



Minutes

Annual General Meeting of Electors

Monday, 21 June 2021, 6.00pm

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Annual General Meeting of Electors

Minutes of the Annual General Meeting of Electors
held in the North Fremantle Community Hall
on Monday, 21 June 2021 at 6.00 pm.

1. Official opening, welcome and acknowledgement

The Deputy Mayor, Andrew Sullivan declared the meeting open at 6.00 pm and welcomed members of the public to the meeting.

2. Attendance

Mr Andrew Sullivan	Deputy Mayor
Mr Glen Dougall	Acting Chief Executive Officer
Mr Paul Garbett	Director Strategic Planning and Projects
Ms Michelle Brennand	Director Community Development
Mr Graham Tattersall	Project Director
Mr David Janssens	Acting Director Infrastructure and Project Delivery
Mr Paul Dunlop	Manager Communications and Events
Ms Charlie Clarke	Manager Governance
Ms Kayla Goodchild	Meeting Support Officer

Electors

- Andrew Luobikis
- Helen Cox
- William Ody
- Elisabeth Megroz
- Gwyneth Evans
- Craig Ross
- Bryn Jones
- John Dowson
- Doug Thompson
- Gerard Macgill
- Chris Williams
- Marija Vujcic
- Adin Lang
- Sean Hefferon
- Mark Woodcock
- Georgie Adeane
- Mia Kriznic
- Sarah Cole
- Frank Mofflin
- Adele Carles
- Ben Lawver
- David Hawks
- Robin Freind
- Shirley Burbidge
- Roy Lewison
- Petr Pacak
- Jenny Archibald
- Richard Bartlett
- Richard Mehan
- Brian Smith
- Su Groome
- Maryrose Baker
- Martin Lee
- Ken Adam
- Neil Smithson
- Ann Hodson
- Sam Wainwright
- Suzanne John
- William Burbidge

3. Presentation of the Annual Report

Moved: Bryn Jones

Seconded: Jenny Archibald

That the City of Fremantle Annual Report 2019-2020, including financial statements and auditor's report, as attached to this agenda be received.

Lost

4. Public question time

Questions from Sean Hefferon

2 Jones Street

1. What due diligence was done in respect to the tenancy that the City of Fremantle took over management at time of purchase of 2 Jones St, O'Connor?
2. Did this due diligence undertake any ASIC or related checks to verify whether or not there were any commercial or company links between the vendor and the tenant?
3. A Landgate valuation in 2017 showed a GRV of \$410,689 for the site yet apart from the original tenant who had been paying rent of \$639,984 – upon their departure in 2014, the rental income obtained is akin to a “peppercorn” rent – particularly given the \$7.8M purchase cost? Why is the rent so low other similar properties can be expected to obtain or are receiving in income much higher?
4. Planning for a new depot site started in 2005 with the eventual purchase of the above site in 2014. SPD Committee minutes (12/9/2016) show a schedule in which City was to move to depot to the Jones St site in mid-2018. Costs were incurred in relation to options (etc) – why did the move not occur? My interpretation of the SPD committee minutes shows it was pretty clear the intent was to move; money was being spent and a schedule was put forward.
5. Is a reason for the non-relocation to Jones St due to the expense of site remediation given the level of contaminants?
6. Cr.Pemberton states the following:

[Clarifying Fremantle's financial position | Rachel Pemberton](#)

www.rachelpemberton.com.au/freo-finances ▾

1/10/2019 · We were able to purchase Jones Street property, the last large parcel of land in O'Connor, as a potential future depot site, so that when the time came to redevelop the Montreal St site as part of the Knutsford precinct, we had somewhere to shift the essential depot facilities for our city. This has not yet been required, so we are holding the land, which has been paid off in full and ...

Isn't this statement by Cr.Pemberton contradicted by the minutes of the aforementioned SPD minutes?

7. If Cr.Pemberton's comment is not contradicted how can an organisation go through a several year process, purchase a multi-million dollar site – only to eventually realise that the purchase was premature?
8. Given that 2 Jones St was intended to be the depot site from mid-2018 onwards, and then possibly a film studio site can you please confirm what the specific plan is in regard to the site going forward?
9. What is the Year-on-Year income generated by 2 Jones St from the date of purchase benchmarked against the City's internal benchmarks (if any) as well as accepted industry benchmarks for such a property? NB: In respect to the latter, by benchmarks I refer to what other similar properties can be expected to obtain or are receiving in income. What could the site get benchmarked against the industry?

