services Ltd have the financial capacity to undertake the contract.

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

References

Reference checks indicate that Briteshine Cleaning and Maintenance Services Ltd have provided satisfactory service delivery to their customers on similar projects, and will be a suitable supplier to the City of Fremantle

The City received 2 references in respect to the recommended tenderer, high-level feedback headlines as follows:

- Local Government 1
 - Good quality of work
 - Responsive management
 - Adapted service to Covid 19 requirements
 - Provided feedback of any maintenance requirements.

- Private Company 1
 - Good service
 - Would still be using them but moved to the CBD in serviced offices
 - Invoices correct and detailed as needed.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Council:

- 1. Accept the tender for Cleaning Services at Walyalup Civic Centre (FCC567/21) at the rates tendered, for Briteshine Cleaning and Maintenance Services Ltd for a period of two years.**

2. Approve the option to extend the contract for up to 2 years (one year plus one year) providing Briteshine Cleaning and Maintenance Services Ltd have performed satisfactorily in accordance with the terms of the Contract.

3. Approve the following budget amendments:

Item	Account Details	Account #	2021/22 Amended Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	
2.1	Tender FCC567/21 - Cleaning services Walyalup Civic Centre to be awarded. Increase to budget required to match cost of tender.					
Exp	100757.6826	Maintain Walyalup Civic Centre - Cleaning costs	(124,000)	0	(37,598)	(161,598)
Exp	100281.6826	Maintain & operate public toilets	(399,100)	0	5,989.25	(393,110.75)
Exp	100241.6826	Maintain Civic Administration Buildings	(36,700)	0	8,042.50	(28,657.50)
Exp	100258.6826	Maintain Fremantle Town Hall 8 William Street-community hall	(36,300)	0	4,537.50	(31,762.50)
Exp	100241.6823	Maintain Civic Administration Buildings	(170,230)	0	19,029	(151,201)

C2110-3 MONTHLY FINANCIAL REPORT - SEPTEMBER 2021

Meeting date: 27 October 2021
Responsible officer: A/Manager Finance
Decision making authority: Council
Attachments: Monthly Financial Report – 30 September 2021
Additional information: Nil

SUMMARY

The monthly financial report for the period ending 30 September 2021 has been prepared and tabled in accordance with the *Local Government (Financial Management) Regulations 1996*.

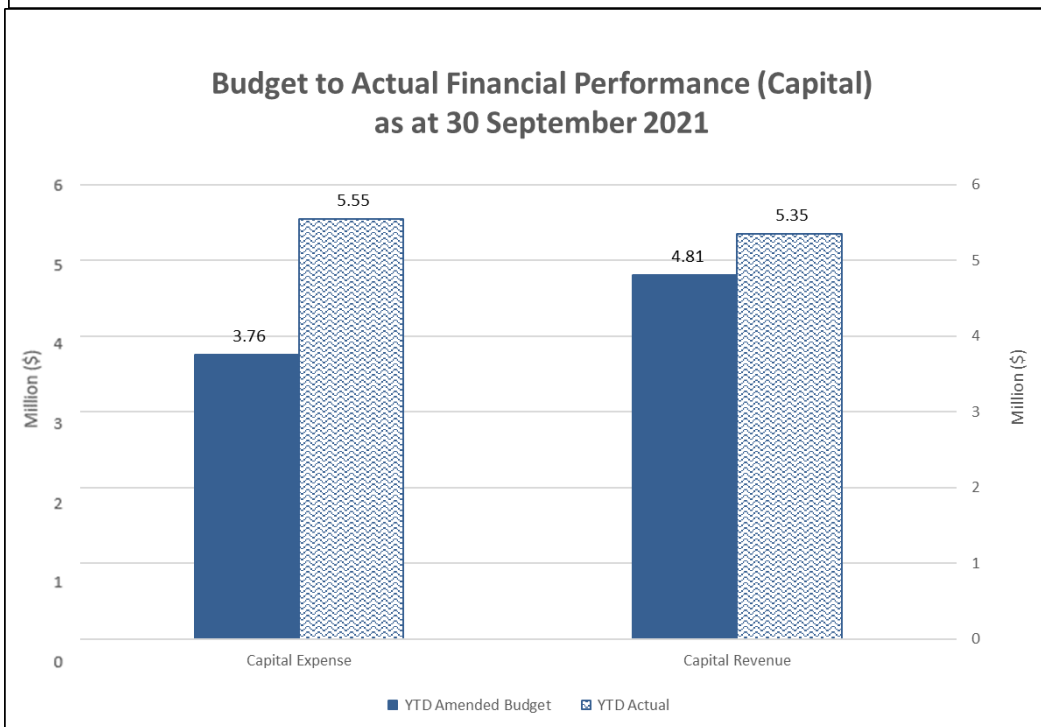
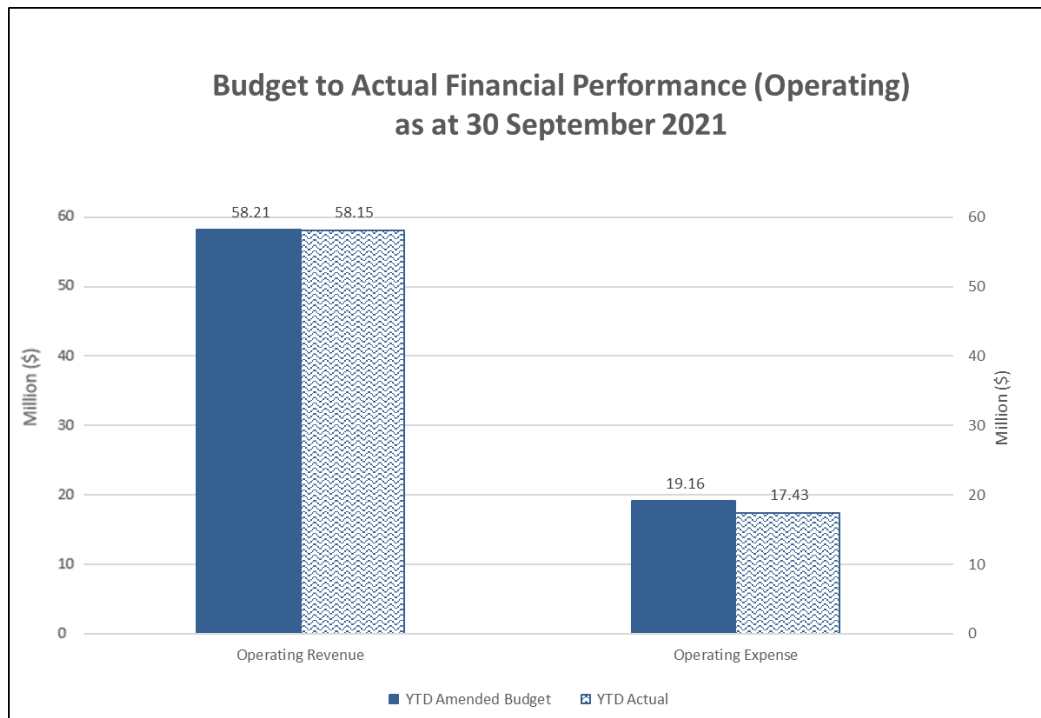
This report provides an analysis of financial performance for September 2021 based on the following statements:

