



Agenda

Ordinary Meeting of Council

Wednesday, 9 December 2020, 6.00pm

CITY OF FREMANTLE
NOTICE OF AN ORDINARY MEETING OF COUNCIL

Elected Members

An Ordinary Meeting of Council of the City of Fremantle will be held on **Wednesday, 9 December 2020** in the North Fremantle Community Hall, located at 2 Thompson Road, North Fremantle commencing at 6.00 pm.



Philip St John
Chief Executive Officer

4 December 2020

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CITY OF FREMANTLE

Ordinary Meeting of Council

Agenda

1. Official opening, welcome and acknowledgement

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 leaves of absence

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

3. Applications for leave of absence

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

4. Disclosures of interest by members

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

5. Responses to previous public questions taken on notice

The following questions were taken on notice at the Ordinary Meeting of Council held on 25 November 2020:

The following members of the public asked questions in relation to item FPOL2011-12 Elected Member Motion – Support for Persecuted Mayors and Councillors in Turkey – Councillor Sam Wainwright, a summary of these questions and response is included below:

Question – Helen Cox and Andrew Luobikis

Please explain why this matter is an issue of concern for residents living within the Local Government locale of Fremantle in WA, and why international political issues are considered a priority for debate when more pressing local issues are at hand?

Response

Council believed that the persecution of elected officials was an appropriate issue for it to form a supportive advocacy position in relation to. This issue is not solely a political issue but is also supporting a cross-cultural understanding and awareness of what's happening beyond our borders. Being aware of and understanding global issues and other cultures is an integral part of any community whether local or international.

The following members of the public asked questions in relation to item C2011-4 Elected Member Motion – Full Council to Review Method to Sell 7-15 Quarry Street Fremantle – Cr Marija Vujcic, a summary of these questions and response is included below:

Question – Helen Cox and Andrew Luobikis

Is this a standard practice for the previous decision to go to market without prior notice to all councillors and members of the Greater Fremantle Community?

Response

The Finance, Policy, Operations and Legislation Committee authorised the sale of Quarry Street by auction under delegation at its meeting held 14 October 2020.

Question – Helen Cox and Andrew Luobikis

Please explain the reasons why local real estate or commercial agents were not consulted about how to market the property so as to obtain the premium return for ratepayers?

Response

Council received a valuation for the property from a licensed valuer, which was used to set the reserve price. On this occasion, the City is progressing the sale via auction and has engaged a licensed auctioneer.

Question – Helen Cox and Andrew Luobikis

Are the proceeds of this sale going into the ‘contingency reserves’ and being reinvested in other income generating assets as required by the Local Government Standards? What is the future outcome of this reinvestment strategy?

Response

The proceeds from the sale of 7-15 Quarry Street will be placed into the Investment Reserve.

Question – Mark Woodcock

- a. Can the council explain to the community how having an auction for their Quarry Street property which is run through a non-standard over east website is in the best interest of ratepayers and residents, considering there is no sign advertising the auction, isn't appearing on general practice or commercial expected websites?

Response

The sale of Quarry Street by auction is one of the three ways described in the *Local Government Act 1995* to dispose of property.

- b. How would this generate a wide commercial interest in the property and get the best return for rate payers?

Response

The websites used by the City are the same websites a real estate agent would use.

- c. Can council explain where it got this professional independent advice from?

Response

The City is using a licensed valuer to determine property value and a licensed auctioneer to undertake the auction.

- d. Is this normal acceptable practice for any other councils in WA?

Response

As stated above, auction is one of the three ways identified in the *Local Government Act 1995* to lawfully dispose of property.

Question – John Dowson

Why has Council not postponed the sale of 7-15 Quarry Street given the community concern surrounding the 2 December auction?

Response

Council will be considering a notice of motion on this matter at this meeting.

The following member of the public asked questions in relation to item ARMC2011-7 Overdue Debtors Report as at 30 June 2020, a summary of these questions and response is included below:

Question – Elisabeth Megroz

In the case of non-payment of rates:

- a. why is the Council agreeing to waive the rates instead of registering a lien over the property such that if the property is ever to be sold or developed, ratepayers will get their money back when the lien comes into effect?

Response

Local Government already has a right to collect any outstanding rates that may exist on a property when it is sold under the *Local Government Act 1995*.

- b. Why doesn't the Council look to enter an agreement with the entities that have not paid the rates to pay the said rates over a period of 5 - 7 years or even longer so that ratepayers get their money back?

Response

Council does provide payment plans for ratepayers who have outstanding rates or need a plan to support the payment of rates.

- c. Is it not in the interest of ratepayers that further waiver or non-payment of rates would be discouraged?

- d. Would you agree that if rates are continued to be waived by Council, businesses/clubs will take advantage of it?

Response to c and d

C and d are taken as statements.

- e. Why doesn't the council, instead of waiving the rent, contemplate either:

- entering into an agreement with the business owner to pay the outstanding rent over a period of 5 -7 years: or
- changing its processes so it doesn't rent out any of its properties to any enterprise in the future without directors' guarantees being sought to make

sure that in the event that the business can't pay the rent, directors of the entity will need to honour their obligation of the business?

Response

Council does already work with tenants to seek a payment plan for any outstanding amounts. Council already considers seeking personal guarantees for relevant leases.

The following members of the public asked questions in relation to item FPOL2011-8 Rates Concession – Italian, Croatian and Portuguese Clubs, a summary of these questions and response is included below:

Question – Elisabeth Megroz

In the event that these clubs are unable to pay past rates, why is the Council choosing to waive the rates instead of registering a lien over the property that the club owns, so that the ratepayers will likely get most if not all of their money back at some stage?

Response

Council will be considering a report to waive rates for community clubs at this meeting.

The following member of the public asked questions in relation to item ARMC2011-8 Purchasing Policy Exemptions August to October 2020, a summary of these questions and response is included below:

Question – Elisabeth Megroz

On page 78 of the agenda in the October 2020 Exemption Category:

a. Please explain what the following paragraph means:

“The process for requesting Artist exemptions was amended to require exemptions before contracts or Purchase orders are awarded. This has resulted in artistic fees required for the A Forest of Hooks and Nails at FAC and Design Freo - Object Space Place event at FAC being agreed and paid for in advance. All costs were budgeted and approved at the 8 July 2020 special Council meeting.”

Response

This means that when the City engages an artist directly the approval process needs to be completed prior to any formal engagement.

b. Please indicate where the Artists costs that were budgeted and approved at the 8 July 2020 Special Council Meeting are documented?

Response

In the [attachments of the Special Council](#) meeting documents.

c. Please explain how ratepayers can feel confident that fiduciary obligations by the Council are upheld when details of exemptions can be found in confidential attachments?

Response

Fiduciary requirements are being met by this process.

The following member of the public asked questions in relation to item SPT2011-3 West End Heritage Area – Draft Local Planning Policy 3.21 & Potential Planning Scheme Amendment – Outcomes of Public Consultation, a summary of these questions and response is included below:

Question – John Dowson

- a. The Fremantle Society asks that the Council defers the new policy until it has been peer reviewed and that officers demonstrate for example that problems with extra storeys being allowed on top of existing buildings as in clause 5 are not allowed.

Response

The time and effort the Fremantle Society put into its submission is acknowledged. Points made in the submission were considered by officers in finalising the content of the policy for consideration by the Council. An attachment to the officer's report to the Council details all submissions received and officer's responses to points made in submissions. The request to defer consideration of the policy and undertake a peer review was noted but no deferral motion was moved when the item was debated, and Council resolved to adopt the revised policy in accordance with the officer and Strategic Planning and Transport Committee recommendation. The Heritage Council of WA considered and endorsed the policy.

- b. Will Council explain specifically, given the concerns raised especially about vague terminology in the policy, how the new West End policy is stronger and better than the previous one?

Response

The revised policy is considered stronger and more effective than the previous one for two key reasons:

1. It is up to date and responds to and reflects current planning legislation, making it more likely to stand the test of statutory challenge and review.
2. It is more comprehensive, and more clearly explains the relationship between the area's history and its built form, and the expectations, therefore, of new development (including change of land use, alterations etc). This should both assist in common understanding, interpretation and application and again also make the policy more robust if challenged.

The following member of the public asked a question in relation to matters not on the agenda, a summary of these questions and response is included below:

Question – John Dowson

Council documents (Meeting attachments part 3, page 263) state that the Council owns \$22.6 million in income producing assets, and a figure given in June 2020 was \$21.6 million, what is the true and accurate figure of ratepayer assets?

Response

Asset values are provided by independent valuation process and the determination of any depreciation applied. This figure will change through the course of accounting periods.

Question – John Dowson

In relation to the response to the question asked last month related to the Fremantle Traffic Bridge:

The Fremantle Society asks again that the Fremantle council does what the community cannot afford and get expert reports to back up the retention of the heritage listed 1a bridge?

Response

The City re-confirms that this is a State Government Project and that the Fremantle Society should direct its requests for expert reports to the Government. The City will not be undertaking detailed technical work on this complex matter, independent of the project owner.

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 to be presented to council.

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 2018.

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 2018.

9. Confirmation of minutes

OFFICER'S RECOMMENDATION

Council confirm the minutes of the Ordinary Meeting of Council dated 25 November 2020.

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 committees

11.1 Planning Committee 2 December 2020

PC2012 - 1 PAKENHAM STREET, NO. 15 (LOT 4), FREMANTLE - ROOFTOP TERRACE ADDITION TO EXISTING TOURIST ACCOMMODATION BUILDING - (JCL DA0508/19)

Meeting Date:	2 December 2020
Responsible Officer:	Manager Development Approvals
Decision Making Authority:	Committee
Attachments:	1. Amended Development Plans
Additional information:	1. Management Plan 2. Site photos

SUMMARY

Approval is sought for a rooftop terrace addition to an existing Tourist Accommodation building at No. 15 Pakenham Street, Fremantle.

The proposal is referred to the Planning Committee (PC) due to the comments received during the notification period that cannot be addressed through conditions of approval. The application seeks discretionary assessments against the Local Planning Scheme No. 4 for works to a heritage listed building and an existing 'D' land use (Tourist Accommodation).

The application was considered by PC on 7 October 2020 and was deferred to the next appropriate PC meeting to allow for further information to be provided in regard to the community consultation process and further assessment of the potential amenity impacts on nearby residents prior to determination of the application. Further details relating to these items have been provided in the Officer Comments below.

Subject to conditions relating to the ongoing management of the proposed roof terrace, the application is recommended for approval.

PROPOSAL

Detail

Approval is sought for a rooftop terrace addition to an approved Tourist Accommodation building at No. 15 Pakenham Street, Fremantle. The proposed works include:

- Removal of section of roof sheeting at the rear of the premises to create a roof terrace of approximately 140 m²
- New roof cover (approximately 32m²) over a portion of the new roof terrace
- New tiled steps to terrace with balustrading
- Additional balustrading to existing parapet walls
- Existing brick parapet with cap/soaker flashing modified and made good to various portions of the terrace

The applicant submitted a short operational plan (Management Plan) for the proposed rooftop terrace on 6 April 2020 detailing following management measures:

- Accessible to guests of the accommodation only.

- Accessible between 7.00am and 8.00pm Sunday to Thursday, and 9.00am to 10.00pm Friday and Saturday.
- Access to the terrace will be blocked off and prohibited outside of the above times.
- A maximum number of 80 guests will be permitted on the roof terrace which is consistent with the Lodging license for the premises.
- Guest will not be permitted to utilise their own personal devices for amplified music
- Any sound device will be supplied and managed by staff.
- Special events will only be allowed on Fridays and Saturdays, and will be discussed and planned, with immediate neighbours notified.
- Contact details for management provided to the City.

The proposal does not include any increase in the number of guests to be accommodated at the premises and there are no other works associated with this application.

Development plans and the Management Plan are included as attachment 1.

Site/application information

Date received: 23 December 2019
 Owner name: Mario Marra and Silvia Marra and Artecasa Pty Ltd
 Submitted by: Mario Marra
 Scheme: City Centre Zone
 Heritage listing: Individually Listed Category 1B and West End Heritage Area
 Existing land use: Tourist Accommodation
 Use class: Tourist Accommodation
 Use permissibility: D



CONSULTATION

External and Internal referrals

State Heritage Office (DPLH)

The application was referred to the State Heritage Office (SHO) as the subject site is located within the West End Conservation Area, and is adjacent to an individually State Registered property. The SHO has advised that the proposal does not significantly impact on the identified cultural significance of *Lance Holt School*, and raised no objection to the proposal.

City of Fremantle Heritage Officers

In addition to the site being located in the State Registered West End Conservation Area, the application property is also individually listed on the City's MHI and Heritage List as a Level 1B property. This means that that the City has identified this place as being of exceptional cultural heritage significance in its own right within the context of Fremantle and its conservation is required. As such the proposed works were also referred to the City's Heritage Team for comment. The proposed changes to the roof deck are considered to be minor in nature and will have little impact upon the heritage values of the property and the West End. The deck and sun shelter will only be partially visible when viewed obliquely down the adjacent right of way and only a small section of the original brick parapet will be cut away to provide access from the stair landing to the roof deck and the original form of the sawtooth shaped parapet will still be clearly visible. Given the above, it is considered that the proposed works will not be detrimental to the heritage significance of the site.

Fremantle Ports (FPA)

The application was referred to FPA as the subject site is located within Fremantle Port Buffer Area 2. The FPA have advised that they have no objection to the proposal.

Community

The application was advertised in accordance with Schedule 2, clause 64 of the Planning and Development (Local Planning Schemes) Regulations 2015 and Local Planning Policy 1.3 Public Notification of Planning Proposals, as the proposal includes works associated with an existing 'D' use.

In accordance with the Policy, letters were sent to the owners and occupiers of all surrounding properties that share a boundary with the subject site, and those properties on the eastern side of Pakenham Street immediately opposite the site. Approximately 30 letters were sent out.

The original advertising period concluded on 15 June 2020, and six (6) submissions were received, five objecting to the proposal and one offering conditional support for the proposal. The following issues were raised (summarised):

Objections

- The venue has existing noise, anti-social behaviour, and public health issues, which will be intensified by this proposal;
- Doubt the venue management will abide by caveats or restrictions placed on the proposed rooftop terrace;

- Recent removal of mature trees nearby will intensify impact of noise as they previously absorbed the noise;
- There are no mechanisms to dampen noise increases; and,
- The location of the terrace will make it level with bedrooms and living rooms of surrounding homes.

Support (conditional)

- Fully support the proposal if it is demonstrated it will achieve the following (with details provided):
 - Move inconsiderate patrons off the street;
 - Eliminate or drastically reduce noise;
 - Improve behaviour of patrons;
 - Prevent patrons from living in their cars on Pakenham St and presumably using non-guest services;
 - Respect council noise laws; and,
 - Improve response to neighbourhood noise complaints.

Following the Planning Committee meeting held on 7 October 2020 it was brought to the City's attention that an adjoining landowner did not receive a letter from the City in June. As the letters are not sent via registered post, it cannot be confirmed whether or not a letter was delivered to the property. As such, to ensure all adjoining landowners and occupiers had an opportunity to view the proposed plans and provide their comments to the City, this adjoining landowner was provided with a copy of the proposal and 14 days to provide any subsequent comments. It is also noted that Officers responded to a number of additional enquires from surrounding owners/occupiers.

Three (3) additional written submissions were received, raising the following concerns:

- Direct visual line of sight available from the deck to nearby dwellings causing noise and visual privacy issues;
- Site has a history of complaints made against it; the deck with 80 patrons will cause a "party event" and alcohol consumption will result in further issues;
- Recommended operating hours means that nearby residents will experience visual and audible intrusions up to 15 hours a day;
- Premises currently has internal and external entertainment areas available for patrons, is the deck necessary;
- The application will have a negative impact on the amenity of the area in conflict with the City's draft West End Heritage Area policy (Local Planning Policy 3.12), which seeks to protect existing developments by discouraging developments posing detriment to existing and future residential uses;
- The City must understand that encouraging inner city living requires the protection of resident's amenity; and,
- Other premises in the area can manage noise and behaviour well, with some exceptions.

With respect to the above submissions, the City provides the following comments:

- The compliance history of the site is noted. The number of patrons and noise levels are subject to the management plan. If the activity is non-compliant with the management plan, appropriate compliance action may be taken;
- The operating hours proposed are less than those currently enjoyed by other venues of a similar impact in the locality;

- The amenity impacts of the development are discussed in the body of the report; and,
- It is noted that the City has a Local Planning Policy 3.12 *West End Heritage Area*. This Policy was adopted by Council at its meeting held on 25 November 2020. For the purposes of writing this report (prior to Council's 25 November decision), the policy has been considered against this proposal. The Policy mentions noise in the context of it being an existing feature of the precinct, and future development needing to incorporate noise mitigation to protect its inhabitants from excess noise and to protect the locality from noise;
- The premises must abide by the requirements of the Management Plan, which includes provisions for noise, as discussed in the body of the report.

Matters relating the management of the proposed roof terrace are discussed further in this report. In response to the concerns relating to ongoing compliance with conditions of any approval it is noted that the City can enforce any conditions of approval through the City's Compliance Department should that be necessary.

OFFICER COMMENT

Statutory and policy assessment

The proposal has been assessed against the relevant provisions of LPS4 and relevant Council Local Planning Policies. The application has been assessed as seeking a discretionary assessment against the Local Planning Scheme No. 4 for an extension of the existing 'D' land use (Tourist Accommodation). This matter is discussed below.

Background

The subject site is located on the western side of Pakenham Street between Leake and High Streets. The site has a land area of approximately 620m², is zoned City Centre zone and is currently occupied by a Tourist Accommodation premises. The site is individually heritage listed, with a Level 1B Management Category and located within the State Registered West End Conservation Area. It is noted that the subject site has rights of access over the concrete staircase located on No. 54 High Street for access to the upper floor of the subject building.

