

MINUTES

OF THE

ORDINARY MEETING OF THE COUNCIL

HELD ON

TUESDAY 13 OCTOBER 2015

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, 13 OCTOBER 2015.

1. OFFICIAL OPENING

The Presiding Member welcomed those in attendance to the meeting and declared the meeting open at 6:30pm. Mr J Clark, A/Executive Manager Legal Services Manager, read aloud the Disclaimer that is on the front page of these Minutes and then His Worship the Mayor, R Aubrey, read aloud the following 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 R Aubrey

COUNCILLORS

Deputy Mayor Cr N Foxtan
Cr M Reynolds
Cr D Macphail
Cr C Robartson, Cr R Willis
Cr J Barton, Cr S Taylor-Rees
Cr P Phelan
Cr N Pazolli, Cr C Schuster

WARD

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

3. IN ATTENDANCE

Mr J Christie	A/Chief Executive Officer
Mr M Tieleman	Director Corporate Services
Ms C Young	Director Community Development
Ms K Brosztl	A/Director Technical Services
Mr S Cope	Director Urban Planning
Mr J Clark	A/Executive Manager Legal Services
Mr N Fimmano	A/Governance & Compliance Program Manager
Ms S Tranchita	Minute Secretary
Ms L Fitzgerald	Administration Trainee

At the commencement of the meeting there were 15 members of the public and no members from the Press in the Public Gallery.

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

Cr R Aubrey – City Ward

4.2 APPROVED LEAVE OF ABSENCE

Nil

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

Nil

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

Nil

6. QUESTION TIME**6.1 Mr E Nielsen, Booragoon**Question 1

The 3rd bullet point in the KEY ISSUE / SUMMARY box is of grave concern. It states-

- *The Special Meeting of Electors did not result in the presentation of any additional information that the Council has not previously considered when reaching its resolved position at the Ordinary Meeting of Council on 21 July 2015.*

Who decided, or more to the point in this case, decided that the presentations by the Electors on the night did not add any additional information on the matter. It was not the councillors so who was it?

Response

The Director of Technical Services made the determination as author of the report.

Question 2

Decisions made by the Electors on Motions at the following meetings were all brought forward verbatim and dealt with specifically by the councillors at subsequent Council Meetings as required by Section 5.33 of the Act.

1. *Special Meeting of Electors October 7, 2010 (Myaree Substation)*
2. *Special Meeting of Electors June 29, 2011 (20 Bridge Road)*
3. *Special Meeting of Electors August 5, 2013 (94 Kitchener Road)*
4. *Special Meeting of Electors September 2, 2013 (Attadale Foreshore footpath)*
5. *Annual General Meeting of Electors December 2, 2014 (various issues)*

Why was the Decision that was made by the Electors at the Special Meeting of Electors August 17, 2015 (ROE 8/Perth Freight Link) not brought forward and treated in the same manner so that the councillors could vote for or against the request for the withdrawal of the City's support for Roe 8?

Response

The *Local Government Act 1995* Clause 5.33 (1) requires the decision (resolution) of an Electors meeting to be considered by the Council. It is Administration's responsibility to provide background and relevant information to inform the Council and allow an informed decision to be made. The report was presented to the Council in accordance with clause 5.33 of the *Local Government Act 1995*.

The Council did have the opportunity to resolve to withdraw its support for Roe 8 and the Perth Freight Link at the Council Meeting on 15 September 2015, however the Council chose to continue to support the extension of Roe Highway to Stock Road and a tunnel option for the Perth Freight Link.

The Council also resolved to request the Minister for Transport and Main Roads Western Australia to undertake a comprehensive consultation process with residents, Elected Members and officers of the City of Melville should the Perth Freight Route directly affect the City.

6.2 Mr R Short, PalmyraQuestion 1

T15/3667 – Special Meeting of Electors – Perth Freight Link

The specific purpose of the Special Electors meeting held on the 17 August 2015 was to address the communities concerns regarding:

“Roe 8 and the Perth Freight Link and the Impacts on the City of Melville residents”

Speakers presenting on behalf of the community at the meeting, continually stated that there was a lack of, or no evidence as to the wider impacts such as health and noise pollution, social impacts, visual impacts, traffic movement and access points to suburbs, along with the lack of recent and relevant community consultation within the Melville electoral boundary.

The speakers clearly stated that relevant information was not available regarding these and other impacts on the City of Melville residents and that the councillors were unable to base their decisions on relevant and factually correct information.

The officer’s report, Late Item T15 3667, simply claimed that the meeting did not present any additional information and ignored the purpose of the meeting and the many issues raised. Can the Chief Executive Officer explain why the officer’s report, misrepresented and failed to address the communities concerns and position?

Response

The A/Chief Executive Officer does not agree with the statement that the officer’s report misrepresented and failed to address the communities concerns and position. The officer’s report did address the key issues raised by the Electors at the meeting of 17 August 2015 and was based on factually correct information.

Question 2

Minutes – Ordinary Meeting of the Council 15 September 2015 – Council Elections

Can the Melville Chief Executive Officer explain to the Melville community and electors why he gave permission to the candidate, Russell Aubrey, to use his Mayoral chains for his election publicity, when, according to the Electoral Commission, this is against their rules.

Response

The provisions of the *Local Government (Rules of Conduct) Regulations 2007* and Regulation 8 provide authority for the Chief Executive Officer to give approval.

6.3 Mr C Walkley Bicton

Question 1

Is it possible for me to thank the Council for their endeavours over the past four years?

Response

The mayor responded by saying there is no provision on the agenda for such statements to be provided by the community

7. AWARDS AND PRESENTATIONS

His Worship the Mayor presented to the A/Chief Executive Officer The Award which was received for the Highest Business Award Achievement “Gold Level” in the Australian Organisational Excellence Awards.

8. CONFIRMATION OF MINUTES

8.1 ORDINARY MEETING OF THE COUNCIL – 15 SEPTEMBER 2015 Minutes 15 September 2015

COUNCIL RESOLUTION

At 6.54pm Cr Macphail moved, seconded Cr Phelan –

That the Minutes of the Ordinary Meeting of the Council held on Tuesday, 15 September 2015, be confirmed as a true and accurate record.

At 6.54pm the Mayor submitted the motion, which was declared

CARRIED (8/3)

Vote Result Detailed	
Cr Foxtton	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Willis	Yes
Mayor Aubrey	Yes
Cr Barton	No
Cr Pazolli	No
Cr Taylor-Rees	No

8.2 NOTES OF AGENDA BRIEFING FORUM – 29 SEPTEMBER 2015
[Notes 29 September 2015](#)**COUNCIL RESOLUTION**

At 6.56pm Cr Willis moved, seconded Cr Macphail –

That the Notes of the Agenda Briefing Forum held on Tuesday, 29 September 2015, be received.

At 6.56pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

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

Nil

9.2 DISCLOSURE OF INTEREST THAT MAY CAUSE A CONFLICT

- Item 17.1 The Future of Shirley Strickland Reserve
Cr C Schuster – Interest under the Code of Conduct

10. DEPUTATIONS

- Item T15/3668 Mr Tim Youé Chief Executive Officer and Mr Chris Wiggins Executive Manager Corporate Services, Southern Metropolitan Regional Council
- Item T15/3668 Mr Stephen Cain, Chief Executive Officer and Mr Stuart Downing, Director Finance and Corporate Services and Mr Charles Sullivan, Director Engineering – City of Cockburn

11. APPLICATIONS FOR NEW LEAVE OF ABSENCE

At 8.56pm Cr Reynolds moved, seconded Cr Robartson -

That the application for new leave of absence submitted by Cr R Aubrey on 13 October be granted.

At 8.56pm the Mayor submitted the motion which was declared

CARRIED UNANIMOUSLY (11/0)

12. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

- **Confidential Item T15/3670 – Reconsideration of Approval of Southern Metropolitan Regional Council Materials Recovery Facility Transaction – Memorandum of Understanding**

The matter is confidential in accordance with section 5.23 (2) (c) of the Local Government Act 1995, a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and (e) a matter that if disclosed would reveal – information that has commercial value to a person; ...where the trade secret or information is held by, or is about, a person other than the local government;...

13. PETITIONS

Nil

14. REPORTS OF THE CHIEF EXECUTIVE OFFICER

At 6.57pm The Mayor requested that item T15/3668 be brought forward for discussion.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

From 6.59pm to 7.36pm a deputation was heard from Mr Stephen Cain, Chief Executive Officer, Mr Stuart Downing, Director Finance and Corporate Services and Mr Charles Sullivan, Director Engineering – City of Cockburn.

From 7.36pm to 7.52pm a deputation was heard from Mr Tim Youé, Chief Executive Officer and Mr Chris Wiggins, Executive Manager Corporate Services - Southern Metropolitan Regional Council.

Ward	:	All
Category	:	Strategic
Subject Index	:	Waste
Customer Index	:	Regional Resource Recovery Centre
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	:	John Christie Director Technical Services

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

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 operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)**KEY ISSUES / SUMMARY**

- The City of Cockburn has requested that the Project Participants of the Regional Resource Recovery Centre Project agree to amend the Project Participants' Agreement to allow them a partial withdrawal from the Project.
- As part of this request, the City of Cockburn seeks approval to commence a three bin collection trial commencing in October 2015.
- The amendment is requesting that the green waste collected as part of this trial be processed at their Henderson Landfill Facility and not delivered to the Waste Composting Facility at the Regional Resource Recovery Centre.
- The City of Cockburn has stated that it intends to roll out a three bin collection system across its District commencing 1 July 2016.
- The diversion of green waste and garden organics from the Waste Composting Facility will have significant negative financial implications for the Southern Metropolitan Regional Council and the remaining Project Participants.
- The City of Cockburn has stated that it would be uneconomic to continue to send the remaining food organics contained in the red lidded bin to the Waste Composting Facility.
- Should the City of Cockburn cease to deliver their Municipal Solid Waste to the Regional Resource Recovery Centre from 1 July 2016, then this could result in a loss of revenue to the Southern Metropolitan Regional Council estimated at \$7 million per annum.
- Legal advice obtained by the Southern Metropolitan Regional Council has identified that the City of Cockburn cannot partially withdraw from the Regional Resource Recovery Centre Project, and that this can only be achieved by way of an amendment to the Project Participants' Agreement.
- Given the substantial financial implications associated with this request, it is recommended that the Council does not support the amendment to the Project Participants' Agreement proposed by the City of Cockburn.

BACKGROUND

The City has received correspondence from the City of Cockburn dated 30 June 2015 which details the following six points from a Special Council Meeting held on 29 June 2015 at the City of Cockburn:

"At a Special Council Meeting held on 29 June 2015, Council resolved as follows:

- (1) advises the Southern Metropolitan Regional Council (SMRC) that it agrees to the variation for any supply of recyclables agreement to be offered for a term of "at least 10 years";*
- (2) advises the SMRC and its members that, with regard to processing of Municipal Solid Waste (MSW) or recyclables, the City does not intend withdrawing from the Establishment or Project Participants Agreements, at this time;*

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

- (3) *the City will sign the Memorandum of Understanding (MOU for the transaction of the sale of the Materials Recovery Facility (MRF), with the excision of clause 8.1 of that document;*
- (4) *advises the other members of the Project Participants Agreement that the City will be undertaking a trial of a third bin system in part of district and needs to divert the green waste collected during the trial to Henderson Waste Recovery Park for processing during this time;*
- (5) *agrees to provide a copy of the report on this trial to the SMRC and its members;*
- (6) *withdraws the City from the Project Participants Agreement for green waste with effect FY16/17, in order to be able to expand the third bin system across the remainder of the District;"*

Further correspondence dated the same date of 30 June 2015 was also received stating the following points:

1. *"The City of Cockburn gives notice to the SMRC and the RRRC Project Participants that it intends to withdraw from the RRRC - Green Waste Project effective from 30 June 2016 (Withdrawal Date).*
2. *The City of Cockburn confirms that it is continuing as a member of the SMRC and is not withdrawing from the Establishment Agreement.*
3. *The City of Cockburn confirms that it intends to remain a 'Project Participant' under the RRRC Project Participants' Agreement, except in relation to the RRRC - Green Waste Project.*
4. *From the Withdrawal Date, the City of Cockburn seeks to be released from its obligations under the RRRC Project Participants' Agreement to deliver Green Waste to the RRRC, in particular clauses 5.2(d), 5.5 and 5.6.*
5. *The City of Cockburn agrees to work with the SMRC and the RRRC Project Participants to amend the Business Plan and the RRRC Project Participants' Agreement as it relates to the RRRC - Green Waste Project, to reflect the City of Cockburn's withdrawal from this Project upon the Withdrawal Date."*

The Project Participants' Agreement for the Regional Resource Recovery Centre Project does not allow for the City of Cockburn to partially withdraw from the Project.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

The Southern Metropolitan Regional Council has sought legal advice regarding the City of Cockburn's notification to withdraw from the Green Waste Project and an extract from the advice is provided below:

"Our interpretation of the Project Participants' Agreement is that a Project Participant is either "in" or "out". Any other arrangement – such as partial withdrawal - would need to be effected through a formal variation (or amendment) agreed by all parties."

A confidential copy of the legal advice was provided to Elected Members on Friday 25 September 2015 under confidential cover.

It is clear that the notification provided by the City of Cockburn in informing the Member Councils of their intention to withdraw and divert recyclable material, in this case green waste and garden organics, from the Waste Composting Facility and the Green Waste Facility at the Regional Resource Recovery Centre, is not a formal request for a variation or amendment to the Project Participants' Agreement.

The City of Cockburn's interpretation of the Project Participants' Agreement differs from that of the Southern Metropolitan Regional Council with regard to withdrawal from the Project. The Southern Metropolitan Regional Council wrote to the City of Cockburn on 3 July 2015 outlining their concerns with their Council resolution and the legal advice they had received regarding a partial withdrawal.

The City of Cockburn's response again interprets the Project Participants' Agreement differently and at points 7 and 8 states as follows:

- "7. The RRRC PPA has a separate definition for each waste type (MSW, recyclable and green waste) and separate obligations that apply to each waste type. Therefore, each of these waste types can be dealt with separately and independently of each other.*
- 8. I confirm that the City requests its partial withdrawal from the RRRC to be dealt with by way of a Deed of Variation to the RRRC PPA until such time as the MRF is sold. At this point in time, the RRRC PPA would need to be amended in any event."*

As stated above, it is clearly evident that the interpretation of the Project Participants' Agreement by the City of Cockburn differs from that of the Southern Metropolitan Regional Council and there is nothing to be gained by seeking a further legal opinion on that interpretation. The reality is that for the City of Cockburn to proceed with their three bin trial and to partially withdraw from the Regional Resource Recovery Centre Project, they need the remaining Project Participants to agree to amend the Project Participants' Agreement.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)**DETAIL**

It is important to acknowledge that the Member Councils of the SMRC are a signatory to the Establishment Agreement of the SMRC dated 22 January 1998.

The Establishment Agreement of the SMRC at Clause 4 (a) clearly outlines the regional purpose for which the Regional Local Government is established, which is as follows:

“(a) to plan, coordinate and implement the removal, processing treatment and disposal of waste for the benefit of the communities of the Participants.”

The Cities of Melville Cockburn, Fremantle and the Town of East Fremantle are also a Project Participants and a signatory to the Project Participants' Agreement for the Regional Resource Recovery Centre Project of the SMRC dated 12 April 1999.

Section 5.3 of the Regional Resource Recovery Centre Project Participants' Agreements states the following:

“5.3 Recyclable Material

Each Project Participant shall deliver to the RRRC:

- (a) all Recyclable Material produced by the Project Participant; and*
- (b) all Recyclable Material collected by, for or on behalf of, the Project Participant, from premises within the Project Participant's district”.*

Section 5.6 of the Regional Resource Recovery Centre Project Participants' Agreement states the following:

“5.6 Green Waste

Each Project Participant shall deliver to the RRRC:

- (a) all Green Waste collected by, for or on behalf of, the Project Participant of the residents in the district; and*
- (b) all Green Waste which is produced at all land owned and occupied by, or under the care, control and management of, the Project Participant, and which is collected by, for or on behalf of the Project Participant.”*

It is important to note, that recyclable material as specified in 5.3 includes Municipal Solid Waste (MSW or green top bin) and Recyclables (yellow top bin).

With regard to 5.6 it is clear that the City of Cockburn is legally bound by the Project Participants' Agreement to deliver all green waste to the Regional Resource Recovery Centre, therefore cannot simply notify the Southern Metropolitan Regional Council and the other Project Participants that it will be partially withdrawing from the Project relative to Clause 5.6 above.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

If the City of Cockburn implements the Council Resolution from their Special Council Meeting held on 29 June 2015, without seeking a formal amendment to the Project Participants' Agreement, then it appears they will be in breach of the Project Participants' Agreement.

Three Bin System

The three bin trial that the City of Cockburn is proposing appears to be consistent with the proposal from the Waste Authority; insomuch that the contents of the three bins meets the requirements.

It is intended that the three bin system would allocate a green lidded bin for garden organics, which could be also utilised for food organics, hence the term FOGO, Food Organics and Garden Organics. The intention of this bin is to recover the organics from the waste stream and prevent these from being disposed of in landfill. These organics can then be turned into compost.

The yellow topped bin is for recyclable materials, such as paper, cardboard, aluminium, steel and glass, this is transported to a Materials Recovery Facility and recycled.

The red topped bin is for inert materials, basically anything that can't be recycled or turned into compost. This material is inert and at present would be disposed of in landfill or at a future Waste to Energy facility.

