

MINUTES

OF THE

ORDINARY MEETING OF COUNCIL

HELD ON

11 OCTOBER 2011

AT 6.30PM IN THE COUNCIL CHAMBERS

MELVILLE CIVIC CENTRE

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MINUTES OF THE ORDINARY MEETING OF THE COUNCIL HELD IN THE COUNCIL CHAMBERS, MELVILLE CIVIC CENTRE, 10 ALMONDBURY ROAD, BOORAGOON, COMMENCING AT 6.30PM ON TUESDAY, 11 OCTOBER 2011.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark the Governance and Compliance Program Manager read aloud the Disclaimer and then His Worship the Mayor R A Aubrey, read aloud the Affirmation of Civic Duty and Responsibility.

Affirmation of Civic Duty and Responsibility

I make this Affirmation in good faith on behalf of Elected Members and Officers of the City of Melville. We collectively declare that we will duly, faithfully, honestly, and with integrity fulfil the duties of our respective office and positions for all the people in the district according to the best of our judgement and ability. We will observe the City's Code of Conduct and Standing Orders to ensure the efficient, effective and orderly decision making within this forum.

2. PRESENT

His Worship the Mayor, Russell Aubrey

COUNCILLORS

Cr C Robartson, Cr R Subramaniam
Cr N Pazolli
Cr A Nicholson, Cr A Ceniviva
Cr J Barton, Cr G Wieland
Cr C Halton, Cr B Kinnell
Cr N Foxton

WARD

Bull Creek/Leeming
Applecross/Mount Pleasant
City
Bicton/Attadale
Palmyra/Melville/Willagee
University

3. IN ATTENDANCE

Dr S Silcox	Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Ms L Hartill	A/Director Community Development
Mr S Cope	Director Urban Planning
Mr J Christie	Director Technical Services
Mr L Hitchcock	Executive Manager Legal Services
Ms N Wright	A/Executive Manager Organisational Development
Mr P Prendergast	Manager Planning & Development Services
Mr B Taylor	Manager Information, Technology & Support
Mr J Clark	Governance & Compliance Program Manager
Ms D Beilby	Minute Secretary

At the commencement of the meeting there were ten members of the public and two members from the Press in the Public Gallery.

4. APOLOGIES AND APPROVED LEAVE OF ABSENCE**4.1 APOLOGIES**

Nil.

4.2 APPROVED LEAVE OF ABSENCE

Deputy Mayor, Cr M Reynolds	University Ward
Cr P Reidy	Applecross/Mount Pleasant Ward

5. ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION) AND DECLARATIONS BY MEMBERS**5.1 DECLARATIONS BY MEMBERS WHO HAVE NOT READ AND GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE BUSINESS PAPERS PRESENTED BEFORE THE MEETING.**

Nil.

5.2 DECLARATIONS BY MEMBERS WHO HAVE RECEIVED AND NOT READ THE ELECTED MEMBERS BULLETIN.

Nil.

6. QUESTION TIME

6.1 Ms C Kranz, Bicton

At the Ordinary Meeting of Council held on 20 September 2011, Ms Kranz submitted questions relating to the City of Melville Open Space Strategy Review of 2004. At that meeting these questions were taken on notice. A response was provided in writing to Ms Kranz from Mr Steve Cope, Director Urban Planning, and the details contained in that response are recorded below.

Question 1

Is it true that the "City of Melville Open Space Strategy Review of 2004" recommended that the City acquire the Western Power substation site 58-60 Murray Road) and incorporate into adjoining City of Melville property (62 Murray Road) for open space for Cell B in Bicton?

Response

The City of Melville Open Space Strategy Review 2004 recommended that the City of Melville ...

"re-initiate discussions with Western Power to acquire the 3,361m² site at 58 Murray Street (sic) for local recreation..."

The City of Melville Open Space Strategy Review 2004 did not specifically state that 58 Murray Road should be incorporated into the adjoining 62 Murray Road property. The Open Space Strategy Review 2004 recommended

"Consider in 18-24 months time the use of 62 Murray Road for local open space if 58 Murray Road cannot be acquired from Western Power;"

Question 2

When will the City of Melville be conducting it's next open space strategy review?

Response

The City of Melville is currently developing a project plan for a review of a range of issues impacting on the planning, management and provision of reserves and public spaces. The review is scheduled to commence in late 2011.

6. QUESTION TIME (*Continued*)**6.2 Ms J Swindells, Bicton**

At the Ordinary Meeting of Council held on 20 September 2011, Ms Swindells submitted a question relating to the status on negotiations with Western Power to purchase property. At that meeting the question was taken on notice. A response was provided in writing to Ms Swindells from Mr Steve Cope, Director Urban Planning, and the details contained in that response are recorded below.

Question 1

What is the latest status on your negotiations with Western Power to purchase the property and when did you last meet?

Response

The City last met with Western Power on Wednesday the 31 August 2011.

At this time, Western Power indicated that they had yet to acquire a formal valuation for the property, which would form the basis of any negotiation moving forward. Western Power has subsequently engaged the Valuer Generals Office to obtain this valuation. Once received the City intends on holding further discussion with Western Power in regards to this property.

6.3 Mr R Petterson, Leeming

At the Ordinary Meeting of Council held on 20 September 2011, Mr Petterson submitted questions relating to the operations of the South Metropolitan Regional Council (SMRC). At that meeting these questions were taken on notice. A response was provided in writing to Mr Petterson from Mr John Christie, Director Technical Services and the details contained in that response are recorded below.

Question 1

Is the City of Melville aware:

- *That around 50% of the waste received at the SMRC Waste Composting Facility (WCF) is screened off and taken to landfill?*

Response

Yes, the City of Melville is aware of the details and facts regarding the composting process and operations at the Regional Resource Recovery Centre's (RRRC) waste composting facility (WCF).

Kitchen scraps, lawn clippings, garden prunings and other organic household waste placed in the green top bin are composted; light globes, plastic bags and inorganic material placed in the green top bin cannot be composted or recycled and must be disposed of at landfill.

In 2010/11, the WCF processed 80689.64 tonnes of the community's waste. Of this, 54.62% was diverted from landfill, preventing the release of harmful greenhouse gases such as methane. The average landfill diversion rate for WA is 25%.

6. QUESTION TIME (*Continued*)**6.3 Mr R Petterson, Leeming (*Continued*)**

Without the waste composting facility, the only alternative for the community would be to send 100% of rubbish from green top bins to landfill, generating harmful greenhouse gases such as methane.

- *That around 25% of the waste received at the SMRC Waste Composting Facility dries out before during or after the composting process?*

Response

Yes, the City of Melville is well aware of the details and facts regarding the composting process and operations at the Regional Resource Recovery Centre's (RRRC) waste composting facility (WCF).

- *That after 8 years the SMRC has still not been able to develop a commercial market for the final Waste Composting Facility Compost and pays a contractor to cart it away?*

Response

Yes, the City of Melville is aware of the SMRC market development program for compost from the WCF, and the efforts of other Regional Councils to develop markets for compost from alternative waste treatment facilities.

Compost from the WCF is blended with other soil conditioners and used in agriculture.

Nutrarich currently take all compost from the WCF for use in agriculture in the south west. The SMRC's market development efforts have resulted in the compost becoming a valued resource.

The SMRC do make a contribution towards research and development (R&D) of the product and transport, due to the distance of the markets from the RRRC. Transport and R&D costs are a factor in any business.

Other products from the RRRC, such as mulch, have undergone similar market development programs.

- *The City of Rockingham landfill is accredited for saving as much greenhouse gases each year than the SMRC Waste Compost Facility?*

Response

Landfill is a different process to the WCF. The WCF is a more efficient greenhouse gas abatement project than landfill.

The City of Rockingham landfill requires more rubbish than the WCF to obtain a similar greenhouse gas impact.

6. QUESTION TIME (*Continued*)**6.3 Mr R Petterson, Leeming (*Continued*)**

A landfill may create greenhouse gas abatement by capturing some (it is impossible to capture all) of the methane generated by the rubbish deposited since the landfill began operations. The WCF generates greenhouse gas abatement based on the rubbish processed annually.

- *That the SMRC have just signed a contract with the City of Rockingham for \$8.5 million to dispose of waste the SMRC cannot compost?*

Response

Yes, the City of Melville is well aware of the SMRC tendering process and operations of the RRRRC.

In 2010/11 the costs for transport and disposal of inorganic, non-recyclable residual waste from the WCF was \$3.6 million. The SMRC has awarded tenders for the next three years to keep costs at these levels (\$11 million over three years).

One third of the disposal cost is the State government landfill levy which cannot be negotiated, and must be paid by all users of landfills in the metropolitan area. The levy is expected to cost the SMRC \$1.2 million in 2011/12 (this is included in the \$3.6 million costs per year referred to above).

- *That the SMRC have just signed a contract for \$2.5 million to remove and transport waste it receives but cannot compost?*

Response

Yes, the City of Melville is well aware of the SMRC tendering process and operations of the RRRRC.

- *The findings of a recent DEC odour survey have been released and even after \$5.5 million dollars has been spent on "odour upgrades" the same area of Leeming is affected by the SMRC odour as was affected in the 2008 DEC survey?*

Response

The City of Melville is aware the DEC's community odour monitoring project (COMP) has been completed; however the full results have not been made public at this time.

According to the DEC media statement regarding the COMP issued 8 September 2011, Director of Environmental Regulation, Alan Sands said:

"Since the end of 2009, the Regional Resource Recovery Centre has carried out significant works to reduce odour emissions."

"DEC's observations between June 2010 and January 2011 indicate odour emissions were significantly less than in previous years."

6. QUESTION TIME (Continued)**6.3 Mr R Petterson, Leeming (Continued)**

The COMP involved 32 homes out of 900 households in Leeming and Willetton originally invited to take part in the program in January 2011. The survey participants were self-selected and not necessarily a representative sample of the community.

These 32 households were asked to log reports of any odours detected over the summer, regardless of the intensity, character, duration, or source. These reports were not considered as "complaints" by the DEC and their media statement released on 8 September 2011 did not refer to complaints.

In 2008, the DEC surveyed 250 residents out of a total population of 1642 living within a 1.2 km radius of the RRRC.

Question 2

Is the City of Melville aware that the SMRC Waste Composting Facility 2011/12 gate fees vary from \$50 per tonne to \$194 per tonne, how much is the City of Melville paying in the 2011/12 fiscal year?

- *If it is \$194 per tonne does the City of Melville know they are spending around \$3 million dollars more this year than if they used the City of Rockingham landfill?*

Response

The City of Melville is aware of the gate fee it pays the SMRC for processing the community's rubbish. The cost range detailed in the question appears to be comparing the landfill gate fee and alternative waste treatment gate fee, two very different processes and ignoring the environmental benefits of the WCF when compared to landfill, namely:

- The WCF diverts rubbish from landfill at a rate twice the state average;
- The WCF prevents the release of harmful greenhouse gases such as methane; and
- Compost adds nutrients to WA's poor soils, without the WCF these nutrients would be lost in landfill.

According to the Inside Waste Industry Report, the average cost in WA for alternative waste treatment (AWT) in 2010-11 was \$240.00 per tonne. In 2010-11, SMRC member councils' contribution (gate fee plus loan repayment) for AWT was \$232.84 per tonne, demonstrating the SMRC is competitive with the private sector. Allowing for C.P.I the average costs for AWT in 2011-12 would be \$248.64 per tonne, while the SMRC's costs are \$244.77 per tonne, the RRRC continues to be competitive with the private sector.

6. QUESTION TIME (Continued)**6.3 Mr R Petterson, Leeming (Continued)**Question 3

As the City of Melville is the largest stakeholder in the SMRC, will the City of Melville support the Leeming residents affected by the odour by requesting the SMRC stop operations at the Waste Composting Facility until a solution is identified to stop the odour? If not why not?

Response

The City of Melville is not aware the DEC have recommended the RRRC stop operations, or that the DEC has made any recommendations in its COMP report which could be addressed by stopping operations at the RRRC.

6.4 Mr R Willis, Bull CreekQuestion 1

Could you please advise-

- *If "as at June 2010 (pro heading)" is correct?*
- *The gross Domestic work collected and the amount and percentage diverted from landfill for recycle/reuse?*
- *How much of the 2011/2012 Capital works program totalling \$31,6122 million has not been spent in 2011/2012 and why they have not been spent?*

Question 2

The City of Melville is responsible for the Bull Creek Reserve Wetlands. On Monday 3 October 2011 the shared path on the Bull Creek Reserve was closed without notice or reason.

- *Could you please advise whether the City of Melville approved the contractor of the Education Department to close the path?*
- *What action is proposed by the City to open and provide temporary access?*
- *As this is a Bush Forever site, has the Department of Environment and Conservation been advised and approval obtained to carry out works on the path/reserve?*

Questions submitted by Mr Willis were taken on notice. A response will be provided in writing to Mr Willis and the details contained in that response will be included in the Agenda and Minutes of the Ordinary Meeting of Council of 15 November 2011.

7. AWARDS AND PRESENTATIONS**8. CONFIRMATION OF MINUTES****8.1 ORDINARY MEETING OF COUNCIL – 20 SEPTEMBER 2011**
Min 20 September 2011**COUNCIL RESOLUTION**

At 6.40pm Cr Subramaniam moved, seconded Cr Foxtan -

That the Minutes of the Ordinary Meeting of Council held on Tuesday, 20 September 2011, be confirmed as a true and accurate record.

At 6.41pm the Mayor submitted the motion, which was declared

CARRIED (11/0)

8.2 NOTES OF AGENDA BRIEFING FORUM – 27 SEPTEMBER 2011
Notes 27 September 2011**COUNCIL RESOLUTION**

At 6.41pm Cr Wieland, seconded Cr Subramaniam -

That the Notes of Agenda Briefing Forum held on Tuesday, 27 September 2011, be received.

At 6.41pm the Mayor submitted the motion, which was declared

CARRIED (11/0)

9. DECLARATIONS OF INTEREST**9.1 FINANCIAL INTERESTS**

- P11/3251 - Cr Foxtton
- P11/3253 - Cr Ceniviva
- P11/3253 - Cr Robartson

9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Nil.

10. APPLICATIONS FOR NEW LEAVES OF ABSENCE

Nil.

11. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

Nil.

12. PETITIONS

Nil.

13. DEPUTATIONS

- P11/3251 Ms J Crichton, Church Administrator, SouthCity Church
Julian Kirtisingham

14. REPORTS OF THE CHIEF EXECUTIVE OFFICER

The Presiding Member advised Elected Members that when dealing with the following Reports they act in their Quasi-Judicial capacity which means that they are performing functions which involve the exercise of discretion and require the decision making process be conducted in a Judicial Manner. The judicial character arises from the obligation to abide by the principles of natural justice and requires the application of the relevant facts to the appropriate statutory regime.

P11/3251 - AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)

At 6.45pm Cr Foxtton, having declared an interest in this item, left the meeting whilst the Council voted on her request to stay and observe.

Disclosure of Interest

Item No.	P11/3251
Elected Member/Officer	Cr Foxtton
Type of Interest	Financial Interest in Accordance with the Act
Nature of Interest	Work for SouthCity Church Casually Employed
Request	Stay & Observe
Decision of Council	Stay & Observe

At 6.46pm Cr Ceniviva moved, seconded Cr Wieland –

That in accordance with Section 5.68 (1) of the Local Government Act 1995 Cr Foxtton be allowed to Stay and Observe.

At 6.46pm the Mayor submitted the motion, which was declared **CARRIED (7/3)**

Cr Barton requested that the votes be recorded.

For: His Worship the Mayor, Cr Ceniviva, Cr Halton, Cr Kinnell, Cr Robartson, Cr Subramaniam, Cr Wieland

Against: Cr Barton, Cr Nicholson, Cr Pazolli

At 6.47pm Cr Foxtton returned to the meeting

At 6.47pm a deputation was heard from Ms J Crichton, Church Administrator, SouthCity Church and Mr Julian Kirtisingham.

At 7.04pm, following questions from Elected Members, Ms Crichton and Mr Kirtisingham returned to the Public Gallery.

Ward	:	City
Category	:	Operative
Application Number	:	DA-2010-894/A
Property	:	1/12 Hayden Court, Myaree WA 6154
Proposal	:	Amendment to Planning Approval DA-2010-894
Applicant	:	Miss J Crichton
Owner	:	South City Church Incorporated
Disclosure of any Interest	:	No Officer involved in the preparation of this report
Previous Items	:	NA
Responsible Officer	:	Peter Prendergast Manager Planning and Development Services.

P11/3251- AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council review decisions made by Officers.</i>
<input checked="" type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

P11/3251- AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)

KEY ISSUES / SUMMARY

- On 5 October 2010, planning approval reference DA-2010-894 was granted for minor additions to an existing commercial building as well as a change of use from Light Industry to Educational Establishment and Office.
- Approval is now sought to amend Special Conditions 1 and 2 of that approval.
- Conditions 1 and 2 restrict the number of students and staff which can occupy the building at any one time to no more than six students and one office worker before 5pm weekdays and no more than 18 students and three office workers after 5pm weekdays and on weekends.
- The Applicant has stated that Special Conditions 1 and 2 will unduly impact upon the intended use of the premises as it is anticipated that between 10-40 people will attend the premises during business hours, with up to 80 persons in attendance outside of business hours.
- The resultant increase to the number of patrons proposed results in a variation to the amount of off street car parking that can be provided in accordance with the requirements of Council policy. In view of this variation, the details of the current application have been the subject of consultation with landowners and occupiers of the immediate surrounding area.
- One objection was received expressing concern that the lack of car parking at the subject premises would result in the unauthorised use of existing car parking areas of other businesses within the locality, such as Bunnings Warehouse and the Melville Central complex.
- It is considered that the car parking requirements for the increased patron numbers can be catered for by a combination of reciprocal car parking between the subject premises and Unit 2/12 Hayden Court, by reliance on high frequency public transport routes which are readily accessible to the site from both Leach Highway and Marmion Street. In addition, on street and verge parking in and around the vicinity of the site will also contribute to absorbing some of the car parking demand.
- The application is recommended for approval.



P11/3251 - AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)**BACKGROUND**

In October 2010, the City granted planning approval for minor additions and a change of use from 'Light Industry' to 'Educational Establishment' and incidental 'Office' at the subject premises. Special conditions 1 and 2 of this approval state:

1. *No more than 1 Class with a maximum of 6 Students and 1 Office Worker operating at any one time, during weekdays until 5pm.*
2. *No more than 3 Classes with a maximum of 6 Students each and 2 Office Workers operating at any one time, during weekdays after 5pm and on Saturday and Sunday.*

These conditions were imposed in order to ensure that all of the car parking requirements for the Educational Establishment could be contained entirely onsite.

Scheme Provisions

MRS Zoning	: Industrial
CPS 5 Zoning	: Mixed Business
R-Code	: R20 – unsewered R25 - sewered
Use Type	: 'Educational Establishment' and 'Office'
Use Permissibility	: Educational Establishment - 'P' use (permitted) Office - 'I' use (not permitted unless incidental to the predominant use).

Site Details

Lot Area	: 2,833 sqm (total)
Retention of Existing Vegetation	: n/a
Street Tree(s)	: n/a
Street Furniture (drainage pits etc)	: n/a
Site Details	: Refer to photo above

P11/3251 - AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)

DETAIL

Development Requirements

Development Requirement	Required	Proposed	Comments	Delegation to approve variation	Plan Notation
Car Parking	<p>During business hours 16 bays (based upon a maximum number of 36 students and 4 staff).</p> <p>Outside business hours 33 bays (based upon a maximum number of 70 students and 10 staff)</p>	Four on-site bays	Does not Comply	Council	

PUBLIC CONSULTATION/COMMUNICATION

Advertising Required: Yes
 Neighbour's Comment Supplied: One received
 Reason: Proposed variation to Car parking (Non-Residential) policy
 Support/Object: Objection

Affected Properties	Summary of Submission	Support/Objection	Officer's Comment	Action (Condition/Support/Dismiss)
208 Leach Highway & 1-7 Marshall Road	Concerns that if insufficient car parking is provided on site and in Hayden Court, especially on weekends, then people would use the Bunnings and Melville Central car parking areas abutting Leach Highway.	Objection	It is considered that existing under-utilised car parking bays located within Hayden Court (particularly on weekends) will be sufficient to cope with the additional car parking demand resulting from the proposal. In addition, reliance on public transport and some on street and/or verge parking is likely to occur.	Dismiss

P11/3251 - AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)**REFERRALS TO GOVERNMENT AGENCIES**

None required.