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

The budget amendments adopted (Note 7 of the attachment) at the Ordinary Council Meeting held on 22 September 2021 (FPOL2109-17) for the period ended 31 August 2021 have been included in this report. The budget figures in this report represent the Amended Budget.

BACKGROUND

The following graph and table provide a high-level summary of the Council's year to date financial performance as at 30 September 2021.



RATE SETTING STATEMENT BY NATURE AND TYPE - FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Description	Amended YTD Budget \$M	YTD Actual \$M	Variance \$M	Variance %
Opening Surplus	4.36	13.04	8.68	198.90%
OPERATING				
Rate Revenue	50.16	50.11	(0.05)	(0.10%)
Revenue	8.05	8.04	(0.01)	(0.16%)

Expenses	(19.16)	(17.43)	1.73	9.04%
Non-Cash Adj.	2.43	2.55	0.12	3.05%
	41.48	43.27	1.79	4.32%
INVESTING				
Capital Revenue	4.81	5.35	0.54	11.26%
Capital Expenses	(3.76)	(5.55)	(1.79)	(47.69%)
FINANCING				
Repayment of Loan & Lease	(0.64)	(0.62)	0.02	(2.98%)
Reserve Transfers	2.49	4.03	1.54	62.02%
Total of Investing and Financing activities	2.90	3.21	0.31	10.69%
Closing Surplus	48.74	59.52	10.78	22.11%

STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE - FOR THE PERIOD ENDED 30 SEPTEMBER 2021

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

Income	YTD Amended Budget \$	YTD Actual \$	Variance \$	Variance %
Revenue				
Rates (including Annual Levy)	50,335,256	50,285,381	(49,875)	(0.10%)
Service Charges	7,192	8,804	1,612	22.41%
Operating Grants, Subsidies & Contributions	1,796,173	1,294,587	(501,586)	(27.93%)
Fees and Charges	5,293,096	5,763,764	470,668	8.89%
Interest Earnings	385,642	369,368	(16,274)	(4.22%)
Reimbursement Income	289,590	314,223	24,633	8.51%
Other Income	102,479	110,281	7,802	7.61%
Total Operating Income	58,209,428	58,146,408	(63,020)	(0.11%)
Expenses				
Expenses				
Employee Costs	(9,888,488)	(8,980,462)	908,026	9.18%
Employee costs - Agency Labour	(81,342)	(359,747)	(278,405)	(342.26%)
Materials and Contracts	(5,197,909)	(4,192,107)	1,005,802	19.35%
Depreciation	(2,430,998)	(2,505,215)	(74,217)	(3.05%)
Interest Expenses	(13,539)	(14,320)	(781)	(5.77%)
Utility Charges	(389,032)	(363,423)	25,609	6.58%
Insurance Expenses	(770,650)	(553,553)	217,097	28.17%
Other Expenditure	(392,743)	(463,150)	(70,407)	(17.93%)
Total Operating Expenses	(19,164,701)	(17,431,977)	1,732,724	9.04%

Further explanation of material variances, excluding rates income and employee variance, is included under officers' comments.

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

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

CONSULTATION

Nil

OFFICER COMMENT

The overall performance for the City of Fremantle for the period ended 30 September 2021 resulted in an additional \$10,777,102 surplus being identified in the year to date position over anticipated, which is mainly as a result of: -

Increase in anticipated year to date position

- Increased carry forward funds from FY20/21 of \$8,678,820. This reported opening position is a draft position as presented at the time of preparation of this report and is subject to change on account of the end of year closing journals, accruals etc. A final opening position figure for FY20/21 will be determined upon completion of the City's external audit and reported in a future budget review report to Council;
- Increased fees and charges revenue \$470k to YTD budget;
- Reduced operating expenditure of \$1.7m to YTD budget;
- Increased capital grant income of \$541k to YTD budget;
- Increased Reserve transfers from (Capital) of \$1.6m to budget.

Partially offset by:


Reduction in anticipated year to date position

- Increased capital expenditure of \$1.79m to YTD budget;
- Reduced operating grants, subsidies & contributions \$501k to YTD budget.



Explanation of Material Variances


In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, Council adopted the level to be used in statements of financial activity in FY2021/22 for reporting material variances as 10% or \$100,000, whichever is greater (Item C2106-1 refers Council meeting on 23 June 2021).



The material variance thresholds are adopted annually by Council and indicate whether actual expenditure or revenue varies materially from the year to date budget. The following is an explanation of significant operating and capital variances to budget as identified in the Rate Setting Statement by Nature and Type. The below comments are to be read in conjunction with the Rate Setting Statement in the attached Financial Report:




