



Minutes

Annual General Meeting of Electors

Monday 3 October 2022 6pm



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1. Official opening, welcome and acknowledgment

The Mayor, Hannah Fitzhardinge declared the meeting open at 6.03pm and welcomed members of the public to the meeting.

2. Attendance

Ms Hannah Fitzhardinge	Mayor
Mr Glen Dougall	Chief Executive Officer
Mr Matt Hammond	Director City Business
Ms Michelle Brennand	Director Community Development
Mr Russell Kingdom	A/Director Strategic Planning and Projects
Mr Graham Tattersall	Director Infrastructure
Ms Melody Foster	A/Manager Governance
Mr Paul Dunlop	Manager Communications and Events
Ms Anne-Marie Bartlett	Meeting Support Officer

Electors

Mark Woodcock
Brian Smith
Ian Ker
Margaret Ker
Trish Bevan
Roel Loopers
Craig Ross
Shirley Burbidge
Jenny Archibald
Gina Blakemore
Dianna Cullen
Frank Mofflin
Bryn Jones
Roy Lewisson
John Dowson
Lisa Barnes
Bill Ody
Suzanne John
Christian Mauri
Petr Pacak
Chris Williams



3. Presentation of the Annual Report

Director of City Business, Mr Matt Hammond gave a short presentation on the Annual Report 2020-2021.

Moved: Mayor Hannah Fitzhardinge Seconded: Jenny Archibald

That the City of Fremantle Annual Report 2020-2021, including financial statements and auditor's report, as attached to this agenda be received.

Lost

Craig Ross asked if the extract of the financial statements are being received, or the full annual financial statements.

Director City Business, Matt Hammond responded that the Annual Report and the full Annual Financial Statements are being received.

John Dowson asked how the meeting can receive the Annual Financial Statements if they were not made available with the agenda or on the website.

Chief Executive Officer, Glen Dougall responded stating that the Annual Report had been provided with an abridged version of the Annual Financial Statements. The Annual Financial Statements were provided by Council through the August round of Council meetings and the Audit Committee. Mr Dougall also stated that if the group doesn't feel that they're of an opinion to vote for it, then don't vote for it.

Marija Vujcic asked if the local government standards are being met.

Chief Executive Officer, Glen Dougall responded that local government standards have been met.



4. Public question time

Summary of questions and statements from Shirley Burbidge

1. Why have the Council gone over to the green dog waste bags, when the yellow ones were sufficient? Have the City received a special deal from the people who make the green ones or are the yellow ones too expensive?

Response – Director Infrastructure

The City has tried to move towards biodegradable bags. The City has been trialling different types of bags and there were also some pretty significant supply issues with bags as well, so different versions have been trialled and the City has received feedback on each one, which it will take on board with the Parks Team.

Shirley Burbidge made a statement thanking whoever was responsible for planting the everlastings, which she stated have given her great joy as she has driven down South Street and Wray Avenue.

Summary of questions and statements from Craig Ross

Incomplete financial report in agenda attachment for meeting approval:

1. For what reasons is there only an incomplete 5 page extract of the FY21 financial report in the agenda notice and not the full and complete 62 pages of the FY21 financial report?
2. How is this omission not a statutory breach for agenda meeting requirements?

Net decrease in cash of \$10m in FY21:

3. The FY21 financial report indicates a \$10m net outflow deficiency of cash/term deposits during the FY21 year (\$6m net decrease in cash stated in the Statement of Cash Flows plus the \$4m decrease in term deposits). Refer to the Statement of Cashflows not Rate Setting Statement. How will the council be financially sustainable and balance its cash/term deposits inflows and outflows without the ongoing and continual disposal of assets from the investment property portfolio (such as Quarry St) to fund these unsustainable cash inflow shortfalls?



Provisions for the rehabilitation of landfills and other contaminated sites:

4. Has the council for FY21 financial report purposes undertaken a review on the rehabilitation of landfills and other contaminated sites (South Fremantle landfill site, Jones St site, and others sites) ?
5. For identified contaminated sites, when will the council properly recognise a provision for the rehabilitation of landfill sites and other contaminated sites as required by accounting standards?