STATUTORY AND LEGAL IMPLICATIONS

Should the City of Melville refuse the application, the applicant will have the right to appeal the decision in accordance with Part 14 of the *Planning and Development Act 2005*.

FINANCIAL IMPLICATIONS

None applicable.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

None applicable

POLICY IMPLICATIONS

The following policy is of specific relevance in the determination of the subject application:

Policy 06-PL-024 – Car Parking (Non-Residential)

This Policy controls the provision of car parking for non-residential development proposals throughout the City. As outlined above, based on the proposed student and staff numbers, 16 bays are required prior to 5pm weekdays and 33 bays are required after 5pm weekdays and at the weekend.

The above policy is currently under review, and Council at its Ordinary Meeting of 21 June 2011 resolved that the modified policy be advertised.

Whilst the revised Policy has now been advertised, it is yet to be finally adopted by Council as an amendment to the existing policy position. Its content can however be seriously entertained at this stage, and the policy provisions contained within it are relevant to the assessment and determination of the subject application.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

The application is recommended for approval. Council may however resolve to refuse the application on the basis of insufficient car parking. As outlined above, should Council resolve to refuse the application, the Applicant will have a right of appeal to the State Administrative Tribunal (SAT).

Alternatively, Council may resolve to impose conditions which restrict the number of students and staff who can occupy the premises at any given time. Should the Applicant be aggrieved by any conditions of approval, a right of appeal to the SAT is available.

P11/3251 - AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)**COMMENTS**

Planning approval is sought to amend Special Conditions 1 and 2 of Planning Approval DA-2010-894 which was approved by the City in October 2010. These conditions relate to restrictions to the number of students and patrons during particular times of day.

The subject premises is to be utilised to undertake the following “not for profit” charitable support programs in association with the South City Church:

- Various volunteer run community support groups including groups for single mothers, grief, new mothers, parents with teenagers, parents of children with Autism etc.
- New migrant/refugee integration ‘host family’ program.
- Marriage courses.
- Parenting courses.
- REACH program extension group (currently running at the Willagee Community Centre).
- SHINE Program (currently running out of Melville Senior High School, Winthrop Baptist College and Somerville Baptist College).
- Storage facility for blankets, tinned and long-life food stuffs for crisis support.
- Seniors (65+) “Old Friends” program.

Car Parking

As outlined above, the current proposal seeks approval for up to 40 patrons during business hours and up to 80 patrons after 5pm and at weekends. These numbers equate to a car parking requirement of 16 bays prior to 5pm weekdays and 33 bays after 5pm weekdays and at the weekend, however only four bays are available on-site. This represents a shortfall of 12 bays during business hours and 29 bays outside of normal business hours and on weekends.

In response to this shortfall, the applicant has approached the adjoining business owner of Unit 2/12 Hayden Court to seek consent to use the seven car parking bays that are at the disposal of that property. It is proposed that these bays be used outside standard business hours (after 5pm Monday-Friday) and at weekends, as during these periods the business undertaken from Unit 2 has ceased. As this car parking is located within the subject lot boundary, there is no impediment to its use on the part of the applicant, and the reciprocal car parking can be accepted in accordance with Council policy.

The use of this additional parking will result in a reduction in the shortfall of car parking bays at weekends and after hours Monday to Friday, from 33 bays to 22 bays.

P11/3251 - AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)

In considering the concessions to car parking advocated by the Draft (Non Residential) Car Parking Policy, the location of the subject premises within 200m of a high frequency bus route would support a 20% reduction to the standard car parking requirement in this case. It is considered reasonable to apply this rationale in this case, notwithstanding the Draft nature of the policy provisions in question, as it is anticipated that a significant proportion of those attending the educational programmes available from the centre will be students, particularly those of school age, who do not have access to a vehicle, or low income groups who similarly are less likely to enjoy ready access to a vehicle. In that vein it is also fair to say that a number of the staff of the centre (many of whom are student volunteers) will also utilise this public transport and are less likely to own a vehicle.

In applying this concession, the required car parking bays are 13 bays during business hours and 18 bays after 5pm weekdays and during weekends.

In addition to the latter, there exist 37 public car parking bays within the verge located directly across the road from the site on Hayden Court. These car parking bays are not allocated for the exclusive use of any of the surrounding businesses and are often vacant (particularly outside normal business hours and on weekends). It is considered unlikely that the demand for the use of these bays will significantly increase in the near future for the following reasons:

- Hayden Court is a cul-de-sac and has little capacity for further development under its current zoning, and;
- The established businesses in the immediate area have sufficient parking on site and therefore have little need for verge parking;

These verge bays will provide the car parking facilities necessary to satisfy the actual demand that remains, taking into account the reciprocal car parking provision and the Car Parking Policy concessions that are available. Furthermore, consultation with Ranger Services has indicated no current history or experience with attending parking issues in the vicinity of this site.

It is noted that a number of the verge bays are currently occupied for storage purposes in association with a neighbouring business activity. Planning approval for this activity has not been sought from the City, and given the location of the land within a road reserve, is very unlikely to be given. In view of this, steps will be taken to ensure the use of these bays for storage purposes ceases, and that all unauthorized materials are removed from the area.

In view of this, and given the nature of the use in question, it is recommended that approval for the amendment of Conditions 1 and 2 of DA-2011-894 be endorsed by Council. Subject to the above assessment, it is considered that the proposed patron numbers will not result in any significant adverse impacts in terms of car parking due to the reciprocal parking arrangement between Units 1 and 2, the site's proximity to public transport and the availability of verge parking in Hayden Court.

P11/3251 - AMENDMENT TO PLANNING APPROVAL TO ALLOW AN INCREASED NUMBER OF STUDENTS AND STAFF AT 1/12 HAYDEN COURT, MYAREE (AMREC)**CONCLUSION**

It is recommended that the application to amend Special Conditions 1 and 2 be approved.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3251)
ABSOLUTE MAJORITY**

At 7.04pm Cr Subramaniam moved, seconded Cr Ceniviva -

That the application to increase the student and staff numbers at 1/12 Hayden Court, Myaree be approved with an Absolute Majority decision of the Council subject to the following conditions:

- 1. No more than 40 students and staff are to occupy the premises prior to 5pm, Monday to Friday.**
- 2. No more than 80 students and staff are to occupy the premises after 5pm Monday to Friday and all day Saturday and Sunday.**

At 7.26pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (7/3)

Cr Barton requested that the votes be recorded.

**For: His Worship the Mayor R A Aubrey, Cr Ceniviva, Cr Halton, Cr Kinnell,
Cr Robartson, Cr Subramaniam, Cr Wieland**

Against: Cr Barton, Cr Nicholson, Cr Pazolli

Cr Foxton did not vote.

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPECROSS (REC) (ATTACHMENT)

Ward : Applecross/Mt Pleasant
 Category : Operational
 Application Number : DA-2011-312
 Property : Lot 1 (13A) Matheson Road, Applecross
 Proposal : Two-Storey Single House
 Applicant : Atrium Homes (WA) Pty Ltd
 Owner : Mr M Crowe and Ms C Crowe
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : None applicable.
 Responsible Officer : Peter Prendergast
 Manager Planning and Development Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when Council review decisions made by Officers.</i>
<input checked="" type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPLECROSS (REC) (ATTACHMENT)

KEY ISSUES / SUMMARY

- Planning approval is sought for the construction of a two-storey single house.
- The details of the proposed development are generally compliant with the requirements of Community Planning Scheme No. 5 (CPS5), the Acceptable Development provisions of the Residential Design Codes (R-Codes) and Council policy, with the exception of boundary setbacks, open space, driveway width and overshadowing.
- The variations were advertised to adjoining neighbours and two letters of objection were received.
- The applicant has submitted supporting information to justify the proposed variations against the relevant Performance Criteria of the R-Codes.
- The variations, as detailed further in this report, are considered to satisfy the relevant performance criteria.
- The proposal is recommended for conditional approval.



P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPECROSS (REC) (ATTACHMENT)

BACKGROUND

This application was considered by the City's Development Advisory Unit on 9 August 2011 and was recommended for approval.

In accordance with the call up provisions of Council Policy CP-44 "Development Advisory Unit", the application is referred to Council following a third party call up request made by the owner of the adjoining property at 13 Matheson Road, Applecross.

Scheme Provisions

MRS Zoning : Urban
 CPS 5 Zoning : Living Area – River Foreshore (RFS)
 R-Code : R12.5
 Use Class : Residential
 Use Permissibility : P - permitted

Site Details

Lot Area : 525sqm
 Retention of Existing Vegetation : Not applicable
 Street Tree(s) : Not applicable
 Street Furniture (drainage pits etc) : Not applicable
 Site Details : Refer to photo above

[3252 13 Matheson Road Applecross Plans](#)

DETAIL

The proposal satisfies all of the relevant provisions contained within Community Planning Scheme No. 5, the R-Codes and Council policy with the exception of those matters addressed below.

Development Requirements

Development Requirement	Required/ Allowed	Proposed	Comments	Delegation to approve variation	Plan Notation
Open Space	55%	47.6%	Does not comply	MPDS	
Driveway width	40%	49%	Does not comply	MPDS	
Overshadowing	25%	43.6%	Does not comply	MPDS	

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPLECROSS (REC) (ATTACHMENT)

Setbacks

Wall	Required	Proposed	Comments	Delegation to approve Variation	Plan Notation
Rear Setback (west)					
GF Alfresco	7.5m	5.42m	Does not comply	MPDS	
Side Setback (north)					
GF Study / Pantry / Kitchen	1.5m	0m	Does not comply	MPDS	
Side Setback (south)					
GF Garage	1.0m	0m	Does not comply	MPDS	
UF Activity	2.8m	2.4m	Does not comply	MPDS	

(Note: GF – ground floor, UF – upper floor)

PUBLIC CONSULTATION/COMMUNICATION

Advertising Required: Yes
 Neighbour's Comment Supplied: Yes
 Reason: Variations to R-Codes / CPS5
 Support/Object: Objection

	Summary of Submissions	Support / Objection	Officer's Comment	Action (Uphold / Not Uphold)
Matheson Road	<p>Concerns relating to the overshadowing impact to the living, kitchen and dining room areas as well as outdoor entertainment and garden areas along the northern side boundary.</p> <p>Strongly opposed to the proposed garage boundary wall and its overshadowing impact.</p>	Object	<p>Whilst concerns relating to overshadowing are acknowledged, as outlined in the Comment section of the report below, it is considered that the proposal satisfies Performance Criteria 6.9 of the R-Codes relating to overshadowing.</p> <p>The garage boundary wall is also considered to satisfy Performance Criteria 6.3 of the R-Codes.</p>	Not Uphold

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPLECROSS (REC) (ATTACHMENT)

<p>Matheson Road</p>	<p>Concerns raised in relation to loss of privacy from second floor windows and the loss of natural light due to the proximity of walls.</p> <p>Requests that the boundary wall be rendered in a matching colour and secure fence be provided during demolition and construction</p>	<p>Object</p>	<p>The proposed development is designed to comply with the Acceptable Development provisions of the R Codes in respect of visual privacy. The window openings of concern to the neighbour do not serve habitable rooms, and as such they are not subject to the R Code privacy requirements. Despite the latter, and in view of the concerns expressed, it is recommended that an advice note is added to suggest the use of obscure glazing.</p> <p>With regard to the loss of natural light, it is noted that the proposed boundary wall is located to the south of the objector's property and abuts a games and laundry room which do not contain any major openings. The wall is also adjacent to a south facing courtyard where due to the existence of dense vegetation, access to direct sunlight is already significantly compromised.</p> <p>A condition is recommended which will require that the proposed boundary wall is suitably finished.</p>	<p>Partially Uphold</p>
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CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

None required as part of this application.

STATUTORY AND LEGAL IMPLICATIONS

Should the City of Melville refuse the application for Planning Approval, the applicant will have the right to have the decision reviewed in accordance with Part 14 of the *Planning and Development Act 2005*.

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPECROSS (REC) (ATTACHMENT)**FINANCIAL IMPLICATIONS**

There are no financial implications applicable.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no strategic, risk or environmental management implications with this application.

POLICY IMPLICATIONS

There are no policy implications applicable to this application.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

Council could determine that the application be refused, or may suggest the imposition of alternative/additional conditions to those already proposed. Irrespective, the applicant has a right of appeal to the State Administrative Tribunal (SAT).

COMMENTS

The application site is narrow (10.5m), and at present houses a single storey remnant duplex half. The lot was previously part of a built strata duplex development, the other half having already been demolished and that part of the site redeveloped to accommodate a two storey single dwelling house. It is noted that the lot is undersized for its R12.5 density coding at 525 square metres.

The proposed development satisfies all of the requirements of CPS5, the R-Codes and Council policy with the exception of those matters detailed below.

Rear Setback (west)

The proposal presents a variation to the rear setback requirement of 6.0m (R-Codes) and 7.5m (CPS5) with regard to the ground floor Alfresco. The proposed setback is 5.4m. Given the fact that this element of the proposed development is single storey (2.7m eave height and 3.8m ridge height), and given the variation to the standard R Code setback amounts to just 600 millimetres, the variation is supported.

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPECROSS (REC) (ATTACHMENT)Side Setbacks (North)

The northern side setback variations relate to the ground floor study, pantry and kitchen length of wall measuring 11.45m which is proposed to be located on the boundary in lieu of the required setback of 1.5m. In assessing the subject wall against the Performance Criteria 6.3.1 and 6.3.2 of the R-Codes, the setback variation is supported for the following reasons:

- The boundary wall will be located opposite a games room, laundry and a small courtyard. As such, the bulk impact of the wall is reduced as a direct view of it from the highlight windows (minor openings) of the games room is not possible, and the courtyard is a small secondary outdoor area which does not have access to winter sun.
- Whilst the concerns of the northern neighbour in relation to loss of natural light are acknowledged, it is noted that the boundary wall is located to the south of the objector, where direct sunlight is compromised. Furthermore, a major opening is located on the northern side of the games room of the adjoining property which will otherwise allow adequate natural light to penetrate into the room.
- As this is a narrow lot, the incorporation of a boundary wall makes effective use of the space available.
- Ventilation to both properties is not affected given the proposed building is setback along the remainder of its length in accordance with the Acceptable Development provisions.
- The boundary wall does not contain any major openings and consequently, there is no loss of privacy.

Side Setback (south)

There are two setback variations to the southern boundary, that to the ground floor garage boundary wall which is setback 0m in lieu of the required 1m, and that to the upper floor activity room setback 2.4m in lieu of 2.8m.

Whilst the concerns outlined in the submission in relation to the setback variations are acknowledged, both walls are considered to satisfy the Performance Criteria of clause 6.3.1 and 6.3.2 as:

- For the majority of its length, the proposed garage boundary wall abuts the garage wall of the adjoining property. This provides mitigation for any adverse impact the wall may otherwise have had.
- The narrow width of the lot means that boundary walls enable more effective use of the space available.
- Whilst the boundary garage wall will partially overshadow a major opening (designed to be a bedroom but could be used for alternative uses such as study) of the neighbouring property, the impact is considered inconsequential given the upper storey has the same overshadowing impact despite the fact its setback is compliant.

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPECROSS (REC) (ATTACHMENT)

- The bulk impact of the reduced setback to the proposed upper floor activity room is minor given that the wall is 3.2m in length
- The activity room portion of wall is located in the same place as the existing duplex boundary wall.
- The adjoining property does not contain any major openings which face the activity room wall. Specifically, the northern upper floor level of the adjoining property contains a balcony area, a highlight master suite window and a minor opening to an ensuite bathroom.
- No adverse overshadowing impact is considered to result from the setback variation of the activity room. Furthermore, as noted above, the activity room is in the same location as the existing boundary wall of the duplex half which casts a comparable level of overshadowing.
- There are no privacy implications as a result of the proposed setback variation to the activity room as the activity room contains only highlight windows.

Overshadowing

The proposal presents a variation to the Acceptable Development provisions relating to overshadowing of the adjoining property to the south. The proposed area of overshadowing at 12pm, 12 June on to the adjoining southern property is 43.6% (212sqm) in lieu of 25% (121sqm).

Whilst the concerns raised in the submission received are acknowledged, the proposed development is considered to satisfy Performance Criteria 6.9.1 of the R-Codes for the following reasons:

- On narrow lots with an east-west orientation such as this, 100% of the shadow from the building will be cast on to the adjoining (southern) neighbouring property.
- A standard 1.8m high dividing fence results in an overshadowing impact of 23.37%.
- Only two north-facing bedroom windows of the adjoining property are affected by the proposal, and access to direct sunlight to those windows is already compromised by the existence of a parapet wall and quite dense mature vegetation.
- The bedroom windows whilst habitable are generally not used during the daytime period to the same extent as a main living area is. As such, overshadowing caused at midday is less of an issue.
- The solar collector located on the second-storey roof of the adjoining residence to the south will not be overshadowed at any time by the proposed residence.

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPECROSS (REC) (ATTACHMENT)

- No overshadowing of the major openings into the living room and interconnected outdoor living area located on the adjoining lot will occur given the upper floor of the proposed residence has been designed with a rear setback in excess of 15.0m.

Open Space

The proposal seeks a variation to the Acceptable Development provisions of the R-Codes relating to open space of 47.6% in lieu of 55%.

The proposal is considered to satisfy the Performance Criteria relating to open space for the following reasons:

- The proposal has a compliant front setback which is complimented by the use of a street-front upper floor balcony which provides for an attractive streetscape.
- The proposal has been designed with a functional rear alfresco area which has a direct connection to the meals area (via bi-fold doors) and backyard area. This design allows the entire area to be used as “open space” maximising both the useable area and its useability throughout the year, including winter months.

Vehicular Access

The proposal seeks a variation to the Acceptable Development provisions of the R-Codes relating to maximum driveway width of 5.2m (49%) in lieu of the permitted 4.23m (40%). The Performance Criteria allow for variations to the above requirement subject to crossovers being designed to avoid street trees, maintain pedestrian safety and otherwise not detract from the streetscape.

In this instance, the proposed development allows for the retention of an existing verge tree located towards the northern part of the verge whilst not having any detrimental impact on pedestrian safety, noting that a footpath is provided on the other side of Matheson Road (as such it is unlikely that people will be trafficking the subject site verge).

It is noted that three neighbouring dwellings (11A, 11B and 13) all feature 6.0m wide driveways which is a consequence of narrowly subdivided lots. Whilst all present as variations, it is noted that all three residences have complemented the remaining lot frontage with a high standard of landscaping which ameliorates the impacts of an over-width driveway. The applicant has stated that a similar standard of landscaping will also be established as part of the proposal.

Based on the above, the variation is supported in this instance.

Amenity

The proposed development has been assessed in accordance with the amenity provisions outlined by Clause 7.8 of CPS5. It is concluded that the details of the proposal are acceptable in this context, notwithstanding the variations sought.