10. What are the Year-on-Year costs generated by 2 Jones St from the date of purchase?

	15CLACT	16CLACT	17IPACT	18IPACT	19IPACT	20IPACT	21IPACT
REVENUE							
Hire Rent Inc	-\$105,384						
Lease Fee Inc			-\$250	-\$5,455	-\$14,235	-\$18,054	-\$17,523
Other Inc - Miscellaneous	-\$14,564						
Reimbursement Inc - Tenants Recoverables				-\$14			
	-\$119,948	\$0	-\$250	-\$5,469	-\$14,235	-\$18,054	-\$17,523
EXPENDITURE							
Contract Exp - General	\$59	\$116,890		\$0	\$162	\$1,673	\$1,457
Contract Exp - Preventative Maintenance							\$965
Contract Exp - Security Services		\$7,132			\$5,072	\$1,994	\$792
Electricity Exp - Supply Charge		\$620			\$357		
Electricity Expense		\$6,495			\$1,679		
Government Tax Exp	\$46,587						
Insurance Exp - Property ISR Premium		\$6,178			\$5,800	\$5,919	\$4,845
Materials Exp - General		\$133		\$14		\$89	
Overhead Allocation Dr - Labour		\$463					
Overhead Allocation Dr - Oncost from Materials Contra	\$6	\$0					
Receiv Curr Recov Expend Tenant MIA	\$1,307	\$0					
Sewerage Exp	\$0	\$1,239					
Water Exp - Supply Charge		\$3,614					
Water Expense	\$1,024	\$2,935			\$8,893	\$4,363	\$3,597
	\$48,983	\$145,699	\$0	\$14	\$21,963	\$14,038	\$11,657
DEPRECIATION							
Depreciation Exp - Freehold Buildings	\$32,589	\$38,893					
	\$32,589	\$38,893	\$0	\$0	\$0	\$0	\$0
CAPITAL							
Build Fhold Capital Expenditure	\$1,560,000	\$0					
Land Fhold Capital Expenditure	\$6,240,000	\$0					
	\$7,800,000	\$0	\$0	\$0	\$0	\$0	\$0

Interim response to Sean Hefferon questions 1 - 10

- Council received an independent valuation and advertised a business plan prior to purchase. The size of the site suited the proposed future requirements.
- No.
- No lease has been let for the entire site.
- The timeline to relocate depot operations referred to was part of a report to the Council's Strategy and Project Development Committee on a proposed business plan process to facilitate redevelopment of the depot site at 81 Knutsford Street. It was an indicative timeline assuming the successful execution of an agreement with a developer to transfer the Knutsford Street site for redevelopment on terms that achieve a satisfactory financial return to the City.

Subsequent reports advised the Council that agreement to transfer of the land on terms acceptable to the City had not been achieved. In light of this, in August 2018 Council resolved to agree to retention of 81 Knutsford Street as an operational depot and recycling facility for City of Fremantle services in the short to medium term future, and also resolved that 2 Jones Street, O'Connor is surplus to the City's future operational requirements.

- The reason for the non-relocation of the City's depot to 2 Jones Street was the resolution of Council in August 2018 referred to in the response to question 4 above.

No, the move to Jones Street is also due to the need to move depot once Knutsford site is sold.

6. No.
7. The requirement to move will be based on the sale of the current depot site.
8. Further to the council resolution in August 2018 and until such time as the decision is made to relocate the depot, 2 Jones street will continue to be made available for short term hardstand leases, licenses and storage for City materials and infrastructure.
9. The site currently generates \$11,994 pa in rental income from 4 hardstand licenses.
10. Average annual expenditure on the site since date of purchase is \$34,622 pa.

	15CLACT	16CLACT	17IPACT	18IPACT	19IPACT	20IPACT	21IPACT
1							
2							
3							
4							
5	REVENUE						
6	Hire Rent Inc	-\$105,384					
7	Lease Fee Inc			-\$250	-\$5,455	-\$14,235	-\$18,054
8	Other Inc - Miscellaneous	-\$14,564					-\$17,523
9	Reimbursement Inc - Tenants Recoverables				-\$14		
10		-\$119,948	\$0	-\$250	-\$5,469	-\$14,235	-\$18,054
11	EXPENDITURE						
12	Contract Exp - General	\$59	\$116,890		\$0	\$162	\$1,673
13	Contract Exp - Preventative Maintenance						\$965
14	Contract Exp - Security Services		\$7,132			\$5,072	\$1,994
15	Electricity Exp - Supply Charge		\$620			\$357	
16	Electricity Expense		\$6,495			\$1,679	
17	Government Tax Exp	\$46,587					
18	Insurance Exp - Property ISR Premium		\$6,178			\$5,800	\$5,919
19	Materials Exp - General		\$133				\$89
20	Overhead Allocation Dr - Labour		\$463				
21	Overhead Allocation Dr - Oncost from Materials Contra	\$6	\$0				
22	Receiv Curr Recov Expend Tenant MIA	\$1,307	\$0				
23	Sewerage Exp	\$0	\$1,239				
24	Water Exp - Supply Charge		\$3,614				
25	Water Expense	\$1,024	\$2,935			\$8,893	\$4,363
26		\$48,983	\$145,699	\$0	\$14	\$21,963	\$14,038
27	DEPRECIATION						
28	Depreciation Exp - Freehold Buildings	\$32,589	\$38,893				
29		\$32,589	\$38,893	\$0	\$0	\$0	\$0
30	CAPITAL						
31	Build Fhold Capital Expenditure	\$1,560,000	\$0				
32	Land Fhold Capital Expenditure	\$6,240,000	\$0				
33		\$7,800,000	\$0	\$0	\$0	\$0	\$0
34							

Fremantle Festival

11. Can you advise the number of attendees at the Fremantle Festival when it was run in summer for the years 2014 to 2018?
12. Cr.Sullivan advises in the Fremantle Herald (18/6/2021) that the first winter version of the Fremantle Festival in 2019 had 11,000 attendees – is this correct? If not correct can you advise the corrent number of attendees?
13. What was the estimated annual income brought into the City of Fremantle by the:
 - a) Fremantle Festival in the summer for each of the years 2014 to 2018?
 - b) the Winter version in 2019?
14. What was the cost to the City of Fremantle in running the Fremantle Festival in summer for the years 2014 to 2018?