FY21 non compliant disclosure for uncollectible receivables provision movement:

6. Note 6 Trade and Other Receivables is non compliant with accounting standards disclosure for the Allowance for Impairment of Receivables movement in FY21 (AASB 137). As a consequence the movement for the allowance of additional allowances, written off amounts, and unused amounts reversed is not disclosed.
Why is the allowance movement information particularly the amounts written off not properly disclosed as required by accounting standards in the FY21 financial report, and also not consistent with Note 30(b) details?

Note 27 (c) Major land transactions outflow \$3m:

7. Note 27(c) of the FY21 financial report under Major Land Transactions discloses an amount of \$3m as an outflow in FY21/22 and \$nil in subsequent years.
What does this amount of \$3m outflow represent and to which property does it relate to?
8. In the FY21 financial report in Note 9(a) Property, Plant & Equipment the capital Work in Progress amount is stated at \$52m.
Given the amount disclosed for Capital Work in Progress in August 2022 is \$77m how can the FY21 financial report disclosure in Note 27(c) of \$3m be accurate?

Late FY21 financial report:

9. What are the main reasons from the council side for the delay in finalising the FY21 audited financial report?



City of Fremantle delinquent in submission of draft financial report to the Auditor General:

10. For what reasons was the statutory deadline of 30 Sept 2021 for the City of Fremantle not met for the submission of the FY21 draft financial report to the Auditor General?
11. Why also was the extended submission date granted by the Auditor General for the FY21 draft financial statements not met?

Lack of transparency for all internal controls weaknesses from the FY21 audit process:

12. Unlike previous years, why was the full and complete listing of FY21 internal control weaknesses arising from the Auditor General interim and final audit visits not made public?

FY21 audit report contains 5 material non-compliance matters:

13. How is the City ensuring there are sufficient resources to address the significant weaknesses identified that appear to be happening year after year?
14. For the City staff and CEO responsible for the internal weaknesses identified year after year are these failings addressed in their staff performance appraisals?

Civic centre project cost not transparent at 30 June 2021:

15. What are the reasons the architect costs of \$6.9m exceeded \$2.4m over the revised 2019 figure and \$5.1m over the clearly incorrect original business plan figure?
16. Why was the architect contract structured by the council in a less than proper commercial arrangement so the architect be paid such high additional amounts for delays in project commencement and time delays ?
17. Why was only \$1.8m included as architect costs in the original business plan?
18. Why should the ratepayers accept a lack of business acumen, poor budgeting, and poor contractual control practices by the City?



Inconsistency with Feb 2020 civic centre costs information:

19. Why is the information provided by the council to ratepayers in Feb 2020 so inconsistent with the actual civic centre project cost information provided in August 2022?

Architectural costs not properly disclosed in civic centre costs:

20. Why were the architect costs not disclosed properly during FY21 when asked by ratepayers or disclosed in project updates?
21. What and how was the payment or grant or contra-payment mechanism by the City for architect costs and why are the complete payments for architect costs not included in the monthly payment listings?

Recipients of the \$3.7m Pindan insurance bonds:

22. Which contractors or suppliers were paid from the Pindan insurance bond amount of \$3.7m claimed by the council?

Civic centre business plan:

23. Given the inaccuracies in the business plan and secrecy in the revised 2019 figures, how will the quality of council business plans be improved in the future, and the culture to suppress any unfavourable information be improved?
24. Why were these project budgets kept confidential and was the secrecy due to unfavourable information on the budget increases for architect costs and other projects costs?

Heritage Land & Heritage Buildings:

25. Other councils (such as City of Perth) disclose Heritage Land and Heritage Buildings so as to be more meaningful to the readers of the financial report and assist in the periodic valuation process. Meanwhile the City of Fremantle discloses none of this information in Note 9(a). This question was asked in the prior year with the response by the council ... "The separation of Heritage Buildings has not been asked for in the past"
Why are these amounts not shown separately and transparently in the Note 9(a) of the FY21 report to both highlight and showcase the heritage assets of Fremantle?