P11/3252 - PROPOSED TWO-STOREY SINGLE HOUSE AT LOT 1 (13A) MATHESON ROAD, APPECROSS (REC) (ATTACHMENT)**CONCLUSION**

Subject to the imposition of appropriate conditions, the proposed development satisfies the provisions and requirements of CPS5 and the R-Codes, and is recommended for approval on that basis.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3252)**APPROVAL**

- A) That the application for a Two-Storey Single House at Lot 1 (13A) Matheson Road, Applecross be approved subject to the following Special and Standard Conditions:**

SPECIAL CONDITIONS:

- 1. All stormwater generated on site is to be retained on site.**
- 2. Prior to first occupation, the external face of the parapet wall(s) on the boundary is to be finished to an equivalent standard of finish and colour of the dwelling (or fence) on the adjoining property to the satisfaction of the Manager Planning and Development Services.**
- 3. Prior to first occupation, all unused crossover(s) are to be removed and the kerbing and road verge reinstated at the owners full cost. All work undertaken to be to the satisfaction of the Manager Planning and Development Services**

STANDARD CONDITIONS:

- 1 In accordance with the provisions of Council Policy “Highly Reflective Roofing Materials”, the materials proposed for use on the development hereby approved must not be highly reflective. The use of Zinalume, white or surfmist coloured metal roofing may only be permitted through the grant of a separate planning approval.**

ADVICE NOTES:

- 1 During excavations all necessary precautions shall be taken to prevent damage or collapse of any adjoining properties (driveways, garden beds, walls, etc), streets or right-of-ways. It is the responsibility of the builder/owner to liaise with adjoining and adjacent property owners prior to carrying out work.**
- 2 The use of obscure/opaque glazing is recommended to the NORTH facing Upper Floor Stair and Hallway windows.**

- B) That the neighbour(s) who made submissions in respect of this proposal be notified in writing of A) above.**

At 7.26pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/0)

The Presiding Member advised Elected Members that the Meeting was now moving out of the Quasi-Judicial phase.

P11/3253 - FINALISATION OF AMENDMENT NO. 47 TO COMMUNITY PLANNING SCHEME NO. 5 – MODIFICATION OF THE MYAREE MIXED BUSINESS FRAME AND PRECINCT BY ADDITION OF NEW ZONES, PRECINCTS, DEVELOPMENT REQUIREMENTS, DEFINITIONS AND MODIFICATION TO THE USE CLASS TABLE (REC) (ATTACHMENT)

At 7.26pm Crs Ceniviva and Robartson, having declared an interest in this item, left the meeting.

Disclosure of Interest

Item No.	P11/3253
Elected Member/Officer	Cr Ceniviva
Type of Interest	Financial Interest in Accordance with the Act
Nature of Interest	Own property affected by Amendment
Request	Leave
Decision of Council	Not Applicable

Disclosure of Interest

Item No.	P11/3253
Elected Member/Officer	Cr Robartson
Type of Interest	Financial Interest in Accordance with the Act
Nature of Interest	City of Melville representative on the Southern Metro Regional Council
Request	Leave
Decision of Council	Not Applicable

Ward	: Palmyra/Melville/Willagee
Category	: Strategic
Application Number	: CPS 47
Property	: Various
Proposal	: Modification of the Myaree Mixed Business Frame and Precinct by addition of new zones, precincts, development requirements, definitions and modification to the use class table.
Applicant	: City of Melville
Owner	: Various
Disclosure of any Interest	: No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	: P06/5000 - Initiation of Amendment No 47: Development & Neighbourhood Amenity Committee 14 February 2006 P07/5005 – Finalisation of Amendment 47: Ordinary Meeting of Council 19 June 2007 P11/3196 – Re-initiation of Amendment No 47 to Community Planning Scheme No. 5 – Ordinary meeting of Council 19 April 2011
Responsible Officer	: Peter Prendergast Manager Planning and Development Services

**P11/3253 - FINALISATION OF AMENDMENT NO. 47 TO COMMUNITY PLANNING SCHEME NO. 5 – MODIFICATION OF THE MYAREE MIXED BUSINESS FRAME AND PRECINCT BY ADDITION OF NEW ZONES, PRECINCTS, DEVELOPMENT REQUIREMENTS, DEFINITIONS AND MODIFICATION TO THE USE CLASS TABLE
(REC) (ATTACHMENT)**

AUTHORITY / DISCRETION

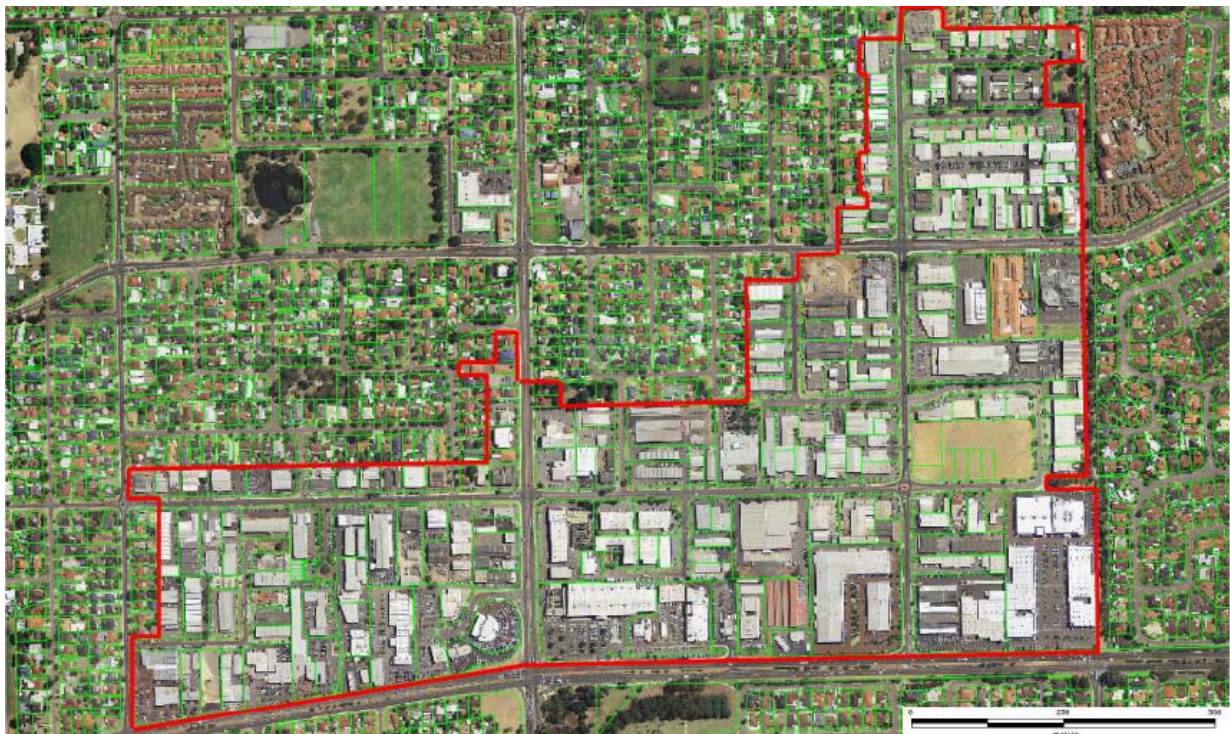
DEFINITION

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**P11/3253 - FINALISATION OF AMENDMENT NO. 47 TO COMMUNITY PLANNING SCHEME NO. 5 – MODIFICATION OF THE MYAREE MIXED BUSINESS FRAME AND PRECINCT BY ADDITION OF NEW ZONES, PRECINCTS, DEVELOPMENT REQUIREMENTS, DEFINITIONS AND MODIFICATION TO THE USE CLASS TABLE
(REC) (ATTACHMENT)**

KEY ISSUES / SUMMARY

- It is proposed to amend the City of Melville Community Planning Scheme No. 5 (CPS5) to allow for the redevelopment of the Myaree Mixed Business Frame and Precinct by amending the current zoning and introducing new precinct and development requirements and definitions.
- Amendment 47 was endorsed and approved for advertising by Council at its Ordinary Meeting of 19 April 2011
- Advertising was undertaken for a period of 42 days, commencing 28 June 2011, and concluding on 8 August 2011.
- Two submissions were received, the details of which are referred to elsewhere in this report.
- Three minor modifications have been made to the Amendment 47 documentation in response to these submissions.
- It is recommended that Council resolve to finally adopt the Amendment and that the Amendment documentation be forwarded to the Hon. Minister for Planning for finalisation and gazettal.



**P11/3253 - FINALISATION OF AMENDMENT NO. 47 TO COMMUNITY PLANNING SCHEME NO. 5 – MODIFICATION OF THE MYAREE MIXED BUSINESS FRAME AND PRECINCT BY ADDITION OF NEW ZONES, PRECINCTS, DEVELOPMENT REQUIREMENTS, DEFINITIONS AND MODIFICATION TO THE USE CLASS TABLE
(REC) (ATTACHMENT)**

BACKGROUND

Amendment History

Amendment 47 to CPS5 was finalised for adoption by Council at its Ordinary Meeting held on 19 June 2007.

The Amendment was then forwarded to the Minister for gazettal. The Minister refused to endorse the Scheme Amendment on the basis that:

“...the majority of the site is classified as “Industrial” zone under the Metropolitan Region Scheme and that the proposed rezoning will undermine the existing function and integrity of this light and service industrial area which performs a vital function in the regional context”.

In the Minister’s correspondence dated 18 February 2009, Council was advised that whilst the Minister was not prepared to support the Amendment in its current form, an amended proposal may be considered, subject to it addressing the following objectives:

- (i) *The revised amendment should reduce the proportion of proposed ‘Mixed Use’ zone, which is distributed too broadly across the site. This would result in a more coherent and orderly consolidation of retail development, subject to appropriate justification of any additional retail floorspace;*
- (ii) *The overall range of land-uses in the ‘Mixed Use’ precinct should be reduced, including the removal of Office Uses (except where office uses are incidental to another primary use) and Residential Uses. It is recognised that discretion currently exists for Residential Uses to be developed within the Mixed Use precinct, and as such it is suggested that residential development be restricted to the outer edge of the amendment area to minimise the potential for land-use conflict. Existing residential uses fronting Marmion Street can be accommodated, as can residential uses which are incidental such as caretaker’s accommodation.*
- (iii) *The Scheme Amendment should provide greater protection to the function and integrity of the majority of the precinct as a light and service industrial area. The locality is well established and operates well within the urban context under its ‘Mixed Business’ zoning and should be protected in its current form for the long term; and,*
- (iv) *It must be justified in the context of the City’s Local Commercial Strategy and the Western Australian Planning Commission’s Draft Revised Metropolitan Centers Strategy.*

In view of these comments, the Scheme Amendment documentation was modified further. The modified version was presented to the Ordinary meeting of Council held 19 April 2011, at which it was resolved that the Scheme Amendment be re-initiated and advertised for public comment.

This advertising has now been undertaken, and the matter is referred back to Council for finalisation.

Note: Background information on this Amendment can be found on the Minutes of Ordinary Meeting of Council of 19 June 2007 and 19 April 2011.

**P11/3253 - FINALISATION OF AMENDMENT NO. 47 TO COMMUNITY PLANNING SCHEME NO. 5 – MODIFICATION OF THE MYAREE MIXED BUSINESS FRAME AND PRECINCT BY ADDITION OF NEW ZONES, PRECINCTS, DEVELOPMENT REQUIREMENTS, DEFINITIONS AND MODIFICATION TO THE USE CLASS TABLE
(REC) (ATTACHMENT)**

Scheme Provisions

MRS Zoning	:	Industry
CPS 5 Zoning	:	“Mixed Business Precinct”, “Mixed Business Frame” and “MY1 – Myaree Living Area” precincts
R-Code	:	R20/R25 & R20
Use Type	:	Various
Use Class	:	Various

Site Details

Lot Area	:	Approximately 98.5 ha
Retention of Existing Vegetation	:	N/A
Street Tree(s)	:	There are existing street trees in the locality
Street Furniture (drainage pits etc)	:	There is existing infrastructure in the locality

[3253 Amendment No 47 Map](#)

DETAIL

The Scheme Amendment proposed reflects the changing nature of land use in the Myaree locality of the City, and recognises the growing importance of this area as an “Activity Centre” as defined by Network City and Directions 2031. In this regard, the Amendment will recognise the range of facilities and services available in the area, including retail, living, entertainment, higher education and specialised medical uses.

The Scheme Amendment documentation is now framed to retain the existing ‘Mixed Business’ and ‘Mixed Business Frame’ Precinct areas, and to supplement these with the introduction of two ‘Community Centre’ Precincts, each with associated additional development requirements.

This means that rather than applying four new precincts to coincide with the existing land uses in these areas as was previously proposed; a more broad brush approach is now proposed to maintain the service and industrial function of the area whilst limiting the areas where non-service and industrial land uses can be located. This simplified approach will capture the difference that exists in land use terms between the two Community Centre Precincts, (defined by the uses contained within them) and the remainder of the Mixed Business Precinct.

**P11/3253 - FINALISATION OF AMENDMENT NO. 47 TO COMMUNITY PLANNING SCHEME NO. 5 – MODIFICATION OF THE MYAREE MIXED BUSINESS FRAME AND PRECINCT BY ADDITION OF NEW ZONES, PRECINCTS, DEVELOPMENT REQUIREMENTS, DEFINITIONS AND MODIFICATION TO THE USE CLASS TABLE
(REC) (ATTACHMENT)**

The objectives of Amendment 47 are as follows:

1. To protect the amenity of existing residential uses in the adjoining Living Area Precinct and generally restrict residential uses within the Amendment area to the outer flanks, within the 'Mixed Business Frame' Precinct.
2. To encourage a range of land uses that supply goods and services to the businesses and residences of the City of Melville and adjoining regional areas.
3. To encourage a variety of employment opportunities within the precinct.
4. To encourage quality urban design within the precinct both for building developments and resultant streetscapes.
5. To encourage sustainable developments and compatibility between land uses.
6. To assist in the relocation of any general or heavy industrial uses to more appropriate industrial locations such as O'Connor or Spearwood.
7. To comply with State Planning objectives.

This report provides a summary of the submissions received during the recent consultation stage, and proposes some minor modifications in response.

PUBLIC CONSULTATION/COMMUNICATION

Advertising Required: Yes
Neighbour's Comment Supplied: Two submissions received
Reason: Statutory requirement under the *Town Planning Regulations 1967*
Support/Object: Two support (one subject to modifications)

Summary of Submission No 1

Submission received on behalf of registered proprietor of Lot 801 (208) Leach Highway, Myaree and Lot 802 (1-7) Marshall Road, Myaree in support of the Amendment. This is duly noted.

**P11/3253 - FINALISATION OF AMENDMENT NO.47 TO COMMUNITY PLANNING SCHEME NO. 5 – MODIFICATION OF THE MYAREE MIXED BUSINESS FRAME AND PRECINCT BY ADDITION OF NEW ZONES, PRECINCTS, DEVELOPMENT REQUIREMENTS, DEFINITIONS AND MODIFICATION TO THE USE CLASS TABLE
(REC) (ATTACHMENT)**

Summary of Submission No 2

Submission received on behalf of registered proprietor of 79 and 83 McCoy Street and 242 Leach Highway, Myaree. The following key issues have been raised:

1. The introduction of the 'Community Centre (MC)' precinct is supported.
2. The 'R20/25' density coding will not promote a vibrant activity node. The planning framework should cater for long term market trends and shifts. A density coding of at least 'R80' is recommended.
3. The 1.0 plot ratio has flaws considering the current plot ratio is higher. Plot ratio of at least 2.0 is recommended considering the intent of the zoning is commercial, office and entertainment activities.
4. There is an inherent need to ensure building height within the 'Community Centre (MC)' Precinct is equal or higher than that allowed for in the 'Mixed Business' Precinct (i.e. 13.5m maximum). A building height of 13.5m should be allowed in the 'Community Centre (MC)' Precinct.
5. 'Office' uses should be permissible within the 'Mixed Business' Precinct zoned properties on the southern side of McCoy Street between Norma and North Lake Roads given that buildings in this area are already largely non-industrial land uses, there is a need to promote the re-use of buildings and they provide an important administration support for the industrial area.

Officer Comment

In response, it is recommended that the Amendment be modified to address the concerns relating to density, plot ratio and height as the sentiments expressed in this regard are upheld. However the recommendation with regard to the permissibility of office related uses is not upheld. Further comments in relation to this is detailed in the 'Comments' section below.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

The previous Amendment proposal was referred to the Environmental Protection Authority (EPA) in accordance with Section 81 of the *Planning and Development Act 2005*. The EPA previously advised that the original Amendment did not require assessment under Part IV Division 3 of the *Environmental Protection Act 1986* and that it is not necessary to provide any advice or recommendations. Referral of the amended proposal back to the EPA was therefore not necessary.

A number of government agencies affected by the proposed Amendment were previously consulted in accordance with Section 83 of the *Planning and Development Act 2005* as follows:

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(REC) (ATTACHMENT)**

Agency	Summary of Submission	Support / Objection	Officer's Comment	Action (Condition / Uphold / Not Uphold)
Water Corporation	Water and waste water reticulation may need to be upgraded to facilitate future demand resulting from the amendment. Further investigations will be required to determine the level of upgrade required as development occurs. Upgrades are to be funded by developers.	Comment only	Noted	Uphold
Western Power	No objections raised in respect of the amendment subject to any changes to the existing power system being the responsibility of individual developers.	Comment only	Noted	Uphold

STATUTORY AND LEGAL IMPLICATIONS

Should Council resolve to finally adopt the amendment, the final decision rests with the Hon. Minister.

FINANCIAL IMPLICATIONS

There are no direct financial implications which will result from this Amendment.

STRATEGIC, ENVIRONMENTAL AND RISK MANAGEMENT IMPLICATIONS

Risk Management Implications

There are no risk management implications for Council to consider as part of this proposal.

Strategic Management Implications

The Amendment has been modified to allow for an easy transition from CPS5 to the future Local Planning Scheme No. 6. As such, there are no strategic management implications envisaged.

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(REC) (ATTACHMENT)**

Environmental Management Implications

There are no environmental management implications for Council to consider as part of this application.

POLICY IMPLICATIONS

There are no policy implications for Council to consider as part of this proposal.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

It is recommended that Amendment 47 to CPS5 be finally adopted by Council and that this recommendation be forwarded to the Hon. Minister for his approval. Council could refuse to finally adopt the Amendment or further modifications could be made. Depending on the extent of the modifications, re-advertising may be required.

Council may also choose to readvertise the aspects of the Amendment which have been modified in response to the submission period. This is not considered necessary in this case as the modifications in question are considered minor.

COMMENTS

The minor modifications to the Scheme Amendment documentation now proposed relate to:

Residential Density Coding

The advertised Amendment proposed to retain the existing 'Mixed Business' Precinct residential density coding of 'R20' or 'R25' for the proposed 'Community Centre (MC)' Precinct areas.

The submitter states that retaining the status-quo relative to the residential density coding is:

"...counter-productive in promoting eclectic and vibrant activity nodes. Whilst there has been minimal residential development in the immediate Myaree locality, the theory of supporting high-density residential development in the proposed 'Community Centre (MC)' Precinct is sound and, the opportunity and planning framework should nevertheless exist to cater for long-term market trends and shifts. In this regard, a residential density coding of up to 'R80' is recommended".

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(REC) (ATTACHMENT)**

Notwithstanding the Minister's previous advice which "...suggested that residential development be restricted to the outer edge of the amendment area to minimise the potential for land-use conflict"; the promotion of higher density within the designated activity centre is consistent with the objectives of State Planning Policy 4.2 – Activity Centres for Perth and Peel and Part 7 of the Residential Design Codes (R-Codes). In this regard, it is considered logical that the residential density coding be increased to promote multiple dwelling / mixed-use development (where appropriate) to increase density and diversity of housing choice in and around activity centres to improve land efficiency, housing variety and support centre facilities.

Whilst an increase to 'R80' is not supported, a minor increase to 'R30' from 'R20' and 'R25' is proposed. This will enable the construction of multiple dwellings as part of mixed use development proposals submitted in accordance with Part 7 of the R-Codes. The endorsement of a higher density code may erode the commercial / semi-industrial fabric of the locality contrary to the Minister's initial advice.

Non-Residential Plot Ratio

Properties located within the proposed 'Community Centre (MC)' Precinct areas are currently guided by Council Policy PL-28-006 'Mixed Business Precinct Additional Development Requirements' which states:

'Optimum plot ratio will generally be regarded as 1.0, with a maximum up to 1.3'.

It is proposed that this plot ratio standard be retained in respect of the whole area covered by the Scheme Amendment. To that end, the Community Centre precincts (CCR) that are proposed to be designated as part of this Scheme Amendment proposal will be assigned a plot ratio of up to 1.3. This will deliver consistency across all zones located within the Scheme Amendment area.

