

MINUTES

OF THE

ORDINARY MEETING OF COUNCIL

HELD ON

21 FEBRUARY 2012

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, 21 FEBRUARY 2012.

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

Deputy Mayor Cr C Robartson
Cr R Willis
Cr N Pazolli, Cr P Reidy
Cr A Nicholson, Cr D Macphail
Cr J Barton, Cr S Taylor-Rees
Cr R Hill
Cr N Foxtton, Cr M Reynolds

WARD

Bull Creek/Leeming
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 C Young	Director Community Development
Mr S Cope	Director Urban Planning
Mr J Christie	Director Technical Services
Mr L Hitchcock	Executive Manager Legal Services
Mr P Prendergast	Manager Planning & Development Services
Mr B Taylor	Manager Information, Technology & Support
Mr J Clark	Governance & Compliance Program Manager
Ms S Hauser (Until 6.40pm)	Safety Coordinator
Mr N Fimmano	Governance & Property Officer
Ms D Beilby	Minute Secretary

At the commencement of the meeting there were five 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

Cr Kinnell – Palmyra-Melville-Willagee 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**ADVICE OF CORRECTION OF PREVIOUS INFORMATION GIVEN AT ANNUAL GENERAL MEETING OF ELECTORS**

At the Annual General Meeting of Electors held on 8 December 2011 Mr Nielsen, of Booragoon (Question 8.1) referred to a meeting that City of Melville Officers attended on 27 May 2010. The response provided was that (as recorded in the minutes) "The City does not have a record of City officers attending the community information meeting arranged by Western Power on 27/5/2010 and it is considered unlikely that the City was represented at that meeting". It has been established that Mr Steve Cope, Director Urban Planning and Mr John Christie, Director Technical Services did attend the meeting arranged by Western Power held on 27 May 2010. Mr Nielsen has been advised in writing of the Officers attendance and this Advice Note is provided to note the correction.

QUESTIONS TAKEN ON NOTICE FROM ANNUAL GENERAL MEETING 8 DECEMBER 2011

At the Annual General Meeting of Electors held on Thursday, 8 December 2011 the following questions were taken on notice. Questions 8.2 (2) and (6) and Question 9 were taken on notice. Question 9 was responded to in writing to Mr J McMillan-Brown and Mr K McMillan Brown and the response was included in the Minutes of the Ordinary Meeting of Council 20 December 2011. Responses to Questions 8.2 (2) and (6) were responded to in writing by the Director Urban Planning and are provided below.

**8.2 Mr J McMillan-Brown and Mr K McMillan-Brown – Property Owners
Ogilvie Road/Helm Street and Kishorn Road, Mount Pleasant**Question 2

14/8/2001

Submission to Council for equity in planning in Canning Bridge Frame. Requested to be treated in the same manner as other developers. This was presented to the Chief Executive Officer (CEO) Mr J McNally. There has been no response by Council.

Response

The Submission to Amendment 1 of Community Planning Scheme No 5 was received on 16 August 2001 and reported as part of the amendment process. The request for 18 Ogilvie Road to be considered as part of the DC1 precinct has been further investigated as part of the Canning Precinct Vision.

**Questions Taken On Notice From Annual General Meeting 8 December 2011
(Continued)****8.2 Mr J McMillan-Brown and Mr K McMillan-Brown – Property Owners
Ogilvie Road/Helm Street and Kishorn Road, Mount Pleasant (Continued)**Question 6

How many studies of the Canning Bridge area have been carried out since 1975? As property owners we have attended three, as well as numerous meetings with the Council Officers and GHD Consultants.

Response

There have been several studies into the Canning Bridge Precinct since 1975 (approximately eight not including introduction of new Town Planning Schemes). The reports from these studies were considered during the preparation of the Canning Bridge Precinct Vision.

7. AWARDS AND PRESENTATIONS**Local Government Insurance Services Gold Safety Award**

Mr Leon Lawrence, Chief Executive Officer, Local Government Insurance Services, presented the Gold Safety Award to His Worship the Mayor.

In August 2011, the City of Melville's Health and Safety Management System was audited by the City's insurers, Local Government Insurance Services (LGIS). The Australian Standard 4801:2001 was used as a foundation for the audit that found the City to have an "excellent standard" across all ten categories. Consequently, the Gold Diligence Award was presented to the City. Of the 38 Councils who have been audited against this standard, ten have received the gold award or higher.

At 6.40pm Mr Lawrence and Ms Hauser left the meeting.

The Chief Executive Officer congratulated Ms Hauser for her coordination of Safety in the organisation and thanked the Directors for their enduring focus on safety.

8. CONFIRMATION OF MINUTES**8.1 ORDINARY MEETING OF COUNCIL – 20 DECEMBER 2011**
Min 20 December 2011**COUNCIL RESOLUTION**

At 6.41pm Cr Reynolds moved, seconded Cr Foxtton -

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

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

CARRIED (12/0)

8.2 NOTES OF AGENDA BRIEFING FORUM – 7 FEBRUARY 2012
Notes 7 February 2012**COUNCIL RESOLUTION**

At 6.41pm Cr Reidy moved, seconded Cr Foxtton -

That the Notes of Agenda Briefing Forum held on Tuesday, 7 February 2012, be received.

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

CARRIED (12/0)

8.3 SPECIAL MEETING OF COUNCIL – 7 FEBRUARY 2012
Min 7 February 2012**COUNCIL RESOLUTION**

At 6.41pm Cr Robartson moved, seconded Cr Willis -

That the Minutes of the Special Meeting of Council held on Tuesday 7 February 2012, be confirmed as a true and accurate record.

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

CARRIED (12/0)

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

Nil.

9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

Nil.

10. APPLICATIONS FOR NEW LEAVES OF ABSENCE

At 6.42pm Cr Pazolli moved, seconded Cr Foxton -

That the application for new leave of absence submitted by Cr Barton on 21 February 2012 be granted.

At 6.42pm the Mayor submitted the motion which was declared

CARRIED (12/0)

11. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED**12. PETITIONS****12.1 Petition – Protest Against Proposed Development 8 Bragor Place Ardross**

A petition signed by 9 residents was received by the City of Melville on Wednesday 7 December 2011. The petition reads as follows –

“We, the undersigned, all being Electors of the City of Melville, do humbly pray that the proposed development at 8 Bragor Place Ardross DA 2011-599 be rejected and that any subsequent proposal for this site that attempts to apply the Almondbury Road high density mixed usage precinct zoning to Bragor Place also be rejected.

This proposal would transfer the direct effects of the Almondbury Road high density commercial precinct zoning into adjoining strictly residential streets - in this case the Bragor Place cul-de-sac.

The proposal is based on this lot of land having a small frontage onto Almondbury - thereby claiming the precinct zoning. But rather than using the zoning as intended, this proposal is attempting to claim the zoning from one street and then use it for another street that was never intended to have high density mixed usage.

To permit this proposal to proceed would:

- 1. Diminish the effectiveness of the precinct zoning by having the building on at least one lot on Almondbury Road addressing a side street rather than Almondbury.*
- 2. Extend the application of the precinct zoning beyond the intended area to the detriment of the surrounding R40 residential areas.*
- 3. Directly contradict the purpose of creating the cul-de-sac by now directing traffic intended for Almondbury Road directly into the Bragor Place cul-de-sac.*
- 4. Double and potentially triple the current residential dwellings in a very residential short cul-de-sac- and introduce a 3 storey building containing commercial offices into the residential street – to the significant detriment of the amenity of the residential cul-de-sac.*

12. PETITIONS (Continued)

12.1 Petition – Protest Against Proposed Development 8 Bragor Place Ardross (Continued)

5. *Create a serious traffic and parking safety hazard in Bragor Way by directing high density dwelling and commercial traffic intended for Almondbury Road down the narrow 6m wide Bragor Way cul-de-sac roadway – a roadway width specifically designed for low volume local residential traffic.”*

COUNCIL RESOLUTION

At 6.42pm Cr Nicholson moved, seconded Cr Barton -

That the petition bearing nine signatures be received and acknowledged in writing to the lead petitioner with the advice that the petition will be taken into account in the assessment of the development application for 8 Bragor Place, Ardross.

At 6.42pm the Mayor submitted the motion, which was declared

CARRIED (12/0)

13. DEPUTATION

P12/3285 - Final Adoption of the Corpus Christi College Master Plan – 50 Murdoch Drive, Bateman

From 6.43pm – 6.53pm a deputation was heard on this item from Mr Terry Southam, Mr Steve Wylie and Mr James Derries, residents of Dean Road, Bateman.

Following questions from Elected Members Mr Southam, Mr Wylie and Mr Derries returned to the public gallery at 7.00pm.

13. REPORTS OF THE CHIEF EXECUTIVE OFFICER

P12/3285 - FINAL ADOPTION OF THE CORPUS CHRISTI COLLEGE MASTER PLAN – 50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)

Ward : City
 Category : Policy
 Application Number : Not Applicable
 Property : 50 Murdoch Drive, Murdoch
 Applicant : Corpus Christi College
 Owner : Catholic Diocese
 Disclosure of any Interest : No Officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : DA-2007-804 Approved 29 October 2007
 DA-2011-301 Approved 11 May 2011
 Item P11/3244 – of the Ordinary Meeting of Council 20 September 2011 – Corpus Christi College Master Plan
 Responsible Officer : Peter Prendergast
 Manager Planning and Development Services

AUTHORITY / DISCRETION

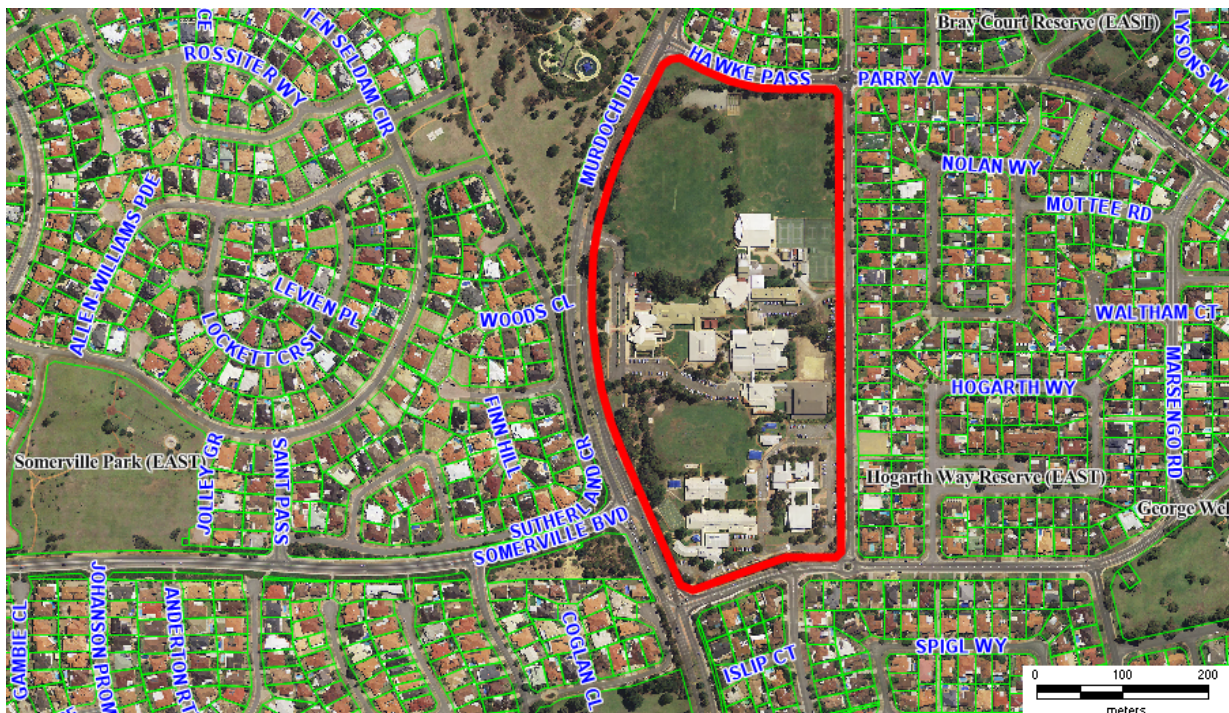
DEFINITION

<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 (eg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)**

KEY ISSUES / SUMMARY

- Council resolved at its Ordinary Meeting of Council on 20 September 2011 to adopt the proposed Master Plan for the future redevelopment of Corpus Christi College for advertising.
- At the conclusion of the advertising period, five objections had been received. These objections primarily related to traffic issues and the location and appearance of the proposed Sports Centre.
- Following the conclusion of the advertising period, the Applicant provided further information in support of the proposed Master Plan.
- Overall, the future development as outlined within the Master Plan is considered to be suitable in terms of the location and scale of the built form and is not anticipated to result in any significant adverse impacts on the surrounding area in terms of traffic generation. Accordingly, it is recommended that Council finally adopt the proposed Master Plan.



**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)****BACKGROUND**

In 2007, approval was granted for the construction of a new Year 7 school block at Corpus Christi College. Condition 1 of this approval stated:

- 1 *Prior to consideration of any future applications for significant development on the combined Corpus Christi College and Yidarra Primary School site, the applicant is to prepare a Master Plan for the future development of the combined site. The Master Plan is to address future development of the site inclusive of future uses for the existing year 7 classrooms at Yidarra Primary School, parking and traffic impacts.*

In May 2011, a similar condition was imposed on another approval for additions to the existing Year 7 classroom block. This condition states:

- 2 *Prior to consideration of any future applications for significant development on the combined Corpus Christi College and Yidarra Primary School site, the applicant to prepare a Master Plan for the future development of the combined site.*

The subject Master plan has been prepared in response to these conditions of planning approval, and in anticipation of further school development taking place. At the Ordinary Meeting of Council held 20 September 2011, it was resolved that the proposed Master Plan be adopted for advertising.