15. What was the cost to the City of Fremantle to run the winter festival in 2019?
16. What is the budget for this years winter Fremantle Festival?

Interim response to Sean Hefferon questions 11 - 16

11. Unfortunately, these number are not available for 2014 – 17. There were approximately 20,000 in 2018 (NB this included Fremantle Biennale, Blessing of the Fleet and Wardarnji).
12. Correct. This is a conservative estimate. It is difficult to accurately record attendance for free outdoor public events. The move to winter was to help consolidate Fremantle as a year-round cultural destination. The Festival brings audience to Fremantle in the depths of winter, a time when visitation is historically low.
13. The Festival is not commercial. It does have some income streams from grants and tickets. There are measures other than income. In 2019 there was diversity throughout the program in terms of artists and audience. The program was interspersed with some established interstate and international artists, but the heart of the program was site-specific, responded to Fremantle’s identity and provided an opportunity for community participation. The festival was ambitious, and its external partnerships were critical to its success. In 2019 the City partnered with external community groups, businesses and artists to be able to successfully deliver the Festival. These included: Hilton Harvest Community Garden, Stackwood, PS Art Space, Navy Club, The Buffalo Club, St John’s Church, The National Hotel, White Gum Valley Community Orchard, WA Maritime Museum, Freo.Social, and Fremantle College. The festival had a high social and cultural impact for the Fremantle community, artists and residents in celebrating Fremantle culture and creating new works, the demographic ranged from 0 to 100. Economically it impacted positively in terms of visitation, employment, income and profile.

Festival Quick Stats:

10 days and nights – active program

82 multi art form/experiences

25 venues – Fremantle, Hilton, WGV, North Fremantle, O’Connor & Beaconsfield

15 community workshops

340 artists participated in the program

540 community members participated in workshops & contributors

10 organisation partnerships

30 technical and crew involved in delivery

11 116 audience – visitation to Fremantle

125 pieces of Media Coverage - total potential reach of 67.35 million

14.

	Income	Cost
15/16 (Nov 2015 Festival)	Grants \$54,150 Tickets \$2,364	\$314,424
16/17 (Nov 2016 Festival)	Grants \$45,550 Tickets \$54,194	\$334,367
17/18 (Nov 2017 Festival)	Grants \$47,550 Tickets \$53,569	\$352,011
18/19 (Nov 2018 Festival – Karla-K Koorling, Wardarnji, Blessing of the Fleet)	Grants \$91,000	\$325,642
Fremantle Festival did not take place in summer. It was held spring prior to 2019.		

15.

	Income	Cost
19/20 (July 2019 Festival)	Tickets \$92,548	\$382,521
Fremantle Festival did not take place in summer. It was held spring prior to 2019.		

16.

	Income	Cost
20/21	N/A COVID	N/A COVID
21/22	Projected tickets: \$25,575	21/22

Questions from Craig Ross

With the collapse of Pindan and next steps apparently in place for the civic centre project delivery:

1. What are the construction defect liability responsibilities the City has now taken on, and over what period, and what are the currently known defects in the building ?
2. Once appointed will the defects liability be passed back to a new building contractor?
3. Are all subcontractors novated from Pindan to the City, and if not how many are not and what is their estimated value of works and will their subcontract work go out to tender or result in increased costs?
4. What is the current estimated costs as at 31 May 2021 to complete the civic centre project – within say +/- \$1m, what is the percent complete for the construction costs by value, and what are the main remaining areas left unfinished, and what is the estimated completion date? What happens when you over spend the \$3.64m? Has the project gone over budget? Is it anticipated to go over budget?
5. Are the 4 Pindan ex-employees which is a new additional expense and now on the City payroll expensed or are their costs capitalised to the project as construction costs? Are these incremental additional costs?

6. Is Ernst & Young approval required on any planned arrangements, and what are the additional new legal and other consultant fees incurred by the City due to the Pindan collapse?
7. What are the additional fees for extension of the project length such as Sirona's management fee and other ongoing project management costs?
8. What are the additional insurance premiums paid for the City taking on the project directly and what additional coverage?

Interim response to Craig Ross questions 1 - 8

1. The project is not finished, it has not yet reached practical completion – it is not anticipated there will be any defects at Practical Completion.

The City will pick up responsibilities in respect to the building - noting contractors that are novated across and / or are contracted by the City to complete the works will provide the usual warranties and guarantees in respect to their works through novation.

Defects arising in the subsequent 12 month Defects Liability Period (DLP) would be expected to be covered by the usual subcontractor warranties. A process for diagnosing and coordinating the rectification of any defect works that may arise will need to be determined.