The submission received in this respect recommends that a plot ratio of 2.0 would be in order, particularly given the commercial focus of the area. This recommendation is not supported on the grounds that:

- The land uses desired in the 'Community Centre (MC)' Precinct are generally characterised by single-level large format development such as large scale retail uses. These types of uses do not generally attract a high plot ratio requirement and as such, a plot ratio in excess of 1.3 is not warranted.

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- Office and Residential land uses are those which traditionally result in a need for greater plot ratio levels. Whilst such are permissible in principle in the 'Community Centre (MC)' Precinct, there is both a preference and an expectation, that the character of the area will be dictated by commercial, rather than residential and/or office uses. The former will be more likely to result if the more modest plot ratio restrictions as now proposed are retained.
- Maintaining the current plot ratio standard will continue to promote the commercial / semi-industrial fabric while not taking primary commercial / office functions away from Booragoon (Secondary Centre) and Canning Bridge, Bull Creek, Melville, Riseley Street and Petra Street (District Centres) as per the Activity Centres Policy.

Building Height

The Amendment as advertised prescribes a 10.5m maximum height for the 'Community Centre (MC)' Precinct; however an 11.0m (eaves) and 13.5m (maximum) building height is currently permitted within the adjoining 'Mixed Business' Precinct zoning.

Whilst the submission received calls for building height restrictions in the proposed CCR to be above the levels allowed in the Mixed Business Precinct, it is conceded that they should be at least consistent throughout the Scheme Amendment area. To that end it is proposed that the height standards for the 'Community Centre (MC)' Precinct be maintained as per the current standards, being 11.0m (eaves) and 13.5m (maximum).

Land-use Permissibility 'Office'

The submission received recommends that 'Office' uses should be a permitted (or at least discretionary) use class for the southern lots along McCoy Street between Norma and North Lake Roads. Whilst the issues raised in the submission are acknowledged, the request is not upheld for the same reasons the Minister refused the original Amendment:

"...the majority of the site is classified as "Industrial" zone under the Metropolitan Region Scheme and that the proposed rezoning will undermine the existing function and integrity of this light and service industrial area which performs a vital function in the regional context".

Under the revised Amendment, 'Office' uses have been restricted to the 'Mixed Business Frame' and 'Community Centre' Precincts only. The 'Office' land use will remain an 'X' use within the 'Mixed Business' Precinct, unless incidental to a predominant use. This will prevent the spread of Office development into the precinct to the detriment of its primary light and service industry function.

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CONCLUSION

It is concluded that Amendment 47 as is now proposed, meets the objectives outlined by the Minister and will provide the City with an effective mechanism for controlling the competing and often conflicting demands for land use in the area in the future. As such, it is recommended that the Scheme Amendment documentation be modified as detailed above, finally approved by Council and forwarded to the Minister for endorsement and gazettal.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3253) FINAL APPROVAL

At 7.26pm Cr Subramaniam moved, seconded Cr Halton -

A) That pursuant to Part 5 of the *Planning and Development Act 2005*, the Council adopt Amendment 47 to Community Planning Scheme No. 5 for final approval as follows:

- a) Amending Part 4 of Community Planning Scheme No. 5 by adding the following new Precinct – ‘Community Centre’ (MC – Myaree Centre) Precinct and associated Precinct Development requirements:**

5. COMMUNITY CENTRE PRECINCT

MC – MYAREE CENTRE

Statement of Intent

Primarily commercial including offices, shops, lunch bars, food/beverage production and restaurants/cafes but may include medium density residential to take advantage of facilities. May include educational establishments, garden centres, large format retail and medical centres provided they are built in accordance with any applicable Scheme and/or Policy provision.

Development Requirements

R Code R30

Minimum Lot Area

Residential

As per R-Codes

Non-residential

As per Western Australian Planning Commission Development Control Policy 4.1

Maximum Plot Ratio

(non-residential)

Optimum plot ratio will generally be regarded as 1.0, with a maximum up to 1.3.

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Note: The achievable maximum plot ratio floor-space will depend on the type and mix of uses, the form of building and the resultant requirement and design of car parking. With a mix of shops, offices and other uses, based on shared use of car parking, it should be possible to develop up to the maximum plot ratio. However, with shops alone, the achievable plot ratio may be limited. Shopping floor-space will also be limited in accordance with the Local Commercial Strategy.

- Setbacks**
- (a) Where there is a Centre Plan for the site, which has been approved by the Council, in accordance with that Plan.
 - (b) In the absence of an approved Centre Plan, front setbacks are to be as determined by Council, generally based on 'main-street' design principles where appropriate.
 - (c) Other boundary setbacks may be reduced to nil, subject to any requirements for access provided that, where the boundary adjoins residential development, the setback is to accord with the standards applicable to such adjacent land under the relevant R-Coding.

Note: An approved Centre Plan for the site is given recognition as a Local Planning Policy under Clause 9.6. Variations from the Centre Plan may be approved in accordance with clause 5.5, while amendments to the Plan may be made in accordance with the provisions of clause 9.6(d).

Minimum Landscaping

- | | |
|------------------------|---|
| Residential | As per R-Codes |
| Non-residential | 10% of site area and in accordance with Clause 5.9, providing that this may be reduced to 5% where the verge is landscaped, reticulated and maintained to the specification and satisfaction of the City of Melville. |

Building Height

Generally three storeys, 11 metres to eaves and 13.5 metres maximum, having regard to Council Policy. Where the site adjoins residential development, building height is to be limited as necessary so as to comply with overshadowing limits applicable to such adjacent land under the relevant R-Coding.

Minimum Car Parking

- | | |
|------------------------|--|
| Residential | As per R-Codes |
| Non-residential | Numbers of bays shall be determined by the Council, in accordance with Clause 5.8 and having regard to Council Policy. |

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Bicycle facilities **End-of-trip bicycle facilities may be required having regard to relevant local planning policy.**

Note: End-of-trip bicycle facilities for Local Centres will be at the discretion of Council, and may vary depending on the size and composition of the particular centre and the nature of the development in respect of which the requirement is to be applied.

Retail Floor Space (a) Retail shopping floor-space should not exceed that identified for the relevant centre in the Local Commercial Strategy, which has been approved by the Council;

(b) Floor-space other than retail may be approved at the discretion of the Council, having regard to relevant planning policy and co-locational benefits.

(c) Individual office tenancies should generally not exceed 150 square metres NLA, in order to provide for a diversity of businesses and avoid domination by large establishments more appropriately located within District Centres.

Note: Floor-space allocated a mix of land uses can improve local employment self-sufficiency and provide a more vibrant mix of uses. Such development can also make use of facilities in respect of which there may be spare capacity outside peak shopping times, e.g. car parking.

Advertising Control Tower and roof signs are generally not supported. At the discretion of Council other signs may be approved in accordance with the Signs, Hoardings and Billposting by-laws, as specified in Clause 5.10.

Additional Requirements Having regard to Council Policy.

(b) Inclusion of a new Precinct under 'Community Centre Precincts' in Clause 4.1 (5) of the City of Melville Community Planning Scheme No. 5 as follows:

MC Myaree Centre

(c) Amending Table 1: Use Class Table to reflect the new 'Community Centre' (MC) Precinct, 'Large Format Retail' use class and amended permissibility's relating to the 'Showroom', 'Residential', 'Garden Centre' and 'Veterinary Clinic' use classes as follows:

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Note: Permissibility for other land uses not listed below within the ‘Community Centre’ (MC) Precinct shall be consistent with that provided for under the ‘Community Centre’ (CCR) Precinct.

Uses/Precincts	Living Areas	City Centre (CC)	District Centre (DC)	Community Centre (CCR)	Community Centre (MC)	Commercial Centre Frames (various)	Mixed Business (MB)	Mixed Business Frame (MBF)	Industry (I)	Leeming Development Precinct (DP)*	Heathcote Heritage Precinct (HHP)
Large Format Retail	X	P	P	X	D	X	X/D ¹	X	X	X	X
Showroom	X	D	D	X	X	X	P	P	D	X	X
Residential	P	D	D	D	D	D	X	D	X	X	I
Garden Centre	X	P	P	P	P	P	P	D	X	X	X
Showroom	X	D	D	X	X	X	P	D	D	X	X
Veterinary Clinic	X	P	P	P	P	S	P	D	P	X	X

1. *Large Format Retail is an ‘X’ use in the Mixed Business Zone except for those sites which have frontage to Leach Highway, where the use class is a ‘D’ use.*

(d) Add the following definitions to Schedule 1: Interpretations.

“Showroom” means large premises used to display or retail:

- automotive parts and accessories
- home entertainment goods
- camping and recreation equipment
- household appliances
- electrical light fittings
- office equipment supplies
- animal and pet supplies
- party supplies
- floor coverings
- swimming pools and supplies
- furnishings, bedding and manchester
- hardware
- furniture
- garden supplies
- or goods of a bulky nature that require a large area for handling, display or storage; or direct vehicle access to the site of the premises by the public for the purpose of loading goods into a vehicle after purchase or hire.

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“Large format retail” means a retail outlet with a net lettable area (NLA) equal to or greater than 1,000m² used for the sale and display of a single class of specialty goods limited to one of the following:

- (a) home wares, or
- (b) textiles, art and craft supplies, or
- (c) children’s toys and play equipment, or
- (d) sporting goods and equipment, or
- (e) specialty goods used in the course of business or employment, and may include incidental sale and display or goods directly associated with the particular class of goods within the same premises.

(e) Amend the scheme map by:

- (i) Scheme map legend by adding the Community Centre’ (MC) Precinct.
- (ii) Rezone lots adjoining Marshall Road (as shown on the Scheme Amendment map number 47) from ‘Mixed Business’ to ‘Community Centre (MC)’ Precinct.

Rezone lots adjoining Hulme Court (as shown on the Scheme Amendment map number 47) from ‘Mixed Business’ to ‘Community Centre (MC)’ Precinct.

Rezone Lot 105 (497) Marmion Street, Booragoon;
Lot 104 (495) Marmion Street, Booragoon;
Lot 2 (3) Aldous Place, Booragoon;
Lot 312 (9) Aldous Place, Booragoon;
Lot 1 (11) Aldous Place, Booragoon;
Lot 2 (13-17) Aldous Place, Booragoon;
Lot 888 (71) Norma Road, Myaree;
Lot 42 (106) North Lake Road, Myaree; and,
Lot 43 (104) North Lake Road, Myaree.

from ‘Mixed Business’ to ‘Mixed Business Frame’ Precinct.

- B) That His Worship the Mayor and the Chief Executive Officer be authorised to execute the Amendment document and have the Common Seal affixed.
- C) That the Amendment document be forwarded to the Minister for Planning for final approval along with the advice that the Environmental Protection Authority raised no objection to the proposed Amendment.
- D) All respondents to the advertised Amendment be advised in writing of A) above.

At 7.27pm the Mayor submitted the motion, which was declared

CARRIED (9/0)

At 7.27pm Crs Ceniviva and Robartson returned to the meeting.

P11/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)

Ward : All
 Category : Strategic
 Application Number : CPS5 65
 Property : All
 Proposal : Amendment to CPS5 to increase the types of development which are exempt from the requirement to obtain planning approval
 Applicant : City of Melville
 Owner : Not applicable
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : None applicable
 Responsible Officer : Peter Prendergast
 Manager Planning and Development Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

P11/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**KEY ISSUES / SUMMARY**

- Each year the City deals with over 400 minor Development Applications for incidental development proposals to add to or alter existing residential properties. These include proposals to add small sheds, patios, pergolas and shade sails.
- The minor nature of such development applications means that their impacts are similarly minor.
- It is considered that these impacts can be readily managed via the development and inclusion within Community Planning Scheme No. 5 (CPS5) of a set of development criteria to identify when such minor development proposals can be deemed to be acceptable, and exempt from the need to gain the planning approval of the Council.
- A number of other such exemptions already exist within CPS5. The current proposal is therefore to extend this to expand upon the types of development which are exempt from the requirement to obtain development approval, subject to a number of criteria being satisfied.

BACKGROUND

Clauses 7.1 – 7.3 of CPS5 outline which types of development require planning approval and which do not.

Scheme Provisions

Clause 7.1 of CPS5 outlines that all development is required to obtain planning approval with the exception of those matters outlined in Clauses 7.2 and 7.3.

Clause 7.2 of CPS5 states those developments that do require planning approval as follows:

- (a) *all residential development, and any ancillary development thereto, which requires the exercise of a Council discretion under the Residential Planning Codes or having regard to Council Policy;*
- (b) *all residential development of more than one storey;*
- (c) *any domestic tennis court;*
- (d) *any change of use;*
- (e) *use as two or more separate dwelling units of any building hitherto used as a single dwelling;*
- (f) *storage of materials or deposit of refuse or waste on land;*
- (g) *excavation or filling of land by more than 0.6 metres;*
- (h) *advertising signs larger than 0.2 square metres;*
- (i) *additions to any building other than to a single house or two grouped dwellings;*
- (j) *construction of buildings on local reserves, in accordance with clause 3.4; and*
- (k) *satellite dishes and radio or mobile telephone transmission towers, having regard to Council policy.*

Clause 7.3 of CPS5 outlines the types of development which are expressly excluded from the requirement to obtain planning approval as follows:

P11/ 3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)

- (a) *notwithstanding Clause 3.4, the use of land in any reserve held by the Council for the purpose for which it is reserved under the Scheme, or any use incidental thereto;*
- (b) *the use of any land or buildings which is a permitted (“P”) use in a precinct, provided it does not involve any construction or other works, and any building to be occupied has been constructed in accordance with the Scheme as determined by the Council;*
- (c) *the erection of a boundary fence;*
- (d) *the construction of a retaining wall less than 0.6 metres in height;*
- (e) *the demolition of any building or structure;*
- (f) *single storey residential development, and any ancillary development thereto, which does not require the exercise of a Council discretion under the Residential Planning Codes or having regard to Council Policy;*
- (g) *the maintenance and repair of any building, plant or machinery being lawfully used immediately prior to the Scheme having effect;*
- (h) *works by any public authority pursuant to the provisions of any Act on, in, over or under a public street, or works for a utility service;*
- (i) *works for the improvement of any building which affect only its interior or do not materially affect its external appearance; and*
- (j) *works urgently necessary for public safety, safety or security of plant or equipment, maintenance of essential services, or protection of the environment.*

DETAIL

The proposed amendments to CPS5 are outlined below.

Deletion of Clause 7.2 (i) which states:

- (i) *additions to any building other than to a single house or two grouped dwellings;*

Insertion of sub-clause (k) to Clause 7.3 of CPS5 as follows:

- (k) *incidental development associated with Single Houses and Grouped Dwellings as listed in Schedule 5.*

Insertion of the following definitions into Schedule 1: Interpretations

‘Minor buildings’ are non-habitable, incidental buildings and include buildings such as garden sheds, water tanks, cubby houses, domestic animal or bird enclosures and the like.

‘Shade structures’ are incidental structures that provide shade to outdoor living areas and include gazebos, shade sails, pergolas, vergolas, patios and the like.

‘Minor structures’ are structures incidental to the primary building on the site. These include structures such as letter boxes, clothes lines, water features, outdoor cooking facilities, flag poles, basketball and netball hoops and the like.

‘Minor fixtures’ are incidental fixtures attached to the outside of the building to which they are appurtenant. These include appurtenances such as external hot water systems, solar panels, air conditioning units, communications equipment and the like.

P11/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)

Insertion of a Schedule 5 into CPS5 as follows:

Development	Conditions of exemption
Minor buildings (1)	<ul style="list-style-type: none"> • Maximum height of 2.4m above natural ground level. • Located behind the Primary and Secondary Street setback line. • To comply with the Acceptable Development provisions of the Residential Design Codes relating to open space. • To have non-highly reflective roofing.
Shade Structures (2)	<ul style="list-style-type: none"> • Maximum height of 2.7m above natural ground level. • Located behind the Primary and Secondary Street setback line. • Open on two or more sides. • Open sided where they are located adjacent to a common boundary. • Patios not to cover more than two-thirds of the primary outdoor living area. • To have non-highly reflective roofing.
Minor structures (3)	<ul style="list-style-type: none"> • Clothes lines located behind the street setback line and out of direct line of view of the street. • Water features and permanent outdoor cooking facilities where located behind the Primary or Secondary Street setback line are to be no more than 1.8m in height. Where located within the front setback area, water features and permanent outdoor cooking facilities are to be visually permeable above 1.2m in height. • Flag poles limited to one per property, not more than 8m in height and not used for advertising purposes. • Basketball and netball hoops limited to one per property and not greater than the standard competition size and height. • Letterboxes not to be located within the vehicle truncation area.
Minor appurtenances (4)	<ul style="list-style-type: none"> • External hot water systems and air conditioning units attached to an external wall are to be screened from view of the street and located no higher than 1.8m above natural ground level. • Cooling units located on the roof are to be coloured to match the roof. • Communications equipment to satisfy the Acceptable Development provisions of the Residential Design Codes or the alternative standards contained within Council policy.
Swimming Pools	<ul style="list-style-type: none"> • Not more than 0.5 metres above natural ground level.

P111/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**PUBLIC CONSULTATION/COMMUNICATION**

Should Council resolve to initiate the proposed amendment to CPS5, the amendment will be advertised for a period of 42 days via a notice in a local newspaper and on the City's website.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Once initiated, Council must refer the Amendment to the Environmental Protection Authority (EPA) and the Department for Planning. Following receipt of advice from the EPA, the City advertises the Amendment, considers any submissions received and forwards the proposal to the Honourable Minister for Planning for determination.

STATUTORY AND LEGAL IMPLICATIONS

Part 5 of the *Planning and Development Act 2005* allows Council to initiate amendments to CPS5. As the proposed amendment has been initiated by Council officers, should Council resolve not to initiate the amendment, there will be no statutory and legal implications.

The proposed amendment to CPS5 is broadly consistent with the intent of the proposed Local Planning Scheme No. 6 (LPS6). Where the amendment departs from the provisions within LPS6, it is anticipated that LPS6 will be amended prior to final adoption to be consistent.

FINANCIAL IMPLICATIONS

The implementation of the changes to the exempt development provisions will result in approximately 400 planning applications being removed from the system. This will result in the loss of approximately \$55,000 income per annum, offset of course by the savings that will accrue from the removal of such planning applications from the system (savings in officer time), and the benefits that will accrue from the ability of Planning Officers to concentrate on more significant development proposals. The latter will result in improvements in customer service, as more timely and well considered decision making of those more detailed planning applications will follow.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There is no strategic, risk or environmental management implications with this application.

POLICY IMPLICATIONS

None applicable.

P11/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**ALTERNATE OPTIONS & THEIR IMPLICATIONS**

Council could choose not to initiate the Amendment, or to amend the details of it. This approach is not recommended given the efficiencies that will result that will enable the delivery of more focussed statutory planning processing, in the interests of improved customer service.

COMMENTS

The Council receives approximately 400 Development Applications every year for minor incidental development on residential properties. These include the construction of small sheds, patios, pergolas and shade sails. The minor scale of these proposals means that their resultant impacts are similarly minimal, to the extent that they can be readily managed via the introduction of new specific performance based criteria.

These criteria can be introduced within the body of CPS5 subject to the initiation and approval of a Scheme Amendment to the provisions of CPS5.

The amendment will effectively expand upon the types of development which are exempt from the requirement to obtain development approval, subject to a number of criteria being satisfied. Specifically, it is proposed to:

- Delete Clause 7.2(i) of CPS5

It is proposed to delete the existing Clause 7.2 (i) which states that '*additions to any building other than to a single house or two grouped dwellings*' requires planning approval.

This clause has the effect that where an addition is proposed to a dwelling which is located on a site containing more than two grouped dwellings, planning approval is required, even though the proposed development may satisfy all of the applicable development requirements contained within CPS5, the R-Codes or Council policy.

The need for a planning approval in such circumstances is questionable, as in practice when determining such planning applications the City has no real alternative other than to approve compliant developments.

Notwithstanding the deletion of Clause 7.2(i) development proposals which include a variation to the development provisions of the Scheme, Council Policy, or the R Codes, will still require the planning approval of the Council.