Description	Variance Amount	Comment
Net current assets at the start of the financial year	8,678,820	
Major Variances:		
Fees and Charges	2,425,327	Permanent variance - Favourable variance primarily attributed to increased: <ul style="list-style-type: none"> ▪ Art centre memberships & commissions +\$516k ▪ Car park fees +\$369k ▪ Fremantle Leisure Centre +\$600k ▪ Health licences +\$164k ▪ Property leases +\$712k ▪ Statutory planning fees +\$141k
Other Revenue	4,210,886	Permanent variance - This favourable variance is primarily attributed to: <ul style="list-style-type: none"> ▪ Recovery of Pindan bonds +\$3.67m ▪ Containers for Change income +\$378k not included in the original budget (income associated with this initiative is offset by operation costs).
Expenditure from Operating Activities	858,693	Permanent variance - Favourable variance largely related to employee cost savings.
Capital Grants and Subsidies/Contributions for the development of Assets	(3,311,150)	Accounting variance - Grant funds are recorded in accordance with accounting standard AASB 15 Revenue from Contracts with Customers. Under this standard, income is only recognised when contract performance obligations are fulfilled. The reduction in capital grants shown here is offset by reduced capital expenditure on grant funded projects.
Proceeds from Disposal of Assets	(4,964,010)	Permanent variance - Due to disposal of Quarry Street not realised in FY20/21 (\$5m). Variance to budget impacted favourably by: <ul style="list-style-type: none"> ▪ Proceeds on disposal of Road Sweeper variance to budget \$20k (\$80k budget v. \$100k actual). ▪ Disposal of Iveco Compactor \$16k, not included in FY20/21 original budget.
Capital Expenditure	6,298,827	Permanent variance - Attributed primarily to the following projects: <ul style="list-style-type: none"> ▪ Underspend on Walyalup Koort capital works due to builder liquidation & project delays; ▪ Fremantle Golf Course project timing variance (\$3.6m); ▪ Fremantle Park Carpark (\$450k); ▪ Arthur Head Wall stabilisation (\$525k); and ▪ Infrastructure Recovery project (\$465k).
Reserve Transfers To - Capital	5,772,519	Permanent variance - Attributed to: <ul style="list-style-type: none"> ▪ Disposal of Quarry street was not realised in FY20/21 and therefore no transfer of funds to reserve as originally budgeted. ▪ Transfer of \$710k of funds from Trust bank account to Public Open Space Reserve in

Description	Variance Amount	Comment
		accordance with revised accounting standards.
Reserve Transfers From - Capital	(2,902,303)	Permanent variance - Primarily attributed to an underspend on Walyalup Koort capital works in FY20/21 due to builder liquidation & project delays. Funding of the project from the Investment Reserve did not occur to the level originally budgeted.
General Rates Income	1,186,799	Permanent variance - Favourable variance related to FY20/21 Interim rate income budget \$200k v. \$1.4m actual.

Operating Grants, Subsidies and Contribution	(501,586)	 (27.93%)
Major Variances:		
Provide tenancy advocacy and support	31,814	Timing variance - Quarterly payment received in advance.
Conduct arts centre marketing activities	(53,940)	Timing variance - Delay in receipt of funds. Funds are expected to be received by the City in the coming weeks.
P-11980 Design and construct - Western Power Streetlight LED	(60,000)	Timing variance - Budget phasing to be adjusted at mid year review.
P-12031 Program - Reveal Aboriginal Artist 2022	(75,000)	Timing variance - Delay in receipt of funds. Funds are expected to be received by the City in the coming weeks.
Monitor city insurances (excluding workers compensation)	(77,211)	Timing variance - Discount expected upon payment of the second instalment of insurances due Oct/Nov.
Operate Fremantle arts centre	(108,002)	Timing variance - Delay in receipt of funds. Funds are expected to be received by the City in the coming weeks.
Coordinate arts centre exhibitions	(197,775)	
Fees and Charges	470,668	 8.89%
Major Variances:		
Conduct Fremantle festival	89,158	Permanent variance – Additional revenue received from festival ticket sales, partially offset by increased expenditure. Accounting variance – The variance includes \$49k of funds related to the ‘Conduct Music’ festival incorrectly allocated.
Collect and disposal - general waste (2 Bin)	70,454	Permanent variance - Income received from non-rateable properties, not budgeted.
Collect & dispose waste - commercial	68,608	Timing variance - Budget phasing to be adjusted at mid year review.
Issue health licences and permits	55,047	Permanent variance - Outstanding permits and licence fees from FY21 paid in FY22.
Issue parking infringements	44,906	Permanent variance - Income from infringements ahead of budget. Infringements issued now back at target levels.
Operate car park 18 Ferry Terminal Fremantle	27,038	Permanent variance - Patronage of the car park has increased in recent months. Expected to continue. The budget will be amended at mid year review.
Statutory Planning services	25,430	Permanent variance - One large development application received generating revenue circa \$34,000+.
Operate arts centre retail craft shop	(27,414)	Timing variance - One month lag on consignment commission, Sept sales on track to meet the budget. Direct purchase stock sales were lower due to the effect of Front Garden/Covid closure.
Coordinate revenue (Rates Instalment Fees)	(27,471)	Timing variance - Revenue lower than anticipated, but comparable with Previous year actual. Expected to even out as the financial year progresses.

Conduct Music festival	(32,040)	Accounting variance – Incorrect posting of expense. To be rectified prior to next months meeting.
Materials and Contracts	1,005,802	 19.35%
Major Variances:		
P-11830 Program - Biennale festival	78,182	Accounting variance - Incorrect posting of expense. To be rectified prior to next months meeting.
Domestic - collect & dispose - recycled waste	70,446	Timing variance - Delay in invoicing, budget expected to be fully utilised in the financial year.
Participate in South West Group	70,097	Accounting variance - Duplicate commitment raised – will be rectified in the October financials.
Maintain Sports Grounds	55,469	Timing variance - Delay in invoicing, budget expected to be fully utilised in the financial year.
Maintain Medians, Verges And Street Gardens	50,586	Timing variance - Delay in invoicing, budget expected to be fully utilised in the financial year.
Collection & Disposal - Domestic - Residual Waste	49,779	Timing variance - Delay in invoicing, budget expected to be fully utilised in the financial year.
Manage destination marketing plan implementation	47,703	Timing variance - Delay in receipt of supplier invoices.
Maintain trees - road reserves and carparks	45,102	Timing variance - Delay in invoicing, budget expected to be fully utilised in the financial year.
Operate car park 31 Fishing Boat Harbour Fremantle	42,553	Timing variance - Rental expense for car park one month behind budget. The budget is expected to be fully utilised in the financial year.
Maintain Soft Landscaping - Recreation Reserves	39,820	Timing variance – Delay in receipt of supplier invoices.
Maintain internet cloud and other hosted technologies	37,301	Timing variance – Delay in receipt of supplier invoices.
Collection & Disposal - Domestic - FOGO	35,282	Timing variance - Budget allocation for fuel to be adjusted at mid year review.
Maintain major plant - allocated	32,231	Timing variance – Projects being developed. The budget is expected to be fully utilised in the financial year.
Maintain Fremantle Leisure Centre	30,877	Timing variance – Budget phasing to be adjusted at mid year review.
P-10848 Program-In Cahoots art exhibition	29,107	Timing variance – Delay in receipt of supplier invoices.
Sweep suburbs and dispose of tailings	25,505	Timing variance – Budget phasing to be adjusted at mid year review.
Coordinate arts centre exhibitions	25,069	Timing variance - AMP Culture FY21-22 annual service paid earlier than budgeted.
P-12037 Deliver - Culture change survey	(30,300)	Timing variance - Annual subscription paid earlier than budgeted.
Maintain business systems - Assets	(38,910)	Permanent variance - Additional expenditure offset by increased ticket sales. No increased cost to the City of Fremantle overall.
Conduct Fremantle festival	(68,190)	