On 4 August 2015, the City granted planning approval for a change of use to Hotel and additions and alterations to the existing building. This application approved additions and alterations to the building, including a rooftop deck similar to the one proposed in the subject application. In October 2019, an application for a Building Permit was submitted to the City for the works associated with the approved roof terrace. These works were considered to be different to the works approved in 2015 and the applicant was advised that a new application for Planning Approval would be required.

It is noted that the 'Hotel' use of the 2015 approval does not appear to have been acted upon, as no Liquor License has been granted for the premises by the Department of Racing, Gaming, and Liquor, nor have any of the approved works substantially commenced. Therefore, the application is considered to have not been acted upon and is no longer valid as the approval will have expired in August 2019.

The site is currently approved as a Tourist Accommodation, and the works do not involve any expansion of beds or rooms, therefore there is no increase in the intensity of the use. The subject application is solely for the works comprising the rooftop terrace and patio.

It is noted that the premises have been the subject of several recent compliance matters, predominantly regarding alleged noise, anti-social behaviour, and littering. It is noted that a number of these issues appear to have occurred in the parklet outside of the site, located in the City's road reserve.

D.G.F14 – Fremantle West End Conservation Area Policy

The physical works associated with the proposed roof terrace have been assessed against the relevant criteria of D.G.F14 – *Fremantle West End Conservation Area Policy* and are discussed in the below table. This policy was revoked by Council's resolution of 25 November 2020 in adopting the new West End Heritage Area Local Planning Policy 3.12, but was effective for most of the assessment period of this application.

Policy Requirement	Officer Comment
<p>The appropriate height is one which respects the scale and reinforces the integrity of the existing streetscape. The Council's officers and advisers believe that in principle this is to be a maximum height of three storeys, on the street frontage. The height will be assessed by appropriately considering its relation to and effect on the existing landmarks, on recognised vistas, skyline and in particular on the heights of the adjacent buildings.</p>	<p>The proposed works are considered to comply with this requirement as roof terrace is proposed on the roof of an existing two storey (and basement) building. The proposed patio is considered to form part of a third storey which is also consistent with these requirements.</p> <p>The deck and patio will only be partially visible when viewed obliquely down the adjacent right of way, only a small section of the original brick parapet will be cut away to provide access from the stair landing to the roof deck and the original form of the sawtooth shaped parapet will still be clearly visible.</p>
<p>The appropriate setback is that which is the dominant in the area or the street and in particular that of adjacent buildings. In this respect most properties in the West End have nil front and side setbacks.</p>	<p>The proposed rooftop terrace is located within existing building envelope. As discussed above, the proposed patio is setback 3.5m from the closest side of building and will only be partially visible when viewed obliquely down the adjacent right of way.</p>
<p>In considering any application within the West End the Council will have regard to the existing cultural environmental, historical, scenic and, scientific interest as defined by this policy and in particular:</p> <ul style="list-style-type: none"> • Elements of townscape such as the relationships of buildings along a street in terms of horizontal and vertical alignments, skyline, siting of buildings; the relationships of new to existing buildings and roof shapes, refinement of details, material, colours and finishes of proposed building work, advertising and 	<p>The proposed alterations required for the roof deck are considered to be minor in nature and will have little impact upon the heritage values of the property and the West End. The deck and patio will only be partially visible with viewed obliquely down the adjacent right of way and only a small section of the original brick parapet will be cut away to provide access from the stair landing to the roof deck and the original form of the sawtooth shaped parapet will still be clearly visible. It is considered that the proposed works will not be detrimental</p>

other signs, location and protrusion of plant rooms, external furniture displays and hoardings, landscaping and public space provisions within the development.	to the heritage significance of the site.
The Council will ensure that heritage values of the entire West End Conservation Area be conserved.	For the reasons discussed above, the proposed works are considered to not be detrimental to the heritage significance of the site.

Land Use

The existing 'Tourist accommodation' use is a 'D' use in the City Centre Zone, which means that the use is not permitted unless the Council has exercised its discretion by granting planning approval. It is noted that the subject premises are currently approved for 'Tourist accommodation', however given the proposed roof terrace represents an increase in the area associated with this land use, it is considered appropriate to carry out an assessment against LPS4 and the following matters:

- a) *The aims and provisions of this Scheme and any other local planning scheme operating within the Scheme area*
- b) *The compatibility of the development with its setting including the relationship of the development on adjoining land or on other land in the locality including but not limited to, the likely effect of the height, bulk, scale, orientation and appearance of the development*
- c) *The amenity of the locality including the following:*
 - i. *Environmental impacts of the development*
 - ii. *The character of the locality*
 - iii. *Social impacts of the development*
- d) *Any submissions received on the application.*

The current amenity of the locality generally is influenced by the existence of a mix of land uses including licensed venues, educational buildings, shops, offices, and residences in an inner-city context with a significant heritage character. Image 1 below shows a general map of the location of several businesses which contribute to the current amenity:



Image 1: Land use map with known sensitive land uses (marked with a red dot) including residential uses

It is understood that the existing premises has been subject to previous complaints regarding noise, the use of the laneway and the presence of rubbish in relation to the existing premises. The noise complaints have primarily been in relation to people utilising the right of way and the existing parklet in front of the premises in Pakenham Street.

It is considered that the presence of an alternative area of communal space for the exclusive use of guests will assist in reducing any reliance on the parklet, thereby minimising lingering visitation to the parklet by guests associated with the subject premises, and any disturbance towards Pakenham Street.

The applicant has submitted a management plan to manage the use of the rooftop terrace in order to minimise the potential impacts on the surrounding properties. These restrictions relate to hours of use, the way the roof top is to be used and how access will be restricted when not in use. These measures, specifically the hours of use and the restriction of its use after these hours are considered appropriate measures to minimise noise and other impacts on surrounding properties. It is noted that the management plan will prohibit guests from using their own devices to amplify music, however music may still be provided by the operator of the premises. It is also proposed to permit the occasional event on the rooftop. As no further details in relation to music and/or special events has been provided these aspects of the management plan are recommended to be removed from the management plan. A condition of approval is recommended requiring relevant updates to the management plan. It is noted that the revised management plan must be enforced by the premises management, failure to do so may result in appropriate compliance action being taken by the City and any unlawful activities undertaken by guests or visitors may be subject to police action.

In regard to the potential for the roof terrace to adversely impact on the privacy of adjoining sites, it is noted that the location of the roof terrace provides an outlook from the south-east through to the north-west. Officers have attended the site and observed the potential for views into adjoining properties from the top of the existing stairs, which is approximate to the height and location of the proposed roof terrace. The photos below illustrate the views towards 36-44 High Street (residential), 46 High Street (residential) and 10 High Street (primary school). Although the separation between the proposed roof terrace and the location of the balconies of 36-44 High Street is approximately 20 metres, it is considered that the addition of a privacy screen, above or adjacent to the balustrade of the southern and south-west portion of the roof terrace would assist to minimise any potential impact on the amenity of the adjoining residents, whilst retain a portion of the roof terrace with an outlook towards the north/north-west. A condition is included in the officer's recommendation to require the details of such a privacy screen prior to the issue of a building permit for the roof terrace.



Image 2: Photo illustrating the view from the top of the stair at the subject site looking west



Image 3: Photo illustrating the view from the top of the stair at the subject site looking south-west



Image 4: Photo illustrating the view from the top of the stair at the subject site looking north-west towards Lance Holt School.

The proposal is considered consistent with the established character of the locality and with the objectives of the City Centre zone to provide a range of commercial, entertainment, recreational uses that provide services for the region as well as residential land use. Subject to appropriate management provisions relating to the use of the rooftop terrace and screening, the proposal is considered compatible with the existing surrounding land uses.

CONCLUSION

As detailed above, the proposed works are considered acceptable and will not adversely impact on the heritage significance of the existing building or the West End Conservation Area. The proposed use of the rooftop terrace, subject to conditions relating to its ongoing management, is also considered to be acceptable. As such the application is recommended for conditional approval.

STRATEGIC IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

LEGAL IMPLICATIONS

Nil

OFFICER'S RECOMMENDATION

Moved: Cr Bryn Jones

Seconded: Cr Frank Mofflin

Planning committee acting under delegation 1.1:

APPROVE, under the Metropolitan Region Scheme and Local Planning Scheme No. 4, the rooftop terrace addition to existing Tourist Accommodation building at No. 15 (Lot 4) Pakenham Street, Fremantle, subject to the following conditions:

1. This approval relates only to the development as indicated on the approved plans, dated 31 January 2020. It does not relate to any other development on this lot and must substantially commence within four years from the date of this decision letter.
2. All storm water discharge shall be contained and disposed of on site or otherwise approved by the City of Fremantle.
3. The rooftop terrace is to be accessible to guests of the Tourist Accommodation only, to the satisfaction of the City of Fremantle.
4. Access to the rooftop terrace is permitted between the hours of 7.00am and 8.00pm Sunday to Thursday, and 9.00am to 10.00pm on Friday and Saturday only, to the satisfaction of the City of Fremantle.
5. No amplified music from any source is permitted to be played on the rooftop terrace at any time, to the satisfaction of the City of Fremantle.

6. Prior to the issue of a Building Permit, a revised Premises Management Plan detailing appropriate measures to implement conditions 3, 4 and 5 is to be submitted and approved, to the satisfaction of the City of Fremantle. The approved Premises Management Plan is to be implemented on an ongoing basis to the satisfaction of the City of Fremantle.
7. The works hereby approved shall be undertaken in a manner which does not irreparably damage any original or significant fabric of the building. Should the works subsequently be removed, any damage shall be rectified to the satisfaction of City of Fremantle.
8. Prior to the issue of a Building Permit, detailed drawings are to be submitted, illustrating the provision of a permanently fixed screen to a minimum height of 1.6m above the finished floor level of the roof terrace and a minimum of 75% obscure along the south and south-west elevation of the roof terrace. Prior to occupation of the development hereby approved, the approved screen is to be provided and maintained to the satisfaction of the City of Fremantle.

ADVICE NOTES

- i. A Building permit is required for the proposed Building Works. A certified BA1 application form must be submitted and a Certificate of Design Compliance (issued by a Registered Building Surveyor Contractor in the private sector) must be submitted with the BA1.

AMENDMENT

Moved: Cr Rachel Pemberton

Seconded: Cr Frank Mofflin

Amend Condition 3 to read as follows:

- 3. The rooftop terrace is to be accessible to guests of the Tourist Accommodation only, to a maximum capacity of 30 people at any one time, to the satisfaction of the City of Fremantle.**

Amendment carried: 4/1

For
Cr Bryn Jones, Cr Jenny Archibald,
Cr Rachel Pemberton, Cr Frank Mofflin

Against
Cr Geoff Graham

AMENDED OFFICER'S RECOMMENDATION

Moved: Cr Bryn Jones

Seconded: Cr Frank Mofflin

Planning committee acting under delegation 1.1:

APPROVE, under the Metropolitan Region Scheme and Local Planning Scheme No. 4, the rooftop terrace addition to existing Tourist Accommodation building at No. 15 (Lot 4) Pakenham Street, Fremantle, subject to the following conditions:

1. This approval relates only to the development as indicated on the approved plans, dated 31 January 2020. It does not relate to any other development on this lot and must substantially commence within four years from the date of this decision letter.
2. All storm water discharge shall be contained and disposed of on site or otherwise approved by the City of Fremantle.
3. The rooftop terrace is to be accessible to guests of the Tourist Accommodation only, **to a maximum capacity of 30 people at any one time**, to the satisfaction of the City of Fremantle.
3. Access to the rooftop terrace is permitted between the hours of 7.00am and 8.00pm Sunday to Thursday, and 9.00am to 10.00pm on Friday and Saturday only, to the satisfaction of the City of Fremantle.
4. No amplified music from any source is permitted to be played on the rooftop terrace at any time, to the satisfaction of the City of Fremantle.
5. Prior to the issue of a Building Permit, a revised Premises Management Plan detailing appropriate measures to implement conditions 3, 4 and 5 is to be submitted and approved, to the satisfaction of the City of Fremantle. The approved Premises Management Plan is to be implemented on an ongoing basis to the satisfaction of the City of Fremantle.
6. The works hereby approved shall be undertaken in a manner which does not irreparably damage any original or significant fabric of the building. Should the works subsequently be removed, any damage shall be rectified to the satisfaction of City of Fremantle.
7. Prior to the issue of a Building Permit, detailed drawings are to be submitted, illustrating the provision of a permanently fixed screen to a minimum height of 1.6m above the finished floor level of the roof terrace and a minimum of 75% obscure along the south and south-west elevation of the roof terrace. Prior to occupation of the development hereby approved, the approved screen is to be provided and maintained to the satisfaction of the City of Fremantle.

ADVICE NOTES

- i. A Building permit is required for the proposed Building Works. A certified BA1 application form must be submitted and a Certificate of Design Compliance (issued by a Registered Building Surveyor Contractor in the private sector) must be submitted with the BA1.

Lost: 1/4

For
Cr Frank Mofflin

Against
Cr Bryn Jones, Cr Geoff Graham,
Cr Jenny Archibald, Cr Rachel Pemberton

COMMITTEE RECOMMENDATION ITEM PC2012-1
(Alternative recommendation)

Moved: Cr Bryn Jones

Seconded: Cr Geoff Graham

REFUSE, under the Metropolitan Region Scheme and Local Planning Scheme No. 4, the rooftop terrace addition to existing Tourist Accommodation building at No. 15 (Lot 4) Pakenham Street, Fremantle, as detailed on the plans dated 31 January 2020, for the following reasons:

- 1. The proposed roof terrace is incompatible with the existing character of the locality and will be detrimental to the amenity of the adjoining properties under clause 67 (n) of Planning and Development (Local Planning Scheme) Regulations 2015 by reasons of adverse noise and overlooking impacts.**

Carried: 4/1

For
Cr Bryn Jones, Cr Geoff Graham,
Cr Jenny Archibald, Cr Rachel Pemberton

Against
Cr Frank Mofflin

The above item is referred to the Ordinary Meeting of Council for determination in accordance with the City of Fremantle Delegated Authority Register which requires that at least 5 members of the committee vote in favour of the Committee Recommendation in order to exercise its delegation.

12. Reports and recommendations from officers

C2012-1 **FREMANTLE GOLF COURSE CLUBHOUSE AND COMMUNITY CENTRE**

Meeting date:	9 December 2020
Responsible officer:	Manager Asset Management
Decision making authority:	Council
Attachments:	1. Fremantle Golf Clubhouse And Community Centre - Schematic Design - Alternative Planning Options
Additional information:	nil

SUMMARY

This project has been initiated by the Main Roads WA High Street upgrade project impacts on the Fremantle Public Golf Course and former Community Facility at 26 Montreal Street. The City has committed to ensuring suitable replacement facilities including remediation of the Fremantle Public Golf Course and replacement facilities for the golf clubhouse and community facility. As a result, the City is currently designing a co-located clubhouse for Fremantle Public Golf Course and community facility on Montreal Street Fremantle.

This report provides an update on potential alternative schematic design options for the clubhouse, cafe and community facility – these have been developed in addition to the officers recommended schematic design option at the request of the Finance, Policy, Operations and Legislation Committee.

Whilst the FPOL Committee have approved progression to detailed design, there remains outstanding design options that require resolution and agreement to allow the project to progress, this report seeks approval of a preferred schematic design option to progress to detailed design and construction procurement.

BACKGROUND

The City is currently designing a co-located clubhouse for Fremantle Public Golf Course and community facility on Montreal Street, Fremantle as part of the replacement works initiated by the Main Roads WA High Street upgrade project.

At the Finance, Policy, Operations and Legislation Committee meeting on 9 October 2019 Council requested “officers progress with the design of a collocated building for the Fremantle Public Golf Course clubhouse and community facility”. The community facility components of the building will be managed through the City’s community facility hire process and not provided to any specific organisation for exclusive use through a lease or licence agreement. The management of the golf clubhouse is proposed to form part of the future leasing arrangement for the Fremantle Public Golf Course.

Key to the success of the facility is its integration with and relationship to the Fremantle Public Golf Course and Booyeembara Park. The building and surrounding landscape designs are being coordinated to ensure an integrated and complementary precinct to support a range of functions and uses now and flexibility for the future. The City has been developing the design for the facility with a Consultant team and has reported to Council as the project has progressed.

At the Finance, Policy, Operations and Legislation Committee meeting on 11 November 2020, Council resolved the following:

1. *Approve the Fremantle Golf Course Clubhouse and Community Centre – Schematic Design Report, as per Attachment 1, and request officers progress with the detailed design and construction of the Fremantle Public Golf Course Clubhouse and Community Centre, noting detail design will refine:*
 - a. *The courtyard tree and roof configuration to improve covered access for patrons to all areas of the building.*
 - b. *The configuration of the community centre to allow more flexibility for future uses in the areas of furniture storage, user storage, meeting room, community room, entry and connection to the golf clubhouse and café.*
 - c. *Material selection and maintenance requirements including roof design, pitches, wall finishes and use of highlight windows.*
 - d. *The design and construction of the community centre and surrounds to allow it to be easily modified and expanded.*
 - e. *Request that the detailed design include an increase in size and capacity of the community function room to accommodate 150 people.*
 - f. *Request a revision of the locations of the café facility and golf toilet facilities, to optimise the location of the café with respect to the park and improve the park outlooks and flexibility of the toilet facility.*
2. *Note, to protect the budget for the golf course, request an appropriate budget addition will be required in the 2020-21 mid-year budget review, to accommodate and increase the functional area in the community facility.*
3. *Request a report be brought back to the December Council meeting outlining the proposed costs based on the revised Schematic Design.*

This report provides an update on the concept design amendments for the Fremantle Public Golf Course Clubhouse, Cafe and Community Facility and cost implications as per the recommendation above.

FINANCIAL IMPLICATIONS

The project will be funded by the contribution from Main Roads Western Australia (MRWA). The City has agreed, in consultation with MRWA, for the City of Fremantle to manage the design and delivery of the required works.

As a result of the proposed schematic changes and the proposed increase of the function area in the community facility, as raised at the FPOL meeting, Officers are advised that the project will require an additional budget of approximately \$410,000.