- Insertion of Clause 7.3(k) and Schedule 5

It is proposed that a new sub-clause be inserted into Clause 7.3: Exemptions, to refer to the types of development listed in the proposed Schedule 5 will not require the benefit of planning approval provided the performance criteria listed in the Schedule are satisfied.

P11/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)

- Insertion of Definitions

The proposed Schedule 5 introduces a number of development types not already referred to in CPS5. As such, it is necessary that the definitions of these additional development types be included within the existing Schedule of Definitions (Schedule 1) of CPS5.

CONCLUSION

It is recommended that Council initiate the proposed Amendment 65 to CPS5 for the purposes of public consultation. The Amendment refers to minor development proposals only, the impacts of which are limited. The efficiencies that will result in removing the need for such proposals to require the planning approval of the Council will be of positive benefit, particularly given the impacts will continue to be effectively managed via the introduction of new performance criteria against which such exempted development proposals will still need to comply.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3254)**APPROVAL**

A That pursuant to Part 5 of the Planning and Development Act 2005, the Council resolve to initiate amendment No. 65 to Community Planning Scheme No. 5 by amending the following clauses and schedule:

(i) Delete Clause 7.2 (i).

(ii) Insert (k) to Clause 7.3 as follows:

(k) incidental development associated with Single Houses and Grouped Dwellings as listed in Schedule 5.

(iii) Insert the following definitions into Schedule 1: Interpretations

‘Minor buildings’ are non-habitable, incidental buildings and include buildings such as garden sheds, water tanks, cubby houses, domestic animal or bird enclosures and the like.

‘Shade structures’ are incidental structures that provide shade to outdoor living areas and include gazebos, shade sails, pergolas, vergolas, patios and the like.

‘Minor structures’ are structures incidental to the primary building on the site. These include structures such as letter boxes, clothes lines, water features, outdoor cooking facilities, flag poles, basketball and netball hoops and the like.

‘Minor fixtures’ are incidental fixtures attached to the outside of the building to which they are appurtenant. These include appurtenances such as external hot water systems, solar panels, air conditioning units, communications equipment and the like.

**P11/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME
NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

(iv) Insert Schedule 5 as follows:

Development	Conditions of exemption
Minor buildings (1)	<ul style="list-style-type: none"> • Maximum height of 2.4m above natural ground level. • Located behind the Primary and Secondary Street setback line. • To comply with the Acceptable Development provisions of the Residential Design Codes relating to open space. • To have non-highly reflective roofing.
Shade Structures (2)	<ul style="list-style-type: none"> • Maximum height of 2.7m above natural ground level. • Located behind the Primary and Secondary Street setback line. • Open on two or more sides. • Open sided where they are located adjacent to a common boundary. • Patios not to cover more than two-thirds of the primary outdoor living area. • To have non-highly reflective roofing.
Minor structures (3)	<ul style="list-style-type: none"> • Clothes lines located behind the street setback line and out of direct line of view of the street. • Water features and permanent outdoor cooking facilities where located behind the Primary or Secondary Street setback line are to be no more than 1.8m in height. Where located within the front setback area, water features and permanent outdoor cooking facilities are to be visually permeable above 1.2m in height. • Flag poles limited to one per property, not more than 8m in height and not used for advertising purposes. • Basketball and netball hoops limited to one per property and not greater than the standard competition size and height. • Letterboxes not to be located within the vehicle truncation area.
Minor appurtenances (4)	<ul style="list-style-type: none"> • External hot water systems and air conditioning units attached to an external wall are to be screened from view of the street and located no higher than 1.8m above natural ground level. • Cooling units located on the roof are to be coloured to match the roof. • Communications equipment to satisfy the Acceptable Development provisions of the Residential Design Codes or the alternative standards contained within Council policy.
Swimming Pools	<ul style="list-style-type: none"> • Not more than 0.5 metres above natural ground level.

**P11/3254 - PROPOSED AMENDMENT NO. 65 TO COMMUNITY PLANNING SCHEME
NO. 5 – EXEMPT INCIDENTAL DEVELOPMENT (REC)**

- B** That His Worship the Mayor and the Chief Executive Officer be authorised to endorse the amendment document.
- C** That the City of Melville forwards a copy of the amendment documentation to:
- (i) The Environmental Protection Authority in accordance with Section 81 of the Planning and Development Act 2005.
 - (ii) The Western Australian Planning Commission for information.
- D** That on receipt of advice from the Environmental Protection Authority under Section 48A of the Environmental Protection Act indicating that the amendment need not be subject to an Environmental Assessment, the Amendment be advertised in accordance with the Town Planning Regulations for not less than forty-two (42) days.”

At 7.28pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/0)

P11/3255 - FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 5) – HIGHLY REFLECTIVE ROOFING AND ENERGY EFFICIENCY (REC) (ATTACHMENT)

Ward : All
 Category : Policy
 Application Number : Not applicable
 Subject Index : Policy and Policy Development
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Item P11/3220 Ordinary Meeting of Council held 21 June 2011 – Stage Five Review of Urban Planning Policies – Energy Efficiency and Highly Reflective Roofing
 Responsible Officer : Peter Prendergast
 Manager Planning and Development Services

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input checked="" type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when the Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

P11/3255 - FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 5) – HIGHLY REFLECTIVE ROOFING AND ENERGY EFFICIENCY (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- Community Planning Scheme No. 5 (CPS5) allows Council to prepare and adopt planning policies and undertake regular policy reviews.
- Planning policies supplement CPS5 provisions and the requirements of the Residential Design Codes (R-Codes).
- The application of planning policies provides a sound basis for planning decisions and improves the validity of decisions when used in determining applications. Provided a policy is soundly based, it has similar status to CPS5 provisions when under review in the State Administrative Tribunal.
- This report relates to the fifth stage of the Urban Planning Policy Review and pertains to the Highly Reflective Roofing and the Energy Efficiency in Building Design policies.
- At the Ordinary Meeting of Council held 21 June 2011, Council resolved to adopt the draft Energy Efficiency in Building Design policy for advertising. This policy was advertised for 21 days on 12 July 2011. No submissions were received.
- It is recommended that Council resolve to finally adopt the Energy Efficiency in Building Design policy subject to minor amendments.
- At the same meeting, Council resolved to defer revocation of the Highly Reflective Roofing policy, preferring it to be retained, redrafted, and referred back to a future meeting of Council.
- The Highly Reflective Roofing policy has since been modified and it is recommended that Council resolve to adopt this draft policy for advertising.

BACKGROUND

CPS5 allows Council to prepare and adopt planning policies to supplement the CPS5 provisions and the requirements of the R-Codes.

Planning policies which address technical planning issues need to be adopted under CPS5 and require formal advertising for public comment for 21 days. Following consultation, the policies need to be adopted by Council.

Stage 5 Policy Review

At the Ordinary Meeting of Council held 21 June 2011, Council resolved as follows:

- A *That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to adopt the Draft Council Policy 06-PL-021 Energy Efficiency in Building Design for public consultation via notice in a local newspaper for a period of 21 days.*
- B *That the Policy 06-PL-023 Highly Reflective Roofing Materials be deferred for consideration to a future meeting of Council.*

[3255 Energy Efficiency Policy](#)**[3255 Highly Reflective Roofing Policy](#)**

P11/3255 - FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 5) – HIGHLY REFLECTIVE ROOFING AND ENERGY EFFICIENCY (REC) (ATTACHMENT)**DETAIL**Community Planning Scheme No. 5 Requirements

Clause 9.6(g) of CPS5 requires Council to review planning policies adopted under CPS5 on an annual basis. Since the gazettal of CPS5 in 1999, various policies have been adopted and up to three reviews (of some policies) have taken place.

Whilst annual reviews have not always been undertaken in accordance with CPS5, legal advice indicates that the present policies are still applicable, however until they are reviewed they may not be given as much weight in an appeal as a recently reviewed policy.

Policy Review

This report pertains to the adoption of the draft Highly Reflective Roofing policy for advertising and the final adoption of the Energy Efficiency in Building Design policy.

PUBLIC CONSULTATION/COMMUNICATION

Public consultation is required for all Council Non-Statutory Planning Policies which are non-operational in nature in accordance with Clause 9.6 of CPS5.

As a result of Council's resolution of 21 June 2011, the Energy Efficiency in Building Design policy was advertised by notice in the Melville Times newspaper on 12 July 2011, providing for a 21 day public submission period expiring on 2 August 2011. No submissions were received.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Clause 9.6(b) (ii) of CPS5 requires Council to advise the Western Australian Planning Commission (WAPC) of any policy proposal which affects the interests of the WAPC. The proposed policies do not have regional significance therefore the WAPC need not be consulted.

STATUTORY AND LEGAL IMPLICATIONS

The review of Council's policies will improve the validity of the policies in review situations by the State Administrative Tribunal. Once finally adopted by Council, the reviewed policies in effect carry the power and weight of CPS5.

FINANCIAL IMPLICATIONS

There are no financial implications which result from this report other than advertising costs for adoption purposes.

P11/3255 - FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 5) – HIGHLY REFLECTIVE ROOFING AND ENERGY EFFICIENCY (REC) (ATTACHMENT)

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
Administration undertakes functions delegated by Council in a manner not in accordance with Council's objectives causing reputational risk.	Minor to Major depending on issue.	Ensure sound Council policies are in place that provide clear guidance to the administration.
Policies are not in compliance with legislative requirements or contemporary standards.	Minor consequences which are possible, resulting in a Medium level of risk	Periodic review mitigates against outdated legislative or other relevant references.

POLICY IMPLICATIONS

The implication of this and subsequent reports relating to the Policy Review is that Council will have a revised set of Planning policies to firmly guide future development in the City.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

Council could elect not to adopt the proposed Policies or could modify the proposed Policies prior to adoption. It should be noted that any modifications to the policies previously advertised, dependent upon the extent of the changes, may require re-advertising.

It is inappropriate not to review the Policies as their relevance in the consideration of development matters would be diminished over time.

COMMENTS

Highly Reflective Roofing Policy

In accordance with the request made at the Ordinary meeting of Council held in June 2011, this policy is now proposed to be retained, and its content has been substantially modified to include criteria against which development proposals which incorporate the use of highly reflective materials, will be assessed. In effect the criteria now included within the policy are those that have been traditionally followed by council officers in their consideration of proposals of this nature.

Energy Efficiency in Building Design policy

In accordance with the Council resolution of 21 June 2011, the details of this policy have now been the subject of public consultation. As such it is recommend that the Energy Efficiency in Building Design policy be finally adopted subject to one minor modification to state that whilst the use of light coloured roofing materials are preferred from an energy efficiency point of view, the requirements of the City's Highly Reflective Roofing policy must be taken into account.

P11/3255 - FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 5) – HIGHLY REFLECTIVE ROOFING AND ENERGY EFFICIENCY (REC) (ATTACHMENT)**CONCLUSION**

It is recommended that the modified Highly Reflective Roofing policy be advertised via a notice in the local newspaper for a period of 21 days in accordance with Clause 9.6(b) of CPS5.

It is also recommended that the Energy Efficiency in Building Design policy be adopted by the Council in accordance with Clause 9.6(b) of CPS5 subject to the amendments detailed above.

OFFICER RECOMMENDATION (3255)**ADOPTION**

His Worship the Mayor called for a mover and seconder to the Officer Recommendation inclusive of the amendment.

At 7.30pm Cr Kinnell moved, seconded Cr Halton -

1. That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to adopt the draft Highly Reflective Roofing Policy for public consultation via notice in a local newspaper for a period of 21 days.
2. That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to finally adopt the Energy Efficiency in Building Design policy.
3. That pursuant to Clause 9.6(b)(iv) of Community Planning Scheme No. 5, the Council authorise a notice in a local newspaper circulating within the district advising the final adoption of the policy referred to in B above.

Amendment

That Part 1 of the Officer Recommendation be amended by inserting after the words “period of 21 days” the words, “subject to all references to 290 degrees being replaced with 280 degrees in the policy”.

At 7.34pm the Mayor submitted the amendment, which was declared

CARRIED (11/0)

Reasons for Amendment

At the Agenda Briefing Forum held 27 September 2011 it was requested that the angles referenced in the draft Highly Reflective Roofing Policy (80 and 290 degrees) be reviewed to check they are correct.

The literature upon which the policy is based has been reviewed and the stated angles are found to be incorrect. The correct angles are 80 and 280 degrees. As such, it is proposed to amend the Policy to refer to 280 degrees prior to the commencement of advertising.

P11/3255 - FINAL ADOPTION OF URBAN PLANNING POLICIES (STAGE 5) – HIGHLY REFLECTIVE ROOFING AND ENERGY EFFICIENCY (REC) (ATTACHMENT)**COUNCIL RESOLUTION (3255)****ADOPTION**

1. That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to adopt the draft Highly Reflective Roofing Policy for public consultation via notice in a local newspaper for a period of 21 days *subject to all references to 290 degrees being replaced with 280 degrees in the policy.*
2. That the Council resolve pursuant to Clause 9.6(b) of Community Planning Scheme No. 5 to finally adopt the Energy Efficiency in Building Design policy.
3. That pursuant to Clause 9.6(b)(iv) of Community Planning Scheme No. 5, the Council authorise a notice in a local newspaper circulating within the district advising the final adoption of the policy referred to in B above.

At 7.34pm the Mayor declared the motion, which was declared

CARRIED (11/0)

M11/5194 - CITY OF MELVILLE ANNUAL REPORT 2010-2011 (REC) (ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : City of Melville Annual Report
 Customer Index : Not Applicable
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Item C10/5136 City of Melville Annual Report 2009-2010 of the Ordinary Meeting of Council of 19 October 2010
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Natasha Wright, A/Executive Manager
 Organisational Development

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when the Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

M11/5194 - CITY OF MELVILLE ANNUAL REPORT 2010-2011 (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- This report presents the text component of the 2010-2011 Annual Report for Council's acceptance.

BACKGROUND

In accordance with Section 5.53(1) of the Local Government Act 1995 (The Act), a local government is required to prepare an Annual Report for each financial year. Section 5.54 of the Act requires that the Annual Report be accepted by the Local Government no later than 31 December for the previous financial year. Section 5.27 of the Act specifies that a General Meeting of Electors is to be held within fifty-six (56) days after the local government accepts the Annual Report for the previous financial year. The annual report and audited financial statements are required to be prepared and printed in time for that meeting.

Similar to the 2009-2010 Annual Report, this year's report takes the form of a 'Community Annual Report' which features a full text summary attached, [5194 Annual Report](#) and an abridged set of Financial Statements. The full set of Financial Statements will be available to ratepayers on request.

This report presents the text component of the 2010-2011 Annual Report only. The abridged and complete Financial Statements will be presented for adoption at the next available Council Meeting following receipt of the auditor's certification, after having been submitted to the Financial Management, Audit, Risk and Compliance Committee for their consideration.

DETAIL

Section 5.53 of the Act requires the Annual Report to contain the following:

- a report from the mayor or president;
- a report from the CEO;
- an overview of the plan for the future including major initiatives that are proposed to commence or to continue in the next financial year;
- the financial report for the financial year;
- such information as may be prescribed in relation to the payments made to employees;
- the auditor's report for the financial year;
- a matter on which a report must be made under section 29(2) of the Disability Services Act 1993;
- details of entries made under section 5.121 regarding complaints against Council Members;

M11/5194 - CITY OF MELVILLE ANNUAL REPORT 2010-2011 (REC) (ATTACHMENT)

- such other information as may be prescribed. (No other matters have been prescribed at this time)

The text portion of the 2010-2011 Annual Report has been prepared and includes the following:

1. The Mayoral Report.
2. Report by the Chief Executive Officer.
3. Report on major initiatives in the Strategic Plan
4. All other non-financial requirements of the Act.

This Annual Report is designed to report directly on the strategies and actions detailed in the document "The City of Melville's plan for the future 2008 – 2012".

The text of this Annual Report was developed from information gathered from all areas of the organisation from end-of-year reports, information requested directly from employees and various corporate documents.

This text was reviewed by the Operational Management Team (OMT) and the Executive Management Team (EMT), and will be checked by a professional proof reader prior to release. The Governance and Compliance Program Manager also completed an audit of the text against the specific legislative requirements and confirmed relevant requirements had been addressed.

The text was edited to present a simple language report aimed at providing succinct and relevant information to the community. The final published report featuring this text and the abridged Financial Statements will be known as the 'Community Annual Report'. The full Financial Statements will not be part of the final publication but will be available on request.

Due to time constraints on the auditors, the abridged set of Financial Statements, and the full set of Financial Statements are not yet available and will be presented to the next available Council meeting following receipt of the auditor's certification, after having been submitted to the Financial Management, Audit, Risk and Compliance Committee for their consideration.

As has been the practice in previous years, the text portion of the Annual Report is being presented separately to enable sufficient time for the majority of graphic design and production in time for the General Meeting of Electors. The abridged Financial Statement (when adopted) will be integrated into the Annual Report design prior to production.

The Council is required to accept the 'complete' version, which is the 'Community Annual Report' plus the Full Financial Statement as per Section 6.4(2) of the Local Government Act 1995, and electors will be made aware that the full version of the Annual Report, including the Full Financial Statement, is available on request.

The complete Annual Report requires acceptance by the Council prior to the General Meeting of Electors.

M11/5194 - CITY OF MELVILLE ANNUAL REPORT 2010-2011 (REC) (ATTACHMENT)**PUBLIC CONSULTATION/COMMUNICATION**

No external public consultation has been carried out as the Annual Report is a report on the business activities of the City of Melville.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

No consultation with other agencies/consultants has been carried out.

STATUTORY AND LEGAL IMPLICATIONS

Section 5.27 of the Local Government Act 1995 specifies that a general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the Annual Report for the previous financial year.

Section 5.53 of the Local Government Act 1995 specifies requirements for information to be included in the Annual Report as noted previously.

Section 5.54 of the Local Government Act 1995 specifies that the Annual Report for the financial year is to be accepted by the Local Government no later than 31 December after that financial year.

Section 5.55 of the Local Government Act 1995 specifies that the Chief Executive Officer is to give local public notice of the availability of the Annual Report as soon as practicable after the report has been accepted by the local government.

FINANCIAL IMPLICATIONS

Funds have been provided in the 2011-2012 budget to enable proof-reading, graphic design, publication, promotion and distribution of the Annual Report. As per the previous year, minimal hard copy Annual Reports will be published, and more environmentally responsible distribution methods such as through CD ROM and access via the intranet will be utilised.

M11/5194 - CITY OF MELVILLE ANNUAL REPORT 2010-2011 (REC) (ATTACHMENT)

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Risk Statement	Level of Risk	Risk Mitigation Strategy
Not publishing an Annual Report in accordance with all relevant legal requirements and accounting standards would result in non-compliance with required legislative and regulatory requirements.	Moderate consequences which are likely, resulting in a High level of risk	Ensure the Annual Report conforms to all requirements through assessment by the Governance and Compliance Program Manager.

This Annual Report is designed to report directly on the strategies and actions detailed in the Strategic Plan document "The City of Melville's plan for the future 2008 – 2012".

POLICY IMPLICATIONS

There are no policy implications for Council to consider as part of this application.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

There are no alternate options as the production of an Annual Report is a legislative requirement.

CONCLUSION

This Annual Report is a succinct and accurate reflection of the activities undertaken by the City of Melville in 2010-2011, and has been prepared in accordance with legislative and regulatory requirements.

Following Council adoption, this document will be formatted appropriately and made available in various formats, including CD ROM, internet and hard copy, for all stakeholders.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (5194)

APPROVAL

That the text component of the City of Melville 2010-2011 Annual Report [5194 Annual Report](#) be approved.

At 7.37pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/0)

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)**

Ward : All
 Category : Operational
 Subject Index : Tenders
 Customer Index : City of Melville
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Not Applicable
 Works Programme : Not Applicable
 Funding : 2011/2012 Budget
 Responsible Officer : Ian Davis
 Manager Parks and Environment

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when the Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)****KEY ISSUES / SUMMARY**

- To recommend acceptance of a tender for the supply of amenity tree pruning for a three year term with option period.

