



Agenda

Ordinary Meeting of Council

Wednesday 28 February 2024 6pm



Notice of an Ordinary Meeting of Council

Elected Members

An Ordinary Meeting of Council of the City of Fremantle will be held on **Wednesday 28 February 2024** in the Council Chamber at the Walyalup Civic Centre, located at 151 High Street, Fremantle commencing at 6.00 pm.

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

Glen Dougall
Chief Executive Officer

22 February 2024



Table of Contents

1.	Official opening, welcome and acknowledgement.....	3
2.	Attendance, apologies and leave of absence	3
3.	Applications for leave of absence	3
4.	Disclosures of interest by members.....	3
5.	Responses to previous public questions taken on notice.....	3
6.	Public question time	24
7.	Petitions	24
8.	Deputations	24
8.1	Special deputations	24
8.2	Presentations	24
9.	Confirmation of minutes	25
10.	Elected member communication	25
11.	Reports and recommendations from officers	26
11.1	Planning reports	26
C2402-13	BUILDING COMPLIANCE – NO. 5 BEACH ST, FREMANTLE.....	26
11.2	Strategic and general reports	34
C2402-14	COUNCIL INFORMATION REPORT – FEBRUARY 2024	34
C2402-15	PROPOSAL FOR MAJOR LAND TRANSACTION FREMANTLE PUBLIC GOLF COURSE	36
C2402-16	DISPOSAL OF 179 HIGH STREET FREMANTLE	64
C2402-17	DRAFT PUBLIC OPEN SPACE STRATEGY	67
C2402-18	CORPORATE PLAN REPORT – JULY TO DECEMBER 2023.....	72
C2402-19	ACCEPTANCE OF MINUTES AND CONSIDERATION OF MOTIONS FROM THE ANNUAL GENERAL MEETING OF ELECTORS HELD ON MONDAY 5 FEBRUARY 2024	74
11.3	Committee and working group reports.....	87
11.4	Statutory reports	88
C2402-20	SCHEDULE OF PAYMENTS – DECEMBER 2023 AND JANUARY 2024	88
C2402-21	STATEMENT OF INVESTMENTS – JANUARY 2024	92
C2402-22	MONTHLY FINANCIAL REPORT - DECEMBER 2023 AND JANUARY 2024	98
C2402-23	BUDGET REVIEW 2023-24	108
12.	Motions of which previous notice has been given	119
13.	Urgent business	119
14.	Late items	119
15.	Confidential business	119
16.	Closure.....	119



1. Official opening, welcome and acknowledgement

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

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

2. Attendance, apologies and leave of absence

Cr Geoff Graham – Leave of absence

3. Applications for leave of absence

Elected members may request leave of absence.

4. Disclosures of interest by members

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

5. Responses to previous public questions taken on notice

The following questions were taken on notice at the Annual General Meeting of Electors held on 5 February 2024:

Craig Ross asked the following questions in relation to the Annual Report:

Question 1:

Page 23 of the annual report misleadingly refers yet again to only selectively the construction contract portion of \$43m for the new civic centre and disregards the architect fees of \$7m, management fees, fit-outs, still unfinished fit-outs and other blow-out project costs. How is this not spinning ratepayers given total project costs currently exceeds \$65m?

Response:

As quoted on page 23 of the Annual Report "A fixed contract for construction of the Civic Centre was awarded at \$43.05 million and commenced in 2019."

This statement did not refer to the pre-construction costs. Additionally, this did not include the costs that resulted from the contractor entering administration and the resultant work to the Civic Centre to complete the project.

A full breakdown of costs associated with the Walyalup Koort/Walyalup Civic Centre Project is publicly available in the minutes of the Ordinary Meeting of Council held on 24 August 2022.



Question 2:

Page 36 of the annual report in the Finance section incorrectly refers to FY22 not FY23 and in other pages many figures quoted do not tie back correctly to the audited finance report. Has the annual report actually been properly proof-read by the finance department and when will the corrections be made?

Response:

The year ending shown as 2022 will be updated to 2023.

Question 3:

Year on year budgeted capital projects are consistently and inefficiently delayed and FY23 is no exception. Why is the actual capital expenditure of \$10m so low compared to the budget of \$28m?

Response:

The construction industry has been highly impacted with staff shortages, cost increases on materials and transportations costs. These increases are impacting all entities that go out to tender for materials and constructions related services.

The City has been experiencing cost increases and delays to capital works projects as a result of market conditions that are beyond our control. The City is continually considering different options to how we manage the market conditions and the impact on the City and will adjust our procurement practised where possible as appropriate.

Noting that the funding related to underspend in capital works remains available to be spend in future years. Essentially, those capital items are budgeted for and would not impact budget setting decisions in a future year.

Question 4:

With the sell-off of numerous income producing properties and car parks over the years, is the council deliberately raising rates and postponing budgeted capital projects due to a dwindling financial buffer which is highlighted by many examples such as cutting the CAT bus, inability to absorb South Beach changeroom costs, lack of maintenance of the Town Hall...etc?

Response:

Rates increases are imposed in line with the operational/project requirements of the City for that year, as well as market conditions which have included rapid inflation and increasing cost pressures across most developed economies. Further information regarding the rate increase is available in the media release on the City's website below, as well as the budget report adopted by Council in June 2023.

[Fremantle budget focuses on the fundamentals | City of Fremantle](#)



Question 5:

For the current year ratepayers have been levied rate increases of 9% based on budgeted capital expenditure that will not eventuate and no benefit received. Will ratepayers receive a refund in the next rates cycle?

Response:

It is the intention that all projects will be completed. However, for any projects that experience unforeseen delays the related budgeted capital expenditure is carried forward to the following financial year.

Question 6:

In the council monthly financial update for the 5 months YTD FY24 capital expenditure is only a meagre \$2.7m. According to the council minutes response of 6 Dec 2023, 'for many of the capital projects the procurement strategy is to go out to tender early in the financial year and with action to occur later in the financial year'. Does the council still believe this is the best practice procurement strategy rather than a continuous rolling procurement program of capital projects?

Response:

Resource and capacity challenges has meant that there has been a tendency for Officers to design and deliver in one year; however there has been significant focus on better forward planning during this year's planning. Officers have lengthened project forecasting to 4 years as part of the annual business planning process, this will further improve project alignment, allow more time for scoping, tender documentation and cost estimating earlier in the project process.

Question 7:

How are project managers held accountable for project delivery failures and poor budgeting such as the South Beach changerooms to ensure adopted capital expenditure budgets and project timelines are realistic and actually met?

Response:

Officers work within the parameters of the City's Project Management Framework, this includes project reviews and monthly project monitoring. Reasons for project delays and or budget challenges are reviewed and discussed as part of this process.

Question 8:

Note 19 in the financial report refers to contaminated sites for remediation. In addition to the South Fremantle landfill site and the scandalous Jones St property acquisition what other sites are contaminated?

Response:

There are a number of contaminated sites across Fremantle falling under both State & Local Government ownership as well as private ownership. A database of contaminated sites is made available online by the Department of Water and Environmental Regulation.



It is noted that Jones St Property is not a registered contaminated site.

Question 9:

In FY23 the council has belatedly acknowledged for the first time in an audited financial report a contingent liability. What event or circumstances triggered the now more forthcoming contingent liability disclosure on contaminated sites in Note 19?

Response:

The Annual Financial Statements were audited by Grant Thornton on behalf of the Office of the Auditor General (OAG).

Both Grant Thornton and OAG agreed that the city's Financial Statements accurately reflect the city's finances. The contaminated sites and revaluation of assets information included in the statements were reviewed in detail by both auditors and the financial statements and notes is an accurate reflection thereof. The city is aware of the contaminated sites within its boundaries as declared by Department of Water and Environmental Regulation (DWER). For city owned properties, there are management plans in place that requires monitoring of these sites. There are no contaminated sites that have been declared by DWER to be remediated at this stage, to that end note 19 accurately reflects that there are no contingent liabilities for the financial year.

Question 10:

What is the current preliminary best guess estimate of the remediation costs for these contaminated sites?

Response:

As per response to question 9.

Question 11:

What is the expected timeline for agreeing with the Department of Water and Environmental Regulation the costs associated with remediation of the South Fremantle landfill contamination?

Response:

There are currently no plans to remediate the site and will continue to be monitored in line with the agreed management plan.

Question 12:

In which year will the remediation of the Jones St property contamination be undertaken, and how much is currently included in future budgets?

Response:

The asbestos located within the buildings at Jones Street will be addressed appropriately as and when redevelopment of the site occurs. There is no fixed date set for the redevelopment of the site.



Question 13:

Note 17 of the financial report summaries a massive asset revaluation of \$241m containing multiple common-sense discrepancies, and given the paucity of public information, what were the valuation methodology/technique changes since the previous June 2020 valuation?

Response:

As part of the International Accounting Standards 16 Property, Plant and Equipment requires to be revalued at least every five years.

As part of the Local Government Act 1995 the city is required to adhere to the International Accounting standards. The infrastructure assets were required to be revalued in the financial year ending 30 June 2023.

The same methodology for revaluations was used, being replacement costs for infrastructure assets. The city engaged a registered valuer, Cushman & Wakefield, to undertake this work. The fair value increases are based on the City's infrastructure data.

As part of the audit for financial statements ending 30 June 2022, OAG noted that if the city is aware of an assets class that might have significant changes in fair value, it is not appropriate to wait for five years to undertake a formal revaluation of that asset class.

Accordingly, the city engaged with registered valuer to ascertain price per hectare for city owned land. Noting that the zoning for those land parcels was considered in deriving the price per hectare.

Question 14:

For what reasons did the revaluation of Park properties in Note 9 inexplicably change from an opening carrying value of \$10m to \$70m in FY23?

Response:

During the financial year there were new assets to the value of \$2.8M added and existing parks assets increased in value due to revaluations of \$54M. Along with capitalisation of new assets to the value of \$4.2M and depreciation of (\$1.6M) the value of parks assets on 30 June 2023 is \$69.8M.

Question 15:

Given the civic centre was specifically built for council purposes and will never have a ready commercial buyer now or in future years, why is this property valued purely at market approach?

Response:

It was valued based on building replacement cost in line with the Building Cost Index.



Question 16:

What is the revalued amount for the disastrous multimillion dollar loss making Jones St property which has been sitting idle since 2014, and does the valuation take into account the required contamination rehabilitation?

Response:

The total value of land and buildings is \$8.8 million.

Question 17:

In the absence of transparent information for the \$241m revaluation can a detailed property listing be made publicly available similar to three years ago (ARMC 2106-1 June 2021) for comparison?

Response:

While an extract of the list of building assets have been provided in the past, there is no requirement to make the list available as part of the annual financial statements.

Question 18:

If the detailed property listing is not to be made publicly available, why not?

Response:

As per response to question 17.

Question 19:

Given the Infrastructure carrying value doubled from \$158m in FY22 to \$339m in FY23, is the valuation technique wording actually correct in Notes 8 & 9 of the financial report?

Response:

Yes.

Question 20:

Who was the independent registered valuer performing the valuation?

Response:

The city engaged a registered valuer, Cushman & Wakefield, to undertake this work.

Question 21:

The majority of public sector restricted use land in Australia is valued taking into account the restricted use and for a better example refer to the City of Perth. For what reasons is Fremantle using a market approach valuation without properly taking into consideration the public sector restrictions?

Response:

Due to the changes experienced in the construction industry, buildings were also revalued by way of a management valuation.



Based on the building construction cost index published by the Australian Institute of Quantity surveyor (AIQS) the city's building portfolio was updated to reflect the relevant replacement cost for the components of city buildings. The indices are based on projects for buildings procured by competitive tender. 12 Quantity Surveying firms in Perth contribute their advice and data to the AIQS in compilation of the index. Noting that the subcomponents of a building remains the same regardless of the purpose of a building, On that basis, the increase due to revaluation for buildings of \$ 55.1M is accurate.

Question 22:

Apart from Quarry St, what buildings, land, parks and carpark is the council intending to sell in the coming three to five years?

Response:

This is a decision that will require determination by Council.

Question 23:

Is the council intending to sell the Leisure Centre carpark?

Response:

This is a decision that will require determination by council.

Question 24:

When will the incorrect YTD FY24 monthly accounts be updated for the increased multimillion dollar depreciation arising from the FY23 revaluation which significantly decreases operating results?

Response:

The Ordinary Council Meeting in February 2024 is the first opportunity to update the monthly financial statements following the adoption of the annual report and audited financial statements. Depreciation will be reflected in the January 2024 monthly financial statements provided in February.

Question 25:

Note 22 of the financial report refers to a total \$3m loss in FY23 for the Resource Recovery Group investment, and given the withdrawal by Fremantle from this agreement and associated liabilities, would it have not been more accurate to write-down to \$nil the remaining \$2.3m carrying value in FY23?

Response:

The OAG estimated that the financial impact of potential changes in the RRG financial statement to that of the city's financial statement were insignificant. On that basis, the auditors agreed that an emphasis of matter note in the audit opinion is sufficient to close out the city's 2023 financial statement. Along with the note 24 of events occurring after the end of the reporting period.



Question 26:

Given the auditor included an emphasis of matter paragraph in the audit report will the investment in the Resource Recovery Group carrying value now be written to \$nil in FY24?

Response:

As far as the city is aware the RRG financial matters are still to be resolved and the city will reflect future changes in the next years financial statements, once signed off by the OAG.

Question 27:

Why is the \$3m investment loss and secretive significant variance to budget in FY23 not properly described in the council monthly financial updates and kept confidential?

Response:

As far as the city is aware the RRG financial matters are still to be resolved and the city will reflect future changes in the next years financial statements, once signed off by the OAG.

Question 28:

As pointed out in prior years Fremantle fails to disclose Heritage Land and Heritage Buildings separately and loses meaningfulness to the readers of the financial report. So, asking yet again, why heritage assets are not shown separately and transparently in line with best practice in the Note 8 of the financial report to both highlight and showcase the heritage assets of Fremantle?

Response:

There is no statutory requirement to show heritage buildings separately and as such this has not been a priority, however the city is now considering this and will look at how it can be implemented in the future.

Mark Woodcock asked the following questions in relation to the Annual Report:

Question 1:

What is the latest cost of the Kings Square project?

Response:

A full breakdown of costs associated with the Walyalup Koort/Walyalup Civic Centre Project is publicly available in the minutes of the Ordinary Meeting of Council held on 24 August 2022.

Question 2:

How much of is it yet to be completed?

Response:

As per response to question 1.



Question 3:

What is the estimated cost of to complete the Kings Square Project?

Response:

As per response to question 1.

Question 4:

The Council's business plan was that the new civic centre was to make approximately \$900,000 annually, what is the actual revenue of the Kings Square business to date annually or year by year?

Response:

Two ground floor leases have been signed which generate 70K per annum in revenue. One of those leases is now open and operational the other will be open as at 1 July 2024 (fit out currently in process).

The remaining space which is available to lease and currently being marketed via an externally appointed leasing agent is estimated to generate an additional \$544,950 per annum in line with current market expectations.

Question 5:

What is the real total loss Resource Recovery Group to the city of Fremantle? Point 22 of the financial report refers to \$3 million loss in FY2023, given the withdrawal of East Fremantle this year, how much will this increase the operating loss for this facility and how much will this cost the rate payers?

Response:

The OAG estimated that the financial impact of potential changes in the RRG financial statement to that of the city's financial statement were insignificant. On that basis, the auditors agreed that an emphasis of matter note in the audit opinion is sufficient to close out the city's 2023 financial statement. Along with the note 24 of events occurring after the end of the reporting period.

As far as the city is aware the RRG financial matters are still to be resolved and the city will reflect future changes in the next years financial statements, once signed off by the OAG.

Question 6:

Why were the losses/next steps of the facility made confidential instead of opening discussing back in Mid 2023?

Response:

As per response to question 5.

Question 7:

What other council properties/land are listed for sale in the coming 5 years?



Response:

This is a decision that will require determination by council.

Question 8:

Is the Leisure Centre car park still for sale, and is the revenue for this sale listed in council documents or make up any part of future budgets?

Response:

This is a decision that will require determination by council.

Question 9:

When will the council properly establish the History library it promised to the rate payers?

Response:

An engagement process has just been concluded and options will be brought to council for consideration in the near future.

Ian Ker asked the following questions in relation to the Annual Report:

Question 1:

Referring to the statement on page 38 of the Annual Report being that 18,790 emails were received and responded to, 11,160 service requests were created for City business units to action, and the number of service requests was 2,740 fewer than the previous year; how many of the emails received were repeat emails, in response to problems or dissatisfaction with the 10-day delay, including the need for earlier responses?

Response:

The City does not have capacity to measure the amount of repeat emails or determine how many emails were regarding concerns about response times.

Question 2:

The Annual Report further states that satisfaction with the City's response to service requests was rated at 72%. How does this 28% level of non-satisfaction compare to previous years?

Response:

The average satisfaction level for service delivery over the last 5 financial years is 76%.

Question 3:

In relation to question 2, how does this 28% level of non-satisfaction compare to other local governments?



Response:

We are not aware of any other LGA's that measure satisfaction with regard to service requests. The standard measure for local governments is customer satisfaction with regard to customer service (front counter and phones).

Question 4:

In relation to question 2, does the City of Fremantle regard this level of non-satisfaction to be satisfactory?

Response:

City of Fremantle target is 70% satisfaction for service delivery and 90% satisfaction for customer service. City of Fremantle exceeds these targets.

Question 5:

In relation to question 2, to what extent is the reduction in the number of service requests a result of a high level of dissatisfaction with the City's response to previous requests, in other words, have people given up?

Response:

The City does not have capacity to measure this.

Will Ody asked the following questions in relation to the Annual Report:

Question 1:

In relation to parks infrastructure on page 82 of the Annual Report, can you explain how parks can go from a valuation of \$9.6m in 2021 and increase in value by \$54m? What caused that massive increase?

Response:

During the financial year there were new assets to the value of \$2.8M added and existing parks assets increased in value due to revaluations of \$54M. Along with capitalisation of new assets to the value of \$4.2M and depreciation of (\$1.6M) the value of parks assets on 30 June 2023 is \$69.8M. Current market conditions have contributed towards an increase in values.

Cathy Gavranich asked the following questions in relation to the Annual Report:

Question 1:

Did the City question the independent valuers valuation of the parks infrastructure and the massive increase?

Response:

As part of the process, the City assesses the reports and works closely with the consultant to verify the information. The City will continue to verify the information throughout the next year as well as in line with market conditions.



Alan David Greenwood asked the following general questions:

Question 1:

Why was the decision to change the Australia Day Citizenship Ceremony date made by a non-elected "City administration" and to which executive body does this title refer?

Response:

In December 2022, the Department of Home Affairs announced an update to the Australian Citizenship Ceremonies Code, removing the requirement for councils to hold Australia Day citizenship ceremonies on 26 January.

The Australian Citizenship Ceremonies Code sets out the requirements for conducting citizenship ceremonies in accordance with the Australian Citizenship Act 2007.

Whilst the dates upon which to which schedule civic and community events does not require a council decision, Elected Members were informed of the scheduled date and no objections were raised.

John Dowson (Fremantle Society) asked the following general questions:

Question 1:

The Department of Local Government, Sports and Cultural Industries has recently undertaken a review, the Financial Better Practice review. Has the Council volunteered for an assessment and is there a report available from the department?

Response:

No.

Question 2:

As a result of simplified financial reporting to commence from 1 July 2022, has the City implemented the changes as recommended by the Office of the Auditor General (OAG)?

Response:

Yes.

Question 3:

Has the City adopted a Rates and Revenue Policy to link the costs of service and maintenance of assets to the setting of Rates?

Response:

Rates increases are imposed in line with the operational/project requirements of the City for that year, as well as market conditions.



Further information regarding the imposition of rates for the year ending June 30 2023 is available in the media release on the City's website below, as well as the budget report adopted by Council in June 2023.

[Fremantle budget focuses on the fundamentals | City of Fremantle](#)

Question 4:

Are the financial metrics reported on MyCouncil adjusted to reflect the underlying position of the City?

Response:

The My Council website is managed by the Department of Local Government, Sport and Cultural Industries.

Question 5:

As some of the matters that form the review will be passed in regulation, what is the City doing to prepare for this?

Response:

The City plans for and implements all legislative changes as per timelines required by the State Government.

Question 6:

Has the City prepared for the new Model Financial Statements?

Response:

The City already utilises the model financial statement and implements any recommended changes to that model on an annual basis.

Question 7:

Is the City preparing for the separation of waste rates from the general rate as will be required by 1 July 2024?

Response:

Yes.

Question 8:

With regard to waste services, does the City have a plan for the future delivery of services, in-house or contracted services?

Response:

The City has recently concluded a review of its waste (collection and disposal) arrangements. It is anticipated that a report will be presented to Council with proposals in respect to services moving forward.



Question 9:

As can be observed, the City trucks are old and possibly no longer fit of service. What system does the City have to determine if these trucks are no longer assets?

Response:

The city's fleet is included in the City's asset management plan and there is a fleet replacement strategy; funding requirements are included in the City's 10-year financial plan.

Question 10:

What is the City doing to ensure that the waste services delivered are efficient and the City waste rates will be competitive?

Response:

This has been addressed in question 8.