This funding is not available from the current project fund and will require additional budget provision, it is anticipated that this will be included as part of the 2021/2022 budget process.

LEGAL IMPLICATIONS

The City has entered into a Deed of Agreement with Main Roads Western Australia for the delivery of the remediation of the Fremantle Public Golf Course, clubhouse and community facility.

CONSULTATION

As part of the early stages of the project, the City undertook a three-stage community consultation process. The consultation targeted key stakeholders and users as well as the wider community. Council received the findings of the Community Engagement Report as part of the Finance, Policy, Operations and Legislation Committee meeting on 12 August 2020. These findings have been used in the development of the Schematic Design.

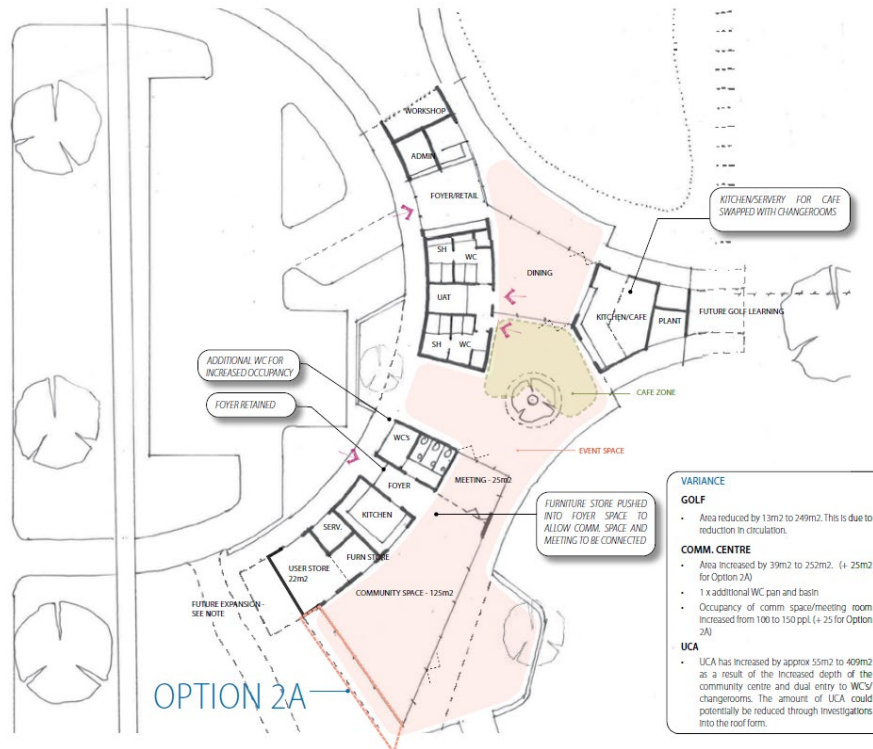
OFFICER COMMENT

Following the resolution of the Finance, Policy, Operations and Legislation Committee meeting on 11 November 2020, officers have worked with the consultant architect to investigate the implications of the increased community function space and a re-configuration of the café and toilet facilities.

Attachment 1 depicts a number of building configuration options that have subsequently been developed, they include commentary in respect to the positive and negative consequences of each of the design solutions.

Following review, it is considered that Option 2a – as detailed below is felt to best represent the requirements of the schematic design alternations as requested by Council.

OPTION 2 - FLOOR PLAN scale 1:250



The consultant cost manager has estimated a cost increase of \$410,000 in respect to these amendments.

A brief summary of the changes and pros and cons of the configuration are detailed below.

Changes

- Toilets and shower facilities swapped with café and kitchen.
- Golf admin retains close proximity to drop off and views of the course. The workshop has been moved to be co-located with admin for ease of access.
- The dining space has been made wider and shallower to maximise exposure to north/views.
- Increased size of community space (150 people)
- Ability to combine the community space (175 people).
- Additional WC pan and basin
- Ability to connect all spaces for events
- Tree shifted and cover increased
- This option would increase the area of the scheme to be in excess of 500m², and the two roofs would then need to be split at 'the cut' to allow the two buildings to be classed as separate fire compartments.

Golf Clubhouse

Pro's

- Cafe 'zone' is more consolidated
- External access to WC's is provided for cafe users
- Good back of house/plant for kitchen

Con's

- 'The Cut' between the two buildings becomes un-activated.
- The visibility of the cafe from Montreal St is diminished.
- Privacy for golfers in showers is reduced as WC's in this location are more public.
- Pop up would be required over kitchen roof to conceal plant as roof won't be high enough to conceal it in a well.
- Deliveries/servicing to cafe kitchen more difficult
- Cafe and golf admin are separated which constrains leasing options and requires more staffing

Community Centre

Pro's

- Foyer retained for good legibility of entry and flexibility of use
- Meeting room and community space can be connected to a single space of 150m2, given flexibility of use.

Con's

- Acoustic separation of the two spaces will be compromised.

Summary

A critical aspect of this project and building design is to determine the most effective operational model with respect to maximising leasing opportunities. As discussed above and in attachment 1, Option 2a presents some functional challenges with respect to staffing the separated golf and café areas of the building. As such, Officers believe that the current schematic design offers the best overall design with respect to an operating model.

As such Officers would advocate an alternative recommendation as below:

- 1. Request officers progress with the detailed design and procurement of the Fremantle Golf Course Clubhouse and Community Centre based on the current schematic design (*existing golfing toilet and café configuration*) for the Fremantle Golf Course Clubhouse and Community Centre, whilst increasing the community function space as per Option 2a.**
- 2. Request an increased budget allocation of \$410,00 be included as part of the 2021/22 budget process.**

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

- 1. In accordance with the resolution of the FPOL Committee on 11 November 2020, request officers progress with the detailed design and procurement of the Fremantle Golf Course Clubhouse and Community Centre based on the Schematic Design Report, attachment 1 (as amended and detailed in option 2a).**
- 2. Request an increased budget allocation of \$410,00 be included as part of the 2021/22 budget process.**

**C2012-2 COMMUNITY AND ECONOMIC SUPPORT FINANCIAL ASSISTANCE
POLICY – ADOPTION OF GUIDING PRINCIPLES**

Meeting date: 9 December 2020
Responsible officer: Manager Community Development
Decision making authority: Council
Attachments: Nil
Additional information: Nil

SUMMARY

The purpose of this report is to seek Council’s endorsement on guiding principles to enable a draft Community and Economic Support Financial Assistance Policy to be prepared.

City funding is currently delivered from across the organisation through various funding streams managed by multiple business units including Community Development, Arts and Culture and Events, as well as Economic Development and Governance.

The guiding principles will ensure a consolidated approach to the management of the community and economic financial assistance and non-financial and in-kind support opportunities across the City.

It seeks to deliver responsible and strategic distribution of cash and in-kind resources to ensure considered and transparent governance mechanisms and alignment to community need. This approach will also enhance the customer experience and better address future needs as well as streamline program administration and support consistency.

The report seeks Council endorsement of the guiding principles to enable a draft policy to be prepared for Council’s consideration.

BACKGROUND

Council recognises the importance of supportive community and economic partnerships to meet the objectives and outcomes of the Strategic Community Plan 2015–25. A transparent financial assistance policy will further demonstrate the City’s commitment to working in partnership with the community. The proposal to develop a Community and Economic Support Financial Assistance Policy will strengthen and enable a more agile, visible and transparent funding program that caters to the multi-faceted Fremantle community and its needs.

The City provides varying levels of financial, non-financial and in-kind support to partner with communities and organisations in building capacity for the social, economic, environmental and cultural life of the City of Fremantle. The vision is to support local individuals, groups and businesses to make a positive and ongoing contribution to their community through increased collaboration, participation, capacity building, activation of places and the development of diverse and sustainable initiatives which assist the City in achieving its strategic goals and objectives

Listed below is the framework outlining the categories, eligibility and monetary value for current funding requests.

Funding Program	Description	Open for Applications	Maximum dollar amount per application
1. Community Grants	Programs, activities that address a specific need, or provide a benefit to the Fremantle community	Twice per year	Up to \$5,000
	Neighbour to Neighbour quick response grants	Open all year round	Up to \$1,500
2. Arts Grants	Strengthen the vibrant Fremantle arts sector through activation and support	Twice per year	Up to \$5,000
3. Sporting Assistance	Supporting local sporting clubs and individuals through: 1. Travel assistance 2. Access assistance 3. Sporting club assistance	Open all year round	1. \$300 2. \$200 3. Up to \$500
4. Donations	Assist local groups and individuals in Fremantle. May also be used to provide disaster relief donations.	Open all year round	Up to \$300
5. International relationships - Student Exchange Program	To offer local young people assistance toward expenses related to their participation in an official student exchange program.	Open all year round	\$1,500
6. Venue Support Grant	To provide assistance to eligible groups via the waiving of venue and reserve hire fees.	Open all year round	In-kind support/ and or fee waivers
7. Community Event Sponsorship	Sponsorship program supports activities, initiatives and events that deliver a community benefit to Fremantle	Open all year round	In-kind support/ and or fee waivers

FINANCIAL IMPLICATIONS

Community and economic financial assistance (grants, sponsorship, donations, fees and charges) operational costs would be set through the annual Council budget process, or as varied by Council resolution.

As captured in the table below, \$609,454 in financial assistance was distributed in the last financial year 2019/20, with the total budget allocation for this current financial year 2020/2021 being \$557,154.

Community Funding Program	In-kind Support 2019/2020	Actual Expenditure 2019/2020	Budget allocation 2020/2021
Fee Waivers (venue hire)	\$36,136	-	-
Grant Funding (Community & Arts)	-	\$76,180	\$110,000
Covid-19 Neighbourhood Quick Response Grants	-	-	\$50,000
Donations - Community	-	\$5,899	\$5,000
Donations – Donate without Doubt St Patricks Community Centre		\$1,433	\$2,000
Donations - Mayor	-	\$21,700	\$20,050
Sponsorship- Community Events			
- Blessing of the Fleet Fishing Festival		\$10,000	
- Reclink		\$1,000	
- Beatbox		\$7,500	
- Highway to Hell		\$5,540	\$60,800
Sponsorship – Community Traffic Management			
- Blessing of the Fleet Fishing Festival		\$5,484	
- Maria SS Del Tindari		\$4,500	
- Lilly Street Bake Off		\$1,430	
- Bellevue Terrace Fiesta		\$1,042	
- Yalgoo Avenue Community Event		\$1,000	
- Our Lady of Fatima		\$1,500	\$15,000
Sponsorship – Community Groups			
- Fremantle Surf Club		\$15,000	\$8,544
- Leeuwin Youth Sailing Program		\$5,000	\$5,450
- Fremantle Men’s Shed		\$40,000	\$30,000
- Fremantle Foundation		\$36,540	\$42,810
- Fremantle Street Doctor		\$20,000	\$20,000
- Hungerford Awards		\$40,194	-
- 20 Lives 20 Homes		\$15,000	-
- Imagined Futures			
Sponsorship – Events			
- Fremantle Biennale & Sculptures		\$150,000	\$35,000
- Winter World (destination marketing)	\$45,000	\$25,000	\$25,000
- Sponsorship Container Exhibition		\$3,000	
- Long Table Dinner		\$15,000	\$15,000
- Fremantle Chamber Commerce (Award)		\$11,000	
- Fremantle Football Club		\$50,650	\$50,000
- South Beach Sunset Markets	\$16,000		
- South Fremantle Football Club		\$25,000	\$50,000
- Australian Coastal Council		\$3,162	
Sports Assistance		\$9,200	\$12,500
Student Exchange	-	\$1,500	-
Total	\$97,136	\$609,454	\$557,154

LEGAL IMPLICATIONS

Nil

CONSULTATION

The guiding principles and intent of the policy have been developed collaboratively with officers represented from Community Development, Arts and Culture, Events, Economic Development and Governance business units. External consultation with targeted groups who have previously used our funding opportunities will be undertaken for the development of the policy.

The new policy would contribute to the realisation of the City of Fremantle Strategic Community Plan 2015–25 through the following Health and Happiness area:

- promoting social inclusion
- strengthening community connections
- increasing community participation
- activating community spirit
- supporting local initiatives and innovation
- responding to community needs
- supporting uptake of sustainable practices.

OFFICER COMMENT

It is timely that a unified approach be considered for supporting and strengthening the local community, through financial assistance. The COVID-19 pandemic reinforced this need as it highlighted the requirement for a local, tailored and place-based response to the localised economic, social issues and risks within the City of Fremantle.

The development of a new Community and Economic Support Financial Assistance Policy will be a review and consolidation of the existing Community Development Funding Policy, Event Sponsorship Policy SCG22, adopted June 2009, the Donations Policy SG54, adopted November 2012, Sister Cities Funding Policy OP44 adopted 24 November 2010.

Through a range of funding and in-kind contributions, the Policy will support individuals, groups, events and organisations to make a positive contribution to the community through increased collaboration, capacity building, recognition, activation and sustainable initiatives.

To give Council confidence that the policy will deliver on its objectives, endorsement is sought for guiding principles that will serve as the framework for the subsequent work to come. Support of the guiding principles will confirm the direction and provide clarity of expectation regarding the desired outcome, ensuring the end result meets Council's commitment to supporting the Fremantle community.

Guiding principles framework will be based on the following community benefits:		
a.	Transparency	Implementing clear and effective processes which reflect good governance and demonstrate accountability for the expenditure of public funds.
b.	Strategic Alignment	Ensuring contribution towards the achievement of the City's Strategic Community Plan.
c.	Collaboration	Developing mutually beneficial partnerships and relationships to ensure long term benefits for the City.
d.	Equity	Ensuring fairness in the distribution of resources in a manner which is socially inclusive and accessible.
e.	Sustainability	Promoting self-sufficiency through capacity building to meet the City's long-term aspirations and future needs.

The Policy will include the following distinct funding streams, namely:

Arts	Two rounds a year
Community	Two rounds a year
Quick Response	Open all year
Economic	Open all year
Occasion and one-off donations	Open all year
Events support	Open all year
Venue support	Open all year

- a. Each funding stream to include clear criteria for assessment of applications and to have a separate line item in the annual budget, so the Council may transparently decide how much to include in the budget each year for each stream.
- b. Policy to include a process to deal with requests that fall outside of the Policy, or for which there is insufficient budget allocation.
- c. Needs to include process for when and how recognition of the support is made by beneficiaries.
- d. Needs to include a process for transparency recording the decisions made under the Policy.

The City of Fremantle is committed to working towards a collaborative and connected community with a shared vision and good governance. The resilience portrayed through the community during the peak of the Covid-19 pandemic highlighted the innovative community spirit of local Fremantle. The principle framework for the Community and Economic Support Financial Assistance Policy directly responds, celebrates and supports the continued building capacity of social inclusion and connectivity in the community as it continues to recover and rebound from Covid-19 pandemic.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required.

OFFICER'S RECOMMENDATION

Council request:

1. that a draft policy be prepared for further consideration by Council based on the following guiding principles:
 - a. **Transparency – implementation of clear and effective processes which reflect good governance principles and demonstrate accountability for the expenditure of public funds.**
 - b. **Strategic alignment – ensuring contribution towards the achievement of the City's Strategic Community Plan.**
 - c. **Collaboration – developing mutually beneficial partnerships and relationships to ensure long term benefits for the City.**
 - d. **Equity – ensuring fairness in the distribution of resources in a manner which is socially inclusive and accessible.**

- e. **Sustainability – promoting self-sufficiency and intergenerational equity through capacity building to meet the City’s long-term aspirations and future needs.**
2. **that the Policy include a number of distinct funding streams, namely:**
 - a. **Arts (two rounds a year);**
 - b. **Community (two rounds a year);**
 - c. **Economic Development (open all year);**
 - d. **Occasional and one-off donations;**
 - e. **Events Support (open all year);**
 - f. **Venue support (open all year);**
3. **that each funding stream includes clear criteria for assessment of applications and has a separate line item in the annual budget. (to enable transparent budget allocation)**
4. **the policy includes a process to deal with requests that fall outside of the policy, or for which there is insufficient budget allocation.**
5. **the policy includes a process for when and how recognition of any support is made by beneficiaries.**
6. **the policy includes a process for transparently recording the decisions made under the policy.**

C2012-3 FREMANTLE HARBOURS MASTERPLAN PROJECT

Meeting date: 9 December 2020
Responsible officer: Manager Strategic Planning
Decision making authority: Council
Attachments: 1. Nil
Additional information: 1. Freo 2029 Transformational Moves extract

SUMMARY

Fremantle Council has adopted various positions in relation to Fremantle Boat Harbours, including via its Local Planning Policy DGF10, *Freo 2029 Transformational Moves* and a Position Statement adopted in September 2019. In response to aging infrastructure, expiring lease agreements, emerging development proposals and the absence of any state endorsed planning policy for the precinct, Department of Transport has proposed the development of a new masterplan for the Harbours, in collaboration with the City and Department for Planning, Lands and Heritage.

This report recommends that Council note the intended masterplanning project for the harbour areas and the vision for the harbours proposed by the Department of Transport and support City staff's participation in the exercise, but advise the Department that its participation is on the basis of some clear principles and expectations with regards to the process.

BACKGROUND

Fremantle's Fishing Boat Harbour and the adjoining Challenger and Success Harbours are significant to Fremantle's land use, heritage, character, economy and operation, and are also significant state government maritime assets.

Council adopted its current Local Planning Policy for the Fishing Boat Harbour in 1993 (since amended, most recently in 1999).

In 2007-08 the City participated in a 'Three Harbours' planning process coordinated by the then Department for Planning and Infrastructure. The process generated various concept plans which envisaged significant outward extension of harbour breakwaters and new development in areas of current open water. A community-initiated preferred (alternative) concept for the harbour was prepared and largely guided the position adopted by the Council in 2008 in response to the planning process. Following the election of the Barnett-led State Government in 2008 the project was deferred and subsequently never finalised.