Scheme Provisions

MRS Zoning	: Urban
CPS 5 Zoning	: Living Area
R-Code	: R12.5
Use Type	: Educational Establishment
Use Class	: Not applicable

Site Details

Lot Area	: 147,482m ²
Retention of Existing Vegetation	: N/A
Street Tree(s)	: N/A
Street Furniture (drainage pits etc)	: N/A
Site Details	: See aerial photo above

[3285 Corpus Christi College Draft Master Plan](#)

DETAIL

The proposed future redevelopment of the Corpus Christi College site involves the following:

- Extension to the Sadler Centre which is located adjacent to the existing hard courts and houses the Year 7 students.
- Internal alterations to the Tony Curtis Centre which houses the Year 8 students and is located within the centre of the site.
- Total internal refurbishment and an extension of the Foundation Block which houses the Year 9 students within the centre of the site.
- Internal changes to the Mayne Block located within the centre of the site which houses senior students.

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)**

- Potential adaption of the existing James Nestor Auditorium into the senior school block.
- Relocation of the Sports Centre to adjacent to the playing fields.
- Adaptation of the existing Sports Centre building into a new Performing Arts Centre.
- Construction of a Visual Arts Centre adjacent to the eastern boundary.
- Relocation of hard courts adjacent to the northern boundary of the site.

Other developments are also listed within the Master Plan as potential future developments, including the extension of the Design Technology Building, a new Cafeteria and College Chapel.

PUBLIC CONSULTATION/COMMUNICATION

As outlined above, five submissions in opposition to the proposed Master Plan were received during the consultation period. These are summarised as follows:

Submission Number	Summary of Submission	Support/ Objection	Officer's Comment	Action (Condition/ Uphold/ Not Uphold)
1.	<p>Dean Road is a narrow road which is already busy during school days. Any further construction along the Dean Road boundary will increase this traffic congestion.</p> <p>Parked vehicles on Dean Road create a dangerous traffic situation and make ingress and egress for residents difficult.</p> <p>The Sports Centre building should be located along the Murdoch Drive boundary of the school where infrastructure is more suited to heavy volumes of traffic and parking.</p>	Objection	<p>This is addressed in detail in the Comment section below.</p> <p>All vehicles parking along Dean Road are required to adhere to the City's parking regulations. It is noted that 'No Stopping' signs are in place to prevent stopping between 8-9am and 3-4pm school days.</p> <p>It is acknowledged that the relocation of the proposed Sports Centre building to the western boundary could reduce the potential impact that the construction might have on the levels of residential amenity currently experienced by local residents. However, it is the applicant's preference to locate the Sports Centre away from the busy Murdoch Drive, in the interests of student safety.</p>	<p>Not Uphold</p> <p>Not Uphold</p> <p>Not Uphold</p>

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
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<p>2.</p>	<p>The Sports Centre will have the appearance of a large industrial building and will result in a loss of views toward the horizon.</p> <p>The Sports Centre building will result in reflection of the sun on to the submitter's property.</p> <p>Increased traffic congestion will occur on Dean Road as a result of the sports centre building.</p> <p>Increased use of the bus stop on Dean Road will occur which is already a safety hazard as students have to cross Dean Road unassisted.</p> <p>Increased noise emitted from the Sports Centre building.</p>	<p>Objection</p>	<p>This concern is addressed in detail in the Comment section below.</p> <p>The City's Highly Reflective Roofing policy provides the mechanism to control impacts such as these. Any planning application submitted for the City's future consideration will be assessed against the provisions of this policy, at the appropriate time.</p> <p>This concern is addressed in detail in the Comment section below.</p> <p>This concern is addressed in detail in the Comment section below.</p> <p>Any activities occurring within the school site are required to comply with the <i>Environmental Protection (Noise) Regulations 1997</i>.</p>	<p>Not Uphold</p> <p>Not Uphold</p> <p>Not Uphold</p> <p>Not Uphold</p> <p>Not Uphold</p>
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**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)**

<p>3. & 4 (identical submissions)</p>	<p>The Sports Centre will take away views of the horizon. The height of the Sports Centre will result in an industrial looking building within a residential neighbourhood which will be of greater bulk than a residential development.</p>	<p>Objection</p>	<p>Loss of views is not a material planning consideration. This concern is addressed in detail in the Comment section below.</p>	<p>Not Uphold Not Uphold</p>
	<p>Additional noise will be created from the use of the Sports Centre building. Increase in traffic congestion and noise out of school hours. The Sports Centre is much closer to Dean Road and much higher than the existing sports hall.</p>		<p>Any activities occurring within the school site are required to comply with the <i>Environmental Protection (Noise) Regulations 1997</i>. This concern is addressed in detail in the Comment section below. The Master Plan only provides indicative building footprints and does not detail the final setback distance or height of any future building(s). These will be assessed at the time an application for planning approval is lodged.</p>	<p>Not Uphold Not Uphold Not Uphold</p>

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)**

<p>5.</p>	<p>Object to any building being located closer to Dean Road than where the current Sadler Centre has been built as this will diminish the outlook from the submitter's property.</p> <p>The increase in noise levels during and outside of school hours will interfere with residents.</p>	<p>Objection</p>	<p>The Master Plan only provides indicative building footprints and does not detail the final setback distance of the future building. This will be assessed at the time an application for planning approval is lodged.</p> <p>Any activities occurring within the school site are required to comply with the <i>Environmental Protection (Noise) Regulations 1997</i>.</p>	<p>Not Uphold</p> <p>Not Uphold</p>
	<p>The development will increase traffic congestion along Dean Road.</p> <p>The eastern entrance point off Dean Road should be upgraded with a clearly defined usage.</p>		<p>This concern is addressed in detail in the Comment section below.</p> <p>Signage already exists at this entrance point clearly defining the usage of the area.</p>	<p>Not Uphold</p> <p>Not Uphold</p>

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

No such consultations are required in respect of the Master Plan in question.

STATUTORY AND LEGAL IMPLICATIONS

Once finally adopted by Council, the Master Plan will in effect carry the power and weight of Community Planning Scheme No.5 (CPS5). Any future planning application for the subject site will be assessed against the relevant provisions within CPS5, the Master Plan and any applicable Council policies.

FINANCIAL IMPLICATIONS

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

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (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 provides 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

Should Council resolve to finally adopt the proposed Master Plan the Plan will be adopted as a Council Policy pursuant to Clause 9.6 of CPS5. Any future planning application for the subject site will be assessed against the relevant provisions within CPS5, the Master Plan and any applicable Council policies.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

Council could elect not to adopt the proposed Master Plan or could adopt the Master Plan subject to modifications or amendments.

COMMENT

CPS5 allows Council to prepare and adopt planning policies. For administrative purposes, Master Plans are classed as Council Policy, as they are relied upon to forward plan the future development of a site. Master Plans act to provide surety to the way in which a site will be developed in the future, and assist the City when individual development proposals are under consideration.

Contrary to the previous conditions of approval, the Master Plan only pertains to the future redevelopment of the Corpus Christi College part of the subject site and does not take into account the possible future redevelopment of Yidarra Primary School. The Applicant has stated that Corpus Christi College and Yidarra Primary School are operated as separate entities. It is considered that the previous conditions of approval (which were imposed on developments proposed for Corpus Christi College) were erroneous in their inclusion of Yidarra Primary School in the master planning process. As such, the exclusion of the Yidarra Primary School from the Corpus Christi Master Plan is appropriate.

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)**

As stated, the consultation process undertaken as part of the Master Plan adoption process has highlighted concerns held by adjacent residents particularly in relation to traffic congestion along Dean Road and the adverse amenity impacts likely to occur as a result of the location of the Sports Centre to the east of the existing Sadler Centre. These matters are considered in more detail as follows:

Traffic Matters

In respect of traffic matters, Corpus Christi College is bounded by three streets: Murdoch Drive to the west, Hawke Pass to the north and Dean Road to the east. Yidarra Primary School is located to the south of the college.

The main entrance to the school is located off Murdoch Drive. This entrance also provides an area for the drop off and pick up of students and parking for visitors and staff. The school managed bus stop is located along Murdoch Drive, to the south of the main entrance point. This provides space for 2-3 buses. There are no additional on-street parking bays along Murdoch Drive adjacent to the site.

A secondary access point is provided off Dean Road, however, this is primarily a service entrance. A sign at this entrance states that the area is for staff parking only, that no student drop off or pick up is to occur and that visitor parking is located off Murdoch Drive. There are four Transperth managed bus stops (bus route 505) along Dean Road and the remainder of Dean Road adjacent to the school site is sign posted prohibiting parking between 8-9am and 3-4pm on school days.

It is noted that a number of submissions outlined concerns relating to the potential increase in traffic congestion and parking along Dean Road, as a result of the likely increase in student numbers. In response to these concerns, the Applicant has stated that the primary intention of the proposed redevelopment works is to improve and enhance the facilities available at the College, with no increase in student numbers anticipated.

The signage located at the Dean Road entrance to the site states that pick up and drop off at that location is not permitted. In addition, the length of Dean Road adjacent to the school is sign posted to prohibit parking during drop off and pick up times. It is not proposed as part of the Master Plan to revise these parking restrictions and as such, it is not anticipated that there will be any increase in car parking and traffic congestion along Dean Road at pick up and drop off times as a result of the proposed works, as the parking restrictions that exist will continue to apply.

The four bus stops located along Dean Road are managed by Transperth, not the college. It is noted that these bus stops provide a bus service to Bull Creek train station. Therefore students who reside outside of the immediate area rely on the availability of these services to travel to and from school. The Master Plan does not propose any changes to this layout and given the number of students accommodated at the college, will not increase. An increase in the usage of the bus stops is not anticipated.

In respect of on-site parking, it is noted that these are calculated relative to the number of classrooms available and in respect of total student numbers, neither of which are anticipated to increase as a result of the developments envisaged by this Master Plan. In any event the car parking requirements and the ability of the College to meet those requirements will be taken into consideration at the appropriate time when any future planning applications are under assessment.

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
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It is concluded that the developments envisaged by the Master Plan will not prejudice the availability of on site car parking nor will they result in additional traffic congestion impacts. Notwithstanding this, the specific impacts of individual development proposals will be taken into account at the future planning application stage.

Sports Centre

The proposed Sports Centre building is proposed to be located to the east of the existing Sadler Centre and adjacent to Dean Road where two existing tennis courts are currently located. With the exception of an indicative building footprint, no details of the final design of this building have been provided with the Master Plan.

Detailed designs for the Sports Centre will be required to take into account the development restrictions that are imposed by CPS5 and Council Policy, including those in respect of building height, (8m to eave, 10.5m overall) and building setback requirements. In addition, a detailed planning application for a Sports Centre will be fully assessed in accordance with the requirements of CPS5, the Master Plan (if approved) and Council Policies, including consideration of amenity impacts for owners and occupiers of adjoining residential properties.

In addition to the above it is noted that the subject site slopes down substantially from south to north. The proposed location of the Sports Centre building is at the toe of the slope and when viewed from the south, it is anticipated that the height of any future building in this location will be mitigated by the existence of the slope.

Whilst occupiers of a number of residential properties located along the eastern side of Dean Road currently enjoy uninterrupted views across the College playing fields, such views cannot be guaranteed particularly given the College site is located within a Living Area precinct where development is accepted in principle, in planning terms.

It is concluded that the proposed location of the Sports Centre building is appropriate in principle and provided it is well designed, no significant adverse amenity impacts are likely to result.

CONCLUSION

In conclusion, the future development as outlined by the Master Plan is considered to be suitable in terms of the location and scale of the built form. As such, it is recommended that the proposed Master Plan be adopted by Council.

OFFICER RECOMMENDATION (3285)**APPROVAL**

At 7.00pm Cr Barton moved, seconded Cr Reidy -

That Council resolve to finally adopt the Corpus Christi College Master Plan pursuant to Clause 9.6(b) of Community Planning Scheme No. 5.

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)**Amendment

At 7.00pm Cr Macphail moved, seconded Cr Willis -

That the Officer Recommendation be amended to include the following Advice Note.

Advice Note:

- 1. Prior to the submission to the City of a planning application for any of the developments envisaged by this Master Plan document, a Traffic Impact Assessment should be commissioned, with conclusions and recommendations provided to the City as a supporting planning document. The Traffic Impact Assessment should consider the general circulation of traffic in and around the college, including access and egress arrangements, the parking of staff vehicles, the dropping off and collection of students by car, and the location of bus stops.***
- 2. Prior to the submission to the City of a planning application for the development of a new Sports Centre facility, proposed to be located to the eastern boundary of the site fronting onto Dean Road, a detailed Landscaping Plan shall be prepared, and submitted to the City as a supporting planning document. The Landscaping Plan must address the deficiencies in landscaping that exist along the eastern boundary of the site, and should include details of tree and shrub planting in that location, including species type and size, planting density, and maintenance provision.***

At 7.33pm the Mayor submitted the amendment, which was declared

CARRIED (7/5)

Reasons for Amendment

A traffic impact assessment is needed as indicated in the site assessment of the college by architects Edgar Idle Wade. Also with the completion of Fiona Stanley Hospital and additions to St John of God Murdoch a significant increase in traffic is envisaged. Furthermore, with the change in the age/enrolment policy, increased proportion of year 12 students will be holders of driving licences.

A comprehensive landscape plan is required to address the landscape deficiency along Dean Road to improve local aesthetics and amenity.

**P12/3285 – FINAL ADOPTION OF THE CORPUS CHRISTI MASTER PLAN –
50 MURDOCH DRIVE, BATEMAN (REC) (ATTACHMENT)****COUNCIL RESOLUTION (3285)****APPROVAL**

At 7.34pm the Mayor submitted the substantive motion as amended –

That Council resolve to finally adopt the Corpus Christi College Master Plan pursuant to Clause 9.6(b) of Community Planning Scheme No. 5.