BACKGROUND

Tenders for the Supply of Amenity Tree Pruning for a Three Year Term with Option Period were invited by advertisement in the West Australian newspaper on Wednesday 20 July 2011 and closed on Thursday 11 August 2011 at 4.pm.

This is a period supply tender for the supply of amenity tree pruning to the City. These services are currently being provided under a short term tender with Dickies Tree Services which expires on the 30 September 2011.

Price Schedule

The Price Schedule forms part of the Attachments to the Agenda, which was distributed to the Members of the Contract and Tender Advisory Unit on Tuesday 20 September 2011 and distributed to Elected Members on Friday 23 September 2011 under confidential cover.

Tender Evaluation Process

All tenders were evaluated using a price weighted attribute method with submissions being scored points out of 35 percent qualitatively and then out of 100 percent overall. Qualitative scores shown were achieved by joint agreement of the panel members at the evaluation meeting having first scored each submission individually. The tender that has achieved the highest score overall for the services required with price included has been recommended.

The Evaluation Sheet forms part of the Attachments to the Agenda, which was distributed to the Members of the Contract and Tender Advisory Unit on Tuesday 20 September 2011 and distributed to Elected Members on Friday 23 September 2011 under confidential cover.

The Evaluation Committee consisted of the Purchasing and Contracts Coordinator, the Principal Parks Coordinator and the Aboricultural Supervisor.

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)**

The criteria for this tender were based on the following specific attributes.

1. Relevant Experience
2. Capacity to deliver the services
3. Methodology
4. References
5. Price

DETAIL

Tender documents issued: 12

Tender submissions received: Four as follows:

Geoff's Tree Services
Dickies Tree Services
Tree Amigos
Tree Surgeons

No late tenders were received.

The submissions received were compliant with tendering conditions.

The evaluation methodology is outlined under the heading Tender Evaluation Process.

Tree Surgeons – Tree Surgeons have operated since 1985 with relevant experience identified with contracted works to the City of Nedlands, City of Canning, ad hoc work for the City of Cockburn, Western Power and City of Swan and stated works to colleges and mining companies. Details of equipment and plant were included in the submission. Key personnel were identified along with experience and qualifications. Staff availability was addressed with eight staff being stated as available to provide the services. Management systems included workplace induction handbooks, policies were evidenced and methodology was sound. Overall the submission met the requirements but it was not possible to ascertain the size or quantity of the contracts stated as this information was not included.

Qualitative score: 22.46% out of 35%

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)**

Dickies Tree Service (Dickies) – Dickies have been in operation since 1979 and currently employees approximately 40 personnel. Relevant experience was demonstrated through local government contracts (City of Swan, City of Melville (current short term contract for amenity tree pruning) and Town of Vincent, along with universities (University of Western Australia and Murdoch) and other ongoing contracts. Key personnel were identified and years of experience included along with skills/qualifications held. Methodology was supplied and whilst not as detailed as other submissions did convey understanding of the services required.

Plant and equipment held by the company was included and capacity to supply the services confirmed. Quality management systems are in use and were adequately demonstrated. The submission was brief in comparison to others received and this has reflected in the scoring however capacity and ability to carry out the services required was demonstrated.

Qualitative score: 26.10% out of 35%

Geoff's Tree Services (Geoff's) – Geoff's was founded in 1992 by a husband and wife team and has expanded to 11 fulltime workers and three administrative staff. Relevant experience was demonstrated with continuous contracts with the City of Wanneroo, Bayswater, Belmont and the Town of Bassendean. Information supplied under this section was detailed and included quantities of trees pruned and the outcomes of the contracts which appeared successful. Financial capacity to obtain new equipment if required was stated. Whilst staff were stated as available for the contract there was some uncertainty over the company's capacity to deliver the services with its current commitments. This would require further clarification if awarded the contract. Key personnel experience and qualifications were included together with detailed information of vehicles and equipment owned. The company has safety, environmental and quality policies evidenced and are progressing towards ISO 9001 accreditation.

Qualitative score: 26.80% out of 35%

Tree Amigos – Tree Amigos have operated since 1998 and as a company since 2002. Relevant experience was well described with current contracts listed (City of Joondalup, City of Melville – Underwire Tree Pruning tender and Metropolitan Cemeteries Board) along with other tree pruning services. Key personnel were identified along with qualifications held with all staff having completed basic traffic management courses. Staff availability was addressed with sufficient resources being identified to provide the services. Plant and equipment details were included which outlined sufficient resources to perform the services. Methodology was detailed and provided additional information in the form of pruning techniques. Overall the submission was well structured and indicated sound quality management systems including Occupational Safety and Health Policies etc. The submission scored the highest overall qualitatively.

Qualitative score: 32.43% out of 35%

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)****Summary**

As all submissions received were compliant and had addressed the qualitative criteria sufficiently to demonstrate understanding of the services required they were then compared on price.

Due to the large number of unit rates involved a scenario was created of the most likely services used (refer to Confidential Attachment – Pricing Scenario). Resulting scores are below:

Tree Surgeons: 22.46% out of 95.33%
Geoff's Tree Services: 36.73% out of 95.33%
Tree Amigos: 50.30% out of 95.33%
Dickies 86.10% out of 95.33%

(It should be noted where percentage differences from the lowest price exceeds 100% the tenderer is awarded a score of zero for price.)

As a result of the scores above Dickies are recommended. They are currently performing the services under a short term contract to the satisfaction of the City and offer the best value for money overall.

PUBLIC CONSULTATION/COMMUNICATION

No public consultation has been required.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

No consultation with other agencies has been required.

STATUTORY AND LEGAL IMPLICATIONS

Section 3.57 of the Local Government Act 1995 states "A Local Government is required to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services".

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)****FINANCIAL IMPLICATIONS**

The budgets for amenity tree pruning are held in accounts; 487-21407-7129-000, 487-21407-7131-000 and various accounts under 449, 444, 443, 442. The overall budget totals are; 487-21407-7129-000 \$ 486,000 487-21407-7131-000 \$234,350 approximately \$62,450 across 449, 444, 443, 442.

The anticipated budget for tree pruning and chipping in the current financial year is \$782,800 with previous expenditure being \$782,800.

Providing an indication of the percentage increase from Year Three (the last year of the expired tender), is difficult to ascertain because the scope of the tender has changed from an hourly rate for tree pruning to a per tree rate in the new tender. However there are some elements of similarity between the expired tender and the new tendered rates that may serve as a reasonable indicator for comparison.

Dickies tendered rates in the third year of the expired contract for pruning from a 19m tower has remained the same as the new tendered rate. The City spent \$ 400,000 on pruning in 2010/2011 and has a budget of \$486,000 for pruning in the 2011/2012 budget. As there is no price change there will be no additional cost implication for the price of pruning from a 19m tower.

Dickies new tendered rates for chipping is 3% higher than the previous Year Three tender. Annual increases are noted as lower in the new tendered rates than compared to the previous tender. The City spent \$260,000 on chipping in 2010/2011.

The City is likely to spend \$267,386 on chipping in 2011/2012 at the new rates. There is \$234,350 in 487-21407-7131 account. The additional funding will come from jobs associated with 444, 449, 442 and 443 accounts.

As stated above it is difficult to compare the rates of pruning across for all elements from the expired tender to the new one as the City has not previously asked for a per tree rate. In managing this unknown, pruning lists will be generated on a weekly basis and costs will be carefully monitored during the initial phase of the new tender based on the modified pricing schedule. If it is demonstrated that the new pricing schedule does have an impact on the budget the City will either reduce scheduled pruning, prioritise pruning or review expenditure during the budget review in January 2012.

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)****STRATEGIC, ENVIRONMENTAL AND RISK MANAGEMENT IMPLICATIONS**

Amenity tree pruning is a task that the City cannot conduct using internal labour as it does not have the skilled staff or the required plant and equipment to undertake the works. The City has approximately 33,000 verge trees plus additional trees located in parks, bushlands and streetscapes. Tree pruning, removal and chipping is one of the largest risk areas and contractor costs in the Parks and Environment Service area. It requires a good regime of monitoring and rigorous processes to ensure safe and effective tree pruning works that provide value for money.

This contract does involve works addressing specialised vegetation clearance pruning around high voltage power lines. There is a risk that Western Power may change the minimum distance required and if this occurs it may result in additional pruning and therefore an additional cost to the City. The risk is considered to be unlikely but will have moderate consequences and therefore a medium rated risk. It is however unlikely Western Power will change their specifications in the next three years of the tender.

There is a high risk that the Occupational Safety and Health legislation (OSH) will change resulting in more responsibility for the City and contractor. The City currently has a rigorous process for tree pruning works. The process has been audited by internal and external auditors who have been satisfied with the current processes. Once the full implications of the new OSH legislation is known there may be some need to amend current safety processes however it is believed that this will be possible without a major financial or operational burden to the City.

POLICY IMPLICATIONS

Procurement of Goods and Services Policy CP-023.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

No alternate options have been identified.

CONCLUSION

The Council is required to consider this tender and the recommendation from the Contract and Tender Advisory Unit because the value of the contract exceeds the \$500,000 limit delegated to the Chief Executive Officer. It is the opinion of the Contract and Tender Advisory Unit that the tenderer recommended below should be accepted for the Supply of Amenity Tree Pruning for a Three Year Term with Option Period as the most advantageous. Dickies have performed well for the City historically and are continuing that performance on the current short term contract. They are experienced and offer the best value for money.

**C11/5195 – SUPPLY OF AMENITY TREE PRUNING FOR A THREE YEAR TERM WITH
OPTION PERIOD (CO15/11) (REC) (CONFIDENTIAL ATTACHMENTS)****EVALUATION PANEL RECOMMENDATION (5195) (CO15/11)****APPROVAL**

1. That the tender submitted by Sunspell Nominees Pty Ltd trading as Dickies Tree Service for the Supply of Amenity Tree Pruning for a Three Year Term with Option Period for the Schedule of Rates as specified, exclusive of GST, be accepted as the most advantageous.
2. That the tender for the Supply of Amenity Tree Pruning for a Three Year Term with Option Period be referred to Council for further consideration.

**CONTRACT AND TENDER ADVISORY UNIT RECOMMENDATION & COUNCIL
RESOLUTION (5195) (CO15/11)****APPROVAL**

That the tender submitted by Sunspell Nominees Pty Ltd trading as Dickies Tree Service for the Supply of Amenity Tree Pruning for a Three Year Term with Option Period for the Schedule of Rates as specified, exclusive of GST, be accepted as the most advantageous.

At 7.37pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/0)

C11/5000 – COMMON SEAL REGISTER (REC)

Ward	:	All
Category	:	Operational
Subject Index	:	Legal Matters and Documentation
Customer Index	:	City of Melville
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Standard Item
Works Programme	:	Not applicable
Funding	:	Not applicable
Responsible Officer	:	Bruce Taylor - Manager Information, Technology & Support

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when the Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

KEY ISSUES / SUMMARY

This report details the documents to which the City of Melville Common Seal has been applied for the period from 17 August 2011 up to and including 15 September 2011 and recommends that the information be noted.

C11/5000 – COMMON SEAL REGISTER (REC)

BACKGROUND

Section 2.5 of the Local Government Act 1995 states that a Local Government is a Body Corporate with perpetual succession and a common seal. A document is validly executed by a Body Corporate when the common seal of the Local Government is affixed to it by the Chief Executive Officer, and the Mayor and the Chief Executive Officer attest the affixing of the seal.

DETAIL

Register Reference	Party	Description	File Reference
499	City of Melville & Kids are Kids Therapy & Education Centre Inc.	Management Licence	2363074
526	City of Melville & Scout Association of Australia WA Branch - 1st Applecross	Deed of Lease	2447637
527	City of Melville & Scout Association - 1st Waylen Bay Branch	Deed of Lease	2438899
545	City of Melville & Deed of Variation to Licence - Capital Community Radio	Deed of Variation to include remainder of the building to be included in the Licensed Area of CCR	24724228
548	City of Melville	Renewal of Management Licence - Nulsen	2464317
576	City of Melville & The Minister for Transport	Point Walter Boat Ramps Upgrade - Detailed Designs Round 16 - 2011	2548701

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

C11/5000 – COMMON SEAL REGISTER (REC)**STATUTORY AND LEGAL IMPLICATIONS**

Section 2.5(2) of the Local Government Act 1995.

The local government is a body corporate with perpetual succession and a common seal.

Section 9.49. Documents, how authenticated.

A document, is, unless this Act requires otherwise, sufficiently authenticated by a local government without its common seal if signed by the CEO or an employee of the local government who purports to be authorised by the CEO to so sign.

FINANCIAL IMPLICATIONS

Not applicable.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Not applicable.

POLICY IMPLICATIONS

Not applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

This is a standard report for Elected Members information.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (5000)**NOTING**

That the action of His Worship the Mayor and the Chief Executive Officer in executing the documents listed under the Common Seal of the City of Melville from 17 August 2011 up to and including 15 September 2011, be noted.

At 7.37pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/0)

C11/6000 - INVESTMENT STATEMENTS (REC)

Ward	:	All
Category	:	Operational
Subject Index	:	Financial Statements and Investments
Customer Index	:	Not applicable
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Standard Item
Works Programme	:	Not applicable
Funding	:	Not applicable
Responsible Officer	:	Khris Yeoh - Senior Financial Accountant

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when the Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

KEY ISSUES / SUMMARY

- This report presents the investment statements for the month of August 2011 and recommends that the information detailed in the report be noted.
- No credit events were recorded in relation to the Council's Collateralised Debt Obligation (CDO) investments in August 2011.
- When compared to the valuations used as at 30 June 2010, valuations obtained from Denison Financial Advisory as at 31 August 2011 show that:
 - Authorised Deposit-taking Institutions (ADIs) have increased in value by \$92K.
 - CDOs have increased in value but dropped since 31 July due to the recent turmoil in the US, from \$5.72m to \$4.45m.

C11/6000 - INVESTMENT STATEMENTS (REC)

BACKGROUND

The City has cash holdings as a result of timing differences between the collection of revenue and its expenditure. Whilst these funds are held by the City, they are invested in appropriately rated and liquid investments.

The investment of cash holdings is undertaken in accordance with the Council's Investment of Funds Policy CP-009, with the objective of maximising returns whilst maintaining low levels of credit risk exposure.

DETAIL

Summary details of investments held at 31 August 2011 are shown in the table below.

CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 AUGUST 2011

SUMMARY BY FUND	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL	\$ 65,010,004	\$ 65,010,004	\$ 65,010,004	\$ -	0.00%
RESERVE	\$ 55,127,797	\$ 36,991,890	\$ 41,529,828	\$ 4,537,938	8.23%
TRUST	\$ 511,816	\$ 511,816	\$ 511,816	\$ -	0.00%
CRF	\$ 180,738	\$ 180,738	\$ 180,738	\$ -	0.00%
	\$ 120,830,354	\$ 102,694,447	\$ 107,232,385	\$ 4,537,938	3.76%

SUMMARY BY INVESTMENT TYPE	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
ADI	\$ 3,500,000	\$ 3,376,255	\$ 3,468,435	\$ 92,180	2.63%
CDO	\$ 19,720,000	\$ 1,707,838	\$ 6,153,596	\$ 4,445,758	22.54%
BOND	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
FRN	\$ 6,036,420	\$ 6,036,420	\$ 6,036,420	\$ -	0.00%
FRTD	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
TERM DEPOSIT	\$ 83,767,293	\$ 83,767,293	\$ 83,767,293	\$ -	0.00%
11AM	\$ 3,575,996	\$ 3,575,996	\$ 3,575,996	\$ -	0.00%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 120,830,354	\$ 102,694,447	\$ 107,232,385	\$ 4,537,938	3.76%

SUMMARY BY CREDIT RATING	PURCHASE PRICE \$	ESTIMATED BOOK VALUE 30/06/2010 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AA	\$ 31,530,658	\$ 31,530,658	\$ 31,530,658	\$ -	0.00%
AA-	\$ 56,049,051	\$ 56,031,321	\$ 56,045,171	\$ 13,850	0.02%
A+	\$ 7,800,000	\$ 7,800,000	\$ 7,800,000	\$ -	0.00%
A-	\$ 2,500,000	\$ 2,393,985	\$ 2,472,315	\$ 78,330	3.13%
BBB+	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ -	0.00%
CCC	\$ 1,500,000	\$ 76,950	\$ 310,950	\$ 234,000	15.60%
CCC-	\$ 3,600,000	\$ 376,140	\$ 342,180	\$ 33,960	-0.94%
NR	\$ 14,620,000	\$ 1,254,748	\$ 5,500,466	\$ 4,245,718	29.04%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 120,830,354	\$ 102,694,447	\$ 107,232,385	\$ 4,537,938	3.76%

C11/6000 - INVESTMENT STATEMENTS (REC)

The following statements detail the investments held by the City. Marketable investments are shown at their estimated market value (Estimated Market Value).

**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 AUGUST 2011**

INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	PROPORTION	MAX. PER INSTITUTION	FACE VALUE \$	BOOK VALUE AT 30/6/2010 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$
BANKWEST (11AM)		11AM	4.70%	AA	1%	20%	\$963,445		\$963,445	\$963,445
WESTPAC (MAXI DIRECT)		11AM	4.80%	AA-	1%	20%	\$1,400,000		\$1,400,000	\$1,400,000
WESTPAC (MAXI BONUS 1)		11AM	5.20%	AA-	1%	20%	\$1,212,551		\$1,212,551	\$1,212,551
WESTPAC (MAXI BONUS 2)		11AM	5.20%	AA-	0%	20%	\$0		\$0	\$0
							\$3,575,996		\$3,575,996	\$3,575,996
BANKWEST (TERM)		TERM	5.80%	AA	11%	20%	\$13,467,293		\$13,467,293	\$13,467,293
COMMONWEALTH BANK (TERM)		TERM	5.78%	AA	12%	20%	\$14,400,000		\$14,400,000	\$14,400,000
SUNCORP METWAY LTD (TERM)		TERM	6.00%	A+	5%	20%	\$6,300,000		\$6,300,000	\$6,300,000
IMB LTD		TERM	6.10%	A	1%	220%	\$1,000,000		\$1,000,000	\$1,000,000
NAB		TERM	5.82%	AA	18%	20%	\$21,236,500		\$21,236,500	\$21,236,500
ST GEORGE BANK (TERM)		TERM	5.88%	AA-	14%	20%	\$17,300,000		\$17,300,000	\$17,300,000
RABODIRECT (TERM)		TERM	6.00%	A+	1%	15%	\$1,500,000		\$1,500,000	\$1,500,000
WESTPAC (TERM)		TERM	5.87%	AA-	10%	20%	\$12,600,000		\$12,600,000	\$12,600,000
							\$87,803,793		\$87,803,793	\$87,803,793
COMMONWEALTH BANK (BOND)		BOND	5.90%	AA	2%	20%	\$2,000,000		\$2,000,000	\$2,000,000
							\$2,000,000		\$2,000,000	\$2,000,000
COMMONWEALTH BANK (FRN)		BOND	6.10%	AA	2%	20%	\$1,999,920		\$1,999,920	\$1,999,920
BANK OF QUEENSLAND (FLOAT RATE TD)		FRTD	6.42%	BBB+	2%	20%	\$2,000,000		\$2,000,000	\$2,000,000
							\$3,999,920		\$3,999,920	\$3,999,920
ADELAIDE BANK	Very Low	ADI	5.35%	A-	1%	10%	\$1,000,000	\$983,880	\$997,200	\$13,320
MACQUARIE BANK	Very Low	ADI	5.22%	A-	1%	15%	\$1,500,000	\$1,410,105	\$1,475,115	\$65,010
WESTPAC BANK	Very Low	ADI	5.23%	AA-	20%	20%	\$1,000,000	\$982,270	\$996,120	\$13,850
APHEX (GLENELG)	High	CDO	6.68%	NR	2%	0%	\$2,000,000	\$125,600	\$602,600	\$477,000
BERYL FINANCE GLOBAL BANK NOTE	Early Term.	CDO	0.00%	NR	2%	0%	\$2,000,000	\$1	\$1,200,000	\$1,199,999
BERYL FINANCE GLOBAL BANK NOTE 2	Early Term.	CDO	0.00%	NR	0%	0%	\$450,000	\$1	\$270,000	\$269,999
CORSAIR (CAYMAN) KAKADU	High	CDO	6.39%	CCC	1%	0%	\$1,500,000	\$76,950	\$310,950	\$234,000
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.64%	NR	2%	0%	\$1,885,000	\$23,000	\$40,716	\$17,716
ETHICAL LIMITED GREEN	High	CDO	5.99%	NR	1%	0%	\$1,000,000	\$11,000	\$124,600	\$113,600
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.69%	CCC-	1%	0%	\$1,800,000	\$355,140	\$324,180	-\$30,960
HELIUM CAPITAL (SCARBOROUGH)	High	CDO	6.83%	CCC-	1%	0%	\$1,800,000	\$21,000	\$18,000	-\$3,000
MAGNOLIA FLINDERS	Moderate	CDO	6.49%	NR	2%	20%	\$2,000,000	\$988,139	\$1,840,600	\$852,461
MANAGED ACES CLASS 11A PARKES	Very High	CDO	8.29%	NR	1%	0%	\$1,000,000	\$3,000	\$7,500	\$4,500
MANAGED ACES CLASS 1A PARKES	High	CDO	6.62%	NR	1%	0%	\$1,050,000	\$10,500	\$35,700	\$25,200
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.78%	NR	0%	0%	\$385,000	\$82,506	\$288,750	\$206,244
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	1%	0%	\$1,500,000	\$9,300	\$600,000	\$590,700
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	NR	0%	0%	\$500,000	\$1,700	\$150,000	\$148,300
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	1%	0%	\$850,000	\$1	\$340,000	\$339,999
							\$23,220,000	\$5,084,093	\$9,622,031	\$4,537,938
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%				\$230,645	\$230,645	\$230,645	\$0
TOTAL FUNDS INVESTED					100%		\$120,830,354	\$5,314,738	\$107,232,385	\$101,917,647