The *Freo 2029: Transformational Moves* document developed as part of the Future Freo community visioning exercises undertaken in 2013-15 identified the Fishing Boat Harbour as a key part of Fremantle's waterfront, in relation to which it recommends reinvigoration and reconnection to the City. Specifically, in relation to the Fishing Boat Harbour, it suggested:

“An expanded harbour area will provide a variety of marine, entertainment recreational and tourism related uses that are will linked to the city centre via Bathers Beach, the Esplanade Reserve and an extension of Norfolk Street across the rail line.”

The final version of the Freo 2029 document was endorsed by Council at its Ordinary Meeting on 25 February 2015 (refer to item SPC1502-1) and is available on the City’s website. Details of the proposals for the harbour are outlined in extracts from the document provide in Additional Information 1.

On 25 September 2019, Council considered a report on the Fishing Boat Harbour and potential proposal for the boatlifters site at 38 Mews Road (then subject to proponent-led consultation), and adopted a position statement to guide discussions on the proposal and a re-examination of the vision for the harbour and development principles then being proposed by the Department. Council resolved that it:

1. *Adopts the following as a statement of its current position in respect of the future of Fremantle Fishing Boat Harbour:*
 - a. *The Council recognises the Fishing Boat Harbour as a vital part of Fremantle City Centre, both in terms of its function as an employment and activity centre and visitor destination, and is supportive of investment and appropriate new development to sustain the harbour into the future. This can be most effectively achieved through the preparation of a comprehensive up-to-date plan for the whole of the Fishing Boat Harbour to guide investment, activities and development.*
 - b. *The harbour should be recognised as a component of the Fremantle City Centre and, along with Challenger and Success harbours, as a part of the state’s marine network (including marine tourism/recreation as well as commercial operations). It should not be treated as an isolated precinct.*
 - c. *The harbour should continue to operate as an authentic working harbour with fishing fleet-related and other marine industries These industries are an essential component in the retention of an authentic port attraction and visitor experience for the greater Fremantle area. To date, no proposal has been lodged for the boatlifters site. Nevertheless the process, the impending expiry of other significant leaseholds in the area, the need to renew infrastructure and the age of current policy have lead to discussions between the*
 - d. *Landside infrastructure and services to support ongoing use of the harbour by a range of commercial and recreational vessels (including boat lifting facilities with the lifting capacity, accessibility and functionality of the current facilities and adequate hardstand and covered space for vessels undergoing maintenance) should be maintained, or suitably replaced elsewhere within the Fishing Boat Harbour if existing facilities/services are affected by development proposals. Review and redefinition of necessary infrastructure in collaboration with the fishing and other marine industries should occur.*

- e. *Management of land uses within the harbour to minimise conflict and contain non-marine uses (such as entertainment and tourism uses) should continue. The harbour 'zones' defined in policy DGF10 should be used as a starting point for guiding land use locations, but with some potential southwards expansion of Precinct B – Visitor/Tourist waterside activities to better align with the extension of Norfolk Street, where development to accommodate these uses is intrinsically linked to the implementation of the Norfolk Street extension through a funded and coordinated development plan or State project.*
- f. *Any proposal to introduce noise sensitive land uses (e.g. short or long stay accommodation) should be limited in scale and extent, be located within the Visitor / Tourism precinct as defined above, and should only be permitted if the primacy of the working harbour function is safeguarded by legally binding and effective provisions to manage any potential conflict (for example built form noise mitigation measures, management arrangements, title/lease notifications etc).*
- g. *Employment-generating uses not directly related to maritime industries and/or needing a harbour location should complement, not draw away, investment in the Fremantle City Centre, and especially the retail core. Specifically, retail and office uses should only be supported where they are directly related and/or incidental to the primary marine or tourism related use. Non-related convenience/comparison retailing and large format retailing should not be supported.*
- h. *Built form in any new development should respond to existing context and sense of place, and harmonise with the traditional low profile coarse grain industrial character of the area (whilst still making adequate provision for pedestrians and passive surveillance). Views to and physical connection with the waterfront from the public realm should be provided. Some additional height beyond the typical height of existing harbour buildings could be entertained as part of a major development provided that the overall development can demonstrably deliver significant public benefits and amenity in the vicinity.*
- i. *Any substantial new development proposal (particularly anything large in scale or proposing additional height) should be subject to formal design review (potentially by the State Design Review Panel) and deliver a high standard of design quality. Department of Transport and the City in relation to future plans and aspirations for the harbours.*
- j. *Coordinated improvement of the public domain to establish a flexible and more amenable pedestrian and cycling environment which rationalises parking in key areas away from the core of the Visitor/Tourism precinct is supported. New development should enhance the opportunity to improve the public domain and the movement of vehicles and people. Any redevelopment of the public domain should avoid a net loss of parking serving the Fishing Boat Harbour. New developments should contribute (directly or by cash-in-lieu) to the provision of parking sufficient to accommodate the additional demand generated by the proposal and facilitate delivery of nodal parking at the entrance and/or on the periphery of the Fishing Boat Harbour at appropriate stages.*

- k. *Key connections and vistas should be retained and reinforced. Connection to the Esplanade, Bathers Beach and to the waterfront should be improved and made more legible. Extension of Norfolk Street should be pursued as a primary entrance to the harbour, along with conversion of Warden Lane (leading to Cliff Street/Marine Terrace) to two-way traffic flow to allow improved vehicular circulation and temporary road closures to facilitate special events.*
 - l. *Establishment of public infrastructure necessary to facilitate improvement of the harbour and funding and contribution mechanisms to achieve these should occur as a priority to ensure a coordinated and equitable approach. This should involve contribution to Norfolk Street extension, the two-way upgrade of Warden Lane, associated /relocated railway crossings and public realm enhancements and waterfront access. State and / or developer funding for new public infrastructure and agreement on delivery methods and program should coincide with any significant development.*
 - m. *Car parking provision and management should recognise the different needs of each harbour user group. Day tourists and visitors to the harbour should be provided with a consolidated parking venue/s at or near the entrance/s to the harbour (potentially supported by cash in lieu payments for new development) and encouraged to access the public domain as pedestrians rather than seeking to park within the precinct. Conversely the operational requirements of marine industries and maritime activities need to be accommodated within the harbour. In particular, improvements are needed to accommodate the transport needs of employees working within the harbour.*
 - n. *Any significant expansion of tourism function or introduction of residential uses should incorporate or facilitate a high quality area of open space including landscape elements and shade trees.*
2. *Notes continued officer participation in the process of Fishing Boat Harbour visioning and policy review and that in doing so officers will advance Council's position outlined in (1) above. (SPT1909-6)*

The Department conducted a pair of workshops on the harbour in September/October 2019 which established the following vision.

"To retain an authentic working harbour enriched with diverse land uses, enhanced public spaces for people and connections to the city centre and its surrounds."

To resolve what that vision might translate into in relation to infrastructure and public domain improvements and new development, the Department has proposed a new masterplanning process, to occur in collaboration with the City and Department of Planning, Lands and Heritage.

The purpose of this report is to advise Council of the proposal and seek support for the continued participation of staff in the process.

The Fishing Boat Harbour is identified as a Major Strategic (policy and planning) Project within the *Strategic Community Plan* as part of *Freo 2029 Transformational Moves*.

OFFICER COMMENT

Given the improvements identified for the harbour in *Freo 2029 Transformational Moves* (including extension of Norfolk Street), the age of the current policy and the need to maintain an integration between infrastructure and land use planning, staff support the development of a masterplan for the harbours, led by Department of Transport.

Any masterplan developed for the area would be necessarily non-statutory but could be instrumental in coordinating infrastructure investment and outlining how infrastructure, public domain improvements and developments collectively contribute to a coherent plan and vision for the harbours for coming decades. It could also assist underpin a business case for further state investment in the precinct, support economic development and diversification and support review of the current Local Planning Policy as a key planning instrument to guide statutory assessment of any future development proposals.

The City's economic development team is currently progressing conversations with the Department of Jobs, Tourism, Science and Innovation (JTSI), Tourism WA and key marine industry stakeholders to explore opportunities linked to the delivery of marine infrastructure in Fremantle to grow the 'blue economy' and position Fremantle as the capital of the State's marine sector. This provides additional impetus to the City's involvement in the masterplanning process.

Infrastructure (including roads) in the precinct are largely controlled by the state, with development subject to the approval of the Western Australian Planning Commission (not the City). As such, the City's role in the planning for the area is very much that of a key stakeholder, not the statutory decision-making authority.

The Department is proposing an accelerated process to allow the project to potentially benefit from the current WA Government focus on stimulus infrastructure expenditure and coordination with currently planned service upgrades. The Department's draft program involves a tight timeframe and compression of engagement and deliberation/draft masterplan preparation, with much of the work happening in the period January to April 2021. City officers have expressed some reservations in relation to this, particularly in relation to the risk of meaningful community engagement being compromised and these are currently being worked through with DoT officers in review of the program.

Whilst City officers' preference is for a more measured approach, the Department's priorities and its primacy as the responsible management authority are understood and acknowledged, as is the significant opportunity offered to progress many of the Council's aspirations for this area. It is consequently recommended that the City continue to support the preparation of an integrated masterplan for the area and participate in the process but in doing so advise the Department that:

- a. The City's preference remains for a comprehensive and integrated approach incorporating and informed by robust community engagement.
- b. The City supports integration of infrastructure and land use planning but notes that acceleration of infrastructure planning to meet government timeframes could conceivably progress ahead of land use and development planning if further deliberation on these aspects of the masterplan proves necessary (for example in

- response to issues arising through community engagement) as the process unfolds.
- c. As a key stakeholder, Council would expect to see and endorse for the purposes of public advertising the draft masterplan developed through the process prior to this being advertised for public comment.
 - d. The Council would also expect that the masterplan be endorsed in its final form by Council as well as the state government prior to Council reviewing its Local Planning Policy or providing support for other planning instruments or significant development proposals. The City's participation in the process should not be interpreted to imply support for its outcomes unless and until formally approved by Council.
 - e. The masterplanning process should not be used as justification for ad hoc proposals inconsistent with current policy, unless and until key details (including delivery of critical public infrastructure upgrades, land use and development standards) are satisfactorily resolved.

Participation in the exercise is likely to involve some significant investment of staff time with the compressed program creating resourcing challenges especially during the first four months of 2021 when the current DoT project plan envisages much of the draft plan preparation and at least one phase of community engagement taking place. However, participation is considered important to represent broader city planning and community interests, promote Council's aspirations for the area, and facilitate (it is hoped) the development of a shared vision, plan and implementation program for the future.

Council's pre-existing policy and position statement positions (particularly the September 2019 position statement resolution) will guide City staff's input into the project, with stakeholder and community engagement likely to present some additional ideas to be reconciled through the process.

FINANCIAL IMPLICATIONS

No direct funding implications: some consultancy support provided by Department of Transport. Significant staff time is likely to be required over the next 4-6 months.

LEGAL IMPLICATIONS

Nil. The proposed masterplan is non-statutory.

CONSULTATION

The project is proposed to consider feedback received on previous exercises in its background review and incorporate a further 2 phases of community engagement over the next 6 months.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority

OFFICER'S RECOMMENDATION

Council

1. **Note the Department of Transport's proposal to develop a masterplan for the Fremantle Boat Harbours over the next 6 months and support the ongoing participation of City staff in this exercise, in accordance with Council's adopted position statement of 25 September 2019.**
2. **Advise the Department of Transport that whilst it welcomes the preparation of a masterplan for the Fremantle Boat Harbours to guide current and future investment and the invitation for the City to participate in this process, the City's participation is on the following basis:**
 - a. **The City's preference remains for a comprehensive and integrated approach incorporating and informed by robust community engagement.**
 - b. **The City supports integration of infrastructure and land use planning but notes that acceleration of infrastructure planning to meet government timeframes could conceivably progress ahead of land use and development planning if further deliberation on these aspects of the masterplan proves necessary (for example in response to issues arising through community engagement) as the process unfolds.**
 - c. **As a key stakeholder, Council would expect to see and endorse for the purposes of public advertising the draft masterplan developed through the process prior to this being advertised for public comment.**
 - d. **The Council would also expect that the masterplan be endorsed in its final form by Council as well as the state government prior to Council reviewing its Local Planning Policy or providing support for other planning instruments or significant development proposals. The City's participation in the process should not be interpreted to imply support for its outcomes unless and until formally approved by Council.**
 - e. **The masterplanning process should not be used as justification for ad hoc proposals inconsistent with current policy, unless and until key details (including delivery of critical public infrastructure upgrades, and definition of land use and development standards) are satisfactorily resolved.**

C2012-4 VISITOR CENTRE SERVICE STANDARDS

Meeting date:	9 December 2020
Responsible officer:	Manager Customer Service and Visitor Information
Decision making authority:	Council
Attachments:	Nil
Additional information:	Nil

SUMMARY

The purpose of this report is to present to Council for consideration a set of proposed service standards that Sirona Capital will be required to meet should the City decide to enter into an agreement with Sirona Capital for the provision of Visitor Centre Services.

This report recommends that Council approve the service standards proposed in the officer's recommendation for inclusion in the proposed funding agreement with Sirona Capital for the operation of a Visitor Centre, AND authorise the Chief Executive Officer to negotiate and finalise a draft funding agreement with Sirona Capital in line with the service standards, with the final draft agreement to be brought back to Council for approval.

BACKGROUND

On the 22 January 2020, the Finance Policy Operations and Legislation Committee (FPOL) approved the item FPOL 2001-3 which proposed criteria for the delivery of an Expression of Interest (EOI) process seeking concepts for the development and delivery of an innovative and best practice visitor centre model for Fremantle.

In seeking potential ideas and concepts, an essential requirement was that any model proposed would at minimum achieve the Visitor Centre's current level of service delivery but also include new initiatives that will result in significant improvements to the current level of service. This is to be achieved with any cost to the City by way of funding not being additional to the current net operating costs of the Fremantle Visitor Centre.

Two submissions were received and evaluated by the MPA evaluation panel. In April 2020, the EOI submitted by Sirona Capital was determined by the panel to be the most acceptable tenderer due to successfully meeting all criteria and was approved by the Major Procurement Panel.

At the Ordinary Council Meeting held on 10 June, 2020, Council resolved the following (item C2006-10):

- 1. Approve Sirona Capital Pty Ltd as the only 'acceptable tenderer' under Regulation 23(4) of the Local Government (Functions and General) Regulations 1996 to the Expression of Interest (FCC553.20) for the development and delivery of a visitor centre model for Fremantle.***

- 2. Authorises the Chief Executive Officer to negotiate the conclusion of the financial terms in accordance with the expression provided by Sirona Capital Pty Ltd to the Expression of Interest (FCC553.20), negotiations to include discussion regarding:**
 - a) Maintaining a Volunteer Ambassador program beyond the cruise ship servicing, to include roving Ambassadors during busy periods and for special events.**
 - b) The existing free bike hire scheme.**
 - c) Low cost or free promotional opportunities for (relevant) local (City of Fremantle) business or part of the new Visitor Centre.**
- 3) Request the provisions of the concluded financial terms, in part 2 above, be brought back to Council for further consideration alongside a robust evaluation of all possible options.**
- 4) Requests that the Chief Executive Officer put forward a 5+5+5+5 year agreement option instead of the 10+10, at the discretion of either party.**

In accordance with the Council decision, officers under delegation of the CEO undertook negotiations with Sirona Capital to achieve the further criteria requested by Council in the resolution. In doing so the City has developed a set of service standards in line with the council resolution that Sirona Capital will be required to meet should the City decide to enter into a funding agreement with Sirona Capital.

In addition to the service standards, Sirona Capital have also agreed in principle to the development of a funding agreement being based on a 5+5+5+5-year term (as per part 4 of the resolution) with the provision of funding being subject to an annual review process that measures performance of the Fremantle Visitor Centre against those service standards.

FINANCIAL IMPLICATIONS

The proposed service standards have been developed in line with Sirona Capital being required to maintain at least the current level of Visitor Centre service delivery but also include new initiatives that will result in significant improvements to the current level of service.

This is to be achieved with any cost to the City by way of funding not being additional to the current net operating costs of the Fremantle Visitor Centre.

Financial terms will be negotiated accordingly and outlined in the funding agreement that will be presented back to Council for approval.

LEGAL IMPLICATIONS

Local Government Act 1995 and Local Government (Function and General) Regulations 1996.

If the City is to progress with the finalisation of a funding agreement, the City will also be required to undertake a change of operations consultation process with staff in accordance with the Enterprise Agreement.

CONSULTATION

The proposed service standards have been developed in line with feedback received from the Economic Development and Marketing team, the Destination Marketing Working Group and other relevant internal stakeholders.

Sirona Capital has also been consulted on the proposed service standards and have provided their in principle agreement.

Officers have also sought legal advice to ensure the service standards proposed are able to form the basis of an effective, measurable and legally binding commercial agreement.

OFFICER COMMENT

In response to the expression of interest received from Sirona Capital officers have developed a set of services standards that Sirona Capital will be required to meet should an agreement be reached with the City to deliver those services.

The service standards were developed based on achieving the following:

1. Alignment with findings from previous studies, consultant advice regarding suitable Visitor Centre operating models and the resolution of Council at the June 2020 Ordinary Meeting of Council (Item C2006-10)
2. Alignment with the criteria outlined in the City's initial request for EOIs
3. Alignment with criteria associated with TCWA accredited Visitor Centre status
4. Implementation of initiatives and concepts that contribute to significantly improving the current level of service offered by the Visitor Centre
5. Delivery of substantially improved digital and physical infrastructure that will add value to the visitor experience and drive additional spend in the economy
6. Alignment with objectives outlined in the City of Fremantle Destination Marketing Strategic Plan 2018 - 2022

Based on this consideration the following proposed service standards are recommended as the key terms for forming the basis of a funding agreement with Sirona Capital.

1. The Visitor Centre will be located in Fremantle's central business district (CBD) at Newman Court (with Newman Court frontage) providing a secured ground floor space of 100 square metres or more that maintains the following operational hours:
 - Be open 7 days per week;
 - Be open to the public no later than 9am and close no earlier than 5pm.