Advice Note:

- 1. Prior to the submission to the City of a planning application for any of the developments envisaged by this Master Plan document, a Traffic Impact Assessment should be commissioned, with conclusions and recommendations provided to the City as a supporting planning document. The Traffic Impact Assessment should consider the general circulation of traffic in and around the college, including access and egress arrangements, the parking of staff vehicles, the dropping off and collection of students by car, and the location of bus stops.**
- 2. Prior to the submission to the City of a planning application for the development of a new Sports Centre facility, proposed to be located to the eastern boundary of the site fronting onto Dean Road, a detailed Landscaping Plan shall be prepared, and submitted to the City as a supporting planning document. The Landscaping Plan must address the deficiencies in landscaping that exist along the eastern boundary of the site, and should include details of tree and shrub planting in that location, including species type and size, planting density, and maintenance provision.**

At 7.44pm Cr Pazolli left the meeting and returned at 7.45pm

At 7.45pm the Mayor declared the motion

CARRIED (12/0)

**T12/3284 - LOCAL GOVERNMENT CLIMATE CHANGE DECLARATION (REC)
(ATTACHMENT)**

Ward : All
 Category : Strategic
 Subject Index : Environment Management
 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 : Not Applicable
 Responsible Officer : Alison Waters
 A/Manager Parks and Environment

AUTHORITY / DISCRETION

DEFINITION

<input checked="" 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 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>

**T12/3284 - LOCAL GOVERNMENT CLIMATE CHANGE DECLARATION (REC)
(ATTACHMENT)****KEY ISSUES / SUMMARY**

- The Western Australian Local Government Association (WALGA) has developed, based on the Nottingham Declaration, to which 90% of UK Councils are signatories, a Local Government Climate Change Declaration.
- The Declaration provides a platform from which to assert our commitment to leadership on appropriate and collective climate change management.
- The Declaration is voluntary and can be amended to suit our level of commitment to climate change.
- The Declaration is designed to strengthen Local Governments' advocacy position by articulating a shared political commitment across the sector.
- The Declaration is consistent with the intent of the City of Melville's Environment Framework and Council's Environment Policy.
- It is recommended that the Mayor sign the declaration on behalf of the City of Melville

BACKGROUND

The Western Australian Local Government Association (WALGA) has been developing tools to assist local governments to develop local and regional approaches to mitigating the effects of climate change as well as adapting to the unavoidable impacts of climate change. The *Climate Change Declaration* is part of this suite of tools. Signing the Declaration will assert the City of Melville's commitment to leadership of climate change management at a local government and collaborative level.

The Declaration is voluntary, and states the high level 'political' commitment of Local Governments to acknowledging the impacts of Climate Change on Local Governments, and to developing locally appropriate climate change management strategies. It does not, however, specifically articulate actions that Local Governments will take in order to respond to climate change at a local level.

Climate Change is likely to bring about changes in both average climate conditions, such as average temperature and rainfall and the frequency and severity of extreme events, rather than causing completely new climate-related risks. This progressive change will have implications for sea levels, ocean temperatures and the functionality of natural ecosystems, which are already under threat. The City will also no longer be able to rely on the assumption that climate will be more or less the same. While climate change is expected to occur slowly, the effects are likely to be far reaching and extremely difficult to reverse.

**T12/3284 - LOCAL GOVERNMENT CLIMATE CHANGE DECLARATION (REC)
(ATTACHMENT)**

The City is currently preparing a Climate Change Adaptation Plan based on a climate change risk assessment that involved a number of staff and is currently going through the Organisational Management Team (OMT) and Executive Management Team (EMT). While this assessment will address most of the risks, it will be under the process of continuous improvement. In addition, the City is also involved in a number of studies related to climate change and specific impacts it may have. These include a local government climate change health adaptation study being conducted through Curtin University, a study of fresh water refuges of constructed wetlands being undertaken principally by Murdoch University and input into Cross Organisational Barriers to Climate Change. All of these projects are supported by the National Climate Change and Research Facility (NCCARF).

WALGA is asking local governments in Western Australia to sign the Climate Change Declaration to assert our commitment to climate change management and enhance advocacy for appropriate adaptation. The City of Melville has the opportunity to demonstrate our political commitment to climate change management, and to participate in a sector wide leadership approach through the signing of the Climate Change Declaration.

DETAIL

The WALGA Climate Change Declaration would state the following should the Council endorse the signing of the declaration:

The City of Melville acknowledges that:

- Evidence shows that climate change is occurring.
- Climate change will continue to have significant effects on the Western Australian environment, society and economy, and the Local Government sector.
- Human behaviours, pollution and consumption patterns have both immediate and future impacts on the climate and environment.

The City of Melville supports the:

- Environmental, social and economic benefits of addressing climate change immediately.
- Opportunity for Local Government to demonstrate leadership in climate change management at a community level.
- Development of equitable and implementable State and Commonwealth strategies for climate change management.

The City of Melville commits from date of signing to:

- Set an appropriate, individual Local Government emissions reduction target and work toward its achievement.
- Work with State and Federal Government to ensure achievement of greenhouse gas emissions reduction targets as set out in key National and International agreements.
- Work with State and Federal Government to implement key actions and activities for climate change management at a local level.
- Assess the regionally specific risks associated with climate change and implications for Local Government services, and identify areas where appropriate mitigation and/or adaptation strategies should be applied.
- Develop an internal Climate Change Action Plan (CCAP) for climate change actions across all Local Government functions, with a focus on the two, five and ten year future.

**T12/3284 - LOCAL GOVERNMENT CLIMATE CHANGE DECLARATION (REC)
(ATTACHMENT)**

- Ensure that, at appropriate review intervals, the strategic plan and policies for the Local Government are reviewed and amended to reflect climate change management priorities and emissions reduction targets.
- Encourage and empower the local community and local businesses to adapt to the impacts of climate change and to reduce their greenhouse gas emissions.
- Monitor the progress of climate change initiatives and ensure full communication of achievements for Council and Community.

The City has already started to address the actions detailed above. By June 2012 the City will identify an appropriate greenhouse gas emissions reduction target which will be presented to Council for adoption. This will then be incorporated into the City's Environmental Management System and monitored through the Carbon Accounting module in Finance One.

PUBLIC CONSULTATION/COMMUNICATION

There has been no public consultation undertaken in relation to this report

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

There has been on consultation with other Agencies or Consultants in relation to this report

STATUTORY AND LEGAL IMPLICATIONS

There are no statutory or legal implications associated with this report. However, stated in the Local Government Act 1995, Section 1.3 Content and Intent, 1.3(3) *in carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.*

The Declaration follows on from the signing of the Local Government Climate Change and Sustainability Partnership Agreement in August 2007. This agreement established a framework for collaborative communications and initiatives between the State Government and Local Government and joint commitment to climate change management and sustainable practices.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report. Any future actions that are implemented will form part of the annual budget process.

**T12/3284 - LOCAL GOVERNMENT CLIMATE CHANGE DECLARATION (REC)
(ATTACHMENT)**

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

By signing the declaration the City commits to a number of actions associated with the Strategic Plan and greenhouse gas emissions reductions targets, along with reporting of our progress. Climate Change is already being addressed in the City's strategic plan and has been acknowledged in the Environmental Policy-CP-030.

Risk Statement	Level of Risk	Risk Mitigation Strategy
Not addressing climate change will leave the City vulnerable to expected impacts and it will be required to rapidly adapt at extensive cost.	Catastrophic consequences which are unlikely, resulting in a High level of risk	Undertake a risk assessment for all services and adopt the approach of continuous improvement.

POLICY IMPLICATIONS

The signing of this declaration is consistent with the objectives of Council's Environment Policy-CP-030.

Environment Policy CP-030 recognises that climate change may negatively impact the community and the City's ability to provide services. It acknowledges that the City has responsibilities in relation to climate change, thus strengthening the importance of the environmental management system and the need for a city-wide approach. The policy states that we will identify and manage environmental risks, including climate change risks, within our operations and apply best practice principles to the prevention of pollution.

ALTERNATE OPTIONS & THEIR IMPLICATIONS

An alternate option would be not to sign the Local Government Climate Change Declaration, which may imply a lack of commitment to the collaborative approach that is required to adapt to any impacts from climate change.

CONCLUSION

The City has already taken a proactive approach to assessing the risks associated with climate change and acknowledging that it has a responsibility to the community to provide risk based approach to adaptation responses as stated in the Environment Policy-CP-030.

Signing the Local Government Climate Change Declaration is therefore a natural addition to the commitment to act on climate change that the City has already put into place.

**T12/3284 - LOCAL GOVERNMENT CLIMATE CHANGE DECLARATION (REC)
(ATTACHMENT)**

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (3284) APPROVAL

That the Mayor be authorised to sign the Local Government Climate Change Declaration 3284 Climate Change Declaration on behalf of the City of Melville as attached.

At 7.46pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

C12/5000 – 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 25 November 2011 up to and including 25 January 2012 and recommends that the information be noted.

C12/5000 – 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
608	City of Melville and Gradly Pty Ltd	Withdrawal of Caveat (Deed of Agreement -Lots 24 & 25 Queens Road, Mount Pleasant)	2593005
611	City of Melville and Swan River Trust	Collaborative Arrangement River Bank Grants Scheme, Point Walter Foreshore Restoration Project	2614507
619	City of Melville and Swan River Crabs Pty Ltd	Legal Deed providing extension of time to complete amalgamation	2624891
620	City of Melville	Final Adoption of Amendment No 60 to Community Planning Scheme No 5	2635159
622	City of Melville	Scheme Amendment No 62 Rezoning of 44 Moolyeen Road and 26 Madden Way, Brentwood from 'Living Area' to 'Community Centre'	2640710
625	City of Melville	Self Supporting Loan - Loan Agreement 410 Brentwood Booragoon Football Club	2638272
626	City of Melville	Withdrawal of Caveat Lots 1 & 2 (18) Ullapool Road Mount Pleasant	2557488

C12/5000 – COMMON SEAL REGISTER (REC)

Register Reference	Party	Description	File Reference
627	City of Melville	To amend Local Government Property Amendment Local Law and publish in the Government Gazette.	2640355
635	City of Melville	Contract of sale 70-72 Ogilvie Road Mount Pleasant	2650245

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

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 94(3) of the Local Government Act 1995:

- (3) *The common seal of the local government is to be affixed to a document in the presence of —*
- (a) *the mayor or president; and*
 - (b) *the chief executive officer or a senior employee authorised by the chief executive officer, each of whom is to sign the document to attest that the common seal was so affixed.*

FINANCIAL IMPLICATIONS

Not applicable.

C12/5000 – COMMON SEAL REGISTER (REC)**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 25 November 2011 up to and including 25 January 2012, be noted.

At 7.47pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

C12/5214 - POLICY REVIEW – CHIEF EXECUTIVE OFFICER (REC) (ATTACHMENT)

Ward : All
 Category : Policy
 Subject Index : General Policy
 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 : Numerous items have been provided to Council for either review or amendment of current policies. C09/5097 - Policy Review – Ordinary Meeting of the Council - November 2009
 Works Programme : Not Applicable
 Funding : Not Applicable
 Responsible Officer : Jeff Clark
 Governance & Compliance Program Manager

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>
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C12/5214 - POLICY REVIEW – CHIEF EXECUTIVE OFFICER (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- Ten Council Policies provided to the Chief Executive Officer have been reviewed and are now presented for Council consideration.
- Policies that are defined as Council Policy require the approval of Council whereas Operational Policies are approved by the Chief Executive Officer.

BACKGROUND

The City of Melville has Council Policies which for those provided to the Chief Executive Officer, were previously reviewed in November and December 2009. Officers have again reviewed all Chief Executive Officer Policies in 2012 and have now brought the reviewed policies with proposed amendments to Council for consideration. A two yearly review cycle has been implemented to ensure all policies remain current.

DETAIL

All policies are held under one of two categories being, Council Policies or Operational Policies. The policies that are required to be approved by the Council relate to:

- Strategic Positioning of Council
- Executive Functions
- Legislative Functions
- Chief Executive Officer and Senior Officer Appointments
- Termination Payments in excess of contracts of employment or Award provisions.

All other Policies are considered to be operational in nature and have therefore been designated as Operational Policies. Operational policies are those which are made in relation to the functions of the Chief Executive Officer (CEO) as prescribed by Section 5.41 of the Local Government Act 1995 (The Act) as follows –:

- Management of the day to day operations of the local government;
- The employment, management supervision, direction and dismissal of other employees (subject to Section 5.37(2) in relation to senior employees.
- Ensuring that records and documents of the local government are properly kept for the purposes of The Act and any other written law: and
- Policy on powers and duties delegated by Council within the limitations as set by Section 5.43 of The Act.

Where applicable procedures will be prepared for some policies to define a sequence of activities, tasks or steps that when undertaken in the sequence laid down produces the described result, product or outcome.

C12/5214 - POLICY REVIEW – CHIEF EXECUTIVE OFFICER (REC) (ATTACHMENT)

This report provides comment on policies from the Chief Executive Officer. All policies referred to in this report are provided as an attachment

Of the ten polices reviewed by the Chief Executive Officer:

No change: One
Minor change: Eight – as shown below
Deletion: One – as shown below

[5214 CP- 001 Citizenship Ceremonies](#)

Minor changes to include the heading Policy Scope and an explanation of the scope of the policy.

[5214 CP- 003 Public Relations](#)

Minor changes to include the heading Policy Scope and an explanation of the scope of the policy.

[5214 CP- 004 Council Chamber, Committee Rooms and Lounges](#)

Minor changes to include the heading Policy Scope and an explanation of the scope of the policy.