DIVERSIFICATION / CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments
AA	\$54,067,158	\$54,067,158	50%	80%	
AA-	\$33,512,551	\$33,508,671	31%	80%	
A+	\$7,800,000	\$7,800,000	7%	50%	
A	\$1,000,000	\$1,000,000	1%	50%	
A-	\$2,500,000	\$2,472,315	2%	50%	
BBB+	\$2,000,000	\$2,000,000	2%	20%	
CCC	\$1,500,000	\$310,950	0%	0%	Purchased Prior To Policy Change
CCC-	\$3,600,000	\$342,180	0%	0%	
NR	\$14,620,000	\$5,500,466	5%		
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	120,830,354	107,232,385	100%		

C11/6000 - INVESTMENT STATEMENTS (REC)
DIVERSIFICATION RISK

INSTITUTION	INVESTMENT TYPE	S & P RATING	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	INSTITUTION PROPORTION	MAX. % WITH ANY ONE INSTITUTION	Comments
BANKWEST (11AM)	11AM	AA	963,445	0.90%		20%	
BANKWEST (TERM)	TERM	AA	13,467,293	12.56%	13.46%	20%	
BANK OF QUEENSLAND (FLOAT RATE TD)	FRTD	BBB+	2,000,000	1.87%	1.87%	10%	
COMMONWEALTH BANK (TERM)	TERM	AA	14,400,000	13.43%		20%	
COMMONWEALTH BANK (FRN)	BOND	AA	1,999,920	1.87%			
COMMONWEALTH BANK (BOND)	BOND	AA	2,000,000	1.87%	17.16%	20%	
MACQUARIE BANK	ADI	A-	1,475,115	1.38%		15%	
MACQUARIE BANK (TERM)	TERM	AAA	-	0.00%	1.38%	20%	
NAB	TERM	AA	21,236,500	19.80%	19.80%	20%	
IMB LTD	TERM	A	1,000,000	0.93%	0.93%	220%	
ST GEORGE BANK (TERM)	TERM	AA-	17,300,000	16.13%	16.13%	20%	
RABODIRECT (TERM)	TERM	A+	1,500,000	1.40%	1.40%	15%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	1,212,551	1.13%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	1,400,000	1.31%		20%	
WESTPAC (TERM)	TERM	AA-	12,600,000	11.75%		20%	
WESTPAC BANK	ADI	AA-	996,120	0.93%	15.12%	20%	
ADELAIDE BANK	ADI	A-	997,200	0.93%	0.93%	10%	
SUNCORP METWAY LTD (TERM)	TERM	A+	6,300,000	5.88%		15%	
SUNCORP METWAY LTD	ADI	A-	-	0.00%	5.88%	15%	
CDO - Various	CDO		6,153,596	5.74%	5.74%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.22%	0.22%		
			\$107,232,385	100%	100%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	65,291,174	100%	100%	
< 2 years	-	0%	10%	
< 3 years	-	0%	10%	
< 4 years	-	0%	0%	
< 5 years	-	0%	0%	
> 5 years	-	0%	0%	
	65,291,174	100%		
RESERVE FUNDS				
< 1 year	24,997,927	60%	100%	
< 2 years	514,896	1%	80%	
< 3 years	2,453,550	6%	80%	
< 4 years	6,752,300	16%	40%	
< 5 years	3,999,920	10%	40%	
> 5 years	2,811,235	7%	20%	Purchased Prior To Policy Change
	41,529,828	100%		

C11/6000 - INVESTMENT STATEMENTS (REC)

The values ascribed to Authorised Deposit Taking Institutions (ADIs) by Council's independent financial advisers are based on current market evidence. Positive improvements in the market since 30 June 2010 are evident by an increase in market valuations. These valuations assume that the City will be required to sell these investments prior to maturity. The City is however a holder to maturity of these investments as there is no need to sell ADIs. There is therefore no reason to expect that any losses will be incurred. Recent repurchases by the issuing banks at their full value supports this view.

Since 30 June 2009 \$14,000,000 worth of ADIs has been repurchased by the issuing banks. These had been written down in previous financial years, to a book value of \$13,743,550. A book profit of \$256,450 has therefore been realised. The City expects that further ADIs will be repurchased by the issuing banks as they reach their call dates over the next eight months.

Due to the absence of an active market for CDOs and the ongoing uncertainty in financial markets, the City adopted a very conservative approach when valuing its CDOs for year end reporting purposes.

Monthly valuations shown for 31 August 2011 were provided by the Council's independent financial adviser Denison Financial Advisory. When compared to the valuations used as at 30 June 2010, valuations obtained from Denison as at 31 August 2011 show that:

- ADIs have increased in value by \$92,180.
- CDOs have increased in value by \$4.45 million.

Values for August have come down slightly when compared to values as at 31 July, from \$5.72m to \$4.45m. This was a result of the recent turmoil in the US regarding the debt ceiling agreement and the subsequent downgrade by S&P of its credit rating.

Lehman Brothers arranged CDOs have experienced an increase, as heightened investor expectations of a favourable ruling in the courts grew which will result in an early termination and Council gaining access to the collateral representing the Council's original investments which are held by the Trustees.

All other non Lehman Brothers arranged CDOs continue to pay coupon payments (albeit some at reduced levels due to the erosion of credit support and therefore underlying principal) and this is expected to continue. Based on independent advice from a number of sources, the City's policy has been to continue to hold these investments to maturity unless opportunities to sell at realistic values are presented. No realistic offers have been received to date.

It should be noted that CDOs are structured in such a manner so as to provide for a level of defaults of a number of the entities referenced by the CDOs before there is loss of value at maturity of the CDOs themselves.

Further investment in CDOs is specifically excluded under the City's current Investment Policy.

C11/6000 - INVESTMENT STATEMENTS (REC)**Credit Ratings and Credit Events**

There were no credit events or defaults in August that affected the Council's CDO investments.

Twenty credit events impacting the Council's CDO investments have now been recorded to date. The Companies involved are AMBAC Financial, Takefuji, AMBAC Assurance, AIFUL, Tribune, Thomson, Financial Guaranty Insurance Company (FGIC), XL Capital Assurance, Bank TuranAlem, Idearc, Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), Lehman Brothers, WaMu, Glitnir, Kaupthing, Landsbanki, Chemtura, Abitibi and CIT Group. This has resulted in a loss of \$3.486m to date, as detailed below:

- The total loss (\$1.5m) of the Starts Cayman Blue Gum CDO with a face value of \$1.5m.
- The partial loss (\$0.924m) of the Corsair Cayman Torquay CDO with a face value of \$1.885m.
- The partial loss (\$0.592m) of the Helium Capital Scarborough CDO with a face value of \$1.8m.
- The partial loss (\$0.47m) of the Managed Aces Class Parkes IIA CDO with a face value of \$1.0m.

A portion (approximately \$1.5m as at 30 June 2010) of the Risk Management Reserve was created to fund losses arising from Council's investment activities. \$1.5m has since been applied against this Reserve, from the total loss of the Starts Cayman Blue Gum CDO.

Where losses exceed the available funds, these will be prorated and deducted across the Council's other Reserve Funds excluding the Leave Entitlement and the remainder of the Risk Management Reserve. These Reserve funds are restricted to the payment of employee entitlements and contingent Workers Compensation Insurance Claims.

The impact of these credit events on each of the Council's CDOs is shown below.

C11/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Aphex Glenelg Arranger: Nomura International \$2.0m	6 credit events: Takefuji, AIFUL, Tribune, Thomson, Lehman's, Landsbanki & CIT Group.	3	3.8	
Beryl Finance Global Bank Note Arranger: Lehman Brothers \$2.45m	Nil credit events:	1	N/A	Being terminated due to trustee taking control of underlying security.
Corsair Cayman Kakadu Arranger: J.P. Morgan Australia \$1.5m	9 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, Kaupthing & CIT Group.	3	5	
Corsair Cayman Torquay Arranger: J.P. Morgan Australia \$1.885m	8.5 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Freddie Mac, Lehman, WaMu, Glitnir, Kaupthing & CIT Group.	0 (-0.39)	1	Partial loss (49%) of principal has occurred. Very high likelihood of total default.
Ethical Limited Green Arranger: J.P. Morgan Australia \$1.0m	7.5 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Lehman's, WaMu, Glitnir, Kaupthing & CIT Group.	0.6	1.9	High likelihood of total default.
Helium Capital Esperance Arranger: Merrill Lynch International \$1.80m	2.5 credit events: Idearc, Tribune, Thomson, Lehman's & CIT Group.	1.5	3.2	

C11/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Helium Capital Scarborough Arranger: Merrill Lynch \$1.8m	7.0 credit events: AMBAC Financial, AIFUL, Idearc, Freddie Mac, Fannie Mae, Tribune, Lehman's, Kaupthing & Landsbanki.	-0.5	1	Partial loss (32.9%) of principal has occurred. Very High likelihood of total default.
Magnolia Flinders Arranger: Credit Suisse First Boston \$2.0m	Nil CDO defaults:	N/A	N/A	A "CDO-squared" of four individual standard CDOs.
Managed Aces Class Parkes 1A Arranger: Morgan Stanley \$1.05m	8.0 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu & CIT Group.	1	3	High likelihood of total default.
Managed Aces Class Parkes 11A Arranger: Morgan Stanley \$1.0m	9.0 credit events: AMBAC Assurance, AIFUL, FGIC, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu & CIT Group.	0 (-0.5)	1	Partial loss (47%) of principal has occurred. Very high likelihood of total default.
Omega Capital Class A Henley Arranger: BNP Paribas \$0.385m	6.0 credit events: AMBAC Assurance, Freddie Mac, Fannie Mae, Thomson, Lehman's & CIT Group.	5	5.9	
Starts Cayman Blue Gum Arranger: HSBC Bank USA \$1.50m	10.0 credit events: AMBAC Financial, Bank TuranAlem, Freddie Mac, Fannie Mae, Lehman's, WaMu, Glitnir, Kaupthing, Landsbanki & CIT Group.	Defaulted	Defaulted	Total loss of principal and investment CDO has defaulted.

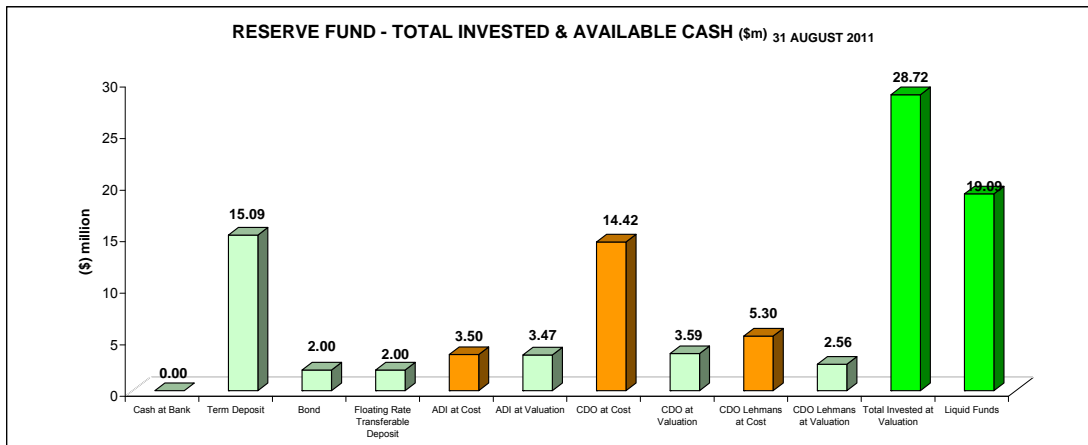
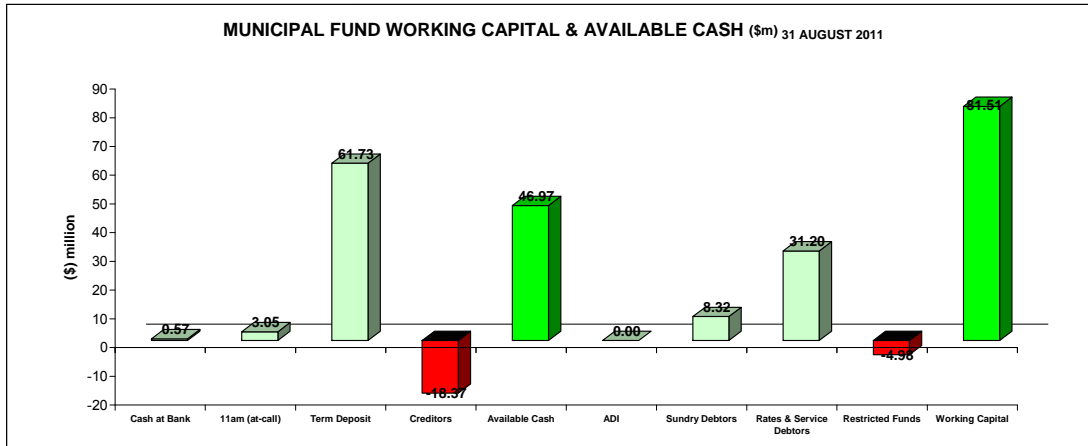
C11/6000 - INVESTMENT STATEMENTS (REC)

CDO Arranger Face Value	No. of Credit Events	Remaining Credit Support before FIRST Loss of Principal	Remaining Credit Support before TOTAL Loss of Principal	Comments
Zircon Finance Coolangatta Arranger: Lehman Brothers \$1.50m	8.0 credit events: Ambac Assurance, Aiful, FGIC, Freddie Mac, Fannie Mae, WaMu, Chemtura & Cit Group.	4.7	6.5	Being terminated due to trustee taking control of underlying security.
Zircon Finance Merimbula A Arranger: Lehman Brothers \$0.50m	8.0 credit events: Ambac Assurance, Aiful, FGIC, Freddie Mac, Fannie Mae, WaMu, Chemtura & Cit Group.	2.9	3.7	Being terminated due to trustee taking control of underlying security.
Zircon Finance Miami Arranger: Lehman Brothers \$0.85m	7.0 credit events: Ambac Assurance, Aiful, Thomson, Freddie Mac, Fannie Mae, Abitibi & CIT Group.	8.4	10.1	Being terminated due to trustee taking control of underlying security.

C11/6000 - INVESTMENT STATEMENTS (REC)

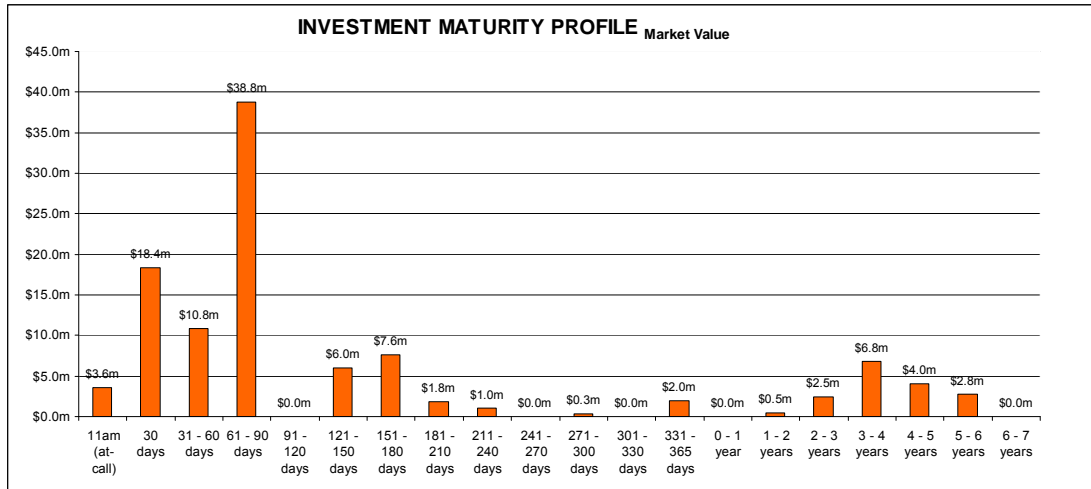
Net Funds Held

The graphs below summarise the Municipal Fund working capital and available cash and the funds held in the Reserve Fund at purchase price and last valuation, for August 2011.



C11/6000 - INVESTMENT STATEMENTS (REC)

The graph below summarise the maturity profile of the Council's investments at market value as at 31 August 2011.



PUBLIC CONSULTATION/COMMUNICATION

This report is available to the public on the Council's web-site and hard copies of this agenda and attachments are available for viewing at the Council's five public libraries.

In addition the Council's bi-monthly newsletter, Mosaic, has contained several articles that highlight this issue. Numerous press articles have also been published on this topic.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Denison Financial Advisory, the City's current investment Advisor, continues to review the current investment portfolio and we will continue to work with them to review the City's investment strategy going forward.

In 2007 Price Waterhouse Coopers (PWC) were engaged to provide advice in regards to the appropriateness of the City's investment strategy in light of the recent volatility in the credit markets. Following the receipt of their report and further clarification, a revised investment policy was adopted.

The Department of Local Government and Regional Development issued Investment Policy Guidelines during 2008, well after the global financial crisis, and the Council's investment policy has been amended in December 2009 to give effect to the guidelines.

C11/6000 - INVESTMENT STATEMENTS (REC)**STATUTORY AND LEGAL IMPLICATIONS**

The following legislation is relevant to this report:

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

The legal firm Piper Alderman have been engaged to seek recovery of any losses that may eventually be realised and to seek early termination of the Lehman arranged CDOs, so that the Council gains access to the more valuable collateral representing the Council's original investments which are held by Trustees for the Lehman Brothers arranged CDOs.

In conjunction with approximately 72 other corporations and local government authorities the City of Melville has engaged litigation funder IMF Australia to seek recovery of book losses from Lehman Brothers Australia. Whilst the decisions taken by the various courts have been positive for the City the legal process is lengthy and it will still be some time before certainty is achieved.

Legal actions are taking place between the United Kingdom (UK) and United States (US) courts as to whose laws should be applied in respect of the Lehman Brothers arranged CDOs, which is subject of an early termination. Lehman Brothers was successful in gaining the right to appeal the current UK judgement in favour of investors to the Supreme Court of England and Wales. This is the highest possible court whose decision will bring finality to the legal process in the UK. It is therefore likely that the legal process will continue for at least another year as the US court has not yet issued its first judgement, which is almost certain to be appealed.