2. The Visitor Centre will be an attraction in its own right and will create an exceptional visitor experience through:
 - a. Interactive experiences – creating rich in-centre content experience through the use of video wall, touch screens, static and multi-sensory displays and virtual reality experiences (such as bike ride through the City centre, skydiving at Rottnest Island, drone flight over Fremantle’s Fishing Boat Harbour) with experiences that are curated regularly;
 - b. Digital experience – has immersive digital touchpoints that engage visitors and reflect Fremantle as a destination. Provides alternate delivery channels for the provision of information. Within the centre, utilise an interactive multi-touch video wall maps where information is populated by location pins to allow visitors to create their own walk itinerary. The use of map planning software will allow a visitor’s map to be saved and shared through social media;
 - c. Booking services – supply booking services through digital totem touchscreens and create ‘owned product’ such as walking tours and owned events;
 - d. An adaptive visitor centre – with the ability to utilise the space for multipurpose including workshops, tourism conferences, hosting business sundowners for tourism and place activation events;
 - e. Use of technology-creating digital maps, communicating core experience storyboards through video walls with content populated by QR codes. Communicate services after-hours through external touchscreens and the use of QR codes;
 - f. Being a tourism hub – a welcoming and inviting space where visitors can relax, plan excursions and activities and is recognised as the hub of tourism in Fremantle where all businesses and tour operators can be represented.
3. Deliver free unbiased visitor information to the public such as brochures and maps that provide free general information about the destination.
4. Maintain and manage the existing volunteer ambassador program while achieving the following outcomes:
 - a. Maintain positive relationships with existing ambassadors. Provide an induction program for new volunteers and provide ongoing training and communications to ensure relevant and accurate provision of information;
 - b. Facilitate and coordinate the regular placement of volunteer ambassadors within the visitor centre location. There must be at least one volunteer ambassador located within the premises at any given time;
 - c. Facilitate and coordinate the dispersal of roving volunteer ambassadors throughout the City during busy periods, cruise ship visits and special events or as requested by the City. A minimum of five volunteer ambassadors should be mobilised throughout the city on these occasions;
 - d. Maintain a positive, professional and safe working environment for volunteers in line with Volunteer Australia Guidelines;
 - e. Maintain positive and consistent communication between volunteer ambassadors and paid Visitor Centre staff through provision of product updates and familiarisations, customer service training, operational updates and volunteer performance appraisals.

5. Maintain servicing of all cruise ship visits in line with the Memorandum of Understanding in place with Fremantle Ports by:
 - a. Providing a professional and welcoming cruise ship servicing program at the Fremantle passenger terminal;
 - b. Ensuring local businesses are informed about cruise ship arrivals and opportunities to engage directly with passengers;
 - c. Facilitating and coordinating reasonable access to the agreed Visitor Centre location for shuttle services and operations associated with cruise ship shuttles;
 - d. Staffing a visitor information kiosk at the passenger terminal and coordinating free shuttles to the CBD from the ship (for transit ships);
 - e. Funding the cruise ship shuttle service in line with the Fremantle Ports Memorandum of Understanding.
6. Provide the opportunity for local businesses and event organisers to engage with the Visitor Centre via both free and paid opportunities offered via a single transparent schedule of fees and charges.
7. Obtain and maintain Visitor Centre Accreditation via Tourism Council Western Australia to ensure high standards of customer service and visitor servicing is undertaken and maintained.
8. Incorporate the industry standard and internationally recognised yellow and blue 'I' symbol as part of building signage and street level wayfinding.
9. Work in close alignment and collaboration with City of Fremantle destination marketing campaigns, activities, and digital platforms.
10. Maintain a door count system so that visitation can be measured and achieve at least 50,000 visitors per year.
11. Provide the highest standards of customer service and measure customer satisfaction levels from cruise ship passengers and in store visitors. (Target 90% satisfaction or greater)

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required.

OFFICER'S RECOMMENDATION

Council

1. **Approve the following service standards for inclusion in a draft funding agreement with Sirona Capital for the operation of the Fremantle Visitor Centre and delivery of associated visitor services:**
 - a. **The Visitor Centre will be located in Fremantle's central business district (CBD) at Newman Court (with Newman Court frontage) providing a secured ground floor space of 100 square metres or more that maintains the following operational hours:**
 - i. **Be open 7 days per week;**
 - ii. **Be open to the public no later than 9am and close no earlier than 5pm.**
 - b. **The Visitor Centre will be an attraction in its own right and will create an exceptional visitor experience through:**
 - i. **Interactive experiences – creating rich in-centre content experience through the use of video wall, touch screens, static and multi-sensory displays and virtual reality experiences (such as bike ride through the City centre, skydiving at Rottnest Island, drone flight over Fremantle's Fishing Boat Harbour) with experiences that are curated regularly;**
 - ii. **Digital experience – has immersive digital touchpoints that engage visitors and reflect Fremantle as a destination. Provides alternate delivery channels for the provision of information. Within the centre, utilise an interactive multi-touch video wall maps where information is populated by location pins to allow visitors to create their own walk itinerary. The use of map planning software will allow a visitor's map to be saved and shared through social media;**
 - iii. **Booking services – supply booking services through digital totem touchscreens and create 'owned product' such as walking tours and owned events;**
 - iv. **An adaptive visitor centre – with the ability to utilise the space for multipurpose including workshops, tourism conferences, hosting business sundowners for tourism and place activation events;**
 - v. **Use of technology-creating digital maps, communicating core experience storyboards through video walls with content populated by QR codes. Communicate services after-hours through external touchscreens and the use of QR codes;**
 - vi. **Being a tourism hub – a welcoming and inviting space where visitors can relax, plan excursions and activities and is recognised as the hub of tourism in Fremantle where all businesses and tour operators can be represented.**
 - c. **Deliver free unbiased visitor information to the public such as brochures and maps that provide free general information about the destination.**

- d. Maintain and manage the existing volunteer ambassador program while achieving the following outcomes:**
 - i. Maintain positive relationships with existing ambassadors. Provide an induction program for new volunteers and provide ongoing training and communications to ensure relevant and accurate provision of information;**
 - ii. Facilitate and coordinate the regular placement of volunteer ambassadors within the visitor centre location. There must be at least one volunteer ambassador located within the premises at any given time;**
 - iii. Facilitate and coordinate the dispersal of roving volunteer ambassadors throughout the City during busy periods, cruise ship visits and special events or as requested by the City. A minimum of five volunteer ambassadors should be mobilised throughout the city on these occasions;**
 - iv. Maintain a positive, professional and safe working environment for volunteers in line with Volunteer Australia Guidelines;**
 - v. Maintain positive and consistent communication between volunteer ambassadors and paid Visitor Centre staff through provision of product updates and familiarisations, customer service training, operational updates and volunteer performance appraisals.**
- e. Maintain servicing of all cruise ship visits in line with the Memorandum of Understanding in place with Fremantle Ports by:**
 - i. Providing a professional and welcoming cruise ship servicing program at the Fremantle passenger terminal;**
 - ii. Ensuring local businesses are informed about cruise ship arrivals and opportunities to engage directly with passengers;**
 - iii. Facilitating and coordinating reasonable access to the agreed Visitor Centre location for shuttle services and operations associated with cruise ship shuttles;**
 - iv. Staffing a visitor information kiosk at the passenger terminal and coordinating free shuttles to the CBD from the ship (for transit ships);**
 - v. Funding the cruise ship shuttle service in line with the Fremantle Ports Memorandum of Understanding.**
- f. Provide the opportunity for local businesses and event organisers to engage with the Visitor Centre via both free and paid opportunities offered via a single transparent schedule of fees and charges.**
- g. Obtain and maintain Visitor Centre Accreditation via Tourism Council Western Australia to ensure high standards of customer service and visitor servicing is undertaken and maintained.**

C2012-5 APPOINT MEMBER/S OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

Meeting date: 9 December 2020
Responsible officer: Manager Governance
Decision making authority: Council
Attachments: Nil.
Additional information: Nil.

SUMMARY

There has been some interest expressed by non-members of the Audit and Risk Management Committee in joining that committee. This report seeks council consideration to appoint member/s to that Committee.

BACKGROUND

Ordinarily, at each ordinary election, the membership on committees of council and other groups expires and all positions become vacant. Following each election new members are appointed by council.

Members can also be appointed, where a position is vacant, or where the Terms of Reference allows additional members, throughout their Terms.

The Audit and Risk Management Committee Terms of Reference outlines the following conditions for membership:

4. Membership

- 4.1 The committee will be made up of a minimum of the following members and in accordance with Local Government (Audit) Regulations 1996 regulation 17(1):
- a. Mayor (ex-officio member), and
 - b. three councillors
 - c. external independent member

As these provisions outline this membership provision as a minimum membership, this allows for additional members to be appointed to the Committee by Council.

FINANCIAL IMPLICATIONS

Nil.

LEGAL IMPLICATIONS

Nil.

CONSULTATION

Nil.

OFFICER COMMENT

The current membership of the Audit and Risk Management Committee is as follows:

- Independent Member - Mr Phillip Draber
- Presiding Member - Cr Adin Lang
- Mayor Brad Pettitt
- Cr Hannah Fitzhardinge
- Cr Doug Thompson
- Cr Frank Mofflin

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Council appoints additional members of the Audit and Risk Management Committee as follows:

- **Cr Su Groome**
- **Cr Jennifer Archibald**
- **Cr Marija Vujcic**

C2012-6 WASTE TO ENERGY (RESIDUAL WASTE)

Meeting date:	9 December 2020
Responsible officer:	Director Infrastructure
Decision making authority:	Council
Attachments:	1. Confidential – Project Summary
Additional information:	1. Confidential –Due Diligence – Table of Comments (McLeods/Minter Ellison) 2. Confidential – SMRC Information Pack (8 October 2020) (Confidential additional information documents under confidential cover)

SUMMARY

The Southern Metropolitan Regional Council (SMRC) has recently completed a tender evaluation exercise and determined a preferred provider of Waste to Energy (WtE) services for the treatment of the Councils volume of residual waste. To progress and engage the preferred provider, the SMRC requires the agreement of its participant Councils.

This report seeks Council approval (as a participant member) for the SMRC (and the City of Fremantle) to proceed and formally execute agreements for the provision of Waste-to-Energy services with the preferred provider - Kwinana WTE Project Co Pty Ltd (Avertas Energy), this shall also include amendment to the Project Participants Agreement.

BACKGROUND

The City of Fremantle has been a member of the SMRC since 1999 and has entered into formal agreements that commit the City to providing waste materials to the SMRC via the Regional Resource Recovery Centre (RRRC) site in Canning Vale.

The SMRC continues to commit to best practice initiatives and environmentally sustainable waste management outcomes which is evident through its Strategic Waste Management Plan (SWMP), a recent example of this being the adoption of best practice waste segregation, recycling and also Food Organic and Green Organic (FOGO) processing into compost.

Whilst initiatives such as FOGO have dealt with approximately two thirds of the member authorities' waste, there is still currently approximately one third of ratepayer's waste going to landfill.

Investigations into further technologies to deal with this residual waste stream has determined that Waste to Energy is the logical next step. This aligns with the state waste strategy and waste hierarchy; recovery before disposal

The Waste to Energy process has been widely adopted in Europe, the USA and Asia. The technology is now relatively mature and regulatory frameworks have now been adopted in Western Australia to allow it to operate safely and effectively here.

In committing to evaluate the provision of Waste to Energy services the SMRC resolved that the Tender should:

1. Encompass the following waste streams:
 - Residual Municipal Solid Waste (MSW)
 - Residual Waste from Processing FOGO
 - Residuals from the Yellow top dry recycling bin
 - Any other suitable residual waste stream arising from the SMRC, it's member Councils or other Project Participants
2. Demonstrate that the EfW technology solution proposed meets the following criteria:
 - Is operational at the same scale required
 - Is internationally proven
 - Operates efficiently and effectively on the same waste streams as will be generated by the members of the SMRC
 - Has a minimum of 3 years proven, continuous and reliable operation
3. Demonstrates compliance with Western Australian Regulatory Framework
4. Expressly permits Participant Councils to retain the right to determine final participation by resolution of their respective Councils

The Request for Proposals (RFP) was advertised in The West Australian on Saturday 25 November 2017, the closing date was Friday 5 January 2018.

The SMRC has subsequently undertaken an extensive procurement process which included the evaluation of the two projects now under construction in WA. The resulting tender and evaluation process has determined that Avertas Energy is the preferred proponent.

The Avertas Energy project is being developed by reputable organisations with strong credentials in sustainable development and the backing of world leading technology suppliers and experts.

Entering into a Waste Supply Agreement with Avertas Energy will:

- Address obligations under the State Government Waste Strategy to 2030
- Provide an environmentally sound solution for dealing with our residual waste
- Provide further opportunities to purchase back sustainable energy generated from that waste
- Provide flexibility for future waste tonnages to increase or decrease over time
- Protect our ratepayers from increasing disposal costs through rising landfill levies

Due to issues of significance that occurred after the receipt of tenders the Respondents agreed

to a number of requests from the SMRC to extend the validity of the proposals until 28 February 2020. The major issues included:

- Release of the WA Waste Avoidance and Resource Recovery Strategy
- RRRC divestment process
- Withdrawal of the City of Cockburn
- Project proponent milestone achievements

The evaluation panel have completed an assessment of responses to the Request for Proposals, the panel was comprised of members of the Regional Executive Group and SMRC Employees.

Minter Ellison provided specialist legal advice and provided a bid evaluation report to the evaluation panel.

The outcome of the evaluation process was that the preferred provider be Kwinana WTE Project Co Pty Ltd (Avertas Energy).

An overview of the Project is included in the attachment - Confidential Project Summary (1).

Since the selection of Avertas Energy as the preferred tender the SMRC, in consultation with Participant Council officers and Minter Ellison, have progressed the establishment of Agreements that underpin the waste to energy arrangement.

There have been extensive negotiations between the SMRC, Avertas Energy and the Financiers (behind the provision of capital to construct and operate the waste to energy facility) to ensure that the Agreements were appropriate in terms of the management of risks for both the SMRC and Participant Councils.

At its meeting of 26 October 2020, the SMRC resolved the following:

“THE REGIONAL COUNCIL RESOLVES TO, SUBJECT TO AGREEMENT BY ALL PROJECT PARTICIPANTS:

- 1. ENTER INTO A WASTE SUPPLY AGREEMENT WITH KWINANA WTE PROJECT CO PTY LTD, PROJECT PARTICIPANTS AND SMRC FOR THE PROVISION OF WASTE-TO-ENERGY SERVICES IN ACCORDANCE WITH TENDER T2017-06.***
- 2. ENTER INTO A FINANCIERS DIRECT DEED WITH BTA INSTITUTIONAL SERVICES AUSTRALIA LIMITED, KWINANA WTE PROJECT CO PTY LTD, PROJECT PARTICIPANTS AND SMRC.***
- 3. AMEND AND COMBINE THE PROJECT PARTICIPANTS’ AGREEMENTS FOR THE REGIONAL RESOURCE RECOVERY CENTRE PROJECT.***
- 4. THE CHAIR AND THE CHIEF EXECUTIVE OFFICER BE AUTHORISED TO SIGN AND SEAL UNDER COMMON SEAL (IF REQUIRED) THE ABOVE DEED AGREEMENTS.***
- 5. THE WASTE SUPPLY AGREEMENT, FINANCIERS DIRECT DEED, AMENDED PROJECT PARTICIPANTS AGREEMENT AND A COPY OF THIS RESOLUTION BE FORWARDED TO THE PARTICIPANTS FOR CONSIDERATION.”***

FINANCIAL IMPLICATIONS

The operating costs to deposit residual waste (potentially via a transfer station) at the Kwinana facility will be provided for in the 2021-22 budget in lieu of current provisions for landfill disposal costs.

There are no significant cost variations anticipated in sending the City's residual waste to WtE as an alternative to landfill.

Current SMRC overhead costs are anticipated to remain constant and provided for in current budgets.

LEGAL IMPLICATIONS

The following agreements have been structured to address legal aspects and risks to ensure that the City is not exposed to unacceptable risks, whilst enabling long term waste management solution to be put in place.

1. Waste Supply Agreement
2. Financiers Direct Deed
3. Amended & Restated RRRC Project Participants Agreement

The Agreements need to be signed by both the SMRC and participant Councils individually, they will commit the City to 20 years for the provision of residual waste to the Avertas facility in Kwinana.

These agreements have been developed in consultation with Minter Ellison and have also been subject to a review / due diligence exercise (completed by McLeods), this exercise was arranged and managed independently by the participant Councils.

CONSULTATION

The SMRC have engaged, updated and consulted with the active participant Councils and also provided briefing sessions.

A joint presentation by the SMRC, Avertas and Minter Ellison to Participant Council's Elected Members and Executive Officers took place on 8 October 2020. *See Confidential additional Information (2) SMRC Information Pack (8 October 2020).*

There has been no specific community consultation associated with the waste to energy tender, given that is largely an operational matter and is managed appropriately under contractual arrangements relevant to the supply of waste and the requirements of existing Agreements and proposed Agreements under consideration.

OFFICER COMMENT

Officers have been actively involved in the evaluation process, there has been a series of workshops, briefings and legal consultation sessions throughout the evaluation and decision process.

Extensive negotiation between parties has taken place involving legal representatives since early 2020 to work through and resolve conditions in the contractual agreements that underpin the waste to energy opportunity – these agreements are:

- Waste Supply Agreement – between the SMRC/participant Councils and Avertas for committing residual waste provided by participant Councils.