Question 11:

What is the City doing to facilitate and manage fixed-interest loans to building owners undertaking environmental or heritage upgrades to their buildings?

Response:

The City does not currently have any programs it provides to financially support upgrades to heritage properties.

Craig Ross asked the following general questions:

Question 1:

If we are asked to vote on Annual and Financial Reports, and we are asking legitimate questions, we expect a professional response. Will you answer my questions and other rate payers' questions much more seriously?

Response:

Yes.

Andrew Luobikis asked the following general questions:

Question 1:

Why can't the costs for the South Beach toilet and showers be consistent with other WALGA Councils, when recent examples are a third of that cost?

Response:

The City has undertaken an extensive engagement process with the community in respect to the place plan and the facilities required at South beach. The scope and quality of the change / toilet facilities tendered reflect those requirements.



Question 2:

In relation to the South Beach toilet and changerooms, why such expenditure on consultants and architects?

Response:

Consultant expenditure and commitments for the project are in line with industry and officer expectations.

Question 3:

In relation to question 2, who are these consultants and are there conflicts of interest reported?

Response:

The consultants include an architect, inc sub-consultant services and a quantity surveyor.
There are no reported conflicts of interest.

Cathy Gavranich asked the following general questions:

Question 1:

Am I correct in my understanding that the former Committee meeting structure gave the community the opportunity to discuss and debate critical issues before they went to a full Council meeting?
If so, what benefit is it to the community to no longer have this platform to engage with Council decision making?

Response:

The ability for the community to engage in Council decision-making is essentially the same. Members of the community can raise questions and speak on items for the same amount of time – whether it was at a Committee or full Council. When there were Committees, there was only one Council meeting per month. Now there are two per month (to replace Committees).

Helen Cox asked the following general questions:

Question 1:

Can you please inform the citizens of our city what new regulations you (the Mayor) have implemented to improve the hygiene and cleanliness of our streets and public amenities; in particular sidewalks/walkways located in the West End, used by patrons of cafes and bars?

Response:

The City has adopted precinct approach to cleansing across the city; service levels for the CBD have been developed to provide a fast response to incidents whilst also maintaining a regular (daily) cleaning regime across the CBD area.



Higher use / busy areas have a higher level of service (more intensive cleaning approach).

Question 2:

Which regulations and policy guidelines are business owners required to meet to sustain the use of public street amenities?

Response:

Al fresco licenses are regulated through a Local Law and Al Fresco Policy. These include a requirement on the business to keep al fresco areas clean. All complaints about specific al fresco areas should be reported to the City so that appropriate action can be taken.

Question 3:

How often are business owners required to undertake the cleaning of City sidewalks outside their premises?

Response:

The regularity of cleaning is not specified.

Question 4:

How often do Council employees or contractors conduct maintenance in the CBD area to ensure the highest of hygiene and safety is completed for the benefit of all residents, visitors, and tourists?

Response:

See response 1 above.

Planned and responsive works and maintenance services are provided through the appropriate teams.

The following questions were taken on notice at the Ordinary Meeting of Council held on 14 February 2024:

Chris Banasik asked the following questions in relation to items not on the agenda:

Question 1:

Is there an updated timeline for the re-design and tendering of the South Beach Changeroom and Toilet Project?

Response:

The City is currently out seeking quotations for the works, the deadline for contractors to submit those is 5 March 2024. Following this, officers will go through an evaluation process, and we anticipate a report to come back to Council seeking approval for progression in April 2024.



Question 2:

Has the cost of the recent construction of the six change huts and the landscaping of the demolition site, been deducted from the remaining approximately \$2.2 million dollar budget set aside for the construction of the new change rooms?

Response:

The six change huts will be funded through bought-forward funding, as they were part of a future phase of the South Beach plan, we have done this to facilitate the huts. The other maintenance of works and landscaping was dealt with through operation and maintenance budgets.

Question 3:

If so, where are the extra funds to be sourced from to maintain the existing budget?

Response:

Please see above response.

Question 4:

Has any thought been given to a community funding programme for part of the project (e.g. buy a brick)?

Response:

The City is not at that stage yet.

Cathy Gavranich asked the following questions in relation to items not on the agenda:

Question 1:

Please state the reasons why the City of Fremantle has cancelled the Easter High Street Markets without consultation?

Response:

Since returning from the three-year Covid hiatus, the festival team have been working really hard to maximise the curatorial impact of the street arts festival. The better the overall project is, the more audience we attract into Fremantle, and the greater the benefit is to all businesses. Some costs have gone up greatly, in particular, travel costs for interstate and international artists. Those artists are key to maintaining the national and international profile of the event. Also, unfortunately road closure costs have increased considerably after an announcement from Main Roads WA earlier this year. Our focus is on building the best program of artists that we possibly can, rather than allocating resources across other events within the festival and an ever-expanding festival footprint. All businesses are invited to apply for an extended trading permit, which means they can come out in front of their premise and trade on the street across the whole weekend.



Question 2:

Please itemise the total capital and operating expenditure costs of South Beach Toilets and Changerooms project for the following periods, as per the below items:

Financial Year 21/22

Financial Year 22/23

Financial Year 23/24

- Architect fees
- Identify Consultant fees
- Demolition
- Landscaping
- Maintenance upgrades
- Construction costs
- Hire of equipment
- Scaffolding and fencing hire
- Summary of payroll costs of CoF employees involved in the project
- Cost of Consultant reports
- Media costs
- Community costs
- South Beach Place Plan Consultation x 8 plans
- South Beach Place Plan Report x 8 plans
- Dilapidation report
- Sewer upgrade and connection
- Rubbish disposal
- Property condition report – identification of concrete cancer
- Remediation of Wilson Park
- Current Temporary costs of:
 - Toilets
 - Contractors
 - Change sheds
- Any other ancillary costs associated with the project
- Forecast costs for 2024/25 related to total project costs
- Forecast costs for 2025/26 related to total project costs

Response:

Budget and spend for the South Beach Project are as follows:

	Actual	Budget
Financial Year 21/22	\$40,000	
Financial Year 22/23	\$90,000	
Financial Year 23/24 (as at February 24)	\$470,000	\$3,230,000 + \$100,000 (mid year budget review)

Agenda – Ordinary Meeting of Council
28 February 2024



Forecast for balance of Financial Year 24/25	\$0	+\$500,000 proposed increase budget
Forecast 25/26	\$0	

Project high-level Financial Summary:

Building	\$1.9m
Landscapes & paths	\$604k
Fees & preparatory costs	\$524k
Contingency	\$170k
Municipal Budget	\$3.2m

Detail:

There are two parts to the physical works –

- The construction of the building - the initial estimated building construction cost was \$1.9m
- The surrounding paths, kerbs and planting etc (Landscape package) – estimated cost \$604,000
 - Total estimated 'works' cost \$2.5m
- Associated Facilitation Costs to date (actual and committed) - \$524,000
 - Prepary works \$280,000 – inc:
 - Demolition & associated costs \$150,000
 - Service relocations
 - \$91,000 electrical
 - \$40,000 hydraulics
 - Consultancy fees
 - Architects (*inc Structural / Services (Electrical & Hydraulic) / Access Engineers*) - \$178,000
 - Quantity Surveyor (CoF employed) - \$15,000
 - Geotech report (CoF employed) - \$5,000
 - Hire Costs (to date) \$21,000
 - Tree protection report and associated works \$11,000
 - Future Works - committed (Main Switchboard installation) - \$13,000
- Contingency \$170,000

Temporary works & additional expenditure - \$100,000

- Extended temporary facility hire - \$10,000
- Site works - \$37,000
- Permanent change facilities within the South Beach precinct - \$43,000

The City does not capture or record costs for administration / officer time against individual projects, the City's administration officers managed:

- Media and community consultation, there are no direct / external media costs associated with the project.



- Community engagement Consultants who assisted City staff in engagement for the Place Plan (plans and reports are produced internally) cost approx. \$12,000.

Wilson Park remediation works are addressed through Parks Maintenance and are not part of the changeroom project. Current turf regeneration activities have been undertaken as part of the City's operations utilising internal staff assisted by a Contractor for approximately \$8,000.

Costs for rubbish removal are accommodated through the waste service area – the approx. annual cost for this precinct is approx. \$20,000.

The old toilet change facilities have been monitored through the building maintenance team over a period of time, costs for ongoing maintenance and inspections and reporting are accommodated through the City's maintenance budgets and are not part of the project cost or budget.

Natalia Bozhanova asked the following questions in relation to items not on the agenda:

Question 1:

We, the Artisan Store Fremantle, would like to know why Easter West End Markets were cancelled this year, considering the market was very successful in 2023 and that there is no additional work required for the Council to let us organise our traditional market with road closures already in place?

Response:

Please see questions and responses above.

There is the opportunity for all the businesses along the street to come out and trade on that day. It was a programming decision to concentrate our resources on making the wider program, which attracts people to the City, the best we could possibly make it.

May-Ring Chen asked the following questions in relation to items not on the agenda:

Question 1:

If the Council cares so much about trees, why don't you start with the CBD? Most trees have their root covered right up to the trunk, and if this is removed the trees would be much healthier and have an increased life expectancy.

Response:

City trees are inspected and maintained as part of the City's urban forest program, inclusive of town centre trees.



Question 2:

I have a pink pepper tree on my verge. It continuously sends out suckers, which need constant pruning. It is an invasive species and has reached the height of the powerline. Why does the Council refuse to remove it and replace it with a smaller native tree?

Response:

Pruning of street trees near power lines is undertaken in accordance with *Australian Standards AS4373: Pruning of Amenity Trees* and *Guidelines for the Management of Vegetation near Power Lines (Government of Western Australia)*.

Elisabeth Megroz asked the following questions in relation to item C2402-10

Question 1:

It is of concern that the responsibility/obligation of creating an increased canopy across the city seems to have been shifted away from the council to ratepayers. It is a given that vegetation in built up spaces requires regular maintenance. Irrespective of who carries out the maintenance, it is a major financial and ongoing commitment, as also acknowledged by the proposed financial incentive as a way to help offset the costs currently shouldered by a landowner. I refer to p. 123 C2402-10 TREES ON CITY OWNED OR MANAGED LAND POLICY the 'responsible management of trees' and that the 'property line pruning has been removed as a valid reason to prune City trees'. Can you provide a definition of 'responsible management of trees'?

Response:

The "Trees on City Owned or Managed Land Policy" states trees will be pruned as part of the City's program to:

- clear the crown from interfering with overhead powerlines, electrical feeder lines to individual properties and other utilities.
- remove branches that present an unacceptable risk to road or pedestrian traffic, buildings or structures.
- improve aesthetic form and structural architecture.
- remove dead, dying, damaged or pest/diseased impacted branches or abnormal growth.

Question 2:

Is it pruning off the entire canopy on the street side and leaving the remaining canopy on the other side to touch the power lines crossing private property of an already fragile tree?

Response:

Refer to the response for Question 1.



Question 3:

Is disregard for a property line a move to confiscate private land to accommodate the canopy of City owned trees, so that the City appears to be increasing tree canopy coverage, while not actually having to plant the trees as promised?

Response:

Refer to the response for Question 1.

Question 4:

Given that trees near buildings need regular pruning maintenance with regard to preventing costly maintenance works to roofs and gutters, and health and safety issues, and the fact that one is fined for pruning a City owned tree, can you advise and clarify what the practical and financial implications are for ratepayers, by covering all aspects that concern the removal of unwanted overhanging brunches from City owned trees into private property?

Response:

Refer to the response for Question 1.

6. Public question time

Members of the public have the opportunity to ask a question or make a statement at council and committee meetings during public question time. Further guidance on public question time can be viewed [here](#), or upon entering the meeting.

7. Petitions

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

8. Deputations

8.1 Special deputations

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

There are no special deputation requests.

8.2 Presentations

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



9. Confirmation of minutes

OFFICER'S RECOMMENDATION

Council confirm the minutes of the Ordinary Meeting of Council dated 14 February 2024.

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

11.1 Planning reports

C2402-13 BUILDING COMPLIANCE – NO. 5 BEACH ST, FREMANTLE

Meeting date:	28 February 2024
Responsible officer:	Manager Field Services
Voting requirements:	Simple Majority
Attachments:	1. Aerial image 2. Photographs of property

SUMMARY

The purpose of this report is for Council to consider issuing a building order requiring the demolition of an incomplete building at 5 Beach Street, Fremantle.

5 Beach Street consists of a four-storey multiple dwelling development which has stood incomplete since approximately 2010. There is no heritage listing associated with the property. Potential heritage aspects of the place have been diminished by unauthorised works on the site. The building has fallen into a state of dilapidation and is considered to be unfit for human occupation and potentially dangerous. Persons are known to access the building on a frequent basis and are exposed to considerable risk of injury due to precarious site conditions. Moreover, the building is considered to be detrimental to the amenity of the surrounding area.

Due to significant structural and design flaws in the constructed building, there is little prospect that the building can be completed to a fit for purpose use. It is the City's contention that safety and amenity issues associated with the site will persist until the building is removed. Although not protected by heritage or planning legislation, it is considered worthwhile in attempting to retain the historic front façade (to be incorporated into future redevelopment of the site).

Accordingly, this report recommends that Council -

1. Approve the issue of a building order pursuant to s. 110 of the *Building Act 2011* requiring owners of 5 Beach Street, Fremantle to demolish and remove the building, whilst preserving the existing historic building façade.



2. Delegate authority to the Chief Executive Officer to commence legal proceedings against owners upon failure to comply with building order.

BACKGROUND

Strata lots 1-12, 5 Beach Street, Fremantle consists of an incomplete 4 storey multi-residential development incorporating the façade and roofing timbers of a former warehouse. Planning approval was granted for the development on June 24, 2003. A subsequent Building Licence was issued on July 19, 2004. From 2004-2010 sporadic development took place on the site, most of which was undertaken in an improvised manner and in contravention of the approvals granted by the City. This resulted in the owner being convicted on two occasions for undertaking works without a valid planning approval or building licence.

DA Refused, Overturned by SAT

In 2009, development approval was sought to amend the development to include tourist accommodation and recreational uses. This application was refused by the City but subsequently approved by the State Administrative Tribunal (SAT) upon review. A condition of the SAT approval required completion of the development within 2 years. The development was ultimately not acted upon, and the approval lapsed in June 2013.

Building Orders: Illegal Occupation

In 2014, the building was found to be illegally occupied by the (previous) owner and a number of transient tenants. The City evicted the occupants and secured the building by way of building orders in 2015. The orders were given on the basis that the building was considered dangerous and unfit for human occupation by reason of various contraventions of the then edition of the building code.

Building Report

In 2015, the City engaged a private building surveying practitioner to report on compliance of the building against the requirements of the then edition of the Building Code of Australia. Findings of the report included the following –

- The building is not protected by a smoke detection and alarm system.
- The building does not comply with minimum egress requirements.
- Inadequate resistance to water ingress into accommodation units.
- Insufficient light and ventilation to accommodation units.
- Inadequate fire separation between accommodation units and common areas.
- Exit travel distances are in excess of what is considered safe.
- Incomplete balustrading in the eastern portion of the building allowing occupants to fall 7m.

Furthermore, the report described conditions across the site as being generally hazardous.



FESA report

In 2015, FESA submitted an affidavit in support of the City's efforts to evict tenants from the building. A summary of the affidavit is as follows –

- There is nothing to prevent spread of fire between the 3 x 4 storey structures compromising the building on the property.
- There is no hydrant at the property. Fire hydrant is required for timely extinguishment of fire and to provide water for personal protection when conducting rescue activities.
- The nearest hydrant to the centre of the building facade is located 39m away to the south requiring excessive hose length and lower water pressure at the nozzle.
- The multilevel nature of the building would restrict fire fighters to 38mm hose as opposed to 60mm hose which would result in high hydraulic loss.
- In circumstances such as these, DFES could not guarantee rescue of occupants of the building or protection of neighbouring properties.
- Should a fire occur in the building the safety of persons and adjacent properties would be severely compromised.

Building Orders: Deep Excavation

In 2016, the City issued further building orders in relation to a deep excavation at the rear of the lot which was endangering adjacent buildings and had resulted in the collapse of a wall shared with the property at 18-24 Queen Victoria St some years earlier. Owners undertook works to stabilise the neighbouring properties and the rear wall was reconstructed.

Structural Engineers Report

In 2020 the City engaged consulting engineers to report on the structural integrity of the building. The report revealed widespread inadequacy of structural elements and significant deviations of the construction from architectural and engineering drawings. The report uncovered:

- Major deviations from engineering drawings have occurred during construction affecting nearly all building components including footings, floors, and roof structure.
- Rotation and deterioration of façade. (The rotation was previously noted in 2015, but otherwise sufficiently stabilised by way of being anchored the new structure.)
- No engineering documentation for construction of various balconies, corridors, or walkways.
- Footings and walls inadequate to support third floor suspended slab.
- Tie down capacity of third floor staircase roof is unknown.
- Timber trusses have been cut with no proper support at ends.
- Staircases supports not appropriately designed.
- Dangerous form work to third floor concrete suspended slab.
- Rear retaining wall missing lateral support. Prone to overloading.
- Corrosion present in RHS beams. Corrosion present in slab reinforcement bars.
- Design capacity of structural elements of the building is largely unknown.



- Extensive and detailed testing of individual structural components is required to determine structural adequacy.

Current Status

The site has fallen into a state of dilapidation and is frequently subject to unauthorised access including by minors. Access to the property is through or over the main entrance gates and over the back fence via 18-24 Queen Victoria Street. Repairs on entrance gates have been undertaken on three occasions after steel bars were removed by persons seeking access to the site. On the two most recent occasions, the City undertook the repairs in lieu of timely action by owners.

Concerns have repeatedly been raised with the City regarding the safety of persons accessing the site, including the roof level, as well as the propensity for fire. A site inspection carried out in November 2023 by City officers in response to these concerns, identified the following site conditions -

- Vast accumulation of disused materials, equipment/machinery and rubbish throughout the ground floor and extending to the rear boundary resulting in risk of injury and excessive fire loading.
- Evidence of fires being lit within the building. FESA have previously identified the building to be hazardous to persons and property due lack of firefighting capability on site.
- Locked entrance gates preventing emergency egress from the site.
- Incomplete or otherwise defective balustrading to upper floor areas and roof section creating a fall hazard.
- Widespread deterioration and weathering of building elements.
- Extensive vandalism.
- Evidence of drug activity and squatting.

FINANCIAL IMPLICATIONS

Drafting of a building order by the City's solicitors is expected to cost \$500-\$800 plus disbursements. Additional costs of up to \$1500 should be allowed for where the City's solicitors are required to review historical building licences etc. Were the City to commence legal proceedings for noncompliance with a building order, legal costs are estimated to be \$3000-\$4500. Similar costs may be applicable should the matter be subject to review in the State Administrative Tribunal (SAT). These legal costs would be funded from annual operational budgets.

In the event that the Council undertook demolition of the building in lieu of owners, demolition costs are presently indicated to be around \$328,000. There are various avenues the City would have to seek recovery of costs, refer to details in Conclusion. The commitment by the City to fund the full demolition and then to seek recovery of costs would be subject to a further decision by Council.



LEGAL IMPLICATIONS

The building is considered to be in a dangerous state and unfit for human occupation.

Under s. 112 (2) of the *Building Act 2011*, the City may issue a building order requiring a person to whom the order is directed to do any one or more of the following within the specified timeframe –

- (g) if a building or incidental structure is reasonably believed to be in a dangerous state or unfit for human occupation –
 - (v) To renovate or repair the building or incidental structure to a specified standard or in a specified way so as to prevent or stop the building or incidental structure from being a danger to persons, to other property or to the environment or to render it fit for human occupation; (or)
 - (vi) To demolish, dismantle or remove the building or incidental structure.

Under the *Building Act 2011*, a person who is served with a copy of a building order must not without reasonable excuse fail to comply with the order. Non-compliance with a building order carries a penalty fine of up to 50,000 for a first offence.

In accordance with Local Planning Scheme No. 4 (LPP 1.7 - Development Exempt from Approval), works are exempt from the requirement to obtain development approval where they are urgently necessary for public safety, safety or security of plant or equipment, maintenance of essential services, or protection of the environment.

CONSULTATION

There is no community consultation associated with this Report.

There has been ongoing consultation with the building owners regarding the non-compliance building matters for many years. Most recently, a letter was issued to the owners in 2023 that:

- Reconfirmed the non-compliance nature of the building;
- Recommended demolition as the most appropriate course of action.
- Advised owners that in the event that action was not agreed and taken, the City would be placed in a position to require demolition through a building order.
- Advised owners that should that building order be ignored, the City would most likely be required to commence legal action.

No agreed action from the owners to rectify matters has been received by the City. The building continues to present unacceptable risks to the community.



OFFICER COMMENT

Heritage Comment

5 Beach Street is not heritage protected and is not located in a heritage area. In 2000, the place was identified on the Municipal Heritage Inventory as having 'potential heritage value' and in 2003 an independent heritage assessment reported that the place held cultural heritage significance for its aesthetic value as a warehouse building as well as being part of a group of warehouse buildings.