The City of Cockburn is intending to implement a three bin trial, however instead of processing the waste as detailed above, it intends to process the garden organics at its Henderson Waste Recovery Park, rather than process this at the SMRC's Waste Composting Facility. Instead of sending the red lidded bin to landfill, it will be sending the inert waste from the red lidded bin to the Waste Composting Facility for processing. In doing so, this will negatively impact on the quality of compost being produced and will also negatively impact the financial viability of the Waste Composting Facility. This will ultimately have a detrimental impact on the remaining Project Participants as the gate fee will be increased to compensate for the lost tonnage.

A further concern is that the waste in the red lidded bin will prove to be unsuitable and uneconomic to process through the Waste Composting Facility. It would then be diverted to a landfill facility, which could result in both the green lidded bin and the red lidded bin being processed at the Henderson Waste Recovery Park. If this does eventuate, then there will be a significant negative financial impact on the Regional Resource Recovery Centre and the remaining Project Participants.

As detailed in the previous correspondence, although the City of Cockburn is proposing a trial of the three bin system, it has stated that it intends to implement the three bin system across the District in the 2016/2017 financial year, which appears to be their intention irrespective of the outcome of the trial.

Along with the implementation of the three bin trial, the City of Cockburn is proposing to divert all green waste normally collected from their bulk verge green waste collections to their Henderson Waste Recovery Park and as with the three bin trial, propose to implement this across the District in 2016/2017.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)**STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

There has not been any consultation with the Community in relation to this report

II. OTHER AGENCIES / CONSULTANTS

There has been extensive consultation with the Southern Metropolitan Regional Council to consider the implications of the City of Cockburn's notification to withdraw from the Green Waste component of the Regional Resource Recovery Centre Project.

STATUTORY AND LEGAL IMPLICATIONS

There is a statutory and legal obligation to abide by the terms of the Establishment Agreement of the Southern Metropolitan Regional Council and the Project Participants' Agreement for the Regional Resource Recover Centre Project.

The Project Participants' Agreement for the Regional Resource Recovery Centre Project states at clause 2.8:

"2.8 Withdrawal from Project

- (1) As soon as practicable after a project participant has given notice of its intention to withdraw from the Project under clause 8.10 of the Establishment Agreement, the Project Participant shall request the Regional Local Government to:
 - (a) prepare an amended business plan for the project having regard to the effect of the withdrawal of the Project Participant giving the notice:*
 - (b) provide a copy of the amended business plan to the Project Participants; and*
 - (c) include in the business plan any details of any changes to the annual contributions payable by the Project Participants after withdrawal takes effect."**

The Establishment Agreement of the SMRC at Clause 8.10 and 8.11 outlines the requirements for any Project Participant who wishes to withdraw from a Project.

Clauses 8.10 and 8.11 of the Establishment Agreement state as follows:

"8.10 Withdrawal from Project

A Project Participant may at any time give notice of its intention to with draw from a Project.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)*8.11 When Withdrawal to Take Effect*

The withdrawal of a Project participant shall take effect

- (a) from the end of the financial year after the financial year in which notice under clause 8.10 has been given by the Project Participant to the Regional Local Government, or*
- (b) on any earlier date agreed by the project Participants.”*

In addition to the above, Clause 11.3 Establishment Agreement of the SMRC states:

“11.3 Entitlement or Liability of Withdrawing Project Participant

As soon as practicable after the withdrawal of a Participant takes effect, the Regional Local Government shall:

- (a) distribute to the Participant an amount equal to the proceeds and any surplus funds which would have been payable if the Regional Local Government was wound up; or*
- (b) be entitled to recover from the Participant an amount equal to the liability or debt which would be payable by the Participant if the Regional Local Government was wound up.”*

It appears that the City of Cockburn recognises its obligations under clauses 8.10 and 8.11 of the Establishment Agreement, as it has given the required notice periods for withdrawal. However, the point of contention surrounds withdrawal from part of a Project; the legal advice provided by the SMRC indicates that a Project Participant cannot withdraw from part of a Project.

While the City of Cockburn has made its intentions clear to the Southern Metropolitan Regional Council, the City of Cockburn has not formally written to the Project Participants outlining their intentions. As such the City of Melville has contacted the City of Cockburn and asked when a formal request will be received requesting an amendment to the Project Participants' Agreement. The response from the City of Cockburn is detailed below:

“The City is taking legal advice on the form of notice we have to provide. This will be with you shortly”.

Irrespective of the “*form of notice*” the City of Cockburn provides to the Project Participants, it is clear their intentions will remain consistent with the notice they had given to the Southern Metropolitan Regional Council, and as such, the financial implications to the Southern Metropolitan Regional Council and the remaining Project Participants remain the same.

As a result, it is deemed necessary to notify the City of Cockburn, the other Project Participants and the Southern Metropolitan Regional Council, that the City of Melville does not support the City of Cockburn's request to amend the Project Participants' Agreement to allow the diversion of green waste from the Regional Resource Recovery Centre.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)**FINANCIAL IMPLICATIONS**

The financial implications are quite substantial if the Project Participants agree to amend the Project Participants' Agreement or sign a Deed of Variation to allow the City of Cockburn to proceed as requested.

The Southern Metropolitan Regional Council estimates that 334 tonnes of green waste will be diverted from the Waste Composting Facility during the proposed trial period, which will result in a \$78,000 loss in revenue.

When the City of Cockburn implements the three bin system across its District in 2016/2017 the reduction in revenue at the Waste Composting Facility is estimated to be \$1.5million per annum, with a further \$200,000 loss at the Green Waste Facility.

Although not anticipated as part of the proposed trial, the City of Cockburn has stated in correspondence to the Southern Metropolitan Regional Council, that it would be uneconomic to continue to send the red lidded bin containing food waste to the Waste Composting Facility, which implies that once the three bin trial is implemented across the District the red lidded bin would not be processed at the Waste Composting Facility. If this was the case then it is estimated that the net financial loss to the Southern Metropolitan Regional Council will be \$7million per annum.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are a number of possible strategic risk implications for the Project Participants and the Southern Metropolitan Regional Council. If the City of Cockburn is successful in having the Project Participants' Agreement amended in accordance with their request, then there will be a financial impact on the Southern Metropolitan Regional Council.

The Southern Metropolitan Regional Council has been unsuccessful in securing additional commercial tonnage to increase capacity of the Waste Composting Facility as a result of the higher cost per tonne for processing compared to landfill. One would expect this would remain a significant barrier to securing additional tonnages, which would result in the remaining Project Participants having to pay a higher gate fee to cover the operating costs of the Waste Composting Facility during the trial period.

However, a more significant impact needs to be considered. If the City of Cockburn stopped sending all of its municipal solid waste stream to the Regional Resource Recovery Centre as a result of the diversion of green waste and subsequently the inert waste contained in the red lidded bin, then the financial impacts are even more substantial, which would in effect constitute an effective withdrawal from the Regional Resource Recovery Centre project. The loss of approximately 30,000 tonnes of municipal solid waste would have a devastating impact on the Southern Metropolitan Regional Council and the remaining Project Participants, and may possibly trigger the wind-up provisions of the Southern Metropolitan Regional Council.

It is unlikely that 30,000 tonnes of additional tonnage could be secured to offset this loss and it is unlikely that the remaining Project Participants would be willing to pay a significant gate fee increase as a result.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

If this was the case, then this would ultimately result in the premature closure of the Waste Composting Facility before an alternative recovery option was in place, such as Waste to Energy facility and the Project Participant's waste would then be sent to landfill. Clearly this is not an outcome the City of Melville could support.

POLICY IMPLICATIONS

There are no policy implications for the City relating to this report. However, should the City's waste be disposed of in landfill at a future point in time, then this would be in contradiction to the City Waste Minimisation Policy CP-036, which states as follows:

"The City of Melville has committed to the reduction in the volume of domestic waste being placed in landfill as part of State and Federal Government directives, to minimise waste to landfill by 50% by 2015. A significant strategy to help the City meet and seek to exceed this goal is the City's membership of, investment in and support of the Southern Metropolitan Regional Council and its' waste composting and material recovery programs, in which the City participates. In addition to the State and Federal Government targets mentioned in this paragraph (the State has an additional target of 65% diversion of waste from landfill by 2020), the City seeks to continuously improve its performance on behalf of residents and ratepayers and has adopted an aspirational goal of diverting 65% of its waste from landfill by 2015."

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council could resolve to agree to amend the Projects Participants' Agreement and enter into a Deed of Variation and allow the City of Cockburn to introduce its three bin trial and withdraw from the Green Waste component of the Regional Resource Recovery Centre Project. This would result in a substantial reduction in revenue for the Southern Metropolitan Regional Council, which at this stage, would result in a significant increase in the gate fee at the Waste Composting Facility for the remaining Project Participants.

If, as suggested by the City of Cockburn, the red lidded bin would be uneconomic to process at the Waste Composting Facility, then this could result in a loss of approximately 30,000 tonnes of waste being processed and result in a \$7million per annum loss in revenue to the Southern Metropolitan Regional Council.

This option is therefore not recommended.

CONCLUSION

While the implementation of a three bin trial is consistent with the preferred waste collection system being encouraged by the Waste Authority, the manner of disposal of the red lidded bin is not.

At 8.15pm Ms Tranchita left the meeting and returned at 8.17pm.

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

The preferred manner of disposal that would be consistent with the Waste Hierarchy would be for the green lidded bin to be disposed of at the Waste Composting Facility and the red lidded bin to be disposed of at a landfill facility, if this was the case, then the City's position may be different albeit it would be more beneficial for the food wastes to be included in the green rather than the red lidded bin as proposed by Cockburn.

There are significant cost implications for the City of Melville and the remaining Project Participants if the Project Participants' Agreement is amended as requested by the City of Cockburn. These financial implications would reduce the financial viability of the Regional Resource Recovery Centre Project and the Southern Metropolitan Regional Council.

As a result of these implications it is recommended that the Council does not agree to amend the Project Participants' Agreement to allow the City of Cockburn to implement their trail and withdraw from the Green Waste component of the Regional Resource Recovery Centre Project. This decision would be consistent with the legal advice received, that a Participant cannot partially withdraw from a Project.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3668)

APPROVAL

At 8.09pm Cr Schuster moved, seconded Cr Foxtton –

That the Council:

- 1. Does not support the City of Cockburn's request to amend to the Project Participants' Agreement for the Regional Resource Recovery Centre Project.**
- 2. Requests the Chief Executive Officer to inform the Southern Metropolitan Regional Council, the City of Fremantle, the Town of East Fremantle and the City of Cockburn in writing of point 1 above.**

At 8.45pm the Mayor submitted the motion, which was declared

CARRIED (8/3)

T15/3668 - CITY OF COCKBURN'S REQUEST TO AMEND THE PROJECT PARTICIPANTS' AGREEMENT FOR THE REGIONAL RESOURCE RECOVERY CENTRE (REC) (CONFIDENTIAL ATTACHMENT)

Vote Result Summary	
Yes	8
No	3

Vote Result Detailed	
Cr Foxtton	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Willis	Yes
Mayor Aubrey	Yes
Cr Barton	No
Cr Pazolli	No
Cr Taylor-Rees	No

At 8.46pm The Mayor adjourned the meeting for a comfort break.

At 8.55pm the meeting resumed.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)

Ward : Applecross/Mt Pleasant
 Category : Strategic
 Application Number : N/A
 Property : Various within Canning Bridge Structure Plan
 Proposal : Amendment to Sustainability Provisions of Canning Bridge Structure Plan
 Owner : Various
 Disclosure of any Interest : No officer involved in the preparation of this report has a declarable interest in this matter.
 Previous Items : 17 March 2015, P15/3607 Final Canning Bridge Structure Plan and Report on Submissions
 Responsible Officer : Gavin Ponton
 Manager Strategic Urban Planning

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 operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

**P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE
STRUCTURE PLAN (REC)****KEY ISSUES / SUMMARY**

- The Council approved the Canning Bridge Structure Plan (CBSP) at its meeting on 17 March 2015.
- Since coming into operation the City has received feedback on the difficulties in achieving the sustainability standards identified in the plan, specifically the requirements for buildings to achieve 5 Star Green Star (standard development) and 6 Star Green Star for development seeking a bonus.
- In response to the concerns raised the City has undertaken an investigation to examine the achievability of the identified sustainability standards, evaluation of alternative rating systems and potential options to improve the practicalities of the sustainability requirements.
- Investigations have confirmed that:
 - Compliance with the 5 star and 6 star Green Star standards in the Structure Plan, whilst not impossible, is challenging, particularly for residential development.
 - Use of a respected, industry driven and independently certified sustainability standard such as Green Star is preferred over alternate performance measures for consistency of development assessment.
 - Adjustment of the rating standards to 4 star for all development and 5 star for development seeking bonuses would achieve sustainable development outcomes equating to “Australian Best Practice” and “Australian Excellence” respectively and would maintain the original intent of the CBSP.
- It is concluded that the star ratings identified in the CBSP sustainability requirements are proving difficult to achieve and have been set at benchmark not yet achieved elsewhere in Australia. An adjustment of the required standard to 4 star for all development and 5 star for developments seeking height bonuses is more realistic but will still stretch developers to the desired sustainability outcomes. This modification to the Structure Plan (to apply to quadrants in the City of Melville portion of the Structure Plan) is recommended accordingly.
- Additional clarification in the Structure Plan is also recommended with respect to how development applications are to demonstrate compliance with Green Star standards.
- Whilst reviewing sustainability standards and in association with the City’s Urban Forest concepts, an opportunity has also arisen to provide additional recognition to the value of shade trees in reducing urban heat island effects. Although the Structure Plan has already substantially increased requirements relating to the extent and quality of landscaping, an additional clause, applicable to City of Melville portion of the Structure Plan, is recommended to require applicants to specifically respond to the heat effects issue through mature tree plantings.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)

BACKGROUND

The CBSP was adopted by Council on 17 March 2015. The plan was originally adopted as a Council Policy, but with Gazettal of Amendment 67 to Community Planning Scheme 5 (CPS5) on 22 May 2015 the Plan assumed the status of a Structure Plan. The structure plan project was managed by the City of Melville and completed in partnership with City of South Perth and the State Government. The content of the Structure Plan applies to development across the Cities of South Perth and Melville. The Structure Plan area is divided into six precincts or “Quarters” with the Kintail and Ogilvie Quarters located within the City of Melville. This arrangement of the Structure Plan enables the identification of specific provisions for the different Quarters.

The CBSP aims at facilitating a high standard of development within the Canning Bridge Precinct and includes requirements for developments to reflect design excellence and to incorporate features which promote environmental sustainability. In particular, the Structure Plan contains Design Guidelines that require certain performance in respect of the sustainability performance of buildings based on the Green Star rating framework.

The Green Star rating framework is administered by the Green Building Council of Australia an independent, national, not for profit organisation. Green Star ratings (4 Star and above) are achieved via certification from the Green Building Council of Australia and are based on achievement of points for inclusion of particular design elements.

The table below summarised the Green Star ratings and the context of the rating in terms of industry practice:

% of available points	Rating	Outcome
Less than 10	Zero Star	Assessed
10 - 19	One Star	Minimum Practice
20 - 29	Two Star	Average Practice
30 - 44	Three Star	Good Practice
45 - 59	Four Star	Australian Best Practice
60 - 74	Five Star	Australian Excellence
75+	Six Star	World Leadership

**P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE
STRUCTURE PLAN (REC)****DETAIL**

Element 11 of the CBSP identifies a requirement for all buildings across the precinct to achieve a minimum Green Star design rating of 5 (reflecting a sustainability standard of Australian Excellence). The requirements also provide an opportunity for an applicant to achieve this standard under an equivalent rating system.

The CBSP also includes “Bonus Provisions” which allow for additional building height where exemplary design and community benefits are demonstrated. The bonus requirements are stipulated in Elements 21 and 22 of the Structure Plan and include a mandatory requirement (Element 21) for achievement of a 6 Star rating (reflecting a sustainability standard of World Leadership) under the Green Building Council of Australia framework, or equivalent rating system.

Feedback from the development industry has indicated that the required design rating standards (5 Star and 6 Star) are difficult to achieve. Representation had been made that residential developments in particular would be unable to practically achieve the required ratings due largely to the inability to centrally manage the operations of individual apartments. The difficulty is exacerbated in smaller developments where ability to recoup costs of sustainability initiatives is diminished. This difficulty has been reflected in development applications submitted to date. Applications seeking approval against the bonus provisions of the Structure Plan have to date not been able to demonstrate achievement of the required 6 Star rating.

The City has undertaken a review of the sustainability standards included within the CBSP. External sustainability consultants have been engaged to inform this review. The scope of the investigation has included:

- Review of the merits of available sustainability rating systems.
- Overview of achievement of Green Star ratings by commercial, residential and mixed developments across Australia.
- Evaluation of options including retention of current controls, adjusting Green Star standards or adopting an alternative approach.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)

Results of the further investigations and implications for the CBSP are outlined below:

Retention of Green Star as the Preferred Rating System:

In evaluating alternative sustainability rating system it is considered preferable to retain the Green Star framework as the standard in the Structure Plan. The framework is internationally respected, industry driven and offers an independent certification system. Retention of the Green Star Framework as the primary sustainability rating system is recommended.