As previously mentioned, the likelihood of this happening can be demonstrated by the upward valuations in these CDOs over the past months.

FINANCIAL IMPLICATIONS

For the period ending 31 August 2011, interest earned on:

- Municipal and Trust Funds was \$460,477 against a year to date budget of \$318,678. This represents a \$141,799 positive variance.
- Reserve Funds was \$231,113 against a year to date budget of \$90,854. This represents a \$140,259 positive variance.

Investment earnings received in respect to CDO investments since 1 July 2007 has been \$4.28m and \$2.83m in respect to ADIs.

In accordance with the Council's Investment Policy, any surplus investment returns derived as a result of investing in ADIs, CDOs, Bonds, Floating Rate Notes and Term Deposits when compared to the average 90 day Bank Bill rate, will be transferred to the Risk Management Reserve.

C11/6000 - INVESTMENT STATEMENTS (REC)

Due to Lehman Brothers entering into Chapter 11 bankruptcy proceedings, the City has not received interest payments on the \$5.3m face value of Lehman Brothers arranged CDOs. At this time we understand that interest on the underlying collateral is being retained by the trustee who has taken control of that collateral.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The Council's investment policy was constructed to minimise credit risk through investing in highly rated securities and diversification. The policy also incorporates mechanisms that protect the Council's investments from undue volatility risk as well as the risk to reputation as a result of investments that may be perceived as unsuitable by the Community.

No other identifiable strategic, risk and environmental management implications.

Due to the continuing credit market concerns overseas, the risks associated with the Council's investment portfolio in CDOs also increased to levels which are of concern. Whilst the Council continues to earn and be paid interest from its non Lehman arranged CDOs, the reassessment by the major rating agencies of their credit risk models used to assess the credit ratings associated with CDO portfolios, has resulted in significant downgrading of CDO investments to credit rating levels that do not meet the Council's investment policy.

Due however to the lack of an active market for CDOs, these investments must continue to be held unless opportunities to sell at realistic values are presented.

The risk of loss due to the default of some of the CDOs is very high whilst the risk of loss due to the default of deposits with banks or ADIs is considered extremely low.

In response to the current market conditions, funds are currently being invested for short periods and/or only with highly credit rated Australian banking institutions.

POLICY IMPLICATIONS

Council Policy CP-009 – Investment of Funds.

The Investment Policy was reviewed and readopted at the Ordinary Meeting of Council held on 15 December 2009 and is considered to represent a low risk approach to investing.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

C11/6000 - INVESTMENT STATEMENTS (REC)**CONCLUSION**

Whilst the situation regarding the CDO investments remains tenuous with the loss of one and the partial default/loss of three other CDO investments, the full impact of the book value devaluation of these investments was accounted for in the previous financial years. No further material devaluations are expected over the course of the current and future financial years.

Council officers in conjunction with Council's investment advisor will continue to monitor the situation regarding CDO investments and report this on a monthly basis. Based on independent advice received from various sources, the City's policy is to continue to hold these investments to maturity unless opportunities to sell at realistic values are presented. No realistic offers have been received to date.

The City also expects that the remaining three ADIs with a total face value of \$3.5m, will be repurchased by the issuing banks as they reach their call dates over the next eight months.

As a result of improved book values of previously written down investments, continuing cost savings/efficiencies, alternative revenue generation projects and the strong investment returns that have been realised over the past years, the value of Council's Reserve funds have been restored to in excess of pre global financial crisis levels.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6000)**NOTING**

That the Investment Report for the month of August 2011 be noted.

At 7.38pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/0)

C11/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : Financial Statement and Investments
 Customer Index : Not applicable
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Standard Item
 Works Programme : Not Applicable
 Funding : 2011/2012 Budget
 Responsible Officer : Khris Yeoh
 Senior Financial Accountant

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>when the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>the substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>when the Council review decisions made by Officers.</i>
<input type="checkbox"/>	Quasi-Judicial	<i>when the Council determines an application/matter that directly affects a person's right and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licences, applications for other permits/licences (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

C11/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)

KEY ISSUES / SUMMARY

This report presents details of the payments made to suppliers for the provision of goods and services for the month of August 2011 and recommends that the Schedule of Accounts be noted.

BACKGROUND

Delegated Authority DA-035 has been granted to the Chief Executive Officer to make payments from the Municipal and Trust Funds. This authority has then been on-delegated to the Director Corporate Services. In accordance with Regulation 13.2 and 13.3 of the Local Government (Financial Administration) Regulations 1996, where this power has been delegated, a list of payments for each month is to be compiled and presented to Council. The list is to show each payment, payee name, amount and date of payment and sufficient information to identify the transaction.

DETAIL

The Schedule of Accounts for the month ending 31 August 2011, [6001 August 2011](#) including Payment Registers numbers **Cheques 239 to 244** and Electronic Funds Transfers **211 to 212** were distributed to the Members of Council on the 11 October 2011.

Payments in excess of \$25,000 in the month are as follows:-

Supplier Name	Remittance Number	Remittance Details	Amount
Alinta Gas	Chqs 044583 & 044796	Gas Supply	\$25,287.38
Amcom Telecommunications	E025595 & E025540	Data Line Rental	\$49,808.00
Australia Post Perth	E025354	Mail	\$30,036.48
Australian HVAC Services	E025549 & E025361	Air Conditioning Maintenance	\$34,837.35
Badge Constructions (WA) Pty Ltd	E025418	Progress Claim 4 for Melville Aquatic Fitness Centre Redevelopment	\$118,782.49
CPD Group	E025453 & E025622	Painting at Canning Bridge Library & Progress Claim 1 for Kardinya Park Hall	\$58,056.35
Department of Transport	Chqs 044666, 044788 & 044579	Motor Vehicle Licence Renewals	\$38,562.61
Dickies Tree Service	E025288 & E025482	Tree Lopping Service	\$38,018.50
Downer EDI Works Pty Ltd	E025409 & E025585	Road Resurfacing	\$492,409.72
Dowsing Concrete	E025464 & E025629	Concrete Works	\$369,562.99
Fire & Emergency Services Authority WA	E025594	ESL Remittance for July 2011	\$1,017,044.13
Flexi Staff	E025500 & E025313	Staff Hire	\$71,845.06
Glad Commercial Cleaning	E025407 & E025584	Cleaning Services	\$55,406.82
Hays Specialised Recruitment	E025598, E025424 & E025426	Temporary Employment	\$32,456.89
Jani King Pty Ltd	E025380	Cleaning Services	\$25,663.70
Mountway Melville Hyundai	Chq 044564	Hyundai Santa-Fe Elite	\$40,326.30
Pearmans Electrical & Mechanical Services	Chqs 044824 & 044605	Electrical Maintenance	\$36,643.67

C11/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)

Supplier Name	Remittance Number	Remittance Details	Amount
Quayclean Australia Pty Ltd	E025578	Cleaning Services	\$70,381.77
Rhysco Electrical Services	E025400 & E025579	Electrical Maintenance	\$73,594.01
Robinson Buildtech	E025491 & E025302	Building Maintenance	\$45,262.25
Southern Metropolitan Regional Council	E025559	Green Waste Gate Fees for July 2011 & MSW Gate Fees for August 2011	\$262,967.54
Synergy	Chqs 44757 & 44565	Electricity Supply	\$225,475.60
Syrinx Environmental Pty Ltd	Chq 044593	Consultancy for Point Walter Foreshore	\$35,332.55
Western Power	Chq 044756	Attadale UGP Cash Call 4	\$800,000.00
Yarnell Pty Ltd	E025589	Progress Claim for Melville Beach Road Foreshore Revetment Works	\$76,483.00

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

This report meets the requirements of the Local Government (Financial Management) Regulations 1996 Regulation 11 - Payment of Accounts, Regulation 12 - List of Creditors and Regulation 13 - Payments from the Trust Fund and the Municipal Fund.

FINANCIAL IMPLICATIONS

Expenditures were provided for in the 2010/2011 Budget.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

No other identifiable strategic, risk and environmental management implications.

POLICY IMPLICATIONS

Not Applicable

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

C11/6001 – SCHEDULE OF ACCOUNTS (REC) (ATTACHMENT)**CONCLUSION**

This is a regular monthly report for Elected Members information.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6001)**NOTING**

That the Schedule of Accounts for the month ending 31 August 2011 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 August 2011](#) be noted.

At 7.39pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (11/0)

C11/6002 – FINANCIAL STATEMENTS FOR AUGUST 2011 (AMREC) (ATTACHMENT)

Ward : All
 Category : Operational
 Subject Index : Financial Reporting - Financial Statements
 Customer Index : Not applicable
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : Standard Item
 Works Programme : Not applicable
 Funding : Not applicable
 Responsible Officer : Khris Yeoh - Senior Financial Accountant

AUTHORITY / DISCRETION

DEFINITION

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KEY ISSUES / SUMMARY

- This report presents the financial statements for the period ending 31 August 2011 and recommends that they be noted by the Council.
- This report presents budget amendments for the period ending 31 August 2011 and recommends that they be adopted by Absolute Majority.
- Money expended in an emergency:
 - As a result of the fire at the Civic Centre, unbudgeted expenditure of \$390,351 has been expended since the day of the fire from Municipal funds.

C11/6002 – FINANCIAL STATEMENTS FOR AUGUST 2011 (AMREC) (ATTACHMENT)

BACKGROUND

The Financial Statements for the period ending 31 August 2011 have been prepared and tabled in accordance with the Local Government (Financial Management) Regulations 1996 as amended.

DETAIL

The attached reports have been prepared in compliance with the requirements of the legislation and Council policy.

To 31 August 2011, a net operating positive variance of \$0.82m was recorded. A net positive variance of \$1.34m was recorded against capital.

Variations

A summary of variations is included below.

	August Actual \$	YTD Budget \$	YTD Actual \$	Current Commitments \$	Variance \$	Variance %	Annual Budget \$	Annual Revised Budget \$
Revenues								
General Purpose Funding	1,150,744	1,789,958	2,124,734	-	334,776	19%	8,068,771	8,038,771
Transport	496,441	2,356,332	1,889,007	(250)	(467,575)	-20%	4,379,770	4,816,255
Other Property and Services	397,841	4,043,435	4,122,216	-	78,781	2%	491,281	3,641,306
	3,097,387	27,358,185	27,292,702	(1,795)	(67,279)	0%	41,010,932	45,145,877
Expenses								
Governance	(576,430)	(4,627,462)	(2,790,602)	(1,316,774)	520,087	-40%	(15,632,267)	(15,808,180)
General Purpose Funding	(1,037,580)	(995,721)	(1,051,117)	(87,571)	(142,967)	6%	(2,903,840)	(2,903,840)
Law, Order, Public Safety	(343,657)	(680,501)	(525,417)	(67,143)	87,941	-23%	(3,598,560)	(3,670,586)
Education & Welfare	(473,862)	(978,312)	(772,748)	(76,969)	128,595	-21%	(5,460,056)	(5,470,565)
Community Amenities	(1,337,932)	(2,793,391)	(2,026,656)	(1,007,947)	(241,212)	-27%	(18,233,961)	(18,528,991)
Recreation and Culture	(2,437,971)	(4,561,931)	(3,680,892)	(940,429)	(59,390)	-19%	(25,508,929)	(25,564,083)
	(8,265,522)	(18,096,009)	(13,627,350)	(4,189,336)	279,323	-25%	(85,495,791)	(86,101,085)

Revenue

\$50.88m in Rates has been raised to 31 August 2011. This is compared with a year to date budget of \$50.75m, resulting in a positive variance of \$0.13m.

Money Expended in an Emergency

As a result of a recent fire at the Civic Centre, unbudgeted expenditure of \$390,351 has been expended since the day of the fire from Council's Municipal funds. It is anticipated that the costs incurred, less the City's \$10,000 insurance excess and any betterment, will be recouped from our insurers in the 2011/12 financial year. Officers will continue to report to Council, on the progress of expenditures.

C11/6002 – FINANCIAL STATEMENTS FOR AUGUST 2011 (AMREC) (ATTACHMENT)

Some of the major expenditure items include:

- The removal of fire damaged items : \$29K
- Fire damage repairs to date : \$43K
- Purchase of a new scanner/printer : \$60K

Quotations for the balance of works to be undertaken have been received and forwarded to the City's insurers for acceptance with the works expected to be undertaken over the remainder of 2011.

Budget Amendments

Details of Budget Amendments requested during the month of August 2011 are shown in attachment [6002J August 2011](#). Some of these amendments have been carried out to reflect the appropriate responsible officers, correction of account numbers and the creation of new budgets for the sale of land.

Rates Collections and Debtors

Details of Rates and Sundry debtors are shown in attachment 6002L, 6002M and 6002N.

Rates, Refuse & FESA payments totalling \$38million, were collected over the course of the month. Rate collection progress for the month of August was 4.3% above target, and 61.3% of the 2011/12 rates was collected as at 31 August 2011 which compares favourably to the 56.2% collected at the same time last year due to the earlier issue of rate notices this year.

The total sundry debtors balance decreased by \$30K over the course of the month. The 90+ day's debtor balance decreased from \$28K to \$15K.

The following attachments form part of the Attachments to the Agenda.

DESCRIPTION	LINK
Statement of Financial Activity – August 2011	6002A August 2011
Operating Statements by Program – August 2011	6002B August 2011
Representation of Working Capital – August 2011	6002E August 2011
Reconciliation of Net Working Capital – August 2011	6002F August 2011
Notes on Operating Statements reporting on variances of 10% or greater – August 2011	6002H August 2011
Details of Budget Amendments requested – August 2011	6002J August 2011
Summary of Rates debtors – August 2011	6002L August 2011
Graph showing Rates collections – August 2011	6002M August 2011
Summary of general debtors aged 90 days old or greater – August 2011	6002N August 2011
Detail of Debts Written Off for the Month – August 2011	Not Applicable

C11/6002 – FINANCIAL STATEMENTS FOR AUGUST 2011 (AMREC) (ATTACHMENT)**Granting Of Concession Or Writing Off Debts Owed To The Council**

Delegation DA-032 empowers the Chief Executive Officer (CEO) to grant concessions and rates off monies owing to the City to a limit of \$10,000 for any one item. The CEO has partially on-delegated this to the Director Corporate Services to write off debts or grant concessions to a value of \$5,000. The delegation is conditioned on the basis that a quarterly report detailing any debts written off is to be submitted to the Council.

No debts were written off, for the month of August 2011.

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

Local Government Act 1995 Division 3 – Reporting on Activities and Finance Section 6.4 – Financial Report.

Local Government (Financial Regulations) 1996 Part 4 – Financial Reports
Regulation 34 of the Local Government (Financial Management) Regulations 1996 as amended in March 2005, requires that:

- (1) A local government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail -
 - (a) annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c);
 - (b) budget estimates to the end of the month to which the statement relates;
 - (c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;
 - (d) material variances between the comparable amounts referred to in paragraphs (b) and (c); and
 - (e) the net current assets at the end of the month to which the statement relates.
- (2) Each statement of financial activity is to be accompanied by documents containing-
 - (a) an explanation of the composition of the net current assets of the month to which the statement relates, less committed assets and restricted assets;
 - (b) an explanation of each of the material variances referred to in sub-regulation (1)(d); and
 - (c) such other supporting information as is considered relevant by the local government.

C11/6002 – FINANCIAL STATEMENTS FOR AUGUST 2011 (AMREC) (ATTACHMENT)

- (3) The information in a statement of financial activity may be shown-
 - (a) according to nature and type classification;
 - (b) by program; or
 - (c) by business unit.

- (4) A statement of financial activity, and the accompanying documents referred to in sub-regulation (2), are to be-
 - (a) presented to the Council-
 - (i) at the next ordinary meeting of Council following the end of the month to which the statement relates; or
 - (ii) if the statement is not prepared in time to present it to the meeting referred to in subparagraph (i), to the next ordinary meeting of Council after that meeting;and
 - (b) recorded in the minutes of the meeting at which it is presented.

- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with AAS 5, to be used in statements of financial activity for reporting material variances.

The variance adopted by the Council at its meeting held on 28 June 2011, which also adopted the 2011/12 Budget, was 10% or \$50,000 whichever is greater.

Local Government Act 1995 Division 4 – General Financial Provisions Section 6.12; Power to defer, grant discounts, waive or write off debts.

FINANCIAL IMPLICATIONS

At this stage it is anticipated that the surplus for the 2010/11 financial year will be in excess of \$5m, of which \$1.86m is earmarked to help fund the 2011/12 budget. This will become finalised once the accounts for 2010/11 have been audited by our external auditors.

The majority of variances identified for the period ending 31 August 2011 are a result of minor phasing issues.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

No identifiable strategic, risk and environmental management implications.

POLICY IMPLICATIONS

The format of the financial statements as presented to the Council and the reporting of significant variances is undertaken in accordance with the Council's Accounting Policy CP-025.

C11/6002 – FINANCIAL STATEMENTS FOR AUGUST 2011 (AMREC) (ATTACHMENT)

CONCLUSION

The attached reports reflect a positive financial position of the City of Melville for 31 August 2011.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6002)

ABSOLUTE MAJORITY

At 7.39pm Cr Ceniviva moved, seconded Cr Subramaniam -

1. That the Statements of Financial Activity and the Operating Statements for the financial year to date ending 31 August 2011 as detailed in the following attachments be noted:

DESCRIPTION	LINK
Statement Of Financial Activity – August 2011	6002A August 2011
Operating Statements By Program – August 2011	6002B August 2011
Representation Of Working Capital – August 2011	6002E August 2011
Reconciliation Of Net Working Capital – August 2011	6002F August 2011
Notes On Operating Statements Reporting On Variances Of 10% Or Greater – August 2011	6002H August 2011
Details of Budget Amendments requested – August 2011	6002J August 2011
Summary Of Rates Debtors – August 2011	6002L August 2011
Graph Showing Rates Collections – August 2011	6002M August 2011
Summary Of General Debtors Aged 90 Days Old Or Greater – August 2011	6002N August 2011
Detail of Debts Written Off – August 2011	<u>Not Applicable</u>

2. That by Absolute Majority Decision the budget amendments, as listed in the Budget Amendment Reports for August 2011, as detailed in attachment [6002J August 2011](#), be adopted.

At 7.40pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (11/0)

15. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

16. EN BLOC ITEMS

At 7.40pm Cr Robartson moved, seconded Cr Wieland -

That the recommendations for items P11/3252, P11/3254, M11/5194, C11/5195, C11/5000 C11/6000 and C11/6001 be carried En Bloc.

At 7.40 pm the Mayor submitted the motion, which was declared

CARRIED (11/0)

17. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

His Worship the Mayor took the opportunity to acknowledge and thank the departing Elected Members, Crs Ceniviva, Halton and Wieland.

Cr Ceniviva expressed his sincere gratitude for the opportunity to serve on the Council for 25 years. Cr Ceniviva said his interest in community matters commenced in 1972 when he took on the role of Treasurer and then President of the City of Melville Ratepayers and Residents Association and explained how his role as an Elected Member has enriched his life. Cr Ceniviva thanked Elected Members and Officers.

Cr Barton thanked Cr Ceniviva and advised that it was the City of Melville Ratepayers and Residents Association endorsement that saw Cr Barton elected to the role of Councillor for the Bicton/Attadale Ward.

Cr Halton said it was a privilege to have served on the Council and as a member on a number of Community and Advisory Committees. Cr Halton thanked Elected Members and Officers and congratulated Cr Elect Richard Hill.

Cr Wieland expressed his thanks to all for their support.

The Chief Executive Officer said it had been a privilege working with the Councillors over the past four years and expressed his admiration for the effort and time Councillors give to their role.

Cr Robartson nominated the retiring Mayor of the City of Armadale, Mayor Linton Reynolds, and the retiring Shire President of the Shire of Esperance, Cr Ian Mickel, to receive written acknowledgement from His Worship the Mayor R A Aubrey on behalf of the City of Melville. Both retiring members have made a significant contribution to their respective Councils and to the local government.

18. CLOSURE

There being no further business to discuss, His Worship the Mayor declared the meeting closed at 7.56pm.