[5214 CP- 006 Local Employment Solutions](#)

Recommended for deletion. The policy was established in 1992 and a forum has not been held for many years. The policy is not considered to be relevant.

[5214 CP- 007 Acting Chief Executive Officer](#)

Minor changes to include the heading Policy Scope and an explanation of the scope of the policy.

[5214 CP- 011 Ex-gratia Payments](#)

Minor changes to include the heading Policy Scope and an explanation of the scope of the policy.

[5214 CP- 012 Honorary Freeman of the City of Melville](#)

Minor changes to include the heading Policy Scope and an explanation of the scope of the policy.

C12/5214 - POLICY REVIEW – CHIEF EXECUTIVE OFFICER (REC) (ATTACHMENT)**5214 CP- 015 Recognition of Elected Members Services**

Minor change. This policy has been amended to conform to the amendment to the Local Government (Administration) Regulations 1996. The amendment has provided a maximum gift to retiring Elected Members who serve a full term to be \$100 per year to a maximum of \$1,000.

A Policy Scope heading and explanation of the scope of the policy has been included. The body of the text has been rearranged to make it easier to read.

5214 CP- 017 Legal Representation

Minor changes to include the heading Policy Scope and an explanation of the scope of the policy.

5214 CP- 039 Quality Policy

No amendment required

PUBLIC CONSULTATION/COMMUNICATION

Not applicable.

CONSULTATION WITH OTHER AGENCIES / CONSULTANTS

Not applicable.

STATUTORY AND LEGAL IMPLICATIONS

This review of policies has particularly included references to legislation to support the policy position. The policies are consistent with the current Local Government Act 1995 and relevant Regulations.

FINANCIAL IMPLICATIONS

There are no additional financial implications in relation to this item

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

The process of policy review will serve to minimize both strategic and risk management implications by ensuring the policies are consistent with current legislation. One policy refers to environmental considerations when the purchase of goods or services occurs.

C12/5214 - POLICY REVIEW – CHIEF EXECUTIVE OFFICER (REC) (ATTACHMENT)

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

Council Policies within the responsibility of the Chief Executive Officer have been reviewed apart from CP-016 Civic and Ceremonial Functions and CP-013 Elected Members Allowances, Claims for Expenses and Conference Attendance that will be referred to the Governance Committee and CP-041 Code of Conduct that is pending external information. Very few policies provided to the Chief Executive Officer have been significantly amended as a consequence of the review.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Each policy may be subject to various options which would be associated with a range of different options. The review process is designed to ensure that each policy provides the most appropriate policy at this time.

CONCLUSION

The individual polices have been reviewed by senior officers and their amendments are consistent with the current provisions of the Local Government Act 1995 and Regulations.

C12/5214 - POLICY REVIEW – CHIEF EXECUTIVE OFFICER (REC) (ATTACHMENT)**OFFICER RECOMMENDATION (5214)****APPROVAL**

His Worship the Mayor called for a mover and seconder of the Officer Recommendation inclusive of Amendment 1.

At 7.47pm Cr Robertson moved, seconded Cr Reidy -

- 1 That the nine policies reviewed by the Chief Executive Officer as contained in the following attachments be approved.

5214 CP- 001 Citizenship Ceremonies

5214 CP- 003 Public Relations

5214 CP- 004 Council Chamber, Committee Rooms and Lounges

5214 CP- 007 Acting Chief Executive Officer

5214 CP- 011 Ex-gratia Payments

5214 CP- 012 Honorary Freeman of the City of Melville

5214 CP- 015 Recognition of Elected Members Services

5214 CP- 017 Legal Representation

5214 CP- 039 Quality Policy

2. That the policy CP- 006 Local Employment Solutions be deleted.

Amendment 1

That the words "as amended" be inserted after the words "5214 CP – 011 Ex-gratia Payments"

At 7.47pm the Mayor submitted the amendment, which was declared

CARRIED (12/0)

Reason for Amendment

The Policy was found to require a minor correction in the section Policy Objectives and should read:

"An ex gratia payment may occur in circumstances where there is no actual "legal liability or legal obligation" on the City of Melville to make a payment."

C12/5214 - POLICY REVIEW – CHIEF EXECUTIVE OFFICER (REC) (ATTACHMENT)Amendment 2

At 7.47pm Cr Willis moved, seconded Cr Reynolds –

That:

- 1 Council Policy 5214 CP- 004 Council Chamber, Committee Rooms and Lounges be deleted from the Officer Recommendation.**
- 2 That a new point 3 and 4 be included in the resolution to read:**
 - “3 That the Council Policy CP- 004 Council Chamber, Committee Rooms and Lounges be renamed to read “CP – 004 Council Chamber, Committee Rooms, Conference Room and Member’s Reception Lounge”.**
 - 4 That the amended Policy titled “CP - 004 Council Chamber, Committee Rooms, Conference Room and Member’s Reception Lounge” as attached be adopted”**

At 7.47pm the Mayor submitted the amendment, which was declared **CARRIED (12/0)**

Reason for Amendment

The proposed replacement policy is intended to clarify the use of the Member’s Reception Lounge by elected members

COUNCIL RESOLUTION (5214)**APPROVAL**

At 7.47pm the Mayor submitted the substantive motion as amended –

- 1 That the nine policies reviewed by the Chief Executive Officer as contained in the following attachments be approved.**

[5214 CP-001 Citizenship Ceremonies](#)

[5214 CP-003 Public Relations](#)

[5214 CP-007 Acting Chief Executive Officer](#)

[5214 CP-011 Ex-gratia Payments *as amended*](#)

[5214 CP-012 Honorary Freeman of the City of Melville](#)

[5214 CP-015 Recognition of Elected Members Services](#)

[5214 CP-017 Legal Representation](#)

[5214 CP-039 Quality Policy](#)

- 2. That the policy [CP- 006 Local Employment Solutions](#) be deleted.**
- 3. That the Council Policy CP-004 Council Chamber, Committee Rooms and Lounges be renamed to read “CP-004 Council Chamber, Committee Rooms, Conference Room and Member’s Reception Lounge”.**
- 4. That the amended Policy titled “[5214 CP-004 Council Chamber, Committee Rooms, Conference Room and Member’s Reception Lounge](#)” as attached be adopted”**

At 7.47pm the Mayor declared the motion

CARRIED (12/0)

C12/6000 - 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	: Vivian Wong – Acting Senior Financial Accountant

AUTHORITY / DISCRETION

DEFINITION

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<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 November and December 2011 and recommends that the information detailed in the report be noted.
- One credit event (PMI Group Bankruptcy) was recorded in relation to the City's Collateralised Debt Obligation (CDO) investments in November 2011. This has led to the total loss of the Helium Capital Scarborough CDO with a face value of \$1.8m and the partial realised capital loss of two other CDOs (Helium Capital Esperance and Ethical Limited Green).
- No credit events were recorded in relation to the City's Collateralised Debt Obligation (CDO) investments in December 2011.
- Monthly valuations for ADIs and CDOs shown for November are based on valuations as at the 31 October 2011 from the ANZ Bank. Valuations for December 2011 were obtained from the City's new independent investment advisor, CPG Research and Advisory.

C12/6000 - 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 as at the end of November and December 2011 are shown in the tables below.

**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 30 NOVEMBER 2011**

SUMMARY BY FUND	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL RESERVE TRUST CRF	\$ 53,119,777 \$ 55,177,071 \$ 505,818 \$ 183,184	\$ 53,119,777 \$ 37,088,114 \$ 505,818 \$ 183,184	\$ 53,119,777 \$ 41,157,706 \$ 505,818 \$ 183,184	\$ - \$ 4,069,592 \$ - \$ -	0.00% 7.38% 0.00% 0.00%
	\$ 108,985,850	\$ 90,896,893	\$ 94,966,485	\$ 4,069,592	3.73%

SUMMARY BY INVESTMENT TYPE	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
ADI CDO BOND FRN FRTD TERM DEPOSIT 11AM UNITS (Local Govt Hse)	\$ 3,500,000 \$ 19,720,000 \$ 2,000,000 \$ 6,000,000 \$ 2,500,000 \$ 70,869,738 \$ 4,165,467 \$ 230,645	\$ 3,460,825 \$ 1,670,218 \$ 2,000,000 \$ 6,000,000 \$ 2,500,000 \$ 70,869,738 \$ 4,165,467 \$ 230,645	\$ 3,492,979 \$ 5,707,656 \$ 2,000,000 \$ 6,000,000 \$ 2,500,000 \$ 70,869,738 \$ 4,165,467 \$ 230,645	\$ 32,154 \$ 4,037,438 \$ - \$ - \$ - \$ - \$ - \$ -	0.92% 20.47% 0.00% 0.00% 0.00% 0.00% 0.00% 0.00%
	\$ 108,985,850	\$ 90,896,893	\$ 94,966,485	\$ 4,069,592	3.73%

SUMMARY BY CREDIT RATING	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AA AA- A+ A A- BBB+ CCC CCC- NR UNITS (Local Govt Hse)	\$ 1,500,000 \$ 76,235,205 \$ 6,300,000 \$ 2,000,000 \$ 1,000,000 \$ 2,000,000 \$ - \$ - \$ 19,720,000 \$ 230,645	\$ 1,500,000 \$ 76,229,815 \$ 6,300,000 \$ 1,969,715 \$ 996,500 \$ 2,000,000 \$ - \$ - \$ 1,670,218 \$ 230,645	\$ 1,500,000 \$ 76,233,817 \$ 6,300,000 \$ 1,991,788 \$ 1,002,579 \$ 2,000,000 \$ - \$ - \$ 5,707,656 \$ 230,645	\$ - \$ 4,002 \$ - \$ 22,073 \$ 6,079 \$ - \$ - \$ - \$ 4,037,438 \$ -	0.00% 0.01% 0.00% 1.10% 0.61% 0.00% 0.00% 0.00% 20.47% 0.00%
	\$ 108,985,850	\$ 90,896,893	\$ 94,966,485	\$ 4,069,592	3.73%

C12/6000 - INVESTMENT STATEMENTS (REC)

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

SUMMARY BY FUND	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
MUNICIPAL RESERVE	\$ 44,054,311	\$ 44,054,311	\$ 44,054,311	\$ -	0.00%
TRUST	\$ 505,818	\$ 505,818	\$ 505,818	\$ -	0.00%
CRF	\$ 183,184	\$ 183,184	\$ 183,184	\$ -	0.00%
	\$ 99,920,383	\$ 81,831,426	\$ 85,752,293	\$ 3,920,866	3.92%

SUMMARY BY INVESTMENT TYPE	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
ADI	\$ 3,500,000	\$ 3,460,825	\$ 3,487,940	\$ 27,115	0.77%
CDO	\$ 19,720,000	\$ 1,670,218	\$ 5,563,969	\$ 3,893,751	19.75%
BOND	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
FRN	\$ 6,000,000	\$ 6,000,000	\$ 6,000,000	\$ -	0.00%
FRTD	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ -	0.00%
TERM DEPOSIT 11AM	\$ 65,969,738	\$ 65,969,738	\$ 65,969,738	\$ -	0.00%
UNITS (Local Govt Hse)	\$ -	\$ -	\$ -	\$ -	0.00%
	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 99,920,383	\$ 81,831,426	\$ 85,752,293	\$ 3,920,866	3.92%

SUMMARY BY CREDIT RATING	PURCHASE PRICE \$	MANAGEMENT VALUE AT 30/06/2011 \$	ESTIMATED CURRENT MARKET VALUE \$	BOOK PROFIT/(LOSS) \$	BOOK PROFIT/(LOSS) %
AA	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	0.00%
AA-	\$ 67,169,738	\$ 67,164,348	\$ 67,178,579	\$ 14,230	0.02%
A+	\$ 6,300,000	\$ 6,300,000	\$ 6,300,000	\$ -	0.00%
A	\$ 2,000,000	\$ 1,969,715	\$ 1,979,261	\$ 9,546	0.48%
A-	\$ 1,000,000	\$ 996,500	\$ 999,839	\$ 3,339	0.33%
BBB+	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ -	0.00%
CCC	\$ -	\$ -	\$ -	\$ -	0.00%
CCC-	\$ -	\$ -	\$ -	\$ -	0.00%
NR	\$ 19,720,000	\$ 1,670,218	\$ 5,563,969	\$ 3,893,751	19.75%
UNITS (Local Govt Hse)	\$ 230,645	\$ 230,645	\$ 230,645	\$ -	0.00%
	\$ 99,920,383	\$ 81,831,426	\$ 85,752,293	\$ 3,920,866	3.92%

C12/6000 - 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 30 NOVEMBER 2011**

INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	PROPORTION	MAX. PER INSTITUTION	FACE VALUE \$	BOOK VALUE AT 30/6/2011 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$
BANKWEST (11AM)		11AM	4.70%	AA-	1%	20%	\$913,445	\$913,445	\$913,445	\$0
WESTPAC (MAXI DIRECT)		11AM	4.80%	AA-	1%	20%	\$1,100,000	\$1,100,000	\$1,100,000	\$0
WESTPAC (MAXI BONUS 1)		11AM	5.20%	AA-	2%	20%	\$2,152,021	\$2,152,021	\$2,152,021	\$0
WESTPAC (MAXI BONUS 2)		11AM	5.20%	AA-	0%	20%	\$0	\$0	\$0	\$0
							\$4,165,467	\$4,165,467	\$4,165,467	\$0
BANKWEST (TERM)		TERM	5.60%	AA-	11%	20%	\$11,669,738	\$11,669,738	\$11,669,738	\$0
COMMONWEALTH BANK (TERM)		TERM	5.55%	AA-	8%	20%	\$9,200,000	\$9,200,000	\$9,200,000	\$0
SUNCORP METWAY LTD (TERM)		TERM	5.85%	A+	6%	15%	\$6,300,000	\$6,300,000	\$6,300,000	\$0
ING BANK		TERM	5.95%	A	0%	15%	\$500,000	\$500,000	\$500,000	\$0
NAB (TERM)		TERM	5.82%	A	11%	20%	\$12,100,000	\$12,100,000	\$12,100,000	\$0
ST GEORGE BANK (TERM)		TERM	5.68%	AA-	15%	20%	\$16,300,000	\$16,300,000	\$16,300,000	\$0
RABODIRECT (TERM)		TERM	6.00%	AA	1%	15%	\$1,500,000	\$1,500,000	\$1,500,000	\$0
WESTPAC (TERM)		TERM	5.70%	AA-	13%	20%	\$13,800,000	\$13,800,000	\$13,800,000	\$0
							\$71,369,738	\$71,369,738	\$71,369,738	\$0
COMMONWEALTH BANK (BOND)		BOND	6.05%	AA-	2%	20%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
							\$2,000,000	\$2,000,000	\$2,000,000	\$0
BANK OF QUEENSLAND (FLOAT RATE TD)		FRTD	6.42%	BBB+	2%	10%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
							\$2,000,000	\$2,000,000	\$2,000,000	\$0
COMMONWEALTH BANK (FRN)		FRN	5.79%	AA-	2%	20%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
NAB (FRN)		FRN	5.94%	AA-	4%	20%	\$4,000,000	\$4,000,000	\$4,000,000	\$0
							\$6,000,000	\$6,000,000	\$2,000,000	\$0
ADELAIDE BANK	Very Low	ADI	5.35%	A-	1%	10%	\$1,000,000	\$996,500	\$1,002,579	\$6,079
MACQUARIE BANK	Very Low	ADI	4.95%	A	15%	15%	\$1,500,000	\$1,469,715	\$1,491,788	\$22,073
WESTPAC BANK	Very Low	ADI	4.99%	AA-	1%	20%	\$1,000,000	\$994,610	\$998,612	\$4,002
APHEX (GLENELG)	High	CDO	6.68%	NR	2%	0%	\$2,000,000	\$122,833	\$403,784	\$280,950
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%	NR	1%	0%	\$1,500,000	\$75,255	\$315,095	\$239,840
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.64%	NR	2%	0%	\$1,885,000	\$22,493	\$6,952	-\$15,541
ETHICAL LIMITED GREEN	High	CDO	5.99%	NR	1%	0%	\$1,000,000	\$10,758	\$104,614	\$93,856
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.69%	NR	2%	0%	\$1,800,000	\$347,317	\$243,000	-\$104,317
HELIUM CAPITAL (SCARBOROUGH)	High	CDO	6.56%	NR	2%	0%	\$1,800,000	\$20,537	\$25,912	\$5,374
MAGNOLIA FLINDERS	Moderate	CDO	6.49%	NR	2%	20%	\$2,000,000	\$966,372	\$1,757,931	\$791,559
MANAGED ACES CLASS 11A PARKES	Very High	CDO	8.29%	NR	1%	0%	\$1,000,000	\$2,934	\$6,213	\$3,279
MANAGED ACES CLASS 1A PARKES	High	CDO	6.62%	NR	1%	0%	\$1,050,000	\$10,269	\$8,522	-\$1,747
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.55%	NR	0%	0%	\$385,000	\$80,689	\$275,633	\$194,945
STARTS (CAYMAN) BLUE GUM	Defaulted	CDO	#N/A	NR	0%	0%	\$0	\$0	\$0	\$0
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	1%	0%	\$1,500,000	\$9,095	\$600,000	\$590,905
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	NR	0%	0%	\$500,000	\$1,663	\$150,000	\$148,337
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	1%	0%	\$850,000	\$1	\$340,000	\$339,999
							\$23,220,000	\$5,131,043	\$9,200,635	\$4,069,592
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%				\$230,645	\$230,645	\$230,645	\$0
TOTAL FUNDS INVESTED					100%		\$108,985,850	\$90,896,893	\$90,966,485	\$4,069,592

DIVERSIFICATION / CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments
AA	\$1,500,000	\$1,500,000	2%	80%	
AA-	\$76,235,205	\$76,233,817	80%	80%	
A+	\$6,300,000	\$6,300,000	7%	50%	
A	\$2,000,000	\$1,991,788	2%	50%	
A-	\$1,000,000	\$1,002,579	1%	50%	
BBB+	\$2,000,000	\$2,000,000	2%	20%	
NR	\$19,720,000	\$5,707,656	6%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	108,985,850	94,966,485	100%		

C12/6000 - 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-	913,445	0.96%		20%	
BANKWEST (TERM)	TERM	AA-	11,669,738	12.29%	13.25%	20%	
BANK OF QUEENSLAND (FLOAT RATE TD)	FRTD	BBB+	2,000,000	2.11%	2.11%	10%	
COMMONWEALTH BANK (TERM)	TERM	AA-	9,200,000	9.69%		20%	
COMMONWEALTH BANK (FRN)	FRN	AA-	2,000,000	2.11%		20%	
COMMONWEALTH BANK (BOND)	BOND	AA-	2,000,000	2.11%	13.90%	20%	
ING BANK	TERM	A	500,000	0.53%	0.53%	15%	
MACQUARIE BANK	ADI	A	1,491,788	1.57%	4.20%	15%	
NAB (FRN)	FRN	AA-	4,000,000	4.21%		20%	
NAB (TERM)	TERM	AA-	12,100,000	12.74%	16.95%	20%	
RABODIRECT (TERM)	TERM	AA	1,500,000	1.58%	1.58%	15%	
ST GEORGE BANK (TERM)	TERM	AA-	16,300,000	17.16%	17.16%	20%	
SUNCORP METWAY LTD (TERM)	TERM	A+	6,300,000	6.63%	6.63%	15%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	2,152,021	2.27%		20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%		20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	1,100,000	1.16%		20%	
WESTPAC (TERM)	TERM	AA-	13,800,000	14.53%		20%	
WESTPAC BANK	ADI	AA-	998,612	1.05%	19.01%	20%	
ADELAIDE BANK	ADI	A-	1,002,579	1.06%	1.06%	10%	
CDO - Various	CDO		5,707,656	6.01%	6.01%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.24%	0.24%		
			\$94,966,485	100%	107%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	53,394,950	100%	100%	
< 2 years	-	0%	10%	
< 3 years	-	0%	10%	
< 4 years	-	0%	0%	
< 5 years	-	0%	0%	
> 5 years	-	0%	0%	
	53,394,950	100%		
RESERVE FUNDS				
< 1 year	24,993,214	61%	100%	
< 2 years	2,399,953	6%	80%	
< 3 years	4,515,620	11%	80%	
< 4 years	418,518	1%	40%	
< 5 years	6,000,000	15%	40%	
> 5 years	2,830,400	7%	20%	Purchased Prior To Policy Change
	41,157,706	100%		

C12/6000 - INVESTMENT STATEMENTS (REC)
**CITY OF MELVILLE
STATEMENT OF INVESTMENTS
FOR THE PERIOD ENDING 31 DECEMBER 2011**

INSTITUTION / INVESTMENT	RISK of IMPAIRMENT	INVESTMENT TYPE	Current Interest Rate %	S & P RATING	PROPORTION	MAX. PER INSTITUTION	FACE VALUE \$	BOOK VALUE AT 30/6/2011 \$	CURRENT EST MARKET VALUE \$	INVESTMENT GAIN / (LOSS) SINCE 30/6/10 \$
BANKWEST (11AM)		11AM	4.20%	AA-	0%	20%	\$0	\$0	\$0	\$0
WESTPAC (MAXI DIRECT)		11AM	4.80%	AA-	0%	20%	\$0	\$0	\$0	\$0
WESTPAC (MAXI BONUS 1)		11AM	5.20%	AA-	0%	20%	\$0	\$0	\$0	\$0
WESTPAC (MAXI BONUS 2)		11AM	5.20%	AA-	0%	20%	\$0	\$0	\$0	\$0
							\$0	\$0	\$0	\$0
BANKWEST (TERM)		TERM	5.60%	AA-	12%	20%	\$11,669,738	\$11,669,738	\$11,669,738	\$0
COMMONWEALTH BANK (TERM)		TERM	5.55%	AA-	7%	20%	\$6,700,000	\$6,700,000	\$6,700,000	\$0
SUNCORP METWAY LTD (TERM)		TERM	5.85%	A+	6%	15%	\$6,300,000	\$6,300,000	\$6,300,000	\$0
ING BANK		TERM	5.69%	A	1%	15%	\$500,000	\$500,000	\$500,000	\$0
NAB (TERM)		TERM	5.82%	AA-	12%	20%	\$12,100,000	\$12,100,000	\$12,100,000	\$0
ST GEORGE BANK (TERM)		TERM	5.68%	AA-	14%	20%	\$13,900,000	\$13,900,000	\$13,900,000	\$0
RABODIRECT (TERM)		TERM	6.00%	AA	2%	15%	\$1,500,000	\$1,500,000	\$1,500,000	\$0
WESTPAC (TERM)		TERM	5.70%	AA-	14%	20%	\$13,800,000	\$13,800,000	\$13,800,000	\$0
							\$66,469,738	\$66,469,738	\$66,469,738	\$0
COMMONWEALTH BANK (BOND)		BOND	6.05%	AA-	2%	20%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
							\$2,000,000	\$2,000,000	\$2,000,000	\$0
BANK OF QUEENSLAND (FLOAT RATE TD)		FRTD	6.42%	BBB+	2%	10%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
							\$2,000,000	\$2,000,000	\$2,000,000	\$0
COMMONWEALTH BANK (FRN)		FRN	5.79%	AA-	2%	20%	\$2,000,000	\$2,000,000	\$2,000,000	\$0
NAB (FRN)		FRN	5.38%	AA-	4%	20%	\$4,000,000	\$4,000,000	\$4,000,000	\$0
							\$6,000,000	\$6,000,000	\$2,000,000	\$0
ADELAIDE BANK	Very Low	ADI	4.85%	A-	1%	10%	\$1,000,000	\$996,500	\$999,839	\$3,339
MACQUARIE BANK	Very Low	ADI	4.95%	A	2%	15%	\$1,500,000	\$1,469,715	\$1,479,261	\$9,546
WESTPAC BANK	Very Low	ADI	4.99%	AA-	1%	20%	\$1,000,000	\$994,610	\$1,008,840	\$14,230
APHEX (GLENELG)	High	CDO	6.17%	NR	2%	0%	\$2,000,000	\$122,833	\$164,843	\$42,009
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	5.83%	NR	2%	0%	\$1,500,000	\$75,255	\$186,986	\$111,731
CORSAIR (CAYMAN) TORQUAY	Very High	CDO	6.31%	NR	2%	0%	\$1,885,000	\$22,493	\$2,104	-\$20,389
ETHICAL LIMITED GREEN	High	CDO	5.99%	NR	1%	0%	\$1,000,000	\$10,758	\$53,737	\$42,979
HELIUM CAPITAL (ESPERANCE)	High	CDO	6.69%	NR	2%	0%	\$1,800,000	\$347,317	\$336,686	-\$10,631
HELIUM CAPITAL (SCARBOROUGH)	High	CDO	6.56%	NR	2%	0%	\$1,800,000	\$20,537	\$0	-\$20,537
MAGNOLIA FLINDERS	Moderate	CDO	5.93%	NR	2%	20%	\$2,000,000	\$966,372	\$1,908,575	\$942,203
MANAGED ACES CLASS 11A PARKES	Very High	CDO	8.29%	NR	1%	0%	\$1,000,000	\$2,934	\$1,721	-\$1,213
MANAGED ACES CLASS 1A PARKES	High	CDO	6.06%	NR	1%	0%	\$1,050,000	\$10,269	\$27,642	\$17,373
OMEGA CAPITAL CLASS A HENLEY	Moderate	CDO	5.27%	NR	0%	0%	\$385,000	\$80,689	\$321,675	\$240,987
STARTS (CAYMAN) BLUE GUM	Defaulted	CDO	#N/A	NR	0%	0%	\$0	\$0	\$0	\$0
ZIRCON FINANCE COOLANGATTA	Early Term.	CDO	0.00%	NR	2%	0%	\$1,500,000	\$9,095	\$600,000	\$590,905
ZIRCON FINANCE MERIMBULA	Early Term.	CDO	0.00%	NR	1%	0%	\$500,000	\$1,663	\$150,000	\$148,337
ZIRCON FINANCE MIAMI	Early Term.	CDO	0.00%	NR	1%	0%	\$850,000	\$1	\$340,000	\$339,999
							\$23,220,000	\$5,131,043	\$9,051,909	\$3,920,866
UNITS IN LOCAL GOVT HOUSE		UNITS	0.00%				\$230,645	\$230,645	\$230,645	\$0
TOTAL FUNDS INVESTED					100%		\$99,920,383	\$81,831,426	\$81,752,293	\$3,920,866

DIVERSIFICATION / CREDIT RISK COMPARISON

CREDIT RISK	PURCHASE PRICE \$	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments
AA	\$1,500,000	\$1,500,000	2%	80%	
AA-	\$67,169,738	\$67,178,579	78%	80%	
A+	\$6,300,000	\$6,300,000	7%	50%	
A	\$2,000,000	\$1,979,261	2%	50%	
A-	\$1,000,000	\$999,839	1%	50%	
BBB+	\$2,000,000	\$2,000,000	2%	20%	
NR	\$19,720,000	\$5,563,969	6%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT: HOUSE	\$230,645	\$230,645	0%	0.1%	Council Decision
TOTAL	99,920,383	85,752,293	100%		