2. No, see above. However, the City may discuss a 12 month DLP coordination / facilitation role with a successful Managing Contractor.
3. All the main / higher-value contractors signed the novation deed. The City is in discussions with a small number of contractors who did not sign a novation deed - however, these works are of a lower value and there is no expectation of significant cost increases or tender requirements.
4. The remaining construction project budget for the City as of 19 May was \$3.64m.

As of 19 May the building was approximately 90% complete by price against the contract sum.

It is anticipated that any cost increases to be accommodated in finishing the works will be covered by the insurance bonds; however, these costs have yet to be properly determined.

Remaining works include:

- External façade / building envelop works.
- Roofing works and PV array installation.
- General interior fit out works, inc carpet installation, painting, cabinetry works and cleaning.
- Exterior works, i.e. paving installation works, soft landscaping works, cleaning, defect inspections.
- Final testing, witnessing, and commissioning works.

An estimated completion date has yet to be determined.

5. Costs associated with the City taking on and finishing the project will be held against the project and the relevant insurance bonds – this includes the cost of employing the ex-Pindan employees.
6. The City has formally taken possession of the building / site; Ernst and Young have 'disowned' the project. Please see response 5a above, this would include any associated consultant / legal fees incurred.
7. These are yet to be determined. (see 5 above re payment of additional fees)
8. These are yet to be determined. (see 5 above re payment of additional fees)

Property in course of construction disclosure

9. The project expenditure capitalised in the course of construction on the new civic centre has not been disclosed in the financial statements as at 30 June 2020. Why is there not proper disclosure of the expenditure in the financial statements as required by Australian Accounting Standards ? Refer to attachment extract AASB 116 para 74(b) ?
10. Based on the buildings revaluation listing the construction in progress amount as at 30 June 2020 is \$38,380,135. How much of this amount as at 30 June 2020 relates to the new civic building project ?
11. Based on the construction in progress listing as at 30 June 2020 (\$38,380,135) plus the amount shown in the May 2021 monthly accounts (\$18,275,154) gives a current construction in progress amount of \$56,655,289. How much of this amount relates to the civic building project and what is the budget as it currently appears the project budget has already been exceeded and the project is far from complete?
12. Will the amount of construction in progress on the new civic centre be properly disclosed in the upcoming financial statements as at 30 June 2021?
13. In addition to the direct civic centre project amounts capitalised, how much has been incurred in indirect project costs relating to the project and expensed through profit & loss up to 30 June 2020, and up to the current date?
14. The revaluation of property in the FY19/20 financial statements was booked in the City's accounting records 9 months ago in October 2020 (can be seen by comparing the asset revaluation reserve in the Nov & Oct 2020 attachments). The process for oversight by councillors seems backwards.

Why was there no explanation provided in monthly agendas in October 2020 when the adjustment was booked, or when the financial statements were signed in March 2021 by the CEO, or even when presented to the Audit Committee or even the Ordinary Council Meeting in April 2021, and why was a special confidential clarification meeting held on 16 June 2021 being 3 months after the financial statements were signed and why was that meeting not open to the public?

Interim response to Craig Ross questions 9 - 14

9. Assets are capitalised at the end of each financial year and added to each asset category. The CoF has received a completed audit by the Office of the Auditor General.
10. See response to question 12 below.
11. See response to question 12 below.
12. The capitalised portions identified in this and the above question include all capital works projects for the City, not one single project. The spend to date on the construction contract for the new Civic Building as at 30 April, 2021 was \$39,064,965.
13. This Question will be taken on Notice and a full response will be provided in the Agenda of the Ordinary Council Meeting held in July.
14. The closure of the financial statements was the timing to provide information to council re financial statements.

There was no special clarification meeting held to discuss the valuations, the valuations were discussed at the first available Audit and Risk meeting once the financial statements were signed off by the City's Auditor. The Audit and Risk meetings are not open meetings, all information is then considered at the council meeting, which is an open meeting.

Griffin Valuations

15. Griffin Valuation (refer attached page 12 para 2) of their report states heritage listed properties which cannot be reliably measured should not be recognised in the financial statements and a full description including reasons why a reliable value cannot be determined should be shown in notes to the accounts. As all heritage property has been recognised, does this mean all heritage land and heritage buildings have been reliably measured as at 30 June 2020 and why were there such large variations from the previous valuation in 2017, and was the last valuation reliable?
16. Can the City confirm to what value it insures buildings and are the values in line with the recent Griffin Valuation amounts?
17. Other local councils (such as City of Perth attached) disclose separately in their financial statements the amounts attributed to Heritage Land & Heritage Buildings and Construction Work in Progress so as to be much more meaningful to the readers of the financial statements. Meanwhile the City of Fremantle discloses none of these categories separately. Why are these amounts not shown separately and transparently in the FY19/20 financial statements to both highlight and showcase the heritage and other assets of Fremantle?