The original development approval for the site (2003) proposed to retain key fabric of the building however unauthorised works which ensued between 2004–10 resulted in significant alterations/damage to the fabric including the original double span timber trusses and limestone façade. Due to the overt damage and ongoing compliance/legal issues with the site, the place was not heritage listed by the City in 2009 with the adoption on Local Planning Scheme No. 4.

In 2010, a further heritage assessment, carried out as part of a proposal to vary the development, suggested that permanent loss of previously held heritage value of the place had occurred.

Although the place has no formal heritage protection, the façade is considered to contribute positively to the Fremantle streetscape and reinforces the character of the port and historic connection between shipping and land-based storage.

The façade has deteriorated and suffered from crude modifications, such as windows being cut into the parapet frieze, however, where achievable, it would be considered advantageous to retain the façade for possible incorporation into future development.

From a structural point of view, the façade is visibly leaning (rotation) toward the footpath (which has been confirmed by independent structural assessment) and is only stabilised by way of being anchored to the rear building. Professional advice would be required to confirm if the façade can be successfully decoupled from the building behind and retained as a free-standing element when the remainder of the building behind is demolished. It is likely that the façade is fragile and susceptible to collapse without appropriate stabilisation measures in place.

Should the facade be retained and then remain for a considerable period of time, it will also require protection and repairs to prevent further deterioration and loss of fabric.

Conclusion

The building at 5 Beach Street has remained unfinished since around 2010 and has fallen into a state of dilapidation. The building is considered to be unfit for occupation due to its incomplete status as well as non-conforming aspects to elements that have been constructed.



The building is also considered to be potentially dangerous due to widespread structural and design deficiencies as well as significant fire loading and egress issues from the site. It is expected that safety and amenity issues at the site will persist unabated unless the building is removed.

Under section 112 of the Building Act 2011, where the City forms the opinion that a building is dangerous or unfit for human occupation, it may serve a building order on an owner requiring demolition or repair of the building. For reasons outlined in the previous sections, repair of the building is not practical nor feasible, therefore, demolition stands as the most appropriate option. As the property is strata titled, orders would have to be concurrently served on all owners for their respective strata lots and common property.

Two of the three property owners are located in Perth and have demonstrated a willingness to cooperate with any enforced demolition requirements of the City. The third owner, who is located interstate and happens to own lot 11 (front building) has contested the need for demolition of lot 11 and considers that the remainder of the building should instead be removed with lot 11 (incorporating the façade) left intact; ostensibly due to the notion that lot 11 does not in fact form part of the more problematic rear section of the development. It is the City's strong contention however that lot 11 equally comprises part of the overall development which remains incomplete and dangerous.

It is anticipated that the owner of Lot 11 (and possibly other owners) will seek review of any building order issued in respect to demolition of the property under statutory review rights and this is more likely with any requirement to retain the façade. This would invariably result in determination of the matter by the State Administrative Tribunal (SAT) however, legal advice received by the City suggests that as per the principles established in *Branca and City of Stirling* [2014 WASAT 77], SAT would be in a position to require demolition of the entire development (lot 11 included) as there is little prospect the building will ever be completed.

In the event that owners do not comply with a building order to demolish the building, the City has the ability to undertake demolition in default and seek recovery of costs, either directly through the owners or in court (s118 Building Act 2011). Whilst this would resolve the issue of the dangerous building, it would require up-front expenditure by the City to remove the building.

As an alternative and initial course of action, the City may prosecute the owners for failing to comply with the building order (s115 Building Act 2011) and use the proceeds of prosecution to fund or at least partly fund the cost of demolition - where the owners failed to comply with a subsequent building order(s) to demolish. Prosecution would have the effect of terminating the legal authority of the initial building order requiring a further order to be issued.



Under section 115 of the Building Act, failure to comply with a building order attracts a maximum penalty of \$50,000 for first offence, \$75,000 for a second offence and \$100,000 for a third offence.

Where subsequent demolition orders were not complied with, the City would have the option to instigate further prosecutions which would of course increase the amount of funds available to the City to be able to carry out demolition. Any shortfall in demolition costs may be recoverable from the owners either directly or in court (s118 Building Act).

VOTING AND OTHER REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

- 1. Approves the issue of a building order pursuant to Section 110 of the *Building Act 2011* requiring owners of 5 Beach Street, Fremantle to demolish and remove the building, whilst preserving the existing historic façade along Beach Street.**
- 2. Delegate authority to the Chief Executive Officer to commence legal proceedings against owners upon failure to comply with building order.**



11.2 Strategic and general reports

C2402-14 COUNCIL INFORMATION REPORT – FEBRUARY 2024

1. FREMANTLE PARK CENTRE

Meeting date:	28 February 2024
Responsible officer:	Director City Business
Voting requirements:	Simple Majority
Attachments:	Nil

Council at its meeting held in August 2023, adopted the following resolution:

Council:

1. **Note *Council's response to the request for support received from the Fremantle Park Centre is consistent with our Strategic Plan objective to "Partner with the community to build capacity for social inclusion, connectivity and capital."***
2. **Approve the provision of a one-off support payment of \$60,000 to the Fremantle Park Centre subject to:**
 - a. **Appropriate funding (that is surplus to current requirements) being identified and a formal budget amendment being brought back to Council for approval.**
 - b. ***Council approval of an appropriate payment schedule and approval process for payment release.***
 - c. **Expenditure of the support payment by Fremantle Park Centre being limited to the payment of wages that contribute to the administration and management of the Centre.**
 - d. **The City being recognised as a sponsor of the club and receiving benefits to be determined in line with the City's Grant's and Sponsorship policy.**
3. **Request *the Chief Executive Officer develop in consultation with the Fremantle Park Centre and its member clubs by February 2024 a longer-term solution for the sustainable operation of the facility including measures by which this solution may be evaluated and report back to Council by February 2024.***

Noting the resolution requested a report to be provided to Council in February 2024, by way of update officers are currently finalising further engagement required to complete the report and as such will be presenting the report to Council in March 2024.



OFFICER'S RECOMMENDATION

Council receive the following information report for February 2024:

1. FREMANTLE PARK CENTRE



**C2402-15 PROPOSAL FOR MAJOR LAND TRANSACTION FREMANTLE
PUBLIC GOLF COURSE**

Meeting date:	28 February 2024
Responsible officer:	Manager Economy & Commercial
Voting requirements:	Absolute majority required
Attachments:	<ol style="list-style-type: none">1. Fremantle Public Golf Course Business Plan2. Fremantle Public Golf Course Engagement Report3. Fremantle Public Golf Course Planning & Operational Summary, Proposed Site Plans & Proposed Concept Design Plans4. Belgravia Leisure Cost Plan5. Fremantle Public Golf Course Site Management Plan6. Fremantle Public Golf Course – Operational Management Plan
Confidential Attachments:	<ol style="list-style-type: none">1. Belgravia Leisure EOI Submission2. Public Golf Course Market Valuations3. Corporate Structure and Finances

SUMMARY

The purpose of this report is to present public submissions received following the advertising of a business plan proposing the disposal of the Fremantle Public Golf Course to Belgravia Health and Leisure Group Pty Ltd ATF the Belgravia Leisure Unit Trust (Trading as Belgravia Leisure).

This report recommends that Council receive the submissions, adopt the advertised business plan and authorise the Chief Executive Officer to finalise and enter into a lease in line with the essential terms outlined in the advertised business plan.

BACKGROUND

In November 2020, Main Roads WA (Main Roads) commenced work on the conversion of the intersection of High Street and Stirling Highway into a roundabout. The new roundabout is a key feature of the Main Roads' \$118 million High Street Upgrade project, which was designed to reduce traffic congestion and improve road safety.

As a result of the works, Main Roads acquired a portion of the land located upon the Fremantle Public Golf Course, requiring the existing course to be redesigned over a smaller footprint.

**Agenda – Ordinary Meeting of Council
28 February 2024**



As part of the High Street project, Main Roads has funded a program of accommodation works including the reconfiguration of the golf course and, in the next phase, the construction of a replacement club house and community centre.

The Fremantle Public Golf Course is a major asset of the City of Fremantle and provides a golfing experience for locals and visitors alike.

The redesigned 9-hole, par 34 layout includes three completely new holes – including a par 5 hole, and new bunkers, tees, and greens. The revamped course also features an upgraded irrigation system, new cart paths and course furniture, as well as a new practice chipping and putting green.

The course is currently being maintained and managed on an interim basis by the neighbouring Royal Fremantle Golf Club under the terms of a Management Agreement which expires in March 2024.

An expression of interest (EOI) process was commenced in February 2023 seeking applications from capable and experienced golf course operators for the management and maintenance of the Fremantle Public Golf Course.

In accordance with the City's Leasing of City Property in a competitive manner policy, unless policy exemptions apply, the City advertises commercial properties in an open and competitive manner when they become available for lease.

The property was advertised across multiple platforms from 27 February 2023 to when the EOI closed on 12 May 2023. The City received four submissions through the EOI process.

As part of this process, the City received a submission (attached in confidential attachments) from Belgravia Health and Leisure Group Pty Ltd ATF the Belgravia Leisure Unit Trust (Trading as Belgravia Leisure) (the preferred applicant) which met the selection criteria associated with the EOI.

Following the identification of a preferred applicant via the EOI process, in June 2023 the City sought Council approval to authorise the CEO to commence negotiations with the preferred applicant, Belgravia Leisure, for a maximum period of three months.

Council approval was granted, subject to following outcomes being prioritised as part of the negotiation process:

- Ensure the public golf course remains affordable, accessible and welcoming for all.



- Require any new facility to include reception areas, social spaces, food and beverage facilities and amenities that are accessible to, and meet the needs of, all golf course users and the wider community, including the existing clubs.
- Agree on planning and management strategies to mitigate potential impacts of night-time uses on residential properties on Montreal Street, noting the strategic planning framework provides for increased residential density in the precinct.
- Ensure that any activities that encroach into Booyeembara Park are community and / or recreational in nature and accessible by the community.
- Provide a clear demonstration of how parking demand will be met.
- Establish clear performance indicators and makegood provisions for the golf course infrastructure to form part of any proposed lease.

The three-month negotiation period concluded, and the terms agreed to by the proponent were presented to council at its November 2023 ordinary council meeting. Council resolved the following:

Council:

- 1. Endorse the Business Plan outlining the proposed disposal of 20 Montreal Street, Fremantle (the Fremantle Public Golf Course), as shown in Attachment 1.**
- 2. Authorise the Chief Executive Officer to advertise the attached Business Plan in line with the requirements of section 3.59 and 3.58 of the *Local Government Act 1995*.**
- 3. Note submissions received via the Business Plan process will be presented to Council as part of the consideration for approval of the proposed Business Plan following the conclusion of the business plan process.**

As per the resolution, the endorsed business plan was advertised for public comment from 23 November 2023 to 19 January 2024. Public submissions received as part of the advertising process are now being presented to council for consideration.

Further detail in relation to the advertising period and public submissions is included in the consultation section of this report.



FINANCIAL IMPLICATIONS

Construction cost and funding sources

As part of the lease, the preferred proponent has proposed the construction of a club house facility, multistorey driving range, retail, food and beverage facilities and golf course realignment to integrate into Booyeembara Park (as demonstrated in the attached design plans attached).

The estimated cost of the project is \$19 million. This includes a contingency of \$1.8 million to cover any cost escalations that may arise due to current cost pressures in the construction market.

The preferred proponent has proposed a minimum capital investment of \$15.8m to contribute towards the development. LaunchPad Golf is providing the \$15.8m capital investment for the development. A summary of the corporate structure and the Launchpad Licensee's personal financial position is provided in the confidential attachments. Confirmation from the Launchpad licensee's financial institution that they have the capacity to finance the project is also included in the confidential attachments.

The City of Fremantle has been asked to contribute \$3.2 million towards the construction of the clubhouse, parking and external/integration works. A detailed cost plan is attached and outlines the proposed allocation of the City's contribution.

The City's 2023/24 budget includes \$4.3 million for the delivery of the golf course project. This is the budget remaining following the completion of initial works associated with the 9-hole golf course.

The majority of funding for the overarching project has been provided by Main Roads. This includes two contributions so far totalling \$8,071,500:

- An initial contribution of \$6,939,500
- A second contribution of \$1,132,000 to cover market related cost escalations

The total project budget of \$8m is to cover the broader project which includes clearing works, the 9-hole golf course, clubhouse and the replacement of the Montreal Street facility.

To date, the clearing works and delivery of the 9-hole golf course have been completed. There is now \$4.3 million remaining in the budget to deliver the clubhouse and replacement community facility.

Agenda – Ordinary Meeting of Council
28 February 2024



Of the \$4.3 million remaining in the project budget, \$250,000 is City of Fremantle municipal funding. The City's municipal contribution toward the current \$19 million proposal is therefore \$250,000.

Main Roads have provided in-principle support for the proposal and will continue to be engaged throughout the process.

Funding Source	Amount
Lessee contribution	\$15.8 million
External Grant Funding (MRWA)	\$4.05 million
COF Municipal Contribution	\$250,000
Total Project Cost	\$19 million

A breakdown of how project costs have been allocated is provided in the attachments.

Revenue

Based on a current market valuation (attached) and the essential terms agreed to by the proposed lessee, the disposal is expected to generate the following positive impact on the City's budget over the term of the proposed lease, not including Consumer Price Index (CPI) adjustment or market rent reviews throughout the term.

- Rent – \$104,000 p.a. received from commencement of year 3.
- Impact to budget over first term (10 years) = approx. \$832,000 in rent received.
- Impact to budget over first further term (6 years) = approx. \$624,000 in rent received.
- Impact to budget over second further term (5 years) = approx. \$520,000 in rent received.

The proposal is also estimated to generate \$312,690 in rates over the term.

The total revenue impact to the City's budget over the full term of the disposal would be approximately \$1,976,000.00 in rent with any adjustments to CPI being in addition to this, as well as an additional \$312,690 in rates. This will result in a total of approximately \$2,288,690 in revenue being collected by the City over the term of the lease.



Return on Investment

The proposal is estimated to generate approximately \$2,288,690 in lease and rates revenue over the full term of the lease. Based on a municipal contribution from the City of \$250,000, the proposal will deliver a positive return to the City of approximately \$2,038,690 over the term of the lease.

Notwithstanding that there is a positive return on investment when only factoring in the City's municipal contribution, the total contribution to the project inclusive of the Main Roads WA funding is \$3.2 million. When this is compared to the lease and rates revenue generated by the project, it results in a shortfall of \$911,310 over a 21-year period.

Given the development and associated outcome being proposed is not purely commercial in nature and is primarily intended to deliver a community facing public service, this project was never intended to, and is unlikely to deliver a commercial level of return comparable to that of a purely commercial lease.

However, when factoring in the residual value of the building when it is vested back to the City at the end of the lease (est. to be approximately \$5.7m based on a straight line depreciation method over a 30 year period, or approximately \$11.02 million over a 50 year period) the net result for the project is a minimum return on investment for the City Fremantle of approximately \$4,788,690, if the minimum residual value of the building is incorporated.

In addition to the lease and rate revenue generated by the proposal, the contribution of \$3.2 million to the project has also resulted in a further external investment of \$15.8 million into Fremantle's Public Golf Course, that may not have occurred otherwise. This increased investment will deliver the added value of a dedicated driving range facility, with all facilities constructed vesting back to the City as a community facility at the end of the lease term. Therefore, any residual value associated with the building at the end of the lease term should be factored in to the City's return on investment.

There is also likely to be a range of broader qualitative benefits achieved given this will be the first Launchpad facility in Australia. It is likely to generate a positive PR impact and result in increased visitation to Fremantle given the positive brand association with the facility.

Furthermore, the rental return associated with the lease is based on the facility currently being proposed. If the City were to progress with initial plans and construct the originally designed club house (at a higher cost to the project of \$4.2 million), rental return would be reduced and the project would deliver a considerably lower return on investment in comparison to what is currently being proposed.



Determination of Valuation

The City had two market valuations undertaken by valuers. The first valuation was undertaken on 8/9/2023 and was based on the original scope of work as outlined in the EOI documentation (clubroom/café development). This valuation was determined at \$105,000 per annum, based on a tenant leasing the site as constructed.

After the EOI closed and a preferred proponent was shortlisted, due to the alternative development outcomes being proposed (two story driving range, pro shop and F&B facilities) an updated valuation was undertaken on 26/10/23. This valuation was determined as \$150,000 per annum, based on a tenant leasing the site as constructed.

Due to negotiations on lease terms not yet being concluded, neither valuation took into account how the development was to be funded and by whom. The valuations were based on 'as is' or 'as if constructed' basis and do not consider lessee/lessor contributions a factor as this is negotiated between the parties in the form of cash and/or rent-free periods.

Although not addressed in the valuation report, the valuer has indicated that the value of capital investment proposed by Belgravia Leisure would normally warrant a valuation closer to what has been agreed upon (\$104,000 p.a.) due to the significant value that will remain in the asset and vest with the City upon expiry of the Lease.

Community Centre

In June 2023, Council resolved to request the Chief Executive Officer to identify options for the provision of an appropriate community facility including consideration of options at either the existing site, or another suitable site.

Based on this proposal excluding a standalone community facility, it is proposed that the \$1.1 million remaining (after the initial \$3.2m contribution towards this project) be utilised to fund works associated with a standalone community facility, in line with the June 2023 Council resolution, in order to replace the Montral Street facility that existed prior to the golf course redevelopment.

A further report with options will be brought back to Council for consideration and further community consultation will be undertaken.

LEGAL IMPLICATIONS

The City is required to dispose of property in line with the requirements of the *Local Government Act 1995*. Under section 3.58 of the Act, a Local Government can dispose of property in the following ways:



- (a) the highest bidder at public auction; or
- (b) the person who at public tender called by the local government makes what is, in the opinion of the local government, the most acceptable tender, whether or not it is the highest tender.
- (c) If before agreeing to dispose of the property it gives local public notice of the proposed disposition and invites submissions to be made.

Under section 3.59 of the *Local Government Act 1995*, a local government can also dispose of property by developing, advertising, and inviting public submissions on a business plan outlining the proposed disposal if the disposal is considered a major land transaction under the Act.

A disposal of property is considered as a major land transaction if the consideration under the transaction, together with anything done by the local government for achieving the purpose of the transaction, is more than either —

- (i) \$10,000,000; or
- (j) 10% of the operating expenditure incurred by the local government from its municipal fund in the last completed financial year, which in the case of the City and the expenditure from its municipal fund in FY22-23, was an amount of \$8,962,449.

The terms of the proposed disposal as outlined in the business plan (attached) therefore constitute a major land transaction as defined in the *Local Government Act 1995* (Act).

Given this proposed disposal constitutes a major land transaction, officers have followed and adhered to the process required under section 3.59 of the Act. This has included the development and advertising of the business plan, and now the presentation of submissions received via that process for council consideration.

Should council approve the proposed lease terms, the City will enter into a lease agreement with Belgravia Leisure. Belgravia Leisure will be the Lessee. LaunchPad Golf will be a Sub-Lessee of Belgravia Leisure.

As detailed in the attached business plan, the following essential terms have been agreed upon by the City and Belgravia Leisure for the proposed disposal:

- Lease Term: 21 Years (10+6+5)
- Rent: \$104,000 p.a. from commencement of year 3
- Rent Review: CPI increase/decrease annually, and market review every 5 years
- City of Fremantle Capital Contribution: \$3.2m
- Belgravia Leisure/LaunchPad Capital Contribution: Minimum of \$15.8m
- Commencement date: TBD – estimated early to mid 2024



The following conditions will be included in the Lease to ensure the interests of the City of Fremantle and the golf course project are adequately protected:

- The Lessee must enter into a Sublease with LaunchPad by October 2024 (City to approve terms).
- The Lessee must obtain landlord approval for the plans and specifications of the development from the City by September 2024.
- The Lessee must obtain Development Approval, with a DA lodged by October 2024.
- The Lessee must obtain a Building Permit.
- The Lessee must provide the City with both a construction guarantee and a lease guarantee. The construction guarantee totals the value of the cost to demolish the building and reinstate the land. This ensures that if at any point, LaunchPad or Belgravia Leisure are unable to complete the development, the City can draw on the guarantee to either complete construction or demolish and reinstate the land. The Lease guarantee can be used to rectify any other breach of the Lease.
- The majority of the City's contribution only becomes payable once the building construction is nearing completion.
- The Minister for Lands must consent to both the Lease and Sublease.
- Once the Sublease is in effect, the Lease (Belgravia) and the Sublease (Launchpad) run concurrently, one cannot exist without the other. However, either can be assigned subject to the City's approval.
- The Sublease cannot be assigned without the City's approval and will include a clause to enable the City to novate the lease and can transfer both its rights/benefits and obligations. If the Lease is breached and terminated, the City can enter into a new lease with a new party.

Should LaunchPad cease to operate the LaunchPad Facility during the term, Belgravia Leisure must ensure the continued operation of the LaunchPad Facility and deliver an equal or a higher level of service.

The LaunchPad/driving range Facility will vest with the Lessor (the City) upon the expiry or earlier determination of the Lease.

Additional Performance Indicators captured within a lease will include:

- Compliance with the City's Site Management Plan
- Compliance with the City's Public Golf Course Operational Management Plan
- Re-engagement of the previous clubs and community groups
- Number of rounds metric
- Customer satisfaction metric
- Provision of free space for community groups within the precinct to undertake free community activities such as precinct group meetings and community gatherings.