Refer unpaid fines to fines enforcement	(92,417)	Permanent variance - Backlog of referrals to Fines and Enforcements from FY20-21 now cleared. Additional costs to be offset by increased revenue.
Insurance Expenses	217,097	 28.17%
Major Variances:		
Monitor city insurances (excluding workers compensation)	265,606	Timing variance - First instalment of insurances paid. Second instalment due Oct/Nov.
Maintain heavy vehicles - allocated	(28,292)	Timing variance - Insurance paid in full in one instalment.
Capital Grants and Subsidies/Contributions for the development of Assets	541,403	 11.26%
Major Variances:		
P-12058 Design and construct - Booyeembara Park - Bike trail	300,000	Timing variance - Project grant received earlier than forecast. Budget to be adjusted at mid-year review.
P-11680 Design and construct-Kings Square Playspace	200,000	
P-11819 Design and construct - Dick Lawrence - Playspace	90,000	
P-11911 Design and construct - Leighton Beach - Shelters	53,147	
P-11823 Design and construct-Port Beach coastal adaptation	(80,961)	

Capital Expense Purchase – Community Land & Buildings	(1,917,346)		(68.67%)
Major Variances:			
P-11682 Fit out - Council Admin Offices (KS)	147,041		Timing variance – Budget to be utilised in full.
P-10260 Program - Arthur Head - Wall stabilisation	75,950		Timing variance - Project delayed due to adverse weather and delays in delivery of materials.
P-11968 Purchase - Leisure Centre - Pool blankets	55,680		Timing variance - Fabrication and delivery of blankets has been delayed as these were purchased out of Sydney. Blankets will be installed as planned following the demolition of the pool roof.
P-11965 Purchase - Leisure Centre - Disinfectant System	40,000		Timing variance - Project completed, payment of invoices pending.
P-11598 Building development - Project Management fees	(56,603)		Permanent variance - Project management Fees incurred for WCC.
P-11814 Building development - Consultants Council Administr	(68,006)		Permanent variance - Consultancy Fees incurred for WCC.
P- 10898 Relocation – AV Equipment & Installation (KS)	(93,639)		Timing variance - Budget to be utilised in full.
P-11882 Design and construct - Fremantle Golf Course	(174,728)		Timing variance - Budget phasing to be amended at mid year budget review.
P-10297 Construct-Walyalup Civic Centre & Library (KS)- Extr	(1,860,053)		Timing variance - Budget phasing to be amended at mid year budget review. Budget changes are proposed in this report.
Capital Expense Purchase – Other	137,093		79.37%
Major Variances:			
P11983 - Design and Construct - Leighton Beach Access	50,000		Timing variance – Budget to be utilised in full.
P-11823 Design and construct-Port Beach coastal adaptation	34,648		Timing variance – Delay in receipt of supplier invoices.
Reserve Transfers	1,542,339		62.02%
Transfer from Reserve (Restricted) - Capital	1,613,363		Timing variance – Budget phasing to be adjusted.

Proposed Budget Changes

The following changes are proposed to be made to the 2021/22 Financial Budget.

1. Budget amendments for proposed expenditure for an additional purpose or release of quarantined funds.

The proposed budget amendments below are for expenditure for an additional purpose to be determined by the Council as required by S6.8 (1) (b) of the Act. The decision will amend the budget by creating a new budget account number to accommodate that proposed expenditure, and by transferring the required funds from one or more existing accounts to the new account.

Item	Account #	Account Details	2021/22 Amended Budget	Increase/ (Decrease)	(Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	
1.1	Grant received from the Department of Transport to conduct South Beach community morning coffee ride and Fremantle Bike Tour during WA Bike Month 2021.					
Exp	200xxx.6823	MP - Event- WA Bike Month - Contracted expenses	0	0	(4,000)	(4,000)
Inc	200xxx.4327	MP - Event- WA Bike Month - Grant revenue	0	4,000	0	4,000
1.2	Grant received from State Library of WA to provide research funding for the social worker as part of the Library Connect program.					
Inc	100482.4311	Operate Fremantle Library - Grant Revenue	0	13,750	0	13,750
Exp	100482.6823	Operate Fremantle Library - Provide research funding for Library connect program	0	0	(13,750)	(13,750)
1.3	Grant funding is to be received from Community Legal WA to deliver the Legal Health Check and Referral Pathway project which aims to give women in family and domestic violence situations the information they need to understand the law and avoid/ reduce legal issues.					
Inc	100xxx.4xxx	Provide Legal Health Check + Referral Pathway - Grant Revenue	0	72,657	0	72,657
Exp	100xxx.7xxx	Provide Legal Health Check + Referral Pathway - Employee costs	0	0	(65,330)	(65,330)
Exp	100xxx.6xxx	Provide Legal Health Check + Referral Pathway - Other costs including supervision and overheads	0	0	(7,327)	(7,327)

2. Budget amendments for proposed expenditure for a purpose identified within the budget for which there are insufficient funds allocated.

CEO has the delegated authority under the Budget Management Policy to incur expenditure for a purpose identified within the budget for which there are insufficient funds allocated, where:

- a) The proposed expenditure is a maximum of 5% or \$50,000 (whichever is the lesser) above the budgeted amount; and
- b) There are sufficient funds equivalent to the value proposed to be sent allocated to other budget line items within the overall budget, and which, in the opinion of the CEO, are not expected to be spent during that financial year.

The budget amendments below are to reflect any expenditure above the budget amount agreed by the CEO during the previous month and to adjust other accounts to accommodate the value of those.

Item	Account Details	Account #	2021/22 Adopted Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	
2.1	Agreement with Georgiou Group for part use of the depot extended for a further two months. Revenue to be used to offset the cost of depot site preparation - demolish 3 buildings					
Exp	200786.6823	P-11886-Design and Construct - Depot -Site Preparation	(20,759)	0	(12,600)	(33,359)
Inc	200786.4214	P-11886-Design and Construct - Depot -Site Preparation revenue to be received from Georgiou	8,400	12,600	0	21,000

3. Carried forward projects estimate budget amendments.

The proposed budget amendments to the FY 2021/22 budget as shown below, are related to prior year capital projects not completed as anticipated.