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land - freehold land		Land - hold for redevelopment		Buildings - Heritage	Buildings - Leasehold		Leasehold Improvements	Total land and buildings		
	\$	\$	\$	\$		\$	\$				
Balance at 1 July 2018	313,200,513	57,416,735	15,750,000	11,753,525	398,140,813	148,285,384	59,042,711	54,765,432	262,093,547	559,932	660,794,292
Additions	-	-	-	443,647	443,647	46,893	-	-	46,893	-	490,540
(Disposals)	-	-	-	(529,450)	(529,450)	(168,291)	-	-	(697,741)	-	(697,741)
Revaluation (loss) / reversals transferred to profit or loss	-	-	-	-	-	-	-	-	-	-	-
Reclassification	2,600,000	-	-	-	2,600,000	2,317,421	513,970	-	2,811,391	8,002	5,439,393
Depreciation (expense)	-	(663,246)	-	-	(663,246)	(6,229,049)	(3,590,286)	(892,483)	(10,711,818)	(18,883)	(11,939,947)
Transfers	-	-	-	-	0	1,048,782	3,971,643	47,851	5,068,276	-	5,068,276
Carrying amount at 30 June 2019	315,800,513	56,773,509	15,750,000	11,667,722	399,991,764	145,301,140	59,938,058	53,920,800	259,159,998	549,051	659,700,813
Comprises:											
Gross carrying amount at 30 June 2019	315,800,513	65,661,377	15,750,000	11,667,722	408,879,632	275,422,512	127,524,251	57,466,547	460,413,310	669,758	869,962,700
Accumulated depreciation at 30 June 2019	-	(8,887,868)	-	-	(8,887,868)	(130,121,372)	(67,586,193)	(3,545,747)	(201,253,312)	(120,707)	(210,263,887)
Carrying amount at 30 June 2019	315,800,513	56,773,509	15,750,000	11,667,722	399,991,764	145,301,140	59,938,058	53,920,800	259,159,998	549,051	659,700,813
Additions	-	-	-	320,079	320,079	250,362	899,952	-	1,510,314	-	1,470,393
(Disposals)	-	-	-	(371,828)	(371,828)	(13,809)	-	-	(13,809)	-	(385,638)
Revaluation increments / (decrements) transferred to revaluation surplus	(16,097,000)	(12,228,742)	(12,890,000)	-	(41,215,742)	9,329,973	(275,735)	(5,345,114)	3,709,124	30,233	(37,476,384)
Contributed Assets	-	-	-	-	-	14,335,581	-	-	14,335,581	-	14,335,581
Depreciation (expense)	-	(663,246)	-	-	(663,246)	(7,019,751)	(3,957,335)	(899,484)	(11,876,970)	(75,756)	(12,615,972)
Transfers	-	-	-	-	-	8,085,467	5,173,403	54,250	13,313,120	180,743	13,493,863
Carrying amount at 30 June 2020	299,703,513	43,881,521	2,860,000	11,615,973	358,061,027	170,268,963	61,778,343	47,730,052	279,777,358	684,271	638,522,656
Comprises:											
Gross carrying amount at 30 June 2020	299,703,513	51,204,479	2,860,000	11,615,973	365,383,985	306,850,844	124,930,892	61,205,417	492,977,153	915,820	859,276,958
Accumulated depreciation at 30 June 2020	-	(7,322,958)	-	-	(7,322,958)	(136,581,881)	(63,142,549)	(13,475,365)	(213,199,795)	(231,549)	(220,754,302)
Carrying amount at 30 June 2020	299,703,513	43,881,521	2,860,000	11,615,973	358,061,027	170,268,963	61,778,343	47,730,052	279,777,358	684,271	638,522,656

ANNUAL REPORT 2019/2020

CITY OF PERTH
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts (Continued)

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Total land and buildings		Furniture and equipment		Plant and equipment		Work in Progress		Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$		
Balance at 1 July 2018	660,794,292	32,652,502	15,945,114	49,042,894	-	-	-	758,434,802	
Additions	490,540	476,728	3,195,406	24,212,421	-	-	-	28,375,096	
(Disposals)	(697,741)	(10,494)	(1,230,497)	-	-	-	-	(1,938,732)	
Revaluation (loss) / reversals transferred to profit or loss	-	-	543,113	-	-	-	-	543,113	
Reclassification	5,439,393	(1,540,465)	(3,201,895)	-	-	-	-	697,033	
Depreciation (expense)	(11,939,947)	(3,190,612)	(3,385,456)	-	-	-	-	(17,970,015)	
Transfers	5,068,276	1,587,188	1,438,954	(26,481,622)	-	-	-	(17,987,204)	
Carrying amount at 30 June 2019	659,700,813	30,374,847	13,304,739	46,773,693	-	-	-	750,154,092	
Comprises:									
Gross carrying amount at 30 June 2019	869,962,700	46,521,365	41,847,767	46,773,693	-	-	-	1,005,505,325	
Accumulated depreciation at 30 June 2019	(210,261,887)	(16,546,518)	(28,543,028)	-	-	-	-	(255,351,433)	
Carrying amount at 30 June 2019	659,700,813	30,374,847	13,304,739	46,773,693	-	-	-	750,154,092	
Additions	1,470,393	1,588,644	1,994,495	21,201,089	-	-	-	26,254,621	
(Disposals)	(385,638)	(11,653)	(1,221,813)	-	-	-	-	(1,619,104)	
Revaluation increments / (decrements) transferred to revaluation surplus	(37,476,384)	-	-	-	-	-	-	(37,476,384)	
Contributed Assets	14,335,581	25,500	-	-	-	-	-	14,361,081	
Depreciation (expense)	(12,615,972)	(4,664,537)	(3,287,268)	-	-	-	-	(20,567,777)	
Transfers	11,493,863	7,569,995	1,413,084	(40,621,127)	-	-	-	(18,145,285)	
Carrying amount at 30 June 2020	638,522,656	34,882,796	12,204,137	27,351,655	-	-	-	712,961,244	
Comprises:									
Gross carrying amount at 30 June 2020	859,276,958	54,871,554	40,845,269	27,351,655	-	-	-	982,345,436	
Accumulated depreciation at 30 June 2020	(220,754,302)	(19,988,758)	(28,641,132)	-	-	-	-	(269,384,192)	
Carrying amount at 30 June 2020	638,522,656	34,882,796	12,204,137	27,351,655	-	-	-	712,961,244	