C12/6000 - 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-	-	0.00%	-	20%	
BANKWEST (TERM)	TERM	AA-	11,669,738	13.61%	13.61%	20%	
BANK OF QUEENSLAND (FLOAT RATE TD)	FRTD	BBB+	2,000,000	2.33%	2.33%	10%	
COMMONWEALTH BANK (TERM)	TERM	AA-	6,700,000	7.81%	-	20%	
COMMONWEALTH BANK (FRN)	FRN	AA-	2,000,000	2.33%	-	20%	
COMMONWEALTH BANK (BOND)	BOND	AA-	2,000,000	2.33%	12.48%	20%	
ING BANK	TERM	A	500,000	0.58%	0.58%	15%	
MACQUARIE BANK	ADI	A	1,479,261	1.73%	4.64%	15%	
NAB (FRN)	FRN	AA-	4,000,000	4.66%	-	20%	
NAB (TERM)	TERM	AA-	12,100,000	14.11%	18.78%	20%	
RABODIRECT (TERM)	TERM	AA	1,500,000	1.75%	1.75%	15%	
ST GEORGE BANK (TERM)	TERM	AA-	13,900,000	16.21%	16.21%	20%	
SUNCORP METWAY LTD (TERM)	TERM	A+	6,300,000	7.35%	7.35%	15%	
WESTPAC (MAXI BONUS 1)	11AM	AA-	-	0.00%	-	20%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	-	0.00%	-	20%	
WESTPAC (MAXI DIRECT)	11AM	AA-	-	0.00%	-	20%	
WESTPAC (TERM)	TERM	AA-	13,800,000	16.09%	-	20%	
WESTPAC BANK	ADI	AA-	1,008,840	1.18%	17.27%	20%	
ADELAIDE BANK	ADI	A-	999,839	1.17%	1.17%	10%	
CDO - Various	CDO		5,563,969	6.49%	6.49%		Purchased Prior To Policy Change
UNITS IN LOCAL GOVT HOUSE	UNITS		230,645	0.27%	0.27%		
			\$85,752,293	100%	108%		

MATURITY COMPARISON

TERM to MATURITY	CURRENT ESTIMATED MARKET VALUE	ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments
MUNICIPAL & TRUST FUNDS				
< 1 year	44,329,484	100%	100%	
< 2 years	-	0%	10%	
< 3 years	-	0%	10%	
< 4 years	-	0%	0%	
< 5 years	-	0%	0%	
> 5 years	-	0%	0%	
	44,329,484	100%		
RESERVE FUNDS				
< 1 year	25,187,160	61%	100%	
< 2 years	2,488,790	6%	80%	
< 3 years	4,475,566	11%	80%	
< 4 years	2,029,362	5%	40%	
< 5 years	4,000,000	10%	40%	
> 5 years	2,828,102	7%	20%	Purchased Prior To Policy Change
	41,008,980	100%		

C12/6000 - INVESTMENT STATEMENTS (REC)

The values ascribed to Authorised Deposit Taking Institutions (ADIs) by the City'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 six 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 for ADIs and CDOs shown for November are based on valuations obtained from the ANZ bank as at 31 October 2011. Valuations for December 2011 have been provided by CPG Research and Advisory, the City's new independent investment advisor. When compared to the valuations used as at 30 June 2011, valuations obtained from CPG as at 31 December 2011 show that:

- ADIs have increased in value by \$27,115.
- CDOs have increased in value by \$3,893,751.

However, values for November and December have dropped from \$5.75m to \$3.89m when compared to values as at 31 July. This was a result of the recent turmoil in the US and the subsequent downgrade by Standard & Poors (S&P) of the US 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 the City gaining access to the collateral representing the City's original investments which are held by the Trustees.

C12/6000 - INVESTMENT STATEMENTS (REC)

Some of the non Lehman Brothers arranged CDOs continue to pay coupon payments based on the full amount invested whilst those CDO's that have suffered an erosion of credit support and therefore underlying principal pay interest at a reduced rate depending on the extent of the principal loss experienced. Based on previous 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.

Credit Ratings and Credit Events

There was one credit event or defaults (PMI Group Bankruptcy) in November that affected three of the City's CDO investments.

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

Twenty one credit events impacting the City's CDO investments have now been recorded to date. The Companies involved are PMI Group, 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 \$6.96m to date, as detailed below:

- The total loss of the Starts Cayman Blue Gum CDO with a face value of \$1.5m.
- The total loss of the Helium Capital Scarborough CDO with a face value of \$1.8m.
- The near total loss of 98.6% (\$1.859m) of the Corsair Cayman Torquay CDO with a face value of \$1.885m.
- The near total loss of 90.5% (\$0.905m) of the Managed Aces Class Parkes IIA CDO with a face value of \$1.0m.
- The near total loss of 30.3% (\$0.545m) of the Helium Capital Esperance CDO with a face value of \$1.8m.
- The near total loss of 35.1% (\$0.351m) of the Ethical Limited Green CDO with a face value of \$1.0m.

Actual losses incurred will be funded from the Risk Management Reserve to the extent that funds are available in that Reserve account. Where losses exceed the available funds, these will be prorated and deducted across the City's other Reserve Funds, excluding the Leave Entitlement Reserve, in proportion to the Reserve Balances as at 30 June 2007.

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

C12/6000 - 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	7 credit events: Takefuji, AIFUL, Thomson, Lehman's, Landsbanki, CIT Group & PMI Group.	2.0	2.79	
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	11 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, Kaupthing, CIT Group, Anglo Irish Bank & PMI Group	1	1	Very high likelihood of total default.
Corsair Cayman Torquay Arranger: J.P. Morgan Australia \$1.885m	11 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Idearc, Freddie Mac, Lehman, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-2.0	-2.0	Partial loss (98.6%) of principal has occurred. Very high likelihood of total default.
Ethical Limited Green Arranger: J.P. Morgan Australia \$1.0m	9 credit events: AMBAC Assurance, XL Capital Assurance, Idearc, Lehman's, WaMu, Glitnir, Kaupthing, CIT Group & PMI Group	-0.9	1.75	Partial loss (35.1%) of principal has occurred. Very high likelihood of total default.
Helium Capital Esperance Arranger: Merrill Lynch International \$1.80m	7 credit events: PMI Group, Idearc, Tribune, Thomson, Lehman's, AMBAC Assurance & CIT Group.	-0.5	0.67	Partial loss (30.3%) of principal has occurred. Very high likelihood of total default..

C12/6000 - 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	10 credit events: PMI Group, AMBAC Financial, AIFUL, Idearc, Freddie Mac, Fannie Mae, Tribune, Lehman's, Kaupthing & Landsbanki.	-1.5	-1.5	Total loss of principal has occurred.
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	9 credit events: AMBAC Assurance, AIFUL, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu, CIT Group & PMI Group.	0.2	1.94	High likelihood of total default.
Managed Aces Class Parkes 11A Arranger: Morgan Stanley \$1.0m	9 credit events: AMBAC Assurance, AIFUL, FGIC, XL Capital Assurance, Freddie Mac, Fannie Mae, Lehman's, WaMu & CIT Group.	-1.8	-1.8	Partial loss (90.5%) of principal has occurred. Very high likelihood of total default.
Omega Capital Class A Henley Arranger: BNP Paribas \$0.385m	7 credit events: AMBAC Assurance, Freddie Mac, Fannie Mae, Thomson, Lehman's, CIT Group & PMI Group	3.3	3.44	

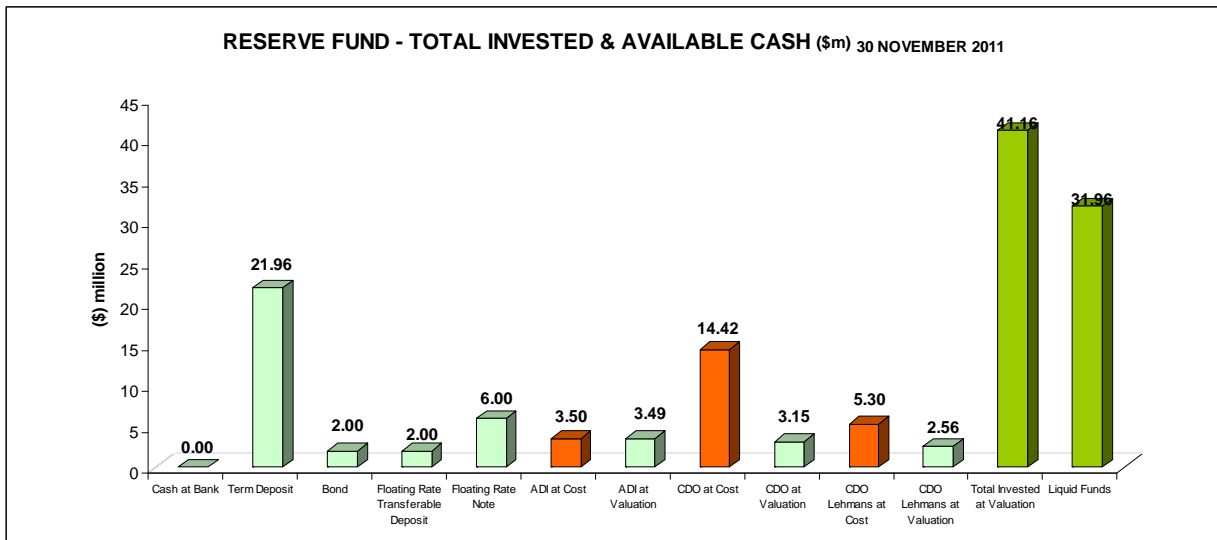
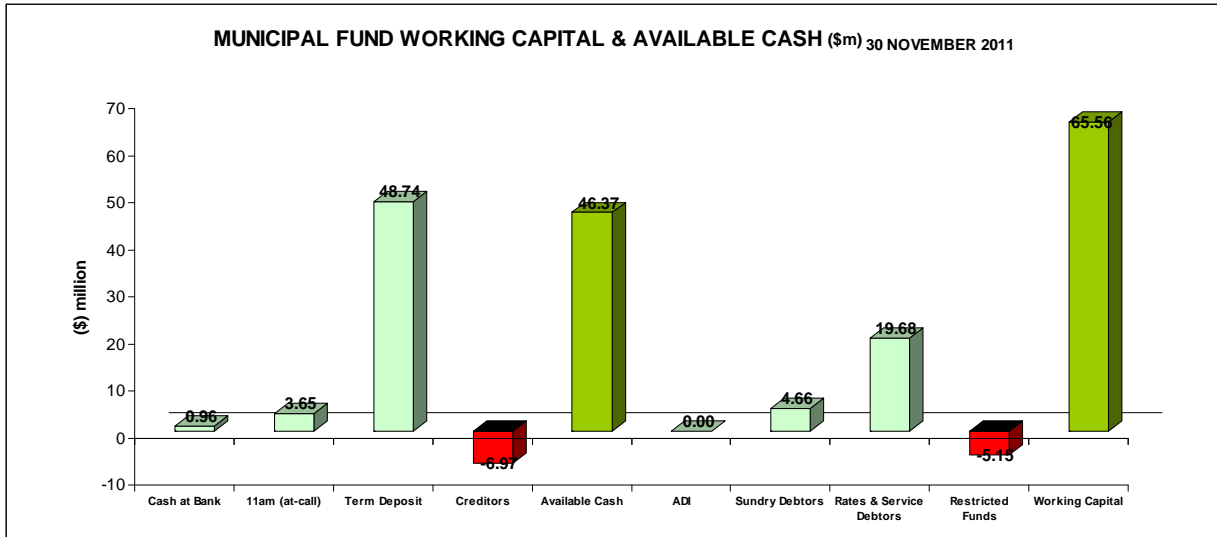
C12/6000 - INVESTMENT STATEMENTS (REC)

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.

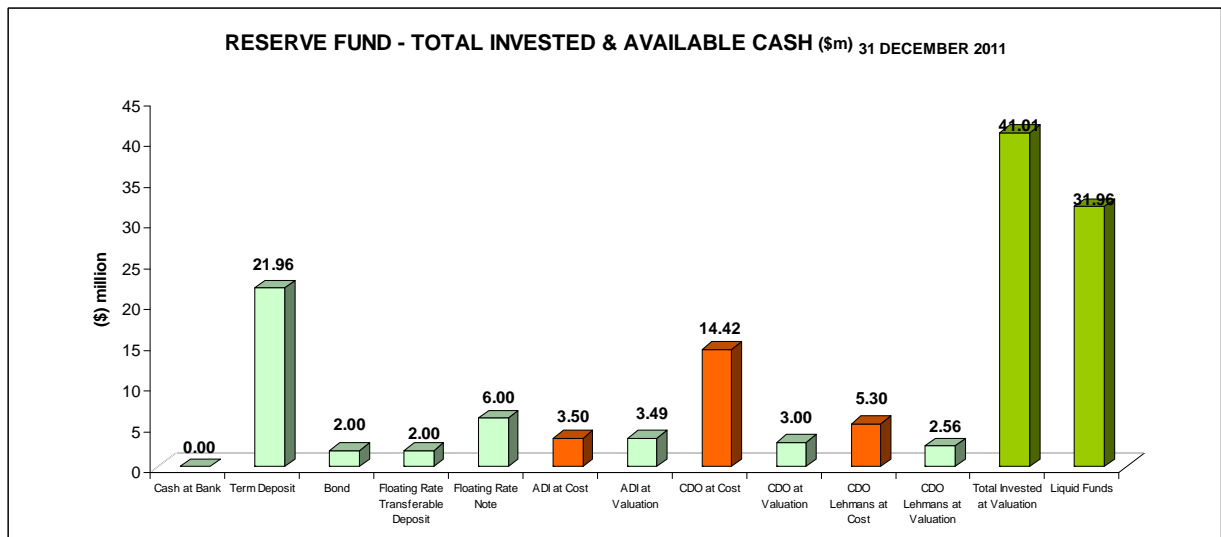
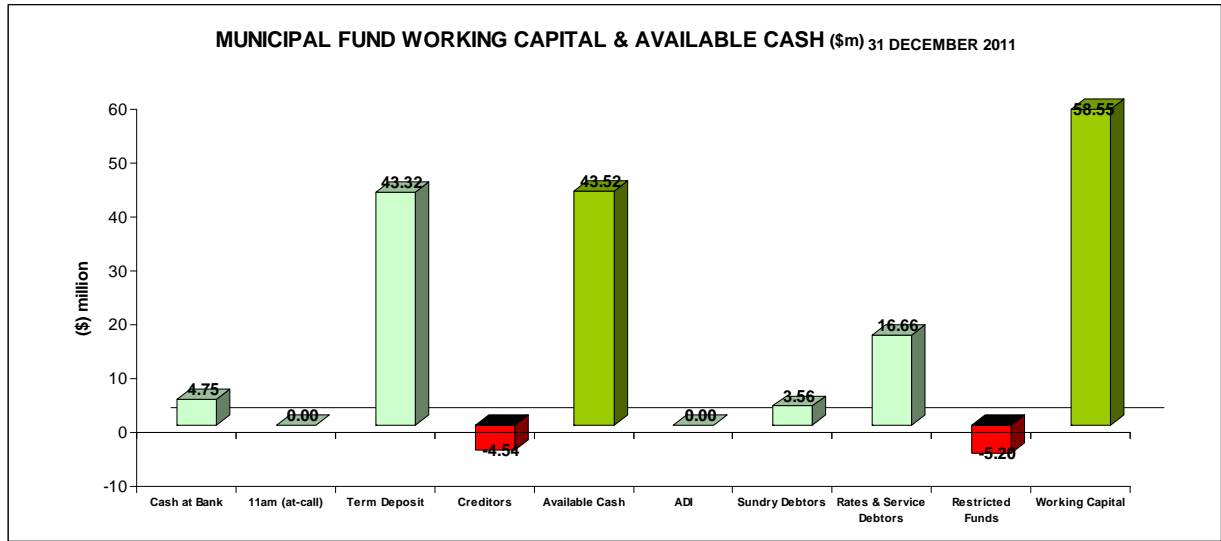
C12/6000 - INVESTMENT STATEMENTS (REC)