The deadline for completion of the development is June 2026 with the building vesting with the City at the conclusion of the Lease term (2045).

CONSULTATION

As per section 3.59 of the *Local Government Act 1995*, a Council endorsed business plan outlining the details of the disposal was advertised statewide from 23 November 2023 to 19 January 2024.

The business plan was advertised in the following ways:

Social Media

- The public engagement program for this project was regularly mentioned on the City of Fremantle's Facebook page, as well as its Instagram profile throughout the lifespan of the submission period.

Local Media

- Call for public submissions was advertised in the Fremantle Herald and The West Australian as per Local Government Act 1995 guidelines for this type of proposal. The advertised dates were as follows:
 - Friday 1 December (The West Australian)
 - Saturday 2 December (Fremantle Herald)
 - Friday 8 December (The West Australian)
 - Saturday 9 December (Fremantle Herald)
 - Friday 12 January (The West Australian)

Electronic Newsletters

- The Community Engagement team advertised this project via its monthly engagement newsletter in November and December of 2023.
- The Community Engagement team advertised the project again in its monthly engagement newsletter in January of 2024.
- This email is deployed to over 2,800 users who are subscribed to hear engagement updates from the City of Fremantle.

Community Drop-in Session

- City officers hosted a community drop-in session on January 10th, 2024. This event was attended by 10 people.
- The event was organised to provide clarity and answer questions about the proposed business plan.
- Representatives from Belgravia Leisure and Launchpad were in attendance, and fielded audience questions during this session.

Website/s

- The business plan was published on the City's website and made available on the city's MySay Freo online engagement platform.



Hard Copies

- Hard copies were made available at the customer service desk at the Walyalup Civic Centre.

Notice Board

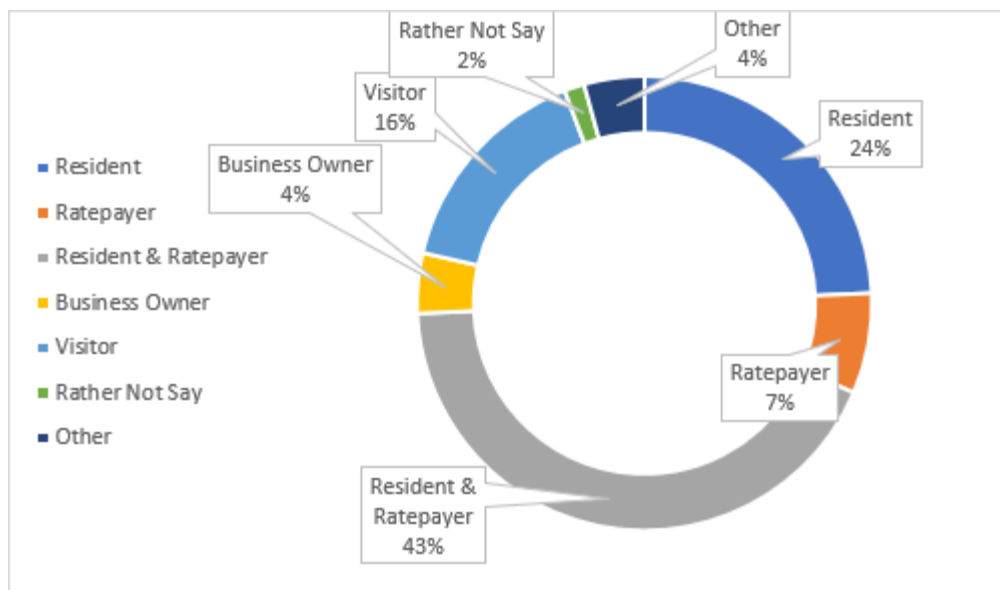
- A notice was placed on the City of Fremantle noticeboard in the customer service area in the Walyalup Civic Centre.

The engagement report is attached and includes all submissions received throughout the advertising period with a summary of the submissions.

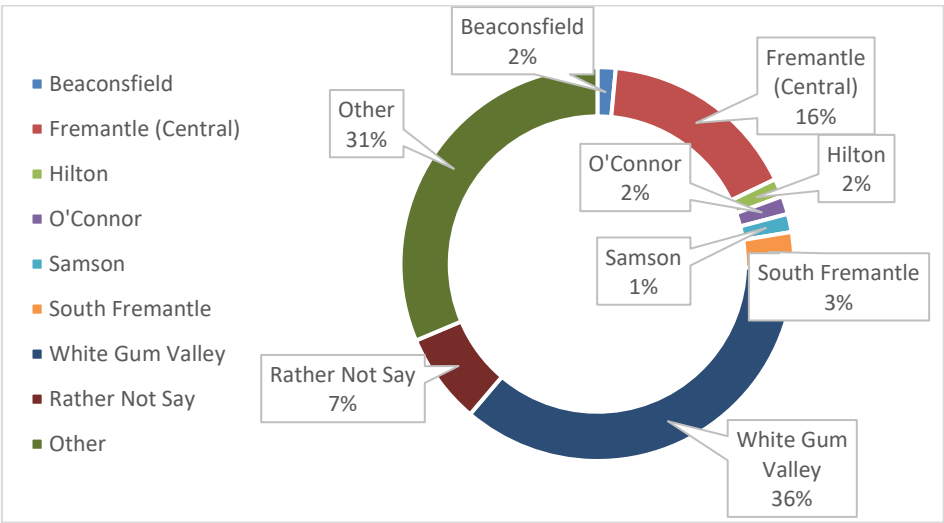
Submissions received via the Public Advertising Process

Upon conclusion of the advertising period for the business plan that proposes a lease between the City of Fremantle and Belgravia Leisure, Council received a total of 73 submissions via the advertising process. This included:

- 67 formal submissions through the City's MySay portal.
- 6 written submissions via email or as attachments through the City's MySay portal.



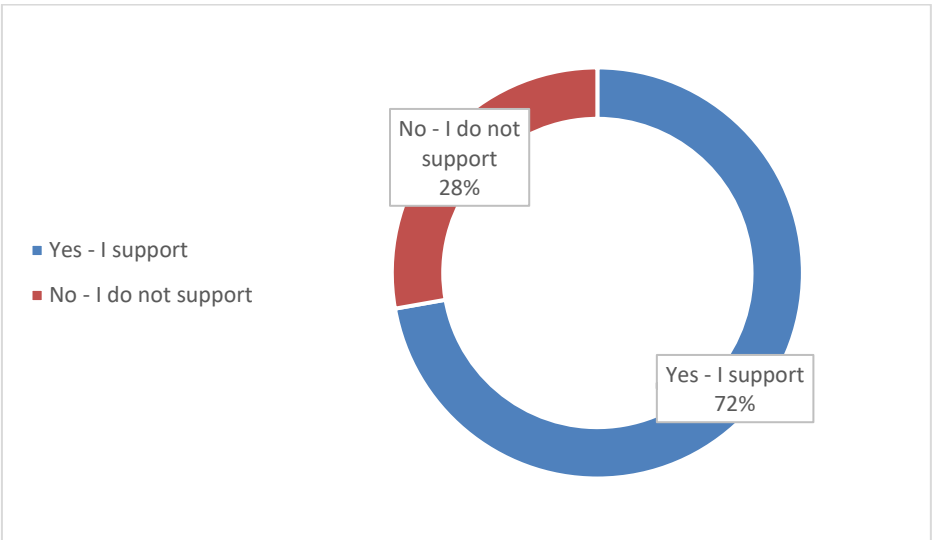
The majority of respondents identified as residents and ratepayers with 43% identifying as both a resident and a ratepayer, 24% identifying as residents, and 7% identifying as ratepayers. 16% of respondents identified as visitors to Fremantle. 4% of respondents identified as other and confirmed their connection to Fremantle as community advocates, ex golfers, or former residents of the City of Fremantle.



Majority of respondents (36%) were residents from White Gum Valley with 31% of respondents stating “other”. The 31% “other” respondents specified they were residents of Hamilton Hill, Bicton (3), Coogee (2), South Perth (3), Queens Park, Carramar, Kalgoorlie, City of Perth, Mount Hawthorn, Embleton, Kardinya, East Fremantle, Ocean Reef, Palmyra, Wanneroo, Claremont.

Of the submissions received throughout the advertising process:

- 72% of respondents support the proposed business plan.
- 28% of respondents do not support the proposed business plan.



When providing their response, respondents were asked to share why they either supported or did not support the proposal.



Of the respondents that supported the proposal, the majority of respondents stated the following reasons why:

- Strong support for a facility upgrade
- Excitement about the diverse user appeal
- Economic and tourism benefits
- Unique features and recreation offering
- Community and social hub integration

Of the respondents that did not support the proposal, the majority of respondents stated the following reasons why:

- Misalignment with Council plans (Booyembara Park Landscape Plan and Golf Clubhouse and Community Facility designs)
- Development size and commercial focus
- Environmental impact and wildlife concerns

A full engagement report with a full summary of feedback is attached to this report.

OFFICER COMMENT

At its July 2023 council meeting, Council requested a series of key outcomes be considered as part of the lease negotiation process. These outcomes were considered throughout the negotiation process and information demonstrating how the criteria will be addressed was provided to Council at its November 2023 council meeting.

The outcomes included:

- Ensure the public golf course remains affordable, accessible and welcoming for all.
- Require any new facility to include reception areas, social spaces, food and beverage facilities and amenities that are accessible to, and meet the needs of, all golf course users and the wider community, including the existing clubs.
- Agree on planning and management strategies to mitigate potential impacts of night-time uses on residential properties on Montreal Street, noting the strategic planning framework provides for increased residential density in the precinct.
- Ensure that any activities that encroach into Booyembara Park are community and / or recreational in nature and accessible by the community.
- Provide a clear demonstration of how parking demand will be met.
- Establish clear performance indicators and make good provisions for the golf course infrastructure to form part of any proposed lease.

Information as to how the proposal will achieve the required outcomes as stated above is provided to follow.

Ensure the public golf course remains affordable, accessible and welcoming for all

The proposed outcome maintains the existing operation of the 9-hole golf course and incorporates additional amenities including the new driving range and food and beverage service. Green/admission fees will be maintained in line with industry standard public golf courses across Western Australia.

Fees and charges are revised annually and are based on industry benchmarking so that golf course admission prices remain commensurate with other Western Australian public golf courses. Belgravia Leisure currently utilise the same methodology at Point Walter, Marangaroo and Carramar Golf Courses ensuring the game is aligned to industry standards. Players can make a booking via phone with the Pro Shop or make a booking via the bookings platform online.

The LaunchPad driving range offering caters to a broad demographic and specifically targets a younger audience with its social and gamified experience, integrated with technology and social network formats. This off-course offering makes it easier for new players to be introduced to golf and start with the game, whilst still catering to the traditional golf course offering.

The dual strategy aims to grow the game of golf amongst both core players and the larger addressable market. Belgravia Leisure will manage, operate and maintain the 9-hole golf course and Pro Shop during the day for core users, whilst LaunchPad will deliver the entertainment driving range product in the evenings.



LaunchPad Golf Driving Range - Heritage Pointe AB, Canada



Belgravia Leisure will work to cross-promote the two experiences, with the goal of growing pathways to the traditional game of golf and strengthening the long-term financial sustainability of the 9-hole golf course asset.

The use of the facility shall be made available to all members of the public without restriction. Belgravia Leisure will ensure participation and usage of the facilities is safe, affordable, practical, and appropriate to what is available, while also remaining inclusive to members of the general public.

Belgravia Leisure will operate the facility and ensure it is welcoming to the broader public including surrounding residents and families. The operations will allow for participation and growth in programmes inclusive to all aspects of the community including but not limited to:

- i. Juniors
- ii. Women
- iii. Diverse cultural backgrounds
- iv. People with disabilities
- v. Vulnerable or disadvantaged members of the community

There are a number of clubs and sporting groups who were disrupted when the golf course works were undertaken by Main Roads WA. Given the temporary model that is currently in place at the Public Golf Course, there has been limited success in re-engaging these groups.

Belgravia Leisure has proposed to re-engage clubs and groups who previously engaged with the golf course and continue the ongoing engagement of the clubs who are currently utilising the facility. Belgravia Leisure is proposing several key initiatives aimed at strengthening relationships with existing golf clubs and attracting previous clubs back to the facility. This will include:

- **Consultation and Relationship Building:** Establish open communication channels with current golf clubs. This involves organising meetings and discussions to understand their needs, preferences, and any concerns they might have. The goal is to develop a strong, mutually beneficial relationship, ensuring these clubs feel valued and heard.
- **Assurance of Continuity:** A primary focus will be to reassure existing golf clubs of their continuous access to the golf course. This reassurance is crucial in maintaining their loyalty and engagement, especially during the transition phase and any future changes or developments at the course.
- **Outreach to Former Clubs:** To reengage previous clubs, Belgravia will initiate outreach programs. This will include direct communication, special events, or tailored offers designed to rekindle their interest in the golf



course. The objective is to show these clubs the improvements and new facilities at Fremantle Public Golf Course since their last engagement.

Belgravia Leisure will be required to demonstrate it has made best endeavours to maintain a reasonable level of community access to the grounds and buildings within the leased area by allowing for the following activities to take place:

- Opportunities for community members and groups to access the building/facilities through hire options made available at a cost that is commensurate with other similar publicly accessible facilities.
- Opportunities for community members and groups to access the building/facilities during standard opening hours.
- Free meeting space up to six times a year for public groups of up to 30 people associated with Booyeembara Park and related areas, facilitating their meetings and events.

Require any new facility to include reception areas, social spaces, food and beverage facilities and amenities that are accessible to, and meet the needs of, all golf course users and the wider community, including the existing clubs.

The proposal includes an enhanced food and beverage service catering to golfers, the general public, and visitors to Booyeembara Park. This offering seeks to improve the overall user experience and ensure the golf course's sustainable operation in the future.

The LaunchPad golf facility is proposed to comprise the following components that achieve this outcome:

- A two-storey driving range, pro shop and associated amenities building, set back 30m from the Montreal Street (western) lot boundary.
- A large dining area and kitchen available to golf course patrons and the wider community.
- Ordering kiosk on the southern elevation of the building that integrates with the future redevelopment of Booyeembara Park.
- Female and male toilets, both of which are available and accessible to the community without any requirement to make a purchase within the facility.
- Staff room, server room, data room, ball room and storage/equipment rooms.
- Two large open areas that are available to be utilised as events and functions spaces and are open and accessible to the community.
- An enhanced food and beverage service catering to golfers, the general public, and visitors to Booyeembara Park.



In addition, the proposal will also incorporate to the following:

- A new putting green area to the west of the building.
- A total of 40 hitting bays.
- Floodlights attached to the building and directed to the east.
- Two 7m wide vehicle crossovers to Montreal Street, providing access to a 36-bay car parking area. Two bays are likely to be designated for Electric Vehicle charging. Bicycle racks are also proposed, encouraging sustainable and alternative means of transport.
- A loading and bin store area.
- Relocation of the first hole tee box of the Fremantle Public Golf Course.
- Various landscaping, footpaths, and pavement treatments.
- Removal of approximately six trees to accommodate the new driving range building and high-level fencing. Additional planting will occur elsewhere on the development site with an objective to achieve a net gain in trees.

Agree on planning and management strategies to mitigate potential impacts of night-time uses on residential properties on Montreal Street, noting the strategic planning framework provides for increased residential density in the precinct.

Belgravia Leisure have proposed to operate the venue and golf course under a Special Facility liquor license. The course is currently operated under the Special Facility liquor license held by Royal Fremantle Golf Course which the new operator would seek to transfer.

Including on the golf course, the maximum number of patrons and staff is expected to total 306 (276 patrons and 30 staff). The facility is intended to operate from 7am to 12pm, 7 days per week, subject to licensing and regulation approvals.

The proposal is consistent with the objectives of the Parks and Recreation reserve and seeks to enhance the existing amenity of the golf course and provide an interactive interface to the park encouraging activation of the reserve.

A development application will require the preparation of the necessary supporting documents to demonstrate that the proposed development will not result in any adverse amenity impacts to sensitive premises by means of noise, traffic and light spill.

As a result of this development and other increased traffic activity within the area surrounding this development, the City will undertake appropriate traffic modelling and management planning in order to resolve any potential changes to the traffic flow and parking impacts within the area.



In relation to noise, a development application will need to consider the noise impacts associated with the proposed facility and demonstrate compliance with the Environmental Protection (Noise) Regulations 1997 during operating hours.

An Environmental Noise Assessment Report will need to be prepared by a suitably qualified acoustic consultant. In consideration of potential noise impacts, the proposal has been designed/oriented to face east, away from the nearby residential uses. The building is set back a minimum of 30m from the western lot boundary, providing a minimum separation distance of approximately 190m from the existing residential properties to the southwest of the development site.

A lighting assessment is likely to be required, demonstrating compliance with AS/NZS 4282.2019 Control of the obtrusive effects of outdoor lighting. The maximum limit of illumination will be assessed within the lighting assessment.

Given the proposed facility faces east, away from the nearest residential properties, there is expected to be little (if any) impact on the amenity of nearby residential properties.

Accordingly, the proposal is expected to provide an appropriate amenity outcome through its overall design, location and operational measures.

During the development of the operating model, consideration will be made to the requirement for the provision of after-hours security to ensure a safe environment for residents and patrons.

Ensure that any activities that encroach into Booyeembara Park are community and / or recreational in nature and accessible by the community.

In considering integration with Booyeembara Park, the proposed concept design package (attached) incorporates the following design features that are community/recreational in nature and are accessible to the community:

- Undercover Alfresco Space and Order Kiosk located at the southern end of the building, this space is designed to integrate with the City's future plans for this section of Booyeembara Park. Park visitors can order food and drinks from the walk-up order and collect window, allowing interaction with the park.
- The proposed installation of public art on the south side of the building facing the park. Subject to the appropriate consultation and engagement with Walyalup Whadjuk Nyoongar Elders, the public art works are proposed to represent the aboriginal symbols for "sand hill" and "meeting place".



- A minor (171 m²) encroachment of the buildings south end is required into Booyeembara Park. Belgravia Leisure have determined this encroachment is required to prevent the full redesign of the ninth hole and a shortening of the first hole to the extent that it becomes unplayable. This encroachment is proposed to benefit users of the park by providing an alfresco dining area and food and beverage services.
- Practice Green & Realigned First Tee located at the northwestern aspect of the building.
- Netting: Belgravia Leisure have sought advice and a design from their netting supplier, Country Club International, on the amount of netting required who have advised the following:
 - Left-hand Side of the range: Safety Screen to be 100m in length by a minimum of 24 metres in height.
 - Right-hand Side of the range: Safety Screen to be 175m in length by a maximum of 36 metres in height.
- Bike Racks: Additional bicycle parking racks located near the building entrance.
- Car Park Modifications: Adjustments have been made to minimise any encroachment into Booyeembara Park and achieve a tree canopy cover of minimum 20%.
- The preservation of the Olive Grove Axis as a green, park-like pedestrian connection to Montreal Street. And a well-defined pedestrian connection from the Montreal Street to the entrance of the building.
- EV Charging Stations: Two dedicated EV charging stations, with the flexibility to increase the number of chargers in the future.
- Loading and Bin Storage Area: This undercover section is shielded from public view.



Image: Render of driving range facility interface with Booyeembara Park including Food and Beverage offering with alfresco (Booyeembara Park landscaping is artist impression only).

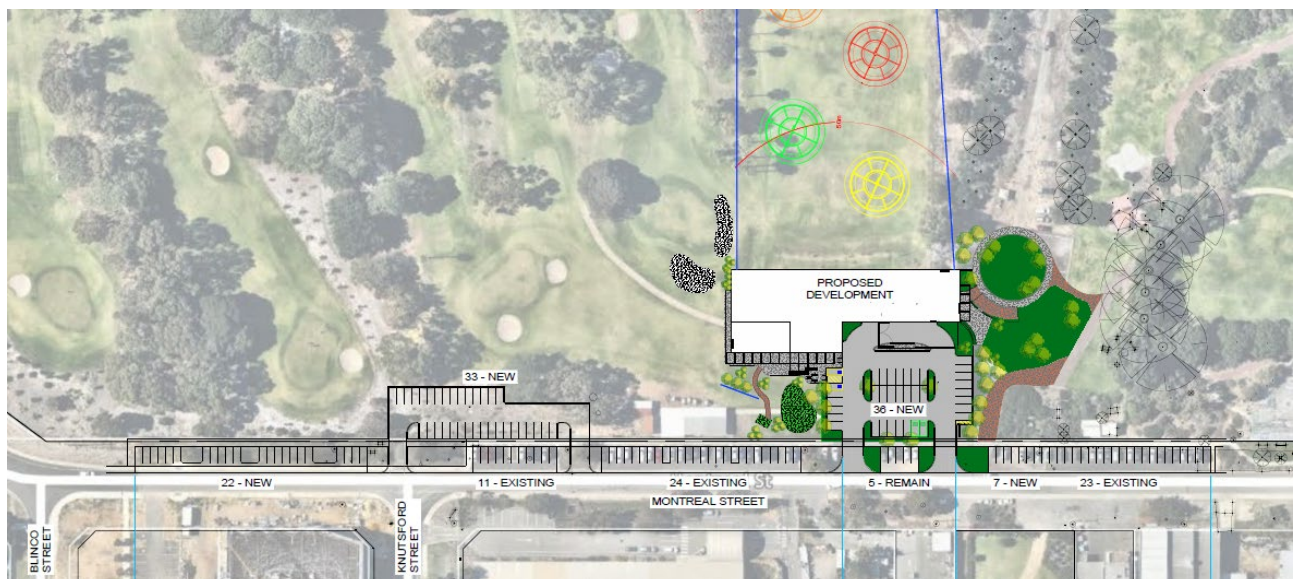


Image: Render of aerial view of Booyeembara Park interface with driving range facility (Booyeembara Park landscaping is artist impression only).