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CITY OF PERTH

Interim response to Craig Ross questions 15 - 17

15. Both financial years were signed by the relevant Auditor. The valuations for both years were provided by an authorised independent auditor.
16. The City is Insured at \$230m against Griffen’s value of \$157m.
The insurance value estimates were required prior to sign off by the OAG (March 2021) of the new values. A review of the insured values will now be undertaken
17. The separation of Heritage buildings has not been asked for in the past.

Quarry Street – Holdsworth Street

18. Quarry Street property has been earmarked for disposal and classified as land held for sale in the FY19/20 financial statements at \$4,243,000 (refer attachment) and was valued in the prior period at \$9,321,000. Given it is to be sold and the valuation important, why and how did the property lose \$5,078,000 in value during FY19/20 or since last valuation?

7 Quarry Street	Fremantle	Former YMCA	(595,000)	2,650,000
Quarry St	Fremantle	Fremantle Childrens Services	(4,483,000)	1,593,000
		Sub Total Land held for resale	(5,078,000)	4,243,000

19. How did the 12 Holdsworth Street property sold during FY19/20 for \$1,084,886 be valued previously at \$3,107,875, and why is there such a large discrepancy between the fair value recorded?

Interim response to Craig Ross questions 18 & 19

18. See response to question 19 below.
19. The previous valuation methodology was carried out in line with best use. The most recent valuation was carried out in line with fair value according to its community purpose.

The following questions that were not provided with an interim answer at the meeting were taken on notice. A written response will be provided to the speakers and recorded in the Ordinary Meeting of Council agenda of 28 July 2021.

Questions from Mark Woodcock

1. Can the following documents be made available to the electors?
 - The Auditor general reports on the city's finances and operations
 - The city's business plans for the last decade, ie the Jones Street
 - The finalised report of the Tent City from the CEO
 - The city's set of master plans
2. Can the council please provide the electors the following in relation to the purchase of Jones Street Property?
 - A copy of the Business Plan and due diligence done prior to its purchase
 - The report on the asbestos issues
 - How much was spent on the planning of the site and depot works and what its current status is
 - The report on ground contamination
 - The confidential documents in relation to the site

2 Jones Street

3. What are the current plans for the sites future?
4. Why did council pay above the reported valuers price?
5. What investigations has been done on the remediations of the site and removal of sites contaminations?
6. Does the city have costs for the aforementioned process?
7. What is the cities income from site annually?

Questions from Elizabeth Megroz

1. On page 6, from the Toilet Block (House #9) to the end of the list, all of the items are now currently valued at precisely the same as the revaluation increments. Why?
2. On page 2 the Fremantle Oval Office value appears to have increased from \$2,530,958 to \$6,732,000: a staggering increase of 266%. It raises the question of how a modern building (not the land, just the building) can increase in value at all and least of all, by 266% in 3 years? How was the increase in value ascertained and calculated?
3. On page 3, the Round House shows and increased value from \$1,159,632 to \$4,465,200 (an increase of 385%) when we are constantly being told that this building is in dire need of major repair work. How was the increase value calculated?

4. Why is the very last item on page 6 called 'Buildings WIP' included at the end of the financial year in this list, when it is by sheer definition, work in progress and not a building? Why is this item not disclosed and recorded separately in the accounts?

Questions from Andrew Luobikis

Questions 1-3 - ARMC2106-3 – Overdue Debtors report

1. Why are we waiving these debts rather than put these businesses on a payment plan?
2. Why has an Ex-councillor's business had its debts waived two years in a row? Why can't he be on a payment plan?
3. Can we have the individual justifications for each business on this list with proof as to why?
4. Why are we as ratepayers with ever increasing rates, required to pick up the tab for the Round house a State Heritage building?

Questions from Petr Pacak

Civic Admin Building

1. Is a Managing Contractor a fancy term for a Registered Builder?
2. The construction team will essentially perform the same role that they have provided on the project to date and contractors who have already been working will continue with that under a new builder?
3. How are you sourcing a new builder are you tendering?
4. Who will take legal responsibility for the building? A similar situation with the City of Cockburn Medical Centre, where the builder went bust during the process, cost them Millions to change the builder and pretty much had to redo the entire contract. It seems from reading the website that this is a walk in the park.
5. What is the percent of the internal fit out is completed?
6. Can I visit the building on behalf of rate payers basically assess what council is telling us?