- *This agreement establishes obligations for SMRC and Participants to deliver all Contract Waste and pay gate fee and for Kwinana WTE Project (Project Co) to accept and process the Contracted Waste.*
- Financiers Direct Deed of Agreement – between Macquarie Bank and the SMRC/participant Councils for supplying waste (committed revenue) to Avertas to de-risk debt obligations underpinning capital investment.
 - *Deed between BTA Institutional Services Australia (Security Trustee), SMRC (Principal), Participants (Cities of Fremantle and Melville and Town of East Fremantle) and Project Co in relation to Waste Supply Agreement commitments to provide assurances for investors.*
- Project Participants Agreement – amended to include Waste to Energy and FOGO waste streams not identified in original agreement.
 - *Agreement between the SMRC, Cities of Fremantle and Melville and Town of East Fremantle in regard to the Regional Resource Recovery Centre (RRRC) projects based on terms and conditions incorporating FOGO, Recycling and Waste to Energy arrangements.*

The Waste Supply Agreement and Financiers Deed are more complex documents that have required significant negotiation with Avertas Energy and Macquarie Bank (BTA Institutional Services as Security Trustee) respectively, in order to achieve mutually agreeable conditions. Any amendments to conditions will require agreement from the respective external parties as well as the SMRC and Participant Councils.

The Project Participants Agreement relates to the ongoing operation of the RRRC site and the changes are mainly administrative to include amendments in the supply of waste streams related to the 3-bin FOGO system and the Waste to Energy proposal for red lidded bin waste.

Logistics and Transport

In terms of logistics and transport, it is important to note that the Waste to Energy agreement does not include the transfer and transport of wastes to the facility. Residual wastes from red bin collections are currently delivered directly from kerbside to Suez's Bibra Lake transfer station for onward transport to landfill.

It is currently anticipated that the preferred mode of transport will be via the RRRC or another transfer facility located close to the population centroid of participating Councils. This has been the subject of discussion with Executive Officers of the respective members.

Waste Strategy

The SMRC is well placed in respect to WA Waste Strategy and Best Practice Collection Systems, the SMRC's participating Councils have implemented a three bin FOGO system which is considered a best practice kerbside collection under the WA Waste Strategy.

This protects the participating Councils from the potential risk of the waste levy being applied to non-residual waste delivered to a waste to energy facility.

In addition, any materials recovered for beneficial re-use by the waste energy facility, such as metals and inert bottom ash, will be able to be claimed as part of the Councils' overall material recovery performance.

Risk

As part of the evaluation / review process, the City has entered a cost sharing arrangement with the other Participant Councils (City of Melville and Town of East Fremantle) to undertake a peer legal review as part of its due diligence responsibilities.

The peer legal review is based on a strategic level review aimed at identifying key risks for the Participant Councils associated with the proposed Agreements.

The peer legal review (*CONFIDENTIAL attachment (1) Due Diligence – Table of Comments (McLeods/Minter Ellison)*) - provided a summary of issues for further discussion and clarification – these have been reviewed by the participant Councils, shared and discussed with the SMRC and subsequently reviewed by McLeods and Minter Ellison in joint consultation.

The issues captured, discussed and reviewed can be summarised as follows:

- Grammatical / drafting points and clarification suggestions (no change in meaning or intent).
 - *These formed the majority of the feedback and through discussion have been agreed as easily resolved and amended in the draft documents.*
- Clarification / strengthening suggestions (defining particulars & reducing risk).
 - *Some issues were highlighted as requiring better / clearer definition – these items have been discussed by McLeods and Minter Ellison and subsequently agreed as benefitting from amendment in the draft documents.*

The amendments have now been incorporated in the draft documents and forwarded by the SMRC to Avertas Energy – these now sit with Avertas Energy pending their formal acceptance and agreement.

Officers are now satisfied that the Waste to Energy tender and waste management opportunity established through the enactment of the Waste to Energy Agreements will provide a sustainable and long-term solution for the City's management of red lidded bin and residual waste from our community's waste stream.

The waste to energy commitment will provide a cost-effective arrangement and certainty in managing this portion of the community waste that is at greatest risk of escalating costs over time.

The safeguards included in the Agreements ensure that the City is not exposed to unacceptable risks and that contracts can be transferred to the City in the case of the SMRC being wound up or Participant withdrawal from the SMRC.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council:

- 1. Supports the Southern Metropolitan Regional Council progressing with Kwinana WTE Project Co PTY LTD for Waste to Energy services for the treatment of the City of Fremantle's Residual Waste.**
- 2. Subject to final acceptance of the amendments as detailed in the Participants Due Diligence report (from McLeods Lawyers), authorise the CEO to sign the following documents:**
 - a. Waste Supply Agreement**

This agreement is between the SMRC/participant Councils and Avertas for committing residual waste provided by participant Councils. The agreement establishes obligations for the SMRC and Participants to deliver all Contract Waste and pay gate fee and for Kwinana WTE Project (Project Co) to accept and process the Contracted Waste.
 - b. Financiers Direct Deed**

This agreement is between Macquarie Bank and the SMRC/participant Councils for supplying waste (committed revenue) to Avertas to de-risk debt obligations underpinning capital investment. The Deed between BTA Institutional Services Australia (Security Trustee), SMRC (Principal), Participants (Cities of Fremantle and Melville and Town of East Fremantle) and Project Co in relation to Waste Supply Agreement commitments to provide assurances for investors.
 - c. Amended Participants Agreement**

This is an amendment to the existing participants agreement to include Waste to Energy and FOGO waste streams not identified in original agreement. The agreement is between the SMRC, Cities of Fremantle and Melville and Town of East Fremantle in regard to the Regional Resource Recovery Centre (RRRC) projects based on terms and conditions incorporating FOGO, Recycling and Waste to Energy arrangements.

**C2012-7 ACCEPTANCE OF TENDER - FCC921/20 FREMANTLE TOWN HALL
FIRE SERVICE UPGRADE**

Meeting date: 9 December 2020
Responsible officer: Manager Asset Management
Decision making authority: Council
Attachments: 1. Nil
Additional information: 1. Tender Evaluation Matrix

SUMMARY

The purpose of this report is to consider tender number FCC921/20 for Fire services upgrade at Fremantle Town Hall.

This report recommends that Council accepts the tender submitted by Colgan Industries Pty Ltd, in accordance with the tender evaluation undertaken as per the selection criteria included in the tender document.

BACKGROUND

In October 2011 the City of Fremantle entered into a Memorandum of Understanding (MOU) with Sirona Capital to progress discussions on the possibility of an integrated development of the City owned and Sirona owned properties adjacent to the Kings Square site. These properties included the former Myer building, Queensgate Car Park, former Queensgate commercial building, former City administration building, the titled property in front of the former Myer building and the Spicer property on William Street.

The fire services upgrade at the Fremantle Town Hall project is part of the broader Kings Square Civic, Library and Administration precinct in Fremantle. For the New Civic Building to obtain Certificate of Construction compliance and allow the facility to legally open, the Fremantle Town Hall requires an upgrade of its Fire Services.

The appointed Contractor must allow for liaising with the main civic building contractor, architect and building surveyor through the entire project including commissioning. The City officers will work with the Contractor to ensure (as far as practicable) works are delivered on time and within the allocated budget.

Milestones	Indicative Dates
Tender documentation issued to market	21 March 2020
Non-Mandatory Meeting	27 March 2020
Tender responses due	17 April 2020
Evaluation Period and Council Approval	April - Dec 2020
Contract Negotiation / Award	December 2020
Site Handover by City	January 2021
Practical Completion	April 2021

FINANCIAL IMPLICATIONS

The table below summarises the available budget, current expenditures, recommended tender price by Colgan Industries Pty Ltd for the fire services upgrades at the Town Hall, and other associated expenses:

Description	Expenditure	Budget
Budget		
Budget for upgrade of fire services at Fremantle Town Hall (FYR 20/21) – is anticipated to covered by the transfer of funds from the remaining contingency in the Kings square construction budget.		\$530,000
Expenditure		
Expenditure incurred to date:	Nil	
Activities		
• Tender number FCC921/20 Fremantle Town Hall Fire Services Upgrade	\$527,734.50	
• Contingency @10%	\$52,265.50	
Project management costs (Managed Internally)	Nil	
Total expenditure (estimated)	\$580,000	
Balance		(\$50,000)

The budget will need to be adjusted up to \$580,000 to cover the contract and estimated contingencies.

LEGAL IMPLICATIONS

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

CONSULTATION

Nil

OFFICER COMMENT

Detail

Tender FCC921/20 for Fire services upgrade at Fremantle Town Hall was advertised on 21 March 2020 and closed on Friday 1 May 2020.

Essential details of the contract are outlined below:

Contract type	Lump Sum
Contract duration	4 months construction; 12 months Defects Liability Period
Commencement date	January 2021
Completion date	April 2022

Tender evaluation

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

- Heru Holdings Pty Ltd t/a ME Fire Solutions (ABN 49 092 143 587)
- Firesafe Systems Pty Ltd (ABN 63 114 444 996) and
- Colgan Industries Pty Ltd (ABN 15 081 033 847).

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

The tender evaluation panel comprised of:

- Manager Asset Management
- Architect for Griffiths Architect (Heritage)
- Project Manager (Buildings)
- Project Officer Asset Management
- Procurement Officer – Contracts and Risk

Tenderers were required to disclose information that might be relevant to an actual or potential conflict of interest and disclose if they had any relationship with City of Fremantle employees involved in the tender process. Members of the tender evaluation panel are required to disclose any actual or perceived interest with any of the tenderers.

No disclosures were made.

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

Item No	Description	Weighting
1	Tendered Price	40%
2	Service Delivery Plan Relevant Experience	20%
3	Key Personnel Skills and Resources	15%
4	Demonstrated Understanding of the Project	20%
5	Sustainability	5%

One (1) tender submission received was considered conforming to the requirement by the evaluation panel, whilst two (2) tender submissions received were considered non-conforming.

Tender Result

The tenders received from Firesafe Systems Pty Ltd and Heru Holdings Pty Ltd T/A ME Fire Solutions were considered non-conforming tenders by the evaluation panel. The responses were for the install of the fire services elements only and did not provide any allowance for the builder's work associated with the full execution of the project. They were not evaluated any further.

Therefore, the tender form Colgan Industries Pty Ltd was evaluated by the evaluation panel as the only fully compliant tender.

Price

To ensure the City attains best value, officers have compared the price submitted by Colgan Industries against the projects pre-tender estimate of \$530,000 and are satisfied that this sits within an acceptable tolerance.

Capability

Colgan Industries Pty Ltd response showed comprehensive evidence of previous experience in heritage building renovation and upgrade practices and the careful integration of new services in existing heritage buildings.

Colgan Industries Pty Ltd, the recommended tenderer, was assessed as having the capacity, resources, experience and management systems to safely undertake the works and deliver the level of quality described and required in the specification, in accordance with the terms of the tender document.

The evaluation process determined that the tender from Colgan Industries Pty Ltd is a conforming tender. They have worked for the City on previous projects and have consistently provided quality outcomes that meet the City's needs. Reference checks indicate that Colgan Industries Pty Ltd have provided satisfactory service delivery to their customers on similar projects and will be a suitable supplier to the City of Fremantle.

Comment

Subject to acceptance of the tender, the proposed implementation program is scheduled below:

Award contract:	December 2020
Commence construction:	January 2021
Complete Construction:	April 2021
Completion of Services:	April 2022

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute Majority Required

OFFICER'S RECOMMENDATION

Council:

1. accept the tender for Fremantle Town Hall Fire Services Upgrade (FCC921/20) at the rates tendered (\$527,734.50 ex GST), to Colgan Industries Pty Ltd for a period of sixteen months (including 4 months construction and 12-month defects liability period), commencing in January 2021.
2. amend the budget for Project P11943 – Town Hall Fire Upgrade

Item	Account #	Account Details	2020/21 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2020/21 Amended Budget
2.1	Additional budget is required for the fire services upgrade works for the Town Hall to reflect contract tender and contingency.					
	300166.3923	Transfer from Reserve	(530,000)		(50,000)	(580,000)
	300166.1606	P-11943 Town Hall Fire Upgrade Works	530,000	50,000		580,000

C2012-8 BUDGET AMENDMENTS - NOVEMBER 2020

Meeting date:	9 December 2020
Responsible officer:	Manager Finance
Decision making authority:	Council
Attachments:	Nil
Additional information:	Nil

SUMMARY

To adopt various budget amendments to the 2020/2021 budget account numbers as detailed below in accordance with the Budget Management Policy. The budget amendments have nil effect to the overall budget.

This report recommends that Council approves the required budget amendments to the adopted budget for 2020/21 as outlined in the report.

BACKGROUND

In accordance with the Budget Management Policy this report provides details of proposed amendments to the 2020/2021 budget on a monthly basis to Council (via FPOL) to adopt budget amendments to:

1. Consider an additional purpose or grant acceptance or release of quarantined funds.
2. Reflect any expenditure above the budget amount agreed by the CEO in the previous month, and to adjust other accounts to accommodate the value of these.
3. Make amendments to the carried forward budget to reflect the final position at the end of financial year.

FINANCIAL IMPLICATIONS

The financial implications are detailed in this report.

LEGAL IMPLICATIONS

Local Government Act 1995:

Section 6.2 (1)

The Council is required to prepare and adopt, by Absolute Majority, an annual budget for its municipal fund by 31st August each year.

Section 6.8 (1) and (2)

The Council cannot incur expenditure from its municipal fund for a purpose for which no expenditure estimate is included in the annual budget (known as an 'additional purpose') except where the expenditure —

(a) is incurred in a financial year before the adoption of the annual budget by the local government;

- (b) is authorised in advance by resolution by Absolute Majority; or
(c) is authorised in advance by the July or president in an emergency.

Where expenditure has been incurred;

- (a) under S 6.8 (1) (a) it is required to be included in the annual budget for that financial year; and
(b) under S 6.8 (1) (c), it is to be reported to the next ordinary meeting of the council

Local Government (Financial Management) Regulations 1996:

Regulation 33A

A formal review of the annual budget is to be presented and adopted by Council, by Absolute Majority, between 1st January and 31st March each year.

CONSULTATION

There are no community engagement implications as a result of this report.

OFFICER COMMENT

The following amendments to budget account numbers to the adopted budget for 2020/2021 are submitted to Council for approval as outlined below.

1. Budget amendments for proposed expenditure for an additional purpose

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

Item	Account #	Account Details	2020/21 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2020/21 Amended Budget
1.1	Renewal of lighting at Gilbert Fraser Reserve fully grant funded 1/3 by Department of Local Government Sport and Cultural Industries and 2/3 by Local Roads and Community Infrastructure program.					
	300xxx.4219	P-11904 - Design and Construct – Gilbert Fraser – Lighting – Grant		86,666		86,666
	300xxx.4225	P-11904 - Design and Construct – Gilbert Fraser – Lighting – Grant		173,334		173,334
	300xxx.1606	P-11904 - Design and Construct – Gilbert Fraser - Lighting			(260,000)	(260,000)

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

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

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

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

Item	Account #	Account Details	2020/21 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2020/21 Amended Budget
Nil						

3. Carried forward projects estimate budget amendments

The budget amendments below are to adjust the carried forward project estimates and to amend the carried forward budget to reflect the final position at the end of financial year.

Item	Account #	Account Details	2020/21 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2020/21 Amended Budget
3.1	Project scope adjusted for P11876 - Renovation Fremantle Netball Club, fully funded from the municipal savings of P-11944 Design and construct - Notre Dame - Façade as the remaining grant funding for Renovation Fremantle Netball Club are no longer available.					
	300154.1606	P11876 - Renovation Fremantle Netball Club	(18,690)		5,605	(13,085)
	300154.4222	P11876 - Renovation Fremantle Netball Club	18,690	(18,690)		-
	300167.1606	P- 11944 Design and construct - Notre Dame - Façade	(25,000)		13,085	(11,915)

End of financial year adjustments for 30 June 2020 are still ongoing therefore further budget amendments for carried forward projects will be presented to Council next month. Once completed the final overall effect on the end of year surplus, unspent grant funds and reserve funds movements for carried forward projects will be reported to Council through the budget amendment report.

4. Budget amendment to release quarantined funds

Through the budgetary process it was requested that \$465,000 of the *Program- Infrastructure Recovery* budget, be quarantined and further information be brought back to Council on the value of the program.

Council has released \$241,391 of this quarantined budget to the following projects leaving a balance of \$223,609 quarantined funds under the *Program- Infrastructure Recovery* budget.

- 100474 Operate Volunteer Exp (promoting volunteering through activities) (\$2,000)
- 100462 Support sporting groups (\$7,500)
- 100482 Operate Fremantle (Library programming) (\$10,000)
- 100412 Sponsorships Contributions and Donations Expenses (\$20,000)
- P-11911 - Design and construct - Leighton Beach – Shelters (\$40,000)
- P-11932 - Design and construct - Queen Street - Pedestrian Crossing (\$7,000)
- P-11907 - Purchase - Library stock (\$52,500)
- P-11949 - Resurface R2R - Bannister Street (\$10,000)
- P-11950 - Resurface R2R - Edmund Street (\$2,690)
- P-11951 - Resurface R2R - Ferres Street (\$3,129)
- P-11922 - Resurface R2R - Jones Street (\$2,024)
- P-11906 - Resurface R2R - Stevens Street (\$5,118)
- P - 11961 Design and Construct - Bracks Street – Parking (\$29,430)
- P-11840 Design and construct-Port Beach carpark (\$10,000)
- P-11962 Purchase - South Beach – Generators (\$40,000)

It is recommended that \$50,000 net of the remaining quarantined budget of \$223,609 for *Program- Infrastructure Recovery* be released to fund the following projects:

1. Return of \$40,000 budget funds to *Program- Infrastructure Recovery* from:

- P-11911 - Design and construct - Leighton Beach – Shelters \$40,000.
This project will continue with a budget of \$57,569 being fully funded from Local Roads and Community Infrastructure program.

2. Use of \$90,000 for:

- P-11952 - Design and construct – Hampton Road – Drainage (\$70,000)
- P-11933 - Purchase – Fremantle Arts Centre Kiln (\$20,000)

The budget balance of \$173,609 for *Program- Infrastructure Recovery* remains as quarantined.