Adjustment of Required Green Star Ratings:

In terms of establishing an acceptable level of performance, the investigations have confirmed practical difficulties in achieving 6 Star level Green Star ratings, particularly in residential buildings (it is noted that there are no 6 Star certified residential buildings in Australia). Investigations indicate that 6 Star Green Star is not impossible but that additional capital costs to achieve 6 Star are significant and may outweigh the value of any additional development that may be achievable under the bonus development provisions. Similarly a requirement for a minimum for a 5 Star rating for all development is likely to present a significant impediment to facilitating growth in Canning Bridge.

It is recognised that the Green Star performance targets contained in the original CBSP are proving difficult to achieve having been set at world leadership standard. Modification to the levels in the Green Star rating system can be considered whilst maintaining the Structure Plan intention to demonstrate leadership in sustainable development. Modification to the required standards in the Structure Plan is recommended as follows:

- Four Star Green Star rating (Australian Best Practice) for standard development throughout the Precinct (Element 11); and
- Five Star Green Star rating (Australian Excellence) for development seeking a bonus (Element 21).

The revised standards would continue to achieve the desired sustainability outcomes as sought by the CBSP. Standards mandating “Australian Best Practice” outcomes for all development and “Australian Excellence” outcomes for development seeking a bonus would continue to drive developers towards the intended sustainability outcomes for the precinct. Investigations indicate that the proposed sustainability standards targets for Canning Bridge (at four and five Star Green Star ratings) would continue to represent leadership in Australian development control practice in securing sustainable development via the planning system.

Reference to Equivalent Sustainability Rating Systems:

The CBSP currently refers to a proposal achieving compliance with identified Green Star standards but also provides the option of an applicant demonstrating this same level of achievement through an “equivalent rating system”. The intention of this option was to provide an applicant a degree of flexibility in terms of demonstrating their sustainability performance. As indicated above, the Green Star Framework represents an internationally recognised, independent and holistic measure of a building’s level of sustainability. Star ratings received are comparable, transparent and able to be independently certified and awarded. Introduction of alternative rating systems diminishes the ability to achieve a consistent approach to a development’s achievement of desired sustainability outcomes.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)

Experience with current development applications has indicated difficulty in comparing results obtained from one rating system to those obtained from another system, especially where the focus of the rating system differs (for example a whole of building lifecycle assessment measured in carbon emissions over the life of a building versus an assessment focusing on actual operating impacts). The Green Star Framework provides a holistic response to a suitable range of sustainability performance indicators and importantly is well suited to the development approval process in that it is capable of confidently demonstrating achievement of particular standards at the planning approval/design stage. Importantly Green Star is industry driven and established as a not for profit organisation. Investigations undertaken indicate that a suitable equivalent rating system to Green Star is not available to meet the required purposes/operation of the Structure Plan. (The only suitable alternative systems identified which demonstrated a satisfactory level of comparability to Green Star were those operated by similar industry standard green building organisation in other international locations.) For clarity and consistency in delivering the desired development control outcomes it is recommended that the reference in the CBSP providing the option of using an “equivalent rating system” be removed.

Additional Clarity With Respect to Demonstrating Achievement of Green Star Rating:

In recommending retention of the Green Star framework as the primary performance measure, it is recognised that the CBSP provisions would benefit from additional clarity with respect to evidence required to achieve the applicable Green Star standard. In short the Structure Plan requires a development to ultimately demonstrate its achievement of the required design standard through attainment of a Green Star Design Review Certificate. Review of the Green Star Certification Framework has established that achievement of the actual Certification process involves a substantial financial cost.

In recognising this substantial cost associated with achieving an actual Certification, the Structure Plan provides the option for an applicant to submit preliminary evidence from a suitably qualified Green Star consultant confirming that a proposal would meet the requirements of the applicable Star Rating. Based on this evidence a condition would be placed on any subsequent development approval requiring submission of a full Green Star certification prior to commencement of the development. The approach is considered to be more practical as the actual Green Star certification process would progress in conjunction with preparation of more detailed building plans. Minor wording changes to the CBSP are suggested to clarify this requirement.

Further, it is recommended that adjustments be made to the Green Star certification requirements for developments outside of the Mixed Use or core areas of the Structure Plan. Achievement of full Green Star Certification for development within the M10 and M15 areas is proposed to be retained (That is achievement of full Certification of 5 Star rating for development seeking a height bonus and full Certification of 4 Star for development not seeking a bonus). Land outside of these M10 and M15 areas (H4 and H8) is however envisaged for lower scale residential development and is not subject to bonus height provisions. The Structure Plan would seek achievement of a 4 Star Green Star rating in these areas. In view of the cost imposition of achieving Green Star Certification for these smaller buildings it is recommended that a development’s demonstration of achievement of the applicable 4 Star Rating is limited to a preliminary report of compliance from a qualified Green Star consultant. A condition would still be imposed on any development approval, requiring the sustainability elements demonstrated in the preliminary consultant’s report to be incorporated into the development as constructed.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)

Figure 1 below (an extract from the CBSP) depicts the M10 and M15 mixed use areas (light blue and dark blue) and the residential H4 and H8 areas (light brown and dark brown).

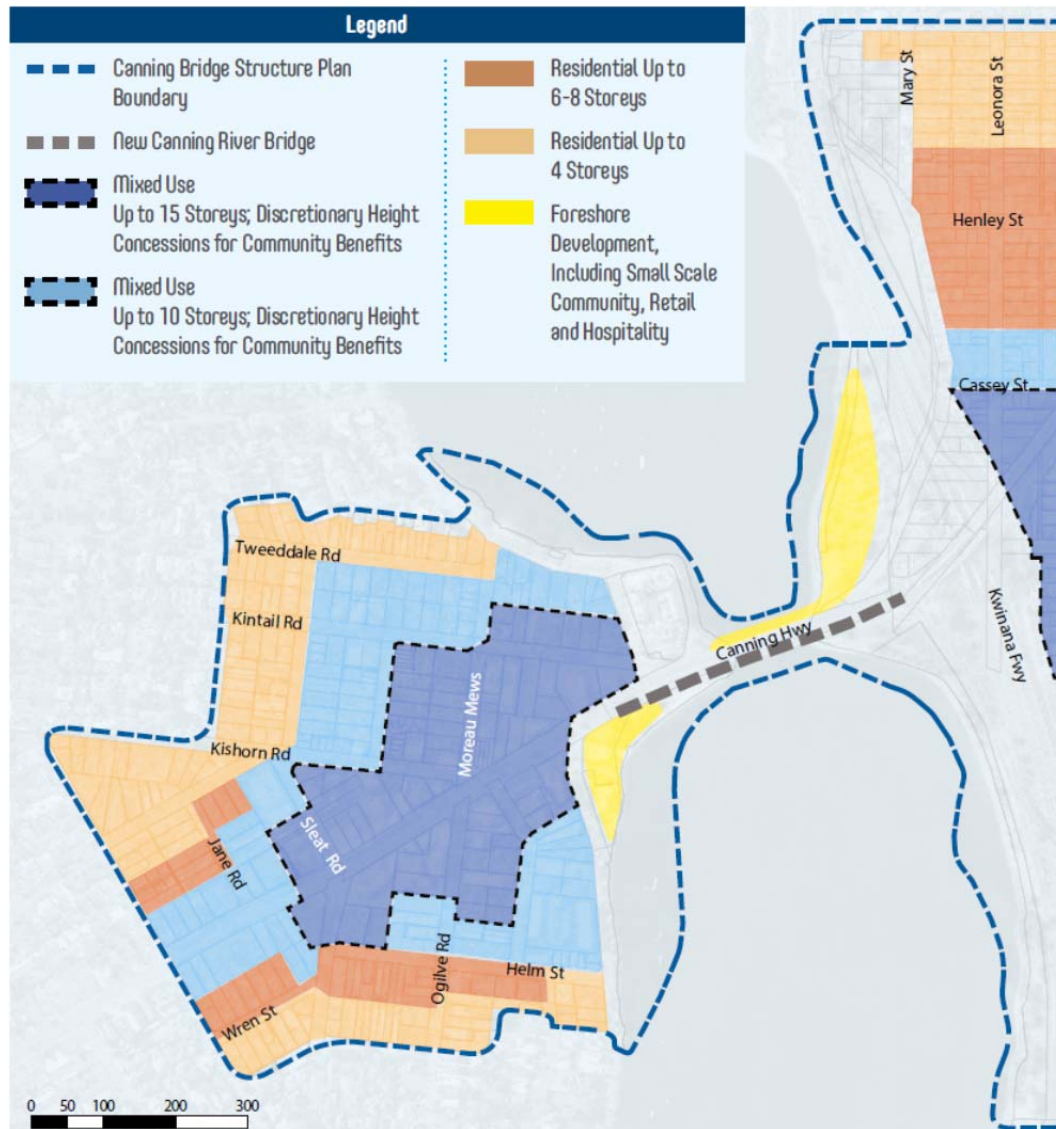


Figure 1

Tree Canopies and Urban Heat Island Effect:

The City is considering an Urban Forest Strategy which includes a general aim of reducing heat retention in urban areas through increased shading from tree canopies. The opportunity for the CBSP to assist this outcome has been examined, particularly given the proposed changes to sustainability requirements.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)

It is noted that the CBSP is already heavily geared towards sustainability and provision of high quality landscaping. In addition to the requirements for buildings to achieve nominated Green Star (or equivalent) ratings, the Plan includes significant landscaping requirements (Element 10 - up to 75% of site area) which may be provided through roof top gardens, balconies and green walls. In addition the "Community Benefit" provisions of the Plan (*Element 22*) recognise the opportunity for benefits to be achieved through measures such as the upgrading and maintenance of streetscapes.

Importantly, planning legislation precludes the opportunity for the City to impose a levy on development to provide general funding for infrastructure such as street trees (such an approach would require a developer contribution scheme). Where streetscape upgrades are proposed as a community benefit, the opportunity for upgrades is likely to be limited to areas with an immediate relationship with the development site.

As outlined above the CBSP already includes substantial mechanisms to require and encourage significant provision of landscaping associated with development. In recognition of the City's focus on the role of tree canopies in reducing heat effects it is acknowledged that there may be opportunity to modify the CBSP to better recognise the value of shade trees. It is suggested that the bonus provisions of the CBSP be expanded upon to include a requirement for developments to demonstrate a substantial mitigation of urban heat island effects via the use of landscaping and including the provision of mature shade trees. It is recommended that such a provision be included in Element 21 of the Plan so that it operates as a mandatory requirement of any bonus considerations.

Process for Amendment to the Structure Plan:

The current status of the content of the CBSP with respect to sustainability requirements is making difficult the provision of advice on development requirements for current and prospective applicants. Whilst discretion exists to vary the requirements of the Structure Plan, this is best exercised in accordance with a clear understanding of the City's position and preferred outcomes. Careful formulation and progress of an amendment to the Structure Plan will provide this strategic planning pathway to guide the City's intentions with respect to determination of applications.

Under the provisions of CPS5, amendment of the Structure Plan will require public advertising (14 to 28 days), approval of Council and final approval by the Western Australian Planning Commission. This complete process is likely to take several months. In the interim, endorsement of a preferred position with respect to modification of the Structure Plan by the Council will provide a degree of weight to this approach and provide applicants and decision makers with additional certainty

Endorsement of the modifications to the Structure Plan by Council for the purposes of commencement of public advertising would represent a significant step in firming up the City's intended position. Following this milestone the City would be better placed in terms of assessment of applications and formulation of recommendations to the Development Assessment Panel (DAP) and/or the Council with respect to intended outcomes and the exercise of discretion. Timing for the achievement of this initial milestone is particularly important to meet the DAP reporting requirements for the Stirling Capital Development at Kishorn and Ogilvie, Mt Pleasant. An October 2015 Council determination on the proposed amendments to the Structure Plan for the purpose of commencement of advertising would clarify the City's position and enable this position to be reflected in the required DAP reporting timeframes for the current application.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)*Amendments to the Structure Plan and the City of South Perth:*

The CBSP applies to development within the Structure Plan area in both the Cities of South Perth and Melville. In amending the Structure Plan, the option exists to prepare modifications which apply to land in both Melville and South Perth or to proceed with modifications which are tailored to specific areas within the Plan (such as individual “Quarters”). Discussion has been initiated with the City of South Perth regarding potential change to demonstration of desired sustainability outcomes. It is noted however that the City of South Perth’s position on proposed modifications to the Plan is not yet determined and a timeframe for any formal Council consideration is not scheduled. With current development applications pending, the City of Melville has a need to clarify its approach to sustainability provisions of the Structure Plan. In these circumstances it is recommended that the proposed modifications to the Structure Plan be specific to the Ogilvie and Kintail Quarters (the City of Melville portions of the Structure Plan area).

Details of Proposed Changes**Green Star Standards:**

- Under Element 11 of the Plan all references to 5 Star Green Star rating (for the Kintail and Ogilvie Quarters) be amended to read *4 Star and reference to “equivalent rating schemes” removed.*
- Under Element 21 of the Plan all references to 6 Star Green Star rating (for the Kintail and Ogilvie Quarters) be amended to read *5 Star and reference to “equivalent rating schemes” removed.*

Clarity of Achievement of Required Performance:

The last sentence of clause 11.5 of the Plan being modified as follows:

- *“At a minimum, all new development within the Cassey, Davilak and Mt Henry Quarters (that is the Quarters within the City of South Perth) shall...”*

New sentences be added to the end of clause 11.5 as follows:

- *At a minimum, all new development within the Kintail and Ogilvie Quarters (that is the Quarters within the City of Melville) shall achieve a 4-Star Green Star design rating under Green Building Council of Australia. In the M10 and M15 areas, as evidence in support of compliance with the required rating, applicants shall submit as part of their development application either a Green Star Design Review Certificate or a qualified consultant’s report supporting the developments achievement of the required level of performance. Under either approach any development approval granted will be conditional upon submission of a Green Star certificate, prior to commencement of the development, which confirms achievement of the required rating. In the H4 and H8 areas, as evidence in support of compliance with the required ratings, as a minimum applicants shall submit as part of their development application a report from a Green Building Council of Australia qualified consultant demonstrating that the proposal will achieve the required level of performance. In these areas (H4 and H8) any development approval granted will be conditional upon the development being designed and constructed to include the elements identified in the supporting consultant’s report.*

**P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE
STRUCTURE PLAN (REC)**

Clause 21.4.2 of Element 21 being amended as follows:

- *“The proposed development meets or exceeds the 5 Star Green Star design rating under the Green Building Council of Australia. As evidence in support of compliance with the required rating, applicants shall submit as part of their development application either a Green Star Design Review Certificate or a qualified consultant’s report supporting the developments achievement of the required level of performance. Under either approach any development approval granted will be conditional upon submission of a Green Star certificate, prior to commencement of the development, which confirms achievement of the required rating.”*

Recognition of Value of Trees in Reducing the Urban Heat Island Effect:

The following clause be added to Element 21:

- *21.4.5 In addition to the requirements of Element 10, proposed development within the Kintail and Ogilvie Quarters (that is the Quarters within the City of Melville) demonstrates a mitigation of urban heat island effects through the provision and maintenance of landscaping which includes the planting of mature shade trees.*

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

Part 10 of CPS provides for the City to decide whether or not to advertise a variation to a Structure Plan, based on whether or not the proposed variation is considered to be of a minor nature. The proposed variations to the CBSP are not considered to change the desired outcomes intended by the Structure Plan. It is recommended however that the public be provided with an opportunity to comment on the proposed variations. A notice in a local newspaper advising of the proposal and inviting comments for a period of 21 days is recommended.

II. OTHER AGENCIES / CONSULTANTS

Advertising of a variation to a Structure Plan requires the City to seek comment from any public authority or utility service provider that the City considers appropriate. The content of the proposed variation is not considered to impact on public authorities or utility services. Consultation is recommended to be limited to the City of South Perth.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)**STATUTORY AND LEGAL IMPLICATIONS**

Part 10 of CPS5 outlines the requirements relating to Structure Plan including variation of a Structure Plan. In summary the Council may request the Western Australian Planning Commission (WAPC) to vary an approved Structure Plan. Advertising requirements are outlined in Part 10 of CPS 5, although the City may decide not to advertise a variation if in the opinion of the City the variation is of a minor nature. Where advertising is to be undertaken a minimum and maximum period of 14 and 28 days respectively is stipulated.

FINANCIAL IMPLICATIONS

The proposed modifications to the Structure Plan do not present any direct financial implications. The proposed clause requiring provision of shade trees in response to mitigation of heat impacts may provide opportunities for applicants contributing to streetscape improvements adjacent to development sites.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

Retention of the current CBSP provisions is likely to inhibit development within the Structure Plan area and detract from the desired, optimal growth of the Canning Bridge Centre. The CBSP responds to the objectives of the City's Local Planning Strategy to focus development intensity in strategic centres and along transport corridors. These objectives in turn reflect the achievement of dwelling and intensity targets as stipulated in the State Government's urban planning framework, Directions 2031 and Beyond and more recently the Central Sub Region Strategy. The proposed variations to the Structure Plan respond to these risks in a practical manner in facilitating appropriately located intensive development whilst maintaining the intended high levels of environmental sustainability for the precinct.