Provide a clear demonstration of how parking demand will be met.

The proposed development is situated within the golf course and will replace the existing driving range. 36 parking bays are proposed on site to accommodate the demand generated by the proposed LaunchPad golf facility. There are approximately 56 existing street parking bays in proximity to the premises on Montreal Street and a further 26 existing street parking bays which may also accommodate patrons of the LaunchPad golf facility and existing golf course patrons.

There is an opportunity for additional car parking bays accessed from Montreal Street which could bring the total bays up to approximately 160 bays. Overall, there is an opportunity to accommodate and potentially use 186 bays.



With regard to statutory planning and technical car parking provisions, the Private Recreation land use is required to provide one car parking bay per five seats or per five people accommodated under the provisions of the local planning scheme (LPS4). The maximum number of patrons and staff is expected to total 306 (276 patrons and 30 staff). The proposed development is required to provide 61 car parking bays. Currently there is estimated to be a 25 bay on site shortfall, however the large surplus of existing and proposed street parking bays within the Montreal Street verge will logically cater for any increased car parking demand.

Furthermore, some of the existing golf course patrons using the Montreal Street car parking bays are expected to use the LaunchPad facility, creating car parking efficiencies. Given the social nature of LaunchPad golf, it is anticipated that some patrons would utilise ride share services. A Transperth Bus stop (the 502 route) is located on Amherst Street, approximately 540m west of the development site by foot.



An appropriate level of traffic reporting, prepared by a suitably qualified transport engineer in accordance with the WAPC's Transport Impact Assessment Guidelines for developments will be provided to support any future development application. This would be in the form of a Transport Impact Statement or Traffic Impact Assessment. The TIS/TIA will examine and confirm whether the existing car parking provision is sufficient to support the LaunchPad Golf facility.

Establish clear performance indicators and makegood provisions for the golf course infrastructure to form part of any proposed lease.

Belgravia Leisure have entered into a collaboration with LaunchPad Golf at the Fremantle Public Golf Course. The primary aim of this partnership is to maintain the existing operation of the 9-hole golf course while introducing additional amenities including a driving range, promoting both fun and social engagement.

A series of provisions have been included in the lease to ensure performance expectations are met.

Maintenance of the 9-Hole Public Golf Course

Belgravia Leisure have agreed to undertake course maintenance in line with the City's Public Golf Course Operational Management Plan (i.e. greens, fairways, driving ranges, tees, bunkers, roughs, course furniture/signs, clubhouse and course gardens, natural bushland), including:

- forward works planning;
- staffing levels and trade certificates;
- ground water and irrigation management;
- plant, equipment; tools and material; and
- pest, disease and weed control strategies, chemical and fertiliser management, and fauna management.

The Golf Course Operational Management Plan was developed for the City by Trevor Strachan Consulting in 2021. Trevor Strachan began his career as a green keeper at Melville Glades in the 1970s and has since worked as a superintendent on a vast majority of Perth's major golf tournaments, including The Vines Classic, The Johnny Walker Classic and both runnings of the Perth International.

In addition to course maintenance, Strachan has been involved in course construction having built and grown-in three of the State's premier facilities - The Vines, The Links Kennedy Bay and the Cut.

Strachan who was most recently the superintendent at Lake Karrinyup golf course for 14 years is the recipient of a WA Golf Industry Recognition award and considered to be one of the State and Country's leading superintendents.



Belgravia Leisure have appointed Programmed Property Services to undertake course and facility maintenance, in line with the City's Public Golf Course Operational Management Plan, as developed by Trevor Strachan. An annual services schedule will be developed in consultation and compliance with the Public Golf Course Operational Management Plan.

Programmed is a provider of construction and maintenance services to the golf industry. Programmed has worked with golf course designers, clubs, and developers to deliver a number of world class golf facilities. Many of the 40+ courses they have maintained or constructed have been on long term contracts that have extended beyond 10 years.

Programmed's overall team is led by State Manager, Cameron Sutherland, who has previously been Arena Manager at the WACA for eight years, General Manager of Ascot and Belmont Park racecourses and facilities, and Pitch Advisor to the State Government on the new Perth Stadium and has a high-level knowledge over a wide range of sporting surfaces.

Programmed have previously delivered course maintenance for prestigious courses in WA such as the Links Kennedy Bay. Programmed also currently has the maintenance contracts for the Fremantle Dockers Training Facility, Burswood Park and will have the contract to maintain the new facility at East Fremantle Oval. In addition this, programmed have been involved in eth construction and maintenance of over 35 golf courses across Australia.

An extensive and detailed overview of Programmed's experience and approach to course maintenance is provided in the Belgravia submission in the attachments.

A range of standard operating procedures have been proposed (outlined in the expression of interest submission attached) to provide a general overview of the maintenance practices employed on the golf course.

This includes the provision of:

- Course maintenance (including greens, fairways, driving ranges, tees, bunkers, roughs, course furniture/signs, clubhouse and course gardens, natural bushland), including:
 - forward works planning;
 - ground water and irrigation management;
 - provision of staff with relevant trade certificates;
 - provision of plant, equipment; tools and material; and
 - pest, disease and weed control strategies, chemical and fertiliser management, and fauna management.
- Facility and infrastructure maintenance (including structures, pathways, fencing, signage, irrigation and landscaping), including:
 - forward works planning;
 - provision of staff with relevant trade certificates; and



- provision of plant, equipment; tools and material.

Further to course maintenance, the Fremantle Public Golf Course is partially located on a historical unregulated landfill site which has since been remediated for this current use.

A Site Management Plan has been developed for the site to manage the risks associated with contamination during routine maintenance and other works. Belgravia Leisure is required to abide by the Site Management Plan (in particular, accepting the implementation of the required management actions during construction and ongoing maintenance of the site), and develop a site-specific HSE plan with consideration of the management measures outlined within the Site Management Plan (attached).

Belgravia Leisure are responsible for all costs associated with implementing and complying with the relevant items in the Site Management Plan.

Community Use of the LaunchPad Facility

In addition to the proposal achieving Council's required outcomes, community access has been incorporated as part of the Lease with the following requirements:

- Lessee must promote the use of the Golf Course and Launchpad Driving Range by the community.
- Lessee will accept and co-ordinate bookings for the use of the Golf Course, the Launchpad Driving Range and hire of the various facilities within the new facility, including the Community Space, by any persons and or groups.
- The Golf Course must remain at all times a public golf course, available for use by the general public, and green fees and similar such fees must be consistent with industry standard fees for public golf courses within Western Australia.
- The Lessee must ensure that the New Facility is made available to all members of the public without restriction. The Lessee must ensure participation and usage of the New Facility is safe, affordable, practical, and appropriate to what is available, while also remaining inclusive to members of the public.
- The Lessee must ensure that sufficient opportunities exist for community members and groups to access the building/facilities during standard opening hours. In particular, the Lessee must ensure that free meeting space up to six times a year for community groups of up to 30 people associated with Booyeembara Park and related areas, facilitating their meetings and events.



Process for Development Application and Planning Approval

Given the site is a Metropolitan Region Scheme (MRS) reserve, the Responsible Authority (for the purpose of any planning assessment) will be the Western Australian Planning Commission (WAPC) or delegated officers from the Department of Planning, Lands and Heritage (DPLH).

As of 1 March, any development over \$2million can opt to have the proposal determined by the Responsible Authority or Joint Development Assessment Panel. Regardless of the approval authority, the City's role will be as a referral agency, providing comment on the application and consistency with the planning framework, and impact on city infrastructure among other things.

Comments in relation to the development application will be referred to Council.

Due to the scale of the development officers will publicly advertise the application. As part of Council's referral, Council can choose to refer the proposal to DAC for design review.

Whilst the City has agreed to a financial contribution the proposed development will be led by a private developer, and there for wouldn't meet the definition of Public Works, confirming that a Development Application will be required.

Local Planning Policy 2.19 – Contributions for Public Art and or Heritage Works

The City's Local Planning Policy 2.19 – Contributions for Public Art and or Heritage Works provides criteria upon which Council can require certain types of commercial and multiple residential development, in specified areas, to contribute to a percentage of the development's total cost to the development of public art works and/or heritage works.

This development sits outside of the scope of the City's Local Planning Policy 2.19 – Contributions for Public Art and or Heritage Works as the Fremantle Public Golf Course is not located within any of the delineated contribution areas.

Development Experience of the proponent

Belgravia Leisure, LaunchPad, and professional partners have a wealth of experience in managing capital projects akin to the proposed development of the Fremantle Public Golf Course.

To ensure capital projects are well managed, Belgravia Leisure appoints a dedicated Capital Project Manager. This role is responsible for overseeing engagements with local government contract partners. Some recent capital projects with local government include:

Agenda – Ordinary Meeting of Council
28 February 2024



- Point Walter Golf Course Goanna Golf, WA
- Point Walter Proshop Renovations, WA
- Heffron Centre, NSW
- Singleton health club gym upgrade and 24/7 conversion, NSW
- City of Liverpool x 2 café upgrades, NSW

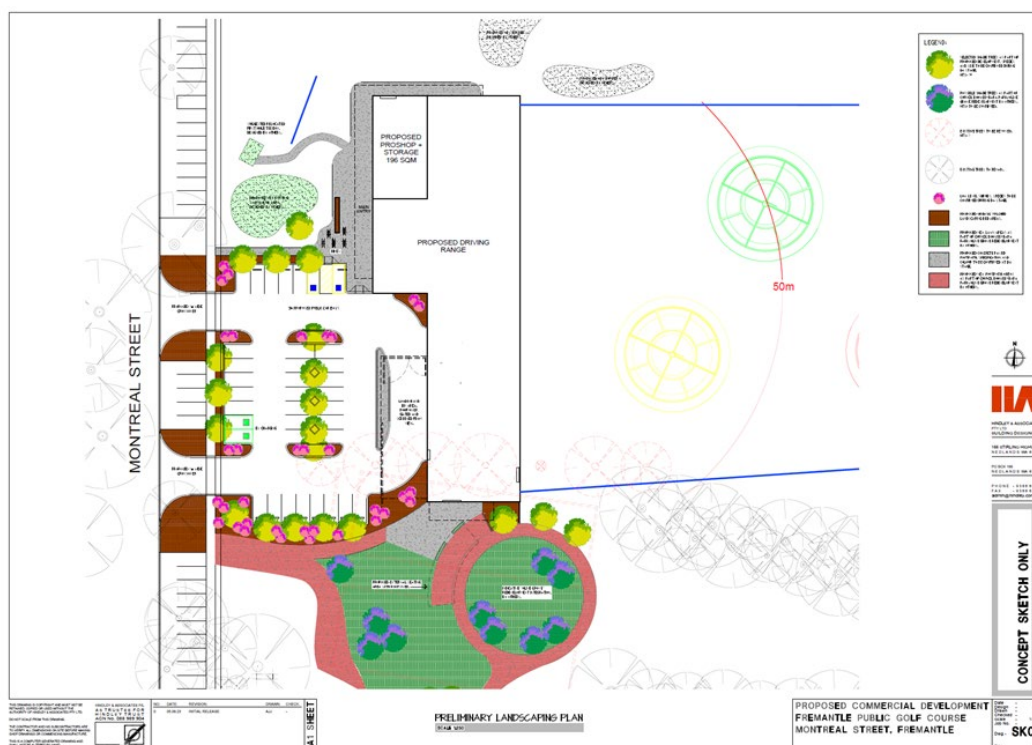
For the planning and construction phases of the Fremantle project, LaunchPad intends to engage the following professional services:

1. Architect: Andrew Jennings-Lowe at Hindley & Associates, Perth
2. Quantity Surveyor: Nigel Ho at MBM, Sydney
3. Town Planning: Marc Re at Planning Solutions, Perth
4. Project Management: Jeremy Tadros at the APP Group, Perth

Additionally, Scott Gunson (LaunchPad Golf) brings eight years of experience as a Business Consultant, where he worked closely on developments including Real Estate & Asset Management, Design, and Construction.

Scope of integration works to Booyeembara Park

The proposed development includes building related works (kiosk and alfresco area) to connect Booyeembara Park with the new building. This is depicted in the preliminary landscaping plan below and is subject to development application approval.



The landscaping included in the concept design plans (turf and circular paving surrounding the turf as outlined below) will be delivered and funded by LaunchPad as part of the project.



Following the completion of the project, the City will take over the ongoing maintenance and management of the area. LaunchPad will manage and maintain the pergola seating area and the carpark in line with the terms of the lease.

VOTING AND OTHER REQUIREMENTS

Absolute majority required.



OFFICER'S RECOMMENDATION

Council:

- 1. Acknowledge the submissions received in response to the Business Plan for the disposal of the Fremantle Public Golf Course to Belgravia Health and Leisure Group Pty Ltd ATF the Belgravia Leisure Unit Trust (Trading as Belgravia Leisure).**
- 2. Adopt the Business Plan as advertised in Attachment 1 and proceed with the disposal of the Fremantle Public Golf Course to Belgravia Health and Leisure Group Pty Ltd ATF the Belgravia Leisure Unit Trust (Trading as Belgravia Leisure).**
- 3. Authorise the Chief Executive Officer to submit a formal request for Main Roads WA approval of the financial contribution being used for the proposal, in line with the essential terms outlined in the Business Plan provided in Attachment 1.**
- 4. Subject to Main Roads WA approval (as per Part 2 of this resolution), Authorise the Chief Executive Officer to enter into a Lease with Belgravia Health and Leisure Group Pty Ltd ATF the Belgravia Leisure Unit Trust (Trading as Belgravia Leisure) in line with the essential terms outlined in the Business Plan provided in Attachment 1.**



C2402-16 DISPOSAL OF 179 HIGH STREET FREMANTLE

Meeting date:	28 February 2024
Responsible officer:	Manager Economy & Commercial
Voting requirements:	Simple Majority
Attachments:	Nil
Confidential Attachments:	1. Property Valuation

SUMMARY

The purpose of this report is to seek Council approval to deliver a public process for the disposal of 179 High Street Fremantle.

This report recommends that Council authorise the Chief Executive Officer to commence a public expression of interest process for the disposal of 179 High Street, Fremantle.

BACKGROUND

In 2001 the City of Fremantle made a commitment to purchase and restore Victoria Hall 179 High Street, Fremantle, due to its architectural, social and cultural value.

Since 2001 the City has systematically undertaken restoration works to the property and has successfully fulfilled the purpose of the property's acquisition by investing approximately \$2 million to restore the Hall's heritage value.

Fly By Night Club was a tenant of 179 High Street over this period. At its February 2018 council meeting, following a business review provided by the tenant, Council resolved to provide the tenant a new short-term and rent-free lease of 179 High Street, Fremantle, from 1 March 2018 to 31 August 2018 in order to provide the tenant with sufficient transitional time in assessing its viability into the future.

Following the departure of Fly By Night Club, Council authorised officers to commence a sales process for Victoria Hall in 2019. No satisfactory offers were received and Council resolved to approve the removal of Victoria Hall from the market for sale until such time as market conditions improve.

The City then issued a licence to Fremantle Theatre Company to operate from 179 High Street. That licence has now expired, a new licence has been negotiated with the current Licensee and allows for the sale of the property.

FINANCIAL IMPLICATIONS

The sale of 179 High Street will have a positive impact on the budget.



A property valuation was undertaken in 2018 and a further valuation undertaken in 2024 has been provided in the confidential attachments.

Net proceeds from any sale are to be placed in the Town Hall Reserve for future restoration and upgrade work requirements.

LEGAL IMPLICATIONS

The property will be disposed in accordance with Section 3.58 of the *Local Government Act 1995* and *Sale of Land WA Act 1970*.

A Memorial is lodged against the property's Certificate of Title under the *Heritage of Western Australia Act 1990*. This protects the historic significance of the building and how it is maintained, used and developed in perpetuity.

CONSULTATION

The current licensee of Victoria Hall is the Fremantle Theatre Company. Officers have maintained communication with the current licensee with regards to the potential sale of the building. This has included exploring suitable alternative options for their future performance needs in the event that 179 High Street is sold. Officers will work directly with FTC to ensure suitable premises for home and performance needs within Fremantle can be achieved for FTC in the event that the building is disposed of. These may not necessarily be the same premises.

OFFICER COMMENT

Victoria Hall was designed as a parish hall for St John's Church in 1896 by John Talbot Hobbs. It was renamed Victoria Hall in honour of the British Monarch at the time of her Diamond Jubilee in 1897. The City of Fremantle purchased the hall in 2001.

Whilst not originally designed as a theatre, Victoria Hall has a large stage as well as a main section of hall which is 18160mm in length and 12060mm in width (excluding the stage) with a wooden floor and panelled wooden ceiling. It includes a mezzanine overlooking the main hall which currently houses audio visual equipment used for events. There is a green room space underneath the stage (stage dimensions approx 8000mm from back wall to front of short thrust and 12060mm wide), with another small dressing room at the back of the hall.

To the rear of the property there is a smaller hall including basic kitchen facilities, which is adjacent to three modestly sized offices.



Running the length of the entire building is a small bar space which also includes an outside area to the rear of the property. The bar is fully fitted out with commercial grade equipment available for use.

After purchasing the property in 2001 the City undertook heritage restorations over a number of years and it has continued to be utilised for community uses by hire and lease.

The property is approximately 845m² and comprises a 587m² building which includes a 215m² main hall with stage and mezzanine. 84m² lesser hall and multiple use rooms throughout the building such as 'green room,' offices, cloak room(s), storage. There is a full bar with separate entrance, side courtyard and public toilet facilities.

Victoria Hall is a heritage registered building, and a condition of sale includes the purchaser entering into a Heritage Agreement with the Heritage Council of Western Australia to maintain the building in line with heritage conditions.

Following settlement and lodgement of the Land Transfer with Landgate and completion of the Heritage Agreement, the Heritage Council will lodge a memorial in respect of the Heritage Agreement with Landgate for placement on the certificate of title to the Property.

It is intended that the proceeds of the sale are invested into the Fremantle Town Hall to support future proposed conservation and upgrade works.

It is intended that suitable offers received as part of this process will be brought back to council for consideration.

VOTING AND OTHER REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council authorise the Chief Executive Officer to commence a public expression of interest process for the disposal of 179 High Street, Fremantle in line with section 3.58 of the *Local Government Act 1995*.



C2402-17 DRAFT PUBLIC OPEN SPACE STRATEGY

Meeting date: 28 February 2024
Responsible officer: Manager Community Development
Voting requirements: Simple Majority
Attachments: 1. Draft Public Open Space Strategy 2024-34

SUMMARY

The purpose of the City of Fremantle Public Open Space (POS) Strategy is to provide strategic direction and framework for the provision and management of POS within the City. The POSS highlights four key priorities.

- 1. Acquisition of public open space through partnerships and agreements**
- 2. Sound management practices**
- 3. Flexible functionality**
- 4. Long-term resilience through advanced practice and technologies**

This report recommends that Council adopts the Public Open Space Strategy 2024.

BACKGROUND

With the growth of recreation and leisure activities, changing population density and increasing importance of POS for community health and wellbeing, there is a need for a strategic approach to guide the planning and management of POS.

In November 2020, Council endorsed the draft Community, Sport, and Recreation Facilities Plan (CSRFP) - 2020 -2030 (*FPOL2011-6*) for advertising, which identified key public open space and set out an equitable and consistent approach for the development and management of sport and recreation facilities over a 10-year period. This draft Plan was not finalised after the consultation period as further review was requested from Council.

As part of this further review the need to develop a POS Strategy to sit above the CSRFP was identified to establish the base for diverse community needs and to achieve the balance for provision of sport, recreation, and nature functions across the POS network.

The City of Fremantle POS framework aligns with the Department of Local Government, Sport, and Cultural Industries (DLGSCI) POS Classification Framework (2012) and defines POS by function and by hierarchy of use.



This review provides a high level Public Open Space Strategy (POSS) and has been developed to provide strategic direction for the Community Sport and Recreation Facilities Plan which is currently under review and development.

FINANCIAL IMPLICATIONS

Preparation and adoption of the draft Strategy is in accordance with allocations in the City's 2022/2023 operating budget. Detailed financial implications will be outlined in the pending Community Sport and Recreation Facilities Plan.

LEGAL IMPLICATIONS

The draft Strategy has been prepared in accordance with relevant State and Local Planning Policies.

The City operates under several different planning policies to determine how much public space is provided, where it's located and how its designed, namely

Development control policy 2.3 - Public Open Space
State planning policy 3.6 - Infrastructure Contributions
Liveable Neighbourhoods January 2009
State planning policy 7.0 - Design of the Built Environment.
State planning policy 7.2 - Precinct Design
Precinct Design Guidelines
State Planning Policy 2.8 - Bushland policy for the Perth Metropolitan Region.