Item	Account #	Account Details	2020/21 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2020/21 Amended Budget
4.1	Release quarantined funds of \$70,000 from 300170 (Program - Infrastructure Recovery) to P-11952 - Design and construct – Hampton Road – Drainage.					
	300170.1606	Program- Infrastructure Recovery	(223,609)		70,000	(153,609)
	300174.1606	P-11952 - Design and construct – Hampton Road – Drainage			(70,000)	(70,000)
4.2	Return of \$40,000 funds from P-11911 - Design and construct - Leighton Beach – Shelters back to quarantined funds for Program – Infrastructure Recovery. Leighton Beach – Shelters project to be fully funded by grant from Local Roads and Community Infrastructure program for \$57,569.					
	300170.1606	Program- Infrastructure Recovery	(153,609)		(40,000)	(193,609)
	300172.4219	P-11911 - Design and construct - Leighton Beach – Shelters – Grant		57,569		57,569
	300172.1606	P-11911 - Design and construct - Leighton Beach - Shelters	(40,000)		(17,569)	(57,569)
4.3	Release quarantined funds of \$20,000 from Program – Infrastructure Recovery for the purchase of an additional kiln at the Arts Centre.					
	300170.1606	Program- Infrastructure Recovery	(193,609)		20,000	(173,609)
	300xxx.1606	P-11933 - Purchase – Fremantle Arts Centre Kiln			(20,000)	(20,000)

VOTING AND OTHER SPECIAL REQUIREMENTS

Absolute majority required

OFFICER'S RECOMMENDATION

Council approve the required budget amendments to the adopted budget for 2020/2021 as outlined below:

Item	Account #	Account Details	2020/21 Adopted Budget	Revenue Increase/ (Decrease)	Expenditure (Increase)/ Decrease	2020/21 Amended Budget
1.1	Renewal of lighting at Gilbert Fraser Reserve fully grant funded 1/3 by Department of Local Government Sport and Cultural Industries and 2/3 by Local Roads and Community Infrastructure program.					
	300xxx.4219	P-11904 - Design and Construct – Gilbert Fraser - Lighting		86,666		86,666
	300xxx.4225	P-11904 - Design and Construct – Gilbert Fraser - Lighting		173,334		173,334
	300xxx.1606	P-11904 - Design and Construct – Gilbert Fraser - Lighting			(260,000)	(260,000)
3.1	Project scope adjusted for P11876 - Renovation Fremantle Netball Club, fully funded from the municipal savings of P-11944 Design and construct - Notre Dame - Façade as the remaining grant funding for Renovation Fremantle Netball Club are no longer available.					
	300154.1606	P11876 - Renovation Fremantle Netball Club	(18,690)		5,605	(13,085)
	300154.4222	P11876 - Renovation Fremantle Netball Club	18,690	(18,690)		-
	300167.1606	P- 11944 Design and construct - Notre Dame - Façade	(25,000)		13,085	(11,915)
4.1	Release quarantined funds of \$70,000 from 300170 (Program - Infrastructure Recovery) to P-11952 - Design and construct – Hampton Road – Drainage.					
	300170.1606	Program- Infrastructure Recovery	(223,609)		70,000	(153,609)
	300174.1606	P-11952 - Design and construct – Hampton Road – Drainage			(70,000)	(70,000)
4.2	Return of \$40,000 funds from P-11911 - Design and construct - Leighton Beach – Shelters back to quarantined funds for Program – Infrastructure Recovery. Leighton Beach – Shelters project to be fully funded by grant from Local Roads and Community Infrastructure program for \$57,569.					
	300170.1606	Program- Infrastructure Recovery	(153,609)		(40,000)	(193,609)
	300172.4219	P-11911 - Design and construct - Leighton Beach - Shelters		57,569		57,569
	300172.1606	P-11911 - Design and construct - Leighton Beach - Shelters	(40,000)		(17,569)	(57,569)
4.3	Release quarantined funds of \$20,000 from Program – Infrastructure Recovery for the purchase of an additional kiln at the Arts Centre.					
	300170.1606	Program- Infrastructure Recovery	(193,609)		20,000	(173,609)
	300xxx.1606	P-11933 - Purchase – Fremantle Arts Centre Kiln			(20,000)	(20,000)

C2012-9 MONTHLY FINANCIAL REPORT - NOVEMBER 2020

Meeting date: 9 December 2020
Responsible officer: Manager Finance
Decision making authority: Council
Attachments: 1. Monthly Financial Report – 25 November 2020
Additional information: Nil

SUMMARY

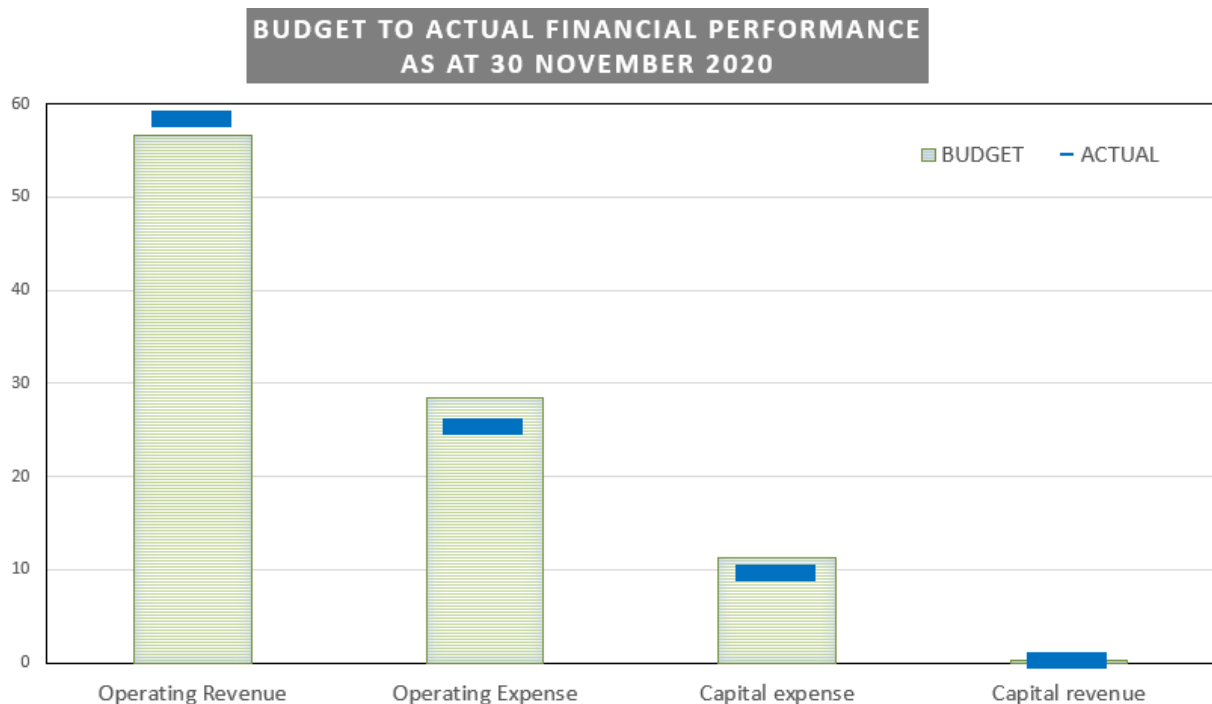
The Monthly Financial Report for the period ending 25 November 2020 has been prepared and tabled in accordance with the Local Government (Financial Management) Regulations 1996.

This report provides an analysis of financial performance for November 2020 based on the following statements:

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

BACKGROUND

The following graph and table provide a high-level summary of Council's year to date financial performance as at 25 November 2020.



Description	YTD Budget \$M	YTD Actual \$M	Variance \$M	Variance %	+/-
Opening Surplus	2.01	3.56	1.55	77.02%	
OPERATING					
Rates Revenue	46.94	47.43	0.49	1.06%	
Revenue (excluding rates)	9.71	11.01	1.30	13.35%	
Expenses	(28.42)	(25.41)	3.01	10.58%	
Non-Cash Adj.	2.93	3.17	0.24		
	31.16	36.20	5.04	16.21%	
CAPITAL					
Revenue	0.32	0.31	(0.01)	(4.35%)	
Expenses	(11.21)	(9.67)	1.54	13.74%	
Financing	(0.75)	(0.77)	(0.02)	(2.00%)	
Reserve Transfers	9.51	8.53	(0.98)	(10.34%)	
	(2.13)	(1.60)	0.53	25.12%	
Closing Surplus	31.04	38.16	7.12	22.95%	

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

Income	Variance	
Fees and Charges	1,506,348	
Rates (including Annual Levy)	497,564	
Operating Grants	(136,559)	
Reimbursement Income	(258,230)	
Other Operating Income Items	184,868	
Total Operating Income	1,793,990	
Expenses	Variance	
Employee Costs	1,294,269	
Materials and Contracts	1,745,118	
Other Expenditure	185,213	
Other Operating Expense Items	(218,518)	
Total Operating Expenses	3,006,083	

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

FINANCIAL IMPLICATIONS

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

LEGAL IMPLICATIONS

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

CONSULTATION

Nil

OFFICER COMMENT

The overall performance for the City of Fremantle for the period ended 25 November 2020 resulted in an additional \$7,122,400 surplus being identified in the year to date position than anticipated, which is mainly as a result of: -

Reduction in anticipated year to date position

- Reduction of net transfer to/from reserve of \$983,786
- Reduction of capital revenue of \$14,161

Increase in anticipated year to date position


- Increased general rates income of \$497,708
- Increased carried forward surplus from 2019/20 of \$1,550,085
- Increased operating revenue (excluding general rates) of \$1,296,282
- Underspending of operating expenditure to date of \$3,006,083
- Underspending of capital expenditure to date of \$1,540,418

It should be noted that processing of 30 June 2020 is still occurring as part of finalising end of financial year which will change the end of year surplus for 2019-20 financial year.



Explanation of Material Variances

In accordance with regulation 34(5) of the Local Government (Financial Management) Regulations 1996 and AASB 1031 Materiality, Council adopted the level to be used in statements of financial activity in 2020-2021 for reporting material variances as 10% or \$100,000, whichever is greater (Item SC2007-2 refers Council meeting on 8 July 2020).

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially. The following is an explanation of significant operating and capital variances as identified in the Rate Setting Statement by Nature and Type:

<i>Description</i>	<i>Variance Amount</i>	<i>Comment</i>
Fees and Charges	1,506,348	22% 
Major Variances:		
Operate on street paid parking	198,068	Budget phasing of parking and infringement revenue is based on the assumption of reaching 50% to 70% of previous year level during July to September then to reach 100% from October onwards. Currently parking revenue has reached 86% of prior year's level. Recovery is earlier than expected but not as quick as budgeted. Total estimated parking revenue is expected to meet budget at year end.
Operate car park cappuccino strip	57,408	
Issue parking infringements	110,162	
Operate Fremantle leisure centre health club	170,506	Revenue budget is based on the assumption of reaching 25% of previous year's level during July to September and to reach 100% from October onwards. Currently revenue has reached 85% of prior year's level. Total revenue from health club is estimated to meet budget at year end.
Operate Fremantle leisure centre swim school	57,196	Revenue budget is based on the assumption of reaching 25% of previous year level during July to September and to reach 100% from October onwards. Currently revenue has reached 108% of prior year level. Total revenue from swimming school is estimated to meet budget at year end.
Provide arts centre education services	62,339	Revenue from Education services currently 20% ahead of budget. Anticipated to be in surplus at year end.
Lease Union Store 41-47 High Street Fremantle - Tenant Recoverable	97,871	Invoicing for rent continues to occur and is reviewed against the Commercial Tenancies (COVID-19 Response) Act 2020 for the provision of rent relief. Budget phasing assumed minimal income for these tenants resulting in a variance.
Lease Evan Davies Building 13 South Terrace Fremantle – Tenant Recoverable	201,810	
Lease Investment Trust Old Fire Station 20 Phillimore Street	41,938	
Lease Port Beach Restaurant 42 Port Beach Road North Fremantle	51,236	
Statutory Planning services	84,759	Revenue ahead of year to date budget due to an 25% (approx.) increase in the volume of Planning Applications received by the City (compared to July - Sept of 2019). This is due to the various Government incentives, including the Australian & WA Government Home Builder Grants.
Issue parking permits	41,230	Revenue from parking permits in surplus. Permits issued for bay closures for exploratory works in relation to the water pipes project.
Conduct art centre small concerts	57,034	Recovery from Covid earlier than anticipated. Increase in number of allowable small concerts
Conduct Sunday music program	27,863	Recovery from Covid earlier than anticipated. Music program started 3 months earlier than expected.
Hire and Events - Recreation Reserves	53,518	Event/hire income higher than forecast.

Reimbursement Income	(258,230)	47%	▼
Major Variances:			
Support service units - Containers for Change	(54,345)	The income is lower than expected. It will be monitored and reviewed at mid-year budget review if required.	
Lease Union Store 41-47 High Street Fremantle - Variable Outgoing	(37,862)	Variance due to budget phasing. It will be revised next month.	
Other Revenue	167,394	319%	▲
Major Variances:			
100058 - Monitor city insurances (excluding workers compensation)	81,662	Adjustment required to adjust insurance rebate to sponsorship and contribution income.	
Materials and Contracts	1,745,118	21%	▲
Major Variances:			
Maintain & operate public toilets	47,202	Awaiting receipt of supplier invoices for processing and payment.	
Collect & dispose waste - commercial	74,187		
Remove graffiti	31,225		
Maintain internet cloud and other hosted technologies	38,163	Year to date invoicing for programmed maintenance is lower than phased to date. Budget variance will be utilised throughout the year.	
Maintain Medians, Verges and Street Gardens	197,115		
Maintain Soft Landscaping - Recreation Reserves	115,992		
Maintain trees - road reserves and carparks	108,925		
Maintain Trees - Recreation Reserves	50,781		
Operate car park 31 Fishing Boat Harbour Fremantle	84,122	Timing variance due to June 2020 invoice is adjusted to 19-20 financial year. No variance is expected at year end.	
Operate Fremantle leisure centre aquatics	26,421	Timing difference - maintenance expenditure will incur when required. No variance is expected at year end.	
Manage commercial parking operations	41,913	Advertising and cash collection invoices to be received and paid	
Manage destination marketing plan implementation	84,520	Budget phasing - Christmas campaign was phased in October. Purchase orders have been raised, awaiting receipt of supplier invoices.	
Maintain Road Drainage	32,234	Commitments for maintenance have been raised and maintenance will increase during second quarter. Budget variance will be utilised throughout the year.	
Operate Fremantle library	44,700	Budget rephasing required - Equipment lease started later than budgeted.	
Maintain Sports Grounds	57,080	Timing difference - Maintenance program scheduled and ongoing.	
P-11708 Plan-Coastal monitoring	36,380	Timing difference - Budget phasing to be corrected and budget to be utilised at year end.	
Maintain roads	33,934	Commitments for maintenance have been raised and maintenance will increase during second quarter. Budget will be utilised by year end.	
Project management office	27,092	Variance due to delayed procurement of consultant. Project will be back on target early 2021.	
Refer unpaid fines to fines enforcement	27,947	Less referrals to FER than budgeted and no legal fees incurred in relation to infringements.	
Maintain footpaths	29,157	Commitments for maintenance have been raised	

		and maintenance will increase during second quarter. Delivery contract also undergoing new tender. Budget will be utilised by year end.
Other Expenditure	185,213	21% 
Major Variances:		
P-11830 Program-Biennale Public Art	33,932	The expenditure is budgeted under Material and Contract while the actuals is posted to Other Expenditure - Sponsorship. No net variance in activity.
Contribute to the operations of Regional Resource Recovery Centre	101,383	Delay in receiving invoices from supplier.
Purchase Infrastructure - Parks	416,208	58% 
Major Variances:		
P-10295 Design and construct-Kings Square Public Realm Newman	248,666	Project delayed due to site access issues caused by building program. Site works have commenced in November and the project is scheduled for completion in April 2021. Budget to be utilised.
P-11680 Design and construct-Kings Square Playspace	92,960	
P-11859 Program-Parks-Irrigation	39,005	Project complete, awaiting receipt of supplier invoice

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council receive the City of Fremantle Monthly Financial Report including the Statement of Comprehensive Income, Statement of Financial Activity, Statement of Financial Position and Statement of Net Current Assets for the period ended 25 November 2020.

C2012-10 STATEMENT OF INVESTMENTS – NOVEMBER 2020

Meeting date:	9 December 2020
Responsible officer:	Manager Finance
Decision making authority:	Council
Attachments:	Investment Report – 30 November 2020
Additional information:	Nil

SUMMARY

This report outlines the investment of surplus funds for the month ending 25 November 2020 and provides information on these investments for Council consideration.

This report recommends that Council receive the Investment Report for the month ended 25 November 2020.

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

- **Portfolio details as at November 2020;**
- **Portfolio counterparty credit framework;**
- **Portfolio liquidity with term to maturity;**
- **Portfolio fossil fuel summary;**
- **Interest income earned for the month;**
- **Investing activities for the month;**

BACKGROUND

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

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

The City has committed to carbon neutrality and will review and manage its investment portfolio to identify financial institutions which support fossil fuel companies (either directly or indirectly) and has limited these investments to the minimum whilst maintaining compliance with the investment policy.

FINANCIAL IMPLICATIONS

To date actual investment interest earned is \$204,553 against a year to date budget of \$219,511 which represents a negative variance of \$14,958.

Future interest earnings will be determined by the cash flows of the City's surplus cash and the movements in interest rates on term deposits. The Reserve Bank of Australia elected to cut the cash rate from 0.25% to a record low of 0.1% at their board meeting on 4 November 2020. With Australia facing a period of high unemployment, the Reserve Bank is committed to doing what it can to support job creation and the recovery of the Australian economy from the pandemic. Investment rates on term deposits are now even lower after the announcement of cash rate cut. The interest earnings will continue to be closely monitored throughout the year. The budget of interest earning was based on higher interest rate and it will be revised at the mid-year budget review if required.

The City's investment portfolio is invested in highly secure investments with a low level of risk yielding a weighted average rate of return of 0.68% for the month of 30 November 2020. The City's actual portfolio return in the last 12 months is 1.10%, which compares favourably to the benchmark Bloomberg AusBond Bill Index reference rate of 0.44% (refer report point 8).