Item	Account Details	Account #	2021/22 Adopted Budget	Revenue Income / (Decrease)	Expenditure (Increase)/ Decrease	2021/22 Amended Budget
				Income	(Expenditure)	
3.1	Carry Forward project - adjustment to unspent grant funds for 21-22					
Inc	100781.4399	Provide Legal Aid - Shuttle Conferencing - Unspent Grant	0	17,184	0	17,184
Exp	2100781.7325	Provide Legal Aid - Shuttle Conferencing - Staff Training	0	0	(17,184)	(17,184)
3.2	Increase budget following recovery of insurance bonds from builder post liquidation. Insurance funds were received in FY21 and will be transferred to Reserves in the prior year and balance brought forward to FY22.					
Exp	300000.1606	P-10297 Construct-Walyalup Civic Centre and Library (KS)	(3,427,818)	0	(3,677,256)	(7,105,074)
Inc	300000.3923	P-10297 Construct-Walyalup Civic Centre and Library (KS)	3,427,818	3,677,256	0	7,105,074

4. Budget amendment to release quarantined funds

Item	Account #	Account Details	2020/21 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2020/21 Amended Budget
				Income	(Expenditure)	
4.1	Remove quarantine from sustainability projects as per recommendations of FPOL 2108-3					
Exp	100531.6888	Sustainability advice and projects - remove quarantine	(35,500)	0	35,500	0
Exp	100531.6846	Sustainability advice and projects - memberships	0	0	(35,500)	(35,500)
Exp	100602.6888	Coordinate and undertake sustainability projects - remove quarantine	(25,000)	0	25,000	0
Exp	100602.6823	Coordinate and undertake sustainability projects - carbon offsets	0	0	(25,000)	(25,000)

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Council:

- receives the Monthly Financial Report, as provided in Attachment 1, including the Statement of Comprehensive Income, Statement of Financial Activity, Statement of Financial Position and Statement of Net Current Assets, for the period ended 30 September 2021.
- approves the required budget amendments to the adopted budget for 2021/22 as outlined in the report.

C2110-4 STATEMENT OF INVESTMENTS – SEPTEMBER 2021

Meeting date:	27 October 2021
Responsible officer:	A/Manager Finance
Decision making authority:	Council
Attachments:	Investment Report – 30 September 2021
Additional information:	Nil

SUMMARY

This report outlines the investment of surplus funds for the month ending 30 September 2021 and provides information on these investments for Council consideration.

This report recommends that Council receive the Investment Report for the month ended 30 September 2021, as provided in Attachment 1.

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

- **Portfolio details as at September 2021;**
- **Portfolio counterparty credit framework;**
- **Portfolio liquidity with term to maturity;**
- **Portfolio fossil fuel summary;**
- **Interest income earned for the month;**
- **Investing activities for the month;**

BACKGROUND

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

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

The City has committed to carbon neutrality and to this end seeks to ensure its financial investments consider the reduction of fossil fuels and our One Planet Fremantle Strategy.

To this end the City will review and manage its investment portfolio to identify financial institutions which support either direct or indirect support of fossil fuel companies and has limited these investments in these institutions to the minimum whilst maintaining compliance with the investment policy.

FINANCIAL IMPLICATIONS

To date actual investment interest earned is \$47,142 against a year-to-date budget of \$51,604 and full year adopted budget of \$200,000.

The City's investment portfolio is invested in highly secure investments with a low level of risk yielding a weighted average rate of return of 0.36% for the month of 30 September 2021. The City's actual portfolio return in the last 12 months is 0.43%, which compares favourably to the benchmark Bloomberg AusBond Bill Index reference rate of 0.04% (refer 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 oversight by the Australian Prudential Regulation Authority (APRA).

CONSULTATION

Nil

OFFICER COMMENT

A comprehensive Investment Report for the month ending 30 September 2021 can be viewed in Attachment 1 of this agenda item. A summary of the investment report is provided below.

1. Portfolio details as at 30 September 2021

At period end, the City's investment portfolio totalled \$55.65m. The market value was \$55.70m, which takes into account accrued interest.

The investment portfolio is made up:

Cash Investments (<= 3 months)	\$12.15m
Term Deposits (> 3 months)	\$43.50m
TOTAL	\$55.65m

Of which:

Unrestricted cash	\$46.35m
Restricted cash (Reserve Funds)	\$ 8.68m
Restricted cash (Trust Funds)	\$ 0.62m
TOTAL	\$55.65m

The current amount of \$46.35m held as unrestricted cash represents 59.60% of the total adopted budget for operating revenue (\$77.76m)

2. Portfolio counterparty credit framework (as at 30 September 2021)

The City's Investment policy determines the maximum amount to be invested in any one financial institution or bank based on the credit rating of the financial institution. Council adopted amendments to this policy at its Ordinary Council Meeting held on 25 November 2020. The recently adopted counterparty credit framework is as below.

Counterparty credit framework

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

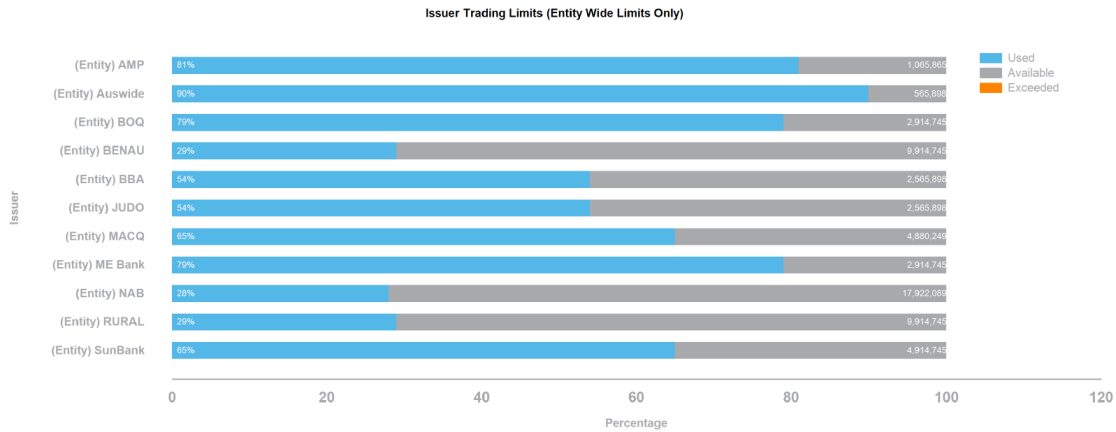
Credit quality	Maximum % of total investments
Tier 1 (excl. AAA government) AAA to AA-	45%
Tier 2 A+ to A-	25%
Tier 3 BBB+ to BBB-	10%
Tier 4 Unrated	(\$1m)