Questions from Georgie Adeane

1. I run the South Beach Market, I spoke the Cr Sullivan some months ago and asked him why my business is going out to tender? His reply was that they site is an iconic site and that other people should have the option of using it as well. So my question is Fremantle Markets is an iconic building which has been let to the same tenant for going on 50 years and why shouldn't that be shared as well? Why have they been given a 50 Year lease when they normal lease is 5 years?
2. How long have they been there?
3. Prior to that, they had a 30year lease prior to that?

4. I am a market holder and I am operating a business in Fremantle and the council has actually been quiet generous to me in the past but I just wonder why something I have created and worked very hard at can just be put on the table as a tender? Legally a commercial lease is 5 years, so legally the Fremantle Markets should have been put out for tender after at least 20 years.
5. Some of their rent was waived, isn't this in breach of their lease?

Question from Shirley Burbidge

Who is responsible for the upkeep of Wray Avenue road surface? Also, Hampton road between Scott St and Jenkins Street? Potholes appeared last year not filled very well. Holes appearing again after first bad storm.

Questions from Bill Burbidge

1. Why is this meeting so late compared to last year? Why don't we have a consistent time in the year as to when these meetings are held?
2. There is a rumour going around that council is no longer going to have a contractor that goes around and does bulk collections?

Questions from John Dowson

1. Why does Fremantle Council appear to be doing so little to keep the port in Fremantle when the state government has unilaterally made a decision to move it out of Fremantle? Where is the evidence of effort by Council to keep WA's "beating heart in Fremantle"?
2. The Annual Report presented tonight states that one of the, quote, "Notable achievements" of the One Planet involvement is the roll out of the FOGO waste program, after a 2% rate levy was introduced to pay for the red bins.

Given that this is not a once off charge for a new bin, but an annual 2% tax on every ratepayer every single year for a single bin, and that inner city residents and businesses do not and have never received one of those bins, when will Fremantle Council rescind the tax for those who don't benefit, and refund their money?

Questions from Suzanne John

1. What is the City going to do about stopping the anti-social behaviour around the Round House.
2. Are you suggesting with all the noise and carry on that we just call a ranger?

Questions from Richard Bartlett

1. What is the state of progress on remediation of the wall on rail side of Arthur Head?

2. When will the cliff on the coastal side of Arthur Head be restored and why the delay, which has now extended to at least 4 years?
3. What steps, such as CCTV and more lights are planned to address security issues and anti-social and criminal behaviour all around Arthur Head?

Questions from Chris Williams

1. How many informal meetings took place between the former Mayor Dr Pettitt and representatives of Sirona Capital Management Proprietary Limited (Sirona) before Council signed a memorandum of understanding with Sirona in October 2011?
2. Were all those meetings recorded in the Mayor's official diary? If not, why not?
3. If yes, were notes of date, venue, who attended and any informal agreements, understandings or proposed motions to Council with respect to a memorandum of understanding with Sirona recorded by the Mayor?
4. Give that it appears the partnership between the City of Fremantle and Sirona appears to have resulted in at least a \$40 million reduction in ratepayer assets of the city, and an estimated \$100 million capital gain to Sirona, has Council requested the Auditor General to conduct a performance audit of the partnership entered into by the City of Fremantle pursuant to the Kings Square Business Plan of November 2012? If not, will Council now request such a performance audit?

Question from Ken Adam

What is the actual position, who or what entity is going to take legal responsibility for the standard of construction of the completion of the Civic admin building?

Questions from Adele Carles

1. Several years ago Sirona Capital as we know was given more than \$40million worth of the City's properties with no public tender process and yet we hear tonight that Georgie Adeane who set up the Markets at South Beach, you have decided that she has to go out to tender and she has built all the relationships with the food holders and stall holders, it is her business, it's a small scale business compared to \$40 million of income producing assets. So why are you throwing the book at her and why wasn't Queensgate and all that other properties, why were they given to Sirona without a tender process?
2. Why were Georgie Adeanes highly regarded South Beach markets put out to public tender?

Question from Martin Lee

We have been told that Covid 19 is to blame for current state of affairs, it is not, the problem is you have sold more the \$50million worth of investment properties, you have lost more income from those investment properties you have from lost rates in Covid, in addition to that you have saddled us the another \$20million of debt that we did not need which was not in the business plan, because that business plan was supposed to be funded by cash flows that were with the business case itself, so you have actually added to the rate payers an addition \$20million. How much money have you lost through lost income and additional debt on an annual basis compared with Covid 19?

5. Acceptance of motions

1. Motion proposed by Craig Ross

Moved: Craig Ross

Seconded: John Dowson

The customary order of items in the Ordinary Meeting of Council monthly agenda be changed so that Finance Reports (Monthly Financial Report) become the reports presented first (not last as currently is the practice) in the agenda to facilitate more discussions as a priority and show a better focus and scrutiny by councillors on financial matters than shown to date.

Carried by simple majority vote

2. Motion proposed by Sean Hefferon

Moved: Sean Hefferon

Seconded: John Dowson

That an independent and external investigation of the purchase of 2 Jones street, O'Connor be implemented.