LEGAL IMPLICATIONS

The following legislation is relevant to this report:

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

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

CONSULTATION

Nil

OFFICER COMMENT

A comprehensive Investment Report for the month ending 25 November 2020 can be viewed in Attachment 1 of this agenda item. A summary of the investment report is provided below.

1. Portfolio details as at 25 November 2020

At period end the City's investment portfolio totalled \$62.10m. The market value was \$62.22m; this value takes into account accrued interest.

The investment portfolio is made up:

Cash Investments (<= 3 months)	\$11.87m
Term Deposits (> 3 months)	\$50.23m
TOTAL	\$62.10m

Of which:

Unrestricted cash	\$40.08m
Restricted cash (Reserve Funds)	\$20.69m
Restricted cash (Trust Funds)	\$ 1.33m
TOTAL	\$62.10m

The current amount of \$40.08m held as unrestricted cash represents 56.26% of the total adopted budget for operating revenue (\$71.24m)

2. Portfolio counterparty credit framework (as at 25 November 2020)

The City's Investment policy determines the maximum amount to be invested in any one financial institution or bank based on the credit rating of the financial institution. The adopted counterparty credit framework is as below. Council has approved amendments to this policy at the Ordinary meeting held on 25 November, 2020. These changes will commence implementation from December, 2020:

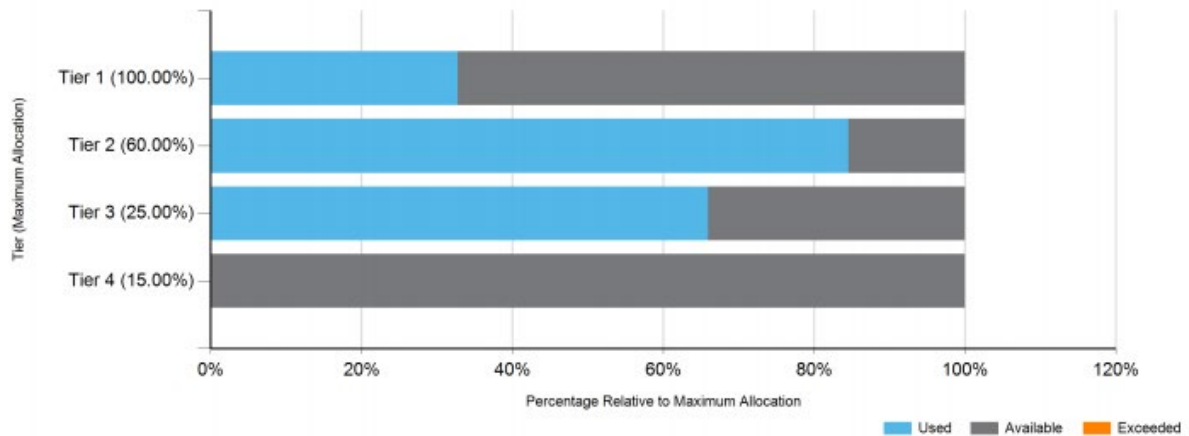
Counterparty credit framework

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

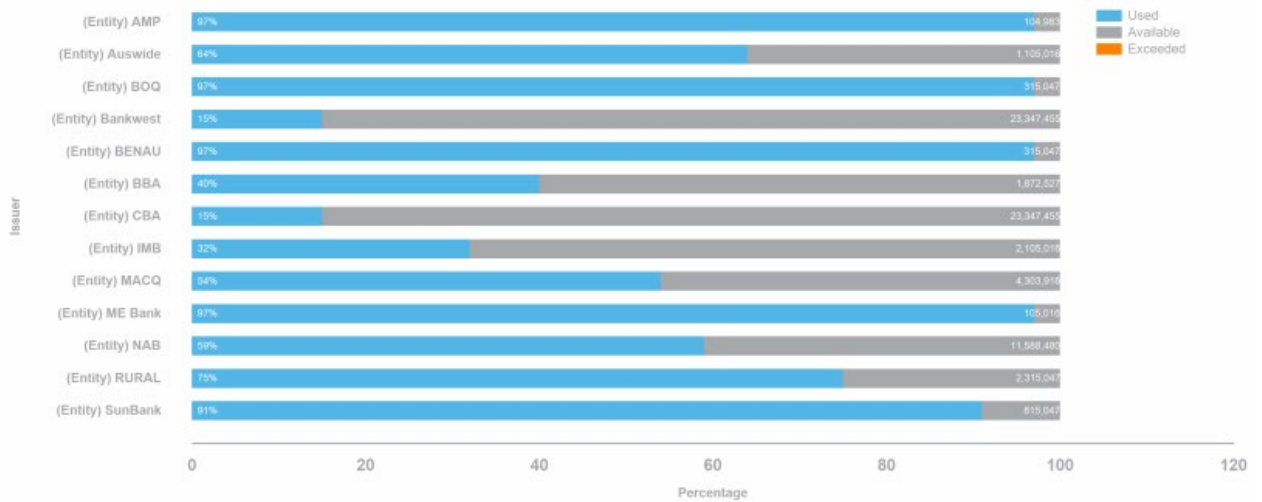
Credit quality	Maximum % of total investments
Tier 1 (excl. AAA government)	45%
Tier 2	15%
Tier 3	5%
Tier 4	(\$1m)

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

Portfolio Credit Framework Amounts Relative to Maximum Allocations



Issuer Trading Limits (Entity Wide Limits Only)



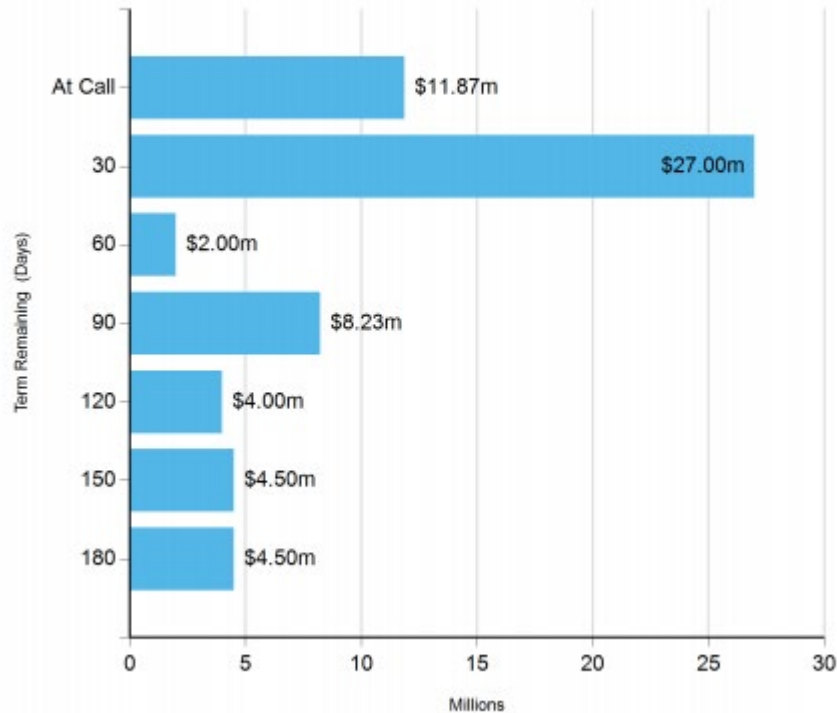
As reported in the above graph as of 25 November 2020 all investments of the portfolio were compliant.

3. Portfolio Liquidity Indicator (as at 25 November 2020)

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

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

Face Value by Term Remaining

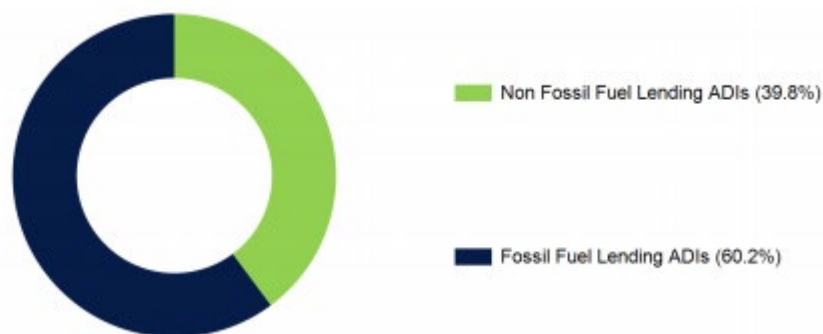


4. Portfolio Summary by Fossil Fuels Lending ADIs (As at 25 November 2020)

At the end of this month \$24.73m (40%) of the portfolio was invested in “Green Investments”; authorised deposit taking institutions that do not lend to industries engaged in the exploration for, or production of, fossil fuels (Non-Fossil Fuel lending ADI’s). The City has experienced difficulty to make new investments or rollover the existing investments in “Green banks” as they currently have too much liquidity due to the retail deposit coming in too fast.

In order to address the City’s ability to undertake greater fossil fuel divestment a review of the Investment Policy was presented to the Audit and Risk Management Committee on 10 November 2020. The review recommended a minor change to the investment framework to increase the percentages allocated to tier 3 and tier 4 categories to allow some greater flexibility. The new Investment Policy was adopted by Council on 25 November 2020 and future investments will be in accordance with the revised policy.

Fossil Fuel vs Non Fossil Fuel Lending ADI



5. Interest Income for Matured Investments (For 1 November 2020 to 25 November 2020)

During this month \$48,255 in interest was earned from matured investments.

6. Investing Activities (For 1 November 2020 to 25 November 2020)

During this month 2 term investments were acquired with a total value of \$5.5m.

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

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple majority required

OFFICER'S RECOMMENDATION

Council receive the Investment Report for the month ending 25 November 2020.

C2012-11 SCHEDULE OF PAYMENTS NOVEMBER 2020

Meeting date:	9 December 2020
Responsible officer:	Manager Finance
Decision making authority:	Council
Attachments:	Schedule of payments and listing Purchase Card Transactions <i>Attachments viewed electronically</i>
Additional information:	Nil

SUMMARY

The purpose of this report is to present to Council a list of accounts paid by the Chief Executive Officer under delegated authority for the month ending November 2020, as required by the *Local Government (Financial Management) Regulations 1996*.

BACKGROUND

Council has delegated, to the Chief Executive Officer, the exercise of its power to make payments from the City's municipal or trust fund. In accordance with regulation 13 of the *Local Government (Financial Management) Regulations 1996*, a list of accounts paid under delegation for the month of November 2020, is provided within Attachment 1 and 2.

FINANCIAL IMPLICATIONS

A total of \$7,272,420.56 in payments were made this month from the City's municipal and trust fund accounts.

LEGAL IMPLICATIONS

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

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

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

CONSULTATION

Nil

OFFICER COMMENT

The following table summarises the payments for the month ending November 2020 by payment type, with full details of the accounts paid contained within Attachment 1.

Payment Type	Amount (\$)
Cheque / EFT / Direct Debit	\$5,388,964.94
Purchase card transactions	\$34,802.02
Salary / Wages / Superannuation	\$1,843,653.60
Other payments (<i>as outlined in Attachment 1</i>)	\$5,000.00
Total	\$7,272,420.56

Contained within Attachment 2 is a detailed listing of the purchase card transactions for the month ending November 2020.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

OFFICER'S RECOMMENDATION

Council:

- 1. Accept the list of payments made under delegated authority, totalling \$7,272,420.56 for the month ending November 2020, as contained within Attachment 1.**
- 2. Accept the detailed transaction listing of credit card expenditure, for the month ending November 2020, as contained within Attachment 2.**

13. 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.

C2012-12 ELECTED MEMBER MOTION – STAND-DOWNS AND THE COVID 19 PANDEMIC – COUNCILLOR SAM WAINWRIGHT

Meeting date: 9 December 2020
Responsible officer: Chief Executive Officer
Decision making authority: Council
Attachments: Nil.
Additional information: Nil

ELECTED MEMBER SUMMARY

The purpose of this resolution is to establish that, in the event of a state imposed lock-down such as we have recently experienced, the Council does not support the City effectively standing down staff in a manner that is worse for employees and gives them less rights than what is provided for by the relevant provisions of the Fair Work Act 2009.

It is certain that no one at the City of Fremantle (council, management or the workforce) ever anticipated enduring a lock-down and the consequent forced closure of both City services and local businesses of the sort we have experienced in 2020, nor the serious loss in revenue for the City that it caused.

However for the City to effectively stand down employees in a manner exceeding the provisions of the Fair Work Act and that cannot be tested against its stand down provisions is a clear departure from the Employment Values for the City of Fremantle resolution [see below] adopted unanimously by Council in 2010. Of particular note are Point 2. “The City recognises and respects the fundamental importance of security of employment...” and, Point 5. “The City will strive to be an industry leader in its employee pay and conditions.”

In his most recent Local Bulletin, the Federal Member for Fremantle Josh Wilson asks, “What have we learned from COVID 19?” His answers include, “Workers deserve better than an economy that consigns people in essential sectors to low wages, job insecurity and housing stress.” The City’s staff are certainly essential workers.

Importantly, any compulsion to take unpaid leave is even more serious given the recent decision of the federal government to further reduce the JobSeeker supplement such that it is now well under the poverty line once again. Anyone requiring this payment who does not own their own home or have significant savings will be forced into desperate poverty and homelessness very soon after.

In the middle of this difficult period both the Premier and the Minister for Local Government insisted that there was no reason for any local government to stand-down staff. However, they did so without acknowledging the serious reduction in revenue that some local Governments had suffered, let alone offering them any form of assistance.

If the City is faced with a similar situation in the future, the Council may need to galvanise the broadest possible alliance involving the City, our workforce, unions, local MPs and the wider community in support of assistance and other measures so that the services to our residents and the employment conditions of our staff can be substantially maintained.

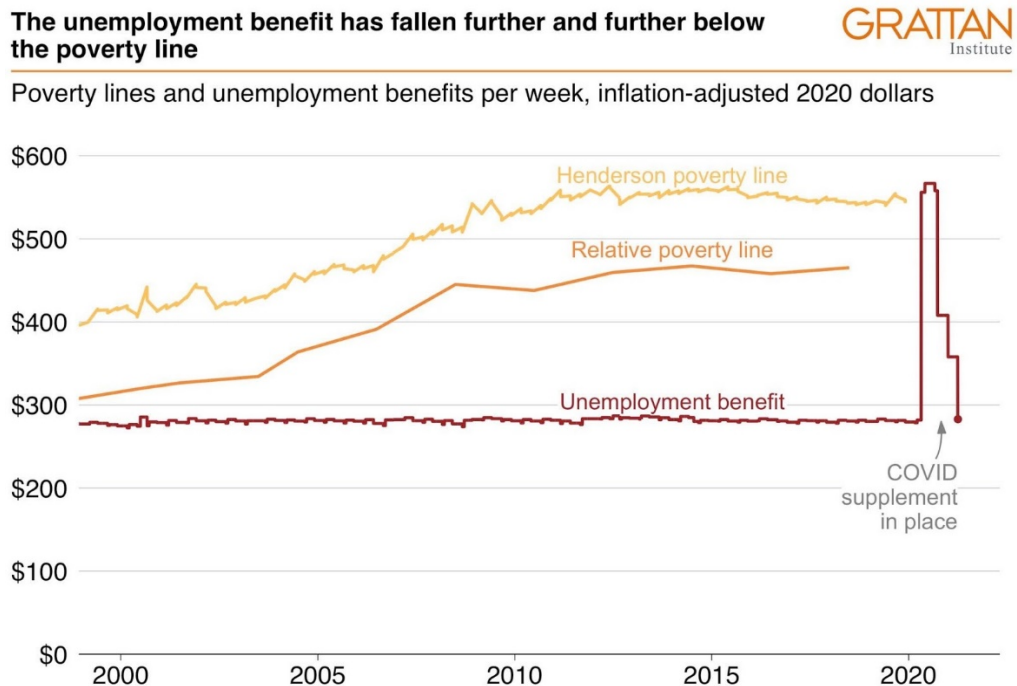
However, achieving this will be very difficult if the City has already been seen to implement an effective stand down regime that is more arbitrary than what is ordinarily allowed for by the Fair Work Act.

Background

C1011-6 Employment Values for the City of Fremantle (adopted November 2010)

1. The City respects both the community value and the right of its employees to independent organisation and representation.
2. The City recognises and respects the fundamental importance of security of employment and wherever possible will seek to offer employees a clear pathway from probation to permanency. As such, the City will only use contracts for management positions and where considered necessary by the City because of factors like project duration, the nature of seasonal work, and the limits of external funding, rather than using contracts as general tools of employment.
3. The City is committed to the principle of equal pay and conditions for work of equal value performed and will seek to ensure consistency when it comes to conditions like pay and penalty rates between equivalent employees.
4. The City will seek to be a leader in the provision of parental leave and employment opportunities for people with disability, and will support the provision of flexible individual work arrangements wherever business operation can reasonably support these arrangements.
5. The City will strive to be an industry leader in its employee pay and conditions.
6. The City will work towards meeting the target of 4% of employees being Aboriginal and/or Torres Strait Islander across the organisation by 2015-16 and will report on progress towards this target at the end of each financial year.

Table charting the reduction in the JobSeeker Supplement



Notes: Adjusted for inflation using the Consumer Price Index. Unemployment benefits have at various times been called unemployment benefit, Job Search Allowance, Newstart Allowance, and JobSeeker Payment. Unemployment benefit includes Energy Supplement where applicable.
Sources: Grattan analysis of Melbourne Institute 'Poverty Lines: Australia', ABS 6523.0, ABS 6401.0, ABS 5206.0, and DSS Social Security Guide.

VOTING AND OTHER SPECIAL REQUIREMENTS

Simple Majority Required

MOTION

Council expresses its clear preference that in the event of another state-imposed COVID 19 shut down or similar unforeseen event, that the City will not seek to effectively stand down staff in a manner inconsistent with or more detrimental to the employee than the relevant provisions of the Fair Work Act 2009 nor in a manner that cannot be tested by the Act.

OFFICER COMMENT

Officer comment will be provided before the meeting.

14. 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.

15. 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.

16. Confidential business

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

Nil

17. Closure