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

Portfolio Credit Framework Limits As At 30 September 2021

Tier	Portfolio Allocation \$	Portfolio Allocation %	Tier Maximum Allocation	Tier Used %	Tier Available %	Tier Exceeded %
Tier 1	7,124,452.53	12.80%	100.00%	12.80%	87.20%	0.00%
Tier 2	33,034,528.58	59.35%	60.00%	98.92%	1.08%	0.00%
Tier 3	15,500,000	27.85%	35.00%	79.57%	20.43%	0.00%
Tier 4	0.00	0.00%	15.00%	0.00%	100%	0.00%
	55,658,981.11	100.00%		100.00%		

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



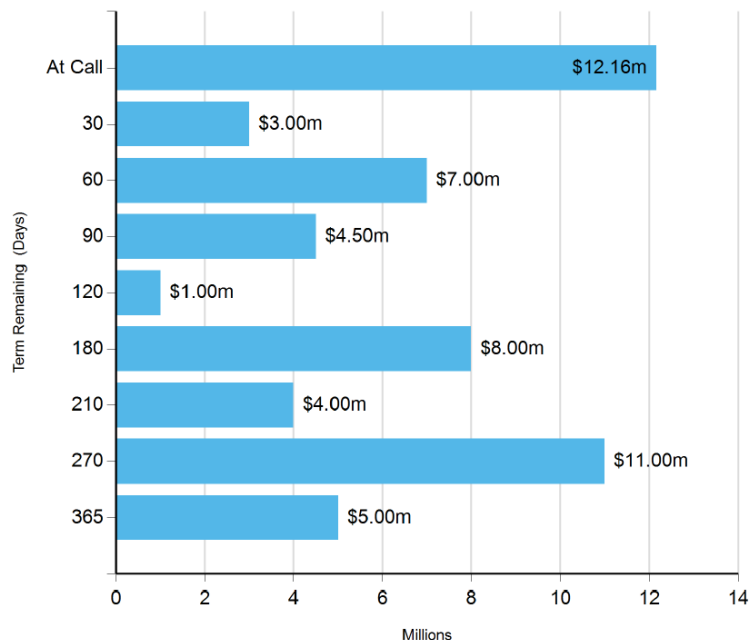
As reported in the above graphs at 30 September 2021, the portfolio was compliant with the issuer trading limit (Attachment 1).

3. Portfolio Liquidity Indicator (as at 30 September 2021)

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

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

Face Value by Term Remaining

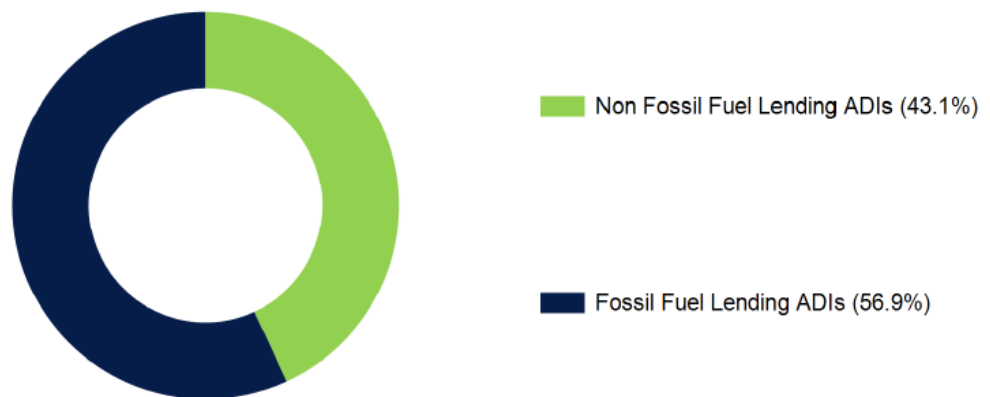


4. Portfolio Summary by Fossil Fuels Lending ADIs (as at 30 September 2021)

At the end of this month, \$24m (43.1%) of the portfolio was invested in “Green Investments”; authorised deposit taking institutions that do not lend to industries engaged in the exploration for, or production of, fossil fuels (Non-Fossil Fuel lending ADI’s).

In order to address 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 to allow some greater flexibility. Since December 2020 investments have been made in accordance with the revised policy to increase in the percentage invested in “Green Investments”. However, it has been challenging for the City to invest in banks deemed “green” as these banks are full on liquidity and therefore are not issuing new term deposits.

**Fossil Fuel vs
Non Fossil Fuel
Lending ADI**



5. Interest Income for Matured Investments (For 1 September 2021 to 30 September 2021)

During the month of September 2021 interest income earned from matured investments was \$8,662.51 (refer Attachment 1 point 9).

6. Investing Activities (For 1 September 2021 to 30 September 2021)

During the month of September 2021, ten (10) new term deposit investments were acquired for a total of \$10m.

Full details of the institution invested in, interest rate, number of days and maturity date are provided in the attached report (Attachment 1).

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council receives the Investment Report for the month ending 30 September 2021, as provided in Attachment 1.

C2110-5 SCHEDULE OF PAYMENTS SEPTEMBER 2021

Meeting date: 27 October 2021
Responsible officer: A/Manager Finance
Decision making authority: Council
Attachments: Schedule of payments and listing
Purchase Card Transactions
Attachments viewed electronically

Additional information: Nil

SUMMARY

The purpose of this report is to present to Council a list of accounts paid by the Chief Executive Officer under delegated authority for the month ending September 2021, as required by the *Local Government (Financial Management) Regulations 1996*.

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 September 2021, is provided within Attachment 1 and 2.

FINANCIAL IMPLICATIONS

A total of \$12,793,312.89 in payments were made this month from the City's municipal and trust fund accounts

LEGAL IMPLICATIONS

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

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

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

CONSULTATION

Nil

OFFICER COMMENT

The following table summarises the payments for the month ending September 2021 by payment type, with full details of the accounts paid contained within Attachment 1.