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 November and December 2011.

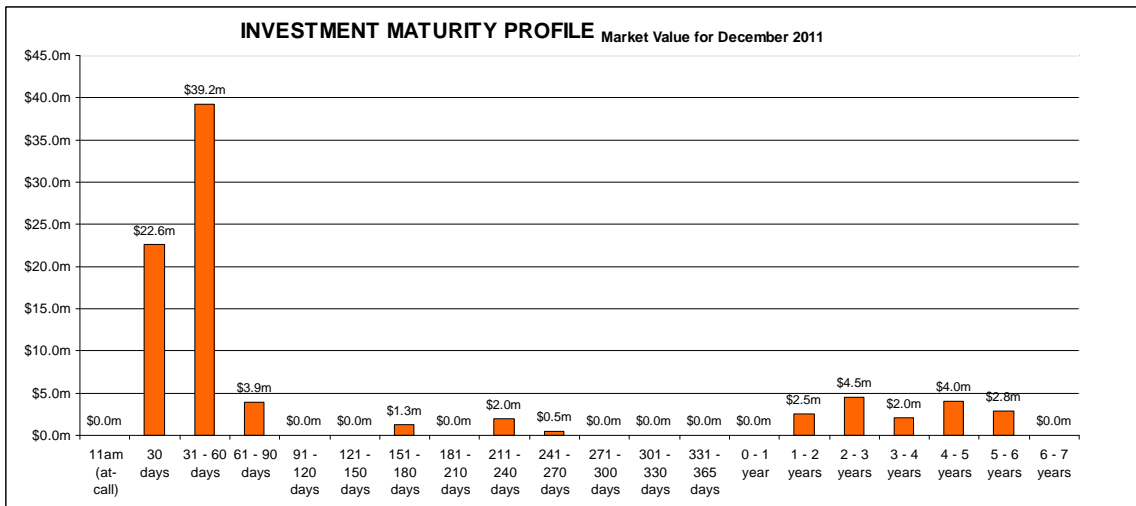
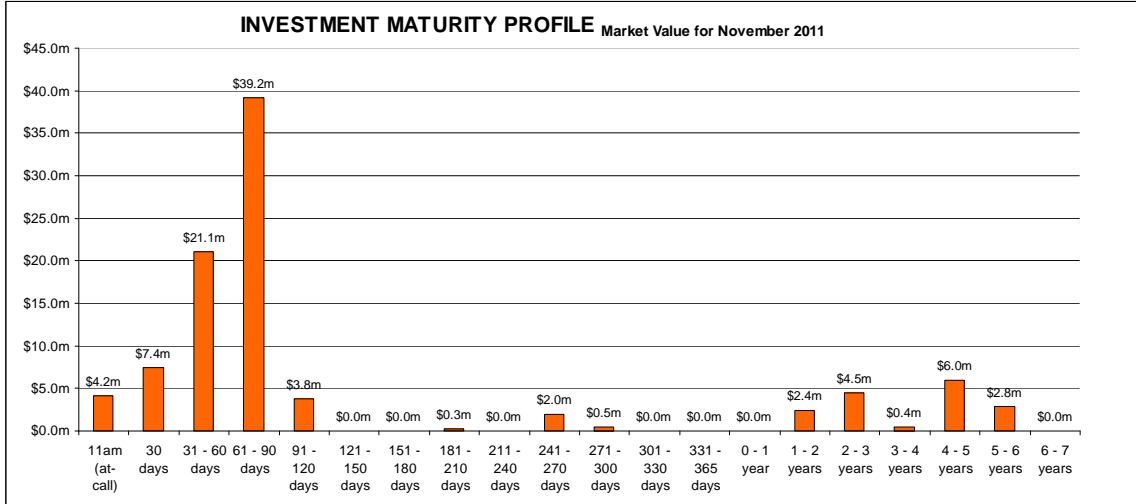


C12/6000 - INVESTMENT STATEMENTS (REC)



C12/6000 - INVESTMENT STATEMENTS (REC)

The graph below summarise the maturity profile of the City's investments at market value as at 31 November and December 2011.



PUBLIC CONSULTATION/COMMUNICATION

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

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

C12/6000 - INVESTMENT STATEMENTS (REC)**CONSULTATION WITH OTHER AGENCIES / CONSULTANTS**

Denison Financial Advisory, the City's outgoing investment advisor, reviewed the current investment portfolio and we will now work with the City's new investment advisor CPG 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.

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 City gains access to the more valuable collateral representing the City'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.

C12/6000 - INVESTMENT STATEMENTS (REC)**FINANCIAL IMPLICATIONS**

For the period ending November and December 2011, interest earned on:

- Municipal and Trust Funds was \$1,487,313 against a year to date budget of \$760,250. This represents a \$727,063 positive variance.
- Reserve Funds was \$1,339,086 against a year to date budget of \$400,000. This represents a \$939,086 positive variance.

Investment earnings received in respect to CDO investments since 1 July 2007 has been \$4.59m and \$2.86m 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, Floating Rate Transferable Deposit and Term Deposits when compared to the cash rate will be transferred to the Risk Management Reserve.

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

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 City'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.

Due to the continuing credit market concerns overseas, the risks associated with the City's investment portfolio in CDOs also increased to levels which are of concern. Whilst the City 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.

There are no other identifiable strategic, risk and environmental management implications.

C12/6000 - INVESTMENT STATEMENTS (REC)**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 November 2011.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

Whilst the situation regarding the CDO investments remains tenuous with the loss of two and the partial default/loss of four 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 book value devaluations are expected over the course of the current and future financial years.

Officers, in conjunction with the City's new 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.

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 the City'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 months of November and December 2011 be noted.**

At 7.48pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

C12/6001 – SCHEDULE OF ACCOUNTS FOR NOVEMBER 2011 (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>

C12/6001 – SCHEDULE OF ACCOUNTS FOR NOVEMBER 2011 (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 November 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 30 November 2011, [6001 November 2011](#) including Payment Registers numbers Cheques **254 to 259** and Electronic Funds Transfers **222 to 225** were distributed to the Members of Council on 3 February 2012.

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

C12/6001 – SCHEDULE OF ACCOUNTS FOR NOVEMBER 2011 (REC) (ATTACHMENT)

Supplier Name	Remittance Number	Remittance Details	Amount
Badge Constuctions (WA) Pty Ltd	E026728	Progress Claim 7 for Redevelopment of Melville Aquatic Fitness Centre	\$698,490.86
City of Cockburn	E026586	Tip Fees for October 2011	\$160,412.78
Department of Health	Chq 045626	Refund of HACCC Grant for 31,616 Surplus Meals for Meals on Wheels	\$64,686.60
Dickies Tree Service	E026590 & E026403	Tree lopping services	\$76,418.10
Dowsing Concrete	E026550, E026558, E026578 & E026780	Concrete works	\$35,566.30
Fire & Emergency Services Authority WA	E026526 & E026734	ESL remittance for October 2011	\$1,211,687.35
Flexi Staff	E026619 & E026424	Staff hire	\$46,855.35
Fremantle CBC Amateur Football Club Inc	E026732	Upgrade of lighting facilities & Self Supporting Loan	\$53,334.00
Greenspan – MCE	E026430 & E026626	Upgrade of Rainman Central Control Software and replacement of controllers	\$90,318.80
MacDonald Johnston Engineering	E026411, E026556, E026559 & E026596	Engineering equipment	\$34,231.83
Manpower Services Australia Pty Ltd	Chq 045653	Recruitment fees of Manager Operations	\$25,285.70
Maxwell Robinson & Phelps	E026570 & E026700	Chemical spraying	\$54,890.01
Perth Engineering & Maintenance WA Pty Ltd	E026680	Gate fees for October 2011	\$94,164.80
RBM Drilling	E026636	Bore replacement	\$27,412.00
Rhysco Electrical Services	E026715 & E026504	Electrical services	\$28,746.41
Robinson Buildtech	E026413 & E026601	Various building maintenance jobs	\$161,935.02
Southern Metropolitan Regional Council	E026568 & E026687	Greenwaste gate fees for October 2011	\$283,488.52
Synergy	Chqs 045726 & 045614	Electricity supply	\$249,046.90
Tree Amigos Tree Surgeons	E026710	Tree lopping services	\$61,340.40
V&P Lawn Garden Contractors	E026720 & E026511	Lawn maintenance	\$40,554.20
Yarnell Pty Ltd	E026729 & E026520	Progress Claim for Melville Foreshore October 2011 & installation of rockwall at Melville Beach Parade Foreshore	\$73,931.00

C12/6001 – SCHEDULE OF ACCOUNTS FOR NOVEMBER 2011 (REC) (ATTACHMENT)**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 2011/2012 Budget.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no other identifiable strategic, risk and environmental management implications.

POLICY IMPLICATIONS

Not Applicable.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

C12/6001 – SCHEDULE OF ACCOUNTS FOR NOVEMBER 2011(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 30 November 2011 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 November 2011](#) be noted.

At 7.48pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

C12/6001 – SCHEDULE OF ACCOUNTS FOR DECEMBER 2011 (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>

C12/6001 – SCHEDULE OF ACCOUNTS FOR DECEMBER 2011 (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 December 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 December 2011, [6001 December 2011](#) including Payment Registers numbers Cheques **260 to 265** and Electronic Funds Transfers **226 to 228** were distributed to the Members of Council on 3 February 2012.

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

C12/6001 – SCHEDULE OF ACCOUNTS FOR DECEMBER 2011 (REC) (ATTACHMENT)

Supplier Name	Remittance Number	Remittance Details	Amount
Australian Taxation Office	E026956	BAS Payment for October 2011	\$195,744.00
Badge Constructions (WA) Pty Ltd	E026947	Progress Claim 8 for Redevelopment at Melville Aquatic Fitness Centre	\$805,318.60
Baileys Fertilisers	E026787 & E027033	Fertilising of various reserves	\$39,171.00
Bollig Design Group	E027122	Building conditions audit	\$36,086.00
Boral Construction	E027034 & E026789	Road construction materials	\$625,491.65
City of Cockburn	E027041	Tip fees for November 2011	\$141,857.29
Crabclaw Holdings Pty Ltd	E027104 & E26865	Various building maintenance jobs	\$58,851.67
Dickies Tree Service	E026795 & E027043	Tree lopping services	\$142,936.20
Downer EDI Works Pty Ltd	E026940 & E027153	Road works	\$113,000.15
Dowsing Concrete	E027210 & E026998	Concrete works	\$92,982.78
Excel Kerbing	Chqs 046151 & 046002	Concrete kerbing	\$29,552.60
Fire & Emergency Services Authority WA	E026957	ESL remittance for November 2011	\$322,703.06
Flexi Staff	E026827 & E027067	Staff hire	\$57,573.53
Hays Specialised Recruitment	E027176 & E026963	Temporary staff hire	\$28,118.02
Hydroquip Pumps	E027075	Reticulation	\$90,789.60
I.D Informed Decisions	E026997 & E027208	Subscription	\$39,820.00
Natural Area Management & Services	E026991 & E027200	Environmental weed control	\$55,333.41
Perth Engineering & Maintenance WA Pty	E026882	Gate fees for recyclable materials for November 2011	\$103,191.66
Plumb Construction & Design Pty Ltd	E027144	Stage 5 Installation of Completed Works	\$27,500.00
Quayclean Australia Pty Ltd	E027142 & E026928	Cleaning of Melville Recreation Centre, Melville Aquatic Fitness Centre & AH Bracks Library for December 2011	\$46,921.18
RBM Drilling	E027088 & E026844	Bore replacement at Emma George Reserve & William Renton Park	\$29,744.00
Rhysco Electrical Services	E027146 & E026932	Electrical maintenance	\$39,563.84
Robinson Buildtech	E026807 & E027052	Various building maintenance jobs	\$155,506.35
Sanpoint Pty Ltd T/A LD Total	Chq 046014	Progress claim for irrigation systems	\$32,100.48
Southern Metropolitan Regional Council	E026889 & E027123	MSW gate fees for November 2011	\$1,364,833.78
Synergy	Chqs 046095 & 045966	Electricity supply	\$299,162.59
Syrinx Environmental Pty Ltd	E027022 & Chq 045995	Irrigation design for Point Walter	\$31,569.62
Tree Amigos Tree Surgeons	E026927	Tree pruning	\$32,156.30
V&P Lawn & Garden Contractors	E026939	Lawn maintenance	\$40,226.09
West Coast Turf	E026839	Turf laying	\$27,681.50

C12/6001 – SCHEDULE OF ACCOUNTS FOR DECEMBER 2011 (REC) (ATTACHMENT)

Western Australia Land Authority	Chq 046020	Network feasibility study	\$43,978.00
Western Australia Local Government Association	E027125 & E027020	Advertising	\$64,698.94
Western Power	Chq 045965	South Attadale Underground Project – Final Cash Call Payment	\$800,000.00

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 2011/2012 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.