CEO signed FY21 financial report before the audit closing meeting:

26. Would it not be better practice that the CEO waits to sign the FY21 financial report until after the audit closing meeting discussions in case of any issues arising?

Questions 1 – 26 were taken on notice at the meeting. A written response will be provided to Mr Ross and recorded in the Ordinary Meeting of Council agenda of 26 October 2022.

27. Were the FY22 draft financial statements provided to the Auditor General by the statutory deadline?

Response – Director City Business

The Office of the Auditor General appointed an auditor to work with the City on the last years financial statements, and they have been provided with all the information that they require.

Summary of question from Bill Ody

1. Is it deliberate or inadvertent that the Auditors Report wasn't included in the Annual Financial Statements provided tonight? Will it be made available in full on the website?

Response – Mayor Hannah Fitzhardinge

It was inadvertent. The Auditors Report is available on the website, and the Annual Financial Statements was made available with the agenda for the August round of Council meetings.

Summary of question from John Dowson

1. Why is the only major item in the heritage budget this year for the re-roof of the Fremantle Arts Centre in sheets of bright tin, instead of the material recommended by all Fremantle experts on this subject – shingles or faux shingles?

Question 1 was taken on notice at the meeting. A written response will be provided to Mr Dowson and recorded in the Ordinary Meeting of Council agenda of 26 October 2022.

Mark Woodcock made a statement in relation to the importance and protection of heritage assets in the City of Fremantle.



Trish Bevan asked the following question in relation to motion 1.

1. Do they really believe that we can use one bridge for four years to get all the trucks from the harbour, as well as the whole of Perth, to move everybody? Why, if they are talking and planning to move the harbour to Kwinana, don't they move the trucks down there first before they even consider that we have to share that one bridge?

Response – Mayor Hannah Fitzhardinge

It might be worth directing those questions to us because I do believe the bridge remains open during the construction period and trucks are not currently supposed to be using that bridge anyway, so hopefully it's not as bad as you worry.

Gina Blakemore asked the following questions in relation to motion 1.

1. How will this affect the businesses that are on Beach Street?
2. Will this look like the roundabout that was developed on High Street and Stirling Highway?
3. Will we end up with sound walls?

Bill Ody asked the following question in relation to motion 1.

1. Did Council have any prior information or knowledge that this route was going to be put onto or run as the route?

Response – Mayor Hannah Fitzhardinge

The elected members had a number of briefings about the options leading up to it.

The agenda paper for Finance, Policy, Operations and Legislation Committee this month will go through the full engagement process and what options were considered by Council, to increase transparency.

John Dowson asked the following questions in relation to motion 1.

1. I'd be interested to know if the Sea and Land Council have been consulted about this.



2. I'd be interested to know if Cantonment Hill and the river are both Aboriginal Heritage sites.
3. From an Aboriginal perspective, I'd like to know what Main Roads has done in terms of consulting with relevant people on this.

Petr Pacak asked the following questions in relation to motion 2.

1. Is the Council subsidising this or is this a profit arrangement?

Response – Director Infrastructure

We acknowledge that initially the Containers for Change facilities had a slow start. We have not done it the same as the other TOMRA ones. We haven't invested heavy machinery, ours is a manual facility that compliments the recycling centre adjacent to it.

Petr Pacak asked the following questions in relation to motion 3.

1. Have Council asked about the extra architect costs?

Response – Mayor Hannah Fitzhardinge

Yes. That was a finding in the audit report and Council asked for a report to be brought to the August round of Council meetings that covered the full costs which included those items. There is an acknowledgement that the Auditor General is right there and if we had our time again, we would've structured that contract with the architects differently. Was the right governance in place over the years, the Auditor General says no, with that particular architect's contract, so all we can do is take that lesson learnt and apply it going forward in how we structure our contracts, which is something of course we have already done, so it's historical now.?