Payment Type	Amount (\$)
Cheque / EFT / Direct Debit	\$9,759,483.33
Purchase card transactions	\$40,295.64
Salary / Wages / Superannuation	\$2,993,533.92
Other payments (<i>as outlined in Attachment 1</i>)	Nil
Total	\$12,793,312.89

Contained within Attachment 2 is a detailed listing of the purchase card transactions for the month ending September 2021.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

- 1. accepts the list of payments made under delegated authority, totalling \$12,793,312.89 for the month ending September 2021, as contained within Attachment 1.**
- 2. accepts the detailed transaction listing of credit card expenditure, for the month ending September 2021, as contained within Attachment 2.**

**C2110-6 PERTH GLORY FOOTBALL CLUB LICENSE - 70 PARRY STREET,
FREMANTLE**

Meeting date: 27 October 2021
Responsible officer: A/Director City Business
Decision making authority: Council
Attachments: Nil
Additional information: Nil

SUMMARY

The purpose of this report is to present to Council for consideration updated essential terms for the license of a portion of 70 Parry Street, Fremantle to the Perth Glory Football Club.

The report will also provide an update in respect to the options evaluated for Perth Glory to use as a training and/or match pitch/s, as requested by Committee at the Finance Policy, Operations and Legislation Committee on 8 September.

This report recommends that Council approve the updated essential terms for an offer to license 70 Parry Street, Fremantle to Perth Glory Football Club and note the options identified for Perth Glory to use as a training and/or match pitch/s.

BACKGROUND

In March 2021, the City sought expressions of interest via a public process from both commercial and community proponents to explore whether there may be interest in occupying the building under the terms of a lease agreement or license. At that specific time the City was not in a position to progress with any of the proposals.

In recent months estimated completion dates for the Walyalup Civic Centre have become considerably more certain and as such the City is now better placed to consider future uses for the administration building at 70 Parry Street. During that time the City received a proposal from Perth Glory Football Club to occupy the space and officers are now presenting this to council for consideration.

The proposal was presented to council for consideration at the Finance Policy, Operations and Legislation Committee on 8 September 2021, and acting under delegation Committee:

1. Agreed to the proposed essential terms for a license of the ground floor of 70 Parry Street, Fremantle to the Perth Glory Football Club, as presented in the council for committee item FPOL2108-4.
2. Approved the finalisation of a license in line with the proposed essential terms and relevant requirements of section 3.58 of the Local Government Act 1995.
3. Requested the City undertake an options analysis of suitable recreation space within Fremantle for Perth Glory to use as a training and/or match pitch/s and

bring back to council for consideration concurrently with final approval for the license for use at 70 Parry St.

Since that meeting some minor changes to essential terms have been negotiated between the City and Perth Glory for the lease of 70 Parry Street Fremantle.

In addition to this and as requested by council, officers have liaised with stakeholders in regard to other facilities for potential training venues.

It is noted that initially Hilton Park (Ken Allen) was discussed as a potential opportunity for training facilities for Perth Glory; however, given the condition of the facilities, the surrounding usage and demand, and the opportunities for improved masterplanning on the back of recommendations from the City's Community, Sport and Recreation Plan it has been proposed not to commit to a specific use/user until a site planning exercise has been progressed and priorities / usage established.

In lieu of the above and as an initial solution, officers have investigated other suitable options. Currently the most viable / favoured options include Fremantle Park (soccer pitch) and Bruce Lee Oval.

Both of these options will require some works or use adjustments and as such Officers are:

- Consulting with the Christian Brothers College (CBC) in respect to Fremantle Park and are discussing options, timetable scheduling requirements and space requirements.
- Reviewing the condition and management options for Bruce Lee.

It is anticipated that a suitable solution can be developed with the active participation and support of the key stakeholders.

FINANCIAL IMPLICATIONS

Minor changes to the essential terms as presented in item FPOL2108-4 in September 2021 have resulted in the following updated financial implications.

The Perth Glory Football Club is now seeking to use approximately 1,528 square metres (previously 1,250 square metres) at \$185 per sqm (previously \$250 per sqm) which would provide the City with income of up to \$282,680 per annum (previously \$312,500 per annum). The club will pay \$7,500 exclusive of GST per month for outgoings. A summary of changes is provided on the table below.

Consideration	Previous	Updated	Change
Licensed area	1,250 sqm	1,528 sqm	Increase by 278 sqm
Per sqm rate	\$250 per sqm	\$185 per sqm	Decrease by \$65 per sqm
Annual rent	\$312,500	\$282,680	Decrease by \$29,820 per annum

The City will still be required to undertake works to the building to enable the Football Club to license the building. The estimated cost of the works remains the same.

The estimated cost to the City to carry out the recommended reconfiguration remains as approximately \$350,000 to \$400,000. Officers are currently finalising the most suitable approach to funding any required fit out.

LEGAL IMPLICATIONS

As per section 3.58 of the Local Government Act 1995, the City will be required to give local public notice of the proposed disposition for a minimum of 2 weeks, inviting submissions to be made with regards to the proposed disposition.

Due to the City holding the property as a Crown Grant in Trust, the offer of license to the Perth Glory Football Club would be subject to approval by the Minister of Lands.

Under the City's Leasing of City Property in a competitive manner policy, the City is required to provide an opportunity for tenants to compete in an open and competitive manner to lease both investment and community polices. This disposal is considered to be exempt from the policy given it is for the short-term license of City infrastructure while the City considers its future use.

CONSULTATION

The City will invite public submissions as part of the advertising process.

OFFICER COMMENT

Perth Glory Football Club have confirmed they are seeking to utilise 1,528 sqm of the City's current administration building at 70 Parry Street for its training and administration functions. Officers are currently working with the club to determine the most suitable layout.

Approximately 20 administration and coaching staff will be utilising the facility in addition to 30 men players, 20 women players and 20 youth players.

The club will also seek to incorporate all their gymnasium and sports science/therapy functions into the building.

After some investigation and further discussion with Perth Glory, officers have identified the oval and adjacent soccer pitch at Fremantle Park as providing a suitable interim option for training and/or match pitch/s. Officers are currently engaging with surrounding schools and existing users to determine the most suitable schedule of use to cater for Perth Glory's requirements without impacting existing users.

The following updated essential terms have now been proposed as part of the club's proposal to utilise the facility.

- **License term:** 3 years commencing on 1 January 2022 and expiring 31 December 2024.
- **Guarantee:** The lease will require a bank guarantee to the value of 3 months' rent. The lease will also require a personal guarantor.

Rent: Rent payable will be \$185 per sqm plus outgoings. The first six (6) monthly instalments of rent shall be paid as an initial advance payment totalling \$141,342 on the Commencement Date.