POLICY IMPLICATIONS

There are not considered to be policy implications associated with this proposal.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

The Council may choose not to seek WAPC approval of the proposed variations to the CBSP and to retain the current Structure Plan provisions. Review of the existing sustainability standards indicates that a 5 Star requirement for all development is onerous and likely to constrain development within the precinct. Similarly a 6 Star standard under the bonus height provisions of the Structure Plan is expected to result in the bonus provisions being unachievable. This may impact on the quality of overall development and more importantly would preclude the opportunity for the securing of wider community benefits (public spaces, streetscape improvements, community facilities etc) which are also pre-requisites to the Structure Plan bonus provisions.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)

The Council may also choose to defer determination on the proposed variations to the CBSP. A decision on whether or not to progress the proposed Structure Plan variations to public advertising would assist in providing additional clarity with respect to the City's strategic position on the intent of the Structure Plan. Clarity of this position would assist in informing a recommendation to DAP within current reporting timeframes. On the other hand a deferral of a Council decision would impact on the ability of the City to provide this informed recommendation to the DAP, which in turn may result in the application being determined regardless.

CONCLUSION

Modifications are recommended to the Green Star and sustainability provisions of the CBSP. Specifically changes are recommended to the identified level of Green Star performance, clarification of requirements to demonstrate Green Star compliance and specific reference to the merits of including mature tree plantings as part of proposed developments.

It is recognised that the Green Star performance targets contained in the original CBSP are likely to prove impractical having been set at world leadership level. The proposed adjustments will enable the sustainability provisions of the Structure Plan to operate at the level intended. The provisions would demonstrate leadership in development control in requiring buildings to achieve a baseline of "Australian Best Practice", together with an incentivised approach which would provide for sustainability standards equivalent to "Australian Excellence".

Endorsement of the proposed variations to the CBSP is recommended accordingly. The variations would require preliminary endorsement by the Council, a public advertising period, Council approval and forwarding to the WAPC with a request for final approval. Should no submissions of objection be received in response to the consultation undertaken then it is recommended that the proposed variations to the CBSP be forwarded to the WAPC with a request for final approval. In the event of the receipt of objections the matter would be returned to the Council for determination of next steps.

P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE STRUCTURE PLAN (REC)**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3671) APPROVAL****That the Council:**

1. Resolves, pursuant to Part 10 of Community Planning Scheme No. 5, to endorse the variations to the Canning Bridge Structure Plan as described below and to advertise the proposed variations for public comment for a period of not less than 21 calendar days:

The last sentence of Desired Outcomes under Element 11 being amended as follows:

“To achieve the Desired Outcome development within the Cassey, Davilak and Mt Henry Quarters (that is the Quarters within the City of South Perth) is expected to reflect best practice, with a design rating of 5 Stars under the national rating scheme of the Green Building Council of Australia.”

An additional sentence being added to the end of the Desired Outcomes wording under Element 11 as follows:

Within the Kintail and Ogilvie Quarters (that is the Quarters within the City of Melville) development is expected to achieve a design rating of 4 Stars under the national rating scheme of the Green Building Council of Australia.”

The last sentence of clause 11.5 of the being modified as follows:

“At a minimum, all new development within the Cassey, Davilak and Mt Henry Quarters (that is the Quarters within the City of South Perth) shall submit a Green Star certificate or qualified consultants’ report of support covering the design as part of their planning application.

New sentences be added to the end of clause 11.5 as follows:

At a minimum, all new development within the Kintail and Ogilvie Quarters (that is the Quarters within the City of Melville) shall achieve a 4-Star Green Star design rating under Green Building Council of Australia. In the M10 and M15 areas, as evidence in support of compliance with the required rating, applicants shall submit as part of their development application either a Green Star Design Review Certificate or a qualified consultant’s report supporting the developments achievement of the required level of performance. Under either approach any development approval granted will be conditional upon submission of a Green Star certificate, prior to commencement of the development, which confirms achievement of the required rating.

**P15/3671 - VARIATION TO SUSTAINABILITY PROVISIONS OF THE CANNING BRIDGE
STRUCTURE PLAN (REC)**

In the H4 and H8 areas, as evidence in support of compliance with the required ratings, as a minimum applicants shall submit as part of their development application a report from a Green Building Council of Australia qualified consultant demonstrating that the proposal will achieve the required level of performance. In these areas (H4 and H8) any development approval granted will be conditional upon the development being designed and constructed to include the elements identified in the supporting consultant's report.

Clause 21.4.2 of Element 21 being amended as follows:

“The proposed development meets or exceeds the 5 Star Green Star design rating under the Green Building Council of Australia. As evidence in support of compliance with the required rating, applicants shall submit as part of their development application either a Green Star Design Review Certificate or a qualified consultant's report supporting the developments achievement of the required level of performance. Under either approach any development approval granted will be conditional upon submission of a Green Star certificate, prior to commencement of the development, which confirms achievement of the required rating.”

The following clause be added to Element 21:

21.4.5 In addition to the requirements of Element 10, proposed development within the Kintail and Ogilvie Quarters (that is the Quarters within the City of Melville) demonstrates a mitigation of urban heat island effects through the provision and maintenance of landscaping which includes the planting of mature shade trees.

2. Directs that, where no submissions in objection are received in response to the consultation undertaken, that the proposed variation to the Canning Bridge Structure Plan be forwarded to the Western Australian Planning Commission with a request for final approval.

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (11/0)

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

Ward : All
 Category : Operational
 Subject Index : Waste
 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 : T14/3543 Bulk Verge Side Collection Review
 Works Programme : Not Applicable
 Funding : 2015/2016 waste budget
 Responsible Officer : Paul Kellick
 Manager Asset Management

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 operates as a review authority on decisions made by Officers for appeal purposes.</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 (egg under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal.</i>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)**KEY ISSUES / SUMMARY**

- At the Ordinary Meeting of the Council held on 21 October 2014, the Council resolved that the Chief Executive Officer investigate the establishment of a permanent drop off location for recyclable goods. This report summarises the results of the investigation.
- The report identifies that a permanent recyclables drop off facility would improve recycling and re-use and further decrease the volumes of domestic waste being disposed to landfill. It would also offer a higher level of service to City of Melville residents.
- A permanent drop off facility would, however, require substantial capital investment and incur ongoing operational costs due to the need for additional infrastructure, staff, plant and equipment.
- The report identifies nearby and existing facilities in adjacent local governments and recommends encouraging City of Melville residents to use these established facilities.
- The report also notes that the City of Canning has already proposed the development of its Ranford Road facility into a regional waste facility in partnership with the Cities of Melville and Gosnells.
- The report also notes that the Southern Metropolitan Regional Council's (SMRC), Strategic Waste Management Plan recommends working with the Rivers Regional Council to develop four regional (drop off) hubs if a feasibility study demonstrates that the model is viable.
- The report recommends that the Chief Executive Officer progresses discussions with the Cities of Canning and Gosnells regarding the development of a regional waste hub in Canning Vale.

BACKGROUND

At the Ordinary Meeting of Council held on 21 October 2014, Council resolved the following:

"That the Council:

1. *Notes the improvements made to date with the City's Bulk Verge Collection Service.*
2. *Endorses an annual Household Hazardous Waste Collection service, subject to successful funding through the Western Australian Local Government Household Hazardous Waste Program.*
3. *Endorses the introduction of two Electronic Waste Collection services per annum.*
4. *Request the Chief Executive Officer to investigate the establishment of a permanent drop off location for recyclable goods."*

This report addresses item 4.

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)**DETAIL**

Recyclables drop off facilities typically provide residents a location to drop off separated waste streams which are stored on site prior to recycling or disposal. It provides an opportunity to dispose of recyclable goods outside of the normal bulk verge collection services provided by the local government and aims to improve reuse and recycling and reduce waste to landfill.

If a facility was to be developed by the City in its own right, it would be located within the City of Melville boundaries and include facilities for the drop off of the following recyclables:

- Batteries (domestic)
- CFL (fluorescent light tubes)
- Plastics
- Glass bottles
- Fire extinguishers (domestic)
- HHW (hazardous household waste)
- E-waste
- Metals (ferrous and nonferrous)
- 9kg gas bottles
- White goods
- Tyres
- Mattresses
- Building rubble (domestic)

The list above excludes green waste, putrescible garbage and commingled recyclables as these are already collected by existing City collection services and processed at the Regional Resource Recovery Centre (RRRC) under existing arrangements with the SMRC. Residents are also able to drop off green waste at the RRRC.

Benefits of a recyclables drop off facility

A community drop off facility has the potential to provide the following benefits to the City and community:

- Extended domestic collection vehicle life due to reduced collections and resulting wear and tear on plant and equipment.
- Savings in fuel and equipment maintenance costs of existing domestic collection vehicles due to reduced usage.
- Reduced truck traffic on streets due to reduced load volumes and transport times.
- Reduced environmental impacts by increased diversion of waste from landfill.
- Reduced illegal dumping by the provision of a legal location for 'drop offs'.
- Provides an opportunity to screen waste prior to disposal resulting in reduced contamination rates.
- Provides an increased opportunity to divert waste and other materials for reuse or recycling.
- Provides flexibility in accessing alternative waste processing and disposal facilities.

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

- Offers more flexibility in waste handling and disposal options.
- Offers residents facilities for convenient drop-off of waste and recyclables as facilities provide designated drop off areas for different waste streams.
- A well-managed drop off facility would enhance the City's capacity to manage its solid waste.

Disadvantages of a recyclables drop off facility

- Difficult access and egress issues due to the space required to establish a suitable facility and provide safe operating areas for plant and equipment.
- Large space required to develop such a facility, estimated to be at least 4,500m².
- Noise factors due to the increased noise of plant and equipment required to maintain such a facility.
- Odour of waste stored on site.
- Rodents and birds looking for homes or food will be attracted to the facility and impact local amenity.
- Litter spreading throughout the site if it is not managed well.
- Increased air emissions and pollutants from plant and machinery.
- High establishment and ongoing operational costs.

Current Recycling Services offered by the City of Melville

The City offers a number of existing recycling services that impact on the demand for such a facility.

Bulk Verge Collections

The City undertakes four bulk verge collections each year which includes three green-waste and one bulk junk collection. The majority of green waste is diverted from landfill while the majority of junk collected is disposed to landfill at Cockburn's Henderson Waste Recovery Park. The exception to this is white goods, steel and mattresses which are all separated at source and diverted from landfill. White goods and steel are sold to a local recycling facility while mattresses, until quite recently, were disposed of at another local facility and recycled. The current bulk verge collection service does not allow for the collection hazardous household waste, gas cylinders, fluorescent light tubes, tyres or batteries.

Weekly recycling

In 2012, the City introduced a weekly recycling collection for co-mingled recyclables which has assisted in improving recycling behaviour and reducing the amount of waste ending up in landfill.

Electronic Waste (E-waste)

E-waste collections involve the 'drop off' of items such as televisions, computers and phones in order to divert them from landfill. The most recent e-waste collection was held at the Operations Centre on September 20 2015 and collected 300 e-waste items from 145 customers.

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)Household Hazardous Waste Collection (HHW)

The HHW Program provides local governments and Regional Councils with funding to assist with the collection, storage and disposal of HHW. The program is funded by the Waste Authority through the Waste Avoidance and Resource Recovery Levy and is administered by the Western Australian Local Government Association (WALGA). These temporary collection days are short term (one day) collection points for HHW.

Information provided by WALGA and the HHW Program shows the average cost per temporary collection day is \$70,621 which includes both collection and disposal costs. Due to the high cost of disposal, the City continues to apply to host temporary collection days through the WALGA HHW Program which would result in no direct cost to the City. The City's last collection was held in 2012.

Options

In investigating the establishment of a permanent drop off facility, existing and potential 'drop off' services available to Melville residents were also examined. The focus on the 'concept' of recycling drop off service delivery rather than infrastructure provision aligns with the City's Project Management Framework, which enables all options to be considered and assists in establishing whether or not a business case for a recycling drop off facility has merit.

In developing possibilities for the City of Melville, a number of options were considered which included the promotion and or subsidy of nearby drop off facilities, the development of a facility in the City of Melville and the development of a shared facility in Canning Vale. The eight options which are further developed below are:

1. Promoting the use of the City of Canning's Waste Transfer Station
2. Subsidising the use of the City of Canning's Waste Transfer Station
3. Promoting the use the City of Cockburn's Henderson Waste Recovery Park
4. Subsidising the use of the City of Cockburn's Henderson Waste Recovery Park
5. Developing a drop off facility at the City of Melville Operations Centre
6. Developing a drop off facility on other land in the City of Melville
7. Developing a drop off facility on the SMRC Canning Vale site
8. City of Canning shared facility

1. Promoting the use of the City of Canning's Waste Transfer Station

The City of Canning currently has a waste transfer facility located just outside of the City of Melville boundary on Ranford Road in Canning Vale (14.2km/26 minutes from the Civic Centre). The facility is open to the public and City of Canning residents receive discounted fees over non-residents. The cost to dispose of a trailer load at the facility is \$95.

The location of this, and the City of Cockburn facility, is shown on the figure 2 below:

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

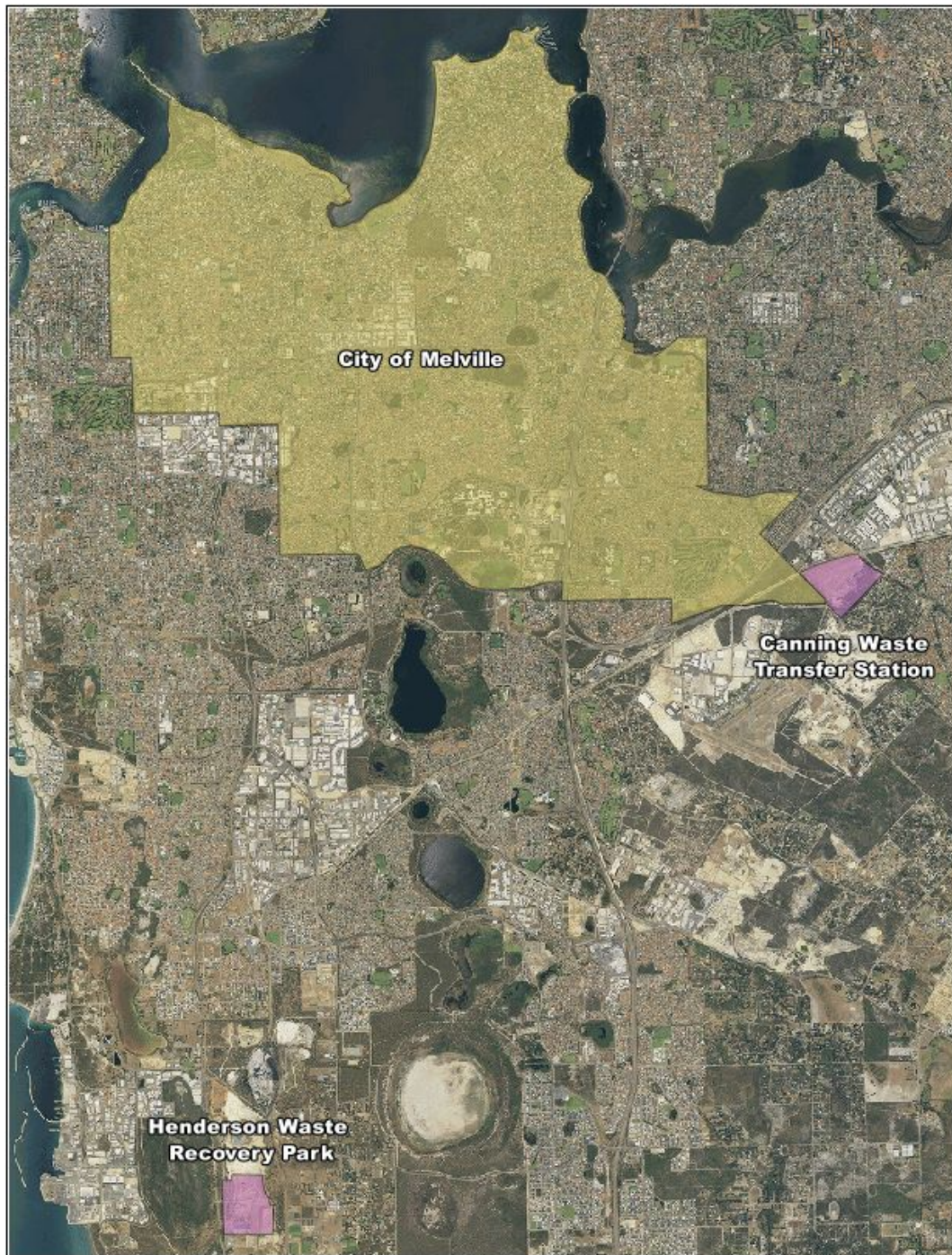


Diagram 2 – location of nearby waste facilities

Promoting the use of this facility to City of Melville residents is one of the most cost effective means to encourage residents to recycle household waste items. This option will have no financial burden upon the City of Melville.

See <http://www.canning.wa.gov.au/W/waste-transfer-station.html> for further details.

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

2. Subsidising the use of the City of Canning’s Waste Transfer Station

Another option related to this site is that of providing a subsidy to City of Melville residents, similar to that provided to City of Canning residents by their local government.

Two possible rates of subsidy have been presented, firstly a 100% subsidised ‘tip pass’ to the facility based on both six and three passes per annum. Secondly, a reduced subsidy of \$20 per load, again based on both six and three tip passes per annum.

The options of either six or three tip passes is based on anecdotal evidence from the City of Cockburn that although they currently supply 6 tip passes to all residents, on average, only three are ever used. The \$20 (or 21%) subsidy is similar to that currently provided by Canning to its residents and also similar to other facilities.

As shown below, the various options to subsidise Melville residents for the use of the Canning facility range from \$2.4 million to \$22.4 million per annum and are considered to be cost prohibitive. Canning is able to provide these subsidies as they directly manage the facility. If these subsidies were to be implemented by Melville, the costs would be recovered through increased rates and is not the preferred option.