The City also holds several Crown land reserves. Under section 41 of the Land Administration Act 1997 (LAA) the Minister may set aside Crown land as reserve for a particular purpose in the public interest. Every such reservation has a land description and designated purpose registered on a Crown Land Title (CLT) or a conditional Freehold Title encumbered by a Crown Grant in trust and are graphically depicted on a plan or diagram held by Landgate.

CONSULTATION

The POS Strategy has been informed by the *Fremantle 2029: Community Visioning Project*, undertaken in the preparation of the Strategic Community Plan, the community valued Fremantle as a welcoming place, a liveable city, a green city, and a collaborative and connected community. More recently community engagement undertaken as a part of the Community, Sport and Recreation Facilities Plan noted the following feedback from residents. This has been considered in the development of the POSS.



Theme	Detail
Use of Leisure Time	<ul style="list-style-type: none"> - Residents most often spend their leisure time walking, visiting the beach, using the Fremantle Leisure Centre and reading.
Reasons for Using POS	<ul style="list-style-type: none"> - The most common reasons for using the City's POS were to spend time with friends and family, to relax and take time out, to enjoy nature, to exercise alone and walk pets.
Access and Functionality	<ul style="list-style-type: none"> - Access to POS spaces was considered generally good but did vary between suburbs. - There is a need to improve the functionality and capacity of the associated facilities. The existing Sport Spaces were also seen as a priority need by those who use these spaces.
Most Visited POS	<ul style="list-style-type: none"> - South Beach, Booyeembara Park, Hilton Park, Esplanade Park, Sir Frederick Samson Park and Fremantle Park / Oval.
The most Important Features of POS	<ul style="list-style-type: none"> - The most important features of the City's POS were accessibility, shade and native trees and vegetation. - Water management and environmental sustainability are also considered as a high priority by the community.
Safety and security	<ul style="list-style-type: none"> - Residents identified the need to improve safety and security at several POS areas within the City. This included the need to manage dog exercise activity.
Improvement Focus	<ul style="list-style-type: none"> - Areas for improvement include: <ul style="list-style-type: none"> ▪ Lack of compliant infrastructure meeting both modern sporting standards and accessibility requirements. ▪ Outdoor exercise areas. ▪ Improved communication with the community in relation to POS upgrades. ▪ Expansion of the City's pedestrian and cycle path network and connectivity to POS. ▪ Provision of more nature play areas within the City's POS.



The City has just completed a major review of its Strategic Community Plan and engaged with nearly 5,000 people through digital and face-to-face interactions.

The information gathered in that comprehensive process has also helped inform some aspects of the City's new POSS. Findings from the process suggest that there is support for the retention and enhancement of public open spaces.

The importance of public open spaces in relation to health and wellbeing benefits was identified along with the ability for public spaces to support inclusion, community participation and contribute to the creation of thriving local places.

OFFICER COMMENT

The development of the POS Strategy included extensive research, assessment of public open space provision, review of associated strategies and policies and consultation key community stakeholders.

The POS aligns with all outcomes in our Strategic Community Plan, but it most closely aligns with *Health and Wellbeing - Creating a physical and social environment where it is easy for people to lead safe, happy, and healthy lives.*

The strategy is aligned with the POS Guide for Local Governments developed by DLGSCI and its primary focus is on parks and sporting fields. However, there is no one size fits all when applying the POS classification framework.

For example, an open space categorised as district because of size, infrastructure, or use, may also act as local or neighbourhood open space for nearby residents if designed appropriately.

The Public Open Space Strategy assists the City of Fremantle to;

1. Identify and respond to changing recreation trends, challenges, and population.
2. Identify the current Public Open Space provision across the City of Fremantle.
3. Provides key principles to assess the Public Open Space and how to address gaps in provision.
4. Highlight the benefits of Public Open Space for community health & wellbeing.
5. Communicate the Public Open Space framework.
6. Provides guiding information for key State planning processes.



The POS Strategy identifies key challenges and then responds to these directly with four strategic priorities to guide future planning, project implementation and decision making. These are covered with examples on page 11 of the POS Strategy, but in essence cover; -

- a focus on partnerships and agreements to secure and protect POS,
- sound management of POS to balance sport and casual use,
- ensure flexibility of the functionality of POS during design and development,
- sustainable choices in infrastructure and surface care techniques.

It is important to note that whilst POS in this precinct has been included in this strategy the Fremantle Town Centre POS will be directed by further City planning.

Adopting and implementing of the POS Strategy and the impending Community Sport and Recreation Facilities Plan (CSRFP) is a critical step in ensuring a clear and transparent approach for maintaining appropriate and effective services for the community. It is intended that this strategy is reviewed every four years to ensure it remains current.

The CSRFP will include actions and detailed information on specific community, sport and recreation facility requirements, funding models and proposed implementation schedules.

VOTING AND OTHER REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council adopts the City of Fremantle's Public Open Space Strategy 2024-2034.



C2402-18 CORPORATE PLAN REPORT – JULY TO DECEMBER 2023

Meeting date: 28 February 2024
Responsible officer: Manager Business Transformation
Voting requirements: Simple Majority
Agenda attachments: 1. Corporate Plan Report – July to December 2023

SUMMARY

The Corporate Plan Report for July to December 2023 provides a summary of the services, activities, and planned projects for 2023/24. Reporting is aligned to the Strategic Community Plan, maintaining a focus on the long-term outcomes.

This report provides service highlights and progress updates for ongoing monitoring of projects every 6 months of the financial year.

It is recommended that Council receive the Corporate Plan Report for 2023/24, as provided in Attachment 1.

BACKGROUND

All local governments are required to develop a Strategic Community Plan and a Corporate Business Plan in accordance with the Integrated Planning and Reporting (IPR) Framework and subsequent changes made to the Local Government (Administration) Regulations 1996.

The Strategic Community Plan is used to guide the corporate, business, and financial planning for the City. This report will provide an update on the projects and services for 2023/24 that address or contribute to the aspirations of the strategic community plan and outline planned delivery and progress.

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

In accordance with section 5.56 of the Local Government Act 1995, the Local Government (Administration) Regulations 1996 and the IPR Framework and Guidelines local governments develop a Strategic Community Plan and a Corporate Business Plan.

CONSULTATION

Nil



OFFICER COMMENT

This Corporate Plan Report provides a summary of the services, activities, and project progress for the programmed activities in 2023/24 as at 31 December 2023.

In addition to this report and to remain informed about what's happening across the city we also provide an [Interactive Map](#) to locate where projects are happening across the City of Fremantle.

Officers continue to actively manage and monitor progress through monthly reporting.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council receives the City of Fremantle Corporate Plan Report – July to December 2023 as provided in Attachment 1.



**C2402-19 ACCEPTANCE OF MINUTES AND CONSIDERATION OF
MOTIONS FROM THE ANNUAL GENERAL MEETING OF
ELECTORS HELD ON MONDAY 5 FEBRUARY 2024**

Meeting date: 28 February 2024
Responsible officer: Manager Governance
Voting requirements: Simple Majority
Attachments:
1. Minutes of the Annual General Meeting of Electors held 5 February 2024
2. South Beach change rooms – Engineers report

SUMMARY

The purpose of this report is to receive the minutes of the Annual General Meeting of Electors (AGME) held on Monday 5 February 2024, and approve the recommended actions in response to the Motions carried at the meeting.

Questions raised at the meeting and officer responses are provided in the Minutes of the AGME, as shown in Attachment 1.

BACKGROUND

In accordance with the *Local Government Act 1995*, Local governments are required to hold a general meeting of electors every financial year following acceptance of the annual report. Council at its meeting on 20 December 2023, resolved to receive the Auditors report and Audited Financial Statements for the financial year ending 30 June 2023, and set the date for the Annual General Meeting of Electors to be held on Monday, 5 February 2024.

The purpose of an AGME is for electors to ask questions in relation to the annual report adopted by Council for the previous financial year and any other general business. This meeting also provides electors an opportunity to move motions for Council to consider.

FINANCIAL IMPLICATIONS

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

CONSULTATION

The date, time and location of the Annual General Meeting of Electors was advertised in the Fremantle Herald, on the City's public notice boards and on the City's official website for the 3 weeks preceding the meeting.

OFFICER COMMENT



The City of Fremantle AGME was held on Monday 5 February 2024, there were 36 electors present at the meeting. The 12 motions carried at that meeting were as follows:

Motion 1 submitted by Mark Woodcock

That Electors form a small group to write to the Auditor General Office of WA and ask for a full investigation of the finances of the Resource Recovery Group (RRG), investigate the management, operations and reporting of the entity that has lost so many millions of rate payers funds.

Officer's comment

No action is required as a result of this motion. If a small group of electors are seeking to write to the OAG then this does not need any authority of council. It is noted that the OAG sign off on the Audits of the RRG as required under the LG Act.

Officer's recommendation

Council note Motion 1 and no further action is required.

Motion 2 submitted by Dominique Mimmagh

- 1. The City of Fremantle is to immediately commission an independent investigation into the south beach toilet and changeroom project outlining specifically the expenditure on architects and consultants, along with why this projects budget is 3 times the cost of comparable projects, such as Mandurah eastern foreshore toilet block. This report is to be made available to ratepayers and residents.**
- 2. Authorises the CEO to immediately implement this resolution.**
- 3. Justification for the pre-mature demolition of the old toilet/change facility was that the building had concrete cancer. Considering the café was made from the same concrete and is still standing, we the ratepayers would like to see evidence of this so-called concrete cancer. We ask the City of Fremantle to make the building reports public.**

Officer's comment

The change facility and landscape design were developed using feedback received during a project specific community engagement process for the South Beach Place Plan, inclusive of the South Beach Reference Group represented by a number of stakeholder groups.

Agenda – Ordinary Meeting of Council
28 February 2024



The Schematic Design Report for the change facility was presented to Council on 26 October 2022, linked here [Council Minutes - 26 October 2022](#). Council requested the CEO to establish a Reference Group consisting of elected members, staff and targeted stakeholders including the South Beach swimmer group to progress with the detailed design and tender of the South Beach Facilities Project in accordance the October, 2022, approved plan with the CEO having delegated authority to approve the final design. This process occurred in January 2023.

Project high-level Financial Summary:

Building	\$1.9m
Landscape Package	\$604k
Fees & preparatory costs	\$524k
Contingency	\$170k
Municipal Budget	\$3.2m

Detail:

There are two parts to the works –

- The construction of the building (the estimated building construction cost was \$1.9m)
- The surrounding paths, kerbs and planting etc (Landscape package – estimated cost \$604,000)
 - Total estimated 'works' cost \$2.5m
- Associated Facilitation Costs to date (actual and committed) - \$524,000
 - Prepary works \$280,000 – inc:
 - Demolition & associated costs \$150,000
 - Service relocations
 - \$91,000 electrical
 - \$40,000 hydraulics
 - Consultancy fees (Architects inc Structural / Services / Access Engineers) - \$178,000
 - Quantity Surveyor (CoF employed) - \$15,000
 - Geotech report - \$5,000
 - Hire Costs (to date) \$21,000
 - Tree protection report and associated works \$11,000
 - Future Works - committed (Main Switchboard installation) - \$13,000
- Contingency \$170,000

The municipal budget breakdown (above) does not include the Changing Places grant allocation at \$150,000.

Temporary works, extended W/C hire and brought forward works (6 new changing facilities), have resulted in an additional cost of approx. of \$97,000.

The estimated cost of the new facility reflects the size, scope and quality of the proposed building following consultation and feedback.



The former change facilities were dated, in poor condition and had various issues with plumbing and drainage. These, along with the additional issues identified (as a result of the concrete cancer) supported the conclusion that it was not cost effective to invest in the facility further. The decision was made to close the former facility to the public from a safety perspective as material (concrete pieces) was falling from the facility. With the former facility closed and not in use, they were demolished prior to awarding a contract for the new build to allow time for service relocation works and site preparation to occur so that new works could commence unimpeded upon award. At the time of making this decision the process for tenders was well underway and the anticipation was that an award would be made prior to Christmas 2023.

The level of degradation and concrete cancer to the café area of the facility were assessed and considered less severe and able to be treated in a cost effective manner.

A copy of the Engineers report for the South Beach change rooms dated 21 March 2021, is provided in Attachment 2.

Officer's recommendation

Council note Motion 2 and no further action is required.

Motion 3 submitted by Dominique Mimmagh

- 1. Request that Council instructs the City to:**
 - a. Publish a weekly pesticide schedule;**
 - b. Leave glyphosate and other pesticides caution signs up for 24 hours; and**
 - c. Use glyphosate and other pesticides with marker dye so sprayed area is visible.**
- 2. Request the City of Fremantle investigate safer alternatives to the use of pindone/glyphosate.**
- 3. The City of Fremantle provide a response to part 1 and 2 above by 30 June 2024.**

Officer's comment

The City's approach to integrated weed management was addressed by officers in a report to Council in November 2019. A link to the minutes of this meeting is provided here: [FPOL Committee Minutes - 13 November 2019](#)

As identified in and since the 2019 report to Council, the City has continued to review its herbicide practices on an ongoing basis with a view to reducing



chemical use. The City was one of the early adopters of steam weeding and this is used extensively across the City.

In relation to the broader management of weeds, the City manages them for a range of reasons including to:

- Maintain the amenity of public open space.
- Provide safe and compliant surfaces for sporting use.
- Ensure the survival of desirable plant species to maintain biodiversity.
- Maintain the aesthetics of the City to the standard the community expect.
- Manage fire fuel loads.
- Reduce the weed seed bank across the City in an attempt to reduce further germination.

The City currently employs a range of weed management practices, depending on the target species, location and control measure sought, as follows:

- **Non-permeable** surfaces such as roads, kerbs and footpaths as well as playgrounds (softfall sand and rubber) with steam weeding. Steam weeding is reasonably effective but expensive. Due to the mode of action of this treatment, treatment is required more frequently on many weed species, however technology is rapidly improving. It also has limitations to where it can be used (i.e. it is largely ineffective in natural areas due to access) and it poses other risks with respect to heat and machinery which need to be balanced.
- **Permeable** surfaces such as verges, turf and natural areas using mechanical methods (mowing, manual removal etc.) and chemical application (glyphosate and other selective herbicides). Management of weeds in turf is very different to bushland which is again different to garden beds.

Specifically, we control weeds as follows for:

- footpaths, roads and kerbs using steam control, 12 times per year in CBD priority areas (areas that receive pavement pressure cleaning), six times per year in other CBD areas, six times per year on main arterial roads and two times per year in the outer suburban areas. Playground areas are steam weeded 6 times per year.
- arterial road verges are controlled using mowing.
- garden areas are controlled with hand weeding and herbicides (glyphosate and selective herbicides).
- turfed areas including grassed areas within parks and all playing fields, weeds are controlled with selective herbicides for broadleaf weeds (dandelion, bindi etc.). Mechanical control is used where this can be practically achieved.
- natural areas (bushland, coastal dunes, riverine bushland), spot spray / cut & paint, wand application of a range of herbicides appropriate to the weed being controlled and the surrounding environment are used, along with mechanical and hand removal where it is appropriate and desirable as a control method. We also have active hand weeding community groups in Samson Reserve and Booyeembara Park.



Other initiatives include:

- Air induction nozzles used, which created larger spray droplets, which are less impacted by wind.
- All applications are undertaken in line with product label directions and all required compliance.
- When Glyphosate is used, the Biactive formulation is applied.
- Works programs are managed to ensure minimal (essential) spraying is undertaken during school holiday periods.

The City does not currently use Pindone for feral animal control.

Officer's recommendation

Council note Motion 3 and no further action is required.

Motion 4 submitted by Dominique Mimmagh

Request that Council instructs that from now on the City is to:

- 1. Disclose any negotiation between telecommunication providers seeking to use any local government resources for 5G network infrastructure.**
- 2. Have a local law to restrict small cells from residential areas.**

Officer's comment

All proposed new telecommunication towers (including 5G networks) require a development application, and these are publicly advertised for comment, prior to determination.

Local Government is unable to pursue a Local Law where it would produce a conflict with an existing law or regulation. In this instance, the proposed Local Law would be in direct conflict with the Telecommunications Act 1997.

Officer's recommendation

Council note Motion 4 and no further action is required.

Motion 5 submitted by Dominique Mimmagh

Request that Council instructs the City to make available bicycle parking at the Bruce Lee Oval. At the moment cyclist have to find posts or trees to lock their bicycles to while shopping at the Sunday Farmer's Market.



Officer's comment

These works have been ordered and are planned to be delivered by the end of February.

Officer's recommendation

Council note Motion 5 and the action being taken to progress the works described in this report.

Motion 6 submitted by Dominique Mimmagh

Request that Council instructs the City to maintain cash payment options in City's venues.

Officer's comment

The City will continue to provide a variety of payment options in line with payment type demand associated with any given facility, of which currently includes cash payment options. There are no immediate plans to change the current payment options.

Officer's recommendation

Council note Motion 6 and no further action is required.

Motion 7 submitted by John Dowson (The Fremantle Society)

The Fremantle Society seeks the reinstatement of the following:

- a. The 1.25% of rates that used to go to the Heritage Fund.**
- b. The annual heritage awards**
- c. The annual Local History awards**
- d. The annual heritage festival**
- e. The annual \$100,000 grants program to owners of heritage properties.**

Officer's comment

The City invests in heritage related projects and services annually. In 2023/24 \$430,000 was allocated to the delivery of a variety of heritage related capital projects which is in addition to ongoing maintenance and operational spend on the City's heritage assets.

The City currently supports the Australian Heritage Festival which facilitates and promotes heritage related events being held across the country. The 2024



heritage festival is being held across the months of April and May with \$31,963 budgeted for this event.

The establishment of Heritage Awards, Local History Awards, or a grants program to owners of heritage properties would need to be considered by Council as part of the annual budget process. At present, there is no plan to provide a grants program in the forward budget estimates.

Officer's recommendation

Council note Motion 7 and no further action is required.

Motion 8 submitted by John Dowson (The Fremantle Society)

The Fremantle society, in lodging a formal complaint about council processes, seeks a report which assesses the handling of this application, and to know why:

- a. Council did not choose the author to the heritage impact statement to be paid for by the developer, instead of allowing the developer to choose the author. The result was a deeply flawed report, contradictory, shallow, and unconvincing.**
- b. Why the council's heritage office report was contradictory, shallow and totally failing to protect the long-held policies for protection of the West End which includes that new works to heritage listed properties cannot be seen from the street?**
- c. Council's planning department again has not stood up for Fremantle's heritage, and the future for Fremantle's heritage is dire.**
- d. The planning application was taken offline before the council meeting and was unavailable for some days.**
- e. The Fremantle Society were not notified as is customary when the matter was going to JDAP.**
- f. The Fremantle Society is also concerned at the shallow and simplistic attitudes evident to heritage assessments, especially relating to context, from the Mayor and some councillors. In particular, relating to 49 Phillimore street, the Mayor and Crs Lang, Williamson-Wong, Archibald, and van Dorssen. We congratulate the 4 councillors who agreed with the community experts on heritage and voted against this proposal (Crs Lawver, Thompson, Camarda, and Sullivan)**

Officer's comment

It is common practice for developers to select a professionally recognised Heritage Consultant to be an integrated member of their project team. It is then the City's responsibility (and in this case also the Heritage Council of WA) to review and assess all information that is submitted as part of the DA – and to draft



recommendations based on this assessment. The City is satisfied that this work was undertaken in full and professional manner.

It is acknowledged that the JDAP decision, was not the preferred outcome sought by the Fremantle Society on the DA for 49 Pakenham Street. The City is satisfied that the assessment process and the Council decision in support of the application went through a rigorous process and carefully considered the design of the proposal within the planning framework. The City went further to a normal assessment process in terms of assessing the proposal within its broader city context, by reviewing the design within a digital 3D model of the West End.

The City acknowledges there were temporary access issues to the online Council Agenda Papers (not just this DA) in the lead up to a Council Meeting. This was caused by a security upgrade to our server which resulted in interruptions to access for a period of 48 hours.

The City confirms that invitations to the JDAP meeting were sent to all people who made a submission, including Mr Dowson (via two email addresses). The City's My Say page was also updated with information about the date and time of the JDAP meeting as soon as it was scheduled.

Officer's recommendation

Council note Motion 8 and no further action is required.