- **Leased area:** 1,528 square metres.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

1. Agree to the following proposed essential terms for the license of a portion of 70 Parry Street, Fremantle to the Perth Glory Football Club:

Land Description	Lot 1514 on Deposited Plan 222431 and being the whole of the land comprised in Certificate of Title Volume 1960 Folio 146 Lot 1849 on Deposited Plan 165065 and being the whole of the land comprised in Certificate of Title Volume 1215 Folio 629
Property	Part of 70 Parry Street, Fremantle - 1528 m2
Property Owner	City of Fremantle (Crown Grant in trust)
Licensor	City of Fremantle
Licensee	Okewood Pty Ltd (ACN 053 910 133) trading as Perth Glory Football Club of 32 Harrogate Street, West Leederville, Western Australia 6007
Guarantee	The licensee will be required to pay 6 months rent in advance, upon commencement of the licence. The license will require a bank guarantee to the value of 3 months' rent. The license will also require a personal guarantor.
Condition Precedent	This agreement is subject to and conditional upon the written permission of the Minister for Lands being obtained under section 75(6) of the Land Administration Act 1997.
Licence Commencement Date	1 January 2022
Licence Term	Three (3) years commencing on 1 January 2022 and expiring on 31 December 2024.
Annual Rent	\$185 per square metre
Permitted Use	The permitted use of the building must be consistent with the Building Code of Australia (BCA) Ground floor and first floor: Delineated area including

	<p>toilets, storage areas, offices and meeting rooms as noted within the defined boundaries to be used for purposes of sport and recreation and associated administration.</p> <p>The Property is approved for the above permitted uses only and the granting of this license will be subject to approval by the Minister of Lands.</p>
Outgoings	<p>Outgoings payable will include but not be limited to:</p> <ul style="list-style-type: none"> • Electricity usage (account to be connected by the Licensee) • Water usage • Phone and internet connection (account to be arranged and connected by the Licensee) • Council Rates
Building Maintenance	<p>Preventative and reactive maintenance services shall be undertaken by the Licensor. The Licensor will access the property when required for any maintenance obligations after providing reasonable notice. In the case of emergency, the Licensor will access the property without notice.</p> <p>Reactive maintenance will be attended to by the Licensor as a result of being reported by Licensee. The Licensee must report all maintenance within 24 hours. Emergency maintenance must be called through to the Licensor as soon as reasonably possible.</p> <p>The Licensor will undertake any reported maintenance, including structural maintenance at its absolute discretion.</p>
Insurance	<p>The Licensee must effect and maintain;</p> <ol style="list-style-type: none"> a) Public liability insurance of \$20 million. b) Insurance to cover the Licensee's fixtures, fittings, equipment and stock against any loss, damage or theft and other usual risks. c) Adequate workers compensation insurance in respect to all employees of the Lessee <p>The Licensor will effect and maintain building insurance and maintain the premium.</p>
Special Conditions	<ol style="list-style-type: none"> 1. The Licensee acknowledges; <ol style="list-style-type: none"> a) The property is offered "as is", however subject to council approval, the Licensor will contribute to works required to ensure compliance required with the splitting of the floor areas, including any works to the building, such as cleaning or removal of rubbish. b) The fit out of the property is to be undertaken by, and with all costs to be borne, by the Licensor. c) The Term is for three (3) years. The Licensor is not obligated to extend the Licence term after the first 3-year term.

	<p>d) <i>The property is located adjacent to the oval and reserve which is utilised by numerous sporting associations including but not limited to the Fremantle Football Club and the South Fremantle Football Club. Use of the oval and reserve is subject to negotiations with the various sporting associations.</i></p> <p>e) <i>The City wishes to retain some parts of the building for its own purposes, specifically noting that:</i></p> <ul style="list-style-type: none"> - <i>the first floor is to be used by the City for administrative functions and or storage as required</i> - <i>the delineated area does not include access to, use of, or retrofitting of the former pool area</i> - <i>at its discretion, a multiple tenancy scenario may be in effect and in this scenario the licensor may request the licensee to enter into a shared use agreement.</i> <p>f) <i>The property forms part of a masterplan process currently underway to determine the redevelopment potential of the broader oval precinct. The City's preference is that some form of redevelopment occurs within the next 10 years with the assumption that this building is no longer available once redevelopment commences. Due to the potential for redevelopment any lease being offered for the use of this building would be relatively short term and ideally no longer than 3-5 years.</i></p> <p>g) <i>The property is located close to residential homes and noise restrictions will apply.</i></p> <p>2. Events; <i>Any after-hours events that include amplified music must have written approval from the Licensor.</i></p> <p>3. Change of Use;</p> <ul style="list-style-type: none"> a) <i>Any change in the permitted use of the building (outlined in Permitted Use of this Term Sheet) may result in a change of use required for the Property and additional works in line with the Building Code of Australia (BCA).</i> b) <i>The Licensor reserves the right to not approve any change of use at its sole discretion.</i> c) <i>Should the Licensor approve a change in the permitted use, any related works required to ensure the building complies with BCA will be at the sole cost of the Licensee with no financial contribution from the Licensor.</i> <p>4. Financial Statements <i>The Licensee will provide an annual audited financial statement to the Licensee at the end of each financial year. This statement will be required no later than October of each year.</i></p>
--	--

	<p>5. Licensor's Use</p> <p><i>The Licensor will be entitled to have access and use of the venue to a max of 5 times per year. This use will be;</i></p> <ul style="list-style-type: none"><i>a) Consistent with the Permitted Use of the Licence.</i><i>b) For City events or supported not for profit event purposes.</i><i>c) Will occur only on days/nights where existing bookings by the Licensee are not in place.</i><i>d) Free with no charges to the Licensor for use of the Property. (This does not include any additional services required by the Licensor to be delivered by the Licensee. If required, fees will apply and negotiated per event or use as the case may be).</i> <p>6. Hire Agreement for Fremantle Park</p> <p><i>The Licensor agrees to enter into a hire agreement with the Licensee regarding the use of Fremantle Park for the Licensee's training purposes and will use reasonable endeavours to accommodate the Licensee during its requested timeframes of use.</i></p>
--	---

2. Approve the finalisation of a license in line with the proposed essential terms and relevant requirements of section 3.58 of the Local Government Act 1995.
3. Note that officers continue to explore options for establishing suitable training facilities for Perth Glory in liaison with adjacent users and stakeholders to ensure the arrangements are not detrimental to other users or community groups/clubs.

12. Motions of which previous notice has been given

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

13. 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.

14. 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.

15. Confidential business

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

16. Closure