Disposal Rate per pass \$	Number of Passes	Number of Dwellings	Expenditure per Annum
\$95	6	39,324	\$22.4 million
\$95	3	39,324	\$11.2 million

Table 1: Costs of providing 100% subsidised tip passes to City of Melville residents to be used at the City of Canning Waste Transfer Station.

Disposal Rate per pass \$	Subsidised Amount \$	Number of Passes	Number of Dwellings	Expenditure per Annum
\$75	\$20	6	39,324	\$4.7 million
\$75	\$20	3	39,324	\$2.4 million

Table 2: Costs of providing \$20 subsidy for tip passes to City of Melville residents to be used at the City of Canning Waste Transfer Station.

3. Promoting the use the City of Cockburn’s Henderson Waste Recovery Park

The City of Cockburn currently operates a complete recycling drop off facility within its existing Henderson Waste Recovery Park located alongside Rockingham Road in Henderson (19.7km/26 minutes from the Civic Centre). This facility provides lower gate fees for waste disposal than the Canning facility and is \$55 per trailer load. The City of Melville has been directing its residents to this facility for some years.

Continuing to promote the use of this facility to City of Melville residents again is one of the most cost effective means to encourage residents to recycle household waste items. This option will have no financial burden upon the City of Melville

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

See http://www.cockburn.wa.gov.au/Council_Services/Waste/Henderson_Waste_Recovery_Park for further details.

4. Subsidising the use of the City of Cockburn’s Henderson Waste Recovery Park

Similar to the Canning example, two possible rates of subsidy have been presented, firstly a 100% subsidised tip pass to the facility based on both six and three passes per annum. Secondly, a reduced subsidy of 21% (\$12) per load again based on both six and three passes per annum.

As shown below, the various options to subsidise Melville residents for the use of the Cockburn facility range from \$1.4 million to \$13.0 million per annum and are also considered to be cost prohibitive. Cockburn is able to provide these subsidies as they manage the facility. If these subsidies were to be implemented by Melville, the costs would be recovered through increased rates and is not the preferred option.

Disposal rate per Pass \$	Number of Passes	Number of Dwellings	Expenditure per Annum
\$55	6	39,324	\$13.0 million
\$55	3	39,324	\$6.5 million

Table 3: Costs of providing 100% subsidised tip passes to City of Melville residents to be used at Cockburn’s Henderson Waste Recovery Park.

Disposal Rate per pass \$	Subsidised Amount \$	Number of Passes	Number of Dwellings	Expenditure per Annum
\$55	\$12	6	39,324	\$2.8 million
\$55	\$12	3	39,324	\$1.4 million

Table 4: Costs of providing \$20 subsidy for tip passes to City of Melville residents to be used at Cockburn’s Henderson Waste Recovery Park.

5. Developing a drop off facility at the City of Melville Operations Centre

The City’s Operations Centre in Bramanti Road, Murdoch covers an area of approximately 30,300m² and is shown below in Figure 1. The site is currently at capacity with little room to develop additional facilities such as a recyclable drop off facility which would require at least 4,500m². The ‘dotted’ area at the lower right of the figure shows the area that would be required for such a facility.

It can be seen that large areas required for either City vehicles or staff parking make it difficult to develop a functional permanent drop facility on site. The current staff parking area is used for temporary weekend drop days for e-waste and this can continue for this and other drop off days if required.

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

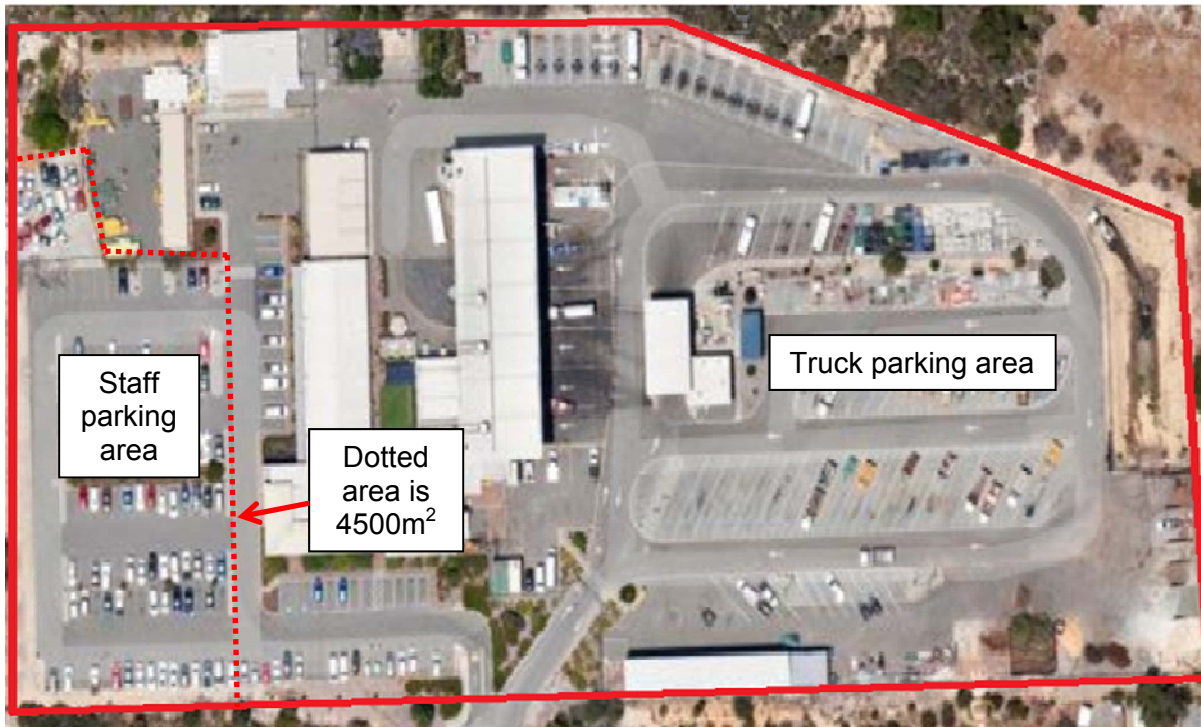


Figure 2: City of Melville Operations Centre

6. Developing a drop facility on other land in the City of Melville

Because of the developed nature of the City, it was difficult to identify any land suitable for a permanent recyclable drop of facility. The only portion of land identified as possibly suitable was the old landfill site at John Connell Reserve although this is currently the subject of a possible development in partnership with Melville Glades and not an economically viable alternative. The City's Strategic Property Management Group (SPMG) did not identify any suitable properties. Indications are that 4,500m² of land in the City would cost in the vicinity of \$3.6 million.

7. Developing a drop facility on the SMRC Canning Vale site

The SMRC's recently completed Strategic Waste Management Plan (SWMP), sets the program and policies for waste management in southern Perth encompassing the member organisations of the Cities of Cockburn, Fremantle and Kwinana and the Town of East Fremantle. 38 regional options and priority actions were identified through stakeholder consultation and plan development, two of which relate directly to recycling drop off facilities, these are:

18. Consider input into/partnering with RRC (Rivers Regional Council) to develop the feasibility study for four regional processing 'hubs' for mattresses, HHW, batteries, C&D materials, whitegoods, e-waste, tyres, cars, asbestos and motor oil.
19. Work with City of Canning and RRC to develop four regional hubs for household hazardous waste, batteries, motor oil, e-waste and building and construction permanent drop off sites (if the feasibility study demonstrates that the model is viable).

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

Feedback from the SMRC is that, due to the current layout, there is not sufficient space on site to develop a recyclables drop off facility for public access. In addition to this, as Cockburn already has their own facility, they would unlikely be interested in a joint approach. As can be seen from the SWMP actions above, this option will not be progressed in the short term.

8. City of Canning shared facility

The City of Canning has recently written to the City to seek our support for an application for the National Stronger Regions Fund (NSRF), for the construction of the Jandakot Eastern Link Road. Part of reasoning for development of this Link Road is that it will facilitate a number of Local and State Government regional initiatives proposed near the Jandakot Airport area. This includes the Canning Vale Waste Transfer Station which is being considered as a regional waste hub servicing surrounding municipalities including the City of Gosnells and the City of Melville.

Discussions are due to commence shortly surrounding this initiative.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

There has been no engagement with the community during the preparation of this report.

II. OTHER AGENCIES / CONSULTANTS

Although no specific consultation has occurred with other agencies, the City has engaged with other local governments such as the Shire of Kalamunda, City of Canning, City of Cockburn and the Southern Metropolitan Regional Council.

STATUTORY AND LEGAL IMPLICATIONS

The *Waste Avoidance and Resource Recovery (WARR) Act 2007* provides for waste avoidance and resource recovery as well as waste services by local governments. This Act defines local government waste as 'waste from residential sources' and, as such, includes domestic drop off facility waste streams.

FINANCIAL IMPLICATIONS

There are no direct financial implications on the recommendations although some of the options examined do have a potential financial impact.

Subsidising the use of the City of Canning's Waste Transfer Station would cost between \$2.4 million and \$13.0 million per annum.

Subsidising the use of the City of Cockburn's Henderson Waste Recovery Park would cost between \$1.4 million and \$22.4 million per annum.

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)

The purchase of suitable land to develop such a facility would cost in the order of \$3.6 million whilst the cost of construction would be between \$650,000 and \$1.2 million and the annual operating costs approximately \$335,000 per annum.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONSDEC Works Approval and Licensing

Under Part V of the *Environmental Protection Act 1986*, such a facility is classified as a *Prescribed Premise Category 62 – Solid Waste Depot*. A Solid Waste Depot is defined as a “premises on which waste is stored or sorted pending final disposal or re-use”. As specified within Part V of the *Environmental Protection Act 1986* a Works Approval would be required.

The operation of a Solid Waste Depot would require a licence pursuant to Part V of the *Environmental Protection Act 1986*. The licence, which would be issued by the Department of Environment and Conservation (DEC) would provide a range of conditions that would look to minimise and mitigate any potential environmental impacts associated with the operation of the site.

To support any application to the DEC for a Licence, The City will also be required to prepare a detailed Environmental Assessment and Management Plan (EAMP).

The EAMP would:

- Investigate the existing environmental conditions
- Describe the proposed site operations
- Identify the associated environmental aspects
- Outline the community consultation program undertaken and feedback obtained
- Develop appropriate environmental management plans to ensure that all potential environmental impacts are controlled to appropriate levels.

POLICY IMPLICATIONS

CP036 Waste Minimisation applies guidance in minimising the volume of domestic waste going to landfill while also providing value for money for residents. This report supports this objective.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Council could resolve to purchase some land and develop a permanent drop off facility although this would require significant capital funding and ongoing operational funding and is not considered cost effective.

Council could also resolve to subsidise residents for the use of the existing facilities identified although this would require significant funding and need to be recouped through rate increases.

T15/3659 – INVESTIGATION INTO THE ESTABLISHMENT OF A PERMANENT DROP OFF LOCATION FOR RECYCLABLE GOODS (REC)**CONCLUSION**

The provision of a permanent drop off facility for recyclables would have environmental benefits for both the City of Melville and residents alike and would be a positive step in providing further opportunities in minimising the disposal of waste to landfill and overall resource recovery. However, this investigation has identified that there are two nearby facilities that are available for use by City of Melville residents. One is situated in the City of Canning and the other in the City of Cockburn.

In addition to this, both the City of Canning and the SMRC are investigating the development of regional facilities that would also be accessible by City of Melville residents.

With two existing recycling drop off facilities nearby and the potential for the development of a regional facility increasing, it would not be cost effective for the City to develop their own facility in the short term. As such, the development of a stand-alone permanent drop off location for recyclable goods in the City of Melville is not supported and the availability of existing and nearby facilities providing this service should be promoted.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (3659)**APPROVAL****That the Council:**

- 1. Acknowledges the challenges associated with the provision of establishing a permanent drop off facility within the City of Melville.**
- 2. Does not support the development of a permanent drop off facility site within the City of Melville at this time.**
- 3. Notes that further consideration to establishing a regional drop off facility will be progressed with the Southern Metropolitan Regional Council as part of the future implementation of their Strategic Waste Management Plan.**
- 4. Notes that further discussions will be undertaken with the City of Canning regarding the possible development of a regional waste facility.**

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (11/0)

T15/3669 – REFUND OF CARBON TAX – CITY OF ROCKINGHAM (REC)

Ward : All
 Category : Strategic
 Subject Index : SMRC
 Customer Index : City of Rockingham
 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 : John Christie
 Director Technical 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 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 operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

T15/3669 – REFUND OF CARBON TAX – CITY OF ROCKINGHAM (REC)**KEY ISSUES / SUMMARY**

- The City of Rockingham increased its gate fee at its Millar Road Landfill Facility as a result of the introduction of the Carbon Tax.
- As a result, the Southern Metropolitan Regional Council paid an additional \$378,764.72 for disposal of inert waste at the facility.
- The repeal of *The Clean Energy Act 2011* extinguishes any carbon tax liabilities.
- The Southern Metropolitan Regional Council has requested a refund of the above amount from the City of Rockingham, however the City of Rockingham has responded that it believes it is under no obligation to refund the monies collected.
- Both the Federal Government and the Australian Competition and Consumer Commission have stated that the expectation is that landfill operators who collected monies under the carbon tax for a future liability, which no longer exists as a result of the carbon tax repeal, should not “profit” from the repeal.
- It is recommended that the City write to the City of Rockingham requesting a full refund of the amount paid by the Southern Metropolitan Regional Council.

BACKGROUND

As a result of the introduction of the “Carbon Tax” the City of Rockingham increased its gate fee and has collected the carbon tax component from waste deposited at its Millar Road Landfill Facility between 1 July 2012 and 30 June 2014.

A repeal of *The Clean Energy Act 2011* extinguishes all carbon tax liabilities associated with post 1 July 2014 emissions from waste deposited in landfill between 1 July 2012 and 30 June 2014.

According to the Clean Energy Regulator’s Liable Entities Public Information Database, the City of Rockingham did not declare a carbon tax liability for the 2012/2013 reporting period and as such holds carbon taxes of \$208,761.60 paid to them by the Southern Metropolitan Regional Council. This amount will now not be paid by the City of Rockingham and therefore is fully refundable for that period.

There is an expectation that the same will be applied to the 2013/2014 reporting period, therefore the City of Rockingham is withholding a further \$190,614.54 which is also fully refundable to the Southern Metropolitan Regional Council.

T15/3669 – REFUND OF CARBON TAX – CITY OF ROCKINGHAM (REC)**DETAIL**

The Southern Metropolitan Regional Council has written to the City of Rockingham seeking a full reimbursement of the carbon tax it has paid to the City for the waste deposited at the Millar Road Landfill Facility; however the City of Rockingham has responded that it does not believe it is under any obligation to refund the monies it collected.

This stance is somewhat different to the statements made by the Federal Government and the Australian Competition and Consumer Commission (ACCC) who have stated that the expectation is that landfill operators who collected monies under the carbon tax for a future liability, which no longer exists as a result of the carbon tax repeal, should not “profit” from the repeal. The ACCC is also on record as stating that the money collected for a future carbon liability should be refunded to customers where possible.

This reluctance of the City of Rockingham to refund the carbon tax to the Southern Metropolitan Regional Council can only be described as disappointing and unacceptable under the circumstances.

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

There has not been any community consultation undertaken during the preparation of this report.

II. OTHER AGENCIES / CONSULTANTS

The City has consulted with the Southern Metropolitan Regional Council in relation to this matter. As a result of this consultation, the Southern Metropolitan Regional Council has encouraged the Member Councils to write to the City of Rockingham seeking a refund of the amount paid.

STATUTORY AND LEGAL IMPLICATIONS

The *Local Government Act 1995* states as follows:

“6.17 Setting level of fees and charges

- (1) *In determining the amount of a fee or charge for a service or for goods a local government is required to take into consideration the following factors —*
- (a) *the cost to the local government of providing the service or goods; and*
 - (b) *the importance of the service or goods to the community; and*
 - (c) *the price at which the service or goods could be provided by an alternative provider.”*

T15/3669 – REFUND OF CARBON TAX – CITY OF ROCKINGHAM (REC)

It is clear that the fee imposed by the City of Rockingham may have been consistent with clause 6.17 (a) above at the time the Carbon Tax was in place, however the repeal of *The Clean Energy Act 2011* extinguishes all carbon tax liabilities, therefore the retention of the tax collected would be considered to be inconsistent with clause 6.17 (a) as the actual cost is significantly less than the provision of the service.

One would expect a Local Government to act in an accountable manner, with a high level of integrity and where possible refund the amount collected.

FINANCIAL IMPLICATIONS

The City of Rockingham currently holds an amount of \$378,764.72 which has been collected as a result of the introduction of the carbon tax from the member Councils of the Southern Metropolitan Regional Council.

Of that amount, \$165,242.13 should be refunded to the City of Melville.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There are no strategic, risk and environmental implications associated with this report

POLICY IMPLICATIONS

There are no policy implications associated with this report.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

There are no alternative options presented as part of this report.

CONCLUSION

The Member Councils of the Southern Metropolitan Regional Council have paid \$378,764.72 in carbon tax contributions to the City of Rockingham.

The City of Rockingham clearly does not have the future liability for the carbon tax it collected as a result of the repeal of *The Clean Energy Act 2011*, however, does not believe it is under any obligation to refund this amount to the Southern Metropolitan Regional Council.