Motion 9 submitted by Motion by Peter Pacak

- 1. To ensure democratic, fair and transparent elections are carried out in the City of Fremantle, ensuring all eligible voters can participate, and the business owners and non-residents are fully informed with enrolment eligibility claims on the basis of occupations of rateable property within the electorate. This will be in the form of sending notification to those eligible occupants via Rates Notices, City of Fremantle social media and website posts, plus other City Publications such as FRE-OH! Magazine and local newspaper advertising. Modification to Council Policy to ensure this notification is to happen again at 30 days prior to the period of 56 days before the election day for ordinary elections of the local government as per section 4.33 (2B) (a) of the *Local Government Act 1995*.**
- 2. By giving ample written notice (30 days minimum) of eligible persons occupying rateable property within the electorate and give information on how to re-enrol when their claim expires on the day 6 months after the holding of the second ordinary elections of the local government after the claim is accepted. In reference to section 4.34 of the *Local Government Act 1995*:**



- a. **The CEO is to ensure that the information about electors, that is recorded from enrolment eligibility claims, is maintained in an up-to-date and accurate form.**
 - b. **In consideration of this with section 4.35 (2) the CEO is to give written notice to the person before making a decision under subsection (1)(c) and is to allow 28 days for the person to make submission on the matter.**
 - c. **If the CEO make decision under subsection (1)(c) the CEO is to give written notice of it to the person.**
- 3. The voter registration form to be straight forward and easy to follow. Simple mistakes in the form must not be reason for the application rejection and must be corrected by a Council officer in communication with the applicant. Voting right refusal notice to ratepayers (2)(c) (as above) to be legally justifiable if challenged before court.**

Officer's comment

As noted in the Motion, the City is required to advertise and communicate various information regarding the Local Government Elections and does so in accordance with the provisions of the *Local Government Act 1995*. Information about eligibility and how to enrol to vote as well as other information in relation to the Election process is communicated via a range of mediums including the City's website, social media platforms, notice board, electronic newsletters and local newspapers.

As part of this communication the City provides written advice to electors who are due to expire on the electoral role and will be required to re-enrol in order to vote in the upcoming election. This correspondence includes information about enrolment eligibility, how to enrol and an enrolment form. Prior to the 2023 election, this notice was provided 8 weeks prior to the close of enrolments.

Due to legislative reform changes coming into effect prior to the next election in 2025, the City will commence a communications plan in early 2025, in order to provide advanced notice of the changes to enrolment eligibility requirements and other relevant information relating to the election, to ensure the community is well informed leading into the election.

The Director General of the Department of Local Government, Sport and Cultural Industries recently approved new forms for enrolment of non-resident owners and occupiers, to be used by Local Governments for any new enrolment eligibility claims and nominations.

Officer's recommendation

Council note Motion 9 and no further action is required.



Motion 10 submitted by Marija Vujcic

- 1. That the Council reinstate the disability wheelchair facility at South Beach and to construct a shed like the two new change sheds to lock up the disability wheelchair. Please do this immediately.**
- 2. Request the City of Fremantle to investigate extending the wheelchair access closer to the water line at South Beach, reporting back to Council by 31 March 2024.**

Officer's comment

It is noted that this item is being stored whilst works are being progressed. The beach wheelchair and shed will be temporarily relocated near the café as soon as a suitable location can be determined.

Officer's recommendation

Council notes Motion 10 and no further action is required.

Motion 11 submitted by Marija Vujcic

Motion of no confidence in Mayor Fitzhardinge handling of the City finances and in particular the South Beach Toilets and Changeroom Project.

Officer's comment

The motion is noted with no further action required. Whilst the Mayor is designated as the spokesperson for the City under the Local Government Act, 1995, all decisions made by Council can only be made by members of Council from information and reports provided by the City. No single elected member is responsible alone for any decision of the council.

Officer's recommendation

Council notes Motion 11 and no further action is required.



Motion 12 submitted by Lyn Wicks

That all events, indoor and outdoor, organised, supported and/or approved and funded by the Fremantle Council, where children under the age of 18 years are involved in, or have access to, be adherent to a Policy made by the Fremantle Council where, and which includes:

- 1. All organising and presenting staff (paid or voluntary) have current Working with Children clearances.**
- 2. There are no sexualised, inferred sexualised, or politicised content in the activities, presentations, and/or in the materials (including books) to be used.**
- 3. Presenters are of good character and have three professional references to support this.**
- 4. Authorise the CEO to implement this.**

Officer's comment

All staff and volunteers engaged by the City to work with children are required to have Working With Children clearance. This includes any external parties used for programs. The City does not engage inappropriate content to minors through City programs.

Presenters are subject to a selection process appropriate to the service they are engaged to deliver and managed by the City.

Officer's recommendation

Council note Motion 12 and no further action is required.

A number of questions were asked at the meeting by electors and responses to these questions are provided in the Minutes of the AGME, provided in Attachment 1.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required



OFFICER'S RECOMMENDATION

Council:

- 1. Receives the minutes of the Annual General Meeting of Electors held on 5 February 2024, provided in Attachment 1.**
- 2. Receive and note the 12 Motions carried by Electors at the Annual General Meeting of Electors, as outlined in this report.**
- 3. Acknowledge the officer's response to each motion and support the officer's recommendation that no further action is required in response to the Motions.**



11.3 Committee and working group reports

Nil



11.4 Statutory reports

C2402-20 SCHEDULE OF PAYMENTS – DECEMBER 2023 AND JANUARY 2024

Meeting date:	28 February 2024
Responsible officer:	A/Procure to Pay Team Lead
Voting requirements:	Simple Majority
Attachments:	<ol style="list-style-type: none">1. Schedule of Payments and Listings2. Purchase Card Transactions Attachments viewed electronically

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 December 2023 and 31 January 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 September 2023, is provided within Attachments 1 and 2.

FINANCIAL IMPLICATIONS

A total of \$10,224,563.80 in payments were made in the month of December 2023 from the City's municipal and trust fund accounts.

A total of \$7,098,781.39 in payments were made in the month of January 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.*

CONSULTATION

Nil

OFFICER COMMENT

The following table summarises the payments for the month ending 31 December 2023 by payment type:

Agenda – Ordinary Meeting of Council
28 February 2024



<i>Payment Type</i>	<i>Amount (\$)</i>
<i>Cheque / EFT / Direct Debit/International Payments</i>	<i>\$ 7,648,392.73</i>
<i>Purchase card transactions</i>	<i>\$ 34,324.80</i>
<i>Salary / Wages / Superannuation</i>	<i>\$ 2,541,846.27</i>
<i>Total</i>	<i>\$ 10,224,563.80</i>

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 December 2023.
The following table summarises the payments for the month ending 31 January 2024 by payment type:

<i>Payment Type</i>	<i>Amount (\$)</i>
<i>Cheque / EFT / Direct Debit/International Payments</i>	<i>\$ 3,782,553.28</i>
<i>Purchase card transactions</i>	<i>\$ 47,606.58</i>
<i>Salary / Wages / Superannuation</i>	<i>\$ 3,265,101.44</i>
<i>Total</i>	<i>\$ 7,098,781.39</i>

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 January 2024.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required



OFFICER'S RECOMMENDATION

Council:

- 1. Accept the list of payments made under delegated authority, totalling \$10,224,563.80 for the month ending 31 December 2023 including the Cheque /EFT/ Direct Debits/ International Payments as contained within Attachment 1.**
- 2. Accept the list of payments made under delegated authority, totalling \$ \$7,098,781.39 for the month ending 31 January 2024 including the Cheque /EFT/ Direct Debits/ International Payments as contained within Attachment 1.**
- 3. Accept the detailed transaction listing of Purchase Card expenditure, totalling \$ 34,324.80 for the months ending 31 December 2023, as contained within Attachment 2.**
- 4. Accept the detailed transaction listing of Purchase Card expenditure, totalling \$ 47,606.58 for the months ending 31 January 2024, as contained within Attachment 2.**



C2402-21 STATEMENT OF INVESTMENTS – JANUARY 2024

Meeting date:	28 February 2024
Responsible officer:	Manager Financial Services
Voting requirements:	Simple Majority
Attachments:	1. Statement of Investments – December 2023 2. Statement of Investments – January 2024

SUMMARY

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

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

The investment report provides a snapshot of the City's investment portfolio and includes information as at 31 January 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 \$1,547,152 against a full year budget of \$1,106,375. Interest earnings year to date are higher than YTD budget by \$901,744 with \$244,030 being earned in January. The strong investment performance is due to the attractive interest rates at the current market, which will be reviewed at mid- year budget review.

The current official cash rate as determined by the Reserve Bank is 4.35%, which remained unchanged at their February Board meeting. The current cash rate remains the highest since April 2012.

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 4.83% for the month of January 2024. The City's actual portfolio return in the last 12 months is 3.99%, comparing on par with the benchmark Bloomberg AusBond Bill Index reference rate of 4.00% (refer to Attachment 1 point 8).

LEGAL IMPLICATIONS

The following legislation is relevant to this report:

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

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

CONSULTATION

Nil

OFFICER COMMENT

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

1. Portfolio Details

As at 31 January 2024, the City's investment portfolio totalled \$57.72m. The market value of this investment was \$58.80m at that time, which takes into account accrued interest.



The investment portfolio is made up of:

Cash Investments (<= 3 months)	\$6.22m
Term Deposits (> 3 months)	\$ 51.50m
TOTAL	\$ 57.72m

Of which:

Unrestricted cash	\$ 47.28m
Restricted cash (Reserve Funds)	\$ 10.44m
TOTAL	\$ 57.72m

The current amount of \$47.28m held as unrestricted cash represents 52.52% of the total adopted budget for operating revenue (\$90.02m).

2. Portfolio Credit Framework

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

Portfolio Credit Framework limits

The Portfolio Credit Framework limits prescribe the limit of investments that may be made within any Tier of financial institutions. The maximum allocation to be invested in each Tier, and the City's actual investment allocation in those Tiers as at 31 January 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.

Tier	Allocation	Allocation %	Maximum Allocation %	% Used of Maximum Allocation	% Available of Maximum Allocation	% Exceeded of Maximum Allocation
Tier 1	21,178,160.50	36.69%	100.00%	36.69%	63.31%	0.00%
Tier 2	28,046,825.46	48.59%	60.00%	80.98%	19.02%	0.00%
Tier 3	8,500,000.00	14.72%	35.00%	42.06%	57.94%	0.00%
Tier 4	0.00	0.00%	15.00%	0.00%	100.00%	0.00%
<hr/>						
	57,724,985.96					
<hr/>						
Values used in the above calculations exclude interest for term deposits and other simple interest securities.						
<hr/>						

Within each Tier, the Counterparty Credit Framework limits prescribe the limit of investments that may be made with any one financial institution.

Agenda – Ordinary Meeting of Council
28 February 2024



The maximum percentage of investments to be held with any one financial institution, within a given Tier, are outlined below.

Counterparty credit framework

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

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

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

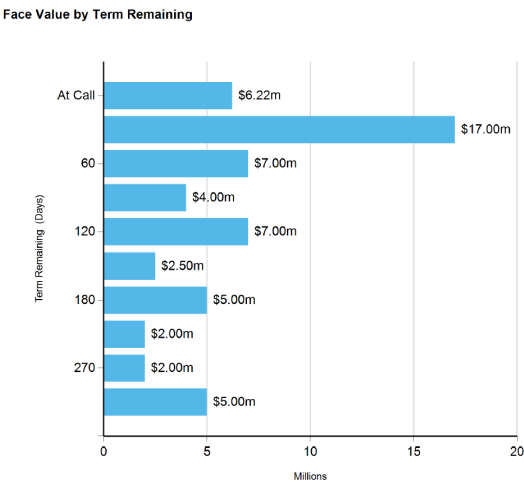


As highlighted in the chart above, the City's portfolio of investments as at 31 January 2024 is compliant with the City's investment policy.

3. Portfolio Liquidity Indicator

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

The below graph provides details on the maturity timing of the City's investment portfolio as at 31 January 2024. Currently, all investments will mature in one year or less.

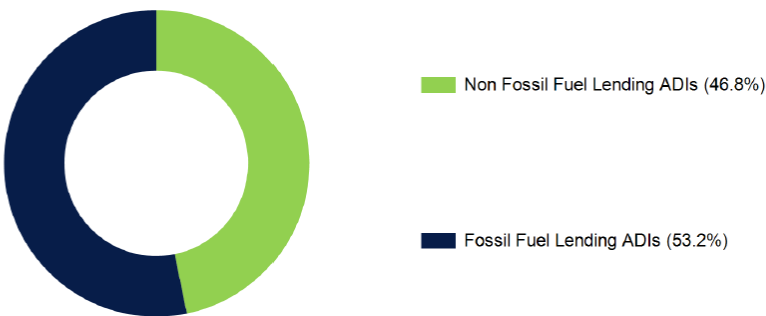


4. Portfolio Summary by Fossil Fuels Lending Authorised Deposit-Taking Institutions (ADIs)

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 January 2024, \$27m (46.8%) 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.

Managing risk amid volatility in the global banking sector



Noting the intent of the policy, the City continues to monitor risk associated with current global economic conditions and the impact this may be having on the solvency of some banks, and subsequent security of the City's investments. While Australia's banking sector remains relatively strong, and the City is not currently exposed to the situation in the U.S, Australia is not immune from the issue of high interest rates, making the possibility of a mild recession likely if the Reserve Bank's current strategy around interest rates slows the economy at a faster rate than expected.

Given the current volatility in the banking sector the City is currently prioritising higher rated banks (Tier 1 & 2) when it comes to investment activity. If a non-fossil fuel lender is providing competitive rates that will generate a suitable return, and fall within a tier 1 or 2 category, these lenders will be prioritised. However outside of this the City will prioritise low risk investment activity across higher tier banks in order to limit the City's exposure to the increasing risk being faced across the sector as some of the world's larger economies begin to face the prospect of recession.

5. Interest Income for Matured Investments

Per Attachment 1 (Note 9), interest income earned during January 2024 from matured investments was \$143,956.

6. Investing Activities

In January 2024, 3 new term deposit of \$5m was invested. Full details of the institutions invested in, interest rates, number of days and maturity date for investments held as at 31 January 2024 are provided in Attachment 1 (Note 10).

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required.

OFFICER'S RECOMMENDATION

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



**C2402-22 MONTHLY FINANCIAL REPORT - DECEMBER 2023 AND
JANUARY 2024**

Meeting date: 28 February 2024
Responsible officer: Manager Financial Services
Voting requirements: Simple Majority
Attachments: 1. Monthly Financial Report – December 2023
2. Monthly Financial Report - January 2024

SUMMARY

The monthly financial reports for the period ending 31 December 2023 and 31 January 2024 have been prepared and tabled in accordance with the *Local Government (Financial Management) Regulations 1996*.

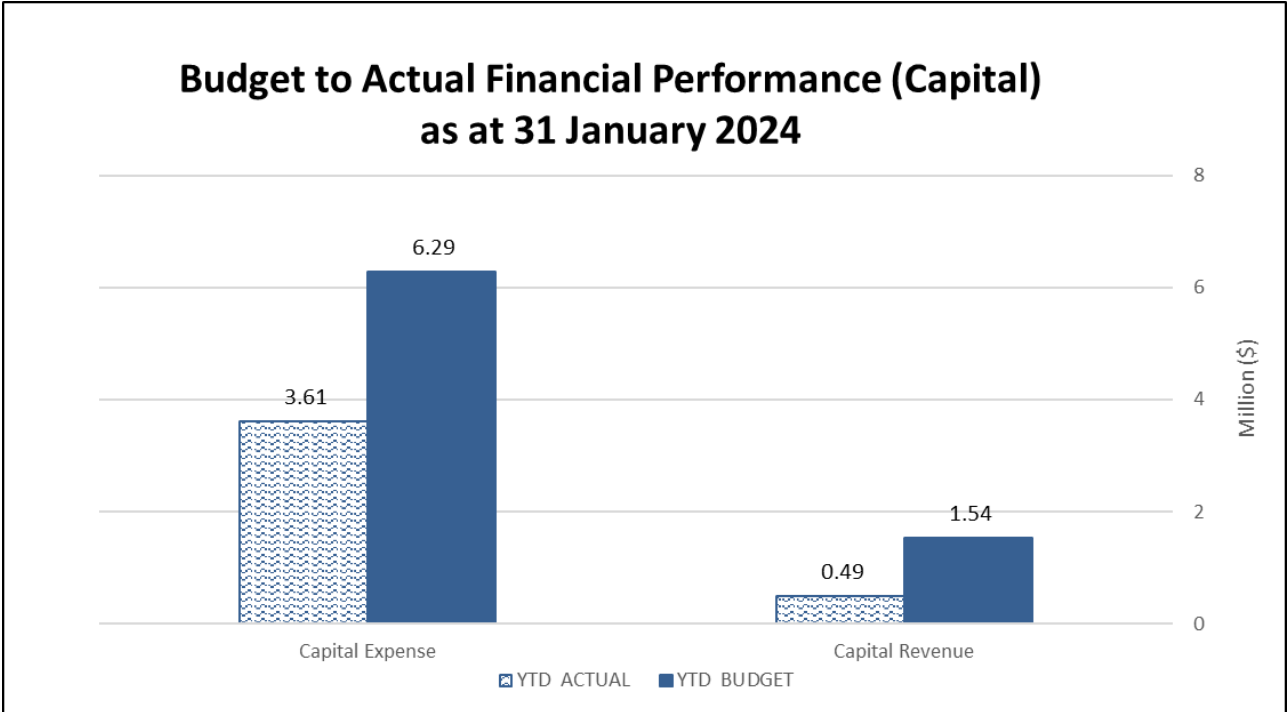
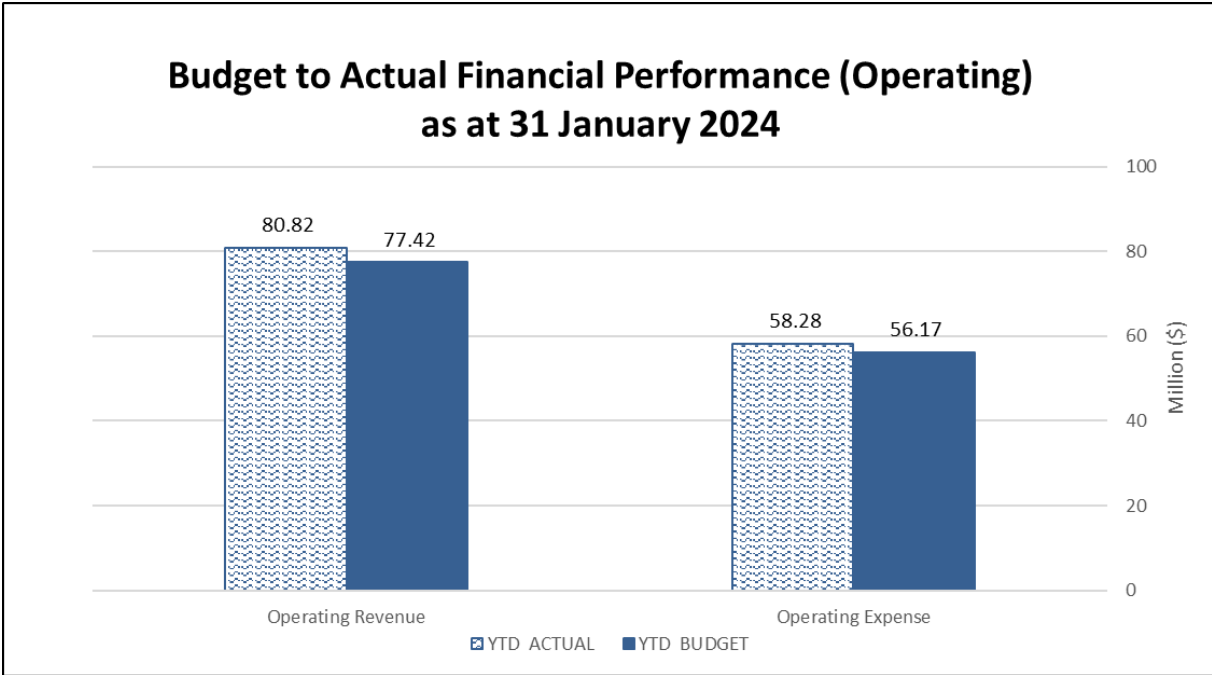
This report provides an analysis of financial performance up to January 2024 based on the following statements:

- **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 January 2024 is prepared considering accrued interest on borrowings (loans) and prepaid insurance premiums.

BACKGROUND

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





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

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

STATEMENT OF COMPREHENSIVE INCOME – BY NATURE AND TYPE FOR THE PERIOD TO 31 JANUARY 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 %
Operating Income				
Rates (including Annual Levy)	57,895,889	59,570,224	1,674,335	2.89%
Service Charges	5,134	12,680	7,546	146.98%
Op. Grants, Subsidies & Contributions	1,789,167	1,905,014	115,847	6.47%
Fees and Charges	15,480,001	15,937,350	457,349	2.95%
Interest Earnings	1,047,908	2,009,398	961,490	91.75%
Reimbursement Income	908,467	915,665	7,198	0.79%
Other Income	294,806	473,447	178,641	60.60%
Total	77,421,372	80,823,777	3,402,405	4.39%
Operating Expenses				
Employee Costs	(27,548,084)	(24,713,701)	2,834,383	10.29%
Employee costs - Agency Labour	(380,174)	(652,306)	(272,132)	(71.58%)
Materials and Contracts	(17,933,902)	(16,770,320)	1,163,582	6.49%
Depreciation - Non-Current Assets	(6,832,090)	(13,150,998)	(6,318,908)	(92.49%)
Interest Expenses	(267,165)	(291,024)	(23,859)	(8.93%)
Utility Charges	(1,221,387)	(996,369)	225,018	18.42%
Insurance Expenses	(681,092)	(613,508)	67,584	9.92%
Other Expenditure	(1,307,701)	(1,092,728)	214,972	16.44%
Total	(56,171,594)	(58,280,954)	(2,109,359)	(3.76%)

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.