C12/6001 – SCHEDULE OF ACCOUNTS FOR DECEMBER 2011 (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 December 2011 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 December 2011](#) be noted.

At 7.49pm the Mayor submitted the motion, which was declared

CARRIED EN BLOC (12/0)

C12/6002 – FINANCIAL STATEMENTS FOR NOVEMBER 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	:	Vivian Wong – Acting 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 financial statements for the period ending 30 November 2011 and recommends that they be noted by the Council.
- This report presents budget amendments for the period ending 30 November 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 \$312,949 has been expended since the day of the fire from Municipal funds. The majority of these funds are expected to be recovered from the insurance claim.

**C12/6002 – FINANCIAL STATEMENTS FOR NOVEMBER 2011 (AMREC)
(ATTACHMENT)**
BACKGROUND

The Financial Statements for the period ending 30 November 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 30 November 2011, a net operating positive variance of \$1.29m was recorded. A net positive variance of \$2.38m was recorded against capital.

Variations

A summary of variations is included below.

CITY OF MELVILLE RATE SETTING STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2011								
	November Actual \$	YTD Budget \$	YTD Actual \$	Current Commitments \$	Variance \$	Variance %	Annual Budget \$	Annual Revised Budget \$
Revenues								
Governance	205,745	628,771	780,473	-	151,702	24%	1,410,890	1,668,290
General Purpose Funding	1,047,812	3,981,915	4,781,660	-	799,745	20%	8,068,771	8,038,771
Health	13,833	17,200	192,953	-	175,753	1022%	189,000	189,000
Recreation and Culture	509,405	3,371,636	3,472,143	-	100,507	3%	7,897,263	8,475,698
Transport	134,372	2,196,113	2,494,722	(268)	298,340	14%	4,379,770	4,973,764
Other Property and Services	(393,568)	4,474,025	3,833,704	-	(640,321)	-14%	491,281	3,162,299
	1,645,917	32,451,947	33,459,523	(450)	1,007,126	3%	41,010,932	45,082,279
Expenses								
Governance	(1,004,639)	(8,068,775)	(6,622,533)	(851,557)	594,685	-18%	(15,632,267)	(15,823,249)
Law, Order, Public Safety	(270,695)	(1,533,381)	(1,331,440)	(46,344)	155,597	-13%	(3,598,560)	(3,669,086)
Education & Welfare	(457,879)	(2,247,375)	(2,026,606)	(140,138)	80,631	-10%	(5,460,056)	(5,467,565)
Community Amenities	(701,925)	(7,795,031)	(6,122,167)	(1,000,366)	672,498	-21%	(18,233,961)	(18,528,991)
Transport	(876,761)	(4,134,681)	(3,614,015)	(369,818)	150,848	-13%	(9,924,356)	(9,934,356)
Economic Services	(32,250)	(54,648)	(105,306)	(7,257)	(57,914)	93%	(136,208)	(133,540)
	(5,847,631)	(39,392,560)	(34,018,833)	(3,793,643)	1,580,084	-14%	(85,495,791)	(86,373,985)

Revenue

\$50.9m in Rates has been raised to 30 November 2011. This is compared with a year to date budget of \$50.81m, resulting in a positive variance of \$0.09m.

Money Expended in an Emergency

As a result of a recent fire at the Civic Centre, unbudgeted expenditure of \$312,949 has been expended since the day of the fire from the City'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.

Some of the major expenditure items include:

- Fire damage repairs to date : \$219K
- Purchase of a new scanner/printer : \$94K

C12/6002 – FINANCIAL STATEMENTS FOR OCTOBER 2011 (AMREC) (ATTACHMENT)

The reinstatement works were completed during January 2012.

Budget Amendments

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

Rates Collections and Debtors

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

Rates, Refuse & FESA payments totalling \$2.39 million, were collected over the course of the month. Rate collection progress for the month of November was 0.2% below target, however 75.8% of the 2011/12 rates was collected as at 30 November 2011 which is comparable to the 75.6% collected at the same time last year.

The total sundry debtors balance decreased by \$170k over the course of the month. The 90+ day's debtor balance decreased by \$14k.

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

DESCRIPTION	LINK
Statement of Financial Activity – November 2011	6002A November 2011
Operating Statements by Program – November 2011	6002B November 2011
Representation of Working Capital – November 2011	6002E November 2011
Reconciliation of Net Working Capital – November 2011	6002F November 2011
Details of Budget Amendments requested – November 2011	6002J November 2011
Summary of Rates Debtors – November 2011	6002L November 2011
Graph Showing Rates Collections – November 2011	6002M November 2011
Summary of General Debtors aged 90 Days Old or Greater – November 2011	6002N November 2011
Detail of Debts Written Off for the Month – November 2011	Not Applicable

C12/6002 – FINANCIAL STATEMENTS FOR NOVEMBER 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 write 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 November 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.

C12/6002 – FINANCIAL STATEMENTS FOR NOVEMBER 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

The majority of variances identified for the period ending 30 November 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.

C12/6002 – FINANCIAL STATEMENTS FOR NOVEMBER 2011 (AMREC) (ATTACHMENT)

CONCLUSION

The attached reports reflect a positive financial position of the City of Melville as at 30 November 2011.

**OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6002)
ABSOLUTE MAJORITY**

At 7.49pm Cr Robartson moved, seconded Cr Willis -

1. That the Statements of Financial Activity and the Operating Statements for the financial year to date ending 30 November 2011 as detailed in the following attachments be noted:

DESCRIPTION	LINK
Statement Of Financial Activity – November 2011	6002A November 2011
Operating Statements By Program – November 2011	6002B November 2011
Representation Of Working Capital – November 2011	6002E November 2011
Reconciliation Of Net Working Capital – November 2011	6002F November 2011
Details of Budget Amendments requested – November 2011	6002J November 2011
Summary Of Rates Debtors – November 2011	6002L November 2011
Graph Showing Rates Collections – November 2011	6002M November 2011
Summary Of General Debtors Aged 90 Days Old Or Greater – November 2011	6002N November 2011
Detail of Debts Written Off – November 2011	Not Applicable

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

At 7.49pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

C12/6002 – FINANCIAL STATEMENTS FOR DECEMBER 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 : Vivian Wong – Acting 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 financial statements for the period ending 31 December 2011 and recommends that they be noted by the Council.
- This report presents budget amendments for the period ending 31 December 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 \$356,829 has been expended since the day of the fire from Municipal funds. The majority of these funds are expected to be recovered from the insurance claim.

**C12/6002 – FINANCIAL STATEMENTS FOR DECEMBER 2011 (AMREC)
(ATTACHMENT)**

BACKGROUND

The Financial Statements for the period ending 31 December 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 December 2011, a net operating positive variance of \$2.71m was recorded. A net positive variance of \$5.11m was recorded against capital.

Variations

A summary of variations is included below.

CITY OF MELVILLE RATE SETTING STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2011								
	December Actual \$	YTD Budget \$	YTD Actual \$	Current Commitments \$	Variance \$	Variance %	Annual Budget \$	Annual Revised Budget \$
Revenues								
Governance	130,810	760,345	911,283	-	150,938	20%	1,410,890	1,668,290
General Purpose Funding	595,381	4,476,468	5,377,041	-	900,573	20%	8,068,771	8,038,771
Education & Welfare	48,529	107,875	179,703	-	71,828	67%	208,497	208,497
Community Amenities	165,268	15,470,520	15,604,816	-	134,296	1%	15,913,420	15,913,420
Recreation and Culture	700,715	4,029,436	4,172,858	-	143,422	4%	7,897,263	8,475,698
Transport	293,515	2,732,252	2,788,237	(268)	55,717	2%	4,379,770	4,973,764
Other Property and Services	21,074	4,073,253	3,854,778	636	(217,838)	-5%	491,281	3,162,299
	1,978,592	34,153,621	35,438,115	186	1,284,680	4%	41,010,932	45,082,279
Expenses								
Governance	(762,407)	(8,405,820)	(7,384,940)	(770,476)	250,405	-12%	(15,632,267)	(15,823,249)
General Purpose Funding	(813,521)	(2,738,327)	(2,773,402)	(57,257)	(92,331)	1%	(2,903,840)	(2,903,840)
Law, Order, Public Safety	(259,027)	(1,823,232)	(1,590,468)	(39,916)	192,849	-13%	(3,598,560)	(3,669,086)
Education & Welfare	(400,866)	(2,657,022)	(2,427,472)	(133,806)	95,744	-9%	(5,460,056)	(5,467,565)
Community Amenities	(2,299,930)	(9,735,987)	(8,422,097)	(783,671)	530,219	-13%	(18,233,961)	(18,528,991)
Recreation and Culture	(1,948,264)	(12,831,425)	(11,674,782)	(956,129)	200,515	-9%	(25,508,929)	(25,579,083)
	(7,512,163)	(46,124,133)	(41,530,996)	(3,397,254)	1,195,883	-10%	(85,495,791)	(86,373,985)

Revenue

\$50.9m in Rates has been raised to 31 December 2011. This is compared with a year to date budget of \$50.84m, resulting in a positive variance of \$0.06m.

Money Expended in an Emergency

As a result of a recent fire at the Civic Centre, unbudgeted expenditure of \$356,829 has been expended since the day of the fire from the City'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.

Some of the major expenditure items include:

- Fire damage repairs to date : \$263K
- Purchase of a new scanner/printer : \$94K

C12/6002 – FINANCIAL STATEMENTS FOR DECEMBER 2011 (AMREC) (ATTACHMENT)

The reinstatement works were completed during January 2012.

Budget Amendments

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

Rates Collections and Debtors

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

Rates, Refuse & FESA payments totaling \$716k, were collected over the course of the month. Rate collection progress for the month of December was 0.9% above target, and 80.9% of the 2011/12 rates was collected as at 31 December 2011 which compares favourably to the 78.5% collected at the same time last year with the improvement being attributed to the earlier issue of rate notices this year .

The total sundry debtors balance decreased by \$1.09 million over the course of the month. The 90+ day's debtor balance decreased by \$727k.

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

DESCRIPTION	LINK
Statement of Financial Activity – December 2011	6002A December 2011
Operating Statements by Program – December 2011	6002B December 2011
Representation of Working Capital – December 2011	6002E December 2011
Reconciliation of Net Working Capital – December 2011	6002F December 2011
Notes on Operating Statements reporting on variances of 10% or greater – December 2011	6002H December 2011
Details of Budget Amendments requested – December 2011	6002J December 2011
Summary of Rates Debtors – December 2011	6002L December 2011
Graph Showing Rates Collections – December 2011	6002M December 2011
Summary of General Debtors aged 90 Days Old or Greater – December 2011	6002N December 2011
Detail of Debts Written Off for the Month – December 2011	Not Applicable

C12/6002 – FINANCIAL STATEMENTS FOR DECEMBER 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 write 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 December 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.

C12/6002 – FINANCIAL STATEMENTS FOR NOVEMBER 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.
- (6) 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

The majority of variances identified for the period ending 31 December 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.

C12/6002 – FINANCIAL STATEMENTS FOR DECEMBER 2011 (AMREC) (ATTACHMENT)

CONCLUSION

The attached reports reflect a positive financial position of the City of Melville as at 31 December 2011.

OFFICER RECOMMENDATION & COUNCIL RESOLUTION (6002)

ABSOLUTE MAJORITY

At 7.50pm Cr Robartson moved, seconded Cr Willis -

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

DESCRIPTION	LINK
Statement of Financial Activity – December 2011	6002A December 2011
Operating Statements by Program – December 2011	6002B December 2011
Representation of Working Capital – December 2011	6002E December 2011
Reconciliation of Net Working Capital – December 2011	6002F December 2011
Notes on Operating Statements reporting on variances of 10% or greater – December 2011	6002H December 2011
Details of Budget Amendments requested – December 2011	6002J December 2011
Summary of Rates Debtors – December 2011	6002L December 2011
Graph Showing Rates Collections – December 2011	6002M December 2011
Summary of General Debtors aged 90 Days Old or Greater – December 2011	6002N December 2011
Detail of Debts Written Off for the Month – December 2011	Not Applicable

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

At 7.50pm the Mayor submitted the motion, which was declared

CARRIED BY ABSOLUTE MAJORITY (12/0)

14. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

15. EN BLOC ITEMS

At 7.51pm Cr Willis moved, seconded Cr Reidy -

That the recommendations for items T12/3284, C12/5000, C12/6000, C12/6001 November and C12/6001 December be carried En Bloc.

At 7.51pm the Mayor submitted the motion, which was declared **CARRIED (12/0)**

16. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil.

17. CLOSURE

There being no further business to discuss, His Worship the Mayor declared the meeting closed at 7.51pm.