The reluctance to refund this amount can only be described as disappointing and unethical under the circumstances, therefore it is recommended that the City write formally to the City of Rockingham requesting a full refund of the carbon tax collected.

T15/3669 – REFUND OF CARBON TAX – CITY OF ROCKINGHAM (REC)

OFFICER RECOMMENDATION (3669)

APPROVAL

At 9.03pm Cr Schuster moved, seconded Cr Robartson -

That the Council requests the Chief Executive Officer to write to the City of Rockingham requesting it to reconsider its position to withhold the carbon tax collected and refund the amount of \$378,764.72 to the Southern Metropolitan Regional Council as a result of the repeal of *The Clean Energy Act 2011*.

AMENDMENT

The following amendment was accepted by the mover and seconder and incorporated in the recommendation as point 2.

- 2. In the event that a refund of the carbon tax is received, the amount be put into the appropriate reserve to offset the next available years rates costs.**

COUNCIL RESOLUTION

That the Council:

- 1. Requests the Chief Executive Officer to write to the City of Rockingham requesting it to reconsider its position to withhold the carbon tax collected and refund the amount of \$378,764.72 to the Southern Metropolitan Regional Council as a result of the repeal of *The Clean Energy Act 2011*.**
- 2. In the event that a refund of the carbon tax is received, the amount be put into the appropriate reserve to offset the next available years rates costs.**

At 9.04pm the Mayor submitted the substantive motion as amended, which was declared
CARRIED UNANIMOUSLY (11/0)

Vote Result Summary	
Yes	11
No	0

Vote Result Detailed	
Cr Barton	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr Pazolli	Yes
Cr Phelan	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes

M15/5438 - CITY OF MELVILLE ANNUAL REPORT 2014-2015 (REC) (ATTACHMENT)

Ward	:	All
Category	:	Operational
Subject Index	:	City of Melville Annual Report
Customer Index	:	Not Applicable
Disclosure of any Interest	:	No Officer involved in the preparation of this report has a declarable interest in this matter.
Previous Items	:	Not Applicable
Works Programme	:	Not Applicable
Funding	:	Not Applicable
Responsible Officers	:	Kylie Johnson Executive Manager Organisational Development

AUTHORITY / DISCRETION

DEFINITION

<input type="checkbox"/>	Advocacy	<i>When the Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.</i>
<input checked="" type="checkbox"/>	Executive	<i>The substantial direction setting and oversight role of the Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.</i>
<input type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

M15/5438 - CITY OF MELVILLE ANNUAL REPORT 2014-2015 (REC) (ATTACHMENT)**KEY ISSUES / SUMMARY**

- This report presents the text and design component of the 2014-2015 Community Annual Report for the Council's acceptance.
- The Community Annual Report includes the information required by the *Local Government Act 1995*.
- In accordance with the *Local Government Act 1995* section 5.54, the Community Annual Report is to be accepted by the Council in an absolute majority decision. This will occur once the financials are finalised, then considered by the Financial Management Audit and Risk Compliance Committee and incorporated in the Community Annual Report.

BACKGROUND

In accordance with Section 5.53(1) of the *Local Government Act 1995* (the Act), a local government is required to prepare an Annual Report for each financial year. Section 5.54 of the Act requires that the Annual Report be accepted by the local government by absolute majority decision no later than 31 December after that financial year.

Section 5.27 of the Act specifies that a General Meeting of Electors is to be held within 56 days after the local government accepts the Annual Report for the previous financial year. The Annual Report is required to be prepared and printed in time for that meeting.

Like the City's previous Annual Reports, this year's report takes the form of a 'Community Annual Report' which features a full text summary and an abridged set of Financial Statements. The full set of Financial Statements will be available to ratepayers on request.

DETAIL

This report presents only the text and design component of the 2014-2015 Community Annual Report. The abridged and complete Financial Statements will be presented for adoption at the next available Council Meeting following receipt of the auditor's certification, and submission to the Financial Management, Audit, Risk and Compliance Committee.

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

- A report from the mayor or president;
- A report from the CEO;
- An overview of the plan for the future including major initiatives that are proposed to commence or to continue in the next financial year;
- The financial report for the financial year;
- Such information as may be prescribed in relation to the payments made to employees;
- The auditor's report for the financial year;
- A matter on which a report must be made under section 29(2) of the *Disability Services Act 1993*;
- Details of entries made under section 5.121 regarding complaints against Council Members; and
- Such other information as may be prescribed. (No other matters have been prescribed at this time).

M15/5438 - CITY OF MELVILLE ANNUAL REPORT 2014-2015 (REC) (ATTACHMENT)

The text component and design work of the Community Annual Report 2014-2015 has been prepared to report directly on the goals and strategies detailed in the *City of Melville Corporate Plan 2012-2016*. It also references and reinforces the importance of the Strategic Community Plan, which aligns with the Department of Local Government and Communities Integrated Planning Framework.

The text of this Annual Report was developed from information gathered from all areas of the organisation from end-of-year reports, information requested directly from employees and various corporate documents. This text was reviewed by the Operational Management Team and the Executive Management Team. The Governance and Compliance Program Manager also completed an audit of the text against the specific legislative requirements and confirmed relevant requirements had been addressed.

The abridged (summary of) and full Financial Statements will be reviewed and adopted by the Financial Management, Audit, Risk and Compliance Committee at their next meeting, currently proposed for 9 November 2015. This meeting is attended by the external Auditors and provides an opportunity for the Committee to ask questions on the financial statements relevant to the audit. The abridged Financial Statement (when adopted) will be integrated into the Community Annual Report design prior to production, and the full Financial Statements will be available on request.

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

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

STAKEHOLDER ENGAGEMENT**I. COMMUNITY**

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

II. OTHER AGENCIES / CONSULTANTS

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

M15/5438 - CITY OF MELVILLE ANNUAL REPORT 2014-2015 (REC) (ATTACHMENT)

STATUTORY AND LEGAL IMPLICATIONS

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

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

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

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

FINANCIAL IMPLICATIONS

Funds have been provided in the 2015-2016 budget to enable graphic design, publication, promotion and distribution of the Annual Report. Minimal hard copy Annual Reports will be published, and more environmentally responsible distribution methods will be used, such as CDs and access via the City's website.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

POLICY IMPLICATIONS

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

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

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

M15/5438 - CITY OF MELVILLE ANNUAL REPORT 2014-2015 (REC) (ATTACHMENT)**CONCLUSION**

The text of this Annual Report is a succinct and accurate reflection of the activities undertaken by the City of Melville in 2014-2015, and has been prepared in accordance with legislative and regulatory requirements.

Once the full Financial Statements have been finalised and certified by the external auditors they will be presented to the Financial Management, Audit, Risk and Compliance Committee and Council. The abridged Financial Statement will then be integrated into the Community Annual Report design. The full Community Annual Report will then be presented to the Council for approval by absolute majority decision.

Following Council adoption, this document will be edited appropriately and made available for all stakeholders in various formats, including CD, the City's website and hard copy.

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (5438) APPROVAL

That the Council approves the text and design component of the City of Melville 2014-2015 Community Annual Report.

[5438 City of Melville 2014 2015 Community Annual Report.](#)

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (11/0)

M15/5000 – 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 Program : Not applicable
 Funding : Not applicable
 Responsible Officer : Jeff Clark – Governance and 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 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 operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input checked="" type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

KEY ISSUES / SUMMARY

This report details the document to which the City of Melville Common Seal has been applied for the period from 21 August 2015 up to and including 17 September 2015 and recommends that the information be noted.

M15/5000 – 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 and the Mayor and the Chief Executive Officer (CEO) attest the affixing of the seal.

DETAIL

Register Reference	Party	Description	ECM Reference
1115/1116	The City of Melville and McLeod's	Land exchange Agreement for Melville City Centre and High Street Precinct Development City of Melville and AMP have negotiated a Land Exchange Agreement and Development Agreement to guide the Land exchange and development of MCC High Street	3636709
1126	The City of Melville	Community Planning Scheme No. 5 Amendment No. 78 Rezoning the Canning Bridge Precinct as per the Canning Bridge Structure Plan	3565808
1128	The City of Melville and The Shields (WA) Pty Ltd of 11 Shields Crescent Booragoon	To enter into an agreement with the City for the lodgement of the absolute Caveat on the Certificate of Title	3681493

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

Not applicable.

II. OTHER AGENCIES / CONSULTANTS

Not applicable.

M15/5000 – COMMON SEAL REGISTER (REC)**STATUTORY AND LEGAL IMPLICATIONS**

Section 2.5(2) of the *Local Government Act 1995* states:

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

Section 9.49A (3) of the *Local Government Act 1995* states:

(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

There are no financial implications in this report other than that held in the contracts advised above.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

There is no strategic, risk or environmental management implications in this report.

POLICY IMPLICATIONS

There are no policy implications in this report.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

This is a standard report for Elected Members' information.

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

That the Council notes the actions of His Worship the Mayor and the Chief Executive Officer in executing the document listed under the Common Seal of the City of Melville from 21 August 2015 up to and including 17 September 2015.

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (11/0)

C15/6000 - INVESTMENT STATEMENTS FOR AUGUST 2015 (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	:	Bruce Taylor – Manager Financial Services

AUTHORITY / DISCRETION

DEFINITION

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<input checked="" type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

KEY ISSUES / SUMMARY

This report presents the investment statements for the period ending 31 August 2015 for the Council's information and noting.

C15/6000 - INVESTMENT STATEMENTS FOR AUGUST 2015 (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 Council Policy CP-009 - Investment of Funds, with the objective of maximising returns whilst maintaining low levels of credit risk exposure.

DETAIL

Summary details of investments held as at 31 August 2015 are shown in the tables below.

CITY OF MELVILLE	
STATEMENT OF INVESTMENTS	
FOR THE PERIOD ENDING 31 AUGUST 2015	
SUMMARY BY FUND	
	AMOUNT
	\$
MUNICIPAL	\$ 56,226,938
RESERVE	\$ 95,055,261
TRUST	\$ 613,411
CITIZEN RELIEF	\$ 211,053
	\$ 152,106,663
SUMMARY BY INVESTMENT TYPE	
	AMOUNT
	\$
11AM	\$ 5,626,473
31DAYS AT CALL	\$ 1,000,000
60DAYS AT CALL	\$ 2,000,000
90DAYS AT CALL	\$ 5,000,000
TERM DEPOSIT	\$ 135,249,545
BOND	\$ 2,000,000
FRTD	\$ 1,000,000
UNITS (Local Govt Hse)	\$ 230,645
	\$ 152,106,663
SUMMARY BY CREDIT RATING	
	AMOUNT
	\$
AA	\$ 3,500,000
AA-	\$ 121,376,018
A+	\$ 15,000,000
A	\$ 2,000,000
A-	\$ 10,000,000
BBB+	\$ -
UNITS (Local Govt Hse)	\$ 230,645
	\$ 152,106,663

C15/6000 - INVESTMENT STATEMENTS FOR AUGUST 2015 (REC)

The following statements detail the investments held by the City for the period ending 31 August 2015.

STATEMENT OF INVESTMENTS FOR THE PERIOD ENDING 31 AUGUST 2015					
INSTITUTION / INVESTMENT	INVESTMENT TYPE	Interest Rate %	S & P RATING	AMOUNT \$	MATURITY DATE
BANKWEST (11AM)	11AM	2.50%	AA-	\$0	On call
WESTPAC (MAXI DIRECT)	11AM	1.70%	AA-	\$3,300,000	On call
WESTPAC (MAXI BONUS 1)	11AM	1.95%	AA-	\$1,311,341	On call
WESTPAC (MAXI BONUS 2)	11AM	1.95%	AA-	\$1,015,132	On call
				\$5,626,473	
WESTPAC (31DAYS AT CALL)	31DAYS AT CALL	2.15%	AA-	\$1,000,000	On call
				\$1,000,000	
WESTPAC (60DAYS AT CALL)	60DAYS AT CALL	2.95%	AA-	\$2,000,000	On call
				\$2,000,000	
WESTPAC (90DAYS AT CALL)	90DAYS AT CALL	3.05%	AA-	\$5,000,000	On call
				\$5,000,000	
BANK OF QUEENSLAND (TERM)	TERM	Various	A-	\$5,000,000	Various
BANKWEST (TERM)	TERM	Various	AA-	\$19,500,000	Various
BENDIGO AND ADELAIDE BANK (TERM)	TERM	Various	A-	\$4,000,000	Various
CITIBANK (TERM)	TERM	Various	AA-	\$1,351,797	Various
COMMONWEALTH BANK (TERM)	TERM	Various	AA-	\$24,000,000	Various
AMP BANK (TERM)	TERM	Various	A+	\$5,000,000	Various
ANZ BANK (TERM)	TERM	Various	AA-	\$17,500,000	Various
ING BANK (TERM)	TERM	Various	A-	\$1,000,000	Various
MACQUARIE BANK (TERM)	TERM	Various	A	\$2,000,000	Various
NAB (TERM)	TERM	Various	AA-	\$29,997,748	Various
RABODIRECT (TERM)	TERM	Various	AA	\$1,500,000	Various
ST GEORGE BANK (TERM)	TERM	Various	AA-	\$2,400,000	Various
SUNCORP METWAY LTD (TERM)	TERM	Various	A+	\$10,000,000	Various
WESTPAC (TERM)	TERM	Various	AA-	\$12,000,000	Various
				\$135,249,545	
WESTPAC (FRTD)	FRTD	2.80%	AA-	\$1,000,000	Various
				\$1,000,000	
COMMONWEALTH BANK (RETAIL BOND)	BOND	3.31%	AA	\$2,000,000	20-Dec-15
				\$2,000,000	
UNITS IN LOCAL GOVT HOUSE	NA	NA	NA	\$230,645	NA
TOTAL FUNDS INVESTED				\$152,106,663	
CREDIT RISK COMPARISON					
CREDIT RISK	AMOUNT \$	ACTUAL PROPORTION	MAX. % AMOUNT IN TOTAL PORTFOLIO	Comments	
AA	\$3,500,000	2%	80%		
AA-	\$121,376,018	80%	80%		
A+	\$15,000,000	10%	50%		
A	\$2,000,000	1%	50%		
A-	\$10,000,000	7%	50%		
BBB+	\$0	0%	20%		
UNITS IN LOCAL GOVT: HOUSE	\$230,645	0%	0.1%		Council Decision
TOTAL	152,106,663	100%			

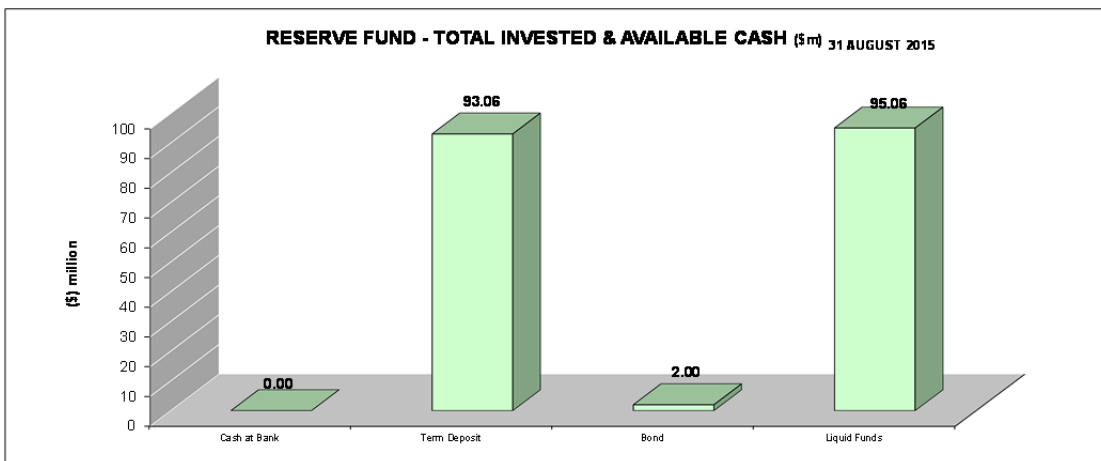
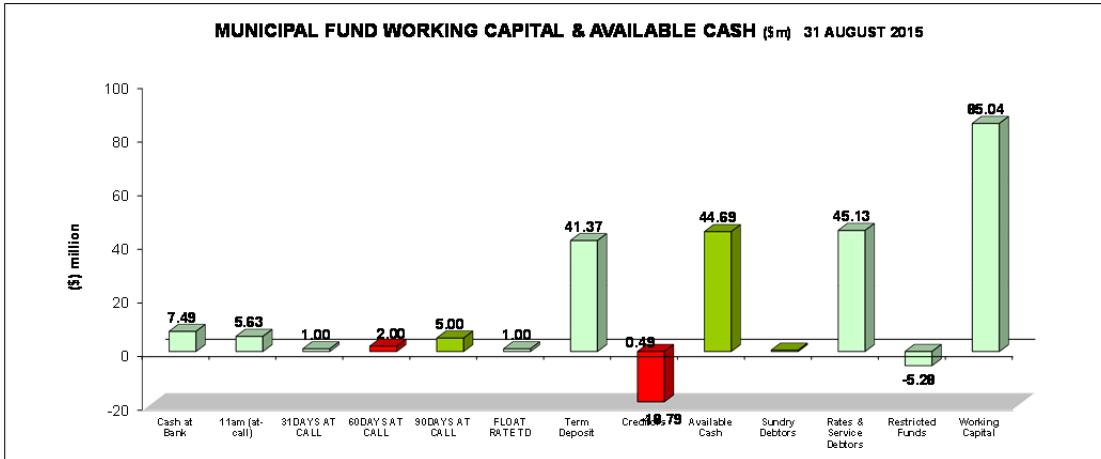
C15/6000 - INVESTMENT STATEMENTS FOR AUGUST 2015 (REC)