CONSULTATION

Nil

OFFICER COMMENT

Summary of financial performance

As at the end of January 2024, the City demonstrated strong financial performance with a closing funding of \$41.89m.

In summary, as at the end of January 2024, the current closing position exceeds the YTD amended budget by \$9.95m. This is mainly due to favourable variances against the year-to-date budget across the following areas:

- Increased carry forward funds from the 2022-23 financial year of \$1.94m compared to the adopted budget;
- Increased Rates revenue of \$1.67m;
- Increased revenue from Fees and Charges of \$0.46m;
- Increased revenue from Interest earnings of \$0.96m;
- Operating expenditure underspend of \$2.83m from Employee Cost;
- Operating expenditure underspend of \$1.16m from Material and Contracts;
- Operating expenditure underspend of \$0.23m from Utility costs;
- Capital expenditure underspend of \$2.70m.

These favourable variances are offset by:

- Decreased revenue of \$1.06m recognised for Capital grants and contributions
- Decreased Reserve transfer of \$0.99m.

The depreciation expenditure for the 2023-24 financial year has been amended to actual depreciation based on the fair value revalued as at 30 June 2023.





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 2023-24 financial year for reporting material variances as 10% together with the minimum value of \$100,000 (Refer Item C2306-1 from Council meeting on 28 June 2023).

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 January 2024:

Description	Variance Amount (\$)	Comment
Interest Earnings	961,490	 91.75%
Major Variances:		
Receive investment income	961,490	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. To be adjusted at Mid year budget review.
Other Revenue	178,641	 60.60%
Major Variances:		
Manage destination marketing plan implementation	56,093	Includes revenue contributions for School holiday activation, Aboriginal Cultural activation for cruise ships, and Propel launch events. To be adjusted as part of Mid year budget review.




Description	Variance Amount (\$)	Comment
Containers for Change	53,405	Increased turnover resulting in higher income for handling fee. To be adjusted at of Mid year budget review.
Employee costs	2,834,383	 10.29%
Major Variances:		
Employee Costs – Staff Establishment	2,361,666	Awaiting EBA finalisation and salaries to be realigned. Savings from vacancies to be adjusted at Mid year budget review.
Employee costs - Agency Labour	(272,132)	 (71.58%)
Major Variances:		
IT Operations Team	(62,982)	Agency labour used to cover vacant positions, offset by savings in staff establishment budget. To be adjusted at Mid Year budget review.
Traffic and Engineering Design Team	(50,495)	
Clean City Precinct Team	(45,650)	
Maintain Soft Landscaping Team	(34,813)	
Depreciation	(6,318,908)	 (92.49)%
Major Variances:		
Depreciation	(6,318,908)	Depreciation has been updated to be based on the amended fair value of assets as per the revaluation June 2023. To be adjusted as part of the Mid year budget review.
Utility Charges	225,018	 18.42%
Major Variances:		
Public Street lighting	134,581	Timing variance - Billing for one month outstanding
Other Expenditure	214,973	 16.44%
Major Variances:		






Description	Variance Amount (\$)	Comment
Contribute to the operations of Regional Resource Recovery	47,972	Timing variance: Resource Recovery Group Membership Contribution towards Operating Expenses FY2023-24
Support Community and Sporting Groups	32,273	Timing variance: Fremantle Park sponsorship
Support South Fremantle Football Club	25,000	Timing variance: License agreement has been finalised and payment is to be made for the outstanding balance from 2017-2018.
Allocate arts development funding	30,040	Timing variance: Art grants requests being reviewed and expected to be paid by year end.
Allocate Community Development funding	22,323	Timing variance: First round of community grants awarded. Payments being made in January and February on signing of agreements.
Capital Grants and Subsidies/Contributions for the development of Assets	(1,065,110)	 (69.05%)
Major Variances:		
P-11882 Design and construct Fremantle Golf Course Clubhouse	(341,941)	Timing variance: Grants have been received and continue to be recognised as revenue when the cost is incurred.
P-11823 Design and construct-Port Beach coastal adaptation	(705,294)	Project is currently in acquittal phase with Department of Transport. Revenue and Expense to be updated as part of Mid Year budget review.
Payment for Property, plant and equipment	863,384	 38.35%
Major Variances:		
P-12041 Program - Ticket machines	706,000	Budget Phasing. Contract awarded, with 1st payment expected February.



Description	Variance Amount (\$)	Comment
Payment for Construction of infrastructure	1,770,814	 45.06%
Major Variances:		
P-11823 Design and construct-Port Beach coastal adaptation	674,874	Project is currently under acquittal phase with Department of Transport. Revenue and Expenditure budgets to be updated as part of Mid Year Budget review.
P-12148 Design and construct - Walyalup Koort Lighting	330,000	Contract awarded and construction commences in February 2024.
P-12123 Design and construct - Leighton Reserve - Playground	220,958	The playground installation has been postponed with expected completion in early February 2024. This decision was made to prevent Leighton Beach Reserve being a construction site through the Christmas period impacting on the community.
P-12082 Design and construct - Brad Hardie Changerooms	200,000	The Brad Hardie Changerooms are being considered in the Hilton Park Masterplan Project. The project has been put on hold until the scope of works for refurbishment is clearly defined following engagement, use and needs analysis, functional requirements, masterplanning and budget/funding development.
P-12100 Design and construct - Dick Lawrence - Irrigation	162,249	Contract awarded with works on site in January 2024 to February 2024.
P-12159 Tenancy Fitout	150,000	Fit out still to commence on Evan Davies Building.



Description	Variance Amount (\$)	Comment
P-12138 Design and construct - John St Riverwall Replacement	136,552	The Contract has been awarded. Works have been put on hold whilst the City obtains approval for an Aboriginal Cultural Heritage Management Plan as part of the Conditions for the Section 18 approval for works within the Swan River.
Repayment of Operating Lease	(278,812)	 (64.00%)
Major Variances:		
Lease repayments	(278,812)	The lease payment schedules were not available during the budget last year. The Mid Year budget review will reallocate funds in line with the correct accounting treatment. There will be no impact to the net position.
Reserve Transfers	(992,118)	 (91.02%)
Major Variances:		
Transfer from Reserve (Restricted) – Capital	(932,457)	Timing variance primarily attributed to an underspend on capital works, therefore, the required funding from Reserves is less than budgeted year to date.
Net position at the start of the Financial Year	1,940,246	 21.36%
Major Variances:		
Carry forward funds from the 2022-23 financial year	1,940,246	The End of the Financial Year audited net position will be adjusted as part of the 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 SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council receive the Monthly Financial Reports, as provided in Attachments 1 and 2, including the Statement of Comprehensive Income, Statement of Financial Activity, Statement of Financial Position and Statement of Net Current Assets, for the periods ended 31 December 2023 and 31 January 2024.



C2402-23 BUDGET REVIEW 2023-24

Meeting date:	28 February 2024
Responsible officer:	Director City Business
Voting requirements:	Absolute Majority
Attachments:	<ol style="list-style-type: none">1. Budget Review - Financial Activity Statement2. Budget Review - Net Current Assets3. Budget Review - Reserves Summary

SUMMARY

In accordance with the *Local Government (Financial Management) Regulations 1996* a review of the 2023-24 annual budget has been completed and the resulting budget review report is presented to Council for consideration and adoption.

A review has been undertaken for each Directorate by analysing the financial performance of all operating activities, operating projects and capital projects and the overall financial position as at 31 January 2024.

This report recommends that Council:

- 1. Adopt the budget review for the period ending 31 January 2024 and financial reports provided in Attachment 1 and 2.**
- 2. Pursuant to Section 6.11 (2) (b) of the Local Government Act 1995, Authorise the transfers to and from Reserves as detailed in Attachment 3.**
- 3. Note that a copy of this report will be sent to the Department of Local Government, Sport and Cultural Industries in accordance with Regulation 33 of the *Local Government (Financial Management) Regulations 1996*.**

BACKGROUND

The *Local Government (Financial Management) Regulations 1996*, regulation 33A requires that local governments conduct a budget review between 1 January and the last day in February in each financial year and that the review is to be submitted to the council on or before 31 March in that financial year. A copy of the review and the determination is to be provided to the Department of Local Government, Sport and Cultural Industries within 14 days of the determination of the review.

The City has undertaken the review within this period based on the year-to-date revenue and expenditure position as at 31 January 2024.



Reviews of budget performance have been undertaken for each service unit with the responsible Manager. The draft budget review has also been considered by the City's Executive.

In addition to this annual budget review the City undertakes regular reviews of its actual position versus budget position on an ongoing basis and any required budget amendments to the adopted budget are submitted to Council in accordance with the Budget Management Policy.

FINANCIAL IMPLICATIONS

After considering variances and adjustments, the mid-year Budget Review has provided an overall positive net position of \$260,172.

LEGAL IMPLICATIONS

Regulation 33A of the *Local Government (Financial Management) Regulations 1996* requires a review of the annual budget to be carried out between 1 January and the last day of February in each financial year.

The review is to be submitted to Council on or before 31 March and must:

- (a) *consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and*
- (b) *consider the local government's financial position as at the date of the review; and*
- (c) *review the outcomes for the end of that financial year that are forecast in the budget.*

Council is to consider the review and determine whether to adopt the review, any parts of the review or any recommendations made in the review.

Within 14 days after Council has made a determination a copy of the review and determination is to be provided to the Department.

CONSULTATION

Nil

OFFICER COMMENT

The revised forecast of the City's budgeted operating results for 2023-2024 is a positive net position of \$260,172.

Agenda – Ordinary Meeting of Council
28 February 2024



The movement is mainly due to:

- Increased carry forward funds from the 2022-23 financial year of \$1.94m compared to the estimate provided in the adopted budget;
- Increased Rates income of \$1.02m;
- Decreased Fees and Charges revenue of \$0.28m;
- Increased Interest Earnings of \$1.17m;
- Increased Reimbursement Income of \$0.46m;
- Decreased Employee costs of \$1.34m
- Increased Materials and Contracts of \$1.18m;
- Capital grants reduction of \$7.15m to offset Capital expenditure reduction due to rephasing;
- Capital Expenditure reduction of \$13.41m, mainly due to rephasing
- Net reserve transfers of \$10.09m

Budget performance will be closely monitored on an ongoing basis throughout the rest of this financial year. Any material budget variance will be reviewed and submitted to Council in accordance with the Budget Management Policy.

A detailed Financial Activity statement for the period ending 31 January 2024, incorporating adopted budget amendments to date for this financial year is presented for council to consider in the attached.



The report recommends amendment to budget line items where a material variance between the current budget and the expected outcome at the end of the financial year is anticipated as these variances will have an impact upon the expected end of year surplus or deficit.

The following table provides a summary of the budget review results by Nature. Positive variances are shown as positive and negative variances are shown as (negative). The full Financial Activity Statement which provides a summary of proposed budget amendments with current budget and year to date actuals is provided in attachment 1.





A snapshot highlight of the major variances included in the budget review are as follows:

Description	Variance Amount (\$)		Comment
Rates	1,021,482	▲	1.76%
Major Variances:			
Raise rates income	1,000,000		Additional revenue resulting from interim rates.



Description	Variance Amount (\$)	Comment
Grants, Subsidies and Contributions	239,619	 8.71%
Major Variances:		
Conduct place activation activities	120,000	Grant funding received for the Americas cup celebration, offset by increase in materials and contracts.
P-10300 Plan-Fremantle Oval Precinct	75,000	Additional funding requested from partners for phase 2 of masterplan.
Fees and Charges	(281,986)	 (1.12)%
Major Variances:		
Lease Fremantle Markets 74 South Terrace Fremantle	362,398	Rent returning to pre-covid levels, including CPI increases.
Conduct art centre special events	182,764	Increased admission fees income for event held in September holidays, offset by increases in equipment hire expenditure and salaries. Decreased site hire and merchandise sales.
Operate car park 01 Parry Street Fremantle	135,000	Increase in fees income forecast based on actual revenue trend to date.
Lease Evan Davies Building 13 South Terrace Fremantle - Tena	(109,620)	Reduced income due to property vacancies. Tenants now secured however start date has varied.
Lease Walyalup Civic Centre - Newman Court Fremantle	(216,675)	Reduce income due to property vacancies. Tenant now secured however start date has varied.
Operate car park 11 Esplanade Fremantle	(250,000)	Decrease in fees income forecast based on actual revenue trend to date.
Conduct South lawn events	(826,748)	10 concerts budgeted for 23/24, 4 concerts to be delivered. Offset by decrease in costs and casual staff and income from Luminarium.



Description	Variance Amount (\$)	Comment
Interest Earnings	1,165,500	 77.24%
Major Variances:		
Receive investment income - Unrestricted Funds	1,100,000	Higher interest earning is mainly due to higher interest rates on investments along with higher cash holdings at the start of the year.
Reimbursement Income	461,571	 36.50%
Major Variances:		
Lead infrastructure directorate	295,640	Resource Recovery Group costs to be recovered from other member councils.
Containers for Change	125,000	Reimbursement for additional cash for CDS machines required due to increased turnover in December and January period.
Other Revenue	270,975	 53.61%
Major Variances:		
Fremantle Art Centre - Water damage - Insurance	162,000	Insurance claim for works being undertaken for water damage.
Manage destination marketing plan implementation	56,093	Increased revenue (external funding) \$27,200 school holiday activation, \$20,000 Aboriginal Cultural Activation for cruise ships, \$8,893 Propel launch event.
Employee Costs	1,335,313	 2.87%
Major Variances:		
Staff Establishment	1,335,313	The forecast for staff establishment cost is an estimated \$1.89m in savings from salaries and wages mainly due to vacancies. This is offset by the \$0.50m vacancy credit





Description	Variance Amount (\$)	Comment
		estimated as per the adopted budget. Of this \$0.35m is required to offset the increase in expenditure required for agency staff and consultancy due to the use of temporary staff.
Employee Costs – Agency Labour	(244,986)	▼ (34.84)%
Major Variances:		
Agency Labour	(244,986)	Temporary labour required for vacancy cover. Offset by savings in staff establishment.
Materials and Contracts	(1,183,686)	▼ (3.66)%
Major Variances:		
Lease Payments	419,244	Reallocation to Interest expense and Repayments of operating lease in line with correct accounting treatment. No impact on net position.
Conduct South lawn events	326,573	Reduction in expenditure for South lawn program as only 4 concerts confirmed for 2024.
Collection & Disposal -Domestic - FOGO	162,790	Reduction in expenditure forecast based on actual trend to date.
Operate Fremantle arts centre	150,080	Reduction in expenditure due to fewer shows.
Containers for Change	(125,000)	Additional cash for CDS machines required due to increased turnover in December and January period. Offset by reimbursement income.
Manage corporate communications	(137,000)	Consultant costs offset by savings in staff vacancies.
Conduct art centre special events	(139,386)	Equipment hire September event - offset by additional income.
Conduct place activation activities	(150,000)	\$120K for Americas cup offset by grant funding, \$30K AFLW Sponsorship (Fan Deck).





Description	Variance Amount (\$)	Comment
Contingency - reactive necessary works – Facilities	(150,000)	Contingency allocation for any works arising in future for Fremantle Arts centre / Fremantle leisure centre.
P-10300 Plan-Fremantle Oval Precinct	(150,000)	Phase 2 of master plan, offset by additional \$75K funding requested from partners.
Fremantle Art Centre - Water damage - Insurance	(216,000)	Insurance works recoverable through insurance other revenue.
Lead infrastructure directorate	(330,000)	Resource Recovery Group Business plan legal and consulting costs - to recover 80% from other member councils.
Depreciation on Non Current Assets	(10,725,491)	▼ (91.63)%
Major Variances:		
Depreciation on Non Current Assets	(10,725,491)	Depreciation has been updated to be based on the amended fair value of assets as per the revaluation June 2023.
Interest Expense	(21,755)	▼ (4.79)%
Major Variances:		
Interest payments – Leases	(21,755)	Reallocated from Materials and contracts in line with correct accounting treatment.
Capital grants, subsidies and contributions	(7,147,898)	▼ (82.49)%
Major Variances:		
P-11823 Design and construct-Port Beach coastal adaptation	(467,166)	Project is in acquittal stage and was delivered under budget. Expenditure and grant funding adjusted.
P-12184 Design and construct - Arts Centre Creative Hub	(1,247,410)	Project in contract negotiation stage. Application planning and submission complete.



Description	Variance Amount (\$)	Comment
		Expenditure and grant funding rephased to reflect estimated expenditure for 2023-24.
P-11843 Design and construct- Markets Building Services	(1,700,000)	Development plans currently being assessed via planning & building process following the finalisation of the lease. Works to be scheduled and budget rephased in line with tenant's works plan.
P-11882 Design and construct Fremantle Golf Course Clubhouse	(4,073,857)	Project on hold pending outcome of Fremantle Public Golf Course EOI process. Unspent grant will be recognised in line with expenditure.
Payment for Investment Properties	1,357,410	 59.96%
Major Variances:		
P-12184 Design and construct - Arts Centre Creative Hub	1,247,410	Project in contract negotiation stage. Application planning and submission complete. Expenditure and grant rephased to reflect estimated expenditure for 2023-24.
P-12175 Install - Arts Centre - Fire system	95,000	Project cancelled.
Payment for Property, plant and equipment	5,188,605	 43.73%
Major Variances:		
P-11992 Design & construct-South Beach-Changerooms	2,530,119	Project tenders were rejected in December by Council. The project has been delayed while a suitable Contractor is engaged and spend is forecast in FY 2024/25.
P-11843 Design and construct- Markets Building Services	1,770,133	Development plans currently being assessed via planning & building process following the finalisation of the lease. Works to be scheduled and budget



Description	Variance Amount (\$)	Comment
		rephased in line with tenant's works plan.
P-12090 Fitout - WCC tenancy - Level 1,2 & 3	1,031,860	Tenders currently being developed for the delivery of air conditioning and other fit out works. Works to be scheduled and budget rephased in line with completion of tender process.
P-11989 - Design and construct - Hilton Park Precinct	320,000	Project work packages are being developed with the masterplan which is due in May 2024.
Payment for Construction of infrastructure	6,861,478	 58.82%
Major Variances:		
P-12163 Design and construct - Increase carpark capacity	1,990,000	Elected Member briefing feedback concluded that the proposed design submitted in October 2023 was not suitable and therefore not endorsed to construct. Feedback on a reconfigured design has now been collated. The revised design will require resubmission to OCM and if successful, will require stakeholder engagement (3 month process).
P-11882 Design and construct Fremantle Golf Course Clubhouse	4,351,857	Project on hold pending outcome of Fremantle Public Golf Course EOI process.
P-10412 Design and construct - Booyeembara Park Masterplan	391,075	Project on hold pending outcome of Fremantle Public Golf Course EOI process.
P-11823 Design and construct-Port Beach coastal adaptation	467,166	Project is in acquittal stage and was delivered under budget. Expenditure and grant funding adjusted.
Repayment of Operating Lease	(397,489)	 (64.77)%



Description	Variance Amount (\$)	Comment
Major Variances:		
Repayment of Operating Lease	(397,489)	Reallocated from Materials and contracts in line with correct accounting treatment.
Reserve Transfers	(10,093,891)	▼ (541.11)%
Major Variances:		
Transfer to Reserves (Restricted) - Capital	(6,231,860)	Includes \$500K for Leisure centre upgrade, \$1.4M investment reserve, \$500K to South beach reserve, \$500K Hilton Park Sports reserve, \$3.4M of municipal funding relating to rephased capital projects with reduced expenditure estimates to June 2024.
Transfer to Reserves (Restricted) - Operating	(550,000)	\$500K Fremantle Oval reserve.
Transfer from Reserves (Restricted) - Capital	(3,312,031)	The decrease in estimates for capital expenditure for 2023-2024 for projects funded from reserves has resulted in less funds being released from reserve.

Reserves

Where estimated capital expenditure has been rephased, resulting in lower estimated expenditure to June 2024 the municipal funds for those projects have been transferred to reserve for release when the project progresses. Furthermore the reduced estimated capital expenditure to June 2024 has resulted in less transfers from reserve to June 2024 for those projects that were to be funded from reserve. This will result in higher reserve balances at year end. Reserve movements are shown in Attachment 3.



New Projects – Included

It is proposed as part of this budget review to fund the following new projects:

Item	Net Amount	Reason
Install pitch fencing at Hilton Mid football pitch	35,000	Install pitch fencing at Hilton Mid football pitch as per request from Fremantle City Football Club.
Fremantle Park Centre Tennis Courts	170,000	Rectify tennis court surfacing defect issues following the Fremantle Park Refurbishment project. Provide functional, fit for purpose surfacing to the Tennis Courts at Fremantle Park.

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER RECOMMENDATION

Council:

- 1. Adopt the budget review for the period ending 31 January 2024 and financial reports provided in Attachment 1 and 2.**
- 2. Pursuant to Section 6.11(2)(b) of the *Local Government Act 1995*, Authorise the transfers to and from Reserves as detailed in Attachment 3.**
- 3. Note that a copy of this report will be sent to the Department of Local Government, Sport and Cultural Industries in accordance with Regulation 33A of the *Local Government (Financial Management) Regulations 1996*.**



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.

Nil

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.

Nil

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.

Nil

15. Confidential business

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

Nil

16. Closure