This investigation, to be open for public submission, should report on:

- 1. Any and all actions taken by the City of Fremantle, and elected members in relation to the purchase of 2 Jones Street and whether these actions were in accordance with relevant standards;**
- 2. Any conflicts of interest, should they exist, relating to City of Fremantle staff, and elected members in relation to 2 Jones Street purchase;**
- 3. The due diligence taken by the City prior to the purchase and in particular verification of the tenancy in place at the time of purchase;**
- 4. The total cost of 2 Jones street being all purchase, and call carrying costs from date of purchase to the present;**
- 5. The total income generated by 2 Jones street year on year benchmarked against the City of Fremantle's internal benchmarks (if any) as well as accepted industry benchmarks for such a property;**
- 6. All valuations pre and post purchase;**
- 7. Future options for the site.**

Carried by simple majority vote

3. Motion proposed by Mark Woodcock

Moved: Mark Woodcock

Seconded: Andrew Luobikis

A vote of no confidence in Council

Carried by simple majority vote

4. Motion proposed by Elizabeth Megroz

Moved: Elizabeth Megroz

Seconded: Craig Ross

That the meeting does not accept the accounts as presented, for they cannot be said to give a true and fair view of the City's financial situation, given the controversy surrounding the valuations of the land, buildings and other assets.

Carried by simple majority vote

5. Motion proposed by Helen Cox

Moved: Helen Cox

Seconded: Mark Woodcock

Fremantle ratepayers, business owners and residents, respectfully instruct the Acting City of Fremantle CEO to undertake a previously proposed independent investigation as outlined by Cr Vujcic's motion (24/2/2021) on behalf of all ratepayers, business owners and residents; and

- 1. That a full report be presented to Council as soon as possible in review of the Council's own policies and practices of 'good governance' and high standards of compliance that are expected to be followed and enacted at all times, in the best interests of ratepayers, business owners and residents.**
- 2. That the City allocate appropriate resources to ensure that the recommendations of that report are immediately implemented in support of the principles of continuous improvement and 'good governance' of our City of Fremantle.**

Carried by simple majority vote

6. Motion proposed by Andrew Luobikis

Moved: Andrew Luobikis

Seconded: Mark Woodcock

- 1. To abolish 'One Planet' and replace it with Climate Active/NCOS Certification.**
- 2. Authorises the Acting CEO to immediately implement this resolution.**

Carried by simple majority vote

7. Motion proposed by John Dowson

Moved: John Dowson

Seconded: Mark Woodcock

That funding for heritage should be increased in 2021 budget.

Carried by simple majority vote

6. Other business

Notice of the following motions was provided to the City prior to the meeting. However, as these motions were not moved at the meeting they could not be considered or voted on.

Unmoved motion proposed by Hans Hug

Fremantle Chamber Orchestra's subsidised use status for the Fremantle Town Hall shall be continued (and not cancelled) because:

1. FCO is contributing to council and the maintenance of the town hall by having brought 24,000 visitors from Lake Clifton to Bickley to Fremantle over the last 16 years who pay parking fees and stimulate the local economy by having meals, drinks in Fremantle. FCO also pays the booking, lighting, piano hire and tuning fees.
2. FCO has provided the City of Fremantle with exposure worth \$1 million thanks to its main sponsor, the Fremantle Herald and Perth Voice which runs advertising campaigns over 5-6 weeks in the lead up to every concert (worth over \$600,000 since 2005) as well as FCO's own marketing efforts reaching the entire metro area (regular seat drops of FCO flyers at WASO and Musica Viva performances in the Perth Concert Hall), FCO group emails (thousands of people have signed up to receive announcements), Chamber of the Arts and Culture group emails, distribution of flyers at luthiers, bookshops, doctor and dentists waiting rooms, newsagencies, coffee shops, etc and lastly websites and social media..

3. FCO's recordings are at international level (over 4 million hits on YouTube and Spotify) thanks to internationally renowned Dutch violinist Rudolf Koelman. FCO's 2 acclaimed CDs have been broadcast on ABC Radio National Classic FM and are sold worldwide. This reflects positively on Fremantle, gives Fremantle a permanent and increasing local, national and international presence it otherwise wouldn't have.
4. FCO enriches the local arts and gives pleasure to many Fremantle citizens and visitors.
5. FCO provides training for young talented WA professional musicians which is recognised by WASO and Musica Viva (hence the seat drops). This again reflects positively on Fremantle. The performances with violinist Rudolf Koelman are like master classes for FCO members but instead of having to travel far at great cost, the master comes to Fremantle. This again increases Fremantle's reputation.
6. FCO is incorporated not-for-profit and all administrative and organisational work is voluntary.
7. FCO is incredibly efficient with high artistic achievements and training provided (both usually cost millions) by the smell of an oily rag. The additional costs for the hire of the Fremantle Town Hall could break FCO and I cannot see why suddenly FCO shouldn't be worthy of the city's support and co-operation anymore.
8. FCO received subsidised use status by a submission to full council 15 years ago. Full council voted to grant FCO this status. Surely only full council can cancel this.

Unmoved Motion proposed by Soren & Lee Lovmark

1. Please consider turning the Cappuccino Strip into a pedestrian mall for both citizens and visitors to enjoy.

6. Closure

Deputy Mayor, Andrew Sullivan declared the meeting closed at 8.42 pm