DIVERSIFICATION RISK					
INSTITUTION	INVESTMENT TYPE	S & P RATING	AMOUNT	\$ ACTUAL PROPORTION	INSTITUTION PROPORTION
ANZ BANK (TERM)	TERM	AA-	17,500,000	11.51%	11.51%
AMP BANK (TERM)	TERM	A+	5,000,000	3.29%	3.29%
BANKWEST (11AM)	11AM	AA-	-	0.00%	
BANKWEST (TERM)	TERM	AA-	19,500,000	12.82%	12.82%
BANK OF QUEENSLAND (TERM)	TERM	A-	5,000,000	3.29%	3.29%
BENDIGO AND ADELAIDE BANK (TERM)	TERM	A-	4,000,000	2.63%	2.63%
CITIBANK (TERM)	TERM	AA-	1,351,797	0.89%	0.89%
COMMONWEALTH BANK (TERM)	TERM	AA-	24,000,000	15.78%	
COMMONWEALTH BANK (COVERED BOND)	BOND	AAA	-	0.00%	
COMMONWEALTH BANK (RETAIL BOND)	BOND	AA	2,000,000	1.31%	
COMMONWEALTH BANK (FRN)	FRN	AA	-	0.00%	17.09%
ING BANK (TERM)	TERM	A-	1,000,000	0.66%	0.66%
MACQUARIE BANK (TERM)	TERM	A	2,000,000	1.31%	1.31%
NAB (TERM)	TERM	AA-	29,997,748	19.72%	19.72%
RABODIRECT (TERM)	TERM	AA	1,500,000	0.99%	0.99%
ST GEORGE BANK (TERM)	TERM	AA-	2,400,000	1.58%	1.58%
SUNCORP METWAY LTD (TERM)	TERM	A+	10,000,000	6.57%	6.57%
WESTPAC (MAXI BONUS 1)	11AM	AA-	1,311,341	0.86%	
WESTPAC (MAXI BONUS 2)	11AM	AA-	1,015,132	0.67%	
WESTPAC (MAXI DIRECT)	11AM	AA-	3,300,000	2.17%	
WESTPAC (31DAYS AT CALL)	31DAYS AT CALL	AA-	1,000,000	0.66%	
WESTPAC (60DAYS AT CALL)	60DAYS AT CALL	AA-	2,000,000	1.31%	
WESTPAC (90DAYS AT CALL)	90DAYS AT CALL	AA-	5,000,000	3.29%	
WESTPAC (FRTD)	FRTD	AA-	1,000,000	0.66%	
WESTPAC (TERM)	TERM	AA-	12,000,000	7.89%	17.51%
UNITS IN LOCAL GOVT HOUSE	NA	NA	230,645	0.15%	0.15%
			152,106,663	100%	100%
MATURITY COMPARISON					
TERM to MATURITY	AMOUNT	\$ ACTUAL PROPORTION	MAX. % IN ANY ONE YEAR	Comments	
MUNICIPAL & TRUST FUNDS					
< 1 year	56,609,705	100%	100%		
	56,609,705	100%			
RESERVE FUNDS					
< 1 year	95,055,261	100%	100%		
	95,055,261	100%			

C15/6000 - INVESTMENT STATEMENTS FOR AUGUST 2015 (REC)

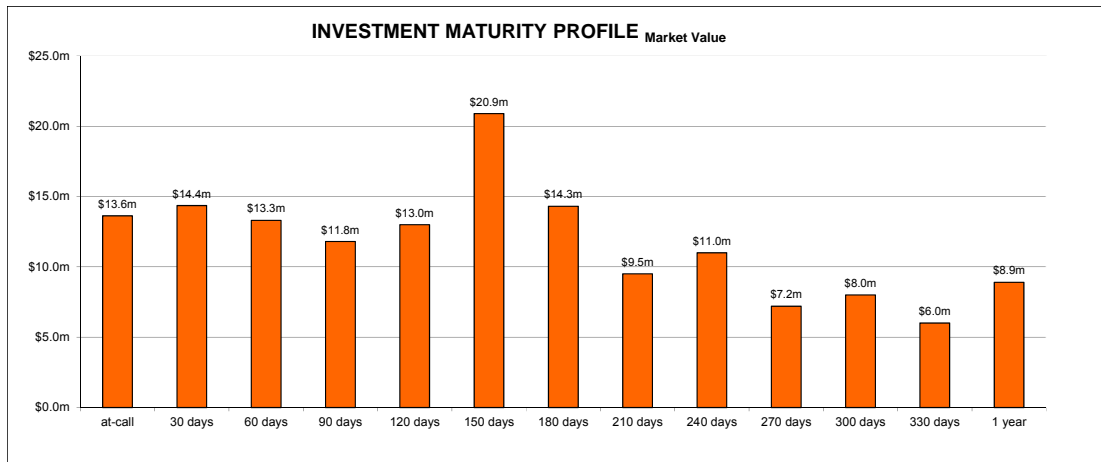
Net Funds Held

The graphs below summarise the Municipal Fund working capital and available cash and the funds held in the Reserve Fund as at 31 August 2015.



C15/6000 - INVESTMENT STATEMENTS FOR AUGUST 2015 (REC)

The graph below summarises the maturity profile of the City's investments at market value as at 31 August 2015.



STAKEHOLDER ENGAGEMENT

I. COMMUNITY

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.

II. OTHER AGENCIES / CONSULTANTS

Not applicable.

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)*

FINANCIAL IMPLICATIONS

For the period ending 31 August 2015:

- Investment earnings on Municipal and Trust Funds were \$146,917 against a year-to-date budget of \$135,833 representing an \$11,084 positive variance. The weighted average interest rate for Municipal and Trust Fund investments as at 31 August 2015 was 2.76% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 2.14%.
- Investment earnings on Reserve accounts were \$482,493 against a year-to-date budget of \$416,667 representing a \$65,826 positive variance. The weighted average interest rate for Reserve account investments as at 31 August 2015 was 2.92% which compares favourably to the benchmark three month bank bill swap (BBSW) reference rate of 2.14%.

C15/6000 - INVESTMENT STATEMENTS FOR AUGUST 2015 (REC)**STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

Council's Investment of Funds Policy CP-009 was drafted so as 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.

The interest rate risk is high due to the short-term nature of the City's investments and the inability, due to legislative restrictions, to lock into longer dated investments which attract higher interest rates and help reduce exposure to reductions in interest rates.

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

POLICY IMPLICATIONS

Council Policy CP-009 – Investment of Funds.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

The City's investment portfolio is invested in highly secure investments that are returning low investment returns. These returns are however commensurate with the low level of risk of the portfolio.

Future investment earnings are expected to continue to decrease when compared to previous years as interest rates continue to stay low, new restrictions put on banks by the regulators and the legislative restrictions that have been implemented by the State Government limiting term deposits to a maximum term of 12 months, resulting in the City not being able to invest in term deposits with the higher interest rates that are available on longer term investments.

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

That the Investment Report for the month of August 2015 be noted.

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY EN BLOC (11/0)

C15/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2015 (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	:	Annual Budget
Responsible Officer	:	Bruce Taylor – Manager Financial 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 type="checkbox"/>	Legislative	<i>Includes adopting local laws, town planning schemes & policies.</i>
<input type="checkbox"/>	Review	<i>When the Council operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input checked="" type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

KEY ISSUES / SUMMARY

This report presents the details of payments made under delegated authority to suppliers for the month of August 2015 and recommends that the Schedule of Accounts Paid be noted.

C15/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2015 (REC) (ATTACHMENT)

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 Management) 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 Paid for the month ending 31 August 2015 ([6001 August 2015](#)), including Payment Registers numbers, Cheques 474 to 479 and Electronic Funds Transfers batches 373 to 376 was distributed to the Elected Members of Council on 25 September 2015.

Payments in excess of \$25,000 for the month of August 2015 are detailed as follows:

Supplier Name	Remittance Number	Remittance Details	Amount
Asphaltech Pty Ltd	E045783	Progress claim for road resurfacing at Brockman Avenue	\$269,757.27
Asset Infrastructure Management Pty Ltd	E045796	2014 Road survey & consultancy for stormwater drainage inspections	\$56,999.80
Australia Post Perth	E045472	Mail charges for July 2015	\$33,563.49
Beacon Equipment	E045616 & E045814	Various gardening equipment & maintenance	\$53,385.50
Calibre Coatings Pty Ltd	E045690	Internal painting at Melville Recreation Centre	\$39,292.00
City of Cockburn	E045651	Commercial Waste Tip fees for July 2015	\$77,154.90
Department of Transport	Chq's 062491, 062553 & 062684	Motor vehicle registration fees	\$50,019.40
Devco Holdings Pty Ltd T/A Devco Builders	Chq 062563	RFID works at Bull Creek Library	\$88,419.38
Dickies Tree Services	E045404 & E045653	Tree pruning, lopping services at various locations	\$35,377.75
Downer EDI Works Pty Ltd	E045530 & E045749	Progress claim for road resurfacing at Leach Highway & kerbing works at Melville Beach Road	\$123,767.48
E Fire & Safety	E045625 & E045820	Fire equipment services at various place	\$25,792.25
Emso Maintenance T/A Crabclaw Holdings Pty Ltd	E045468 & E045706	Building maintenance at various locations	\$125,439.79
Fire & Emergency Services Authority WA	E045774	ESL remittance for July 2015	\$1,182,643.79
Flexi Staff	E045433 & E045677	Temporary employment	\$82,379.17
Forpark Australia	E045407 & E045656	Playground equipment & maintenance for various locations	\$32,620.11
GC Sales Pty Ltd	Chq 062583	2,500 mobile garbage bins & spare parts	\$141,586.50
Goodyear Dunlop Tyres (Australia) Pty Ltd T/A Beaufort Myaree	E045495 & E045725	Tyre renewal	\$43,256.04

C15/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2015 (REC) (ATTACHMENT)

Supplier Name	Remittance Number	Remittance Details	Amount
Hydroquip Pumps	E045682	Irrigation parts & pump repairs at various locations	\$60,744.20
Marketforce	E045534	Various Advertisements	\$33,932.45
Natural Area Management & Services	E045634 & E045827	Progress claim for herbicide treatment at various reserves	\$43,114.50
Public Transport Authority	E045496	Replacement of six bus shelters	\$93,966.16
Rhysco Electrical Services	E045523 & E045743	Electrical services at various locations	\$38,997.38
Roads 2000 Pty Ltd	E045566	Asphalt to Melville Beach Road	\$29,126.00
South West Group	E045691	2015-16 member council contributions - first instalment	\$40,000.00
Southern Metropolitan Regional Council	E045490 & E045720	MSW, recycling & verge side green waste collections gate fees for July 2015	\$779,371.55
Synergy	E045432 & E045676	Electricity charges for various locations and street lights	\$236,607.36
Technology One Ltd	E045642	Technology One Software Licence fees	\$74,119.60
TJS Cleaning Services Perth Pty Ltd	E045584 & E045791	Cleaning of LeisureFit Booragoon LeisureFit Melville & Heathcote	\$51,760.76
Tree Amigos Tree Surgeons	E045742	Tree lopping services	\$36,799.40
Water Corporation	Chq's 062555, 062685 & 062547	Water charges & sewerage manhole fees at Melville Beach Road	\$40,822.84
Western Power	E045429	Cash call 1 for Melville South underground power project	\$800,000.00
Young's Plumbing Service Pty Ltd	E045503 & E045729	Building maintenance at various locations	\$47,410.52

C15/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2015 (REC) (ATTACHMENT)**STAKEHOLDER ENGAGEMENT****I. COMMUNITY**

Not applicable.

II. 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 adopted Budget as amended by any subsequent Budget reviews.

STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS

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

POLICY IMPLICATIONS

Procurement of Products and Services is conducted in accordance with Council Policy CP-023 and Systems Procedure 019 Purchasing and Procurement.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not applicable.

CONCLUSION

This is a regular monthly report for Elected Members' information.

C15/6001 – SCHEDULE OF ACCOUNTS PAID FOR AUGUST 2015 (REC) (ATTACHMENT)**OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6001)****NOTING**

That the Council notes the Schedule of Accounts paid for the month ending 31 August 2015 as approved by the Director Corporate Services in accordance with delegated authority DA-035, and detailed in attachment [6001 August 2015](#)

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY ENBLOC (11/0)

**C15/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2015 (AMREC)
(ATTACHMENTS)**

Ward	:	All
Category	:	Operational
Subject Index	:	Financial Reporting - Statements of Financial Activity
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	:	Bruce Taylor – Manager Financial 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 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 operates as a review authority on decisions made by Officers for appeal purposes.</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>
<input type="checkbox"/>	Information	<i>For the Council/Committee to note.</i>

KEY ISSUES / SUMMARY

This report presents:

- The Statements of Financial Activity for the period ending 31 August 2015 and recommends that they be noted by the Council.
- Budget amendments for the period ending 31 August 2015 and recommends that they be adopted by Absolute Majority decision of the Council.
- The variances for the month of August 2015 and recommends that they be noted by the Council.

**C15/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2015 (AMREC)
(ATTACHMENTS)**
BACKGROUND

The Statements of Financial Activity for the period ending 31 August 2015 have been prepared and tabled in accordance with the *Local Government (Financial Management) Regulations 1996*.

DETAIL

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

For the period ending 31 August 2015, net operating positive variances of \$2.886million and net capital positive variances of \$3.721million were recorded.

Variations

A summary of variations and comments are provided in attachment [6002H August 2015](#).

Revenue

\$80.644million in Rates was raised to 31 August 2015. This is compared with a revised year to date budget of \$80.585million, resulting in a positive variance of \$590,000.

CITY OF MELVILLE RATE SETTING STATEMENT STATEMENT OF VARIANCES IN EXCESS OF \$50,000							
	August Actual \$	YTD Rev. Budget \$	YTD Actual \$	Variance \$	Variance %	Annual Budget \$	Annual Rev. Budget \$
Revenues							
General Purpose Funding	955,904	4,584,000	4,458,752	(125,248)	-3%	10,579,550	10,579,550
Community Amenities	174,090	1,728,096	1,840,493	112,397	7%	3,205,507	3,076,624
Transport	87,488	195,567	41,461	(154,105)	-79%	3,124,779	3,693,266
Other Property and Services	159,184	309,585	208,291	(101,293)	-33%	3,374,667	3,587,667
	2,264,614	11,408,680	11,150,828	(359,145)	-2%	31,697,763	32,354,367
Expenses							
Governance	(262,153)	(768,947)	(497,083)	271,864	-35%	(4,195,642)	(4,477,256)
General Purpose Funding	(1,206,799)	(968,808)	(1,246,641)	(277,833)	29%	(4,243,834)	(4,953,336)
Law, Order, Public Safety	(281,230)	(599,025)	(527,235)	71,790	-12%	(3,807,299)	(3,807,299)
Education & Welfare	(218,408)	(477,164)	(393,559)	83,605	-18%	(2,899,612)	(2,912,198)
Community Amenities	(2,273,233)	(4,441,819)	(3,127,665)	1,314,154	-30%	(24,390,165)	(24,955,983)
Recreation and Culture	(2,201,079)	(4,961,598)	(3,938,577)	1,023,020	-21%	(29,594,045)	(29,752,403)
Transport	(730,387)	(1,508,569)	(975,769)	532,800	-35%	(8,903,681)	(8,996,219)
Economic Services	(170,149)	(342,229)	(413,786)	(71,558)	21%	(2,142,783)	(2,142,783)
Other Property and Services	(1,283,307)	(4,669,270)	(4,944,058)	(274,788)	6%	(20,130,413)	(20,368,851)
	(8,703,572)	(18,909,171)	(16,220,095)	3,431,340	-14%	(101,412,725)	(103,471,579)
Capital Revenue & Expenditure							
Purchase of Furniture & Equipment	(232,923)	(708,871)	(295,009)	413,862	-58%	(1,476,120)	(2,292,834)
Purchase of Plant & Equipment	(49,656)	(979,900)	(49,656)	930,244	-95%	(4,496,368)	(5,334,368)
Purchase of Land & Buildings	(190,676)	(2,933,954)	(212,444)	2,721,510	-93%	(5,153,700)	(6,679,179)
Purchase of Infrastructure Assets	(891,886)	(695,111)	(638,725)	56,386	-8%	(16,644,956)	(21,617,907)

**C15/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2015 (AMREC)
(ATTACHMENTS)****Money Expended in an Emergency and Unbudgeted Expenditure**

Not applicable for August 2015.

Budget Amendments

Details of Budget Amendments requested for the month of August 2015 are shown in attachment [6002J August 2015](#). Highlighted are six budget amendment journals greater than \$50,000 that were processed in August 2015.

- \$5,618,813 – Capital Works carry forwards from 2014/2015.
- \$ 688,337 – Capital Income carry forwards from 2014/2015.
- \$1,572,695 – Non-Capital Works program Carry Forwards from 2014/2015.
- \$ 71,000 – Re-instatement of verge repairs budget.
- \$ 210,000 – Transfer for Wireless Hill Stage 2 Project.
- \$1,231,529 – Transfer Capital Work Income budgets to Project Specific Cost Centres.