2. Is there a builder who will be responsible for issues with the building?

Response – Director Infrastructure

The building is still in the 12-month defects liability period. The facilities team and the architects are logging defects on site and they will be rectified.

3. Is there any budget for attending these issues? How will the building be maintained?

Response – Director Infrastructure

We have somebody to deal with any defects or design issues, which we deal with at the end of the 12-month defects liability period. Going forward we will have maintenance budgets to deal with them.

4. What would be the approximate annual budget for the maintenance?

Mayor Hannah Fitzhardinge took question 4 on notice and suggested that future questions in relation to budget be submitted on notice at future Council meetings.



5. Acceptance of motions

1. Motion submitted by Ian Ker

Moved: Ian Ker

Seconded: Marija Vujcic

That this meeting:

A. Does not support the proposal for replacement of the Fremantle Traffic Bridge announced by the WA Minister for Transport on 21st August 2022 on the grounds that:

- 1. It is inconsistent with –**
 - a) the clearly-expressed views of the community in the consultation held between August 2020 and August 2021; and**
 - b) the proposal confirmed by the WA Minister for Transport on 2nd August 2021; and**
- 2. It does not allow any meaningful or functional retention of any part of the existing heritage traffic bridge.**

B. Calls upon the Fremantle City Council:

- 1. To request cessation of activities associated with realignment of Canning Highway, including pegging and surveying within the existing parks and recreation reserve and any application to rezone any part of that reserve; and**
- 2. To engage with the WA Government, Main Roads and the Bridge Alliance and the Fremantle community to undertake an objective and transparent comparative assessment of the August 2021 and August 2022 proposals.**

Carried by simple majority vote



2. Motion submitted by Petr Pacak

Moved: Petr Pacak

Seconded: Mark Woodcock

That Council:

- 1. Conduct a benefit-cost analysis to confirm the overall costs to ratepayers of the Containers for Change Refund Point and what if any revenue/profit is generated by the city to cover these costs since its inception in 2020. Also, to investigate what other WA metro councils are administrating this scheme as Fremantle does.**
- 2. If shown to be cost prohibitive and a burden on Ratepayers, to investigate the supplier agreement with WA Return Recycle Renew Limited (WARRRL) and resolve to winding down the City of Fremantle involvement in this scheme, the approximately \$300,000 to run it, and any City assets utilised by the 2023/2024 fiscal year.**
- 3. That the program be offered to a local charity or a commercial enterprise like what other WA Councils have done. For example, in Wangara this is done by Scouts WA Recycling, or in Myaree by TOMRA.**
- 4. Authorises the CEO to immediately implement this resolution.**

Carried by simple majority vote



3. Motion submitted by Mark Woodcock

Moved: Mark Woodcock

Seconded: Marija Vujcic

The electors request the City of Fremantle call for an independent investigation to be run by the Auditor General’s Office into the Kings square business plan to identify the massive cost overruns of the Fremantle councils Kings Square Project.

Due to excessive cost overruns and payments made well above budget, which still haven’t been properly explained or justified. To identify and report back to the electors how these cost overruns occurred and if all payments were in accordance with good management principles, the act and council policy. Who approved the millions of dollars in additional payments over the budget?

When the scope of the investigation is established, it is to be done by elected ratepayers (not councillors) that are attending tonight’s meeting and have the appropriate skill sets and qualifications to scope out that investigation.

Carried by simple majority vote



4. Motion submitted by John Dowson

Moved: John Dowson

Seconded: Gina Blakemore

The Fremantle Society calls on the Council to urgently hold a public meeting in the Town Hall on the various issues around the bridges and the new issue of Canning Highway deviation destroying the heritage and landscape values of the escarpment above the river east of the Traffic Bridge.

Carried by simple majority vote

6. Closure

The Mayor, Hannah Fitzhardinge declared the meeting closed at 7.22pm.