Rates Collections and Debtors

Details of Rates and Sundry Debtors are shown in attachments 6002L, 6002M and 6002N. Rates, Refuse, Fire and Emergency Service Authority & Underground Power payments totalling \$52,599,689 were collected over the course of the month. Rates collection progress for the month of August is 3.5% below target which represents a dollar value of \$3,455,203. As at 31 August, 7.4% of 2015/2016 rates had been collected. This was 3.3% less than collected for the same time last year. This is a significant variation and the root cause is unknown – it may be related to the down turn in the Western Australian economy due to the slump in the mining sector.

Total sundry debtor balances decreased by \$340,248 over the course of the month from \$837,568 to \$497,319. The 90+ day's debtor balance increased by \$25,203 from \$17,107 to \$42,310.

Granting of concession or writing off debts owed to the City

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.

No debts were written off under delegated authority in the month of August 2015.

**C15/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2015 (AMREC)
(ATTACHMENTS)**

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

DESCRIPTION	LINK
Rate Setting Statement August 2015	6002A August 2015
Statement of Financial Activity – August 2015	6002B August 2015
Representation of Net Working Capital – August 2015	6002E August 2015
Reconciliation of Net Working Capital – August 2015	6002F August 2015
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – August 2015	6002H August 2015
Details of Budget Amendments requested – August 2015	6002J August 2015
Summary of Rates Debtors – August 2015	6002L August 2015
Graph Showing Rates Collections – August 2015	6002M August 2015
Summary of General Debtors aged 90 Days Old or Greater – August 2015	6002N August 2015

STAKEHOLDER ENGAGEMENT

I. COMMUNITY

Not applicable.

II. 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 Management) Regulation 1996 Part 4 – Financial Reports Regulation 34 requires that:

**C15/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2015 (AMREC)
(ATTACHMENTS)****34. Financial activity statement report — s. 6.4**

(1A) In this regulation — **committed assets** means revenue unspent but set aside under the annual budget for a specific purpose.

(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, 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 subregulation (1)(d); and
- (c) such other supporting information as is considered relevant by the local government.

(3) The information in a statement of financial activity may be shown —

- (a) according to nature and type classification; or
- (b) by program; or
- (c) by business unit.

(4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —

- (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; 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 the AAS, to be used in statements of financial activity for reporting material variances.

The variance adopted by the Council is 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

Variances are dealt with in attachment [6002H August 2015](#) (Notes on Statement of Variances in excess of \$50,000).

**C15/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2015 (AMREC)
(ATTACHMENTS)****STRATEGIC, RISK AND ENVIRONMENTAL MANAGEMENT IMPLICATIONS**

There are no identifiable strategic, risk and environmental management implications arising from this report.

POLICY IMPLICATIONS

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

CONCLUSION

The attached financial reports reflect a positive financial position of the City of Melville as at 31 August 2015.

C15/6002 – STATEMENTS OF FINANCIAL ACTIVITY FOR AUGUST 2015 (AMREC)

OFFICER RECOMMENDATION AND COUNCIL RESOLUTION (6002)

ABSOLUTE MAJORITY

At 9.05pm Cr Schuster moved, seconded Cr Willis –

That the Council:

- Note the Rate Setting Statement and Statements of Financial Activity for the month ending 31 August 2015 as detailed in the following attachments:**

DESCRIPTION	LINK
Rate Setting Statement August 2015	6002A August 2015
Statement of Financial Activity – August 2015	6002B August 2015
Representation of Net Working Capital – August 2015	6002E August 2015
Reconciliation of Net Working Capital – August 2015	6002F August 2015
Notes on Rate Setting Statement reporting on variances of 10% or \$50,000 whichever is greater – August 2015	6002H August 2015
Details of Budget Amendments requested – August 2015	6002J August 2015
Summary of Rates Debtors – August 2015	6002L August 2015
Graph Showing Rates Collections – August 2015	6002M August 2015
Summary of General Debtors aged 90 Days Old or Greater – August 2015	6002N August 2015

- By Absolute Majority Decision adopt the budget amendments, as listed in the Budget Amendment Reports for August 2015, as detailed in attachment [6002J August 2015](#).**

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY BY ABSOLUTE MAJORITY (11/0)

15. EN BLOC ITEMS

At 9.05pm Cr Willis moved, seconded Cr Foxton –

That the recommendations for items, P15/3671, T15/3659, M15/5438 M15/5000, C15/6000 and C15/6001 be carried En Bloc.

At 9.05pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

16. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

17. MOTIONS WITHOUT NOTICE

17.1 The Future of Shirley Strickland Reserve

COUNCIL RESOLUTION

ABSOLUTE MAJORITY

At 9.07pm Cr Robartson moved, seconded Cr Reynolds–

That Cr Schuster be permitted to present to Council a Motion Without Notice relating to The Future of Shirley Strickland Reserve.

At 9.07pm the Mayor submitted the motion which was declared

CARRIED BY ABSOLUTE MAJORITY (9/2)

Vote Result Summary	
Yes	9
No	2

Vote Result Detailed	
Cr Foxton	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Mayor Aubrey	Yes
Cr Barton	No
Cr Pazolli	No

17.1 The Future of Shirley Strickland Reserve (Continued)

Disclosure of Interest

Item No.	17.1
Member	Cr C Schuster
Type of Interest	Interest under the Code of Conduct
Nature of Interest	Voluntary Secretary of the Ardross Junior Cricket Club and coordinate cricket program held at Shirley Strickland Reserve. Social Member of the Mount Pleasant Bowls Club – no capacity to vote
Request	Not Applicable
Decision of Council	Not Applicable

At 9.08pm Cr Schuster moved, seconded Cr Reynolds-

The Council resolves to:

1. **Note and reaffirm its unanimous resolution in relation to the potential redevelopment of and/or new facilities at Shirley Strickland Reserve in Ardross of 21st April, 2015 (pages 77 to 81 inclusive of the Minutes of the Council meeting on that date);**
2. **Notes that during the current Local Government election campaign there has been some anonymous and misleading information circulating in the Ardross and Mount Pleasant communities (noting two such items attached to this Notice) in respect to potential aspects of the proposal which could flow from the above resolution;**
3. **Notes the purpose of the April 21st resolution was to commence the engagement and planning process and then report to Elected Members at an Information Session prior to Council considering any formal proposal, and that it is intended that initial process commence in November 2015; and,**
4. **In the event that the land on which the Mount Pleasant Bowls Club is vacated by the Club as a result of this, or any other process, that the Council is of the view that the future use of the land “for a purpose consistent with its surrounds” would not include high density development such as an apartment block as suggested by one of the anonymous documents referred to above.**

AMENDMENT

At 9.19pm Cr Pazolli moved, seconded Cr Taylor-Rees -

That the following be added to the end of item 4:
but would remain as a public facility or public open space for the benefit of the amenity for Melville residents.

At 9.35pm the Mayor submitted the motion, which was declared

LOST (5/6)

17.1 The Future of Shirley Strickland Reserve (Continued)

Vote Result Summary	
Yes	5
No	6

Vote Result Detailed	
Cr Barton	Yes
Cr Pazolli	Yes
Cr Robartson	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Cr Foxtton	No
Cr Macphail	No
Cr Phelan	No
Cr Reynolds	No
Cr Schuster	No
Mayor Aubrey	No

MOTION OF DISSENT

At 9.26pm Cr Pazolli moved, seconded Cr Taylor-Rees -, the following Procedural Motion in accordance with Clause 11.1(f) of Standing Orders Local Law 2003 -

That the ruling of the Presiding Member relating to a statement by Cr Schuster be disagreed with.

At 9.27pm the Mayor submitted the Procedural Motion which was declared

LOST (3/8)

Vote Result Summary	
Yes	3
No	8

Vote Result Detailed	
Cr Barton	Yes
Cr Pazolli	Yes
Cr Taylor-Rees	Yes
Cr Foxtton	No
Cr Macphail	No
Cr Phelan	No
Cr Reynolds	No
Cr Robartson	No
Cr Schuster	No
Cr Willis	No
Mayor Aubrey	No

17.1 The Future of Shirley Strickland Reserve (Continued)**COUNCIL RESOLUTION****The Council resolves to:**

- 1. Note and reaffirm its unanimous resolution in relation to the potential redevelopment of and/or new facilities at Shirley Strickland Reserve in Ardross of 21st April, 2015 (pages 77 to 81 inclusive of the Minutes of the Council meeting on that date);**
- 2. Notes that during the current Local Government election campaign there has been some anonymous and misleading information circulating in the Ardross and Mount Pleasant communities (noting two such items attached to this Notice) in respect to potential aspects of the proposal which could flow from the above resolution;**
- 3. Notes the purpose of the April 21st resolution was to commence the engagement and planning process and then report to Elected Members at an Information Session prior to Council considering any formal proposal, and that it is intended that initial process commence in November 2015; and,**
- 4. In the event that the land on which the Mount Pleasant Bowls Club is vacated by the Club as a result of this, or any other process, that the Council is of the view that the future use of the land “for a purpose consistent with its surrounds” would not include high density development such as an apartment block as suggested by one of the anonymous documents referred to above.**

At 9.51pm the Mayor submitted the motion, which was declared

CARRIED (8/3)

REASONS:

1. I have been a part time user and observer of activities at the Shirley Strickland Reserve for over 25 years and recently my engagement with the Reserve has become more regular. I find the Reserve, which I think with its area and location, should be one of the “jewels in the crown” of the City’s active reserves, to be not as well used as perhaps it should be with a physical facility at its core that is simply not up to contemporary standard from a structural point of view, and also does not encourage junior sport to use it because of the liquor licensing arrangements there. In recent times, because of the unavailability of sufficient groundwater, the verges around the Reserve have become degraded through irregular vehicle parking –there are proposals being considered in the Budget process to rectify this situation by the installation of verge parking, which itself would be an essential component of any long term redevelopment;
2. The City’s policies and plans are very supportive of organised and private recreation and sporting activities being integral to the vibrancy and effective functioning of our communities, and indeed one of the City’s largest areas of expenditure is in developing and maintaining facilities for that very purpose;

17.1 The Future of Shirley Strickland Reserve (Continued)

3. I have been waiting for the consultation to commence, as suggested by the Council resolution, involving anybody who wanted to be involved. I am advised this process will commence in November 2015. Consequently I was surprised to see in the last two weeks that, even though I didn't seem to think I was a candidate for election in 2015, people in both authorised and unauthorised material (to my count two anonymous flyers, one authorised flyer and unauthorised signs that were removed by Council staff and prompted a warning from the Returning Officer I believe) have seen fit to associate me by name with the Council resolution (rather than the Council which made the decision unanimously) and then go on to advise why they don't like certain things that may or may not happen. As it happens more people have contacted me in support than to criticise me, but I am left to wonder at the motivation;

4. The more significant issue is the dark cloud these actions could place over this important consultation process –the issues of the uses of the Shirley Strickland Reserve will be resolved during consultation and eventually by a Council decision of one kind or another, but the commentary about “12 story apartment blocks” potentially on the Bedford Road land is in my view just cynical populism from people not prepared to put their name to public information (leaving aside that the Kitchener Road development was opposed by Council –including me –and is not 12 stories in any event; minor details perhaps. This point leads me to ask the Council, in the event that the Bowls Club land did become available for residential development that high density apartment style development would not be contemplated on that site, consistent with the City's CPS 6 and various structure plans.

Vote Result Summary	
Yes	8
No	3

Vote Result Detailed	
Cr Foxtton	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Willis	Yes
Mayor Aubrey	Yes
Cr Barton	No
Cr Pazolli	No
Cr Taylor-Rees	No

17. MOTIONS WITHOUT NOTICE BY ABSOLUTE MAJORITY OF THE COUNCIL

Nil

18. IDENTIFICATION OF MATTERS FOR WHICH MEETING MAY BE CLOSED

At 9.52pm Cr Willis moved, seconded Cr Schuster–

That the meeting be closed to the public to permit discussion on a confidential matter Confidential Item T15/3670 – Reconsideration of Approval of Southern Metropolitan Regional Council Materials Recovery Facility Transaction – Memorandum of Understanding covered under section 5.23 (2) (c) of the Local Government Act 1995, a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and (e) a matter that if disclosed would reveal – information that has commercial value to a person; ...where the trade secret or information is held by, or is about, a person other than the local government;...

At 9.52pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

At 9.54pm Cr Pazolli left the meeting and returned at 9.56pm

CONFIDENTIAL ITEM T15/3670 – RECONSIDERATION OF APPROVAL OF SOUTHERN METROPOLITAN REGIONAL COUNCIL MATERIALS RECOVERY FACILITY TRANSACTION – MEMORANDUM OF UNDERSTANDING (REC) (CONFIDENTIAL ATTACHMENT)

OFFICER RECOMMENDATION (3670)

APPROVAL

That the Council:

1. Notes the Chief Executive Officer’s unsuccessful negotiations on the final terms of the Memorandum of Understanding : Materials Recovery Facility Project and
2. Advises the Southern Metropolitan Regional Council that although the City of Melville is fully in support of the process to dispose of the Materials Recovery Facility the City will not be signing Circulation Draft Memorandum of Understanding 4 – 14 July 2015, as the City does not believe it is in the best interests of the City or its ratepayers to do so and that it is inappropriate for the City of Cockburn to be exempted from subclause 8.1 (b) which is binding on all other signatories to the Memorandum of Understanding.

REJECT AND REPLACE

At 9.53pm Cr Schuster moved, seconded Cr Reynolds –

That the Council notes the progress of negotiations around the Memorandum of Understanding in relation to the proposed sale of the Southern Metropolitan Regional Council Materials Recovery Facility and authorises the Chief Executive Officer and the Mayor to sign the Memorandum of Understanding in its current form, including Clause 8.1 in its entirety.

At 10.02pm the Mayor submitted the motion, which was declared

CARRIED (9/2)

Vote Result Summary	
Yes	9
No	2

Vote Result Detailed	
Cr Barton	Yes
Cr Foxtton	Yes
Cr Macphail	Yes
Cr Phelan	Yes
Cr Reynolds	Yes
Cr Robartson	Yes
Cr Schuster	Yes
Cr Taylor-Rees	Yes
Cr Willis	Yes
Cr Pazolli	No
Mayor Aubrey	No

CONFIDENTIAL ITEM T15/3670 – RECONSIDERATION OF APPROVAL OF SOUTHERN METROPOLITAN REGIONAL COUNCIL MATERIALS RECOVERY FACILITY TRANSACTION – MEMORANDUM OF UNDERSTANDING (REC) (CONFIDENTIAL ATTACHMENT)Reasons for Reject and Replace Motion

Cr Schuster provided the following reasons for the Reject and Replace Motion.

1. As the Council's representative on the Southern Metropolitan Regional Council SMRC (and the Chairman of the SMRC) I have been closely involved in this process, from the initiation of the planning process in early 2014, to the negotiations leading to the advertising of the Business Plan and the preparation of this draft Memorandum of Understanding (MoU). I can understand the Chief Executive Officer's (CEO) reluctance to sign the draft MoU which [in relation to the exclusion of the City of Cockburn [CoC] from the operations of Clause 8.1 (b)] seems to offer the CoC a benefit not available to the other parties;
2. This entire process, which has the capacity to offer significant benefits to all Council participants, including the City of Melville, has become long, drawn out and not a little frustrating, in part because of the legal requirements of local governments when disposing of property, the member based structure of the SMRC itself, and not least because of CoC's decision to partially withdraw (whatever that means!!) from the SMRC which has created doubt over this process and certainly extended it (this matter is dealt with elsewhere in this agenda);
3. I understand the CEO's position on the CoC "exclusion" clause in the MoU and share his frustration at what seems to be an attempt to shut down the SMRC prematurely. This action would come at great cost to its shareholders [including CoC of course] and have the inevitable consequence of all waste in the SMRC area going to landfill disposal because of the absence for at a minimum 3 or 4 years of any alternative waste treatment system (waste to energy being the most obvious candidate) – I for one am of the view that Melville's residents and ratepayers would in large measure regard that a large backward step to save about \$40 - \$50 per household a year;
4. However in the case of this MoU, which is already the result of a long and laborious process, the retention of this "exclusion" clause in the MoU will in my view have almost no effect in practice. I say this because the decision to sell the Materials Recovery Facility (MRF), and under what conditions, is still on track for the late November 2015 SMRC Council meeting to recommend a course of action to the SMRC members that they presumably will consider in February 2016. Hence the decision to sell the MRF (or not) will be concluded well within the 2015/2016 financial year – even if it is successful CoC's partial withdrawal proposal cannot be implemented until 1 July 2016, and if that Council, for whatever reason decided to seek full withdrawal (which would come at a significant financial and environmental cost) it has to give formal notice by 30 June 2016, to take effect on 1 July 2017;
5. In essence the sale of the MRF will be decided one way or the other in 2015/2016 when CoC will be a full member of the SMRC; and,
6. This process has had many twists and turns and if Melville decides not to sign the MoU that will just create another reason for delay and uncertainty among the other Members of the SMRC – I accept that we can commit to the sale without the MoU, but 3 Members have already signed it as described in the Item and the other (City of Kwinana) has resolved to sign their special agreement (as a user but not shareholder in the MRF) – Melville creating a third category of participant will just add uncertainty and tension to an already strained system.

At 10.02pm Cr Willis moved, seconded Cr Reynolds–

That the meeting come out from behind closed doors and the public be invited back into the meeting.

At 10.02pm the Mayor submitted the motion, which was declared

CARRIED UNANIMOUSLY (11/0)

18. CLOSURE

There being no further business to discuss, the Mayor declared the meeting closed at 10.03pm.